CITY OF WAYCROSS, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2009

CITY OF WAYCROSS, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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FINANCIAL SECTION

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Independent Auditor's Report

November 18, 2009

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Waycross, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had DWDA's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units for the City of Waycross, Georgia as of June 30, 2009, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waycross

Georgia as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2009, on our consideration of the City of Waycross' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 12 and pages 51-52 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waycross, Georgia, basic financial statements. The combining and individual non-major fund financial statements, internal service funds, fiduciary funds, the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Projects Constructed with Special Sales Tax Proceeds is reported upon on pages 66 through 71 along with our opinion on page 65. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

Our discussion and analysis of the City of Waycross' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the City's financial statements, which begin on page 13.

Financial Highlights

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

The largest single source of funds for the general fund is local option sales taxes accounting for over 25% of the budget. During 2009, sales taxes were projected to remain relatively unchanged from the prior year. From July 1, 2008 to December 31, 2008 this projection held true and sales tax collections on average increased 4% over the prior year. As the economy began to enter a depression, the trend reversed and sales tax collections decreased 10% for the period January 1, 2009 to June 30, 2009.

Despite the decrease in local option sales taxes, general revenues on a government-wide basis were sufficient to cover the net expenses of governmental activities. On the more limited fund basis financial statements the impact of the slowing economy was even more dramatic. As sales tax and property tax collections declined, departments reduced spending. The reduction in revenues was greater than the decline in expenses resulting in expenditures exceeding revenues by $192,532. When combined with transfers the fund balance declined by $218,813 resulting in a fund balance of $869,730. This balance will serve as a cushion during this period of economic volatility.

The City has a long range plan to identify and quantify the infrastructure needs of our community. The 2008 SPLOST tax will begin to address those needs as it relates to public buildings, streets and major equipment. During 2009, $1,680,476 was collected and $635,823 was spent to replace the fire ladder truck.

In the public utilities business-type activities (water and sewer services), expenses exceeded revenues by $99,813. The waste water treatment plant treats the runoff from several large landfills. In 2008 this revenue was $240,723. In 2009 a major landfill customer was lost and the revenue declined to $56,285. This major customer has been replaced. Infrastructure replacement is a major issue for water and sewer services and these needs are included in our long range plans. A rate study is currently underway to insure rates are adequate to fund necessary improvements.

The waste management business-type activity did not generate sufficient revenues to cover expenses. Steps have been taken to improve the efficiency of operations. The program of using trucks with claws to load yard trash with a crew of one rather than two was begun in 2008 and completed in 2009.

How These Statements Were Prepared

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

Government-wide Financial Statements

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

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

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration (mayor and council, city manager, finance, purchasing, human resources, and engineering), public safety (police and fire), public works, cemetery and community development (grants, codes, planning, zoning and inspections). The business-type activities of the City include water and sewer services and waste management which includes yard trash and garbage pick-up.

Fund Financial Statements

The fund financial statements beginning on page 16 provide detailed information about the most significant funds - not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Some funds are required to be established by State law and bond covenants. The City has established other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money. The City's two kinds of funds – governmental and proprietary - use different accounting approaches and are described more fully below.

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

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

The City maintains 21 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the SPLOST Fund and the Capital Reserve Fund, which are considered to be major funds. Data for the other 18 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 16 – 19.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Utilities and Waste Management Funds since both are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-48.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on page 51-52 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 54-60 of this report.

The City as Trustee

The City is the trustee, or fiduciary of certain assets. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 23. We excluded these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Governmental-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the government's financial position. In the case of the City of Waycross, assets exceeded liabilities by $46,717,642 as of June 30, 2009. The tables below should be read in conjunction with the financial statements on pages 14-15.

Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	$ 5,832,074	$ 5,886,166	$ 1,683,972	$ 1,655,903	$ 7,516,046	$ 7,542,069
Capital assets	18,548,781	17,904,954	33,927,032	34,435,055	52,475,813	52,340,009
Total assets	24,380,855	23,791,120	35,611,004	36,090,958	59,991,859	59,882,078
Long-term debt outstanding	1,052,034	654,474	11,652,227	12,409,066	12,704,261	13,063,540
Other liabilities	446,079	826,517	217,877	236,867	663,956	1,063,384
Total liabilities	1,498,113	1,480,991	11,870,104	12,645,933	13,368,217	14,126,924
Net assets:						
Invested in capital assets, Net of debt	17,817,413	17,250,480	22,274,805	22,025,989	40,092,218	39,276,469
Restricted	2,426,038	1,870,123	922	922	2,426,960	1,871,045
Unrestricted	2,639,291	3,189,526	1,465,173	1,418,114	4,104,464	4,607,640
Total net assets	$ 22,882,742	$ 22,310,129	$ 23,740,900	$ 23,445,025	$ 46,623,642	$ 45,755,154

The largest portion of the City's net assets (85%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets of the City's governmental activities increased $572,613 to $22,882,742. A portion of the City's net assets ($2,426,038) represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net assets ($2,639,291) may be used to meet the government's ongoing obligation to citizens and creditors.

The net assets of our business-type activities increased $295,875 to $23,740,900. The City can only use these net assets to finance the continuing operations of the public utilities (water and sewer) and waste management (garbage and yard trash pickup/disposal).

Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues						
Charges for Services	$ 1,557,019	$ 1,501,457	$ 7,158,035	$ 7,396,724	$ 8,715,054	$ 8,898,181
Operating Grants	778,149	870,769		-	778,149	870,769
Capital Grants	150,000	-	-	-	150,000	-
General Revenues					-	-
Property Taxes	2,526,712	2,468,371		-	2,526,712	2,468,371
Other Taxes	7,835,957	6,365,240		-	7,835,957	6,365,240
Grants		-		-	-	-
Investment Earnings	72,884	177,287	3,546	6,109	76,430	183,396
Other	326,264	198,208	14,028		340,292	198,208
Total Revenues	13,246,985	11,581,332	7,175,609	7,402,833	20,422,594	18,984,165
Program Expenses						
General Government	1,103,609	1,305,433		-	1,103,609	1,305,433
Public Safety	7,325,341	7,034,380		-	7,325,341	7,034,380
Public Works	3,147,156	3,108,442		-	3,147,156	3,108,442
Cemetery	195,898	243,758		-	195,898	243,758
Community Development	770,557	876,563		-	770,557	876,563
Interest	19,423	18,028		-	19,423	18,028
Public Utilities		-	5,837,425	5,432,495	5,837,425	5,432,495
Waste Management		-	1,530,372	1,580,890	1,530,372	1,580,890
Total Expenses	12,561,984	12,586,604	7,367,797	7,013,385	19,929,781	19,599,989
Excess before transfers	685,001	(1,005,272)	(192,188)	389,448	492,813	(615,824)
Transfers	(166,000)	(146,577)	166,000	146,577	-	-
Prior Period Adjustment	-	-	-	-	-	-
Increase in net assets	$ 519,001	$ (1,151,849)	$ (26,188)	$ 536,025	$ 492,813	$ (615,824)

The City's total revenues increased by $1,438,429 (8 percent) and the total expenses increased by $329,792 (1.7 percent).

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

Governmental Activities

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

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

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

	Governmental Activities Total Cost		Net Cost of Services	
	2009	2008	2009	2008
General Government	$ 1,103,609	$ 1,305,433	$ 286,508	$ 503,263
Public Safety	7,325,341	7,034,380	6,457,477	6,072,526
Public Works	3,147,156	3,108,442	2,657,682	2,808,479
All Others	985,878	1,138,349	675,149	830,110
Totals	$ 12,561,984	$ 12,586,604	$ 10,076,816	$ 10,214,378

The net expense of operating Governmental Activities decreased from $10,214,378 to $10,076,816. This decrease of $137,562, or 1.3 percent, was primarily the result of reduced spending as the economy began to show signs of weakness. General revenues increased 17 percent, or $1,552,711 from $9,209,106 in 2008 to $10,761,817 in 2009. Tax rates were unchanged between the years. The most significant increase came from collection of the 2008 Special Purpose Local Option Sales Tax while other revenues remained relatively unchanged from the previous year.

Business-Type Activities

The City's two business-type activities continue to be operated in a manner to cover all operating cost on a cash basis. Rates charged for these services remained the same. As previously discussed the Public Utilities were adversely impacted by the loss of a major customer and Waste Management continues to make operational changes to reduce expenses to bring them in line with charges for providing these services.

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 is currently underway to determine rates are adequate to fund these improvements.

The City's Funds

As the City completed the year, its governmental funds (as presented on page 16) reported a combined fund balance of $3,295,768. Included in this total fund balance is a fund balance in the General Fund of $869,730 which compares to a prior balance of $1,088,543 in 2008. This fund balance will assist the City in weathering the current economic slow down and unanticipated events.

General Fund Budgetary Highlights

Actual revenues for 2009 were less than the budgeted amount by $759,074 or 7 percent and expenses were less than budget by $628,241 or 6 percent. The revenue budget was adversely impacted by declines in all tax collections as the economy began to slow down. As these decreases occurred operating expenditures were closely monitored to offset the revenue decreases. All operating areas were within budget. The total budgeted expenditures were $10,934,304 and the total actual expenditures totaled $10,306,063. A more detailed comparison is on page 52.

Capital Assets

At June 30, 2009, the City had $52 million invested in a broad range of capital assets, including police and fire equipment, buildings, water and sewer lines, and a treatment plant. This amount represents a net increase (additions and deductions) of $135,804 over the last year. Additions include additional purchases of equipment/vehicles. The table below provides further analysis of these capital assets.

	Capital Assets at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	$ 4,076,148	$ 4,022,536	$ 235,859	$ 235,859	$ 4,312,007	$ 4,258,395
Construction in Progress	153,689	428,125	11,963	-	165,652	428,125
Buildings/Improvements	6,626,867	6,626,867	9,785,589	9,785,589	16,412,456	16,412,456
Equipment and Vehicles	6,515,426	5,556,746	5,468,835	5,496,790	11,984,261	11,053,536
Infrastructure	31,257,842	29,419,166	48,088,155	47,064,327	79,345,997	76,483,493
Accumulated Depreciation	(30,081,191)	(28,148,486)	(29,663,369)	(28,147,509)	(59,744,560)	(56,295,995)
Totals	$ 18,548,781	$ 17,904,954	$ 33,927,032	$ 34,435,056	$ 52,475,813	$ 52,340,010

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

Debt Administration

At year end, the City had $12,383,593 million in bonds, notes, and capital leases outstanding versus $13,028,390 last year - a decrease of 5 percent - as shown in the following table:

	Outstanding Debt at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Capital Leases	$ 731,368	$ 619,824	$ 344,337	$ 294,925	$ 1,075,705	$ 914,749
Notes	-	-	11,307,888	12,113,641	11,307,888	12,113,641
Revenue Bonds	-	-	-	-	-	-
Totals	$ 731,368	$ 619,824	$ 11,652,225	$ 12,408,566	$ 12,383,593	$ 13,028,390

During the fiscal year ended June 30, 2009 and 2008, the financial condition of the City did not require short-term borrowings to finance governmental operations until property taxes were collected.

The additions to debt in the amount of $343,799 were for the purchase of vehicles and equipment. The largest portion of the debt service payment during the year was related to the water and sewer operations.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal-year 2010 budget, tax rates and fees that will be charged for the business-type activities. 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 deepening economic downturn will adversely impact these increases. If costs continue to rise either tax rates and fees will need to be increased or the level of services adjusted. Although not impacting the 2010 budget, the property tax valuation freeze for homeowners will impact property tax revenues in future years.

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

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2009

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 4,309,208	$ 703,151	$ 5,012,359	$ 66,789
Investments	-	-	-	-
Receivables, Net	1,101,898	532,501	1,634,399	625,279
Prepaid Assets	-	-	-	3,206
Internal Balances	(373,906)	373,906	-	-
Receivables from Other Governments	779,217	-	779,217	-
Inventories	15,657	59,583	75,240	-
Land and Construction in Progress	4,229,835	247,820	4,477,655	277,337
Other Capital Assets, Net	14,318,946	33,679,212	47,998,158	2,545,037
Other Assets		14,831	14,831	-
Total Assets	$ 24,380,855	$ 35,611,004	$ 59,991,859	$ 3,517,648
Liabilities				
Accounts Payable and Accrued Expenses	$ 446,079	$ 217,877	$ 663,956	$ 4,549
Long-Term Balances - Due Within One Year	224,952	889,171	1,114,123	-
Long-Term Balances - Due in More Than One Year	827,082	10,763,056	11,590,138	1,097,792
Total Liabilities	1,498,113	11,870,104	13,368,217	1,102,341
Net Assets				
Invested in Capital Assets Net of Related Debt	17,817,413	22,274,805	40,092,218	1,724,582
Restricted for:				
Capital Projects	1,673,405	-	1,673,405	-
Debt Service		922	922	-
Community Development Projects	594,896	-	594,896	-
Other Purposes	157,737	-	157,737	-
Unrestricted	2,639,291	1,465,173	4,104,464	690,725
Total Net Assets	22,882,742	23,740,900	46,623,642	2,415,307
Total Liabilities and Net Assets	$ 24,380,855	$ 35,611,004	$ 59,991,859	$ 3,517,648

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary Government:								
Governmental Activities:								
General Government	$ 1,103,609	$ 817,101			$ (286,508)	$ -	$ (286,508)	
Public Safety	7,325,341	590,000	127,864	150,000	(6,457,477)	-	(6,457,477)	
Public Works	3,147,156		489,474		(2,657,682)	-	(2,657,682)	
Cemetery	195,898	149,918			(45,980)	-	(45,980)	
Community Development	770,557		160,811		(609,746)	-	(609,746)	
Interest on Long-Term Debt	19,423				(19,423)	-	(19,423)	
Total Governmental Activities	12,561,984	1,557,019	778,149	150,000	(10,076,816)	-	(10,076,816)	
Business-type Activities:								
Public Utilities-Water and Sewer	5,837,425	5,724,891	-	-		(112,534)	(112,534)	
Waste Management	1,530,372	1,433,144	-	-		(97,228)	(97,228)	
Total Business-type Activities	7,367,797	7,158,035	-	-	-	(209,762)	(209,762)	
Total Primary Government	$ 19,929,781	$ 8,715,054	$ 778,149	$ 150,000	$ (10,076,816)	$ (209,762)	$ (10,286,578)	
Downtown Development Authority	$ 206,171	$ 72,598	$ 30,000					$ (103,573)
Total Component Units	$ 206,171	$ 72,598	$ 30,000					$ (103,573)
General Revenues:								
Taxes:								
Property Taxes					$ 2,526,712	$ -	$ 2,526,712	$ 79,285
Franchise Taxes					1,242,201	-	1,242,201	-
Public Service Taxes					858,161	-	858,161	-
Sales Tax					4,853,037	-	4,853,037	-
Other Taxes					882,558	-	882,558	-
Unrestricted Investment Earnings					72,884	3,546	76,430	800
Miscellaneous					326,264	14,028	340,292	1,430
Total General Revenues					10,761,817	17,574	10,779,391	81,515
Transfers					(166,000)	166,000	-	-
Total General Revenues, Special Items, and Transfers					10,595,817	183,574	10,779,391	81,515
Change in Net Assets					519,001	(26,188)	492,813	(22,058)
Net Assets - Beginning					22,310,129	23,445,025	45,755,154	2,437,365
Prior Year Adjustment					53,612	322,063		
Net Assets - Ending					$ 22,882,742	$ 23,740,900	$ 46,623,642	$ 2,415,307

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2009

	General	SPLOST Fund	SPLOST Fund 2008-2013	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and Cash Equivalents	$ 762,008	$ 271,694	$ 747,095	$ 64,579	$ 655,626	$ 2,501,002
Investments	-	-	-	-		-
Receivables, Net	292,743	420,194	-	-	97,889	810,826
Due From Other Funds	882	-		274,918	-	275,800
Receivables from Other Governments	509,292	-	269,925	-		779,217
Inventories	15,657	-	-	-		15,657
Land, Improvements, and Construction in Progress	-	-	-	-		-
Other Capital Assets, Net	-	-	-	-		-
Total Assets	$ 1,580,582	$ 691,888	$ 1,017,020	$ 339,497	$ 753,515	$ 4,382,502
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Expenses	$ -	$ -	$ -	$ -		$ -
Due to Other Funds	570,602	-	-	375,000	882	946,484
Short-Term Loan Payable	-	-	-	-		-
Deferred Revenues	140,250	-	-	-		140,250
Total Liabilities	710,852	-	-	375,000	882	1,086,734
Fund Balances:						
Reserved For:						
Inventory	15,657	-				15,657
Capital Projects	-	691,888	1,017,020	(35,503)		1,673,405
Debt Service	-	-				-
Public Safety	-	-			157,563	157,563
Community Development	-	-			342,969	342,969
Perpetual Care	-	-			252,101	252,101
Unreserved, reported in:						-
General Fund	854,073	-				854,073
Total Fund Balances	869,730	691,888	1,017,020	(35,503)	752,633	3,295,768
						-
Total Liabilities and Fund Balances	$ 1,580,582	$ 691,888	$ 1,017,020	$ 339,497	$ 753,515	$ 4,382,502

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
JUNE 30, 2009

Total Fund Balance - total governmental funds		$ 3,295,768
Amounts reported for governmental activities in the statement of net assets are different because:		
Some billed property taxes and other receivables are unlikely to be collected by the City, they are therefore considered "uncollectible", and an allowance has been made in the statement of net assets for the estimated receivables that are considered uncollectible.		(7,049)
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		18,548,781
Some property taxes and other receivables will not be collected within sixty days after the City's fiscal year ends; they are not considered as "available" revenues in the governmental funds and are instead classified as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.		140,250
Internal Service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal Service funds are:		
Current Assets	2,106,328	
Capital Assets	74,712	
Accounts Payable	(352,079)	
Interfund Balances	296,777	
Capital Lease Payable	(24,065)	
Net of Amount allocated to capital assets	(74,712)	
		2,026,961
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:		
Loans Payable	(707,303)	
Net other post employment benefits (OPEB)	(94,000)	
Compensated Absences	(320,666)	
		(1,121,969)
Net Assets of Governmental Activities		$ 22,882,742

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General	SPLOST Fund	SPLOST Fund 2008-2013	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 8,400,912	$ -	$ -	$ -	$ 250,800	$ 8,651,712
Licenses and Permits	798,119	-	-	-	-	798,119
Fines and Forfeitures	540,292	-	-	-	49,708	590,000
Charges for Services	18,982	-	-	-	149,918	168,900
Intergovernmental	211,019	24,280	1,680,476	-	288,675	2,204,450
Interest & Rents	50,716	6,456	1,755	493	13,464	72,884
Other	93,491	420,194	-	45,000	21,754	580,439
Total Revenues	10,113,531	450,930	1,682,231	45,493	774,319	13,066,504
EXPENDITURES						
Current:						
General Government	1,061,867	-	-	-	-	1,061,867
Public Safety	6,799,815	-	29,389	8,250	75,685	6,913,139
Public Works	1,819,800	-	-	-	-	1,819,800
Cemetery	-	-	-	-	194,811	194,811
Community Development	441,297	-	-	-	303,665	744,962
Capital Outlay	11,500	1,324,238	635,823	137,898	138,432	2,247,891
Debt Service	171,784	-	-	-	-	171,784
Total Expenditures	10,306,063	1,324,238	665,212	146,148	712,593	13,154,254
Excess (deficiency) of revenues over expenditures	(192,532)	(873,308)	1,017,019	(100,655)	61,726	(87,750)
OTHER FINANCING SOURCES (USES)						
Transfers in	83,486	-	-		79,767	163,253
Transfers out	(109,767)	-	-		(83,486)	(193,253)
Total Other Financing Sources (Uses)	(26,281)	-	-	-	(3,719)	(30,000)
Net Change in Fund Balances	(218,813)	(873,308)	1,017,019	(100,655)	58,007	(117,750)
Fund Balances at Beginning of Year	1,088,543	1,565,196	-	65,152	694,626	3,413,517
Fund Balances at End of Year	$ 869,730	$ 691,888	$ 1,017,019	$ (35,503)	$ 752,633	$ 3,295,767

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds	$ (117,750)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	2,626,503
Depreciation expense ($2,034,047) and loss on disposition($2,240) on capital assets is reported in the government-wide statement of activities and changes in net assets but they do not require the use of current financial resouces. Therefore, depreciation expense is not reported as an expenditure in governmental funds.	(2,036,287)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resouces of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(87,479)
Some items reported in the statement of activities do not require (provide) current financial resources and, therefore, are not reported as expenditures (reduction in expenditures) in Governmental funds.	
These activities consist of:	
Increase in compensated absences	(6,088)
Decrease in allowance for uncollectible accounts.	206
Increase in other post employment benefits (OPEB)	(94,000)
Increase in fixed assets - internal service funds	15,110
Some property tax will not be collected for several months after the city's fiscal year end; they are not considered "available" revenues in the governmental funds.	30,275
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with governmental activities net of amounts allocated to business-type activities and depreciation expense.	188,511
Change in net assets of governmental activities	$ 519,001

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
ASSETS				
Current Assets:				
Cash & Cash Equivalents	$ 429,482	$ 272,747	$ 702,229	$ 1,808,206
Receivables, Net	418,738	113,763	532,501	298,123
Prepaid Assets	-	-	-	
Inventories	59,583	-	59,583	-
Interfund Balances	768,261	127,371	895,632	1,231,683
Total Current Assets	1,676,064	513,881	2,189,945	3,338,012
Non-Current Assets:				
Restricted Assets				
Cash & Cash Equivalents	922	-	922	-
Total Non-Current Assets	922	-	922	-
Capital Assets, net of Accumulated Depreciation	33,742,189	184,843	33,927,032	74,712
Unamortized Bond Costs	14,831	-	14,831	-
Total Assets	$ 35,434,006	$ 698,724	$ 36,132,730	$ 3,412,724
LIABILITIES				
Current Liabilities:				
Accounts Payable & Accrued Expenses	$ -	$ -	$ -	$ 352,079
Customer Deposits	199,947	3,700	203,647	-
Current Portion of Long-term debt	856,061	33,110	889,171	24,065
Interfund Balances	346,571	175,155	521,726	934,906
Total Current Liabilities	1,402,579	211,965	1,614,544	1,311,050
Current Liabilities Payable from Restricted Assets:				
Accrued Interest	-	-	-	-
Bonds Payable	-	-	-	-
Total Current Liabilities Payable from Restricted Assets	$ -	$ -	$ -	$ -
Noncurrent Liabilities:				
Estimated Liability-Compensated Absences	$ -	$ 14,230	$ 14,230	$ -
Revolving Loan Fund Payable	1,098,470	-	1,098,470	-
GEFA Loan Payable	10,209,420	-	10,209,420	-
Capital Lease Payable	185,334	159,003	344,337	-
Less: Current Portion	(856,061)	(33,110)	(889,171)	-
Total Noncurrent Liabilities	10,637,163	140,123	10,777,286	-
Total Liabilities	$ 12,039,742	$ 352,088	$ 12,391,830	$ 1,311,050
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	22,248,965	25,840	22,274,805	-
Restricted for:				
Capital Projects	-	-	-	-
Debt Service	922	-	922	-
Community Development Projects	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	1,144,377	320,796	1,465,173	2,101,674
Total Net Assets	$ 23,394,264	$ 346,636	$ 23,740,900	$ 2,101,674

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds			
	Public Utilities	Waste Management	Totals	Governmental Activities-Internal Service Funds
Operating Revenues:				
Charges for Services	$ 4,846,939	$ 1,433,144	$ 6,280,083	$ 3,529,477
Miscellaneous	877,952	-	877,952	142,024
Total Operating Revenues	5,724,891	1,433,144	7,158,035	3,671,501
Operating Expenses:				
Personal Services	-	392,930	392,930	3,166,229
Contractual Services	2,355,242	734,356	3,089,598	49,682
Supplies, Repairs, Maintenance	283,211	93,464	376,675	42,085
Other	1,331,256	202,759	1,534,015	62,753
Depreciation & Amortization	1,567,895	101,119	1,669,014	30,363
Total Operating Expenses	5,537,604	1,524,628	7,062,232	3,351,112
Income (Loss) from Operations	187,287	(91,484)	95,803	320,389
Nonoperating revenues (expenses):				
Investment Income	3,064	482	3,546	4,648
Intergovernmental	-	-	-	-
Other	9,657	4,371	14,028	-
Interest Expense	(299,821)	(5,744)	(305,565)	(526)
Total Nonoperating revenues (expenses)	(287,100)	(891)	(287,991)	4,122
Income (loss) before contributions & transfers	(99,813)	(92,375)	(192,188)	324,511
Capital Contributions	-	-	-	-
Transfers In (Out)	136,000	30,000	166,000	(136,000)
Change in Net Assets	36,187	(62,375)	(26,188)	188,511
Net Assets at Beginning of Year	23,036,014	409,011	23,445,025	1,913,163
Prior Year Adjustment	322,063	-	322,063	-
Net Assets at End of Year	$ 23,394,264	$ 346,636	$ 23,740,900	$ 2,101,674

See accompanying notes to basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	$ 5,737,374	$ 1,620,716	$ 7,358,090	$ 419,199
Cash Received from Operating Grants	-	-	-	-
Cash Received from Other Funds for Services	-	-	-	2,894,080
Other Operating Cash Receipts	-	-	-	142,024
Cash Payments to Supplies for Goods & Services	(4,332,644)	(1,440,810)	(5,773,454)	(3,243,477)
Cash Payments to Other Funds for Services	-	-	-	-
Net Cash Provided (Used) by Operating Activities	1,404,730	179,906	1,584,636	211,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	30,000	30,000	-
Net Cash Provided (Used) Noncapital Financing Activities	-	30,000	30,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(717,255)	(117,435)	(834,690)	(15,253)
Capital Grants	-	-	-	-
Proceeds from Disposition of Capital Assets	9,656	4,371	14,027	-
Proceeds from Capital Debt	-	103,960	103,960	-
Interest Paid on Debt	(299,821)	(5,744)	(305,565)	(526)
Principal Paid on Debt	(835,564)	(25,235)	(860,799)	(10,585)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,842,984)	(40,083)	(1,883,067)	(26,364)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Cash and Investments	3,064	482	3,546	4,648
Net Increase (Decrease) in Cash & Cash Investments	(435,190)	170,305	(264,885)	190,110
Cash and Cash Investments, July 1	865,594	102,442	968,036	1,618,097
Cash and Cash Investments, June 30	$ 430,404	$ 272,747	$ 703,151	$ 1,808,207
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:				
Income (Loss) from Operations	$ 187,287	$ (91,484)	$ 95,803	$ 320,389
Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,567,895	101,119	1,669,014	30,363
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	22,088	6,085	28,173	(244,294)
Gain(Loss) on Disposition	-	-	-	-
(Increase) Decrease in Prepaid Assets	-	-	-	(4,035)
(Increase) Decrease in Inventories	(3,164)	-	(3,164)	-
Increase (Decrease) in Interfund Payables	(359,232)	-	(359,232)	-
Increase (Decrease) in Accounts Payable	(540)	(17,301)	(17,841)	84,623
Increase (Decrease) in Accrued Interest	-	-	-	-
Increase (Decrease) in Customer Deposits Payable	51	(1,200)	(1,149)	-
(Increase) Decrease in Interfund Receivables	(9,655)	182,687	173,032	24,780
Net Cash Provided (Used) by Operating Activities	$ 1,404,730	$ 179,906	$ 1,584,636	$ 211,826
Reconciliation of Total Cash & Cash Investments:				
Current Assets-Cash & Cash Investments	429,482	272,747	702,229	1,808,207
Restricted Assets-Cash & Cash Investments	922	-	922	-
Total Cash & Cash Investments	$ 430,404	$ 272,747	$ 703,151	$ 1,808,207

See accompanying notes to the basic financial statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Agency Funds
Assets	
Cash	$ 120,435
Total Assets	$ 120,435
Liabilities	
Refundable Court Bonds	$ 69,416
Seized Funds Held	51,019
Total Liabilities	$ 120,435

See accompanying notes to the basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF WAYCROSS, GEORGIA
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Note 1. Summary of Significant Accounting Policies

A. General Statement

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

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

B. Reporting Entity

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

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

Discretely Presented Component Units - Based on GASB criteria, the Downtown Development Authority qualifies as a discretely presented component unit. Financial information of the component unit is reported in a column separate from the City's financial information to emphasize that it is legally separate from the City.
Complete financial statements of the included component unit may be obtained from the Board of Directors, Downtown Waycross Development Authority, P. O. Box 158, Waycross, Georgia 31502.

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

Joint Venture and Related Organizations

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southeast Georgia area, is a member of the Southeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in an

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

The Housing Authority of the City of Waycross, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of a majority of members appointed originally by the City of Waycross, Georgia. The City of Waycross, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exit between them. Therefore, based upon the criteria above, the Housing Authority of the City of Waycross, Georgia is a related organization. At year-end, there was a receivable due to the city in the amount of $18,444 from the Housing Authority. There were no other receivables or payables between the City and these two organizations.

C. Basis of Presentation

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

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

Fund Financial Statements

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

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

General Fund -

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

SPLOST Fund -

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

Capital Reserve Fund -

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

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

Public Utilities Fund -

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

Waste Management Fund -

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

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

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

Fiduciary Fund – Fiduciary funds are accounted for on the accrual basis. Agency Funds account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature (i.e. assets equal

liabilities), they do not involve the measurement of results of operations. The Police Condemnation fund is used to account for monies seized that are waiting to be disposed of by the court system. The Municipal Court fund accounts for court bonds held awaiting court dates.

D. Measurement Focus/Basis of Accounting

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

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

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

E. Budgetary Control

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

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

5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget for the general fund is prepared on the cash and expenses/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that applicable purchase orders are expected to be issued. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, and certain non-operating income and expense items are not considered. Annual appropriated budgets are adopted for the special revenue funds. Annual appropriated budgets are also adopted for the following internal service funds: health insurance, liability insurance, workers compensation insurance, retirement fund, data processing fund, city garage fund and the public building fund.

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

OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund and requires a project-length balanced budget for each capital project fund. For the year ended June 30, 2009, an annual budget was adopted for all funds.

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

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

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

F. Cash and Investments

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

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

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary

integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at fiscal year-end lapse and must be re-budgeted.

H. Prepaid Items

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

I. Inventories

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

J. Interfund Receivables and Payables

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

K. Transactions Between Funds

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

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statement for proprietary funds. All general infrastructure assets acquired or constructed after June 30, 2003 have been reported in government-wide financial statements. In implementation of GASB Statement 34 infrastructure assets, the city has elected to limit its transition capitalization to street projects that resulted in acquisition, construction, or significant reconstruction or improvements since June 30, 1980. The City's infrastructure consists of roads, curbs, and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines and the electric distribution systems. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has been capitalized during the construction period on property, plant and equipment.

The city maintains a capitalization threshold of $5,000 or more and over three years of useful life. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. All reported capital assets are depreciated except for land and construction in progress. Depreciation has been calculated on each class of depreciable property, using the straight-line method. The estimated useful lives are as follows:

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

M. Accumulated Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation that will be paid to employees upon separation from the City's service. In governmental funds, the cost of compensated absences is recognized when payments are made to employees. In proprietary funds, the liability and associated costs are recognized as accrued and earned. The liability for compensated absences as of June 30, 2009 has been recorded in the government-wide statements representing the City's commitment to fund such costs from future operations.

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

N. Use of Estimates

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

O. Non-Current Assets

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

P. Bond Discounts/Issuance Costs

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

Q. Fund Equity

Government-Wide/Proprietary Presentation

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

Governmental Funds

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

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

R. Capital Lease Obligations

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

Note 2. Stewardship, Compliance and Accountability

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

There were no funds that had expenditures in excess of appropriations for the year ended June 30, 2009.

The following funds had a deficit fund balance at June 30, 2009:

Health Ins Fund	(460,388)

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

Note 3. Cash and Investments

Cash - The City maintains separate investment accounts for each fund. The City had no investments at June 30, 2009.

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

Credit Risk. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Georgia or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at June 30, 2009.The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) negotiable certificate of deposits issued by any bank or trust company organized under the laws or any state of the United States and (3) any repurchase agreement organized under the laws of any state of the United States having a

nationally recognized investment firm rating of A or higher. The city has no investment policy that would further limit its investment choices.

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

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, 2009 were as follows:

	Taxes	Accounts Receiv.	Other Gov'ts	Other	Total
Governmental Activities:					
General	$ 263,032	$ 29,711	$ 509,292	$ -	$ 802,035
SPLOST		420,194	269,925		690,119
Non-Major				97,889	97,889
Total Governmental Activities	$ 263,032	$ 449,905	$ 779,217	$ 97,889	$ 1,590,043
Business-Type Activities					
Public Utilities		$ 418,738			$ 418,738
Waste Management		113,763			113,763
Total Business-Type Activities	$ -	$ 532,501	$ -	$ -	$ 532,501

Payables at June 30, 2009 were as follows:

	Vendors	Salaries/ Benefits	Accrued Interest	Other	Total
Governmental Activities:					
General	$ -	$ -	$ -		$ -
Non-Major	-				-
Total Governmental Activities	$ -	$ -	$ -	$ -	$ -
Business-Type Activities:					
Public Utilities	$ -	$ -	$ -	$ 199,947	$ 199,947
Waste Management	-	14,230		3,700	17,930
Total Business-Type Activities	$ -	$ 14,230	$ -	$ 203,647	$ 217,877

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Balance July 1	Prior Period Adjustments	Additions Completions	Retirements Adjustments	Balance June 30
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 4,022,536	$ 53,612			$ 4,076,148
Construction in progress	428,125	-	153,689	(428,125)	153,689
Total capital assets not being depreciated	$ 4,450,661	$ 53,612	$ 153,689	$ (428,125)	$ 4,229,837
Capital assets, being depreciated:					
Buildings	$ 6,626,867	$ -	$ -		$ 6,626,867
Equipment	2,133,370	-	143,203	(65,260)	2,211,313
Vehicles	3,423,376	94,497	919,060	(132,820)	4,304,113
Improvements	-	-			-
Infrastructure	29,419,166		1,838,676		31,257,842
Total capital assets being depreciated	$ 41,602,779	$ 94,497	$ 2,900,939	$ (198,080)	$ 44,400,135
Less accumulated depreciation for:					
Buildings	$ (3,237,250)		$ (138,772)		$ (3,376,022)
Equipment	(1,346,557)	-	(245,901)	63,019	(1,529,439)
Vehicles	(2,504,502)	(94,497)	(374,559)	132,820	(2,840,738)
Improvements	-	-			-
Infrastructure	(21,060,177)	-	(1,274,815)		(22,334,992)
Total accumulated depreciation	$ (28,148,486)	$ (94,497)	$ (2,034,047)	$ 195,839	$ (30,081,191)
Total capital assets being depreciated, net	$ 13,454,293	$ -	$ 866,892	$ (2,241)	$ 14,318,944
Governmental activities capital assets, net	$ 17,904,954	$ 53,612	$ 1,020,581	$ (430,366)	$ 18,548,781
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 235,859	$ -	$ -	$ -	$ 235,859
Construction in progress	-		11,963	-	11,963
Total capital assets not being depreicated	$ 235,859	$ -	$ 11,963	$ -	$ 247,822
Capital assets being depreciated:					
Building	$ 9,785,589	$ -	$ -	$ -	$ 9,785,589
Equipment	4,348,790	-	17,002	(30,000)	4,335,792
Vehicles	1,148,000	-	103,960	(118,917)	1,133,043
Infrastructure	47,064,327		1,023,828	-	48,088,155
Total capital assets being depreciated	$ 62,346,706	$ -	$ 1,144,790	$ (148,917)	$ 63,342,579
Less accumulated depreciation for:					
Building	$ (4,841,674)	$ -	$ (251,113)	$ -	$ (5,092,787)
Equipment	(4,173,361)		(123,722)	30,000	(4,267,083)
Vehicles	(858,230)	-	(97,566)	118,917	(836,879)
Infrastructure	(18,274,244)		(1,192,376)	-	(19,466,620)
Total accumulated depreciation	$ (28,147,509)	$ -	$ (1,664,777)	$ 148,917	$ (29,663,369)
Total capital assets being depreciated, net	$ 34,199,197	$ -	$ (519,987)	$ -	$ 33,679,210
Business-type activities capital assets, net	$ 34,435,056	$ -	$ (508,024)	$ -	$ 33,927,032

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

Governmental activities:	
General government and administration	$ 80,914
Public Safety	532,850
Public Works	1,369,479
Community Development	40,511
Cemetery	10,293
Total depreciation expense-governmental activities	$ 2,034,047
Business-type activities:	
Public Utilities	$ 1,563,658
Waste Management	101,119
Total depreciation expense-business-type activities	$ 1,664,777

Note 6. Interfund Transfers:

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

	Transfers In	Transfers Out
Governmental Activities:		
General Fund	$ 83,486	$ (109,767)
Internal Service Funds		
Health Insurance Fund	98,600	
Workers Comp Fund		(41,500)
Liability Insurance Fund		(193,100)
Nonmajor governmental:		
Hotel/Motel Tax		(83,486)
Cemetery	71,517	
Misc Special Revenue	8,250	
Business-Type Activities:		
Waste Management	30,000	
Public Utilities	136,000	
Total	$ 427,853	$ (427,853)

These transfers occur principally to move revenues from the Special Revenue Funds to the General Fund. These transfers should be normal and recurring. This year there was also a transfer from the general fund to the waste management fund and public utilities fund to cover excess expenditures.

Note 7. Interfund Receivables/Payables

Interfund receivable and payable balances as of June 30, 2009 are as follows:

Fund	Due From Other Funds	Due To Other Funds
Major Governmental Funds		
General Fund:		
Public Utilities	$ -	$ 109,657
SPLOST		-
Other Governmental Funds	-	-
Internal Service Funds		456,575
Capital Reserve	882	-
Waste Management		4,370
	882	570,602
SPLOST Fund:		
General Fund	-	-
Public Utilities	-	-
	-	-
Capital Reserve Fund:		
General Fund	-	-
Other Governmental Funds	-	
Internal Service Funds	193,592	
Public Utilities	81,326	375,000
	274,918	375,000
Non-major Governmental Funds		
General Fund	-	882
Other Governmental Funds	-	-
Internal Service Funds		
Public Utilities		
Capital Reserve		-
	-	882
Total Governmental Funds	$ 275,800	$ 946,484
Major Business-type Funds		
Proprietary Funds		
Public Utilities:		
General Fund	109,657	-
Internal Service Funds	283,605	142,245
SPLOST		-
Waste Management		123,000
Other Governmental Funds		-
Capital Reserve	375,000	81,326
	768,262	346,571
Waste Management:		
General Funds	4,370	
Internal Service Funds		175,155
Public Utilities	123,000	
	127,370	175,155
Total Proprietary Funds	$ 895,632	$ 521,726
Internal Service Funds		
General Fund	456,575	
Public Utilities	142,245	283,605
Other Governmental Funds	-	
Waste Management	175,155	
Other Internal Service Funds	457,708	457,708
Capital Reserve		193,592
	1,231,683	934,905
Totals	$ 2,403,115	$ 2,403,115

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

Note 8. Long-Term Obligations

Transactions for the year ended June 30, 2009 are summarized as follows:

Change in Outstanding Debt

	Balance July 1	Issues or Additions	Payments or Expenditures	Balance June 30	Due Within One Year
Governmental Type Activities:					
Lease Obligations Payable	$ 619,824	$ 239,839	$ (152,360)	$ 707,303	$ 216,511
Lease Obligations Payable	34,650		(10,585)	$ 24,065	8,441
Compensated Absences	314,578	6,088	-	320,666	-
Total Governmental Activities	$ 969,052	$ 245,927	$ (152,360)	$ 1,062,619	$ 224,952
Business-Type Activities:					
Lease Obligations Payable	80,278	103,960	(25,235)	159,003	33,110
Lease Obligations Payable	214,647	-	(29,313)	185,334	30,279
GEFA-98-L68WJ	1,504,854	-	(94,201)	1,410,653	98,123
SRF Loan-CW13088301	545,212	-	(116,964)	428,248	119,321
GEFA Loan-00-L36WJ	7,403,500	-	(471,522)	6,931,978	481,024
SRF Loan CWSRF 00-0020	1,946,784	-	(79,996)	1,866,788	82,423
SRF Loan CWSRF-00-001	713,791	-	(43,570)	670,221	44,892
Compensated Absences	19,771	-	(5,541)	14,230	-
Total Business-Type Activities	$ 12,428,837	$ 103,960	$ (866,342)	$ 11,666,455	$ 889,172

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 and cemetery fund.
There were additions to loans during the year for lease obligations obtained for the purchase of a Ford F-150, a John Deere 3106J backhoe, a Peterbilt PacMac garbage truck, and 6 Chevrolet Malibus.

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

	Government Activities		Business Activities		
Year Ending June 30	Principal	Interest	Principal	Interest	Total
2010			825,782	273,749	1,099,531
2011			845,827	253,704	1,099,531
2012			866,404	233,127	1,099,531
2013			823,871	212,163	1,036,034
2014			779,979	192,557	972,536
2015-2019			4,205,933	656,748	4,862,681
2020-2024			2,630,097	162,424	2,792,521
2025-2029			329,995	13,765	343,760
	$ -	$ -	$ 11,307,888	$ 1,998,237	$ 13,306,125

Business-type activities:

In March 1989, the City entered into a loan program (CW13088301) with the Georgia Department of Natural Resources and the Georgia Environmental Facilities Authority for certain sewer improvements in the total amount of $2,099,580. Repayment is over eighty (80) quarterly payments beginning April 1, 1993 at 2 percent interest. At June 30, 2009, the outstanding balance on this loan was $428,248 and quarterly payments are $31,749.

In October 1998, the City entered into a loan agreement (98-L68WJ) with the Georgia Environmental Facilities Authority for certain water and sewer projects for a total amount of $2,000,000. Repayment is over eighty (80) quarterly payments beginning September 1, 2001 at 4.1 percent. At June 30, 2009, the outstanding balance on this loan was $1,410,653 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, 2009, the outstanding balance of this loan was $670,221 and quarterly payments are $16,124. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City to which it has dedicated its general power of taxation.

In September 2000, the City entered into a loan agreement (2000-L36WJ) with the Georgia Environmental Facilities Authority for sewer improvements for a total amount of $9,815,000. Repayment is over 80 quarterly payments beginning October 1, 2002 at 2 percent. At June 30, 2009, the outstanding balance was $6,931,978 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, 2009, the outstanding balance was $1,866,788. Quarterly installments of $34,376 will be made over 80 payments beginning April 1, 2008 at 3%.

<u>Capital Leases</u>

The City has entered into various lease agreements as lessee to finance various equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a summary of equipment leased under capital lease agreements by the City as of June 30, 2009.

	Government-Type Activities	Business-Type Activities
Combo Server	$ -	$ 224,208
6 Impala Cars - Police	109,882	
Criminal Inv. - Impala	17,271	
3 Ford Rangers-Com.Dev.	38,829	
Knuckleboom Loader		94,245
Fire Pumper	210,000	
07 Street sweeper	124,007	
Hydraulic Excavator	142,760	
Expedition & 5 police cars	114,662	
Criminal Inv. - Malibu	17,970	
5 Malibu Patrol Cars	138,029	
Ford F-150	14,342	
John Deere Backhoe	69,499	
Peterbilt Garbage Truck	103,960	
	$ 1,101,211	$ 318,453

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, 2009:

Year Ending June 30	Governmental-Type Activities	Business-Type Activities
2010	238,358	74,612
2011	185,251	74,612
2012	146,741	74,612
2013	91,767	74,612
2014	83,266	54,536
2015-2019	15,220	23,903
Total Minimum Lease Payments	$ 760,603	$ 376,887
Less: Amount Representing Interest	(53,300)	(32,549)
Present Value of Future Minimum Lease Payments	$ 707,303	$ 344,338

Note 9. Retirement Benefits

Pension Plan-

Plan Description:

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

The City's payroll for employees covered by the System for the year ended May 1, 2009 was $6,806,444. Substantially all full-time City employees are eligible to participate in the system. Benefits vest after ten years of service. City employees who retire at or after age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount determined based on average salary and years of service. There is also an alternative normal retirement date of age 60 with 30 years of service. Early retirement is available at age 55 with 10 years of credited service. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

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

The Significant Actuarial Assumptions

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice

No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

Rate of return on investment	8.0% per year
Projected salary increases	5.5% per year
Cost of Living Adjustment	N/A

The Effect of Plan Changes on the Actuarial Accrued Liability

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

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

The Funding Policy and Annual Contributions

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in paragraph 9-10 of Statement No. 27. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

The Effect of Plan Changes on Recommended Contributions

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

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

Current Plan Membership

As of May 1, 2009, the current plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	130
Terminated employees entitled to benefits but not yet receiving them	80
Current active employees:	
Vested	103
Nonvested	89
Total membership in the plan	402

Funded Status

	Number of Participants	Present Value of Benefits
Present Value of Accrued Plan Benefits (on-going basis):		
Vested Benefits of Retired Participants and Beneficiaries currently receiving payments	130	$ 7,726,402
Other Vested Benefits:		
Terminated Vested Participants	80	1,300,142
Active Participants	103	5,140,251
Total Present Value of Vested Benefits		$ 14,166,795
Nonvested Benefits	89	361,208
Total Present Value of Accrued Plan Benefits	402	14,528,003
Market Value of Assets		8,306,340
Unfunded Present Value of Accrued Plan Benefits		6,221,663
Funded Percentage		57.2%

	Number of Participants	Lump Sum Value of Benefits
Present Value of Accrued Plan Benefits (Plan Termination Basis):		
Retired Participant and Beneficiaries Currently Receiving Payments	130	$ 11,433,941
Terminated Vested Participants	80	2,958,763
Active Participants	103	10,064,618
Total Present Value of Vested Benefits		$ 24,457,322
Nonvested Benefits		928,819
Total Present Value of Vested Benefits		25,386,141
Market Value of Assets		8,306,340
Unfunded Present Value of Accrued Plan Benefits		17,079,801
Funded Percentage		32.72%

Schedule of Employer Contribution

Fiscal Year	Annual Required Contribution	Amount Contributed
2005	515,263	478,988
2006	333,435	329,601
2007	477,609	452,821
2008	610,789	477,609
2009	881,932	610,789

Schedule of Recommended Contribution

Normal Cost	
Retirement Benefits:	
Employees	$ 380,297
Administrative Expenses	29,253
Total Normal Cost	$ 409,550
Payment on Unfunded Actuarial Accrued Liability	958,330
Interest	54,670
Minimum Contribution	1,421,425
Normal Cost (including admin) with interest	1,366,755
Recommended Contribution	1,421,425

Actuarial Method

Actuarial Cost Method	Projected Unit Credit Cost Method
Actuarial Value of Assets	Sum of the actuarial value at the beginning of year and the cash flow during year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year.

Deferred Compensation –

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

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

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

Note 10. Commitments and Contingencies

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

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

Note 11. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 1992, the City established internal service funds to account for and finance its uninsured risks of loss. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

The City established a limited risk management program for health insurance in July 1991. The plan provides coverage for up to a maximum of $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 $300,000 for each worker's compensation claim. The City purchases commercial insurance for these claims in excess of coverage provided by these funds and for all other insignificant risks of loss. Settled claims in the past three years have not exceeded the commercial coverages.

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

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 $205,509 have been recorded as of June 30, 2009. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of $205,509 reported in the Health Insurance Fund at June 30, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be

reasonably estimated. Changes in the claims liability amount in fiscal years 2003-2009 were:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
06/30/03	38,679	1,492,540	1,528,008	3,211
06/30/04	3,211	1,172,537	1,166,397	9,351
06/30/05	9,351	1,743,171	1,469,037	283,485
06/30/06	283,485	1,154,420	1,235,301	202,604
06/30/07	202,604	1,069,782	1,108,862	163,524
06/30/08	163,524	1,093,535	1,076,796	180,263
06/30/09	180,263	1,223,278	1,198,032	205,509

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

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
06/30/03	$ 10,270	$ 312,226	$ 298,881	$ 23,615
06/30/04	23,615	148,137	162,613	9,139
06/30/05	9,139	240,899	221,809	28,229
06/30/06	28,229	216,774	229,832	15,171
06/30/07	15,171	224,711	239,882	-
06/30/08	-	307,430	294,138	13,292
06/30/09	13,292	227,446	172,008	68,730

Note 12. Property Taxes

Property taxes attach as enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before November 15. The City's taxes are billed and collected by the Ware County Tax Commissioner. City property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that the taxes are not collectible.

Note 13. Joint Ventures/Related Organizations

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southeastern Georgia area, is a member of the Southeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2009 the county paid $18,516 in such dues.

Membership in an RDC is automatic for each municipality and county in the State. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organization structure of the RDC's. Each county and municipality in the State is required by law to pay minimum annual dues to the RDC based on population. The Board of the RDC includes elected officials from member counties and cities and nonpublic appointed

members. The law defines RDC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. Complete financial statements of the Southeast Georgia Regional Development Center can be obtained from: Southeast Georgia RDC, South Georgia Parkway, Waycross, Georgia 31503.

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

Note 14. Other Post-Employment Benefits

The City provides certain health care benefits for retired employees through an independent third party administrator, in which all employees may become eligible for benefits if they qualify for early retirement or normal retirement (See Note 9). Benefits are provided to age 65. The City contributes 85-90% of the premium cost for health coverage, based on the dependent coverage chosen by the participant. 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, 2008, employee membership data relative to the OPEB plan consist of the following:

Current retirees, beneficiaries, and dependents	25
Current active particpants	204
Total	229

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, 2009 the plan reported no assets.

Funding Policy

The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. During the fiscal year ended June 30, 2009, the City paid claims (net of employee contribution) on behalf of the current retired employees in the amount of $137,000.

Annual OPEB Cost and Net OPEB Obligation

The City's first actuarial valuation was performed for the plan as of July 1, 2008 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 $231,000.

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

Net OPEB Obligation (NOO) as of July 1, 2008	$ -
Annual Required Contribution(ARC)	231,000
Interest on Existing (NOO)	-
ARC Adjustment	-
Annual OPEB Cost	$ 231,000
Annual Employer Contribution	(137,000)
Change in Net OPEB Obligation	$ 94,000
Net OPEB Obligation as of June 30, 2009	$ 94,000

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2009 is as follows: (comparative data is not presented as 2009 is the implementation year):

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2009	$ 231,000	59.3%	$ 94,000

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	7/1/2008
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Up to 30 years
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	10.00% graded to 5.00% over 10 years

Note 15. Hotel/Motel Tax

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to OCGA 48-13-51. The tax rate is 5% and is levied on a monthly basis. The City received $250,800 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2009. The City disbursed $100,319 to the Chamber of Commerce for the promotion of tourism, $37,424 to Channel 42, and $29,568 to others. The balance of lodging tax funds was transferred to the general fund.

Note 16. Prior Period Adjustments

The corrections were made as follows:

	Balance as Previously Stated	Changes	Restated Balance 6/30/2008
Net Asset			
Governmental Funds	$ 22,310,129	$ 53,612	$ 22,363,741
Public Utilities	23,445,025	322,063	23,767,088

Prior period adjustments were to correct infrastructure items that were expensed in prior periods rather than capitalized.

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

Schedule of Funding Progress: Georgia Municipal Employees Benefit System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a/c)
05/01/05	13,578,753	14,607,704	1,028,951	92.9%	5,573,559	18.5%
05/01/06	14,122,964	14,287,598	164,634	98.9%	4,714,712	3.5%
05/01/07	14,556,521	15,353,702	797,181	94.8%	5,666,291	14.1%
05/01/08	14,823,312	16,418,605	1,595,293	90.3%	5,966,848	26.7%
05/01/09	9,967,608	17,069,922	7,102,314	58.4%	6,806,444	104.3%

Funded Status and Funding Progress: Other Post Employment Benefits

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
7/1/2008	$ -	$ 2,660,000	$ 2,660,000	0%

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

CITY OF WAYCROSS, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET & ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts			
	Original	Final	GAAP/Budget Basis	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	$ 8,994,845	$ 8,834,845	$ 8,400,912	$ (433,933)
Licenses & Permits	817,600	817,600	798,119	(19,481)
Fines & Forfeitures	540,000	540,000	540,292	292
Charges for Services	16,000	16,000	18,982	2,982
Intergovernmental	214,000	214,000	211,019	(2,981)
Interest & Rents	98,000	98,000	50,716	(47,284)
Other	352,160	352,160	93,491	(258,669)
Total Revenues	11,032,605	10,872,605	10,113,531	(759,074)
Expenditures:				
Current:				
General Government	1,812,141	1,782,793	1,605,791	177,002
Public Safety	7,365,685	7,232,560	6,799,815	432,745
Public Works	1,916,071	1,925,792	1,819,800	105,992
Community Development	551,194	539,850	441,297	98,553
Capital Outlay	12,000	15,144	11,500	3,644
Debt Service	211,269	211,269	171,784	39,485
Reimbursements	(764,839)	(773,104)	(543,924)	(229,180)
Total Expenditures	11,103,521	10,934,304	10,306,063	628,241
Excess (deficiency) of revenues over expenditures	(70,916)	(61,699)	(192,532)	(130,833)
Other Financing Sources (Uses):				
Transfers In	162,433	162,433	83,486	(78,947)
Transfers Out	(71,517)	(100,734)	(109,767)	(9,033)
Total other financing sources (uses)	90,916	61,699	(26,281)	(87,980)
Excess (deficiency) of revenues and other sources over expenditures and other uses	20,000	-	(218,813)	(218,813)
Fund Balance at Beginning of Year			$ 1,088,543	
Prior Period Adjustment			-	
Fund Balance of End of Year			$ 869,730	

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds									
	Community Development	Forfeited Property	WPD Info Technology Fund	Cemetery Fund	Jail Fund	Weed & Seed Grant	CDBG 07xp-x-148-2-3335	CHIP #06m-x-148-2-2943	Hotel/Motel Tax Fund	FEMA Grants
Assets										
Cash	$ 78,222	$ 46,389	$ 11,144	$ 123,933	$ 575	$ -	$ 663	$ -	$ 3	$ 171
Accounts Receivable	-	-	-	4,865	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	
Total Assets	78,222	46,389	11,144	128,798	575	-	663	-	3	171
Liabilities and Fund Balances										
Liabilities	-	-	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	882	-	-	-	-	-	-	-	-	-
Total Liabilities	882	-	-	-	-	-	-	-	-	-
Fund Balances										
Reserved for Specific Purposes	77,340	46,389	11,144	128,798	575	-	663	-	3	171
Total Fund Balances	77,340	46,389	11,144	128,798	575	-	663	-	3	171
Total Liabilities and Fund Balances	$ 78,222	$ 46,389	$ 11,144	$ 128,798	$ 575	$ -	$ 663	$ -	$ 3	$ 171

CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds									
	EIP/Lowes Project	EIP Revolving Loan	Misc Grant Fund	Waycross Fire Dept.	Misc Fund	Cemetery Trust Fund	DOJ Block Grant	GEMA Grants	One Georgia Bridge Grant	Totals
Assets										
Cash	$ -	$ 158,829	$ 7,954	$ 6,324	$ 4,985	$ 123,303	$ 93,131	$ -	$ -	$ 655,626
Accounts Receivable	-	93,024	-	-	-	-	-	-	-	97,889
Due from Other Governments	-	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-	-
Total Assets	-	251,853	7,954	6,324	4,985	123,303	93,131	-	-	753,515
Liabilities and Fund Balances										
Liabilities	-	-	-	-	-	-	-	-	-	-
Accounts Payable & Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-	-	882
Total Liabilities	-	-	-	-	-	-	-	-	-	882
Fund Balances										
Reserved for Specific Purposes	-	251,853	7,954	6,324	4,985	123,303	93,131	-	-	752,633
Total Fund Balances	-	251,853	7,954	6,324	4,985	123,303	93,131	-	-	752,633
Total Liabilities and Fund Balances	$ -	$ 251,853	$ 7,954	$ 6,324	$ 4,985	$ 123,303	$ 93,131	$ -	$ -	$ 753,515

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds									
	Community Development	Forfeited Property Account	WPD Info Technology Fund	Cemetery Fund	Jail Fund	Weed & Seed Grant	CDBG 07xp-x-148-2-3335	CHIP #06m-x-1482-2943	Hotel/Motel Tax Fund	FEMA Grants
Revenues										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 250,800	$ -
Fines & Forfeitures	-	17,961	31,747	-	-	-	-	-	-	-
Charges for Services	-	-	-	149,918	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	102,117	48,694	-	-
Interest	438	7,722	-	259	-	-	-	-	-	-
Sale of Property	-	2,158	-	-	-	-	-	-	-	-
Other	4,500	-	-	-	1,518	-	-	-	-	-
Total Revenues	4,938	27,841	31,747	150,177	1,518	-	102,117	48,694	250,800	-
Expenditures										
Current:										
General & Administrative	-	-	-	-	-	-	-	-	-	-
Public Safety	-	39,204	33,190	-	1,224	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	194,811	-	-	-	-	-	-
Community Development	73,571	-	-	-	-	-		48,694	167,311	-
Reimbursements	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	102,104	-	-	-
Total Expenditures	73,571	39,204	33,190	194,811	1,224	-	102,104	48,694	167,311	-
Excess Revenues Over (Under) Expenditures	(68,633)	(11,363)	(1,443)	(44,634)	294	-	13	-	83,489	-
Other Financing Sources (Uses)										
Operating Transfers In	-	-	-	71,517	-	8,250	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	(83,486)	-
Total Other Financing Sources (Uses)	-	-	-	71,517	-	8,250	-	-	(83,486)	-
Excess Revenues & Other Financing SourcesOver (Under) Expenditures & Other Financing Uses	(68,633)	(11,363)	(1,443)	26,883	294	8,250	13	-	3	-
Fund Balance, July 1	145,973	57,752	12,587	101,915	281	(8,250)	650		-	171
Fund Balance, June 30	$ 77,340	$ 46,389	$ 11,144	$ 128,798	$ 575	$ -	$ 663	$ -	$ 3	$ 171

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds									
	EIP/Lowes Project	EIP Revolving Loan	Misc Grant Fund	Waycross Fire Dept.	Misc Fund	Cemetery Trust Fund	DOJ Block Grant	GEMA Grants	One Georgia Bridge Grant	Totals
Revenues										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 250,800
Fines & Forfeitures	-	-	-	-	-	-	-	-	-	49,708
Charges for Services	-	-	-	-	-	-	-	-	-	149,918
Intergovernmental	-	-	-	-	-	-	93,131	34,733	10,000	288,675
Interest	-	4,649	-	-	55	341	-	-	-	13,464
Sale of Property	-	-	-	-	-	-	-	-	-	2,158
Other	-	-	10,606	2,972	-	-	-	-	-	19,596
Total Revenues	-	4,649	10,606	2,972	55	341	93,131	34,733	10,000	774,319
Expenditures										
Current:										
General & Administrative	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	2,067	-	-	-	-	-	75,685
Public Works	-	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	-	-	-	-	-	-	194,811
Community Development	-	-	4,089	-	-	-	-	-	10,000	303,665
Reimbursements	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	1,595	-	-	-	-	34,733	-	138,432
Total Expenditures	-	-	5,684	2,067	-	-	-	34,733	10,000	712,593
Excess Revenues Over (Under) Expenditures	-	4,649	4,922	905	55	341	93,131	-	-	61,726
Other Financing Sources (Uses)										
Operating Transfers In	-	-	-	-	-	-	-	-	-	79,767
Operating Transfers Out	-	-	-	-	-	-	-	-	-	(83,486)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	(3,719)
Excess Revenues & Other Financing SourcesOver (Under) Expenditures & Other Financing Uses	-	4,649	4,922	905	55	341	93,131	-	-	58,007
Fund Balance, July 1	-	247,204	3,032	5,419	4,930	122,962	-	-	-	694,626
Fund Balance, June 30	$ -	$ 251,853	$ 7,954	$ 6,324	$ 4,985	$ 123,303	$ 93,131	$ -	$ -	$ 752,633

CITY OF WAYCROSS, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
Assets										
Current Assets										
Cash	$ 428,317	$ 549,163	$ 370,327	$ 77,471	$ 20,724	$ (55,533)	$ 113,610	$ 184,531	$ 119,597	$ 1,808,206
Other Current Assets	18,599	264,414	-	-	-	-	15,109	-	-	298,122
Due from Other Funds	191,620	346,397	190,068	217,250	-	55,533	19,716	131,625	79,474	1,231,683
Total Current Assets	638,536	1,159,974	560,395	294,721	20,724	-	148,435	316,156	199,071	3,338,012
Fixed Assets										
Equipment										
(Net of Accum Deprec)	-	-	-	-	-	-	28,042	46,455	215	74,712
Total Assets	$ 638,536	$ 1,159,974	$ 560,395	$ 294,721	$ 20,724	$ -	$ 176,477	$ 362,611	$ 199,286	$ 3,412,724
Liabilities										
Accounts Payable &										
Accrued Liabilities	$ 226,082	$ 90,388	$ -	$ -	$ 13,904	$ -	$ 6,664	$ 13,372	$ 1,669	$ 352,079
Due to Other Funds	872,842	30,605	-	-	-	-	-	31,459	-	934,906
Capital Lease Payable	-	-	-	-	-	-	9,863	14,202	-	24,065
Total Liabilities	1,098,924	120,993	-	-	13,904	-	16,527	59,033	1,669	1,311,050
Fund Balances	(460,388)	1,038,981	560,395	294,721	6,820	-	159,950	303,578	197,617	2,101,674
Total Liabilities and Fund Balances	$ 638,536	$ 1,159,974	$ 560,395	$ 294,721	$ 20,724	$ -	$ 176,477	$ 362,611	$ 199,286	$ 3,412,724

CITY OF WAYCROSS, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2009

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
Operating Revenues										
Charges for Goods & Services	$ 418,566	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 418,566
City Contributions	1,052,880	385,864	235,998	611,585	-	-	346,596	380,912	97,076	3,110,911
Other	-	142,024	-	-	-	-	-	-		142,024
Total Operating Revenues	1,471,446	527,888	235,998	611,585	-	-	346,596	380,912	97,076	3,671,501
Operating Expenses										
Personal Services	-	-	-	-	-	-	217,124	290,162	67,921	575,207
Premiums, Claims, Administration	1,521,431	297,549	155,953	-	-	-	-	-	-	1,974,933
Contractual Services	-	-	-	-	-	-	48,482	1,200	-	49,682
Supplies, Repairs, Maintenance	-	-	-	-	-	-	11,207	23,096	7,782	42,085
Operations-Other	-	-	-	-	-	-	32,943	25,563	4,247	62,753
Cost of Goods	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	14,492	11,636	4,235	30,363
Retirement Payments	-	-	-	616,089	-	-	-	-	-	616,089
Total Expenditures	1,521,431	297,549	155,953	616,089	-	-	324,248	351,657	84,185	3,351,112
Operating Income (Loss)	(49,985)	230,339	80,045	(4,504)	-	-	22,348	29,255	12,891	320,389
Nonoperating Revenues (Expenses)										
Interest Revenue	1,476	1,817	918	210	227	-	-	-	-	4,648
Interest Expense	-	-	-	-	-	-	-	(526)	-	(526)
Total Nonoperating Revenues (Expenses)	1,476	1,817	918	210	227	-	-	(526)	-	4,122
Income (Loss) Before Operating Transfers	(48,509)	232,156	80,963	(4,294)	227	-	22,348	28,729	12,891	324,511
Operating Transfers In	98,600	-	-	-	-	-	-	-	-	98,600
Operating Transfers Out	-	(41,500)	(193,100)	-	-	-	-	-	-	(234,600)
Net Income (Loss)	50,091	190,656	(112,137)	(4,294)	227	-	22,348	28,729	12,891	188,511
Fund Balances, July 1	(510,479)	848,325	672,532	299,015	6,593	-	137,602	274,849	184,726	1,913,163
Fund Balances, June 30	$ (460,388)	$ 1,038,981	$ 560,395	$ 294,721	$ 6,820	$ -	$ 159,950	$ 303,578	$ 197,617	$ 2,101,674

CITY OF WAYCROSS, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
Cash Flows from Operating Activities:										
Cash received from customers	$ 419,199	$ -	$ -	$ -	$ -	$ -		$ -	$ -	$ 419,199
Cash received from operating grants	-	-	-	-	-	-		-	-	
Cash received from other funds for services	1,052,880	143,608	235,998	611,585	-	24,780	346,596	381,557	97,076	2,894,080
Cash received from loss claim recoveries	-	-	-	-	-	-				-
Other operating cash receipts	-	142,024	-	-	-	-				142,024
Cash payments for supplies of goods & services	(1,475,612)	(245,418)	(155,953)	(616,089)	-	-	(321,177)	(347,533)	(81,695)	(3,243,477)
Cash payment for loss claims	-		-	-	-	-				-
Cash payments to the funds for services	-		-	-	-	-				-
Net cash provided (used) by operating activities	(3,533)	40,214	80,045	(4,504)	-	24,780	25,419	34,024	15,381	211,826
Cash Flows From Noncapital Financing Activities:										
Operating Transfer In (Out)	-	-	-	-	-	-	-	-	-	-
Net cash flows provided (used) by Noncapital Financing Activities	-	-	-	-	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities										
Payments related to acquisition of capital assets	-	-	-	-	-	-	(8,458)	(6,795)	-	(15,253)
Interest Expense	-	-	-	-	-	-	-	(526)	-	(526)
Principal paid on debt	-	-	-	-	-	-	(2,378)	(8,207)	-	(10,585)
Proceeds from loans	-	-	-	-	-	-	-	-	-	-
Net cash flows provided (used) by Capital & Related Financing Activities	-	-	-	-	-	-	(10,836)	(15,528)	-	(26,364)
Cash Flows From Investing Activities										
Interest Revenue	1,476	1,817	918	210	227	-	-	-	-	4,648
Net Cash Flows Provided (Used) by Investing Activities	1,476	1,817	918	210	227	-	-	-	-	4,648
Net increase (decrease) in cash & cash investments	(2,057)	42,031	80,963	(4,294)	227	24,780	14,583	18,496	15,381	190,110
Cash & cash investments, July 1	430,374	507,132	289,364	81,765	20,497	(80,313)	99,027	166,035	104,216	1,618,097
Cash & cash investments, June 30	$ 428,317	$ 549,163	$ 370,327	$ 77,471	$ 20,724	$ (55,533)	$ 113,610	$ 184,531	$ 119,597	$ 1,808,207
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:										
Income (loss) from operations	(49,985)	230,339	80,045	(4,504)	-	-	22,348	29,255	12,891	$ 320,389
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation	-	-	-	-	-	-	14,492	11,636	4,235	30,363
(Increase) Decrease in Accounts Receivable	633	(242,256)	-	-	-	-	(3,316)	645	-	(244,294)
(Increase) Decrease in Prepaid Insurance	-	(4,035)	-	-	-	-		-	-	(4,035)
(Increase) Decrease in Due from Other Funds	-	-	-	-	-	24,780			-	24,780
(Increase) Decrease in Imprest Deposit	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	45,819	56,166	-	-	-	-	(8,105)	(7,512)	(1,745)	84,623
Total Adjustments	46,452	(190,125)	-	-	-	24,780	3,071	4,769	2,490	(108,563)
Net Cash Provided (Used) by Operating Activities	(3,533)	40,214	80,045	(4,504)	-	24,780	25,419	34,024	15,381	211,826
Reconciliation of total cash & cash investments:										
Current assets-cash & cash investments	$ 428,317	$ 549,163	$ 370,327	$ 77,471	$ 20,724	$ (55,533)	$ 113,610	$ 184,531	$ 119,597	$ 1,808,207

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS & LIABILITIES
JUNE 30, 2009

	Police Condemnation	Municipal Court	Total Agency Funds
Assets			
Cash	$ 51,019	$ 69,416	$ 120,435
Total Assets	$ 51,019	$ 69,416	$ 120,435
Liabilities			
Refundable Court Bonds		$ 69,416	$ 69,416
Seized Funds Held	51,019		$ 51,019
Total Liabilities	$ 51,019	$ 69,416	$ 120,435

ADDITIONAL SCHEDULES AND OTHER INFORMATION

BYRT CPAs, LLC
Certified Public Accountants

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

November 18, 2009

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Waycross, Georgia as of and for the year ended June 30, 2009, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated November 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

BYRT CPAs, LLC
Certified Public Accountants

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

November 18, 2009

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

We have audited the accompanying Schedules of Projects Constructed with Special Purpose Local Option Sales Tax for the City of Waycross, Georgia for the year ended June 30, 2009. These schedules are the responsibility of the City of Waycross, Georgia's management. Our responsibility is to express an opinion on the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax based on our audit.

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

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

In our opinion, the Schedules of Projects Constructed with Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost and the current and prior year expenditures for each project in the City of Waycross, Georgia's resolution or ordinance calling for the tax for the year ended June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

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

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

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

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

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

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Central Avenue & St. Mary's St. Repairs	-	5,962	-	5,962	100%
Traffic Light - Waycross College	-	6,000	-	6,000	100%
Painting and Striping Streets	-	123,968	-	123,968	100%
Materials - Misc. Street Repair Jobs	-	128,513	-	128,513	100%
Portable Sewer Video Camera, Custom Built Trailer and Honda Generator	-	30,000	-	30,000	100%
Oakland Cemetery	-	5,467	-	5,467	100%
Railroad Relocation Project	835,000	14,888	-	14,888	3%
City Boulevard Improvement Project - Phase II -RP-8351-038-01	589,501	689,375	-	689,375	100%
GIS Mapping Project	-	5,145	-	5,145	100%
PR-6610-061-00 - Contract 11B	751,469	644,798	-	644,798	100%
City Boulevard Phase IV Project No. 8351-047-01		32,456	-	32,456	0%
Downtown Drainage Project		472,890	-	472,890	100%
Newtown Phase II (City Match)		10,000	-	10,000	100%
Water & Sewer Improvements-State Health Lab		35,248	-	35,248	100%
Milling - Church Street		7,000	-	7,000	100%
PR-8530-65 (Contract C35064-03-000-0) Carswell Avenue		390	-	390	0%
Road Projects		476,836	-	476,836	100%
City Blvd Phase IV Project #850-10-0104		7995	-	7,995	

CITY OF WAYCROSS, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Milling-Plant Ave.		55,431	-	55,431	
Plant Avemue		1,488	-	1,488	
Elizabeth & Mary		39,456	-	39,456	
Dorothy & Tebeau		19,599	-	19,599	
Street Drainage Imprv. - Phase I		571,122	23,240	594,362	
Contract 12 - Phase II			498,266	498,266	
Clough & Garlington			155,935	155,935	
Sewer & Water Improvements-Phase I			15,330	15,330	
Sewer & Water Improvements - Phase II			7,475	7,475	
2010 Street Rehab			5,540	5,540	
Total	$ 12,704,649	$ 15,761,791	$ 705,786	$ 16,467,577	

CITY OF WAYCROSS, GEORGIA
SPLOST Fund 2008
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2009

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Engineering - Unpaved Streets	$ 1,896,000	$ -	$ -	$ -	0%
Engineering - Resurfacing	1,645,835	-	-	-	0%
Engingeering - Sidewalk Improvements	49,375	-	-	-	0%
Engineering - Traffic Improvements	197,500	-	-	-	0%
Water and Sewer - Expansion	1,185,000	-	-	-	0%
Water and Sewer - Infrastructure Improvements	526,666	-	-	-	0%
Fire Department - Purchase Pumper Truck	177,750	-	-	-	0%
Fire Deparment - Purchase Aerial Truck	671,500	-	665,211	665,211	99%
Fire Department - Remote Fire Station #4	395,000	-	-	-	0%
Fire Department - Station Renovations	118,500	-	-	-	0%
Police Department - Building Renovations	592,500	-	-	-	0%
Police Department - Training Facility Improvements	59,250	-	-	-	0%
Public Works - New Facility	1,343,000	-	-	-	0%
Administration - Sofware and Hardware	75,000	-	-	-	0%
Demolition and Land Acquisition of Public Buildings	237,500	-	-	-	0%
Downtown Development Authority	396,000	-	-	-	0%
Total	$ 9,566,376	$ -	$ 665,211	$ 665,211	

CITY OF WAYCROSS, GEORGIA
CDBG GRANT #07p-x-148-2-3335
STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Program Activity	Budgeted Costs	Paid to Date	Costs Obligated	Total Cost	Questioned Costs
S-03M-00					
	30,194	17,925		17,925	
P-001-01					
	50,562	50,012		50,012	
P-004-00					
	56,750	23,345		23,345	
P-03M-01					
	336,172	62,051		62,051	
P-03P-02					
	14,090	2,383		2,383	
C-022-00					
	12,232				
Totals	500,000	155,716		155,716	

Total Program Funds Allocated to Recipient	500,000
Less: Funds Drawn Down by Recipient	(156,379)
Funds Still Available to be Drawn Down	343,621
Total Funds Drawn Down by Recipient	156.379
Less: Funds Applied to Costs	(155,716)
Total Funds Available for Disposition	663

Expenditure per Financial Statements-

FYE 06/30/08	53,612
FYE 6/30/09	102,104
	155,716

CITY OF WAYCROSS, GEORGIA
CHIP GRANT #06-x-148-2-2943
STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

Program Activity	Budgeted Costs	Paid to Date	Costs Obligated	Total Cost	Questioned Costs
H-14A-01					
Rehabilitation of Private Properties	$ 142,590	$ 42,194	$ -	$ 42,194	$ -
H-013-00					
Downpayment /Closing Cost Assistance	120,320	12,500	-	12,500	-
A-21A-00					
Administration	15,000	-	-	-	-
C-022-00					
Contingencies	22,090	-	-	-	-
Totals	$ 300,000	$ 54,694	$ -	$ 54,694	$ -

Total Program Funds Allocated to Recipient	$ 300,000
Less: Funds Drawn Down by Recipient	(54,694)
Funds Still Available to be Drawn Down	$ 245,306
Total Funds Drawn Down by Recipient	$ 54,694
Less: Funds Applied to Costs	(54,694)
Total Funds Available for Disposition	$ -

Expenditures per Financial Statements-	
FYE 06/30/08	6,000
FYE 06/30/09	48,694
	$ 54,694

STATISTICAL SECTION
(Unaudited)

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

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

Net of Reimbursements

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

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

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

Year Ending	Total Taxes	Property Taxes	Franchise Taxes	Sales Taxes	Revenues and Other Taxes
1999-00	6,792,831	2,346,578	889,736	2,422,324	1,134,193
2000-01	6,769,724	2,304,731	993,299	2,497,452	974,242
2001-02	6,979,471	2,495,853	956,817	2,483,729	1,043,072
2002-03	7,021,640	2,436,541	945,803	2,510,344	1,128,952
2003-04	7,562,525	2,440,906	1,007,808	2,703,157	1,410,654
2004-05	8,040,572	2,472,486	980,474	3,015,924	1,571,688
2005-06	8,238,426	2,338,524	1,105,090	3,189,036	1,605,776
2006-07	8,243,291	2,413,559	1,121,519	3,241,110	1,467,103
2007-08	8,555,444	2,468,371	1,200,882	3,441,880	1,444,311
2008-09	8,400,912	2,496,231	1,242,201	3,172,561	1,489,919

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

Year Ending	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collection Prior Years	Total Collections	Total Collections as a Percent of Current Levy	Outstanding Delinquent Taxes
1999-00	1,985,094	1,846,831	93.0%	91,194	1,938,025	97.6%	179,054
2000-01	2,007,441	1,855,095	92.4%	99,378	1,954,473	97.4%	198,350
2001-02	2,207,403	2,088,326	94.6%	120,636	2,208,962	100.1%	205,551
2002-03	2,023,199	1,875,880	92.7%	90,176	1,966,056	97.2%	262,695
2003-04	2,157,469	2,097,060	97.2%	131,139	2,228,199	103.3%	152,914
2004-05	2,257,819	2,055,820	91.1%	67,578	2,123,398	94.0%	246,252
2005-06	2,282,322	2,010,335	88.1%	97,313	2,199,173	96.4%	156,101
2006-07	2,282,899	2,101,860	92.0%	89,771	2,100,106	92.0%	159,996
2007-08	2,393,623	2,152,538	89.9%	107,443	2,259,982	94.4%	145,102
2008-09	2,375,272	2,206,788	92.9%	74,548	2,281,336	96.0%	176,232

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
1999-00	203,599,080	508,997,700	40%
2000-01	212,053,561	530,133,903	40%
2001-02	210,829,272	527,073,055	40%
2002-03	228,394,589	570,986,472	40%
2003-04	239,560,327	598,900,818	40%
2004-05	250,548,919	626,372,298	40%
2005-06	253,067,188	632,667,970	40%
2006-07	254,171,399	635,428,498	40%
2007-08	270,926,543	677,316,358	40%
2008-09	272,045,179	680,112,948	40%

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

	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
Residential	$ 118,646,720	$ 112,976,349	$ 96,904,122	$ 96,731,206	$ 92,978,395	$ 84,518,806	$ 82,093,351	$ 78,514,534	$ 78,833,664	$ 74,182,446
Historic	211,816	211,816	132,840	132,840	125,411	125,412	104,510	104,510	104,510	104,510
Commercial	127,938,590	124,762,905	125,691,920	121,842,075	113,535,416	110,964,113	105,510,340	105,437,291	102,908,664	95,732,942
Industrial	864,136	902,705	1,000,016	1,246,432	1,027,874	1,074,028	1,639,457	1,690,024	1,914,787	1,902,523
Personal	-	-	-	-	-	-	-	-	-	-
Others	-	2,759	28,721	24,145	(3) 14,584	(3) 19,047	(3) 39,629	(3) 45,092	(3) 22,888	(3) 29,843
Utilities	20,514,815	28,689,092	30,420,455	33,092,588	42,869,064	42,865,709	36,936,617	34,812,727	37,368,013	38,680,505
Motor Vehicles	22,824,480	22,235,460	20,591,300	22,196,590	23,223,630	23,990,390	23,798,530	23,535,510	23,468,581	22,089,882
Mobile Homes	1,294,481	1,464,069	1,562,192	1,675,063	1,793,987	1,919,341	799,716	690,989	760,514	462,829
Railroad Car (2)	-	-	-	-	-	-	-	-	-	-
	$ 292,295,038	$ 291,245,155	$ 276,331,566	$ 276,940,939	$ 275,568,361	$ 265,476,846	$ 250,922,150	$ 244,830,677	$ 245,381,621	$ 233,185,480
Exemptions (1)	$ (14,868,088)	$ (23,621,425)	$ (13,158,455)	$ (13,202,188)	$ (12,964,207)	$ (12,187,683)	$ (11,972,104)	$ (9,732,042)	$ (9,091,405)	$ (7,033,689)
Total (1)	$ 277,426,950	$ 267,623,730	$ 263,173,111	$ 263,738,751	$ 262,604,154	$ 253,289,163	$ 238,950,046	$ 235,098,635	$ 236,290,216	$ 226,151,791

(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

Year Ending	City
1999-00	9.75
2000-01	9.37
2001-02	10.37
2002-03	10.27
2003-04	10.27
2004-05	10.27
2005-06	10.266
2006-07	10.226
2007-08	9.998
2008-09	9.998

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

Year Ending	Population	Value	Gross Bonded Debt	Ratio of Gross Bonded Debt to Assessed Value	Gross Bonded Debt per Capita
1999-00	17,000	203,599,080	-	0.00%	-
2000-01	15,333	212,053,561	-	0.00%	-
2001-02	15,333	210,829,272	-	0.00%	-
2002-03	15,333	228,394,589	-	0.00%	-
2003-04	15,333	239,560,327	-	0.00%	-
2004-05	15,333	250,548,919	-	0.00%	-
2005-06	15,333	253,068,188	-	0.00%	-
2006-07	15,333	254,171,399	-	0.00%	-
2007-08	14,765	270,926,543	-	0.00%	-
2008-09	14,765	272,045,179	-	0.00%	-

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

Year Ending	Capitalized Leases & Equipment Financing Principal & Interest	Principal	Interest	Total Debt Service	Total General Expenditures	Percent of Debt Service to General Expenditures
1999-00	223,944	-	-	223,944	8,053,112	2.78%
2000-01	221,679	-	-	221,679	8,970,906	2.47%
2001-02	236,296	-	-	236,296	9,602,158	2.46%
2002-03	192,476	-	-	192,476	8,556,575	2.25%
2003-04	186,043	-	-	186,043	8,440,827	2.20%
2004-05	201,659	-	-	201,659	8,869,512	2.27%
2005-06	180,027	-	-	180,027	8,854,409	2.03%
2006-07	113,424	-	-	113,424	9,623,958	1.18%
2007-08	150,331	-	-	150,331	10,659,500	1.41%
2008-09	171,784	-	-	171,784	10,415,830	1.65%

CITY OF WAYCROSS, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
AND DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009

Assessed Value	$ 272,045,179
Debt Limit: 10% of Assessed Value	$ 27,204,518
Less: Debt Application to Debt Limit	
General Obligation Indebtedness	11,307,888
Legal Debt Margin	$ 15,896,630
Direct and Overlapping Debt	
City's Direct Bonded Debt	$ -
City's Obligation on Water and Sewer Loan	11,307,888
Bonded Debt of Other Overlapping	
Governments Assessed Against City Taxpayers	-
Total Direct and Overlapping Debt	$ 11,307,888

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)
1999-00	4,285,280	2,589,520	1,695,760	1.73
2000-01	3,921,273	3,103,289	817,984	0.79
2001-02	4,152,225	3,062,904	1,089,321	0.56
2002-03	5,384,151	3,381,461	2,002,690	0.68
2003-04	5,499,290	3,184,932	2,314,358	1.17
2004-05	5,740,818	3,611,739	2,129,079	1.08
2005-06	5,797,286	3,547,720	2,249,566	1.14
2006-07	5,760,083	3,596,544	2,163,539	1.01
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

(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
2008-2009

	Water	Sewer	Total
1. Ware Correctional Institute	$ 130,659	$ 140,530	$ 271,189
2. Satilla Regional Medical Center	62,639	67,359	129,998
3. Flanders Provision Co.	34,720	37,260	71,980
4. Waycross Housing Authority	25,211	27,182	52,393
5. Rich Products Corp	22,735	24,290	47,025
6. CSX Transportation	14,975	25,378	40,353
7. Ware County Commission	15,897	17,070	32,967
8. Baptist Village	-	31,860	31,860
9. Sandy Creek Apartments	13,863	14,857	28,720
10. Peachwood Place	13,834	14,818	28,652
Total	$ 334,533	$ 400,604	$ 735,137

CITY OF WAYCROSS, GEORGIA
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2009

	Assessed Value	Tax Levied
1. CSX Corporation	$ 11,106,628	$ 111,044
2. Walmart Stores, Inc.	3,689,361	36,886
3. Walmart Stores East LP	3,682,424	36,817
4. Georgia Power Company	3,625,481	36,248
5. Lowe's Home Centers, Inc.	3,263,893	32,632
6. Kolb & Wheeler & Walters	2,821,778	28,212
7. Lowe's Home Centers, Inc.	2,150,917	21,505
8. The Kroger Co.	1,857,456	18,571
9. Sears Roebuck & Co.	1,625,323	16,250
10. Henderson Satilla, LLC	1,550,129	15,498
Total	$ 35,373,390	$ 353,663

CITY OF WAYCROSS, GEORGIA
MISCELLANEOUS STATISTICS
JUNE 30, 2009

Date of Incorporation	1,874
Form of Government	Manager
Number of Employees (Excluding Police and Fire)	
Classified	87
Area in Square Miles	11.69
Population-City	14,765
-County	35,494
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	1
Parks	17
Park Acreage	40.00
Cemeteries	3
Cemetery Acreage	140
Tennis Courts	1
Fire Protection	
Number of Stations	3
Number of Fire Personnel and Officers	54
Number of Calls Answered	963
Number of Inspections Conducted	1,625
Police Protection	
Number of Stations	1
Number of Police Personnel and Officers	69
Number of Patrol Units	49
Number of Law Violations:	
Physical Arrests	2,132
Traffic Violations	5,957
Sewerage System	
Miles of Sanitary Sewers	120
Miles of Storm Sewers	60
Number of Treatment Plants	1
Number of Service Connections	6,865
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	7,398
Number of Fire Hydrants	931
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

CITY OF WAYCROSS, GEORGIA
SELECTED WATER AND SEWER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2009

Water Accounts Active (Estimate)	6,540
Sewer Accounts Active (Estimate)	6,028
Total Water Pumped - Gallons (Estimate)	850,393,000
Total Water Consumed - Gallons (Estimate)	738,038,136
Total Water Billed	$ 2,413,922
Total Water Collected	$ 2,548,122
Total Sewer Billed	$ 2,440,022
Total Sewer Collected	$ 2,370,075