

City of Statesboro, Georgia



*Comprehensive Annual Financial Report
for the Fiscal Year Ending June 30, 2009*

CITY OF STATESBORO POLICE STATION



In 2007, the City of Statesboro completed the \$6.4 million construction of a new 25,000 sq. foot Police Station. This facility will house 75 employees and will replace a thirty year old facility which was built to accommodate 36 employees. The project was funded by Special Purpose Local Option Sales Tax (SPLOST) and Capital Improvement Program funds with no debt incurred. Pictured above is the architect's rendering of the project.

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Comprehensive Annual Financial Report
For The Year Ended June 30, 2009

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(Unaudited)

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**Report on Internal Control Over Financial Reporting and on Compliance
And Other matters Based on an Audit of Financial Statements Performed
In Accordance with *Governmental Auditing Standards***



INTRODUCTION

CITY OF STATESBORO

COUNCIL

Thomas N. Blitch
Joe R. Brannen
William P. Britt
Travis L. Chance
Gary L. Lewis



William S. Hatcher II, Mayor
R. Shane Haynes, City Manager
Sue Starling, City Clerk
Sam Brannen, City Attorney

50 EAST MAIN STREET • P. O. BOX 348
STATESBORO, GEORGIA 30459-0348

January 27, 2010

To The Honorable Mayor, City Council,
and Citizens of the City of Statesboro:

The **Comprehensive Annual Financial Report (CAFR)** of the City of Statesboro, Georgia for the fiscal year ended June 30, 2009 is submitted herewith. This report was prepared by the City's Finance Department. Responsibility for the completeness and accuracy of the report rests with the City's management. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position, results of operations and cash flows of the City as measured by the financial activity of its various funds; that the statements and underlying financial data have been prepared in conformity with generally accepted accounting principles (GAAP) and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

City management's narrative on the financial activities of the City for the fiscal year ended June 30, 2009, is included in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the independent auditor's report. The letter of transmittal is written to compliment the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other CAFR sections.

PROFILE OF THE CITY

The City of Statesboro was created by an act of the General Assembly of the State of Georgia on December 19, 1803. The City operates under the Council/Manager form of government, providing the following services as authorized by its charter: public safety (police and fire), streets and drainage, community development, community services and general administrative services. The City also operates two public utilities (a water and sewer system and a natural gas distribution system) and provides sanitation collection and disposal services. The City and Bulloch County jointly operate a transfer station for transport of solid waste and an inert landfill.

The City reports a 2007 estimated population of, 25,953, which is based upon a special census conducted by the Department of Planning at the Georgia Institute of Technology, under contract to the Coastal Georgia Regional Development Center. This is less than 1% of the total State of Georgia population. 24.5% of the Bulloch County population lives below the federal poverty level as compared to 13% in the State of Georgia. However,

this number is impacted by the fact that 19,086 university students, when filling out census forms, do not have significant earned income. Georgia Southern University's Bureau of Business Research and Economic Development in a recent study confirmed that the non-student population has a much higher per capita income than the census for this reason; and, the university student population has a considerable amount of disposable income, though little earned income, as they are predominantly supported financially by parents.

The City of Statesboro is the county seat of Bulloch County, Georgia, located in the southeastern corner of the state. It is included on the southern leg of the Savannah River Parkway, a four-lane connector between Savannah and Augusta. It is located 53 miles west of Savannah, 76 miles south of Augusta, 121 miles east of Macon, 144 miles southwest of Charleston, SC, 168 miles north of Jacksonville, FL, and 199 miles southeast of Atlanta. Statesboro is 15 miles from Interstate 16, and is located on US Highways 301, 80, and 25, and State Routes 73, 46, 67, and 24.

The City is approximately 13.5 square miles with an average elevation of 240 feet above sea level, the terrain being mostly flat. The climate is seasonal, but moderate, with mild winters and warm, humid summers. The average temperature is 52 degrees in January and 82 degrees in July. The average annual rainfall is 47.0" and the relative humidity is 53% in January and 57% in July.

Statesboro is served by the Heart of Georgia Railway Company and numerous common freight carriers. The City and Bulloch County jointly own the Statesboro Municipal Airport that is located approximately 30 minutes from Interstate 16. It is 45 minutes from the Savannah/Hilton Head International Airport, which is serviced by 7 major airlines. The City of Statesboro also is located approximately fifty miles from the Georgia Ports Authority's Savannah terminal, and is within a reasonable distance of the ports of Charleston, Beaufort, Brunswick, and Jacksonville.

There are two institutions of higher learning located in the greater Statesboro area: Georgia Southern University (GSU) within the city limits, and Ogeechee Technical College just outside the city on US Highway 301 South. Accredited by the Southern Association of Colleges and Schools and Georgia's largest and most comprehensive center of higher education south of Atlanta, Georgia Southern offers more than 120 undergraduate and graduate degree programs through the doctoral level in its eight Colleges. The University's 19,086 students come from all 50 states and 90 nations.

Ogeechee Technical College is accredited by the Commission of the Council on Occupational Education and adheres to statewide curriculum standards established by the Georgia Department of Technical and Adult Education. OTC offers 125 programs of study including 37 diploma programs, 68 certificate programs, and 20 Associate degrees in conjunction with Georgia Southern University and East Georgia College. There are 15 public schools, 3 private and parochial schools, and 1 charter school in Bulloch County

educating the county's 9,476 students. A total of 614 seniors graduated from these schools in 2009.

Statesboro is a leader in health care in southeast Georgia with East Georgia Regional Medical Center, a 150-bed hospital, employing more than 730 staff and 81 physicians representing a wide range of specialties. The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations, a distinction that is awarded only to those healthcare facilities that maintain the highest standards of quality.

The City is served by 6 local radio stations, WHKN, WMCD, WPMX, WPTB, WWNS and WVGS, and one daily newspaper, the *Statesboro Herald*. In addition, the *Savannah Morning News* reports on the news in Statesboro. Statesboro is covered locally by Northland Cable TV, which is located in the city. The City of Statesboro, Georgia Southern University, and Northland Cable TV have partnered to provide the community with a local government access channel, operated by the Communication Arts Department of GSU. Three television stations in Savannah also cover Statesboro regularly: WTOG (CBS), WJCL (ABC), and WSAV (NBC).

The City has 118.5 miles of roads of which 117.5 are paved. Natural gas is sold to 3,436 customers while water and sewer service is provided by the City to over 13,000 customers with an average daily water consumption of 3.23 million gallons. Statesboro has 181 miles of sanitary sewer and 216 miles of water mains with 1,451 fire hydrants. The City maintains a Class 3 ISO rating with 2 fire stations.

Utilities are provided by the following within the City:

| | |
|-------------------------|---|
| City of Statesboro | Water and Sewer, Sanitation and Natural Gas |
| Excelsior EMC | Electricity |
| Georgia Power Company | Electricity |
| Frontier Communications | Telecommunications |
| Bulloch Rural Telephone | Telecommunications |
| Northland Cable TV | Cable Television |

ECONOMIC CONDITION AND OUTLOOK

Statesboro has an economy comprised of an industrial base, a growing university, expanding retail activity, and a regional medical center. The City has a highly diversified economy with several major industries located in the area and is a regional shopping center and health care provider for eight surrounding Georgia counties (Effingham, Screven, Jenkins, Emanuel, Candler, Evans, Tattnall, and Toombs).

The 2008 Bulloch County per capita income was \$13,017 or 51% of the State of Georgia per capita income. Per capita income is total personal income (including wages, dividends, interest, rent, and government payments) divided by the total population. It is commonly used as an indicator of the quality of consumer markets and the economic well being of a community. As noted above, this figure is actually skewed lower by the high

number of university students who do not report earned income, but have considerable disposable income.

The area offers many educational and vocational opportunities that provide a competitive advantage for a strong workforce. The November 2009 unemployment rate was 9.9%, just below the State of Georgia at 10.1% and the national rate of 10.0%. Approximately 20% of the Bulloch County civilian labor force is employed by the government sector including one of the City's largest employers, Georgia Southern University. Other government employers include Bulloch County, Bulloch County Board of Education, Ogeechee Technical College, and the City of Statesboro. Major private sector employers in the City include East Georgia Regional Medical Center and Wal-Mart Supercenter.

The City and County are experiencing moderate growth with the City approving 172 new building permits in 2008 and 166 in 2009. The cost of housing in Bulloch County is among the lowest in the nation. The average residential sales price is \$151,054. The median value of owner occupied units was \$135,700.

MAJOR INITIATIVES

For The Year. In FY 2009, the City completed several major projects and capital expenditures. Street and drainage projects for FY 2009 were primarily funded by SPLOST in the amount of \$353,460. The City expended \$234,000 on an intersection improvement at U.S. 301 South and Rucker Lane, and \$119,461 on street repaving. The City's Water and Sewer Department expended \$731,238 to extend water and sewer mains along Cawana Road. This project was funded by a Georgia Environmental Facilities Authority (GEFA) loan. SPLOST funds in the amount of \$365,124 were used to finance the extension of water mains on Jones Mill Road, engineering costs for the reclaimed water system and the extension of water and sewer lines out Lakeview Road, and the repairs of a well.

In FY 2009, construction began on the Downtown Streetscape project. In 2005, the City was awarded a \$530,000 Transportation Enhancement Grant (TE-21) to improve sidewalks and curb and gutter and for landscaping and the installation of decorative benches and lighting in the downtown area on East Main Street. An additional \$300,000 was approved to fund the West Main Street phase of the project.

In FY 2009, the City and County adopted the updated Comprehensive Plan. The Comprehensive Plan will guide them through the next 10 years. The update of the Comprehensive Plan will allow both jurisdictions to share data, partner on public involvement, and collaborate on important issues facing both the City and the County. This will result in a vision for the City that capitalizes on and preserves Statesboro's historic, cultural and economic resources while providing for a better quality of life for our citizens.

Equipment and vehicle replacements were included in the FY 2009 budget for the IT Department, Parks Department and Police Department. These replacements are part of a scheduled plan to maintain City equipment while reducing maintenance cost. Equipment replacements were also made in the Solid Waste Disposal and Solid Waste Collection Funds in the amount of \$618,370. The City also was awarded a \$345,875 State Homeland Security grant that provided equipment and training to prepare for and react to acts of

terrorism. The Fire Department was awarded a \$151,315 State Homeland Security grant that enabled the Fire Department to build and enhance capabilities to prevent, protect against, respond to, and recover from terrorist attacks, major disaster and other emergencies.

For The Future. A 2007 SPLOST initiative approved in July, 2006, will provide the City with an estimated \$21.7 million in funding for capital projects for FY 2008 - FY 2014. Several major projects are planned for FY 2010.

In FY 2010, landfill closure/post-closure expenses and air rights in the Wayne County Landfill will continue to be funded by 2007 SPLOST in the amount of \$1,166,000.

In FY 2010, the City is looking at refinancing various City water and sewer system bond and loan obligations. The refinancing of the higher interest loans will result in an approximate net present value savings of \$406,174 representing 6.0% of the City's prior debt balance. The City would also realize cash flow relief through the first seven years of the refinancing.

FINANCIAL INFORMATION

In developing and evaluating the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The City's accounting records for general governmental operations are maintained on a modified accrual basis and reported on the same basis at the fund financial reporting level. However, at the government-wide financial reporting level, these activities are presented on the accrual basis.

The City's enterprise funds account for the cost of services using an "economic resources" measurement focus. This means that all assets and liabilities (whether current or non-current) associated with the funds are included on their balance sheets. Their operating statements present increases (revenues) and decreases (expenses) in net total assets. The accrual basis of accounting is used for the proprietary funds.

Budgeting Controls. Budgets have been adopted and appropriated at the fund level for each City governmental fund. Budgetary control is maintained at the line-item level by the rendering of monthly reports of revenues and expenditures. Major variances between budget and actual are reviewed monthly with the City Council on an exceptions basis. Unexpended appropriations lapse at year-end for budgetary purposes and are subject to reappropriation in the following year.

Cash Management. It is the City's policy to aggressively pursue all revenues due to the

City including past due utility bills, court fines, and property taxes; and to pay all obligations on or before the due date. The City utilizes cash management and investment policies that emphasize safety of capital first, sufficient liquidity to meet obligations second, and the highest possible yield third.

The City currently has 9 bank accounts that service 19 funds. In 2008, the City's entire banking services were re-bid and a three-year contract was awarded to Branch Banking and Trust Company (BB &T). All City funds are deposited into a sweep investment account at a rate equal to the targeted federal funds rate multiplied by 102.5% (currently .18%).

Risk Management. The City of Statesboro is a member of the Georgia Interlocal Risk Management Agency (GIRMA). Administered by the Georgia Municipal Association, GIRMA is an intergovernmental risk-sharing fund created in 1987 to provide property and liability insurance coverage to Georgia local government entities. The City's coverage under this program includes property (including boiler and machinery), auto physical damage and liability, law enforcement liability, general liability, public officials' liability, employee benefits liability, pollution liability, and fidelity liability (including crime and all employee bonds). GIRMA contracts with Gallagher Basset for claims administration and with Willis Caroon for marketing and administrative support and technical assistance. Premiums are based on each individual city's loss experience and underwriting.

Long-term Financial Planning. The City of Statesboro maintains a flexible, yet thorough five year capital improvement plan whereby capital needs are identified several years before funding and implementation, to allow adequate time for planning. This plan also provides for the orderly replacement of facilities and equipment. The City's current five year plan has identified \$62,000,000 in projected expenditures through FY 2014; \$14,000,000 of this was budgeted for the 2009 fiscal year, of which \$10,000,000 million is for the extension and repair of water and sewer lines. In FY 2010, the City has budgeted \$9,000,000 in projected expenditures, with \$5,000,000 being funded from the 2007 Special Purpose Local Option Sales Tax. The projects funded from the 2007 SPLOST include \$510,000 in street projects, \$500,000 for fire equipment, \$500,000 for police vehicles, \$860,000 in water and sewer projects, \$300,000 for solid waste collection equipment, and \$1,200,000 for solid waste disposal projects.

Relevant Financial Policies. The City of Statesboro financial policies state that the City will not appropriate fund balance or net assets in any fund that would hinder meeting the reserve targets. However, with the recent recession, the City has opted to appropriate fund balance and net assets to cover revenue shortfall from business licenses and building permits and unexpected expenditures in the last quarter of the fiscal year. The City also implemented furlough days for all employees the last quarter of the fiscal year in order to reduce the amount of fund balance or net assets that would need to be used.

OTHER INFORMATION

Independent Audit. State law requires annual audits of the accounting records by independent certified public accountants selected by the City Council. This requirement has been met, and the auditor's opinion is included in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements are free

of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The auditor's examination encompassed the basic financial statements for the fiscal year ended June 30, 2009.


Awards. In 2009, the City received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. A Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award presented by the Government Finance Officers Association of the United States and Canada to government units whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting. A government must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. This is the fifth consecutive year the City has received this award.

Also in 2009, the City received the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2009 from the Government Finance Officers Association of the United States and Canada (GFOA). This award is the highest form of recognition in governmental budgeting. It is presented to governments whose budgets adhere to program standards and its attainment represents significant achievement by the organization in providing a budget document that clearly presents financial, accounting, and policy information. In order to receive this award a government must publish a budget document which meets program criteria as a policy document, financial plan, operations guide, and as a communications device. This is the sixth consecutive year the City has received this award. Both the Certificate of Achievement and the Distinguished Budget award are valid for a period of one year.

Acknowledgments. We wish to express our gratitude and appreciation to the members of the staff of the City of Statesboro Finance Department for their assistance and support in the preparation of this report. We wish to acknowledge the guidance and technical support provided by our independent auditors, Thigpen, Lanier, Westerfield & Deal. Finally, we acknowledge the interest and support of the Mayor and City Council. Their proactive involvement in the financial affairs of the City has not only fulfilled their fiduciary obligations to the public, it has made our job much easier.

Respectfully submitted,


R. Shane Haynes
City Manager


Cindy S. West
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Statesboro
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



CITY OF STATESBORO, GEORGIA MAYOR AND COUNCIL

William S. Hatcher, II Mayor



*In office since January 2000
Current term expires December 2009*

Tommy Blich District 1



*In office since 2004
Current term expires December 2009*

Gary L. Lewis District 2



*In office since January 1998
Current term expires December 2011*

William P. Britt District 3



*In office since January 2004
Current term expires December 2011*

Joe R. Brannen District 4



*In office since September 1998
Current term expires December 2009*

Travis L. Chance District 5



*In office since January 2008
Current term expires December 2011*

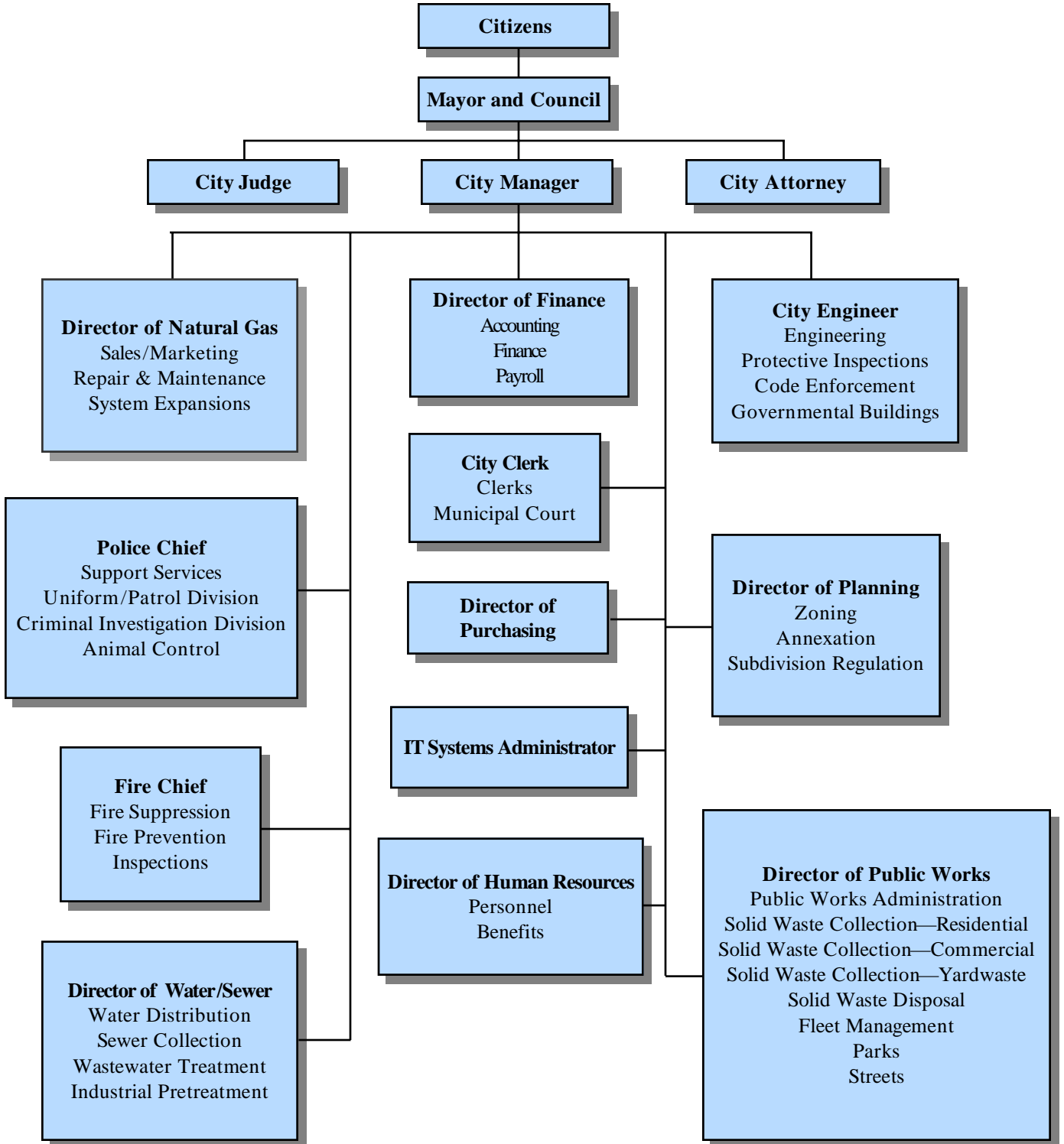
CITY OF STATESBORO, GEORGIA

APPOINTED PRINCIPAL OFFICIALS

As of June 30, 2009

| <u>NAME</u> | <u>POSITION</u> | <u>LENGTH OF TIME WITH CITY</u> |
|-------------------|---------------------------------|---|
| Shane Haynes | City Manager | 1 year |
| Sam Brannen | City Attorney | 43 years |
| Cindy West | Finance Director | 12 years |
| Sue Starling | City Clerk | 19 years |
| Jason Boyles | City Engineer | 8 years |
| Dennis Merrifield | Fire Chief | 3 years |
| Steve Hotchkiss | Natural Gas Director | 19 years |
| Christian Lentz | Planning Director | 1 year |
| Stan York | Police Chief | 33 years |
| Bobby Colson | Public Works Director | 22 years |
| Wayne Johnson | Water/Wastewater Director | 28 years |
| Seth LaVine | Information Technology Director | 1 year |

ORGANIZATIONAL CHART FOR THE CITY OF STATESBORO





FINANCIAL

THIGPEN, LANIER, WESTERFIELD & DEAL

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PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

MARSHALL R. THIGPEN, CPA
WILLIAM RUSSELL LANIER, CPA
JOSEPH S. WESTERFIELD, CPA
RICHARD N. DEAL, CPA
KAY S. PROCTOR, CPA
LEE ANN LANE, CPA
JENNIFER GROOMS, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Statesboro, Georgia

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Statesboro, Georgia as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Statesboro Fire Service Special Revenue Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2010, on our consideration of the City of Statesboro, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Statesboro, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, schedule of SPLOST expenditures, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and schedule of SPLOST expenditures have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Thigpen, Lanier, Westerfield + Deal

January 27, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Statesboro, Georgia's (the City's) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City had total net assets (assets exceeded liabilities) of \$58,887,538 at 2009 fiscal year-end. That is \$1,858,967 or 3.1%, lower than the total net assets of \$60,746,505 at 2008 fiscal year-end. Fiscal year 2008 had seen a \$1,755,530, or 3.0%, increase in total net assets.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$57,032,563 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. The figure for fiscal year 2008 was \$57,992,617. That is a decrease of \$960,054, or 1.7%. There was an increase of \$1,679,091, or 3.0%, for fiscal year 2008.
 - (2) Net assets of \$1,347,560 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations. That is \$160,493, or 13.5%, more than the fiscal year 2008 amount of \$1,187,067. That was \$484,402 (or 68.9%) more than fiscal year 2007's \$702,665.
 - (3) Unrestricted net assets of \$507,415 represent the portion available to maintain the City's continuing obligations to citizens and creditors. This is a \$1,059,406 (or 67.6%) decrease over the fiscal year 2008 total of \$1,566,821. That amount was a \$407,963 (or 20.7%) decrease over fiscal year 2007's figure of \$1,974,784. FY 2007 had seen a \$4,666,134 (or 70.3%) decrease over FY 2006's amount. In fiscal year 2009, unrestricted net assets for business-type activities decreased by \$355,762 primarily due to the Water and Sewer Operating Fund making an additional transfer to the General fund. The unrestricted net assets for the governmental activities in fiscal year 2009 declined by \$703,644 (or 48.7%) primarily due to the decline in building permits, business licenses, the settlement of a lawsuit by a former employee and the write off of a debt owed to the City by the Arts Council.
- The City's governmental funds reported total ending fund balance of \$2,068,826, compared to \$2,353,350 in fiscal year 2008. This is a \$284,524 (or 12.1%) decrease. The primary reason is the lawsuit settlement and the receivable write off mentioned above. The fiscal year 2008 ending fund balance for governmental funds showed an increase of \$982,956 (or 71.7%). Unreserved fund balance of \$1,883,772 for fiscal year 2009 is a \$286,339 (or 13.2%) decrease from fiscal year 2008. Unreserved fund balance of \$2,170,111 for fiscal year 2008 was a \$1,158,922 (or 114.6%) increase from the \$1,011,189 in fiscal year 2007.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$947,789, or 7.0% of total General Fund expenditures and transfers out in the next fiscal year's budget. That compares to \$1,478,379 or 11.2% of total General Fund expenditures and transfers out in fiscal year 2008. Fiscal year 2007's unreserved fund balance for the General Fund was \$2,595,299, or 18.9% of total General Fund expenditures.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

June 30, 2009

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference between them reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales and property taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and public works. Business-type activities include the natural gas distribution system, the water and wastewater systems, and the solid waste collection and disposal systems.

The government-wide financial statements are presented on pages 15 & 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all other (non-major) funds are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

1. *Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 17-23 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

2. *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as enterprise funds. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for gas, water and wastewater utilities; and for solid waste collection and disposal systems.

The basic enterprise fund financial statements are presented on pages 24-27 of this report.

June 30, 2009

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Supplementary Information

In addition to the basic financial statements and accompanying note disclosures, this report also presents certain required supplementary information concerning the City's budget presentations. The budgetary comparison statement is included as a basic financial statement for the general fund and the Statesboro Fire Service Fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget. During the fiscal year, the Mayor and City Council adopted by resolution three budget amendments, or revisions, to the original budget resolution.

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 51.

Financial Analysis of the City as a Whole

The City's net assets at fiscal year 2009 were \$58,887,538, compared to the fiscal year 2008 figure of \$60,746,505. The following table provides a summary of the City's net assets:

Summary of Net Assets

| | Governmental Activities | | Business-type Activities | | Total | | Percentage of Total | | |
|--|-------------------------|----------------------|--------------------------|----------------------|-------------------|-------------------|---------------------|-------------|--|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 | |
| Assets: | | | | | | | | | |
| Current assets | \$ 4,039,691 | \$ 4,765,091 | \$ 2,873,996 | \$ 4,084,405 | \$ 6,913,687 | \$ 8,849,496 | 9% | 11% | |
| Capital assets | 25,720,181 | 25,880,086 | 44,056,922 | 44,050,494 | 69,777,103 | 69,930,580 | 90% | 88% | |
| Other noncurrent assets | - | - | 435,998 | 460,625 | 435,998 | 460,625 | 1% | 1% | |
| Total assets | 29,759,872 | 30,645,177 | 47,366,916 | 48,595,524 | 77,126,788 | 79,240,701 | 100% | 100% | |
| Liabilities: | | | | | | | | | |
| Current liabilities | 2,197,448 | 2,422,488 | 2,270,460 | 2,879,385 | 4,467,908 | 5,301,873 | 24% | 29% | |
| Long-term liabilities | 1,888,862 | 2,150,060 | 11,882,480 | 11,042,263 | 13,771,342 | 13,192,323 | 76% | 71% | |
| Total liabilities | 4,086,310 | 4,572,548 | 14,152,940 | 13,921,648 | 18,239,250 | 18,494,196 | 100% | 100% | |
| Net assets: | | | | | | | | | |
| Investment in capital assets, net of debt | 23,985,317 | 23,841,321 | 33,047,246 | 34,151,296 | 57,032,563 | 57,992,617 | 97% | 95% | |
| Restricted | 948,367 | 787,786 | 399,193 | 399,281 | 1,347,560 | 1,187,067 | 2% | 2% | |
| Unrestricted | 739,878 | 1,443,522 | (232,463) | 123,299 | 507,415 | 1,566,821 | 1% | 3% | |
| Total net assets | \$ 25,673,562 | \$ 26,072,629 | \$ 33,213,976 | \$ 34,673,876 | 58,887,538 | 60,746,505 | 100% | 100% | |

The current ratio divides the current assets by the current liabilities, and is an indication of the ability to pay current obligations. For fiscal year 2009, the current ratio for governmental activities is 1.8 and 1.3 for business type activities. For fiscal year 2008, the current ratio for governmental activities was 2.0, and for business type activities 1.4. For the City, overall, the current ratio for fiscal year 2009 is 1.5, compared to 1.7 for fiscal year 2008. For fiscal year 2007, the current ratio for governmental activities was 2.1 and for business type activities 1.7. For the City, overall, the current ratio was 1.9. These ratios have remained fairly consistent for both the governmental activities and the business type activities in all three years.

Net assets for fiscal year 2009 decreased by \$399,067 for governmental activities, and by \$1,459,900 for business-type activities. Net assets for fiscal year 2008 increased by \$937,667 for governmental activities and by \$817,863 for business type activities. Net assets also increased in fiscal year 2007.

Note that in fiscal year 2009, 93.4%, and in fiscal year 2008, 91.4% of the governmental activities' net assets were invested in capital assets. On the business type activities, the City has spent 99.5% of its net assets in fiscal year 2009, and 98.5% in fiscal year 2008 on capital assets. This is not unusual, as the business type activities are primarily utilities, which are very capital-intensive operations. Expansion of these systems is necessary for the continued growth of the City and for its financial position, as these utility systems generate considerable revenues for all the City's operations. 96.8% in fiscal year 2009, and 95.5% in fiscal year 2008 of the City's total net assets were included in capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
June 30, 2009

City of Statesboro, Georgia

The following table provides a summary of the changes in net assets, with comparative data for both fiscal years 2009 and 2008:

| | 2009 | | | | 2008 | | | |
|----------------------------------|----------------------------|------------------------|---------------|------------------------|----------------------------|------------------------|---------------|------------------------|
| | Governmental Activities | Business Activities | Total | Percentage of Total | Governmental Activities | Business Activities | Total | Percentage of Total |
| Revenues: | | | | | | | | |
| Program: | | | | | | | | |
| Charges for services | \$ 3,525,530 | \$ 17,412,955 | \$ 20,938,485 | 65% | \$ 3,231,793 | \$ 18,208,538 | \$ 21,440,331 | 62% |
| Operating grants | 162,191 | 48,198 | 210,389 | 1% | 359,659 | 45,586 | 405,245 | 1% |
| Capital grants and contributions | 2,561,768 | 138,792 | 2,700,560 | 8% | 4,306,729 | 631,417 | 4,938,146 | 14% |
| General: | | | | | | | | |
| Taxes | 7,912,524 | - | 7,912,524 | 25% | 7,601,291 | - | 7,601,291 | 22% |
| Other | 34,097 | 239,090 | 273,187 | 1% | 100,435 | 321,195 | 421,630 | 1% |
| Total revenues | 14,196,110 | 17,839,035 | 32,035,145 | 100% | 15,599,907 | 19,206,736 | 34,806,643 | 100% |
| Program Expenses: | | | | | | | | |
| General government | 2,683,348 | - | 2,683,348 | 8% | 2,266,551 | - | 2,266,551 | 7% |
| Municipal court | 697,203 | - | 697,203 | 2% | 635,975 | - | 635,975 | 2% |
| Public safety | 8,465,499 | - | 8,465,499 | 25% | 7,978,175 | - | 7,978,175 | 24% |
| Public works | 2,452,550 | - | 2,452,550 | 7% | 2,531,841 | - | 2,531,841 | 8% |
| Community development | 539,771 | - | 539,771 | 2% | 495,059 | - | 495,059 | 1% |
| Parks and cemeteries | 533,706 | - | 533,706 | 2% | 528,039 | - | 528,039 | 2% |
| Engineering | 760,687 | - | 760,687 | 2% | 701,021 | - | 701,021 | 2% |
| Planning and zoning | 285,709 | - | 285,709 | 1% | 241,067 | - | 241,067 | 1% |
| Community services | 535,258 | - | 535,258 | 2% | 349,975 | - | 349,975 | 1% |
| Interest | 30,966 | - | 30,966 | 0% | 46,241 | - | 46,241 | 0% |
| Water and sewer | - | 6,557,573 | 6,557,573 | 19% | - | 6,394,274 | 6,394,274 | 19% |
| Gas | - | 5,040,258 | 5,040,258 | 15% | - | 5,299,783 | 5,299,783 | 16% |
| Solid waste collection | - | 2,026,631 | 2,026,631 | 6% | - | 1,968,174 | 1,968,174 | 6% |
| Solid waste disposal | - | 3,284,953 | 3,284,953 | 10% | - | 3,614,938 | 3,614,938 | 11% |
| Total expenses | 16,984,697 | 16,909,415 | 33,894,112 | 100% | 15,773,944 | 17,277,169 | 33,051,113 | 100% |
| Excess (deficiency) | (2,788,587) | 929,620 | (1,858,967) | | (174,037) | 1,929,567 | 1,755,530 | |
| Transfers | 2,389,521 | (2,389,521) | - | | 1,111,704 | (1,111,704) | - | |
| Change in net assets | (399,067) | (1,459,900) | (1,858,967) | | 937,667 | 817,863 | 1,755,530 | |
| Beginning net assets | 26,072,629 | 34,673,876 | 60,746,505 | | 25,134,962 | 33,856,013 | 58,990,975 | |
| Ending net assets | \$ 25,673,562 | \$ 33,213,976 | \$ 58,887,537 | | \$ 26,072,629 | \$ 34,673,876 | \$ 60,746,505 | |

GOVERNMENTAL REVENUES

Bulloch County (including the City of Statesboro) is one of only eight counties out of 159 in Georgia that do not receive any of the 1% Local Option Sales Tax (LOST). A local Constitutional Amendment was passed by the Georgia General Assembly in the 1981 Session (Georgia Laws, 1981, p. 1931) which called for a referendum on the question of whether or not the local option sales tax should go to the Bulloch County Board of Education, with a dollar for dollar reduction in the school property tax. (Boards of Education in Georgia are limited to a maximum millage rate of 20.) The referendum passed on November 2, 1982. Since that time, this money has gone to the Board of Education. Since most Georgia counties and cities negotiate a formula to distribute this sales tax among the county and city governments in that county, this puts both the City of Statesboro and Bulloch County government at a distinct disadvantage relative to almost all the other cities and counties in the state. It means that we have to rely more heavily on the local property tax and user fees than these other cities and counties. For example, if the City and County had equally split this approximately \$10,392,610 in local option sales taxes in fiscal year 2009, the City would have had \$5,196,305 in additional revenue. That is more than the City collected in property taxes. In effect, the City could have done away with its property tax levy totally if not for this local legislation and referendum in the early 1980's.

However, the City of Statesboro and Bulloch County (and the other cities in the county) do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums in both 2002 for a five-year term and in 2006 (beginning collections in 2007) for a six-year term. In fiscal year 2009, sales taxes of \$1,885,252 out of \$14,196,110 in total governmental funds revenues, or 13.3%, were received from the 2002 SPLOST and the 2007 SPLOST. However, \$1,371,792 of that money was transferred to the business-type funds for capital projects (water and sewer and solid waste disposal systems). Only \$513,460 remained for governmental activities, or only 3.6% of the governmental funds' total revenues. And all of that money was spent on capital outlay, not operating costs, as the SPLOST funds are earmarked by state law specifically for capital outlay only. Similarly, in fiscal year 2008, \$4,025,812 in sales taxes represented 25.8% of the \$15,573,876 in governmental funds revenues. But all of it was used to finance capital projects.

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 55.7% of revenues as compared to 48.7% in fiscal year 2008. Property taxes provided \$3,785,398 or 26.7% of the City's total governmental activities revenue as compared to 23.8% in fiscal year 2008.

Also, note that program revenues covered 36.8% in fiscal year 2009, and 50.1% in fiscal year 2008 of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues funded the remaining 63.2% in fiscal year 2009, and 49.9% in fiscal year 2008 of the governmental activities. As this documents, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety function comprises 49.8% of the City's total governmental activity expenses and 25.0% of the total City expenses in fiscal year 2009. In fiscal year 2008, the figures were 50.6% and 24.1% respectively. In fiscal year 2009, general government totaled 15.8% of the total governmental activity expense, and 7.9% of the total City expenses. In fiscal year 2008, general government totaled 14.3% of the total governmental activity expenses, and 6.9% of the total City expenses. Of the total \$17 million of governmental expenses, depreciation is 10.1% of that total. In fiscal year 2008, the numbers were \$15.8 million and 8.2% respectively.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

| | Governmental Activities | | 2008 | |
|-----------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | 2009 | | | |
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General government | \$ 2,683,348 | \$ 1,917,687 | \$ 2,266,551 | \$ 1,484,493 |
| Municipal court | 697,203 | 697,203 | 635,975 | 635,975 |
| Public safety | 8,465,499 | 5,209,571 | 7,978,175 | 5,134,967 |
| Public works | 2,452,550 | 330,787 | 2,531,841 | (1,576,587) |
| Community development | 539,771 | 539,771 | 495,059 | 490,559 |
| Parks and cemeteries | 533,706 | 533,706 | 528,039 | 528,039 |
| Engineering | 760,687 | 660,050 | 701,021 | 547,284 |
| Planning and zoning | 285,709 | 285,709 | 241,067 | 241,067 |
| Community services | 535,258 | 529,758 | 349,975 | 343,725 |
| Interest | 30,966 | 30,966 | 46,241 | 46,241 |
| Total | <u>16,984,698</u> | <u>\$ 10,735,209</u> | <u>15,773,944</u> | <u>\$ 7,875,763</u> |

For fiscal year 2009 and 2008, all functions required a subsidy from general revenues except for public works in fiscal year 2008. In fiscal year 2008, \$4,025,812 in SPLOST revenue received from the County was included in program revenue for public works.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Expenses

For fiscal year 2007, the operating revenues for the utility funds were 5.8% below fiscal year 2006, and operating expenses were 1.3% below fiscal year 2006. Within the total business type activities of the City, these activities reported \$1,021,728 in operating income, or a decrease of 46.1% compared to fiscal year 2006. After transfers in and out between other funds, these funds reported a profit of \$130,153, or a decrease of 66.9% compared to fiscal year 2006. . The primary reasons for this decrease were a reduction in the use of water and significant rate increases for electricity; and a significant reduction in natural gas usage due to a mild winter and higher gas prices. This decreased residential usage, and increased conservation by commercial customers.

For fiscal year 2008, the operating revenues for the utility funds were 3.5% higher than 2007 and operating expenses were .6% below fiscal year 2007. Within the total business type activities of the City, these activities reported \$1,751,428 in operating income, or an increase of 71.4% compared to fiscal year 2007. After transfers in and out between other funds, these funds reported a profit of \$939,555 or an increase of \$809,402 compared to fiscal year 2007. The primary reasons for this increase were due to a capital contribution for the Gateway Phase II Industrial Park water and sewer lines expansion and a decrease in the cost of natural gas.

For fiscal year 2009, the operating revenues for the utility funds were 4.5% lower than 2008 and operating expenses were 2.4% below fiscal year 2008. Within the total business type activities of the City, these activities reported \$1,328,682 in operating income, or a decrease of 24.1% compared to fiscal year 2008. After transfers in and out between other funds, these funds reported a loss of \$1,317,492, or a decrease of \$2,257,047, compared to fiscal year 2008. The primary reasons for this decrease were due to a decrease in water usage and larger transfers from the enterprise funds to the general fund.

Each specific fund reported the following operating income or loss:

| | 2009 | | 2008 | |
|-----------------------------|---------------|-----------------------|---------------|-----------------------|
| | <u>Amount</u> | <u>Percent Change</u> | <u>Amount</u> | <u>Percent Change</u> |
| Water and sewer fund | \$ 950,051 | (38.0)% | \$ 1,532,011 | 24.6% |
| Gas fund | \$1,004,836 | 6.9% | \$ 939,540 | 121.3% |
| Solid waste collection fund | \$ 537,567 | 1.4% | \$ 530,190 | 19.0% |
| Solid waste disposal fund | \$(1,163,772) | 6.9% | \$(1,250,313) | (16.0)% |

The operating income for the water and sewer fund decreased by 38.0% in fiscal year 2009 since operating revenues were down 6.2% and operating expenses were up 2.1%.

The gas fund's operating income increased by 6.9% over fiscal year 2008. Operating revenues were down 3.1% and operating expenses were down 4.9% primarily because of a decrease in the cost of natural gas.

The solid waste collection fund's operating income increased 1.4% from last year since operating revenues were 2.7% above fiscal year 2008 and expenses were 3.1% above fiscal year 2008.

Finally, the solid waste disposal fund's operating loss decreased by 6.9% from fiscal year 2008. Operating revenues decreased by 10.2% and operating expenses decreased by 9.1%. The revenues do not cover all expenses, and SPLOST is therefore used to make up the difference.

The City transfers resources from its enterprise funds to the general fund for the following reasons:

- Since the City does not do any indirect cost allocation, the transfers help cover the General Fund's indirect costs that could be charged to the enterprise funds as indirect costs. These costs include the various staff divisions, such as personnel, finance, purchasing, and records, as well as part of the City Manager's time.
- If these enterprise funds were privately owned, the City would be entitled to a franchise fee equal to 5% of the gross revenues, similar to CATV, electricity, or telephone service providers. These transfers offset some of these costs.
- If these enterprise funds were privately owned, the City would be entitled to property taxes on the property in service, net of accumulated depreciation, similar to CATV, electricity, or telephone service providers. These transfers are made in lieu of property taxes.
- If these enterprise funds were privately owned, their approved rate tariffs would include a reasonable return on shareholder equity. Since the City's taxpayers are in fact the investors who started and financed these operations, they are being rewarded with a comparable return on equity in the form of lower property taxes. This return can be made while still maintaining retail rates that are at or below the surrounding market prices offered by private utility companies. For example, the City's natural gas system rates are considerably lower than any investor-owned utility or private gas marketer in our geographic area.
- Hosting a sizable regional university, as well as being the county seat, results in a considerable amount of state and county property not being subject to property taxation. However, services such as police, fire, street repair and cleaning, and traffic signalization must be provided and expanded as needed, and must be funded from general revenues. Transfers from the enterprise funds help offset this burden, while sharing it more equitably among all citizens and institutions.

June 30, 2009

The solid waste disposal fund recognized a transfer in from the 2007 SPLOST fund of \$1,006,667 in fiscal year 2009, which was used for the purchase of landfill space (air rights) in the Wayne County Solid Waste Landfill and for post-closure costs for our Lakeview Landfill.

Financial Analysis of the City's Funds

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$2,068,826 in fiscal year 2009, compared to \$2,353,350 in fiscal year 2008, and \$1,370,394 in fiscal year 2007. Of these year-end totals, \$1,883,772 in fiscal year 2009, \$2,170,011 in fiscal year 2008, and \$1,011,189 in fiscal year 2007 was unreserved indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show a decrease in fiscal year 2009 of \$284,524 or 12.1% compared to an increase in fiscal year 2008 of \$982,956, or 71.7%. This fiscal year 2009 decrease is primarily the result of the events and programs described within the analysis of the City's governmental activities.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$527,298 in fiscal year 2009. The General Fund's fund balance decreased by \$1,115,834 in fiscal year 2008, and decreased by \$1,257,835 in fiscal year 2007. The decreases in 2007 through 2009 were planned uses of fund balance to help finance the Averitt Arts Center operations and the new Police Station.

Total taxes for the governmental fund were \$7,443,083, or 3.7% higher than in fiscal year 2008. Total property taxes in fiscal year 2009 was \$3,772,951 compared to \$3,715,709 in fiscal year 2008. In fiscal year 2008, total taxes were \$7,174,254, or 7.2% higher than the \$6,691,939 in fiscal year 2007.

The general fund's total expenditures increased by \$758,152 or 6.4%, in fiscal year 2009, compared to a decrease of \$1,646,567 or 12.3%, in fiscal year 2008. The fiscal year 2009 increase was due primarily to the settlement of a lawsuit by a former employee and the write off of a receivable from the Arts Council.

The General Fund's ending unreserved, undesignated fund balance of \$947,789 represents the equivalent of 7.0% of the \$13,616,920 in annual expenditures and transfers out budgeted for the next fiscal year. The City's overall cash flow varies little from month to month. The only real peak is in the December-February timeframe, when property taxes become due, then delinquent. The reason for this is that the utility revenues are fairly consistent on a monthly basis, and other General Fund revenues come in during months when property taxes do not. Given this relatively stable cash flow environment, the City has set a target for unreserved, undesignated fund balance in the General Fund of 25% of the next fiscal year's budgeted General Fund expenditures and transfers out. This provides more than adequate cash flow to handle these monthly fluctuations, while providing a cushion against any major unexpected events. The unreserved, undesignated fund balance is at 7.0%, below the 25% target set for undesignated fund balance. The governing body has adopted a conservative General Fund budget for FY 2010, and should begin replenishing this fund balance to a level equal to the targeted amount over an anticipated five-year period.

The Statesboro Fire Service Fund was created in fiscal year 2008. This fund accounts for the operations of the Statesboro Fire Department which serves all the citizens of Statesboro and county citizens within the five-mile fire district. This fund had a fund balance of \$527,242 at year end compared to \$405,509 at the end of fiscal year 2008. This represents a \$121,733 or 30.0% increase.

The 2007 SPLOST fund's ending unreserved, undesignated fund balance was \$117,201 for fiscal year 2009. This is an increase of \$53,998 over fiscal year 2008.

The Capital Improvements Program's unreserved, undesignated fund balance for fiscal year 2009 was (\$1,339). This was an increase of \$82,193 over 2008.

*June 30, 2009****The Proprietary Funds***

The proprietary funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Each of the fund statements give detailed information about their financial condition.

Budgetary Highlights

The General Fund – The revenue side of the budget was amended downward by \$216,195, or 2.1% primarily to reflect lower collections of licenses and permits. Overall, the City recognized revenues equal to 100.9% of budgeted revenues in the final appropriated budget. The total expenditure budget was increased through budget amendments by \$603,572 or 5.1%. Overall, the City recognized expenditures equal to \$214,216 more than, or 101.7%, of budgeted expenditures in the final appropriated budget. The budget for transfers in was amended upward by \$951,313, or 36.6% to reflect the increased transfers from the enterprise funds. The budget for transfers out was amended upward by \$207,000, or 14.7% to reflect the increased transfer to the Benefits Insurance Fund. In summary, the budget was overspent by 1.7%, while revenue estimates were .9% over.

On the revenue side of the budget, property taxes came in \$17,146 lower than the amended budget. Automobile taxes came in \$20,972 less than budgeted. Franchise fees came in \$34,907 more than budgeted. Licenses and Permits came in \$3,995 more than budgeted. The budgeted amount had been amended downward due to the decline in the construction industry. Fines and Forfeitures came in \$63,419 more than budgeted. In total, General Fund revenues came in \$89,510 more than the budgeted amount.

On the expenditure side, the City Clerk's Office, Police Department, Engineering, and Planning costs were considerably below the budgeted amounts. Governing Body, Human Resources, Streets and Arts Center exceeded the budget due to some end of year adjustments. Overall, the General Fund expenditures were \$214,216 more than budgeted.

Fund Balance was budgeted to decrease by \$348,639 primarily due to a decrease in licenses and permits and the settlement of a lawsuit. However, fund balance decreased by \$178,659 more than budgeted, to end at \$527,298 less than the previous year's fund balance.

The FY 2010 Budget for the General Fund has used very conservative revenue projections to build the fund balance as discussed earlier.

Capital Assets and Debt Administration***Capital Assets***

The City's investment in capital assets, net of accumulated depreciation, for governmental (including the fleet management internal service fund) and business-type activities as of June 30, 2009 was \$25,720,181 and \$44,056,922 respectively, for a total of \$69,777,103. That compares to fiscal year 2008 numbers of \$25,880,086 and \$44,050,494 respectively, for a total of \$69,930,580. The fiscal year 2009 totals in this net investment were a .6% decrease for governmental and a .01% increase for business-type activities. The overall decrease was .2% for the City as a whole. See Note 3D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets
(Amounts in Thousands)

| | Governmental Activities | | Business Activities | | Total | |
|-----------------------------------|-------------------------|---------------|---------------------|---------------|---------------|---------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 1,636,113 | \$ 1,636,113 | \$ 549,410 | \$ 518,933 | \$ 2,185,523 | \$ 2,155,046 |
| Construction in progress | 1,025,087 | 859,810 | 472,561 | 1,293,528 | 1,497,648 | 2,153,338 |
| Total non-depreciable | 2,661,200 | 2,495,923 | 1,021,971 | 1,812,461 | 3,683,171 | 4,308,384 |
| Depreciable assets: | | | | | | |
| Buildings | 14,059,521 | 13,802,209 | 2,020,491 | 2,020,491 | 16,080,012 | 15,822,700 |
| Improvements other than buildings | 372,622 | 312,083 | 59,975,086 | 57,981,363 | 60,347,708 | 58,293,446 |
| Machinery and equipment | 7,200,632 | 7,010,121 | 9,477,290 | 8,514,111 | 16,677,922 | 15,524,232 |
| Infrastructure | 11,613,800 | 10,968,423 | - | - | 11,613,800 | 10,968,423 |
| Total depreciable assets | 33,246,575 | 32,092,836 | 71,472,867 | 68,515,965 | 104,719,442 | 100,608,801 |
| Less accumulated depreciation | 10,187,594 | 8,708,673 | 28,437,916 | 26,277,932 | 38,625,510 | 34,986,605 |
| Book value - depreciable assets | 23,058,981 | 23,384,163 | 43,034,951 | 42,238,033 | 66,093,932 | 65,622,196 |
| Percentage depreciated | 31% | 27% | 40% | 38% | 37% | 35% |
| Total book value | \$ 25,720,181 | \$ 25,880,086 | \$ 44,056,922 | \$ 44,050,495 | \$ 69,777,103 | \$ 69,930,580 |

At June 30, 2009, the depreciable capital assets for governmental activities were 31% depreciated. This percentage is higher than the fiscal year 2008 amount of 27%.

The major increase in capital assets in fiscal year 2009 was several road projects and the acquisition of equipment for the police and fire department using grant proceeds.

In the City's business type activities, 40% of the asset values were depreciated at June 30, 2009. This percentage is higher than the fiscal year 2008 percentage of 38%.

In fiscal year 2009, the construction of the Cawana Road/GA 67 water and sewer line extensions were completed.

Long-term Debt

In fiscal year 2007, the capital leases decreased by \$23,676; the bonded debt decreased by \$600,000; and the notes payable increased by \$97,576. Combined, this represented a decrease in debt of \$526,100 or 4.6%.

At the end of fiscal year 2008, the bonded debt outstanding was reduced by \$245,000 to \$740,000. The notes payable for the water and sewer and natural gas systems increased by \$492,040 to \$9,220,542. The capital leases for governmental activities were increased by \$757,196 to \$2,038,765. Combined, that was an increase of long-term debt of \$1,004,236.

In fiscal year 2009, the capital leases increased by \$61,971; the bonded debt decreased by \$255,000; and the notes payable increases by \$975,068. Combined, this represented an increase of long-term debt of \$782,039.

Going forward, the City will be issuing revenue bonds to refinance some higher interest GEFA notes and provide funding for water and sewer projects that would allow the City to be well-positioned to capitalize on the commercial, industrial, and residential growth of this community in the next decade.

Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|------------------------------------|---------------------|-------------------------------------|----------------------|----------------------|----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Capital leases | \$ 1,734,864 | \$ 2,038,765 | \$ 365,872 | \$ - | \$ 2,100,736 | \$ 2,038,765 |
| Revenue bonds | - | - | 485,000 | 740,000 | 485,000 | 740,000 |
| Notes payable | - | - | 10,195,610 | 9,220,542 | 10,195,610 | 9,220,542 |
| Landfill closure and postclosure care | - | - | 1,831,935 | 1,965,761 | 1,831,935 | 1,965,761 |
| Compensated absences | 581,638 | 573,251 | 175,686 | 178,256 | 757,324 | 751,507 |
| Total | \$ 2,316,502 | \$ 2,612,016 | \$ 13,054,103 | \$ 12,104,559 | \$ 15,370,605 | \$ 14,716,575 |

See Note 3G for additional information about the City's long-term debt.

Economic Conditions Affecting the City

As of November 2009, the local unemployment rate was 9.9% which was slightly lower than the state rate of 10.1% and the national rate of 10.0%. Our local economy is experiencing the effects of the national recession, declines in the financial markets, and the recent credit crunch caused by substandard home mortgages. New residential construction and home sales have declined significantly.

As in the past, Statesboro's economy is influenced by a strong industrial base, a growing regional public university, a regional medical center and increasing medical specialties, and a regional retail base. This diversification should continue to help the local economy weather the current recession better than the nation as a whole.

The outlook long-term is considerably more upbeat. Coastal Georgia is projected to be one of the hottest real estate markets in the country over the next decade, as thousands of baby boomers seek inexpensive, warmer climates for retirement. That will fuel the housing, medical, and retail segments of our local economy as well. Georgia Southern University should continue its student body expansion. The new industrial park puts us in a prime position to benefit from additional industrial investment as the weakened dollar continues to attract capital to the United States. With our recent investments in water, sewer, natural gas, and roads, this community should be in an excellent position to benefit from these economic opportunities.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department at 50 East Main Street, Statesboro, Georgia, 30458, or call (912) 764-5468.



BASIC FINANCIAL STATEMENTS

City of Statesboro, Georgia
Statement of Net Assets
June 30, 2009

| | Primary Government | | | Component Unit |
|---|----------------------------|-----------------------------|----------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 2,098,761 | \$ 615,339 | \$ 2,714,100 | \$ 197,949 |
| Receivables: | | | | |
| Accounts | 104,674 | 1,739,106 | 1,843,780 | - |
| Taxes | 225,611 | - | 225,611 | - |
| Hotel/motel taxes | 44,154 | - | 44,154 | - |
| Intergovernmental | 489,401 | 15,875 | 505,276 | 5,129 |
| Notes | 185,056 | - | 185,056 | - |
| Internal balances | 482,708 | (482,708) | - | - |
| Inventory | 141,248 | 386,028 | 527,276 | - |
| Prepaid items | 268,078 | 118,341 | 386,419 | 1,019 |
| Restricted assets - Cash and cash equivalents | - | 482,015 | 482,015 | - |
| Total Current Assets | 4,039,691 | 2,873,996 | 6,913,687 | 204,097 |
| Noncurrent Assets | | | | |
| Restricted assets - Cash and cash equivalents | - | 399,192 | 399,192 | - |
| Deferred charges | - | 36,806 | 36,806 | - |
| Capital Assets: | | | | |
| Nondepreciable capital assets | 2,661,200 | 1,021,971 | 3,683,171 | - |
| Depreciable capital assets, net | 23,058,981 | 43,034,951 | 66,093,932 | 13,964 |
| Total Noncurrent Assets | 25,720,181 | 44,492,920 | 70,213,101 | 13,964 |
| Total Assets | 29,759,872 | 47,366,916 | 77,126,788 | 218,061 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 771,267 | 516,613 | 1,287,880 | 1,491 |
| Accrued payroll | 239,764 | - | 239,764 | 2,775 |
| Intergovernmental payable | - | 19,960 | 19,960 | - |
| Accrued interest payable | - | 80,249 | 80,249 | - |
| Claims payable | 400,000 | - | 400,000 | - |
| Unearned revenue | 193,561 | - | 193,561 | - |
| Other payables | 165,216 | - | 165,216 | - |
| Compensated absences payable | 116,328 | 35,137 | 151,465 | - |
| Capital leases payable | 311,312 | 73,175 | 384,487 | - |
| Notes payable | - | 662,586 | 662,586 | - |
| Revenue bonds payable | - | 270,000 | 270,000 | - |
| Customer deposits | - | 482,015 | 482,015 | - |
| Landfill post-closure care costs | - | 130,725 | 130,725 | - |
| Total Current Liabilities | 2,197,448 | 2,270,460 | 4,467,908 | 4,266 |
| Long-Term Liabilities: | | | | |
| Compensated absences payable (net of current portion) | 465,310 | 140,549 | 605,859 | - |
| Capital leases payable (net of current portion) | 1,423,552 | 292,697 | 1,716,249 | - |
| Revenue bonds payable (net of current portion) | - | 215,000 | 215,000 | - |
| Notes payable (net of current portion) | - | 9,533,024 | 9,533,024 | - |
| Landfill post-closure care costs (net of current portion) | - | 1,701,210 | 1,701,210 | - |
| Total Long-Term Liabilities | 1,888,862 | 11,882,480 | 13,771,342 | - |
| Total Liabilities | 4,086,310 | 14,152,940 | 18,239,250 | 4,266 |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 23,985,317 | 33,047,246 | 57,032,563 | 13,964 |
| Restricted for: | | | | |
| Capital projects | 137,990 | - | 137,990 | - |
| Program purposes | 810,377 | - | 810,377 | - |
| Revenue bond retirement | - | 199,193 | 199,193 | - |
| Renewal and extension | - | 200,000 | 200,000 | - |
| Unrestricted | 739,878 | (232,463) | 507,415 | 199,831 |
| Total Net Assets | \$ 25,673,562 | \$ 33,213,976 | \$ 58,887,538 | \$ 213,795 |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Balance Sheet
Governmental Funds
June 30, 2009

| | General | Statesboro Fire Service | 2002 SPLOST | 2007 SPLOST | Capital Improvements Program | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------|-------------------|-------------------|------------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 515,690 | \$ 509,905 | \$ - | \$ 377,098 | \$ 168,035 | \$ 193,934 | \$ 1,764,662 |
| Receivables: | | | | | | | |
| Accounts | 49,468 | - | - | - | - | - | 49,468 |
| Taxes | 225,611 | - | - | - | - | - | 225,611 |
| Hotel/motel taxes | - | - | - | - | - | 44,154 | 44,154 |
| Intergovernmental | 25,603 | 58,635 | 72,770 | 97,223 | - | 235,170 | 489,401 |
| Interfund | 1,151,225 | - | 154,317 | 46,274 | - | - | 1,351,816 |
| Notes | - | - | - | - | - | 185,056 | 185,056 |
| Prepaid items | 174,009 | 11,045 | - | - | - | - | 185,054 |
| Total Assets | \$ 2,141,606 | \$ 579,585 | \$ 227,087 | \$ 520,595 | \$ 168,035 | \$ 658,314 | \$ 4,295,222 |
| Liabilities | | | | | | | |
| Accounts payable | \$ 504,802 | \$ 40,546 | \$ 6,740 | \$ 111,727 | \$ 15,057 | \$ 59,924 | \$ 738,796 |
| Accrued payroll and payroll taxes | 239,764 | - | - | - | - | - | 239,764 |
| Interfund payable | 46,274 | - | 167,251 | 291,667 | 154,317 | 193,817 | 853,326 |
| Deferred revenue | 160,733 | 11,797 | 53,096 | - | - | 3,668 | 229,294 |
| Other liabilities | 68,235 | - | - | - | - | 96,981 | 165,216 |
| Total Liabilities | 1,019,808 | 52,343 | 227,087 | 403,394 | 169,374 | 354,390 | 2,226,396 |
| Fund Balances | | | | | | | |
| Reserved for prepaid items | 174,009 | 11,045 | - | - | - | - | 185,054 |
| Unreserved: | | | | | | | |
| Undesignated, reported in: | | | | | | | |
| General fund | 947,789 | - | - | - | - | - | 947,789 |
| Special revenue funds | - | 516,197 | - | - | - | 283,135 | 799,332 |
| Capital projects funds | - | - | - | 117,201 | (1,339) | 20,789 | 136,651 |
| Total Fund Balances | 1,121,798 | 527,242 | - | 117,201 | (1,339) | 303,924 | 2,068,826 |
| Total Liabilities and Fund Balances | \$ 2,141,606 | \$ 579,585 | \$ 227,087 | \$ 520,595 | \$ 168,035 | \$ 658,314 | \$ 4,295,222 |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2009

| | | |
|--|--------------------|--------------------------|
| Total Governmental Fund Balances | \$ | 2,068,826 |
| Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because: | | |
| Capital assets used in governmental activities (excludes internal service funds) are not financial resources and therefore are not reported in the funds: | | |
| Cost | \$ 35,501,051 | |
| Less accumulated depreciation | <u>(9,965,493)</u> | 25,535,558 |
| Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: | | |
| Property taxes | | 35,733 |
| The internal service funds are used by management to charge the costs of the operation and maintenance of the vehicle fleet and health insurance to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net assets. | | |
| | | 333,560 |
| Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets: | | |
| Interfund receivables | \$ 394,408 | |
| Interfund payables | <u>(394,408)</u> | - |
| Liabilities, including capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net assets: | | |
| Capital leases payable | \$ (1,734,864) | |
| Compensated absences | <u>(565,251)</u> | <u>(2,300,115)</u> |
| Net Assets Of Governmental Activities | \$ | <u>25,673,562</u> |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2009

| | General | Statesboro Fire Service | 2002 SPLOST | 2007 SPLOST | Capital Improvements Program | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------|------------------|--------------------|------------------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | | |
| Property taxes | \$ 3,772,951 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,772,951 |
| Insurance premium taxes | 1,270,366 | - | - | - | - | - | 1,270,366 |
| Franchise taxes | 1,587,617 | - | - | - | - | - | 1,587,617 |
| Other taxes | 812,149 | - | - | - | - | - | 812,149 |
| Hotel/motel taxes | - | - | - | - | - | 456,994 | 456,994 |
| Intergovernmental | 98,461 | 122,369 | 718,585 | 1,166,667 | 190,214 | 427,663 | 2,723,959 |
| Licenses and permits | 703,815 | - | - | - | - | - | 703,815 |
| Fines and forfeitures | 1,656,479 | - | - | - | - | 109,631 | 1,766,110 |
| Charges for services | 198,489 | 857,116 | - | - | - | - | 1,055,605 |
| Investment earnings | - | 2,082 | - | 4,401 | 1,648 | 365 | 8,496 |
| Miscellaneous | 32,034 | 2,038 | - | - | - | 4,626 | 38,698 |
| Total Revenues | 10,132,361 | 983,605 | 718,585 | 1,171,068 | 191,862 | 999,279 | 14,196,760 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 2,461,925 | - | - | - | - | - | 2,461,925 |
| Municipal court | 684,444 | - | - | - | - | - | 684,444 |
| Public safety | 5,273,011 | 2,271,516 | - | - | - | 428,641 | 7,973,168 |
| Public works | 1,779,706 | - | - | - | - | - | 1,779,706 |
| Community development | 82,555 | - | - | - | - | 456,994 | 539,549 |
| Parks and cemeteries | 444,407 | - | - | - | - | - | 444,407 |
| Engineering | 721,165 | - | - | - | - | - | 721,165 |
| Planning and zoning | 290,564 | - | - | - | - | - | 290,564 |
| Community services | 436,326 | - | - | - | - | - | 436,326 |
| Capital Outlay | - | - | 353,460 | 110,403 | 470,074 | 128,794 | 1,062,731 |
| Debt Service: | | | | | | | |
| Principal retirement | 347,306 | - | - | - | - | - | 347,306 |
| Interest and fiscal charges | 30,966 | - | - | - | - | - | 30,966 |
| Total Expenditures | 12,552,375 | 2,271,516 | 353,460 | 110,403 | 470,074 | 1,014,429 | 16,772,257 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,420,014) | (1,287,911) | 365,125 | 1,060,665 | (278,212) | (15,150) | (2,575,497) |
| Other Financing Sources (Uses) | | | | | | | |
| Sale of capital assets | 8,047 | - | - | - | - | - | 8,047 |
| Transfers in | 3,501,313 | 1,409,644 | - | - | 317,000 | - | 5,227,957 |
| Transfers out | (1,616,644) | - | (365,125) | (1,006,667) | - | - | (2,988,436) |
| Inception of capital lease obligations | - | - | - | - | 43,405 | - | 43,405 |
| Total Other Financing Sources (Uses) | 1,892,716 | 1,409,644 | (365,125) | (1,006,667) | 360,405 | - | 2,290,973 |
| Net Change in Fund Balances | (527,298) | 121,733 | - | 53,998 | 82,193 | (15,150) | (284,524) |
| Fund Balances Beginning of Year | 1,649,096 | 405,509 | - | 63,203 | (83,532) | 319,074 | 2,353,350 |
| Fund Balances End of Year | \$ 1,121,798 | \$ 527,242 | \$ - | \$ 117,201 | \$ (1,339) | \$ 303,924 | \$ 2,068,826 |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2009

| | | |
|--|--------------------|----------------------------|
| Net Changes In Fund Balances - Total Governmental Funds | | \$ (284,524) |
| Amounts reported for governmental activities in the statement of activities are different because | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period. | | |
| Depreciation expense | \$ (1,691,557) | |
| Capital outlay | <u>1,449,234</u> | (242,323) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes: | | |
| Deferred @ 6/30/08 | \$ 35,733 | |
| Deferred @ 6/30/07 | <u>(23,286)</u> | 12,447 |
| Elimination of transfers between governmental funds: | | |
| Transfers in | \$ 1,416,644 | |
| Transfers out | <u>(1,416,644)</u> | - |
| Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities | | |
| | | (25,272) |
| The internal service funds used by management to charge the the costs of self-insurance and fleet management to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. | | |
| | | (152,277) |
| Other financing sources for the inception of capital leases are reported on the fund level operating statement but are reported as a liability on the governmental-wide financial statements | | |
| | | (43,405) |
| Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | | |
| | | 347,306 |
| Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Liability @ 6/30/09 | \$ (565,251) | |
| Liability @ 6/30/08 | <u>554,232</u> | (11,019) |
| Change In Net Assets of Governmental Activities | | <u><u>\$ (399,067)</u></u> |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 3,612,916 | \$ 3,599,069 | \$ 3,581,923 | \$ (17,146) |
| Automobiles | 212,000 | 212,000 | 191,028 | (20,972) |
| Franchise | 1,554,485 | 1,552,710 | 1,587,617 | 34,907 |
| Insurance premium | 1,293,995 | 1,270,367 | 1,270,366 | (1) |
| Alcoholic beverage | 684,000 | 688,000 | 683,371 | (4,629) |
| Other | 116,975 | 104,575 | 128,778 | 24,203 |
| Licenses and permits | 831,515 | 699,820 | 703,815 | 3,995 |
| Intergovernmental | 90,000 | 90,000 | 98,461 | 8,461 |
| Charges for services | 171,000 | 182,150 | 198,489 | 16,339 |
| Fines and forfeitures | 1,610,560 | 1,593,060 | 1,656,479 | 63,419 |
| Investment earnings | 30,000 | 10,000 | - | (10,000) |
| Miscellaneous | 51,600 | 41,100 | 32,034 | (9,066) |
| Total Revenues | 10,259,046 | 10,042,851 | 10,132,361 | 89,510 |
| Expenditures | | | | |
| Current: | | | | |
| General government | | | | |
| Governing body | 194,187 | 224,147 | 399,844 | (175,697) |
| City manager's office | 467,776 | 455,405 | 457,380 | (1,975) |
| City clerk's office | 570,414 | 570,414 | 523,584 | 46,830 |
| Elections | 1,250 | 1,250 | 170 | 1,080 |
| Financial administration | 590,371 | 587,421 | 581,311 | 6,110 |
| Information technology | 161,044 | 197,494 | 194,870 | 2,624 |
| Human resources | 140,561 | 140,561 | 150,424 | (9,863) |
| Government buildings | - | 89,285 | 86,373 | 2,912 |
| Records management | 10,150 | 37,150 | 36,095 | 1,055 |
| General administration fees | 31,381 | 31,381 | 31,874 | (493) |
| Total general government | 2,167,134 | 2,334,508 | 2,461,925 | (127,417) |
| Municipal court | 643,118 | 683,118 | 684,444 | (1,326) |

(continued)

City of Statesboro, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

(continued)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|----------------------------|-------------------------|---------------------|---|
| Public safety | | | | |
| Police | \$ 5,014,180 | \$ 5,319,080 | \$ 5,233,278 | \$ 85,802 |
| Emergency management | 5,000 | 5,000 | 5,000 | - |
| Animal control | 46,369 | 46,369 | 34,733 | 11,636 |
| Total public safety | 5,065,549 | 5,370,449 | 5,273,011 | 97,438 |
| Streets/public works | 1,781,259 | 1,754,832 | 1,779,706 | (24,874) |
| Parks and cemeteries | 441,490 | 441,490 | 444,407 | (2,917) |
| Engineering | 695,673 | 780,973 | 721,165 | 59,808 |
| Planning and zoning | 358,408 | 313,108 | 290,564 | 22,544 |
| Community services | | | | |
| Arts Center | 142,420 | 143,645 | 399,389 | (255,744) |
| Other | 40,600 | 40,600 | 36,937 | 3,663 |
| Total community services | 183,020 | 184,245 | 436,326 | (252,081) |
| Community development | 64,436 | 82,936 | 82,555 | 381 |
| Debt Service: | | | | |
| Principal retirement | 267,500 | 337,365 | 347,306 | (9,941) |
| Interest and fiscal charges | 67,000 | 55,135 | 30,966 | 24,169 |
| Total Debt Service | 334,500 | 392,500 | 378,272 | 14,228 |
| Total Expenditures | 11,734,587 | 12,338,159 | 12,552,375 | (214,216) |
| (Deficiency) of Revenues (Under) Expenditures | (1,475,541) | (2,295,308) | (2,420,014) | (124,706) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,600,000 | 3,551,313 | 3,501,313 | (50,000) |
| Transfers out | (1,409,644) | (1,616,644) | (1,616,644) | - |
| Sale of capital assets | 12,000 | 12,000 | 8,047 | (3,953) |
| Total Other Financing Sources (Uses) | 1,202,356 | 1,946,669 | 1,892,716 | (53,953) |
| Net Change in Fund Balances | \$ (273,185) | \$ (348,639) | (527,298) | \$ (178,659) |
| Fund Balances Beginning of Year | | | 1,649,096 | |
| Fund Balances End of Year | | | \$ 1,121,798 | |

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Statesboro Fire Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 8,477 | \$ 122,369 | \$ 113,892 |
| Charges for services | 835,931 | 836,564 | 857,116 | 20,552 |
| Investment earnings | - | 1,162 | 2,082 | 920 |
| Miscellaneous | - | 2,018 | 2,038 | 20 |
| Total Revenues | <u>835,931</u> | <u>848,221</u> | <u>983,605</u> | <u>135,384</u> |
| Expenditures | | | | |
| Current: | | | | |
| Fire | <u>2,378,958</u> | <u>2,378,958</u> | <u>2,271,516</u> | <u>107,442</u> |
| (Deficiency) of Revenues (Under) Expenditures | (1,543,027) | (1,530,737) | (1,287,911) | 242,826 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>1,409,644</u> | <u>1,409,644</u> | <u>1,409,644</u> | <u>-</u> |
| Net Change in Fund Balances | <u>\$ (133,383)</u> | <u>\$ (121,093)</u> | 121,733 | <u>\$ 242,826</u> |
| Fund Balances Beginning of Year | | | <u>405,509</u> | |
| Fund Balances End of Year | | | <u>\$ 527,242</u> | |

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2009

| | Business-type Activities - Enterprise Funds | | | | | Total | Governmental Activities - Internal Service Funds |
|--|--|---------------------------|---------------------|---------------------------|-------------------------|-------------------|---|
| | Water and Sewer | Reclaimed Water System | Gas | Solid Waste Collection | Solid Waste Disposal | | |
| Assets | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and cash equivalents | \$ 431,138 | \$ - | \$ 183,951 | \$ - | \$ 250 | \$ 615,339 | \$ 334,099 |
| Receivables: | | | | | | | |
| Accounts | 448,365 | - | 200,859 | 119,778 | 10,959 | 779,961 | 55,206 |
| Unbilled accounts | 415,506 | - | 168,252 | 205,761 | 169,626 | 959,145 | - |
| Intergovernmental | - | - | 15,875 | - | - | 15,875 | - |
| Interfund | 167,251 | - | - | 1,609 | 291,667 | 460,527 | - |
| Inventory | 300,668 | - | 85,360 | - | - | 386,028 | 141,248 |
| Prepaid items | 62,855 | - | 23,347 | 23,460 | 8,679 | 118,341 | 83,024 |
| Restricted assets - Cash and cash equivalents | 395,150 | - | 86,865 | - | - | 482,015 | - |
| Total Current Assets | 2,220,933 | - | 764,509 | 350,608 | 481,181 | 3,817,231 | 613,577 |
| Noncurrent Assets: | | | | | | | |
| Restricted Assets: | | | | | | | |
| Cash and cash equivalents | 399,192 | - | - | - | - | 399,192 | - |
| Deferred Charges | 36,806 | - | - | - | - | 36,806 | - |
| Capital Assets: | | | | | | | |
| Land | 347,981 | - | 78,004 | - | 123,425 | 549,410 | - |
| Construction in progress | 308,324 | 89,492 | 14,125 | - | 60,620 | 472,561 | - |
| Depreciable capital assets, net | 37,332,592 | - | 2,825,820 | 1,048,074 | 1,828,465 | 43,034,951 | 184,623 |
| Total Noncurrent Assets | 38,424,895 | 89,492 | 2,917,949 | 1,048,074 | 2,012,510 | 44,492,920 | 184,623 |
| Total Assets | 40,645,828 | 89,492 | 3,682,458 | 1,398,682 | 2,493,691 | 48,310,151 | 798,200 |
| Liabilities | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 167,493 | - | 170,393 | 74,269 | 104,458 | 516,613 | 32,471 |
| Accrued payroll | - | - | - | - | - | - | - |
| Intergovernmental payable | - | - | 19,960 | - | - | 19,960 | - |
| Compensated absences payable | 23,042 | - | 4,441 | 5,082 | 2,571 | 35,137 | 3,278 |
| Notes payable | 603,137 | - | 59,449 | - | - | 662,586 | - |
| Capital leases payable | - | - | 6,690 | 40,567 | 25,918 | 73,175 | - |
| Revenue bonds payable | 270,000 | - | - | - | - | 270,000 | - |
| Customer deposits | 395,150 | - | 86,865 | - | - | 482,015 | - |
| Landfill post-closure care costs | - | - | - | - | 130,725 | 130,725 | - |
| Accrued interest | 77,467 | - | 2,782 | - | - | 80,249 | - |
| Claims payable | - | - | - | - | - | - | 400,000 |
| Interfund payable | - | - | - | 1,001 | 958,016 | 959,017 | - |
| Total Current Liabilities | 1,536,289 | - | 350,580 | 120,919 | 1,221,688 | 3,229,477 | 435,749 |
| Long-Term Liabilities: | | | | | | | |
| Compensated absences payable (net of current portion) | 92,170 | - | 17,766 | 20,328 | 10,286 | 140,549 | 13,109 |
| Landfill post-closure care costs (net of current portion) | - | - | - | - | 1,701,210 | 1,701,210 | - |
| Notes payable (net of current portion) | 9,198,075 | - | 334,949 | - | - | 9,533,024 | - |
| Capital leases payable (net of current portion) | - | - | 26,758 | 162,267 | 103,672 | 292,697 | - |
| Revenue bonds payable (net of current portion) | 215,000 | - | - | - | - | 215,000 | - |
| Total Long-Term Liabilities | 9,505,245 | - | 379,473 | 182,595 | 1,815,168 | 11,882,480 | 13,109 |
| Total Liabilities | 11,041,534 | - | 730,053 | 303,514 | 3,036,856 | 15,111,957 | 448,858 |
| Net Assets | | | | | | | |
| Invested in capital assets, net of related debt | 27,739,491 | 89,492 | 2,490,103 | 845,240 | 1,882,920 | 33,047,246 | 184,623 |
| Restricted for revenue bond retirement | 199,193 | - | - | - | - | 199,193 | - |
| Restricted for renewal and extension | 200,000 | - | - | - | - | 200,000 | - |
| Unrestricted | 1,465,610 | - | 462,302 | 249,928 | (2,426,085) | (248,245) | 164,719 |
| Total Net Assets | \$ 29,604,294 | \$ 89,492 | \$ 2,952,405 | \$ 1,095,168 | \$ (543,165) | 33,198,194 | \$ 349,342 |
| Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities. | | | | | | 15,782 | |
| Net assets of business-type activities | | | | | | \$ 33,213,976 | |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

| | Business-type Activities - Enterprise Funds | | | | | Total | Governmental Activities - Internal Service Funds |
|---|--|---------------------------|---------------------|---------------------------|-------------------------|----------------------|---|
| | Water and Sewer | Reclaimed Water System | Gas | Solid Waste Collection | Solid Waste Disposal | | |
| Operating Revenues | | | | | | | |
| Charges for services | \$ 6,792,832 | \$ - | \$ 6,008,260 | \$ 2,538,590 | \$ 2,073,273 | \$ 17,412,955 | \$ 3,913,057 |
| Miscellaneous | 118,959 | - | 5,159 | 150 | 38,753 | 163,021 | - |
| Total Operating Revenues | <u>6,911,791</u> | <u>-</u> | <u>6,013,419</u> | <u>2,538,740</u> | <u>2,112,026</u> | <u>17,575,976</u> | <u>3,913,057</u> |
| Operating Expenses | | | | | | | |
| Salaries | 1,878,760 | - | 350,900 | 556,971 | 290,263 | 3,076,894 | 254,939 |
| Employee benefits | 690,706 | - | 127,003 | 236,894 | 113,789 | 1,168,392 | 98,157 |
| Purchased services | 1,301,557 | - | 199,815 | 899,979 | 2,599,698 | 5,001,049 | 160,044 |
| Materials and supplies | 434,789 | - | 77,058 | 101,436 | 41,613 | 654,896 | 30,473 |
| Cost of sales | - | - | 4,095,083 | - | - | 4,095,083 | 291,607 |
| Depreciation | 1,637,871 | - | 135,013 | 199,996 | 228,396 | 2,201,276 | 20,496 |
| Claims | - | - | - | - | - | - | 3,503,065 |
| Other | 18,057 | - | 23,711 | 5,897 | 2,039 | 49,704 | 3,089 |
| Total Operating Expenses | <u>5,961,740</u> | <u>-</u> | <u>5,008,583</u> | <u>2,001,173</u> | <u>3,275,798</u> | <u>16,247,294</u> | <u>4,361,870</u> |
| Operating Income (Loss) | <u>950,051</u> | <u>-</u> | <u>1,004,836</u> | <u>537,567</u> | <u>(1,163,772)</u> | <u>1,328,682</u> | <u>(448,813)</u> |
| Non-Operating Revenues (Expenses) | | | | | | | |
| Investment earnings | 7,522 | - | 1,439 | 355 | - | 9,316 | 4,128 |
| Intergovernmental | - | - | 45,481 | - | 2,717 | 48,198 | - |
| Interest expense | (479,507) | - | (15,667) | - | - | (495,174) | - |
| Amortization | (24,538) | - | - | - | - | (24,538) | - |
| Gain (loss) on disposal of capital assets | 5,302 | - | - | 3,476 | 57,975 | 66,753 | - |
| Total Non-Operating Revenues (Expenses) | <u>(491,221)</u> | <u>-</u> | <u>31,253</u> | <u>3,831</u> | <u>60,692</u> | <u>(395,445)</u> | <u>4,128</u> |
| Income (Loss) before Capital Contributions and Transfers | <u>458,830</u> | <u>-</u> | <u>1,036,089</u> | <u>541,398</u> | <u>(1,103,080)</u> | <u>933,237</u> | <u>(444,685)</u> |
| Capital contributions | 138,792 | - | - | - | - | 138,792 | - |
| Transfers in | 306,966 | 58,159 | - | - | 1,006,667 | 1,371,792 | 200,000 |
| Transfers out | (1,946,313) | - | (1,105,000) | (550,000) | (160,000) | (3,761,313) | (50,000) |
| Change in Net Assets | <u>(1,041,725)</u> | <u>58,159</u> | <u>(68,911)</u> | <u>(8,602)</u> | <u>(256,413)</u> | <u>(1,317,492)</u> | <u>(294,685)</u> |
| Net Assets Beginning of Year | <u>30,646,019</u> | <u>31,333</u> | <u>3,021,316</u> | <u>1,103,770</u> | <u>(286,752)</u> | <u>34,495,636</u> | <u>644,027</u> |
| Net Assets End of Year | <u>\$ 29,604,294</u> | <u>\$ 89,492</u> | <u>\$ 2,952,405</u> | <u>\$ 1,095,168</u> | <u>\$ (543,165)</u> | <u>\$ 34,148,144</u> | <u>\$ 349,342</u> |

Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with business-type activities

(142,408)

\$ (1,459,900)

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

| | Business-type Activities - Enterprise Funds | | | | | Total | Governmental Activities - Internal Service Funds |
|--|--|------------------------------|--------------------|---------------------------|-------------------------|---------------------|---|
| | Water and Sewer | Reclaimed Water System | Gas | Solid Waste Collection | Solid Waste Disposal | | |
| Cash Flows from Operating Activities | | | | | | | |
| Cash received from customers | \$ 6,745,487 | \$ - | \$ 6,219,785 | \$ 2,516,122 | \$ 2,130,821 | \$ 17,612,215 | \$ 3,944,024 |
| Cash payments to employees for services | (2,603,741) | - | (481,414) | (800,126) | (406,291) | (4,291,572) | (359,543) |
| Cash payments for goods and services | (2,160,042) | - | (4,634,475) | (1,021,681) | (2,754,581) | (10,570,779) | (504,820) |
| Cash payments for claims | - | - | - | - | - | - | (3,654,272) |
| Net Cash Provided by (Used in) Operating Activities | <u>1,981,704</u> | <u>-</u> | <u>1,103,896</u> | <u>694,315</u> | <u>(1,030,051)</u> | <u>2,749,864</u> | <u>(574,611)</u> |
| Cash Flows from Noncapital Financing Activities | | | | | | | |
| Operating grants received | - | - | 31,326 | - | - | 31,326 | - |
| Advances from (to) other funds | 770,943 | - | 27,927 | (608) | 374,266 | 1,172,528 | - |
| Transfers in | 306,966 | 58,159 | - | - | 1,006,667 | 1,371,792 | 200,000 |
| Transfers out | (1,946,313) | - | (1,105,000) | (550,000) | (160,000) | (3,761,313) | (50,000) |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>(868,404)</u> | <u>58,159</u> | <u>(1,045,747)</u> | <u>(550,608)</u> | <u>1,220,933</u> | <u>(1,185,667)</u> | <u>150,000</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | | | |
| Proceeds from sale of capital assets | 5,302 | - | - | 3,476 | 58,726 | 67,504 | - |
| Capital contributions | 227,767 | - | - | - | - | 227,767 | - |
| Proceeds from loan | 1,614,436 | - | - | - | - | 1,614,436 | - |
| Proceeds from capital lease | - | - | 33,448 | 202,834 | 129,590 | 365,872 | - |
| Principal paid on revenue bonds | (255,000) | - | - | - | - | (255,000) | - |
| Principal paid on notes | (531,844) | - | (107,524) | - | - | (639,368) | - |
| Interest paid on debt | (485,769) | - | (16,077) | - | - | (501,846) | - |
| Payments for capital acquisitions | (1,326,447) | (58,159) | (6,518) | (435,416) | (381,915) | (2,208,455) | (128,186) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(751,555)</u> | <u>(58,159)</u> | <u>(96,671)</u> | <u>(229,106)</u> | <u>(193,599)</u> | <u>(1,329,090)</u> | <u>(128,186)</u> |
| Cash Flows from Investing Activities | | | | | | | |
| Investment earnings | 7,522 | - | 1,439 | 355 | 2,717 | 12,033 | 4,128 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 369,267 | - | (37,083) | (85,044) | - | 247,140 | (548,669) |
| Cash and Cash Equivalents Beginning of Year | 856,213 | - | 307,899 | 85,044 | 250 | 1,249,406 | 882,768 |
| Cash and Cash Equivalents End of Year | <u>\$ 1,225,480</u> | <u>\$ -</u> | <u>\$ 270,816</u> | <u>\$ -</u> | <u>\$ 250</u> | <u>\$ 1,496,546</u> | <u>\$ 334,099</u> |

(continued)

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

| | Business-type Activities - Enterprise Funds | | | | | Total | Governmental Activities - |
|---|--|------------------------------|---------------------|---------------------------|-------------------------|---------------------|------------------------------|
| | Water and Sewer | Reclaimed Water System | Gas | Solid Waste Collection | Solid Waste Disposal | | Internal Service Funds |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | | | |
| Operating Income (Loss) | \$ 950,051 | \$ - | \$ 1,004,836 | \$ 537,567 | \$ (1,163,772) | \$ 1,328,682 | \$ (448,813) |
| Adjustments: | | | | | | | |
| Depreciation | 1,637,871 | - | 135,013 | 199,996 | 228,396 | 2,201,276 | 20,496 |
| (Increase) Decrease in Assets: | | | | | | | |
| Accounts receivable | (189,108) | - | 196,801 | (22,618) | 18,795 | 3,870 | 30,967 |
| Materials and supplies inventory | 59,861 | - | 875 | - | - | 60,736 | 14,568 |
| Prepaid items | (3,763) | - | 5,351 | (405) | 2,093 | 3,276 | (5,940) |
| Increase (Decrease) in Liabilities: | | | | | | | |
| Accounts payable | (461,737) | - | (249,629) | (13,964) | 20,502 | (704,828) | (68,442) |
| Accrued payroll | (26,375) | - | (5,328) | (7,968) | (4,045) | (43,716) | (3,815) |
| Compensated absences payable | (7,900) | - | 1,817 | 1,707 | 1,806 | (2,570) | (2,632) |
| Sales taxes payable | - | - | 4,595 | - | - | 4,595 | - |
| Customer deposits | 22,804 | - | 9,565 | - | - | 32,369 | - |
| Accrued landfill postclosure costs | - | - | - | - | (133,826) | (133,826) | - |
| Claims payable | - | - | - | - | - | - | (111,000) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,981,704</u> | <u>\$ -</u> | <u>\$ 1,103,896</u> | <u>\$ 694,315</u> | <u>\$ (1,030,051)</u> | <u>\$ 2,749,864</u> | <u>\$ (574,611)</u> |

See accompanying notes to the basic financial statements



NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

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City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

The City of Statesboro (the “City”) was chartered by an act of the General Assembly of the State of Georgia. The City operates under a Council/Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, community development, community services and general administrative services. The City also operates two public utilities (water and sewer system and gas system) and provides sanitation services. The City and Bulloch County jointly operate a transfer station for transport of solid waste and an inert landfill.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City’s accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the City’s discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

A brief description of the City’s discretely presented component unit follows:

Downtown Statesboro Development Authority (the Authority) – The Authority is a public corporation created in 1981. The primary purpose of the Authority is to promote industry and trade in the downtown area. The City Council appoints one board member and provides its primary funding. Therefore, the Authority is fiscally dependent on the City. Complete financial statements for the Authority can be obtained at the Authority’s administrative office.

After reviewing the above criteria, the City has determined that the Statesboro-Bulloch County Airport and the Statesboro-Bulloch County Parks and Recreation Department do not qualify as component units of the City.

Related Organizations

The Housing Authority of the City of Statesboro, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity and the City does not appoint any of its board members. The City of Statesboro, 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 Statesboro, Georgia is a related organization and is excluded from the reporting entity.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component unit are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City's general revenues, from business-type activities, generally financed in whole or in part with service charges to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable 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. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and proprietary funds are reported in separate columns.

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

Governmental Funds - Government funds are those through which most governmental functions typically 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 purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund’s fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

Statesboro Fire Service Fund – This fund accounts for revenues collected from city taxpayers and taxpayers in the county’s five mile fire district used to fund the City’s fire department.

2002 SPLOST Fund – This fund accounts for the special purpose local option sales tax collected pursuant to a 2002 referendum for various capital improvements within the City.

2007 SPLOST Fund – This fund accounts for the special purpose local option sales tax collected pursuant to a 2007 referendum for various capital improvements within the City.

Capital Improvements Program Fund – This fund accounts for revenues used to acquire or construct major governmental capital assets. This fund is funded primarily from interfund transfers.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The proprietary funds are classified as enterprise funds and internal service funds. The City’s major enterprise funds consist of:

Water and Sewer Operating Fund – This fund accounts for the water and sewer provided to the City’s constituents.

Reclaimed Water System Fund – This fund accounts for the reclaimed water provided for irrigation to the City’s constituents.

Gas Operating Fund – This fund accounts for the gas services provided to the City’s constituents.

Solid Waste Collection Fund – This fund accounts for the solid waste collection program.

Solid Waste Disposal Fund – This fund accounts for the solid waste disposal program.

The City’s internal service funds account for the City’s health and workers compensation insurance and fleet management programs.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses.

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 generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports 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 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 governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e.,

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue 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 recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal 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 or 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 a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reported at the fund financial reporting level but reclassified as “*unearned revenue*” on the government-wide statement of net assets, where applicable.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water, sewer and gas charges are accrued as receivables and revenue at June 30, 2009.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns on the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances on this statement. These amounts are ultimately eliminated from the total column on the statement of net assets.

1-E-4 Consumable Inventories

On the government-wide and the proprietary fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Restricted assets represent sinking funds required by enterprise fund revenue bonds and designated as such by management, customer utility deposits, funds held specifically for water and sewer system improvements, and funds designated for capital purchases.

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the City fund financial statements.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the proprietary funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges, water and sewer lines and gas lines. Water and sewer lines and gas lines are classified as "improvements other than buildings". Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized.

All reported capital assets are depreciated except for land, right-of-ways and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

| Description | Governmental Activities Estimated Lives | Business-Type Activities Estimated Lives |
|-----------------------------------|---|--|
| Buildings | 15 – 40 years | 15 - 40 years |
| Improvements other than buildings | 8 – 40 years | 15 – 50 years |
| Machinery and equipment | 5 – 20 years | 5 – 15 years |
| Infrastructure | 12 – 25 years | --- |

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of those funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

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

1-E-11 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management’s intent to set aside these resources for specific services.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

1-E-12 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, gas, solid waste, and the insurance benefits and fleet management programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund and include administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1-E-13 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-14 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated. Transfers between governmental and business-type activities are eliminated from the total column.

1-E-15 Estimates

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

1-E-16 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund and each special revenue fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

All budgets are adopted on a basis consistent with GAAP.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Manager may approve budget transfers within departments. Any change in total to a fund or departmental appropriation within a fund requires City Council approval.

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

For the year ended June 30, 2009, expenditures exceeded appropriations for the following departments within the general fund:

| | |
|-------------------------------------|------------|
| Governing body | \$ 175,697 |
| City manager's office | 1,975 |
| Human resources | 9,863 |
| General administration fees | 493 |
| Municipal court | 1,326 |
| Street/Public works | 24,874 |
| Parks and cemeteries | 2,917 |
| Community services - Arts Center | 255,744 |
| Debt service - Principal retirement | 9,941 |

These overexpenditures were funded primarily by underexpenditures in other departments and available fund balance.

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009*

Note 2 – Stewardship, Compliance and Accountability (Continued)

Expenditures exceeded appropriations by \$280,056 in the Multiple Grant special revenue fund and these overexpenditures were funded by additional revenues over amounts budgeted.

2-C. Deficit Fund Equities

The following individual funds had a deficit fund balance/net asset balance at June 30, 2009:

| | |
|---------------------------|-----------|
| Solid waste disposal fund | \$543,165 |
| Capital improvements fund | 1,339 |

Note 3 - Detailed Notes on All Funds

3-A. Cash and Cash Equivalents

At June 30, 2009, the carrying amount of the City’s deposits (i.e., checking and certificates of deposits) was \$3,595,307 and the bank balance was \$3,796,181. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,546,181 was collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Cash & Cash Equivalent Reconciliation:

| | <u>Cash and Cash Equivalents</u> |
|--|--------------------------------------|
| Fund Reporting Level: | |
| Governmental Funds - Balance Sheet | \$ 1,764,662 |
| Enterprise Fund Statement of Net Assets | 615,339 |
| Enterprise Fund Statement of Net Assets - Restricted | 881,207 |
| Internal Service Fund Statement of Net Assets | <u>334,099</u> |
| Total | <u>\$ 3,595,307</u> |

3-B. Receivables

Receivables at June 30, 2009, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. The allowances for uncollectibles netted against receivables at June 30, 2009 follow:

| Fund | Allowance For Uncollectibles |
|------------------------|------------------------------------|
| General | \$ 5,316 |
| Water and sewer | 129,357 |
| Gas | 80,046 |
| Solid waste collection | 39,809 |
| Solid waste disposal | 579 |

3-C. Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on or about October 20 of each year and are due and payable within 60 days of the tax bill mailing date. The City bills and collects its own property taxes.

Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2009, property taxes were levied on September 22, 2008 and were due December 20, 2008.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity (including the fleet management internal service fund) for the year ended June 30, 2009, was as follows:

| | <u>Balance 7/1/2008</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 6/30/2009</u> |
|---|-----------------------------|-------------------|-------------------|------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,636,113 | \$ - | \$ - | \$ 1,636,113 |
| Construction in progress-infrastructure | 796,204 | 517,198 | 442,372 | 871,030 |
| Construction in progress | <u>63,606</u> | <u>110,292</u> | <u>19,841</u> | <u>154,057</u> |
| Total capital assets not being depreciated | <u>2,495,923</u> | <u>627,490</u> | <u>462,213</u> | <u>2,661,200</u> |
| Capital assets being depreciated | | | | |
| Buildings | 13,802,209 | 257,312 | - | 14,059,521 |
| Improvements other than buildings | 312,083 | 60,539 | - | 372,622 |
| Machinery and equipment | 7,010,121 | 448,915 | 258,404 | 7,200,632 |
| Infrastructure | <u>10,968,423</u> | <u>645,377</u> | <u>-</u> | <u>11,613,800</u> |
| Total capital assets being depreciated | <u>32,092,836</u> | <u>1,412,143</u> | <u>258,404</u> | <u>33,246,575</u> |
| Total capital assets | <u>34,588,759</u> | <u>2,039,633</u> | <u>720,617</u> | <u>35,907,775</u> |
| Accumulated depreciation: | | | | |
| Buildings | 1,924,270 | 339,665 | - | 2,263,935 |
| Improvements other than buildings | 89,114 | 20,777 | - | 109,891 |
| Machinery and equipment | 4,094,407 | 750,717 | 233,132 | 4,611,992 |
| Infrastructure | <u>2,600,882</u> | <u>600,894</u> | <u>-</u> | <u>3,201,776</u> |
| Total accumulated depreciation | <u>8,708,673</u> | <u>1,712,053</u> | <u>233,132</u> | <u>10,187,594</u> |
| Governmental activities capital assets, net | <u>\$ 25,880,086</u> | <u>\$ 327,580</u> | <u>\$ 487,485</u> | <u>\$ 25,720,181</u> |
| Governmental activities depreciation expense: | | | | |
| General government | | \$ | 101,981 | |
| Municipal court | | | 4,035 | |
| Public safety | | | 762,224 | |
| Public works | | | 634,029 | |
| Parks and cemeteries | | | 75,314 | |
| Engineering | | | 15,042 | |
| Community services | | | 98,932 | |
| Fleet management internal service fund | | | <u>20,496</u> | |
| Total depreciation expense | | <u>\$</u> | <u>1,712,053</u> | |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

The following table presents the changes in capital assets for the City's enterprise funds:

| | Balance 7/1/2008 | Additions | Deductions | Balance 6/30/2009 |
|--|---------------------|------------|------------|----------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 518,933 | \$ 30,477 | \$ - | \$ 549,410 |
| Construction in progress | 1,293,528 | 118,452 | 939,419 | 472,561 |
| Total capital assets not being depreciated | 1,812,461 | 148,929 | 939,419 | 1,021,971 |
| Capital assets being depreciated | | | | |
| Buildings | 2,020,491 | - | - | 2,020,491 |
| Improvements other than buildings | 57,981,363 | 1,993,723 | - | 59,975,086 |
| Machinery and equipment | 8,514,111 | 1,005,214 | 42,035 | 9,477,290 |
| Total capital assets being depreciated | 68,515,965 | 2,998,937 | 42,035 | 71,472,867 |
| Total capital assets | 70,328,426 | 3,147,866 | 981,454 | 72,494,838 |
| Accumulated depreciation: | | | | |
| Buildings | 743,686 | 58,178 | - | 801,864 |
| Improvements other than buildings | 19,578,686 | 1,470,518 | - | 21,049,204 |
| Machinery and equipment | 5,955,560 | 672,572 | 41,284 | 6,586,848 |
| Total accumulated depreciation | 26,277,932 | 2,201,268 | 41,284 | 28,437,916 |
| Business-type activities capital assets, net | \$ 44,050,494 | \$ 946,598 | \$ 940,170 | \$ 44,056,922 |

3-E. - Interfund Balances and Transfers

Interfund balances at June 30, 2009, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

| Receivable Fund | Payable Fund | Amount |
|----------------------------|-----------------------------------|---------------------|
| General Fund | Multiple Grant Fund | \$ 193,817 |
| | Solid Waste Collection Fund | 1,001 |
| | Solid Waste Disposal Fund | 956,407 |
| 2002 SPLOST Fund | Capital Improvements Program Fund | 154,317 |
| 2007 SPLOST Fund | General Fund | 46,274 |
| Water and Sewer Operations | 2002 SPLOST Fund | 167,251 |
| Solid Waste Collection | Solid Waste Disposal Fund | 1,609 |
| Solid Waste Disposal | 2007 SPLOST Fund | 291,667 |
| | | <u>\$ 1,812,343</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

Interfund transfers for the year ended June 30, 2009, consisted of the following:

| Transfer to: | Tranfers From: | | | |
|------------------------------|---------------------|-------------------|---------------------|----------------------|
| | General Fund | 2002 SPLOST Fund | 2007 SPLOST Fund | Water and Sewer Fund |
| General Fund | - | - | - | \$ 1,636,313 |
| Statesboro Fire Service Fund | \$ 1,409,644 | - | - | - |
| Capital Improvements Fund | 7,000 | - | - | 310,000 |
| Benefits Insurance Fund | 200,000 | - | - | - |
| Water and Sewer Fund | - | \$ 306,966 | - | - |
| Reclaimed Water Fund | - | 58,159 | - | - |
| Solid Waste Disposal Fund | - | - | \$ 1,006,667 | - |
| | <u>\$ 1,616,644</u> | <u>\$ 365,125</u> | <u>\$ 1,006,667</u> | <u>\$ 1,946,313</u> |

| Transfer to: | Tranfers From: | | | | Total |
|------------------------------|---------------------|-----------------------------|---------------------------|-----------------------|---------------------|
| | Gas Fund | Solid Waste Collection Fund | Solid Waste Disposal Fund | Fleet Management Fund | |
| General Fund | \$ 1,105,000 | \$ 550,000 | \$ 160,000 | \$ 50,000 | \$ 3,501,313 |
| Statesboro Fire Service Fund | - | - | - | - | 1,409,644 |
| Capital Improvements Fund | - | - | - | - | 317,000 |
| Benefits Insurance Fund | - | - | - | - | 200,000 |
| Water and Sewer Fund | - | - | - | - | 306,966 |
| Reclaimed Water Fund | - | - | - | - | 58,159 |
| Solid Waste Disposal Fund | - | - | - | - | 1,006,667 |
| | <u>\$ 1,105,000</u> | <u>\$ 550,000</u> | <u>\$ 160,000</u> | <u>\$ 50,000</u> | <u>\$ 6,799,749</u> |

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to segregate money for anticipated capital projects (e.g., SPLOST approved projects); to report enterprise fund transfers for the equivalent of franchise fees and property taxes as if the utility funds were privately owned; and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Landfill Closure and Postclosure Care

State and federal laws and regulations required the City to place a final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Effective July 1, 1997, the City stopped accepting waste into its landfill. The remaining accrued landfill postclosure care costs liability at June 30, 2009, was \$1,831,935. This amount is based on what it would cost to perform all postclosure care in 2009. Actual costs may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in regulations.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-Term Debt

Water and Sewer Refunding Revenue Bonds - During the fiscal year ended June 30, 1996, the City issued revenue refunding bonds of \$6,730,000. The City issued the 1995 Series Revenue Refunding Bonds to advance refund Water and Sewer Revenue Refunding and Improvement Bonds, Series 1978, with an outstanding balance of \$3,220,000, an \$843,354 Georgia Environmental Facilities Authority (GEFA) note, and a \$1,993,690 GEFA note. Additionally, a portion of the net proceeds was deposited into the Water and Sewer Operating Fund Construction Account. The amount of outstanding refunded debt at June 30, 2009 was \$485,000.

The City pledges income derived from the constructed or acquired assets to pay debt service. The revenue bonds have interest rates ranging from 4.20 percent to 5.20 percent. The bonds require principal payments each April 1 and interest is payable semiannually on April 1 and October 1 each year.

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2009 follow:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|-------------------|------------------|-------------------|
| 2010 | \$ 270,000 | \$ 25,085 | \$ 295,085 |
| 2011 | 215,000 | 11,180 | 226,180 |
| Total | <u>\$ 485,000</u> | <u>\$ 36,265</u> | <u>\$ 521,265</u> |

Notes Payable – The City has entered into a number of notes with the Georgia Environmental Facilities Authority (GEFA), the Municipal Gas Authority of Georgia (MGAG) and One Georgia Authority with balances at June 30, 2009, as follows:

| | |
|---|------------|
| GEFA (95-S84WS), payable in quarterly installments of \$18,561 including interest at 5.12% through April 1, 2016 | \$ 434,465 |
| GEFA (97-L99WS), payable in quarterly installments of \$4,067 including interest at 4.76% through July 1, 2018 | 121,143 |
| GEFA (97-L10WJ), payable in quarterly installments of \$20,987 including interest at 4.76% through March 1, 2019 | 651,785 |
| One Georgia Authority, payable in quarterly installments of \$8,334 including interest at 3% through April 1, 2022 | 357,807 |
| MGAG, payable in monthly installments of \$7,522 including interest at 5.85% through December 12, 2009 | 36,591 |
| GEFA (98L44WQ), payable in quarterly installments of \$36,217 including interest at 4.79% through January 1, 2020 | 1,211,655 |
| GEFA (97L11WJ), payable in quarterly installments of \$19,532 including interest at 4.76% through December 1, 2020 | 688,848 |
| GEFA (98L81WQ), payable in quarterly installments of \$16,540 including interest at 4.24% through November 1, 2020 | 599,699 |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 - Detailed Notes on All Funds (Continued)

| | |
|---|-----------------------------|
| Bulloch County GEFA (94-S79WJ), payable in quarterly installments of \$21,402 including interest at 5.12% through January 1, 2016 | 485,983 |
| GEFA (99-L28WQ), payable in quarterly installments of \$20,543 including interest at 5.05% through April 1, 2022 | 779,742 |
| GEFA (98-L80WQ), payable in quarterly installments of \$18,303 including interest at 4.24% through February 1, 2021 | 674,754 |
| GEFA (99-L29WQ), payable in quarterly installments of \$24,606 including interest at 5.05% through April 1, 2022 | 933,976 |
| GEFA (2006-L25WJ), payable in monthly installments of \$10,381 including interest at 4.28% through April 1, 2028 | 1,608,741 |
| GEFA (2007-L31WJ), payable in monthly installments of \$3,247 including interest at 4.40% through March 1, 2029 | 513,565 |
| GEFA (2008-L05WJ), payable in monthly installments of \$6,705 including interest at 4.10% through July 1, 2029 | <u>1,096,857</u> |
| | <u><u>\$ 10,195,610</u></u> |

Annual debt service requirements to amortize all notes payable outstanding, as of June 30, 2009 follow:

| Year | Principal | Interest | Total |
|-----------|----------------------|---------------------|----------------------|
| 2010 | \$ 662,586 | \$ 448,681 | \$ 1,111,267 |
| 2011 | 658,764 | 421,596 | 1,080,360 |
| 2012 | 689,858 | 390,507 | 1,080,365 |
| 2013 | 722,743 | 357,622 | 1,080,365 |
| 2014 | 756,896 | 323,467 | 1,080,363 |
| 2015-2019 | 3,785,450 | 1,082,225 | 4,867,675 |
| 2020-2024 | 1,943,978 | 370,939 | 2,314,917 |
| 2025-2029 | 975,335 | 96,603 | 1,071,938 |
| Total | <u>\$ 10,195,610</u> | <u>\$ 3,491,640</u> | <u>\$ 13,687,250</u> |

Capital Leases – The City currently has the following outstanding capital leases.

Capital Lease – City Hall - In 1995 the Downtown Statesboro Development Authority provided for the issuance of a Revenue Bond in the amount of \$1,500,000 to provide for the acquisition, renovation, and equipping of the old Jaekel Hotel for the purpose of converting it to the new Statesboro City Hall.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 – Detailed Notes on All Funds (Continued)

The Bond bears an interest rate of 70% of the prime rate but can never be less than 4.2% or more than 10.5%. Interest on the Bond is paid to Sea Island Bank by the City of Statesboro semi-annually on the first day of June and the first day of December beginning June 1, 1997. Principal payments are made in annual installments on December 1, each year beginning in 1997 and ending in 2022.

Upon payment in full of the debt the Downtown Statesboro Development Authority will convey the property to the City without further consideration.

The total cost for the project under the capital lease was \$1,733,719.

| Year | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2010 | \$ 55,000 | \$ 42,399 | \$ 97,399 |
| 2011 | 58,500 | 40,015 | 98,515 |
| 2012 | 62,000 | 37,485 | 99,485 |
| 2013 | 65,500 | 34,808 | 100,308 |
| 2014 | 69,500 | 31,972 | 101,472 |
| 2015-2019 | 414,500 | 111,080 | 525,580 |
| 2020-2022 | 312,000 | 20,160 | 332,160 |
| Total | <u>\$ 1,037,000</u> | <u>\$ 317,919</u> | <u>\$ 1,354,919</u> |

Capital Lease – Georgia Municipal Association (GMA) –The City has entered into lease agreements with GMA to purchase the following equipment:

| | Cost |
|----------------------------------|---------------------|
| 2006 Ford Five Hundred | \$ 18,662 |
| 2008 F350 Truck | 25,299 |
| 2007 F150 Truck | 14,440 |
| Extrication Tool | 51,411 |
| Computer Hardware | 25,519 |
| 2007 Tymco Street Sweeper | 92,846 |
| Motorola Communication Equipment | 249,404 |
| (8) 2008 Dodge Chargers | 217,168 |
| Police Office Furnishings | 316,742 |
| 2008 Chevrolet Silverado | 21,108 |
| 2008 F150 Truck | 15,412 |
| 2009 F150 Truck | 22,297 |
| (2) 2008 East Tandem Trucks | 129,590 |
| 2008 F250 Truck | 18,036 |
| 2008 Peterbilt 320 Garbage Truck | 202,834 |
| | <u>\$ 1,420,768</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 – Detailed Notes on All Funds (Continued)

The leases require annual payments without interest as follows:

| Year | Principal |
|-------|---------------------|
| 2010 | 329,487 |
| 2011 | 286,266 |
| 2012 | 215,822 |
| 2013 | 150,306 |
| 2014 | 81,855 |
| Total | <u>\$ 1,063,736</u> |

Changes in Long-term Debt - Changes in the City’s long-term obligations consisted of the following for the year ended June 30, 2009:

| | Outstanding 7/1/2008 | Additions | Reductions | Outstanding 6/30/2009 | Amounts Due in One Year |
|---|-------------------------|---------------------|---------------------|--------------------------|----------------------------|
| Governmental Activities | | | | | |
| Capital lease - City Hall | \$ 1,089,500 | \$ - | \$ 52,500 | \$ 1,037,000 | \$ 55,000 |
| Capital lease - GMA | 949,265 | 43,405 | 294,806 | 697,864 | 256,312 |
| Compensated absences | 573,251 | 41,585 | 33,198 | 581,638 | 116,328 |
| Total Governmental Activities | <u>\$ 2,612,016</u> | <u>\$ 84,990</u> | <u>\$ 380,504</u> | <u>\$ 2,316,502</u> | <u>\$ 427,640</u> |
| Business-Type Activities | | | | | |
| Water revenue bonds | \$ 740,000 | \$ - | \$ 255,000 | \$ 485,000 | \$ 270,000 |
| Notes payable - water fund | 8,718,620 | 1,614,436 | 531,844 | 9,801,212 | 603,137 |
| Notes payable - gas fund | 501,922 | - | 107,524 | 394,398 | 59,449 |
| Capital lease - GMA | - | 365,872 | - | 365,872 | 73,175 |
| Landfill closure and post-closure care | 1,965,761 | - | 133,826 | 1,831,935 | 130,725 |
| Compensated absences | 178,256 | 5,330 | 7,900 | 175,686 | 35,137 |
| Total Business-Type Activities | <u>\$ 12,104,559</u> | <u>\$ 1,985,638</u> | <u>\$ 1,036,094</u> | <u>\$ 13,054,103</u> | <u>\$ 1,171,623</u> |

The capital lease obligations for governmental funds will be paid from the General Fund and for business-type activities from the fund which incurred the capital lease obligation. The compensated absences liability for governmental funds will be paid from the General Fund and for business-type activities from the fund from which the employees' salaries are paid. Principal and interest payments related to notes payable for the City’s Water and Sewer System are financed from income derived from the operation of the Water and Sewer System. Principal and interest payments related to notes payable for the City’s gas system are financed from income derived from this system. The landfill closure and post-closure care liability will be retired from the solid waste disposal fund.

3-H. Pensions

Plan Description - The City’s defined benefit pension plan, the City of Statesboro Retirement Plan (the “Plan”), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (the “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. The City is assigned the authority to establish and amend benefit provisions of the Plan. The System issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 – Detailed Notes on All Funds (Continued)

Funding Policy - Employees are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate. The minimum annual contribution requirements of the City are established by Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

Annual Pension Cost and Net Pension Obligation - For 2009 the City’s annual pension cost of \$1,197,070 for the plan was equal to the City’s required and actual contributions. The required contribution was determined as part of the March 1, 2009, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 5% per year for inflation, (c) additional projected salary increases of 5.5% per year attributed to seniority/merit, and (d) no post-retirement benefit increase. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is thirty years from 1982 and current changes in the unfunded actuarial accrued liability over fifteen years for actuarial gains and losses, twenty years for plan provisions and thirty years for actuarial assumptions and cost methods at a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Schedule of Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1)/(2) | (4) Unfunded AAL/(Funding Excess) (2)-(1) | (5) Annual Covered Payroll | (6) Unfunded AAL/(Funding Excess) as a Percentage of Covered Payroll |
|--------------------------------|--|--|-----------------------------------|---|-------------------------------------|---|
| 3/1/2007 | \$ 12,120,111 | \$ 12,094,093 | 100.2% | \$ (26,018) | \$ 8,058,192 | (0.3)% |
| 3/1/2008 | 13,175,098 | 14,037,526 | 93.9% | 862,428 | 9,369,557 | 9.2% |
| 3/1/2009 | 11,035,485 | 14,895,270 | 74.1% | 3,859,785 | 10,180,533 | 37.9% |

Schedule of Employer Contributions

| Year Ended June 30 | Annual Pension Cost | Percentage Contributed |
|-----------------------|---------------------------|---------------------------|
| 2007 | \$ 544,797 | 100% |
| 2008 | 743,290 | 100% |
| 2009 | 1,197,070 | 100% |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 3 – Detailed Notes on All Funds (Continued)

3-I. Net Assets

Net assets on the government-wide statement of net assets as of June 30, 2009 are as follows:

| | Governmental Activities | Business Type Activities | Component Unit |
|---|----------------------------|--------------------------------|-------------------|
| Investments in capital assets, net of related debt: | | | |
| Cost of capital assets | \$ 35,907,775 | \$ 72,494,838 | \$ 19,997 |
| Less accumulated depreciation | 10,187,594 | 28,437,916 | 6,033 |
| Book value | 25,720,181 | 44,056,922 | 13,964 |
| Less capital related debt | 1,734,864 | 11,046,482 | - |
| Plus bond issuance and refunding amounts | - | 36,806 | - |
| Investments in capital assets, net of related debt | <u>\$ 23,985,317</u> | <u>\$ 33,047,246</u> | <u>\$ 13,964</u> |

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has joined the Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Statesboro must participate at all times in at least one fund which is established by GIRMA. The City of Statesboro retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$1,000 deductible.

The basis for estimating the liabilities for unpaid claims is “IBNR” established by an actuary.

During the year ended June 30, 2009, the City paid 9 claims up to the \$1,000 deductible totaling \$7,708. The City is not aware of any claims which the City is liable for (up to \$1,000) which were outstanding and unpaid at June 30, 2009. No provisions have been made in the financial statements for the year ended June 30, 2009 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 4 of the Official Code of Georgia Annotated, the City of Statesboro became a member of the Georgia Municipal Association Workers’ Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (City) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers’ compensation and/or employer’s liability.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 4 - Other Notes (Continued)

The fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs assessed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City's responsibilities relating to the workers' compensation pool is to pay all costs, other than those referenced in the above paragraph regarding litigation. The City prepays an estimated annual premium based upon claims experience. Then an audit is conducted of actual experience, with the difference in the premium being paid or refunded as applicable.

In fiscal year 2006, based on prior years loss experience and claims, the City elected to self insure a portion of its workers' compensation claims by increasing the deductible to \$50,000 per occurrence and thereby significantly decreasing the annual premium.

In January 1991 the City elected to establish a self-insurance fund (an internal service fund) to cover all employee health insurance claims. The City makes payments to this fund on a monthly basis based on estimated premiums provided by the third party administrator to fund this program. Amounts are also withheld from employees by payroll deduction and paid to the self-insurance fund.

A third party administrator pays all claims from funds provided to them from the self-insurance fund's bank account. The City carries specific reinsurance for claims from one individual within one year exceeding \$60,000. The claims liability of \$400,000 reported at June 30, 2009 represents known claims incurred on or prior to June 30, 2009 and an estimate for claims that have been incurred but not reported. Changes in the fund's claims liability for the year ended June 30, 2009 were as follows:

| Date | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | End of Fiscal Year Liability |
|------|--|--|-------------------|------------------------------------|
| 2007 | \$ 330,000 | \$ 2,951,719 | \$ 3,095,959 | \$ 185,760 |
| 2008 | 185,760 | 3,386,814 | 3,061,574 | 511,000 |
| 2009 | 511,000 | 3,503,065 | 3,614,065 | 400,000 |

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at June 30, 2009. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2009

Note 4 - Other Notes (Continued)

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the nine county coastal Georgia area, is a member of the Coastal Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended June 30, 2009, the City paid \$23,881 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from the Coastal Georgia Regional Development Center, P.O. Box 1917, Brunswick, Georgia 31521.

4-D. Hotel-Motel Lodging Tax

The City has levied a 5% lodging tax. A summary of the transactions for the year ended June 30, 2009 follows:

| | | <u>Percentage of tax receipts</u> |
|---|--------------------|---------------------------------------|
| Lodging tax receipts | \$ 456,994 | |
| Disbursements to the: | | |
| Statesboro Convention and Visitors Bureau for promotion of tourism | (315,326) | 69.0% |
| Statesboro Arts Council for performing arts center | (104,942) | 23.0% |
| Downtown Statesboro Development Authority for promotion of tourism | (36,726) | 8.0% |
| | <hr/> | |
| Total | <u><u>\$ -</u></u> | |

All expenditures were for promotion of tourism as required by O.C.G.A. 48-13-51.

4-E. Other Post-Employment Benefits

Plan Description. The City sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription and death benefits to eligible retirees and their spouses. At June 30, 2009, three retired employees were eligible to participate. Since the plan has no assets, reporting an other employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City Council. Plan members are not required to contribute; however, plan members receiving healthcare benefits pay for 50% of the health care insurance premium for individual and family coverage if the employee had 10 to 25 years of service at retirement and 100% of coverage if the employee has 25 or more years of service.

For the year ended June 30, 2009, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$23,348 for 2009. These costs are recognized as an expense when claims or premiums are paid.



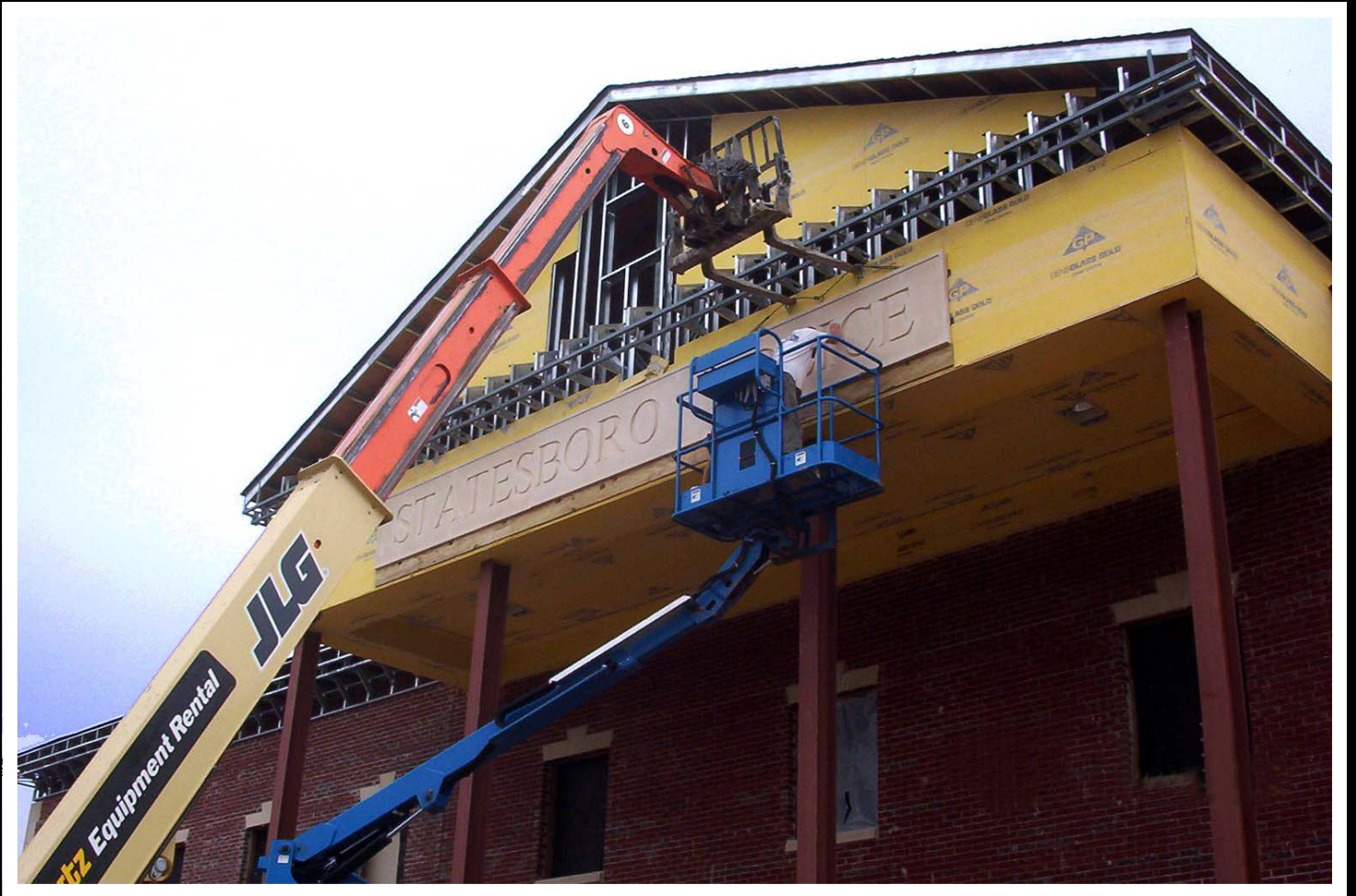
NONMAJOR GOVERNMENTAL FUNDS—BY FUND TYPE

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2009

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|---|--|
| Assets | | | |
| Cash and cash equivalents | \$ 156,818 | \$ 37,116 | \$ 193,934 |
| Receivables: | | | |
| Hotel/motel taxes | 44,154 | - | 44,154 |
| Intergovernmental | 197,945 | 37,225 | 235,170 |
| Notes | 185,056 | - | 185,056 |
| Total Assets | \$ 583,973 | \$ 74,341 | \$ 658,314 |
| Liabilities and Fund Balance | | | |
| Liabilities | | | |
| Accounts payable | \$ 6,372 | \$ 53,552 | \$ 59,924 |
| Interfund payable | 193,817 | - | 193,817 |
| Deferred revenue | 3,668 | - | 3,668 |
| Other | 96,981 | - | 96,981 |
| Total Liabilities | 300,838 | 53,552 | 354,390 |
| Fund Balances | | | |
| Unreserved - undesignated | 283,135 | 20,789 | 303,924 |
| Total Liabilities and Fund Balances | \$ 583,973 | \$ 74,341 | \$ 658,314 |

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended June 30, 2009

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|---|--|
| Revenues | | | |
| Hotel/motel taxes | \$ 456,994 | \$ - | \$ 456,994 |
| Intergovernmental | 381,366 | 46,297 | 427,663 |
| Fines and forfeitures | 109,631 | - | 109,631 |
| Investment earnings | 365 | - | 365 |
| Miscellaneous | 4,626 | - | 4,626 |
| Total Revenues | <u>952,982</u> | <u>46,297</u> | <u>999,279</u> |
| Expenditures | | | |
| Public safety | 428,641 | - | 428,641 |
| Community development | 456,994 | - | 456,994 |
| Public works | - | 128,794 | 128,794 |
| Total Expenditures | <u>885,635</u> | <u>128,794</u> | <u>1,014,429</u> |
| Net Change in Fund Balances | 67,347 | (82,497) | (15,150) |
| Fund Balances Beginning of Year | <u>215,788</u> | <u>103,286</u> | <u>319,074</u> |
| Fund Balances End of Year | <u><u>\$ 283,135</u></u> | <u><u>\$ 20,789</u></u> | <u><u>\$ 303,924</u></u> |



GENERAL FUND

City of Statesboro, Georgia
General Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 515,690 | \$ 733,835 |
| Receivables: | | |
| Taxes | 225,611 | 193,462 |
| Accounts | 49,468 | 63,194 |
| Intergovernmental | 25,603 | 57,980 |
| Notes | - | 266,109 |
| Interfund | 1,151,225 | 1,006,938 |
| Prepaid items | <u>174,009</u> | <u>170,717</u> |
| Total Assets | <u>\$ 2,141,606</u> | <u>\$ 2,492,235</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 504,802 | \$ 572,685 |
| Accrued payroll and payroll taxes | 239,764 | 133,740 |
| Other liabilities | 68,235 | 83,837 |
| Interfund payable | 46,274 | 29,591 |
| Deferred revenue | <u>160,733</u> | <u>23,286</u> |
| Total Liabilities | <u>1,019,808</u> | <u>843,139</u> |
| Fund Balances | | |
| Reserved for prepaid items | 174,009 | 170,717 |
| Unreserved - undesignated | <u>947,789</u> | <u>1,478,379</u> |
| Total Fund Balances | <u>1,121,798</u> | <u>1,649,096</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,141,606</u> | <u>\$ 2,492,235</u> |

City of Statesboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|-----------------------------|-------------------|------------------|
| Revenues | | |
| Taxes: | | |
| Property | \$ 3,581,923 | \$ 3,503,408 |
| Automobiles | 191,028 | 212,301 |
| Franchise | 1,587,617 | 1,432,343 |
| Insurance premium | 1,270,366 | 1,240,647 |
| Alcoholic beverage | 683,371 | 682,476 |
| Other | 128,778 | 103,079 |
| Licenses and permits | 703,815 | 772,770 |
| Intergovernmental | 98,461 | 92,836 |
| Charges for services | 198,489 | 198,096 |
| Fines and forfeitures | 1,656,479 | 1,416,563 |
| Investment earnings | - | 17,212 |
| Miscellaneous | 32,034 | 37,087 |
| Total Revenues | <u>10,132,361</u> | <u>9,708,818</u> |
| Expenditures | | |
| Current: | | |
| General government | | |
| Governing body | 399,844 | 207,408 |
| City manager's office | 457,380 | 506,922 |
| City clerk's office | 523,584 | 531,926 |
| Elections | 170 | 14,589 |
| Financial administration | 581,311 | 554,719 |
| Information technology | 194,870 | 144,468 |
| Human resources | 150,424 | 140,166 |
| Government buildings | 86,373 | - |
| Records management | 36,095 | 9,092 |
| General administration fees | 31,874 | 31,574 |
| Total general government | <u>2,461,925</u> | <u>2,140,864</u> |
| Municipal court | <u>684,444</u> | <u>625,001</u> |
| Public safety: | | |
| Police | 5,233,278 | 5,216,977 |
| Civil defense | 5,000 | 5,000 |
| Animal control | 34,733 | 44,840 |
| Total public safety | <u>5,273,011</u> | <u>5,266,817</u> |

(continued)

General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

(continued)

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Streets/public works | \$ 1,779,706 | \$ 1,864,703 |
| Parks and cemeteries | 444,407 | 433,076 |
| Engineering | 721,165 | 669,869 |
| Planning and zoning | 290,564 | 233,314 |
| Community services: | | |
| Arts Center | 399,389 | 160,613 |
| Other | 36,937 | 37,647 |
| Total community services | 436,326 | 198,260 |
| Community development | 82,555 | 61,783 |
| Debt Service: | | |
| Principal retirement | 347,306 | 254,295 |
| Interest and fiscal charges | 30,966 | 46,241 |
| Total Debt Service | <u>378,272</u> | <u>300,536</u> |
| Total Expenditures | <u>12,552,375</u> | <u>11,794,223</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(2,420,014)</u> | <u>(2,085,405)</u> |
| Other Financing Sources (Uses) | | |
| Transfers in | 3,501,313 | 2,784,800 |
| Transfers out | (1,616,644) | (1,838,849) |
| Sale of capital assets | 8,047 | 23,620 |
| Total Other Financing Sources (Uses) | <u>1,892,716</u> | <u>969,571</u> |
| Net Change in Fund Balances | (527,298) | (1,115,834) |
| Fund Balances Beginning of Year | <u>1,649,096</u> | <u>2,764,930</u> |
| Fund Balances End of Year | <u>\$ 1,121,798</u> | <u>\$ 1,649,096</u> |



MAJOR CAPITAL PROJECTS FUNDS

City of Statesboro, Georgia
2002 SPLOST Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|------------------------------|-------------------|-------------------|
| Assets | | |
| Intergovernmental receivable | \$ 72,770 | \$ 397,453 |
| Interfund receivable | 154,317 | - |
| Total Assets | <u>227,087</u> | <u>397,453</u> |
| Liabilities | | |
| Accounts payable | \$ 6,740 | \$ 67,685 |
| Deferred revenue | 53,096 | 13,600 |
| Interfund payable | 167,251 | 316,168 |
| Total Liabilities | <u>\$ 227,087</u> | <u>\$ 397,453</u> |

City of Statesboro, Georgia
2002 SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|------------------|--------------------|
| Revenues | | |
| Intergovernmental - Sales taxes | \$ 718,585 | \$ 2,348,034 |
| Expenditures | | |
| Capital outlay | | |
| Public works | <u>353,460</u> | <u>372,516</u> |
| Excess of Revenues Over Expenditures | 365,125 | 1,975,518 |
| Other Financing (Uses) | | |
| Transfers out | <u>(365,125)</u> | <u>(1,975,518)</u> |
| Net Change in Fund Balances | - | - |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> |

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 377,098 | \$ 557,899 |
| Intergovernmental receivable | 97,223 | 194,444 |
| Interfund receivable | 46,274 | - |
| Total Assets | <u>\$ 520,595</u> | <u>\$ 752,343</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 111,727 | \$ - |
| Interfund payable | 291,667 | 689,140 |
| Total Liabilities | 403,394 | 689,140 |
| Fund Balances | | |
| Unreserved - undesignated | 117,201 | 63,203 |
| Total Liabilities and Fund Balances | <u>\$ 520,595</u> | <u>\$ 752,343</u> |

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | 2009 | 2008 |
|--|-------------------|------------------|
| Revenues | | |
| Intergovernmental - Sales taxes | \$ 1,166,667 | \$ 1,677,778 |
| Investment earnings | 4,401 | 7,577 |
| Total Revenues | 1,171,068 | 1,685,355 |
| Expenditures | | |
| Capital outlay: | | |
| Parks and Cemetery | 52,288 | 43,765 |
| Municipal Court | 58,115 | - |
| Total Expenditures | 110,403 | 43,765 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,060,665 | 1,641,590 |
| Other Financing (Uses) | | |
| Transfers out | (1,006,667) | (777,778) |
| Net Change in Fund Balances | 53,998 | 863,812 |
| Fund Balances Beginning of Year | 63,203 | (800,609) |
| Fund Balances End of Year | \$ 117,201 | \$ 63,203 |

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 168,035 | \$ - |
| Other receivable | - | 559,418 |
| Total Assets | <u>\$ 168,035</u> | <u>\$ 559,418</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 15,057 | \$ 80,983 |
| Interfund payable | 154,317 | 561,967 |
| Total Liabilities | 169,374 | 642,950 |
| Fund Balances | | |
| Unreserved - undesignated | (1,339) | (83,532) |
| Total Liabilities and Fund Balances | <u>\$ 168,035</u> | <u>\$ 559,418</u> |

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | 2009 | 2008 |
|--|-------------------|--------------------|
| Revenues | | |
| Intergovernmental | \$ 190,214 | \$ 82,616 |
| Investment earnings | 1,648 | - |
| Total Revenues | 191,862 | 82,616 |
| Expenditures | | |
| Capital Outlay | | |
| General government | 78,561 | 162,321 |
| Public safety | 60,367 | 1,412,650 |
| Public works | 238,016 | 328,058 |
| Parks and cemeteries | 22,297 | - |
| Engineering | 70,833 | 42,403 |
| Community services-Community Arts Center | - | 52,783 |
| Total Expenditures | 470,074 | 1,998,215 |
| Deficiency of Revenues Under Expenditures | (278,212) | (1,915,599) |
| Other Financing Sources (Uses) | | |
| Transfers in | 317,000 | 1,722,700 |
| Inception of capital lease obligations | 43,405 | 1,011,491 |
| Total Other Financing Sources (Uses) | 360,405 | 2,734,191 |
| Net Change in Fund Balances | 82,193 | 818,592 |
| Fund Balances Beginning of Year | (83,532) | (902,124) |
| Fund Balances End of Year | \$ (1,339) | \$ (83,532) |



**NONMAJOR CAPITAL
PROJECTS FUNDS**

City of Statesboro, Georgia
Downtown Streetscape Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 37,116 | \$ 103,318 |
| Intergovernmental receivable | <u>37,225</u> | <u>-</u> |
| Total Assets | <u>\$ 74,341</u> | <u>\$ 103,318</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 53,552 | \$ 32 |
| Fund Balances | | |
| Unreserved - undesignated | <u>20,789</u> | <u>103,286</u> |
| Total Liabilities and Fund Balances | <u>\$ 74,341</u> | <u>\$ 103,318</u> |

City of Statesboro, Georgia
Downtown Streetscape Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|------------------|-------------------|
| Revenues | | |
| Intergovernmental | \$ 46,297 | \$ - |
| Expenditures | | |
| Public works | <u>128,794</u> | <u>15,337</u> |
| Deficiency of Revenues Under Expenditures | (82,497) | (15,337) |
| Fund Balances Beginning of Year | <u>103,286</u> | <u>118,623</u> |
| Fund Balances End of Year | <u>\$ 20,789</u> | <u>\$ 103,286</u> |



MAJOR SPECIAL REVENUE FUNDS

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 509,905 | \$ 290,074 |
| Receivables: | | |
| Intergovernmental | 58,635 | 209,837 |
| Interfund | - | 1,664 |
| Prepaid items | <u>11,045</u> | <u>12,522</u> |
| Total Assets | <u>579,585</u> | <u>514,097</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | 40,546 | 54,352 |
| Deferred revenue | 11,797 | 13,560 |
| Accrued payroll | <u>-</u> | <u>40,676</u> |
| Total Liabilities | <u>52,343</u> | <u>108,588</u> |
| Fund Balances | | |
| Reserved for prepaid items | 11,045 | 12,522 |
| Unreserved - undesignated | <u>516,197</u> | <u>392,987</u> |
| Total Fund Balances | <u>527,242</u> | <u>405,509</u> |
| Total Liabilities and Fund Balances | <u>\$ 579,585</u> | <u>\$ 514,097</u> |

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Balances
For the Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|--------------------|--------------------|
| Revenues | | |
| Charges for services | \$ 857,116 | \$ 811,310 |
| Intergovernmental | 122,369 | 8,477 |
| Investment earnings | 2,082 | 4,297 |
| Miscellaneous | 2,038 | 2,828 |
| Total Revenues | <u>983,605</u> | <u>826,912</u> |
| Expenditures | | |
| Current: | | |
| Fire | <u>2,271,516</u> | <u>2,034,908</u> |
| (Deficiency) of Revenues (Under) Expenditures | <u>(1,287,911)</u> | <u>(1,207,996)</u> |
| Other Financing Sources (Uses) | | |
| Transfers in | 1,409,644 | 1,608,849 |
| Sale of capital assets | - | 4,656 |
| Total Other Financing Sources (Uses) | <u>1,409,644</u> | <u>1,613,505</u> |
| Net Change in Fund Balances | 121,733 | 405,509 |
| Fund Balances Beginning of Year | <u>405,509</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 527,242</u> | <u>\$ 405,509</u> |



NONMAJOR SPECIAL REVENUE FUNDS

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

| | <u>Confiscated Assets</u> | <u>CDBG</u> | <u>Department of Justice Grant</u> | <u>Hotel/Motel Tax</u> | <u>Multiple Grant</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|--|-------------------------------|-------------------|--|----------------------------|---------------------------|---|
| Assets | | | | | | |
| Cash | \$ 118,689 | \$ 8,224 | \$ 9,948 | \$ 19,957 | \$ - | \$ 156,818 |
| Receivables: | | | | | | |
| Hotel/motel taxes | - | - | - | 44,154 | - | 44,154 |
| Intergovernmental | - | - | - | - | 197,945 | 197,945 |
| Notes | - | 185,056 | - | - | - | 185,056 |
| Total Assets | <u>\$ 118,689</u> | <u>\$ 193,280</u> | <u>\$ 9,948</u> | <u>\$ 64,111</u> | <u>\$ 197,945</u> | <u>\$ 583,973</u> |
| Liabilities and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 5,912 | \$ - | \$ 460 | \$ 6,372 |
| Interfund payable | - | - | - | - | 193,817 | 193,817 |
| Deferred revenue | - | - | - | - | 3,668 | 3,668 |
| Other | 32,870 | - | - | 64,111 | - | 96,981 |
| Total Liabilities | 32,870 | - | 5,912 | 64,111 | 197,945 | 300,838 |
| Fund Balances | | | | | | |
| Unreserved, undesignated | 85,819 | 193,280 | 4,036 | - | - | 283,135 |
| Total Liabilities and Fund Balances | <u>\$ 118,689</u> | <u>\$ 193,280</u> | <u>\$ 9,948</u> | <u>\$ 64,111</u> | <u>\$ 197,945</u> | <u>\$ 583,973</u> |

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

| | Confiscated Assets | CDBG | Department of Justice Grant | Hotel/Motel Tax | Multiple Grant | Total Nonmajor Special Revenue Funds |
|--|-------------------------------|-------------------|--|----------------------------|---------------------------|---|
| Revenues | | | | | | |
| Hotel/motel taxes | \$ - | \$ - | \$ - | \$ 456,994 | \$ - | \$ 456,994 |
| Intergovernmental | - | - | 57,310 | - | 324,056 | 381,366 |
| Fines and forfeitures | 97,348 | - | 12,283 | - | - | 109,631 |
| Investment earnings | 365 | - | - | - | - | 365 |
| Miscellaneous | - | 4,626 | - | - | - | 4,626 |
| Total Revenues | 97,713 | 4,626 | 69,593 | 456,994 | 324,056 | 952,982 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Public safety | 35,147 | - | 69,438 | - | 324,056 | 428,641 |
| Community development | - | - | - | 456,994 | - | 456,994 |
| Total Expenditures | 35,147 | - | 69,438 | 456,994 | 324,056 | 885,635 |
| Net Change in Fund Balances | 62,566 | 4,626 | 155 | - | - | 67,347 |
| Fund Balances Beginning of Year | 23,253 | 188,654 | 3,881 | - | - | 215,788 |
| Fund Balances End of Year | \$ 85,819 | \$ 193,280 | \$ 4,036 | \$ - | \$ - | \$ 283,135 |

City of Statesboro, Georgia
Confiscated Assets Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|-------------------|------------------|
| Assets | | |
| Cash and cash equivalents | <u>\$ 118,689</u> | <u>\$ 64,700</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Other liabilities | \$ 32,870 | \$ 41,447 |
| Fund Balances | | |
| Unreserved, undesignated | <u>85,819</u> | <u>23,253</u> |
| Total Liabilities and Fund Balances | <u>\$ 118,689</u> | <u>\$ 64,700</u> |

City of Statesboro, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

| | 2009 | | | 2008 | |
|---|----------------------------|-------------------------|------------------|---|------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | | |
| Fines and forfeitures | \$ 35,000 | \$ 81,000 | \$ 97,348 | \$ 16,348 | \$ 27,845 |
| Investment earnings | 500 | 500 | 365 | (135) | 426 |
| Total Revenues | 35,500 | 81,500 | 97,713 | 16,213 | 28,271 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 34,944 | 39,944 | 35,147 | 4,797 | 2,926 |
| Excess of Revenues Over Expenditures | 556 | 41,556 | 62,566 | 21,010 | 25,345 |
| Other Financing (Uses) | | | | | |
| Transfers out | - | - | - | - | (12,500) |
| Net Change in Fund Balances | <u>\$ 556</u> | <u>\$ 41,556</u> | 62,566 | <u>\$ 21,010</u> | 12,845 |
| Fund Balances Beginning of Year | | | 23,253 | | 10,408 |
| Fund Balances End of Year | | | <u>\$ 85,819</u> | | <u>\$ 23,253</u> |

City of Statesboro, Georgia
Community Development Block Grant Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | 2009 | 2008 |
|---------------------------|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 8,224 | \$ 35,121 |
| Notes receivable | 185,056 | 153,533 |
| Total Assets | \$ 193,280 | \$ 188,654 |
| Fund Balances | | |
| Unreserved, undesignated | \$ 193,280 | \$ 188,654 |

City of Statesboro, Georgia
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

| | 2009 | | 2008 | |
|--|------------------------------|-------------------|------------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | |
| Sale of lots | \$ 14,340 | \$ 4,626 | \$ (9,714) | \$ 9,488 |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | - | - | - |
| Net Change in Fund Balances | <u>\$ 14,340</u> | 4,626 | <u>\$ (9,714)</u> | 9,488 |
| Fund Balances Beginning of Year | | <u>188,654</u> | | <u>179,166</u> |
| Fund Balances End of Year | | <u>\$ 193,280</u> | | <u>\$ 188,654</u> |

City of Statesboro, Georgia
Department of Justice Grant Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|-----------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 9,948 | \$ 4,373 |
| Intergovernmental receivable | - | 100,448 |
| Total Assets | <u>\$ 9,948</u> | <u>\$ 104,821</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 5,912 | \$ 27,323 |
| Interfund payable | - | 73,617 |
| Total Liabilities | 5,912 | 100,940 |
| Fund Balances | | |
| Unreserved, undesignated | 4,036 | 3,881 |
| Total Liabilities and Fund Balances | <u>\$ 9,948</u> | <u>\$ 104,821</u> |

City of Statesboro, Georgia
Department of Justice Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
 (With Comparative Actual Amounts for the Year Ended June 30, 2008)

| | <u>2009</u> | | | <u>2008</u> | |
|--|----------------------------|-------------------------|-----------------|---|-----------------|
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | <u>Actual</u> |
| Revenues | | | | | |
| Intergovernmental | \$ 71,315 | \$ 71,315 | \$ 57,310 | \$ (14,005) | \$ 252,096 |
| Fines and forfeitures | - | 20,000 | 12,283 | (7,717) | 5,209 |
| Total Revenues | 71,315 | 91,315 | 69,593 | (21,722) | 257,305 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 71,315 | 91,315 | 69,438 | 21,877 | 253,424 |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | 155 | <u>\$ 155</u> | 3,881 |
| Fund Balances Beginning of Year | | | <u>3,881</u> | | <u>-</u> |
| Fund Balances End of Year | | | <u>\$ 4,036</u> | | <u>\$ 3,881</u> |

City of Statesboro, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--------------------------|------------------|------------------|
| Assets | | |
| Cash | \$ 19,957 | \$ - |
| Taxes receivable | 44,154 | 38,610 |
| Prepaid items | - | 1,112 |
| Total Assets | <u>\$ 64,111</u> | <u>\$ 39,722</u> |
| Liabilities | | |
| Other liabilities | \$ 64,111 | \$ 38,610 |
| Interfund payable | - | 1,112 |
| Total Liabilities | <u>\$ 64,111</u> | <u>\$ 39,722</u> |

City of Statesboro, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
 (With Comparative Actual Amounts for the Year Ended June 30, 2008)

| | 2009 | | | 2008 | |
|--|--------------------|-----------------|-------------|------------------------------------|-------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | | |
| Hotel/motel taxes | \$ 444,130 | \$ 474,130 | \$ 456,994 | \$ (17,136) | \$ 422,526 |
| Expenditures | | | | | |
| Current: | | | | | |
| Community development | 444,130 | 474,130 | 456,994 | 17,136 | 422,526 |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | - |
| Fund Balances Beginning of Year | | | - | | - |
| Fund Balances End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |

City of Statesboro, Georgia
Multiple Grant Fund
Comparative Balance Sheet
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|------------------------------|-------------------|-------------------|
| Assets | | |
| Intergovernmental receivable | \$ 197,945 | \$ 182,819 |
| Total Assets | <u>197,945</u> | <u>182,819</u> |
| Liabilities | | |
| Accounts payable | \$ 460 | \$ 171,774 |
| Deferred revenue | 3,668 | - |
| Interfund payable | <u>193,817</u> | <u>11,045</u> |
| Total Liabilities | <u>\$ 197,945</u> | <u>\$ 182,819</u> |

City of Statesboro, Georgia
Multiple Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009
(With Comparative Actual Amounts for the Year Ended June 30, 2008)

| | 2009 | | | 2008 | |
|--|----------------------------|-------------------------|----------------|---|----------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | | |
| Intergovernmental | \$ 6,000 | \$ 39,000 | \$ 324,056 | \$ 285,056 | \$ 200,051 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 6,000 | 44,000 | 324,056 | (280,056) | 193,801 |
| Community development | - | - | - | - | 6,250 |
| Total Expenditures | <u>6,000</u> | <u>44,000</u> | <u>324,056</u> | <u>(280,056)</u> | <u>200,051</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (5,000) | - | 5,000 | - |
| Other Financing Sources | | | | | |
| Transfers in | - | - | - | - | - |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ (5,000)</u> | - | <u>\$ 5,000</u> | - |
| Fund Balances Beginning of Year | | | - | | - |
| Fund Balances End of Year | | | <u>\$ -</u> | | <u>\$ -</u> |



MAJOR ENTERPRISE FUNDS

City of Statesboro, Georgia
Water and Sewer Operating Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 431,138 | \$ 84,586 |
| Receivables: | | |
| Accounts | 448,365 | 335,297 |
| Unbilled accounts | 415,506 | 339,466 |
| Intergovernmental | - | 88,975 |
| Interfund | 167,251 | 938,194 |
| Materials and supplies inventory | 300,668 | 360,529 |
| Prepaid items | 62,855 | 59,092 |
| Restricted assets - Cash and cash equivalents | 395,150 | 372,346 |
| Total Current Assets | 2,220,933 | 2,578,485 |
| Noncurrent Assets: | | |
| Restricted Assets: | | |
| Cash and cash equivalents | 399,192 | 399,281 |
| Capital Assets: | | |
| Land | 347,981 | 317,504 |
| Buildings | 641,859 | 641,859 |
| Improvements other than buildings | 55,003,525 | 53,125,760 |
| Machinery and equipment | 4,201,007 | 3,843,383 |
| Less accumulated depreciation | (22,513,799) | (20,875,928) |
| Construction in progress | 308,324 | 1,247,743 |
| Total Capital Assets | 37,988,897 | 38,300,321 |
| Other Assets: | | |
| Unamortized debt issuance costs | 17,410 | 29,017 |
| Deferred loss on advance refunding | 19,396 | 32,327 |
| Total Other Assets | 36,806 | 61,344 |
| Total Noncurrent Assets | 38,424,895 | 38,760,946 |
| Total Assets | 40,645,828 | 41,339,431 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 167,493 | 629,230 |
| Accrued payroll | - | 26,375 |
| Accrued interest payable | 77,467 | 83,729 |
| Current portion of notes payable | 603,137 | 527,831 |
| Current portion of revenue bonds payable | 270,000 | 255,000 |
| Customer deposits | 395,150 | 372,346 |
| Compensated absences payable | 23,042 | 24,622 |
| Total Current Liabilities | 1,536,289 | 1,919,133 |
| Long-Term Liabilities: | | |
| Compensated absences payable (net of current portion) | 92,170 | 98,490 |
| Notes payable (net of current portion) | 9,198,075 | 8,190,789 |
| Revenue bonds payable (net of current portion) | 215,000 | 485,000 |
| Total Long-Term Liabilities | 9,505,245 | 8,774,279 |
| Total Liabilities | 11,041,534 | 10,693,412 |
| Net Assets | | |
| Invested in capital assets, net of related debt | 27,739,491 | 28,903,045 |
| Restricted for revenue bond retirement | 199,193 | 199,281 |
| Restricted for renewal and extension | 200,000 | 200,000 |
| Unrestricted | 1,465,610 | 1,343,693 |
| Total Net Assets | \$ 29,604,294 | \$ 30,646,019 |

City of Statesboro, Georgia
Water and Sewer Operating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For The Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Water sales | \$ 3,113,135 | \$ 3,028,514 |
| Sewer charges | 2,982,826 | 2,947,575 |
| Penalties | 108,568 | 110,909 |
| Reconnecting charges | 95,878 | 69,849 |
| Service fees | 159,036 | 132,929 |
| Tap fees | 167,155 | 847,600 |
| Rental income | 166,234 | 130,125 |
| Miscellaneous | 118,959 | 101,702 |
| Total Operating Revenues | <u>6,911,791</u> | <u>7,369,203</u> |
| Operating Expenses | | |
| Salaries | 1,878,760 | 1,762,189 |
| Employee benefits | 690,706 | 622,888 |
| Purchased services: | | |
| Training | 8,834 | 5,692 |
| Dues and certification | 7,142 | 5,113 |
| Repairs and maintenance | 277,915 | 243,211 |
| Inspections | 32,363 | 53,162 |
| Contracted services | 21,713 | 19,719 |
| Laboratory services | 15,333 | 14,659 |
| Electricity | 662,385 | 616,019 |
| Telephone | 16,710 | 18,747 |
| Insurance | 76,022 | 68,413 |
| Equipment rental | 3,464 | 5,022 |
| Engineering fees | 13,685 | 213,022 |
| Tippage fees | 131,411 | 145,467 |
| Travel | 26,910 | 25,829 |
| Advertising | 1,609 | 2,543 |
| Postage | 6,061 | 5,443 |
| Materials and supplies: | | |
| Uniforms | 10,240 | 17,808 |
| Materials and supplies | 255,281 | 245,639 |
| Chemicals | 76,025 | 84,459 |
| Gasoline, oil, etc. | 75,048 | 93,875 |
| Small equipment | 18,195 | 6,956 |
| Depreciation | 1,637,871 | 1,555,563 |
| Bad debts | 10,219 | 394 |
| Other | 7,838 | 5,360 |
| Total Operating Expenses | <u>5,961,740</u> | <u>5,837,192</u> |
| Operating Income | <u>950,051</u> | <u>1,532,011</u> |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 7,522 | 49,001 |
| Interest expense | (479,507) | (463,160) |
| Amortization | (24,538) | (24,537) |
| Gain on sale of capital assets | 5,302 | 441 |
| Total Non-Operating Revenues (Expenses) | <u>(491,221)</u> | <u>(438,255)</u> |
| Income Before Capital Contributions and Transfers | 458,830 | 1,093,756 |
| Capital contributions | 138,792 | 631,417 |
| Transfers in | 306,966 | 563,363 |
| Transfers out | (1,946,313) | (1,251,000) |
| Change in Net Assets | (1,041,725) | 1,037,536 |
| Net Assets Beginning of Year | <u>30,646,019</u> | <u>29,608,483</u> |
| Net Assets End of Year | <u>\$ 29,604,294</u> | <u>\$ 30,646,019</u> |

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|------------------|------------------|
| Assets | | |
| Capital Assets: | | |
| Construction in progress | \$ 89,492 | \$ 31,333 |
| Total Assets | <u>89,492</u> | <u>31,333</u> |
| | | |
| Net Assets | | |
| Invested in capital assets, net of related debt | 89,492 | 31,333 |
| Unrestricted | <u>-</u> | <u>-</u> |
| Total Net Assets | <u>\$ 89,492</u> | <u>\$ 31,333</u> |

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For The Year Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|------------------|------------------|
| Transfers In | \$ 58,159 | \$ 31,333 |
| Change in Net Assets | 58,159 | 31,333 |
| Net Assets Beginning of Year | <u>31,333</u> | <u>-</u> |
| Net Assets End of Year | <u>\$ 89,492</u> | <u>\$ 31,333</u> |

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | 2009 | 2008 |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 183,951 | \$ 230,599 |
| Receivables: | | |
| Accounts | 200,859 | 296,951 |
| Unbilled accounts | 168,252 | 268,961 |
| Intergovernmental | 15,875 | 1,720 |
| Interfund | - | 27,927 |
| Inventory | 85,360 | 86,235 |
| Prepaid items | 23,347 | 28,698 |
| Restricted assets - Cash and cash equivalents | 86,865 | 77,300 |
| Total Current Assets | 764,509 | 1,018,391 |
| Capital Assets: | | |
| Land | 78,004 | 78,004 |
| Buildings | 154,535 | 154,535 |
| Improvements other than buildings | 4,543,064 | 4,543,064 |
| Machinery and equipment | 502,735 | 524,550 |
| Less accumulated depreciation | (2,374,514) | (2,261,316) |
| Construction in progress | 14,125 | 7,607 |
| Total Capital Assets | 2,917,949 | 3,046,444 |
| Total Assets | 3,682,458 | 4,064,835 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 170,393 | 420,022 |
| Accrued payroll | - | 5,328 |
| Accrued interest payable | 2,782 | 3,192 |
| Compensated absences payable | 4,441 | 4,078 |
| Sales tax payable | 19,960 | 15,365 |
| Customer deposits | 86,865 | 77,300 |
| Notes payable | 59,449 | 107,256 |
| Capital lease payable | 6,690 | - |
| Total Current Liabilities | 350,580 | 632,541 |
| Long-Term Liabilities: | | |
| Compensated absences payable (net of current portion) | 17,766 | 16,312 |
| Notes payable (net of current portion) | 334,949 | 394,666 |
| Capital lease payable (net of current portion) | 26,758 | - |
| Total Long-Term Liabilities | 379,473 | 410,978 |
| Total Liabilities | 730,053 | 1,043,519 |
| Net Assets | | |
| Invested in capital assets, net of related debt | 2,490,103 | 2,544,522 |
| Unrestricted | 462,302 | 476,794 |
| Total Net Assets | \$ 2,952,405 | \$ 3,021,316 |

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2009 and 2008

| | 2009 | 2008 |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Charges for services | \$ 5,916,703 | \$ 6,095,184 |
| Penalties | 65,356 | 50,042 |
| Tap fees | 2,175 | 3,000 |
| Transport fees | 22,486 | 29,535 |
| Service fees | 1,540 | 1,635 |
| Miscellaneous | 5,159 | 25,508 |
| Total Operating Revenues | 6,013,419 | 6,204,904 |
| Operating Expenses | | |
| Salaries | 350,900 | 355,860 |
| Employee benefits | 127,003 | 116,335 |
| Purchased Services: | | |
| Training | 752 | 660 |
| Dues and certification | 2,864 | 2,074 |
| Repairs and maintenance | 67,607 | 42,588 |
| Contracted services | 58,568 | 46,954 |
| Electricity | 7,937 | 7,180 |
| Telephone | 7,160 | 7,342 |
| Insurance | 23,641 | 24,589 |
| Equipment rental | 3,057 | 3,388 |
| Legal fees | - | 8,037 |
| Engineering fees | 4,800 | 4,980 |
| Water heater program | 12,398 | 16,938 |
| Travel | 9,474 | 7,521 |
| Advertising | 1,474 | 2,814 |
| Postage | 83 | 132 |
| Materials and supplies: | | |
| Uniforms | 4,211 | 2,672 |
| Materials and supplies | 41,449 | 47,069 |
| Chemicals | 12,262 | 704 |
| Gasoline, oil, etc. | 13,792 | 20,392 |
| Small equipment | 5,344 | 5,528 |
| Cost of sales | 4,095,083 | 4,340,908 |
| Depreciation | 135,013 | 164,563 |
| Bad debts | 5,009 | 13,781 |
| Other | 18,702 | 22,355 |
| Total Operating Expenses | 5,008,583 | 5,265,364 |
| Operating Income | 1,004,836 | 939,540 |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 1,439 | 2,610 |
| Intergovernmental | 45,481 | 45,586 |
| Interest expense | (15,667) | (22,109) |
| Total Non-Operating Revenues (Expenses) | 31,253 | 26,087 |
| Income Before Transfers | 1,036,089 | 965,627 |
| Transfers out | (1,105,000) | (925,000) |
| Change in Net Assets | (68,911) | 40,627 |
| Net Assets Beginning of Year | 3,021,316 | 2,980,689 |
| Net Assets End of Year | \$ 2,952,405 | \$ 3,021,316 |

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ - | \$ 85,044 |
| Receivables: | | |
| Accounts | 119,778 | 100,267 |
| Unbilled accounts | 205,761 | 202,654 |
| Interfund | 1,609 | - |
| Prepaid items | 23,460 | 23,055 |
| Total Current Assets | <u>350,608</u> | <u>411,020</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Buildings | 74,602 | 74,602 |
| Machinery and equipment | 2,772,159 | 2,336,752 |
| Less accumulated depreciation | <u>(1,798,687)</u> | <u>(1,598,700)</u> |
| Total Capital Assets | <u>1,048,074</u> | <u>812,654</u> |
| Total Assets | <u>1,398,682</u> | <u>1,223,674</u> |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable | 74,269 | 88,233 |
| Accrued payroll | - | 7,968 |
| Compensated absences payable | 5,082 | 4,740 |
| Capital lease payable | 40,567 | - |
| Interfund payable | 1,001 | - |
| Total Current Liabilities | <u>120,919</u> | <u>100,941</u> |
| Long-Term Liabilities: | | |
| Compensated absences payable (net of current portion) | 20,328 | 18,963 |
| Capital lease payable (net of current portion) | <u>162,267</u> | <u>-</u> |
| Total Long-Term Liabilities | <u>182,595</u> | <u>18,963</u> |
| Total Liabilities | <u>303,514</u> | <u>119,904</u> |
| Net Assets | | |
| Invested in capital assets | 845,240 | 812,654 |
| Unrestricted | 249,928 | 291,116 |
| Total Net Assets | <u>\$ 1,095,168</u> | <u>\$ 1,103,770</u> |

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2009 and 2008

| | 2009 | 2008 |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Sanitation charges | \$ 2,495,719 | \$ 2,428,040 |
| Penalties | 42,871 | 43,209 |
| Miscellaneous | 150 | - |
| Total Operating Revenues | 2,538,740 | 2,471,249 |
| Operating Expenses | | |
| Salaries | 556,971 | 553,030 |
| Employee benefits | 236,894 | 225,438 |
| Purchases services: | | |
| Training | 890 | - |
| Dues and certification | 346 | 197 |
| Repairs and maintenance | 250,608 | 274,122 |
| Telephone | 1,264 | 1,357 |
| Insurance | 34,042 | 25,255 |
| Tippage fees | 610,431 | 583,035 |
| Advertising | 1,842 | 2,433 |
| Travel | 556 | - |
| Materials and supplies: | | |
| Uniforms | 5,981 | 6,870 |
| Materials and supplies | 2,844 | 2,035 |
| Gasoline, oil, etc. | 91,953 | 112,775 |
| Chemicals | 658 | 955 |
| Depreciation | 199,996 | 148,635 |
| Bad debts | 4,988 | 3,697 |
| Other | 909 | 1,225 |
| Total Operating Expenses | 2,001,173 | 1,941,059 |
| Operating Income | 537,567 | 530,190 |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 355 | 6,754 |
| Gain on sale of capital assets | 3,476 | 11,726 |
| Total Non-Operating Revenues (Expenses) | 3,831 | 18,480 |
| Income Before Transfers | 541,398 | 548,670 |
| Transfers out | (550,000) | (532,000) |
| Change in Net Assets | (8,602) | 16,670 |
| Net Assets Beginning of Year | 1,103,770 | 1,087,100 |
| Net Assets End of Year | \$ 1,095,168 | \$ 1,103,770 |

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|--|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 250 | \$ 250 |
| Receivables: | | |
| Accounts | 10,959 | 7,672 |
| Unbilled accounts | 169,626 | 191,708 |
| Interfund | 291,667 | 486,111 |
| Prepaid items | 8,679 | 10,772 |
| Total Current Assets | <u>481,181</u> | <u>696,513</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Land | 123,425 | 123,425 |
| Buildings | 1,149,495 | 1,149,496 |
| Improvements other than buildings | 202,801 | 86,843 |
| Infrastructure | 225,697 | 225,697 |
| Machinery and equipment | 2,001,387 | 1,809,424 |
| Less accumulated depreciation | (1,750,915) | (1,541,988) |
| Construction in progress | 60,620 | 6,845 |
| Total Capital Assets | <u>2,012,510</u> | <u>1,859,742</u> |
| Total Assets | <u>2,493,691</u> | <u>2,556,255</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 104,458 | 83,956 |
| Accrued payroll | - | 4,045 |
| Compensated absences payable | 2,571 | 2,210 |
| Capital lease payable | 25,918 | - |
| Interfund payable | 958,016 | 778,194 |
| Landfill postclosure care costs | 130,725 | 136,558 |
| Total Current Liabilities | <u>1,221,688</u> | <u>1,004,963</u> |
| Long-Term Liabilities: | | |
| Compensated absences payable | 10,286 | 8,841 |
| Landfill postclosure care costs (net of current portion) | 1,701,210 | 1,829,203 |
| Capital lease payable (net of current portion) | 103,672 | - |
| Total Long-Term Liabilities | <u>1,815,168</u> | <u>1,838,044</u> |
| Total Liabilities | <u>3,036,856</u> | <u>2,843,007</u> |
| Net Assets | | |
| Invested in capital assets | 1,882,920 | 1,859,742 |
| Unrestricted | (2,426,085) | (2,146,494) |
| Total Net Assets | <u>\$ (543,165)</u> | <u>\$ (286,752)</u> |

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2009 and 2008

| | 2009 | 2008 |
|-------------------------------------|---------------------|---------------------|
| Operating Revenues | | |
| Tippage fees | \$ 2,063,245 | \$ 2,281,631 |
| Penalties | 10,028 | 8,761 |
| Miscellaneous | 38,753 | 61,351 |
| Total Operating Revenues | 2,112,026 | 2,351,743 |
| Operating Expenses | | |
| Salaries | 290,263 | 274,856 |
| Employee benefits | 113,789 | 108,534 |
| Purchased services: | | |
| Training | 1,487 | 1,269 |
| Dues and certification | 4,873 | 6,136 |
| Repairs and maintenance | 188,589 | 197,584 |
| Contracted services | 63,316 | 97,551 |
| Electricity | 14,904 | 16,839 |
| Telephone | 2,611 | 2,453 |
| Insurance | 12,508 | 10,753 |
| Equipment rental | 205 | 96 |
| Professional fees | - | 615 |
| Transportation and disposal | 729,125 | 887,060 |
| Air rights | 1,324,573 | 1,457,850 |
| Advertising | 45 | 686 |
| Postage | - | 144 |
| Special projects/programs | 95,000 | 95,000 |
| Waste reduction | 39,254 | 38,902 |
| Enforcement and monitoring | 122,000 | 122,000 |
| Toxic waste disposal | - | 14,084 |
| Travel | 1,208 | 1,722 |
| Materials and supplies: | | |
| Uniforms | 3,458 | 3,274 |
| Materials and supplies | 11,514 | 19,002 |
| Gasoline, oil, etc. | 26,641 | 38,943 |
| Chemicals | - | 209 |
| Depreciation | 228,396 | 206,100 |
| Miscellaneous | 2,039 | 394 |
| Total Operating Expenses | 3,275,798 | 3,602,056 |
| Operating (Loss) | (1,163,772) | (1,250,313) |
| Non-Operating Revenues | | |
| Investment earnings | 2,717 | - |
| Gain on sale of capital assets | 57,975 | 62,102 |
| Total Non-Operating Revenues | 60,692 | 62,102 |
| (Loss) before Transfers | (1,103,080) | (1,188,211) |
| Transfers in | 1,006,667 | 1,158,600 |
| Transfers out | (160,000) | (157,000) |
| Change in Net Assets | (256,413) | (186,611) |
| Net Assets Beginning of Year | (286,752) | (100,141) |
| Net Assets End of Year | \$ (543,165) | \$ (286,752) |



INTERNAL SERVICE FUNDS

City of Statesboro, Georgia
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009

| | Benefits Insurance | Fleet Management | Total |
|---|-------------------------------|-----------------------------|-------------------|
| Assets | | | |
| Current Assets: | | | |
| Cash and cash equivalents | \$ 319,235 | \$ 14,864 | \$ 334,099 |
| Accounts receivable | 55,206 | - | 55,206 |
| Inventory | - | 141,248 | 141,248 |
| Prepaid items | 81,462 | 1,562 | 83,024 |
| Total Current Assets | 455,903 | 157,674 | 613,577 |
| Noncurrent Assets: | | | |
| Capital Assets: | | | |
| Depreciable capital assets, net | - | 184,623 | 184,623 |
| Total Assets | 455,903 | 342,297 | 798,200 |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts payable | 8,658 | 23,813 | 32,471 |
| Claims payable | 400,000 | - | 400,000 |
| Compensated absences payable | - | 3,278 | 3,278 |
| Total Current Liabilities | 408,658 | 27,091 | 435,749 |
| Long-Term Liabilities | | | |
| Compensated absences payable (net of current portion) | - | 13,109 | 13,109 |
| Total Liabilities | 408,658 | 40,200 | 448,858 |
| Net Assets | | | |
| Invested in capital assets | - | 184,623 | 184,623 |
| Unrestricted | 47,245 | 117,474 | 164,719 |
| Total Net Assets | \$ 47,245 | \$ 302,097 | \$ 349,342 |

City of Statesboro, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2009

| | Benefits Insurance | Fleet Management | Total |
|---------------------------------------|-------------------------------|-----------------------------|-------------------|
| Operating Revenues | | | |
| Charges for services | \$ 3,021,024 | \$ 892,033 | \$ 3,913,057 |
| Operating Expenses | | | |
| Salaries | - | 254,939 | 254,939 |
| Employee benefits | - | 98,157 | 98,157 |
| Purchased services | - | 160,044 | 160,044 |
| Materials and supplies | - | 30,473 | 30,473 |
| Cost of sales | - | 291,607 | 291,607 |
| Depreciation | - | 20,496 | 20,496 |
| Claims | 3,503,065 | - | 3,503,065 |
| Miscellaneous | - | 3,089 | 3,089 |
| Total Operating Expenses | 3,503,065 | 858,805 | 4,361,870 |
| Operating Income (Loss) | (482,041) | 33,228 | (448,813) |
| Non-Operating Revenues | | | |
| Investment earnings | 3,106 | 1,022 | 4,128 |
| Income (Loss) before Transfers | (478,935) | 34,250 | (444,685) |
| Transfers in | 200,000 | - | 200,000 |
| Transfers out | - | (50,000) | (50,000) |
| Change in Net Assets | (278,935) | (15,750) | (294,685) |
| Net Assets Beginning of Year | 326,180 | 317,847 | 644,027 |
| Net Assets End of Year | \$ 47,245 | \$ 302,097 | \$ 349,342 |

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

| | Benefits Insurance | Fleet Management | Total |
|---|-------------------------------|-----------------------------|--------------|
| Cash Flows from Operating Activities | | | |
| Cash received from customers | \$ 3,051,991 | \$ 892,033 | \$ 3,944,024 |
| Cash payments to employees for services | - | (359,543) | (359,543) |
| Cash payments for goods and services | - | (504,820) | (504,820) |
| Cash payments for claims | (3,654,272) | - | (3,654,272) |
| Net Cash Provided by (Used in) Operating Activities | (602,281) | 27,670 | (574,611) |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers in | 200,000 | - | 200,000 |
| Transfers out | - | (50,000) | (50,000) |
| Cash Flows from Capital and Related Financing Activities | | | |
| Payments for capital acquisitions | - | (128,186) | (128,186) |
| Cash Flows from Investing Activities | | | |
| Investment earnings | 3,106 | 1,022 | 4,128 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (399,175) | (149,494) | (548,669) |
| Cash and Cash Equivalents Beginning of Year | 718,410 | 164,358 | 882,768 |
| Cash and Cash Equivalents End of Year | \$ 319,235 | \$ 14,864 | \$ 334,099 |

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2009

| | <u>Benefits Insurance</u> | <u>Fleet Management</u> | <u>Total</u> |
|---|-------------------------------|-----------------------------|---------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | |
| Operating Income (Loss) | \$ (482,041) | \$ 33,228 | \$ (448,813) |
| Adjustments: | | | |
| Depreciation | - | 20,496 | 20,496 |
| (Increase) Decrease in Assets: | | | |
| Accounts receivable | 30,967 | - | 30,967 |
| Materials and supplies inventory | - | 14,568 | 14,568 |
| Prepaid items | (6,260) | 320 | (5,940) |
| Increase (Decrease) in Liabilities: | | | |
| Accounts payable | (33,947) | (34,495) | (68,442) |
| Accrued wages | - | (3,815) | (3,815) |
| Claims payable | (111,000) | - | (111,000) |
| Compensated absences payable | - | (2,632) | (2,632) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (602,281)</u> | <u>\$ 27,670</u> | <u>\$ (574,611)</u> |

City of Statesboro, Georgia
Benefits Insurance Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|----------------------------------|------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 319,235 | \$ 718,410 |
| Accounts receivable | 55,206 | 86,173 |
| Prepaid insurance | 81,462 | 75,202 |
| Total Current Assets | <u>455,903</u> | <u>879,785</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Claims payable | 400,000 | 511,000 |
| Accounts payable | 8,658 | 42,605 |
| Total Current Liabilities | <u>408,658</u> | <u>553,605</u> |
| Net Assets | | |
| Unrestricted | <u>\$ 47,245</u> | <u>\$ 326,180</u> |

City of Statesboro, Georgia
Benefits Insurance Fund
*Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2009 and 2008*

| | <u>2009</u> | <u>2008</u> |
|---------------------------------------|------------------|-------------------|
| Operating Revenues | | |
| Premiums - City and employees | \$ 3,014,449 | \$ 3,008,138 |
| Miscellaneous | 6,575 | - |
| Total Operating Revenue | 3,021,024 | 3,008,138 |
| Operating Expenses | | |
| Claims | 3,503,065 | 3,386,814 |
| Operating Income (Loss) | (482,041) | (378,676) |
| Non-Operating Revenues | | |
| Investment earnings | 3,106 | 33,685 |
| Income (Loss) before Transfers | (478,935) | (344,991) |
| Transfers in | 200,000 | - |
| Transfers out | - | (400,000) |
| Change in Net Assets | (278,935) | (744,991) |
| Net Assets Beginning of Year | 326,180 | 1,071,171 |
| Net Assets End of Year | <u>\$ 47,245</u> | <u>\$ 326,180</u> |

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Net Assets
June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|---|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 14,864 | \$ 164,358 |
| Inventory | 141,248 | 155,816 |
| Prepaid items | 1,562 | 1,882 |
| Total Current Assets | <u>157,674</u> | <u>322,056</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Buildings | 135,458 | - |
| Equipment | 271,266 | 271,266 |
| Less accumulated depreciation | (222,101) | (201,605) |
| Construction in progress | - | 7,272 |
| Total Capital Assets | <u>184,623</u> | <u>76,933</u> |
| Total Assets | <u>342,297</u> | <u>398,989</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 23,813 | 58,308 |
| Accrued wages | - | 3,815 |
| Compensated absences payable | 3,278 | 3,804 |
| Total Current Liabilities | <u>27,091</u> | <u>65,927</u> |
| Long-Term Liabilities | | |
| Compensated absences payable (net of current portion) | <u>13,109</u> | <u>15,215</u> |
| Total Liabilities | <u>40,200</u> | <u>81,142</u> |
| Net Assets | | |
| Invested in capital assets | 184,623 | 76,933 |
| Unrestricted | <u>117,474</u> | <u>240,914</u> |
| Total Net Assets | <u>\$ 302,097</u> | <u>\$ 317,847</u> |

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2009 and 2008

| | <u>2009</u> | <u>2008</u> |
|-------------------------------------|-------------------|-------------------|
| Operating Revenues | | |
| Parts sales and labor charges | \$ 891,914 | \$ 959,050 |
| Miscellaneous | 119 | 51 |
| Total Operating Revenue | <u>892,033</u> | <u>959,101</u> |
| Operating Expenses | | |
| Salaries | 254,939 | 256,113 |
| Employee benefits | 98,157 | 93,267 |
| Purchased services: | | |
| Training | 1,540 | 537 |
| Dues and certification | 1,852 | 1,694 |
| Repairs and maintenance | 13,630 | 17,911 |
| Contracted services | 123,260 | 191,538 |
| Electricity | 14,580 | 11,448 |
| Telephone | 841 | 1,594 |
| Insurance | 2,194 | 1,684 |
| Equipment rental | 243 | 644 |
| Advertising | 1,343 | 240 |
| Travel | 561 | 303 |
| Materials and supplies: | | |
| Uniforms | 3,714 | 4,110 |
| Materials and supplies | 24,035 | 25,549 |
| Gasoline, oil, etc. | 2,724 | 3,541 |
| Cost of sales | 291,607 | 328,158 |
| Depreciation | 20,496 | 21,431 |
| Miscellaneous | 3,089 | 873 |
| Total Operating Expenses | <u>858,805</u> | <u>960,635</u> |
| Operating Income (Loss) | 33,228 | (1,534) |
| Non-Operating Revenues | | |
| Investment earnings | 1,022 | 6,690 |
| Income Before Transfers | 34,250 | 5,156 |
| Transfers out | (50,000) | - |
| Change in Net Assets | (15,750) | 5,156 |
| Net Assets Beginning of Year | <u>317,847</u> | <u>312,691</u> |
| Net Assets End of Year | <u>\$ 302,097</u> | <u>\$ 317,847</u> |

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2009

2002 SPLOST

| | Original Estimated Costs | Current Estimated Costs | Expenditures | | | Estimated Percentage of Completion |
|--|---|--|------------------------|-------------------------|----------------------|---|
| | | | Prior Years | Current Year | Total | |
| Joint City/County Solid Waste Disposal | \$ 2,120,000 | \$ 2,500,822 | \$ 2,500,822 | \$ - | \$ 2,500,822 | 100% |
| Waste Water Treatment | 5,000,000 | 4,372,334 | 1,993,010 | 365,125 | 2,358,135 | 54% |
| Street and Drainage Projects | 5,000,000 | 4,372,334 | 3,481,560 | 353,460 | 3,835,020 | 88% |
| Public Safety - Police Station Expansion/Renovation | 2,140,000 | 3,140,000 | 3,140,000 | - | 3,140,000 | 100% |
| Public Safety -Police Vehicles | 500,000 | 500,000 | 500,000 | - | 500,000 | 100% |
| Community Development | 1,360,000 | 1,860,000 | 1,860,000 | - | 1,860,000 | 100% |
| | <u>\$ 16,120,000</u> | <u>\$ 16,745,490</u> | <u>\$ 13,475,392</u> | <u>\$ 718,585</u> | <u>\$ 14,193,977</u> | <u>85%</u> |

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2009

2007 SPLOST

| | Original Estimated Costs | Current Estimated Costs | Expenditures | | | Estimated Percentage of Completion |
|--|---|--|------------------------|-------------------------|---------------------|---|
| | | | Prior Years | Current Year | Total | |
| Joint City/County Solid Waste Disposal | \$ 7,000,000 | \$ 7,000,000 | \$ 937,778 | \$ 1,006,667 | \$ 1,944,445 | 28% |
| Cemetery Expansion | 900,000 | 900,000 | 684,374 | 52,288 | 736,662 | 82% |
| Waste and Sewer Projects | 9,860,000 | 9,860,000 | - | - | - | 0% |
| Street and Drainage Projects | 5,307,500 | 5,307,500 | - | - | - | 0% |
| Public Safety Facilities and Equipment | 4,200,000 | 4,200,000 | - | 58,115 | 58,115 | 1% |
| Solid Waste Handling Equipment | 1,400,000 | 1,400,000 | - | - | - | 0% |
| | <u>\$ 28,667,500</u> | <u>\$ 28,667,500</u> | <u>\$ 1,622,152</u> | <u>\$ 1,117,070</u> | <u>\$ 2,739,222</u> | <u>10%</u> |



STATISTICAL SECTION

City of Statesboro, Georgia

Statistical Section

(Unaudited)

This part of the City of Statesboro's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

| Contents | <u>Page</u> |
|---|--------------------|
| Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective. | S-1 |
| Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the City's two most significant local revenue sources, the property and sales taxes. | S-10 |
| Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | S-19 |
| Economic & Demographic Information This table offers economic and demographic indicators that are commonly used for financial analysis and that can inform one's understanding the City's present and ongoing financial status. | S-23 |
| Operating Information These tables contain service and infrastructure indicators that can inform one's understanding how the information in the City's financial statements relates to the services the City provides and the activities it performs. | S-25 |

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in fiscal year 2003 therefore tables presenting government-wide information include only seven years.

City of Statesboro, Georgia
 Governemnt-wide Expenses, Program Revenues and
 Net (Expense)/Revenue by Function/Program
 Last Seven Fiscal Years ²
 (accrual basis of accounting)

| Function/Program | Fiscal Year 2009 | | | Fiscal Year 2008 | | | Fiscal Year 2007 | | | Fiscal Year 2006 | | |
|--|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|
| | Expenses | Program Revenues | Net (Expense)/Revenue ¹ | Expenses | Program Revenues | Net (Expense)/Revenue ¹ | Expenses | Program Revenues | Net (Expense)/Revenue ¹ | Expenses | Program Revenues | Net (Expense)/Revenue ¹ |
| Governmental Activities | | | | | | | | | | | | |
| General government | \$ 2,683,348 | \$ 765,661 | \$ (1,917,687) | \$ 2,266,551 | \$ 782,058 | \$ (1,484,493) | \$ 2,110,223 | \$ 620,563 | \$ (1,489,660) | \$ 1,861,605 | \$ 572,414 | \$ (1,289,191) |
| Municipal court | 697,203 | - | (697,203) | 635,975 | - | (635,975) | 639,563 | - | (639,563) | 415,176 | - | (415,176) |
| Public safety | 8,465,499 | 3,255,928 | (5,209,571) | 7,978,175 | 3,843,208 | (4,134,967) | 7,154,050 | 3,081,888 | (4,072,162) | 6,552,311 | 3,217,236 | (3,335,075) |
| Public works | 2,452,550 | 2,121,763 | (330,787) | 2,531,841 | 2,424,054 | (107,787) | 2,272,342 | 4,094,204 | 1,821,862 | 2,005,572 | 1,727,145 | (278,427) |
| Community development | 539,771 | - | (539,771) | 495,059 | 4,500 | (490,559) | 484,187 | - | (484,187) | 413,832 | - | (413,832) |
| Parks and cemeteries | 533,706 | - | (533,706) | 528,039 | 684,374 | 156,335 | 478,762 | - | (478,762) | 352,504 | 17,744 | (334,760) |
| Engineering | 760,687 | 100,637 | (660,050) | 701,021 | 153,737 | (547,284) | 701,041 | 332,604 | (368,437) | 728,455 | 445,368 | (283,087) |
| Planning and zoning | 285,709 | - | (285,709) | 241,067 | - | (241,067) | 210,291 | - | (210,291) | 117,322 | - | (117,322) |
| Community services | 535,258 | 5,500 | (529,758) | 349,975 | 6,250 | (343,725) | 807,676 | 18,750 | (788,926) | 314,091 | - | (314,091) |
| Interest on long-term debt | 30,966 | - | (30,966) | 46,241 | - | (46,241) | 67,886 | - | (67,886) | 66,886 | - | (66,886) |
| Subtotal Governmental Activities | 16,984,698 | 6,249,489 | (10,735,209) | 15,773,944 | 7,898,181 | (7,875,763) | 14,926,021 | 8,148,009 | (6,778,012) | 12,827,754 | 5,979,907 | (6,847,847) |
| Business-type Activities | | | | | | | | | | | | |
| Water and sewer | 6,557,573 | 6,931,624 | 374,051 | 6,394,274 | 7,898,918 | 1,504,644 | 5,990,457 | 8,317,809 | 2,327,352 | 5,679,698 | 7,563,594 | 1,883,896 |
| Gas | 5,040,258 | 6,053,741 | 1,013,483 | 5,299,783 | 6,224,982 | 925,199 | 5,833,902 | 6,277,707 | 443,805 | 6,837,031 | 7,543,421 | 706,390 |
| Solid waste collection | 2,026,631 | 2,538,590 | 511,959 | 1,968,174 | 2,471,249 | 503,075 | 1,891,991 | 2,359,448 | 467,457 | 1,769,572 | 2,236,029 | 466,457 |
| Solid waste disposal | 3,284,953 | 2,075,990 | (1,208,963) | 3,614,938 | 2,290,392 | (1,324,546) | 3,455,805 | 2,360,360 | (1,095,445) | 3,179,109 | 2,109,065 | (1,070,044) |
| Subtotal Business-type Activities | 16,909,415 | 17,599,945 | 690,530 | 17,277,169 | 18,885,541 | 1,608,372 | 17,172,155 | 19,315,324 | 2,143,169 | 17,465,410 | 19,452,109 | 1,986,699 |
| Total Primary Government | \$ 33,894,113 | \$ 23,849,434 | \$ (10,044,678) | \$ 33,051,113 | \$ 26,783,722 | \$ (6,267,391) | \$ 32,098,176 | \$ 27,463,333 | \$ (4,634,842) | \$ 30,293,164 | \$ 25,432,016 | \$ (4,861,148) |

| Function/Program | Fiscal Year 2005 | | | Fiscal Year 2004 | | | Fiscal Year 2003 | | |
|--|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|
| | Expenses | Program Revenues | Net (Expense)/Revenue ¹ | Expenses | Program Revenues | Net (Expense)/Revenue ¹ | Expenses | Program Revenues | Net (Expense)/Revenue ¹ |
| Governmental Activities | | | | | | | | | |
| General government | \$ 1,753,174 | \$ 578,353 | \$ (1,174,821) | \$ 1,654,987 | \$ 594,551 | \$ (1,060,436) | \$ 1,709,635 | \$ 583,981 | \$ (1,125,654) |
| Municipal court | 424,274 | - | (424,274) | 390,188 | - | (390,188) | 390,355 | 3,939 | (386,416) |
| Public safety | 6,144,619 | 2,490,824 | (3,653,795) | 5,564,625 | 1,869,402 | (3,695,223) | 5,527,516 | 1,964,588 | (3,562,928) |
| Public works | 1,914,240 | 1,729,928 | (184,312) | 2,028,312 | 3,650,868 | 1,622,556 | 2,132,875 | 4,621,705 | 2,488,830 |
| Community development | 393,169 | 8,992 | (384,177) | 392,554 | 1,790,448 | 1,397,894 | 483,833 | 915,655 | 431,822 |
| Parks and cemeteries | 393,658 | 298,000 | (95,658) | 340,928 | 142,591 | (198,337) | 351,813 | - | (351,813) |
| Engineering | 611,241 | 124,870 | (486,371) | 640,525 | 73,043 | (567,482) | 477,639 | 99,658 | (377,981) |
| Planning and zoning | 119,935 | - | (119,935) | 115,631 | - | (115,631) | 127,516 | 3,259 | (124,257) |
| Community services | 197,110 | - | (197,110) | 104,683 | 1,253,500 | 1,148,817 | 129,816 | - | (129,816) |
| Interest on long-term debt | - | - | - | 18,297 | - | (18,297) | 82,864 | - | (82,864) |
| Subtotal Governmental Activities | 11,951,420 | 5,230,967 | (6,720,453) | 11,250,730 | 9,374,403 | (1,876,327) | 11,413,862 | 8,192,785 | (3,221,077) |
| Business-type Activities | | | | | | | | | |
| Water and sewer | 5,379,060 | 6,521,643 | 1,142,583 | 5,080,975 | 6,024,896 | 943,921 | 5,201,386 | 6,140,774 | 939,388 |
| Gas | 5,449,209 | 6,296,422 | 847,213 | 4,633,855 | 5,632,987 | 999,132 | 4,186,230 | 5,144,364 | 958,134 |
| Solid waste collection | 1,736,580 | 2,218,105 | 481,525 | 1,770,032 | 2,180,263 | 410,231 | 1,675,815 | 2,173,073 | 497,258 |
| Solid waste disposal | 2,851,868 | 1,986,143 | (865,725) | 2,705,237 | 1,839,152 | (866,085) | 2,455,218 | 1,890,069 | (565,149) |
| Subtotal Business-type Activities | 15,416,717 | 17,022,313 | 1,605,596 | 14,190,099 | 15,677,298 | 1,487,199 | 13,518,649 | 15,348,280 | 1,829,631 |
| Total Primary Governmen | \$ 27,368,137 | \$ 22,253,280 | \$ (5,114,857) | \$ 25,440,829 | \$ 25,051,701 | \$ (389,128) | \$ 24,932,511 | \$ 23,541,065 | \$ (1,391,446) |

Notes:

¹ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

²The City implemented GASB Statement No. 34 in fiscal year2003, therefore, only seven years of government-wide financial data is presented.

City of Statesboro, Georgia
Government-wide Program Revenues² by Category
Last Seven Fiscal Years¹
(accrual basis of accounting)

| | <u>Fiscal Year 2009</u> | <u>Fiscal Year 2008</u> | <u>Fiscal Year 2007</u> | <u>Fiscal Year 2006</u> | <u>Fiscal Year 2005</u> | <u>Fiscal Year 2004</u> | <u>Fiscal Year 2003</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental Activities | | | | | | | |
| Charges for Services: | | | | | | | |
| General Government | \$ 672,700 | \$ 689,222 | \$ 518,673 | \$ 468,630 | \$ 471,472 | \$ 470,889 | \$ 457,495 |
| Municipal Court | - | - | - | - | - | - | 3,939 |
| Public Safety | 2,752,193 | 2,388,834 | 2,172,221 | 1,789,377 | 1,911,813 | 1,809,666 | 1,757,261 |
| Engineering | 100,637 | 153,737 | 332,604 | 445,368 | 124,870 | 73,043 | 99,658 |
| Operating Grants and Contributions | 162,191 | 359,659 | 156,840 | 103,784 | 116,945 | 213,455 | 334,284 |
| Capital Grants and Contributions | 2,561,768 | 4,306,729 | 4,967,671 | 3,172,748 | 2,605,867 | 6,807,350 | 5,540,148 |
| Subtotal Governmental Activities Program Revenues | <u>6,249,489</u> | <u>7,898,181</u> | <u>8,148,009</u> | <u>5,979,907</u> | <u>5,230,967</u> | <u>9,374,403</u> | <u>8,192,785</u> |
| Business-type Activities | | | | | | | |
| Charges for Services: | | | | | | | |
| Water and Sewer | 6,792,832 | 7,267,501 | 6,696,230 | 6,912,432 | 6,135,710 | 5,833,055 | 5,976,905 |
| Gas | 6,008,260 | 6,179,396 | 6,232,576 | 7,496,631 | 6,247,110 | 5,558,803 | 5,091,818 |
| Solid Waste Collection | 2,538,590 | 2,471,249 | 2,359,448 | 2,236,029 | 2,218,105 | 2,180,263 | 2,173,073 |
| Solid Waste Disposal | 2,073,273 | 2,290,392 | 2,333,218 | 2,109,065 | 1,986,143 | 1,839,152 | 1,862,335 |
| Operating Grants and Contributions | 48,198 | 45,586 | 72,373 | 46,790 | 49,312 | 74,184 | 96,036 |
| Capital Grants and Contributions | 138,792 | 631,417 | 1,621,579 | 651,162 | 385,933 | 191,841 | 148,113 |
| Subtotal Business-type Activities Program Revenues | <u>17,599,945</u> | <u>18,885,541</u> | <u>19,315,424</u> | <u>19,452,109</u> | <u>17,022,313</u> | <u>15,677,298</u> | <u>15,348,280</u> |
| Primary Government | | | | | | | |
| Charges for Services | 20,938,485 | 21,440,331 | 20,644,970 | 21,457,532 | 19,095,223 | 17,764,871 | 17,422,484 |
| Operating Grants and Contributions | 210,389 | 405,245 | 229,213 | 150,574 | 166,257 | 287,639 | 430,320 |
| Capital Grants and Contributions | 2,700,560 | 4,938,146 | 6,589,250 | 3,823,910 | 2,991,800 | 6,999,191 | 5,688,261 |
| Total Primary Government Program Revenues | <u>\$ 23,849,434</u> | <u>\$ 26,783,722</u> | <u>\$ 27,463,433</u> | <u>\$ 25,432,016</u> | <u>\$ 22,253,280</u> | <u>\$ 25,051,701</u> | <u>\$ 23,541,065</u> |

Notes:

¹The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, only seven years of government-wide financial data are presented.

²Program revenues are related to specific activities of the City. Their sources is either fees, fines, charges for services or grants restricted to a specific purpose.

City of Statesboro, Georgia
Government-wide General Revenues and Other Changes in Net Assets
Last Seven Fiscal Years ¹
(accrual basis of accounting)

| | <u>Fiscal Year 2009</u> | <u>Fiscal Year 2008</u> | <u>Fiscal Year 2007</u> | <u>Fiscal Year 2006</u> | <u>Fiscal Year 2005</u> | <u>Fiscal Year 2004</u> | <u>Fiscal Year 2003</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Net (Expense), Total Primary Government (see page S-1) | | | | | | | |
| Governmental activities | \$ (10,735,209) | \$ (7,875,763) | \$ (6,778,012) | \$ (6,847,847) | \$ (6,720,453) | \$ (1,876,327) | \$ (3,221,077) |
| Business activities | 690,530 | 1,608,372 | 2,143,169 | 1,986,699 | 1,605,596 | 1,487,199 | 1,829,631 |
| Total Primary Government | <u>(10,044,678)</u> | <u>(6,267,391)</u> | <u>(4,634,842)</u> | <u>(4,861,148)</u> | <u>(5,114,857)</u> | <u>(389,128)</u> | <u>(1,391,446)</u> |
| General revenues and other changes in net assets | | | | | | | |
| Governmental Activities: | | | | | | | |
| Taxes | | | | | | | |
| Property taxes levied for general purposes | 3,785,398 | 3,720,220 | 3,360,813 | 3,188,375 | 3,111,124 | 2,986,241 | 3,010,361 |
| Hotel/motel taxes | 456,994 | 422,526 | 405,157 | 376,838 | 358,315 | 322,824 | 342,699 |
| Insurance premium taxes | 1,270,366 | 1,240,647 | 1,189,372 | 1,136,795 | 1,056,630 | 974,995 | 904,647 |
| Franchise taxes | 1,587,617 | 1,432,343 | 1,310,552 | 1,221,274 | 1,094,343 | 1,048,355 | 1,021,082 |
| Other taxes | 812,149 | 785,555 | 791,653 | 741,913 | 781,329 | 765,429 | 701,866 |
| Gain (loss) on sale of capital assets | (17,225) | (18,855) | 16,310 | 28,230 | 24,677 | 456,314 | - |
| Investment earnings | 12,624 | 69,887 | 148,643 | 192,461 | 166,013 | 178,010 | 118,764 |
| Miscellaneous | 38,698 | 49,403 | 79,184 | 84,203 | 106,974 | 95,180 | 101,670 |
| Transfers from (to) business-type activities | 2,389,521 | 1,111,704 | 2,250,677 | 1,859,492 | 1,282,596 | (431,276) | (523,434) |
| Subtotal Governmental Activities | <u>10,336,142</u> | <u>8,813,430</u> | <u>9,552,361</u> | <u>8,829,581</u> | <u>7,982,001</u> | <u>6,396,072</u> | <u>5,677,655</u> |
| Business-type Activities: | | | | | | | |
| Gain (loss) on the sale of capital assets | 66,753 | 74,269 | 16,118 | 58,641 | (32,458) | 61,294 | 20,467 |
| Investment earnings | 9,316 | 58,365 | 143,201 | 147,984 | 88,723 | 93,636 | 104,456 |
| Miscellaneous | 163,021 | 188,561 | 149,983 | 109,252 | 151,972 | 80,439 | 57,106 |
| Transfers from (to) governmental activities | (2,389,521) | (1,111,704) | (2,250,677) | (1,859,492) | (1,282,596) | 431,276 | 523,434 |
| Subtotal Business-type Activities | <u>(2,150,431)</u> | <u>(790,509)</u> | <u>(1,941,375)</u> | <u>(1,543,615)</u> | <u>(1,074,359)</u> | <u>666,645</u> | <u>705,463</u> |
| Changes in Net Assets | | | | | | | |
| Governmental activities | (399,067) | 937,667 | 2,774,349 | 1,981,734 | 1,261,548 | 4,519,745 | 2,456,578 |
| Business-type activities | (1,459,900) | 817,863 | 201,795 | 443,084 | 531,237 | 2,153,844 | 2,535,094 |
| Total Primary Government | <u>\$ (1,858,967)</u> | <u>\$ 1,755,530</u> | <u>\$ 2,976,144</u> | <u>\$ 2,424,818</u> | <u>\$ 1,792,785</u> | <u>\$ 6,673,589</u> | <u>\$ 4,991,672</u> |

Note:

¹ The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, only seven years of government-wide financial data is presented.

City of Statesboro, Georgia
Government-wide Net Assets by Category ²
Last Seven Fiscal Years ¹
(accrual basis of accounting)

| | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> | <u>June 30, 2006</u> | <u>June 30, 2005</u> | <u>June 30, 2004</u> | <u>June 30, 2003</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | |
| Invested in capital assets, net of related debt | \$ 23,985,317 | \$ 23,841,321 | \$ 23,224,510 | \$ 13,872,311 | \$ 12,233,346 | \$ 10,311,153 | \$ 6,982,216 |
| Restricted for: | | | | | | | |
| Capital projects | 137,990 | 166,489 | 118,623 | 1,256,771 | 7,052 | 944,493 | 873,130 |
| Specific projects and programs | 810,377 | 621,297 | 189,574 | 181,426 | 224,223 | 327,988 | 206,850 |
| Unrestricted | 739,878 | 1,443,522 | 1,602,255 | 4,466,573 | 5,330,726 | 4,950,165 | 3,951,858 |
| Subtotal Governmental Activities Net Assets | <u>25,673,562</u> | <u>26,072,629</u> | <u>25,134,962</u> | <u>19,777,081</u> | <u>17,795,347</u> | <u>16,533,799</u> | <u>12,014,054</u> |
| Business-type Activities | | | | | | | |
| Invested in capital assets, net of related debt | 33,047,246 | 34,151,296 | 33,089,016 | 31,093,383 | 30,290,308 | 29,608,026 | 27,583,210 |
| Restricted for revenue bond retirement | 199,193 | 199,281 | 194,468 | 186,490 | 180,879 | 179,018 | 179,460 |
| Renewal & extension | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Unrestricted | (232,463) | 123,299 | 372,529 | 2,174,345 | 2,539,947 | 2,692,853 | 2,563,383 |
| Subtotal Business-type Activities Net assets | <u>33,213,976</u> | <u>34,673,876</u> | <u>33,856,013</u> | <u>33,654,218</u> | <u>33,211,134</u> | <u>32,679,897</u> | <u>30,526,053</u> |
| Primary Government | | | | | | | |
| Invested in capital assets, net of related debt | 57,032,563 | 57,992,617 | 56,313,526 | 44,965,694 | 42,523,654 | 39,919,179 | 34,565,426 |
| Restricted | | | | | | | |
| Capital projects | 137,990 | 166,489 | 118,623 | 1,256,771 | 7,052 | 944,493 | 873,130 |
| Restricted for revenue bond retirement | 199,193 | 199,281 | 194,468 | 186,490 | 180,879 | 179,018 | 179,460 |
| Renewal & Extension | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Specific projects and programs | 810,377 | 621,297 | 189,574 | 181,426 | 224,223 | 327,988 | 206,850 |
| Unrestricted | 507,415 | 1,566,821 | 1,974,784 | 6,640,918 | 7,870,673 | 7,643,018 | 6,515,241 |
| Total Primary Government Net Assets | <u>\$ 58,887,538</u> | <u>\$ 60,746,505</u> | <u>\$ 58,990,975</u> | <u>\$ 53,431,299</u> | <u>\$ 51,006,481</u> | <u>\$ 49,213,696</u> | <u>\$ 42,540,107</u> |

Notes:

¹The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, only seven years of government-wide financial data is presented.

²Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Georgia or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City.

City of Statesboro, Georgia
General Governmental Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Source | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------------------------|---------------------|---------------------|----------------------|------------------------|------------------------|----------------------|----------------------|------------------------|------------------------|----------------------|
| Taxes | \$ 5,002,980 | \$ 5,906,521 | \$ 5,712,647 | \$ 6,116,076 | \$ 6,213,085 | \$ 6,411,028 | \$ 6,622,152 | \$ 7,097,096 | \$ 7,596,780 | \$ 7,900,077 |
| Intergovernmental | 1,972,477 | 471,087 | 2,096,201 | 5,874,432 ¹ | 5,767,305 ¹ | 2,722,812 | 3,276,532 | 5,124,511 ¹ | 4,666,388 ¹ | 2,723,959 |
| Licenses and permits | 509,044 | 572,402 | 507,983 | 493,836 | 478,554 | 536,257 | 855,224 | 783,243 | 772,770 | 703,815 |
| Fines and forfeitures | 1,121,901 | 1,328,118 | 1,348,668 | 1,261,107 | 1,351,768 | 1,367,790 | 1,258,238 | 1,610,839 | 1,449,617 | 1,766,110 |
| Charges for services | 425,792 | 441,872 | 431,049 | 563,410 | 523,276 | 604,108 | 589,913 | 629,416 | 1,009,406 | 1,055,605 |
| Investment earnings | 255,585 | 282,786 | 147,285 | 113,515 | 161,082 | 145,454 | 152,404 | 91,159 | 29,512 | 8,496 |
| Miscellaneous | 52,738 | 141,873 | 228,270 | 101,670 | 1,348,680 | 105,979 | 84,203 | 79,184 | 49,403 | 38,698 |
| Total revenues | \$ 9,340,517 | \$ 9,144,659 | \$ 10,472,103 | \$ 14,524,046 | \$ 15,843,750 | \$ 11,893,428 | \$ 12,838,666 | \$ 15,415,448 | \$ 15,573,876 | \$ 14,196,760 |
| % change from prior year | 27.2% | -2.1% | 14.5% | 38.7% | 9.1% | -24.9% | 7.9% | 20.1% | 1.0% | -8.8% |

Note:

¹In fiscal 2003, 2004, 2007 and 2008, the City drew down substantially more in sales taxes from the County than in prior years. The City may not levy a special purpose local option sales tax but receives a portion of the Bulloch County's special purpose local option sales tax.

City of Statesboro, Georgia
General Fund Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Property | Vehicles | Franchise | Insurance Premium | Alcoholic Beverage | Other¹ | Total |
|--|-----------------|-----------------|------------------|--------------------------|---------------------------|--------------------------|--------------|
| 2000 | 2,731,093 | 211,701 | 969,827 | 844,446 | 550,906 | 55,007 | 5,362,980 |
| 2001 | 2,754,100 | 270,421 | 1,009,559 | 896,916 | 542,208 | 433,317 | 5,906,521 |
| 2002 | 2,746,354 | 222,986 | 1,018,729 | 824,484 | 568,241 | 35,322 | 5,416,116 |
| 2003 | 2,935,273 | 210,509 | 1,021,082 | 904,647 | 594,883 | 106,983 | 5,773,377 |
| 2004 | 2,897,418 | 204,064 | 1,048,355 | 974,995 | 611,823 | 153,606 | 5,890,261 |
| 2005 | 2,920,576 | 199,835 | 1,094,343 | 1,056,630 | 629,362 | 151,967 | 6,052,713 |
| 2006 | 2,951,977 | 193,355 | 1,221,274 | 1,136,795 | 621,962 | 119,951 | 6,245,314 |
| 2007 | 3,187,407 | 212,955 | 1,310,552 | 1,189,372 | 651,652 | 140,001 | 6,691,939 |
| 2008 | 3,503,408 | 212,301 | 1,432,343 | 1,240,647 | 682,476 | 103,079 | 7,174,254 |
| 2009 | 3,581,923 | 191,028 | 1,587,617 | 1,270,366 | 683,371 | 128,778 | 7,443,083 |
| Percentage Change In Dollars Over 10 Years | 31.2% | -9.8% | 63.7% | 50.4% | 24.0% | 134.1% | 38.8% |

Notes:

¹ In fiscal year 2001, the method of accounting for hotel/motel taxes was changed from net to gross reporting. Also, fiscal year 2001 includes \$121,619 received from an audit of the hotel/motel taxes.

City of Statesboro, Georgia
General Governmental Expenditures by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Function | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current: | | | | | | | | | | |
| General government | \$ 1,461,926 | \$ 1,458,500 | \$ 1,386,832 | \$ 1,634,159 | \$ 1,603,534 | \$ 1,686,164 | \$ 1,789,557 | \$ 2,008,167 | \$ 2,140,864 | \$ 2,461,925 |
| Municipal court ¹ | - | 282,090 | 379,194 | 385,518 | 390,604 | 420,501 | 412,762 | 638,695 | 625,001 | 684,444 |
| Public safety | 4,104,718 | 4,116,306 | 4,660,326 | 5,197,807 | 5,426,428 | 5,983,162 | 6,356,845 | 6,783,582 | 7,751,876 | 7,973,168 |
| Streets/public works | 1,034,078 | 1,090,518 | 1,535,407 | 1,616,810 | 1,859,572 | 1,651,440 | 1,673,729 | 1,824,491 | 1,864,703 | 1,779,706 |
| Parks and cemeteries | 208,234 | 227,640 | 286,868 | 324,366 | 421,155 | 948,682 | 412,075 | 406,397 | 433,076 | 444,407 |
| Engineering | 321,820 | 329,437 | 374,887 | 439,151 | 522,804 | 576,857 | 671,252 | 640,078 | 669,869 | 721,165 |
| Shop ² | 265,396 | 278,945 | - | - | - | - | - | - | - | - |
| Planning and zoning | - | 98,543 | 121,277 | 129,935 | 117,721 | 122,457 | 115,238 | 210,989 | 233,314 | 290,564 |
| Community services | 410,633 | 297,495 | 203,626 | 129,816 | 104,683 | 123,199 | 215,159 | 681,439 | 198,260 | 436,326 |
| Community development | 140,864 | 473,123 | 352,910 | 483,833 | 392,554 | 393,169 | 413,832 | 484,187 | 495,059 | 539,549 |
| Total Current | 7,947,669 | 8,652,597 | 9,301,327 | 10,341,395 | 10,839,055 | 11,905,631 | 12,060,449 | 13,678,025 | 14,412,022 | 15,331,254 |
| % Change From Prior Year | 1.1% | 8.9% | 7.5% | 11.2% | 4.8% | 9.8% | 1.3% | 13.4% | 5.4% | 6.4% |
| Capital Outlay | 2,393,110 | 1,543,190 | 2,364,006 | 3,756,405 | 3,852,211 | 2,118,841 | 2,373,967 | 8,003,416 | 2,429,833 | 1,062,731 |
| % Change From Prior Year | 140.6% | -35.5% | 53.2% | 58.9% | 2.6% | -45.0% | 12.0% | 237.1% | -69.6% | -56.3% |
| Debt Service | | | | | | | | | | |
| Principal | 462,066 | 463,502 | 34,500 | 37,000 | 39,000 | 41,000 | 119,184 | 170,689 | 254,295 | 347,306 |
| Interest | 112,234 | 107,455 | 94,097 | 82,864 | 77,040 | 88,372 | 66,886 | 67,886 | 46,241 | 30,966 |
| Total Debt Service | 574,300 | 570,957 | 128,597 | 119,864 | 116,040 | 129,372 | 186,070 | 238,575 | 300,536 | 378,272 |
| % Change From Prior Year | 117.4% | -0.6% | -77.5% | -6.8% | -3.2% | 11.5% | 43.8% | 28.2% | 26.0% | 25.9% |
| Total Expenditures | \$ 10,915,079 | \$ 10,766,744 | \$ 11,793,930 | \$ 14,217,664 | \$ 14,807,306 | \$ 14,153,844 | \$ 14,620,486 | \$ 21,920,016 | \$ 17,142,391 | \$ 16,772,257 |
| % Change From Prior Year | 19.6% | -1.4% | 9.5% | 20.6% | 4.1% | -4.4% | 3.3% | 49.9% | -21.8% | -2.2% |
| Debt Service as a Percentage of Total Noncapital Expenditures | 6.7% | 6.2% | 1.4% | 1.1% | 1.1% | 1.1% | 1.5% | 1.7% | 2.0% | 2.4% |

Notes:

¹ In fiscal year 2001, expenditure functions were changed as a result of the City's implementation of the State of Georgia's mandatory chart of accounts.

² In fiscal year 2002, the shop function was transferred into the fleet management internal service fund.

City of Statesboro, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|----------------|----------------|----------------|------------------|------------------|------------------|----------------|--------------------|----------------|------------------|
| Total Revenues | \$ 9,340,517 | \$ 9,144,659 | \$ 10,472,103 | \$ 14,524,046 | \$ 15,843,750 | \$ 11,893,428 | \$ 12,838,666 | \$ 15,415,448 | \$ 15,573,876 | \$ 14,196,760 |
| Total Expenditures | 10,915,079 | 10,766,744 | 11,793,930 | 14,217,664 | 14,807,306 | 14,153,844 | 14,620,486 | 21,920,016 | 17,142,391 | 16,772,257 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,574,562) | (1,622,085) | (1,321,827) | 306,382 | 1,036,444 | (2,260,416) | (1,781,820) | (6,504,568) | (1,568,515) | (2,575,497) |
| Other Financing Sources (Uses) | 2,476,009 | 2,018,480 | 1,658,196 | (564,564) | 37,662 | 1,521,349 | 1,910,887 | 2,414,000 | 2,551,471 | 2,290,973 |
| Net Change in Fund Balances | <u>901,447</u> | <u>396,395</u> | <u>336,369</u> | <u>(258,182)</u> | <u>1,074,106</u> | <u>(739,067)</u> | <u>129,067</u> | <u>(4,090,568)</u> | <u>982,956</u> | <u>(284,524)</u> |

City of Statesboro, Georgia
Governmental Fund - Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 305,904 | \$ - | \$ - | \$ 190,475 | \$ 209,413 | \$ 244,757 | \$ 199,020 | \$ 169,631 | \$ 170,717 | \$ 174,009 |
| Unreserved | 4,261,744 | 4,265,343 | 3,778,493 | 3,726,401 | 4,589,068 | 4,732,116 | 3,823,745 | 2,595,299 | 1,478,379 | 947,789 |
| Subtotal General Fund | 4,567,648 | 4,265,343 | 3,778,493 | 3,916,876 | 4,798,481 | 4,976,873 | 4,022,765 | 2,764,930 | 1,649,096 | 1,121,798 |
| General Fund Percentage Change | 24.6% | -6.6% | -11.4% | 3.7% | 22.5% | 3.7% | -19.2% | -31.3% | -40.4% | -32.0% |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | - | - | - | - | - | - | - | - | 12,522 | 11,045 |
| Unreserved | | | | | | | | | | |
| Special Revenue Funds ² | - | - | 371,376 | 206,850 | 327,988 | 224,223 | 181,426 | 189,574 | 608,775 | 799,332 |
| Capital Projects Fund ¹ | - | 698,700 | 1,150,543 | 873,130 | 944,493 | 130,799 | 1,256,771 | (1,584,110) | 82,957 | 136,651 |
| Subtotal All Other Governmental Funds | - | 698,700 | 1,521,919 | 1,079,980 | 1,272,481 | 355,022 | 1,438,197 | (1,394,536) | 704,254 | 947,028 |
| Total Governmental Funds | | | | | | | | | | |
| Reserved | 305,904 | - | - | 190,475 | 209,413 | 244,757 | 199,020 | 169,631 | 183,239 | 185,054 |
| Unreserved | 4,261,744 | 4,964,043 | 5,300,412 | 4,806,381 | 5,861,549 | 5,087,138 | 5,261,942 | 1,200,763 | 2,170,111 | 1,883,772 |
| Total Governmental Funds | \$ 4,567,648 | \$ 4,964,043 | \$ 5,300,412 | \$ 4,996,856 | \$ 6,070,962 | \$5,331,895 | \$ 5,460,962 | \$ 1,370,394 | \$ 2,353,350 | \$ 2,068,826 |
| All Governmental Funds Percentage Change | 24.6% | 8.7% | 6.8% | -5.7% | 21.5% | -12.2% | 2.4% | -74.9% | 71.7% | -12.1% |

Notes:

¹In fiscal year 2001 a separate capital project fund was established.

²In fiscal year 2002, six special revenue funds were established to meet the requirements of the State of Georgia's mandatory chart of accounts.

City of Statesboro, Georgia
Taxable Assessed Value and Estimated Actual Value of Property
Last Ten Fiscal Years

| Amounts | | | | | | | | | | | | | |
|-------------|----------------------|---------------------|---------------------|-----------------------|---------------------------|------------------|---------------------------------|----------------|---------------------------|---|------------------------------------|------------------------|--------------------------|
| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Agricultural Property | Conservation Use Property | Utility Property | Motor Vehicles and Mobile Homes | Other Property | Less: Tax Exempt Property | Total Taxable Assessed Value ¹ | Total Direct Tax Rate ² | Estimated Actual Value | Annual Percentage Change |
| 2000 | 112,647,234 | 143,853,647 | 12,703,388 | 1,788,680 | 368,880 | 10,551,903 | 23,474,513 | 194,920 | 7,250,000 | 298,333,165 | 8.500 | 763,957,913 | 2.9% |
| 2001 | 113,435,172 | 160,103,415 | 12,607,760 | 1,721,120 | 367,320 | 10,387,350 | 25,934,525 | 194,920 | 435,648 | 324,315,934 | 9.200 | 811,878,955 | 6.3% |
| 2002 | 133,801,032 | 206,049,148 | 9,359,213 | 1,244,400 | 1,314,600 | 13,981,230 | 28,398,320 | 216,768 | 5,733,874 | 388,630,837 | 7.750 | 985,911,778 | 21.4% |
| 2003 | 133,668,976 | 213,243,900 | 7,767,909 | 1,286,680 | 1,503,720 | 13,981,230 | 28,202,404 | 213,320 | 4,504,381 | 395,363,758 | 7.750 | 999,670,348 | 1.4% |
| 2004 | 133,647,220 | 234,104,327 | 6,920,280 | 1,531,200 | 1,372,640 | 14,680,200 | 28,402,633 | 213,320 | 5,096,105 | 415,775,715 | 7.741 | 1,052,179,550 | 5.3% |
| 2005 | 150,273,037 | 272,246,100 | 6,758,133 | 1,169,760 | 1,510,880 | 18,524,000 | 27,819,183 | 151,488 | 5,205,094 | 473,247,487 | 6.921 | 1,196,131,453 | 13.7% |
| 2006 | 152,086,310 | 274,694,201 | 5,908,250 | 1,142,680 | 1,424,200 | 18,524,040 | 28,606,845 | 139,084 | 8,985,597 | 473,540,013 | 6.921 | 1,206,314,025 | 0.9% |
| 2007 | 157,668,335 | 291,603,982 | 5,795,995 | 1,302,000 | 1,346,440 | 16,218,390 | 27,556,331 | 266,774 | 3,931,944 | 497,826,303 | 6.921 | 1,254,395,618 | 4.0% |
| 2008 | 192,623,437 | 349,207,061 | 5,998,633 | 879,840 | 1,688,920 | 15,879,960 | 29,724,461 | 120,480 | 8,794,116 | 587,328,676 | 6.358 | 1,490,306,980 | 18.8% |
| 2009 | 198,301,459 | 364,606,300 | 9,438,297 | 788,800 | 527,600 | 15,171,200 | 32,148,066 | 139,999 | 7,730,648 | 613,391,073 | 6.358 | 1,552,804,303 | 4.2% |

| Percentages | | | | | | | | | | | | | |
|-------------|-------|-------|------|------|------|------|------|------|------|-------|--|--|--|
| 2000 | 36.9% | 47.1% | 4.2% | 0.6% | 0.1% | 3.5% | 7.7% | 0.1% | 2.4% | 97.6% | | | |
| 2001 | 34.9% | 49.3% | 3.9% | 0.5% | 0.1% | 3.2% | 8.0% | 0.1% | 0.1% | 99.9% | | | |
| 2002 | 33.9% | 52.2% | 2.4% | 0.3% | 0.3% | 3.5% | 7.2% | 0.1% | 1.5% | 98.5% | | | |
| 2003 | 33.4% | 53.3% | 1.9% | 0.3% | 0.4% | 3.5% | 7.1% | 0.1% | 1.1% | 98.9% | | | |
| 2004 | 31.8% | 55.6% | 1.6% | 0.4% | 0.3% | 3.5% | 6.7% | 0.1% | 1.2% | 98.8% | | | |
| 2005 | 31.4% | 56.9% | 1.4% | 0.2% | 0.3% | 3.9% | 5.8% | 0.0% | 1.1% | 98.9% | | | |
| 2006 | 31.5% | 56.9% | 1.2% | 0.2% | 0.3% | 3.8% | 5.9% | 0.0% | 1.9% | 98.1% | | | |
| 2007 | 31.4% | 58.1% | 1.2% | 0.3% | 0.3% | 3.2% | 5.5% | 0.1% | 0.8% | 99.2% | | | |
| 2008 | 32.3% | 58.6% | 1.0% | 0.1% | 0.3% | 2.7% | 5.0% | 0.0% | 1.5% | 98.5% | | | |
| 2009 | 31.9% | 58.7% | 1.5% | 0.1% | 0.1% | 2.4% | 5.2% | 0.0% | 1.3% | 98.7% | | | |

Source:

Georgia Department of Revenue, Tax Digest Consolidation Summary

Notes:

¹ All property is assessed at 40% of fair market value.

² Tax rates expressed in rate per \$1,000

City of Statesboro, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed taxable value)

| Fiscal Year | City Direct Rate | Overlapping Rates ¹ | | | Total Overlapping | Total Overlapping and Direct |
|--------------------|-------------------------|---------------------------------------|-------------------------------|--------------------------------------|--------------------------|-------------------------------------|
| | | Bulloch County | Bulloch County Schools | State of Georgia ² | | |
| 2000 | 8.500 | 9.740 | 9.400 | 0.250 | 19.390 | 27.890 |
| 2001 | 9.200 | 9.740 | 9.400 | 0.250 | 19.390 | 28.590 |
| 2002 | 7.750 | 8.880 | 8.570 | 0.250 | 17.700 | 25.450 |
| 2003 | 7.750 | 9.360 | 8.570 | 0.250 | 18.180 | 25.930 |
| 2004 | 7.741 | 9.350 | 8.560 | 0.250 | 18.160 | 25.901 |
| 2005 | 6.921 | 8.630 | 9.450 | 0.250 | 18.330 | 25.251 |
| 2006 | 6.921 | 8.630 | 9.450 | 0.250 | 18.330 | 25.251 |
| 2007 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |
| 2008 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |
| 2009 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |

Source:

Georgia Department of Revenue, Property Tax Division

Notes:

¹ Overlapping rates are those of Bulloch County governments and the State of Georgia that apply to property owners within the City of Statesboro.

² The State of Georgia levies one quarter of one mill on each county's taxable property to help finance their certification of each Georgia county's tax digests.

City of Statesboro, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | | Total Uncollected Taxes | |
|-------------|----------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|-------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy | Amount | Percentage of Levy |
| 2000 | 2,490,571 | 2,189,725 | 87.92% | 300,846 | 2,490,571 | 100.00% | - | 0.00% |
| 2001 | 2,896,406 | 2,564,160 | 88.53% | 332,246 | 2,896,406 | 100.00% | - | 0.00% |
| 2002 | 2,973,336 | 2,838,707 | 95.47% | 134,629 | 2,973,336 | 100.00% | | 0.00% |
| 2003 | 3,049,469 | 2,879,301 | 94.42% | 170,155 | 3,049,198 | 99.99% | 13 | 0.00% |
| 2004 | 3,181,994 | 2,940,178 | 92.40% | 241,425 | 3,181,493 | 99.98% | 391 | 0.01% |
| 2005 | 3,243,858 | 3,104,218 | 95.70% | 139,255 | 3,243,144 | 99.98% | 385 | 0.01% |
| 2006 | 3,277,370 | 3,129,508 | 95.49% | 147,738 | 3,275,381 | 99.94% | 124 | 0.00% |
| 2007 | 3,415,324 | 3,331,010 | 97.53% | 83,181 | 3,382,686 | 99.04% | 1,133 | 0.03% |
| 2008 | 3,734,236 | 3,631,981 | 97.26% | 101,121 | 3,663,716 | 98.11% | 1,134 | 0.03% |
| 2009 | 3,931,134 | 3,798,499 | 96.63% | 103,210 | 3,901,710 | 99.25% | 29,424 | 0.75% |

Source:

City of Statesboro Tax Collector's Office

City of Statesboro, Georgia
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2009 and Nine Years Ago

| Principal Taxpayer | 2009 | | Principal Taxpayer | 2000 | |
|----------------------------------|-------------------------------|--|----------------------------------|-------------------------------|--|
| | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value | | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value |
| Statesboro HMA, Inc. | \$ 17,188,160 | 2.8% | Frontier Communications of GA | \$ 5,580,180 | 1.87% |
| Campus Club Associates, LLC | 11,263,201 | 1.8% | Georgia Power Co. | 4,537,052 | 1.52% |
| Copper Beech Townhome | 10,748,201 | 1.8% | JBPC South Inc. | 3,638,440 | 1.22% |
| Frontier Communications of GA | 8,992,111 | 1.47% | Statesboro Mall, LLC | 3,195,640 | 1.07% |
| Fairfield Stateboro Exchange | 7,694,560 | 1.25% | Howard Claude Lumber Co., Inc. | 2,930,785 | 0.98% |
| Lanier Inman | 6,586,120 | 1.07% | Wal-Mart Real Estate | 2,844,440 | 0.95% |
| Lanier Inman L. Jr as Trustee | 6,311,441 | 1.03% | Green, John R. | 2,808,400 | 0.94% |
| Lanier Drive Associates LLC | 5,624,601 | 0.92% | Wal-Mart Stores East, Inc. | 2,715,452 | 0.91% |
| Georgia Power Co. | 5,471,480 | 0.89% | Lowe's Home Centers, Inc. | 2,522,071 | 0.85% |
| The Garden District | 5,366,880 | 0.87% | Venture Properties, LLC | \$ 1,828,160 | 0.61% |
| Total Principal Taxpayers | 85,246,752 | 13.90% | Total Principal Taxpayers | 32,600,619 | 10.93% |
| All Other Taxpayers | 528,144,321 | 86.10% | All Other Taxpayers | 265,732,546 | 89.07% |
| Total | \$ 613,391,073 | 100.00% | Total | \$ 298,333,165 | 100.00% |

Source:

City of Statesboro Tax Office

City of Statesboro, Georgia
Overlapping Sales Tax Rates ¹
Last Ten Fiscal Years

| Fiscal Year | State of Georgia | Bulloch County | | | Total Overlapping Rate |
|--------------------|-------------------------|-----------------------|---------------------------|-----------------------------|-------------------------------|
| | | LOST | SPLOST² | E-SPLOST³ | |
| 2000 | 4.00% | 1.00% | 1.00% | - | 6.00% |
| 2001 | 4.00% | 1.00% | 1.00% | - | 6.00% |
| 2002 | 4.00% | 1.00% | 1.00% | - | 6.00% |
| 2003 | 4.00% | 1.00% | 1.00% | - | 6.00% |
| 2004 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2005 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2006 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2007 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2008 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2009 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |

Source:

Georgia Department of Revenue, Sales and Use Tax Division

Notes:

¹State law does not authorize the City to directly levy a sales tax, however, the City has an agreement with Bulloch County that they will receive amounts from both the 2002 and 2007 special purpose local option sales taxes.

² The current special purpose local option sales tax was approved effective October 1, 2007 and expires September 30, 2013.

³Effective January 1, 2004 the Bulloch County Board of Education began levying a 1% special purpose local option sales tax.

City of Statesboro, Georgia
Water and Sewer Rates
Fiscal Year 2000

| Water | | | | |
|--------------------|---|---|---|---|
| Fiscal Year | Rate per 0-3000 Gallons | Rate per Thousand, Next 2000 Gallons | Rate per Thousand, Next 5000 Gallons | Rate per Thousand, Over 10,000 Gallons |
| 2000 | 7.00 | 1.65 | 1.40 | 1.10 |
| Sewer | | | | |
| | Rate per Thousand Gallons - City | Rate per Thousand Gallons - County | | |
| 2000 | 1.20 | 2.40 | | |

Note:

Water rates are based on 5/8" meter, which is the standard household meter size.

City of Statesboro, Georgia
Water and Sewer Rates
Fiscal Years 2001 - 2009

If a Customer Has Both Water and Sewer Services, the Rates Are:

| Water | | | | |
|-------------|------------------|-------------------------|--------------------------------|--------------------------------|
| Fiscal Year | Inside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2002 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2003 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2004 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2005 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2006 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2007 | 4.50 | 1.90 | 2.00 | 2.10 |
| 2008 | 4.60 | 1.94 | 2.04 | 2.14 |
| 2009 | 4.60 | 1.94 | 2.04 | 2.14 |

| Fiscal Year | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|
| 2001 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2002 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2003 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2004 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2005 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2006 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2007 | 9.00 | 3.80 | 4.00 | 4.20 |
| 2008 | 9.20 | 3.88 | 4.08 | 4.28 |
| 2009 | 9.20 | 3.88 | 4.08 | 4.28 |

| Sewer | | | | |
|-------------|------------------|-------------------------|--------------------------------|--------------------------------|
| Fiscal Year | Inside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2002 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2003 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2004 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2005 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2006 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2007 | 4.50 | 2.30 | 2.40 | 2.50 |
| 2008 | 4.60 | 2.35 | 2.45 | 2.55 |
| 2009 | 4.60 | 2.35 | 2.45 | 2.55 |

| Fiscal Year | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|
| 2001 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2002 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2003 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2004 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2005 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2006 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2007 | 9.00 | 4.60 | 4.80 | 5.00 |
| 2008 | 9.20 | 4.70 | 4.90 | 5.10 |
| 2009 | 9.20 | 4.70 | 4.90 | 5.10 |

Note:

Rates are based on 5/8" meter, which is the standard household meter size.

(continued)

City of Statesboro, Georgia
Water and Sewer Rates
Fiscal Years 2001 - 2009

(continued)

If a Customer Has Water Service Only, The Rates Are:

| Fiscal Year | Water | | | |
|-------------|------------------|-------------------------|--------------------------------|--------------------------------|
| | Inside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2002 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2003 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2004 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2005 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2006 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2007 | 9.00 | 1.90 | 2.00 | 2.10 |
| 2008 | 9.20 | 1.94 | 2.04 | 2.14 |
| 2009 | 9.20 | 1.94 | 2.04 | 2.14 |

| Fiscal Year | Water | | | |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|
| | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2002 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2003 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2004 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2005 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2006 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2007 | 18.00 | 5.80 | 4.00 | 4.20 |
| 2008 | 18.40 | 3.88 | 4.08 | 4.28 |
| 2009 | 18.40 | 3.88 | 4.08 | 4.28 |

If a Customer Has Sewer Service Only, The Rates Are:

| Fiscal Year | Sewer | | | |
|-------------|------------------|-------------------------|--------------------------------|--------------------------------|
| | Inside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2002 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2003 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2004 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2005 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2006 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2007 | 9.00 | 2.30 | 2.40 | 2.50 |
| 2008 | 9.20 | 2.35 | 2.45 | 2.55 |
| 2009 | 9.20 | 2.35 | 2.45 | 2.55 |

| Fiscal Year | Sewer | | | |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|
| | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2001 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2002 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2003 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2004 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2005 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2006 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2007 | 18.00 | 4.60 | 4.80 | 5.00 |
| 2008 | 18.40 | 4.70 | 4.90 | 5.10 |
| 2009 | 18.40 | 4.70 | 4.90 | 5.10 |

Note:

Rates are based on 5/8" meter, which is the standard household meter size.

City of Statesboro, Georgia
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

| Type of Customer | Fiscal Year 2000 | | Fiscal Year 2001 | | Fiscal Year 2002 | | Fiscal Year 2003 | | Fiscal Year 2004 | |
|-------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Gallons | % | Gallons | % | Gallons | % | Gallons | % | Gallons | % |
| Residential | 557.6 | 47% | 548.8 | 46% | 529.5 | 45% | 525.8 | 52% | 550 | 59% |
| Industrial | 102.6 | 9% | 112.9 | 9% | 104.8 | 9% | 103.7 | 10% | 75.5 | 8% |
| Commercial | 301.1 | 26% | 362.3 | 30% | 264.7 | 23% | 247.3 | 25% | 283.5 | 30% |
| Government | 213.5 | 18% | 171.1 | 14% | 275.7 | 23% | 132.3 | 13% | 29.9 | 3% |
| Total | 1,174.8 | 100% | 1,195.1 | 100% | 1,174.7 | 100% | 1,009.1 | 100% | 938.9 | 100% |

| Type of Customer | Fiscal Year 2005 | | Fiscal Year 2006 | | Fiscal Year 2007 | | Fiscal Year 2008 | | Fiscal Year 2009 | |
|-------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Gallons | % | Gallons | % | Gallons | % | Gallons | % | Gallons | % |
| Residential | 550.1 | 58% | 572.9 | 57% | 614.3 | 59% | 544.9 | 57% | 616.8 | 56% |
| Industrial | 69.9 | 7% | 79.0 | 8% | 74.9 | 7% | 104.8 | 11% | 75.0 | 7% |
| Commercial | 302.7 | 32% | 313.3 | 31% | 314.2 | 30% | 259.9 | 27% | 339.0 | 31% |
| Government | 25.4 | 3% | 33.2 | 3% | 37.3 | 4% | 48.8 | 5% | 69.3 | 6% |
| Total | 948.1 | 100% | 998.4 | 100% | 1,040.7 | 100% | 958.4 | 100% | 1,100.1 | 100% |

City of Statesboro, Georgia
Ratios of Total Debt Outstanding by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental-Activities | Business-type Activities | | | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-----------------------------|--------------------------|-----------|-------------|----------------|------------|--------------------------|-------------------------------|------------|
| | Capital Leases ¹ | Water Bonds | Gas Notes | Water Notes | Capital Leases | Total | | | |
| 2000 | 1,707,202 | 4,695,000 | 655,438 | 5,986,000 | - | 11,336,438 | 13,043,640 | 3.2% | 575 |
| 2001 | 1,379,500 | 4,230,000 | 603,102 | 8,056,166 | - | 12,889,268 | 14,268,768 | 3.3% | 620 |
| 2002 | 1,345,000 | 3,745,000 | 1,046,609 | 9,292,632 | - | 14,084,241 | 15,429,241 | 3.5% | 663 |
| 2003 | 1,425,486 | 3,240,000 | 968,191 | 9,168,621 | - | 13,376,812 | 14,802,298 | 2.9% | 623 |
| 2004 | 1,327,743 | 2,710,000 | 885,669 | 8,768,347 | - | 12,364,016 | 13,691,759 | 2.7% | 556 |
| 2005 | 1,424,929 | 2,160,000 | 796,956 | 8,347,022 | - | 11,303,978 | 12,728,907 | 2.3% | 491 |
| 2006 | 1,305,245 | 1,585,000 | 707,049 | 7,923,878 | - | 10,215,927 | 11,521,172 | 2.4% | 434 |
| 2007 | 1,281,569 | 985,000 | 610,544 | 8,117,958 | - | 9,713,502 | 10,995,071 | 2.5% | 424 |
| 2008 | 2,038,765 | 740,000 | 501,922 | 8,717,620 | - | 9,959,542 | 11,998,307 | 2.8% | 451 |
| 2009 | 1,734,864 | 485,000 | 394,398 | 9,801,212 | 365,872 | 11,046,482 | 12,781,346 | 3.9% | 508 |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

¹ In fiscal year 1997, the City entered into a lease agreement with the Downtown Statesboro Development Authority in the amount of \$1.5 million to provide for the acquisition, renovation and equipping the old Jaeckel Hotel for the purposes of converting this building to city hall.

City of Statesboro, Georgia
Legal Debt Margin
Last Ten Fiscal Years
(Amounts presented in \$1,000)

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed Value | <u>\$ 298,333</u> | <u>\$ 324,316</u> | <u>\$ 388,631</u> | <u>\$ 395,364</u> | <u>\$ 415,776</u> | <u>\$ 473,248</u> | <u>\$ 473,540</u> | <u>\$ 497,826</u> | <u>\$ 587,329</u> | <u>\$ 613,391</u> |
| Legal Debt Margin | | | | | | | | | | |
| Debt limit (10% of assessed value) | <u>\$ 29,833</u> | <u>\$ 32,432</u> | <u>\$ 38,863</u> | <u>\$ 39,536</u> | <u>\$ 41,578</u> | <u>\$ 47,325</u> | <u>\$ 47,354</u> | <u>\$ 49,783</u> | <u>\$ 58,733</u> | <u>\$ 61,339</u> |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | - | - | - | - | - | - | - | - | - | - |
| Less: Amount reserved for repayment of general obligation debt | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total debt applicable to limit | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Legal debt margin | <u>\$ 29,833</u> | <u>\$ 32,432</u> | <u>\$ 38,863</u> | <u>\$ 39,536</u> | <u>\$ 41,578</u> | <u>\$ 47,325</u> | <u>\$ 47,354</u> | <u>\$ 49,783</u> | <u>\$ 58,733</u> | <u>\$ 61,339</u> |
| As a percentage of debt limit | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

Note:

Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed valuation of taxable property within the City.

City of Statesboro, Georgia
Direct and Overlapping Debt
June 30, 2009

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ¹</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|---|--|
| Debt Repaid With Property Taxes | | | |
| Bulloch County Board of Education ¹ | \$ 10,450,000 | 100.0% | \$ 10,450,000 |
| City Direct Debt | - | - | - |
| Total Direct and Overlapping Debt | <u>\$ 10,450,000</u> | <u>100.0%</u> | <u>\$ 10,450,000</u> |

Source:

¹ Bulloch County Board of Education

Notes:

² Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

³ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's boundaries and dividing it by each unit's total assessed value.

City of Statesboro, Georgia
Pledged Revenue Bond Coverage
Last Ten Fiscal Years

Water and Sewer Revenue Bonds

| Fiscal Year | Operating Revenue | Less: Operating Expenses¹ | Net Available Revenue | Debt Service | | Total | Times Coverage² |
|------------------------|------------------------------|---|--------------------------------------|---------------------|-----------------|--------------|---------------------------------------|
| | | | | Principal | Interest | | |
| 2000 | 5,765,156 | 2,696,318 | 3,068,838 | 450,000 | 236,703 | 686,703 | 4.47 |
| 2001 | 5,983,717 | 2,620,094 | 3,363,623 | 465,000 | 218,253 | 683,253 | 4.92 |
| 2002 | 5,808,386 | 3,006,314 | 2,802,072 | 485,000 | 198,723 | 683,723 | 4.10 |
| 2003 | 6,010,061 | 3,291,720 | 2,718,341 | 505,000 | 177,868 | 682,868 | 3.98 |
| 2004 | 5,889,145 | 3,173,812 | 2,715,333 | 530,000 | 155,648 | 685,648 | 3.96 |
| 2005 | 6,208,677 | 3,398,860 | 2,809,817 | 550,000 | 125,563 | 675,563 | 4.16 |
| 2006 | 6,976,498 | 3,714,257 | 3,262,241 | 575,000 | 99,669 | 674,669 | 4.84 |
| 2007 | 6,782,632 | 4,047,644 | 2,734,988 | 600,000 | 71,910 | 671,910 | 4.07 |
| 2008 | 7,369,203 | 4,281,629 | 3,087,574 | 245,000 | 47,022 | 292,022 | 10.57 |
| 2009 | 6,911,791 | 4,323,869 | 2,587,922 | 255,000 | 31,512 | 286,512 | 9.03 |

Notes:

¹ Operating expenses do not include depreciation or interest.

² The net revenues of the system must equal at least 1.20 times the highest annual debt service on bonds outstanding.

City of Statesboro, Georgia
Principal Employers
For the Fiscal Year Ended June 30, 2009 and Nine Years Ago

| <u>Employer</u> | 2009 | | <u>Employer</u> | 2000 | |
|---------------------------------------|----------------------------|--|---------------------------------------|----------------------------|--|
| | <u>Number of Employees</u> | <u>Percentage of Total City Employment</u> | | <u>Number of Employees</u> | <u>Percentage of Total City Employment</u> |
| Georgia Southern University | 1,974 | 17.84% | Georgia Southern University | 1,326 | 14.21% |
| Bulloch County Board of Education | 1,431 | 12.93% | Bulloch County Board of Education | 1,310 | 14.04% |
| East Georgia Regional Medical Center | 715 | 6.46% | East Georgia Regional Medical Center | 650 | 6.97% |
| Wal-Mart Supercenter | 594 | 5.37% | Wal-Mart Supercenter | 400 | 4.29% |
| Bulloch County Board of Commissioners | 359 | 3.24% | Bulloch County Board of Commissioners | 353 | 3.78% |
| City of Statesboro | 274 | 2.48% | City of Statesboro | 234 | 2.51% |
| Lowe's Home Center | 105 | 0.95% | The Sack Company | 205 | 2.20% |
| Statesboro Herald | 103 | 0.93% | Statesboro Herald | 134 | 1.44% |
| Belk | 100 | 0.90% | Lowe's Home Center | 125 | 1.34% |
| Braswells | 87 | 0.79% | Robbins Packinghouse Company | 101 | 1.08% |
| Total Principal Employers | 5,742 | 51.89% | Total Principal Employers | 4,838 | 51.85% |
| Other Employers | 5,324 | 48.11% | Other Employers | 4,493 | 48.15% |
| Total All Employers | 11,066 | 100.00% | Total All Employers | 9,331 | 100.00% |

Source:

City Economic Development Division.
Statesboro-Bulloch Chamber of Commerce
East Georgia Medical Center Human Resource Department
Wal-Mart Super Center People Department

City of Statesboro, Georgia
Demographic and Economic Statistics
Last Ten Years

| Year | Estimated Population | Personal Income | Per Capita Income | Median Age | School Enrollment | Unemployment Rate |
|-------------|---------------------------------|----------------------------|----------------------------------|-----------------------|------------------------------|------------------------------|
| 2000 | 22,698 | 412,740,432 | 18,184 | 26 | 8,367 | 2.7% |
| 2001 | 23,018 | 433,636,102 | 18,839 | 26 | 8,354 | 3.5% |
| 2002 | 23,269 | 438,364,691 | 18,839 | 26 | 8,498 | 3.2% |
| 2003 | 23,744 | 514,603,712 | 21,673 | 26 | 9,429 | 2.9% |
| 2004 | 24,604 | 501,946,204 | 20,401 | 26 | 9,707 | 2.9% |
| 2005 | 25,915 | 561,785,370 | 21,678 | 26 | 9,826 | 4.5% |
| 2006 | 26,534 | 486,102,880 | 18,320 | 26 | 9,044 | 3.5% |
| 2007 | 25,953 | 444,055,830 | 17,110 | 26 | 8,480 | 4.2% |
| 2008 | 26,624 | 425,478,144 | 15,981 | 27 | 9,380 | 6.7% |
| 2009 | 25,165 | 327,572,805 | 13,017 | 22 | 9,476 | 9.1% |

Sources:

Georgia County Guide published by the University of Georgia
2000 U.S. Census Demographic Profile
Georgia Department of Education
Department of Labor

City of Statesboro, Georgia
City Employees by Function/Program
Last Ten Fiscal Years

| <u>Function/program</u> | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City Manager's Office | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 4 | 4 | 3 |
| City Clerk's Office | 8 | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 10 |
| Finance | 7 | 6 | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 |
| Information Technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Human Resources | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Municipal Court | 3 | 2 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 |
| Engineering | 7 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 6 |
| Protective Inspections | 0 | 3 | 3 | 4 | 4 | 4 | 4 | 2 | 2 | 4 |
| Governmental Buildings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Police | 68 | 74 | 74 | 74 | 70 | 70 | 75 | 75 | 76 | 77 |
| Animal Control | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 |
| Fire Department | 27 | 31 | 31 | 32 | 32 | 32 | 33 | 33 | 33 | 33 |
| Public Works Administration | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Streets | 20 | 24 | 24 | 24 | 24 | 24 | 23 | 22 | 23 | 22 |
| Parks | 5 | 7 | 7 | 7 | 8 | 8 | 9 | 9 | 9 | 9 |
| Planning | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Water and Sewer | 16 | 19 | 18 | 18 | 20 | 20 | 18 | 18 | 19 | 23 |
| Wastewater Treatment Plant | 25 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Natural Gas | 7 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Solid Waste Collection | 19 | 19 | 19 | 19 | 19 | 19 | 16 | 16 | 16 | 16 |
| Solid Waste Disposal | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Fleet Management | 7 | 8 | 8 | 8 | 8 | 8 | 6 | 6 | 6 | 6 |
| Infiltration and Inflow | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 234 | 259 | 261 | 263 | 260 | 260 | 258 | 260 | 262 | 274 |

Source:

City Budget Office.

City of Statesboro, Georgia
Capital Asset and Infrastructure Statistics by Function/Program
Last Ten Fiscal Years

| <u>Function/program</u> | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 31 | 34 | 34 | 34 | 40 | 42 | 43 | 43 | 49 | 49 |
| Fire stations | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Refuse collection | | | | | | | | | | |
| Collection trucks | 5 | 5 | 5 | 5 | 5 | 4 | 7 | 7 | 7 | 7 |
| Streets and highways | | | | | | | | | | |
| Streets (miles) | 104 | 104 | 104 | 105 | 105 | 105 | 117 | 117 | 119 | 119 |
| Traffic signals | 8 | 8 | 8 | 9 | 11 | 11 | 11 | 12 | 13 | 15 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 55 | 83 | 83 |
| Water | | | | | | | | | | |
| Water mains (miles) | 152 | 153 | 157 | 160 | 161 | 194 | 198 | 207 | 212 | 216 |
| Fire hydrants | 943 | 971 | 1,003 | 1,037 | 1,106 | 1,175 | 1,244 | 1,313 | 1,382 | 1,451 |
| Storage capacity (thousands of gallons) | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 124 | 128 | 134 | 140 | 141 | 168 | 171 | 174 | 177 | 181 |
| Treatment capacity (thousands of gallons) | 7,000 | 7,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Storm sewers (miles) | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 |

Source:

Various City Departments.

City of Statesboro, Georgia
Operating Statistics by Function/Program
Last Ten Fiscal Years

| <u>Function/program</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | | | |
| Physical arrests | 1,788 | 1,620 | 1,806 | 1,782 | 2,100 | 1,740 | 1,863 | 1,794 | 1,736 | 2,185 |
| Traffic violations | 12,408 | 10,224 | 10,100 | 8,451 | 8,138 | 7,691 | 7,781 | 10,823 | 10,032 | 9,442 |
| Fire | | | | | | | | | | |
| Emergency responses | 902 | 772 | 844 | 890 | 894 | 855 | 930 | 927 | 743 | 1,106 |
| Fires extinguished | 154 | 122 | 162 | 102 | 138 | 214 | 124 | 226 | 157 | 200 |
| Inspections | 1,150 | 1,411 | 1,739 | 687 | 254 | 151 | 639 | 1,353 | 1,289 | 1,973 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per month) | N/A | 1,545.2 | 1,574.2 | 1,641.3 | 1,716.7 | 1,770.4 | 1,771.9 | 1,821.8 | 1,981.0 | 1,426.0 |
| Streets and highways | | | | | | | | | | |
| Resurfacing (miles) | 1.50 | 1.50 | 3.70 | 3.62 | 3.35 | 12.50 | 0 | 7.5 | 1.43 | 2.75 |
| Water | | | | | | | | | | |
| New connections | 312 | 194 | 217 | 156 | 90 | 156 | 275 | 562 | 187 | 188 |
| Water mains breaks | 30 | 27 | 23 | 11 | 28 | 27 | 13 | 18 | 8 | 7 |
| Average daily consumption (thousands of gallons) | 3,174 | 2,924 | 2,971 | 2,724 | 2,978 | 2,887 | 3,091 | 3,190 | 3,239 | 3,130 |
| Peak daily consumption (thousands of gallons) | 6,997 | 5,476 | 4,293 | 3,781 | 4,989 | 4,989 | 4,306 | 4,220 | 4,630 | 5,179 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 2,914 | 2,692 | 3,217 | 4,507 | 3,718 | 3,814 | 3,721 | 3,615 | 3,444 | 3,106 |

Sources:

Various City departments.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the City Council
City of Statesboro, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Statesboro, Georgia, as of and for the year ended June 30, 2009, which collectively comprise the City of Statesboro's basic financial statements and have issued our report thereon dated January 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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

1. Inadequate segregation of duties for payroll

A review of payroll policies and procedures revealed that all finance department personnel have the ability to process payroll and input pay rate changes. This lack of segregation of duties in the payroll function increases the risk that an error could go undetected. Pay rate changes to the master file should be segregated from the person processing payroll or an edit report should be provided to human resources for comparison to authorized payroll status change forms to mitigate this risk.

City response: We concur with this finding. Presently our software does not allow for the distinction of users to not have access to certain files, nor does it allow for an edit report to be printed when changes are made. We will contact our software provider to see what changes they may be able to make to our system to implement better controls.

2. Lack of proper documentation authorizing pay rate changes and promotions

During our audit, we reviewed Compensation and/or Title Change Forms for proper approval for various pay rate increases during the year. Numerous exceptions were noted where authorizations to increase pay rates were not signed by the employee and/or City Manager, or were not supported by written Resolution of the Mayor and City Council where applicable as indicated in the City's personnel policy. The procedures detailed in the personnel policy should be followed in order to maintain the integrity of the City's compensation plan.

City response: The City of Statesboro's Employee Handbook is being revised as of the date of this response. The revised Employee Handbook will provide increased latitude for the City Manager to manage the City's Compensation and Benefit Plan in order to ensure that the City of Statesboro can recruit and maintain exceptionally qualified employees. As it stands, the Employee Handbook is too rigid in regards to Plan adjustments and usurps the designated powers of the City Manager to manage the day-to-day operations of the City. The purpose of a City Manager form of municipal government is to designate day-to-day operations to the City Manager, while elected officials are charged with setting overall goals and objectives for the City.

3. Lack of proper documentation for changes to citations

While reviewing procedures at the Municipal Court office, we determined that citation fines and fees can be adjusted based on the judge or solicitor's verbal approval. Citation changes are entered by the same individuals who receive and process receipts. All adjustments to citation amounts should be made based on written authorization given by an individual external to the Municipal Court office.

City response: We concur with this finding, and we will implement procedures where the Police Department and the Solicitor will have forms that must be filled out before any adjustments to citation amounts will be made by any individual in the Municipal Court office.

4. Improper recording of capital lease proceeds in enterprise funds

During the year ended June 30, 2009, capital lease proceeds for enterprise funds were improperly recorded as revenue instead of a liability. The City finance director should review the year end trial balances before providing them to the auditors to make sure capital lease transactions have been properly recorded in the City's general ledger.

City response: We concur with this finding, as this was an oversight. The finance director will review the trial balances more carefully before providing them to the auditors to make sure oversights like this do not happen in the future.

5. Inadequate tracking of additions to capital assets for governmental activities

A listing of additions to capital assets for governmental activities was not compiled and provided to the auditors for the year ended June 30, 2009. The City's purchasing policy indicates that the purchasing manager is required to maintain the City's capital asset records. The City should implement procedures that require each department and either the purchasing manager or accounts payable personnel to forward all information on capital asset purchases to the finance director at least annually to be recorded in the City's government-wide financial statements.

City response: We concur with this finding, and will implement procedures that require each department and either the purchasing manager or accounts payable personnel to forward all information on the capital asset purchases to the finance director at least annually to be recorded in the City's government-wide financial statements.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Statesboro, Georgia's response to the findings identified in our audit is described above. We did not audit the City of Statesboro's response and, accordingly, we express no opinion on it.

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

Thigpen, Lanier, Westerfield + Deal

January 27, 2010



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