# CITY OF WAYCROSS, GEORGIA

# ANNUAL FINANCIAL REPORT

# FOR THE YEAR ENDED JUNE 30, 2014

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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, 2014, 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, 2014, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waycross, Georgia's financial statements as a whole. The 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

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**Report Issued in Accordance with *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 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 22, 2014

# 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, 2014. 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 57% of the budget. During 2013, sales taxes had a modest decrease from the prior year. During 2014, sales taxes decreased again from the prior year. Collections decreased 4 percent over fiscal year 2014.

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. The millage rate has remained 10.998 mills through fiscal 2014. In fiscal 2012, the general fund balance declined by $307,308 in the fund balance financial statements. In fiscal year 2013 this trend reversed and the fund balance increased $46,245 resulting in a fund balance of $345,028. In fiscal year 2014, the fund balance increased by $53,062. For fiscal year 2014 the ending fund balance is $398,090. A 4% increase in the insurance premium taxes and a full year of the new title ad valorem tax (TAVT) revenue played a major factor in the increase of the Fund Balance. Occupational taxes increased by $157,974, due to the City performing its first Occupational tax audit. These additional funds assisted in offsetting any decreases in other tax revenue areas. Also, the occupational tax revenues will receive a boost due to the implementation of strong revenue administration going forward. The other revenues collected were 1.4% 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 addressed those needs as it relates to public buildings, streets and major equipment. Since inception, $10,696,882 has been collected and $1,300,022 has been spent on fire and special purpose vehicles, $1,884,462 on street improvements, $60,921 on technology improvements, $43,693 on property acquisitions, $263,483 on Downtown Development Authority projects, $2,817,438 on building improvements, and $187,904 on water and sewer rehabilitation and expansion. The renovation of the City Auditorium was completed during the year ended June 30, 2014, resulting in $1,872,657 total expenses for architect services, replacing the existing roof and construction.

In the public utilities business-type activities (water and sewer services), revenues exceeded expenses by $87,366. 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 2015.

The waste management business-type activity expenses exceeded revenues by $55,940. 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 2013. Steps have been taken for fiscal year 2014 and 2015 to budget for this service. Commercial dumpster billing was assumed by the City, which has proven to provide an additional source of revenue.

How These Statements Were Prepared

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

Government-wide Financial Statements

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

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

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

the City include water and sewer services, waste management which includes yard trash and garbage pick-up, and the City auditorium activities.

Fund Financial Statements

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

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

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

The City maintains 21 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the SPLOST 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 three types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, sanitation, and City auditorium operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its

internal funds to account for its fleet services, risk management, 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 56-57 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 58-65 and 84-89 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 $50,046,075 as of June 30, 2014. 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 | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Current and other assets | $ 7,901,369 | $ 8,654,917 | $ 2,728,256 | $ 2,630,005 | $ 10,629,625 | $ 11,284,922 |
| Capital Assets | 17,560,795 | 17,656,124 | 32,013,760 | 31,113,600 | 49,574,555 | 48,769,724 |
| Total Assets | 25,462,164 | 26,311,041 | 34,742,016 | 33,743,605 | 60,204,180 | 60,054,646 |
| | | | | | | |
| Long-term debt outstandin | $ 1,814,091 | $ 1,961,612 | $ 7,231,684 | $ 8,288,680 | $ 9,045,775 | $ 10,250,292 |
| Other liabilities | 859,289 | 678,375 | 253,041 | 53,526 | 1,112,330 | 731,901 |
| Total liabilities | 2,673,380 | 2,639,987 | 7,484,725 | 8,342,206 | 10,158,105 | 10,982,193 |
| | | | | | | |
| Net Position: | | | | | | |
| Net Investment in capital assets | $ 16,508,263 | $ 16,428,132 | $ 24,791,517 | $ 23,054,204 | $ 41,299,780 | $ 39,482,336 |
| Restricted | 5,840,484 | 6,119,462 | - | - | 5,840,484 | 6,119,462 |
| Unrestricted | 440,037 | 1,123,460 | 2,465,774 | 2,347,195 | 2,905,811 | 3,470,655 |
| Total Net Position | $ 22,788,784 | $ 23,671,054 | $ 27,257,291 | $ 25,401,399 | $ 50,046,075 | $ 49,072,453 |

The largest portion of the City's net position (83%) 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.

The net position of the City's governmental activities decreased by $882,270. A portion of the City's net position, $5,480,484, represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net position, $2,905,811 may be used to meet the government's ongoing obligation to citizens and creditors.

The net position of the City's business-type activities increased by a difference of $1,855,892. The City can only use this net position to finance the continuing operations of the public utilities (water and sewer), waste management (garbage and yard trash pickup/disposal), and city auditorium.

| | Change in Net Position | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Program Revenues | | | | | | |
| Charges for Services | $ 1,652,627 | $ 1,642,813 | $ 6,256,936 | $ 5,838,107 | $ 7,909,563 | $ 7,480,920 |
| Operating Grants | 263,469 | 174,407 | - | - | 263,469 | 174,407 |
| Capital Grants | 2,511,589 | 2,162,333 | 1,895,352 | 22,825 | 4,406,941 | 2,185,158 |
| General Revenues | | | | | - | - |
| Property Taxes | 2,990,583 | 3,046,334 | - | - | 2,990,583 | 3,046,334 |
| Sales Taxes | 3,111,426 | 3,253,938 | - | - | 3,111,426 | 3,253,938 |
| Franchise Fees | 1,154,004 | 1,242,729 | - | - | 1,154,004 | 1,242,729 |
| Other Taxes | 2,015,214 | 1,443,852 | - | - | 2,015,214 | 1,443,852 |
| Investment Earnings | 972 | 4,731 | 684 | 980 | 1,656 | 5,711 |
| Other | 9,842 | 1,325 | - | - | 9,842 | 1,325 |
| Total Revenues | 13,709,726 | 12,972,462 | 8,152,972 | 5,861,912 | 21,862,698 | 18,834,374 |
| Program Expenses | | | | | | |
| General Government | 427,698 | 441,806 | - | - | 427,698 | 441,806 |
| Public Safety | 8,235,206 | 8,149,402 | - | - | 8,235,206 | 8,149,402 |
| Public Works | 4,686,262 | 3,039,086 | - | - | 4,686,262 | 3,039,086 |
| Community Development | 1,209,428 | 634,987 | - | - | 1,209,428 | 634,987 |
| Interest | 33,402 | 32,271 | - | - | 33,402 | 32,271 |
| Public Utilities | - | - | 4,295,261 | 4,531,590 | 4,295,261 | 4,531,590 |
| Waste Management | - | - | 1,939,709 | 1,153,956 | 1,939,709 | 1,153,956 |
| City Auditorium | - | - | 62,110 | - | 62,110 | - |
| Total Expenses | 14,591,996 | 12,297,552 | 6,297,080 | 5,685,546 | 20,889,076 | 17,983,098 |
| Increase in net position | $ (882,270) | $ 674,910 | $ 1,855,892 | $ 176,366 | $ 973,622 | $ 851,276 |

The City's total combined activities revenue increased by $3,028,324 (16 percent) and the total combined expenses increased by $2,905,978 (17 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 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 | |
|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 |
| General Government | $ 427,698 | $ 441,806 | $ (692,218) | $ (602,310) |
| Public Safety | 8,235,206 | 8,149,402 | 6,748,776 | 6,780,662 |
| Public Works | 4,686,262 | 3,039,086 | 3,198,902 | 1,762,752 |
| Community Development | 1,209,428 | 634,987 | 875,449 | 344,624 |
| Interest on Long-Term Debt | 33,402 | 32,271 | 33,402 | 32,271 |
| Total Expenses | $ 14,591,996 | $ 12,297,552 | $ 10,164,311 | $ 8,317,999 |

The net expense of operating Governmental Activities increased from $8,317,999 to $10,164,311 or 22 percent. General revenues increased 4 percent or $289,132 from $8,992,909 in 2013 to $9,282,041 in 2014.

Business-Type Activities

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

The City's Funds

As the City completed the year, its governmental funds (as presented on page 15) reported a combined fund balance of $6,250,621. Included in this total fund balance is the fund balance of the General Fund of $398,090 which compares to a prior balance of $345,028 in 2013. 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 2014 did not meet the budgeted amount by $162,861 or 1 percent and expenses did not exceed the budget by $211,655 or 2 percent. The revenues for taxes were 3% lower than budgeted. Even with the decrease of 4% from sales tax, other tax revenues were slightly lower than the City had anticipated. For example the franchise fees collected were $88,725 lower than 2013 collections. The public works department exceeded budgeted

expenditures by $190,565 or 9 percent. All other operating expenditures were within budget. A more detailed comparison is on page 57.

Capital Assets

At June 30, 2014, 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 increase (additions and deductions) of $804,831 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 | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Land | $ 5,042,780 | $ 4,876,148 | $ 235,859 | $ 235,859 | $ 5,278,639 | $ 5,112,007 |
| Construction in Progress | 147,496 | 511,768 | 47,496 | 30,121 | 194,992 | 541,889 |
| Buildings/Improvements | 8,792,244 | 8,584,155 | 12,107,166 | 9,785,589 | 20,899,410 | 18,369,744 |
| Equipment and Vehicles | 8,023,394 | 7,400,622 | 5,350,111 | 5,378,085 | 13,373,505 | 12,778,707 |
| Infrastructure | 33,492,471 | 33,391,051 | 49,653,664 | 49,653,664 | 83,146,135 | 83,044,715 |
| Accumulated Depreciation | (37,937,590) | (37,107,620) | (35,380,536) | (33,969,718) | (73,318,126) | (71,077,338) |
| Total Assets | $ 17,560,795 | $ 17,656,124 | $ 32,013,760 | $ 31,113,600 | $ 49,574,555 | $ 48,769,724 |

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 $8,274,775 in bonds, notes, and capital leases outstanding versus $9,296 last year, a decrease of 11 percent as shown in the following table:

**Outstanding Debt at Year End**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Capital Leases | $ 380,032 | $ 525,491 | $ 23,614 | $ 76,401 | $ 403,646 | $ 601,892 |
| Notes | 672,500 | 702,500 | 7,198,629 | 7,991,667 | 7,871,129 | 8,694,167 |
| Total Assets | $ 1,052,532 | $ 1,227,991 | $ 7,222,243 | $ 8,068,068 | $ 8,274,775 | $ 9,296,059 |

During the fiscal year ended June 30, 2014 and 2013, 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 2015 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 2014 the local option sales tax revenues decreased by 4 percent or $142,512. In fiscal 2010, the local option sales tax collection began to decrease significantly. The millage rate was increased from 9.998 to 10.998 to maintain the same level of service in 2010. Recently the city and county came to an agreement on the local option sales tax split. All upcoming budget years will have to be adjusted to the following. As it stands now, the county will receive an increase in funding of 3.5%. Currently the county receives 52% and the city's portion is 48%. Effective July 1, 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 levels 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.

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

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, 2014

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **Assets** | | | |
| Cash and Equivalents | $ 7,124,022 | $ 1,567,658 | $ 8,691,680 |
| Receivables | 472,030 | 874,999 | 1,347,029 |
| Prepaids | 43,923 | - | 43,923 |
| Internal Balances | (228,000) | 228,000 | - |
| Due from Other Governments | 443,749 | - | 443,749 |
| Inventories | 45,645 | 57,599 | 103,244 |
| Capital Assets | | | |
| Non-depreciable | 5,190,276 | 283,355 | 5,473,631 |
| Depreciable (net) | 12,370,519 | 31,730,405 | 44,100,924 |
| Total Assets | $ 25,462,164 | $ 34,742,016 | $ 60,204,180 |
| **Liabilities** | | | |
| Accounts payable and accrued expenses | $ 853,410 | $ 43,572 | $ 896,982 |
| Deposits | - | 209,469 | 209,469 |
| Long-term liabilities | | | |
| Due within one year | | | |
| Loans payable | 30,000 | 804,159 | 834,159 |
| Capital lease obligations | 170,609 | 23,614 | 194,223 |
| Due in more than one year | | | |
| Loans payable | 642,500 | 6,394,470 | 7,036,970 |
| Capital lease obligations | 209,423 | - | 209,423 |
| Compensated absences | 374,559 | 9,441 | 384,000 |
| Other post employment benefits | 387,000 | - | 387,000 |
| Total liabilities | 2,667,501 | 7,484,725 | 10,152,226 |
| **Deferred Inflows of Resources** | | | |
| Unavailable revenue | 5,879 | - | 5,879 |
| Total deferred inflows of resources | 5,879 | - | 5,879 |
| **Net Position** | | | |
| Net Investment in capital assets | 16,508,263 | 24,791,517 | 41,299,780 |
| Restricted for: | | | |
| Capital projects | 5,429,040 | - | 5,429,040 |
| Community development projects | 361,514 | - | 361,514 |
| Other projects | 49,930 | - | 49,930 |
| Unrestricted | 440,037 | 2,465,774 | 2,905,811 |
| Total net position | $ 22,788,784 | $ 27,257,291 | $ 50,046,075 |

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, 2014

| 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 | $ 427,698 | $ 956,113 | $ 163,803 | $ - | $ 692,218 | $ - | $ 692,218 |
| Public Safety | 8,235,206 | 543,412 | 9,504 | 933,514 | (6,748,776) | - | (6,748,776) |
| Streets and Sanitation | 4,686,262 | 2,172 | - | 1,485,188 | (3,198,902) | - | (3,198,902) |
| Community Development | 1,209,428 | 150,930 | 90,162 | 92,887 | (875,449) | - | (875,449) |
| Interest on Long-term debt | 33,402 | - | - | - | (33,402) | - | (33,402) |
| Total governmental activities | 14,591,996 | 1,652,627 | 263,469 | 2,511,589 | (10,164,311) | - | (10,164,311) |
| Business-type activities: | | | | | | | |
| Public Utilities | 4,295,261 | 4,359,249 | - | 22,695 | - | 86,683 | 86,683 |
| Waste Management | 1,939,709 | 1,883,768 | - | - | - | (55,941) | (55,941) |
| City Auditorium | 62,110 | 13,919 | - | 1,872,657 | 1,872,657 | 1,824,466 | 1,824,466 |
| Total business-type activities | 6,297,080 | 6,256,936 | - | 1,895,352 | 1,872,657 | 1,855,208 | 1,855,208 |
| **Total primary government** | $ 20,889,076 | $ 7,909,563 | $ 263,469 | $ 4,406,941 | $ (10,164,311) | $ 1,855,208 | $ (8,309,103) |
| **General revenues:** | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes | | | | | $ 2,990,583 | $ - | $ 2,990,583 |
| Sales Taxes | | | | | 3,111,426 | - | 3,111,426 |
| Franchise Fee | | | | | 1,154,004 | - | 1,154,004 |
| Other Taxes | | | | | 2,015,214 | - | 2,015,214 |
| Unrestricted investment earnings | | | | | 972 | 684 | 1,656 |
| Miscellaneous | | | | | 9,842 | - | 9,842 |
| Total general revenues, special items, and transfers | | | | | 9,282,041 | 684 | 9,282,725 |
| Change in net position | | | | | (882,270) | 1,855,892 | 973,622 |
| Net position - beginning | | | | | 23,671,054 | 25,401,399 | 49,072,453 |
| Net position - ending | | | | | $ 22,788,784 | $ 27,257,291 | $ 50,046,075 |

The accompanying notes are an integral part of these statements.

# CITY OF WAYCROSS, GEORGIA
# BALANCE SHEET
# GOVERNMENTAL FUNDS
# JUNE 30, 2014

| | GENERAL FUND | SPLOST 2008-2013 | CAPITAL RESERVE | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $ 58,439 | $ 4,128,877 | $ 146,041 | $ 1,527,226 | $ 5,860,583 |
| Receivables (net) | | | | | |
| Taxes | 347,706 | - | - | - | 347,706 |
| Accounts | 25,421 | - | - | - | 25,421 |
| Due from other funds | 500,000 | 35,209 | 193,592 | - | 728,801 |
| Receivable from other governments | 276,867 | 157,584 | - | 9,298 | 443,749 |
| Inventories | 16,831 | - | - | - | 16,831 |
| Other receivables | - | - | - | 85,698 | 85,698 |
| Prepaid expenses | 15,337 | - | - | - | 15,337 |
| Total assets | 1,240,601 | 4,321,670 | 339,633 | 1,622,222 | 7,524,126 |
| **Liabilities and Fund Balance (Deficit)** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 42,758 | - | - | 14,906 | 57,664 |
| Due to other funds | 393,592 | - | 375,000 | 35,209 | 803,801 |
| Other accrued expenses | 77,776 | - | - | - | 77,776 |
| Total liabilities | 514,126 | - | 375,000 | 50,115 | 939,241 |
| **Deferred Inflows of Resources** | | | | | |
| Unavailable revenue | 328,385 | - | - | 5,879 | 334,264 |
| Total deferred inflows of resources | 328,385 | - | - | 5,879 | 334,264 |
| Fund balances (Deficit): | | | | | |
| Nonspendable | 32,168 | - | - | - | 32,168 |
| Restricted | - | 4,321,670 | - | 1,325,239 | 5,646,909 |
| Committed | - | - | - | 219,315 | 219,315 |
| Assigned | - | - | - | 21,674 | 21,674 |
| Unassigned | 365,922 | - | (35,367) | - | 330,555 |
| Total fund balances (deficit) | 398,090 | 4,321,670 | (35,367) | 1,566,228 | 6,250,621 |
| Total liabilities, deferred inflows and fund balances (deficit) | $ 1,240,601 | $ 4,321,670 | $ 339,633 | $ 1,622,222 | $ 7,524,126 |

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, 2014

| | | |
|---|---|---|
| Total fund balance, governmental funds | | $ 6,250,621 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities in the government-wide statement of net position. | | 17,560,795 |
| Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the government-wide statement of net position. | | |
| Loans payable | | (672,500) |
| Capital lease obligations | | (380,032) |
| Compensated absences | | (374,559) |
| Net other post employment benefits (OPEB) | | (387,000) |
| 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 position. | | |
| Net position of internal service funds | 453,825 | |
| Less capital assets included above | (7,401) | |
| Add compensated absences included above | 16,650 | |
| | | 463,074 |
| Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements | | 328,385 |
| Net Position of Governmental Activities in the Statement of Net Position | | $ 22,788,784 |

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, 2014

| | GENERAL FUND | SPLOST 2008-2013 | CAPITAL RESERVE | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Taxes | $ 8,900,997 | $ - | $ - | $ 293,192 | $ 9,194,189 |
| Fines and forfeitures | 372,867 | - | - | - | 372,867 |
| Licenses and permits | 906,685 | - | - | - | 906,685 |
| Intergovernmental | 131,691 | 1,770,735 | - | 747,639 | 2,650,065 |
| Charges for services | 26,326 | - | - | 43,605 | 69,931 |
| Interest income | 931 | 2,375 | - | 376 | 3,682 |
| Miscellaneous | 237,721 | - | - | 224,608 | 462,329 |
| Total revenues | 10,577,218 | 1,773,110 | - | 1,309,420 | 13,659,748 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | 405,427 | - | - | 5,038 | 410,465 |
| Public Safety | 7,796,200 | - | - | 42,105 | 7,838,305 |
| Public Works | 2,117,111 | - | - | - | 2,117,111 |
| Community development | 635,020 | - | - | 348,112 | 983,132 |
| Debt Service: | | | | | |
| Principal retirement | 292,797 | - | - | - | 292,797 |
| Interest and other charges | 33,403 | - | - | - | 33,403 |
| Capital Outlay | - | 2,439,686 | - | 325,023 | 2,764,709 |
| Total Expenditures | 11,279,958 | 2,439,686 | - | 720,278 | 14,439,922 |
| Excess (Deficiency) Of Revenues Over Expenditures | (702,740) | (666,576) | - | 589,142 | (780,174) |
| **Other Financing Sources (Uses)** | | | | | |
| Transfers in | 638,465 | - | - | 45,309 | 683,774 |
| Transfers out | - | - | - | (220,962) | (220,962) |
| Proceeds from capital leases | 117,337 | - | - | - | 117,337 |
| Total Other Financing Sources (Uses) | 755,802 | - | - | (175,653) | 580,149 |
| Net Change in Fund Balances | 53,062 | (666,576) | - | 413,489 | (200,025) |
| Fund Balances (Deficit) - Beginning of Year | 345,028 | 4,988,246 | (35,367) | 1,152,739 | 6,450,646 |
| Fund Balances (Deficit)- Ending of Year | $ 398,090 | $ 4,321,670 | $ (35,367) | $ 1,566,228 | $ 6,250,621 |

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, 2014

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds: | | $ (200,025) |
| 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 $740,761 were exceeded by depreciation of $836,090 in the current period. | | (95,329) |
| Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds: | | |
| Deferred Revenues | | 49,970 |
| Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds: | | |
| Proceeds from capital leases | | (117,337) |
| 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 | | 262,800 |
| 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) | | (17,000) |
| Changes in long-term compensated absences | | (10,939) |
| 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. | (810,559) | |
| Less change in capital assets included above | 26,441 | |
| Add change in compensated absences included above | (292) | |
| | | (784,410) |
| Change in net position of governmental activities | | $ (882,270) |

The accompanying notes are an integral part of these statements.

# CITY OF WAYCROSS, GEORGIA
# STATEMENT OF NET POSITION
# PROPRIETARY FUNDS
# JUNE 30, 2014

| | ENTERPRISE FUNDS | | | | |
|---|---|---|---|---|---|
| | PUBLIC UTILITIES | WASTE MANAGEMENT | NON-MAJOR CITY AUDITORIUM | TOTALS | INTERNAL SERVICE FUNDS |
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash and cash equivalents | $ 1,477,265 | $ 86,397 | $ 3,827 | $ 1,567,489 | $ 1,263,435 |
| Accounts receivable, net | 629,213 | 245,786 | - | 874,999 | 13,204 |
| Due from other funds | 728,000 | - | - | 728,000 | 719,841 |
| Inventories | 57,599 | - | - | 57,599 | 28,814 |
| Prepaid expenses | - | - | - | - | 28,586 |
| Total Current Assets | 2,892,077 | 332,183 | 3,827 | 3,228,087 | 2,053,880 |
| **Non-Current Assets** | | | | | |
| Restricted Assets and Other Debits: | | | | | |
| Restricted cash & cash equivalents | 169 | - | - | 169 | - |
| Total Restricted Assets | 169 | - | - | 169 | - |
| Capital Assets | | | | | |
| Land | 225,507 | 10,352 | - | 235,859 | - |
| Buildings | 9,785,589 | - | 2,321,577 | 12,107,166 | 138,321 |
| Infrastructure | 49,653,664 | - | - | 49,653,664 | 70,663 |
| Auto and trucks | 387,552 | 546,663 | - | 934,215 | - |
| Equipment and furniture | 3,977,442 | 438,454 | - | 4,415,896 | 100,170 |
| Construction in progress | 47,496 | - | - | 47,496 | - |
| Total capital assets | 64,077,250 | 995,469 | 2,321,577 | 67,394,296 | 309,154 |
| Less Accumulated depreciation | (33,912,888) | (966,710) | (500,938) | (35,380,536) | (301,753) |
| Net Capital Assets | 30,164,362 | 28,759 | 1,820,639 | 32,013,760 | 7,401 |
| Total Non-Current Assets | 30,164,531 | 28,759 | 1,820,639 | 32,013,929 | 7,401 |
| Total Assets | $ 33,056,608 | $ 360,942 | $ 1,824,466 | $ 35,242,016 | $ 2,061,281 |

The accompanying notes are an integral part of these statements.

# CITY OF WAYCROSS, GEORGIA
# STATEMENT OF NET POSITION
# PROPRIETARY FUNDS
# JUNE 30, 2014

| | ENTERPRISE FUNDS | | | | |
|---|---|---|---|---|---|
| | PUBLIC UTILITIES | WASTE MANAGEMENT | NON-MAJOR CITY AUDITORIUM | TOTALS | INTERNAL SERVICE FUNDS |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Accounts payable | $ 40,627 | $ 620 | $ - | $ 41,247 | $ 715,559 |
| Salaries payable | - | 2,325 | - | 2,325 | 2,410 |
| Due to other funds | 500,000 | - | - | 500,000 | 872,842 |
| Compensated absences | - | 9,441 | - | 9,441 | 16,645 |
| Customer deposits | 207,869 | 1,600 | - | 209,469 | - |
| Capital lease obligations - current portion | 23,614 | - | - | 23,614 | - |
| Loans payable - current portion | 804,159 | - | - | 804,159 | - |
| Total Current Liabilities | 1,576,269 | 13,986 | - | 1,590,255 | 1,607,456 |
| Non-Current Liabilites (payable from unrestricted assets) | | | | | |
| Loans payable (net of current portion) | 6,394,470 | - | - | 6,394,470 | - |
| Total Non-Current Liabilites (payable from unrestricted assets) | 6,394,470 | - | - | 6,394,470 | - |
| Total Liabilites | 7,970,739 | 13,986 | - | 7,984,725 | 1,607,456 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 22,942,119 | 28,759 | 1,820,639 | 24,791,517 | 7,401 |
| Unrestricted | 2,143,750 | 318,197 | 3,827 | 2,465,774 | 446,424 |
| Total Net Position | $ 25,085,869 | $ 346,956 | $ 1,824,466 | $ 27,257,291 | $ 453,825 |

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, 2014

| | ENTERPRISE FUNDS | | | | |
|---|---|---|---|---|---|
| | PUBLIC UTILITIES | WASTE MANAGEMENT | NON-MAJOR CITY AUDITORIUM | TOTALS | INTERNAL SERVICE FUNDS |
| **Revenues** | | | | | |
| Charges for services | $ 4,359,249 | $ 1,883,768 | $ 13,919 | $ 6,256,936 | $ 460,549 |
| Operating contributions | - | - | - | - | 3,663,050 |
| Total operating revenues | 4,359,249 | 1,883,768 | 13,919 | 6,256,936 | 4,123,599 |
| **Operating Expenses** | | | | | |
| Personal services | - | 486,499 | 1,478 | 487,977 | 401,484 |
| Contractual services | 2,491,896 | 1,218,562 | 531 | 3,710,989 | 19,414 |
| Utilities | - | - | 3,991 | 3,991 | - |
| Repairs and maintenance | 157,437 | 192,195 | 1,006 | 350,638 | 31,090 |
| Other supplies and expenses | 459,793 | 1,478 | 3,086 | 464,357 | - |
| Retirement payments | - | - | | - | 1,351,517 |
| Insurance claims and expenses | - | 8,211 | - | 8,211 | 2,711,441 |
| Depreciation and amortization | 991,171 | 31,228 | 52,018 | 1,074,417 | 4,867 |
| Total Operating Expenses | 4,100,297 | 1,938,173 | 62,110 | 6,100,580 | 4,519,813 |
| Operating Income (Loss) | 258,952 | (54,405) | (48,191) | 156,356 | (396,214) |
| **Non-Operating Revenues (Expenses)** | | | | | |
| Interest and investment revenue | 684 | - | - | 684 | 12 |
| Miscellaneous revenue | - | - | - | - | 48,455 |
| Interest expense | (194,965) | (1,535) | - | (196,500) | - |
| Total Non-Operating Revenues (Expenses) | (194,281) | (1,535) | - | (195,816) | 48,467 |
| Income (Loss) Before Contributions And Transfers | 64,671 | (55,940) | (48,191) | (39,460) | (347,747) |
| Capital grants and contributions | 22,695 | - | 1,872,657 | 1,895,352 | - |
| Transfers out | - | - | - | - | (462,812) |
| Total Other Financing Sources | 22,695 | - | - | 1,895,352 | (462,812) |
| Change in net position | 87,366 | (55,940) | 1,824,466 | 1,855,892 | (810,559) |
| Total net position - beginning | 24,998,503 | 402,896 | - | 25,401,399 | 1,264,384 |
| Total net position - ending | $ 25,085,869 | $ 346,956 | $ 1,824,466 | $ 27,257,291 | $ 453,825 |

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, 2014

| | BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS | | | | |
|---|---|---|---|---|---|
| | PUBLIC UTILITIES | WASTE MANAGEMENT | CITY AUDITORIUM | TOTAL | INTERNAL SERVICE FUNDS |
| **Cash Flows From Operating Activities** | | | | | |
| Cash received from customers: | $ 4,377,204 | $ 1,860,875 | $ 13,919 | $ 6,251,998 | $ 4,124,946 |
| Cash paid to suppliers | (2,879,541) | (1,471,898) | (8,614) | (4,360,053) | (3,831,504) |
| Cash paid to employees | - | (484,955) | (1,478) | (486,433) | (401,249) |
| Net Cash Provided By (Used In)Operating Activities | 1,497,663 | (95,978) | 3,827 | 1,405,512 | (107,807) |
| **Cash Flows From Noncapital Financing Activities** | | | | | |
| Miscellaneous non-operating revenue | - | - | - | - | 48,456 |
| Cash paid for transfer out | - | - | - | - | (462,813) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | - | - | - | - | (414,357) |
| **Cash Flows From Capital And Related Financing Activities** | | | | | |
| Principal paid on loans payable | (818,842) | (18,311) | - | (837,153) | - |
| Acquisition and construction of capital assets | (101,924) | - | (1,872,657) | (1,974,581) | 21,574 |
| Capital grants and contributions | 22,695 | - | 1,872,657 | 1,895,352 | - |
| Interest paid | (194,965) | (1,535) | - | (196,500) | - |
| Net Cash (Used In) Capital And Related Activities | (1,093,036) | (19,846) | - | (1,112,882) | 21,574 |
| **Cash Flows From Investing Activities** | | | | | |
| Interest on cash deposits | 684 | - | - | 684 | 12 |
| Net Cash Provided By Investing Activities | 684 | - | - | 684 | 12 |
| Net Increase (Decrease) In Cash | 405,311 | (115,824) | 3,827 | 293,314 | (500,578) |
| Cash Beginning of Year | 1,071,954 | 202,221 | - | 1,274,175 | 1,764,013 |
| Cash at End of Year | $ 1,477,265 | $ 86,397 | $ 3,827 | $ 1,567,489 | $ 1,263,435 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | | | |
| Operating Income (Loss) | $ 258,952 | $ (54,405) | $ (48,191) | $ 156,356 | $ (396,214) |
| Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Depreciation and amortization | 991,171 | 31,228 | 52,018 | 1,074,417 | 4,867 |
| Change in Assets and Liabilities: | | | | | |
| Accounts receivable | 29,422 | (22,892) | - | 6,530 | 123 |
| Inventories | (11,467) | - | - | (11,467) | 1,224 |
| Prepaid expenses | - | - | - | - | 13,867 |
| Accounts payable | 40,578 | (51,303) | - | (10,725) | 268,091 |
| Accrued expenses | - | 1,544 | - | 1,544 | 235 |
| Customer deposits | (10,993) | (150) | - | (11,143) | - |
| Net Cash Provided By (Used In) Operating Activities | $ 1,497,663 | $ (95,978) | $ 3,827 | $ 1,405,512 | $ (107,807) |
| Cash Per Financial Statements, Including Investments | $ 1,477,434 | $ 86,397 | $ 3,827 | $ 1,567,658 | $ 1,263,435 |
| Less: Non-Cash Equivalents | 169 | - | - | 169 | - |
| Total Cash | $ 1,477,265 | $ 86,397 | $ 3,827 | $ 1,567,489 | $ 1,263,435 |

The accompanying notes are an integral part of these statements.

# CITY OF WAYCROSS, GEORGIA
# STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
# FIDUCIARY FUNDS
# JUNE 30, 2014

| | TOTAL AGENCY FUNDS |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 158,948 |
| Total assets | 158,948 |
| **LIABILITIES** | |
| Refundable court bonds | 111,081 |
| Seized funds held | 47,867 |
| Total liabilities | $ 158,948 |

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

### A. Basis of Presentation

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

### Government-Wide Financial Statements

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

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

### Fund Financial Statements

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

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

## 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 position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

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

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

### Internal Service Funds

The City reports Internal Service Funds which are used to account for the fleet management services, 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 position.

Fund Financial Statements

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

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

### E. Basis of Accounting

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

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

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

## 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, 2014, 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 position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

statement of net position and in the respective funds.

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated 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, 2014, the allowances are $131,230, $63,761 and $24,249, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2014.

### S. Bond Discounts, Premiums, and Issuance Costs

Bond discounts and premiums for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. At the governmental fund reporting level, bond discounts and premiums are reported as other financing sources, separately from the face amount of the bonds issued. Bond issuance costs are reported as expenditures in the year incurred.

## 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 position".

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

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

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

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

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

### 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 | $ 21,905 | $ - | $ 21,905 |
| Jail | 466 | - | 466 |
| Community Development | 52,241 | 20,000 | 32,241 |
| Cemetery Trust Fund | 45,309 | - | 45,309 |
| Wayfest Fund | 8,717 | 8,495 | 222 |
| SPLOST Fund | 247 | - | 247 |
| Departmental Level | | | |
| General Fund | | | |
| Public Works | 2,117,111 | 1,926,546 | 190,565 |

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, 2014:

| | Deficit |
|---|---|
| Capital Reserve Fund | $ 35,367 |
| Health Insurance Fund | 1,453,112 |

## NOTE 3 – CASH DEPOSITS AND INVESTMENTS

As of June 30, 2014, the carrying amount of the City's bank deposits was $8,318,105 and the respective bank balances totaled $8,698,640. Of the total bank balance, $392,209 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $8,306,431 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, 2014, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

| | Carrying Amount | Bank Balance |
|---|---|---|
| Demand deposits | $ 8,318,105 | $ 8,698,640 |
| Petty Cash | 3,998 | - |
| Totals | $ 8,322,103 | $ 8,698,640 |

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, 2014, $8,306,431 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, 2014 were as follows:

| | Taxes | Accounts Receivable | Other Govts | Other | Total |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| General | $ 347,706 | $ 25,421 | $ 276,867 | $ - | $ 649,994 |
| SPLOST 2008-2013 | - | - | 157,584 | - | 157,584 |
| Non-major | - | - | 9,298 | 85,698 | 94,996 |
| Internal service funds | - | 13,204 | - | - | 13,204 |
| Total Governmental Activities | 347,706 | 38,625 | 443,749 | 85,698 | 915,778 |
| Business-Type Activities: | | | | | |
| Public Utilities | $ - | $ 629,213 | $ - | $ - | $ 629,213 |
| Waste Management | - | 245,786 | - | - | 245,786 |
| Total Business-Type Activities | $ - | $ 874,999 | $ - | $ - | $ 874,999 |

## NOTE 4 – RECEIVABLES AND PAYABLES, CONTINUED

Payables at June 30, 2014 were as follows:

| | Vendors | Salaries/ Benefits | Other | Total |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| General | $ 42,759 | $ 77,776 | $ - | $ 120,535 |
| Non-major | 14,906 | - | - | 14,906 |
| Internal service funds | 242,309 | 2,410 | 473,250 | 717,969 |
| Total Governmental Activities | 299,974 | 80,186 | 473,250 | 853,410 |
| Business-Type Activities: | | | | |
| Public Utilities | $ 40,627 | - | $ 207,869 | 248,496 |
| Waste Management | 620 | 2,325 | 1,600 | 4,545 |
| Total Business-Type Activities | $ 41,247 | $ 2,325 | $ 209,469 | $ 253,041 |

## 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 $293,192 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2014. The City disbursed $91,779 for the promotion of tourism and $166,281 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, 2014 is as follows:

| | Balance June 30, 2013 | Additions | Deletions | Balance June 30, 2014 |
|---|---|---|---|---|
| **Primary Government** | | | | |
| Governmental Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land | $ 4,876,148 | $ 166,632 | $ - | $ 5,042,780 |
| Construction in Progress | 511,768 | 2,138,718 | 2,502,990 | 147,496 |
| Depreciable Capital Assets: | | | | |
| Buildings | 8,584,155 | 657,009 | 448,920 | 8,792,244 |
| Machinery and Equipment | 2,788,928 | 236,886 | - | 3,025,814 |
| Vehicles | 4,611,694 | 540,017 | 154,131 | 4,997,580 |
| Infrastructure | 33,391,051 | 101,420 | - | 33,492,471 |
| Total Capital Assets | 54,763,744 | 3,840,682 | 3,106,041 | 55,498,385 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | (4,059,625) | (313,753) | (448,920) | (3,924,458) |
| Machinery and Equipment | (2,411,858) | (144,337) | - | (2,556,195) |
| Vehicles | (4,048,901) | (261,769) | (154,131) | (4,156,539) |
| Infrastructure | (26,587,236) | (713,162) | - | (27,300,398) |
| Governmental Activities Capital Assets, Net | 17,656,124 | 2,407,661 | 2,502,990 | 17,560,795 |
| Business-Type Activities: | | | | |
| Nondepreciable Capital Assets: | | | | |
| Land and Improvements | $ 235,859 | $ - | $ - | $ 235,859 |
| Construction in Progress | 30,121 | 22,695 | 5,320 | 47,496 |
| Depreciable Capital Assets: | | | | |
| Buildings | 9,785,589 | 2,321,577 | - | 12,107,166 |
| Machinery and Equipment | 4,331,350 | 84,546 | - | 4,415,896 |
| Vehicles | 1,046,735 | - | 112,520 | 934,215 |
| Infrastructure | 49,653,664 | - | - | 49,653,664 |
| Total Capital Assets | 65,083,318 | 2,428,818 | 117,840 | 67,394,296 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | (5,928,858) | (684,329) | - | (6,613,187) |
| Machinery and Equipment | (4,221,309) | (30,676) | - | (4,251,985) |
| Vehicles | (1,020,145) | (24,408) | (112,520) | (932,033) |
| Infrastructure | (22,799,406) | (783,925) | - | (23,583,331) |
| Business-Type Activities Capital Assets, Net | 31,113,600 | 905,480 | 5,320 | 32,013,760 |
| | $ 48,769,724 | $ 3,313,141 | $ 2,508,310 | $ 49,574,555 |

## NOTE 7 – CAPITAL ASSETS, CONTINUED

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

| | |
|---|---|
| Governmental Activities: | |
| General Government | $ 42,707 |
| Public Safety | 502,024 |
| Public Works | 876,541 |
| Community Development | 11,749 |
| Total Depreciation Expense-Governmental Activities | $ 1,433,021 |
| Business-Type Activities: | |
| Public Utilities | $ 991,171 |
| Waste Management | 31,228 |
| City Auditorium | 52,018 |
| Total Depreciation Expense-Business-Type Activities | $ 1,074,417 |

## NOTE 8 – LONG-TERM OBLIGATIONS

Transactions for the year ended June 30, 2014 are summarized as follows:

Change in Outstanding Debt:

| | Balance June 30, 2013 | Issues or Additions | Payments or Expenditures | Balance June 30, 2014 | Amount Due Within One Year |
|---|---|---|---|---|---|
| Governmental Type Activities: | | | | | |
| Lease Obligations Payable | $ 525,491 | $ 117,337 | $ 262,796 | $ 380,032 | $ 170,609 |
| Notes Payable | 702,500 | - | 30,000 | 672,500 | 30,000 |
| Compensated Absences | 363,620 | 10,939 | - | 374,559 | - |
| Other post employment benefits | 370,000 | 17,000 | - | 387,000 | - |
| Total Governmental Activities | 1,961,611 | 145,276 | 292,796 | 1,814,091 | 200,609 |
| Business-Type Activities: | | | | | |
| Lease Obligations Payable | 18,311 | - | 18,311 | - | - |
| Lease Obligations Payable | 58,090 | - | 34,476 | 23,614 | 23,614 |
| GEFA-98-L68WJ | 992,961 | - | 115,514 | 877,447 | 120,324 |
| GEFA Loan-00-L36EJ | 4,948,942 | - | 520,983 | 4,427,959 | 531,481 |
| SRF Loan-CWSRF-00-0020 | 1,521,788 | - | 92,890 | 1,428,898 | 95,708 |
| SRF Loan-CWSRF-00-01 | 482,316 | - | 50,593 | 431,723 | 52,127 |
| GEFA Loan-CW09071PF60 | 36,988 | - | 4,386 | 32,602 | 4,519 |
| Compensated Absences | 8,672 | 769 | - | 9,441 | - |
| Total Business-Type Activities | 8,068,068 | 769 | 837,153 | 7,231,684 | 827,773 |
| Total All Funds | $ 10,029,679 | $ 146,045 | $ 1,129,949 | $ 9,045,775 | $ 1,028,382 |

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.

| Year Ending June 30: | Governmental Activities | | Business-Type Activities | |
|---|---|---|---|---|
| | Principal | Interest | Principal | Interest |
| 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 | 30,000 | - | 888,984 | 88,968 |
| 2020-2024 | 150,000 | - | 2,638,684 | 162,615 |
| 2025-2029 | 150,000 | - | 329,998 | 13,765 |
| 2030-2034 | 150,000 | - | - | - |
| 2035-2036 | 72,500 | - | - | - |
| Total | $ 672,500 | $ - | $ 7,198,629 | $ 836,193 |

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, 2014, the outstanding balance on this loan was $672,500.

Business-Type Activities:

In October 1998, the City entered into a loan agreement (98-L68WJ) with the Georgia Environmental Facilities Authority for certain water and sewer projects for a total amount of $2,000,000. Repayment is over eighty (80) quarterly payments beginning September 1, 2001 at 4.1 percent. At June 30, 2014, the outstanding balance on this loan was $877,447 and quarterly payments are $38,616.

In August 2000, the City entered into a loan program (CWSRF 00-001) with the Georgia Department of Natural Resources and the Georgia Environmental Facilities Authority for certain sewer improvements for a total amount of $935,467. Repayment is over 78 quarterly payments at 3 percent beginning September 1, 2002. At June 30, 2014, the outstanding balance of this loan was $431,723 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.

## NOTE 8 – LONG-TERM OBLIGATIONS, CONTINUED

In September 2000, the City entered into a loan agreement (2000-L36WJ) with the Georgia Environmental Facilities Authority for sewer improvements for a total amount of $9,815,000. Repayment is over 80 quarterly payments beginning October 1, 2002 at 2 percent. At June 30, 2014, the outstanding balance was $4,427,959 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, 2014, the outstanding balance was $1,428,898. 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, 2014, the outstanding loan balance was $32,602. 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, 2014;

| | 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 | - |
| 2014 Side Arm Tractor | 117,337 | - |
| | 1,551,071 | 422,413 |
| Less Accumulated Depreciation | (1,088,511) | (420,680) |
| Total | $ 462,560 | $ 1,733 |

## 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, 2014:

| Year Ending June 30: | Governmental-Type Activities | Business-Type Activities |
|---|---|---|
| 2015 | $ 184,850 | $ 23,902 |
| 2016 | 102,353 | - |
| 2017 | 63,431 | - |
| 2018 | 25,470 | - |
| 2019 | 25,470 | - |
| 2020-2021 | 27,593 | - |
| Total Minimum Lease Payments | 429,167 | 23,902 |
| Less: Amount Representing Interest | (49,135) | (288) |
| Present Value of Future Minimum Lease Payments | $ 380,032 | $ 23,614 |

## 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, 2014 were as follows:

| | Transfers In | Transfers Out |
|---|---|---|
| General Fund | $ 638,465 | $ - |
| Cemetery Fund | 45,309 | - |
| Hotel/Motel Tax Fund | - | 175,652 |
| Cemetery Trust Fund | - | 45,309 |
| Data Processing Fund | - | 233,586 |
| Public Building Fund | - | 229,227 |
| | $ 683,774 | $ 683,774 |

## 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, 2014, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2014 are as follows:

| | Interfund Receivables | Interfund Payables |
|---|---|---|
| Major Govermental Funds | | |
| General Fund: | | |
| Public Utilities | $ 500,000 | $ 100,000 |
| Internal Service Funds | - | 293,592 |
| | 500,000 | 393,592 |
| Splost 2008-2013 Fund: | | |
| Other Governmental Funds | 35,209 | - |
| | 35,209 | - |
| Capital Reserve Fund: | | |
| Internal Service Funds | 193,592 | - |
| Public Utilities | - | 375,000 |
| | 193,592 | 375,000 |
| Non-major Governmental Funds: | | |
| Splost 2008-2013 Fund | - | 35,209 |
| | - | 35,209 |
| Total Govermental Funds | 728,801 | 803,801 |
| Major Business-type Funds | | |
| Public Utilities: | | |
| General Fund | 100,000 | 500,000 |
| Internal Service Funds | 253,000 | - |
| Capital Reserve Fund | 375,000 | - |
| | 728,000 | 500,000 |
| 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 | $ 2,176,643 | $ 2,176,643 |

## NOTE 11 – FUND EQUITY

Fund balances at June 30, 2014 are classified as follows:

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

| | |
|---|---|
| General Fund: | |
| Inventories | $ 16,831 |
| Prepaid expenses | 15,337 |
| Total Nonspendable | $ 32,168 |

Restricted – The following fund balances are restricted for:

| | |
|---|---|
| Special Revenue Funds: | |
| *Forfeited Property Fund* - used to account for funds received from property forfeitures. | $ 32,427 |
| *Jail Fund* - used to account for vending revenue of the jail. | 141 |
| *FEMA Grants Fund* - used to account for expenditures of FEMA grants. | 565 |
| *EIP Revolving Loan Fund* - used to account for revolving loans issued to local businesses. | 142,199 |
| *Misc Grant Fund* - used to account for expenditures of miscellaneous small grants. | 9,611 |
| *Hotel/Motel Tax Fund* - used to account for hotel/motel tax revenues. | 25,740 |
| *Waycross Fire Dept Fund* - used to account for contributions and miscellaneous grants received for the purpose of fire department expenditures. | 7,186 |
| Total Restricted for Special Revenue | $ 217,869 |

## NOTE 11 – FUND EQUITY, CONTINUED

| | |
|---|---|
| Capital Projects Funds: | |
| *SPLOST Fund* - used to account for capital projects financed with special purpose local option sales tax. | $ 694,012 |
| *SPLOST 2008-2013 Fund* - used to account for capital projects financed with special purpose local option sales tax. | 4,321,670 |
| *LMIG Fund* - used to account for capital projects financed with Georgia DOT local maintenance improvement program. | 413,358 |
| Total Restricted for Capital Projects | $ 5,429,040 |
| Total Restricted Fund Balance | $ 5,646,909 |

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. | $ 81,087 |
| *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. | 59,975 |
| *Cemetery Trust Fund* - used to account for funds that accumulated for future cemetery improvements and expansion. | 78,253 |
| Total Committed Fund Balance | $ 219,315 |

## NOTE 11 – FUND EQUITY, CONTINUED

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. | $ 16,020 |
| *Misc Fund* - used to account for donations for the purpose of upkeep and improvements to Henry Walker Park | 4,995 |
| *Wayfest Fund* - used to account for donations for the purpose of annual Wayfest festival | 79 |
| *Lt Jeff Little Scholarship Fund* - used to account for donations for the purpose of awarding scholarships | 580 |
| Total Assigned Fund Balance | $ 21,674 |

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* | $ 365,922 |
| *Capital Reserve Fund* - negative committed fund balance reported as unassigned. | (35,367) |
| Total Unassigned Fund Balance | $ 330,555 |

## 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, 2014 was $6,452,390. Substantially all full-time City employees are eligible to participate in the system. Benefits vest after ten years of service. City employees who retire at or after age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount determined based on average salary and years of service. There is also an alternative normal retirement date of age 60 with 30 years of service. Early retirement is available at age 55 with 10 years of credited service. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

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

The Significant Actuarial Assumptions

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

The significant actuarial assumptions used in the current valuation are:

| | |
|---|---|
| Rate of return on investment | 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.

## NOTE 12 – RETIREMENT BENEFITS, CONTINUED

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.

Current Plan Membership

As of January 1, 2014, the current plan membership includes the following categories of participants:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 155 |
| Terminated employees entitled to benefits but not yet receiving them | 68 |
| Current active employees: | |
| Vested | 100 |
| Nonvested | 90 |
| Total membership in the plan | 413 |

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 | 155 | $ 11,156,349 |
| Other Vested Benefits | | |
| Terminated Vested Participants | 68 | 1,273,401 |
| Active Participants | 100 | 6,992,457 |
| Total Present Value of Vested Benefits | | $ 19,422,207 |
| Nonvested Benefits | 90 | 520,199 |
| Total Present Value of Accrued Plan Benefits | 413 | 19,942,406 |
| Market Value of Assets | | 16,058,793 |
| Unfunded Present Value of Accrued Plan Benefits | | 3,883,613 |
| Funded Percentage | | 80.53% |

## NOTE 12 – RETIREMENT BENEFITS, CONTINUED

| | Number of Participants | Lump Sum Value of Benefits |
|---|---|---|
| Present Value of Accrued Plan Benefits (Plan Termination Basis): | | |
| Retired Participants and Beneficiaries Currently Receiving Payments | 155 | $ 17,074,175 |
| Terminated Vested Participants | 68 | 3,110,029 |
| Active Participants | 100 | 14,493,569 |
| Total Present Value of Vested Benefits | | $ 34,677,773 |
| Nonvested Benefits | 90 | 1,348,336 |
| Total Present Value of Accrued Plan Benefits | 413 | 36,026,109 |
| Market Value of Assets | | 16,058,793 |
| Unfunded Present Value of Accrued Plan Benefits | | 19,967,316 |
| Funded Percentage | | 44.58% |

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) |
|---|---|---|---|---|---|---|
| 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% |
| 1/1/2014 | 16,005,617 | 21,698,484 | 5,692,867 | 73.76% | 6,452,390 | 88.23% |

Schedule of Employer Contribution

| Fiscal Year | Annual Required Contribution | Amount Contributed | Percentage of ARC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| 2010 | 762,262 | 859,337 | 100.00% | - |
| 2011 | 787,610 | 881,932 | 100.00% | - |
| 2012 | 829,915 | 1,118,533 | 100.00% | - |
| 2013 | 830,293 | 1,338,855 | 100.00% | - |
| 2014 | 820,215 | 1,351,517 | 100.00% | - |

## NOTE 12 – RETIREMENT BENEFITS, CONTINUED

Schedule of Recommended Contribution

| | | |
|---|---|---|
| Normal Cost | | |
| Retirement Benefits: | | |
| Employees | $ | 423,980 |
| Administrative Expenses | | 33,679 |
| Total Normal Cost | $ | 457,659 |
| Payment on Unfunded Actuarial Accrued Liability | | 808,132 |
| Interest | | 48,134 |
| Minimum Contribution | | 1,313,925 |
| Normal Cost (including admin) with interest | | 1,265,791 |
| Recommended Contribution | | 1,313,925 |

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, 2014 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

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 $149,516 have been recorded as of June 30, 2014. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of $149,516 reported in the Health Insurance Fund at June 30, 2014 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 2008-2014 were:

| Fiscal Year | Balance Beginning of Fiscal Year | Claims and Changes in Estimates | Claims Payments | Balance End of Fiscal Year |
|---|---|---|---|---|
| 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 |
| 2014 | 171,682 | 1,615,879 | 1,638,045 | 149,516 |

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 2008-2014 were:

| Fiscal Year | Balance Beginning of Fiscal Year | Claims and Changes in Estimates | Claims Payments | Balance End of Fiscal Year |
|---|---|---|---|---|
| 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 |
| 2014 | 36,586 | 295,531 | 309,702 | 22,415 |

## 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, 2014 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 $305,000.

## 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, 2013 | $ | 370,000 |
| Annual Required Contributions (ARC) | | 305,000 |
| Interest on Existing (NOO) | | 15,000 |
| ARC Adjustment | | (15,000) |
| Annual OPEB Cost | | 305,000 |
| Annual Employer Contribution | | (288,000) |
| Change in Net OPEB Obligation | | 17,000 |
| Net OPEB Obligation as of June 30, 2014 | $ | 387,000 |

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 |
|---|---|---|---|
| 6/30/2014 | $ 305,000 | 94.4% | $ 387,000 |
| 6/30/2013 | 298,000 | 87.6% | 370,000 |
| 6/30/2012 | 218,000 | 66.1% | 333,000 |
| 6/30/2011 | 213,000 | 66.7% | 259,000 |
| 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, Level dollar, open |
| Remaining Amortization period | 30 years as of July 1, 2013 |
| 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 22, 2014, 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 | 6,098,902 | 70.72% | 6,303,324 | 96.76% |
| 1/1/2014 | 16,005,617 | 21,698,484 | 5,692,867 | 73.76% | 6,452,390 | 88.23% |

**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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| **Revenues** | | | | |
| Taxes | $ 9,209,728 | $ 9,209,728 | $ 8,900,997 | $ (308,731) |
| Fees and fines | 504,000 | 504,000 | 372,867 | (131,133) |
| Licenses and permits | 807,600 | 807,600 | 906,685 | 99,085 |
| Intergovernmental | 136,000 | 136,000 | 131,691 | (4,309) |
| Charges for services | 27,300 | 27,300 | 26,326 | (974) |
| Investment earnings | 4,500 | 4,500 | 931 | (3,569) |
| Miscellaneous | 234,900 | 234,900 | 237,721 | 2,821 |
| Transfers In | 571,853 | 571,853 | 638,465 | 66,612 |
| Proceeds from capital leases | - | - | 117,337 | 117,337 |
| Total Revenues | 11,495,881 | 11,495,881 | 11,333,020 | (162,861) |
| **Expenditures** | | | | |
| Current: | | | | |
| General government | 773,222 | 773,222 | 405,427 | 367,795 |
| Public safety | 7,806,129 | 7,806,129 | 7,796,200 | 9,929 |
| Public works | 1,926,546 | 1,926,546 | 2,117,111 | (190,565) |
| Community development | 651,491 | 651,491 | 635,020 | 16,471 |
| Debt Service: | | | | |
| Principal | 300,000 | 300,000 | 292,797 | 7,203 |
| Interest and other charges | 34,225 | 34,225 | 33,403 | 822 |
| Total Expenditures | 11,491,613 | 11,491,613 | 11,279,958 | 211,655 |
| Excess Of Revenues Over Expenditures | 4,268 | 4,268 | 53,062 | 48,794 |
| Fund Balances - Beginning of Year | 345,028 | 345,028 | 345,028 | - |
| Fund Balances - Ending of Year | $ 349,296 | $ 349,296 | $ 398,090 | $ 48,794 |

The accompanying notes are an integral part of these statements.

# COMBINING AND INDIVIDUAL FUND SCHEDULES

# CITY OF WAYCROSS, GEORGIA
# BUDGETARY COMPARISON SCHEDULE
# SPLOST 2008-2013 FUND
# FOR THE YEAR ENDED JUNE 30, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| **Revenues** | | | | |
| Intergovernmental | $ 1,858,345 | $ 1,858,345 | $ 1,770,735 | $ (87,610) |
| Interest | - | - | 2,375 | 2,375 |
| Total Revenues | 1,858,345 | 1,858,345 | 1,773,110 | (85,235) |
| **Expenditures** | | | | |
| Current: | | | | |
| Capital Outlay | 4,302,989 | 4,302,989 | 2,439,686 | 1,863,303 |
| Total Expenditures | 4,302,989 | 4,302,989 | 2,439,686 | 1,863,303 |
| (Deficiency) Of Revenues Over Expenditures | (2,444,644) | (2,444,644) | (666,576) | 1,778,068 |
| Fund Balances - Beginning of Year | 4,988,246 | 4,988,246 | 4,988,246 | - |
| Fund Balances - Ending of Year | $ 2,543,602 | $ 2,543,602 | $ 4,321,670 | $ 1,778,068 |

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, 2014

| | 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 (Deficit) - Beginning of Year | (35,367) | (35,367) | (35,367) | - |
| Fund (Deficit) - Ending of Year | $ (35,367) | $ (35,367) | $ (35,367) | $ - |

The accompanying notes are an integral part of these statements.

# CITY OF WAYCROSS, GEORGIA
# COMBINING BALANCE SHEET
# NON-MAJOR GOVERNMENTAL FUNDS
# JUNE 30, 2014

| | SPECIAL REVENUE FUNDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | CEMETARY | FORFEITED PROPERTY | JAIL FUND | WPD INFO TECHNOLOGY | TRAIL HEAD PROJECT | COMMUNITY DEVELOPMENT | EIP REVOLVING LOAN |
| **ASSETS** | | | | | | | |
| Cash and cash equivalents | $ 59,592 | $ 32,427 | $ 141 | $ 16,020 | $ 45,000 | $ 81,087 | $ 58,276 |
| Receivable from other governments | - | - | - | - | 9,298 | - | - |
| Other receivables | 1,775 | - | - | - | - | - | 83,923 |
| Total assets | 61,367 | 32,427 | 141 | 16,020 | 54,298 | 81,087 | 142,199 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | 1,392 | - | - | - | 13,210 | - | - |
| Due to other funds | - | - | - | - | 35,209 | - | - |
| Total liabilities | 1,392 | - | - | - | 48,419 | - | - |
| **Deferred Inflows of Resources** | | | | | | | |
| Unavailable revenue | - | - | - | - | 5,879 | - | - |
| Total deferred inflows of resources | - | - | - | - | 5,879 | - | - |
| Fund balances: | | | | | | | |
| Restricted | - | 32,427 | 141 | - | - | - | 142,199 |
| Committed | 59,975 | - | - | - | - | 81,087 | - |
| Assigned | - | - | - | 16,020 | - | - | - |
| Total fund balances | 59,975 | 32,427 | 141 | 16,020 | - | 81,087 | 142,199 |
| Total liabilities, deferred inflows and fund balances | $ 61,367 | $ 32,427 | $ 141 | $ 16,020 | $ 54,298 | $ 81,087 | $ 142,199 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING BALANCE SHEET
# NON-MAJOR GOVERNMENTAL FUNDS
# JUNE 30, 2014

| | SPECIAL REVENUE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | FIRE DEPARTMENT | FEMA GRANTS | MISC GRANTS | HOTEL/MOTEL TAX | MISC FUND | CEMETARY TRUST | WAYFEST | LT JEFF LITTLE SCHOLARSHIP |
| **ASSETS** | | | | | | | | |
| Cash and cash equivalents | $ 7,186 | $ 565 | $ 9,611 | $ 26,044 | $ 4,995 | $ 78,253 | $ 79 | $ 580 |
| Receivable from other governments | - | - | - | - | - | - | - | - |
| Other receivables | - | - | - | - | - | - | - | - |
| Total assets | 7,186 | 565 | 9,611 | 26,044 | 4,995 | 78,253 | 79 | 580 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | - | - | - | 304 | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - |
| Total liabilities | - | - | - | 304 | - | - | - | - |
| **Deferred Inflows of Resources** | | | | | | | | |
| Unavailable revenue | - | - | - | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - | - | - | - |
| Fund balances: | | | | | | | | |
| Restricted | 7,186 | 565 | 9,611 | 25,740 | - | - | - | - |
| Committed | - | - | - | - | - | 78,253 | - | - |
| Assigned | - | - | - | - | 4,995 | - | 79 | 580 |
| Total fund balances | 7,186 | 565 | 9,611 | 25,740 | 4,995 | 78,253 | 79 | 580 |
| Total liabilities and fund balances | $ 7,186 | $ 565 | $ 9,611 | $ 26,044 | $ 4,995 | $ 78,253 | $ 79 | $ 580 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING BALANCE SHEET
# NON-MAJOR GOVERNMENTAL FUNDS
# JUNE 30, 2014

| | CAPITAL PROJECT FUNDS | | | TOTAL OTHER GOVERNMENTAL FUNDS |
|---|---|---|---|---|
| | SPLOST | CDBG 12P-X-148-2-5476 | LMIG | |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 694,012 | $ - | $ 413,358 | $ 1,527,226 |
| Receivable from other governments | - | - | - | 9,298 |
| Other receivables | - | - | - | 85,698 |
| Total assets | 694,012 | - | 413,358 | 1,622,222 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| Liabilities: | | | | |
| Accounts payable | - | - | - | 14,906 |
| Due to other funds | - | - | - | 35,209 |
| Total liabilities | - | - | - | 50,115 |
| **Deferred Inflows of Resources** | | | | |
| Unavailable revenue | - | - | - | 5,879 |
| Total deferred inflows of resources | - | - | - | 5,879 |
| Fund balances: | | | | |
| Restricted | 694,012 | - | 413,358 | 1,325,239 |
| Committed | - | - | - | 219,315 |
| Assigned | - | - | - | 21,674 |
| Total fund balances | 694,012 | - | 413,358 | 1,566,228 |
| Total liabilities, deferred inflows and fund balances | $ 694,012 | $ - | $ 413,358 | $ 1,622,222 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
# NON-MAJOR GOVERNMENTAL FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | SPECIAL REVENUE FUNDS | | | | | | |
|---|---|---|---|---|---|---|---|
| | CEMETARY | FORFEITED PROPERTY | JAIL FUND | WPD INFO TECHNOLOGY | TRAIL HEAD PROJECT | COMMUNITY DEVELOPMENT | EIP REVOLVING LOAN |
| **REVENUES** | | | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Fees | - | 26,917 | - | 16,688 | - | - | - |
| Intergovernmental | - | - | - | - | 132,102 | - | - |
| Investment earnings | - | 3 | - | - | - | - | 27 |
| Miscellaneous | 150,930 | - | 560 | - | | 53,961 | 6,327 |
| Total revenues | 150,930 | 26,920 | 560 | 16,688 | 132,102 | 53,961 | 6,354 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| General government | - | - | - | - | - | - | 260 |
| Public Safety | - | 21,905 | 466 | 17,217 | - | - | - |
| Community development | 195,375 | - | - | - | - | 52,241 | - |
| Capital outlay | - | - | - | - | 132,102 | - | - |
| Total Expenditures | 195,375 | 21,905 | 466 | 17,217 | 132,102 | 52,241 | 260 |
| Excess (deficiency) of revenues over expenditures | (44,445) | 5,015 | 94 | (529) | - | 1,720 | 6,094 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | |
| Transfers in | 45,309 | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - |
| Total other financing sources and (uses) | 45,309 | - | - | - | - | - | - |
| Net change in fund balances | 864 | 5,015 | 94 | (529) | - | 1,720 | 6,094 |
| Fund balances - beginning | 59,111 | 27,412 | 47 | 16,549 | - | 79,367 | 136,105 |
| Fund balances - ending | $ 59,975 | $ 32,427 | $ 141 | $ 16,020 | $ - | $ 81,087 | $ 142,199 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
# NON-MAJOR GOVERNMENTAL FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | SPECIAL REVENUE FUNDS | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | FIRE DEPARTMENT | FEMA GRANTS | MISC GRANTS | HOTEL/MOTEL TAX | MISC FUND | CEMETARY TRUST | WAYFEST | LT JEFF LITTLE SCHOLARSHIP |
| **REVENUES** | | | | | | | | |
| Taxes | $ - | $ - | $ - | $ 293,192 | $ - | $ - | $ - | $ - |
| Fees | - | - | - | - | - | - | - | - |
| Intergovernmental | - | 505 | 9,000 | - | - | - | - | - |
| Investment earnings | - | - | - | - | - | - | - | - |
| Miscellaneous | 2,954 | - | 500 | - | - | - | 8,796 | 580 |
| Total revenues | 2,954 | 505 | 9,500 | 293,192 | - | - | 8,796 | 580 |
| **EXPENDITURES** | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | 4,778 | - | - | - | - | - |
| Public Safety | 2,517 | - | - | - | - | - | - | - |
| Community development | - | - | - | 91,779 | - | - | 8,717 | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total Expenditures | 2,517 | - | 4,778 | 91,779 | - | - | 8,717 | - |
| Excess (deficiency) of revenues over expenditures | 437 | 505 | 4,722 | 201,413 | - | - | 79 | 580 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | (175,652) | - | (45,310) | - | - |
| Total other financing sources and (uses) | - | - | - | (175,652) | - | (45,310) | - | - |
| Net change in fund balances | 437 | 505 | 4,722 | 25,761 | - | (45,310) | 79 | 580 |
| Fund balances - beginning | 6,749 | 60 | 4,889 | (21) | 4,995 | 123,563 | - | - |
| Fund balances - ending | $ 7,186 | $ 565 | $ 9,611 | $ 25,740 | $ 4,995 | $ 78,253 | $ 79 | $ 580 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
# NON-MAJOR GOVERNMENTAL FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | CAPITAL PROJECT FUNDS | | | |
|---|---|---|---|---|
| | SPLOST | CDBG 12P-X-148-2-5476 | LMIG | TOTAL OTHER GOVERNMENTAL FUNDS |
| **REVENUES** | | | | |
| Taxes | $ - | $ - | $ - | $ 293,192 |
| Fees | - | - | - | 43,605 |
| Intergovernmental | - | 192,674 | 413,358 | 747,639 |
| Investment earnings | 346 | - | - | 376 |
| Miscellaneous | - | - | - | 224,608 |
| Total revenues | 346 | 192,674 | 413,358 | 1,309,420 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | - | - | - | 5,038 |
| Public Safety | - | - | - | 42,105 |
| Community development | - | - | - | 348,112 |
| Capital outlay | 247 | 192,674 | - | 325,023 |
| Total Expenditures | 247 | 192,674 | - | 720,278 |
| Excess (deficiency) of revenues over expenditures | 99 | - | 413,358 | 589,142 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | - | - | 45,309 |
| Transfers out | - | - | - | (220,962) |
| Total other financing sources and (uses) | - | - | - | (175,653) |
| Net change in fund balances | 99 | - | 413,358 | 413,489 |
| Fund balances - beginning | 693,913 | - | - | 1,152,739 |
| Fund balances - ending | $ 694,012 | $ - | $ 413,358 | $ 1,566,228 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ 156,450 | $ 156,450 | $ 150,930 | $ (5,520) |
| Transfers In | 45,309 | 45,309 | 45,309 | - |
| Total Revenues | 201,759 | 201,759 | 196,239 | (5,520) |
| Expenditures: | | | | |
| Community development | 201,759 | 201,759 | 195,375 | 6,384 |
| Total Expenditures | 201,759 | 201,759 | 195,375 | 6,384 |
| Revenues Over Expenditures | - | - | 864 | 864 |
| Fund Balance - Beginning | 59,111 | 59,111 | 59,111 | - |
| Fund Balance - Ending | $ 59,111 | $ 59,111 | $ 59,975 | $ 864 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Fees | $ - | $ - | $ 26,917 | $ 26,917 |
| Investment earnings | - | - | 3 | 3 |
| Total Revenues | - | - | 26,920 | 26,920 |
| Expenditures: | | | | |
| Public safety | - | - | 21,905 | (21,905) |
| Total Expenditures | - | - | 21,905 | (21,905) |
| Revenues And Other Financing Sources Over Expenditures | - | - | 5,015 | 5,015 |
| Fund Balance - Beginning | 27,412 | 27,412 | 27,412 | - |
| Fund Balance - Ending | $ 27,412 | $ 27,412 | $ 32,427 | $ 5,015 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ - | $ - | $ 560 | $ 560 |
| Total Revenues | - | - | 560 | 560 |
| Expenditures: | | | | |
| Public safety | - | - | 466 | (466) |
| Total Expenditures | - | - | 466 | (466) |
| Revenues And Other Financing Sources Over Expenditures | - | - | 94 | 94 |
| Fund Balance - Beginning | 47 | 47 | 47 | - |
| Fund Balance - Ending | $ 47 | $ 47 | $ 141 | $ 94 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Fees | $ 15,000 | $ 15,000 | $ 16,688 | $ (1,688) |
| Total Revenues | 15,000 | 15,000 | 16,688 | (1,688) |
| Expenditures: | | | | |
| Public safety | 20,000 | 20,000 | 17,217 | 2,783 |
| Total Expenditures | 20,000 | 20,000 | 17,217 | 2,783 |
| Revenues And Other Financing Sources (Under) Expenditures | (5,000) | (5,000) | (529) | (4,471) |
| Fund Balance - Beginning | 16,549 | 16,549 | 16,549 | - |
| Fund Balance - Ending | $ 11,549 | $ 11,549 | $ 16,020 | $ (4,471) |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Intergovernmental | $ 375,000 | $ 375,000 | $ 132,102 | $ (242,898) |
| Total Revenues | 375,000 | 375,000 | 132,102 | (242,898) |
| Expenditures: | | | | |
| Community development | 375,000 | 375,000 | 132,102 | 242,898 |
| Total Expenditures | 375,000 | 375,000 | 132,102 | 242,898 |
| Revenues And Other Financing Sources Over Expenditures | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | $ - | $ - | $ - | $ - |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ 20,000 | $ 20,000 | $ 53,961 | $ 33,961 |
| Total Revenues | 20,000 | 20,000 | 53,961 | 33,961 |
| Expenditures: | | | | |
| Community development | 20,000 | 20,000 | 52,241 | (32,241) |
| Total Expenditures | 20,000 | 20,000 | 52,241 | (32,241) |
| Revenues And Other Financing Sources Over Expenditures | - | - | 1,720 | 1,720 |
| Fund Balance - Beginning | 79,367 | 79,367 | 79,367 | - |
| Fund Balance - Ending | $ 79,367 | $ 79,367 | $ 81,087 | $ 1,720 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ 19,123 | $ 19,123 | $ 6,327 | $ 12,796 |
| Interest earnings | - | - | 27 | 27 |
| Total Revenues | 19,123 | 19,123 | 6,354 | 12,823 |
| Expenditures: | | | | |
| General government | 27,250 | 27,250 | 260 | 26,990 |
| Total Expenditures | 27,250 | 27,250 | 260 | 26,990 |
| Revenues And Other Financing Sources Over (Under) Expenditures | (8,127) | (8,127) | 6,094 | 39,813 |
| Fund Balance - Beginning | 136,105 | 136,105 | 136,105 | - |
| Fund Balance - Ending | $ 127,978 | $ 127,978 | $ 142,199 | $ 14,221 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ 5,000 | $ 5,000 | $ 2,954 | $ (2,046) |
| Total Revenues | 5,000 | 5,000 | 2,954 | (2,046) |
| Expenditures: | | | | |
| Public safety | 5,000 | 5,000 | 2,517 | 2,483 |
| Total Expenditures | 5,000 | 5,000 | 2,517 | 2,483 |
| Revenues And Other Financing Sources Over Expenditures | - | - | 437 | 437 |
| Fund Balance - Beginning | 6,749 | 6,749 | 6,749 | - |
| Fund Balance - Ending | $ 6,749 | $ 6,749 | $ 7,186 | $ 437 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Intergovernmental | $ - | $ - | $ 505 | $ 505 |
| Total Revenues | - | - | 505 | 505 |
| Expenditures: | | | | |
| Public safety | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Revenues And Other Financing Sources Over Expenditures | - | - | 505 | 505 |
| Fund Balance - Beginning | 60 | 60 | 60 | - |
| Fund Balance - Ending | $ 60 | $ 60 | $ 565 | $ 505 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Intergovernmental | $ 22,671 | $ 22,671 | $ 9,000 | $ (13,671) |
| Miscellaneous | - | - | 500 | (500) |
| Total Revenues | 22,671 | 22,671 | 9,500 | (14,171) |
| Expenditures: | | | | |
| General government | 22,671 | 22,671 | 4,778 | 17,893 |
| Total Expenditures | 22,671 | 22,671 | 4,778 | 17,893 |
| Revenues And Other Financing Sources Over Expenditures | - | - | 4,722 | 3,722 |
| Fund Balance - Beginning | 4,889 | 4,889 | 4,889 | - |
| Fund Balance - Ending | $ 4,889 | $ 4,889 | $ 9,611 | $ 3,722 |

# 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Taxes | $ 271,500 | $ 271,500 | $ 293,192 | $ (21,692) |
| Total Revenues | 271,500 | 271,500 | 293,192 | (21,692) |
| Expenditures: | | | | |
| Community development | 109,500 | 109,500 | 91,779 | 17,721 |
| Transfers out | 162,000 | 162,000 | 175,652 | (13,652) |
| Total Expenditures | 271,500 | 271,500 | 267,431 | 4,069 |
| Revenues And Other Financing Sources Over Expenditures | - | - | 25,761 | (25,761) |
| Fund (Deficit) - Beginning | (21) | (21) | (21) | - |
| Fund Balance (Deficit) - Ending | $ (21) | $ (21) | $ 25,740 | $ (25,761) |

# 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, 2014

| | 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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ - | $ - | $ - | $ - |
| Total Revenues | - | - | - | - |
| Expenditures: | | | | |
| Transfers out | - | - | 45,310 | (45,310) |
| Total Expenditures | - | - | 45,310 | (45,310) |
| Revenues And Other Financing Sources Over (Under) Expenditures | - | - | (45,310) | 45,310 |
| Fund Balance - Beginning | 123,563 | 123,563 | 123,563 | - |
| Fund Balance - Ending | $ 123,563 | $ 123,563 | $ 78,253 | $ 45,310 |

# CITY OF WAYCROSS, GEORGIA
## WAYFEST FUND
## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
## FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ 8,495 | $ 8,495 | $ 8,796 | $ (301) |
| Total Revenues | 8,495 | 8,495 | 8,796 | (301) |
| Expenditures: | | | | |
| Community development | 8,495 | 8,495 | 8,717 | (222) |
| Total Expenditures | 8,495 | 8,495 | 8,717 | (222) |
| Revenues And Other Financing Sources Over Expenditures | - | - | 79 | (79) |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | $ - | $ - | $ 79 | $ (79) |

CITY OF WAYCROSS, GEORGIA
LT JEFF LITTLE SCHOLARSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Miscellaneous | $ - | $ - | $ 580 | $ (580) |
| Total Revenues | - | - | 580 | (580) |
| Expenditures: | | | | |
| Community development | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Revenues And Other Financing Sources Over Expenditures | - | - | 580 | (580) |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | $ - | $ - | $ 580 | $ (580) |

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, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Investment earnings | $ - | $ - | $ 346 | $ (346) |
| Total Revenues | - | - | 346 | (346) |
| Expenditures: | | | | |
| Capital outlay | - | - | 247 | (247) |
| Total Expenditures | - | - | 247 | (247) |
| Revenues And Other Financing Sources Over Expenditures | - | - | 99 | (99) |
| Fund Balance - Beginning | 693,913 | 693,913 | 693,913 | - |
| Fund Balance - Ending | $ 693,913 | $ 693,913 | $ 694,012 | $ (99) |

# 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, 2014

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

# CITY OF WAYCROSS, GEORGIA
## LMIG FUND
## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
## FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | BUDGETED AMOUNTS | | ACTUAL AMOUNTS BUDGETARY BASIS | VARIANCE WITH FINAL BUDGET OVER (UNDER) |
|---|---|---|---|---|
| | ORIGINAL | FINAL | | |
| Revenues: | | | | |
| Intergovernmental | $ 163,358 | $ 163,358 | $ 413,358 | $ (250,000) |
| Total Revenues | 163,358 | 163,358 | 413,358 | (250,000) |
| Expenditures: | | | | |
| Capital outlay | 163,358 | 163,358 | - | 163,358 |
| Total Expenditures | 163,358 | 163,358 | - | 163,358 |
| Revenues And Other Financing Sources Over Expenditures | - | - | 413,358 | (413,358) |
| Fund Balance - Beginning | - | - | - | - |
| Fund Balance - Ending | $ - | $ - | $ 413,358 | $ (413,358) |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF NET POSITION
# INTERNAL SERVICE FUNDS
# JUNE 30, 2014

| | LIABILITY INSURANCE | HEALTH INSURANCE | RETIREMENT | WORKERS COMPENSATION | PAYROLL |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ 562,849 | $ 29,292 | $ 120,762 | $ 523,698 | $ 20,432 |
| Accounts Receivables, net | - | 13,204 | - | - | - |
| Due from other funds | 95,913 | - | 217,250 | 346,397 | 8 |
| Inventories | - | - | - | - | - |
| Prepaid Expenses | - | - | - | 28,586 | - |
| Total current assets | 658,762 | 42,496 | 338,012 | 898,681 | 20,440 |
| Non-current assets: | | | | | |
| Capital Assets: | | | | | |
| Buildings | - | - | - | - | - |
| Utility System | - | - | - | - | - |
| Equipment and Furniture | - | - | - | - | - |
| Less Accumulated depreciation | - | - | - | - | - |
| Total non-current assets | - | - | - | - | - |
| Total assets | 658,762 | 42,496 | 338,012 | 898,681 | 20,440 |
| **LIABILITIES** | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | - | 622,766 | - | 22,415 | 13,904 |
| Salaries payable | - | - | - | - | - |
| Due to other funds | - | 872,842 | - | - | - |
| Compensated absences | - | - | - | - | - |
| Total current liabilities | - | 1,495,608 | - | 22,415 | 13,904 |
| Total liabilities | - | 1,495,608 | - | 22,415 | 13,904 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | - | - | - | - | - |
| Unrestricted | 658,762 | (1,453,112) | 338,012 | 876,266 | 6,536 |
| Total net position | $ 658,762 | $ (1,453,112) | $ 338,012 | $ 876,266 | $ 6,536 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF NET POSITION
# INTERNAL SERVICE FUNDS
# JUNE 30, 2014

| | WAREHOUSE | CITY GARAGE | DATA PROCESSING | PUBLIC BUILDING | TOTAL INTERNAL SERVICE FUNDS |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | $ - | $ 6,402 | $ - | $ - | $ 1,263,435 |
| Accounts Receivables, net | - | - | - | - | 13,204 |
| Due from other funds | 60,273 | - | - | - | 719,841 |
| Inventories | - | 28,814 | - | - | 28,814 |
| Prepaid Expenses | - | - | - | - | 28,586 |
| Total current assets | 60,273 | 35,216 | - | - | 2,053,880 |
| Non-current assets: | | | | | |
| Capital Assets: | | | | | |
| Buildings | - | 138,321 | - | - | 138,321 |
| Utility System | - | 70,663 | - | - | 70,663 |
| Equipment and Furniture | - | 100,170 | - | - | 100,170 |
| Less Accumulated depreciation | - | (301,753) | - | - | (301,753) |
| Total non-current assets | - | 7,401 | - | - | 7,401 |
| Total assets | 60,273 | 42,617 | - | - | 2,061,281 |
| **LIABILITIES** | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 55,487 | 987 | - | - | 715,559 |
| Salaries payable | - | 2,410 | - | - | 2,410 |
| Due to other funds | - | - | - | - | 872,842 |
| Compensated absences | - | 16,645 | - | - | 16,645 |
| Total current liabilities | 55,487 | 20,042 | - | - | 1,607,456 |
| Total liabilities | 55,487 | 20,042 | - | - | 1,607,456 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | - | 7,401 | - | - | 7,401 |
| Unrestricted | 4,786 | 15,174 | - | - | 446,424 |
| Total net position | $ 4,786 | $ 22,575 | $ - | $ - | $ 453,825 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
# INTERNAL SERVICE FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | LIABILITY INSURANCE | HEALTH INSURANCE | RETIREMENT | WORKERS COMPENSATION | PAYROLL |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Charges for services | $ - | $ 460,549 | $ - | $ - | $ - |
| Operating contributions | 211,086 | 1,333,596 | 1,356,890 | 319,494 | - |
| Total operating revenues | 211,086 | 1,794,145 | 1,356,890 | 319,494 | - |
| **OPERATING EXPENSES** | | | | | |
| Personal services | - | - | - | - | 458 |
| Contractual services | - | - | - | - | - |
| Repairs and maintenance | - | - | - | - | - |
| Insurance claims and expenses | 233,742 | 2,110,071 | - | 367,628 | - |
| Retirement payments | - | - | 1,351,517 | - | - |
| Depreciation | - | - | - | - | - |
| Total operating expenses | 233,742 | 2,110,071 | 1,351,517 | 367,628 | 458 |
| Operating income (loss) | (22,656) | (315,926) | 5,373 | (48,134) | (458) |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | |
| Interest and investment revenue | - | - | - | - | 12 |
| Miscellaneous revenue | 3,100 | 45,355 | - | - | - |
| Total non-operating revenue (expenses) | 3,100 | 45,355 | - | - | 12 |
| Income (loss) before contributions and transfers | (19,556) | (270,571) | 5,373 | (48,134) | (446) |
| Transfers out | - | - | - | - | - |
| Change in net position | (19,556) | (270,571) | 5,373 | (48,134) | (446) |
| Total net position - beginning | 678,318 | (1,182,541) | 332,639 | 924,400 | 6,982 |
| Total net position - ending | $ 658,762 | $ (1,453,112) | $ 338,012 | $ 876,266 | $ 6,536 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
# INTERNAL SERVICE FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | WAREHOUSE | CITY GARAGE | DATA PROCESSING | PUBLIC BUILDING | TOTAL INTERNAL SERVICE FUNDS |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Charges for services | $ - | $ - | $ - | $ - | $ 460,549 |
| Operating grants and contributions | 93,104 | 348,880 | - | - | 3,663,050 |
| Total operating revenues | 93,104 | 348,880 | - | - | 4,123,599 |
| **OPERATING EXPENSES** | | | | | |
| Personal services | 103,067 | 297,959 | - | - | 401,484 |
| Contractual services | - | 19,414 | - | - | 19,414 |
| Repairs and maintenance | - | 31,090 | - | - | 31,090 |
| Insurance claims and expenses | - | - | - | - | 2,711,441 |
| Retirement payments | - | - | - | - | 1,351,517 |
| Depreciation | - | 4,867 | - | - | 4,867 |
| Total operating expenses | 103,067 | 353,330 | - | - | 4,519,813 |
| Operating income (loss) | (9,963) | (4,450) | - | - | (396,214) |
| **NON-OPERATING REVENUES (EXPENSES)** | | | | | |
| Interest and investment revenue | - | - | - | - | 12 |
| Miscellaneous revenue | - | - | - | - | 48,455 |
| Total non-operating revenue (expenses) | - | - | - | - | 48,467 |
| Income (loss) before contributions and transfers | (9,963) | (4,450) | - | - | (347,747) |
| Transfers out | - | - | (233,585) | (229,227) | (462,812) |
| Change in net position | (9,963) | (4,450) | (233,585) | (229,227) | (810,559) |
| Total net position - beginning | 14,749 | 27,025 | 233,585 | 229,227 | 1,264,384 |
| Total net position - ending | $ 4,786 | $ 22,575 | $ - | $ - | $ 453,825 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF CASH FLOWS
# INTERNAL SERVICE FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | LIABILITY INSURANCE | HEALTH INSURANCE | RETIREMENT | WORKERS COMPENSATION | PAYROLL |
|---|---|---|---|---|---|
| **Cash Flows From Operating Activities** | | | | | |
| Cash received from customers | $ 211,086 | $ 1,794,268 | $ 1,356,890 | $ 319,494 | $ - |
| Cash paid to suppliers | (233,742) | (1,838,760) | (1,351,517) | (382,593) | - |
| Cash paid to employees | - | - | - | - | (458) |
| Net Cash Provided By (Used In) Operating Activities | (22,656) | (44,492) | 5,373 | (63,099) | (458) |
| **Cash Flows From Noncapital Financing Activities** | | | | | |
| Miscellaneous non-operating revenue | 3,100 | 45,356 | - | - | - |
| Cash paid for transfer out | - | - | - | - | - |
| Net Cash Provided By (Used In) Noncapital Financing Activities | 3,100 | 45,356 | - | - | - |
| **Cash Flows From Capital And Related Financing Activities** | | | | | |
| Disposal of capital assets | - | - | - | - | - |
| Net Cash Provided By (Used In) Capital And Related Activities | - | - | - | - | - |
| **Cash Flows From Investing Activities** | | | | | |
| Interest on cash deposits | - | - | - | - | 12 |
| Net Cash Provided By (Used In) Investing Activities | - | - | - | - | 12 |
| Net Increase (Decrease) in Cash | (19,556) | 864 | 5,373 | (63,099) | (446) |
| Cash Beginning of Year | 582,405 | 28,428 | 115,389 | 586,797 | 20,878 |
| Cash at End of Year | $ 562,849 | $ 29,292 | $ 120,762 | $ 523,698 | $ 20,432 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | | | |
| Operating Income (Loss) | $ (22,656) | $ (315,926) | $ 5,373 | $ (48,134) | $ (458) |
| Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Depreciation and amortization | - | - | - | - | - |
| Change in Assets and Liabilities: | | | | | |
| Accounts receivable | - | 123 | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid expenses | - | - | - | (795) | - |
| Accounts payable | - | 271,311 | - | (14,170) | - |
| Accrued expenses | - | - | - | - | - |
| Net Cash Provided By (Used In) Operating Activities | $ (22,656) | $ (44,492) | $ 5,373 | $ (63,099) | $ (458) |
| Cash Per Financial Statements, Including Investments | $ 562,849 | $ 29,292 | $ 120,762 | $ 523,698 | $ 20,432 |
| Less: Non-Cash Equivalents | - | - | - | - | - |
| Total Cash | $ 562,849 | $ 29,292 | $ 120,762 | $ 523,698 | $ 20,432 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF CASH FLOWS
# INTERNAL SERVICE FUNDS
# FOR THE YEAR ENDED JUNE 30, 2014

| | WAREHOUSE | CITY GARAGE | DATA PROCESSING | PUBLIC BUILDING | TOTAL |
|---|---|---|---|---|---|
| **Cash Flows From Operating Activities** | | | | | |
| Cash received from customers | $ 93,104 | $ 350,104 | $ - | $ - | $ 4,124,946 |
| Cash paid to suppliers | 9,963 | (49,517) | 14,662 | - | (3,831,504) |
| Cash paid to employees | (103,067) | (297,724) | - | - | (401,249) |
| Net Cash Provided By (Used In) Operating Activities | - | 2,863 | 14,662 | - | (107,807) |
| **Cash Flows From Noncapital Financing Activities** | | | | | |
| Miscellaneous non-operating revenue | - | - | - | - | 48,456 |
| Cash paid for transfer out | - | - | (233,586) | (229,227) | (462,813) |
| Net Cash Provided By (Used In) Noncapital Financing Activities | - | - | (233,586) | (229,227) | (414,357) |
| **Cash Flows From Capital And Related Financing Activities** | | | | | |
| Disposal of capital assets | - | - | 21,574 | - | 21,574 |
| Net Cash Provided By (Used In) Capital And Related Activities | - | - | 21,574 | - | 21,574 |
| **Cash Flows From Investing Activities** | | | | | |
| Interest on cash deposits | - | - | - | - | 12 |
| Net Cash Provided By (Used In) Investing Activities | - | - | - | - | 12 |
| Net Increase (Decrease) In Cash | - | 2,863 | (197,350) | (229,227) | (500,578) |
| Cash Beginning of Year | - | 3,539 | 197,350 | 229,227 | 1,764,013 |
| Cash at End of Year | $ - | $ 6,402 | $ - | $ - | $ 1,263,435 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | | | | |
| Operating Income (Loss) | $ (9,963) | $ (4,450) | $ - | $ - | $ (396,214) |
| Adjustments To Reconcile Net Income (Loss) To Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Depreciation and amortization | - | 4,867 | - | - | 4,867 |
| Change in Assets and Liabilities: | | | | | |
| Accounts receivable | - | - | - | - | 123 |
| Inventories | - | 1,224 | - | - | 1,224 |
| Prepaid expenses | - | - | 14,662 | - | 13,867 |
| Accounts payable | 9,963 | 987 | - | - | 268,091 |
| Accrued expenses | - | 235 | - | - | 235 |
| Net Cash Provided By (Used In) Operating Activities | $ - | $ 2,863 | $ 14,662 | $ - | $ (107,807) |
| Cash Per Financial Statements, Including Investments | $ - | $ 6,402 | $ - | $ - | $ 1,263,435 |
| Less: Non-Cash Equivalents | - | - | - | - | - |
| Total Cash | $ - | $ 6,402 | $ - | $ - | $ 1,263,435 |

# CITY OF WAYCROSS, GEORGIA
# COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
# FIDUCIARY FUNDS
# JUNE 30, 2014

| | MUNICIPAL COURT | POLICE CONDEMNATION | TOTAL AGENCY FUNDS |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 111,081 | $ 47,867 | $ 158,948 |
| Total assets | 111,081 | 47,867 | 158,948 |
| **LIABILITIES** | | | |
| Refundable court bonds | 111,081 | - | 111,081 |
| Seized funds held | - | 47,867 | 47,867 |
| Total liabilities | $ 111,081 | $ 47,867 | $ 158,948 |

# 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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## 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, 2014, 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 22, 2014.

### 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 22, 2014

# 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, 2014

| | 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 | - | 532 | 285 | 247 | 532 | 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, 2014

| | ORIGINAL ESTIMATED COST | CURRENT ESTIMATED COST | PRIOR YEARS | CURRENT YEAR | TOTAL | ESTIMATED PERCENTAGE OF COMPLETION |
|---|---|---|---|---|---|---|
| Northwood Terrace | - | 23,078 | 23,078 | - | 23,078 | 100.00% |
| PR-6610-061-00 Contract #11A | 966,708 | 1,082,951 | 1,082,951 | - | 1,082,951 | 100.00% |
| PR-8351-025-01 Contract #10 | 1,199,857 | 1,363,237 | 1,363,237 | - | 1,363,237 | 100.00% |
| PR-8351-022-01 Central Avenue Drainage | - | 10,541 | 10,541 | - | 10,541 | 100.00% |
| City Boulevard Phase II, IV | - | 139,664 | 139,664 | - | 139,664 | 100.00% |
| 38 Connector Widening | - | 524,340 | 524,340 | - | 524,340 | 100.00% |
| PR-8351-036-01 Bazemore Park | - | 23,775 | 23,775 | - | 23,775 | 100.00% |
| Drainage Ditch Project | - | 52,559 | 52,559 | - | 52,559 | 100.00% |
| PR-8531-023-01 U.S. 1 Drainage - Baldwin Rental | - | 43,225 | 43,225 | - | 43,225 | 100.00% |
| Aerial Mapping | - | 6,252 | 6,252 | - | 6,252 | 100.00% |
| Senate Street | - | 350 | 350 | - | 350 | 100.00% |
| Shawnee Drive, Andrea Drive and Knight Avenue | - | 3,736 | 3,736 | - | 3,736 | 100.00% |
| Lee Avenue | - | 14,718 | 14,718 | - | 14,718 | 100.00% |
| Riverside, Dorothy, & Darling | - | 7,600 | 7,600 | - | 7,600 | 100.00% |
| Haines Street Improvements | - | 5,598 | 5,598 | - | 5,598 | 100.00% |
| Painting and Striping Streets | - | 23,639 | 23,639 | - | 23,639 | 100.00% |
| Riverside Drive - Drainage | - | 29,650 | 29,650 | - | 29,650 | 100.00% |
| Milling - Carswell Avenue | - | 20,000 | 20,000 | - | 20,000 | 100.00% |
| City Blvd - Lamar Johnson Project | - | 21,008 | 21,008 | - | 21,008 | 100.00% |
| Central Avenue & St Mary's St. Repairs | - | 5,962 | 5,962 | - | 5,962 | 100.00% |
| Traffic Light - Waycross College | - | 6,000 | 6,000 | - | 6,000 | 100.00% |
| Painting and Striping Streets | - | 123,968 | 123,968 | - | 123,968 | 100.00% |
| Materials - Misc. Street Repair Jobs | - | 128,513 | 128,513 | - | 128,513 | 100.00% |
| Portable Sewer Video Camera, Custom Built Trailer and Honda Generator | - | 30,000 | 30,000 | - | 30,000 | 100.00% |
| Oakland Cemetery | - | 5,467 | 5,467 | - | 5,467 | 100.00% |
| Railroad Relocation Project | 835,000 | 14,888 | 14,888 | - | 14,888 | 100.00% |
| City Boulevard Improvement Project - Phase II - RP-8351-039-01 | 589,501 | 689,375 | 689,375 | - | 689,375 | 100.00% |
| GIS Mapping Project | 751,469 | 5,145 | 5,145 | - | 5,145 | 100.00% |

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

| | 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 | $ 17,417,699 | $ 17,417,452 | $ 247 | $ 17,417,699 | |

# CITY OF WAYCROSS, GEORGIA
## SPLOST 2008-2013
## SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2014

| | ORIGINAL ESTIMATED COST | CURRENT ESTIMATED COST | PRIOR YEARS | CURRENT YEAR | TOTAL | ESTIMATED PERCENTAGE OF COMPLETION |
|---|---|---|---|---|---|---|
| Roads and Streets | $ 5,381,812 | $ 5,381,812 | $ 1,773,665 | $ 110,797 | $ 1,884,462 | 35.02% |
| Public Buildings | 3,600,000 | 3,600,000 | 1,435,459 | 1,381,979 | 2,817,438 | 78.26% |
| Information Technology | 75,000 | 75,000 | 55,601 | 5,320 | 60,921 | 81.23% |
| Water and Sewer Rehabilitation and Expansion | 2,000,000 | 2,000,000 | 187,904 | - | 187,904 | 9.40% |
| Fire and Special Purpose Vehicles | 1,350,000 | 1,350,000 | 665,211 | 634,811 | 1,300,022 | 96.30% |
| Property Acquisition and Demolition | 600,000 | 600,000 | 396 | 43,297 | 43,693 | 7.28% |
| Downtown Development Authority | 500,000 | 500,000 | - | 263,483 | 263,483 | 52.70% |
| Totals | $ 13,506,812 | $ 13,506,812 | $ 4,118,236 | $ 2,439,687 | $ 6,557,923 | |

# 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 | COMMUNITY DEVELOPMENT | DEBT SERVICE | CAPITAL OUTLAY | OPERATING TRANSFERS | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 2013-14 | 405,427 | 4,452,598 | 3,343,602 | 2,117,111 | - | 635,020 | 326,200 | - | - | 11,279,958 |

# 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 |
|---|---|---|---|---|---|---|---|---|
| 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 |
| 2013-14 | 8,900,997 | 906,685 | 372,867 | 26,326 | - | 238,652 | 131,691 | 10,577,218 |

# 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 |
|---|---|---|---|---|---|
| 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 |
| 2013-14 | 2,911,447 | 1,154,004 | 3,111,426 | 1,724,120 | 8,900,997 |

# 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 |
|---|---|---|---|---|---|---|---|
| 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 |
| 2013-14 | 3,098,651 | 2,805,407 | 90.5% | 106,040 | 2,911,447 | 94.0% | 347,706 |

# 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 |
|---|---|---|---|
| 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% |
| 2013-14 | 281,746,732 | 704,366,830 | 40% |

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

| | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
|---|---|---|---|---|---|---|---|---|---|---|
| Residential | $ 103,696,046 | $ 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 |
| Historic | 951,090 | 22,901 | 27,340 | 326,736 | 327,098 | 211,816 | 211,816 | 132,840 | 132,840 | 125,411 |
| Commercial | 131,515,432 | 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 |
| Industrial | 1,471,305 | 1,538,378 | 1,540,243 | 1,610,454 | 704,604 | 864,136 | 902,705 | 1,000,016 | 1,246,432 | 1,027,874 |
| Personal | - | - | - | - | - | - | - | - | - | - |
| Others | - | - | - | - | - | - | 2,759 | 28,721 | 24,145 | (3) 14,584 |
| Utilities | 36,489,611 | 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 |
| Motor Vehicles | 21,365,230 | 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 |
| Mobile Homes | 1,048,003 | 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 |
| Railroad Car (2) | - | - | - | - | - | - | - | - | - | - |
| | 296,536,717 | 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 |
| Exemptions (1) | (14,789,985) | (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) |
| Total (1) | $ 281,746,732 | $ 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 |

(1) All amounts are s All amounts are s All amounts are shown at 40% estimated actual value.
(2) Current railroad equipment valuation is omitted because City does not levy tax.
(3) Information not available to split assessed property value between commercial and personal.

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

| YEAR ENDING | CITY |
|---|---|
| 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 |
| 2013-14 | 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 |
|---|---|---|---|---|---|
| 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% | - |
| 2013-14 | 14,649 | 281,746,732 | - | 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 |
|---|---|---|---|---|---|---|
| 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% |
| 2013-14 | 326,200 | - | - | 326,200 | 11,279,958 | 2.89% |

# CITY OF WAYCROSS, GEORGIA
# COMPUTATION OF LEGAL DEBT MARGIN
# AND DIRECT AND OVERLAPPING DEBT
# JUNE 30, 2014

| | | |
|---|---|---|
| ASSESSED VALUE | $ | 281,746,732 |
| DEBT LIMIT: 10% OF ASSESSED VALUE | | 28,174,673 |
| LESS: DEBT APPLICATION TO DEBT LIMIT | | |
| GENERAL OBLIGATION INDEBTEDNESS | | 7,198,629 |
| LEGAL DEBT MARGIN | $ | 20,976,044 |
| | | |
| DIRECT AND OVERLAPPING DEBT | | |
| CITY'S DIRECT BONDED DEBT | $ | - |
| CITY'S OBLIGATION ON WATER AND SEWER LOAN | | 7,198,629 |
| BONDED DEBT OF OTHER OVERLAPPING | | |
| GOVERNMENTS ASSESSED AGAINST CITY TAXPAYERS | | - |
| TOTAL DIRECT AND OVERLAPPING DEBT | $ | 7,198,629 |

# 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) |
|---|---|---|---|---|
| 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 |
| 2013-14 | 6,037,587 | 4,787,467 | 1,250,120 | 1.23 |

(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, 2014

| | WATER | SEWER | TOTAL |
|---|---|---|---|
| 1. Ware Correctional Institute | $ 110,343 | $ 144,974 | $ 255,317 |
| 2. Mayo Clinic Health System | 46,084 | 60,655 | 106,739 |
| 3. Waycross Housing Authority | 22,912 | 30,116 | 53,028 |
| 4. CSX Transportation | 24,734 | 21,317 | 46,051 |
| 5. Ware County Commission | 12,526 | 16,240 | 28,766 |
| 6. Quality Inn | 10,233 | 13,310 | 23,543 |
| 7. Ware Manor Apartments | 9,856 | 12,706 | 22,562 |
| 8. Kinsman Invest LLC | 9,854 | 12,365 | 22,219 |
| 9. Flanders Provision Co. | 8,012 | 10,500 | 18,512 |
| 10. Ware County Board of Education | 7,324 | 9,355 | 16,679 |
| Total | $ 261,878 | $ 331,538 | $ 593,416 |

# CITY OF WAYCROSS, GEORGIA
# PRINCIPAL TAXPAYERS
# FOR THE YEAR ENDED JUNE 30, 2014

| | 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, 2014

| | |
|---|---|
| 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 | 14,649 |
| - 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 | 55 |
| Number of Calls Answered | 1,192 |
| Number of Inspections Conducted | 2,371 |
| Police Protection | |
| Number of Stations | 1 |
| Number of Police Personnel and Officers | 71 |
| 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 | 7,565 |
| 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, 2014

| | | |
|---|---|---|
| Water Accounts Active (Estimate) | | 6,276 |
| Sewere Accounts Active (Estimate) | | 5,771 |
| | | |
| Total Water Pumped - Gallons (Estimate) | | 835,383,000 |
| Total Water Consumed - Gallons (Estimate) | | 673,318,932 |
| | | |
| Total Water Billed | $ | 2,387,195 |
| Total Water Collected | $ | 2,478,606 |
| Total Sewer Billed | $ | 2,681,653 |
| Total Sewer Collected | $ | 2,638,912 |