CITY OF WAYCROSS, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 56 through 57 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Supplementary Information

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

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

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

Report Issued in Accordance with *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2013 on our consideration of City of Waycross, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Waycross, Georgia's internal control over financial reporting and compliance.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 28, 2013

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, 2013. Please read it in conjunction with the City's financial statements, which begin on page 13.

Financial Highlights

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

The largest source of funds for the general fund is local option sales taxes and property taxes accounting for over 51% of the budget. During 2012, sales taxes had a modest increase from the prior year. During 2013, sales taxes remain relatively the same as the prior year. Collections decreased 6 percent over fiscal year 2012.

The impact of the economy on property taxes has not increased from real or inflationary growth resulting in little or no increase in property taxes. With the decline in local option sales taxes, it was necessary to raise the millage rate from 9.998 to 10.998 mills in fiscal 2010. In fiscal 2010, the general fund balance declined by $207,057 in the fund balance financial statements. In fiscal year 2011 this trend reversed and the fund balance increased $206,168 resulting in a fund balance of $606,091. In fiscal year 2012, the fund balance declined by $307,308. For fiscal year 2013 the ending fund balance is $345,028. A 6% increase in the insurance premium taxes and the new title ad valorem tax (TAVT) revenue played a major factor in the increase of the Fund Balance. The other revenues collected were 1.9% lower than projected and the expenditures were 1% less than the revenue collected. As economic conditions improve, this balance will be increased to serve as a cushion during periods of economic volatility.

The City has a long range plan to identify and quantify the infrastructure needs of our community. The 2008 SPLOST has begun to address those needs as it relates to public buildings, streets and major equipment. Since inception, $8,926,147 was collected and $665,211 was spent to replace the fire ladder truck, $1,773,665 on street improvements, $55,601 on technology improvements, $1,435,459 on building improvements, and $187,904 on water and sewer rehabilitation and expansion. The renovation of the City Auditorium is underway and as of June 30, 2013, $365,525 had been expensed for architect services, replacing the existing roof and construction.

In the public utilities business-type activities (water and sewer services), revenues exceeded expenses by $170,586. Significant infrastructure replacements to the sewer collection system are necessary to efficiently provide this service. In fiscal year 2012, the new rate structure was implemented. The rates were based on a rate study that insures the rates are adequate to fund

necessary improvements. Continued infrastructure replacements are included in our long range plans and will be funded by current operations and implementation in fiscal year 2014.

The waste management business-type activity generated revenue more than expenses of $5,781. Due to the closing of the county's landfill, the city had to start outsourcing the grinding of yard debris. The grinding services were unexpected in fiscal year 2012. Steps have been taken for fiscal year 2014 to budget for this service. Also the outsourcing of the garbage collection contract has been renegotiated at a lower price and additional services will be offered, such as brown/white goods pickup for our customers at no additional charge.

How These Statements Were Prepared

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as 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 19 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the SPLOST 2008-2013 Fund and the Capital Reserve Fund which are considered to be major funds. Data for the other 16 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental funds financial statements can be found on pages 15 and 17.

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

than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Utilities and Waste Management Funds since both are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 19-22 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 24-55.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on pages 56-59 of this report.

The combined statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combined and individual statements and schedules can be found on pages 60-63 and 79-84 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 Assets and Liabilities on page 23. We excluded these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for the intended purpose.

Governmental-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Waycross, assets exceeded liabilities by $49,072,453 as of June 30, 2013. The tables below should be read in conjunction with the financial statements on pages 13-14.

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$ 8,654,917	$ 6,969,252	$ 2,630,005	$ 2,352,285	$11,284,922	$ 9,321,537
Capital Assets	17,656,124	18,660,543	31,113,600	32,056,387	48,769,724	50,716,930
Total Assets	26,311,041	25,629,795	33,743,605	34,408,672	60,054,646	60,038,467
Long-term debt outstanding	$ 1,961,612	$ 2,132,371	$ 8,288,680	$ 9,182,068	$10,250,292	$11,314,439
Other liabilities	678,375	501,280	53,526	1,571	731,901	502,851
Total liabilities	2,639,987	2,633,651	8,342,206	9,183,639	10,982,193	11,817,290
Net Assets:						
Invested in capital assets, Net of debt	$16,428,132	$17,222,123	$23,054,204	$23,098,245	$39,482,336	$40,320,368
Restricted	6,119,462	4,626,313	-	-	6,119,462	4,626,313
Unrestricted	1,123,460	1,147,708	2,347,195	2,126,788	3,470,655	3,274,496
Total Net Position	$23,671,054	$22,996,144	$25,401,399	$25,225,033	$49,072,453	$48,221,177

The largest portion of the City's net position (81%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress, and infrastructure), less any debt issued to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position of the City's governmental activities increased by $674,910. A portion of the City's net position, $6,119,462, represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net position, $3,470,655 may be used to meet the government's ongoing obligation to citizens and creditors.

The net position of our business-type activities increased by a difference of $176,366. The City can only use this net position to finance the continuing operations of the public utilities (water and sewer) and waste management (garbage and yard trash pickup/disposal).

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues						
Charges for Services	$ 1,642,813	$ 1,503,543	$ 5,838,107	$ 6,157,780	$ 7,480,920	$ 7,661,323
Operating Grants	174,407	216,661	-	-	174,407	216,661
Capital Grants	2,162,333	2,398,660	22,825	9,968	2,185,158	2,408,628
General Revenues					-	-
Property Taxes	3,046,334	3,057,655	-	-	3,046,334	3,057,655
Sales Taxes	3,253,938	3,440,522	-	-	3,253,938	3,440,522
Franchise Fees	1,242,729	1,327,145	-	-	1,242,729	1,327,145
Other Taxes	1,443,852	1,285,957	-	-	1,443,852	1,285,957
Investment Earnings	4,731	3,650	980	2,003	5,711	5,653
Other	1,325	18,629	-	-	1,325	18,629
Total Revenues	12,972,462	13,252,422	5,861,912	6,169,751	18,834,374	19,422,173
Program Expenses						
General Government	441,806	1,109,475	-	-	441,806	1,109,475
Public Safety	8,149,402	7,951,362	-	-	8,149,402	7,951,362
Public Works	3,039,086	3,884,626	-	-	3,039,086	3,884,626
Community Development	634,987	773,908	-	-	634,987	773,908
Interest	32,271	24,351	-	-	32,271	24,351
Public Utilities	-	-	4,531,590	4,519,197	4,531,590	4,519,197
Waste Management	-	-	1,153,956	1,229,928	1,153,956	1,229,928
Total Expenses	12,297,552	13,743,722	5,685,546	5,749,125	17,983,098	19,492,847
Increase in net position	$ 674,910	$ (491,300)	$ 176,366	$ 420,626	$ 851,276	$ (70,674)

The City's total combined activities revenue decreased by $587,799 (3 percent) and the total combined expenses decreased by $1,509,749 (8 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		Net Cost of Services	
	2013	2012	2013	2012
General Government	$ 441,806	$ 1,109,475	$ (602,310)	$ 101,733
Public Safety	8,149,402	7,951,362	6,780,662	6,601,635
Public Works	3,039,086	3,884,626	1,762,752	2,640,595
Community Development	634,987	773,908	344,624	256,544
Interest on Long-Term Debt	32,271	24,351	32,271	24,351
Total Expenses	$ 12,297,552	$ 13,743,722	$ 8,317,999	$ 9,624,858

The net expense of operating Governmental Activities decreased from $9,624,858 to $8,617,999 or 10 percent. General revenues decreased 1 percent or $140,649 from $9,133,558 in 2012 to $8,992,909 in 2013

Business-Type Activities

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

The City's Funds

As the City completed the year, its governmental funds (as presented on page 15) reported a combined fund balance of $6,450,646. Included in this total fund balance is the fund balance of the General Fund of $345,028 which compares to a prior balance of $298,783 in 2012. This fund balance will assist the City in weathering the current economic slowdown and unanticipated events; however, the balance has been substantially reduced during the economic down turn. As the economy improves, this balance will be increased to provide a cushion for the current economic volatility. Should conditions not improve, services may be curtailed or taxes and fees increased.

General Fund Budgetary Highlights

Actual revenues for 2013 did not meet the budgeted amount by $245,394 or 2 percent and expenses did not exceed the budget by $328,354 or 3 percent. The revenues for taxes were 4% lower than budgeted. Even with the decrease of 0.57% from sales tax, other tax revenues were lower than the City had anticipated. For example the franchise fees was $84,416 lower than 2012 collections. All operating expenditures were within budget. A more detailed comparison is on page 57.

Capital Assets

At June 30, 2013, the City had $50 million invested in a broad range of capital assets, including police and fire equipment, buildings, water and sewer lines, and a treatment plant. This amount represents a net decrease (additions and deductions) of $1,947,206 over the last year. The table below provides further analysis of these capital assets.

Capital Assets at Year End

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 4,876,148	$ 4,876,148	$ 235,859	$ 235,859	$ 5,112,007	$ 5,112,007
Construction in Progress	511,768	221,442	30,121	30,121	541,889	251,563
Buildings/Improvements	8,584,155	8,584,155	9,785,589	9,785,589	18,369,744	18,369,744
Equipment and Vehicles	7,400,622	7,313,395	5,378,085	5,568,287	12,778,707	12,881,682
Infrastructure	33,391,051	33,376,499	49,653,664	49,548,931	83,044,715	82,925,430
Accumulated Depreciation	(37,107,620)	(35,711,096)	(33,969,718)	(33,112,400)	(71,077,338)	(68,823,496)
Total Assets	$17,656,124	$18,660,543	$31,113,600	$32,056,387	$48,769,724	$50,716,930

Additional information on the City of Waycross' capital assets can be found in footnote 7 on pages 36 and 37 of this report.

Debt Administration

At year end, the City had $9,296,059 in bonds, notes, and capital leases outstanding versus $10,405,639 last year a decrease of 10 percent as shown in the following table:

Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital Leases	$ 525,491	$ 705,920	$ 76,401	$ 147,021	$ 601,892	$ 852,941
Notes	702,500	732,500	7,991,667	8,820,198	8,694,167	9,552,698
Total Assets	$ 1,227,991	$ 1,438,420	$ 8,068,068	$ 8,967,219	$ 9,296,059	$10,405,639

During the fiscal year ended June 30, 2013 and 2012, the financial condition of the City did not require short-term borrowings to finance governmental operations until property taxes were collected.

Additional information on the City of Waycross' long-term debt can be found in footnote 8 on pages 38 through 42 of this report.

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal-year 2014 budget. In prior years increased operating costs have been funded from increases in the tax digest, primarily in commercial retail property, and increased sales taxes. The economic downturn has adversely impacted these increases. During fiscal year 2012 the local option sales tax revenues decreased by 5 percent or $186,584. In fiscal 2010, the local option sales tax collection was at its lowest peak. The millage rate was increased from 9.998 to 10.998 to maintain the same level of service in 2010. Recently the city and county came to an agreement on the local option sales tax split. All upcoming budget years will have to be adjusted to the following. As it stands now, the county will receive an increase in funding of 3.5%. Currently the county receives 52% and the city's portion is 48%. Effective July 1, 2014 the county will receive 55.5% and the city's portion will be decreased to 44.5%. Since the city's sales tax revenue has been decreased, either tax rates and /or fees will need to be increased to keep the same level of service currently being given to our citizens.

The City continues to search for ways to deliver cost effective services to the citizens of Waycross. Over the past several years, garbage services and the operations of the water and wastewater treatment plant has been outsourced. All division directors have been diligently looking for ways to keep operational cost down within their departments. Although some factors such as gas, diesel, and electricity rates are something the city has no control over, each department has stayed within their allotted budgets.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Equivalents	$ 8,138,480	$ 1,274,344	$ 9,412,824
Receivables	405,795	881,529	1,287,324
Prepaids	42,454	-	42,454
Internal Balances	(428,000)	428,000	-
Due from Other Governments	451,836	-	451,836
Inventories	44,352	46,132	90,484
Capital Assets			
Non-depreciable	5,387,916	265,980	5,653,896
Depreciable (net)	12,268,208	30,847,620	43,115,828
Total Assets	$ 26,311,041	$ 33,743,605	$ 60,054,646
Liabilities			
Accounts payable and accrued expenses	$ 678,375	$ 53,526	$ 731,901
Deposits	-	220,612	220,612
Long-term liabilities			
Due within one year			
Loans payable	30,000	784,365	814,365
Capital lease obligations	262,797	52,788	315,585
Due in more than one year			
Loans payable	672,500	7,198,629	7,871,129
Capital lease obligations	262,695	23,614	286,309
Compensated absences	363,620	8,672	372,292
Other post employment benefits	370,000	-	370,000
Total liabilities	2,639,987	8,342,206	10,982,193
Net Position			
Invested in capital assets, net of related debt	16,428,132	23,054,204	39,482,336
Restricted for:			
Capital projects	5,682,159	-	5,682,159
Community development projects	398,146	-	398,146
Other projects	39,157	-	39,157
Unrestricted	1,123,460	2,347,195	3,470,655
Total net position	$ 23,671,054	$ 25,401,399	$ 49,072,453

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government							
Governmental Activities							
General Government	$ 441,806	$ 907,566	$ 136,550	$ -	$ 602,310	$ -	$ 602,310
Public Safety	8,149,402	562,565	2,716	803,459	(6,780,662)	-	(6,780,662)
Streets and Sanitation	3,039,086	104	-	1,276,230	(1,762,752)	-	(1,762,752)
Community Development	634,987	172,578	35,141	82,644	(344,624)	-	(344,624)
Interest on Long-term debt	32,271	-	-	-	(32,271)	-	(32,271)
Total governmental activities	12,297,552	1,642,813	174,407	2,162,333	(8,317,999)	-	(8,317,999)
Business-type activities:							
Public Utilities	4,531,590	4,678,370	-	22,825	-	169,605	169,605
Waste Management	1,153,956	1,159,737	-	-	-	5,781	5,781
Total business-type activities	5,685,546	5,838,107	-	22,825	-	175,386	175,386
Total primary government	$ 17,983,098	$ 7,480,920	$ 174,407	$ 2,185,158	$ (8,317,999)	$ 175,386	$ (8,142,613)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 3,046,334	$ -	$ 3,046,334
Sales Taxes					3,253,938	-	3,253,938
Franchise Fee					1,242,729	-	1,242,729
Other Taxes					1,443,852	-	1,443,852
Unrestricted investment earnings					4,731	980	5,711
Miscellaneous					1,325	-	1,325
Total general revenues, special items, and transfers					8,992,909	980	8,993,889
Change in net position					674,910	176,366	851,276
Net position - beginning					22,996,144	25,225,033	48,221,177
Net position - ending					$ 23,671,054	$ 25,401,399	$ 49,072,453

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	SPLOST 2008-2013	CAPITAL RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets					
Cash and cash equivalents	$ 220,380	$ 4,962,924	$ 146,041	$ 1,101,913	$ 6,431,258
Receivables (net)					
Taxes	304,046	-	-	-	304,046
Accounts	2,916	-	-	-	2,916
Due from other funds	300,000	-	193,592	-	493,592
Receivable from other governments	268,072	152,560	-	31,204	451,836
Inventories	14,313	-	-		14,313
Other receivables	-	-	-	85,506	85,506
Total assets	1,109,727	5,115,484	339,633	1,218,623	7,783,467
Liabilities and Fund Balance (Deficit)					
Liabilities:					
Accounts payable	28,325	127,238	-	65,884	221,447
Due to other funds	393,592	-	375,000	-	768,592
Other accrued expenses	64,367	-	-	-	64,367
Total liabilities	486,284	127,238	375,000	65,884	1,054,406
Deferred Inflows of Resources					
Deferred revenue	278,415	-	-	-	278,415
Total deferred inflows of resources	278,415	-	-	-	278,415
Fund balances (Deficit):					
Nonspendable	14,313	-	-	-	14,313
Restricted	-	4,988,246	-	869,175	5,857,421
Committed	-	-	-	262,041	262,041
Assigned	-	-	-	21,544	21,544
Unassigned	330,715	-	(35,367)	(21)	295,327
Total fund balances (deficit)	345,028	4,988,246	(35,367)	1,152,739	6,450,646
Total liabilities, deferred inflows and fund balances (deficit)	$ 1,109,727	$ 5,115,484	$ 339,633	$ 1,218,623	$ 7,783,467

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

Total fund balance, governmental funds		$ 6,450,646
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities in the government-wide statement of net assets.		17,656,124
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the government-wide statement of net assets.		
Loans payable		(702,500)
Capital lease obligations		(525,490)
Compensated absences		(363,620)
Net other post employment benefits (OPEB)		(370,000)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the government-wide statement of net assets.		
Net position of internal service funds	1,264,384	
Less capital assets included above	(33,842)	
Add compensated absences included above	16,937	
		1,247,479
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements		278,415
Net Position of Governmental Activities in the Statement of Net Assets		$ 23,671,054

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	GENERAL FUND	SPLOST 2008-2013	CAPITAL RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues					
Taxes	$ 8,918,796	$ 1,851,855	$ -	$ 280,759	$ 11,051,410
Fines and forfeitures	442,755	-	-	-	442,755
Licenses and permits	755,674	-	-	-	755,674
Intergovernmental	133,130	-	-	312,740	445,870
Charges for services	31,162	-	-	42,497	73,659
Interest income	1,152	3,496	-	519	5,167
Miscellaneous	243,460	-	-	178,031	421,491
Total revenues	10,526,129	1,855,351	-	814,546	13,196,026
Expenditures					
Current:					
General government	384,104	-	-	10,591	394,695
Public Safety	7,611,140	-	-	38,559	7,649,699
Public Works	2,042,825	-	-	307,326	2,350,151
Community development	602,535	-	-	317,003	919,538
Debt Service:					
Principal retirement	249,996	-	-	-	249,996
Interest and other charges	82,528	-	-	-	82,528
Capital Outlay	-	327,703	-	-	327,703
Total Expenditures	10,973,128	327,703	-	673,479	11,974,310
Excess (Deficiency) Of Revenues Over Expenditures	(446,999)	1,527,648	-	141,067	1,221,716
Other Financing Sources (Uses)					
Transfers in	493,244	-	-	-	493,244
Transfers out	-	-	-	(168,244)	(168,244)
Total Other Financing Sources (Uses)	493,244	-	-	(168,244)	325,000
Net Change in Fund Balances	46,245	1,527,648	-	(27,177)	1,546,716
Fund Balances (Deficit) - Beginning of Year	298,783	3,460,598	(35,367)	1,179,916	4,903,930
Fund Balances (Deficit)- Ending of Year	$ 345,028	$ 4,988,246	$ (35,367)	$ 1,152,739	$ 6,450,646

The accompaying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE GOVERNEMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds:		$ 1,546,716
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of $398,225 were exceeded by depreciation of $1,402,644 in the current period.		(1,004,419)
Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Deferred Revenues		42,372
Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds:		
Proceeds from capital leases		(89,824)
Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		
Capital lease principle payments		270,254
Notes payable principle payments		30,000
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Changes in other post employment benefits (OPEB)		(37,000)
Changes in long-term compensated absences		(2,669)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance and information technology, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(85,046)	
Less change in capital assets included above	16,068	
Add change in compensated absences included above	(11,542)	
		(80,520)
Change in net position of governmental activities		$ 674,910

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	ENTERPRISE FUNDS			
	PUBLIC UTILITIES	WASTE MANAGEMENT	TOTALS	INTERNAL SERVICE FUNDS
ASSETS				
Current Assets				
Cash and cash equivalents	$ 1,071,954	$ 202,221	$ 1,274,175	$ 1,764,013
Accounts receivable, net	658,635	222,894	881,529	13,327
Due from other funds	728,000	-	728,000	719,841
Inventories	46,132	-	46,132	30,038
Prepaid expenses	-	-	-	42,453
Total Current Assets	2,504,721	425,115	2,929,836	2,569,672
Non-Current Assets				
Restricted Assets and Other Debits:				
Restricted cash & cash equivalents	169	-	169	-
Total Restricted Assets	169	-	169	-
Capital Assets				
Land	225,507	10,352	235,859	-
Buildings	9,785,589	-	9,785,589	138,321
Infrastructure	49,653,664	-	49,653,664	70,663
Auto and trucks	500,072	546,663	1,046,735	-
Equipment and furniture	3,892,896	438,454	4,331,350	297,251
Construction in progress	30,121	-	30,121	-
Total capital assets	64,087,849	995,469	65,083,318	506,235
Less Accumulated depreciation	(33,034,236)	(935,482)	(33,969,718)	(472,393)
Net Capital Assets	31,053,613	59,987	31,113,600	33,842
Total Non-Current Assets	31,053,782	59,987	31,113,769	33,842
Total Assets	$ 33,558,503	$ 485,102	$ 34,043,605	$ 2,603,514

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	ENTERPRISE FUNDS			
	PUBLIC UTILITIES	WASTE MANAGEMENT	TOTALS	INTERNAL SERVICE FUNDS
LIABILITIES				
Current Liabilities				
Accounts payable	$ 53	$ 51,923	$ 51,976	$ 447,468
Salaries payable	-	1,550	1,550	1,883
Due to other funds	300,000	-	300,000	872,842
Compensated absences	-	8,672	8,672	16,937
Customer deposits	218,862	1,750	220,612	-
Capital lease obligations - current portion	34,477	18,311	52,788	-
Loans payable - current portion	784,365	-	784,365	-
Total Current Liabilities	1,337,757	82,206	1,419,963	1,339,130
Non-Current Liabilites (payable from unrestricted assets)				
Capital lease obligations (net of current portion)	23,614	-	23,614	-
Loans payable (net of current portion)	7,198,629	-	7,198,629	-
Total Non-Current Liabilites (payable from unrestricted assets)	7,222,243	-	7,222,243	-
Total Liabilites	8,560,000	82,206	8,642,206	1,339,130
NET POSITION				
Invested in capital assets, net of related debt	23,012,528	41,676	23,054,204	33,842
Unrestricted	1,985,975	361,220	2,347,195	1,230,542
Total Net Position	$ 24,998,503	$ 402,896	$ 25,401,399	$ 1,264,384

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	ENTERPRISE FUNDS			
	PUBLIC UTILITIES	WASTE MANAGEMENT	TOTALS	INTERNAL SERVICE FUNDS
Revenues				
Charges for services	$ 4,678,370	$ 1,159,737	$ 5,838,107	$ 454,070
Operating contributions	-	-	-	4,053,933
Total operating revenues	4,678,370	1,159,737	5,838,107	4,508,003
Operating Expenses				
Personal services	-	292,327	292,327	631,128
Contractual services	2,480,019	625,827	3,105,846	56,443
Repairs and maintenance	242,317	173,234	415,551	97,822
Other supplies and expenses	585,016	948	585,964	11,581
Retirement payments	-	-	-	1,338,855
Insurance claims and expenses	-	8,043	8,043	2,117,447
Depreciation and amortization	1,008,436	52,063	1,060,499	16,068
Total Operating Expenses	4,315,788	1,152,442	5,468,230	4,269,344
Operating Income	362,582	7,295	369,877	238,659
Non-Operating Revenues (Expenses)				
Interest and investment revenue	980	-	980	17
Miscellaneous revenue	-	-	-	1,278
Interest expense	(215,801)	(1,514)	(217,315)	-
Total Non-Operating Revenues (Expenses)	(214,821)	(1,514)	(216,335)	1,295
Income Before Contributions And Transfers	147,761	5,781	153,542	239,954
Capital grants and contributions	22,825	-	22,825	-
Transfers out	-	-	-	(325,000)
Total Other Financing Sources	22,825	-	22,825	(325,000)
Change in net position	170,586	5,781	176,367	(85,046)
Total net position - beginning	24,827,917	397,115	25,225,032	1,349,430
Total net position - ending	$ 24,998,503	$ 402,896	$ 25,401,399	$ 1,264,384

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	PUBLIC UTILITIES	WASTE MANAGEMENT	TOTAL	INTERNAL SERVICE FUNDS
Cash Flows From Operating Activities				
Cash received from customers:	$ 4,598,955	$ 1,096,606	$ 5,695,561	$ 4,492,091
Cash paid to suppliers	(3,001,189)	(756,528)	(3,757,717)	(3,842,254)
Cash paid to employees	-	(292,702)	(292,702)	(644,958)
Net Cash Provided By Operating Activities	1,597,766	47,376	1,645,142	4,879
Cash Flows From Noncapital Financing Activities				
Cash paid for transfer out	-	-	-	(325,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	-	-	-	(325,000)
Cash Flows From Capital And Related Financing Activities				
Principal paid on loans payable	(861,504)	(37,243)	(898,747)	-
Acquisition and construction of capital assets	(92,766)	-	(92,766)	-
Interest paid	(215,801)	(1,514)	(217,315)	-
Net Cash (Used In) Capital And Related Activities	(1,170,071)	(38,757)	(1,208,828)	-
Cash Flows From Investing Activities				
Interest on cash deposits	980	-	980	16
Miscellaneous non-operating revenue	-	-	-	1,279
Net Cash Provided By Investing Activities	980	-	980	1,295
Net Increase In Cash	428,675	8,619	437,294	(318,826)
Cash Beginning of Year	643,279	193,602	836,881	2,082,839
Cash at End of Year	$ 1,071,954	$ 202,221	$ 1,274,175	$ 1,764,013
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	$ 362,582	$ 7,295	$ 369,877	$ 238,659
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:				
Depreciation and amortization	1,008,436	52,063	1,060,499	16,068
Change in Assets and Liabilities:				
Accounts receivable	(90,946)	(63,130)	(154,076)	(9,159)
Inventories	11,531	-	11,531	(6,753)
Customer deposits	6,163	(400)	5,763	-
Due to other funds	300,000	-	300,000	-
Net Cash Provided By Operating Activities	$ 1,597,766	$ 47,376	$ 1,645,142	$ 4,879
Cash Per Financial Statements, Including Investments	$ 1,072,123	$ 202,221	$ 1,274,344	$ 1,764,013
Less: Non-Cash Equivalents	169	-	169	-
Total Cash	$ 1,071,954	$ 202,221	$ 1,274,175	$ 1,764,013

The accompanying notes are an integral part of these statements

CITY OF WAYCROSS, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	TOTAL AGENCY FUNDS
ASSETS	
Cash and cash equivalents	$ 168,506
Total assets	168,506
LIABILITIES	
Refundable court bonds	116,602
Seized funds held	51,904
Total liabilities	$ 168,506

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Reporting Entity

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

C. Fund Accounting

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

Governmental Funds

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

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

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

Capital Reserve Fund - The fund is used to account for capital improvements (except for those financed through Proprietary Funds) which are financed from certain Federal Grants and other City Funds.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Proprietary Funds

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

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

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

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

Internal Service Funds

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

Fiduciary Funds

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

D. Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

E. Basis of Accounting

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

F. Revenues – Exchange and Non-exchange Transactions

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

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

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

G. Deferred Revenue

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements were met have been recorded as deferred revenues.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. Expenses/ Expenditures

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

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

I. FASB Statements and Interpretations

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

J. Budgets and Budgetary Accounting

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

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

1. Prior to June 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at City Hall to obtain taxpayer comments.

3. The City Council approves, by ordinance, total budget appropriation and departmental budgets. The City Manager is authorized to transfer budget amounts between line items within any department in conjunction with the department head; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Council. Therefore, the level of budgetary responsibility is by department-level appropriations; however, for reporting purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.

5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

6. Formal budgetary integration is employed as management control device during the year for the General Fund. The budget for the general fund is prepared on the cash and expenses/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that applicable purchase orders are expected to be issued. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except for that

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2013, an annual budget was adopted for all funds.

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

K. Encumbrances

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

L. Cash and Cash Equivalents

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

M. Investments

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

All investments are stated at market value.

N. Capital Assets

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

statement of net assets and in the respective funds.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions

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

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

Description	Estimated Lives
Building and Building Improvements	20-40 years
Machinery and Equipment	5-20 years
Infrastructure	15-40 years

O. Inventories

Inventories in the governmental and proprietary funds consist of supplies and are valued at weighted average cost. These inventories are recorded as expenditures as they are consumed.

P. Interfund Receivables and Payables

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

Q. Transfers Between Funds

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

R. Allowance For Doubtful Accounts

The City provides an allowance for the Public Utilities Fund, Waste Management Fund and the Property tax accounts receivable that may be uncollectible. At June 30, 2013, the allowances are $143,645, $58,731 and $23,539, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2013.

S. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

T. Compensated Absences

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

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

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

U. Accrued and Long - Term Liabilities

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

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

V. 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.

W. Fund Equity

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

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

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

- Committed
- Assigned
- Unassigned

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when as described in the fund balance section above. All other net assets are reported as unrestricted.

X. Prepaid Expenditures

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

Y. Estimates

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

NOTE 2 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds' expenditures/expenses exceeded appropriations:

	Expenditures/ Expenses Actual	Appropriations	Amount Exceeding Appropriations
Fund Level			
Forfeited Property	$ 24,238	$ -	$ 24,238
Jail	562	-	562
Departmental Level			
General Fund			
Public Works	2,042,825	1,831,660	211,165
Community Development	602,535	566,478	36,057

The General fund's excess in public works was the result of unanticipated expenditures. This will be addressed by more careful budgeting in future years.

The following funds had deficits at June 30, 2013:

	Deficit
Capital Reserve Fund	$ 35,367
Hotel Motel Tax Fund	21
Health Insurance Fund	1,182,541

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

As of June 30, 2013, the carrying amount of the City's bank deposits was $9,408,826 and the respective bank balances totaled $9,517,357. Of the total bank balance, $452,214 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $9,065,143 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the city.

NOTE 3 – CASH DEPOSITS AND INVESTMENTS, CONTINUED

As of June 30, 2013, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	$ 9,408,826	$ 9,517,357
Petty Cash	3,998	-
Totals	$ 9,412,824	$ 9,517,357

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2013, $9,065,143 of the City's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

NOTE 4 – RECEIVABLES AND PAYABLES

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

Receivables at June 30, 2013 were as follows:

	Taxes	Accounts Receivable	Other Govts	Other	Total
Governmental Activities:					
General	$ 304,046	$ 2,916	$ 268,072	$ -	$ 575,034
SPLOST 2008-2013	-	-	152,560	-	152,560
Non-major	-	-	31,204	85,506	116,710
Internal service funds	-	13,327	-	-	13,327
Total Governmental Activities	304,046	16,243	451,836	85,506	857,631
Business-Type Activities:					
Public Utilities	$ -	$ 658,635	$ -	$ -	$ 658,635
Waste Management	-	222,894	-	-	222,894
Total Business-Type Activities	$ -	$ 881,529	$ -	$ -	$ 881,529

NOTE 4 – RECEIVABLES AND PAYABLES, CONTINUED

Payables at June 30, 2013 were as follows:

	Vendors	Salaries/ Benefits	Other	Total
Governmental Activities:				
General	$ 28,325	$ 64,367	$ -	$ 92,692
SPLOST 2008-2013	127,238	-	-	127,238
Non-major	65,884	-	-	65,884
Internal service funds	222,172	1,883	225,296	449,351
Total Governmental Activities	443,619	66,250	225,296	735,165
Business-Type Activities:				
Public Utilities	$ 53	-	$ 218,862	218,915
Waste Management	51,923	1,550	1,750	55,223
Total Business-Type Activities	$ 51,976	$ 1,550	$ 220,612	$ 274,138

NOTE 5 – PROPERTY TAXES

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

NOTE 6 – HOTEL/MOTEL LODGING TAX

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A 48-13-51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received $280,759 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2013. The City disbursed $87,757 for the promotion of tourism and $109,960 to Channel 42. The balance of lodging tax funds was transferred to the General Fund.

NOTE 7 – CAPITAL ASSETS

A summary of changes in fixed assets for the year ended June 30, 2013 is as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 4,876,148	$ -	$ -	$ 4,876,148
Construction in Progress	221,442	304,878	14,552	511,768
Depreciable Capital Assets:				
Buildings	8,584,155	-	-	8,584,155
Machinery and Equipment	2,780,208	14,840	6,120	2,788,928
Vehicles	4,533,187	78,507	-	4,611,694
Infrastructure	33,376,499	14,552	-	33,391,051
Total Capital Assets	54,371,639	412,777	20,672	54,763,744
Less Accumulated Depreciation For:				
Buildings	(3,878,500)	(181,125)	-	(4,059,625)
Machinery and Equipment	(2,242,136)	(175,842)	(6,120)	(2,411,858)
Vehicles	(3,714,320)	(334,581)	-	(4,048,901)
Infrastructure	(25,876,140)	(711,096)	-	(26,587,236)
Governmental Activities Capital Assets, Net	18,660,543	(989,867)	14,552	17,656,124
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land and Improvements	$ 235,859	$ -	$ -	$ 235,859
Construction in Progress	30,121	104,733	104,733	30,121
Depreciable Capital Assets:				
Buildings	9,785,589	-	-	9,785,589
Machinery and Equipment	4,404,572	10,859	84,081	4,331,350
Vehicles	1,163,715	-	116,980	1,046,735
Infrastructure	49,548,931	104,733	-	49,653,664
Total Capital Assets	65,168,787	220,325	305,794	65,083,318
Less Accumulated Depreciation For:				
Buildings	(5,745,467)	(183,391)	-	(5,928,858)
Machinery and Equipment	(4,275,044)	(30,346)	(84,081)	(4,221,309)
Vehicles	(1,074,489)	(62,636)	(116,980)	(1,020,145)
Infrastructure	(22,017,399)	(782,007)	-	(22,799,406)
Business-Type Activities Capital Assets, Net	32,056,388	(838,055)	104,733	31,113,600
	$ 50,716,931	$ (1,827,922)	$ 119,285	$ 48,769,724

NOTE 7 – CAPITAL ASSETS, CONTINUED

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

Governmental Activities:	
General Government	$ 51,689
Public Safety	867,245
Public Works	471,961
Community Development	11,749
Total Depreciation Expense-Governmental Activities	$ 1,402,644
Business-Type Activities:	
Public Utilities	$ 1,006,317
Waste Management	52,063
Total Depreciation Expense-Business-Type Activities	$ 1,058,380

NOTE 8 – LONG-TERM OBLIGATIONS

Transactions for the year ended June 30, 2013 are summarized as follows:

Change in Outstanding Debt:

	Balance June 30, 2012	Issues or Additions	Payments or Expenditures	Balance June 30, 2013	Amount Due Within One Year
Governmental Type Activities:					
Lease Obligations Payable	$ 705,920	$ 89,824	$ 270,253	$ 525,491	$ 262,797
Notes Payable	732,500	-	30,000	702,500	30,000
Compensated Absences	360,951	2,669	-	363,620	-
Other post employment benefits	333,000	37,000	-	370,000	-
Total Governmental Activities	2,132,371	129,493	300,253	1,961,611	292,797
Business-Type Activities:					
Lease Obligations Payable	55,555	-	37,244	18,311	18,311
Lease Obligations Payable	91,466	-	33,376	58,090	34,477
GEFA-98-L68WJ	1,103,857	-	110,896	992,961	115,514
SRF Loan-CW13088301	63,025	-	63,025	-	-
GEFA Loan-00-L36EJ	5,459,634	-	510,692	4,948,942	520,982
SRF Loan-CWSRF-00-0020	1,611,942	-	90,154	1,521,788	92,890
SRF Loan-CWSRF-00-01	531,419	-	49,103	482,316	50,593
GEFA Loan-CW09071PF60	41,244	-	4,256	36,988	4,386
Compensated Absences	9,077	-	405	8,672	-
Total Business-Type Activities	8,967,219	-	899,151	8,068,068	837,153
Total All Funds	$ 11,099,590	$ 129,493	$ 1,199,404	$ 10,029,679	$ 1,129,950

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

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

Notes/Loans Payable:

The following is a schedule of annual requirements for GEFA contracts CW09071PF60, 98-L68WJ, CW13088301, 00-L36WJ, #00-20 and SRF00-001.

	Governmental Activities		Business-Type Activities	
Year Ending June 30:	Principal	Interest	Principal	Interest
2014	$ 30,000	$ -	$ 784,365	$ 193,587
2015	30,000	-	804,159	173,793
2016	30,000	-	824,501	153,451
2017	30,000	-	845,407	132,545
2018	30,000	-	866,896	111,056
2019-2023	150,000	-	3,402,421	430,482
2024-2028	150,000	-	455,246	60,374
2029-2033	150,000	-	-	-
2034-2036	102,500	-	-	-
Total	$ 702,500	$ -	$ 7,982,995	$ 1,255,288

Governmental Activities:

In March 2010, the City entered into an agreement with BC Waycross Associates, LLP to finance construction of storm water infrastructure and a regional storm water retention pond on the owner's property to accept off-site storm water runoff and render owner's property suitable for development. The total amount financed of $800,000 is due in 320 monthly payments of $2,500 beginning March 15, 2010 at 0 percent interest. At June 30, 2013, the outstanding balance on this loan was $702,500.

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, 2013, the outstanding balance on this loan was $0 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, 2013, the outstanding balance on this loan was $992,961 and quarterly payments are $38,616.

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

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, 2013, the outstanding balance of this loan was $482,316 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, 2013, the outstanding balance was $4,948,942 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, 2013, the outstanding balance was $1,521,788. Repayment is over 80 quarterly payments of $34,376 at 3 percent. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay is a general obligation of the City.

In November 2009, the City entered into a loan agreement (CW09071PF60) with the Georgia Environmental Facilities Authority for the construction of a litter trap. The total amount received was $120,785 as part of the American Recovery and Reinvestment Act (ARRA). The ARRA funds will help finance water system improvements through a low-interest loan in the amount of $47,393 and subsidy of $80,400. At June 30, 2013, the outstanding loan balance was $36,988. Repayment is over 120 monthly payments of $451 at 3 percent.

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

Capital Leases

The City has entered into various lease agreements as lessee to finance various machinery and equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a summary of equipment leased under capital lease agreements by the City as of June 30, 2013;

	Government-Type Activities	Business-Type Activities
Combo Server	$ -	$ 224,208
Knuckleboom Loader	-	94,245
Fire Pumper	210,000	-
07 Street sweeper	124,007	-
Hydraulic Excavator	142,760	-
Criminal Inv. - Malibu	17,970	-
5 Malibu Patrol Cars	138,029	-
Ford F-150	14,342	-
John Deere Backhoe	69,499	-
Peterbilt Garbage Truck	-	103,960
5 Impala Patrol Cars	120,824	-
Ford F-150	15,259	-
5 Impala Patrol Cars	98,089	-
6 Impala Patrol Cars	136,673	-
Animal Control Truck	21,475	-
2012 Street Sweeper	152,105	-
International 7500 Dump Truck	82,878	-
4 Impala Patrol Cars	89,824	
	$ 1,433,734	$ 422,413

NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

The following is a schedule of the future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2013:

Year Ending June 30:	Governmental-Type Activities	Business-Type Activities
2014	$ 274,428	$ 57,287
2015	164,619	23,902
2016	79,484	-
2017	38,225	-
2018	-	-
Total Minimum Lease Payments	556,756	81,189
Less: Amount Representing Interest	(31,265)	(4,788)
Present Value of Future Minimum Lease Payments	$ 525,491	$ 76,401

NOTE 9 – INTERFUND TRANSFERS

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

Transfers between funds during the year ended June 30, 2013 were as follows:

	Transfers In	Transfers Out
General Fund	$ 493,244	$ -
Hotel/Motel Tax Fund	-	168,244
City Garage Fund	-	325,000
	$ 493,244	$ 493,244

NOTE 10 – INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2013 are as follows:

	Interfund Receivables	Interfund Payables
Major Govermental Funds		
General Fund:		
Public Utilities	$ 300,000	$ 100,000
Internal Service Funds	-	293,592
	300,000	393,592
Capital Reserve Fund:		
Internal Service Funds	193,592	-
Public Utilities	-	375,000
	193,592	375,000
Total Govermental Funds	493,592	768,592
Major Business-type Funds		
Public Utilities:		
General Fund	100,000	300,000
Internal Service Funds	253,000	-
Capital Reserve Fund	375,000	-
	728,000	300,000
Internal Service Funds:		
General Fund	293,592	-
Public Utilities	-	253,000
Capital Reserve Fund	-	193,592
Other Internal Service Funds	426,250	426,250
	719,842	872,842
Totals	$ 1,941,434	$ 1,941,434

NOTE 11 – FUND EQUITY

Fund balances at June 30, 2013 are classified as follows:

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

General Fund:	
Inventories	$ 14,313
Total	$ 14,313

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
Forfeited Property Fund - used to account for funds received from property forfeitures.	$ 27,412
Jail Fund - used to account for vending revenue of the jail.	47
FEMA Grants Fund - used to account for expenditures of FEMA grants.	60
EIP Revolving Loan Fund - used to account for revolving loans issued to local businesses.	136,105
Misc Grant Fund - used to account for expenditures of miscellaneous small grants.	4,889
Waycross Fire Dept Fund - used to account for contributions and miscellaneous grants received for the purpose of fire department expenditures.	6,749
Total	$ 175,262

NOTE 11 – FUND EQUITY, CONTINUED

Capital Projects Funds:	
SPLOST Fund - used to account for capital projects financed with special purpose local option sales tax.	$ 693,913
SPLOST 2008-2013 Fund - used to account for capital projects financed with special purpose local option sales tax.	4,988,246
Total	$ 5,682,159

Committed – The following fund balances are committed to:

Special Revenue Funds:	
Community Development Fund - used to account for miscellaneous revenues that are committed to community development expenditures.	$ 79,367
Cemetery Fund - used to account for revenues from purchases of cemetery lots and interment fees, which are committed to upkeep and improvements to the lots.	59,111
Cemetery Trust Fund - used to account for funds that accumulated for future cemetery improvements and expansion.	123,563
Total	$ 262,041

Assigned – The following fund balances are assigned to:

Special Revenue Funds:	
WPD Info Technology Fund - used to account for fines and forfeitures that are restricted for the use of police department information technology expenditures.	$ 16,549
Misc Fund - used to account for donations for the purpose of upkeep and improvements to Henry Walker Park	4,995
Total	$ 21,544

NOTE 11 – FUND EQUITY, CONTINUED

Unassigned – The City's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of economic downturn or natural disaster.

The following balances are unassigned:

General Fund	$ 330,715
Hotel/Motel Tax Fund - used to account for hotel/motel tax revenues.	(21)
Capital Reserve Fund - negative committed fund balance reported as unassigned.	(35,367)
Total	$ 295,327

NOTE 12 – RETIREMENT BENEFITS

Pension Plan -

Plan Description:

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

The City's payroll for employees covered by the System for the year ended January 1, 2013 was $6,303,324. 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.

NOTE 12 – RETIREMENT BENEFITS, CONTINUED

The Significant Actuarial Assumptions

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

The significant actuarial assumptions used in the current valuation are:

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

The Effect of Plan Changes on the Actuarial Accrued Liability

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

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

The Funding Policy and Annual Contributions

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in paragraph 9-10 of Statement No. 27. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method for amortizing the initial unfunded actuarial accrued liability 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 on the change in plan provision will be provided upon request. The actuarial assumptions are the same as those used in the preceding year.

NOTE 12 – RETIREMENT BENEFITS, CONTINUED

Current Plan Membership

As of January 1, 2013, the current plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	153
Terminated employees entitled to benefits but not yet receiving them	68
Current active employees:	
Vested	107
Nonvested	82
Total membership in the plan	410

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	153	$ 10,329,137
Other Vested Benefits		
Terminated Vested Participants	68	1,158,595
Active Participants	107	7,332,868
Total Present Value of Vested Benefits		$ 18,820,600
Nonvested Benefits	82	464,227
Total Present Value of Accrued Plan Benefits	410	19,284,827
Market Value of Assets		13,634,833
Unfunded Present Value of Accrued Plan Benefits		5,649,994
Funded Percentage		70.70%

	Number of Participants	Lump Sum Value of Benefits
Present Value of Accrued Plan Benefits (Plan Termination Basis):		
Retired Participants and Beneficiaries Currently Receiving Payments	153	$ 17,404,146
Terminated Vested Participants	68	3,663,638
Active Participants	107	18,562,421
Total Present Value of Vested Benefits		$ 39,630,205
Nonvested Benefits	82	1,513,694
Total Present Value of Accrued Plan Benefits	410	41,143,899
Market Value of Assets		13,634,833
Unfunded Present Value of Accrued Plan Benefits		27,509,066
Funded Percentage		33.14%

NOTE 12 – RETIREMENT BENEFITS, CONTINUED

Schedule of Funding Progress

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

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)
5/1/2009	9,967,608	17,069,922	7,102,314	58.39%	6,806,444	104.35%
1/1/2010	12,745,143	18,040,473	5,295,330	70.65%	6,614,425	80.06%
1/1/2011	13,356,680	18,951,798	5,595,118	70.48%	6,299,680	88.82%
1/1/2012	13,921,917	19,831,649	5,909,732	70.20%	6,586,863	89.72%
1/1/2013	14,732,909	20,831,811	6,098,902	70.72%	6,303,324	96.76%

Schedule of Employer Contribution

Fiscal Year	Annual Required Contribution	Amount Contributed	Percentage of ARC Contributed	Net Pension Obligation
2009	610,789	610,789	100.00%	-
2010	762,262	859,337	100.00%	-
2011	787,610	881,932	100.00%	-
2012	829,915	939,756	100.00%	-
2013	830,293	1,056,236	100.00%	-

Schedule of Recommended Contribution

Normal Cost		
Retirement Benefits:		
Employees	$	411,336
Administrative Expenses		32,317
Total Normal Cost	$	443,653
Payment on Unfunded Actuarial Accrued Liability		865,771
Interest		49,793
Minimum Contribution		1,359,217
Normal Cost (including admin) with interest		1,309,424
Recommended Contribution		1,359,217

NOTE 12 – RETIREMENT BENEFITS, CONTINUED

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 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 13 – COMMITMENTS AND CONTINGENCIES

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

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

NOTE 14 – JOINT VENTURES/RELATED ORGANIZATIONS

Under Georgia law, the City, in conjunction with other cities and counties in the eighteen county south Georgia area, is a member of the Southern Georgia Regional Development Commission (SGRC) and is required to pay annual dues thereto. During the year ended June 30, 2013 the City paid $18,774 in such dues. Membership in the SGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes elected officials from member counties and cities and nonpublic appointed members. The law defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
1725 South Georgia Parkway
Waycross, Georgia 31503

NOTE 14 – JOINT VENTURES/RELATED ORGANIZATIONS, CONTINUED

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

NOTE 15 – RISK MANAGEMENT

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

The City established a limited risk management program for health insurance in July 1991. The plan provides coverage for up to a maximum of $80,000 for each individual claim with a $1,000,000 lifetime maximum.

In January 1992, the City established a limited risk program for workers' compensation. The City hired Corvel Corporation as administrator for this program. The plan provides coverage for up to a maximum of $350,000 for each worker's compensation claim. The City purchases commercial insurance for these claims in excess of coverage provided by these funds and for all other insignificant risks of loss. Settled claims in the past three years have not exceeded the commercial coverages.

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

NOTE 15 – RISK MANAGEMENT, CONTINUED

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 $171,683 have been recorded as of June 30, 2013. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of $171,683 reported in the Health Insurance Fund at June 30, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount in the fiscal years 2007-2013 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance End of Fiscal Year
2007	202,604	1,069,782	1,108,862	163,524
2008	163,524	1,093,535	1,076,796	180,263
2009	180,263	1,223,278	1,198,032	205,509
2010	205,509	1,634,144	1,561,420	278,233
2011	278,233	1,225,376	1,331,328	172,281
2012	172,281	1,775,673	1,776,472	171,482
2013	171,482	1,189,110	1,188,910	171,682

Also, the City has established an internal service fund to account for its self-insurance program relating to workers compensation insurance. The purpose of this fund is to pay worker's compensation claims of the city employees while minimizing the total costs to the municipality. The City maintains a stop-loss policy with a private insurance company. City officials believe that the reserve in this fund is adequate to cover any incurred, but not reported, losses through the statement date. Changes in the claims liability amount in the fiscal years 2007-2013 were:

Fiscal Year	Balance Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance End of Fiscal Year
2007	15,171	224,711	239,882	-
2008	-	307,430	294,138	13,292
2009	13,292	227,446	172,008	68,730
2010	68,730	122,836	185,828	5,738
2011	5,738	350,686	333,380	23,044
2012	23,044	430,782	440,199	13,627
2013	13,627	289,441	266,482	36,586

NOTE 16 – 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 12). 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, 2012, employee membership data relative to the OPEB plan consist of the following:

Current Retirees, beneficiaries, and dependents	23
Current active participants	148
Total membership in the plan	171

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, 2013 the plan reported no assets.

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

The City's most recent actuarial valuation was performed for the plan as of July 1, 2012 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 $298,000.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS, CONTINUED

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

Net OPEB (NOO) as of July 1, 2012	$	333,000
Annual Required Contributions (ARC)		299,000
Interest on Existing (NOO)		13,000
ARC Adjustment		(14,000)
Annual OPEB Cost		298,000
Annual Employer Contribution		(261,000)
Change in Net OPEB Obligation		37,000
Net OPEB Obligation as of June 30, 2013	$	370,000

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

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2013	$ 298,000	87.6%	$ 370,000
6/30/2012	218,000	66.1%	333,000
6/30/2011	213,000	66.7%	259,000
6/30/2010	325,000	42.2%	188,000
6/30/2009	231,000	59.3%	94,000

Funded Status and Funding Progress

Actuarial valuation date		July 1, 2012
Actuarial value of assets	$	-
Actuarial accrued liability		4,386,000
Total unfunded actuarial liability		4,386,000
Funded ratio		0.00%
Annual covered payroll	$	5,091,000
Ratio of unfunded actuarial liability to annual covered payroll		86.15%

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Actuarial Assumptions and Methods

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

Actuarial Method	
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	2.5% Increase over 30 years
Remaining Amortization period	30 years as of July 1, 2012
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% graded to 5% over 10 years

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

NOTE 17 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 28, 2013, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

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

- Georgian Municipal Employees Benefit System and Other Post-Employment Benefits
- Budgetary Comparison Schedule – General Fund

CITY OF WAYCROSS, GEORGIA
REQUIRED SUPPLEMENTAL INFORMATION
UNAUDITED

Schedule of Funding Progress: Georgia Municipal Employees Benefit System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a/c)
5/1/2009	9,967,608	17,069,922	7,102,314	58.39%	6,806,444	104.35%
1/1/2010	12,745,143	18,040,473	5,295,330	70.65%	6,614,425	80.06%
1/1/2011	13,356,680	18,951,798	5,595,118	70.48%	6,299,680	88.82%
1/1/2012	13,921,917	19,831,649	5,909,732	70.20%	6,586,863	89.72%
1/1/2013	14,732,909	20,831,811	698,902	70.72%	6,303,324	96.76%

Funded Status and Funding Progress: Other Post Employment Benefits

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

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

CITY OF WAYCROSS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues				
Taxes	$ 9,365,300	$ 9,365,300	$ 8,918,796	$ (446,504)
Fees and fines	550,000	550,000	442,755	(107,245)
Licenses and permits	818,100	818,100	755,674	(62,426)
Intergovernmental	136,000	136,000	133,130	(2,870)
Charges for services	19,500	19,500	31,162	11,662
Investment earnings	5,000	5,000	1,152	(3,848)
Miscellaneous	97,200	190,867	243,460	52,593
Transfers In	180,000	180,000	493,244	313,244
Total Revenues	11,171,100	11,264,767	11,019,373	(245,394)
Expenditures				
Current:				
General government	802,325	796,725	384,104	412,621
Public safety	7,765,612	7,764,737	7,611,140	153,597
Public works	1,826,560	1,831,660	2,042,825	(211,165)
Community development	471,436	566,478	602,535	(36,057)
Debt Service:				
Principal	257,031	257,031	249,996	7,035
Interest and other charges	84,851	84,851	82,528	2,323
Total Expenditures	11,207,815	11,301,482	10,973,128	328,354
Excess (Deficiency) Of Revenues Over Expenditures	(36,715)	(36,715)	46,245	82,960
Fund Balances - Beginning of Year	298,783	298,783	298,783	-
Fund Balances - Ending of Year	$ 262,068	$ 262,068	$ 345,028	$ 82,960

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

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues				
Sales and miscellaneous taxes	$ 1,900,000	$ 1,900,000	$ 1,851,855	$ (48,145)
Interest	-	-	3,496	3,496
Total Revenues	1,900,000	1,900,000	1,855,351	(44,649)
Expenditures				
Current:				
Capital Outlay	2,775,000	2,775,000	327,703	2,447,297
Total Expenditures	2,775,000	2,775,000	327,703	2,447,297
Excess (Deficiency) Of Revenues Over Expenditures	(875,000)	(875,000)	1,527,648	2,402,648
Fund Balances - Beginning of Year	3,460,598	3,460,598	3,460,598	-
Fund Balances - Ending of Year	$ 2,585,598	$ 2,585,598	$ 4,988,246	$ 2,402,648

The accompanying notes are an integral part of these statements.

CITY OF WAYCROSS, GEORGIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues				
Intergovernmental	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
(Deficiency) Of Revenues Over Expenditures	-	-	-	-
Fund Balances - Beginning of Year	(35,367)	(35,367)	(35,367)	-
Fund Balances - Ending of Year	$ (35,367)	$ (35,367)	$ (35,367)	$ -

The accompanying notes are an integral part of these statements.

COMBINING AND INDIVIDUAL FUND SCHEDULES

CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	CEMETARY	FORFEITED PROPERTY	JAIL FUND	WPD INFO TECHNOLOGY	TRAIL HEAD PROJECT	COMMUNITY DEVELOPMENT	EIP REVOLVING LOAN	FIRE DEPARTMENT
ASSETS								
Cash and cash equivalents	$ 56,008	$ 27,412	$ 47	$ 16,549	$ -	$ 79,367	$ 54,324	$ 6,749
Receivable from other governments	-	-	-	-	-	-	-	-
Other receivables	3,725	-	-	-	-	-	81,781	-
Total assets	59,733	27,412	47	16,549	-	79,367	136,105	6,749
LIABILITIES AND FUND BALANCES								
Liabilities:								
Checks issued in excess of bank balance	-	-	-	-	-	-	-	-
Accounts payable	622	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	622	-	-	-	-	-	-	-
Fund balances:								
Restricted	-	27,412	47	-	-	-	136,105	6,749
Committed	59,111	-	-	-	-	79,367	-	-
Assigned	-	-	-	16,549	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	59,111	27,412	47	16,549	-	79,367	136,105	6,749
Total liabilities and fund balances	$ 59,733	$ 27,412	$ 47	$ 16,549	$ -	$ 79,367	$ 136,105	$ 6,749

CITY OF WAYCROSS, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS					CAPITAL PROJECT FUNDS		
	FEMA GRANTS	MISC GRANTS	HOTEL/MOTEL TAX	MISC FUND	CEMETARY TRUST	SPLOST	CDBG 12P-X-148-2-5476	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS								
Cash and cash equivalents	$ 60	$ 13,947	$ 24,979	$ 4,995	$ 123,563	$ 693,913	$ -	$ 1,101,913
Receivable from other governments	-	-	-	-	-	-	31,204	31,204
Other receivables	-	-	-	-	-	-	-	85,506
Total assets	60	13,947	24,979	4,995	123,563	693,913	31,204	1,218,623
LIABILITIES AND FUND BALANCES								
Liabilities:								
Checks issued in excess of bank balance	-	-	-	-	-	-	-	-
Accounts payable	-	9,058	25,000	-	-	-	31,204	65,884
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	9,058	25,000	-	-	-	31,204	65,884
Fund balances:								
Restricted	60	4,889	(21)	-	-	693,913	-	869,154
Committed	-	-	-	-	123,563	-	-	262,041
Assigned	-	-	-	4,995	-	-	-	21,544
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	60	4,889	(21)	4,995	123,563	693,913	-	1,152,739
Total liabilities and fund balances	$ 60	$ 13,947	$ 24,979	$ 4,995	$ 123,563	$ 693,913	$ 31,204	$ 1,218,623

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	CEMETARY	FORFEITED PROPERTY	JAIL FUND	WPD INFO TECHNOLOGY	TRAIL HEAD PROJECT	COMMUNITY DEVELOPMENT	EIP REVOLVING LOAN	FIRE DEPARTMENT
REVENUES								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fees	-	24,677	-	17,820	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Investment earnings	-	7	-	-	-	-	59	-
Miscellaneous	172,578	-	577	-	151	3,650	-	746
Total revenues	172,578	24,684	577	17,820	151	3,650	59	746
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	908	-
Public Safety	-	24,238	562	10,628	-	-	-	161
Public Works	-	-	-	-	-	-	-	-
Community development	192,690	-	-	-	-	11,609	-	-
Total Expenditures	192,690	24,238	562	10,628	-	11,609	908	161
Excess (deficiency) of revenues over expenditures	(20,112)	446	15	7,192	151	(7,959)	(849)	585
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(20,112)	446	15	7,192	151	(7,959)	(849)	585
Fund balances - beginning	79,223	26,966	32	9,357	(151)	87,326	136,954	6,164
Fund balances - ending	$ 59,111	$ 27,412	$ 47	$ 16,549	$ -	$ 79,367	$ 136,105	$ 6,749

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS					CAPITAL PROJECT FUNDS		
	FEMA GRANTS	MISC GRANTS	HOTEL/MOTEL TAX	MISC FUND	CEMETARY TRUST	SPLOST	CDBG 12P-X-148-2-5476	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES								
Taxes	$ -	$ -	$ 280,759	$ -	$ -	$ -	$ -	$ 280,759
Fees	-	-	-	-	-	-	-	42,497
Intergovernmental	2,716	2,698	-	-	-	-	307,326	312,740
Investment earnings	-	-	-	-	-	453	-	519
Miscellaneous	-	329	-	-	-	-	-	178,031
Total revenues	2,716	3,027	280,759	-	-	453	307,326	814,546
EXPENDITURES								
Current:								
General government	-	9,683	-	-	-	-	-	10,591
Public Safety	2,970	-	-	-	-	-	-	38,559
Public Works	-	-	-	-	-	-	307,326	307,326
Community development	-	-	112,704	-	-	-	-	317,003
Total Expenditures	2,970	9,683	112,704	-	-	-	307,326	673,479
Excess (deficiency) of revenues over expenditures	(254)	(6,656)	168,055	-	-	453	-	141,067
OTHER FINANCING SOURCES (USES)								
Transfers out	-	-	(168,244)	-	-	-	-	(168,244)
Total other financing sources and (uses)	-	-	(168,244)	-	-	-	-	(168,244)
Net change in fund balances	(254)	(6,656)	(189)	-	-	453	-	(27,177)
Fund balances - beginning	314	11,545	168	4,995	123,563	693,460	-	1,179,916
Fund balances - ending	$ 60	$ 4,889	$ (21)	$ 4,995	$ 123,563	$ 693,913	$ -	$ 1,152,739

CITY OF WAYCROSS, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ 180,572	$ 180,572	$ 172,578	$ (7,994)
Total Revenues	206,532	206,532	172,578	(33,954)
Expenditures:				
Community development	206,532	206,532	192,690	13,842
Total Expenditures	206,532	206,532	192,690	13,842
Revenues Over (Under) Expenditures	-	-	(20,112)	(20,112)
Fund Balance - Beginning	79,223	79,223	79,223	-
Fund Balance - Ending	$ 79,223	$ 79,223	$ 59,111	$ (20,112)

CITY OF WAYCROSS, GEORGIA
FORFEITED PROPERTY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fees	$ -	$ -	$ 24,677	$ 24,677
Investment earnings	-	-	7	7
Total Revenues	-	-	24,684	24,684
Expenditures:				
Public safety	-	-	24,238	(24,238)
Total Expenditures	-	-	24,238	(24,238)
Revenues And Other Financing Sources Over Expenditures	-	-	446	446
Fund Balance - Beginning	26,966	26,966	26,966	-
Fund Balance - Ending	$ 26,966	$ 26,966	$ 27,412	$ 446

CITY OF WAYCROSS, GEORGIA
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ -	$ -	$ 577	$ 577
Total Revenues	-	-	577	577
Expenditures:				
Public safety	-	-	562	(562)
Total Expenditures	-	-	562	(562)
Revenues And Other Financing Sources Over Expenditures	-	-	15	15
Fund Balance - Beginning	32	32	32	-
Fund Balance - Ending	$ 32	$ 32	$ 47	$ 15

CITY OF WAYCROSS, GEORGIA
WPD INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fees	$ 18,000	$ 18,000	$ 17,820	$ 180
Total Revenues	18,000	18,000	17,820	180
Expenditures:				
Public safety	18,000	18,000	10,628	7,372
Total Expenditures	18,000	18,000	10,628	7,372
Revenues And Other Financing Sources Over Expenditures	-	-	7,192	(7,192)
Fund Balance - Beginning	9,357	9,357	9,357	-
Fund Balance - Ending	$ 9,357	$ 9,357	$ 16,549	$ (7,192)

CITY OF WAYCROSS, GEORGIA
TRAILHEAD PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ -	$ -	$ 151	$ 151
Total Revenues	-	-	151	151
Expenditures:				
Community development	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	151	151
Fund (Deficit) - Beginning	(151)	(151)	(151)	-
Fund Balance (Deficit) - Ending	$ (151)	$ (151)	$ -	$ 151

CITY OF WAYCROSS, GEORGIA
COMMUNITY DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ 20,000	$ 20,000	$ 3,650	$ (16,350)
Total Revenues	20,000	20,000	3,650	(16,350)
Expenditures:				
Community development	20,000	20,000	11,609	8,391
Total Expenditures	20,000	20,000	11,609	8,391
Revenues And Other Financing Sources Over (Under) Expenditures	-	-	(7,959)	(7,959)
Fund Balance - Beginning	87,326	87,326	87,326	-
Fund Balance - Ending	$ 87,326	$ 87,326	$ 79,367	$ (7,959)

CITY OF WAYCROSS, GEORGIA
EIP REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ 10,613	$ 10,613	$ -	$ 10,613
Interest earnings	-	-	59	59
Total Revenues	10,613	10,613	59	10,672
Expenditures:				
General government	57,850	57,850	908	56,942
Total Expenditures	57,850	57,850	908	56,942
Revenues And Other Financing Sources (Under) Expenditures	(47,237)	(47,237)	(849)	67,614
Fund Balance - Beginning	136,954	136,954	136,954	-
Fund Balance - Ending	$ 89,717	$ 89,717	$ 136,105	$ 46,388

CITY OF WAYCROSS, GEORGIA
FIRE DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ 5,000	$ 5,000	$ 746	$ (4,254)
Total Revenues	5,000	5,000	746	(4,254)
Expenditures:				
Public safety	5,000	5,000	161	4,839
Total Expenditures	5,000	5,000	161	4,839
Revenues And Other Financing Sources Over Expenditures	-	-	585	585
Fund Balance - Beginning	6,164	6,164	6,164	-
Fund Balance - Ending	$ 6,164	$ 6,164	$ 6,749	$ 585

CITY OF WAYCROSS, GEORGIA
FEMA GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 2,970	$ 2,970	$ 2,716	$ (254)
Total Revenues	2,970	2,970	2,716	(254)
Expenditures:				
Public safety	2,970	2,970	2,970	-
Total Expenditures	2,970	2,970	2,970	-
Revenues And Other Financing Sources Over (Under) Expenditures	-	-	(254)	(254)
Fund Balance - Beginning	314	314	314	-
Fund Balance - Ending	$ 314	$ 314	$ 60	$ (254)

CITY OF WAYCROSS, GEORGIA
MISC GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 11,540	$ 11,540	$ 2,698	$ (8,842)
Miscellaneous	-	-	329	(329)
Total Revenues	11,540	11,540	3,027	(9,171)
Expenditures:				
General government	11,540	11,540	9,683	1,857
Total Expenditures	11,540	11,540	9,683	1,857
Revenues And Other Financing Sources Over (Under) Expenditures	-	-	(6,656)	(7,314)
Fund Balance - Beginning	11,545	11,545	11,545	-
Fund Balance - Ending	$ 11,545	$ 11,545	$ 4,889	$ (7,314)

CITY OF WAYCROSS, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	$ 300,000	$ 300,000	$ 280,759	$ 19,241
Total Revenues	300,000	300,000	280,759	19,241
Expenditures:				
Community development	120,000	120,000	112,704	7,296
Transfers out	180,000	180,000	168,244	11,756
Total Expenditures	300,000	300,000	280,948	19,052
Revenues And Other Financing Sources Over (Under) Expenditures	-	-	(189)	189
Fund Balance - Beginning	168	168	168	-
Fund Balance (Deficit) - Ending	$ 168	$ 168	$ (21)	$ 189

CITY OF WAYCROSS, GEORGIA
MISC FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

CITY OF WAYCROSS, GEORGIA
CEMETERY TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Miscellaneous	$ -	$ -	$ -	$ -
Total Revenues	-	-	-	-
Expenditures:				
Community development	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	123,563	123,563	123,563	-
Fund Balance - Ending	$ 123,563	$ 123,563	$ 123,563	$ -

CITY OF WAYCROSS, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Investment earnings	$ -	$ -	$ 453	$ (453)
Total Revenues	-	-	453	(453)
Expenditures:				
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues And Other Financing Sources Over Expenditures	-	-	453	(453)
Fund Balance - Beginning	693,460	693,460	693,460	-
Fund Balance - Ending	$ 693,460	$ 693,460	$ 693,913	$ (453)

CITY OF WAYCROSS, GEORGIA
CDBG 12P-X-148-2-5476 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 500,000	$ 500,000	$ 307,326	$ 192,674
Total Revenues	500,000	500,000	307,326	192,674
Expenditures:				
Public Works	500,000	500,000	307,326	192,674
Total Expenditures	500,000	500,000	307,326	192,674
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	LIABILITY INSURANCE	HEALTH INSURANCE	RETIREMENT	WORKERS COMPENSATION	PAYROLL
ASSETS					
Current assets:					
Cash and cash equivalents	$ 582,405	$ 28,428	$ 115,389	$ 586,797	$ 20,878
Accounts Receivables, net	-	13,327	-	-	-
Due from other funds	95,913	-	217,250	346,397	8
Inventories	-	-	-	-	-
Prepaid Expenses	-	-	-	27,792	-
Total current assets	678,318	41,755	332,639	960,986	20,886
Non-current assets:					
Capital Assets:					
Buildings	-	-	-	-	-
Utility System	-	-	-	-	-
Equipment and Furniture	-	-	-	-	-
Less Accumulated depreciation	-	-	-	-	-
Total non-current assets	-	-	-	-	-
Total assets	678,318	41,755	332,639	960,986	20,886
LIABILITIES					
Current Liabilities:					
Accounts payable	-	351,454	-	36,586	13,904
Salaries payable	-	-	-	-	-
Due to other funds	-	872,842	-	-	-
Compensated absences	-	-	-	-	-
Total current liabilities	-	1,224,296	-	36,586	13,904
Total liabilities	-	1,224,296	-	36,586	13,904
NET POSITION					
Invested in capital assets, net of related debt	-	-	-	-	-
Unrestricted	678,318	(1,182,541)	332,639	924,400	6,982
Total net position	$ 678,318	$ (1,182,541)	$ 332,639	$ 924,400	$ 6,982

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	WAREHOUSE	CITY GARAGE	DATA PROCESSING	PUBLIC BUILDING	TOTAL INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash and cash equivalents	$ -	$ 3,539	$ 197,350	$ 229,227	$ 1,764,013
Accounts Receivables, net	-	-	-	-	13,327
Due from other funds	60,273	-	-	-	719,841
Inventories	-	30,038	-	-	30,038
Prepaid Expenses	-	-	14,661	-	42,453
Total current assets	60,273	33,577	212,011	229,227	2,569,672
Non-current assets:					
Capital Assets:					
Buildings	-	138,321	-	-	138,321
Utility System	-	70,663	-	-	70,663
Equipment and Furniture	-	100,170	153,867	43,214	297,251
Less Accumulated depreciation	-	(296,886)	(132,293)	(43,214)	(472,393)
Total non-current assets	-	12,268	21,574	-	33,842
Total assets	60,273	45,845	233,585	229,227	2,603,514
LIABILITIES					
Current Liabilities:					
Accounts payable	45,524	-	-	-	447,468
Salaries payable	-	1,883	-	-	1,883
Due to other funds	-	-	-	-	872,842
Compensated absences	-	16,937	-	-	16,937
Total current liabilities	45,524	18,820	-	-	1,339,130
Total liabilities	45,524	18,820	-	-	1,339,130
NET POSITION					
Invested in capital assets, net of related debt	-	12,268	21,574	-	33,842
Unrestricted	14,749	14,757	212,011	229,227	1,230,542
Total net position	$ 14,749	$ 27,025	$ 233,585	$ 229,227	$ 1,264,384

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	LIABILITY INSURANCE	HEALTH INSURANCE	RETIREMENT	WORKERS COMPENSATION	PAYROLL
REVENUES					
Charges for services	$ -	$ 454,070	$ -	$ -	$ -
Operating contributions	206,000	1,359,969	1,327,328	300,000	-
Total operating revenues	206,000	1,814,039	1,327,328	300,000	-
OPERATING EXPENSES					
Personal services	-	-	-	-	53
Contractual services	-	-	-	-	-
Repairs and maintenance	-	-	-	-	-
Other supplies and expenses	-	-	-	-	-
Insurance claims and expenses	191,078	1,598,265	-	328,104	-
Retirement payments	-	-	1,338,855	-	-
Depreciation	-	-	-	-	-
Total operating expenses	191,078	1,598,265	1,338,855	328,104	53
Operating income (loss)	14,922	215,774	(11,527)	(28,104)	(53)
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	-	-	-	-	17
Miscellaneous revenue	-	1,275	-	-	3
Total non-operating revenue (expenses)	-	1,275	-	-	20
Income (loss) before contributions and transfers	14,922	217,049	(11,527)	(28,104)	(33)
Transfers out	-	-	-	-	-
Change in net position	14,922	217,049	(11,527)	(28,104)	(33)
Total net position - beginning	663,396	(1,399,590)	344,166	952,504	7,015
Total net position - ending	$ 678,318	$ (1,182,541)	$ 332,639	$ 924,400	$ 6,982

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	WAREHOUSE	CITY GARAGE	DATA PROCESSING	PUBLIC BUILDING	TOTAL INTERNAL SERVICE FUNDS
REVENUES					
Charges for services	$ -	$ -	$ -	$ -	$ 454,070
Operating grants and contributions	83,114	350,699	324,354	102,469	4,053,933
Total operating revenues	83,114	350,699	324,354	102,469	4,508,003
OPERATING EXPENSES					
Personal services	67,998	284,194	197,613	81,270	631,128
Contractual services	-	22,090	34,353	-	56,443
Repairs and maintenance	-	26,151	68,721	2,950	97,822
Other supplies and expenses	-	-	-	11,581	11,581
Insurance claims and expenses	-	-	-	-	2,117,447
Retirement payments	-	-	-	-	1,338,855
Depreciation	-	8,146	7,922	-	16,068
Total operating expenses	67,998	340,581	308,609	95,801	4,269,344
Operating income (loss)	15,116	10,118	15,745	6,668	238,659
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	-	-	-	-	17
Miscellaneous revenue	-	-	-	-	1,278
Total non-operating revenue (expenses)	-	-	-	-	1,295
Income (loss) before contributions and transfers	15,116	10,118	15,745	6,668	239,954
Transfers out	-	(325,000)	-	-	(325,000)
Change in net position	15,116	(314,882)	15,745	6,668	(85,046)
Total net position - beginning	(367)	341,907	217,840	222,559	1,349,430
Total net position - ending	$ 14,749	$ 27,025	$ 233,585	$ 229,227	$ 1,264,384

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	LIABILITY INSURANCE	HEALTH INSURANCE	RETIREMENT	WORKERS COMPENSATION	PAYROLL
Cash Flows From Operating Activities					
Cash received from customers	$ 206,000	$ 1,804,880	$ 1,327,328	$ 300,000	$ -
Cash paid to suppliers	(191,078)	(1,805,048)	(1,338,855)	(326,311)	-
Cash paid to employees	-	-	-	-	(53)
Net Cash Provided By (Used In) Operating Activities	14,922	(168)	(11,527)	(26,311)	(53)
Cash Flows From Noncapital Financing Activities					
Cash paid for transfer out	-	-	-	-	-
Net Cash Provided By (Used In) Noncapital Financing Activities	-	-	-	-	-
Cash Flows From Investing Activities					
Interest on cash deposits	-	-	-	-	16
Miscellaneous non-operating revenue	-	1,276	-	-	3
Net Cash Provided By (Used In) Investing Activities	-	1,276	-	-	19
Net Increase (Decrease) in Cash	14,922	1,108	(11,527)	(26,311)	(34)
Cash Beginning of Year	567,483	27,320	126,916	613,108	20,912
Cash at End of Year	$ 582,405	$ 28,428	$ 115,389	$ 586,797	$ 20,878
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 14,922	$ 215,774	$ (11,527)	$ (28,104)	$ (53)
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By Operating Activities:					
Depreciation and amortization	-	-	-	-	-
Change in Assets and Liabilities:					
Accounts receivable	-	(9,159)	-	-	-
Inventories	-	-	-	-	-
Prepaid expenses	-	-	-	(2,152)	-
Accounts payable	-	(206,783)	-	3,945	-
Accrued expenses	-	-	-	-	-
Net Cash Provided By (Used In) Operating Activities	$ 14,922	$ (168)	$ (11,527)	$ (26,311)	$ (53)
Cash Per Financial Statements, Including Investments	$ 582,405	$ 28,428	$ 115,389	$ 586,797	$ 20,878
Less: Non-Cash Equivalents	-	-	-	-	-
Total Cash	$ 582,405	$ 28,428	$ 115,389	$ 586,797	$ 20,878

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	WAREHOUSE	CITY GARAGE	DATA PROCESSING	PUBLIC BUILDING	TOTAL
Cash Flows From Operating Activities					
Cash received from customers	$ 83,114	$ 343,946	$ 324,354	$ 102,469	$ 4,492,091
Cash paid to suppliers	(15,116)	(48,241)	(103,074)	(14,531)	(3,842,254)
Cash paid to employees	(67,998)	(284,412)	(208,283)	(84,212)	(644,958)
Net Cash Provided By (Used In) Operating Activities	-	11,293	12,997	3,726	4,879
Cash Flows From Noncapital Financing Activities					
Cash paid for transfer out	-	(325,000)	-	-	(325,000)
Net Cash Provided By (Used In) Noncapital Financing Activities	-	(325,000)	-	-	(325,000)
Cash Flows From Investing Activities					
Interest on cash deposits	-	-	-	-	16
Miscellaneous non-operating revenue	-	-	-	-	1,279
Net Cash Provided By (Used In) Investing Activities	-	-	-	-	1,295
Net Increase (Decrease) In Cash	-	(313,707)	12,997	3,726	(318,826)
Cash Beginning of Year	-	317,246	184,353	225,501	2,082,839
Cash at End of Year	$ -	$ 3,539	$ 197,350	$ 229,227	$ 1,764,013
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 15,116	$ 10,118	$ 15,745	$ 6,668	$ 238,659
Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities:					
Depreciation and amortization	-	8,146	7,922	-	16,068
Change in Assets and Liabilities:					
Accounts receivable	-	-	-	-	(9,159)
Inventories	-	(6,753)	-	-	(6,753)
Prepaid expenses	-	-	-	-	(2,152)
Accounts payable	(15,116)	-	-	-	(217,954)
Accrued expenses	-	(218)	(10,670)	(2,942)	(13,830)
Net Cash Provided By (Used In) Operating Activities	$ -	$ 11,293	$ 12,997	$ 3,726	$ 4,879
Cash Per Financial Statements, Including Investments	$ -	$ 3,539	$ 197,350	$ 229,227	$ 1,764,013
Less: Non-Cash Equivalents	-	-	-	-	-
Total Cash	$ -	$ 3,539	$ 197,350	$ 229,227	$ 1,764,013

CITY OF WAYCROSS, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	MUNICIPAL COURT	POLICE CONDEMNATION	TOTAL AGENCY FUNDS
ASSETS			
Cash and cash equivalents	$ 116,602	$ 51,904	$ 168,506
Total assets	116,602	51,904	168,506
LIABILITIES			
Refundable court bonds	116,602	-	116,602
Seized funds held	-	51,904	51,904
Total liabilities	$ 116,602	$ 51,904	$ 168,506

SPECIAL REPORTS SECTION

Henderson & Godbee, LLP

Certified Public Accountants and Business Consultants

Members of American Institute of Certified Public Accountants | Georgia Society of Certified Public Accountants

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Kevin R. Hiers, CPA
Troy D. Newham, CPA
Scott R. Simpson, CPA
Billie L. Anderson, CPA
Keeley T. Collins, CPA

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

To the Mayor and City Commission
Waycross, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated December 28, 2013.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, that results in more than reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 28, 2013

CITY OF WAYCROSS, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
PR-8530-32 (299) Streets #4	$ 914,931	$ 914,931	$914,931	$ -	$ 914,931	100.00%
PR-8530-38 (299) Streets #5	1,012,635	1,012,635	1,012,635	-	1,012,635	100.00%
PR-8530-37 (299) Streets #6	1,153,080	1,153,401	1,153,401	-	1,153,401	100.00%
PR-8530-40 (299) Elizabeth and Seminole	103,350	103,350	103,350	-	103,350	100.00%
PR-8520-18 (299) Streets #7	1,240,571	1,387,968	1,387,968	-	1,387,968	100.00%
PR-8520-18 (299) Streets #3	34,661	34,661	34,661	-	34,661	100.00%
Hill & Williams	153,600	96,027	96,027	-	96,027	100.00%
PR-8531-010-01 Streets #8	900,931	830,451	830,451	-	830,451	100.00%
PR-8530-42 (299) Streets #9	1,302,458	1,308,197	1,308,197	-	1,308,197	100.00%
PR-8531-010-01 Storm Drain Improvements Riverside	153,600	162,100	162,100	-	162,100	100.00%
Administrative	-	113,790	113,790	-	113,790	100.00%
U.S. 1 Drainage	585,280	640,327	640,327	-	640,327	100.00%
Hazzard Hill Drainage	141,235	145,299	145,299	-	145,299	100.00%
Quartermen Street Drainage	79,720	164,713	164,713	-	164,713	100.00%
Milling Street Drainage	34,657	34,657	34,657	-	34,657	100.00%
Central Ave. & City Blvd. Drainage	551,405	623,291	623,291	-	623,291	100.00%
Roberts Street Drainage	-	1,566	1,566	-	1,566	100.00%
City Boulevard Mini Mall	-	5,888	5,888	-	5,888	100.00%
Upchurch Street	-	520	520	-	520	100.00%
Miscellaneous	-	285	285	-	285	100.00%
Suwanee Street Canal	-	1,735	1,735	-	1,735	100.00%
Painting and Striping Streets	-	178,481	178,481	-	178,481	100.00%
Miscellneous	-	6,976	6,976	-	6,976	100.00%
Kroger Evaluation	-	2,328	2,328	-	2,328	100.00%
Dorothy Street	-	4,200	4,200	-	4,200	100.00%
Corridor Z and Bennett Road	-	300	300	-	300	100.00%
Uvalda Street	-	9,358	9,358	-	9,358	100.00%
Beacon Hill	-	44,408	44,408	-	44,408	100.00%

CITY OF WAYCROSS, GEORGIA
SPECIAL LOCAL OPTION SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
PR-6610-061-00 - Contract #11B	-	644,798	644,798	-	644,798	100.00%
City Boulevard Phase IV - Project 8351-047-01	-	32,771	32,771	-	32,771	100.00%
Downtown Drainage Project	-	472,890	472,890	-	472,890	100.00%
Newton Phase II (City Match)	-	10,000	10,000	-	10,000	100.00%
Water & Sewer Improvements - State Health Lab	-	35,248	35,248	-	35,248	100.00%
Milling - Church Street	-	7,000	7,000	-	7,000	100.00%
PR-8530-65 (Contract C35064-03-000-0) Carswell Avenue	-	390	390	-	390	100.00%
Road Projects	-	476,836	476,836	-	476,836	100.00%
City Blvd Phase IV Project #850-10-0104	-	7,995	7,995	-	7,995	100.00%
Milling - Plant Ave	-	55,431	55,431	-	55,431	100.00%
Plant Avenue	-	1,488	1,488	-	1,488	100.00%
Elizabeth & Mary	-	39,456	39,456	-	39,456	100.00%
Dorothy & Tebeau	-	19,599	19,599	-	19,599	100.00%
Morningside Drive	-	198,258	198,258	-	198,258	100.00%
Rail Relocation - Resurface Carswell, Elizabeth	-	420,194	420,194	-	420,194	100.00%
Street Drainage Imprv. - Phase I	-	594,362	594,362	-	594,362	100.00%
Contract 12 - Phase II	-	498,266	498,266	-	498,266	100.00%
Clough & Garlington	-	155,935	155,935	-	155,935	100.00%
Sewer & Water Improvements - Phase I	-	15,330	15,330	-	15,330	100.00%
Sewer & Water Improvements - Phase II	-	7,475	7,475	-	7,475	100.00%
2010 Street Rehab	-	5,540	5,540	-	5,540	100.00%
Carswell, Elizabeth, Pendleton (net costs not reimbursed)	-	331,108	331,108	-	331,108	100.00%
Totals	$ 12,704,649	$ 17,417,452	$ 17,417,452	$ -	$ 17,417,452	

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

	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
Roads and Streets	$ 5,381,812	$ 5,381,812	$ 1,752,107	$ 21,558	$ 1,773,665	32.96%
Public Buildings	3,600,000	3,600,000	1,152,139	283,320	1,435,459	39.87%
Information Technology	75,000	75,000	55,601	-	55,601	74.13%
Water and Sewer Rehabilitation and Expansion	2,000,000	2,000,000	165,079	22,825	187,904	9.40%
Fire and Special Purpose Vehicles	1,350,000	1,350,000	665,211	-	665,211	49.27%
Property Acquisition and Demolition	600,000	600,000	396	-	396	0.07%
Downtown Development Authority	500,000	500,000	-	-	-	0.00%
Totals	$ 13,506,812	$ 13,506,812	$ 3,790,533	$ 327,703	$ 4,118,236	

STATISTICAL SECTION
(UNAUDITED)

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

YEAR ENDING	ADMINI-STRATION	POLICE	FIRE	PUBLIC WORKS	CULTURE/ RECREATION	IMPROVE-MENTS	GARAGE	DEBT SERVICE	CAPITAL OUTLAY	OPERATING TRANSFERS	TOTAL
2003-04	$ 497,377	$ 3,430,901	$ 2,189,829	$ 1,516,705	$ 98,487	$ 423,762	$ -	$ 186,043	$ 97,723	$ 58,910	$ 8,499,737
2004-05	930,182	3,110,685	2,378,271	1,320,200	120,478	537,124	-	201,659	270,913	73,893	8,943,405
2005-06	713,276	3,393,505	2,498,425	1,303,025	-	538,020	-	180,027	235,296	207,002	9,068,576
2006-07	804,957	3,709,439	2,613,791	1,658,924	-	365,806	-	113,424	357,617	108,500	9,732,458
2007-08	1,232,559	3,832,594	2,903,904	1,795,500	-	455,539	-	150,331	133,610	155,463	10,659,500
2008-09	1,061,867	3,860,390	2,939,425	1,819,800	-	441,297	-	171,784	11,500	109,767	10,415,830
2009-10	771,152	4,029,306	3,052,124	1,874,302	-	439,794	-	317,108	5,399	-	10,489,185
2010-11	897,784	4,036,887	3,141,257	1,920,034	-	432,868	-	202,833	333,828	812	10,966,303
2011-12	1,033,170	4,157,545	3,197,362	1,935,956	-	436,918	-	277,190	-	-	11,038,141
2012-13	384,104	4,270,214	3,340,926	2,042,825	-	602,535	-	332,524	-	-	10,973,128

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

YEAR ENDING	TAXES	LICENSES & PERMITS	FINES & FORFEITURES	CHARGES FOR SERVICES	SALE OF CITY PROPERTY	OTHER	INTER-GOVERNMENTAL REVENUE	TOTAL
2003-04	$ 7,562,525	$ 805,228	$ 414,039	$ 20,165	$ -	$ 116,253	$ 177,907	$ 9,096,117
2004-05	8,040,572	790,256	396,280	18,886	-	179,377	200,446	9,625,817
2005-06	8,238,426	856,908	453,997	16,220	-	126,890	159,310	9,851,751
2006-07	8,243,291	816,330	491,605	17,130	-	186,537	148,542	9,903,435
2007-08	8,555,444	785,842	494,025	16,328	-	196,775	403,026	10,451,440
2008-09	8,400,912	798,119	540,292	18,982	-	144,207	211,019	10,113,531
2009-10	8,520,477	714,166	552,168	18,095	-	94,696	234,031	10,133,633
2010-11	9,069,250	749,155	489,052	21,853	-	263,328	148,856	10,741,494
2011-12	9,051,398	770,406	533,204	19,071	-	62,322	124,052	10,560,453
2012-13	8,918,796	755,674	442,755	31,162	-	244,612	133,130	10,526,129

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

YEAR ENDING	PROPERTY TAXES	FRANCHISE TAXES	SALES TAXES	REVENUES AND OTHER TAXES	TOTAL TAXES
2003-04	$ 2,440,906	$ 1,007,808	$ 2,703,157	$ 1,410,654	$ 7,562,525
2004-05	2,472,486	980,474	3,015,924	1,571,688	8,040,572
2005-06	2,338,524	1,105,090	3,189,036	1,605,776	8,238,426
2006-07	2,413,559	1,121,519	3,241,110	1,467,103	8,243,291
2007-08	2,468,371	1,200,882	3,441,880	1,444,311	8,555,444
2008-09	2,496,231	1,242,201	3,172,561	1,489,919	8,400,912
2009-10	2,792,354	1,218,501	3,112,610	1,397,012	8,520,477
2010-11	3,365,994	1,286,507	2,995,073	1,421,676	9,069,250
2011-12	2,994,483	1,327,145	3,440,522	1,289,248	9,051,398
2012-13	2,981,226	1,242,729	3,253,938	1,440,903	8,918,796

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

YEAR ENDING	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	COLLECTIONS PRIOR YEARS	TOTAL COLLECTIONS	TOTAL COLLECTIONS AS A PERCENT OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES
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	2,107,648	92.3%	156,101
2006-07	2,282,899	2,101,860	92.1%	89,771	2,191,631	96.0%	159,996
2007-08	2,393,623	2,152,538	89.9%	107,443	2,259,981	94.4%	145,102
2008-09	2,375,272	2,206,788	92.9%	74,548	2,281,336	96.0%	176,232
2009-10	2,820,893	2,597,851	92.1%	105,102	2,702,953	95.8%	199,875
2010-11	2,863,300	2,654,519	92.7%	266,781	2,921,300	102.0%	173,016
2011-12	3,145,624	2,939,610	93.5%	54,873	2,994,483	95.2%	220,063
2012-13	3,135,872	2,878,145	91.8%	103,081	2,981,226	95.1%	304,046

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
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	680,112,940	40%
2009-10	272,155,064	680,387,661	40%
2010-11	275,237,237	688,093,093	40%
2011-12	286,017,851	715,044,628	40%
2012-13	285,131,153	712,827,883	40%

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

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Residential	$ 107,727,818	$ 115,864,620	$ 117,193,214	$ 118,401,524	$ 118,646,720	$ 112,976,349	$ 96,904,122	$ 96,731,206	$ 92,978,395	$ 84,518,806
Historic	22,901	27,340	326,736	327,098	211,816	211,816	132,840	132,840	125,411	125,412
Commercial	131,110,417	121,756,710	128,320,875	126,834,786	127,938,590	124,762,905	125,691,920	121,842,075	113,535,416	110,964,113
Industrial	1,538,378	1,540,243	1,610,454	704,604	864,136	902,705	1,000,016	1,246,432	1,027,874	1,074,028
Personal	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	2,759	28,721	24,145	(3) 14,584	(3) 19,047
Utilities	36,585,655	41,156,999	21,979,307	22,633,113	20,514,815	28,689,092	30,420,455	33,092,588	42,869,064	42,865,709
Motor Vehicles	21,365,230	20,133,720	21,026,070	22,824,480	22,824,480	22,235,460	20,591,300	22,196,590	23,223,630	23,990,390
Mobile Homes	1,069,291	1,020,165	1,182,293	1,078,759	1,294,481	1,464,069	1,562,192	1,675,063	1,793,987	1,919,341
Railroad Car (2)	-	-	-	-	-	-	-	-	-	-
	299,419,690	301,499,797	291,638,949	292,804,364	292,295,038	291,245,155	276,331,566	276,940,939	275,568,358	265,476,843
Exemptions (1)	(14,288,537)	(15,481,946)	(14,890,049)	(14,859,367)	(14,868,088)	(23,621,425)	(13,158,455)	(13,202,188)	(12,964,207)	(12,187,683)
Total (1)	$ 285,131,153	$ 286,017,851	$ 276,748,900	$ 277,944,997	$ 277,426,950	$ 267,623,730	$ 263,173,111	$ 263,738,751	$ 262,604,151	$ 253,289,160

(1) All amounts are s All amounts are shown at 40% estimated actual value.
(2) Current railroad e Current railroad equipment valuation is omitted because City does not levy tax.
(3) Information not a 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
2003-04	10.27
2004-05	10.27
2005-06	10.266
2006-07	10.226
2007-08	9.998
2008-09	9.998
2009-10	10.998
2010-11	10.998
2011-12	10.998
2012-13	10.998

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

YEAR ENDING	POPULATION	VALUE	GROSS BONDED DEBT	RATIO OF GROSS BONDED DEBT TO ASSESSED VALUE	GROSS BONDED PER CAPITA
2003-04	15,333	$ 239,560,327	$ -	0.0%	$ -
2004-05	15,333	250,548,919	-	0.0%	-
2005-06	15,333	253,067,188	-	0.0%	-
2006-07	15,333	254,171,399	-	0.0%	-
2007-08	14,765	270,926,543	-	0.0%	-
2008-09	14,765	272,045,179	-	0.0%	-
2009-10	14,765	272,155,064	-	0.0%	-
2010-11	14,649	275,237,237	-	0.0%	-
2011-12	14,718	286,017,851	-	0.0%	-
2012-13	14,725	285,131,153	-	0.0%	-

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
2003-04	$ 186,043	$ -	$ -	$ 186,043	$ 8,440,827	2.20%
2004-05	201,659	-	-	201,659	8,869,512	2.27%
2005-06	180,027	-	-	180,027	8,854,409	2.03%
2006-07	113,424	-	-	113,424	9,623,958	1.18%
2007-08	150,331	-	-	150,331	10,659,500	1.41%
2008-09	171,784	-	-	171,784	10,415,830	1.65%
2009-10	317,108	-	-	317,108	10,489,185	3.02%
2010-11	202,833	-	-	202,833	10,966,303	1.85%
2011-12	277,190	-	-	277,190	11,038,141	2.51%
2012-13	332,524	-	-	332,524	10,973,128	3.03%

CITY OF WAYCROSS, GEORGIA
COMPUTATION OF LEGAL DEBT MARGIN
AND DIRECT AND OVERLAPPING DEBT
JUNE 30, 2013

ASSESSED VALUE	$	285,131,153
DEBT LIMIT: 10% OF ASSESSED VALUE		28,513,115
LESS: DEBT APPLICATION TO DEBT LIMIT		
GENERAL OBLIGATION INDEBTEDNESS		7,982,995
LEGAL DEBT MARGIN	$	20,530,120
DIRECT AND OVERLAPPING DEBT		
CITY'S DIRECT BONDED DEBT	$	-
CITY'S OBLIGATION ON WATER AND SEWER LOAN		7,982,995
BONDED DEBT OF OTHER OVERLAPPING		
GOVERNMENTS ASSESSED AGAINST CITY TAXPAYERS		-
TOTAL DIRECT AND OVERLAPPING DEBT	$	7,982,995

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)
2003-04	$ 5,499,290	$ 3,184,932	$ 2,314,358	1.17
2004-05	5,740,818	3,611,739	2,129,079	1.08
2005-06	5,797,286	3,547,720	2,249,566	1.14
2006-07	5,760,083	3,596,544	2,163,539	1.01
2007-08	5,873,224	3,984,088	1,889,136	1.72
2008-09	5,724,891	3,969,709	1,755,182	1.60
2009-10	5,892,904	4,142,252	1,750,652	1.59
2010-11	5,896,074	4,115,475	1,780,599	1.71
2011-12	5,931,630	4,220,357	1,711,273	1.55
2012-13	6,109,343	4,738,325	1,371,018	1.32

(1) Net of depreciation and bond interest.

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

CITY OF WAYCROSS, GEORGIA
PRINCIPAL WATER AND SEWER CUSTOMERS
FOR THE YEAR ENDED JUNE 30, 2013

	WATER	SEWER	TOTAL
1. Ware Correctional Institute	$ 137,891	$ 168,523	$ 306,414
2. Mayo Clinic Health System	57,045	75,169	132,214
3. CSX Transportation	24,112	31,174	55,286
4. Rich Products Corp.	22,161	29,257	51,418
5. Waycross Housing Authority	22,061	28,910	50,971
6. Ware County Commission	13,768	17,961	31,729
7. Flanders Provision Co.	13,566	17,935	31,501
8. Ware Manor Apartments	9,209	11,898	21,107
9. Holiday Inn	7,890	10,252	18,142
10. Central Park Apartments	7,680	10,100	17,780
Total	$ 315,383	$ 401,179	$ 716,562

CITY OF WAYCROSS, GEORGIA
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2013

	ASSESSED VALUE	TAX LEVIED
1. CSX Transportation	$ 29,208,483	$ 321,235
2. Georgia Power Company	4,710,938	51,811
3. Kolb & Wheeler & Walters	3,490,174	38,385
4. Lowe's Home Centers, Inc.	3,435,247	37,781
5. Walmart Stores East LP	3,125,054	34,369
6. Walmart Stores, Inc.	2,951,744	32,463
7. Lowe's Home Centers, Inc.	1,755,492	19,307
8. Kemp Ridge Holdings, LLC	1,685,516	18,537
9. The Kroger Company	1,639,301	18,029
10. Sears Roebuck & Co.	1,619,758	17,814
Total	$ 53,621,707	$ 589,732

CITY OF WAYCROSS, GEORGIA
MISCELLANEOUS STATISTICS
JUNE 30, 2013

Date of Incorporation	1874
Form of Government	Manager
Number of Employees (Excluding Police and Fire)	88
Classified	
Area in Square Miles	11.69
Population - City	14,725
- County	36,312
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	24
Park Acreage	113.34
Cemeteries	3
Cemetery Acreage	140
Tennis Courts	1
Fire Protection	
Number of Stations	3
Number of Fire Personnel and Officers	54
Number of Calls Answered	1,075
Number of Inspections Conducted	2,262
Police Protection	
Number of Stations	1
Number of Police Personnel and Officers	68
Number of Patrol Units	42
Number of Law Violations	
Physical Arrests	1,745
Traffic Violations	3,068
Sewerage System	
Miles of Sanitary Sewers	120
Miles of Storm Sewers	60
Number of Treatment Plants	1
Number of Service Connections	6,898
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	7,549
Number of Fire Hydrants	1,000
Daily Average Consumption in Gallons	2,300,000
Maximum Daily Capacity of Plant in Gallons	3,400,000
Facilities and Services Not Included in the Reporting Entity:	
Hospitals:	
Number of Hospitals	1
Number of Beds	231

CITY OF WAYCROSS, GEORGIA
SELECTED WATER AND SEWER INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

Water Accounts Active (Estimate)		6,311
Sewere Accounts Active (Estimate)		5,798
Total Water Pumped - Gallons (Estimate)		834,488,000
Total Water Consumed - Gallons (Estimate)		726,204,796
Total Water Billed	$	2,422,463
Total Water Collected	$	2,496,736
Total Sewer Billed	$	2,728,186
Total Sewer Collected	$	2,560,494