

City of STATESBORO, GEORGIA



Comprehensive Annual Financial Report
For the Fiscal Year Ending June 30, 2015

City of Statesboro, Georgia



Prepared by Cindy West, Finance Director and the Finance Department

Comprehensive Annual Financial Report For Fiscal Year Ending June 30, 2015

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

TABLE OF CONTENTS

Introductory Section
(Unaudited)

| | |
|--|------|
| Letter of Transmittal..... | v |
| List of Elected Officials (In office as of June 30, 2015)..... | xii |
| List of Appointed Officials..... | xiii |
| Organizational Chart..... | xiv |

Financial Section

| | |
|--|----------|
| Independent Auditors’ Report..... | 1 |
|--|----------|

| | |
|--|----------|
| Management’s Discussion and Analysis (Unaudited)..... | 3 |
|--|----------|

Basic Financial Statements:

Government-wide Financial Statements:

| | |
|--------------------------------|----|
| Statement of Net Position..... | 13 |
| Statement of Activities..... | 14 |

Fund Financial Statements:

Governmental Funds:

| | |
|---|----|
| Balance Sheet..... | 15 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position..... | 16 |
| Statement of Revenues, Expenditures and Changes in Fund Balances..... | 17 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities..... | 18 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - <i>General Fund</i> | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – <i>Statesboro Fire Service Fund</i> | 21 |

Proprietary Funds:

| | |
|--|----|
| Statement of Net Position..... | 22 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position..... | 23 |
| Statement of Cash Flows..... | 24 |

| | |
|---|-----------|
| Notes to the Basic Financial Statements..... | 26 |
|---|-----------|

Required Supplementary Information:

| | |
|---|----|
| Schedule of Changes in Net Position Liability (Asset) and Related Ratios..... | 53 |
| Schedule of Contributions..... | 54 |

Supplementary Information

Individual Fund Statements and Schedules:

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

Governmental Funds

Nonmajor Governmental Funds – By Fund Type:

Combining Balance Sheet.....55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....56

General Fund:

Comparative Balance Sheet57
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....58

Major Capital Projects Funds:

2007 SPLOST Fund
Comparative Balance Sheet60
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....61
2013 SPLOST Fund
Comparative Balance Sheet62
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....63

Nonmajor Capital Projects Funds:

Combining Balance Sheet64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....65
Capital Improvements Program Fund
Comparative Balance Sheet66
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....67
2013 CDBG Fund
Balance Sheet68
Statement of Revenues, Expenditures and Changes in Fund Balances.....69

Major Special Revenue Funds:

Statesboro Fire Service Fund
Comparative Balance Sheet70
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances.....71

Nonmajor Special Revenue Funds:

Combining Balance Sheet72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances73
Confiscated Asset Fund
Comparative Balance Sheet74
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual75
Community Development Block Grant Fund
Comparative Balance Sheet76
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual77
Department of Justice Fund
Comparative Balance Sheet78
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual79
Hotel/Motel Tax Fund
Comparative Balance Sheet80
Schedule of Revenues, Expenditures and Changes in Fund Balances

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

| | |
|---|----|
| - Budget and Actual | 81 |
| <i>Multiple Grant Fund</i> | |
| Comparative Balance Sheet | 82 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| - Budget and Actual | 83 |
| <i>Technology Fee Fund</i> | |
| Comparative Balance Sheet | 84 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| - Budget and Actual..... | 85 |

Proprietary Funds:

Enterprise Funds:

Major Enterprise Funds:

| | |
|--|----|
| <i>Water and Sewer Operating Fund</i> | |
| Comparative Statement of Net Position | 86 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 87 |
| <i>Reclaimed Water System Fund</i> | |
| Comparative Statement of Net Position | 88 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 89 |
| <i>Gas Operating Fund</i> | |
| Comparative Statement of Net Position | 90 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 91 |
| <i>Solid Waste Collection Fund</i> | |
| Comparative Statement of Net Position | 92 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 93 |
| <i>Solid Waste Disposal Fund</i> | |
| Comparative Statement of Net Position | 94 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 95 |

Internal Service Funds:

| | |
|--|-----|
| Combining Statement of Net Position..... | 96 |
| Combining Statement of Revenues, Expenses, and Changes in Fund Net Position..... | 97 |
| Combining Statement of Cash Flows | 98 |
| <i>Health Insurance Fund</i> | |
| Comparative Statement of Net Position | 100 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 101 |
| <i>Fleet Management Fund</i> | |
| Comparative Statement of Net Position | 102 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 103 |
| <i>Workers Compensation Fund</i> | |
| Comparative Statement of Net Position | 104 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 105 |
| <i>Wellness Program Fund</i> | |
| Statement of Net Position | 106 |

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

| | |
|--|------------|
| Statement of Revenues, Expenses and Changes in Fund Net Position | 107 |
| <i>Information Technology Fund</i> | |
| Statement of Net Position | 108 |
| Statement of Revenues, Expenses and Changes in Fund Net Position | 109 |
| Component Unit-Downtown Statesboro Development Authority | |
| Comparative Statement of Net Position..... | 110 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position..... | 111 |
| Statement of Cash Flows..... | 112 |
| Schedule of SPLOST Expenditures | 114 |
| Statistical Section (Unaudited) | |
| Index to Statistical Section:..... | 116 |
| Financial Trends: | |
| Government-wide Expenses, Program Revenues and Net (Expense)/Revenue By Function/Program..... | S-1 |
| Government-wide Program Revenues by Category | S-2 |
| Government-wide General Revenues and Other Changes in Net Position..... | S-3 |
| Government-wide Net Position by Category | S-4 |
| General Governmental Revenues by Source..... | S-5 |
| General Fund Tax Revenues by Source | S-6 |
| General Governmental Expenditures by Function..... | S-7 |
| Changes in Fund Balances of Governmental Funds..... | S-8 |
| Governmental Fund – Fund Balances..... | S-9 |
| Revenue Capacity: | |
| Taxable Assessed Value and Estimated Actual Value of Property..... | S-10 |
| Direct and Overlapping Property Tax Rates | S-11 |
| Property Tax Levies and Collections..... | S-12 |
| Principal Property Taxpayers | S-13 |
| Sales Tax Rates – Overlapping Governments..... | S-14 |
| Water and Sewer Rates – Fiscal Years 2004 - 2013 | S-15 |
| Water Sold by Type of Customer..... | S-17 |
| Debt Capacity: | |
| Ratio of Total Debt Outstanding by Type..... | S-18 |
| Legal Debt Margin | S-19 |
| Direct and Overlapping Debt..... | S-20 |
| Pledged Revenue Bond Coverage..... | S-21 |
| Economic and Demographic Information: | |
| Principal Employers..... | S-22 |
| Demographic and Economic Statistics..... | S-23 |
| Operating Information: | |
| Full Time City Employees by Function..... | S-24 |

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2015

| | |
|---|------|
| Capital Asset and Infrastructure Statistics | S-25 |
| Operating Statistics by Function/Program | S-26 |

Independent Auditor's: Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Governmental Auditing Standards*



Introduction

CITY OF STATESBORO

COUNCIL

Phil Boyum
Sam Lee Jones
Jeff Yawn
Travis L. Chance
John Riggs



Jan J Moore, Mayor
Robert Cheshire, Interim City Manager
Sue Starling, City Clerk

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

February 5, 2016

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, 2015 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, 2015, 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 three 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 2015 estimated population of 30,367, which is based upon the July 1, 2015 Statesboro, Georgia Population Data and Demographics. This is less than 1% of the total State of Georgia population. 33.1% of the Bulloch County population lives below the federal poverty level as compared to 18.3% in the State of Georgia. However, this number is impacted by the fact that

20,517 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 10 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 15.22 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 high is 58 degrees in January and 91 degrees in July. The average annual rainfall is 47.0" and the relative humidity is 53% in January and 75% 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 5 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 three institutions of higher learning located in the greater Statesboro area: Georgia Southern University (GSU) within the city limits, and Ogeechee Technical College, and East Georgia State College located 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 121 undergraduate and graduate degree programs through the doctoral level in its nine Colleges. The University's 20,517 students come from 48 U.S. states and 88 nations.

East Georgia State College-Statesboro (EGSC-S) provides students an opportunity to complete college level course work and transfer to another university-level institution or state college to complete their chosen degrees. EGSC-S students are able to take advantage of many of the benefits of Georgia Southern University, including library use, cultural events, campus meal plans, intramural sports, fitness extension facilities, athletic tickets, marching band, and more. Students attending EGSC-S are also eligible to enroll in health and physical education classes through Georgia Southern University.

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 110 programs of study including 31 diploma programs, 59 certificate programs, and 20 Associate degrees in conjunction with Georgia Southern University and East Georgia State College. Ogeechee Technical College graduated over 1,100

students in 2015. There are 15 public schools, 3 private and parochial schools, 1 home school association, and 1 charter school in Bulloch County educating the county's 10,342 students. A total of 577 seniors graduated from these schools in 2015.

Statesboro is a leader in health care in southeast Georgia with East Georgia Regional Medical Center, a 150-bed hospital, employing approximately 756 staff and 89 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. Northland Communications allows the City of Statesboro to access channel 96. The City of Statesboro will continue to grant access to GSU and other educational institutions to promote performing arts and our open government efforts. Three television stations in Savannah also cover Statesboro regularly: WTOG (CBS), WJCL (ABC), and WSAV (NBC).

The City has 121.4 miles of roads of which 121.33 are paved. Natural gas is sold to 3,783 customers while water and sewer service is provided by the City to over 13,800 customers with an average daily water consumption of 3.063 million gallons. Statesboro has 194 miles of sanitary sewer and 237 miles of water mains with 1,596 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 | Telecommunications |

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 2015 Statesboro per capita income was \$12,431 or 29.8% 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 wellbeing 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 July 2015 unemployment rate was 8.9%, above the State of Georgia at 6.4% and the national rate of 5.3%. Approximately 40% 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 112 new building permits in 2014, and 70 in 2015. The cost of housing in Bulloch County is among the lowest in the nation. The average residential sales price is \$136,300. The median value of owner occupied units was \$136,800.

MAJOR INITIATIVES

For The Year. In FY 2015, The Engineering Department expended \$1,567,883 in SPLOST funds to finance drainage improvements, street repaving, street striping and installation and repairs of sidewalks.

SPLOST dollars totaling \$1,116,442 were expended to purchase police vehicles, software for a new records management system, renovations to Fire Station 1 and other fire equipment.

The City's Water and Sewer Department expended \$1,151,560 in SPLOST funds to finance emergency sewer line repairs, emergency well repairs, and water and sewer extensions.

The City's Natural Gas Department expended \$400,749 in SPLOST funds to upgrade meters to a Flex Net Radio read system.

The City expended \$123,807 in SPLOST funds to install Fiber Optic Cable as part of an Economic Development project.

For The Future. Public Safety has budgeted \$1,428,220 for police vehicles and conversions, personal protection equipment, small tools and equipment, and software for a new records management system.

The Water and Sewer Department has budgeted \$1,180,000 for water and sewer rehab projects, extension of water and sewer lines to unserved areas, upgrade meters to a Flex Net Radio read system, replace ultraviolet Disinfection System, and SCADA Equipment.

The Natural Gas Department has budgeted \$1,039,250 for gas system expansion, relocating a natural gas pipeline at Highway 301 North River Crossing, and to upgrade meters to a Flex Net Radio read system.

The Solid Waste Disposal fund has \$318,000 of SPLOST dollars budgeted for equipment replacement.

In FY 2016, landfill closure/post-closure expenses, equipment and air rights in the Wayne County Landfill will continue to be funded by 2013 SPLOST in the amount of \$1,795,833.

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.

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 \$55,551,391 in projected expenditures through FY 2021. In FY 2016, the City has budgeted \$11,721,720 in projected expenditures, with \$431,169 being funded from the 2007 Special Purpose Local Option Sales Tax and \$5,782,051 being funded from the 2013 Special Purpose Local Option Sales Tax. The projects funded from the 2007 and 2013 SPLOST include \$1,870,000 in street and drainage projects, \$675,857 for fire equipment and station renovations, \$752,363 for police vehicles, equipment and software, \$1,180,000 for water and sewer projects, \$1,039,250 for natural gas projects, \$295,000 for solid waste equipment, and \$1,795,833 for solid waste disposal projects.

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, 2015.

Awards. In 2015, 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, 2014. 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 eleventh consecutive year the City has received this award.

For the first time, the City participated in the submission of the Popular Annual Financial Report (PAFR) in addition to the CAFR. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. The award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Report for the fiscal year ended June 30, 2014.

Also in 2015, the City received the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2014 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 eleventh 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, Lanier, Westerfield, Deal & Proctor, CPAs.

Respectfully submitted,



Robert Cheshire
Acting City Manager



Cindy S. West
Director of Finance



Government Finance Officers Association

**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, 2014

Executive Director/CEO



CITY OF STATESBORO, GEORGIA MAYOR AND COUNCIL

Jan J. Moore
Mayor



*In office since January 2014
Current term expires December 2017*

Phil Boyum
District 1



*In office since 2013
Current term expires December 2017*

Gary L. Lewis
District 2



*In office since January 1998
Current term expires December 2015*

William P. Britt
District 3



*In office since January 2004
Current term expires December 2015*

John Riggs
District 4



*In office since January 2010
Current term expires December 2017*

Travis L. Chance
District 5



*In office since January 2008
Current term expires December 2015*

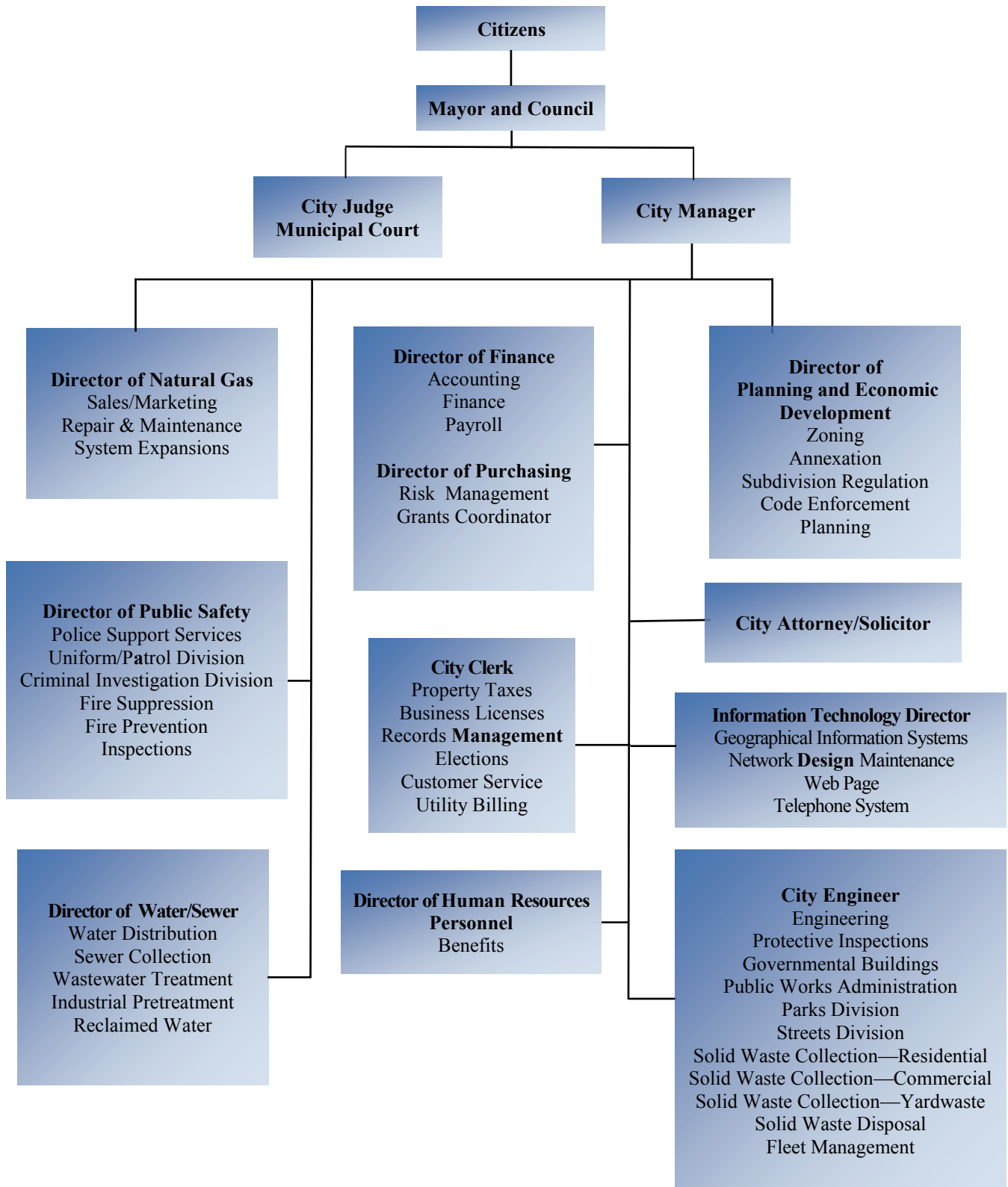
CITY OF STATESBORO, GEORGIA

APPOINTED PRINCIPAL OFFICIALS

As of June 30, 2015

| <u>NAME</u> | <u>POSITION</u> | <u>LENGTH OF TIME WITH CITY</u> |
|-----------------|---|---|
| Robert Cheshire | Interim City Manager | 1 years |
| Cindy West | Finance Director | 18 years |
| Sue Starling | City Clerk | 25 years |
| Alvin Leaphart | Staff Attorney | 3 years |
| Jason Boyles | Interim City Engineer/Public Works Director | 14 years |
| Wendell Turner | Public Safety Director | 22 years |
| Steve Hotchkiss | Natural Gas Director | 24 years |
| Mandi Cody | Director of Planning & Development | 6 years |
| Wayne Johnson | Water/Wastewater Director | 33 years |
| Bryant Tatum | Information Technology Director | 7 years |
| Jeff Grant | Human Resources Director | 5 years |

ORGANIZATIONAL CHART FOR THE CITY OF STATESBORO





Financial

LANIER, WESTERFIELD, DEAL & PROCTOR

CERTIFIED PUBLIC ACCOUNTANTS
201 SOUTH ZETTEROWER AVENUE
P.O. BOX 505
STATESBORO, GEORGIA 30459
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WILLIAM RUSSELL LANIER, CPA
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LEE ANN LANE, CPA
JENNIFER GROOMS, CPA
WILLIAM BLAKE BLOSER, CPA

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Statesboro, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Statesboro, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Statesboro, Georgia, as of June 30, 2015, 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 accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1-F to the financial statements, in fiscal year 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and schedule of SPLOST expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2016, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Statesboro, Georgia's internal control over financial reporting and compliance.

Lamier, Westerfield, Carl + Proctor

Statesboro, GA
February 5, 2016



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, 2015. 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 position (assets exceeded liabilities) of \$84,417,143 at 2015 fiscal year-end. That is \$7,471,527 or 9.7%, higher than the total net position of \$76,945,616 at 2014 fiscal year-end. Fiscal year 2013 had seen a \$4,137,245 or 5.7% increase in total net position.
- Total net position is comprised of the following:
 - (1) Capital assets, net of related debt, of \$73,421,094 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 2014 was \$67,405,136. That is an increase of \$6,015,458 or 8.9%. There was an increase of \$7,220,969 or 12% for fiscal year 2014.
 - (2) Net position of \$5,976,041 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations. That is \$498,574 or 7.7%, less than the fiscal year 2014 amount of \$6,474,615. That was \$1,122,124 (or 14.8%) less than fiscal year 2013's \$7,596,739.
 - (3) Unrestricted net position of \$5,020,008 represents the portion available to maintain the City's continuing obligations to citizens and creditors. This is a \$1,954,143 (or 63.7%) increase over the fiscal year 2014 total of \$3,065,865. That amount was a \$1,961,600 (or 39%) decrease over fiscal year 2013's figure of \$5,027,465. FY 2013 had seen a \$1,405,641 (or 11.8%) increase over FY 2012's amount. In fiscal year 2015, unrestricted net position for business-type activities increased by \$1,384,545 or 40.8%. The unrestricted net position for the governmental activities in fiscal year 2015 increased by \$569,598 or 173.3%.
- The City's governmental funds reported total ending fund balance of \$6,511,472, compared to \$6,483,513 in fiscal year 2014. This is a \$27,959 (or .4%) increase. The fiscal year 2014 ending fund balance for governmental funds showed a decrease of \$869,502 (or 11.8%).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,387,427. That compares to \$614,769 for fiscal year 2014 and \$313,505 for fiscal year 2013.

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.

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 Position*. This is the government-wide statement of net position presenting information that includes all of the City's assets and liabilities, with the difference between them reported as *net position*. Over time, increases or decreases in net position 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 position 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 13 & 14 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 15-21 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 22-25 of this report.

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 26 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 and information on its pension plan. 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 four 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 55.

Financial Analysis of the City as a Whole

The City's net position at fiscal year 2015 was \$84,417,143, compared to the fiscal year 2014 figure of \$76,945,616. The following table provides a summary of the City's net position:

Summary of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Assets: | | | | | | |
| Current assets | \$ 10,353,335 | \$ 8,712,057 | \$ 8,195,778 | \$ 6,868,249 | \$ 18,549,113 | \$ 15,580,306 |
| Capital assets | 28,969,977 | 27,385,359 | 60,220,272 | 56,081,488 | 89,190,249 | 83,466,847 |
| Other Noncurrent assets | 520,951 | - | 4,461,951 | 4,722,522 | 4,982,902 | 4,722,522 |
| Total Assets | 39,844,263 | 36,097,416 | 72,878,001 | 67,672,259 | 112,722,264 | 103,769,675 |
| Deferred Outflows of Revenues | 379,207 | - | 146,625 | - | 525,832 | - |
| Liabilities: | | | | | | |
| Current liabilities | 3,513,883 | 2,051,581 | 2,848,779 | 2,656,239 | 6,362,662 | 4,707,820 |
| Long-term liabilities | 3,576,819 | 3,446,952 | 17,956,546 | 18,669,287 | 21,533,365 | 22,116,239 |
| Total Liabilities | 7,090,702 | 5,498,533 | 20,805,325 | 21,325,526 | 27,896,027 | 26,824,059 |
| Deferred Inflows of Resources | 674,230 | - | 260,696 | - | 934,926 | - |
| Net Position: | | | | | | |
| Net Investment in capital assets | 27,032,739 | 25,244,149 | 46,388,355 | 42,160,987 | 73,421,094 | 67,405,136 |
| Restricted | 5,184,794 | 5,683,327 | 791,247 | 791,288 | 5,976,041 | 6,474,615 |
| Unrestricted | 241,005 | (328,593) | 4,779,003 | 3,394,458 | 5,020,008 | 3,065,865 |
| Total net position | \$ 32,458,538 | \$ 30,598,883 | \$ 51,958,605 | \$ 46,346,733 | \$ 84,417,143 | \$ 76,945,616 |

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 2015, the current ratio for governmental activities is 2.9 and 2.9 for business type activities. For fiscal year 2014, the current ratio for governmental activities was 4.2 and for business type activities 2.6. For the City, overall, the current ratio for fiscal year 2015 is 2.9, compared to 3.3 for fiscal year 2014. For fiscal year 2013, the current ratio for governmental activities was 4.2 and for business type activities 3.1.

Net position for fiscal year 2015 increased by \$1,859,655 for governmental activities, and increased by \$5,611,872 for business-type activities. Net position for fiscal year 2014 decreased by \$153,345 for governmental activities and increased by \$4,290,590 for business type activities.

Note that in fiscal year 2015, 83.3%, and in fiscal year 2014, 82.5% of the governmental activities' net position were invested in capital assets. On the business type activities, the City has spent 89.3% of its net position in fiscal year 2015, and 91% in fiscal year 2014 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. 87.0% in fiscal year 2015, and 87.6% in fiscal year 2014 of the City's total net position were included in capital assets.

The following table provides a summary of the changes in net position, with comparative data for both fiscal years 2015 and 2014:

| | Summary of Changes in Net Position | | | | 2014 | | | |
|----------------------------------|------------------------------------|---------------------|---------------|---------------------|-------------------------|---------------------|---------------|---------------------|
| | 2015 | | | | 2014 | | | |
| | Governmental Activities | Business Activities | Total | Percentage of Total | Governmental Activities | Business Activities | Total | Percentage of Total |
| Revenues: | | | | | | | | |
| Program: | | | | | | | | |
| Charges for services | \$ 3,562,310 | \$ 21,507,346 | \$ 25,069,656 | 58% | \$ 3,551,658 | \$ 20,383,519 | \$ 23,935,177 | 58% |
| Operating grants | 25,181 | - | 25,181 | 0% | 50,339 | - | 50,339 | 0% |
| Capital grants and contributions | 5,967,791 | 2,696,272 | 8,664,063 | 20% | 4,569,169 | 3,656,562 | 8,225,731 | 20% |
| General: | | | | | | | | |
| Taxes | 9,296,695 | - | 9,296,695 | 22% | 8,842,161 | - | 8,842,161 | 21% |
| Other | 103,482 | 60,273 | 163,755 | 0% | (22,549) | 269,588 | 247,039 | 1% |
| Total revenues | 18,955,459 | 24,263,891 | 43,219,350 | 100% | 16,990,778 | 24,309,669 | 41,300,447 | 100% |
| Program Expenses: | | | | | | | | |
| General government | 1,590,793 | - | 1,590,793 | 5% | 2,095,218 | - | 2,095,218 | 6% |
| Municipal court | 567,015 | - | 567,015 | 2% | 565,829 | - | 565,829 | 2% |
| Public safety | 10,146,941 | - | 10,146,941 | 28% | 9,607,582 | - | 9,607,582 | 26% |
| Public works | 3,016,792 | - | 3,016,792 | 8% | 3,047,404 | - | 3,047,404 | 8% |
| Community development | 727,449 | - | 727,449 | 2% | 941,487 | - | 941,487 | 2% |
| Parks and cemeteries | 443,169 | - | 443,169 | 1% | 459,438 | - | 459,438 | 1% |
| Engineering | 411,919 | - | 411,919 | 1% | 316,680 | - | 316,680 | 1% |
| Planning and zoning | 374,778 | - | 374,778 | 1% | 380,512 | - | 380,512 | 1% |
| Community services | 297,890 | - | 297,890 | 1% | 281,110 | - | 281,110 | 1% |
| Interest | 24,249 | - | 24,249 | 0% | 51,909 | - | 51,909 | 0% |
| Water and sewer | - | 8,803,477 | 8,803,477 | 25% | - | 8,795,084 | 8,795,084 | 24% |
| Reclaimed water system | - | 40,145 | 40,145 | 0% | - | 23,748 | 23,748 | 0% |
| Gas | - | 3,551,858 | 3,551,858 | 10% | - | 4,273,768 | 4,273,768 | 11% |
| Solid waste collection | - | 2,793,705 | 2,793,705 | 8% | - | 2,612,595 | 2,612,595 | 7% |
| Solid waste disposal | - | 2,956,029 | 2,956,029 | 8% | - | 3,710,838 | 3,710,838 | 10% |
| Total expenses | 17,600,995 | 18,145,214 | 35,746,209 | 100% | 17,747,169 | 19,416,033 | 37,163,202 | 100% |
| Excess (deficiency) | 1,354,464 | 6,118,677 | 7,473,141 | | (756,391) | 4,893,636 | 4,137,245 | |
| Transfers | 506,355 | (506,355) | - | | 603,046 | (603,046) | - | |
| Change in net position | 1,860,819 | 5,612,322 | 7,473,141 | | (153,345) | 4,290,590 | 4,137,245 | |
| Prior period adjustment | (1,164) | (450) | (1,614) | | - | - | - | |
| Beginning net position | 30,598,883 | 46,346,733 | 76,945,616 | | 30,752,228 | 42,056,143 | 72,808,371 | |
| Ending net position | \$ 32,458,538 | \$ 51,958,605 | \$ 84,417,143 | | \$ 30,598,883 | \$ 46,346,733 | \$ 76,945,616 | |

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 \$10,393,589 in local option sales taxes in fiscal year 2015, the City would have had \$5,196,794 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 2006 for a six-year term and in 2012 (beginning collections in 2013) for a six-year term. In fiscal year 2015, sales taxes of \$5,504,731 out of \$18,955,459 in total governmental funds revenues, or 29.0%, were received from the 2013 SPLOST. \$1,213,318 in 2007 SPLOST funds, and \$1,983,637 in 2013 SPLOST funds was transferred to the business-type funds for capital projects (water and sewer, gas and solid waste collection and disposal systems). Similarly, in fiscal year 2014, \$4,247,118 in sales taxes represented 24.9% of the \$17,080,784 in governmental funds revenues.

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 49% of revenues as compared to 52% in fiscal year 2014. Property taxes provided \$4,432,213 or 23.4% of the City's total governmental activities revenue as compared to 24.3% in fiscal year 2014.

Also, note that program revenues covered 54.3% in fiscal year 2015, and 46% in fiscal year 2014 of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues funded the remaining 45.7% in fiscal year 2015, and 54% in fiscal year 2014 of the governmental activities. As this document, 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 57.7% of the City's total governmental activity expenses and 28.4% of the total City expenses in fiscal year 2015. In fiscal year 2014, the figures were 54.1% and 25.9% respectively. In fiscal year 2015, general government totaled 9.0% of the total governmental activity expense, and 4.5% of the total City expenses. In fiscal year 2014, general government totaled 11.8% of the total governmental activity expenses, and 5.6% of the total City expenses. Of the total \$17.6 million of governmental expenses, depreciation is 12.4% of that total. In fiscal year 2014, the numbers were \$17.7 million and 12.3% 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 | | Governmental Activities | |
|-----------------------|-------------------------|----------------------|-------------------------|----------------------|
| | 2015 | 2015 | 2014 | 2014 |
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General Government | \$ 1,590,793 | \$ 870,881 | \$ 2,095,218 | \$ 1,328,608 |
| Municipal Court | 567,015 | 567,015 | 565,829 | 565,829 |
| Public Safety | 10,146,941 | 6,860,713 | 9,607,582 | 6,344,827 |
| Public Works | 3,016,792 | (1,892,663) | 3,047,404 | (813,191) |
| Community Development | 727,449 | 439,217 | 941,487 | 847,229 |
| Parks and Cemeteries | 443,169 | 443,169 | 459,438 | 459,438 |
| Engineering | 411,919 | 307,304 | 316,680 | 274,059 |
| Planning and Zoning | 374,778 | 127,938 | 380,512 | 236,185 |
| Community Services | 297,890 | 297,890 | 281,110 | 281,110 |
| Interest | 24,249 | 24,249 | 51,909 | 51,909 |
| Total | <u>\$ 17,600,995</u> | <u>\$ 8,045,713</u> | <u>\$ 17,747,169</u> | <u>\$ 9,576,003</u> |

For fiscal year 2015 and 2014, all functions required a subsidy from general revenues except for public works. In fiscal year 2015 and 2014, \$4,446,394 and \$3,581,680, respectively, in SPLOST revenue received from the County was included in program revenue for public works.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Expenses

For fiscal year 2013, operating revenues for utility funds were 10.9% higher than 2012 and operating expenses were 7.5% higher than fiscal year 2012. Within the total business type activities of the City, these activities reported \$2,873,872 in operating income, or an increase of 36.5% compared to fiscal year 2012. After transfers in and out between other funds, these funds reported a gain of \$5,419,524 or an increase of \$4,503,520, compared to fiscal year 2012. The primary reason for this increase was a \$3,279,667 increase in transfers from the 2007 SPLOST fund for capital projects.

For fiscal year 2014, operating revenues for utility funds were 1.6% higher than 2013 and operating expenses were 8.6% higher than fiscal year 2013. Within the total business type activities of the City, the activities reported \$1,716,733 in operating income, or a decrease of 40.3% compared to fiscal year 2013. After transfers in and out between other funds, these funds reported a gain of \$4,292,780 or a decrease of \$1,126,744, compared to fiscal year 2013. The primary reason for this decrease was a \$2,454,271 decrease in transfers from the 2007 and 2013 SPLOST funds for capital projects.

For fiscal year 2015, operating revenues for utility funds were 5.4% higher than 2014 and operating expenses were 6.2% lower than fiscal year 2014. Within the total business type activities of the City, the activities reported \$3,987,893 in operating income, or an increase of 132.3% compared to fiscal year 2014. After transfers in and out between other funds, these funds reported a gain of \$5,529,827 or an increase of \$1,237,047, compared to fiscal year 2014. The primary reason for this increase was a \$499,690 increase in transfers from the 2007 and 2013 SPLOST funds for capital projects.

Each specific fund reported the following operating income or loss:

| | 2015 | | 2014 | |
|-----------------------------|---------------|-----------------------|----------------|-----------------------|
| | <u>Amount</u> | <u>Percent Change</u> | <u>Amount</u> | <u>Percent Change</u> |
| Water and Sewer Fund | \$ 2,236,668 | 99.8% | \$ 1,119,568 | (20.3)% |
| Reclaimed Water/Sewer Fund | \$ 3,415 | 141.6% | \$ (8,205) | (354.0)% |
| Gas Fund | \$ 1,681,520 | 20.1% | \$ 1,400,536 | (0.7)% |
| Solid Waste Collection Fund | \$ 705,284 | (-11.1)% | \$ 793,039 | (6.5)% |
| Solid Waste Disposal Fund | \$ (638,994) | 59.8% | \$ (1,588,205) | (100.4)% |

The operating income for the water and sewer fund increased by 99.8% in fiscal year 2015. This is primarily due to an increase in both water and sewer charges from three new apartment complexes built during the previous fiscal year. Also, tap fees were higher due to another apartment complex built in FY 2015.

The gas fund's operating income for fiscal year 2015 increased by 20.1% from the prior year. The cost of Natural Gas was less than the previous years resulting in larger gross profits for the gas fund.

The solid waste collection fund's operating income decreased by 11.1% from 2014.

Finally, the solid waste disposal fund's operating loss decreased by 59.8% from fiscal year 2014. The revenues do not cover all expenses, and SPLOST Funds 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 partial 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.

The solid waste disposal fund recognized a transfer in from the 2013 SPLOST fund of \$1,327,745 in fiscal year 2015, which was used for the purchase of landfill space (air rights) in the Wayne County Solid Waste Landfill, for post-closure costs for our Lakeview Landfill, and equipment for the Transfer Station.

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 \$6,511,472 in fiscal year 2015, compared to \$6,483,513 in fiscal year 2014, and \$7,353,015 in fiscal year 2013. Of these year-end totals, \$5,115,811 (or 78.6%) in fiscal year 2015 and \$6,029,375 (or 93%) in fiscal year 2014 was restricted for specific purposes and not available for continuing city service requirements.

The total ending fund balances of governmental funds show an increase in fiscal year 2015 of \$27,959 or .4% compared to a decrease in fiscal year 2014 of \$869,502 or 11.8%. The fiscal year 2014 decrease is primarily the result of 2007 SPLOST and 2013 SPLOST Funds being spent on road projects, water and sewer projects, and other various capital projects.

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 increased by \$842,867 in fiscal year 2015. The General Fund's fund balance increased by \$252,717 in fiscal year 2014, and increased by \$45,065 in fiscal year 2013 and increased by \$320,941 in fiscal year 2012.

Total taxes for the general fund were \$8,529,214, or 4.7% higher than in fiscal year 2014. Total property taxes in fiscal year 2015 were \$4,438,796 compared to \$4,159,037 in fiscal year 2014. In fiscal year 2014, total taxes were \$8,142,460, or 2.8% higher than the \$7,918,039 in fiscal year 2013.

The general fund's total expenditures increased by \$43,640 in fiscal year 2015 compared to an increase of \$6,592 in fiscal year 2014.

The General Fund's ending unassigned fund balance of \$1,387,427 represents the equivalent of 9.9% of the \$14,028,099 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 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 unassigned fund balance in the General Fund of 17% 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 unassigned fund balance is at 9.9%, below the 17% target set for unassigned fund balance. The governing body has adopted a conservative General Fund budget for fiscal year 2016, 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 \$594,713 at year-end compared to \$774,496 at the end of fiscal year 2014. This represents a \$179,783 or 23.2% decrease.

The 2007 SPLOST fund's ending restricted fund balance was \$1,221,130 for fiscal year 2015.

The 2013 SPLOST fund's ending restricted fund balance was \$2,746,085 for fiscal year 2015. This is an increase of \$2,017,912 over fiscal year 2014. The reason is the City began receiving 2013 SPLOST funds mid-year of fiscal year 2014. Also, the City was spending the 2007 SPLOST for major roads and water and sewer projects.

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 – Overall, the City recognized revenues equal to 104.8% of budgeted revenues in the final appropriated budget. The total expenditure budget was increased through budget amendments by \$220,092. Overall, the City recognized expenditures equal to \$342,891 less than, or 97.1% of budgeted expenditures in the final appropriated budget. In summary, the budget was underspent by 2.9% while revenue estimates were 4.8% over.

On the revenue side of the budget, automobile taxes came in \$165,177 more than budgeted. Franchise fees came in \$60,631 less than budgeted. Property taxes came in \$362,419 more than budgeted. Licenses and permits came in \$56,340 more than budgeted. Charges for services came in \$70,375 less than budgeted. Fines and Forfeitures came in \$41,571 more than budgeted. In total, General Fund revenues came in \$502,504 more than the budgeted amount.

On the expenditure side, the Governing Body, City Manager's Office, City Clerk, Human Resources, Police, Engineering and Planning and Zoning costs were considerably below the budgeted amounts. Overall, the General Fund expenditures were \$342,891 less than budgeted.

Fund Balance was budgeted to increase by \$1,509. However, the fund balance increased by \$842,867 which was \$841,358 more than budgeted.

The fiscal year 2016 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, 2015 was \$28,969,977 and \$60,220,272 respectively, for a total of \$89,190,249. That compares to fiscal year 2014 numbers of \$27,385,359 and \$56,081,488 respectively, for a total of \$83,466,847. The fiscal year 2015 totals in this net investment were a 5.8% increase for governmental and a 7.4% increase for business-type activities. The overall increase was 6.9% 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 | | | | | |
|------------------------------------|-------------------------|---------------|---------------------|---------------|---------------|---------------|
| | Governmental Activities | | Business Activities | | Total | |
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 1,643,316 | \$ 1,636,113 | \$ 554,410 | \$ 554,410 | \$ 2,197,726 | \$ 2,190,523 |
| Construction in progress | 1,954,527 | 750,054 | 11,906,632 | 9,399,991 | 14,611,213 | 10,150,045 |
| Total non-depreciable | 3,597,843 | 2,386,167 | 12,461,042 | 9,954,401 | 16,808,939 | 12,340,568 |
| Depreciable assets: | | | | | | |
| Buildings | 15,323,557 | 14,929,430 | 2,905,109 | 2,896,959 | 18,228,666 | 17,826,389 |
| Improvements other than buildings | 808,548 | 769,284 | 70,342,653 | 67,690,875 | 71,151,201 | 68,460,159 |
| Machinery, equipment and furniture | 12,581,840 | 11,618,280 | 14,528,185 | 13,371,828 | 27,110,025 | 24,990,108 |
| Infrastructure | 17,568,395 | 16,559,084 | - | - | 17,568,395 | 16,559,084 |
| Total depreciable assets | 46,282,340 | 43,876,078 | 87,775,947 | 83,959,662 | 134,058,287 | 127,835,740 |
| Less accumulated depreciation | 20,910,206 | 18,876,886 | 40,016,717 | 37,832,575 | 60,926,923 | 56,709,461 |
| Book value - depreciable assets | 25,372,134 | 24,999,192 | 47,759,230 | 46,127,087 | 73,131,364 | 71,126,279 |
| Percentage depreciated | 45% | 43% | 46% | 45% | 45% | 44% |
| Total Capital Assets | \$ 28,969,977 | \$ 27,385,359 | \$ 60,220,272 | \$ 56,081,488 | \$ 89,940,303 | \$ 83,466,847 |

At June 30, 2015, the depreciable capital assets for governmental activities were 45% depreciated. This percentage is higher than the fiscal year 2014 amount of 43%.

The major increase in capital assets in fiscal year 2015 was several road and drainage projects, the acquisition of vehicles and equipment for the police and streets department, and the fire station construction project using SPLOST proceeds.

In the City's business type activities, 46% of the asset values were depreciated at June 30, 2015 and 45% at June 30, 2014. The major increase in capital assets in fiscal year 2015 was the construction of several water and sewer and gas fund projects and the purchase of solid waste collection equipment.

Long-term Debt

In fiscal year 2012, the capital leases decreased by \$287,044, the bonded debt decreased by \$462,575, and the notes payable decreased by \$95,394. Combined, this represented a decrease in long-term debt of \$845,013.

In fiscal year 2013, the capital leases increased by \$1,260,012, primarily from financing a \$1,500,000 aerial fire truck purchase. The bonded debt decreased by \$477,575 and the notes payable decreased by \$179,630. Combined, this represented an increase in long-term debt of \$602,807.

In fiscal year 2014, the capital leases decreased by \$470,529, the bonded debt decreased by \$487,575 and the notes payable decreased by \$187,035. Combined, this represented a decrease in long-term debt of \$1,145,139.

In fiscal year 2015, the capital leases decreased by \$203,972, the bonded debt decreased by \$492,575 and the notes payable decreased by \$194,817. Combined, this represented an decrease in long-term debt of \$891,364.

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|---------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Capital Leases | \$ 1,937,238 | \$ 2,141,210 | \$ - | \$ - | \$ 1,937,238 | \$ 2,141,210 |
| Revenue bonds (including unamortized premium) | - | - | 12,918,209 | 13,410,784 | 12,918,209 | 13,410,784 |
| Notes Payable | - | - | 3,274,036 | 3,468,853 | 3,274,036 | 3,468,853 |
| Landfill closure and postclosure care | - | - | 1,745,872 | 1,867,000 | 1,745,872 | 1,867,000 |
| Other post employment benefits | 1,675,146 | 1,357,521 | 696,772 | 576,214 | 2,371,918 | 1,933,735 |
| Compensated absences | 547,996 | 539,250 | 239,432 | 235,325 | 787,428 | 774,575 |
| Total | <u>\$ 4,160,380</u> | <u>\$ 4,037,981</u> | <u>\$ 18,874,321</u> | <u>\$ 19,558,176</u> | <u>\$ 23,034,701</u> | <u>\$ 23,596,157</u> |

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

Economic Conditions Affecting the City

As of July 2015, the local unemployment rate was 8.9%, which was higher than the state rate of 6.4% and the national rate of 5.3%. 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, a strong industrial base, a growing regional public university, a regional medical center and increasing medical specialties, and a regional retail base influence Statesboro's economy. 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 Position
June 30, 2015

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|----------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 8,239,907 | \$ 2,431,653 | \$ 10,671,560 | \$ 505,712 |
| Receivables: | | | | |
| Accounts | 201,113 | 2,344,668 | 2,545,781 | - |
| Taxes | 186,969 | - | 186,969 | - |
| Hotel/motel taxes | 69,369 | - | 69,369 | - |
| Intergovernmental | 2,016,739 | 708,595 | 2,725,334 | 28,043 |
| Notes | 236,805 | - | 236,805 | 44,662 |
| Other | 214,869 | - | 214,869 | - |
| Internal balances | (1,485,997) | 1,485,997 | - | - |
| Inventory | 157,939 | 360,376 | 518,315 | - |
| Prepaid items | 515,622 | 163,238 | 678,860 | 3,039 |
| Restricted assets - Cash and cash equivalents | - | 701,251 | 701,251 | - |
| Total Current Assets | 10,353,335 | 8,195,778 | 18,549,113 | 581,456 |
| Noncurrent Assets | | | | |
| Restricted assets - Cash and cash equivalents | - | 4,260,521 | 4,260,521 | - |
| Net pension asset | 520,951 | 201,430 | 722,381 | - |
| Capital Assets: | | | | |
| Nondepreciable capital assets | 3,597,843 | 12,461,042 | 16,058,885 | - |
| Depreciable capital assets, net | 25,372,134 | 47,759,230 | 73,131,364 | 8,855 |
| Total Noncurrent Assets | 29,490,928 | 64,682,223 | 94,173,151 | 8,855 |
| Total Assets | 39,844,263 | 72,878,001 | 112,722,264 | 590,311 |
| Deferred Outflows of Resources | | | | |
| Resources related to pensions | 379,207 | 146,625 | 525,832 | - |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 1,831,641 | 994,088 | 2,825,729 | 3,167 |
| Accrued payroll and payroll taxes | 140,299 | 61,577 | 201,876 | 2,509 |
| Intergovernmental payable | 110,618 | 26,437 | 137,055 | - |
| Accrued interest payable | - | 147,651 | 147,651 | - |
| Claims payable | 437,733 | - | 437,733 | - |
| Unearned revenue | 163,750 | - | 163,750 | - |
| Other payables | 246,281 | - | 246,281 | - |
| Compensated absences payable | 109,599 | 47,886 | 157,485 | - |
| Capital leases payable | 473,962 | - | 473,962 | - |
| Notes payable | - | 202,889 | 202,889 | - |
| Revenue bonds payable | - | 500,000 | 500,000 | - |
| Customer deposits | - | 701,251 | 701,251 | - |
| Landfill post-closure care costs | - | 167,000 | 167,000 | - |
| Total Current Liabilities | 3,513,883 | 2,848,779 | 6,362,662 | 5,676 |
| Long-Term Liabilities: | | | | |
| Compensated absences payable (net of current portion) | 438,397 | 191,546 | 629,943 | - |
| Other post employment benefits payable | 1,675,146 | 696,772 | 2,371,918 | - |
| Capital leases payable (net of current portion) | 1,463,276 | - | 1,463,276 | - |
| Revenue bonds payable, net of unamortized premium (net of current portion) | - | 12,418,209 | 12,418,209 | - |
| Notes payable (net of current portion) | - | 3,071,147 | 3,071,147 | - |
| Landfill post-closure care costs (net of current portion) | - | 1,578,872 | 1,578,872 | - |
| Total Long-Term Liabilities | 3,576,819 | 17,956,546 | 21,533,365 | - |
| Total Liabilities | 7,090,702 | 20,805,325 | 27,896,027 | 5,676 |
| Deferred Inflows of Resources | | | | |
| Resources related to pension | 674,230 | 260,696 | 934,926 | - |
| Net Position | | | | |
| Net investment in capital assets | 27,032,739 | 46,388,355 | 73,421,094 | 8,855 |
| Restricted for: | | | | |
| Capital projects | 3,996,808 | - | 3,996,808 | - |
| Program purposes | 1,187,986 | - | 1,187,986 | - |
| Revenue bond retirement | - | 791,247 | 791,247 | - |
| Unrestricted | 241,005 | 4,779,003 | 5,020,008 | 575,780 |
| Total Net Position | \$ 32,458,538 | \$ 51,958,605 | \$ 84,417,143 | \$ 584,635 |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Activities
For the Year Ended June 30, 2015

| Program/Function | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|----------------------|--------------------------------|--|----------------------------------|---|--------------------------|----------------------|-------------------|
| | | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants and Contributions | Primary Government | | Total | Component Unit |
| | | | | | Governmental Activities | Business-Type Activities | | |
| Primary Government | | | | | | | | |
| General government | \$ 1,590,793 | \$ 719,912 | \$ - | \$ - | \$ (870,881) | \$ - | \$ (870,881) | \$ - |
| Municipal court | 567,015 | - | - | - | (567,015) | - | (567,015) | - |
| Public safety | 10,146,941 | 2,490,943 | 25,181 | 770,104 | (6,860,713) | - | (6,860,713) | - |
| Public works | 3,016,792 | - | - | 4,909,455 | 1,892,663 | - | 1,892,663 | - |
| Community development | 727,449 | - | - | 288,232 | (439,217) | - | (439,217) | - |
| Parks and cemeteries | 443,169 | - | - | - | (443,169) | - | (443,169) | - |
| Engineering | 411,919 | 104,615 | - | - | (307,304) | - | (307,304) | - |
| Planning and zoning | 374,778 | 246,840 | - | - | (127,938) | - | (127,938) | - |
| Community services | 297,890 | - | - | - | (297,890) | - | (297,890) | - |
| Interest | 24,249 | - | - | - | (24,249) | - | (24,249) | - |
| Total Governmental Activities | 17,600,995 | 3,562,310 | 25,181 | 5,967,791 | (8,045,713) | - | (8,045,713) | - |
| Business-Type Activities: | | | | | | | | |
| Water and sewer | 8,803,476 | 10,403,692 | - | 2,620,031 | - | 4,220,247 | 4,220,247 | - |
| Reclaimed water system | 40,145 | 43,560 | - | - | - | 3,415 | 3,415 | - |
| Gas | 3,551,858 | 5,226,644 | - | - | - | 1,674,786 | 1,674,786 | - |
| Solid waste collection | 2,793,705 | 3,509,785 | - | 76,241 | - | 792,321 | 792,321 | - |
| Solid waste disposal | 2,956,029 | 2,323,665 | - | - | - | (632,364) | (632,364) | - |
| Total Business-Type Activities | 18,145,214 | 21,507,346 | - | 2,696,272 | - | 6,058,404 | 6,058,404 | - |
| Total - Primary Government | \$ 35,746,209 | \$ 25,069,656 | \$ 25,181 | \$ 8,664,063 | (8,045,713) | 6,058,404 | (1,987,309) | - |
| Component Unit | | | | | | | | |
| Downtown Statesboro Development Authority | \$ 187,073 | \$ 10,813 | \$ 231,915 | \$ - | - | - | - | 55,655 |
| General Revenues | | | | | | | | |
| Property taxes levied for: | | | | | | | | |
| General purposes | | | | | 4,432,213 | - | 4,432,213 | - |
| Hotel/motel taxes | | | | | 774,064 | - | 774,064 | - |
| Insurance premium taxes | | | | | 1,531,963 | - | 1,531,963 | - |
| Franchise taxes | | | | | 1,765,369 | - | 1,765,369 | - |
| Other taxes | | | | | 793,086 | - | 793,086 | - |
| Gain (loss) on sale of capital assets | | | | | 19,355 | 35,384 | 54,739 | - |
| Investment earnings | | | | | - | 344 | 344 | 1,659 |
| Miscellaneous | | | | | 84,127 | 24,545 | 108,672 | - |
| Total General Revenues | | | | | 9,400,177 | 60,273 | 9,460,450 | 1,659 |
| Transfers | | | | | 506,355 | (506,355) | - | - |
| Total General Revenues and Transfers | | | | | 9,906,532 | (446,082) | 9,460,450 | 1,659 |
| Change in Net Position | | | | | 1,860,819 | 5,612,322 | 7,473,141 | 57,314 |
| Net Position Beginning of Year | | | | | 30,597,719 | 46,346,283 | 76,944,002 | 527,321 |
| Net Position End of Year | | | | | \$ 32,458,538 | \$ 51,958,605 | \$ 84,417,143 | \$ 584,635 |

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

| | General | Statesboro Fire Service | 2007 SPLOST | 2013 SPLOST | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 353,305 | \$ 584,552 | \$ 1,911,667 | \$ 3,581,747 | \$ 382,135 | \$ 6,813,406 |
| Receivables: | | | | | | |
| Accounts | 46,468 | 35,585 | - | - | - | 82,053 |
| Taxes | 186,969 | - | - | - | - | 186,969 |
| Hotel/motel taxes | - | - | - | - | 69,369 | 69,369 |
| Intergovernmental | 52,460 | 12,433 | - | 1,769,643 | 182,203 | 2,016,739 |
| Interfund | 2,848,959 | - | - | - | - | 2,848,959 |
| Notes | - | - | - | - | 236,805 | 236,805 |
| Other | - | - | - | - | 214,869 | 214,869 |
| Prepaid items | 255,626 | 39,390 | - | - | - | 295,016 |
| Total Assets | <u>\$ 3,743,787</u> | <u>\$ 671,960</u> | <u>\$ 1,911,667</u> | <u>\$ 5,351,390</u> | <u>\$ 1,085,381</u> | <u>\$ 12,764,185</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ 168,393 | \$ 40,720 | \$ 365,016 | \$ 800,322 | \$ 352,057 | \$ 1,726,508 |
| Intergovernmental payable | 110,618 | - | - | - | - | 110,618 |
| Accrued payroll and payroll taxes | 94,756 | 36,527 | - | - | - | 131,283 |
| Interfund payable | 1,435,353 | - | 325,521 | 1,804,983 | 303,969 | 3,869,826 |
| Unearned revenue | 163,750 | - | - | - | - | 163,750 |
| Other liabilities | 123,417 | - | - | - | 122,864 | 246,281 |
| Total Liabilities | <u>2,096,287</u> | <u>77,247</u> | <u>690,537</u> | <u>2,605,305</u> | <u>778,890</u> | <u>6,248,266</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue - property taxes | 4,447 | - | - | - | - | 4,447 |
| Fund Balances | | | | | | |
| Nonspendable | 255,626 | 39,390 | - | - | - | 295,016 |
| Assigned | - | - | - | - | 29,593 | 29,593 |
| Unassigned | 1,387,427 | - | - | - | (316,375) | 1,071,052 |
| Restricted: | | | | | | |
| Special revenue funds | - | 555,323 | - | - | 593,273 | 1,148,596 |
| Capital projects funds | - | - | 1,221,130 | 2,746,085 | - | 3,967,215 |
| Total Fund Balances | <u>1,643,053</u> | <u>594,713</u> | <u>1,221,130</u> | <u>2,746,085</u> | <u>306,491</u> | <u>6,511,472</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 3,743,787</u> | <u>\$ 671,960</u> | <u>\$ 1,911,667</u> | <u>\$ 5,351,390</u> | <u>\$ 1,085,381</u> | <u>\$ 12,764,185</u> |

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

**Amounts Reported for Governmental Activities in the
Statement of Net Position Are Different Because:**

| | | |
|---|---------------------|--------------------------|
| Total Governmental Fund Balances | \$ | 6,511,472 |
| Capital assets used in governmental activities (excludes internal service funds) are not financial resources and therefore are not reported in the funds: | | |
| Cost | \$ 48,780,008 | |
| Less accumulated depreciation | <u>(20,672,369)</u> | 28,107,639 |
| Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds: | | |
| Property taxes | | 4,447 |
| The net pension asset is not an available resource for governmental funds and therefore is not reported in the funds. | | |
| | | 488,265 |
| Deferred outflows and deferred inflows related to pensions is not reported in the governmental funds: | | |
| Deferred outflows of revenues | \$ 355,414 | |
| Deferred inflows of revenues | <u>(631,928)</u> | (276,514) |
| The internal service funds are used by management to charge the costs of the operation and maintenance of the vehicle fleet, information technology, workers' compensation, health insurance, and wellness program to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net position. | | |
| | | 1,543,090 |
| Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position: | | |
| Interfund receivables | \$ 2,434,474 | |
| Interfund payables | <u>(2,434,474)</u> | - |
| Long-term liabilities, including capital leases, compensated absences and other post employment benefits payable 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 position: | | |
| Capital leases payable | \$ (1,818,178) | |
| Other post employment benefits payable | (1,585,698) | |
| Compensated absences | <u>(515,985)</u> | <u>(3,919,861)</u> |
| Net Position Of Governmental Activities | \$ | <u>32,458,538</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, 2015

| | General | Statesboro Fire Service | 2007 SPLOST | 2013 SPLOST | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--|------------------------|------------------------|---|---|
| Revenues | | | | | | |
| Property taxes | \$ 4,438,796 | \$ - | \$ - | \$ - | \$ - | \$ 4,438,796 |
| Insurance premium taxes | 1,531,963 | - | - | - | - | 1,531,963 |
| Franchise taxes | 1,765,369 | - | - | - | - | 1,765,369 |
| Other taxes | 793,086 | - | - | - | - | 793,086 |
| Hotel/motel taxes | - | - | - | - | 774,064 | 774,064 |
| Intergovernmental | - | - | 208,230 | 5,504,731 | 275,759 | 5,988,720 |
| Licenses and permits | 982,677 | - | - | - | - | 982,677 |
| Fines and forfeitures | 1,147,171 | - | - | - | 171,333 | 1,318,504 |
| Charges for services | 186,625 | 1,074,504 | - | - | - | 1,261,129 |
| Investment earnings | - | - | 3,901 | 352 | - | 4,253 |
| Miscellaneous | 64,929 | 19,198 | - | - | - | 84,127 |
| Total Revenues | 10,910,616 | 1,093,702 | 212,131 | 5,505,083 | 1,221,156 | 18,942,688 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 1,514,518 | - | - | - | - | 1,514,518 |
| Municipal court | 576,371 | - | - | - | - | 576,371 |
| Public safety | 5,695,016 | 3,367,795 | - | - | 196,779 | 9,259,590 |
| Public works | 2,030,080 | - | - | - | - | 2,030,080 |
| Community development | 78,134 | - | - | - | 625,588 | 703,722 |
| Parks and cemeteries | 367,113 | - | - | - | - | 367,113 |
| Engineering | 366,351 | - | - | - | - | 366,351 |
| Planning and zoning | 367,044 | - | - | - | - | 367,044 |
| Community services | 182,010 | - | - | - | - | 182,010 |
| Capital Outlay | - | - | 1,681,699 | 1,046,027 | 508,781 | 3,236,507 |
| Debt Service: | | | | | | |
| Principal retirement | 102,676 | - | 66,822 | 300,000 | - | 469,498 |
| Interest and fiscal charges | 24,249 | - | - | - | - | 24,249 |
| Total Expenditures | 11,303,562 | 3,367,795 | 1,748,521 | 1,346,027 | 1,331,148 | 19,097,053 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (392,946) | (2,274,093) | (1,536,390) | 4,159,056 | (109,992) | (154,365) |
| Other Financing Sources (Uses) | | | | | | |
| Sale of capital assets | 32,010 | - | - | - | - | 32,010 |
| Issuance of capital leases | - | - | - | - | 146,466 | 146,466 |
| Transfers in | 2,643,302 | 2,094,310 | - | - | 95,499 | 4,833,111 |
| Transfers out | (1,439,499) | - | (1,213,318) | (2,141,144) | (35,302) | (4,829,263) |
| Total Other Financing Sources (Uses) | 1,235,813 | 2,094,310 | (1,213,318) | (2,141,144) | 206,663 | 182,324 |
| Net Change in Fund Balances | 842,867 | (179,783) | (2,749,708) | 2,017,912 | 96,671 | 27,959 |
| Fund Balances Beginning of Year | 800,186 | 774,496 | 3,970,838 | 728,173 | 209,820 | 6,483,513 |
| Fund Balances End of Year | \$ 1,643,053 | \$ 594,713 | \$ 1,221,130 | \$ 2,746,085 | \$ 306,491 | \$ 6,511,472 |

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, 2015

**Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:**

Net Change In Fund Balance - Total Governmental Funds \$ 27,959

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 | \$ (2,154,858) | |
| | Capital outlay | 3,096,426 | 941,568 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | | | |
|--|-------------------------------|----------|---------|
| | Property taxes: | | |
| | Unavailable revenue @ 6/30/15 | \$ 4,447 | |
| | Unavailable revenue @ 6/30/14 | (11,030) | (6,583) |

Elimination of transfers between governmental funds:

| | | | |
|--|---------------|--------------|---|
| | Transfers in | \$ 1,474,801 | |
| | Transfers out | (1,474,801) | - |

Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities. (14,707)

The internal service funds used by management to charge the the costs of self-insurance, fleet management and information technology to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. 649,007

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. (146,466)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 469,498

The change in the net pension asset and pension related deferred outflows and deferred inflows is reported on the government-wide statement of activities but not in the governmental funds. 212,882

Compensated absences and other post employment benefits (OPEB) 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.

| | | | |
|--|--|----------------|-----------|
| | Compensated absences liability @ 6/30/15 | \$ (515,985) | |
| | Compensated absences liability @ 6/30/14 | 517,111 | 1,126 |
| | OPEB liability @ 6/30/15 | \$ (1,585,698) | |
| | OPEB liability @ 6/30/14 | 1,312,233 | (273,465) |

Change In Net Position of Governmental Activities **\$ 1,860,819**

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, 2015

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|-----------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues | | | | |
| Taxes: | | | | |
| Property | \$ 3,561,200 | \$ 3,561,200 | \$ 3,923,619 | \$ 362,419 |
| Automobiles | 350,000 | 350,000 | 515,177 | 165,177 |
| Franchise | 1,826,000 | 1,826,000 | 1,765,369 | (60,631) |
| Insurance premium | 1,498,000 | 1,498,000 | 1,531,963 | 33,963 |
| Alcoholic beverage | 693,000 | 693,000 | 698,554 | 5,554 |
| Other | 120,000 | 120,000 | 94,532 | (25,468) |
| Licenses and permits | 736,915 | 926,337 | 982,677 | 56,340 |
| Charges for services | 257,000 | 257,000 | 186,625 | (70,375) |
| Fines and forfeitures | 1,092,400 | 1,105,600 | 1,147,171 | 41,571 |
| Miscellaneous | 54,825 | 70,975 | 64,929 | (6,046) |
| Total Revenues | 10,189,340 | 10,408,112 | 10,910,616 | 502,504 |
| Expenditures | | | | |
| Current: | | | | |
| General government | | | | |
| Governing body | 267,658 | 267,658 | 238,924 | 28,734 |
| City manager's office | 152,933 | 87,933 | 64,255 | 23,678 |
| City clerk's office | 195,004 | 195,004 | 171,586 | 23,418 |
| Elections | 7,150 | 15,190 | 15,189 | 1 |
| Financial administration | 400,786 | 487,221 | 475,083 | 12,138 |
| Legal | 90,879 | 160,879 | 157,722 | 3,157 |
| Human resources | 185,762 | 231,082 | 187,827 | 43,255 |
| Government buildings | 183,417 | 183,417 | 164,638 | 18,779 |
| General administration fees | 37,004 | 46,060 | 39,294 | 6,766 |
| Total general government | 1,520,593 | 1,674,444 | 1,514,518 | 159,926 |
| Municipal court | 518,089 | 587,964 | 576,371 | 11,593 |

(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, 2015

(continued)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|----------------------------|-------------------------|---------------------|---|
| Public safety | | | | |
| Police | \$ 5,728,328 | \$ 5,705,328 | \$ 5,638,930 | \$ 66,398 |
| Emergency management | 5,000 | 5,000 | 5,000 | - |
| Animal control | 42,000 | 58,397 | 51,086 | 7,311 |
| Total public safety | 5,775,328 | 5,768,725 | 5,695,016 | 73,709 |
| Streets/public works | 2,025,809 | 2,036,409 | 2,030,080 | 6,329 |
| Parks and cemeteries | 384,801 | 384,801 | 367,113 | 17,688 |
| Engineering | 413,888 | 401,310 | 366,351 | 34,959 |
| Planning and zoning | 396,233 | 399,233 | 367,044 | 32,189 |
| Community services | | | | |
| Arts Center | 126,000 | 127,797 | 148,210 | (20,413) |
| Other | 33,900 | 33,900 | 33,800 | 100 |
| Total community services | 159,900 | 161,697 | 182,010 | (20,313) |
| Community development | 84,250 | 84,400 | 78,134 | 6,266 |
| Debt Service: | | | | |
| Principal retirement | 118,500 | 118,500 | 102,676 | 15,824 |
| Interest and fiscal charges | 28,970 | 28,970 | 24,249 | 4,721 |
| Total Debt Service | 147,470 | 147,470 | 126,925 | 20,545 |
| Total Expenditures | 11,426,361 | 11,646,453 | 11,303,562 | 342,891 |
| Deficiency of Revenues Under Expenditures | (1,237,021) | (1,238,341) | (392,946) | 845,395 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 2,649,750 | 2,649,750 | 2,643,302 | (6,448) |
| Transfers out | (1,416,500) | (1,439,500) | (1,439,499) | 1 |
| Sale of capital assets | 4,000 | 29,600 | 32,010 | 2,410 |
| Total Other Financing Sources (Uses) | 1,237,250 | 1,239,850 | 1,235,813 | (4,037) |
| Net Change in Fund Balances | \$ 229 | \$ 1,509 | 842,867 | \$ 841,358 |
| Fund Balances Beginning of Year | | | 800,186 | |
| Fund Balances End of Year | | | \$ 1,643,053 | |

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, 2015

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--------------------------------------|----------------------------|---|
| Revenues | | | |
| Charges for services | \$ 1,070,000 | \$ 1,074,504 | \$ 4,504 |
| Miscellaneous | - | 19,198 | 19,198 |
| Total Revenues | 1,070,000 | 1,093,702 | 23,702 |
| Expenditures | | | |
| Current: | | | |
| Public safety - Fire | 3,573,537 | 3,367,795 | 205,742 |
| Deficiency of Revenues Under Expenditures | (2,503,537) | (2,274,093) | 229,444 |
| Other Financing Sources (Uses) | | | |
| Transfers in | 2,144,000 | 2,094,310 | (49,690) |
| Net Change in Fund Balances | <u>\$ (359,537)</u> | <u>\$ (179,783)</u> | <u>\$ 179,754</u> |
| Fund Balances Beginning of Year | | <u>774,496</u> | |
| Fund Balances End of Year | | <u><u>\$ 594,713</u></u> | |

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2015

| | 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 | \$ 1,153,680 | \$ - | \$ 847,968 | \$ 363,141 | \$ 66,864 | \$ 2,431,653 | \$ 1,426,501 |
| Receivables: | | | | | | | |
| Accounts | 497,087 | 7,831 | 209,863 | 139,908 | 60,824 | 915,513 | 119,060 |
| Unbilled accounts | 691,967 | - | 259,509 | 282,122 | 195,557 | 1,429,155 | - |
| Intergovernmental | 708,595 | - | - | - | - | 708,595 | - |
| Interfund | 1,440,776 | - | - | - | - | 1,440,776 | - |
| Inventory | 264,928 | - | 95,448 | - | - | 360,376 | 157,939 |
| Prepaid items | 87,206 | 116 | 31,195 | 24,310 | 20,411 | 163,238 | 220,606 |
| Restricted assets - Cash and cash equivalents | 463,615 | - | 102,530 | 135,106 | - | 701,251 | - |
| Total Current Assets | 5,307,854 | 7,947 | 1,546,513 | 944,587 | 343,656 | 8,150,557 | 1,924,106 |
| Noncurrent Assets: | | | | | | | |
| Restricted assets - Cash and cash equivalents | 4,260,521 | - | - | - | - | 4,260,521 | - |
| Net pension asset | 126,900 | - | 22,933 | 35,752 | 15,845 | 201,430 | 32,686 |
| Capital Assets: | | | | | | | |
| Land | 352,981 | - | 78,004 | - | 123,425 | 554,410 | - |
| Construction in progress | 10,288,088 | - | 1,618,544 | - | - | 11,906,632 | 176,275 |
| Depreciable capital assets, net | 40,296,386 | 867,509 | 2,948,389 | 1,852,557 | 1,794,389 | 47,759,230 | 686,063 |
| Total Noncurrent Assets | 55,324,876 | 867,509 | 4,667,870 | 1,888,309 | 1,933,659 | 64,682,223 | 895,024 |
| Total Assets | 60,632,730 | 875,456 | 6,214,383 | 2,832,896 | 2,277,315 | 72,832,780 | 2,819,130 |
| Deferred Outflows of Resources | | | | | | | |
| Resources related to pensions | 92,372 | - | 16,693 | 26,025 | 11,535 | 146,625 | 23,793 |
| Liabilities | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 614,056 | 600 | 205,497 | 131,727 | 42,208 | 994,088 | 105,133 |
| Accrued payroll | 41,064 | - | 5,306 | 10,437 | 4,770 | 61,577 | 9,016 |
| Intergovernmental payable | - | - | 26,437 | - | - | 26,437 | - |
| Compensated absences payable | 29,193 | - | 7,194 | 7,348 | 4,151 | 47,886 | 6,402 |
| Notes payable | 175,540 | - | 27,349 | - | - | 202,889 | - |
| Capital leases payable | - | - | - | - | - | - | 23,812 |
| Revenue bonds payable | 500,000 | - | - | - | - | 500,000 | - |
| Customer deposits | 463,615 | - | 102,530 | 135,106 | - | 701,251 | - |
| Landfill post-closure care costs | - | - | - | - | 167,000 | 167,000 | - |
| Accrued interest payable | 146,095 | - | 1,556 | - | - | 147,651 | - |
| Claims payable | - | - | - | - | - | - | 437,733 |
| Interfund payable | - | 5,423 | - | - | - | 5,423 | 414,486 |
| Total Current Liabilities | 1,969,563 | 6,023 | 375,869 | 284,618 | 218,129 | 2,854,202 | 996,582 |
| Long-Term Liabilities: | | | | | | | |
| Compensated absences payable (net of current portion) | 116,774 | - | 28,776 | 29,394 | 16,602 | 191,546 | 25,609 |
| Other post employment benefits payable | 453,941 | - | 75,552 | 110,094 | 57,185 | 696,772 | 89,448 |
| Landfill post-closure care costs (net of current portion) | - | - | - | - | 1,578,872 | 1,578,872 | - |
| Capital leases payable (net of current portion) | - | - | - | - | - | - | 95,248 |
| Notes payable (net of current portion) | 2,888,676 | - | 182,471 | - | - | 3,071,147 | - |
| Revenue bonds payable, net of unamortized premium (net of current portion) | 12,418,209 | - | - | - | - | 12,418,209 | - |
| Total Long-Term Liabilities | 15,877,600 | - | 286,799 | 139,488 | 1,652,659 | 17,956,546 | 210,305 |
| Total Liabilities | 17,847,163 | 6,023 | 662,668 | 424,106 | 1,870,788 | 20,810,748 | 1,206,887 |
| Deferred Inflows of Resources | | | | | | | |
| Resources related to pension | 164,237 | - | 29,680 | 46,272 | 20,507 | 260,696 | 42,302 |
| Net Position | | | | | | | |
| Net investment in capital assets | 37,315,358 | 867,509 | 4,435,117 | 1,852,557 | 1,917,814 | 46,388,355 | 743,278 |
| Restricted for revenue bond retirement | 791,247 | - | - | - | - | 791,247 | - |
| Unrestricted | 4,607,097 | 1,924 | 1,103,611 | 535,986 | (1,520,259) | 4,728,359 | 850,456 |
| Total Net Position | \$ 42,713,702 | \$ 869,433 | \$ 5,538,728 | \$ 2,388,543 | \$ 397,555 | 51,907,961 | \$ 1,593,734 |

Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.

50,644

Net position of business-type activities

\$ 51,958,605

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2015

| | 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 | \$ 10,403,692 | \$ 43,560 | \$ 5,226,644 | \$ 3,509,785 | \$ 2,323,665 | \$ 21,507,346 | \$ 6,005,194 |
| Miscellaneous | 11,778 | - | 5,093 | 6,660 | 1,014 | 24,545 | 1,901 |
| Total Operating Revenues | <u>10,415,470</u> | <u>43,560</u> | <u>5,231,737</u> | <u>3,516,445</u> | <u>2,324,679</u> | <u>21,531,891</u> | <u>6,007,095</u> |
| Operating Expenses | | | | | | | |
| Salaries | 2,200,751 | - | 367,212 | 572,484 | 253,718 | 3,394,165 | 523,395 |
| Employee benefits | 920,982 | - | 120,169 | 301,643 | 133,734 | 1,476,528 | 209,743 |
| Purchased services | 1,772,277 | 18,920 | 192,906 | 1,176,082 | 2,315,043 | 5,475,228 | 728,675 |
| Materials and supplies | 539,837 | 2,533 | 102,051 | 132,479 | 46,480 | 823,380 | 107,551 |
| Cost of sales | - | - | 2,431,287 | - | - | 2,431,287 | 400,216 |
| Indirect cost allocation | 942,586 | - | 166,023 | 158,020 | - | 1,266,629 | - |
| Depreciation | 1,775,375 | 18,692 | 160,660 | 446,291 | 214,698 | 2,615,716 | 23,883 |
| Claims and administrative fees | - | - | - | - | - | - | 3,782,049 |
| Other | 26,994 | - | 9,909 | 24,162 | - | 61,065 | 4,640 |
| Total Operating Expenses | <u>8,178,802</u> | <u>40,145</u> | <u>3,550,217</u> | <u>2,811,161</u> | <u>2,963,673</u> | <u>17,543,998</u> | <u>5,780,152</u> |
| Operating Income (Loss) | <u>2,236,668</u> | <u>3,415</u> | <u>1,681,520</u> | <u>705,284</u> | <u>(638,994)</u> | <u>3,987,893</u> | <u>226,943</u> |
| Non-Operating Revenues (Expenses) | | | | | | | |
| Intergovernmental | 2,396,924 | - | - | 76,241 | - | 2,473,165 | - |
| Investment earnings | 344 | - | - | - | - | 344 | - |
| Interest expense | (677,115) | - | (6,596) | - | - | (683,711) | - |
| Gain on sale of capital assets | - | - | - | 7,919 | 27,465 | 35,384 | 2,052 |
| Total Non-Operating Revenues (Expenses) | <u>1,720,153</u> | <u>-</u> | <u>(6,596)</u> | <u>84,160</u> | <u>27,465</u> | <u>1,825,182</u> | <u>2,052</u> |
| Income (Loss) before Capital Contributions and Transfers | <u>3,956,821</u> | <u>3,415</u> | <u>1,674,924</u> | <u>789,444</u> | <u>(611,529)</u> | <u>5,813,075</u> | <u>228,995</u> |
| Capital contributions | 223,107 | - | - | - | - | 223,107 | - |
| Transfers in | 1,151,560 | - | 427,180 | 282,474 | 1,335,741 | 3,196,955 | 502,507 |
| Transfers out | (1,567,310) | - | (875,000) | (1,005,000) | (256,000) | (3,703,310) | - |
| Change in Net Position | <u>3,764,178</u> | <u>3,415</u> | <u>1,227,104</u> | <u>66,918</u> | <u>468,212</u> | <u>5,529,827</u> | <u>731,502</u> |
| Net Position Beginning of Year | <u>38,949,524</u> | <u>866,018</u> | <u>4,311,624</u> | <u>2,321,625</u> | <u>(70,657)</u> | <u>46,278,144</u> | <u>862,232</u> |
| Net Position End of Year | <u>\$ 42,713,702</u> | <u>\$ 869,433</u> | <u>\$ 5,538,728</u> | <u>\$ 2,388,543</u> | <u>\$ 397,555</u> | <u>\$ 56,278,144</u> | <u>\$ 1,593,734</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.

82,495

\$ 5,612,322

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

| | 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 | \$ 10,295,329 | \$ 39,484 | \$ 5,302,074 | \$ 3,551,576 | \$ 2,292,669 | \$ 21,481,132 | \$ 6,007,720 |
| Cash payments to employees for services | (3,094,448) | (167) | (486,967) | (859,322) | (384,270) | (4,825,174) | (688,070) |
| Cash payments for goods and services | (3,235,513) | (21,453) | (2,921,666) | (1,463,721) | (2,483,127) | (10,125,480) | (1,309,857) |
| Cash payments for claims and administrative fees | - | - | - | - | - | - | (3,800,245) |
| Net Cash Provided by (Used in) Operating Activities | <u>3,965,368</u> | <u>17,864</u> | <u>1,893,441</u> | <u>1,228,533</u> | <u>(574,728)</u> | <u>6,530,478</u> | <u>209,548</u> |
| Cash Flows from Noncapital Financing Activities | | | | | | | |
| Advances from (to) other funds | (111,044) | (17,864) | 709,609 | 61,903 | (341,577) | 301,027 | 209,121 |
| Transfers in (out) | (1,567,310) | - | (875,000) | (1,005,000) | (256,000) | (3,703,310) | 345,000 |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>(1,678,354)</u> | <u>(17,864)</u> | <u>(165,391)</u> | <u>(943,097)</u> | <u>(597,577)</u> | <u>(3,402,283)</u> | <u>554,121</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | | | |
| Proceeds from sale of capital assets | - | - | - | 7,919 | 27,465 | 35,384 | 2,052 |
| Capital contributions and grants | 2,885,059 | - | - | 76,241 | - | 2,961,300 | - |
| Payments on capital lease | - | - | - | - | - | - | - |
| Transfers in from capital projects funds | 1,151,560 | - | 427,180 | 282,474 | 1,335,741 | 3,196,955 | 157,507 |
| Principal paid on revenue bonds | (480,000) | - | - | - | - | (480,000) | - |
| Principal paid on notes payable | (168,274) | - | (26,543) | - | - | (194,817) | - |
| Interest paid on debt | (695,086) | - | (6,793) | - | - | (701,879) | - |
| Payments for capital acquisitions | (4,265,038) | - | (1,738,433) | (615,856) | (135,173) | (6,754,500) | (681,368) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(1,571,779)</u> | <u>-</u> | <u>(1,344,589)</u> | <u>(249,222)</u> | <u>1,228,033</u> | <u>(1,937,557)</u> | <u>(521,809)</u> |
| Cash Flows from Investing Activities | | | | | | | |
| Investment earnings | 344 | - | - | - | - | 344 | - |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>715,579</u> | <u>-</u> | <u>383,461</u> | <u>36,214</u> | <u>55,728</u> | <u>1,190,982</u> | <u>241,860</u> |
| Cash and Cash Equivalents Beginning of Year | <u>5,162,237</u> | <u>-</u> | <u>567,037</u> | <u>462,033</u> | <u>11,136</u> | <u>6,202,443</u> | <u>1,184,911</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 5,877,816</u> | <u>\$ -</u> | <u>\$ 950,498</u> | <u>\$ 498,247</u> | <u>\$ 66,864</u> | <u>\$ 7,393,425</u> | <u>\$ 1,426,771</u> |

(continued)

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

| | Business-type Activities - Enterprise Funds | | | | | | Governmental Activities - Internal Service Funds |
|---|--|------------------------------|---------------------|---------------------------|-------------------------|---------------------|---|
| | Water and Sewer | Reclaimed Water System | Gas | Solid Waste Collection | Solid Waste Disposal | Total | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | | | |
| Operating Income (Loss) | \$ 2,236,668 | \$ 3,415 | \$ 1,681,520 | \$ 705,284 | \$ (638,994) | \$ 3,987,893 | \$ 226,943 |
| Adjustments: | | | | | | | |
| Depreciation | 1,775,375 | 18,692 | 160,660 | 446,291 | 214,698 | 2,615,716 | 23,883 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | | | | | | |
| Accounts receivable | (123,234) | (3,960) | 61,907 | 13,426 | (32,010) | (83,871) | 625 |
| Materials and supplies inventory | (11,008) | - | (3,563) | - | - | (14,571) | (12,032) |
| Prepaid items | (32,777) | (116) | (8,284) | (14,936) | (3,551) | (59,664) | (48,048) |
| Net pension asset/obligation | (198,676) | - | (35,904) | (55,974) | (24,807) | (315,361) | (41,458) |
| Deferred outflows related to pensions | (20,880) | - | (3,773) | (5,883) | (2,608) | (33,144) | (15,056) |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | | | | | | |
| Accounts payable | 89,966 | (167) | (5,229) | 41,958 | 3,075 | 129,603 | 28,880 |
| Accrued payroll | 6,833 | - | (439) | 1,615 | 821 | 8,830 | 5,248 |
| Compensated absences payable | (339) | - | (1,684) | 5,829 | 301 | 4,107 | 9,872 |
| Other post employment benefits payable | 76,110 | - | 12,534 | 22,946 | 8,968 | 120,558 | 44,160 |
| Deferred inflows related to pensions | 164,237 | - | 29,680 | 46,272 | 20,507 | 260,696 | 42,302 |
| Sales taxes payable | - | - | (2,414) | - | - | (2,414) | - |
| Customer deposits | 3,093 | - | 8,430 | 21,705 | - | 33,228 | - |
| Accrued landfill postclosure costs | - | - | - | - | (121,128) | (121,128) | - |
| Claims payable | - | - | - | - | - | - | (55,771) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 3,965,368</u> | <u>\$ 17,864</u> | <u>\$ 1,893,441</u> | <u>\$ 1,228,533</u> | <u>\$ (574,728)</u> | <u>\$ 6,530,478</u> | <u>\$ 209,548</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, 2015

Index

| | |
|---|----------|
| Summary of Significant Accounting Policies | 1 |
| Reporting Entity | 1-A |
| Basis of Presentation | 1-B |
| Measurement Focus | 1-C |
| Basis of Accounting..... | 1-D |
| Assets, Liabilities and Fund Equity | 1-E |
| Cash, Cash Equivalents and Investments..... | 1-E-1 |
| Receivables..... | 1-E-2 |
| Interfund Balances | 1-E-3 |
| Consumable Inventories | 1-E-4 |
| Prepaid Items..... | 1-E-5 |
| Restricted Assets | 1-E-6 |
| Capital Assets..... | 1-E-7 |
| Deferred Outflows/Inflows of Resources..... | 1-E-8 |
| Compensated Absences..... | 1-E-9 |
| Accrued Liabilities and Long-term Obligations..... | 1-E-10 |
| Bond Premiums, Discounts and Issuance Costs..... | 1-E-11 |
| Fund Equity..... | 1-E-12 |
| Operating Revenues and Expenses..... | 1-E-13 |
| Contributions of Capital..... | 1-E-14 |
| Interfund Activity..... | 1-E-15 |
| Estimates | 1-E-16 |
| Comparative Data..... | 1-E-17 |
| Restatements..... | 1-F |
| Stewardship, Compliance and Accountability | 2 |
| Budgetary Information | 2-A |
| Excess of Expenditures over Appropriations..... | 2-B |
| Deficit Fund Balances/Net Position | 2-C |
| Detailed Notes on All Funds..... | 3 |
| Cash and Cash Equivalents | 3-A |
| Receivables | 3-B |
| Property Taxes | 3-C |
| Capital Assets..... | 3-D |
| Interfund Balances and Transfers..... | 3-E |
| Landfill Closure and Postclosure Care | 3-F |
| Long-Term Debt..... | 3-G |
| Pensions | 3-H |
| Defined Contribution Plan | 3-I |
| Fund Equity | 3-J |
| Other Notes | 4 |
| Risk Management..... | 4-A |
| Contingent Liabilities..... | 4-B |
| Joint Ventures..... | 4-C |
| Hotel/Motel Lodging Tax..... | 4-D |
| Other Post-Employment Benefits | 4-E |
| Subsequent Events..... | 4-F |
| Related Party Transactions..... | 4-G |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

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 three 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. The Authority is fiscally dependent on the City and the City has a financial burden relationship with the Authority. There are no separate financial statements for the Authority.

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, 2015

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 position 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 position 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 position 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, 2015

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.

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.

2013 SPLOST Fund – This fund accounts for the special purpose local option sales tax collected pursuant to a 2013 referendum for various capital improvements within the City.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, 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 insurance, workers compensation insurance, wellness, fleet management, and information technology 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 position. 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 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 position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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 unearned 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.

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, Deferred Outflows/Inflows of Resources 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 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

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectable, where applicable. Unbilled water, sewer, gas, and solid waste charges are accrued as receivables and revenue at June 30, 2015.

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 position, 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 position.

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, 2015, 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 reported as nonspendable, 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 position but does not report these assets in the City fund financial statements.

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

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. The City has capitalized all general infrastructure assets (roads and bridges) acquired after June 30, 1980. 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

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is resources related to pensions reported at the government-wide level for governmental and business-type activities and at the fund level for proprietary funds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents and acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has an item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also has deferred inflows of resources related to its pension plan reported at the government-wide level for governmental and business-type activities and at the fund level for proprietary funds.

1-E-9 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-10 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

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

1-E-11 Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, bond premiums and discounts are netted against bonds payable and bond issuance costs are expensed when incurred. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts are 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-12 Fund Equity

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

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

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

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

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

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

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

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

- Committed
- Assigned
- Unassigned

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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 position is reported as unrestricted.

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

1-E-13 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, information technology, 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-14 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-15 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).

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-16 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-17 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.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

1-F. Restatements

Effective for the year ended June 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68. Implementation of this new accounting standard required a restatement of beginning net position for net pension liabilities (assets) and deferred outflows of resources related to pensions. These items were previously not required to be booked by the City.

The above restatement had the following impact on previously reported balances.

| <u>Statement of Activities</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|---------------------|
| Net Position, July 1, 2014, as previously reported | \$30,598,883 | 46,346,733 | \$76,945,616 |
| Balance of net pension obligation at July 1, 2014, as restated by actuary | (294,656) | (113,931) | (408,587) |
| Balance of deferred outflows - resources related to pensions at July 1, 2014 | 293,492 | 113,481 | 406,973 |
| Net Position, July 1, 2014, as restated | <u>\$30,597,719</u> | <u>46,346,283</u> | <u>\$76,944,002</u> |

| <u>Statement of Revenues, Expenses, and Changes in Fund Net Position - Enterprise Funds</u> | <u>Water and Sewer</u> | <u>Gas</u> | <u>Solid Waste Collection</u> | <u>Solid Waste Disposal</u> | <u>Total</u> |
|---|----------------------------|---------------------|-----------------------------------|---------------------------------|---------------------|
| Net Position, July 1, 2014, as previously reported | \$ 38,949,808 | \$ 4,311,675 | \$ 2,321,705 | \$ (70,622) | \$45,512,566 |
| Balance of net pension obligation at July 1, 2014 | (71,776) | (12,971) | (20,222) | (8,962) | (113,931) |
| Balance of deferred outflows - resources related to pensions at July 1, 2014 | 71,492 | 12,920 | 20,142 | 8,927 | 113,481 |
| Net Position, July 1, 2014, as previously reported | <u>\$ 38,949,524</u> | <u>\$ 4,311,624</u> | <u>\$ 2,321,625</u> | <u>\$ (70,657)</u> | <u>\$45,512,116</u> |

| <u>Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds</u> | <u>Fleet Management</u> |
|---|-----------------------------|
| Net Position, July 1, 2014, as previously reported | \$ 29,101 |
| Balance of net pension obligation at July 1, 2014 | (8,772) |
| Balance of deferred outflows - resources related to pensions at July 1, 2014 | 8,737 |
| Net Position, July 1, 2014, as restated | <u>\$ 29,066</u> |

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.

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 2 – Stewardship, Compliance and Accountability (Continued)

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, 2015, expenditures exceeded appropriations for the following departments within the general fund:

| | |
|-------------|----------|
| Arts Center | \$20,413 |
|-------------|----------|

These over expenditures were funded primarily by under expenditures in other departments.

Expenditures exceeded appropriations in the following special revenue funds and these over expenditures were funded by additional revenues over amounts budgeted.

| | <u>Overexpenditures</u> |
|-------------------------|-------------------------|
| Confiscated assets fund | \$ 3,391 |
| Hotel/motel tax fund | 55,588 |

2-C. Deficit Fund Balances/Net Position

The Hotel/Motel tax special revenue fund had a deficit fund balance of \$287,057 at June 30, 2015, which will be reduced by future Hotel/Motel tax revenue. The 2013 CDBG capital projects fund had a deficit fund balance of \$29,318 at June 30, 2015, which will be reduced by future grant revenue.

Note 3 - Detailed Notes on All Funds

3-A. Cash and Cash Equivalents

At June 30, 2015, the carrying amount of the City’s deposits (i.e., checking and certificates of deposits) was \$15,633,332 and the bank balance was \$15,704,136. Of the bank balance, \$250,000 was covered by federal depository insurance and \$15,454,136 was collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.

Cash & Cash Equivalent Reconciliation:

| Fund Reporting Level: | Cash and Cash Equivalents |
|--|------------------------------|
| Governmental Funds - Balance Sheet | \$ 6,813,406 |
| Enterprise Fund Statement of Net Position | 2,431,653 |
| Enterprise Fund Statement of Net Position - Restricted | 4,961,772 |
| Internal Service Fund Statement of Net Position | <u>1,426,501</u> |
| Total | <u>\$ 15,633,332</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2015, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

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, 2015 follow:

| Fund | Allowance For Uncollectibles |
|------------------------|------------------------------------|
| General | \$ 26,962 |
| Water and Sewer | 266,956 |
| Gas | 120,820 |
| Solid Waste Collection | 136,564 |
| Solid Waste Disposal | 552 |

3-C. Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on or about September 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, 2015, property taxes were levied on October 1, 2014 and were due December 20, 2014.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity (including the fleet management and information technology internal service funds) for the year ended June 30, 2015, was as follows:

| | Balance 7/1/2014 | Additions | Deductions | Balance 6/30/2015 |
|---|----------------------|---------------------|------------------|----------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,636,113 | \$ 7,203 | \$ - | \$ 1,643,316 |
| Construction in progress | 750,054 | 1,222,823 | 18,350 | 1,954,527 |
| Total capital assets not being depreciated: | 2,386,167 | 1,230,026 | 18,350 | 3,597,843 |
| Capital assets being depreciated | | | | |
| Buildings | 14,929,430 | 394,127 | - | 15,323,557 |
| Improvements other than buildings | 769,284 | 39,264 | - | 808,548 |
| Machinery and equipment | 11,618,280 | 1,123,686 | 160,126 | 12,581,840 |
| Infrastructure | 16,559,084 | 1,009,311 | - | 17,568,395 |
| Total capital assets being depreciated | 43,876,078 | 2,566,388 | 160,126 | 46,282,340 |
| Total capital assets | 46,262,245 | 3,796,414 | 178,476 | 49,880,183 |
| Accumulated depreciation: | | | | |
| Buildings | 4,001,010 | 367,585 | - | 4,368,595 |
| Improvements other than buildings | 231,321 | 31,080 | - | 262,401 |
| Machinery and equipment | 7,748,591 | 860,031 | 145,421 | 8,463,201 |
| Infrastructure | 6,895,964 | 920,045 | - | 7,816,009 |
| Total accumulated depreciation | 18,876,886 | 2,178,741 | 145,421 | 20,910,206 |
| Governmental activities capital assets, net | <u>\$ 27,385,359</u> | <u>\$ 1,617,673</u> | <u>\$ 33,055</u> | <u>\$ 28,969,977</u> |

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

| | |
|---|---------------------|
| Governmental activities depreciation expense: | |
| General government | \$ 105,722 |
| Municipal court | 12,277 |
| Public safety | 866,540 |
| Public works | 956,401 |
| Parks and cemeteries | 75,516 |
| Engineering | 14,557 |
| Planning and zoning | 3,934 |
| Community development | 22,131 |
| Community services | 97,780 |
| Fleet management internal service fund | 23,883 |
| Total depreciation expense | <u>\$ 2,178,741</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

| | Balance 7/1/2014 | Additions | Deductions | Balance 6/30/2015 |
|--|----------------------|---------------------|---------------------|----------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 554,410 | \$ - | \$ - | \$ 554,410 |
| Construction in progress | 9,399,991 | 5,408,905 | 2,902,264 | 11,906,632 |
| Total capital assets not being depreciated | 9,954,401 | 5,408,905 | 2,902,264 | 12,461,042 |
| Capital assets being depreciated | | | | |
| Buildings | 2,896,959 | 8,150 | - | 2,905,109 |
| Improvements other than buildings | 67,690,875 | 2,651,778 | - | 70,342,653 |
| Machinery and equipment | 13,371,828 | 1,587,931 | 431,574 | 14,528,185 |
| Total capital assets being depreciated | 83,959,662 | 4,247,859 | 431,574 | 87,775,947 |
| Total capital assets | 93,914,063 | 9,656,764 | 3,333,838 | 100,236,989 |
| Accumulated depreciation: | | | | |
| Buildings | 1,142,632 | 98,585 | - | 1,241,217 |
| Improvements other than buildings | 28,879,796 | 1,656,642 | - | 30,536,438 |
| Machinery and equipment | 7,810,147 | 860,489 | 431,574 | 8,239,062 |
| Total accumulated depreciation | 37,832,575 | 2,615,716 | 431,574 | 40,016,717 |
| Business-type activities capital assets, net | <u>\$ 56,081,488</u> | <u>\$ 7,041,048</u> | <u>\$ 2,902,264</u> | <u>\$ 60,220,272</u> |

The following table presents the changes in capital assets for the City's component unit:

| | Balance 7/1/2014 | Additions | Deductions | Balance 6/30/2015 |
|--|---------------------|-------------------|-------------------|----------------------|
| Component Unit - Downtown Statesboro Development Authority: | | | | |
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ 77,122 | \$ - | \$ 77,122 | - |
| Capital assets being depreciated: | | | | |
| Buildings | 115,607 | - | 115,607 | - |
| Improvements other than buildings | 12,552 | - | - | 12,552 |
| Machinery and equipment | 5,676 | - | - | 5,676 |
| Total capital assets being depreciated | 210,957 | - | 115,607 | 18,228 |
| Total Capital Assets | 210,957 | - | 192,729 | 18,228 |
| Accumulated depreciation: | | | | |
| Buildings | 5,395 | 1,541 | 6,936 | - |
| Improvements other than buildings | 4,184 | 837 | - | 5,021 |
| Machinery and equipment | 3,895 | 457 | - | 4,352 |
| Total accumulated depreciation | 13,474 | 2,835 | 6,936 | 9,373 |
| Component unit capital assets, net | <u>\$ 197,483</u> | <u>\$ (2,835)</u> | <u>\$ 185,793</u> | <u>\$ 8,855</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

3-E. - Interfund Balances and Transfers

Interfund balances at June 30, 2015, 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.

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---------------------------------|--|---------------------|
| General Fund | Community Development Block Grant Fund | \$ 10,021 |
| | Hotel/Motel Tax Fund | 242,552 |
| | Capital Improvements Program Fund | 49,525 |
| | Fleet Management Fund | 358,941 |
| | 2007 SPLOST Fund | 325,521 |
| | 2013 SPLOST Fund | 1,804,983 |
| | 2013 Community Block Grant | 1,871 |
| | Information Technology Fund | 55,545 |
| Water and Sewer Operations Fund | General Fund | 1,435,353 |
| | Reclaimed Water Fund | 5,423 |
| | | <u>\$ 4,289,735</u> |

Interfund transfers for the year ended June 30, 2015, consisted of the following:

| <u>Transfer to:</u> | <u>Transfers From:</u> | | | | |
|--------------------------------|------------------------|-----------------------------|-----------------------------|---|-----------------------------------|
| | <u>General Fund</u> | <u>2007 SPLOST Fund</u> | <u>2013 SPLOST Fund</u> | <u>Water and Sewer Operating Fund</u> | <u>Gas Operating Fund</u> |
| General Fund | \$ - | \$ - | \$ - | \$ 817,000 | \$ 875,000 |
| Statesboro Fire Service Fund | 1,344,000 | - | - | 750,310 | - |
| Capital Improvements Fund | 95,499 | - | - | - | - |
| Water and Sewer Operating Fund | - | 922,848 | 228,712 | - | - |
| Natural Gas Fund | - | - | 427,180 | - | - |
| Solid Waste Collection Fund | - | 282,474 | - | - | - |
| Solid Waste Disposal Fund | - | 7,996 | 1,327,745 | - | - |
| Fleet Management Fund | - | - | - | - | - |
| Information Technology Fund | - | - | 157,507 | - | - |
| | <u>\$ 1,439,499</u> | <u>\$ 1,213,318</u> | <u>\$ 2,141,144</u> | <u>\$ 1,567,310</u> | <u>\$ 875,000</u> |

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 3 - Detailed Notes on All Funds (Continued)

| Transfer to: | Transfers From: | | | Total |
|--------------------------------|-----------------------------------|------------------------------|--------------------------|---------------------|
| | Solid Waste Collection Fund | Solid Waste Disposal Fund | Hotel/ Motel Tax Fund | |
| General Fund | \$ 660,000 | \$ 256,000 | \$ 35,302 | \$ 2,643,302 |
| Statesboro Fire Service Fund | - | - | - | 2,094,310 |
| Capital Improvements Fund | - | - | - | 95,499 |
| Water and Sewer Operating Fund | - | - | - | 1,151,560 |
| Natural Gas Fund | - | - | - | 427,180 |
| Solid Waste Collection Fund | - | - | - | 282,474 |
| Solid Waste Disposal Fund | - | - | - | 1,335,741 |
| Fleet Management Fund | 345,000 | - | - | 345,000 |
| Information Technology Fund | - | - | - | 157,507 |
| | <u>\$ 1,005,000</u> | <u>\$ 256,000</u> | <u>\$ 35,302</u> | <u>\$ 8,532,573</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, 2015, was \$1,745,872. This amount is based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in regulations.

3-G. Long-Term Debt

Water and Sewer Refunding and Improvement Revenue Bonds - During the fiscal year ended June 30, 2010, the City issued revenue bonds of \$15,040,000. The City issued the Series 2010 Water and Sewer Refunding and Improvement Revenue Bonds to advance refund Water and Sewer Revenue Refunding Bonds, Series 1995, with an outstanding balance of \$215,000, and ten Georgia Environmental Facilities Authority (GEFA) notes with an outstanding balance of \$6,132,934. Additionally, a portion of the net proceeds was deposited into the Water and Sewer System Fund Construction Account. The amount of outstanding bonds at June 30, 2015 was \$12,695,000.

The City pledges income derived from the constructed or acquired assets to pay debt service. The revenue bonds have interest rates ranging from 2.0 percent to 5.0 percent. The bonds require principal payments each April 1 and interest is payable semiannually on April 1 and October 1 each year.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2015 follow:

| Year | Primary Government | | Total |
|-----------|----------------------|---------------------|----------------------|
| | Principal | Interest | |
| 2016 | \$ 500,000 | \$ 541,021 | \$ 1,041,021 |
| 2017 | 520,000 | 521,021 | 1,041,021 |
| 2018 | 535,000 | 505,421 | 1,040,421 |
| 2019 | 560,000 | 485,446 | 1,045,446 |
| 2020 | 575,000 | 465,846 | 1,040,846 |
| 2021-2025 | 3,325,000 | 1,887,005 | 5,212,005 |
| 2026-2030 | 4,105,000 | 1,088,030 | 5,193,030 |
| 2031-2035 | 2,575,000 | 213,636 | 2,788,636 |
| Total | <u>\$ 12,695,000</u> | <u>\$ 5,707,426</u> | <u>\$ 18,402,426</u> |

Notes Payable – The City has entered into a number of notes with the Georgia Environmental Facilities Authority (GEFA), and One Georgia Authority with balances at June 30, 2015, as follows:

| | |
|---|---------------------|
| One Georgia Authority, payable in quarterly installments of \$8,334 including interest at 3% through April 1, 2022 | \$ 209,820 |
| GEFA (2006-L25WJA), payable in monthly installments of \$10,381 including interest at 4.28% through April 1, 2028 | 1,228,390 |
| GEFA (2006-L25WJB), payable in monthly installments of \$4,857 including interest at 4.28% through April 1, 2028 | 574,727 |
| GEFA (2007-L31WJ), payable in monthly installments of \$3,247 including interest at 4.10% through March 1, 2029 | 401,390 |
| GEFA (2008-L05WJ), payable in monthly installments of \$6,705 including interest at 4.10% through July 1, 2029 | 859,709 |
| | <u>\$ 3,274,036</u> |

Annual debt service requirements to amortize all notes payable outstanding, as of June 30, 2015 follow:

| Year | Primary Government | | Total |
|-----------|---------------------|-------------------|---------------------|
| | Principal | Interest | |
| 2016 | \$ 202,889 | \$ 132,711 | \$ 335,600 |
| 2017 | 211,378 | 124,222 | 335,600 |
| 2018 | 220,141 | 115,459 | 335,600 |
| 2019 | 229,301 | 106,299 | 335,600 |
| 2020 | 238,827 | 96,773 | 335,600 |
| 2021-2025 | 1,247,876 | 331,627 | 1,579,503 |
| 2026-2030 | 923,624 | 69,162 | 992,786 |
| Total | <u>\$ 3,274,036</u> | <u>\$ 976,253</u> | <u>\$ 4,250,289</u> |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 Jaeckel Hotel for the purpose of converting it to the new Statesboro City Hall.

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. Depreciation expense on the building for the year was \$43,343 and accumulated depreciation was \$975,217 at June 30, 2015.

The lease requires annual payments as follows:

| Year | Principal | Interest | Total |
|-----------|-------------------|-------------------|-------------------|
| 2016 | \$ 78,000 | \$ 25,788 | \$ 103,788 |
| 2017 | 82,500 | 22,417 | 104,917 |
| 2018 | 87,500 | 18,848 | 106,348 |
| 2019 | 93,000 | 15,057 | 108,057 |
| 2020 | 98,000 | 11,046 | 109,046 |
| 2021-2022 | 214,000 | 9,114 | 223,114 |
| Total | <u>\$ 653,000</u> | <u>\$ 102,270</u> | <u>\$ 755,270</u> |

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

| | Cost |
|---------------------------------|---------------------|
| Side Dresser | \$ 72,000 |
| Pierce Aerial Pumper Fire Truck | 1,500,000 |
| 2012 F350 Truck | 31,775 |
| 2012 F250 Truck | 25,264 |
| Hot Patch Trailers | 43,406 |
| Motorola APX Radios | 24,997 |
| 2015 Dodge Ram 5500 | 119,060 |
| 2015 F350 Truck | 31,257 |
| 2015 Freightliner Truck | 115,209 |
| | <u>\$ 1,962,968</u> |

Depreciation expense on the above equipment for the year was \$161,745 and accumulated depreciation was \$424,772 at June 30, 2015.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 – Detailed Notes on All Funds (Continued)

The leases require annual payments without interest as follows:

| Year | Principal |
|-------|---------------------|
| 2016 | \$ 395,962 |
| 2017 | 381,563 |
| 2018 | 373,141 |
| 2019 | 66,786 |
| 2020 | 66,786 |
| Total | <u>\$ 1,284,238</u> |

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2015:

| <u>Primary Government</u> | Outstanding | | | Outstanding | Amounts Due |
|---|----------------------|-------------------|-------------------|----------------------|-------------------|
| Governmental Activities | 7/1/2014 | Additions | Reductions | 6/30/2015 | in One Year |
| Capital lease - City Hall | \$ 726,500 | \$ - | \$ 73,500 | \$ 653,000 | \$ 78,000 |
| Capital lease - GMA | 1,414,710 | 265,526 | 395,998 | 1,284,238 | 395,962 |
| Other post employment benefits | 1,357,521 | 317,625 | - | 1,675,146 | - |
| Compensated absences | 539,250 | 21,929 | 13,183 | 547,996 | 109,599 |
| Total Governmental Activities | <u>\$ 4,037,981</u> | <u>\$ 605,080</u> | <u>\$ 482,681</u> | <u>\$ 4,160,380</u> | <u>\$ 583,561</u> |
| Business-Type Activities | | | | | |
| Water and sewer revenue bonds | \$ 13,175,000 | \$ - | \$ 480,000 | \$ 12,695,000 | \$ 500,000 |
| Unamortized bond premium | 235,784 | - | 12,575 | 223,209 | - |
| | 13,410,784 | - | 492,575 | 12,918,209 | 500,000 |
| Notes payable - water fund | 3,232,490 | - | 168,274 | 3,064,216 | 175,540 |
| Notes payable - gas fund | 236,363 | - | 26,543 | 209,820 | 27,349 |
| Capital lease - GMA | - | - | - | - | - |
| Landfill closure and post-closure care | 1,867,000 | - | 121,128 | 1,745,872 | 167,000 |
| Other post employment benefits | 576,214 | 120,558 | - | 696,772 | - |
| Compensated absences | 235,325 | 4,107 | - | 239,432 | 47,886 |
| Total Business-Type Activities | <u>\$ 19,558,176</u> | <u>\$ 124,665</u> | <u>\$ 808,520</u> | <u>\$ 18,874,321</u> | <u>\$ 917,775</u> |
| Component Unit | | | | | |
| Downtown Statesboro Development Authority | | | | | |
| Notes payable | <u>\$ 82,327</u> | <u>\$ -</u> | <u>\$ 82,327</u> | <u>\$ -</u> | <u>\$ -</u> |

The capital lease obligations for governmental funds will be paid from the General Fund and SPLOST Funds and for proprietary funds from the fund which incurred the capital lease obligation. The compensated absences and other post-employment benefits 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 post-closure care liability will be retired from the solid waste disposal fund.

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 3 – Detailed Notes on All Funds (Continued)

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

Benefits provided - The classes of eligible employees for retirement benefits are regular employees with the exception of part-time firefighters employed or reemployed on or after June 20, 2012, elected or appointed members of the governing authority, and the City Attorney employed on December 13, 2011 meeting the eligibility requirements of the Plan that are applicable to eligible regular employees. Normal retirement qualifications for regular employees are attainment of age 65 and the completion of 5 years of total credited service. Normal retirement qualifications for Public Safety employees only are attainment of age 55 and completion of 25 years of total credited service. The regular employee calculation for the Split Final Average Formula is 1.25% of Final Average Earnings up to the amount of covered compensation plus 2% of Final Average Earnings in excess of said covered compensation, multiplied by years of Total Credited Service as an eligible regular employee. The Alternative Split Final Average Earnings Formula is 1% of Final Average Earnings up to the amount of covered compensation plus 1.75% of Final Average Earnings in excess of said covered compensation, multiplied by years of Total Credited Service as an eligible regular employee. Unless otherwise specified in an addendum to the adoption agreement, Final Average Earnings is defined as the monthly average of Earnings paid to a participant by the City for the 60 consecutive months of Credited Service preceding the participant’s most recent termination in which the participant’s earnings were the highest, multiplied by 12. The formula for elected or appointed members of the governing authority is \$35 per month for each year of total credited service as an elected or appointed member of the governing authority or municipal legal officer or major fraction thereof (6 months and 1 day). The City elects to provide for a variable annual cost-of-living adjustment not to exceed 5%. Disability retirement benefits shall be computed in the same manner as the Normal Retirement benefit, based upon the participant’s accrued benefit as of his disability retirement date. In-service death benefits are payable to the participant’s pre-retirement beneficiary, actuarially equivalent to the reserve required for the participant’s anticipated normal retirement benefit, provided the participant meets eligibility conditions. Terminated vested death benefits are payable to the participant’s pre-retirement beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the participant had he elected a 100% joint and survivor benefit, under the plan.

Employees covered by benefit terms – At June 30, 2015, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 80 |
| Inactive employees entitled to but not yet receiving benefits | 105 |
| Active employees | 288 |
| | 473 |
| | 473 |

Contributions - The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is \$153,989. This minimum contribution has been determined as the sum of 1) the normal cost (including administrative expenses), 2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the employer contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 – Detailed Notes on All Funds (Continued)

Net Pension Liability

The City’s net pension liability (asset) was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2015.

Actuarial assumptions - The total pension liability (asset) in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | | |
|---------------------------|------|--|
| Inflation | 3.25 | percent |
| Salary increases | 5.15 | percent, average, including inflation |
| Investment rate of return | 7.75 | percent, net of pension plan investment expense, including inflation |

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of a actuarial experience study for the period January 1, 2010 to June 30, 2014.

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

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

Discount rate- The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 – Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability (Asset)

| | Total Pension Liability (a) | Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) - (b) |
|--|-----------------------------------|----------------------------------|---|
| Balances at September 30, 2013 | \$ 19,555,668 | \$19,147,081 | \$ 408,587 |
| Changes for the year: | | | |
| Service cost | 435,063 | - | 435,063 |
| Interest | 1,490,160 | - | 1,490,160 |
| Differences between expected and actual experience | 94,118 | - | 94,118 |
| Contributions - employer | - | 556,107 | (556,107) |
| Contributions - employee | - | - | - |
| Net investment income | - | 2,183,124 | (2,183,124) |
| Benefit payments | (655,592) | (655,592) | - |
| Administrative expense | - | (34,589) | 34,589 |
| Other changes | (445,667) | - | (445,667) |
| Net changes | 918,082 | 2,049,050 | (1,130,968) |
| Balances at September 30, 2014 | \$ 20,473,750 | \$21,196,131 | \$ (722,381) |

Sensitivity of the net pension liability (asset) to changes in the discount rate- The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 –percentage-point lower (6.75 percent) or 1 – percentage-point higher (8.75 percent) than the current rate:

| | 1% Decrease -6.75% | Current Discount Rate (7.75%) | 1% Increase -8.75% |
|--------------------------------------|--------------------------|-------------------------------------|--------------------------|
| City's net pension liability (asset) | \$ 2,467,419 | \$ (722,381) | \$ (3,318,420) |

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

For the year ended June 30, 2015, the City recognized pension expense of \$281,635. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 78,430 | \$ (371,390) |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | (563,536) |
| Employer contributions after measurement rate | 447,402 | - |
| Total | \$ 525,832 | \$ (934,926) |

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 3 – Detailed Notes on All Funds (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|---------------------|---------------------|
| Year ended June 30: | |
| 2016 | \$ 247,926 |
| 2017 | (199,476) |
| 2018 | (199,476) |
| 2019 | (199,476) |
| 2020 | (58,592) |
| | <u>\$ (409,094)</u> |

3-I. Defined Contribution Plan

The City sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code for the Municipal Court Judge and the City Attorney. The plan is administered by the Georgia Municipal Association. The City Council is responsible and has authority to amend the plan provisions. The City contributes 4 percent of salary to the plan. The employees are not required to contribute to the plan. The City made \$5,880 in contributions to the plan during the year ended June 30, 2015.

3-J. Fund Equity

As of June 30, 2015, governmental fund balances are composed of the following:

| | General Fund | Statesboro Fire Service | 2007 SPLOST | 2013 SPLOST | Other Governmental Funds | Total Governmental Funds |
|-----------------------|---------------------|----------------------------|---------------------|---------------------|--------------------------------|--------------------------------|
| Nonspendable: | | | | | | |
| Prepaid items | \$ 255,626 | \$ 39,390 | \$ - | \$ - | \$ - | \$ 295,016 |
| Restricted: | | | | | | |
| Capital projects | - | - | 1,221,130 | 2,746,085 | - | 3,967,215 |
| Fire protection | - | 555,323 | - | - | - | 555,323 |
| Police | - | - | - | - | 366,489 | 366,489 |
| Community development | - | - | - | - | 226,784 | 226,784 |
| Assigned | | | | | | |
| Capital projects | - | - | - | - | 29,593 | 29,593 |
| Unassigned | 1,387,427 | - | - | - | (316,375) | 1,071,052 |
| Total fund balances | <u>\$ 1,643,053</u> | <u>\$ 594,713</u> | <u>\$ 1,221,130</u> | <u>\$ 2,746,085</u> | <u>\$ 306,491</u> | <u>\$ 6,511,472</u> |

Net investment in capital assets on the government-wide statement of net position as of June 30, 2015 is as follows:

| | Governmental Activities | Business Type Activities | Component Unit |
|----------------------------------|----------------------------|-----------------------------|-------------------|
| Cost of capital assets | \$ 49,880,183 | \$ 100,236,989 | \$ 18,228 |
| Less accumulated depreciation | 20,910,206 | 40,016,717 | 9,373 |
| Book value | 28,969,977 | 60,220,272 | 8,855 |
| Less capital related debt | 1,937,238 | 16,192,245 | - |
| Plus unspent bond proceeds | - | 2,360,328 | - |
| Net investment in capital assets | <u>\$ 27,032,739</u> | <u>\$ 46,388,355</u> | <u>\$ 8,855</u> |

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

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 for which the city carries commercial insurance.

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 (GMAWCSIF). 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.

Employees that qualify are covered for wage replacement and medical benefits when injured in the process of performing their job duties. The coverage is provided by GMAWCSIF and the City of Statesboro participates in the pool or group with other Georgia Cities. This lessens exposure due to the grouped resources that GMAWCSIF provides.

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 \$437,733 reported at June 30, 2015 for the Internal Service Funds represents known claims incurred on or prior to June 30, 2015 and an estimate for claims that have been incurred but not reported. Changes in the funds’ claims liability for the year ended June 30, 2015 were as follows:

| Date | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | End of Fiscal Year Liability |
|------|--|--|-------------------|------------------------------------|
| 2013 | \$ 699,350 | \$ 3,223,870 | \$ 3,485,028 | \$ 438,192 |
| 2014 | 438,192 | 4,053,459 | 3,898,147 | 493,504 |
| 2015 | 493,504 | 3,782,049 | 3,837,820 | 437,733 |

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.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 4 – Other Notes (Continued)

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, 2015. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the ten county coastal Georgia area, is a member of the Coastal Regional Commission of Georgia(RC) and is required to pay annual dues thereto. During the year ended June 30, 2015, the City paid \$30,554 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Regional Commission of Georgia, 1181 Coastal Drive SW, Darien, Georgia 31305.

4-D. Hotel-Motel Lodging Tax

The City has levied a 6% lodging tax. A summary of the transactions for the year ended June 30, 2015 follows:

| | | <u>Percentage of tax receipts</u> |
|---|--------------------|---------------------------------------|
| Lodging tax receipts | \$ 774,964 | |
| Disbursements to the: | | |
| Statesboro Convention and Visitors Bureau for promotion of tourism | (256,553) | 33% |
| Statesboro Arts Council for performing arts center | (215,720) | 28% |
| Downtown Statesboro Development Authority for promotion of tourism | (153,315) | 20% |
| City of Statesboro for administrative costs | (38,521) | 5% |
| Georgia Southern University for Shooting Complex | <u>(110,855)</u> | 14% |
| Total | <u><u>\$ -</u></u> | 100% |

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

*City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015*

Note 4 – Other Notes (Continued)

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, 2015, five retired employees were eligible to participate. Since the plan has no assets, reporting another 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 the City pays 100% of coverage if the employee has 25 or more years of service.

For the year ended June 30, 2015, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$86,979 for 2015. These costs are recognized as an expense when claims or premiums are paid.

Annual OPEB Cost and Net OPEB Obligation. The City’s annual other post-retirement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s net OPEB Obligation.

| | | |
|--|----|---------------------|
| Annual Required Contribution | \$ | 555,340 |
| Interest on Net OPEB Obligation | | 77,349 |
| Adjustment to Annual Required Contribution | | <u>(107,527)</u> |
| Annual OPEB Cost (Expense) | | 525,162 |
| Contributions Made | | <u>(86,979)</u> |
| Increase in Net Obligation | | 438,183 |
| Net OPEB Obligation (BOY) | | <u>1,933,735</u> |
| Net OPEB Obligation (EOY) | | <u>\$ 2,371,918</u> |

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013-2015 is as follows:

| Fiscal Year Ended | OPEB Cost | | |
|----------------------|---------------------|--------------------------|------------------------|
| | Annual OPEB Cost | OPEB Cost Contributed | Net OPEB Obligation |
| 6/30/2013 | \$ 560,750 | 22% | \$ 1,483,888 |
| 6/30/2014 | 560,750 | 20% | 1,933,735 |
| 6/30/2015 | 525,162 | 17% | 2,371,918 |

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$4,220,218 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$4,220,218. The covered payroll (annual payroll of active employees covered by the plan) was \$11,459,420 and the ratio of the UAAL to the covered payroll was 36.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

City of Statesboro, Georgia
Notes to the Basic Financial Statements
For the Year Ended June 30, 2015

Note 4 – Other Notes (Continued)

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the type of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 5% initially, reduced by decrements to an ultimate rate of 5% after ten years. The actuarial value of assets was determined using a standard balanced portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2014 was 30 years.

4-F. Subsequent Events

Management has evaluated subsequent events through February 5, 2016, the date that the financial statements were available for issue. No subsequent events were noted.



Supplementary Information

City of Statesboro, Georgia
Required Supplementary Information
Schedule of Changes in the Net Pension Liability (Asset) and
Related Ratios For the Year Ended June 30, 2015

| | 2015 (1) |
|---|----------------------|
| Total pension liability | |
| Service cost | \$ 435,063 |
| Interest | 1,490,160 |
| Changes of benefit items | - |
| Differences between expected and actual experience | 94,118 |
| Changes of assumptions | (445,667) |
| Benefit payments, including refunds of employee contributions | (655,592) |
| Net change in total pension liability | 918,082 |
| Total pension liability-beginning | 19,555,668 |
| Total pension liability-ending (a) | \$ 20,473,750 |
| | |
| Plan fiduciary net position | |
| Contributions-employer | \$ 556,107 |
| Contributions-employee | - |
| Net investment income | 2,183,124 |
| Benefit payments, including refunds of employee contributions | (655,592) |
| Administrative expense | (34,589) |
| Other | - |
| Net change in plan fiduciary net position | 2,049,050 |
| | |
| Plan fiduciary net position-beginning | 19,147,081 |
| Plan fiduciary net position-ending (b) | \$ 21,196,131 |
| | |
| Net pension liability (asset)-ending (a)-(b) | \$ (722,381) |
| | |
| Plan fiduciary net position as a percentage of the total pension liability | 103.53% |
| | |
| Covered-employee payroll | 10,848,107 |
| | |
| Net pension liability as a percentage of covered-employee payroll | -6.66% |

(1) Only fiscal year 2015 was available. The City will continue to present information for years available until a full 10-year trend is compiled.

Notes to Schedule:

Changes of assumptions

Amounts reported for the Fiscal Year ending in 2015 and later reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on or after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation and cost-of-living adjustment assumptions were decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit changes

Effective November 6, 2013, the Plan was amended to allow the City Attorney to participate and to grant prior service credit to the City Manager.



***Nonmajor Governmental Funds
By Fund Type***

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2015

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Assets | | | |
| Cash and cash equivalents | \$ 382,135 | \$ - | \$ 382,135 |
| Receivables: | | | |
| Hotel/motel taxes | 69,369 | - | 69,369 |
| Intergovernmental | - | 182,203 | 182,203 |
| Notes | 236,805 | - | 236,805 |
| Lease | - | 214,869 | 214,869 |
| Total Assets | \$ 688,309 | \$ 397,072 | \$ 1,085,381 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 6,656 | \$ 345,401 | \$ 352,057 |
| Interfund payable | 252,573 | 51,396 | 303,969 |
| Other | 122,864 | - | 122,864 |
| Total Liabilities | 382,093 | 396,797 | 778,890 |
| Fund Balances | | | |
| Restricted | 593,273 | - | 593,273 |
| Assigned | - | 29,593 | 29,593 |
| Unassigned | (287,057) | (29,318) | (316,375) |
| Total Fund Balances | 306,216 | 275 | 306,491 |
| Total Liabilities and Fund Balances | \$ 688,309 | \$ 397,072 | \$ 1,085,381 |

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, 2015

| | Nonmajor Special Revenue Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|
| Revenues | | | |
| Hotel/motel taxes | \$ 774,064 | \$ - | \$ 774,064 |
| Intergovernmental | 25,181 | 250,578 | 275,759 |
| Fines and forfeitures | 171,333 | - | 171,333 |
| Total Revenues | 970,578 | 250,578 | 1,221,156 |
| Expenditures | | | |
| Current: | | | |
| Public safety | 196,779 | - | 196,779 |
| Community development | 625,588 | - | 625,588 |
| Capital Outlay: | | | |
| General government | - | - | - |
| Public works | - | 435,264 | 435,264 |
| Parks and cemeteries | - | 18,925 | 18,925 |
| Engineering | - | 54,592 | 54,592 |
| Total Expenditures | 822,367 | 508,781 | 1,331,148 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 148,211 | (258,203) | (109,992) |
| Other Financing Sources (Uses) | | | |
| Transfers in | - | 95,499 | 95,499 |
| Transfers out | (35,302) | - | (35,302) |
| Issuance of capital lease | - | 146,466 | 146,466 |
| Total Other Financing Sources (Uses) | (35,302) | 241,965 | 206,663 |
| Net Change in Fund Balances | 112,909 | (16,238) | 96,671 |
| Fund Balances Beginning of Year | 193,307 | 16,513 | 209,820 |
| Fund Balances End of Year | \$ 306,216 | \$ 275 | \$ 306,491 |



General Fund

City of Statesboro, Georgia
General Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 353,305 | \$ 103 |
| Receivables: | | |
| Taxes | 186,969 | 284,015 |
| Accounts | 46,468 | 64,869 |
| Intergovernmental | 52,460 | 72,032 |
| Interfund | 2,848,959 | 2,510,934 |
| Prepaid items | <u>255,626</u> | <u>185,417</u> |
| Total Assets | <u>\$ 3,743,787</u> | <u>\$ 3,117,370</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 168,393 | \$ 234,859 |
| Intergovernmental payable | 110,618 | - |
| Accrued payroll and payroll taxes | 94,756 | 85,679 |
| Other liabilities | 123,417 | 92,986 |
| Interfund payable | 1,435,353 | 1,736,380 |
| Unearned revenue | <u>163,750</u> | <u>156,250</u> |
| Total Liabilities | <u>2,096,287</u> | <u>2,306,154</u> |
| Deferred Inflows of Resources | | |
| Unavailable revenue - property taxes | <u>4,447</u> | <u>11,030</u> |
| Fund Balances | | |
| Nonspendable | 255,626 | 185,417 |
| Unassigned | <u>1,387,427</u> | <u>614,769</u> |
| Total Fund Balances | <u>1,643,053</u> | <u>800,186</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 3,743,787</u> | <u>\$ 3,117,370</u> |

City of Statesboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|-----------------------------|-------------------|-------------------|
| Revenues | | |
| Taxes: | | |
| Property | \$ 3,923,619 | \$ 3,647,594 |
| Automobiles | 515,177 | 511,443 |
| Franchise | 1,765,369 | 1,740,726 |
| Insurance premium | 1,531,963 | 1,466,120 |
| Alcoholic beverage | 698,554 | 693,278 |
| Other | 94,532 | 83,299 |
| Licenses and permits | 982,677 | 861,217 |
| Intergovernmental | - | 16,206 |
| Charges for services | 186,625 | 231,591 |
| Fines and forfeitures | 1,147,171 | 1,076,898 |
| Miscellaneous | 64,929 | 38,985 |
| Total Revenues | <u>10,910,616</u> | <u>10,367,357</u> |
| Expenditures | | |
| Current: | | |
| General government | | |
| Governing body | 238,924 | 178,039 |
| City manager's office | 64,255 | 139,113 |
| City clerk's office | 171,586 | 180,712 |
| Elections | 15,189 | 26,185 |
| Financial administration | 475,083 | 397,723 |
| Legal | 157,722 | 88,335 |
| Information technology | - | 477,665 |
| Human resources | 187,827 | 157,761 |
| Government buildings | 164,638 | 156,417 |
| General administration fees | 39,294 | 37,126 |
| Total general government | <u>1,514,518</u> | <u>1,839,076</u> |
| Municipal court | <u>576,371</u> | <u>555,185</u> |
| Public safety: | | |
| Police | 5,638,930 | 5,241,916 |
| Emergency management | 5,000 | 5,000 |
| Animal control | 51,086 | 57,383 |
| Total public safety | <u>5,695,016</u> | <u>5,304,299</u> |

(continued)

*General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014*

(continued)

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|-------------------|
| Streets/public works | \$ 2,030,080 | \$ 1,987,420 |
| Parks and cemeteries | 367,113 | 369,113 |
| Engineering | 366,351 | 410,968 |
| Planning and zoning | 367,044 | 366,749 |
| Community services: | | |
| Arts Center | 148,210 | 133,858 |
| Other | 33,800 | 35,200 |
| Total community services | 182,010 | 169,058 |
| Community development | 78,134 | 86,208 |
| Debt Service: | | |
| Principal retirement | 102,676 | 119,937 |
| Interest and fiscal charges | 24,249 | 51,909 |
| Total Debt Service | 126,925 | 171,846 |
| Total Expenditures | 11,303,562 | 11,259,922 |
| Deficiency of Revenues Under Expenditures | (392,946) | (892,565) |
| Other Financing Sources (Uses) | | |
| Transfers in | 2,643,302 | 2,580,146 |
| Transfers out | (1,439,499) | (1,444,000) |
| Sale of capital assets | 32,010 | 9,136 |
| Total Other Financing Sources (Uses) | 1,235,813 | 1,145,282 |
| Net Change in Fund Balances | 842,867 | 252,717 |
| Fund Balances Beginning of Year | 800,186 | 547,469 |
| Fund Balances End of Year | <u>\$ 1,643,053</u> | <u>\$ 800,186</u> |



Major Capital Projects Funds

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | <u>\$ 1,911,667</u> | <u>\$ 4,447,111</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 365,016 | \$ 47,677 |
| Interfund payable | <u>325,521</u> | <u>428,596</u> |
| Total Liabilities | 690,537 | 476,273 |
| Fund Balances | | |
| Restricted | <u>1,221,130</u> | <u>3,970,838</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,911,667</u> | <u>\$ 4,447,111</u> |

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|--|---------------------|---------------------|
| Revenues | | |
| Intergovernmental - Sales taxes | \$ - | \$ 1,638,408 |
| Intergovernmental | 208,230 | 261,099 |
| Investment earnings | 3,901 | 7,791 |
| Total Revenues | 212,131 | 1,907,298 |
| Expenditures | | |
| Capital outlay: | | |
| Public safety | 512,658 | 1,139,908 |
| Public works | 1,145,381 | 745,944 |
| Planning and zoning | 23,660 | 19,673 |
| Debt Service-Principal | 66,822 | 66,822 |
| Total Expenditures | 1,748,521 | 1,972,347 |
| Deficiency of Revenues Under Expenditures | (1,536,390) | (65,049) |
| Other Financing Sources (Uses) | | |
| Transfers out | (1,213,318) | (2,060,504) |
| Net Change in Fund Balances | (2,749,708) | (2,125,553) |
| Fund Balances Beginning of Year | 3,970,838 | 6,096,391 |
| Fund Balances End of Year | \$ 1,221,130 | \$ 3,970,838 |

City of Statesboro, Georgia
2013 SPLOST Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|----------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 3,581,747 | \$ 612,222 |
| Intergovernmental receivable | <u>1,769,643</u> | <u>1,624,162</u> |
| Total Assets | <u><u>\$ 5,351,390</u></u> | <u><u>\$ 2,236,384</u></u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 800,322 | \$ 117,767 |
| Interfund payable | <u>1,804,983</u> | <u>1,390,444</u> |
| Total Liabilities | 2,605,305 | 1,508,211 |
| Fund Balances | | |
| Restricted | <u>2,746,085</u> | <u>728,173</u> |
| Total Liabilities and Fund Balances | <u><u>\$ 5,351,390</u></u> | <u><u>\$ 2,236,384</u></u> |

City of Statesboro, Georgia
2013 SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|-------------------|
| Revenues | | |
| Intergovernmental - sales taxes | \$ 5,504,731 | \$ 2,608,710 |
| Investment earnings | 352 | 25 |
| Total Revenues | <u>5,505,083</u> | <u>2,608,735</u> |
| Expenditures | | |
| Capital outlay: | | |
| General government | - | 127,543 |
| Municipal court | 18,100 | - |
| Community development | 1,596 | 797,458 |
| Public safety | 603,784 | 18,800 |
| Public works | 422,547 | - |
| Debt Service-Principal | 300,000 | 300,000 |
| Total Expenditures | <u>1,346,027</u> | <u>1,243,801</u> |
| Excess of Revenues Over Expenditures | <u>4,159,056</u> | <u>1,364,934</u> |
| Other Financing (Uses) | | |
| Transfers out | (2,141,144) | (636,761) |
| Net Change in Fund Balances | 2,017,912 | 728,173 |
| Fund Balances Beginning of Year | <u>728,173</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 2,746,085</u> | <u>\$ 728,173</u> |



Nonmajor Capital Projects Funds

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015

| | Capital Improvements Program Fund | 2013 CDBG Fund | Total Nonmajor Capital Projects Funds |
|--|--|-------------------------------|--|
| Assets | | | |
| Receivables: | | | |
| Lease | \$ 214,869 | \$ - | \$ 214,869 |
| Intergovernmental | - | 182,203 | 182,203 |
| Total Assets | \$ 214,869 | \$ 182,203 | \$ 397,072 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 135,751 | \$ 209,650 | \$ 345,401 |
| Interfund payable | 49,525 | 1,871 | 51,396 |
| Total Liabilities | 185,276 | 211,521 | 396,797 |
| Fund Balances | | | |
| Assigned | 29,593 | - | 29,593 |
| Unassigned | - | (29,318) | (29,318) |
| Total Fund Balance | 29,593 | (29,318) | 275 |
| Total Liabilities and Fund Balances | \$ 214,869 | \$ 182,203 | \$ 397,072 |

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2015

| | Capital Improvements Program Fund | 2013 CDBG Fund | Total Nonmajor Capital Projects Funds |
|--|--|-------------------------------|--|
| Revenues | | | |
| Intergovernmental | \$ - | \$ 250,578 | \$ 250,578 |
| Expenditures | | | |
| Capital Outlay: | | | |
| Engineering | 54,592 | - | 54,592 |
| Parks and cemeteries | 18,925 | - | 18,925 |
| Public works | 155,368 | 279,896 | 435,264 |
| Total Expenditures | 228,885 | 279,896 | 508,781 |
| Deficiency of Revenues Under Expenditures | (228,885) | (29,318) | (258,203) |
| Other Financing Sources | | | |
| Transfers in | 95,499 | - | 95,499 |
| Issuance of capital lease | 146,466 | - | 146,466 |
| Total Other Financing Sources (Uses) | 241,965 | - | 241,965 |
| Net Change in Fund Balances | 13,080 | (29,318) | (16,238) |
| Fund Balances Beginning of Year | 16,513 | - | 16,513 |
| Fund Balances End of Year | \$ 29,593 | \$ (29,318) | \$ 275 |

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | 2015 | 2014 |
|--|------------|-----------|
| Assets | | |
| Lease receivable | \$ 214,869 | \$ 68,403 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 135,751 | \$ 749 |
| Interfund payable | 49,525 | 51,141 |
| Total Liabilities | 185,276 | 51,890 |
| Fund Balances | | |
| Assigned | 29,593 | 16,513 |
| Total Liabilities and Fund Balances | \$ 214,869 | \$ 68,403 |

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| Revenues | \$ - | \$ - |
| Expenditures | | |
| Capital Outlay | | |
| General government | - | 26,312 |
| Public works | 155,368 | 91,835 |
| Community services | - | 14,272 |
| Parks and cemeteries | 18,925 | 10,670 |
| Engineering | 54,592 | 8,801 |
| Total Expenditures | <u>228,885</u> | <u>151,890</u> |
| Deficiency of Revenues Under Expenditures | <u>(228,885)</u> | <u>(151,890)</u> |
| Other Financing Sources | | |
| Transfers in | 95,499 | 100,000 |
| Issuance of capital lease | 146,466 | 68,403 |
| Total Other Financing Sources | <u>241,965</u> | <u>168,403</u> |
| Net Change in Fund Balances | 13,080 | 16,513 |
| Fund Balances Beginning of Year | <u>16,513</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 29,593</u> | <u>\$ 16,513</u> |

City of Statesboro, Georgia
2013 CDBG Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|
| Assets | | |
| Intergovernmental receivable | \$ 182,203 | \$ - |
| Liabilities | | |
| Accounts payable | 209,650 | - |
| Interfund payable | 1,871 | - |
| Total Liabilities | \$ 211,521 | \$ - |
| Fund Balances | | |
| Unassigned | (29,318) | - |
| Total Liabilities and Fund Balances | \$ 182,203 | \$ - |

City of Statesboro, Georgia
2013 CDBG Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|---------------------------|--------------------|
| Revenues | | |
| Intergovernmental | \$ 250,578 | \$ 10,000 |
| Expenditures | | |
| Capital outlay: | | |
| Public works | <u>279,896</u> | <u>10,000</u> |
| Deficiency of Revenues Under Expenditures | (29,318) | |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u><u>\$ (29,318)</u></u> | <u><u>\$ -</u></u> |



Major Special Revenue Funds

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 584,552 | \$ 654,641 |
| Receivables: | | |
| Accounts | 35,585 | 31,116 |
| Intergovernmental | 12,433 | 118,728 |
| Prepaid items | <u>39,390</u> | <u>37,708</u> |
| Total Assets | <u>\$ 671,960</u> | <u>\$ 842,193</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 40,720 | \$ 24,340 |
| Unearned revenue | - | 14,249 |
| Accrued payroll | <u>36,527</u> | <u>29,108</u> |
| Total Liabilities | <u>77,247</u> | <u>67,697</u> |
| Fund Balances | | |
| Nonspendable | 39,390 | 37,708 |
| Restricted | <u>555,323</u> | <u>736,788</u> |
| Total Fund Balances | <u>594,713</u> | <u>774,496</u> |
| Total Liabilities and Fund Balances | <u>\$ 671,960</u> | <u>\$ 842,193</u> |

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparative Statement of Revenues,
Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|--------------------|--------------------|
| Revenues | | |
| Charges for services | \$ 1,074,504 | \$ 1,076,430 |
| Intergovernmental | - | 23,773 |
| Miscellaneous | 19,198 | 156 |
| Total Revenues | <u>1,093,702</u> | <u>1,100,359</u> |
| Expenditures | | |
| Current: | | |
| Public safety - Fire | <u>3,367,795</u> | <u>2,971,918</u> |
| Deficiency of Revenues Under Expenditures | <u>(2,274,093)</u> | <u>(1,871,559)</u> |
| Other Financing Sources (Uses) | | |
| Transfers in | 2,094,310 | 2,105,786 |
| Transfers out | - | (6,475) |
| Total Other Financing Sources (Uses) | <u>2,094,310</u> | <u>2,099,311</u> |
| Net Change in Fund Balances | (179,783) | 227,752 |
| Fund Balances Beginning of Year | <u>774,496</u> | <u>546,744</u> |
| Fund Balances End of Year | <u>\$ 594,713</u> | <u>\$ 774,496</u> |



Nonmajor Special Revenue Funds

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

| | Confiscated Assets | CDBG | Department of Justice Grant | Hotel/Motel Tax | Multiple Grant | Technology Fee Fund | Total Nonmajor Special Revenue Funds |
|--|-----------------------|-------------------|--------------------------------|--------------------|-------------------|------------------------|---|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 267,470 | \$ - | \$ 80,821 | \$ - | \$ - | \$ 33,844 | \$ 382,135 |
| Receivables: | | | | | | | |
| Hotel/motel taxes | - | - | - | 69,369 | - | - | 69,369 |
| Notes | - | 236,805 | - | - | - | - | 236,805 |
| Total Assets | <u>\$ 267,470</u> | <u>\$ 236,805</u> | <u>\$ 80,821</u> | <u>\$ 69,369</u> | <u>\$ -</u> | <u>\$ 33,844</u> | <u>\$ 688,309</u> |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 2,444 | \$ - | \$ - | \$ - | \$ - | \$ 4,212 | \$ 6,656 |
| Interfund payable | - | 10,021 | - | 242,552 | - | - | 252,573 |
| Other | 8,990 | - | - | 113,874 | - | - | 122,864 |
| Total Liabilities | <u>11,434</u> | <u>10,021</u> | <u>-</u> | <u>356,426</u> | <u>-</u> | <u>4,212</u> | <u>382,093</u> |
| Fund Balances | | | | | | | |
| Restricted | 256,036 | 226,784 | 80,821 | - | - | 29,632 | 593,273 |
| Unassigned | - | - | - | (287,057) | - | - | (287,057) |
| Total Fund Balances | <u>256,036</u> | <u>226,784</u> | <u>80,821</u> | <u>(287,057)</u> | <u>-</u> | <u>29,632</u> | <u>306,216</u> |
| Total Liabilities and Fund Balances | <u>\$ 267,470</u> | <u>\$ 236,805</u> | <u>\$ 80,821</u> | <u>\$ 69,369</u> | <u>\$ -</u> | <u>\$ 33,844</u> | <u>\$ 688,309</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, 2015

| | <u>Confiscated Assets</u> | <u>CDBG</u> | <u>Department of Justice Grant</u> | <u>Hotel/Motel Tax</u> | <u>Multiple Grant</u> | <u>Technology Fee Fund</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|--|-------------------------------|-------------------|--|----------------------------|---------------------------|--------------------------------|---|
| Revenues | | | | | | | |
| Hotel/motel taxes | \$ - | \$ - | \$ - | \$ 774,064 | \$ - | \$ - | \$ 774,064 |
| Intergovernmental | - | - | - | - | 25,181 | - | 25,181 |
| Fines and forfeitures | 71,585 | - | 24,998 | - | - | 74,750 | 171,333 |
| Total Revenues | <u>71,585</u> | <u>-</u> | <u>24,998</u> | <u>774,064</u> | <u>25,181</u> | <u>74,750</u> | <u>970,578</u> |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Public safety | 60,376 | - | 36,671 | - | 25,145 | 74,587 | 196,779 |
| Community development | - | - | - | 625,588 | - | - | 625,588 |
| Total Expenditures | <u>60,376</u> | <u>-</u> | <u>36,671</u> | <u>625,588</u> | <u>25,145</u> | <u>74,587</u> | <u>822,367</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>11,209</u> | <u>-</u> | <u>(11,673)</u> | <u>148,476</u> | <u>36</u> | <u>163</u> | <u>148,211</u> |
| Other Financing Uses | | | | | | | |
| Transfers out | - | - | - | (35,302) | - | - | (35,302) |
| Net Change in Fund Balances | 11,209 | - | (11,673) | 113,174 | 36 | 163 | 112,909 |
| Fund Balances Beginning of Year | <u>244,827</u> | <u>226,784</u> | <u>92,494</u> | <u>(400,231)</u> | <u>(36)</u> | <u>29,469</u> | <u>193,307</u> |
| Fund Balances End of Year | <u>\$ 256,036</u> | <u>\$ 226,784</u> | <u>\$ 80,821</u> | <u>\$ (287,057)</u> | <u>\$ -</u> | <u>\$ 29,632</u> | <u>\$ 306,216</u> |

City of Statesboro, Georgia
Confiscated Assets Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 267,470 | \$ 254,076 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 2,444 | \$ - |
| Other liabilities | 8,990 | 9,249 |
| Total Liabilities | <u>11,434</u> | <u>9,249</u> |
| Fund Balances | | |
| Restricted | <u>256,036</u> | <u>244,827</u> |
| Total Liabilities and Fund Balances | <u>\$ 267,470</u> | <u>\$ 254,076</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | | 2014 | |
|--|--------------------|-----------------|-------------------|------------------------------------|-------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | | |
| Fines and forfeitures | \$ 15,000 | \$ 60,000 | \$ 71,585 | \$ 11,585 | \$ 188,829 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 15,000 | 56,985 | 60,376 | (3,391) | 9,714 |
| Net Change in Fund Balances | <u>\$ -</u> | <u>\$ 3,015</u> | 11,209 | <u>\$ 8,194</u> | 179,115 |
| Fund Balances Beginning of Year | | | <u>244,827</u> | | <u>65,712</u> |
| Fund Balances End of Year | | | <u>\$ 256,036</u> | | <u>\$ 244,827</u> |

City of Statesboro, Georgia
Community Development Block Grant Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Assets | | |
| Notes receivable | <u>\$ 236,805</u> | <u>\$ 254,193</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Interfund payable | \$ 10,021 | \$ 27,409 |
| Fund Balances | | |
| Restricted | <u>226,784</u> | <u>226,784</u> |
| Total Liabilities and Fund Balances | <u>\$ 236,805</u> | <u>\$ 254,193</u> |

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, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | | 2014 |
|--|------------------------------|-------------------|------------------------------------|-------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | |
| Sale of lots | \$ - | \$ - | \$ - | \$ - |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | - | - | - |
| Net Change in Fund Balances | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>-</u> |
| Fund Balances Beginning of Year | | <u>226,784</u> | | <u>226,784</u> |
| Fund Balances End of Year | | <u>\$ 226,784</u> | | <u>\$ 226,784</u> |

City of Statesboro, Georgia
Department of Justice Grant Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 80,821 | \$ 92,706 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ - | \$ 212 |
| Fund Balances | | |
| Restricted | 80,821 | 92,494 |
| Total Liabilities and Fund Balances | <u>\$ 80,821</u> | <u>\$ 92,706</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, 2015
 (With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | | 2014 |
|--|---------------------------------|------------------|------------------------------------|------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | |
| Fines and forfeitures | \$ 75,000 | \$ 24,998 | \$ (50,002) | \$ 34,588 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 75,000 | 36,671 | 38,329 | 43,512 |
| Net Change in Fund Balances | <u>\$ -</u> | (11,673) | <u>\$ (11,673)</u> | \$ (8,924) |
| Fund Balances Beginning of Year | | <u>92,494</u> | | <u>101,418</u> |
| Fund Balances End of Year | | <u>\$ 80,821</u> | | <u>\$ 92,494</u> |

City of Statesboro, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|------------------|------------------|
| Assets | | |
| Taxes receivable | \$ 69,369 | \$ 72,208 |
| Prepaid items | - | 5,000 |
| Total Assets | <u>\$ 69,369</u> | <u>\$ 77,208</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Other liabilities | \$ 113,874 | \$ 69,496 |
| Interfund payable | 242,552 | 407,943 |
| Total Liabilities | <u>356,426</u> | <u>477,439</u> |
| Fund Balances | | |
| Nonspendable | - | 5,000 |
| Unassigned | (287,057) | (405,231) |
| Total Fund Balances | <u>(287,057)</u> | <u>(400,231)</u> |
| Total Liabilities and Fund Balances | <u>\$ 69,369</u> | <u>\$ 77,208</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, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | 2014 | |
|--|---------------------------------|---------------------|------------------------------------|---------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | |
| Hotel/motel taxes | \$ 720,000 | \$ 774,064 | \$ 54,064 | \$ 728,017 |
| Expenditures | | | | |
| Current: | | | | |
| Community development | 570,000 | 625,588 | (55,588) | 841,150 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 150,000 | 148,476 | (1,524) | (113,133) |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (36,000) | (35,302) | 698 | (35,146) |
| Net Change in Fund Balances | <u>\$ 114,000</u> | 113,174 | <u>\$ (826)</u> | (148,279) |
| Fund Balances Beginning of Year | | (400,231) | | (251,952) |
| Fund Balances End of Year | | <u>\$ (287,057)</u> | | <u>\$ (400,231)</u> |

City of Statesboro, Georgia
Multiple Grant Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | 2015 | 2014 |
|--|------|-------|
| Assets | | |
| Intergovernmental receivable | \$ - | \$ - |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Interfund payable | \$ - | \$ 36 |
| Fund Balances | | |
| Unassigned | - | (36) |
| Total Liabilities and Fund Balances | \$ - | \$ - |

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, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | | 2014 | |
|--|--------------------|-----------------|-----------|------------------------------------|-----------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | | |
| Intergovernmental | \$ 13,500 | \$ 27,130 | \$ 25,181 | \$ (1,949) | \$ 53,496 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 13,500 | 27,130 | 25,145 | 1,985 | 53,496 |
| Net Change in Fund Balances | \$ - | \$ - | 36 | \$ 36 | - |
| Fund Balances Beginning of Year | | | (36) | | (36) |
| Fund Balances End of Year | | | \$ - | | \$ (36) |

City of Statesboro, Georgia
Technology Fee Fund
Comparative Balance Sheet
June 30, 2015 and 2014

| | 2015 | 2014 |
|--|-------------|-------------|
| Assets | | |
| Cash and cash equivalents | \$ 33,844 | \$ 33,875 |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 4,212 | \$ 4,406 |
| Fund Balances | | |
| Restricted | 29,632 | 29,469 |
| Total Liabilities and Fund Balances | \$ 33,844 | \$ 33,875 |

City of Statesboro, Georgia
Technology Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2015
(With Comparative Actual Amounts for the Year Ended June 30, 2014)

| | 2015 | | | 2014 |
|--|---------------------------------|------------------|------------------------------------|------------------|
| | Original and Final Budget | Actual | Variance Positive (Negative) | Actual |
| Revenues | | | | |
| Fines and forfeitures | \$ 88,000 | \$ 74,750 | \$ (13,250) | \$ 82,105 |
| Expenditures | | | | |
| Public safety | 87,934 | 74,587 | 13,347 | 73,121 |
| Net Change in Fund Balances | <u>\$ 66</u> | 163 | <u>\$ 97</u> | 8,984 |
| Fund Balances Beginning of Year | | <u>29,469</u> | | <u>20,485</u> |
| Fund Balances End of Year | | <u>\$ 29,632</u> | | <u>\$ 29,469</u> |



Major Enterprise Funds

City of Statesboro, Georgia
Water and Sewer Operating Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,153,680 | \$ (20,807) |
| Receivables: | | |
| Accounts | 497,087 | 493,041 |
| Unbilled accounts | 691,967 | 572,779 |
| Intergovernmental | 708,595 | 973,623 |
| Interfund | 1,440,776 | 1,329,732 |
| Materials and supplies inventory | 264,928 | 253,920 |
| Prepaid items | 87,206 | 54,429 |
| Restricted assets - Cash and cash equivalents | 463,615 | 460,522 |
| Total Current Assets | <u>5,307,854</u> | <u>4,117,239</u> |
| Noncurrent Assets: | | |
| Net pension asset | <u>126,900</u> | <u>-</u> |
| Restricted Assets: | | |
| Cash and cash equivalents | 4,260,521 | 4,722,522 |
| Capital Assets: | | |
| Land | 352,981 | 352,981 |
| Buildings | 1,163,881 | 1,155,731 |
| Improvements other than buildings | 64,092,473 | 61,478,380 |
| Machinery and equipment | 7,402,509 | 6,735,977 |
| Less accumulated depreciation | (32,362,477) | (30,675,031) |
| Construction in progress | 10,288,088 | 9,399,754 |
| Total Capital Assets | <u>50,937,455</u> | <u>48,447,792</u> |
| Total Noncurrent Assets | <u>55,324,876</u> | <u>53,170,314</u> |
| Total Assets | <u>60,632,730</u> | <u>57,287,553</u> |
| Deferred Outflows of Resources | | |
| Resources related to pensions | 92,372 | 71,492 |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 614,056 | 524,090 |
| Accrued payroll | 41,064 | 34,231 |
| Accrued interest payable | 146,095 | 151,491 |
| Current portion of notes payable | 175,540 | 168,280 |
| Current portion of revenue bonds payable | 500,000 | 480,000 |
| Customer deposits | 463,615 | 460,522 |
| Compensated absences payable | 29,193 | 29,261 |
| Total Current Liabilities | <u>1,969,563</u> | <u>1,847,875</u> |
| Long-Term Liabilities: | | |
| Net pension obligation | - | 71,776 |
| Compensated absences payable (net of current portion) | 116,774 | 117,045 |
| Other post employment benefits payable | 453,941 | 377,831 |
| Notes payable (net of current portion) | 2,888,676 | 3,064,210 |
| Revenue bonds payable, net of unamortized premium (net of current portion) | 12,418,209 | 12,930,784 |
| Total Long-Term Liabilities | <u>15,877,600</u> | <u>16,561,646</u> |
| Total Liabilities | <u>17,847,163</u> | <u>18,409,521</u> |
| Deferred Inflows of Resources | | |
| Resources related to pensions | 164,237 | - |
| Net Position | | |
| Net investment in capital assets | 37,315,358 | 34,763,654 |
| Restricted for revenue bond retirement | 791,247 | 791,288 |
| Unrestricted | 4,607,097 | 3,394,582 |
| Total Net Position | <u>\$ 42,713,702</u> | <u>\$ 38,949,524</u> |

City of Statesboro, Georgia
Water and Sewer Operating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For The Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Water sales | \$ 4,282,985 | \$ 4,095,675 |
| Sewer charges | 4,608,335 | 4,282,512 |
| Penalties | 132,265 | 133,922 |
| Reconnecting charges | 144,222 | 113,221 |
| Service fees | 325,973 | 157,227 |
| Tap fees | 731,575 | 232,545 |
| Rental income | 178,337 | 162,581 |
| Miscellaneous | 11,778 | 37,068 |
| Total Operating Revenues | <u>10,415,470</u> | <u>9,214,751</u> |
| Operating Expenses | | |
| Salaries | 2,200,751 | 2,183,415 |
| Employee benefits | 920,982 | 1,027,061 |
| Purchased services: | | |
| Training | 9,498 | 10,573 |
| Dues and certification | 12,212 | 5,320 |
| Repairs and maintenance | 406,592 | 311,872 |
| Inspections | 58,483 | 49,954 |
| Contracted services | 25,518 | 76,851 |
| Laboratory services | 24,330 | 34,863 |
| Electricity | 826,707 | 803,331 |
| Telephone | 55,302 | 30,542 |
| Insurance | 76,207 | 73,498 |
| Equipment rental | 5,095 | 7,556 |
| Engineering fees | 10,510 | 22,174 |
| Tippage fees | 169,209 | 154,579 |
| Travel | 26,362 | 27,849 |
| Advertising | 1,056 | 3,001 |
| Postage | 65,196 | 66,261 |
| Materials and supplies: | | |
| Uniforms | 22,453 | 17,229 |
| Materials and supplies | 337,036 | 300,893 |
| Chemicals | 79,796 | 84,358 |
| Gasoline, oil, etc. | 67,014 | 97,182 |
| Small equipment | 33,538 | 48,635 |
| Indirect cost allocation | 942,586 | 909,574 |
| Depreciation | 1,775,375 | 1,715,049 |
| Bad debts | 20,262 | 26,638 |
| Other | 6,732 | 7,209 |
| Total Operating Expenses | <u>8,178,802</u> | <u>8,095,467</u> |
| Operating Income | <u>2,236,668</u> | <u>1,119,284</u> |
| Non-Operating Revenues (Expenses) | | |
| Intergovernmental | 2,396,924 | 3,507,130 |
| Investment earnings | 344 | 1,045 |
| Interest expense | (677,115) | (696,065) |
| Total Non-Operating Revenues (Expenses) | <u>1,720,153</u> | <u>2,812,110</u> |
| Income Before Capital Contributions and Transfers | 3,956,821 | 3,931,394 |
| Capital contributions | 223,107 | 149,432 |
| Transfers in | 1,151,560 | 1,651,358 |
| Transfers out | (1,567,310) | (1,553,786) |
| Change in Net Position | 3,764,178 | 4,178,398 |
| Net Position Beginning of Year | <u>38,949,524</u> | <u>34,771,126</u> |
| Net Position End of Year | <u>\$ 42,713,702</u> | <u>\$ 38,949,524</u> |

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|-----------------------------------|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Accounts receivable | \$ 7,831 | \$ 3,871 |
| Prepaid insurance | 116 | - |
| Total Current Assets | <u>7,947</u> | <u>3,871</u> |
| Noncurrent Assets | | |
| Capital Assets: | | |
| Improvements other than buildings | 934,580 | 934,580 |
| Less accumulated depreciation | <u>(67,071)</u> | <u>(48,379)</u> |
| Total Capital Assets | <u>867,509</u> | <u>886,201</u> |
| Total Noncurrent Assets | | |
| Total Assets | <u>875,456</u> | <u>890,072</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 600 | 767 |
| Interfund payable | <u>5,423</u> | <u>23,287</u> |
| Total Current Liabilities | <u>6,023</u> | <u>24,054</u> |
| Net Position | | |
| Net investment in capital assets | 867,509 | 886,201 |
| Unrestricted | <u>1,924</u> | <u>(20,183)</u> |
| Total Net Position | <u>\$ 869,433</u> | <u>\$ 866,018</u> |

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For The Year Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|-------------------|-------------------|
| Operating Revenues | | |
| Charges for services | \$ 43,560 | \$ 15,543 |
| Operating Expenses | | |
| Purchased services: | | |
| Insurance | 23 | 112 |
| Electricity | 18,897 | 4,945 |
| Materials and supplies: | | |
| Parts and materials | 128 | - |
| Chemicals | 2,405 | - |
| Depreciation | 18,692 | 18,691 |
| Total Operating Expenses | <u>40,145</u> | <u>23,748</u> |
| Change in Net Position | 3,415 | (8,205) |
| Net Position Beginning of Year | <u>866,018</u> | <u>874,223</u> |
| Net Position End of Year | <u>\$ 869,433</u> | <u>\$ 866,018</u> |

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 847,968 | \$ 472,937 |
| Receivables: | | |
| Accounts | 209,863 | 277,561 |
| Unbilled accounts | 259,509 | 253,718 |
| Interfund | - | 709,609 |
| Inventory | 95,448 | 91,885 |
| Prepaid items | 31,195 | 22,911 |
| Restricted assets - Cash and cash equivalents | <u>102,530</u> | <u>94,100</u> |
| Total Current Assets | <u>1,546,513</u> | <u>1,922,721</u> |
| Noncurrent Assets: | | |
| Net pension asset | <u>22,933</u> | <u>-</u> |
| Capital Assets: | | |
| Land | 78,004 | 78,004 |
| Buildings | 317,389 | 317,389 |
| Improvements other than buildings | 4,995,019 | 4,995,019 |
| Machinery and equipment | 673,082 | 572,649 |
| Less accumulated depreciation | (3,037,101) | (2,896,134) |
| Construction in progress | <u>1,618,544</u> | <u>237</u> |
| Total Capital Assets | <u>4,644,937</u> | <u>3,067,164</u> |
| Total Noncurrent Assets | <u>4,667,870</u> | <u>3,067,164</u> |
| Total Assets | <u>6,214,383</u> | <u>4,989,885</u> |
| Deferred Outflows of Resources | | |
| Resources related to pensions | <u>16,693</u> | <u>12,920</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 205,497 | 210,726 |
| Accrued payroll | 5,306 | 5,745 |
| Accrued interest payable | 1,556 | 1,753 |
| Compensated absences payable | 7,194 | 7,531 |
| Sales tax payable | 26,437 | 28,851 |
| Customer deposits | 102,530 | 94,100 |
| Notes payable | <u>27,349</u> | <u>26,544</u> |
| Total Current Liabilities | <u>375,869</u> | <u>375,250</u> |
| Long-Term Liabilities: | | |
| Net pension obligation | - | 12,971 |
| Compensated absences payable (net of current portion) | 28,776 | 30,123 |
| Other post employment benefits payable | 75,552 | 63,018 |
| Notes payable (net of current portion) | <u>182,471</u> | <u>209,819</u> |
| Total Long-Term Liabilities | <u>286,799</u> | <u>315,931</u> |
| Total Liabilities | <u>662,668</u> | <u>691,181</u> |
| Deferred Inflows of Resources | | |
| Resources related to pensions | <u>29,680</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 4,435,117 | 2,830,801 |
| Unrestricted | <u>1,103,611</u> | <u>1,480,823</u> |
| Total Net Position | <u>\$ 5,538,728</u> | <u>\$ 4,311,624</u> |

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | 2015 | 2014 |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Charges for services | \$ 5,112,192 | \$ 5,567,740 |
| Penalties | 69,224 | 58,386 |
| Reconnecting charges | 4,085 | 1,975 |
| Tap fees | 4,816 | 400 |
| Transport fees | 29,877 | 30,102 |
| Service fees | 6,450 | 4,360 |
| Miscellaneous | 5,093 | 3,797 |
| Total Operating Revenues | 5,231,737 | 5,666,760 |
| Operating Expenses | | |
| Salaries | 367,212 | 352,690 |
| Employee benefits | 120,169 | 137,414 |
| Purchased Services: | | |
| Training | 150 | - |
| Dues and certification | 2,160 | 2,204 |
| Repairs and maintenance | 96,394 | 96,957 |
| Contracted services | 2,777 | 1,577 |
| Electricity | 11,813 | 13,186 |
| Telephone | 10,615 | 6,428 |
| Insurance | 21,904 | 18,482 |
| Equipment rental | 2,939 | 3,618 |
| Engineering fees | 7,654 | 4,322 |
| Water heater program | 13,859 | 19,785 |
| Travel | 9,490 | 8,822 |
| Advertising | 4,771 | 1,155 |
| Postage | 77 | 211 |
| Franchise fee | 8,303 | 9,294 |
| Materials and supplies: | | |
| Uniforms | 4,543 | 4,537 |
| Materials and supplies | 68,684 | 64,093 |
| Chemicals | - | 10,103 |
| Gasoline, oil, etc. | 20,880 | 23,335 |
| Small equipment | 7,944 | 6,779 |
| Cost of sales | 2,431,287 | 3,234,407 |
| Indirect cost allocation | 166,023 | 86,602 |
| Depreciation | 160,660 | 132,865 |
| Bad debts | 7,848 | 10,440 |
| Other | 2,061 | 16,969 |
| Total Operating Expenses | 3,550,217 | 4,266,275 |
| Operating Income | 1,681,520 | 1,400,485 |
| Non-Operating Revenues (Expenses) | | |
| Gain on sale of assets | - | 5,000 |
| Interest expense | (6,596) | (7,384) |
| Total Non-Operating Revenues (Expenses) | (6,596) | (2,384) |
| Income Before Transfers | 1,674,924 | 1,398,101 |
| Transfers in | 427,180 | - |
| Transfers out | (875,000) | (900,000) |
| Change in Net Position | 1,227,104 | 498,101 |
| Net Position Beginning of Year, as Restated | 4,311,624 | 3,813,523 |
| Net Position End of Year | \$ 5,538,728 | \$ 4,311,624 |

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 363,141 | \$ 348,632 |
| Receivables: | | |
| Accounts | 139,908 | 153,343 |
| Unbilled accounts | 282,122 | 282,113 |
| Interfund | - | 61,903 |
| Prepaid items | 24,310 | 9,374 |
| Restricted assets - Cash and cash equivalents | 135,106 | 113,401 |
| Total Current Assets | <u>944,587</u> | <u>968,766</u> |
| Noncurrent Assets: | | |
| Net pension asset | <u>35,752</u> | <u>-</u> |
| Capital Assets: | | |
| Buildings | 74,602 | 74,602 |
| Machinery and equipment | 4,560,769 | 4,194,444 |
| Less accumulated depreciation | <u>(2,782,814)</u> | <u>(2,586,054)</u> |
| Total Capital Assets | <u>1,852,557</u> | <u>1,682,992</u> |
| Total Noncurrent Assets | <u>1,888,309</u> | <u>1,682,992</u> |
| Total Assets | <u>2,832,896</u> | <u>2,651,758</u> |
| Deferred Outflows of Resources | | |
| Resources related to pensions | <u>26,025</u> | <u>20,142</u> |
| Liabilities | | |
| Current Liabilities | | |
| Accounts payable | 131,727 | 89,769 |
| Accrued payroll | 10,437 | 8,822 |
| Compensated absences payable | 7,348 | 6,183 |
| Customer deposits | 135,106 | 113,401 |
| Total Current Liabilities | <u>284,618</u> | <u>218,175</u> |
| Long-Term Liabilities: | | |
| Net pension obligation | - | 20,222 |
| Compensated absences payable (net of current portion) | 29,394 | 24,730 |
| Other post employment benefits payable | 110,094 | 87,148 |
| Total Long-Term Liabilities | <u>139,488</u> | <u>132,100</u> |
| Total Liabilities | <u>424,106</u> | <u>350,275</u> |
| Deferred Inflows of Resources | | |
| Resources related to pensions | <u>46,272</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 1,852,557 | 1,682,992 |
| Unrestricted | 535,986 | 638,633 |
| Total Net Position | <u>\$ 2,388,543</u> | <u>\$ 2,321,625</u> |

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Sanitation charges | \$ 3,461,124 | \$ 3,351,840 |
| Penalties | 48,661 | 51,858 |
| Miscellaneous | 6,660 | 2,743 |
| Total Operating Revenues | <u>3,516,445</u> | <u>3,406,441</u> |
| Operating Expenses | | |
| Salaries | 572,484 | 567,876 |
| Employee benefits | 301,643 | 329,687 |
| Purchases services: | | |
| Training | 1,804 | 995 |
| Dues and certification | 545 | 390 |
| Repairs and maintenance | 291,069 | 301,223 |
| Electricity | 5,975 | 3,062 |
| Telephone | 12,610 | 6,345 |
| Insurance | 21,636 | 18,548 |
| Tippage fees | 840,300 | 779,958 |
| Travel | 475 | 1,744 |
| Advertising | 1,668 | 917 |
| Materials and supplies: | | |
| Uniforms | 6,813 | 9,267 |
| Materials and supplies | 3,828 | 7,870 |
| Gasoline, oil, etc. | 119,478 | 157,150 |
| Chemicals | 2,360 | 2,743 |
| Indirect cost allocation | 158,020 | - |
| Depreciation | 446,291 | 367,733 |
| Bad debts | 20,419 | 51,758 |
| Other | 3,743 | 6,216 |
| Total Operating Expenses | <u>2,811,161</u> | <u>2,613,482</u> |
| Operating Income | 705,284 | 792,959 |
| Non-Operating Revenues (Expenses) | | |
| Intergovernmental | 76,241 | - |
| Gain on sale of capital assets | 7,919 | - |
| Income Before Transfers | 789,444 | 792,959 |
| Transfers in | 282,474 | 20,675 |
| Transfers out | <u>(1,005,000)</u> | <u>(613,000)</u> |
| Change in Net Position | 66,918 | 200,634 |
| Net Position Beginning of Year, as Restated | <u>2,321,625</u> | <u>2,120,991</u> |
| Net Position End of Year | <u>\$ 2,388,543</u> | <u>\$ 2,321,625</u> |

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|--------------------|--------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 66,864 | \$ 11,136 |
| Receivables: | | |
| Accounts | 60,824 | 51,036 |
| Unbilled accounts | 195,557 | 173,335 |
| Interfund | - | 38,268 |
| Prepaid items | 20,411 | 16,860 |
| Total Current Assets | <u>343,656</u> | <u>290,635</u> |
| Noncurrent Assets: | | |
| Net pension asset | <u>15,845</u> | <u>-</u> |
| Capital Assets: | | |
| Land | 123,425 | 123,425 |
| Buildings | 1,349,350 | 1,349,350 |
| Improvements other than buildings | 264,814 | 227,129 |
| Infrastructure | 225,697 | 225,697 |
| Machinery and equipment | 1,721,781 | 1,698,714 |
| Less accumulated depreciation | <u>(1,767,253)</u> | <u>(1,626,976)</u> |
| Total Capital Assets | <u>1,917,814</u> | <u>1,997,339</u> |
| Total Noncurrent Assets | <u>1,933,659</u> | <u>1,997,339</u> |
| Total Assets | <u>2,277,315</u> | <u>2,287,974</u> |
| Deferred Outflows of Resources | | |
| Resources related to pensions | <u>11,535</u> | <u>8,927</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 42,208 | 39,133 |
| Accrued payroll | 4,770 | 3,949 |
| Compensated absences payable | 4,151 | 4,090 |
| Interfund payable | - | 379,845 |
| Landfill postclosure care costs | <u>167,000</u> | <u>167,000</u> |
| Total Current Liabilities | <u>218,129</u> | <u>594,017</u> |
| Long-Term Liabilities: | | |
| Net pension obligation | - | 8,962 |
| Compensated absences payable | 16,602 | 16,362 |
| Other post employment benefits payable | 57,185 | 48,217 |
| Landfill postclosure care costs (net of current portion) | <u>1,578,872</u> | <u>1,700,000</u> |
| Total Long-Term Liabilities | <u>1,652,659</u> | <u>1,773,541</u> |
| Total Liabilities | <u>1,870,788</u> | <u>2,367,558</u> |
| Deferred Inflows of Resources | | |
| Resources related to pensions | <u>20,507</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 1,917,814 | 1,997,339 |
| Unrestricted | <u>(1,520,259)</u> | <u>(2,067,996)</u> |
| Total Net Position | <u>\$ 397,555</u> | <u>\$ (70,657)</u> |

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|--------------------|
| Operating Revenues | | |
| Tippage fees | \$ 2,296,446 | \$ 2,088,922 |
| Penalties | 27,219 | 34,710 |
| Miscellaneous | 461 | - |
| Total Operating Revenues | <u>2,324,126</u> | <u>2,123,632</u> |
| Operating Expenses | | |
| Salaries | 253,718 | 250,048 |
| Employee benefits | 133,734 | 147,434 |
| Purchased services: | | |
| Training | 1,880 | 668 |
| Dues and certification | 750 | 1,020 |
| Repairs and maintenance | 84,600 | 176,876 |
| Contracted services | 11,782 | 3,664 |
| Electricity | 9,794 | 9,918 |
| Telephone | 9,128 | 3,742 |
| Insurance | 26,754 | 18,690 |
| Equipment rental | 249 | 469 |
| Transportation and disposal | 711,872 | 720,140 |
| Air rights | 1,318,128 | 1,184,410 |
| Advertising | 299 | 330 |
| Special projects/programs | - | 48,000 |
| Waste reduction | 25,328 | 39,062 |
| Enforcement and monitoring | 113,333 | 122,000 |
| Travel | 1,146 | 399 |
| Materials and supplies: | | |
| Uniforms | 4,411 | 3,778 |
| Materials and supplies | 8,911 | 17,538 |
| Gasoline, oil, etc. | 32,670 | 43,926 |
| Chemicals | 488 | 423 |
| Depreciation | 214,698 | 231,444 |
| Postclosure care costs | - | 686,214 |
| Miscellaneous | (553) | 1,679 |
| Total Operating Expenses | <u>2,963,120</u> | <u>3,711,872</u> |
| Operating (Loss) | <u>(638,994)</u> | <u>(1,588,240)</u> |
| Non-Operating Revenues | | |
| Gain on sale of capital assets | 27,465 | 219,935 |
| Total Non-Operating Revenues | <u>27,465</u> | <u>219,935</u> |
| Loss before Transfers | (611,529) | (1,368,305) |
| Transfers in | 1,335,741 | 1,031,707 |
| Transfers out | (256,000) | (240,000) |
| Change in Net Position | 468,212 | (576,598) |
| Net Position Beginning of Year, as Restated | <u>(70,657)</u> | <u>505,941</u> |
| Net Position End of Year | <u>\$ 397,555</u> | <u>\$ (70,657)</u> |



Internal Service Funds

City of Statesboro, Georgia
Combining Statement of Net Position
Internal Service Funds
June 30, 2015

| | Health Insurance | Fleet Management | Workers Compensation | Wellness Program | Information Technology | Total |
|---|---------------------|---------------------|-------------------------|---------------------|---------------------------|---------------------|
| Assets | | | | | | |
| Current Assets: | | | | | | |
| Cash and cash equivalents | \$ 1,349,849 | \$ 15,026 | \$ - | \$ 57,876 | \$ 3,750 | \$ 1,426,501 |
| Accounts receivable | - | 119,060 | - | - | - | 119,060 |
| Inventory | - | 157,939 | - | - | - | 157,939 |
| Prepaid items | - | 4,680 | 173,822 | - | 42,104 | 220,606 |
| Total Current Assets | 1,349,849 | 296,705 | 173,822 | 57,876 | 45,854 | 1,924,106 |
| Noncurrent Assets: | | | | | | |
| Net pension asset | - | 15,508 | - | - | 17,178 | 32,686 |
| Capital Assets: | | | | | | |
| Construction in progress | - | - | - | - | 176,275 | 176,275 |
| Depreciable capital assets, net | - | 686,063 | - | - | - | 686,063 |
| Total Capital Assets | - | 686,063 | - | - | 176,275 | 862,338 |
| Total Noncurrent Assets | - | 701,571 | - | - | 193,453 | 895,024 |
| Total Assets | 1,349,849 | 998,276 | 173,822 | 57,876 | 239,307 | 2,819,130 |
| Deferred Outflows of Resources | | | | | | |
| Resources related to pensions | - | 11,289 | - | - | 12,504 | 23,793 |
| Liabilities | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts payable | 18,255 | 64,746 | - | - | 22,132 | 105,133 |
| Accrued payroll | - | 4,351 | - | - | 4,665 | 9,016 |
| Claims payable | 413,907 | - | 23,826 | - | - | 437,733 |
| Compensated absences payable | - | 4,767 | - | - | 1,635 | 6,402 |
| Capital lease payable | - | 23,812 | - | - | - | 23,812 |
| Interfund payable | - | 358,941 | - | - | 55,545 | 414,486 |
| Total Current Liabilities | 432,162 | 456,617 | 23,826 | - | 83,977 | 996,582 |
| Long-Term Liabilities | | | | | | |
| Capital lease payable (net of current portion) | - | 95,248 | - | - | - | 95,248 |
| Compensated absences payable (net of current portion) | - | 19,067 | - | - | 6,542 | 25,609 |
| Other post employment benefits payable | - | 54,550 | - | - | 34,898 | 89,448 |
| Total Long-Term Liabilities | - | 168,865 | - | - | 41,440 | 210,305 |
| Total Liabilities | 432,162 | 625,482 | 23,826 | - | 125,417 | 1,206,887 |
| Deferred Inflows of Resources | | | | | | |
| Resources related to pensions | - | 20,071 | - | - | 22,231 | 42,302 |
| Net Position | | | | | | |
| Net investment in capital assets | - | 567,003 | - | - | 176,275 | 743,278 |
| Unrestricted | 917,687 | (202,991) | 149,996 | 57,876 | (72,112) | 850,456 |
| Total Net Position | \$ 917,687 | \$ 364,012 | \$ 149,996 | \$ 57,876 | \$ 104,163 | \$ 1,593,734 |

City of Statesboro, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2015

| | Health Insurance | Fleet Management | Workers Compensation | Wellness Program | Information Technology | Total |
|--|---------------------|---------------------|-------------------------|---------------------|---------------------------|---------------------|
| Operating Revenues | | | | | | |
| Charges for services | \$ 3,811,108 | \$ 937,584 | \$ 552,702 | \$ 17,760 | \$ 686,040 | \$ 6,005,194 |
| Miscellaneous | - | 1,901 | - | - | - | 1,901 |
| Total Operating Revenues | <u>3,811,108</u> | <u>939,485</u> | <u>552,702</u> | <u>17,760</u> | <u>686,040</u> | <u>6,007,095</u> |
| Operating Expenses | | | | | | |
| Salaries | - | 248,328 | - | - | 275,067 | 523,395 |
| Employee benefits | - | 105,865 | - | - | 103,878 | 209,743 |
| Purchased services | - | 140,138 | 306,163 | 965 | 281,409 | 728,675 |
| Materials and supplies | - | 28,617 | - | - | 78,934 | 107,551 |
| Cost of sales | - | 400,216 | - | - | - | 400,216 |
| Depreciation | - | 23,883 | - | - | - | 23,883 |
| Claims and administrative fees | 3,592,253 | - | 189,796 | - | - | 3,782,049 |
| Miscellaneous | - | 4,544 | - | - | 96 | 4,640 |
| Total Operating Expenses | <u>3,592,253</u> | <u>951,591</u> | <u>495,959</u> | <u>965</u> | <u>739,384</u> | <u>5,780,152</u> |
| Operating Income (Loss) | 218,855 | (12,106) | 56,743 | 16,795 | (53,344) | 226,943 |
| Non-Operating Revenue | | | | | | |
| Gain on sale of capital assets | - | 2,052 | - | - | - | 2,052 |
| Income (Loss) before Transfers | 218,855 | (10,054) | 56,743 | 16,795 | (53,344) | 228,995 |
| Transfers in | - | 345,000 | - | - | 157,507 | 502,507 |
| Change in Net Position | 218,855 | 334,946 | 56,743 | 16,795 | 104,163 | 731,502 |
| Net Position Beginning of Year, as Restated | <u>698,832</u> | <u>29,066</u> | <u>93,253</u> | <u>41,081</u> | <u>-</u> | <u>862,232</u> |
| Net Position End of Year | <u>\$ 917,687</u> | <u>\$ 364,012</u> | <u>\$ 149,996</u> | <u>\$ 57,876</u> | <u>\$ 104,163</u> | <u>\$ 1,593,734</u> |

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

| | Health Insurance | Fleet Management | Workers Compensation | Wellness Program | Information Technology | Total |
|--|-----------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------------------|---------------------|
| Cash Flows from Operating Activities | | | | | | |
| Cash received from customers | \$ 3,811,733 | \$ 939,485 | \$ 552,702 | \$ 17,760 | \$ 686,040 | \$ 6,007,720 |
| Cash payments to employees for services | - | (349,414) | - | - | (338,656) | (688,070) |
| Cash payments for goods and services | - | (580,836) | (347,645) | (965) | (380,411) | (1,309,857) |
| Cash payments for claims and administrative fees | (3,592,727) | - | (207,518) | - | - | (3,800,245) |
| Net Cash Provided by (Used in) Operating Activities | 219,006 | 9,235 | (2,461) | 16,795 | (33,027) | 209,548 |
| Cash Flows from Noncapital Financing Activities | | | | | | |
| Advances from (to) other funds | - | 153,576 | - | - | 55,545 | 209,121 |
| Transfers in (out) | - | 345,000 | - | - | - | 345,000 |
| Net Cash Provided by (Used in) Noncapital Financing Activities | - | 498,576 | - | - | 55,545 | 554,121 |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Proceeds from sale of capital assets | - | 2,052 | - | - | - | 2,052 |
| Transfers in from capital projects funds | - | - | - | - | 157,507 | 157,507 |
| Purchases of capital assets | - | (505,363) | - | - | (176,275) | (681,638) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | - | (503,311) | - | - | (18,768) | (522,079) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 219,006 | 4,500 | (2,461) | 16,795 | 3,750 | 241,590 |
| Cash and Cash Equivalents Beginning of Year | 1,130,843 | 10,526 | 2,461 | 41,081 | - | 1,184,911 |
| Cash and Cash Equivalents End of Year | \$ 1,349,849 | \$ 15,026 | \$ - | \$ 57,876 | \$ 3,750 | \$ 1,426,501 |

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2015

| | <u>Health Insurance</u> | <u>Fleet Management</u> | <u>Workers Compensation</u> | <u>Wellness Program</u> | <u>Information Technology</u> | <u>Total</u> |
|---|-----------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------------------|-------------------|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | | |
| Operating Income (Loss) | \$ 218,855 | \$ (12,106) | \$ 56,743 | \$ 16,795 | \$ (53,344) | \$ 226,943 |
| Adjustments: | | | | | | |
| Depreciation | - | 23,883 | - | - | - | 23,883 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | | | | | |
| Accounts receivable | 625 | - | - | - | - | 625 |
| Materials and supplies inventory | - | (12,032) | - | - | - | (12,032) |
| Prepaid items | 37,682 | (2,144) | (41,482) | - | (42,104) | (48,048) |
| Net pension asset/obligation | - | (24,280) | - | - | (17,178) | (41,458) |
| Deferred outflows related to pensions | - | (2,552) | - | - | (12,504) | (15,056) |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | | | | | |
| Accounts payable | (107) | 6,855 | - | - | 22,132 | 28,880 |
| Accrued payroll | - | 583 | - | - | 4,665 | 5,248 |
| Claims payable | (38,049) | - | (17,722) | - | - | (55,771) |
| Compensated absences payable | - | 1,695 | - | - | 8,177 | 9,872 |
| Other post employment benefits payable | - | 9,262 | - | - | 34,898 | 44,160 |
| Deferred inflows related to pensions | - | 20,071 | - | - | 22,231 | 42,302 |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 219,006</u> | <u>\$ 9,235</u> | <u>\$ (2,461)</u> | <u>\$ 16,795</u> | <u>\$ (33,027)</u> | <u>\$ 209,548</u> |

City of Statesboro, Georgia
Health Insurance Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|----------------------------------|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,349,849 | \$ 1,130,843 |
| Accounts receivable | - | 625 |
| Prepaid items | - | 37,682 |
| Total Current Assets | <u>1,349,849</u> | <u>1,169,150</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Claims payable | 413,907 | 451,956 |
| Accounts payable | 18,255 | 18,362 |
| Total Current Liabilities | <u>432,162</u> | <u>470,318</u> |
| Net Position | | |
| Unrestricted | <u>\$ 917,687</u> | <u>\$ 698,832</u> |

City of Statesboro, Georgia
Health Insurance Fund
*Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014*

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|-------------------|
| Operating Revenues | | |
| Premiums - City and employees | \$ 3,811,108 | \$ 3,808,028 |
| Operating Expenses | | |
| Claims and administrative fees | 3,592,253 | 3,840,976 |
| Change in Net Position | 218,855 | (32,948) |
| Net Position Beginning of Year | 698,832 | 731,780 |
| Net Position End of Year | <u>\$ 917,687</u> | <u>\$ 698,832</u> |

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---|-------------------|------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 15,026 | \$ 10,526 |
| Lease receivable | 119,060 | - |
| Inventory | 157,939 | 145,907 |
| Prepaid items | 4,680 | 2,536 |
| Total Current Assets | <u>296,705</u> | <u>158,969</u> |
| Noncurrent Assets: | | |
| Net pension asset | <u>15,508</u> | <u>-</u> |
| Capital Assets: | | |
| Buildings | 529,585 | 135,458 |
| Equipment | 464,488 | 359,902 |
| Less accumulated depreciation | (308,010) | (309,127) |
| Construction in progress | - | 18,350 |
| Total Capital Assets | <u>686,063</u> | <u>204,583</u> |
| Total Noncurrent Assets | <u>701,571</u> | <u>204,583</u> |
| Total Assets | <u>998,276</u> | <u>363,552</u> |
| Deferred Outflows of Resources | | |
| Resources related to pensions | <u>11,289</u> | <u>8,737</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 64,746 | 57,891 |
| Accrued payroll | 4,351 | 3,768 |
| Compensated absences payable | 4,767 | 4,428 |
| Capital lease payable | 23,812 | - |
| Interfund payable | 358,941 | 205,365 |
| Total Current Liabilities | <u>456,617</u> | <u>271,452</u> |
| Long-Term Liabilities | | |
| Net pension obligation | - | 8,772 |
| Capital leases payable (net of current portion) | 95,248 | - |
| Compensated absences payable (net of current portion) | 19,067 | 17,711 |
| Other post employment benefits payable | 54,550 | 45,288 |
| Total Long-Term Liabilities | <u>168,865</u> | <u>71,771</u> |
| Total Liabilities | <u>625,482</u> | <u>343,223</u> |
| Deferred Inflows of Resources | | |
| Resources related to pensions | <u>20,071</u> | <u>-</u> |
| Net Position | | |
| Net investment in capital assets | 567,003 | 204,583 |
| Unrestricted | (202,991) | (175,517) |
| Total Net Position | <u>\$ 364,012</u> | <u>\$ 29,066</u> |

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|------------------|
| Operating Revenues | | |
| Parts sales and labor charges | \$ 937,584 | \$ 955,872 |
| Miscellaneous | 1,901 | 5,141 |
| Total Operating Revenues | <u>939,485</u> | <u>961,013</u> |
| Operating Expenses | | |
| Salaries | 248,328 | 235,043 |
| Employee benefits | 105,865 | 110,857 |
| Purchased services: | | |
| Training | 7,110 | 3,639 |
| Dues and certification | 293 | 146 |
| Repairs and maintenance | 27,728 | 10,857 |
| Contracted services | 71,447 | 73,909 |
| Electricity | 18,127 | 15,433 |
| Telephone | 2,587 | 1,148 |
| Advertising | 1,801 | 857 |
| Insurance | 3,612 | 4,626 |
| Equipment rental | 1,111 | 972 |
| Travel | 6,322 | 6,737 |
| Materials and supplies: | | |
| Uniforms | 2,463 | 2,340 |
| Materials and supplies | 19,341 | 22,897 |
| Gasoline, oil, etc. | 6,813 | 7,500 |
| Cost of sales | 400,216 | 432,209 |
| Depreciation | 23,883 | 19,566 |
| Miscellaneous | 4,544 | 1,382 |
| Total Operating Expenses | <u>951,591</u> | <u>950,118</u> |
| Operating Income (Loss) | (12,106) | 10,895 |
| Non-Operating Revenues | | |
| Gain on sale of capital assets | 2,052 | 2,664 |
| Income (Loss) before Transfers | (10,054) | 13,559 |
| Transfers in | 345,000 | - |
| Change in Net Position | 334,946 | 13,559 |
| Net Position Beginning of Year, as Restated | 29,066 | 15,507 |
| Net Position End of Year | <u>\$ 364,012</u> | <u>\$ 29,066</u> |

City of Statesboro, Georgia
Workers Compensation Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|-----------------------------|-------------------|------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ - | \$ 2,461 |
| Prepaid insurance | 173,822 | 132,340 |
| Total Current Assets | <u>173,822</u> | <u>134,801</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Claims payable | 23,826 | 41,548 |
| Net Position | | |
| Unrestricted | <u>\$ 149,996</u> | <u>\$ 93,253</u> |

City of Statesboro, Georgia
Workers Compensation Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|-------------------|------------------|
| Operating Revenues | | |
| Premiums | \$ 552,702 | \$ 451,187 |
| Operating Expenses | | |
| Premiums | 306,163 | 247,160 |
| Claims | 189,796 | 212,483 |
| Total Operating Expenses | 495,959 | 459,643 |
| Change in Net Position | 56,743 | (8,456) |
| Net Position Beginning of Year | 93,253 | 101,709 |
| Net Position End of Year | <u>\$ 149,996</u> | <u>\$ 93,253</u> |

City of Statesboro, Georgia
Wellness Program Fund
Comparative Statement of Net Position
June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---------------------------|------------------|------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | <u>\$ 57,876</u> | <u>\$ 41,081</u> |
| | | |
| Net Position | | |
| Unrestricted | <u>\$ 57,876</u> | <u>\$ 41,081</u> |

City of Statesboro, Georgia
Wellness Program Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|---------------------------------------|-------------------------|-------------------------|
| Operating Revenues | | |
| Wellness dues | \$ 17,760 | \$ 22,302 |
| Operating Expenses | | |
| Repairs and maintenance | 965 | 290 |
| Miscellaneous | - | 990 |
| Total Operating Expenses | <u>965</u> | <u>1,280</u> |
| Change in Net Position | 16,795 | 21,022 |
| Net Position Beginning of Year | <u>41,081</u> | <u>20,059</u> |
| Net Position End of Year | <u><u>\$ 57,876</u></u> | <u><u>\$ 41,081</u></u> |

City of Statesboro, Georgia
Information Technology Fund
Statement of Net Position
June 30, 2015

| | 2015 |
|---|-------------|
| Assets | |
| Current Assets: | |
| Cash and cash equivalents | \$ 3,750 |
| Prepaid items | 42,104 |
| Total Current Assets | 45,854 |
| Noncurrent Assets: | |
| Net pension asset | 17,178 |
| Capital Assets: | |
| Construction in progress | 176,275 |
| Total Noncurrent Assets | 193,453 |
| Total Assets | 239,307 |
| Deferred Outflows of Resources | |
| Resources related to pensions | 12,504 |
| Liabilities | |
| Current Liabilities: | |
| Accounts payable | 22,132 |
| Accrued payroll | 4,665 |
| Compensated absences payable | 1,635 |
| Interfund payable | 55,545 |
| Total Current Liabilities | 83,977 |
| Long-Term Liabilities | |
| Compensated absences payable (net of current portion) | 6,542 |
| Other post employment benefits payable | 34,898 |
| Total Long-Term Liabilities | 41,440 |
| Total Liabilities | 125,417 |
| Deferred Inflows of Resources | |
| Resources related to pensions | 22,231 |
| Net Position | |
| Net investment in capital assets | 176,275 |
| Unrestricted | (72,112) |
| Total Net Position | \$ 104,163 |

City of Statesboro, Georgia
Information Technology Fund
Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2015

| | 2015 |
|---------------------------------------|-------------------|
| Operating Revenues | |
| Indirect costs for GIS | \$ 165,000 |
| Device/User Charges | 521,040 |
| Total Operating Revenues | 686,040 |
| Operating Expenses | |
| Salaries | 275,067 |
| Employee benefits | 103,878 |
| Purchased services: | |
| Training | 6,561 |
| Travel | 2,068 |
| Dues and certification | 3,090 |
| Repairs and maintenance | 2,773 |
| Contracted services | 213,458 |
| Telephone | 47,634 |
| Advertising | 308 |
| Insurance | 5,517 |
| Materials and supplies: | |
| Materials and supplies | 77,519 |
| Gasoline, oil, etc. | 725 |
| Small equipment | 690 |
| Other | 96 |
| Total Operating Expenses | 739,384 |
| Operating Income (Loss) | (53,344) |
| Transfers in | 157,507 |
| Change in Net Position | 104,163 |
| Net Position Beginning of Year | - |
| Net Position End of Year | \$ 104,163 |



***Downtown Statesboro
Development Authority***

City of Statesboro, Georgia
Downtown Statesboro Development Authority
Comparative Statement of Net Position
June 30, 2015 and 2014

| | 2015 | 2014 |
|--|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 505,712 | \$ 395,778 |
| Intergovernmental receivable | 28,043 | 17,794 |
| Note receivable | 44,662 | - |
| Prepaid items | 3,039 | 1,677 |
| Total Current Assets | 581,456 | 415,249 |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| Buildings | - | 115,607 |
| Improvements other than buildings | 12,552 | 12,552 |
| Equipment | 5,676 | 5,676 |
| Less accumulated depreciation | (9,373) | (13,474) |
| Construction in progress | - | 77,122 |
| Total Capital Assets | 8,855 | 197,483 |
| Total Assets | 590,311 | 612,732 |
| Liabilities | | |
| Current Liabilities: | | |
| Accrued payroll and payroll taxes | 2,509 | 2,437 |
| Accounts payable | 3,167 | 647 |
| Notes payable | - | 13,375 |
| Total Current Liabilities | 5,676 | 16,459 |
| Long-Term Liabilities | | |
| Notes payable (net of current portion) | - | 68,952 |
| Total Liabilities | 5,676 | 85,411 |
| Net Position | | |
| Net investment in capital assets | 8,855 | 115,156 |
| Unrestricted | 575,780 | 412,165 |
| Total Net Position | \$ 584,635 | \$ 527,321 |

City of Statesboro, Georgia
Downtown Statesboro Development Authority
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
For the Years Ended June 30, 2015 and 2014

| | <u>2015</u> | <u>2014</u> |
|--|-------------------|-------------------|
| Operating Revenues | | |
| Intergovernmental: | | |
| City of Statesboro | \$ 78,000 | \$ 80,000 |
| City of Statesboro - Hotel/ Motel tax | 153,315 | 145,473 |
| Other | 600 | - |
| Rental income | 3,000 | 22,373 |
| Miscellaneous | 7,813 | 26,263 |
| Total Operating Revenues | <u>242,728</u> | <u>274,109</u> |
| Operating Expenses | | |
| Salaries | 80,478 | 71,635 |
| Employee benefits | 5,659 | 5,845 |
| Purchased services: | | |
| Training | 3,258 | 2,836 |
| Dues and subscriptions | 2,367 | 2,380 |
| Repairs and maintenance | 2,958 | 2,207 |
| Contracted services | 21,860 | 3,550 |
| Bank charges | 80 | 128 |
| Electricity | 2,091 | 2,921 |
| Telephone | 3,588 | 4,845 |
| Advertising | 11,100 | 7,468 |
| Postage | 49 | 50 |
| Printing | 776 | 609 |
| Insurance | 6,327 | 3,635 |
| Annual meeting | 2,601 | 952 |
| Travel | 2,475 | 1,516 |
| Facade grants | 18,564 | 5,297 |
| Fountain grant | - | 5,000 |
| Special events | 9,394 | 9,086 |
| Materials and supplies | 1,643 | 995 |
| Depreciation | 2,835 | 27,409 |
| Miscellaneous | 7,775 | 4,429 |
| Total Operating Expenses | <u>185,878</u> | <u>162,793</u> |
| Operating Income | <u>56,850</u> | <u>111,316</u> |
| Non-Operating Revenues (Expenses) | | |
| Investment earnings | 1,659 | 178 |
| Gain (loss) on sale of capital assets | (423) | (238,270) |
| Interest expense | (772) | (8,587) |
| Total Non-Operating Revenues (Expenses) | <u>464</u> | <u>(246,679)</u> |
| Change in Net Position | 57,314 | (135,363) |
| Net Position Beginning of Year | <u>527,321</u> | <u>662,684</u> |
| Net Position End of Year | <u>\$ 584,635</u> | <u>\$ 527,321</u> |

City of Statesboro, Georgia
Downtown Statesboro Development Authority
Statement of Cash Flows
For the Year Ended June 30, 2015

| | |
|--|--------------------------|
| Cash Flows from Operating Activities | |
| Cash received from customers | \$ 232,479 |
| Cash payments to employees for services | (86,065) |
| Cash payments for goods and services | <u>(95,748)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>50,666</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Proceeds from sale of capital assets | 185,370 |
| Interest paid on notes payable | (772) |
| Principal paid on notes payable | <u>(82,327)</u> |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>102,271</u> |
| Cash Flows from Investing Activities | |
| Investment earnings | 1,659 |
| Increase in note receivable | (45,875) |
| Payments received on note receivable | <u>1,213</u> |
| Net Cash Provided by (used in) Investing Activities | <u>(43,003)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 109,934 |
| Cash and Cash Equivalents Beginning of Year | <u>395,778</u> |
| Cash and Cash Equivalents End of Year | <u><u>\$ 505,712</u></u> |

City of Statesboro, Georgia
Downtown Statesboro Development Authority
Statement of Cash Flows
For the Year Ended June 30, 2015

**Reconciliation of Operating Income to Net Cash
Provided by (Used in) Operating Activities**

| | | |
|--|-----------|----------------------|
| Operating Income | \$ | 56,850 |
| Adjustments: | | |
| Depreciation | | 2,835 |
| (Increase) Decrease in Assets: | | |
| Intergovernmental receivable | | (10,249) |
| Prepaid items | | (1,362) |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | | 2,520 |
| Accrued payroll and payroll taxes | | <u>72</u> |
| Net Cash Provided by (Used in) Operating Activities | \$ | <u>50,666</u> |

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2015

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 | \$ 7,347,455 | \$ 7,347,455 | \$ - | \$ 7,347,455 | 100% |
| Cemetery Expansion | 900,000 | 900,000 | 887,828 | - | 887,828 | 99% |
| Waste and Sewer Projects | 9,860,000 | 7,277,388 | 5,784,335 | 922,848 | 6,707,183 | 92% |
| Street and Drainage Projects | 5,307,500 | 4,686,236 | 2,523,071 | 937,151 | 3,460,222 | 74% |
| Public Safety Facilities and Equipment | 4,200,000 | 4,241,069 | 3,324,037 | 603,140 | 3,927,177 | 93% |
| Solid Waste Handling Equipment | 1,400,000 | 1,130,928 | 707,397 | 290,470 | 997,867 | 88% |
| | <u>\$ 28,667,500</u> | <u>\$ 25,583,076</u> | <u>\$ 20,574,123</u> | <u>\$ 2,753,609</u> | <u>\$ 23,327,732</u> | <u>91%</u> |

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

| | |
|--|---------------------|
| Total 2007 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 1,748,521 |
| Transfer to other funds | 1,213,318 |
| Less Intergovernmental revenue from other sources | (208,230) |
| Total current year expenditures per above | <u>\$ 2,753,609</u> |

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2015

| | 2013 SPLOST | | | | | Estimated Percentage of Completion |
|--|---|--|---------------------------|---------------------------|----------------------------|---|
| | Original Estimated Costs | Current Estimated Costs | Expenditures | | | |
| | | | Prior Years | Current Year | Total | |
| Roads / Streets | \$7,370,012 | \$7,370,012 | \$ - | \$ 422,547 | \$ 422,547 | 6% |
| Public Safety Facilities and Equipment | 5,771,142 | 5,771,142 | 318,800 | 921,884 | 1,240,684 | 21% |
| Facility Improvements | 587,190 | 587,190 | 127,543 | - | 127,543 | 22% |
| Water / Sewer Projects | 9,000,000 | 9,000,000 | 35,684 | 228,712 | 264,396 | 3% |
| Natural Gas Projects | 2,677,500 | 2,677,500 | - | 427,180 | 427,180 | 16% |
| Solid Waste Handling Equipment | 1,350,000 | 1,350,000 | - | - | - | 0% |
| Economic Development | 2,160,000 | 2,160,000 | 797,458 | 159,103 | 956,561 | 44% |
| Joint City/County Solid Waste Disposal | <u>10,775,000</u> | <u>10,775,000</u> | <u>601,077</u> | <u>1,327,745</u> | <u>1,928,822</u> | <u>18%</u> |
| | <u><u>\$39,690,844</u></u> | <u><u>\$39,690,844</u></u> | <u><u>\$1,880,562</u></u> | <u><u>\$3,487,171</u></u> | <u><u>\$ 5,367,733</u></u> | <u><u>14%</u></u> |

Reconciliation of current year expenditures to Statement of Revenues, Expenditures and Changes in Fund Balances:

| | |
|--|----------------------------|
| Total 2013 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 1,346,027 |
| Transfer to other funds | 2,141,144 |
| Total current year expenditures per above | <u><u>\$ 3,487,171</u></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, not disclosures, and supplementary information. This information has not been audited by the independent auditor.

| Contents | <u>Page</u> |
|---|--------------------|
| Financial Trends | S-1 |
| These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective. | |
| Revenue Capacity | S-10 |
| These tables contain information that may assist the reader in assessing the City's two most significant local revenue sources, the property and sales taxes. | |
| Debt Capacity | S-18 |
| 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. | |
| Economic & Demographic Information | S-22 |
| 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. | |
| Operating Information | S-24 |
| 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. | |

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.

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

| Function/Program | Fiscal Year 2015 | | | Fiscal Year 2014 | | | Fiscal Year 2013 | | | Fiscal Year 2012 | | | Fiscal Year 2011 | | |
|--|--------------------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|----------------------|----------------------|------------------------------------|
| | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ |
| | Governmental Activities | | | | | | | | | | | | | | |
| General government | \$ 1,590,793 | \$ 719,912 | \$ (870,881) | \$ 2,095,218 | \$ 766,610 | \$ (1,328,608) | \$ 1,961,130 | \$ 678,909 | \$ (1,282,221) | \$ 1,934,249 | \$ 656,558 | \$ (1,277,691) | \$ 2,368,425 | \$ 927,986 | \$ (1,440,439) |
| Municipal court | 567,015 | - | (567,015) | 565,829 | - | (565,829) | 567,964 | - | (567,964) | 556,554 | - | (556,554) | 622,589 | - | (622,589) |
| Public safety | 10,146,941 | 3,286,228 | (6,860,713) | 9,607,582 | 3,262,755 | (6,344,827) | 9,098,016 | 3,535,427 | (5,562,589) | 9,119,781 | 3,750,528 | (5,369,253) | 8,806,859 | 3,718,363 | (5,088,496) |
| Public works | 3,016,792 | 4,909,455 | 1,892,663 | 3,047,404 | 3,860,595 | 813,191 | 2,732,868 | 4,480,151 | 1,747,283 | 2,807,901 | 4,159,318 | 1,351,417 | 2,634,834 | 4,372,241 | 1,737,407 |
| Community development | 727,449 | 288,232 | (439,217) | 941,487 | 94,258 | (847,229) | 864,315 | - | (864,315) | 622,364 | 12,859 | (609,505) | 553,860 | - | (553,860) |
| Parks and cemeteries | 443,169 | - | (443,169) | 459,438 | - | (459,438) | 442,998 | - | (442,998) | 427,882 | - | (427,882) | 458,607 | - | (458,607) |
| Engineering | 411,919 | 104,615 | (307,304) | 316,680 | 42,621 | (274,059) | 439,610 | 482,485 | 42,875 | 437,128 | 375,947 | (61,181) | 597,136 | 352,570 | (244,566) |
| Planning and zoning | 374,778 | 246,840 | (127,938) | 380,512 | 144,327 | (236,185) | 308,038 | - | (308,038) | 273,996 | - | (273,996) | 477,485 | - | (477,485) |
| Community services | 297,890 | - | (297,890) | 281,110 | - | (281,110) | 264,449 | 100,000 | (164,449) | 269,663 | - | (269,663) | 519,484 | - | (519,484) |
| Interest on long-term debt | 24,249 | - | (24,249) | 51,909 | - | (51,909) | 22,064 | - | (22,064) | 27,512 | - | (27,512) | 42,893 | - | (42,893) |
| Subtotal Governmental Activities | 17,600,995 | 9,555,282 | (8,045,713) | 17,747,169 | 8,171,166 | (9,576,003) | 16,701,452 | 9,276,972 | (7,424,480) | 16,477,030 | 8,955,210 | (7,521,820) | 17,082,172 | 9,371,160 | (7,711,012) |
| Business-type Activities | | | | | | | | | | | | | | | |
| Water and sewer | 8,803,476 | 13,023,723 | 4,220,247 | 8,795,084 | 12,834,245 | 4,039,161 | 8,695,892 | 10,262,621 | 1,566,729 | 8,177,825 | 8,771,522 | 593,697 | 7,668,906 | 9,565,811 | 1,896,905 |
| Reclaimed Water | 40,145 | 43,560 | 3,415 | 23,748 | 15,543 | (8,205) | 23,376 | 26,606 | 3,230 | 21,359 | 26,149 | 4,790 | 927 | 1,944 | 1,017 |
| Gas | 3,551,858 | 5,226,644 | 1,674,786 | 4,273,768 | 5,662,963 | 1,389,195 | 3,718,441 | 5,131,134 | 1,412,693 | 3,528,771 | 4,597,727 | 1,068,956 | 4,169,752 | 5,204,257 | 1,034,505 |
| Solid waste collection | 2,793,705 | 3,586,026 | 792,321 | 2,612,595 | 3,403,698 | 791,103 | 2,339,949 | 3,222,984 | 883,035 | 2,183,140 | 2,900,086 | 716,946 | 2,005,386 | 2,701,765 | 696,379 |
| Solid waste disposal | 2,956,029 | 2,323,665 | (632,364) | 3,710,838 | 2,123,632 | (1,587,206) | 2,931,680 | 2,156,748 | (774,932) | 2,884,566 | 1,959,947 | (924,619) | 2,828,187 | 1,782,842 | (1,045,345) |
| Subtotal Business-type Activities | 18,145,213 | 24,203,618 | 6,058,405 | 19,416,033 | 24,040,081 | 4,624,048 | 17,709,338 | 20,800,093 | 3,090,755 | 16,795,661 | 18,255,431 | 1,459,770 | 16,673,158 | 19,256,619 | 2,583,461 |
| Total Primary Government | \$ 35,746,208 | \$ 33,758,900 | \$ (1,987,308) | \$ 37,163,202 | \$ 32,211,247 | \$ (4,951,955) | \$ 34,410,790 | \$ 30,077,065 | \$ (4,333,725) | \$ 33,272,691 | \$ 27,210,641 | \$ (6,062,050) | \$ 33,755,330 | \$ 28,627,779 | \$ (5,127,551) |
| | | | | | | | | | | | | | | | |
| Function/Program | Fiscal Year 2010 | | | Fiscal Year 2009 | | | Fiscal Year 2008 | | | Fiscal Year 2007 | | | Fiscal Year 2006 | | |
| | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ | Program Expenses | Revenues | Net (Expense)/Revenue ¹ |
| | | | | | | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | | | | | | |
| General government | \$ 2,364,710 | \$ 661,459 | \$ (1,703,251) | \$ 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 | 603,544 | - | (603,544) | 697,203 | - | (697,203) | 635,975 | - | (635,975) | 639,563 | - | (639,563) | 415,176 | - | (415,176) |
| Public safety | 8,935,759 | 4,084,378 | (4,851,381) | 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 | 2,530,638 | 4,942,553 | 2,411,915 | 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 | 534,041 | - | (534,041) | 539,771 | - | (539,771) | 495,059 | 4,500 | (490,559) | 484,187 | - | (484,187) | 413,832 | - | (413,832) |
| Parks and cemeteries | 514,166 | - | (514,166) | 533,706 | - | (533,706) | 528,039 | 684,374 | 156,335 | 478,762 | - | (478,762) | 352,504 | 17,744 | (334,760) |
| Engineering | 850,662 | 284,887 | (565,775) | 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 | 326,066 | - | (326,066) | 285,709 | - | (285,709) | 241,067 | - | (241,067) | 210,291 | - | (210,291) | 117,322 | - | (117,322) |
| Community services | 284,557 | - | (284,557) | 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 | 34,202 | - | (34,202) | 30,966 | - | (30,966) | 46,241 | - | (46,241) | 67,886 | - | (67,886) | 66,886 | - | (66,886) |
| Subtotal Governmental Activities | 16,978,346 | 9,973,277 | (7,005,069) | 16,984,697 | 6,249,489 | (10,735,208) | 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 | 6,906,526 | 8,750,086 | 1,843,560 | 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 |
| Reclaimed Water | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gas | 4,293,665 | 5,294,826 | 1,001,161 | 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 | 2,094,925 | 2,605,201 | 510,276 | 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 | 3,103,903 | 1,969,726 | (1,134,177) | 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 | 16,399,019 | 18,619,839 | 2,220,820 | 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 | \$ 33,377,365 | \$ 28,593,116 | \$ (4,784,248) | \$ 33,894,112 | \$ 23,849,434 | \$ (10,044,678) | \$ 33,051,113 | \$ 26,783,722 | \$ (6,267,390) | \$ 32,098,176 | \$ 27,463,333 | \$ (4,634,843) | \$ 30,293,164 | \$ 25,432,016 | \$ (4,861,148) |

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.

City of Statesboro, Georgia
Government-wide Program Revenues¹ by Category
Last Ten Fiscal Years
(accrual basis of accounting)

| | <u>Fiscal Year 2015</u> | <u>Fiscal Year 2014</u> | <u>Fiscal Year 2013</u> | <u>Fiscal Year 2012</u> | <u>Fiscal Year 2011</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental Activities | | | | | |
| Charges for Services: | | | | | |
| General Government | \$ 719,912 | \$ 766,610 | \$ 678,909 | \$ 656,558 | \$ 658,209 |
| Public Safety | 2,490,943 | 2,598,100 | 2,329,080 | 2,468,175 | 2,501,127 |
| Engineering | 104,615 | 42,621 | 482,485 | 375,947 | 352,570 |
| Planning and Zoning | 246,840 | 144,327 | - | - | - |
| Operating Grants and Contributions | 25,181 | 50,339 | 127,208 | 196,009 | 186,407 |
| Capital Grants and Contributions | 5,967,791 | 4,569,169 | 5,659,290 | 5,258,521 | 5,672,847 |
| Subtotal Governmental Activities Program Revenues | <u>9,555,282</u> | <u>8,171,166</u> | <u>9,276,972</u> | <u>8,955,210</u> | <u>9,371,160</u> |
| Business-type Activities | | | | | |
| Charges for Services: | | | | | |
| Water and Sewer | 10,403,692 | 9,177,683 | 9,542,530 | 8,561,971 | 9,011,417 |
| Reclaimed Water System | 43,560 | 15,543 | 26,606 | 26,149 | 1,944 |
| Gas | 5,226,644 | 5,662,963 | 5,131,134 | 4,597,727 | 5,204,257 |
| Solid Waste Collection | 3,509,785 | 3,403,698 | 3,222,984 | 2,900,086 | 2,701,765 |
| Solid Waste Disposal | 2,323,665 | 2,123,632 | 2,156,748 | 1,959,947 | 1,782,842 |
| Operating Grants and Contributions | - | - | - | - | - |
| Capital Grants and Contributions | 2,696,272 | 3,656,562 | 720,091 | 209,551 | 554,394 |
| Subtotal Business-type Activities Program Revenues | <u>24,203,618</u> | <u>24,040,081</u> | <u>20,800,093</u> | <u>18,255,431</u> | <u>19,256,619</u> |
| Primary Government | | | | | |
| Charges for Services | 25,069,656 | 23,935,177 | 23,570,476 | 21,546,560 | 22,214,131 |
| Operating Grants and Contributions | 25,181 | 50,339 | 127,208 | 196,009 | 186,407 |
| Capital Grants and Contributions | 8,664,063 | 8,225,731 | 6,379,381 | 5,468,072 | 6,227,241 |
| Total Primary Government Program Revenues | <u>\$ 33,758,900</u> | <u>\$ 32,211,247</u> | <u>\$ 30,077,065</u> | <u>\$ 27,210,641</u> | <u>\$ 28,627,779</u> |
| Governmental Activities | Fiscal Year 2010 | Fiscal Year 2009 | Fiscal Year 2008 | Fiscal Year 2007 | Fiscal Year 2006 |
| Charges for Services: | | | | | |
| General Government | \$ 661,459 | \$ 672,700 | \$ 689,222 | \$ 518,673 | \$ 468,630 |
| Public Safety | 2,576,214 | 2,752,193 | 2,388,834 | 2,172,221 | 1,789,377 |
| Engineering | 284,887 | 100,637 | 153,737 | 332,604 | 445,368 |
| Operating Grants and Contributions | 134,935 | 162,191 | 359,659 | 156,840 | 103,784 |
| Capital Grants and Contributions | 6,315,782 | 2,561,768 | 4,306,729 | 4,967,671 | 3,172,748 |
| Subtotal Governmental Activities Program Revenues | <u>9,973,277</u> | <u>6,249,489</u> | <u>7,898,181</u> | <u>8,148,009</u> | <u>5,979,907</u> |
| Business-type Activities | | | | | |
| Charges for Services: | | | | | |
| Water and Sewer | 8,045,383 | 6,792,832 | 7,267,501 | 6,696,230 | 6,912,432 |
| Reclaimed Water | - | - | - | - | - |
| Gas | 5,276,270 | 6,008,260 | 6,179,396 | 6,232,576 | 7,496,631 |
| Solid Waste Collection | 2,605,201 | 2,538,590 | 2,471,249 | 2,359,448 | 2,236,029 |
| Solid Waste Disposal | 1,969,726 | 2,073,273 | 2,290,392 | 2,333,218 | 2,109,065 |
| Operating Grants and Contributions | 18,556 | 48,198 | 45,586 | 72,373 | 46,790 |
| Capital Grants and Contributions | 704,703 | 138,792 | 631,417 | 1,621,579 | 651,162 |
| Subtotal Business-type Activities Program Revenues | <u>18,619,839</u> | <u>17,599,945</u> | <u>18,885,541</u> | <u>19,315,424</u> | <u>19,452,109</u> |
| Primary Government | | | | | |
| Charges for Services | 21,419,140 | 20,938,485 | 21,440,331 | 20,644,970 | 21,457,532 |
| Operating Grants and Contributions | 153,491 | 210,389 | 405,245 | 229,213 | 150,574 |
| Capital Grants and Contributions | 7,020,485 | 2,700,560 | 4,938,146 | 6,589,250 | 3,823,910 |
| Total Primary Government Program Revenues | <u>\$ 28,593,116</u> | <u>\$ 23,849,434</u> | <u>\$ 26,783,722</u> | <u>\$ 27,463,433</u> | <u>\$ 25,432,016</u> |

Notes:

¹ Program 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 Position
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year 2015 | Fiscal Year 2014 | Fiscal Year 2013 | Fiscal Year 2012 | Fiscal Year 2011 | Fiscal Year 2010 | Fiscal Year 2009 | Fiscal Year 2008 | Fiscal Year 2007 | Fiscal Year 2006 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Net (Expense), Total Primary Government (see page S-1) | | | | | | | | | | |
| Governmental activities | \$ (8,045,713) | \$ (9,576,003) | \$ (7,424,480) | \$ (7,521,820) | \$ (7,711,012) | \$ (7,005,068) | \$ (10,735,209) | \$ (7,875,763) | \$ (6,778,012) | \$ (6,847,847) |
| Business activities | 6,058,405 | 4,624,048 | 3,090,755 | 1,459,770 | 2,583,461 | 2,220,820 | 690,530 | 1,608,372 | 2,143,169 | 1,986,699 |
| Total Primary Government | (1,987,308) | (4,951,955) | (4,333,725) | (6,062,050) | (5,127,551) | (4,784,248) | (10,044,678) | (6,267,391) | (4,634,842) | (4,861,148) |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes levied for general purposes | 4,432,213 | 4,130,721 | 3,816,182 | 3,845,135 | 3,833,544 | 3,960,151 | 3,785,398 | 3,720,220 | 3,360,813 | 3,188,375 |
| Hotel/motel taxes | 774,064 | 728,017 | 553,966 | 526,504 | 473,055 | 439,838 | 456,994 | 422,526 | 405,157 | 376,838 |
| Insurance premium taxes | 1,531,963 | 1,466,120 | 1,415,987 | 1,333,111 | 1,221,874 | 1,258,448 | 1,270,366 | 1,240,647 | 1,189,372 | 1,136,795 |
| Franchise taxes | 1,765,369 | 1,740,726 | 1,897,448 | 1,974,408 | 1,815,932 | 1,688,915 | 1,587,617 | 1,432,343 | 1,310,552 | 1,221,274 |
| Other taxes | 793,086 | 776,577 | 798,934 | 818,160 | 773,241 | 751,225 | 812,149 | 785,555 | 791,653 | 741,913 |
| Gain (loss) on sale of capital assets | 19,355 | (61,690) | 28,465 | 16,597 | 377 | 4,641 | (17,225) | (18,855) | 16,310 | 28,230 |
| Investment earnings | - | - | - | - | 14,063 | 4,473 | 12,624 | 69,887 | 148,643 | 192,461 |
| Miscellaneous | 84,127 | 39,141 | 37,437 | 39,801 | 136,829 | 56,671 | 38,698 | 49,403 | 79,184 | 84,203 |
| Transfers from (to) business-type activities | 506,355 | 603,046 | (2,311,318) | 676,249 | 1,471,179 | 1,369,524 | 2,389,521 | 1,111,704 | 2,250,677 | 1,859,492 |
| Subtotal Governmental Activities | 9,906,532 | 9,422,658 | 6,237,101 | 9,229,965 | 9,740,094 | 9,533,886 | 10,336,142 | 8,813,430 | 9,552,361 | 8,829,581 |
| Business-type Activities: | | | | | | | | | | |
| Gain (loss) on the sale of capital assets | 35,384 | 224,935 | 190,287 | 16,839 | 36,125 | 4,708 | 66,753 | 74,269 | 16,118 | 58,641 |
| Investment earnings | 344 | 1,045 | 4,411 | 11,822 | 4,414 | 4,153 | 9,316 | 58,365 | 143,201 | 147,984 |
| Miscellaneous | 24,545 | 43,608 | 69,463 | 94,586 | 186,479 | 248,261 | 163,021 | 188,561 | 149,983 | 109,252 |
| Transfers from (to) governmental activities | (506,355) | (603,046) | 2,311,318 | (676,249) | (1,471,179) | (1,369,524) | (2,389,521) | (1,111,704) | (2,250,677) | (1,859,492) |
| Subtotal Business-type Activities | (446,082) | (333,458) | 2,575,479 | (553,002) | (1,244,161) | (1,112,402) | (2,150,431) | (790,509) | (1,941,375) | (1,543,615) |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 1,860,819 | (153,345) | (1,187,379) | 1,708,145 | 2,029,082 | 2,528,818 | (399,067) | 937,667 | 2,774,349 | 1,981,734 |
| Business-type activities | 5,612,322 | 4,290,590 | 5,666,234 | 906,768 | 1,339,299 | 1,108,418 | (1,459,900) | 817,863 | 201,795 | 443,084 |
| Total Primary Government | \$ 7,473,141 | \$ 4,137,245 | \$ 4,478,855 | \$ 2,614,913 | \$ 3,368,381 | \$ 3,637,236 | \$ (1,858,967) | \$ 1,755,530 | \$ 2,976,144 | \$ 2,424,818 |

City of Statesboro, Georgia
Government-wide Net Position by Category¹
Last Ten Fiscal Years
(accrual basis of accounting)

| | <u>June 30, 2015</u> | <u>June 30, 2014</u> | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2011</u> | <u>June 30, 2010</u> | <u>June 30, 2009</u> | <u>June 30, 2008</u> | <u>June 30, 2007</u> | <u>June 30, 2006</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 27,032,739 | \$ 25,244,149 | \$ 24,191,592 | \$ 23,678,952 | \$ 24,229,149 | \$ 24,168,198 | \$ 23,985,317 | \$ 23,841,321 | \$ 23,224,510 | \$ 13,872,311 |
| Restricted for: | | | | | | | | | | |
| Capital projects | 3,996,808 | 4,715,524 | 6,096,391 | 7,876,543 | 5,576,870 | 3,374,025 | 137,990 | 166,489 | 118,623 | 1,256,771 |
| Specific projects and programs | 1,187,986 | 967,803 | 709,155 | 796,432 | 865,624 | 821,383 | 810,377 | 621,297 | 189,574 | 181,426 |
| Unrestricted | 241,005 | (328,593) | (244,910) | (412,320) | (440,181) | (161,226) | 739,878 | 1,443,522 | 1,602,255 | 4,466,573 |
| Subtotal Governmental Activities Net Position | <u>32,458,538</u> | <u>30,598,883</u> | <u>30,752,228</u> | <u>31,939,607</u> | <u>30,231,462</u> | <u>28,202,380</u> | <u>25,673,562</u> | <u>26,072,629</u> | <u>25,134,962</u> | <u>19,777,081</u> |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 46,388,355 | 42,160,987 | 35,992,575 | 31,743,483 | 31,190,564 | 31,110,236 | 33,047,246 | 34,151,296 | 33,089,016 | 31,093,383 |
| Restricted for revenue bond retirement | 791,247 | 791,288 | 791,193 | 790,834 | 790,672 | 1,046,098 | 199,193 | 199,281 | 194,468 | 186,490 |
| Renewal & extension | - | - | - | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Unrestricted | 4,779,003 | 3,394,458 | 5,272,375 | 4,034,144 | 3,680,457 | 1,966,060 | (232,463) | 123,299 | 372,529 | 2,174,345 |
| Subtotal Business-type Activities Net Position | <u>51,958,605</u> | <u>46,346,733</u> | <u>42,056,143</u> | <u>36,568,461</u> | <u>35,661,693</u> | <u>34,322,394</u> | <u>33,213,976</u> | <u>34,673,876</u> | <u>33,856,013</u> | <u>33,654,218</u> |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 73,421,094 | 67,405,136 | 60,184,167 | 55,422,435 | 55,419,713 | 55,278,434 | 57,032,563 | 57,992,617 | 56,313,526 | 44,965,694 |
| Restricted | | | | | | | | | | |
| Capital projects | 3,996,808 | 4,715,524 | 6,096,391 | 7,876,543 | 5,576,870 | 3,374,025 | 137,990 | 166,489 | 118,623 | 1,256,771 |
| Restricted for revenue bond retirement | 791,247 | 791,288 | 791,193 | 790,834 | 790,672 | 1,046,098 | 199,193 | 199,281 | 194,468 | 186,490 |
| Renewal & Extension | - | - | - | - | - | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Specific projects and programs | 1,187,986 | 967,803 | 709,155 | 796,432 | 865,624 | 821,383 | 810,377 | 621,297 | 189,574 | 181,426 |
| Unrestricted | 5,020,008 | 3,065,865 | 5,027,465 | 3,621,824 | 3,240,276 | 1,804,834 | 507,415 | 1,566,821 | 1,974,784 | 6,640,918 |
| Total Primary Government Net Position | <u>\$ 84,417,143</u> | <u>\$ 76,945,616</u> | <u>\$ 72,808,371</u> | <u>\$ 68,508,068</u> | <u>\$ 65,893,155</u> | <u>\$ 62,524,774</u> | <u>\$ 58,887,538</u> | <u>\$ 60,746,505</u> | <u>\$ 58,990,975</u> | <u>\$ 53,431,299</u> |

Notes:¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted, and unrestricted. Net position is 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 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes | \$ 6,622,152 | \$ 7,097,096 | \$ 7,596,780 | \$ 7,900,077 | \$ 8,024,950 | \$ 8,166,418 | \$ 8,529,072 | \$ 8,472,005 | \$ 8,870,477 | \$ 9,303,278 |
| ¹ Intergovernmental | 3,276,532 | 5,124,511 | 4,666,388 | 2,723,959 | 6,450,717 | 5,859,254 | 5,445,203 | 5,748,585 | 4,611,692 | 5,988,720 |
| Licenses and permits | 855,224 | 783,243 | 772,770 | 703,815 | 865,829 | 926,979 | 941,669 | 1,071,307 | 861,217 | 982,677 |
| Fines and forfeitures | 1,258,238 | 1,610,839 | 1,449,617 | 1,766,110 | 1,568,641 | 1,475,975 | 1,469,610 | 1,246,407 | 1,382,420 | 1,318,504 |
| Charges for services | 589,913 | 629,416 | 1,009,406 | 1,055,605 | 1,088,090 | 1,108,952 | 1,089,401 | 1,172,760 | 1,308,021 | 1,261,129 |
| Investment earnings | 152,404 | 91,159 | 29,512 | 8,496 | 4,056 | 14,063 | 9,327 | 10,871 | 7,816 | 4,253 |
| Miscellaneous | 84,203 | 79,184 | 49,403 | 38,698 | 56,671 | 136,829 | 39,801 | 64,479 | 39,141 | 84,127 |
| Total revenues | \$ 12,838,666 | \$ 15,415,448 | \$ 15,573,876 | \$ 14,196,760 | \$ 18,058,954 | \$ 17,688,470 | \$ 17,524,083 | \$ 17,786,414 | \$ 17,080,784 | \$ 18,942,688 |
| % change from prior year | 7.9% | 20.1% | 1.0% | -8.8% | 27.2% | -2.1% | -0.9% | 1.5% | -4.0% | 10.9% |

Note:

¹ Includes special purpose local option sales tax revenue received from Bulloch County which fluctuated significantly for years prior to fiscal year 2010.

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 | Other | Total |
|--|-----------------|-----------------|------------------|--------------------------|---------------------------|--------------|--------------|
| 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 |
| 2010 | 3,704,711 | 181,813 | 1,688,915 | 1,258,448 | 675,794 | 75,431 | 7,585,112 |
| 2011 | 3,695,637 | 186,679 | 1,815,932 | 1,221,874 | 647,353 | 125,888 | 7,693,363 |
| 2012 | 3,675,552 | 201,337 | 1,974,408 | 1,333,111 | 672,491 | 145,669 | 8,002,568 |
| 2013 | 3,524,293 | 281,377 | 1,897,448 | 1,415,987 | 690,423 | 108,511 | 7,918,039 |
| 2014 | 3,647,594 | 511,443 | 1,740,726 | 1,466,120 | 693,278 | 83,299 | 8,142,460 |
| 2015 | 3,923,619 | 515,177 | 1,765,369 | 1,531,963 | 698,554 | 94,532 | 8,529,214 |
| Percentage Change In Dollars Over 10 Years | 33% | 166% | 45% | 35% | 12% | -21% | 37% |

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

| Function | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Current: | | | | | | | | | | |
| General government | \$ 1,789,557 | \$ 2,008,167 | \$ 2,140,864 | \$ 2,461,925 | \$ 2,202,086 | \$ 2,396,839 | \$ 1,762,517 | \$ 1,838,780 | \$ 1,839,076 | \$ 1,514,518 |
| Municipal court | 412,762 | 638,695 | 625,001 | 684,444 | 588,804 | 555,219 | 541,681 | 569,468 | 555,185 | 576,371 |
| Public safety | 6,356,845 | 6,783,582 | 7,751,876 | 7,973,168 | 8,441,641 | 7,961,549 | 8,135,532 | 8,192,129 | 8,456,060 | 9,259,590 |
| Streets/public works | 1,673,729 | 1,824,491 | 1,864,703 | 1,779,706 | 1,852,879 | 1,849,010 | 1,917,899 | 1,940,179 | 1,987,420 | 2,030,080 |
| Parks and cemeteries | 412,075 | 406,397 | 433,076 | 444,407 | 430,178 | 376,518 | 338,438 | 377,665 | 369,113 | 367,113 |
| Engineering | 671,252 | 640,078 | 669,869 | 721,165 | 797,572 | 557,869 | 396,485 | 403,009 | 410,968 | 366,351 |
| Planning and zoning | 115,238 | 210,989 | 233,314 | 290,564 | 319,139 | 465,345 | 260,767 | 314,132 | 366,749 | 367,044 |
| Community services | 215,159 | 681,439 | 198,260 | 436,326 | 185,625 | 171,704 | 171,883 | 166,669 | 169,058 | 182,010 |
| Community development | 413,832 | 484,187 | 495,059 | 539,549 | 533,993 | 554,130 | 622,364 | 857,758 | 927,358 | 703,722 |
| Total Current | 12,060,449 | 13,678,025 | 14,412,022 | 15,331,254 | 15,351,917 | 14,888,183 | 14,147,566 | 14,659,789 | 15,080,987 | 15,366,799 |
| % Change From Prior Year | 1.3% | 13.4% | 5.4% | 6.4% | 0.1% | -3.0% | -5.0% | 3.6% | 2.9% | 1.9% |
| Capital Outlay | 2,373,967 | 8,003,416 | 2,429,833 | 1,062,731 | 1,547,723 | 1,575,578 | 1,232,555 | 3,961,860 | 3,011,216 | 3,236,507 |
| % Change From Prior Year | 12.0% | 237.1% | -69.6% | -56.3% | 45.6% | 1.8% | -21.8% | 221.4% | -24.0% | 7.5% |
| Debt Service | | | | | | | | | | |
| Principal | 119,184 | 170,689 | 254,295 | 347,306 | 304,313 | 331,413 | 278,869 | 223,853 | 486,759 | 469,498 |
| Interest | 66,886 | 67,886 | 46,241 | 30,966 | 34,202 | 42,893 | 27,512 | 22,064 | 51,909 | 24,249 |
| Total Debt Service | 186,070 | 238,575 | 300,536 | 378,272 | 338,515 | 374,306 | 306,381 | 245,917 | 538,668 | 493,747 |
| % Change From Prior Year | 43.8% | 28.2% | 26.0% | 25.9% | -10.5% | 10.6% | -18.1% | -19.7% | 119.0% | -8.3% |
| Total Expenditures | \$ 14,620,486 | \$ 21,920,016 | \$ 17,142,391 | \$ 16,772,257 | \$ 17,238,155 | \$ 16,838,067 | \$ 15,686,502 | \$ 18,867,566 | \$ 18,630,871 | \$ 19,097,053 |
| % Change From Prior Year | 3.3% | 49.9% | -21.8% | -2.2% | 2.8% | -2.3% | -6.8% | 20.3% | -1.3% | 2.5% |
| Debt Service as a Percentage of Total Noncapital Expenditures | 1.5% | 1.7% | 2.0% | 2.4% | 2.2% | 2.5% | 2.1% | 1.6% | 3.4% | 3.1% |

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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------|--------------------|----------------|------------------|------------------|------------------|------------------|--------------------|------------------|---------------|
| Total Revenues | \$ 12,838,666 | \$ 15,415,448 | \$ 15,573,876 | \$ 14,196,760 | \$ 18,058,954 | \$ 17,688,470 | \$ 17,524,083 | \$ 17,786,414 | \$ 17,080,784 | \$ 18,942,688 |
| Total Expenditures | 14,620,486 | 21,920,016 | 17,142,391 | 16,772,257 | 17,238,155 | 16,838,067 | 15,686,502 | 18,867,566 | 18,630,871 | 19,097,053 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,781,820) | (6,504,568) | (1,568,515) | (2,575,497) | 820,799 | 850,403 | 1,837,581 | (1,081,152) | (1,550,087) | (154,365) |
| Other Financing Sources (Uses) | 1,910,887 | 2,414,000 | 2,551,471 | 2,290,973 | 1,404,892 | 1,479,037 | 773,443 | (800,814) | 680,585 | 182,324 |
| Net Change in Fund Balances | <u>129,067</u> | <u>(4,090,568)</u> | <u>982,956</u> | <u>(284,524)</u> | <u>2,225,691</u> | <u>2,329,440</u> | <u>2,611,024</u> | <u>(1,881,966)</u> | <u>(869,502)</u> | <u>27,959</u> |

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 199,020 | \$ 169,631 | \$ 170,717 | \$ 174,009 | \$ 197,547 | \$ 214,608 | \$ 211,929 | \$ 233,964 | \$ 185,417 | \$ 255,626 |
| Unassigned | 3,823,745 | 2,595,299 | 1,478,379 | 947,789 | (98,438) | (33,145) | 290,475 | 313,505 | 614,769 | 1,387,427 |
| Subtotal General Fund | 4,022,765 | 2,764,930 | 1,649,096 | 1,121,798 | 99,109 | 181,463 | 502,404 | 547,469 | 800,186 | 1,643,053 |
| General Fund Percentage Change | 19.2% | -31.3% | -40.4% | -32.0% | -91.2% | 83.1% | 176.9% | 9.0% | 46.2% | 105.3% |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | - | - | 12,522 | 11,045 | 17,613 | 17,370 | 23,792 | 31,726 | 42,708 | 39,390 |
| Assigned | - | - | - | - | - | - | 59,602 | - | 16,513 | 29,593 |
| Unassigned | - | (1,702,733) | - | - | - | (64,478) | - | (256,988) | (405,267) | (316,375) |
| Restricted | | | | | | | | | | |
| Special Revenue Funds | 181,426 | 189,574 | 608,775 | 799,332 | 803,770 | 848,254 | 772,640 | 934,417 | 1,330,362 | 1,148,596 |
| Capital Projects Fund | 1,256,771 | 118,623 | 82,957 | 136,651 | 3,374,025 | 5,641,348 | 7,876,543 | 6,096,391 | 4,699,011 | 3,967,215 |
| Subtotal All Other Governmental Funds | 1,438,197 | (1,394,536) | 704,254 | 947,028 | 4,195,408 | 6,442,494 | 8,732,577 | 6,805,546 | 5,683,327 | 4,868,419 |
| Total Governmental Funds | 199,020 | 169,631 | 183,239 | 185,054 | 215,160 | 231,978 | 235,721 | 265,690 | 228,125 | 295,016 |
| Nonspendable | 199,020 | 169,631 | 183,239 | 185,054 | 215,160 | 231,978 | 235,721 | 265,690 | 228,125 | 295,016 |
| Assigned | - | - | - | - | - | - | 59,602 | - | 16,513 | 29,593 |
| Restricted | 1,438,197 | 308,197 | 691,732 | 935,983 | 4,177,795 | 6,489,602 | 8,649,183 | 7,030,808 | 6,029,373 | 5,115,811 |
| Unassigned | 3,823,745 | 892,566 | 1,478,379 | 947,789 | (98,438) | (97,623) | 290,475 | 56,517 | 209,502 | 1,071,052 |
| Total Governmental Funds | \$ 5,460,962 | \$ 1,370,394 | \$ 2,353,350 | \$ 2,068,826 | \$ 4,294,517 | \$ 6,623,957 | \$ 9,234,981 | \$ 7,353,015 | \$ 6,483,513 | \$ 6,511,472 |
| All Governmental Funds Percentage Change | 2.4% | -74.9% | 71.7% | -12.1% | 107.6% | 54.2% | 39.4% | -20.4% | -11.8% | 0.4% |

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

| Fiscal Year | Amounts | | | | | | | | | | Total Direct Tax Rate ² | Estimated Actual Value | Annual Percentage Change |
|-------------|----------------------|---------------------|---------------------|-----------------------|---------------------------|------------------|---------------------------------|----------------|---------------------------|---|------------------------------------|------------------------|--------------------------|
| | 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 | | | |
| 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% |
| 2010 | 200,928,770 | 371,633,720 | 11,259,654 | 746,640 | 527,600 | 15,104,470 | 32,646,286 | 64,840 | 4,214,899 | 628,697,081 | 6.358 | 1,582,279,950 | 1.9% |
| 2011 | 189,022,386 | 372,885,823 | 10,948,474 | 808,861 | 1,017,661 | 14,299,932 | 28,656,965 | 210,954 | 8,662,633 | 609,188,423 | 6.358 | 1,544,627,640 | -2.4% |
| 2012 | 187,609,087 | 371,446,074 | 10,948,474 | 808,861 | 1,017,661 | 14,301,419 | 28,656,965 | 145,669 | 8,662,633 | 606,271,577 | 6.358 | 1,537,335,525 | -0.5% |
| 2013 | 170,805,157 | 394,890,632 | 11,862,370 | 722,925 | 998,417 | 15,091,201 | 32,017,910 | 108,511 | 7,952,346 | 618,544,777 | 6.358 | 1,566,242,808 | 1.9% |
| 2014 | 171,698,992 | 426,599,183 | 13,124,317 | 839,776 | 919,170 | 14,825,297 | 32,391,960 | 7,300 | 8,950,361 | 651,455,634 | 6.358 | 1,651,014,988 | 5.4% |
| 2015 | 167,743,631 | 396,436,485 | 13,706,737 | 786,715 | 546,033 | 14,650,801 | 27,318,326 | 7,300 | 10,029,025 | 611,167,003 | 6.358 | 1,552,990,070 | -5.9% |

Percentages

| | | | | | | | | | | |
|------|-------|-------|------|------|------|------|------|------|------|-------|
| 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% |
| 2010 | 31.7% | 58.7% | 1.8% | 0.1% | 0.1% | 2.4% | 5.2% | 0.0% | 0.7% | 99.3% |
| 2011 | 30.6% | 60.4% | 1.8% | 0.1% | 0.2% | 2.3% | 4.6% | 0.0% | 1.4% | 98.6% |
| 2012 | 30.5% | 60.4% | 1.8% | 0.1% | 0.2% | 2.3% | 4.7% | 0.0% | 1.4% | 98.6% |
| 2013 | 27.3% | 63.0% | 1.9% | 0.1% | 0.2% | 2.4% | 5.1% | 0.0% | 1.3% | 98.7% |
| 2014 | 26.0% | 64.6% | 2.0% | 0.1% | 0.1% | 2.2% | 4.9% | 0.0% | 1.4% | 98.6% |
| 2015 | 27.0% | 63.8% | 2.2% | 0.1% | 0.1% | 2.4% | 4.4% | 0.0% | 1.6% | 98.4% |

Source:

Georgia Department of Revenue, Tax Digest Consolidation Summary
City of Statesboro Tax Office

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 Georgia² | | |
| 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 |
| 2010 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |
| 2011 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |
| 2012 | 6.358 | 10.440 | 9.450 | 0.250 | 20.140 | 26.498 |
| 2013 | 6.358 | 10.440 | 9.950 | 0.200 | 20.590 | 26.948 |
| 2014 | 6.358 | 10.440 | 9.950 | 0.200 | 20.590 | 26.948 |
| 2015 | 6.358 | 10.440 | 9.950 | 0.200 | 20.590 | 26.948 |

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 fifth 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 |
| 2006 | 2,955,195 | 2,893,494 | 97.91% | 61,681 | 2,955,175 | 100.00% | 20 | 0.00% |
| 2007 | 3,117,016 | 3,105,291 | 99.62% | 11,664 | 3,116,955 | 100.00% | 61 | 0.00% |
| 2008 | 3,367,186 | 3,334,179 | 99.02% | 32,857 | 3,367,036 | 100.00% | 150 | 0.00% |
| 2009 | 3,578,352 | 3,549,025 | 99.18% | 29,177 | 3,578,202 | 100.00% | 150 | 0.00% |
| 2010 | 3,710,229 | 3,605,588 | 97.18% | 104,641 | 3,710,229 | 100.00% | - | 0.00% |
| 2011 | 3,672,791 | 3,622,799 | 98.64% | 49,753 | 3,672,552 | 99.99% | 239 | 0.01% |
| 2012 | 3,646,967 | 3,587,428 | 98.37% | 59,539 | 3,646,967 | 100.00% | - | 0.00% |
| 2013 | 3,506,320 | 3,479,916 | 99.25% | 24,813 | 3,504,729 | 99.95% | 1,591 | 0.05% |
| 2014 | 3,592,347 | 3,531,126 | 98.30% | 58,261 | 3,589,387 | 99.92% | 2,960 | 0.08% |
| 2015 | 3,712,063 | 3,636,117 | 97.95% | - | 3,636,117 | 97.95% | 75,946 | 2.05% |

Source:

City of Statesboro Tax Office

City of Statesboro, Georgia
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2015 and Nine Years Ago

| Principal Taxpayer | 2015 | | Principal Taxpayer | 2006 | |
|----------------------------------|-------------------------------|--|------------------------------------|-------------------------------|--|
| | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value | | Taxable Assessed Value | Percentage of Total City Taxable Assessed Value |
| Breckenridge Group Statesboro | \$ 17,285,542 | 2.83% | Statesboro HMA Inc. | \$ 16,891,040 | 3.57% |
| Statesboro HMA Inc. | 16,468,393 | 2.69% | Campus Club Associates, LLC | 10,901,120 | 2.30% |
| Copper Beech Townhome | 12,438,643 | 2.04% | Frontier Communications of Georgia | 10,700,110 | 2.26% |
| Forum Statesboro LTD | 11,775,508 | 1.93% | Lanier Drive Associates, LLC | 5,633,917 | 1.19% |
| Monarch 301 LLC | 11,249,168 | 1.84% | Health Management Associates | 5,458,973 | 1.15% |
| GSU Development LLC | 8,464,754 | 1.39% | The Garden District | 5,064,400 | 1.07% |
| Diamond URS Statesboro LLC | 7,901,450 | 1.29% | Georgia Power Co. | 4,926,622 | 1.04% |
| Claude Howard Lumber Co Inc. | 6,685,694 | 1.09% | JBPC South Inc | 4,675,564 | 0.99% |
| UP Statesboro LLC | 6,494,808 | 1.06% | The Woodlands at Statesboro | 4,380,640 | 0.93% |
| Georgia Power Co | 6,377,547 | 1.04% | Wal-Mart Real Estate | 4,263,960 | 0.90% |
| Total Principal Taxpayers | 105,141,507 | 17.20% | Total Principal Taxpayers | 72,896,346 | 15.39% |
| All Other Taxpayers | 506,025,496 | 82.80% | All Other Taxpayers | 400,643,667 | 84.61% |
| Total | \$ 611,167,003 | 100.00% | Total | \$ 473,540,013 | 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 | |
| 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% |
| 2010 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2011 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2012 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2013 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2014 | 4.00% | 1.00% | 1.00% | 1.00% | 7.00% |
| 2015 | 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 the 2013 special purpose local option sales taxes.

²The current special purpose local option sales tax was approved effective October 1, 2013 and expires September 30, 2019.

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 Years 2006 - 2015

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

| Fiscal Year | Water | | | | |
|-------------|------------------|-------------------------|--------------------------------|-----------------------|--------------------------------|
| | Inside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-19,000 Gallons | 20,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2006 | 4.50 | 1.90 | 2.00 | 2.00 | 2.10 |
| 2007 | 4.50 | 1.90 | 2.00 | 2.00 | 2.10 |
| 2008 | 4.60 | 1.94 | 2.04 | 2.04 | 2.14 |
| 2009 | 4.60 | 1.94 | 2.04 | 2.04 | 2.14 |
| 2010 | 6.00 | 2.15 | 2.25 | 2.50 | 3.00 |
| 2011 | 6.50 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2012 | 6.50 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2013 | 6.50 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2014 | 6.50 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2015 | 6.50 | 2.25 | 2.35 | 2.60 | 3.15 |

| Fiscal Year | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-19,000 Gallons | 20,000-49,000 Gallons | Rate per 50,000 Gallons and up |
|-------------|-------------------|-------------------------|--------------------------------|-----------------------|--------------------------------|
| | 2006 | 9.00 | 3.80 | 4.00 | 4.00 |
| 2007 | 9.00 | 3.80 | 4.00 | 4.00 | 4.20 |
| 2008 | 9.20 | 3.88 | 4.08 | 4.08 | 4.28 |
| 2009 | 9.20 | 3.88 | 4.08 | 4.08 | 4.28 |
| 2010 | 12.00 | 4.30 | 4.50 | 5.00 | 6.00 |
| 2011 | 13.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2012 | 13.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2013 | 13.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2014 | 13.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2015 | 13.00 | 4.50 | 4.70 | 5.20 | 6.30 |

| 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 |
| 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 |
| 2010 | 6.00 | 2.60 | 2.70 | 2.80 |
| 2011 | 6.50 | 2.70 | 2.80 | 2.90 |
| 2012 | 6.50 | 2.70 | 2.80 | 2.90 |
| 2013 | 6.50 | 2.70 | 2.80 | 2.90 |
| 2014 | 6.50 | 2.70 | 2.80 | 2.90 |
| 2015 | 6.50 | 2.70 | 2.80 | 2.90 |

| Fiscal Year | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 50,000 Gallons and up |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|
| | 2005 | 9.00 | 4.60 | 4.80 |
| 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 |
| 2010 | 12.00 | 5.20 | 5.40 | 5.60 |
| 2011 | 13.00 | 5.40 | 5.60 | 6.30 |
| 2012 | 13.00 | 5.40 | 5.60 | 5.80 |
| 2013 | 13.00 | 5.40 | 5.60 | 5.80 |
| 2014 | 13.00 | 5.40 | 5.60 | 5.80 |
| 2015 | 13.00 | 5.40 | 5.60 | 5.80 |

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 2006 - 2015

(continued)

If a Residential 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 20,000-49,000 and up | Rate per 50,000 Gallons and up |
| 2006 | 9.00 | 1.90 | 2.00 | 2.00 | 2.10 |
| 2007 | 9.00 | 1.90 | 2.00 | 2.00 | 2.10 |
| 2008 | 9.20 | 1.94 | 2.04 | 2.04 | 2.14 |
| 2009 | 9.20 | 1.94 | 2.04 | 2.04 | 2.14 |
| 2010 | 12.00 | 2.15 | 2.25 | 2.50 | 3.00 |
| 2011 | 13.00 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2012 | 13.00 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2013 | 13.00 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2014 | 13.00 | 2.25 | 2.35 | 2.60 | 3.15 |
| 2015 | 13.00 | 2.25 | 2.35 | 2.60 | 3.15 |

| Fiscal Year | Water | | | | |
|-------------|-------------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Outside Base Rate | Rate per 0-9000 Gallons | Rate per 10,000-49,000 Gallons | Rate per 20,000-49,000 Gallons | Rate per 50,000 Gallons and up |
| 2006 | 18.00 | 5.80 | 4.00 | 4.00 | 4.20 |
| 2007 | 18.00 | 5.80 | 4.00 | 4.00 | 4.20 |
| 2008 | 18.40 | 3.88 | 4.08 | 4.08 | 4.28 |
| 2009 | 18.40 | 3.88 | 4.08 | 4.08 | 4.28 |
| 2010 | 24.00 | 4.30 | 4.50 | 5.00 | 6.00 |
| 2011 | 26.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2012 | 26.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2013 | 26.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2014 | 26.00 | 4.50 | 4.70 | 5.20 | 6.30 |
| 2015 | 26.00 | 4.50 | 4.70 | 5.20 | 6.30 |

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 |
| 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 |
| 2010 | 12.00 | 2.60 | 2.70 | 2.80 |
| 2011 | 13.00 | 2.70 | 2.80 | 2.90 |
| 2012 | 13.00 | 2.70 | 2.80 | 2.90 |
| 2013 | 13.00 | 2.70 | 2.80 | 2.90 |
| 2014 | 13.00 | 2.70 | 2.80 | 2.90 |
| 2015 | 13.00 | 2.70 | 2.80 | 2.90 |

| 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 |
| 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 |
| 2010 | 24.00 | 5.20 | 5.40 | 5.60 |
| 2011 | 26.00 | 5.40 | 5.60 | 5.80 |
| 2012 | 26.00 | 5.40 | 5.60 | 5.80 |
| 2013 | 26.00 | 5.40 | 5.60 | 5.80 |
| 2014 | 26.00 | 5.40 | 5.60 | 5.80 |
| 2015 | 26.00 | 5.40 | 5.60 | 5.80 |

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 2006 | | Fiscal Year 2007 | | Fiscal Year 2008 | | Fiscal Year 2009 | | Fiscal Year 2010 | |
|-------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Gallons | % | Gallons | % | Gallons | % | Gallons | % | Gallons | % |
| Residential | 572.9 | 57% | 614.3 | 59% | 544.9 | 57% | 616.8 | 56% | 574.5 | 56% |
| Industrial | 79.0 | 8% | 74.9 | 7% | 104.8 | 11% | 75.0 | 7% | 75.5 | 7% |
| Commercial | 313.3 | 31% | 314.2 | 30% | 259.9 | 27% | 339.0 | 31% | 248.6 | 24% |
| Government | 33.2 | 3% | 37.3 | 4% | 48.8 | 5% | 69.3 | 6% | 118.5 | 12% |
| Total | 998.4 | 100% | 1,040.7 | 100% | 958.4 | 100% | 1,100.1 | 100% | 1,017.1 | 100% |

| Type of Customer | Fiscal Year 2011 | | Fiscal Year 2012 | | Fiscal Year 2013 | | Fiscal Year 2014 | | Fiscal Year 2015 | |
|-------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Gallons | % | Gallons | % | Gallons | % | Gallons | % | Gallons | % |
| Residential | 590.6 | 55% | 527.3 | 47% | 565.8 | 51% | 557.7 | 51% | 554.9 | 50% |
| Industrial | 77.7 | 7% | 159.7 | 14% | 55.9 | 5% | 65.0 | 6% | 81.0 | 7% |
| Commercial | 270.3 | 25% | 255.5 | 23% | 258.8 | 23% | 241.5 | 22% | 239.8 | 21% |
| Government | 126.6 | 12% | 178.5 | 16% | 239.7 | 21% | 233.1 | 21% | 240.6 | 22% |
| Total | 1,065.2 | 100% | 1,121.0 | 100% | 1,120.2 | 100% | 1,097.3 | 100% | 1,116.3 | 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 | Water Bonds | Gas Notes | Water Notes | Capital Leases | Total | | | |
| 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 |
| 2010 | 1,764,662 | 15,040,000 | 334,949 | 3,414,117 | 285,697 | 19,074,763 | 20,839,425 | 6.0% | 775 |
| 2011 | 1,433,249 | 14,565,000 | 311,396 | 3,619,516 | 205,522 | 18,701,434 | 20,134,683 | 5.6% | 706 |
| 2012 | 1,226,380 | 14,115,000 | 287,128 | 3,548,390 | 125,347 | 18,075,865 | 19,302,245 | 4.2% | 663 |
| 2013 | 2,559,566 | 13,650,000 | 262,125 | 3,393,763 | 52,173 | 17,358,061 | 19,917,627 | 3.4% | 656 |
| 2014 | 2,141,210 | 13,175,440 | 236,363 | 3,232,490 | - | 16,644,293 | 18,785,503 | 3.4% | 651 |
| 2015 | 2,038,740 | 12,695,000 | 235,540 | 3,430,000 | - | 16,360,540 | 18,399,280 | 2.9% | 606 |

Notes:

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

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

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed Value | <u>\$ 473,540</u> | <u>\$ 497,826</u> | <u>\$ 587,329</u> | <u>\$ 613,391</u> | <u>\$ 628,697</u> | <u>\$ 609,188</u> | <u>\$ 606,126</u> | <u>\$ 618,810</u> | <u>\$ 651,456</u> | <u>\$ 611,167</u> |
| Legal Debt Margin | | | | | | | | | | |
| Debt limit (10% of assessed value) | <u>\$ 47,354</u> | <u>\$ 49,783</u> | <u>\$ 58,733</u> | <u>\$ 61,339</u> | <u>\$ 62,870</u> | <u>\$ 60,919</u> | <u>\$ 60,613</u> | <u>\$ 61,881</u> | <u>\$ 65,146</u> | <u>\$ 61,117</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>\$ 47,354</u> | <u>\$ 49,783</u> | <u>\$ 58,733</u> | <u>\$ 61,339</u> | <u>\$ 62,870</u> | <u>\$ 60,919</u> | <u>\$ 60,613</u> | <u>\$ 61,881</u> | <u>\$ 65,146</u> | <u>\$ 61,117</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, 2015

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Amount Applicable to Primary Government</u> |
|--|-----------------------------|--|--|
| Debt Repaid With Property Taxes | | | |
| Bulloch County Board of Education ¹ | \$ 11,000,000 | 100.0% | \$ 11,000,000 |
| City Direct Debt | | | <u>1,937,238</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 12,937,238</u></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 | | | Times Coverage² |
|--------------------|--------------------------|---|------------------------------|---------------------|-----------------|--------------|-----------------------------------|
| | | | | Principal | Interest | Total | |
| 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 |
| 2010 | 8,242,802 | 4,620,860 | 3,621,942 | 270,000 | 25,085 | 295,085 | 12.27 |
| 2011 | 9,152,401 | 5,259,636 | 3,892,765 | 475,000 | 558,425 | 1,033,425 | 3.77 |
| 2012 | 8,648,835 | 5,785,579 | 2,863,256 | 450,000 | 733,400 | 1,183,400 | 2.42 |
| 2013 | 9,560,134 | 6,491,839 | 3,068,295 | 465,000 | 712,666 | 1,177,666 | 2.61 |
| 2014 | 9,214,751 | 6,380,134 | 2,834,617 | 475,000 | 696,065 | 1,171,065 | 2.42 |
| 2015 | 9,916,543 | 8,486,549 | 1,429,994 | 480,000 | 560,221 | 1,040,221 | 1.37 |

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, 2015 and Nine Years Ago

| <u>Employer</u> | 2015 | | <u>Employer</u> | 2006 | |
|---------------------------------------|----------------------------|--|---------------------------------------|----------------------------|--|
| | <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 | 2,715 | 22.17% | Georgia Southern University | 1,850 | 23.67% |
| Bulloch County Board of Education | 1,478 | 12.07% | Bulloch County Board of Education | 1,391 | 17.80% |
| East Georgia Regional Medical Center | 756 | 6.17% | East Georgia Regional Medical Center | 635 | 8.12% |
| Bulloch County Board of Commissioners | 375 | 3.06% | Wal-Mart Supercenter | 620 | 7.93% |
| Wal-Mart Supercenter | 334 | 2.73% | The Sack Company | 529 | 6.77% |
| City of Statesboro | 302 | 2.47% | Bulloch County Board of Commissioners | 340 | 4.35% |
| Lowe's Home Center | 139 | 1.13% | City of Statesboro | 258 | 3.30% |
| Braswells | 82 | 0.67% | Lowe's Home Center | 190 | 2.43% |
| Belk | 66 | 0.54% | Statesboro Herald | 130 | 1.66% |
| The Olive Garden | 51 | 0.42% | Robbins Packinghouse Company | 120 | 1.54% |
| Total Principal Employers | 6,298 | 51.42% | Total Principal Employers | 6,063 | 77.57% |
| Other Employers | 5,950 | 48.58% | Other Employers | 1,753 | 22.43% |
| Total All Employers | <u>12,248</u> | <u>100.00%</u> | Total All Employers | <u>7,816</u> | <u>100.00%</u> |

Source:

All Employers H/R Department
Department of Labor -Statesboro
Bulloch County Board of Education
Bulloch County Board of Commissioners
East Georgia Medical Center Human Resource Department
Wal-Mart Super Center People Department

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

| <u>Year</u> | <u>Estimated Population</u> | <u>Personal Income</u> | <u>Per Capita Income</u> | <u>Median Age</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|-------------|-----------------------------|------------------------|--------------------------|-------------------|--------------------------|--------------------------|
| 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% |
| 2010 | 26,874 | 349,818,858 | 13,017 | 22 | 9,530 | 10.4% |
| 2011 | 28,522 | 359,947,640 | 12,620 | 22 | 9,367 | 12.7% |
| 2012 | 29,104 | 457,049,216 | 15,704 | 29 | 9,890 | 10.2% |
| 2013 | 30,382 | 577,744,112 | 19,016 | 22 | 9,858 | 14.3% |
| 2014 | 28,844 | 548,728,256 | 19,024 | 22 | 9,861 | 12.0% |
| 2015 | 30,367 | 635,854,613 | 20,939 | 23 | 10,342 | 8.9% |

Sources:

Suburbanstats.org/statesboro/ga
Zoomprospector.com/communitydetail.
Georgia Department of Education
Department of Labor

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

| <u>Function/program</u> | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| City Manager's Office | 2 | 4 | 4 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| City Clerk's Office | 9 | 9 | 9 | 10 | 10 | 3 | 3 | 3 | 3 | 3 |
| Finance | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Legal Division | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| Human Resources | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 2 |
| Governmental Buildings | 0 | 0 | 0 | 3 | 2 | 1 | 0 | 0 | 1 | 1 |
| Engineering | 4 | 5 | 5 | 6 | 7 | 6 | 5 | 5 | 5 | 5 |
| Customer Service Division | 0 | 0 | 0 | 0 | 0 | 4 | 5 | 6 | 6 | 6 |
| Municipal Court | 2 | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 3 |
| Police | 75 | 75 | 76 | 77 | 76 | 75.5 | 74.5 | 75.5 | 78.5 | 83.5 |
| Animal Control | 1 | 1 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Public Works Administration | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Streets | 23 | 22 | 23 | 22 | 22 | 21 | 21 | 21 | 22 | 22 |
| Parks | 9 | 9 | 9 | 9 | 9 | 8 | 7 | 7 | 7 | 7 |
| Protective Inspections | 4 | 2 | 2 | 4 | 4 | 2 | 2 | 2 | 2 | 2 |
| Planning and Development | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Code Compliance | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 |
| Fire Department | 33 | 33 | 33 | 33 | 33 | 32.5 | 37.5 | 43.5 | 47.5 | 50.5 |
| Water and Sewer | 18 | 18 | 19 | 23 | 23.5 | 23.5 | 23.5 | 24.5 | 24.5 | 23.5 |
| Wastewater Treatment Plant | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 28 | 28 | 28 |
| Natural Gas | 9 | 9 | 9 | 9 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 | 8.5 |
| Solid Waste Collection | 16 | 16 | 16 | 16 | 16 | 15 | 16 | 18 | 18 | 18 |
| Solid Waste Disposal | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Fleet Management | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Information Technology | 0 | 0 | 0 | 2 | 3 | 4 | 4 | 4 | 5 | 7 |
| Total | 258 | 260 | 262 | 274 | 275 | 266 | 270 | 282 | 292 | 302 |

Source:

City of Statesboro's Finance department

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

| <u>Function/program</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 43 | 43 | 49 | 49 | 43 | 47 | 50 | 47 | 53 | 54 |
| Fire stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Refuse collection | | | | | | | | | | |
| Collection trucks | 7 | 7 | 7 | 7 | 9 | 9 | 9 | 11 | 14 | 14 |
| Streets and highways | | | | | | | | | | |
| Streets (miles) | 117 | 117 | 119 | 119 | 119 | 119 | 120 | 121 | 121 | 121 |
| Traffic signals | 11 | 12 | 13 | 15 | 15 | 15 | 15 | 16 | 16 | 16 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 52 | 55 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Water | | | | | | | | | | |
| Water mains (miles) | 198 | 207 | 212 | 216 | 219.5 | 219.5 | 221.5 | 227.1 | 233.02 | 237 |
| Fire hydrants | 1,665 | 1,734 | 1,803 | 1,872 | 1,487 | 1,487 | 1,503 | 1,533 | 1,596 | 1,596 |
| Storage capacity (thousands of gallons) | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,900 | 1,900 | 2,900 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 171 | 174 | 177 | 181 | 184 | 184 | 187 | 187.8 | 191.9 | 194 |
| Treatment capacity (thousands of gallons) | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Storm sewers (miles) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |

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

| <u>Function/program</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | | | |
| Physical arrests | 1,863 | 1,794 | 1,736 | 2,185 | 2,105 | 2,587 | 2,350 | 2,184 | 2,386 | 2,300 |
| Traffic violations | 7,781 | 10,823 | 10,032 | 9,442 | 10,299 | 10,460 | 10,921 | 8,937 | 7,729 | 7,771 |
| Fire | | | | | | | | | | |
| Emergency responses | 930 | 927 | 743 | 1,106 | 637 | 876 | 722 | 826 | 889 | 906 |
| Fires extinguished | 124 | 226 | 157 | 200 | 257 | 259 | 224 | 201 | 168 | 181 |
| Inspections | 639 | 1,353 | 1,289 | 1,973 | 1,343 | 1,046 | 1,139 | 2,096 | 1,692 | 1,904 |
| Refuse collection | | | | | | | | | | |
| Refuse collected (tons per month) | 1,771.9 | 1,821.8 | 1,981.0 | 1,426.0 | 1,496.0 | 1,342.4 | 1,482.0 | 1,358.9 | 1,417.5 | 2,123.8 |
| Streets and highways | | | | | | | | | | |
| Resurfacing (miles) | 0 | 7.5 | 1.43 | 2.75 | 0.603 | 1.609 | 1.895 | 4.1 | 3.5 | 3.90 |
| Water | | | | | | | | | | |
| New connections | 275 | 562 | 187 | 188 | 367 | 77 | 497 | 935 | 298 | 369 |
| Water mains breaks | 13 | 18 | 8 | 7 | 19 | 23 | 26 | 26 | 18 | 22 |
| Average daily consumption (thousands of gallons) | 3,091 | 3,190 | 3,239 | 3,130 | 2,787 | 2,738 | 3,367 | 3,124 | 3,000 | 3,076 |
| Peak daily consumption (thousands of gallons) | 4,306 | 4,220 | 4,630 | 5,179 | 4,422 | 4,964 | 4,703 | 4,898 | 4,790 | 4,306 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousands of gallons) | 3,721 | 3,615 | 3,444 | 3,106 | 4,000 | 3,270 | 3,280 | 3,595 | 4,780 | 4,960 |

Sources:

Various City departments

LANIER, WESTERFIELD, DEAL & PROCTOR

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

To the City Council
City of Statesboro, Georgia

We have audited, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City of Statesboro's basic financial statements and have issued our report thereon dated February 5, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or

significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described below as 2015-1 and 2015-2 that we consider to be significant deficiencies.

2015-1 Capital lease proceeds not drawn down timely

The City had \$214,869 in capital lease proceeds that were not drawn down timely under a master lease agreement with the Georgia Municipal Association. Capital lease proceeds should be drawn down in a timely manner to maximize cash flow efficiency.

City response: We concur with this finding, and we will implement procedures to make sure capital lease proceeds are drawn down in a timely manner.

2015-2 Inventory costing

During our testing of unit costs for various items in inventory for the fleet management internal service fund, we noted several discrepancies in the unit cost used for reporting inventory at June 30, 2015. The unit price used to cost the year-end inventory should be the latest cost paid for those items held in the year-end inventory.

City response: We concur with this finding, and we will implement procedures to make sure the fleet management department understands to use the latest cost for purchases of items held in inventory to properly record inventory costs in the City's year-end financial statements.

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*.

City of Statesboro Georgia's Response to Findings

The City of Statesboro, Georgia's response to the findings identified in our audit is described above. City of Statesboro's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lanier, Westerfield, Cool + Proctor

Statesboro, Georgia
February 5, 2016



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