

**CITY OF WAYCROSS, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Honorable Mayor and Members of the City Commission
City of Waycross, Georgia
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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 City of Waycross, Georgia, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 12), budgetary comparison information (on page 62), and the schedules of historical pension information and related notes (on pages 57 through 61) be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waycross, Georgia's financial statements as a whole. The combining and individual non-major fund financial statements, internal service funds, fiduciary funds, the Schedules of Projects Constructed with Special Sales Tax Proceeds and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual non-major fund financial statements, internal service funds, fiduciary funds, and the Schedules of Projects Constructed with Special Sales Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016 on our consideration of City of Waycross, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Waycross, Georgia's internal control over financial reporting and compliance.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

November 30, 2016

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, 2016. 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. However, long term financing is used for equipment and other major projects.

The largest source of funds for the general fund is local option sales taxes and property taxes accounting for over 68% of the budget. During 2016, sales taxes had a modest decrease from the prior year. During 2015, sales taxes decreased again from the prior year. Collections decreased 3.5 percent over fiscal year 2016.

The impact of the economic growth in our community has been stable again this year. The restaurant and retail clientele is continuing to expand. The millage rate has remained at 10.998 mills since 2009. However, the Adjusted Net Digest increased by \$955,589. In fiscal year 2014, the fund balance was \$398,090. At the end of 2015, the fund balance increased \$61,181 resulting in a fund balance of \$459,271. For fiscal year 2016, the ending fund balance is \$463,555. A 7% increase in the insurance premium taxes played a small factor in the increase of the Fund Balance. The other revenues collected were 5% lower than projected and the expenditures were less than 1% than the revenue collected. 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 has addressed those needs as it relates to public buildings, streets and major equipment. Since inception, \$10,926,830 has been collected and \$1,369,332 has been spent on fire and special purpose vehicles, \$2,682,447 on street improvements, \$60,921 on technology improvements, \$76,458 on property acquisitions, \$387,259 on Downtown Development Authority projects, \$3,259,379 on building improvements (including City Auditorium), and \$456,154 on water and sewer rehabilitation and expansion. In November 2014, the City started receiving funds for the SPLOST 2014. This is another six year 1 percent sales tax that picked up where the 2008 SPLOST ended. The City anticipates collecting around 15,472,000 during the next six years. As of June 30, 2016, the City had collected \$3,921,676 in revenue. These funds will be used to improve roads and streets, water & sewer rehabilitations, public facility improvements, public safety and special vehicle fleet, city park improvements, and other projects. As of June 30, 2016, \$488,543 has been spent on public facility improvements, \$254,699 on public safety and special vehicle fleet, \$44,345 on city park improvements, and \$6,709 on information technology. The remaining funds from both SPLOST will continue to be spent within the next following year.

In the public utilities business-type activities (water and sewer services), revenues exceeded expenses by \$380,634. Significant infrastructure replacements to the sewer collection system are necessary to efficiently provide this service. In fiscal year 2012, the new rate structure was implemented. The rates were based on a rate study that insures the rates are adequate to fund necessary improvements. Continued infrastructure replacements are included in our long range plans and will be funded by current operations and implementation in fiscal year 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The waste management business-type activity revenues exceeded expenses by \$39,152. Due to the closing of the county's landfill, the city had to start outsourcing the grinding of yard debris. During the fiscal year 2015 the City started a new service at no cost to our customers, removing brown/white goods weekly from the residents curb side. This has continued to be a positive change as of today.

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 revenue and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. It serves as one measure of the City's financial health or financial position. Over time, increases or decreases in net position may serve as a useful indicator whether the financial health of the City is improving or deteriorating. Other nonfinancial 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 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 significant portions 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, waste management which includes yard trash and garbage pick-up, and the City auditorium activities.

Fund Financial Statements

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 24 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 2008-2013 Fund, and the SPLOST 2014 Fund which are considered to be major funds. Data for the other 20 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 15 and 17.

Proprietary Funds – The City maintains three 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, sanitation, and City auditorium 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, and employee benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Utilities and Waste Management Funds since both are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 19-22 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 24-56.

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 57-62 of this report.

The combined statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combined and individual statements and schedules can be found on pages 63-70 and 71-95 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Assets and Liabilities 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 the intended purpose.

Governmental-Wide Financial Analysis

As noted earlier, net position 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 \$45,096,431 as of June 30, 2016. The tables below should be read in conjunction with the financial statements on pages 13-14.

	Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 8,290,879	\$ 7,922,528	\$ 2,820,959	\$ 2,628,393	\$ 11,111,838	\$ 10,550,921
Capital Assets	18,926,814	18,252,390	30,931,550	31,408,476	49,858,364	49,660,866
Total Assets	27,217,693	26,174,918	33,752,509	34,036,869	60,970,202	60,211,787
Deferred Outflows of Resources	2,350,937	992,041	-	-	2,350,937	992,041
Long-term debt outstanding	\$ 9,141,662	\$ 7,969,316	\$ 5,775,442	\$ 6,405,095	\$ 14,917,104	\$ 14,374,411
Other liabilities	2,378,236	1,598,504	251,514	239,419	2,629,750	1,837,923
Total liabilities	11,519,898	9,567,820	6,026,956	6,644,514	17,546,854	16,212,334
Deferred Inflows of Resources	677,854	958,191	-	-	677,854	958,191
Net Position:						
Net Investment in capital assets	\$ 18,083,130	\$ 17,255,867	\$ 25,169,927	\$ 25,014,006	\$ 43,253,057	\$ 42,269,873
Restricted	6,144,865	5,728,610	-	-	6,144,865	5,728,610
Unrestricted	(6,857,117)	(6,343,529)	2,555,626	2,378,349	(4,301,491)	(3,965,180)
Total Net Position	\$ 17,370,878	\$ 16,640,948	\$ 27,725,553	\$ 27,392,355	\$ 45,096,431	\$ 44,033,303

The largest portion of the City's net position (82%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress, and infrastructure), less any debt issued to acquire those assets that are 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The net position of the City's governmental activities increased by \$729,930. A portion of the City's net position, \$6,144,865, represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net position, \$6,857,117 may be used to meet the government's ongoing obligation to citizens and creditors.

The net position of the City's business-type activities increased by a difference of \$333,198. The City can only use this net position to finance the continuing operations of the public utilities (water and sewer), waste management (garbage and yard trash pickup/disposal), and city auditorium.

	Change in Net Position					
	Governmental		Business-Type		Total	
	Activities	Activities	Activities	Activities	2016	2015
	2016	2015	2016	2015	2016	2015
Program Revenues						
Charges for Services	\$1,559,382	\$1,641,599	\$6,296,052	\$6,116,515	\$7,855,434	\$7,758,114
Operating Grants	165,250	357,374	-	-	165,250	357,374
Capital Grants	2,664,285	2,076,085	410,035	314,710	3,074,320	2,390,795
General Revenues					-	-
Property Taxes	3,140,361	3,089,955	-	-	3,140,361	3,089,955
Sales Taxes	2,780,778	2,941,339	-	-	2,780,778	2,941,339
Franchise Fees	1,200,642	1,212,752	-	-	1,200,642	1,212,752
Other Taxes	2,040,220	2,005,388	-	-	2,040,220	2,005,388
Investment Earnings	2,365	1,006	400	919	2,765	1,925
Other	15,614	7,573	-	-	15,614	7,573
Total Revenues	13,568,897	13,333,071	6,706,487	6,432,144	20,275,384	19,765,215
Program Expenses						
General Government	415,416	279,853	-	-	415,416	279,853
Public Safety	7,682,373	7,827,429	-	-	7,682,373	7,827,429
Public Works	3,742,118	3,840,746	-	-	3,742,118	3,840,746
Community Development	979,958	1,096,252	-	-	979,958	1,096,252
Interest	19,102	17,870	-	-	19,102	17,870
Public Utilities	-	-	4,337,764	4,249,079	4,337,764	4,249,079
Waste Management	-	-	1,883,887	1,889,157	1,883,887	1,889,157
City Auditorium	-	-	151,638	158,844	151,638	158,844
Total Expenses	12,838,967	13,062,150	6,373,289	6,297,080	19,212,256	19,359,230
Increase in net position	\$ 729,930	\$ 270,921	\$ 333,198	\$ 135,064	\$1,063,128	\$ 405,985

The City's total combined activities revenue decreased by \$510,169 (3 percent) and the total combined expenses decreased by \$146,974 (1 percent).

The analysis below separately considers the operations of governmental and business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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		Net Cost of Services	
	2016	2015	2016	2015
General Government	\$ 415,416	\$ 279,853	\$ (639,463)	\$ (903,483)
Public Safety	7,682,373	7,827,429	6,059,274	6,436,239
Public Works	3,742,118	3,840,746	2,318,595	2,623,908
Community Development	979,958	1,096,252	692,542	812,558
Interest on Long-Term Debt	19,102	17,870	19,102	17,870
Total Expenses	<u>\$ 12,838,967</u>	<u>\$ 13,062,150</u>	<u>\$ 8,450,050</u>	<u>\$ 8,987,092</u>

The net expense of operating Governmental Activities decreased from \$8,987,092 to \$8,450,050 or 6 percent. General revenues decreased 1 percent or \$78,033 from \$9,258,013 in 2015 to \$9,179,980 in 2016.

Business-Type Activities

The City's 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. A rate study has been completed and was implemented in fiscal year 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 15) reported a combined fund balance of \$6,721,134. Included in this total fund balance is the fund balance of the General Fund of \$463,555 which compares to a prior balance of \$459,271 in 2015. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

Actual revenues for 2016 did not meet the budgeted amount by \$808,756 or 7 percent and expenses did not exceed the budget by \$813,040 or 7 percent. The revenues for taxes were 7% lower than budgeted. Even with the decrease of 5% from sales tax, other tax revenues were slightly lower than the City had anticipated. For example, the franchise fees collected were \$12,110 lower than 2015 collections. All operating expenditures were within budget. A more detailed comparison is on page 62.

Capital Assets

At June 30, 2016, the City had approximately \$50 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 \$197,497 over the last year. The table below provides further analysis of these capital assets.

	Capital Assets at Year End					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 5,045,380	\$ 5,045,380	\$ 235,859	\$ 235,859	\$ 5,281,239	\$ 5,281,239
Construction in Progress	968,314	574,684	157,955	275,051	1,126,269	849,735
Buildings/Improvements	8,824,781	8,792,244	12,194,322	12,194,322	21,019,103	20,986,566
Equipment and Vehicles	8,610,624	8,349,451	5,621,409	5,505,914	14,232,033	13,855,365
Infrastructure	35,373,361	34,552,947	50,212,222	49,713,956	85,585,583	84,266,903
Accumulated Depreciation	(39,895,646)	(39,062,316)	(37,490,217)	(36,516,625)	(77,385,863)	(75,578,941)
Total Assets	\$18,926,814	\$18,252,390	\$30,931,550	\$31,408,477	\$49,858,364	\$49,660,867

Additional information on the City of Waycross' capital assets can be found in footnote 7 on pages 37 and 38 of this report.

Debt Administration

At year end, the City had \$6,605,307 in bonds, notes, and capital leases outstanding versus \$7,390,993 last year, a decrease of 11 percent as shown in the following table:

	Outstanding Debt at Year End					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital Leases	\$ 231,183	\$ 354,023	\$ 191,656	\$ -	\$ 422,839	\$ 354,023
Notes	612,500	642,500	5,569,968	6,394,470	6,182,468	7,036,970
Total Debt	\$ 843,683	\$ 996,523	\$5,761,624	\$6,394,470	\$6,605,307	\$7,390,993

MANAGEMENT'S DISCUSSION AND ANALYSIS

During the fiscal year ended June 30, 2016 and 2015, 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 39 through 42 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 2016 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. During fiscal year 2016, the local option sales tax revenues decreased by 5 percent or \$160,561. In fiscal year 2010, the property tax collection began to decrease significantly. The millage rate was increased from 9.998 to 10.998 to maintain the same level of service in 2010. Recently, the city and county came to an agreement on the local option sales tax split. All upcoming budget years will have to be adjusted to the following. As it stands now, the county will receive an increase in funding of 3.5%. Currently, the county receives 52% and the city's portion is 48%. Effective July 1, 2015, the county will receive 55.5% and the city's portion will be decreased to 44.5%. Since the city's sales tax revenue has been decreased, either tax rates and /or fees will need to be increased to keep the same levels of service currently being given to our citizens.

The City's Health Insurance internal service fund has been under budgeted within the last 2 year's due to high health insurance claims. Next budget year several changes will be made to the plan; such as implementing a higher deductible for the employees, and removing spousal coverage if they are eligible for coverage at their work place. The City will continue to rebid all components for the best possible rate for insurance. The results from the higher health insurance claims has caused a cash flow deficit. A change must be made to maintain the City's financial status.

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 water and wastewater treatment plant has been outsourced. All division directors have been diligently looking for ways to keep operational cost down within their departments. Although some factors such as gas, diesel, and electricity rates are something the city has no control over, each department has stayed within their allotted budgets.

In closing, the City of Waycross continues to operate to maintain a balanced budget by; cutting any wasteful spending, maintaining tight revenue administration to ensure the City receives all revenue it is entitled to, and streamlining our service delivery to save on operational costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the City's Financial Management

The 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 POSITION
JUNE 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Equivalents	\$ 7,222,542	\$ 1,934,463	\$ 9,157,005
Receivables	512,937	853,836	1,366,773
Prepays	39,855	-	39,855
Internal Balances	22,000	(22,000)	-
Due from Other Governments	434,900	-	434,900
Inventories	58,645	54,660	113,305
Capital Assets			
Non-depreciable	6,013,694	393,814	6,407,508
Depreciable (net)	12,913,120	30,537,736	43,450,856
Total Assets	<u>27,217,693</u>	<u>33,752,509</u>	<u>60,970,202</u>
Deferred Outflows of Resources			
Deferred outflows - pension	2,350,937	-	2,350,937
Total deferred outflows of resources	<u>2,350,937</u>	<u>-</u>	<u>2,350,937</u>
Liabilities			
Accounts payable and accrued expenses	2,378,236	4,520	2,382,756
Deposits	-	246,994	246,994
Long-term liabilities			
Due within one year			
Loans payable	30,000	845,407	875,407
Capital lease obligations	88,688	38,729	127,417
Due in more than one year			
Loans payable	582,500	4,724,561	5,307,061
Capital lease obligations	142,496	152,926	295,422
Compensated absences	409,105	13,819	422,924
Other post employment benefits	668,924	-	668,924
Net pension liability	7,332,565	-	7,332,565
Total liabilities	<u>11,632,514</u>	<u>6,026,956</u>	<u>17,659,470</u>
Deferred Inflows of Resources			
Deferred infows - pension	677,854	-	677,854
Total deferred inflows of resources	<u>677,854</u>	<u>-</u>	<u>677,854</u>
Net Position			
Net Investment in capital assets	18,083,130	25,169,927	43,253,057
Restricted for:			
Capital projects	5,891,743	-	5,891,743
Community development projects	212,038	-	212,038
Other projects	41,084	-	41,084
Unrestricted	(6,969,733)	2,555,626	(4,414,107)
Total net position	<u>\$ 17,258,262</u>	<u>\$ 27,725,553</u>	<u>\$ 44,983,815</u>

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

<u>Functions/Programs</u>	<u>Program Revenue</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
				<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Primary government							
Governmental Activities							
General Government	\$ 434,965	\$ 934,711	\$ 120,168	\$ -	\$ 619,914	\$ -	\$ 619,914
Public Safety	7,754,031	470,399	-	1,152,700	(6,130,932)	-	(6,130,932)
Streets and Sanitation	3,758,455	3,064	-	1,420,459	(2,334,932)	-	(2,334,932)
Community Development	985,030	151,208	45,082	91,126	(697,614)	-	(697,614)
Interest on Long-term debt	19,102	-	-	-	(19,102)	-	(19,102)
Total governmental activities	<u>12,951,583</u>	<u>1,559,382</u>	<u>165,250</u>	<u>2,664,285</u>	<u>(8,562,666)</u>	<u>-</u>	<u>(8,562,666)</u>
Business-type activities:							
Public Utilities	4,337,764	4,352,063	-	365,935	-	380,234	380,234
Waste Management	1,883,887	1,923,039	-	-	-	39,152	39,152
City Auditorium	151,638	20,950	-	44,100	44,100	(86,588)	(86,588)
Total business-type activities	<u>6,373,289</u>	<u>6,296,052</u>	<u>-</u>	<u>410,035</u>	<u>44,100</u>	<u>332,798</u>	<u>332,798</u>
Total primary government	<u>\$ 19,324,872</u>	<u>\$ 7,855,434</u>	<u>\$ 165,250</u>	<u>\$ 3,074,320</u>	<u>\$ (8,562,666)</u>	<u>\$ 332,798</u>	<u>\$ (8,229,868)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 3,140,361	\$ -	\$ 3,140,361
Sales Taxes					2,780,778	-	2,780,778
Franchise Fee					1,200,642	-	1,200,642
Other Taxes					2,040,220	-	2,040,220
Unrestricted investment earnings					2,365	400	2,765
Miscellaneous					15,614	-	15,614
Total general revenues					<u>9,179,980</u>	<u>400</u>	<u>9,180,380</u>
Change in net position					617,314	333,198	950,512
Net position - beginning					16,640,948	27,392,355	44,033,303
Net position - ending					<u>\$ 17,258,262</u>	<u>\$ 27,725,553</u>	<u>\$ 44,983,815</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	GENERAL FUND	SPLOST 2008- 2013	SPLOST 2014	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Cash and cash equivalents	\$ 1,277,558	\$ 2,637,840	\$ 2,949,101	\$ 669,623	\$ 7,534,122
Receivables (net)					
Taxes	380,151	-	-	-	380,151
Accounts	3,755	-	-	-	3,755
Due from other funds	776,000	-	-	193,592	969,592
Receivable from other governments	241,195	-	193,705	-	434,900
Inventories	24,551	-	-	-	24,551
Other receivables	-	-	-	112,885	112,885
Prepaid expenditures	15,223	-	-	-	15,223
Total assets	<u>2,718,433</u>	<u>2,637,840</u>	<u>3,142,806</u>	<u>976,100</u>	<u>9,475,179</u>
Liabilities and Fund Balance (Deficit)					
Liabilities:					
Accounts payable	1,338,222	44,518	13,479	40,170	1,436,389
Due to other funds	397,802	-	-	401,000	798,802
Salaries payable	156,933	-	-	-	156,933
Total liabilities	<u>1,892,957</u>	<u>44,518</u>	<u>13,479</u>	<u>441,170</u>	<u>2,392,124</u>
Deferred Inflows of Resources					
Unavailable revenue	361,921	-	-	-	361,921
Total deferred inflows of resources	<u>361,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,921</u>
Fund balances (Deficit):					
Nonspendable	39,774	-	-	-	39,774
Restricted	-	2,593,322	3,129,327	422,216	6,144,865
Committed	-	-	-	151,951	151,951
Assigned	-	-	-	33,396	33,396
Unassigned	423,781	-	-	(72,633)	351,148
Total fund balances (deficit)	<u>463,555</u>	<u>2,593,322</u>	<u>3,129,327</u>	<u>534,930</u>	<u>6,721,134</u>
Total liabilities, deferred inflows and fund balances (deficit)	<u>\$ 2,718,433</u>	<u>\$ 2,637,840</u>	<u>\$ 3,142,806</u>	<u>\$ 976,100</u>	<u>\$ 9,475,179</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2016**

Total fund balance, governmental funds		\$ 6,721,134
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities in the government-wide statement of net position.		18,926,815
The deferred outflows are not current assets or financial resources, and the deferred inflows are not due and payable in the current period and therefore are not reported in the fund financial statements.		
Deferred outflows		2,350,937
Deferred inflows		(677,854)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the government-wide statement of net position.		
Loans payable		(612,500)
Capital lease obligations		(231,184)
Compensated absences		(409,105)
Net other post employment benefits (OPEB)		(668,924)
Net pension liability		(7,332,565)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net position.		
Net position of internal service funds	(1,185,575)	
Less capital assets included above	(2,769)	
Add compensated absences included above	17,931	
		(1,170,413)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements		361,921
Net Position of Governmental Activities in the Statement of Net Position		\$ 17,258,262

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	GENERAL FUND	SPLOST 2008- 2013	SPLOST 2014	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues					
Taxes	\$ 8,750,422	\$ -	\$ -	\$ 341,533	\$ 9,091,955
Fines and forfeitures	301,312	-	-	-	301,312
Licenses and permits	878,033	-	-	-	878,033
Intergovernmental	135,531	-	2,233,967	172,356	2,541,854
Charges for services	32,930	-	-	38,727	71,657
Interest income	570	3,941	1,755	170	6,436
Miscellaneous	198,951	-	-	177,858	376,809
Total revenues	<u>10,297,749</u>	<u>3,941</u>	<u>2,235,722</u>	<u>730,644</u>	<u>13,268,056</u>
Expenditures					
Current:					
General government	432,707	-	-	349	433,056
Public Safety	7,484,684	-	-	61,017	7,545,701
Public Works	1,756,299	-	-	-	1,756,299
Community development	660,733	-	-	343,880	1,004,613
Debt Service:					
Principal retirement	152,840	-	-	-	152,840
Interest and other charges	19,099	-	-	-	19,099
Capital Outlay	-	374,631	794,296	839,212	2,008,139
Total Expenditures	<u>10,506,362</u>	<u>374,631</u>	<u>794,296</u>	<u>1,244,458</u>	<u>12,919,747</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(208,613)</u>	<u>(370,690)</u>	<u>1,441,426</u>	<u>(513,814)</u>	<u>348,309</u>
Other Financing Sources (Uses)					
Transfers in	212,897	-	-	-	212,897
Transfers out	-	-	-	(212,897)	(212,897)
Proceeds from capital leases	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>212,897</u>	<u>-</u>	<u>-</u>	<u>(212,897)</u>	<u>-</u>
Net Change in Fund Balances	4,284	(370,690)	1,441,426	(726,711)	348,309
Fund Balances (Deficit) - Beginning of Year	459,271	2,964,012	1,687,901	1,261,641	6,372,825
Fund Balances (Deficit)- Ending of Year	<u>\$ 463,555</u>	<u>\$ 2,593,322</u>	<u>\$ 3,129,327</u>	<u>\$ 534,930</u>	<u>\$ 6,721,134</u>

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES
IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds:	\$	348,309
 Amounts reported for Governmental Activities in the Statement of Activities are different because:		
 Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	1,507,754	
Disposal of assets	361,940	
Depreciation expense	<u>(1,195,270)</u>	674,424
 Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Deferred Revenues		45,831
 Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		
Capital lease principle payments		122,836
Notes payable principle payments		30,000
 Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Changes in other post employment benefits (OPEB)		(112,616)
Changes in long-term compensated absences		(8,658)
Changes in net pension liability		322,706
 Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		
Less change in capital assets included above	(806,672)	
Add change in compensated absences included above	2,316	
	<u>(1,162)</u>	<u>(805,518)</u>
 Change in net position of governmental activities	 \$	 <u>617,314</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

		ENTERPRISE FUNDS				
ASSETS		PUBLIC UTILITIES	WASTE MANAGEMENT	NON-MAJOR CITY AUDITORIUM	TOTALS	INTERNAL SERVICE FUNDS
Current Assets						
Cash and cash equivalents		\$ 1,856,222	\$ 71,935	\$ 6,137	\$ 1,934,294	\$ 1,064,221
Accounts receivable, net		624,805	229,031	-	853,836	16,146
Due from other funds		728,000	-	-	728,000	724,052
Inventories		54,660	-	-	54,660	34,092
Prepaid expenses		-	-	-	-	24,633
Total Current Assets		3,263,687	300,966	6,137	3,570,790	1,863,144
Non-Current Assets						
Restricted Assets and Other Debits:						
Restricted cash & cash equivalents		169	-	-	169	-
Total Restricted Assets		169	-	-	169	-
Capital Assets						
Land		225,507	10,352	-	235,859	-
Buildings		9,785,589	-	2,408,733	12,194,322	138,321
Infrastructure		50,212,222	-	-	50,212,222	70,663
Auto and trucks		362,679	501,195	-	863,874	-
Equipment and furniture		4,205,000	508,435	44,100	4,757,535	100,170
Construction in progress		157,955	-	-	157,955	-
Total capital assets		64,948,952	1,019,982	2,452,833	68,421,767	309,154
Less Accumulated depreciation		(35,912,852)	(816,537)	(760,828)	(37,490,217)	(306,385)
Net Capital Assets		29,036,100	203,445	1,692,005	30,931,550	2,769
Total Non-Current Assets		29,036,269	203,445	1,692,005	30,931,719	2,769
Total Assets		\$ 32,299,956	\$ 504,411	\$ 1,698,142	\$ 34,502,509	\$ 1,865,913

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	PUBLIC UTILITIES	WASTE MANAGEMENT	NON-MAJOR CITY AUDITORIUM	TOTALS	
LIABILITIES					
Current Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,156,031
Salaries payable	-	4,520	-	4,520	4,684
Due to other funds	750,000	-	-	750,000	872,842
Compensated absences	-	13,819	-	13,819	17,931
Customer deposits	233,031	6,450	7,513	246,994	-
Capital lease obligations - current portion	15,187	23,542	-	38,729	-
Loans payable - current portion	845,407	-	-	845,407	-
Total Current Liabilities	1,843,625	48,331	7,513	1,899,469	3,051,488
Non-Current Liabilities (payable from unrestricted assets)					
Capital lease obligations (net of current portion)	59,351	93,575	-	152,926	-
Loans payable (net of current portion)	4,724,561	-	-	4,724,561	-
Total Non-Current Liabilities (payable from unrestricted assets)	4,783,912	93,575	-	4,877,487	-
Total Liabilities	6,627,537	141,906	7,513	6,776,956	3,051,488
NET POSITION					
Net investment in capital assets	23,391,594	179,903	1,692,005	25,263,502	2,769
Unrestricted	2,280,825	182,602	(1,376)	2,462,051	(1,188,344)
Total Net Position	\$ 25,672,419	\$ 362,505	\$ 1,690,629	\$ 27,725,553	\$ (1,185,575)

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	PUBLIC UTILITIES	WASTE MANAGEMENT	NON-MAJOR CITY AUDITORIUM	TOTALS	
Revenues					
Charges for services	\$ 4,352,063	\$ 1,923,039	\$ 29,702	\$ 6,304,804	\$ 496,037
Operating contributions	-	-	-	-	3,779,414
Total operating revenues	<u>4,352,063</u>	<u>1,923,039</u>	<u>29,702</u>	<u>6,304,804</u>	<u>4,275,451</u>
Operating Expenses					
Personal services	-	469,469	2,999	472,468	410,542
Contractual services	2,499,298	1,240,049	2,705	3,742,052	21,814
Utilities	-	-	19,401	19,401	-
Repairs and maintenance	203,721	150,749	1,130	355,600	32,812
Other supplies and expenses	454,839	1,498	2,733	459,070	-
Retirement payments	-	-	-	-	1,142,494
Insurance claims and expenses	-	10,433	734	11,167	3,502,115
Depreciation and amortization	1,025,229	10,930	130,688	1,166,847	2,316
Total Operating Expenses	<u>4,183,087</u>	<u>1,883,128</u>	<u>160,390</u>	<u>6,226,605</u>	<u>5,112,093</u>
Operating Income (Loss)	<u>168,976</u>	<u>39,911</u>	<u>(130,688)</u>	<u>78,199</u>	<u>(836,642)</u>
Non-Operating Revenues (Expenses)					
Interest and investment revenue	400	-	-	400	6
Miscellaneous revenue	-	-	-	-	29,964
Interest expense	(154,677)	(759)	-	(155,436)	-
Total Non-Operating Revenues (Expenses)	<u>(154,277)</u>	<u>(759)</u>	<u>-</u>	<u>(155,036)</u>	<u>29,970</u>
Income (Loss) Before Contributions And Transfers	<u>14,699</u>	<u>39,152</u>	<u>(130,688)</u>	<u>(76,837)</u>	<u>(806,672)</u>
Capital grants and contributions	<u>365,935</u>	<u>-</u>	<u>44,100</u>	<u>410,035</u>	<u>-</u>
Total Other Financing Sources	<u>365,935</u>	<u>-</u>	<u>-</u>	<u>410,035</u>	<u>-</u>
Change in net position	<u>380,634</u>	<u>39,152</u>	<u>(86,588)</u>	<u>333,198</u>	<u>(806,672)</u>
Total net position - beginning	25,291,785	323,353	1,777,217	27,392,355	(378,903)
Total net position - ending	<u>\$ 25,672,419</u>	<u>\$ 362,505</u>	<u>\$ 1,690,629</u>	<u>\$ 27,725,553</u>	<u>\$ (1,185,575)</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

**BUSINESS-TYPE ACTIVITIES
ENTERPRISE FUNDS**

	<u>PUBLIC UTILITIES</u>	<u>WASTE MANAGEMENT</u>	<u>CITY AUDITORIUM</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
Cash Flows From Operating Activities					
Cash received from customers	\$ 4,346,562	\$ 1,931,427	\$ 29,702	\$ 6,307,691	\$ 4,266,801
Cash paid to suppliers	(3,151,808)	(1,401,179)	(23,528)	(4,576,515)	(4,012,551)
Cash paid to employees	-	(464,955)	(2,999)	(467,954)	(410,110)
Net Cash Provided By (Used In) Operating Activities	<u>1,194,754</u>	<u>65,293</u>	<u>3,175</u>	<u>1,263,222</u>	<u>(155,860)</u>
Cash Flows From Noncapital Financing Activities					
Miscellaneous non-operating revenue	-	-	-	-	29,964
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,964</u>
Cash Flows From Capital And Related Financing Activities					
Principal paid on loans payable	(749,965)	117,117	-	(632,848)	-
Acquisition and construction of capital assets	(452,924)	(192,895)	(44,100)	(689,919)	-
Capital grants and contributions	365,935	-	44,100	410,035	-
Interest paid	(154,677)	(759)	-	(155,436)	-
Net Cash (Used In) Capital And Related Activities	<u>(991,631)</u>	<u>(76,537)</u>	<u>-</u>	<u>(1,068,168)</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest on cash deposits	400	-	-	400	6
Net Cash Provided By Investing Activities	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>6</u>
Net Increase (Decrease) In Cash	203,523	(11,244)	3,175	195,454	(125,890)
Cash Beginning of Year	1,652,699	83,179	2,962	1,738,840	1,190,111
Cash at End of Year	<u>\$ 1,856,222</u>	<u>\$ 71,935</u>	<u>\$ 6,137</u>	<u>\$ 1,934,294</u>	<u>\$ 1,064,221</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating Income (Loss)	\$ 168,976	\$ 39,911	\$ (130,688)	\$ 78,199	\$ (836,642)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:					
Depreciation and amortization	1,025,229	10,930	130,688	1,166,847	2,316
Change in Assets and Liabilities:					
Accounts receivable	(10,368)	8,389	-	(1,979)	(2,375)
Due from other funds	-	-	-	-	(4,211)
Inventories	4,867	-	-	4,867	(2,065)
Prepaid expenses	-	-	-	-	6,719
Accounts payable	-	-	-	-	679,965
Accrued expenses	-	4,513	-	4,513	433
Customer deposits	6,050	1,550	3,175	10,775	-
Net Cash Provided By (Used In) Operating Activities	<u>\$ 1,194,754</u>	<u>\$ 65,293</u>	<u>\$ 3,175</u>	<u>\$ 1,263,222</u>	<u>\$ (155,860)</u>
Cash Per Financial Statements, Including Investments	\$ 1,856,391	\$ 71,935	\$ 6,137	\$ 1,934,463	\$ 1,064,221
Less: Non-Cash Equivalents	169	-	-	169	-
Total Cash	<u>\$ 1,856,222</u>	<u>\$ 71,935</u>	<u>\$ 6,137</u>	<u>\$ 1,934,294</u>	<u>\$ 1,064,221</u>

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>TOTAL AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	<u>\$ 86,139</u>
Total assets	<u>86,139</u>
LIABILITIES	
Refundable court bonds	41,115
Seized funds held	<u>45,024</u>
Total liabilities	<u>\$ 86,139</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Waycross, Georgia operates under the leadership of the Mayor, City Manager and City Commission consisting of four members and provides or assists in providing the following services: public safety (police department), highways and streets, public improvements, recreation, and general administrative and other services. In addition, the City operates enterprise funds (water and sewer and waste management) for incorporated and immediate surrounding areas.

A. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. 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.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Reporting Entity

Standards published by the Governmental Accounting Standards Board (GASB) define the financial reporting entity as (a) the primary government, (b) organizations for which the primary government is financially responsible, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no organizations identified as component units of the City, as defined by GASB Statement No. 14, "The Financial Reporting Entity".

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund.

SPLOST Fund 2008-2013 - The fund is used to account for the special one cent sales tax revenues (approved by Ware County voters) that are specifically restricted to various capital improvements within the city limits.

SPLOST 2014 Fund - The fund is used to account for the special one cent sales tax revenues (approved by Ware County voters) that are specifically restricted to various capital improvements within the city limits.

The other governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital projects.

CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

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 proprietary fund principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and service. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds

The City reports Internal Service Funds which are used to account for the fleet management services, payroll services, retirement, self-funded property and casualty insurance, self-funded workers compensation insurance, and self-funded health insurance provided to departments of the City.

Fiduciary Funds

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

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements

CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the City finances and meets the cash flow needs of its enterprise activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

F. Revenues – Exchange and Non-exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days after year end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted; matching requirements in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, grants, interest, and rent.

G. Deferred Outflows/Inflows of Resources

The City adopted new accounting guidance, GASB Statement no. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position*. This standard modified terminology and presentation of certain accounts.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category on the governmental funds balance sheet. Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available:

<u>Unavailable Revenue</u>	<u>General Fund</u>
Property taxes	\$ 361,921
Unavailable revenue	-
	<u>\$ 361,921</u>

H. Expenses/ Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

I. FASB Statements and Interpretations

For Proprietary activities, all FASB Statements and Interpretations issued after November 30, 1989 have been applied except for those that conflict with or contradict GASB pronouncements.

J. Budgets and Budgetary Accounting

An annual budget is adopted (as required by law) by the City for the general and special revenue funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles.

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 Council 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 Council. Therefore, the level of budgetary

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 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 for that depreciation, certain capital expenses, and certain non-operating income and expense items are not considered. Annual appropriated budgets are adopted for the special revenue funds. Annual appropriated budgets are also adopted for the following internal service funds; health insurance, liability insurance, workers compensation insurance, retirement fund, data processing fund, city garage fund and the public building fund.

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

OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund and requires a project-length balanced budget for each capital project fund. For the year ended June 30, 2016, an annual budget was adopted for all funds.

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

K. 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.

L. Cash and Cash Equivalents

For the proprietary fund types a statement of cash flows is presented, as is required by GASB Statement 9, instead of a statement of changes in financial position. For this statement, cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to known amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

M. Investments

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located within the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank and Federal Bank for Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

All investments are stated at market value.

N. Capital Assets

General capital assets are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems acquired during the current fiscal year is recorded in the government-wide financial statements. The City is not required to and will not record acquisitions prior to June 30, 2003.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Building and Building Improvements	20-40 years
Machinery and Equipment	5-20 years
Vehicles	5-7 years
Infrastructure	15-40 years

O. Inventories

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.

P. 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, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Q. Transfers Between Funds

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

R. Allowance For Doubtful Accounts

The City provides an allowance for the Public Utilities Fund, Waste Management Fund and the Property tax accounts receivable that may be uncollectible. At June 30, 2016, the allowances are \$135,136, \$62,267 and \$22,914, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2016.

S. Bond Discounts, Premiums, and Issuance Costs

Bond discounts and premiums 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. At the governmental fund reporting level, bond discounts and premiums are reported as other financing sources, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures in the year incurred.

T. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

U. Retirement Plans

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 15 and the required supplementary information (RSI) section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Georgia Municipal Employees Benefit System (GMEBS). The net pension liability is measured as of the September 30th immediately prior to the City's fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized as a component of pension expense over a five year period beginning with the period in which they are incurred.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City's pension plan with GMEBS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when paid. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

V. Accrued and Long - Term Liabilities

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

W. 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.

X. 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 position".

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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 wither 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 Council through adoption of a resolution. The City Council also may modify or rescind the commitment by the same formal action.

CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 Council has authorized the City Manager 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 to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position- Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when as described in the fund balance section above. All other net position is reported as unrestricted.

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

Y. Prepaid Expenditures

Payments made to various vendors for items or services for a future period are recorded as prepaid expenditures.

Z. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds' expenditures/expenses exceeded appropriations:

<u>Fund Level</u>	<u>Expenditures/ Expenses Actual</u>	<u>Appropriations</u>	<u>Amount Exceeding Appropriations</u>
Forfeited Property	\$ 23,749	\$ -	\$ 23,749
Jail	669	-	669
Community Development	2,060	-	2,060
Fire Department	7,210	-	7,210
Hotel Motel Fund	334,558	299,353	35,205
Wayfest Fund	14,417	-	14,417
Lt Jeff Little Scholarship Fund	4,000	-	4,000
ATM Machine Fund	349	-	349
SPLOST Fund	505,306	-	505,306
LMIG Fund	333,906	-	333,906

The following funds had deficits at June 30, 2016:

	<u>Deficit</u>
Capital Reserve Fund	\$ 35,367
Health Insurance Fund	2,871,848
Cemetery Fund	37,266

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

As of June 30, 2016, the carrying amount of the City's bank deposits was \$9,152,175 and the respective bank balances totaled \$10,169,925. Of the total bank balance, \$386,758 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining \$9,783,167 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the city.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 – CASH DEPOSITS AND INVESTMENTS, CONTINUED

As of June 30, 2016, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	\$ 9,152,175	\$ 10,169,925
Petty Cash	4,830	-
Totals	<u>\$ 9,157,005</u>	<u>\$ 10,169,925</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2016, \$9,783,167 of the City's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

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, 2016 were as follows:

	Taxes	Accounts Receivable	Other Govts	Other	Total
<u>Governmental Activities:</u>					
General	\$ 380,151	\$ 3,755	\$ 241,195	\$ -	\$ 625,101
SPLOST 2014	-	-	193,705	-	193,705
Non-major	-	-	-	112,885	112,885
Internal service funds	-	16,146	-	-	16,146
Total Governmental Activities	380,151	19,901	434,900	112,885	947,837
<u>Business-Type Activities:</u>					
Public Utilities	\$ -	\$ 624,805	\$ -	\$ -	\$ 624,805
Waste Management	-	229,031	-	-	229,031
Total Business-Type Activities	\$ -	\$ 853,836	\$ -	\$ -	\$ 853,836

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – RECEIVABLES AND PAYABLES, CONTINUED

Payables at June 30, 2016 were as follows:

	<u>Vendors</u>	<u>Salaries/ Benefits</u>	<u>Other</u>	<u>Total</u>
<u>Governmental Activities:</u>				
General	\$ 731	\$ 156,933	\$ 1,337,491	\$ 1,495,155
SPLOST 2008-2013	44,518	-	-	44,518
SPLOST 2014	13,479	-	-	13,479
Non-major	1,858	-	38,312	40,170
Internal service funds	320,050	4,684	1,835,981	2,160,715
Total Governmental Activities	380,636	161,617	3,211,784	3,754,037
<u>Business-Type Activities:</u>				
Public Utilities	\$ -	-	\$ 233,031	233,031
Waste Management	-	4,520	6,450	10,970
City Auditorium	-	-	7,513	7,513
Total Business-Type Activities	\$ -	\$ 4,520	\$ 246,994	\$ 251,514

NOTE 5 – PROPERTY TAXES

Property taxes attach an 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 6 – HOTEL/MOTEL LODGING TAX

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A 48-13-51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received \$341,533 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2016. The City disbursed \$121,661 for the promotion of tourism and \$194,312 to Channel 42. The balance of lodging tax funds was transferred to the General Fund.

CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016 is as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Primary Government				
<u>Governmental Activities:</u>				
Nondepreciable Capital Assets:				
Land	\$ 5,045,380	\$ -	\$ -	\$ 5,045,380
Construction in Progress	574,684	1,214,044	820,414	968,314
Depreciable Capital Assets:				
Buildings	8,792,244	32,537	-	8,824,781
Machinery and Equipment	3,284,961	192,121	31,468	3,445,614
Vehicles	5,064,490	430,992	330,472	5,165,010
Infrastructure	34,552,947	820,414	-	35,373,361
Total Capital Assets	57,314,706	2,690,108	1,182,354	58,822,460
Less Accumulated Depreciation For:				
Buildings	(4,116,498)	(192,073)	-	(4,308,571)
Machinery and Equipment	(2,693,497)	(143,599)	(31,468)	(2,805,628)
Vehicles	(4,411,649)	(258,644)	(330,472)	(4,339,821)
Infrastructure	(27,840,672)	(600,954)	-	(28,441,626)
Governmental Activities Capital Assets, Net	18,252,390	1,494,838	820,414	18,926,814
<u>Business-Type Activities:</u>				
Nondepreciable Capital Assets:				
Land and Improvements	\$ 235,859	\$ -	\$ -	\$ 235,859
Construction in Progress	275,051	365,935	483,031	157,955
Depreciable Capital Assets:				
Buildings	12,194,322	-	-	12,194,322
Machinery and Equipment	4,571,699	185,836	-	4,757,535
Vehicles	934,215	122,914	193,255	863,874
Infrastructure	49,713,956	498,266	-	50,212,222
Total Capital Assets	67,925,102	1,172,951	676,286	68,421,767
Less Accumulated Depreciation For:				
Buildings	(6,925,780)	(313,849)	-	(7,239,629)
Machinery and Equipment	(4,288,416)	(46,602)	-	(4,335,018)
Vehicles	(933,916)	(6,977)	(193,255)	(747,638)
Infrastructure	(24,368,513)	(799,419)	-	(25,167,932)
Business-Type Activities Capital Assets, Net	31,408,477	6,104	483,031	30,931,550
	\$ 49,660,867	\$ 1,500,942	\$ 1,303,445	\$ 49,858,364

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – CAPITAL ASSETS, CONTINUED

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

Governmental Activities:

General Government	\$ 33,152
Public Safety	344,871
Public Works	805,464
Community Development	<u>11,783</u>

Total Depreciation Expense-Governmental Activities **\$ 1,195,270**

Business-Type Activities:

Public Utilities	\$ 1,025,229
Waste Management	10,930
City Auditorium	<u>130,688</u>

Total Depreciation Expense-Business-Type Activities **\$ 1,166,847**

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – LONG-TERM OBLIGATIONS

Transactions for the year ended June 30, 2016 are summarized as follows:

Change in Outstanding Debt:

	Balance June 30, 2015	Issues or Additions	Payments or Expenditures	Balance June 30, 2016	Amount Due Within One Year
<u>Governmental Type Activities:</u>					
Lease Obligations Payable	\$ 354,023	\$ -	\$ 122,840	\$ 231,183	\$ 88,688
Notes Payable	642,500	-	30,000	612,500	30,000
Compensated Absences	400,447	8,658	-	409,105	-
Net pension liability	6,016,038	1,316,527	-	7,332,565	-
Other post employment benefits	556,308	388,488	275,872	668,924	-
Total Governmental Activities	7,969,316	1,713,673	428,712	9,254,277	118,688
<u>Business-Type Activities:</u>					
Lease Obligations Payable	-	203,614	11,958	191,656	38,729
GEFA-98-L68WJ	757,123	-	125,333	631,790	130,551
GEFA Loan-00-L36EJ	3,896,478	-	542,191	3,354,287	553,116
SRF Loan-CWSRF-00-0020	1,333,190	-	98,612	1,234,578	101,604
SRF Loan-CWSRF-00-01	379,596	-	53,709	325,887	55,338
GEFA Loan-CW09071PF60	28,083	-	4,657	23,426	4,799
Compensated Absences	10,625	3,194	-	13,819	-
Total Business-Type Activities	6,405,095	206,808	836,460	5,775,443	884,137
Total All Funds	\$ 14,374,411	\$ 1,920,481	\$ 1,265,172	\$ 15,029,720	\$ 1,002,825

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.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

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:	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Principal	Interest	Principal	Interest
2017	\$ 30,000	\$ -	\$ 845,407	\$ 132,545
2018	30,000	-	866,896	111,056
2019	30,000	-	888,984	88,968
2020	30,000	-	911,691	66,262
2021	30,000	-	855,334	43,331
2022-2026	150,000	-	1,133,671	65,932
2027-2031	150,000	-	67,985	767
2032-2036	150,000	-	-	-
2037	12,500	-	-	-
Total	\$ 612,500	\$ -	\$ 5,569,968	\$ 508,861

Governmental Activities:

In March 2010, the City entered into an agreement with BC Waycross Associates, LLP to finance construction of storm water infrastructure and a regional storm water retention pond on the owner's property to accept off-site storm water runoff and render owner's property suitable for development. The total amount financed of \$800,000 is due in 320 monthly payments of \$2,500 beginning March 15, 2010 at 0 percent interest. At June 30, 2016, the outstanding balance on this loan was \$612,500.

Business-Type Activities:

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, 2016, the outstanding balance on this loan was \$631,790 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, 2016, the outstanding balance of this loan was \$325,887 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.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

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, 2016, the outstanding balance was \$3,354,287 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, 2016, the outstanding balance was \$1,234,578. Repayment is over 80 quarterly payments of \$34,376 at 3 percent. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay 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 subsidy of \$80,400. At June 30, 2016, the outstanding loan balance was \$23,426. Repayment is over 120 monthly payments of \$451 at 3 percent.

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, 2016:

	Government-Type Activities	Business-Type Activities
Backhoe Loader	\$ -	\$ 80,700
Knuckleboom Loader	-	122,914
Ford F-150	15,259	-
Animal Control Truck	21,475	-
2012 Street Sweeper	152,105	-
International 7500 Dump Truck	82,878	-
2014 Side Arm Tractor	117,337	-
2015 Front End Loader	144,600	-
	<u>533,654</u>	<u>203,614</u>
Less Accumulated Depreciation	(301,939)	(14,868)
Total	<u>\$ 231,715</u>	<u>\$ 188,746</u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

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, 2016:

Year Ending <u>June 30:</u>	<u>Governmental-Type Activities</u>	<u>Business-Type Activities</u>
2017	\$ 112,028	\$ 43,868
2018	56,242	43,868
2019	56,242	43,868
2020	32,895	43,868
2021	2,565	29,944
Total Minimum Lease Payments	259,972	205,416
Less: Amount Representing Interest	(28,788)	(13,761)
Present Value of Future Minimum Lease Payments	<u>\$ 231,184</u>	<u>\$ 191,655</u>

NOTE 9 – INTERFUND TRANSFERS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between funds during the year ended June 30, 2016 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 212,897	\$ -
Hotel/Motel Tax Fund	-	212,897
	<u>\$ 212,897</u>	<u>\$ 212,897</u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 – INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2016, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2016 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Major Governmental Funds</u>		
General Fund:		
Public Utilities	750,000	100,000
Other Governmental Funds	26,000	-
Internal Service Funds	-	297,802
	<u>776,000</u>	<u>397,802</u>
Non-major Governmental Funds:		
ATM Machine Fund	-	26,000
Capital Reserve Fund	193,592	375,000
	<u>193,592</u>	<u>401,000</u>
Total Governmental Funds	<u>969,592</u>	<u>798,802</u>
<u>Major Business-type Funds</u>		
Public Utilities:		
General Fund	100,000	750,000
Internal Service Funds	253,000	-
Capital Reserve Fund	375,000	-
	<u>728,000</u>	<u>750,000</u>
Internal Service Funds:		
General Fund	297,802	-
Public Utilities	-	253,000
Capital Reserve Fund	-	193,592
Other Internal Service Funds	426,250	426,250
	<u>724,052</u>	<u>872,842</u>
Totals	<u>\$ 2,421,644</u>	<u>\$ 2,421,644</u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – FUND EQUITY

Fund balances at June 30, 2016 are classified as follows:

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

General Fund:	
Inventories	\$ 24,552
Prepaid expenditures	<u>15,223</u>
Total Nonspendable	<u><u>\$ 39,775</u></u>

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
<i>Forfeited Property Fund</i> - used to account for funds received from property forfeitures.	\$ 22,658
<i>Jail Fund</i> - used to account for vending revenue of the jail.	126
<i>FEMA Grants Fund</i> - used to account for expenditures of FEMA grants.	566
<i>EIP Revolving Loan Fund</i> - used to account for revolving loans issued to local businesses.	157,185
<i>Misc Grant Fund</i> - used to account for expenditures of miscellaneous small grants.	13,377
<i>Hotel/Motel Tax Fund</i> - used to account for hotel/motel tax revenues.	54,853
<i>Waycross Fire Dept Fund</i> - used to account for contributions and miscellaneous grants received for the purpose of fire department expenditures.	<u>4,357</u>
Total Restricted for Special Revenue	<u><u>\$ 253,122</u></u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – FUND EQUITY, CONTINUED

Capital Projects Funds:

SPLOST 2008-2013 Fund - used to account for capital projects financed with special purpose local option sales tax. \$ 2,593,322

SPLOST 2014 Fund - used to account for capital projects financed with special purpose local option sales tax. 3,129,327

LMIG Fund - used to account for capital projects financed with Georgia DOT local maintenance improvement program. 169,094

Total Restricted for Capital Projects \$ 5,891,743

Total Restricted Fund Balance \$ 6,144,865

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. \$ 73,698

Cemetery Trust Fund - used to account for funds that accumulated for future cemetery improvements and expansion. 78,253

Total Committed Fund Balance \$ 151,951

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11 – FUND EQUITY, CONTINUED

Assigned – The following fund balances are assigned to:

Special Revenue Funds:

<i>WPD Info Technology Fund</i> - used to account for fines and forfeitures that are restricted for the use of police department information technology expenditures.	\$ 17,046
<i>Misc Fund</i> - used to account for donations for the purpose of upkeep and improvements to Henry Walker Park	4,995
<i>Wayfest Fund</i> - used to account for donations for the purpose of annual Wayfest festival	588
<i>Lt Jeff Little Scholarship Fund</i> - used to account for donations for the purpose of awarding scholarships	9,072
<i>ATM Machine Fund</i> - used to account for activity involving ATM machine used at community events	<u>1,695</u>
Total Assigned Fund Balance	<u><u>\$ 33,396</u></u>

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 balances are unassigned:

<i>General Fund</i>	\$ 423,780
<i>Capital Reserve Fund</i> - negative committed fund balance reported as unassigned.	(35,367)
<i>Cemetery Fund</i> - negative committed fund balance reported as unassigned.	<u>(37,266)</u>
Total Unassigned Fund Balance	<u><u>\$ 351,147</u></u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City's defined benefit pension plan, the City of Waycross Retirement Plan (the Plan), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	157
Inactive employees entitled to but not yet receiving benefits	65
Active employees	<u>201</u>
 Total covered employees	 <u><u>423</u></u>

Funding Policy

Employees are not required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the City reported a liability of \$7,332,565 as its net pension liability. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at January 1, 2016.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – EMPLOYEE RETIREMENT PLAN - CONTINUED

The following is a schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2016:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2014*	\$ 23,856,931	\$ 16,058,793	\$ 7,798,138
Changes for the year:			
Service cost	227,258	-	227,258
Interest	1,792,817	-	1,792,817
Differences between expected and actual experience	750,194	-	750,194
Contributions - employer	-	1,271,784	(1,271,784)
Contributions - employee	-	-	-
Net investment income	-	215,191	(215,191)
Benefit payments, including refunds of employee contributions	(1,447,622)	(1,447,622)	-
Administrative expense	-	(33,233)	33,233
Other	-	-	-
Net changes	<u>1,322,647</u>	<u>6,120</u>	<u>1,316,527</u>
Balances at September 30, 2014**	<u>\$ 25,179,578</u>	<u>\$ 16,064,913</u>	<u>\$ 9,114,665</u>

*Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2015 are used to measure TPL as of September 30, 2014. The balances as of September 30, 2014 constitute measurements of the NPL for the fiscal year ending June 30, 2015.

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2016 are used to measure TPL as of September 30, 2015. The balances as of September 30, 2015 constitute measurements of the NPL for the fiscal year ending June 30, 2016.

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2016, the City recognized pension expense of \$819,787. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,494,067	\$ -
Changes of assumptions	-	326,314
Net difference between projected and actual earnings on pension plan investments	-	351,540
City contributions subsequent to the measurement date	856,870	-
Total	\$ 2,350,937	\$ 677,854

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

\$856,870 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 421,384	\$ (280,337)
2017	421,384	(280,337)
2018	419,424	(117,180)
2019	231,875	-
2020	-	-
Thereafter	-	-
Total	\$ 1,494,067	\$ (677,854)

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective amortization period of 10 years
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Inflation	3.25%
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
<i>Normal</i>	65 with 5 years of service
<i>Early</i>	55 with 10 years of service
Mortality:	
<i>Healthy</i>	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
<i>Disabled</i>	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
<i>Plan termination basis (all lives)</i>	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.75% long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target allocation as of September 30, 2015 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.75%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City’s net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Net pension liability	<u>\$ 10,234,103</u>	<u>\$ 7,332,565</u>	<u>\$ 4,890,023</u>

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 13 – DEFERRED COMPENSATION PLAN

City of Waycross Deferred Compensation Plan

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

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

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

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The City has participated in a number of federally assisted grant programs, principal of which are the FEMA Grant, CHIP Grants, and 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 15 – 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 Development Commission (SGRC) and is required to pay annual dues thereto. During the year ended June 30, 2016 the City paid \$17,708 in such dues. Membership in the SGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RCs in Georgia. The RC Board membership 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 debts or obligations of an RC beyond its resources. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
1725 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.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 16 – 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 \$206,166 have been recorded as of June 30, 2016. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of \$206,166 reported in the Health Insurance Fund at June 30, 2016 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 the fiscal years 2014-2016 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance End of Fiscal Year
2014	171,682	1,615,879	1,638,045	149,516
2015	149,516	2,338,684	2,150,891	337,309
2016	337,309	2,122,748	2,253,891	206,166

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 16 – RISK MANAGEMENT, CONTINUED

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. Changes in the claims liability amount in the fiscal years 2014-2016 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance End of Fiscal Year
2014	36,586	295,531	309,702	22,415
2015	22,415	345,534	344,563	23,386
2016	23,386	493,609	472,745	44,250

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS

The City provides certain health care benefits for retired employees through a single employer Other Post Employment Benefit plan, in which all employees may become eligible for benefits if they qualify for early retirement or normal retirement (See Note 12). The plan is administered by an independent third party administrator, Group Resources. 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, 2016, employee membership data relative to the OPEB plan consist of the following:

Current Retirees, beneficiaries, and dependents	18
Current active participants	196
Total membership in the plan	214

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, 2016 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 year of service, age 60 with 30 years of service or age 55 with at least 10 years of service, and 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.

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Annual OPEB Cost and Net OPEB Obligation

The City's most recent actuarial valuation was performed for the plan as of July 1, 2016 to determine the funded status of the plan as of that date as well as the employer's 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 \$397,170.

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, 2015		\$	556,308
Annual Required Contributions (ARC)			397,170
Interest on Existing (NOO)			22,252
ARC Adjustment			(30,934)
Annual OPEB Cost			388,488
Annual Employer Contribution			(275,872)
Change in Net OPEB Obligation			112,616
Net OPEB Obligation as of June 30, 2016		\$	668,924

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

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2016	\$ 397,170	69.5%	\$ 668,924
6/30/2015	397,170	55.9%	556,308
6/30/2014	305,000	94.4%	387,000
6/30/2013	298,000	87.6%	370,000
6/30/2012	218,000	66.1%	333,000
6/30/2011	213,000	66.7%	259,000

**CITY OF WAYCROSS, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funded Status and Funding Progress

Actuarial valuation date		July 1, 2016
Actuarial value of assets	\$	-
Actuarial accrued liability		5,003,527
Total unfunded actuarial liability		5,003,527
Funded ratio		0.00%
Annual covered payroll	\$	6,658,368
Ratio of unfunded actuarial liability to annual covered payroll		75.15%

Date 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.

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. Actuarial 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 plans are as follows:

Actuarial Method

Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	2.5% Increase over 30 years, Level dollar, open
Remaining Amortization period	30 years as of July 1, 2016
Asset Valuation Method	Market Value

Actuarial Assumptions:

Investment Rate of Return	7% prefunded or 4% pay-as-you-go
Medical and drug cost trend rate	9% graded to 5% over 9 years

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.

REQUIRED SUPPLEMENTAL INFORMATION

Required supplemental 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:

- **Schedule of Changes in the Net Pension Liability – Last 10 Fiscal Years**
- **Schedule of Pension Contributions – Last 10 Fiscal Years**
- **Notes to Pension Schedules**
- **Schedule of Funding Progress - Other Post-Employment Benefits**
- **Budgetary Comparison Schedule – General Fund**

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<i>Total pension liability</i>										
Service cost	\$ 227,258	\$ 251,053								
Interest	1,792,817	1,793,391								
Differences between expected and actual experience	750,194	7,838								
Changes of assumptions	-	(652,628)								
Changes of benefit terms	-	-								
Benefit payments, including refunds of employee contributions	(1,447,622)	(1,366,508)								
Net change in total pension liability	1,322,647	33,146								
Total pension liability - beginning	23,856,931	23,823,785								
Total pension liability - ending (a)	<u>\$25,179,578</u>	<u>\$23,856,931</u>								
<i>Plan fiduciary net position</i>										
Contributions - employer	\$ 1,271,784	\$ 1,346,236								
Contributions - employee	-	-								
Net investment income	215,191	1,828,654								
Benefit payments, including refunds of employee contributions	(1,447,622)	(1,366,508)								
Administrative expense	(33,233)	(26,282)								
Other	-	-								
Net change in fiduciary net position	6,120	1,782,100								
Plan fiduciary net position - beginning	17,840,893	16,058,793								
Plan fiduciary net position - ending (b)	<u>\$17,847,013</u>	<u>\$17,840,893</u>								
Net pension liability - ending (a)-(b)	<u>\$ 7,332,565</u>	<u>\$ 6,016,038</u>								
Plan's fiduciary net position as a percentage of the total pension liability	70.88%	74.78%								
Covered employee payroll	\$ 6,658,368	\$ 6,733,231								
Net pension liability as a percentage of covered employee payroll	110.13%	89.35%								

**CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS - LAST 10 FISCAL YEARS**

	Year Ended June 30:									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	- *	1,313,925								
Contributions in relation to the actuarially determined contribution	- *	1,314,801								
Contribution deficiency (excess)	- *	(876)	(Historical information prior to implementation of GASB 68 is not required)							
Covered employee payroll	- *	6,733,231								
Contributions as a percentage of covered employee payroll	- *	19.53%								

* 2016 information will be determined after fiscal year end and will be included in the 2017 valuation report.

**CITY OF WAYCROSS, GEORGIA
NOTES TO PENSION SCHEDULES**

NOTE 1 – SIGNIFICANT METHODS AND ASSUMPTIONS

Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2017.

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine contribution rates:

<p>Actuarial Cost Method Amortization Method Remaining Amortization Period</p>	<p>Entry Age Normal Closed level dollar for remaining unfunded liability Varies for the bases, with a net effective amortization period of 10 years</p>
<p>Asset Valuation Method</p>	<p>Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.</p>

Actuarial Assumptions:

<p>Inflation</p>	<p>3.25%</p>
<p>Net Investment Rate of Return</p>	<p>7.75%</p>
<p>Projected Salary Increases</p>	<p>3.25% plus service based merit increases</p>
<p>Cost of Living Adjustments</p>	<p>0.00%</p>
<p>Retirement Age:</p>	
<p> <i>Normal</i></p>	<p>65 with 5 years of service</p>
<p> <i>Early</i></p>	<p>55 with 10 years of service</p>
<p>Mortality:</p>	
<p> <i>Healthy</i></p>	<p>RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.</p>
<p> <i>Disabled</i></p>	<p>RP-2000 Disabled Retiree Mortality Table with sex-distinct rates</p>
<p> <i>Plan termination basis (all lives)</i></p>	<p>1994 Group Annuity Reserving Unisex Table</p>

**CITY OF WAYCROSS, GEORGIA
NOTES TO PENSION SCHEDULES**

NOTE 2 – CHANGES IN ASSUMPTIONS AND BENEFITS

Changes in Assumptions

The administrative expense assumption was updated for fiscal years beginning in 2016. The administrative expense changed from \$5,000 plus \$50 per participant plus 0.05% of the market value of assets to a base fee of \$6,500 plus \$54 per active and terminated vested participant plus \$66 per retiree and beneficiary plus 0.06% of the market value of assets.

Benefit Changes

No changes to benefits were noted in the current year.

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

Funded Status and Funding Progress: Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)
7/1/2008	-	2,660,000	2,660,000	0.00%
7/1/2010	-	2,664,000	2,664,000	0.00%
7/1/2012	-	4,386,000	4,386,000	0.00%
7/1/2014	-	4,206,176	4,206,176	0.00%
7/1/2016	-	5,003,527	5,003,527	0.00%

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

**CITY OF WAYCROSS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues				
Taxes	\$ 9,376,022	\$ 9,376,022	\$ 8,750,422	\$ (625,600)
Fees and fines	504,000	504,000	301,312	(202,688)
Licenses and permits	857,600	857,600	878,033	20,433
Intergovernmental	141,000	141,000	135,531	(5,469)
Charges for services	27,500	27,500	32,930	5,430
Investment earnings	4,500	4,500	570	(3,930)
Miscellaneous	229,900	229,900	198,951	(30,949)
Transfers In	178,880	178,880	212,897	34,017
Proceeds from capital leases	-	-	-	-
Total Revenues	<u>11,319,402</u>	<u>11,319,402</u>	<u>10,510,646</u>	<u>(808,756)</u>
Expenditures				
Current:				
General government	670,926	756,214	432,707	323,507
Public safety	7,887,045	7,814,095	7,484,684	329,411
Public works	1,884,417	1,861,579	1,756,299	105,280
Community development	687,609	698,109	660,733	37,376
Debt Service:				
Principal	168,366	168,366	152,840	15,526
Interest and other charges	21,039	21,039	19,099	1,940
Total Expenditures	<u>11,319,402</u>	<u>11,319,402</u>	<u>10,506,362</u>	<u>813,040</u>
Excess (Deficiency) Of Revenues Over Expenditures	-	-	4,284	4,284
Fund Balances - Beginning of Year	459,271	459,271	459,271	-
Fund Balances - Ending of Year	<u>\$ 459,271</u>	<u>\$ 459,271</u>	<u>\$ 463,555</u>	<u>\$ 4,284</u>

The accompanying notes are an integral part of these statements.

COMBINING AND INDIVIDUAL FUND SCHEDULES

**CITY OF WAYCROSS, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 SPLOST 2008-2013 FUND
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	3,941	3,941
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>3,941</u>	<u>3,941</u>
Expenditures				
Current:				
Capital Outlay	3,030,000	3,030,000	374,631	2,655,369
<u>Total Expenditures</u>	<u>3,030,000</u>	<u>3,030,000</u>	<u>374,631</u>	<u>2,655,369</u>
(Deficiency) Of Revenues Over Expenditures	(3,030,000)	(3,030,000)	(370,690)	2,659,310
Fund Balances - Beginning of Year	2,964,012	2,964,012	2,964,012	-
Fund Balances - Ending of Year	<u>\$ (65,988)</u>	<u>\$ (65,988)</u>	<u>\$ 2,593,322</u>	<u>\$ 2,659,310</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
 BUDGETARY COMPARISON SCHEDULE
 SPLOST 2014 FUND
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues				
Intergovernmental	\$ 1,797,000	\$ 1,797,000	\$ 2,233,967	\$ 436,967
Interest	-	-	1,755	1,755
Total Revenues	<u>1,797,000</u>	<u>1,797,000</u>	<u>2,235,722</u>	<u>438,722</u>
Expenditures				
Capital Outlay	<u>1,797,000</u>	<u>1,797,000</u>	<u>794,296</u>	<u>1,002,704</u>
Total Expenditures	<u>1,797,000</u>	<u>1,797,000</u>	<u>794,296</u>	<u>1,002,704</u>
Excess (Deficiency) Of Revenues Over Expenditures	-	-	1,441,426	1,441,426
Fund (Deficit) - Beginning of Year	<u>1,687,901</u>	<u>1,687,901</u>	<u>1,687,901</u>	<u>-</u>
Fund (Deficit) - Ending of Year	<u>\$ 1,687,901</u>	<u>\$ 1,687,901</u>	<u>\$ 3,129,327</u>	<u>\$ 1,441,426</u>

The accompanying notes are an integral part of these statements.

**CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	SPECIAL REVENUE FUNDS					EIP
	CEMETARY	FORFEITED PROPERTY	JAIL FUND	WPD INFO TECHNOLOGY	COMMUNITY DEVELOPMENT	REVOLVING LOAN
ASSETS						
Cash and cash equivalents	\$ -	\$ 22,658	\$ 126	\$ 17,046	\$ 73,698	\$ 46,900
Due from other funds	-	-	-	-	-	-
Other receivables	2,600	-	-	-	-	110,285
Total assets	<u>2,600</u>	<u>22,658</u>	<u>126</u>	<u>17,046</u>	<u>73,698</u>	<u>157,185</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	39,866	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>39,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	-	22,658	126	-	-	157,185
Committed	-	-	-	-	73,698	-
Assigned	-	-	-	17,046	-	-
Unassigned	(37,266)	-	-	-	-	-
Total fund balances	<u>(37,266)</u>	<u>22,658</u>	<u>126</u>	<u>17,046</u>	<u>73,698</u>	<u>157,185</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,600</u>	<u>\$ 22,658</u>	<u>\$ 126</u>	<u>\$ 17,046</u>	<u>\$ 73,698</u>	<u>\$ 157,185</u>

**CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

SPECIAL REVENUE FUNDS							
	<u>FIRE DEPARTMENT</u>	<u>FEMA GRANTS</u>	<u>MISC GRANTS</u>	<u>HOTEL/MOTEL TAX</u>	<u>MISC FUND</u>	<u>CEMETARY TRUST</u>	<u>WAYFEST</u>
ASSETS							
Cash and cash equivalents	\$ 4,357	\$ 566	\$ 13,377	\$ 55,157	\$ 4,995	\$ 78,253	\$ 588
Due from other funds	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Total assets	<u>4,357</u>	<u>566</u>	<u>13,377</u>	<u>55,157</u>	<u>4,995</u>	<u>78,253</u>	<u>588</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	-	304	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	4,357	566	13,377	54,853	-	-	-
Committed	-	-	-	-	-	78,253	-
Assigned	-	-	-	-	4,995	-	588
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>4,357</u>	<u>566</u>	<u>13,377</u>	<u>54,853</u>	<u>4,995</u>	<u>78,253</u>	<u>588</u>
Total liabilities and fund balances	<u>\$ 4,357</u>	<u>\$ 566</u>	<u>\$ 13,377</u>	<u>\$ 55,157</u>	<u>\$ 4,995</u>	<u>\$ 78,253</u>	<u>\$ 588</u>

**CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECT FUNDS</u>			<u>TOTAL OTHER GOVERNMENTAL FUNDS</u>
	<u>LT JEFF LITTLE SCHOLARSHIP</u>	<u>ATM MACHINE</u>	<u>SPLOST</u>	<u>CAPITAL RESERVE</u>	<u>LMIG</u>	
ASSETS						
Cash and cash equivalents	\$ 9,072	\$ 27,695	\$ -	\$ 146,041	\$ 169,094	\$ 669,623
Due from other funds	-	-	-	193,592	-	193,592
Other receivables	-	-	-	-	-	112,885
Total assets	<u>9,072</u>	<u>27,695</u>	<u>-</u>	<u>339,633</u>	<u>169,094</u>	<u>976,100</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	-	40,170
Due to other funds	-	26,000	-	375,000	-	401,000
Total liabilities	<u>-</u>	<u>26,000</u>	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>441,170</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	-	-	-	-	169,094	422,216
Committed	-	-	-	-	-	151,951
Assigned	9,072	1,695	-	-	-	33,396
Unassigned	-	-	-	(35,367)	-	(72,633)
Total fund balances	<u>9,072</u>	<u>1,695</u>	<u>-</u>	<u>(35,367)</u>	<u>169,094</u>	<u>534,930</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,072</u>	<u>\$ 27,695</u>	<u>\$ -</u>	<u>\$ 339,633</u>	<u>\$ 169,094</u>	<u>\$ 976,100</u>

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

SPECIAL REVENUE FUNDS

	CEMETARY	FORFEITED PROPERTY	JAIL FUND	WPD INFO TECHNOLOGY	COMMUNITY DEVELOPMENT	EIP REVOLVING LOAN
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	-	19,762	-	15,959	-	-
Intergovernmental	-	-	-	-	-	-
Investment earnings	-	3	-	-	-	11
Miscellaneous	151,208	-	612	-	-	8,399
Total revenues	151,208	19,765	612	15,959	-	8,410
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public Safety	-	23,749	669	29,389	-	-
Community development	201,742	-	-	-	2,060	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	201,742	23,749	669	29,389	2,060	-
Excess (deficiency) of revenues over expenditures	(50,534)	(3,984)	(57)	(13,430)	(2,060)	8,410
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-	-
Net change in fund balances	(50,534)	(3,984)	(57)	(13,430)	(2,060)	8,410
Fund balances - beginning	13,268	26,642	183	30,476	75,758	148,775
Fund balances - ending	\$ (37,266)	\$ 22,658	\$ 126	\$ 17,046	\$ 73,698	\$ 157,185

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

SPECIAL REVENUE FUNDS

	<u>FIRE DEPARTMENT</u>	<u>FEMA GRANTS</u>	<u>MISC GRANTS</u>	<u>HOTEL/MOTEL TAX</u>	<u>MISC FUND</u>	<u>CEMETARY TRUST</u>	<u>WAYFEST</u>
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ 341,533	\$ -	\$ -	\$ -
Fees	1,500	-	-	-	-	-	-
Intergovernmental	-	-	3,262	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	6,603	-	-	-	-	-	5,833
Total revenues	<u>8,103</u>	<u>-</u>	<u>3,262</u>	<u>341,533</u>	<u>-</u>	<u>-</u>	<u>5,833</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public Safety	7,210	-	-	-	-	-	-
Community development	-	-	-	121,661	-	-	14,417
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>7,210</u>	<u>-</u>	<u>-</u>	<u>121,661</u>	<u>-</u>	<u>-</u>	<u>14,417</u>
Excess (deficiency) of revenues over expenditures	<u>893</u>	<u>-</u>	<u>3,262</u>	<u>219,872</u>	<u>-</u>	<u>-</u>	<u>(8,584)</u>
OTHER FINANCING SOURCES (USES)							
Transfers out	-	-	-	(212,897)	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,897)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	893	-	3,262	6,975	-	-	(8,584)
Fund balances - beginning	<u>3,464</u>	<u>566</u>	<u>10,115</u>	<u>47,878</u>	<u>4,995</u>	<u>78,253</u>	<u>9,172</u>
Fund balances - ending	<u>\$ 4,357</u>	<u>\$ 566</u>	<u>\$ 13,377</u>	<u>\$ 54,853</u>	<u>\$ 4,995</u>	<u>\$ 78,253</u>	<u>\$ 588</u>

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECT FUNDS</u>			<u>TOTAL OTHER GOVERNMENTAL FUNDS</u>
	<u>LT JEFF LITTLE SCHOLARSHIP</u>	<u>ATM MACHINE</u>	<u>SPLOST</u>	<u>CAPITAL RESERVE</u>	<u>LMIG</u>	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,533
Fees	-	1,506	-	-	-	38,727
Intergovernmental	-	-	-	-	169,094	172,356
Investment earnings	-	18	138	-	-	170
Miscellaneous	5,203	-	-	-	-	177,858
Total revenues	<u>5,203</u>	<u>1,524</u>	<u>138</u>	<u>-</u>	<u>169,094</u>	<u>730,644</u>
EXPENDITURES						
Current:						
General government	-	349	-	-	-	349
Public Safety	-	-	-	-	-	61,017
Community development	4,000	-	-	-	-	343,880
Capital outlay	-	-	505,306	-	333,906	839,212
Total Expenditures	<u>4,000</u>	<u>349</u>	<u>505,306</u>	<u>-</u>	<u>333,906</u>	<u>1,244,458</u>
Excess (deficiency) of revenues over expenditures	<u>1,203</u>	<u>1,175</u>	<u>(505,168)</u>	<u>-</u>	<u>(164,812)</u>	<u>(513,814)</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	-	-	-	-	-	(212,897)
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,897)</u>
Net change in fund balances	1,203	1,175	(505,168)	-	(164,812)	(726,711)
Fund balances - beginning	<u>7,869</u>	<u>520</u>	<u>505,168</u>	<u>(35,367)</u>	<u>333,906</u>	<u>1,261,641</u>
Fund balances - ending	<u>\$ 9,072</u>	<u>\$ 1,695</u>	<u>\$ -</u>	<u>\$ (35,367)</u>	<u>\$ 169,094</u>	<u>\$ 534,930</u>

**CITY OF WAYCROSS, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ 165,037	\$ 165,037	\$ 151,208	\$ (13,829)
Transfers In	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Total Revenues	<u>205,037</u>	<u>205,037</u>	<u>151,208</u>	<u>(53,829)</u>
Expenditures:				
Community development	<u>205,037</u>	<u>205,037</u>	<u>201,742</u>	<u>3,295</u>
Total Expenditures	<u>205,037</u>	<u>205,037</u>	<u>201,742</u>	<u>3,295</u>
Revenues Over (Under) Expenditures	-	-	(50,534)	(50,534)
Fund Balance - Beginning	<u>13,268</u>	<u>13,268</u>	<u>13,268</u>	<u>-</u>
Fund Balance (Deficit) - Ending	<u>\$ 13,268</u>	<u>\$ 13,268</u>	<u>\$ (37,266)</u>	<u>\$ (50,534)</u>

**CITY OF WAYCROSS, GEORGIA
FORFEITED PROPERTY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Fees	\$ -	\$ -	\$ 19,762	\$ 19,762
Investment earnings	-	-	3	3
Total Revenues	<u>-</u>	<u>-</u>	<u>19,765</u>	<u>19,765</u>
Expenditures:				
Public safety	-	-	23,749	(23,749)
Total Expenditures	<u>-</u>	<u>-</u>	<u>23,749</u>	<u>(23,749)</u>
Revenues And Other Financing Sources Over (Under)				
Expenditures	-	-	(3,984)	(3,984)
Fund Balance - Beginning	<u>26,642</u>	<u>26,642</u>	<u>26,642</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 26,642</u>	<u>\$ 26,642</u>	<u>\$ 22,658</u>	<u>\$ (3,984)</u>

**CITY OF WAYCROSS, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 612</u>	<u>\$ 612</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>612</u>	<u>612</u>
Expenditures:				
Public safety	<u>-</u>	<u>-</u>	<u>669</u>	<u>(669)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>669</u>	<u>(669)</u>
Revenues And Other Financing Sources Over (Under)				
Expenditures	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>(57)</u>
Fund Balance - Beginning	<u>183</u>	<u>183</u>	<u>183</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ 126</u>	<u>\$ (57)</u>

CITY OF WAYCROSS, GEORGIA
WPD INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fees	\$ 30,000	\$ 30,000	\$ 15,959	\$ 14,041
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>15,959</u>	<u>14,041</u>
Expenditures:				
Public safety	<u>30,000</u>	<u>30,000</u>	<u>29,389</u>	<u>611</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>29,389</u>	<u>611</u>
Revenues And Other Financing Sources Over (Under)				
Expenditures	-	-	(13,430)	13,430
Fund Balance - Beginning	<u>30,476</u>	<u>30,476</u>	<u>30,476</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 30,476</u>	<u>\$ 30,476</u>	<u>\$ 17,046</u>	<u>\$ 13,430</u>

**CITY OF WAYCROSS, GEORGIA
COMMUNITY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Community development	<u>-</u>	<u>-</u>	<u>2,060</u>	<u>(2,060)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,060</u>	<u>(2,060)</u>
Revenues And Other Financing Sources Over (Under)				
Expenditures	<u>-</u>	<u>-</u>	<u>(2,060)</u>	<u>(2,060)</u>
Fund Balance - Beginning	<u>75,758</u>	<u>75,758</u>	<u>75,758</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 75,758</u>	<u>\$ 75,758</u>	<u>\$ 73,698</u>	<u>\$ (2,060)</u>

**CITY OF WAYCROSS, GEORGIA
EIP REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 8,399	\$ (8,399)
Interest earnings	-	-	11	11
Total Revenues	<u>-</u>	<u>-</u>	<u>8,410</u>	<u>(8,388)</u>
Expenditures:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues And Other Financing Sources Over Expenditures	-	-	8,410	(8,388)
Fund Balance - Beginning	<u>148,775</u>	<u>148,775</u>	<u>148,775</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 148,775</u>	<u>\$ 148,775</u>	<u>\$ 157,185</u>	<u>\$ 8,410</u>

**CITY OF WAYCROSS, GEORGIA
FIRE DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 6,603	\$ 6,603
Fees	-	-	1,500	(1,500)
Total Revenues	<u>-</u>	<u>-</u>	<u>8,103</u>	<u>5,103</u>
Expenditures:				
Public safety	-	-	7,210	(7,210)
Total Expenditures	<u>-</u>	<u>-</u>	<u>7,210</u>	<u>(7,210)</u>
Revenues And Other Financing Sources Over Expenditures	-	-	893	(2,107)
Fund Balance - Beginning	<u>3,464</u>	<u>3,464</u>	<u>3,464</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 3,464</u>	<u>\$ 3,464</u>	<u>\$ 4,357</u>	<u>\$ (2,107)</u>

**CITY OF WAYCROSS, GEORGIA
FEMA GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	<u>566</u>	<u>566</u>	<u>566</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 566</u>	<u>\$ 566</u>	<u>\$ 566</u>	<u>\$ -</u>

CITY OF WAYCROSS, GEORGIA
MISC GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,262</u>	<u>\$ 3,262</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>3,262</u>	<u>3,262</u>
Expenditures:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues And Other Financing Sources Over Expenditures	<u>-</u>	<u>-</u>	<u>3,262</u>	<u>3,262</u>
Fund Balance - Beginning	<u>10,115</u>	<u>10,115</u>	<u>10,115</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 10,115</u>	<u>\$ 10,115</u>	<u>\$ 13,377</u>	<u>\$ 3,262</u>

**CITY OF WAYCROSS, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes	<u>\$ 299,353</u>	<u>\$ 299,353</u>	<u>\$ 341,533</u>	<u>\$ (42,180)</u>
Total Revenues	<u>299,353</u>	<u>299,353</u>	<u>341,533</u>	<u>(42,180)</u>
Expenditures:				
Community development	120,473	120,473	121,661	(1,188)
Transfers out	<u>178,880</u>	<u>178,880</u>	<u>212,897</u>	<u>(34,017)</u>
Total Expenditures	<u>299,353</u>	<u>299,353</u>	<u>334,558</u>	<u>(35,205)</u>
Revenues And Other Financing Sources Over Expenditures	-	-	6,975	(6,975)
Fund Balance - Beginning	<u>47,878</u>	<u>47,878</u>	<u>47,878</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 47,878</u>	<u>\$ 47,878</u>	<u>\$ 54,853</u>	<u>\$ (6,975)</u>

**CITY OF WAYCROSS, GEORGIA
MISC FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	4,995	4,995	4,995	-
Fund Balance - Ending	<u>\$ 4,995</u>	<u>\$ 4,995</u>	<u>\$ 4,995</u>	<u>\$ -</u>

**CITY OF WAYCROSS, GEORGIA
CEMETERY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Transfers out	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	78,253	78,253	78,253	-
Fund Balance - Ending	<u>\$ 78,253</u>	<u>\$ 78,253</u>	<u>\$ 78,253</u>	<u>\$ -</u>

**CITY OF WAYCROSS, GEORGIA
WAYFEST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 5,833	\$ (5,833)
Total Revenues	-	-	5,833	(5,833)
Expenditures:				
Community development	-	-	14,417	(14,417)
Total Expenditures	-	-	14,417	(14,417)
Revenues And Other Financing Sources Over (Under)				
Expenditures	-	-	(8,584)	8,584
Fund Balance - Beginning	9,172	9,172	9,172	-
Fund Balance - Ending	<u>\$ 9,172</u>	<u>\$ 9,172</u>	<u>\$ 588</u>	<u>\$ 8,584</u>

**CITY OF WAYCROSS, GEORGIA
 LT JEFF LITTLE SCHOLARSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 5,203	\$ (5,203)
Total Revenues	<u>-</u>	<u>-</u>	<u>5,203</u>	<u>(5,203)</u>
Expenditures:				
Community development	-	-	4,000	(4,000)
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>(4,000)</u>
Revenues And Other Financing Sources Over Expenditures	-	-	1,203	(1,203)
Fund Balance - Beginning	<u>7,869</u>	<u>7,869</u>	<u>7,869</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 7,869</u>	<u>\$ 7,869</u>	<u>\$ 9,072</u>	<u>\$ (1,203)</u>

CITY OF WAYCROSS, GEORGIA
ATM MACHINE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Fees	\$ -	\$ -	\$ 1,506	\$ (1,506)
Investment earnings	-	-	18	(18)
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1,524</u>	<u>(1,524)</u>
Expenditures:				
General Government	-	-	349	(349)
Total Expenditures	<u>-</u>	<u>-</u>	<u>349</u>	<u>(349)</u>
Revenues And Other Financing Sources Over Expenditures	-	-	1,175	(1,175)
Fund Balance - Beginning	<u>520</u>	<u>520</u>	<u>520</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 520</u>	<u>\$ 520</u>	<u>\$ 1,695</u>	<u>\$ (1,175)</u>

**CITY OF WAYCROSS, GEORGIA
 SPLOST FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 138	\$ (138)
Total Revenues	-	-	138	(138)
Expenditures:				
Capital outlay	-	-	505,306	(505,306)
Total Expenditures	-	-	505,306	(505,306)
Revenues And Other Financing Sources Over (Under)				
Expenditures	-	-	(505,168)	505,168
Fund Balance - Beginning	505,168	505,168	505,168	-
Fund Balance - Ending	<u>\$ 505,168</u>	<u>\$ 505,168</u>	<u>\$ -</u>	<u>\$ 505,168</u>

**CITY OF WAYCROSS, GEORGIA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>BUDGETED AMOUNTS</u>		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund (Deficit) - Beginning	(35,367)	(35,367)	(35,367)	-
Fund (Deficit) - Ending	<u>\$ (35,367)</u>	<u>\$ (35,367)</u>	<u>\$ (35,367)</u>	<u>\$ -</u>

CITY OF WAYCROSS, GEORGIA
LMIG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>VARIANCE WITH FINAL BUDGET OVER (UNDER)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 169,094	\$ (169,094)
Total Revenues	<u>-</u>	<u>-</u>	<u>169,094</u>	<u>(169,094)</u>
Expenditures:				
Capital outlay	-	-	333,906	(333,906)
Total Expenditures	<u>-</u>	<u>-</u>	<u>333,906</u>	<u>(333,906)</u>
Revenues And Other Financing Sources Over (Under)				
Expenditures	-	-	(164,812)	164,812
Fund Balance - Beginning	<u>333,906</u>	<u>333,906</u>	<u>333,906</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 333,906</u>	<u>\$ 333,906</u>	<u>\$ 169,094</u>	<u>\$ 164,812</u>

**CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2016**

	LIABILITY INSURANCE	HEALTH INSURANCE	RETIREMENT	WORKERS COMPENSATION	PAYROLL
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 631,395	\$ 26,995	\$ 126,375	\$ 230,889	\$ 36,333
Accounts Receivables, net	-	16,146	-	-	-
Due from other funds	95,913	-	217,250	346,397	4,219
Inventories	-	-	-	-	-
Prepaid Expenses	-	-	-	24,633	-
Total current assets	<u>727,308</u>	<u>43,141</u>	<u>343,625</u>	<u>601,919</u>	<u>40,552</u>
Non-current assets:					
Capital Assets:					
Buildings	-	-	-	-	-
Utility System	-	-	-	-	-
Equipment and Furniture	-	-	-	-	-
Less Accumulated depreciation	-	-	-	-	-
Total non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>727,308</u>	<u>43,141</u>	<u>343,625</u>	<u>601,919</u>	<u>40,552</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	-	2,042,147	-	44,250	11,831
Salaries payable	-	-	-	-	-
Due to other funds	-	872,842	-	-	-
Compensated absences	-	-	-	-	-
Total current liabilities	<u>-</u>	<u>2,914,989</u>	<u>-</u>	<u>44,250</u>	<u>11,831</u>
Total liabilities	<u>-</u>	<u>2,914,989</u>	<u>-</u>	<u>44,250</u>	<u>11,831</u>
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	727,308	(2,871,848)	343,625	557,669	28,721
Total net position	<u>\$ 727,308</u>	<u>\$ (2,871,848)</u>	<u>\$ 343,625</u>	<u>\$ 557,669</u>	<u>\$ 28,721</u>

**CITY OF WAYCROSS, GEORGIA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2016**

	<u>WAREHOUSE</u>	<u>CITY GARAGE</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 12,234	\$ 1,064,221
Accounts Receivables, net	-	-	16,146
Due from other funds	60,273	-	724,052
Inventories	-	34,092	34,092
Prepaid Expenses	-	-	24,633
Total current assets	<u>60,273</u>	<u>46,326</u>	<u>1,863,144</u>
Non-current assets:			
Capital Assets:			
Buildings	-	138,321	138,321
Utility System	-	70,663	70,663
Equipment and Furniture	-	100,170	100,170
Less Accumulated depreciation	-	(306,385)	(306,385)
Total non-current assets	<u>-</u>	<u>2,769</u>	<u>2,769</u>
Total assets	<u>60,273</u>	<u>49,095</u>	<u>1,865,913</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	57,803	-	2,156,031
Salaries payable	-	4,684	4,684
Due to other funds	-	-	872,842
Compensated absences	-	17,931	17,931
Total current liabilities	<u>57,803</u>	<u>22,615</u>	<u>3,051,488</u>
Total liabilities	<u>57,803</u>	<u>22,615</u>	<u>3,051,488</u>
NET POSITION			
Net investment in capital assets	-	2,769	2,769
Unrestricted	2,470	23,711	(1,188,344)
Total net position	<u>\$ 2,470</u>	<u>\$ 26,480</u>	<u>\$ (1,185,575)</u>

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	LIABILITY INSURANCE	HEALTH INSURANCE	RETIREMENT	WORKERS COMPENSATION	PAYROLL
REVENUES					
Charges for services	\$ -	\$ 496,037	\$ -	\$ -	\$ -
Operating contributions	266,373	1,552,500	1,148,047	345,002	-
Total operating revenues	266,373	2,048,537	1,148,047	345,002	-
OPERATING EXPENSES					
Personal services	-	-	-	-	-
Contractual services	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Insurance claims and expenses	213,530	2,721,914	-	566,671	-
Retirement payments	-	-	1,142,494	-	-
Depreciation	-	-	-	-	-
Total operating expenses	213,530	2,721,914	1,142,494	566,671	-
Operating income (loss)	52,843	(673,377)	5,553	(221,669)	-
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	-	-	-	-	6
Miscellaneous revenue	-	14,410	-	-	15,554
Total non-operating revenue (expenses)	-	14,410	-	-	15,560
Income (loss) before contributions and transfers	52,843	(658,967)	5,553	(221,669)	15,560
Transfers out	-	-	-	-	-
Change in net position	52,843	(658,967)	5,553	(221,669)	15,560
Total net position - beginning	674,465	(2,212,881)	338,072	779,338	13,161
Total net position - ending	\$ 727,308	\$ (2,871,848)	\$ 343,625	\$ 557,669	\$ 28,721

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>WAREHOUSE</u>	<u>CITY GARAGE</u>	<u>TOTAL INTERNAL SERVICE FUNDS</u>
REVENUES			
Charges for services	\$ -	\$ -	\$ 496,037
Operating grants and contributions	111,970	355,522	3,779,414
Total operating revenues	<u>111,970</u>	<u>355,522</u>	<u>4,275,451</u>
OPERATING EXPENSES			
Personal services	109,730	300,812	410,542
Contractual services	-	21,814	21,814
Repairs and maintenance	-	32,812	32,812
Insurance claims and expenses	-	-	3,502,115
Retirement payments	-	-	1,142,494
Depreciation	-	2,316	2,316
Total operating expenses	<u>109,730</u>	<u>357,754</u>	<u>5,112,093</u>
Operating income (loss)	<u>2,240</u>	<u>(2,232)</u>	<u>(836,642)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	-	-	6
Miscellaneous revenue	-	-	29,964
Total non-operating revenue (expenses)	<u>-</u>	<u>-</u>	<u>29,970</u>
Income (loss) before contributions and transfers	2,240	(2,232)	(806,672)
Transfers out	-	-	-
Change in net position	2,240	(2,232)	(806,672)
Total net position - beginning	230	28,712	(378,903)
Total net position - ending	<u>\$ 2,470</u>	<u>\$ 26,480</u>	<u>\$ (1,185,575)</u>

**CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>LIABILITY INSURANCE</u>	<u>HEALTH INSURANCE</u>	<u>RETIREMENT</u>	<u>WORKERS COMPENSATION</u>	<u>PAYROLL</u>
Cash Flows From Operating Activities					
Cash received from customers	\$ 266,374	\$ 2,046,162	\$ 1,148,047	\$ 345,002	\$ (4,211)
Cash paid to suppliers	(213,531)	(2,060,572)	(1,142,494)	(539,089)	-
Cash paid to employees	-	-	-	-	-
Net Cash Provided By (Used In) Operating Activities	<u>52,843</u>	<u>(14,410)</u>	<u>5,553</u>	<u>(194,087)</u>	<u>(4,211)</u>
Cash Flows From Noncapital Financing Activities					
Miscellaneous non-operating revenue	-	14,410	-	-	15,554
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>14,410</u>	<u>-</u>	<u>-</u>	<u>15,554</u>
Cash Flows From Investing Activities					
Interest on cash deposits	-	-	-	-	6
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Net Increase (Decrease) in Cash	52,843	-	5,553	(194,087)	11,349
Cash Beginning of Year	578,552	26,995	120,822	424,976	24,984
Cash at End of Year	<u>\$ 631,395</u>	<u>\$ 26,995</u>	<u>\$ 126,375</u>	<u>\$ 230,889</u>	<u>\$ 36,333</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating Income (Loss)	\$ 52,843	\$ (673,377)	\$ 5,553	\$ (221,669)	\$ -
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:					
Depreciation and amortization	-	-	-	-	-
Change in Assets and Liabilities:					
Accounts receivable	-	(2,375)	-	-	-
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	6,719	-
Accounts payable	-	661,342	-	20,863	-
Accrued expenses	-	-	-	-	-
Net Cash Provided By (Used In) Operating Activities	<u>\$ 52,843</u>	<u>\$ (14,410)</u>	<u>\$ 5,553</u>	<u>\$ (194,087)</u>	<u>\$ (4,211)</u>
Cash Per Financial Statements, Including Investments	\$ 631,395	\$ 26,995	\$ 126,375	\$ 230,889	\$ 36,333
Less: Non-Cash Equivalents	-	-	-	-	-
Total Cash	<u>\$ 631,395</u>	<u>\$ 26,995</u>	<u>\$ 126,375</u>	<u>\$ 230,889</u>	<u>\$ 36,333</u>

**CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>WAREHOUSE</u>	<u>CITY GARAGE</u>	<u>TOTAL</u>
Cash Flows From Operating Activities			
Cash received from customers	\$ 111,970	\$ 353,457	\$ 4,266,801
Cash paid to suppliers	(2,239)	(54,626)	(4,012,551)
Cash paid to employees	(109,731)	(300,379)	(410,110)
Net Cash Provided By (Used In) Operating Activities	<u>-</u>	<u>(1,548)</u>	<u>(155,860)</u>
Cash Flows From Noncapital Financing Activities			
Miscellaneous non-operating revenue	-	-	29,964
Net Cash Provided By Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>29,964</u>
Cash Flows From Investing Activities			
Interest on cash deposits	-	-	6
Net Cash Provided By (Used In) Investing Activities	<u>-</u>	<u>-</u>	<u>6</u>
Net Increase (Decrease) In Cash	-	(1,548)	(125,890)
Cash Beginning of Year	-	13,782	1,190,111
Cash at End of Year	<u>\$ -</u>	<u>\$ 12,234</u>	<u>\$ 1,064,221</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Operating Income (Loss)	\$ 2,240	\$ (2,232)	\$ (836,642)
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:			
Depreciation and amortization	-	2,316	2,316
Change in Assets and Liabilities:			
Accounts receivable	-	-	(2,375)
Inventories	-	(2,065)	(2,065)
Prepaid expenses	-	-	6,719
Accounts payable	(2,240)	-	679,965
Accrued expenses	-	433	433
Net Cash Provided By (Used In) Operating Activities	<u>\$ -</u>	<u>\$ (1,548)</u>	<u>\$ (155,860)</u>
Cash Per Financial Statements, Including Investments	\$ -	\$ 12,234	\$ 1,064,221
Less: Non-Cash Equivalents	-	-	-
Total Cash	<u>\$ -</u>	<u>\$ 12,234</u>	<u>\$ 1,064,221</u>

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>MUNICIPAL COURT</u>	<u>POLICE CONDEMNATION</u>	<u>TOTAL AGENCY FUNDS</u>
ASSETS			
Cash and cash equivalents	\$ 41,115	\$ 45,024	\$ 86,139
Total assets	<u>41,115</u>	<u>45,024</u>	<u>86,139</u>
LIABILITIES			
Refundable court bonds	41,115	-	41,115
Seized funds held	<u>-</u>	<u>45,024</u>	<u>45,024</u>
Total liabilities	<u>\$ 41,115</u>	<u>\$ 45,024</u>	<u>\$ 86,139</u>

SPECIAL REPORTS SECTION



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and City Commission
Waycross, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2016, and the related notes to the financial statements, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated November 30, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Waycross, Georgia's internal control over financial reporting to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Waycross, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Waycross, Georgia's internal control.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, that results in more than reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Waycross, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

November 30, 2016

CITY OF WAYCROSS, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
PR-8530-32 (299) Streets #4	\$ 914,931	\$ 914,931	\$ 914,931	\$ -	\$ 914,931	100.00%
PR-8530-38 (299) Streets #5	1,012,635	1,012,635	1,012,635	-	1,012,635	100.00%
PR-8530-37 (299) Streets #6	1,153,080	1,153,401	1,153,401	-	1,153,401	100.00%
PR-8530-40 (299) Elizabeth and Seminole	103,350	103,350	103,350	-	103,350	100.00%
PR-8520-18 (299) Streets #7	1,240,571	1,387,968	1,387,968	-	1,387,968	100.00%
PR-8520-18 (299) Streets #3	34,661	34,661	34,661	-	34,661	100.00%
Hill & Williams	153,600	96,027	96,027	-	96,027	100.00%
PR-8531-010-01 Streets #8	900,931	830,451	830,451	-	830,451	100.00%
PR-8530-42 (299) Streets #9	1,302,458	1,308,197	1,308,197	-	1,308,197	100.00%
PR-8531-010-01 Storm Drain Improvements Riverside	153,600	162,100	162,100	-	162,100	100.00%
Administrative	-	113,790	113,790	-	113,790	100.00%
U.S. 1 Drainage	585,280	640,327	640,327	-	640,327	100.00%
Hazzard Hill Drainage	141,235	145,299	145,299	-	145,299	100.00%
Quartermen Street Drainage	79,720	164,713	164,713	-	164,713	100.00%
Milling Street Drainage	34,657	34,657	34,657	-	34,657	100.00%
Central Ave. & City Blvd. Drainage	551,405	623,291	623,291	-	623,291	100.00%
Roberts Street Drainage	-	1,566	1,566	-	1,566	100.00%
City Boulevard Mini Mall	-	5,888	5,888	-	5,888	100.00%
Upchurch Street	-	520	520	-	520	100.00%
Miscellaneous	-	533	533	-	533	100.00%
Suwanee Street Canal	-	1,735	1,735	-	1,735	100.00%
Painting and Striping Streets	-	178,481	178,481	-	178,481	100.00%
Miscellaneous	-	6,976	6,976	-	6,976	100.00%
Kroger Evaluation	-	2,328	2,328	-	2,328	100.00%
Dorothy Street	-	4,200	4,200	-	4,200	100.00%
Corridor Z and Bennett Road	-	300	300	-	300	100.00%
Uvalda Street	-	9,358	9,358	-	9,358	100.00%
Beacon Hill	-	44,408	44,408	-	44,408	100.00%
Northwood Terrace	-	23,078	23,078	-	23,078	100.00%

**CITY OF WAYCROSS, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
PR-6610-061-00 Contract #11A .	966,708	1,082,951	1,082,951	-	1,082,951	100.00%
PR-8351-025-01 Contract #10	1,199,857	1,363,237	1,363,237	-	1,363,237	100.00%
PR-8351-022-01 Central Avenue Drainage	-	10,541	10,541	-	10,541	100.00%
City Boulevard Phase II, IV	-	139,664	139,664	-	139,664	100.00%
38 Connector Widening	-	524,340	524,340	-	524,340	100.00%
PR-8351-036-01 Bazemore Park	-	23,775	23,775	-	23,775	100.00%
Drainage Ditch Project	-	52,559	52,559	-	52,559	100.00%
PR-8531-023-01 U.S. 1 Drainage - Baldwin Rental	-	43,225	43,225	-	43,225	100.00%
Aerial Mapping	-	6,252	6,252	-	6,252	100.00%
Senate Street	-	350	350	-	350	100.00%
Shawnee Drive, Andrea Drive and Knight Avenue	-	3,736	3,736	-	3,736	100.00%
Lee Avenue	-	14,718	14,718	-	14,718	100.00%
Riverside, Dorothy, & Darling	-	7,600	7,600	-	7,600	100.00%
Haines Street Improvements	-	5,598	5,598	-	5,598	100.00%
Painting and Striping Streets	-	23,639	23,639	-	23,639	100.00%
Riverside Drive - Drainage	-	29,650	29,650	-	29,650	100.00%
Milling - Carswell Avenue	-	20,000	20,000	-	20,000	100.00%
City Blvd - Lamar Johnson Project	-	21,008	21,008	-	21,008	100.00%
Central Avenue & St Mary's St. Repairs	-	5,962	5,962	-	5,962	100.00%
Traffic Light - Waycross College	-	6,000	6,000	-	6,000	100.00%
Painting and Striping Streets	-	123,968	123,968	-	123,968	100.00%
Materials - Misc. Street Repair Jobs	-	128,513	128,513	-	128,513	100.00%
Portable Sewer Video Camera, Custom Built Trailer and Honda Generator	-	30,000	30,000	-	30,000	100.00%
Oakland Cemetery	-	5,467	5,467	-	5,467	100.00%
Railroad Relocation Project	835,000	14,888	14,888	-	14,888	100.00%
City Boulevard Improvement Project - Phase II - RP-8351-039-01	589,501	689,375	689,375	-	689,375	100.00%
GIS Mapping Project	751,469	5,145	5,145	-	5,145	100.00%

**CITY OF WAYCROSS, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
PR-6610-061-00 - Contract #11B	-	644,798	644,798	-	644,798	100.00%
City Boulevard Phase IV - Project 8351-047-01	-	32,771	32,771	-	32,771	100.00%
Downtown Drainage Project	-	472,890	472,890	-	472,890	100.00%
Newton Phase II (City Match)	-	10,000	10,000	-	10,000	100.00%
Water & Sewer Improvements - State Health Lab	-	35,248	35,248	-	35,248	100.00%
Milling - Church Street	-	7,000	7,000	-	7,000	100.00%
PR-8530-65 (Contract C35064-03-000-0) Carswell Avenue	-	390	390	-	390	100.00%
Road Projects	-	476,836	476,836	-	476,836	100.00%
City Blvd Phase IV Project #850-10-0104	-	7,995	7,995	-	7,995	100.00%
Milling - Plant Ave	-	55,431	55,431	-	55,431	100.00%
Plant Avenue	-	1,488	1,488	-	1,488	100.00%
Elizabeth & Mary	-	39,456	39,456	-	39,456	100.00%
Dorothy & Tebeau	-	19,599	19,599	-	19,599	100.00%
Morningside Drive	-	198,258	198,258	-	198,258	100.00%
Rail Relocation - Resurface Carswell, Elizabeth	-	420,194	420,194	-	420,194	100.00%
Street Drainage Imprv. - Phase I	-	594,362	594,362	-	594,362	100.00%
Contract 12 - Phase II	-	498,266	498,266	-	498,266	100.00%
Clough & Garlington	-	155,935	155,935	-	155,935	100.00%
Sewer & Water Improvements - Phase I	-	15,330	15,330	-	15,330	100.00%
Sewer & Water Improvements - Phase II	-	7,475	7,475	-	7,475	100.00%
2010 Street Rehab	-	5,540	5,540	-	5,540	100.00%
Carswell, Elizabeth, Pendleton (net costs not reimbursed)	-	331,108	331,108	-	331,108	100.00%
Multi Use Trail & Trailhead Project	-	233,949	189,173	44,776	233,949	100.00%
2015 Striping Project	-	76,044	-	76,044	76,044	100.00%
Thomas & Hill	-	131,219	-	131,219	131,219	100.00%
2016 Street Repair	-	4,616	-	4,616	4,616	100.00%
Alice, Hicks, & Walter	-	248,651	-	248,651	248,651	100.00%
Totals	\$ 12,704,649	\$ 18,112,179	\$ 17,606,873	\$ 505,306	\$ 18,112,179	

CITY OF WAYCROSS, GEORGIA
SPLOST 2008-2013
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
Roads and Streets	\$ 5,381,812	\$ 5,381,812	\$ 2,580,832	\$ 101,615	\$ 2,682,447	49.84%
Public Buildings	3,600,000	3,600,000	3,162,610	96,769	3,259,379	90.54%
Information Technology	75,000	75,000	60,921	-	60,921	81.23%
Water and Sewer Rehabilitation and Expansion	2,000,000	2,000,000	291,195	164,959	456,154	22.81%
Fire and Special Purpose Vehicles	1,350,000	1,369,332	1,369,332	-	1,369,332	100.00%
Property Acquisition and Demolition	600,000	600,000	65,170	11,288	76,458	12.74%
Downtown Development Authority	500,000	500,000	387,259	-	387,259	77.45%
Totals	\$ 13,506,812	\$ 13,526,144	\$ 7,917,319	\$ 374,631	\$ 8,291,950	

CITY OF WAYCROSS, GEORGIA
SPLOST 2014
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>ORIGINAL ESTIMATED COST</u>	<u>CURRENT ESTIMATED COST</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL</u>	<u>ESTIMATED PERCENTAGE OF COMPLETION</u>
Roads, Streets and Bridge Improvements and Equipment	\$ 5,740,000	\$ 5,740,000	\$ -	\$ -	\$ -	0.00%
Water and Sewer Rehabilitation	1,000,000	1,000,000	-	-	-	0.00%
Public Facility Improvements, Demolition and Acquisition	6,422,000	6,422,000	-	488,543	488,543	7.61%
Public Safety and Special Purpose Vehicle Fleet	1,500,000	1,500,000	-	254,699	254,699	16.98%
City Park Improvements	435,000	435,000	-	44,345	44,345	10.19%
Development Authority Construction, Infrastructure Economic Development	250,000	250,000	-	-	-	0.00%
Information Technology Equipment, Software and Training	125,000	125,000	-	6,709	6,709	5.37%
Totals	<u>\$ 15,472,000</u>	<u>\$ 15,472,000</u>	<u>\$ -</u>	<u>\$ 794,296</u>	<u>\$ 794,296</u>	

**STATISTICAL SECTION
(UNAUDITED)**

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

<u>YEAR ENDING</u>	<u>ADMINI- STRATION</u>	<u>POLICE</u>	<u>FIRE</u>	<u>PUBLIC WORKS</u>	<u>CULTURE/ RECREATION</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>	<u>OPERATING TRANSFERS</u>	<u>TOTAL</u>
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
2011-12	1,033,170	4,157,545	3,197,362	1,935,956	-	436,918	277,190	-	-	11,038,141
2012-13	384,104	4,270,214	3,340,926	2,042,825	-	602,535	332,524	-	-	10,973,128
2013-14	405,427	4,452,598	3,343,602	2,117,111	-	635,020	326,200	-	-	11,279,958
2014-15	283,553	4,260,355	3,333,561	2,087,023	-	634,332	218,479	-	-	10,817,303
2015-16	432,707	4,285,447	3,199,237	1,756,299	-	660,733	171,939	-	-	10,506,362

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

YEAR ENDING	TAXES	LICENSES & PERMITS	FINES & FORFEITURES	CHARGES FOR SERVICES	SALE OF CITY PROPERTY	OTHER	INTER- GOVERNMENTAL REVENUE	TOTAL
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
2011-12	9,051,398	770,406	533,204	19,071	-	62,322	124,052	10,560,453
2012-13	8,918,796	755,674	442,755	31,162	-	244,612	133,130	10,526,129
2013-14	8,900,997	906,685	372,867	26,326	-	238,652	131,691	10,577,218
2014-15	8,909,974	858,686	410,224	30,473	-	195,670	132,386	10,537,413
2015-16	8,750,422	878,033	301,312	32,930	-	199,522	135,531	10,297,750

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

YEAR ENDING	PROPERTY TAXES	FRANCHISE TAXES	SALES TAXES	REVENUES AND OTHER TAXES	TOTAL TAXES
2006-07	\$ 2,413,559	\$ 1,121,519	\$ 3,241,110	\$ 1,467,103	\$ 8,243,291
2007-08	2,468,371	1,200,882	3,441,880	1,444,311	8,555,444
2008-09	2,496,231	1,242,201	3,172,561	1,489,919	8,400,912
2009-10	2,792,354	1,218,501	3,112,610	1,397,012	8,520,477
2010-11	3,365,994	1,286,507	2,995,073	1,421,676	9,069,250
2011-12	2,994,483	1,327,145	3,440,522	1,289,248	9,051,398
2012-13	2,981,226	1,242,729	3,253,938	1,440,903	8,918,796
2013-14	2,911,447	1,154,004	3,111,426	1,724,120	8,900,997
2014-15	3,059,551	1,212,752	2,941,339	1,696,332	8,909,974
2015-16	3,043,302	1,200,642	2,780,778	1,725,701	8,750,423

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

YEAR ENDING	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS PRIOR YEARS	TOTAL COLLECTIONS	TOTAL COLLECTIONS AS A PERCENT OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES
2006-07	\$ 2,282,899	\$ 2,101,860	92.1%	\$ 89,771	\$ 2,191,631	96.0%	\$ 159,996
2007-08	2,393,623	2,152,538	89.9%	107,443	2,259,981	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
2011-12	3,145,624	2,939,610	93.5%	54,873	2,994,483	95.2%	220,063
2012-13	3,135,872	2,878,145	91.8%	103,081	2,981,226	95.1%	304,046
2013-14	3,098,651	2,805,407	90.5%	106,040	2,911,447	94.0%	347,706
2014-15	3,064,531	2,893,054	94.4%	166,497	3,059,551	99.8%	333,243
2015-16	3,141,188	2,793,810	88.9%	249,492	3,043,302	96.9%	380,151

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

YEAR ENDING	ASSESSED VALUE	APPRAISED VALUE	PERCENT OF APPRAISED VALUE
2006-07	\$ 254,171,399	\$ 635,428,498	40%
2007-08	270,926,543	677,316,358	40%
2008-09	272,045,179	680,112,940	40%
2009-10	272,155,064	680,387,661	40%
2010-11	275,237,237	688,093,093	40%
2011-12	286,017,851	715,044,628	40%
2012-13	285,131,153	712,827,883	40%
2013-14	281,746,732	704,366,830	40%
2014-15	278,644,347	696,610,868	40%
2015-16	285,614,489	714,036,223	40%

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

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
Residential	\$ 107,279,240	\$ 107,150,397	\$ 103,696,046	\$ 107,727,818	\$ 115,864,620	\$ 117,193,214	\$ 118,401,524	\$ 118,646,720	\$ 112,976,349	\$ 96,904,122
Historic	821,070	22,901	951,090	22,901	27,340	326,736	327,098	211,816	211,816	132,840
Commercial	136,190,865	128,427,105	131,515,432	131,110,417	121,756,710	128,320,875	126,834,786	127,938,590	124,762,905	125,691,920
Industrial	1,774,019	1,581,888	1,471,305	1,538,378	1,540,243	1,610,454	704,604	864,136	902,705	1,000,016
Agricultural	20,239	20,239	-	-	-	-	-	-	-	-
Conservation Use	179,260	-	-	-	-	-	-	-	-	-
Others	11,305	2,287	-	-	-	-	-	-	2,759	28,721
Utilities	41,763,039	37,393,551	36,489,611	36,585,655	41,156,999	21,979,307	22,633,113	20,514,815	28,689,092	30,420,455
Motor Vehicles	12,604,590	18,355,270	21,365,230	21,365,230	20,133,720	21,026,070	22,824,480	22,824,480	22,235,460	20,591,300
Mobile Homes	969,619	973,543	1,048,003	1,069,291	1,020,165	1,182,293	1,078,759	1,294,481	1,464,069	1,562,192
Railroad Car (2)	-	-	-	-	-	-	-	-	-	-
	301,613,246	293,927,181	296,536,717	299,419,690	301,499,797	291,638,949	292,804,364	292,295,038	291,245,155	276,331,566
Exemptions (1)	<u>(15,998,757)</u>	<u>(15,282,834)</u>	<u>(14,789,985)</u>	<u>(14,288,537)</u>	<u>(15,481,946)</u>	<u>(14,890,049)</u>	<u>(14,859,367)</u>	<u>(14,868,088)</u>	<u>(23,621,425)</u>	<u>(13,158,455)</u>
Total (1)	<u>\$285,614,489</u>	<u>\$ 278,644,347</u>	<u>\$ 281,746,732</u>	<u>\$ 285,131,153</u>	<u>\$ 286,017,851</u>	<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>
	\$ -	-	-	-	-	-	-	-	-	-

- (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>
2006-07	10.226
2007-08	9.998
2008-09	9.998
2009-10	10.998
2010-11	10.998
2011-12	10.998
2012-13	10.998
2013-14	10.998
2014-15	10.998
2015-16	10.998

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

YEAR ENDING	POPULATION	VALUE	GROSS BONDED DEBT	RATIO OF GROSS BONDED DEBT TO ASSESSED VALUE	GROSS BONDED PER CAPITA
2006-07	15,333	\$ 254,171,399	-	0.0%	-
2007-08	14,765	270,926,543	-	0.0%	-
2008-09	14,765	272,045,179	-	0.0%	-
2009-10	14,765	272,155,064	-	0.0%	-
2010-11	14,649	275,237,237	-	0.0%	-
2011-12	14,718	286,017,851	-	0.0%	-
2012-13	14,725	285,131,153	-	0.0%	-
2013-14	14,649	281,746,732	-	0.0%	-
2014-15	14,576	278,644,347	-	0.0%	-
2015-16	14,649	285,614,489	-	0.0%	-

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

<u>YEAR ENDING</u>	<u>CAPITALIZED LEASES & EQUIPMENT FINANCING PRINCIPAL & 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>
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%
2011-12	277,190	-	-	277,190	11,038,141	2.51%
2012-13	332,524	-	-	332,524	10,973,128	3.03%
2013-14	326,200	-	-	326,200	11,279,958	2.89%
2014-15	218,479	-	-	218,479	10,817,303	2.02%
2015-16	171,939	-	-	171,939	10,506,362	1.64%

**CITY OF WAYCROSS, GEORGIA
 COMPUTATION OF LEGAL DEBT MARGIN
 AND DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2016**

ASSESSED VALUE		\$ 285,614,489
DEBT LIMIT: 10% OF ASSESSED VALUE		28,561,449
LESS: DEBT APPLICATION TO DEBT LIMIT		
GENERAL OBLIGATION INDEBTEDNESS		<u>5,569,969</u>
LEGAL DEBT MARGIN		<u><u>\$ 22,991,480</u></u>
 DIRECT AND OVERLAPPING DEBT		
CITY'S DIRECT BONDED DEBT		\$ -
CITY'S OBLIGATION ON WATER AND SEWER LOAN		5,569,969
 BONDED DEBT OF OTHER OVERLAPPING		
GOVERNMENTS ASSESSED AGAINST CITY TAXPAYERS		<u>-</u>
TOTAL DIRECT AND OVERLAPPING DEBT		<u><u>\$ 5,569,969</u></u>

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

YEAR ENDING	GROSS REVENUE	EXPENSE (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT COVERAGE (2)
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
2011-12	5,931,630	4,220,357	1,711,273	1.55
2012-13	6,109,343	4,738,325	1,371,018	1.32
2013-14	6,037,587	4,787,467	1,250,120	1.23
2014-15	6,077,034	4,925,900	1,151,134	1.15
2015-16	6,287,997	5,093,794	1,194,203	1.21

(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
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
1. Ware Correctional Institute	\$ 106,113	\$ 139,715	\$ 245,828
2. Mayo Clinic Health System	35,771	47,005	82,776
3. Waycross Housing Authority	20,774	27,286	48,060
4. Flanders Provision Co.	20,005	26,373	46,378
5. Ware County Commission	13,898	18,056	31,954
6. CSX Transportation	17,939	12,202	30,141
7. Baptist Village	-	29,816	29,816
8. Mayo Clinic - Express Care	12,307	16,034	28,341
9. Ware Manor Apartments	11,691	15,134	26,825
10. Kinsman Investments, LLC	11,064	13,966	25,030
Total	\$ 249,562	\$ 345,587	\$ 595,149

**CITY OF WAYCROSS, GEORGIA
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>ASSESSED VALUE</u>	<u>TAX LEVIED</u>
1. CSX Transportation	\$ 33,476,798	\$ 368,178
2. Georgia Power Company	4,876,008	53,626
3. Walmart Stores East LP	3,554,787	39,096
4. Lowe's Home Centers, Inc.	3,435,522	37,784
5. Kolb & Wheeler & Walters	3,363,414	36,991
6. Walmart Stores, Inc.	2,951,744	32,463
7. BC Waycross Associates	2,648,429	29,127
8. Lowe's Home Centers, Inc.	1,709,605	18,802
9. The Kroger Company	1,639,301	18,029
10. Kemp Ridge Holdings, LLC	<u>1,522,999</u>	<u>16,750</u>
Total	<u><u>\$ 59,178,607</u></u>	<u><u>\$ 650,846</u></u>

**CITY OF WAYCROSS, GEORGIA
MISCELLANEOUS STATISTICS
JUNE 30, 2016**

Date of Incorporation	1874
Form of Government	Manager
Number of Employees (Excluding Police and Fire)	89
Classified	
Area in Square Miles	11.69
Population - City	14,576
- County	35,515
Daytime Population	45,000
City of Waycross Facilities and Services	
Miles of Streets	178
Number of Street Lights	2,053
Number of Traffic Lights	21
Culture and Recreation	
Community Centers	2
Parks	24
Park Acreage	113.34
Cemeteries	3
Cemetery Acreage	140
Tennis Courts	1
Fire Protection	
Number of Stations	3
Number of Fire Personnel and Officers	54
Number of Calls Answered	1,280
Number of Inspections Conducted	1,753
Police Protection	
Number of Stations	1
Number of Police Personnel and Officers	71
Number of Patrol Units	42
Number of Law Violations	
Physical Arrests	2,000
Traffic Violations	2,900
Sewerage System	
Miles of Sanitary Sewers	120
Miles of Storm Sewers	60
Number of Treatment Plants	1
Number of Service Connections	6,964
Daily Average Treatment in Gallons	3,000,000
Maximum Daily Capacity of Treatment Plant in Gallons	12,000,000
Water System	
Miles of Water Mains	145
Number of Service Connections	7,607
Number of Fire Hydrants	1,011
Daily Average Consumption in Gallons	2,300,000
Maximum Daily Capacity of Plant in Gallons	3,400,000
Facilities and Services Not Included in the Reporting Entity:	
Hospitals:	
Number of Hospitals	1
Number of Beds	231

**CITY OF WAYCROSS, GEORGIA
SELECTED WATER AND SEWER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016**

Water Accounts Active (Estimate)		6,248
Sewere Accounts Active (Estimate)		5,730
Total Water Pumped - Gallons (Estimate)		837,614,000
Total Water Consumed - Gallons (Estimate)		693,479,776
Total Water Billed	\$	2,448,334
Total Water Collected	\$	2,532,465
Total Sewer Billed	\$	2,677,132
Total Sewer Collected	\$	2,623,542