

*City Of*  
**STATESBORO, GEORGIA**



*Comprehensive Annual Financial Report*  
*Fiscal Year Ending June 30, 2012*

*City of Statesboro, Georgia*



*Prepared by Cindy West, Finance Director and the Finance Department*

*Comprehensive Annual Financial Report*

*For the Fiscal Year Ending June 30, 2012*

**City of Statesboro, Georgia**  
**Comprehensive Annual Financial Report**  
**For The Year Ended June 30, 2012**

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



# *Introduction*

# CITY OF STATESBORO

## COUNCIL

Thomas N. Blich  
Gary L. Lewis  
William P. Britt  
Travis L. Chance  
John Riggs



Joe R. Brannen, Mayor  
Frank Parker, City Manager  
Sue Starling, City Clerk

50 EAST MAIN STREET • P.O. BOX 348

STATESBORO, GEORGIA 30459-0348

December 21, 2012

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, 2012 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, 2012, is included in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the independent auditor's report. The letter of transmittal is written to compliment the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other CAFR sections.

## PROFILE OF THE CITY

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

The City reports a 2010 estimated population of, 28,522, which is based upon the 2010 United States Census Bureau. This is less than 1% of the total State of Georgia population. 30.5% of the Bulloch County population lives below the federal poverty level as compared to 16.5% in the State



of Georgia. However, this number is impacted by the fact that 20,000 university students, when filling out census forms, do not have significant earned income. Georgia Southern University's Bureau of Business Research and Economic Development in a recent study confirmed that the non-student population has a much higher per capita income than the census for this reason; and, the university student population has a considerable amount of disposable income, though little earned income, as they are predominantly supported financially by parents.

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

The City is approximately 14.41 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 69% in January and 72% 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 6 major airlines. The City of Statesboro also is located approximately fifty miles from the Georgia Ports Authority's Savannah terminal, and is within a reasonable distance of the ports of Charleston, Beaufort, Brunswick, and Jacksonville.

There are two institutions of higher learning located in the greater Statesboro area: Georgia Southern University (GSU) within the city limits, and Ogeechee Technical College just outside the city on US Highway 301 South. Accredited by the Southern Association of Colleges and Schools and Georgia's largest and most comprehensive center of higher education south of Atlanta, Georgia Southern offers more than 114 undergraduate and graduate degree programs through the doctoral level in its eight Colleges. The University's 20,000+ students come from 50 U.S. states and 90 nations.

Ogeechee Technical College is accredited by the Commission of the Council on Occupational Education and adheres to statewide curriculum standards established by the Georgia Department of Technical and Adult Education. OTC offers 112 programs of study including 32 diploma programs, 62 certificate programs, and 18 Associate degrees in conjunction with Georgia Southern University and East Georgia College. There are 15 public schools, 3 private and parochial schools, and 1 charter school in Bulloch County educating the county's 9,776 students. A total of 445 seniors graduated from these schools in 2011.

Statesboro is a leader in health care in southeast Georgia with East Georgia Regional Medical Center, a 150-bed hospital, employing more than 750 staff and 75 physicians representing a wide

range of specialties. The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations, a distinction that is awarded only to those healthcare facilities that maintain the highest standards of quality.

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

The City has 120 miles of roads of which 119 are paved. Natural gas is sold to 3,484 customers while water and sewer service is provided by the City to over 13,000 customers with an average daily water consumption of 2.79 million gallons. Statesboro has 184 miles of sanitary sewer and 221.5 miles of water mains with 1,503 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 2011 Statesboro per capita income was \$11,520 or 46% 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 October 2012 unemployment rate was 11.6%, above the State of Georgia at 8.5% and the national rate of 7.9%. Approximately 28.8% 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 173 new building permits in 2011, and 183 in 2012. The cost of housing in Bulloch County is among the lowest in the nation. The average residential sales price is \$134,750. The median value of owner occupied units was \$109,200.

## **MAJOR INITIATIVES**

***For The Year.*** In FY 2012, The Engineering Department expended \$534,909 in SPLOST funds to finance drainage improvements, street repaving, street striping and installation and repairs of sidewalks.

SPLOST dollars totaling \$474,726 were expended to purchase police vehicles, a new water tanker and personal protection equipment for the fire department.

The City's Water and Sewer Department expended \$358,109 in SPLOST funds to finance emergency sewer line repairs, emergency well repairs, and water and sewer extensions. Engineering fees and construction costs for the extension of water and sewer lines along the Southeast Quadrant and Lakeview Road were funded by bond proceeds in the amount of \$1,524,819.

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

For FY 2013, the Engineering Department has budgeted \$2,135,000 for street striping, sidewalk repairs, drainage improvements, storm water projects, street repaving, intersection improvements and traffic signal improvements.

Public Safety has budgeted \$693,550 for police vehicles and conversions, personal protection equipment, small tools and and equipment, and a relocation of a fire station.

The Water and Sewer Department has budgeted \$2,350,000 for water and sewer rehab projects, extension of water and sewer lines to unserved areas and to replace filters at the waste water treatment plant.

The Solid Waste Disposal fund has \$175,000 of SPLOST dollars budgeted for equipment replacement.

In FY 2013, landfill closure/post-closure expenses and air rights in the Wayne County Landfill will continue to be funded by 2007 SPLOST in the amount of \$1,392,000.

## **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 \$65,530,957 in projected expenditures through FY 2018. In FY 2013, the City has budgeted \$9,972,395 in projected expenditures, with \$5,692,641 being funded from the 2007 Special Purpose Local Option Sales Tax and \$1,950,000 being funded from the water and sewer revenue bond for water and sewer line extensions. The projects funded from the 2007 SPLOST include \$2,215,000 in street projects, \$693,550 for fire equipment and station relocation, \$239,091 for police vehicles, \$2,350,000 for water and sewer projects, \$175,000 for solid waste equipment, and \$1,392,000 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, 2012.

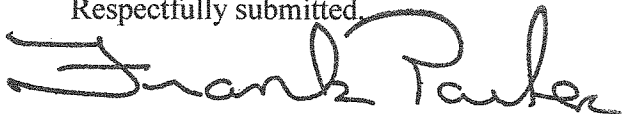
***Awards.*** In 2012, the City received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. A Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award presented 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 eighth consecutive year the City has received this award.

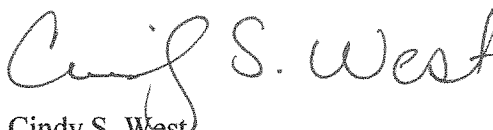
Also in 2011, the City received the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2011 from the Government Finance Officers Association of the United States and Canada (GFOA). This award is the highest form of recognition in governmental budgeting. It is presented to governments 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 eighth 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. The City sent in its application for the GFOA Distinguished Budget Presentation Award and received notification December 13<sup>th</sup> that the City received the award for the budget for the fiscal year beginning July 1, 2012. This is the ninth consecutive year the City has received this award.

*Acknowledgments.* We wish to express our gratitude and appreciation to the members of the staff of the City of Statesboro Finance Department for their assistance and support in the preparation of this report. We wish to acknowledge the guidance and technical support provided by our independent auditors, Thigpen, Lanier, Westerfield & Deal.

Respectfully submitted,



Frank C. Parker, III  
City Manager



Cindy S. West  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Statesboro  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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



*Linda C. Davidson*

President

*Jeffrey R. Egan*

Executive Director



# CITY OF STATESBORO, GEORGIA MAYOR AND COUNCIL

**Joe R. Brannen**  
Mayor



*In office since September 1998  
Current term expires December 2013*

**Tommy Blich**  
District 1



*In office since 2004  
Current term expires December 2013*

**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 2013*

**Travis L. Chance**  
District 5



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

# CITY OF STATESBORO, GEORGIA

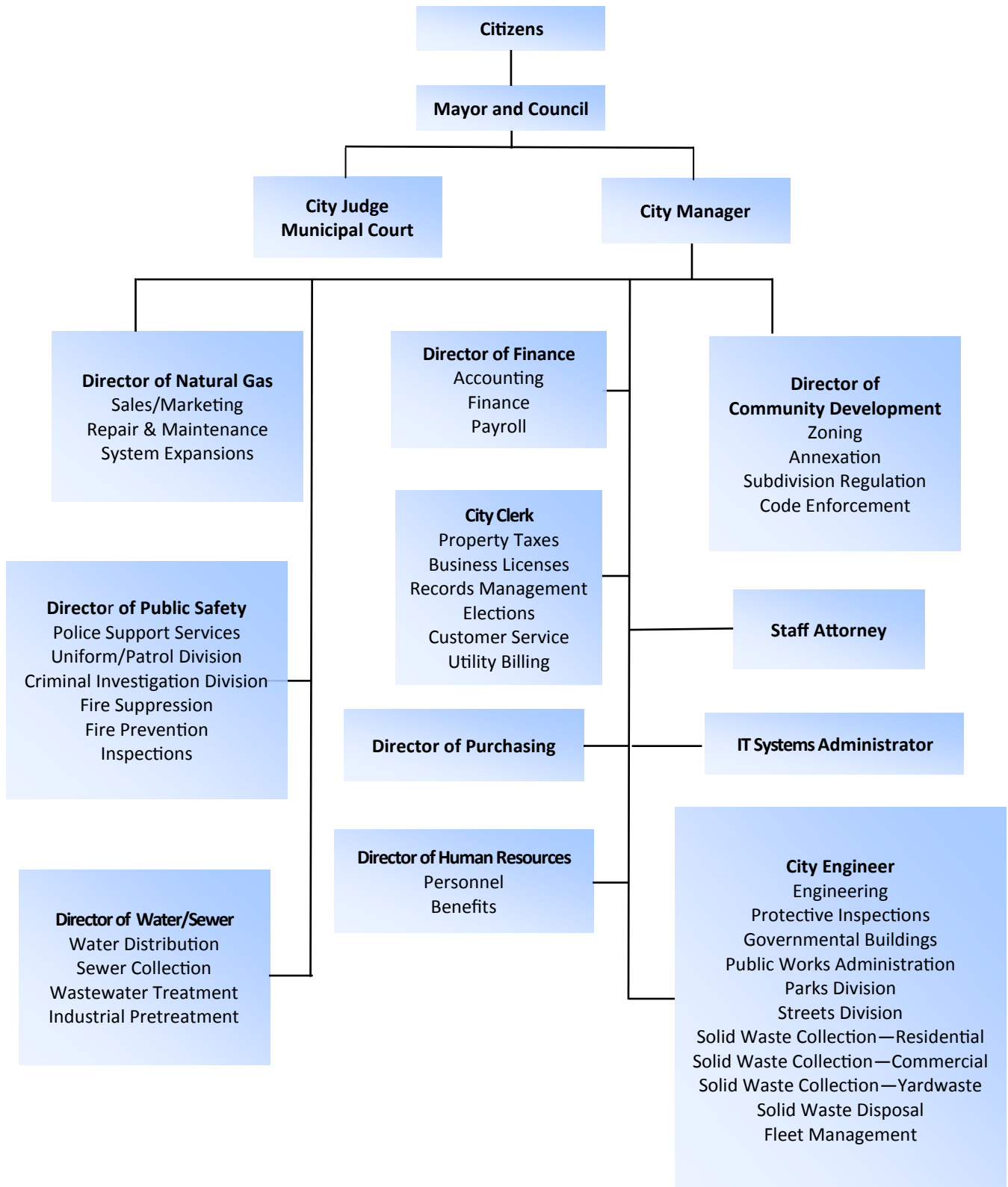
## APPOINTED PRINCIPAL OFFICIALS

*As of June 30, 2012*

<u>NAME</u>	<u>POSITION</u>	<u>LENGTH OF TIME WITH CITY</u>
Frank Parker	City Manager	2 years
Cindy West	Finance Director	15 years
Sue Starling	City Clerk	22 years
Alvin Leaphart	Staff Attorney	6 months
Robert Cheshire	City Engineer/Public Works Director	16 years
Wendell Turner	Public Safety Director	19 years
Steve Hotchkiss	Natural Gas Director	21 years
Mandi Cody	Director of Community Development	3 years
Wayne Johnson	Water/Wastewater Director	30 years
Bryant Tatum	Information Technology Director	4 years
Jeff Grant	Human Resources Director	2 years



# ORGANIZATIONAL CHART FOR THE CITY OF STATESBORO





*Financial*

# THIGPEN, LANIER, WESTERFIELD & DEAL

CERTIFIED PUBLIC ACCOUNTANTS  
201 SOUTH ZETTEROWER AVENUE  
P.O. BOX 505  
STATESBORO, GEORGIA 30459  
PHONE (912) 489-8756  
FAX (912) 489-1243

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

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

## INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Statesboro, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Statesboro, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Statesboro, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Statesboro, Georgia as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the Statesboro Fire Service Special Revenue Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, on our consideration of the City of Statesboro, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Statesboro, Georgia's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Thigpen, Lanier, Westerfield & Deal*

December 21, 2012



*Management's  
Discussion and Analysis*

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## 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, 2012. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### Financial Highlights

- The City had total net assets (assets exceeded liabilities) of \$68,508,068 at 2012 fiscal year-end. That is \$2,614,913 or 4.0%, higher than the total net assets of \$65,893,155 at 2011 fiscal year-end. Fiscal year 2011 had seen a \$3,368,381 or 5.4%, increase in total net assets.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$55,422,435 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 2011 was \$55,419,713. That is an increase of \$2,722. There was an increase of \$141,279, or .3%, for fiscal year 2011.
  - (2) Net assets of \$9,463,809 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations. That is \$2,230,643, or 30.8%, more than the fiscal year 2011 amount of \$7,233,166. That was \$1,791,660 (or 32.9%) more than fiscal year 2010's \$5,441,506. The large increase in restricted net assets is a result of the \$2,235,195 increase in 2007 SPLOST funds that were not spent as of June 30, 2012.
  - (3) Unrestricted net assets of \$3,621,824 represent the portion available to maintain the City's continuing obligations to citizens and creditors. This is a \$381,548 (or 11.8%) increase over the fiscal year 2011 total of \$3,240,276. That amount was a \$1,435,442 (or 79.5%) increase over fiscal year 2010's figure of \$1,804,834. FY 2010 had seen a \$1,297,419 (or 255%) increase over FY 2009's amount. In fiscal year 2012, unrestricted net assets for business-type activities increased by \$353,687 or 9.6%. The unrestricted net assets for the governmental activities in fiscal year 2012 increased by \$27,861.
- The City's governmental funds reported total ending fund balance of \$9,234,981, compared to \$6,623,957 in fiscal year 2011. This is a \$2,611,024 (or 39.4%) increase. The primary reason is an increase in fund balance in the 2007 SPLOST fund. The fiscal year 2011 ending fund balance for governmental funds showed an increase of \$2,329,440 (or 54.2%).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$290,475. That compares to \$(33,145) for fiscal year 2011 and (\$98,438) for fiscal year 2010.

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 Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference between them reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other non-financial factors such as

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diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

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

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

The government-wide financial statements are presented on pages 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. 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

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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 two 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 49.

### Financial Analysis of the City as a Whole

The City's net assets at fiscal year 2012 were \$68,508,068, compared to the fiscal year 2011 figure of \$65,893,155. The following table provides a summary of the City's net assets:

#### Summary of Net Assets

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Assets:</b>								
Current assets	\$ 11,180,948	\$ 8,329,576	\$ 6,647,135	\$ 6,166,213	\$ 17,828,083	\$ 14,495,789	19%	16%
Capital assets	24,905,332	25,662,398	45,137,222	43,733,540	70,042,554	69,395,938	74%	75%
Other Noncurrent assets	-	-	6,607,007	7,999,802	6,607,007	7,999,802	7%	9%
<b>Total Assets</b>	<b>\$ 36,086,280</b>	<b>\$ 33,991,974</b>	<b>\$ 58,391,364</b>	<b>\$ 57,899,555</b>	<b>\$ 94,477,644</b>	<b>\$ 91,891,529</b>	<b>100%</b>	<b>100%</b>
<b>Liabilities:</b>								
Current liabilities	\$ 1,996,355	\$ 1,775,434	\$ 2,450,784	\$ 2,168,436	\$ 4,447,139	\$ 3,943,870	17%	15%
Long-term liabilities	2,150,318	1,985,078	19,372,119	20,069,426	21,522,437	22,054,504	83%	85%
<b>Total Liabilities</b>	<b>\$ 4,146,673</b>	<b>\$ 3,760,512</b>	<b>\$ 21,822,903</b>	<b>\$ 22,237,862</b>	<b>\$ 25,969,576</b>	<b>\$ 25,998,374</b>	<b>100%</b>	<b>100%</b>
<b>Net Assets:</b>								
Investment in capital assets, net of debt	\$ 23,678,952	\$ 24,229,149	\$ 31,743,483	\$ 31,110,236	\$ 55,422,435	\$ 55,419,713	81%	84%
Restricted	8,672,975	6,442,494	790,834	1,246,098	9,463,809	7,233,166	14%	11%
Unrestricted	\$ (412,320)	\$ (440,181)	\$ 4,034,144	\$ 3,680,457	\$ 3,621,824	\$ 3,240,276	5%	5%
<b>Total net assets</b>	<b>\$ 31,939,607</b>	<b>\$ 30,231,462</b>	<b>\$ 36,568,461</b>	<b>\$ 36,036,791</b>	<b>\$ 68,508,068</b>	<b>\$ 65,893,155</b>	<b>100%</b>	<b>100%</b>

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 2012, the current ratio for governmental activities is 5.6 and 2.7 for business type activities. For fiscal year 2011, the current ratio for governmental activities was 4.7, and for business type activities 2.8. For the City, overall, the current ratio for fiscal year 2012 is 4.0, compared to 3.7 for fiscal year 2011. For fiscal year 2010, the current ratio for governmental activities was 2.7 and for business type activities 2.3. For the City, overall, the current ratio was 2.5.

Net assets for fiscal year 2012 increased by \$1,708,145 for governmental activities, and by \$906,768 for business-type activities. Net assets for fiscal year 2011 increased by \$2,029,082 for governmental activities and by \$1,339,299 for business type activities.

Note that in fiscal year 2012, 74.1%, and in fiscal year 2011, 80.1% of the governmental activities' net assets were invested in capital assets. On the business type activities, the City has spent 86.8% of its net assets in fiscal year 2012, and 87.5% in fiscal year 2011 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. 80.9% in fiscal year 2012, and 84.1% in fiscal year 2011 of the City's total net assets were included in capital assets.



The following table provides a summary of the changes in net assets, with comparative data for both fiscal years 2012 and 2011:

	2012				2011			
	Governmental Activities	Business Activities	Total	Percentage of Total	Governmental Activities	Business Activities	Total	Percentage of Total
<b>Summary of Changes in Net Assets</b>								
Revenues:								
Program:								
Charges for services	\$ 3,500,680	\$ 18,045,880	\$ 21,546,560	60%	\$ 3,511,906	\$ 18,702,225	\$ 22,214,131	60%
Operating grants	196,009	-	196,009	1%	186,407	-	186,407	0%
Capital grants and contributions	5,258,521	209,551	5,468,072	15%	5,672,847	554,394	6,227,241	17%
General:								
Taxes	8,497,318	-	8,497,318	24%	8,117,646	-	8,117,646	23%
Other	56,398	123,247	179,645	0%	151,269	227,018	378,287	1%
<b>Total revenues</b>	<b>17,508,926</b>	<b>18,378,678</b>	<b>35,887,604</b>	<b>100%</b>	<b>17,640,075</b>	<b>19,483,637</b>	<b>37,123,712</b>	<b>100%</b>
Program Expenses:								
General government	1,934,250	-	1,934,250	6%	2,368,425	-	2,368,425	7%
Municipal court	556,554	-	556,554	2%	622,589	-	622,589	2%
Public safety	9,119,780	-	9,119,780	27%	8,806,859	-	8,806,859	26%
Public works	2,807,901	-	2,807,901	8%	2,634,834	-	2,634,834	8%
Community development	622,364	-	622,364	2%	553,860	-	553,860	2%
Parks and cemeteries	427,882	-	427,882	1%	458,607	-	458,607	1%
Engineering	437,128	-	437,128	1%	597,136	-	597,136	2%
Planning and zoning	273,996	-	273,996	1%	477,485	-	477,485	1%
Community services	269,663	-	269,663	1%	519,484	-	519,484	2%
Interest	27,512	-	27,512	0%	42,893	-	42,893	0%
Water and sewer	-	8,177,825	8,177,825	24%	-	7,668,906	7,668,906	23%
Reclaimed water system	-	21,359	21,359	0%	-	927	927	0%
Gas	-	3,528,771	3,528,771	11%	-	4,169,752	4,169,752	12%
Solid waste collection	-	2,183,140	2,183,140	7%	-	2,005,386	2,005,386	6%
Solid waste disposal	-	2,884,566	2,884,566	9%	-	2,828,187	2,828,187	8%
<b>Total expenses</b>	<b>16,477,030</b>	<b>16,795,661</b>	<b>33,272,691</b>	<b>100%</b>	<b>17,082,172</b>	<b>16,673,158</b>	<b>33,755,330</b>	<b>100%</b>
Excess (deficiency)	1,031,896	1,583,017	2,614,913		557,903	2,810,479	3,368,382	
Transfers	676,249	(676,249)	-		1,471,179	(1,471,179)	-	
Change in net assets	1,708,145	906,768	2,614,913		2,029,082	1,339,299	3,368,381	
Beginning net assets	30,231,462	35,661,693	65,893,155		28,202,380	34,322,394	62,524,774	
Ending net assets	\$ 31,939,607	\$ 36,568,461	\$ 68,508,068		\$ 30,231,462	\$ 35,661,693	\$ 65,893,155	

**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 \$9,872,925 in local option sales taxes in fiscal year 2012, the City would have had \$4,936,462 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.

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However, the City of Statesboro and Bulloch County (and the other cities in the county) do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums in both 2002 for a five-year term and in 2006 (beginning collections in 2007) for a six-year term. In fiscal year 2012, sales taxes of \$5,174,194 out of \$17,524,083 in total governmental funds revenues, or 29.5%, were received from the 2007 SPLOST. Of that money, \$1,871,869 was transferred to the business-type funds for capital projects (water and sewer and solid waste collection and disposal systems). The remaining, \$3,302,325, will be used primarily for governmental activities, or 18.8% of the governmental funds' total revenues. In addition, all of that money will be spent on capital outlay, not operating costs, as the SPLOST funds are earmarked by state law specifically for capital outlay only. Similarly, in fiscal year 2011, \$5,320,853 in sales taxes represented 30.1% of the \$17,688,470 in governmental funds revenues.

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 48.5% of revenues as compared to 46% in fiscal year 2011. Property taxes provided \$3,876,889 or 22.1% of the City's total governmental activities revenue as compared to 21.9% in fiscal year 2011.

Also, note that program revenues covered 54.3% in fiscal year 2012, and 54.9% in fiscal year 2011 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 2012, and 45.1% in fiscal year 2011 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 55.3% of the City's total governmental activity expenses and 27.4% of the total City expenses in fiscal year 2012. In fiscal year 2011, the figures were 51.6% and 26.1% respectively. In fiscal year 2012, general government totaled 11.7% of the total governmental activity expense, and 5.8% of the total City expenses. In fiscal year 2011, general government totaled 13.9% of the total governmental activity expenses, and 7.1% of the total City expenses. Of the total \$16.5 million of governmental expenses, depreciation is 11.9% of that total. In fiscal year 2011, the numbers were \$17 million and 10.2% respectively.

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

	<b>Governmental Activities</b>			
	<b>2012</b>		<b>2011</b>	
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
General government	\$ 1,934,250	\$ 1,277,692	\$ 2,368,425	\$ 1,440,439
Municipal court	556,554	556,554	622,589	622,589
Public safety	9,119,781	5,369,253	8,806,859	5,088,496
Public works	2,807,901	(1,351,417)	2,634,834	(1,737,407)
Community development	622,364	609,505	553,860	553,860
Parks and cemeteries	427,882	427,882	458,607	458,607
Engineering	437,128	61,181	597,136	244,566
Planning and zoning	273,996	273,996	477,485	477,485
Community services	269,663	269,663	519,484	519,484
Interest	27,512	27,512	42,893	42,893
<b>Total</b>	<b>16,477,031</b>	<b>\$ 7,521,821</b>	<b>17,082,172</b>	<b>\$ 7,711,012</b>

For fiscal year 2012 and 2011, all functions required a subsidy from general revenues except for public works. In fiscal year 2012 and 2011, \$4,159,318 and \$4,342,411, 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 2010, the operating revenues for utility funds were 3.2% higher than 2009 and operating expenses were 3.5% below fiscal year 2009. Within the total business type activities of the City, these activities reported \$2,463,461 in operating income, or an increase of 85.4% compared to fiscal year 2009. After transfers in and out between other funds, these funds reported a gain of \$1,265,553, or an increase of \$2,583,045, compared to fiscal year 2009. The primary reason for this increase was an increase in rates for services in the enterprise funds.

For fiscal year 2011, the operating revenues for utility funds were 4.1% higher than 2010 and operating expenses were .7% higher than fiscal year 2010. Within the total business type activities of the City, these activities reported \$3,102,868 in operating income, or an increase of 26% compared to fiscal year 2010. After transfers in and out between other funds, these funds reported a gain of \$1,465,081, or an increase of \$199,528, compared to fiscal year 2010. The primary reason for this increase was an increase in rates for services in the enterprise funds.

For fiscal year 2012, operating revenues for utility funds were 4% lower than 2011 and operating expenses were 1.6% higher than fiscal year 2011. Within the total business type activities of the City, these activities reported \$2,104,934 in operating income, or a decrease of 32.2% compared to fiscal year 2011. After transfers in and out between other funds, these funds reported a gain of \$916,004 or a decrease of \$549,077, compared to fiscal year 2011. The primary reason for this decrease was a decrease in tap fees due to less development.

Each specific fund reported the following operating income or loss:

	2012		2011	
	<u>Amount</u>	<u>Percent Change</u>	<u>Amount</u>	<u>Percent Change</u>
Water and sewer fund	\$ 1,226,116	(45.4)%	\$ 2,245,403	14.6%
Reclaimed water sewer fund	\$ 4,790	371%	\$ 1,017	0%
Gas fund	\$ 1,082,978	3%	\$ 1,051,021	3.5%
Solid waste collection fund	\$ 711,720	(6.9)%	\$ 764,371	38.6%
Solid waste disposal fund	\$ (920,670)	4%	\$ (958,944)	9.8%

The operating income for the water and sewer fund decreased by 45.4% in fiscal year 2012 since operating revenues decreased, primarily due to a decrease in tap fees due to a slowdown in development and operating expenses increased 7.5% due to an increase in repairs and maintenance costs, as well as indirect cost allocation from the General Fund.

The gas funds' operating income increased by 3.0% over fiscal year 2011 primarily due to the City implementing a "floor" in its pricing of Natural Gas.

The solid waste collection fund's operating income decreased 6.9% due to an increase in personnel and benefits.

Finally, the solid waste disposal funds' operating loss decreased by 4.0% from fiscal year 2011. Operating revenues increased by 7.6% and operating expenses increased by 3.6%. The revenues do not cover all expenses, and SPLOST Funds is therefore used to make up the difference.

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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 2007 SPLOST fund of \$1,666,667 in fiscal year 2012, which was used for the purchase of landfill space (air rights) in the Wayne County Solid Waste Landfill and for post-closure costs for our Lakeview Landfill.

## **Financial Analysis of the City's Funds**

### ***Governmental Funds***

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$9,234,981 in fiscal year 2012, compared to \$6,623,957 in fiscal year 2011, and \$4,294,517 in fiscal year 2010. Of these year-end totals, \$8,649,183 (or 93.7%) in fiscal year 2012 and \$6,489,602 (or 98%) in fiscal year 2011 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 2012 of \$2,611,024 or 39.4% compared to a increase in fiscal year 2011 of \$2,329,440 or 54.2%. This fiscal year 2012 and 2011 increase is primarily the result of the City receiving 2007 SPLOST funds of \$2,235,195 over amounts spent during the year for 2012 and \$2,319,900 for 2011.

### ***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 \$320,941 in fiscal year 2012. The General Fund's fund balance increased by \$82,354 in fiscal year 2011, and decreased by \$1,022,689 in fiscal year 2010 and by \$527,298 in fiscal year 2009. The decrease in 2009 was planned uses of fund balance to help finance the Averitt Arts Center operations and the new Police Station. The decrease in 2010 was the result of budgeting for a deficit, the settlement of a lawsuit by a former employee, and making a large transfer to the Benefits Insurance Fund because of increased health insurance costs.

Total taxes for the general fund were \$8,002,568, or 4.0% higher than in fiscal year 2011. Total property taxes in fiscal year 2012 were \$3,675,552 compared to \$3,695,637 in fiscal year 2011. In fiscal year 2011, total taxes were \$7,695,363, or 1.4% higher than the \$7,585,112 in fiscal year 2010.

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The general fund's total expenditures decreased by \$838,484 or 7.0%, in fiscal year 2012 compared to a decrease of \$289,451 or 2.4%, in fiscal year 2011.

The General Fund's ending unassigned fund balance \$209,475 represents the equivalent of 1.5% of the \$13,639,925 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 25% of the next fiscal year's budgeted General Fund expenditures and transfers out. This provides more than adequate cash flow to handle these monthly fluctuations, while providing a cushion against any major unexpected events. The unassigned fund balance is at 1.5%, below the 25% target set for unassigned fund balance. The governing body has adopted a conservative General Fund budget for FY 2013, 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 \$378,598 at year-end compared to \$484,439 at the end of fiscal year 2011. This represents a \$105,841 or 21.8% decrease.

The 2007 SPLOST fund's ending restricted fund balance was \$7,876,543 for fiscal year 2012. This is an increase of \$2,235,195 over fiscal year 2011. The reason is the City began receiving its portion of SPLOST in February 2010 for projects that have not been started or completed.

### *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 102% of budgeted revenues in the final appropriated budget. The total expenditure budget was increased through budget amendments by \$700. Overall, the City recognized expenditures equal to \$81,794 less than, or 99.3%, of budgeted expenditures in the final appropriated budget. In summary, the budget was underspent by .7%, while revenue estimates were 2% over.

On the revenue side of the budget, property taxes came in \$64,210 higher than the amended budget. Franchise fees came in \$193,954 more than budgeted. Insurance Premium Taxes came in \$73,111 more than budgeted. Fines and Forfeitures came in \$178,163 less than budgeted. In total, General Fund revenues came in \$205,963 more than the budgeted amount.

On the expenditure side, the Governing Body, Legal, Human Resources, Municipal Court, Engineering, Planning and Zoning, and Debt Service costs were considerably below the budgeted amounts. Police, Financial Administration, Information Technology, and Streets and Public Works exceeded the budget due to some end of year adjustments. Overall, the General Fund expenditures were \$81,794 less than budgeted.

Fund Balance was budgeted to increase by \$19,277. However, fund balance increased by \$301,644 more than budgeted, to end at \$320,941 more than the previous year's fund balance.

The FY 2013 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, 2012 was \$24,905,332 and \$45,137,222 respectively, for a total of \$70,042,554. That compares to fiscal year 2011 numbers of \$25,662,398 and \$43,733,540 respectively, for a total of \$69,395,938. The fiscal year 2012 totals in this net investment were a 3% decrease for governmental and a 3.2% increase for business-type

activities. The overall increase was 1% 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	
	2012	2011	2012	2011	2012	2011
Non-depreciable assets:						
Land	\$ 1,636,113	\$ 1,636,113	\$ 554,410	\$ 549,410	\$ 2,190,523	\$ 2,185,523
Construction in progress	-	-	936,646	2,348,038	936,646	2,348,038
Total non-depreciable	1,636,113	1,636,113	1,491,056	2,897,448	3,127,169	4,533,561
Depreciable assets:						
Buildings	14,059,521	14,059,521	2,212,994	2,114,622	16,272,515	16,174,143
Improvements other than buildings	619,730	619,730	65,293,869	61,749,754	65,913,599	62,369,484
Machinery and equipment	9,625,587	9,049,502	10,309,385	9,258,824	19,934,972	18,308,326
Infrastructure	14,307,682	13,847,258	-	-	14,307,682	13,847,258
Total depreciable assets	38,612,520	37,576,011	77,816,248	73,123,200	116,428,768	110,699,211
Less accumulated depreciation	15,343,301	13,549,726	34,170,082	32,287,108	49,513,383	45,836,834
Book value - depreciable assets	23,269,219	24,026,285	43,646,166	40,836,092	66,915,385	64,862,377
Percentage depreciated	40%	36%	44%	44%	43%	41%
Total book value	\$ 24,905,332	\$ 25,662,398	\$ 45,137,222	\$ 43,733,540	\$ 70,042,554	\$ 69,395,938

At June 30, 2012, the depreciable capital assets for governmental activities were 40% depreciated. This percentage is higher than the fiscal year 2011 amount of 36%.

The major increase in capital assets in fiscal year 2012 was several road projects and the acquisition of equipment for the police and fire department using SPLOST proceeds.

In the City's business type activities, 44% of the asset values were depreciated at June 30, 2012 and 2011. The major increase in capital assets in fiscal year 2011 was the completion of several water and sewer projects and the purchase of solid waste collection equipment.

**Long-term Debt**

In fiscal year 2010, the City issued \$15,040,000 in water and sewer refunding and improvement revenue bonds to advance refund water and sewer revenue refunding bonds of \$215,000 and several water and sewer notes payable totaling \$6,132,934. In addition, \$7,675,000 of the bond proceeds were provided to fund future water and sewer projects. Total long-term debt for the City increased by \$8,344,163 in fiscal year 2010.

In fiscal year 2011, the capital leases decreased by \$411,588; the bonded debt decreased by \$487,575; and the notes payable increased by \$181,846. Combined, this represented a decrease in long-term debt of \$717,317.

June 30, 2012

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.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Capital leases	\$ 1,226,380	\$ 1,433,249	\$ 125,347	\$ 205,522	\$ 1,351,727	\$ 1,638,771
Revenue bonds (including unamortized premium)	-	-	14,375,934	14,838,509	14,375,934	14,838,509
Notes payable	-	-	3,835,518	3,930,912	3,835,518	3,930,912
Landfill closure and postclosure care	-	-	1,450,864	1,579,273	1,450,864	1,579,273
Other post employment benefits	745,589	423,076	299,798	175,346	1,045,387	598,422
Compensated absences	502,753	491,529	205,029	186,996	707,782	678,525
Total	<u>\$ 2,474,722</u>	<u>\$ 2,347,854</u>	<u>\$ 20,292,490</u>	<u>\$ 20,916,558</u>	<u>\$ 22,767,212</u>	<u>\$ 23,264,412</u>

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

### Economic Conditions Affecting the City

As of October 2012, the local unemployment rate was 11.6%, which was higher than the state rate of 8.5% and the national rate of 7.9%. 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 Assets  
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 9,104,419	\$ 3,102,180	\$ 12,206,599	\$ 572,550
Receivables:				
Accounts	191,162	1,826,530	2,017,692	-
Taxes	365,020	-	365,020	-
Hotel/motel taxes	47,189	-	47,189	-
Intergovernmental	1,040,104	-	1,040,104	13,314
Notes	253,007	-	253,007	-
Internal balances	(297,446)	297,446	-	-
Inventory	130,186	432,658	562,844	-
Prepaid items	347,307	449,285	796,592	1,164
Restricted assets - Cash and cash equivalents	-	539,036	539,036	-
<b>Total Current Assets</b>	<b>11,180,948</b>	<b>6,647,135</b>	<b>17,828,083</b>	<b>587,028</b>
<b>Noncurrent Assets</b>				
Restricted assets - Cash and cash equivalents	-	6,428,455	6,428,455	-
Deferred charges	-	178,552	178,552	-
Capital Assets:				
Nondepreciable capital assets	1,636,113	1,491,056	3,127,169	20,912
Depreciable capital assets, net	23,269,219	43,646,166	66,915,385	920,119
<b>Total Noncurrent Assets</b>	<b>24,905,332</b>	<b>51,744,229</b>	<b>76,649,561</b>	<b>941,031</b>
<b>Total Assets</b>	<b>36,086,280</b>	<b>58,391,364</b>	<b>94,477,644</b>	<b>1,528,059</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	541,865	771,146	1,313,011	-
Accrued payroll	91,864	37,119	128,983	1,413
Intergovernmental payable	-	23,538	23,538	-
Accrued interest payable	-	159,574	159,574	-
Claims payable	699,350	-	699,350	-
Unearned revenue	159,364	-	159,364	-
Other payables	179,508	-	179,508	350,000
Compensated absences payable	100,551	41,006	141,557	-
Capital leases payable	223,853	73,175	297,028	-
Notes payable	-	179,605	179,605	25,534
Revenue bonds payable	-	465,000	465,000	-
Customer deposits	-	539,036	539,036	-
Landfill post-closure care costs	-	161,585	161,585	-
<b>Total Current Liabilities</b>	<b>1,996,355</b>	<b>2,450,784</b>	<b>4,447,139</b>	<b>376,947</b>
<b>Long-Term Liabilities:</b>				
Compensated absences payable (net of current portion)	402,202	164,023	566,225	-
Other post employment benefits payable	745,589	299,798	1,045,387	-
Capital leases payable (net of current portion)	1,002,527	52,172	1,054,699	-
Revenue bonds payable, net of unamortized premium (net of current portion)	-	13,910,934	13,910,934	-
Notes payable (net of current portion)	-	3,655,913	3,655,913	675,391
Landfill post-closure care costs (net of current portion)	-	1,289,279	1,289,279	-
<b>Total Long-Term Liabilities</b>	<b>2,150,318</b>	<b>19,372,119</b>	<b>21,522,437</b>	<b>675,391</b>
<b>Total Liabilities</b>	<b>4,146,673</b>	<b>21,822,903</b>	<b>25,969,576</b>	<b>1,052,338</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	23,678,952	31,743,483	55,422,435	240,106
Restricted for:				
Capital projects	7,876,543	-	7,876,543	-
Program purposes	796,432	-	796,432	-
Revenue bond retirement	-	790,834	790,834	-
Unrestricted	(412,320)	4,034,144	3,621,824	235,615
<b>Total Net Assets</b>	<b>\$ 31,939,607</b>	<b>\$ 36,568,461</b>	<b>\$ 68,508,068</b>	<b>\$ 475,721</b>

See accompanying notes to the basic financial statements

City of Statesboro, Georgia  
Statement of Activities  
For the Year Ended June 30, 2012

Program/Function	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
General government	\$ 1,934,250	\$ 656,558	\$ -	\$ -	\$ (1,277,692)	\$ -	\$ (1,277,692)	\$ -
Municipal court	556,554	-	-	-	(556,554)	-	(556,554)	-
Public safety	9,119,781	2,468,175	183,150	1,099,203	(5,369,253)	-	(5,369,253)	-
Public works	2,807,901	-	-	4,159,318	1,351,417	-	1,351,417	-
Community development	622,364	-	12,859	-	(609,505)	-	(609,505)	-
Parks and cemeteries	427,882	-	-	-	(427,882)	-	(427,882)	-
Engineering	437,128	375,947	-	-	(61,181)	-	(61,181)	-
Planning and zoning	273,996	-	-	-	(273,996)	-	(273,996)	-
Community services	269,663	-	-	-	(269,663)	-	(269,663)	-
Interest	27,512	-	-	-	(27,512)	-	(27,512)	-
<b>Total Governmental Activities</b>	<b>16,477,030</b>	<b>3,500,680</b>	<b>196,009</b>	<b>5,258,521</b>	<b>(7,521,820)</b>	<b>-</b>	<b>(7,521,820)</b>	<b>-</b>
<b>Business-Type Activities:</b>								
Water and sewer	8,177,825	8,561,971	-	209,551	-	593,697	593,697	-
Reclaimed water system	21,359	26,149	-	-	-	4,790	4,790	-
Gas	3,528,771	4,597,727	-	-	-	1,068,956	1,068,956	-
Solid waste collection	2,183,140	2,900,086	-	-	-	716,946	716,946	-
Solid waste disposal	2,884,566	1,959,947	-	-	-	(924,619)	(924,619)	-
<b>Total Business-Type Activities</b>	<b>16,795,661</b>	<b>18,045,880</b>	<b>-</b>	<b>209,551</b>	<b>-</b>	<b>1,459,770</b>	<b>1,459,770</b>	<b>-</b>
<b>Total - Primary Government</b>	<b>\$ 33,272,691</b>	<b>\$ 21,546,560</b>	<b>\$ 196,009</b>	<b>\$ 5,468,072</b>	<b>(7,521,820)</b>	<b>1,459,770</b>	<b>(6,062,050)</b>	<b>-</b>
<b>Component Unit</b>								
Downtown Statesboro Development Authority	\$ 281,562	\$ 51,528	\$ 218,519	\$ -	-	-	-	(11,515)
<b>General Revenues</b>								
Property taxes levied for:								
General purposes					3,845,135	-	3,845,135	-
Hotel/motel taxes					526,504	-	526,504	-
Insurance premium taxes					1,333,111	-	1,333,111	-
Franchise taxes					1,974,408	-	1,974,408	-
Other taxes					818,160	-	818,160	-
Gain on sale of capital assets					16,597	16,839	33,436	-
Investment earnings					-	11,822	11,822	1,286
Miscellaneous					39,801	94,586	134,387	56,117
<b>Total General Revenues</b>					<b>8,553,716</b>	<b>123,247</b>	<b>8,676,963</b>	<b>57,403</b>
Transfers					676,249	(676,249)	-	-
<b>Total General Revenues and Transfers</b>					<b>9,229,965</b>	<b>(553,002)</b>	<b>8,676,963</b>	<b>57,403</b>
<b>Change in Net Assets</b>					<b>1,708,145</b>	<b>906,768</b>	<b>2,614,913</b>	<b>45,888</b>
<b>Net Assets Beginning of Year</b>					<b>30,231,462</b>	<b>35,661,693</b>	<b>65,893,155</b>	<b>429,833</b>
<b>Net Assets End of Year</b>					<b>\$ 31,939,607</b>	<b>\$ 36,568,461</b>	<b>\$ 68,508,068</b>	<b>\$ 475,721</b>

See accompanying notes to the basic financial statements.

**City of Statesboro, Georgia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	<b>General</b>	<b>Statesboro Fire Service</b>	<b>2007 SPLOST</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 14,381	\$ 290,639	\$ 7,874,563	\$ 305,866	\$ 8,485,449
Receivables:					
Accounts	54,035	22,850	-	-	76,885
Taxes	365,020	-	-	-	365,020
Hotel/motel taxes	-	-	-	47,189	47,189
Intergovernmental	22,193	93,473	841,178	83,260	1,040,104
Interfund	819,594	-	-	-	819,594
Notes	-	-	-	253,007	253,007
Prepaid items	211,929	23,792	-	-	235,721
<b>Total Assets</b>	<b>\$ 1,487,152</b>	<b>\$ 430,754</b>	<b>\$ 8,715,741</b>	<b>\$ 689,322</b>	<b>\$ 11,322,969</b>
<b>Liabilities</b>					
Accounts payable	\$ 263,407	\$ 18,371	\$ 199,146	\$ 9,185	\$ 490,109
Accrued payroll and payroll taxes	75,887	13,296	-	-	89,183
Interfund payable	391,455	-	640,052	109,483	1,140,990
Deferred revenue	167,709	20,489	-	-	188,198
Other liabilities	86,290	-	-	93,218	179,508
<b>Total Liabilities</b>	<b>984,748</b>	<b>52,156</b>	<b>839,198</b>	<b>211,886</b>	<b>2,087,988</b>
<b>Fund Balances</b>					
Nonspendable	211,929	23,792	-	-	235,721
Assigned	-	-	-	59,602	59,602
Unassigned	290,475	-	-	-	290,475
Restricted:					
Special revenue funds	-	354,806	-	417,834	772,640
Capital projects funds	-	-	7,876,543	-	7,876,543
<b>Total Fund Balances</b>	<b>502,404</b>	<b>378,598</b>	<b>7,876,543</b>	<b>477,436</b>	<b>9,234,981</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,487,152</b>	<b>\$ 430,754</b>	<b>\$ 8,715,741</b>	<b>\$ 689,322</b>	<b>\$ 11,322,969</b>

See accompanying notes to the basic financial statements

**City of Statesboro, Georgia**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2012**

<b>Total Governmental Fund Balances</b>	\$	9,234,981
 <b>Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because:</b>		
Capital assets used in governmental activities (excludes internal service funds) are not financial resources and therefore are not reported in the funds:		
Cost	\$ 39,832,409	
Less accumulated depreciation	<u>(15,072,027)</u>	24,760,382
 Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:		
Property taxes		28,834
 The internal service funds are used by management to charge the costs of the operation and maintenance of the vehicle fleet , workers' compensation, and health insurance to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net assets.		
		347,188
 Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:		
Interfund receivables	\$ 109,484	
Interfund payables	<u>(109,484)</u>	-
 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 assets:		
Capital leases payable	\$ (1,226,380)	
Other post employment benefits payable	(720,728)	
Compensated absences	<u>(484,670)</u>	<u>(2,431,778)</u>
 <b>Net Assets Of Governmental Activities</b>	 \$	 <u>31,939,607</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, 2012**

	General	Statesboro Fire Service	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 3,876,889	\$ -	\$ -	\$ -	\$ 3,876,889
Insurance premium taxes	1,333,111	-	-	-	1,333,111
Franchise taxes	1,974,408	-	-	-	1,974,408
Other taxes	818,160	-	-	-	818,160
Hotel/motel taxes	-	-	-	526,504	526,504
Intergovernmental	12,859	-	5,174,194	258,150	5,445,203
Licenses and permits	941,669	-	-	-	941,669
Fines and forfeitures	1,250,937	-	-	218,673	1,469,610
Charges for services	231,011	858,390	-	-	1,089,401
Investment earnings	-	-	9,327	-	9,327
Miscellaneous	34,400	401	-	5,000	39,801
<b>Total Revenues</b>	<b>10,473,444</b>	<b>858,791</b>	<b>5,183,521</b>	<b>1,008,327</b>	<b>17,524,083</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	1,762,517	-	-	-	1,762,517
Municipal court	541,681	-	-	-	541,681
Public safety	5,354,439	2,335,919	-	445,174	8,135,532
Public works	1,917,899	-	-	-	1,917,899
Community development	95,860	-	-	526,504	622,364
Parks and cemeteries	338,438	-	-	-	338,438
Engineering	396,485	-	-	-	396,485
Planning and zoning	260,767	-	-	-	260,767
Community services	171,883	-	-	-	171,883
<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>1,009,635</b>	<b>222,920</b>	<b>1,232,555</b>
<b>Debt Service:</b>					
Principal retirement	212,047	-	66,822	-	278,869
Interest and fiscal charges	27,512	-	-	-	27,512
<b>Total Expenditures</b>	<b>11,079,528</b>	<b>2,335,919</b>	<b>1,076,457</b>	<b>1,194,598</b>	<b>15,686,502</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(606,084)</b>	<b>(1,477,128)</b>	<b>4,107,064</b>	<b>(186,271)</b>	<b>1,837,581</b>
<b>Other Financing Sources (Uses)</b>					
Sale of capital assets	13,907	11,287	-	-	25,194
Proceeds from capital leases	-	-	-	72,000	72,000
Transfers in	2,373,118	1,360,000	-	275,000	4,008,118
Transfers out	(1,460,000)	-	(1,871,869)	-	(3,331,869)
<b>Total Other Financing Sources (Uses)</b>	<b>927,025</b>	<b>1,371,287</b>	<b>(1,871,869)</b>	<b>347,000</b>	<b>773,443</b>
<b>Net Change in Fund Balances</b>	<b>320,941</b>	<b>(105,841)</b>	<b>2,235,195</b>	<b>160,729</b>	<b>2,611,024</b>
<b>Fund Balances Beginning of Year</b>	<b>181,463</b>	<b>484,439</b>	<b>5,641,348</b>	<b>316,707</b>	<b>6,623,957</b>
<b>Fund Balances End of Year</b>	<b>\$ 502,404</b>	<b>\$ 378,598</b>	<b>\$ 7,876,543</b>	<b>\$ 477,436</b>	<b>\$ 9,234,981</b>

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, 2012**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ 2,611,024</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because</b>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	\$ (1,939,871)	
Capital outlay	1,204,287	(735,584)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred @ 6/30/12	\$ 28,834	
Deferred @ 6/30/11	(60,588)	(31,754)
Elimination of transfers between governmental funds:		
Transfers in	\$ 1,460,000	
Transfers out	(1,460,000)	-
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities		
		(8,597)
The internal service funds used by management to charge the costs of self-insurance and fleet management to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		
		(12,798)
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		
		(72,000)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		278,869
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 @ 6/30/12	\$ (484,670)	
Compensated absences liability @ 6/30/11	475,959	(8,711)
OPEB liability @ 6/30/12	\$ (720,728)	
OPEB liability @ 6/30/11	408,424	(312,304)
<b>Change In Net Assets of Governmental Activities</b>		<b>\$ 1,708,145</b>

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, 2012*

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Taxes:				
Property	\$ 3,611,342	\$ 3,611,342	\$ 3,675,552	\$ 64,210
Automobiles	190,000	190,000	201,337	11,337
Franchise	1,780,454	1,780,454	1,974,408	193,954
Insurance premium	1,260,000	1,260,000	1,333,111	73,111
Alcoholic beverage	667,275	667,275	672,491	5,216
Other	118,575	118,575	145,669	27,094
Licenses and permits	936,235	936,235	941,669	5,434
Intergovernmental	-	-	12,859	12,859
Charges for services	221,000	221,000	231,011	10,011
Fines and forfeitures	1,429,100	1,429,100	1,250,937	(178,163)
Miscellaneous	53,500	53,500	34,400	(19,100)
<b>Total Revenues</b>	<b>10,267,481</b>	<b>10,267,481</b>	<b>10,473,444</b>	<b>205,963</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government				
Governing body	226,227	238,227	221,231	16,996
City manager's office	134,785	114,785	112,427	2,358
City clerk's office	199,448	219,448	219,733	(285)
Elections	17,500	4,022	4,016	6
Financial administration	389,378	419,678	426,719	(7,041)
Legal	119,259	82,259	72,177	10,082
Information technology	346,822	341,822	359,739	(17,917)
Human resources	165,658	179,658	158,802	20,856
Government buildings	152,492	152,492	150,851	1,641
General administration fees	34,650	36,538	36,822	(284)
Total general government	1,786,219	1,788,929	1,762,517	26,412
Municipal court	589,897	588,404	541,681	46,723

(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, 2012**

(continued)

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Public safety				
Police	\$ 5,298,206	\$ 5,298,206	\$ 5,302,723	\$ (4,517)
Emergency management	5,000	5,000	5,000	-
Animal control	42,402	46,716	46,716	-
<b>Total public safety</b>	<b>5,345,608</b>	<b>5,349,922</b>	<b>5,354,439</b>	<b>(4,517)</b>
Streets/public works	1,843,618	1,843,618	1,917,899	(74,281)
Parks and cemeteries	348,421	346,985	338,438	8,547
Engineering	421,414	417,714	396,485	21,229
Planning and zoning	286,229	286,229	260,767	25,462
Community services				
Arts Center	135,172	135,172	135,897	(725)
Other	40,600	40,600	35,986	4,614
<b>Total community services</b>	<b>175,772</b>	<b>175,772</b>	<b>171,883</b>	<b>3,889</b>
Community development	85,956	86,261	95,860	(9,599)
<b>Debt Service:</b>				
Principal retirement	240,003	240,003	212,047	27,956
Interest and fiscal charges	37,485	37,485	27,512	9,973
<b>Total Debt Service</b>	<b>277,488</b>	<b>277,488</b>	<b>239,559</b>	<b>37,929</b>
<b>Total Expenditures</b>	<b>11,160,622</b>	<b>11,161,322</b>	<b>11,079,528</b>	<b>81,794</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(893,141)</b>	<b>(893,841)</b>	<b>(606,084)</b>	<b>287,757</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,373,118	2,373,118	2,373,118	-
Transfers out	(1,460,000)	(1,460,000)	(1,460,000)	-
Sale of capital assets	-	-	13,907	13,907
<b>Total Other Financing Sources (Uses)</b>	<b>913,118</b>	<b>913,118</b>	<b>927,025</b>	<b>13,907</b>
<b>Net Change in Fund Balances</b>	<b>\$ 19,977</b>	<b>\$ 19,277</b>	<b>320,941</b>	<b>\$ 301,664</b>
<b>Fund Balances Beginning of Year</b>			<b>181,463</b>	
<b>Fund Balances End of Year</b>			<b>\$ 502,404</b>	

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, 2012**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>				
Charges for services	\$ 950,000	\$ 896,900	\$ 858,390	\$ (38,510)
Investment earnings	600	600	-	(600)
Miscellaneous	2,100	2,100	401	(1,699)
<b>Total Revenues</b>	<u>952,700</u>	<u>899,600</u>	<u>858,791</u>	<u>(40,809)</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public safety - Fire	2,548,558	2,566,058	2,335,919	230,139
<b>Deficiency of Revenues Under Expenditures</b>	<u>(1,595,858)</u>	<u>(1,666,458)</u>	<u>(1,477,128)</u>	<u>189,330</u>
<b>Other Financing Sources</b>				
Transfers in	1,360,000	1,360,000	1,360,000	-
Sale of capital assets	-	-	11,287	11,287
<b>Total Other Financing Sources</b>	<u>1,360,000</u>	<u>1,360,000</u>	<u>1,371,287</u>	<u>11,287</u>
<b>Net Change in Fund Balances</b>	<u>\$ (235,858)</u>	<u>\$ (306,458)</u>	(105,841)	<u>\$ 200,617</u>
<b>Fund Balances Beginning of Year</b>			<u>484,439</u>	
<b>Fund Balances End of Year</b>			<u>\$ 378,598</u>	

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal		
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	\$ 1,981,689	\$ -	\$ 688,161	\$ 432,080	\$ 250	\$ 3,102,180	\$ 618,970
Receivables:							
Accounts	333,076	1,939	101,068	134,539	37,945	608,567	114,277
Unbilled accounts	585,506	-	231,049	242,325	159,083	1,217,963	-
Interfund	1,229,837	-	-	-	291,667	1,521,504	-
Inventory	348,635	-	84,023	-	-	432,658	130,186
Prepaid items	401,733	695	19,545	14,273	13,039	449,285	111,586
Restricted assets - Cash and cash equivalents	447,912	-	91,124	-	-	539,036	-
<b>Total Current Assets</b>	<b>5,328,388</b>	<b>2,634</b>	<b>1,214,970</b>	<b>823,217</b>	<b>501,984</b>	<b>7,871,193</b>	<b>975,019</b>
<b>Noncurrent Assets:</b>							
<b>Restricted Assets:</b>							
Cash and cash equivalents	6,428,455	-	-	-	-	6,428,455	-
<b>Deferred Charges</b>	<b>178,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,552</b>	<b>-</b>
<b>Capital Assets:</b>							
Land	352,981	-	78,004	-	123,425	554,410	-
Construction in progress	875,251	17,466	-	-	43,929	936,646	-
Depreciable capital assets, net	37,174,715	825,661	2,649,172	1,448,181	1,548,437	43,646,166	144,950
<b>Total Noncurrent Assets</b>	<b>45,009,954</b>	<b>843,127</b>	<b>2,727,176</b>	<b>1,448,181</b>	<b>1,715,791</b>	<b>51,744,229</b>	<b>144,950</b>
<b>Total Assets</b>	<b>50,338,342</b>	<b>845,761</b>	<b>3,942,146</b>	<b>2,271,398</b>	<b>2,217,775</b>	<b>59,615,422</b>	<b>1,119,969</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Accounts payable	272,611	1,424	148,317	301,938	46,856	771,146	51,756
Accrued payroll	24,127	-	4,343	6,013	2,636	37,119	2,681
Intergovernmental payable	-	-	23,538	-	-	23,538	-
Compensated absences payable	26,768	-	5,550	5,485	3,202	41,006	3,617
Notes payable	154,602	-	25,003	-	-	179,605	-
Capital leases payable	-	-	6,690	40,567	25,918	73,175	-
Revenue bonds payable	465,000	-	-	-	-	465,000	-
Customer deposits	447,912	-	91,124	-	-	539,036	-
Landfill post-closure care costs	-	-	-	-	161,585	161,585	-
Accrued interest payable	157,444	-	2,130	-	-	159,574	-
Claims payable	-	-	-	-	-	-	699,350
Interfund payable	-	52,223	-	-	895,464	947,687	252,421
<b>Total Current Liabilities</b>	<b>1,548,464</b>	<b>53,647</b>	<b>306,695</b>	<b>354,003</b>	<b>1,135,661</b>	<b>3,398,471</b>	<b>1,009,825</b>
<b>Long-Term Liabilities:</b>							
Compensated absences payable (net of current portion)	107,073	-	22,200	21,942	12,809	164,023	14,466
Other post employment benefits payable	199,495	-	34,760	38,161	27,382	299,798	24,861
Landfill post-closure care costs (net of current portion)	-	-	-	-	1,289,279	1,289,279	-
Notes payable (net of current portion)	3,393,788	-	262,125	-	-	3,655,913	-
Capital leases payable (net of current portion)	-	-	6,688	19,566	25,918	52,172	-
Revenue bonds payable, net of unamortized premium (net of current portion)	13,910,934	-	-	-	-	13,910,934	-
<b>Total Long-Term Liabilities</b>	<b>17,611,290</b>	<b>-</b>	<b>325,773</b>	<b>79,669</b>	<b>1,355,388</b>	<b>19,372,119</b>	<b>39,327</b>
<b>Total Liabilities</b>	<b>19,159,754</b>	<b>53,647</b>	<b>632,468</b>	<b>433,672</b>	<b>2,491,049</b>	<b>22,770,590</b>	<b>1,049,152</b>
<b>Net Assets</b>							
Invested in capital assets, net of related debt	25,421,683	843,127	2,426,670	1,388,048	1,663,955	31,743,483	144,950
Restricted for revenue bond retirement	790,834	-	-	-	-	790,834	-
Unrestricted	4,966,071	(51,013)	883,008	449,678	(1,937,229)	4,310,515	(74,133)
<b>Total Net Assets</b>	<b>\$ 31,178,588</b>	<b>\$ 792,114</b>	<b>\$ 3,309,678</b>	<b>\$ 1,837,726</b>	<b>\$ (273,274)</b>	<b>36,844,832</b>	<b>\$ 70,817</b>

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

(276,371)

Net assets of business-type activities

\$ 36,568,461

See accompanying notes to the basic financial statements

City of Statesboro, Georgia  
 Statement of Revenues,  
 Expenses and Changes in Fund Net Assets  
 Proprietary Funds  
 For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal		
<b>Operating Revenues</b>							
Charges for services	\$ 8,561,971	\$ 26,149	\$ 4,597,727	\$ 2,900,086	\$ 1,959,947	\$ 18,045,880	\$ 5,112,054
Miscellaneous	86,864	-	3,184	-	4,538	94,586	1,826
<b>Total Operating Revenues</b>	<u>8,648,835</u>	<u>26,149</u>	<u>4,600,911</u>	<u>2,900,086</u>	<u>1,964,485</u>	<u>18,140,466</u>	<u>5,113,880</u>
<b>Operating Expenses</b>							
Salaries	2,057,338	-	352,279	500,584	251,515	3,161,716	252,427
Employee benefits	1,039,323	-	161,410	291,299	152,708	1,644,740	116,090
Purchased services	1,519,801	6,229	275,657	995,479	2,210,981	5,008,147	355,343
Materials and supplies	494,492	2,533	89,155	158,067	57,625	801,872	32,446
Cost of sales	-	-	2,490,506	-	-	2,490,506	396,378
Indirect cost allocation	610,882	-	-	-	-	610,882	-
Depreciation	1,637,140	12,574	124,119	210,481	210,726	2,195,040	12,885
Claims	-	-	-	-	-	-	3,969,918
Other	63,743	23	24,807	32,456	1,600	122,629	1,094
<b>Total Operating Expenses</b>	<u>7,422,719</u>	<u>21,359</u>	<u>3,517,933</u>	<u>2,188,366</u>	<u>2,885,155</u>	<u>16,035,532</u>	<u>5,136,581</u>
<b>Operating Income (Loss)</b>	<u>1,226,116</u>	<u>4,790</u>	<u>1,082,978</u>	<u>711,720</u>	<u>(920,670)</u>	<u>2,104,934</u>	<u>(22,701)</u>
<b>Non-Operating Revenues (Expenses)</b>							
Investment earnings	11,822	-	-	-	-	11,822	-
Interest expense	(733,400)	-	(8,889)	-	-	(742,289)	-
Amortization	(8,604)	-	-	-	-	(8,604)	-
Gain on sale of capital assets	-	-	-	16,839	-	16,839	667
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(730,182)</u>	<u>-</u>	<u>(8,889)</u>	<u>16,839</u>	<u>-</u>	<u>(722,232)</u>	<u>667</u>
<b>Income (Loss) before Capital Contributions and Transfers</b>	<u>495,934</u>	<u>4,790</u>	<u>1,074,089</u>	<u>728,559</u>	<u>(920,670)</u>	<u>1,382,702</u>	<u>(22,034)</u>
Capital contributions	209,551	-	-	-	-	209,551	-
Transfers in	358,109	571	-	346,522	1,166,667	1,871,869	-
Transfers out	(888,118)	-	(925,000)	(543,000)	(192,000)	(2,548,118)	-
<b>Change in Net Assets</b>	<u>175,476</u>	<u>5,361</u>	<u>149,089</u>	<u>532,081</u>	<u>53,997</u>	<u>916,004</u>	<u>(22,034)</u>
<b>Net Assets Beginning of Year</b>	<u>31,003,112</u>	<u>786,753</u>	<u>3,160,589</u>	<u>1,305,645</u>	<u>(327,271)</u>	<u>35,828,728</u>	<u>92,851</u>
<b>Net Assets End of Year</b>	<u>\$ 31,178,588</u>	<u>\$ 792,114</u>	<u>\$ 3,309,678</u>	<u>\$ 1,837,726</u>	<u>\$ (273,274)</u>	<u>\$ 36,364,837</u>	<u>\$ 70,817</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.

(9,236)

\$ 906,768

See accompanying notes to the basic financial statements

City of Statesboro, Georgia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal		
<b>Cash Flows from Operating Activities</b>							
Cash received from customers	\$ 8,758,350	\$ 25,459	\$ 4,597,967	\$ 2,871,138	\$ 1,953,361	\$ 18,206,275	\$ 5,031,497
Cash payments to employees for services	(2,994,336)	(40,653)	(492,717)	(769,636)	(395,107)	(4,692,449)	(354,967)
Cash payments for goods and services	(3,076,502)	(8,785)	(2,915,789)	(979,875)	(2,400,548)	(9,381,499)	(805,116)
Cash payments for claims	-	-	-	-	-	-	(3,515,757)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>2,687,512</u>	<u>(23,979)</u>	<u>1,189,461</u>	<u>1,121,627</u>	<u>(842,294)</u>	<u>4,132,327</u>	<u>355,657</u>
<b>Cash Flows from Noncapital Financing Activities</b>							
Advances from (to) other funds	756,322	42,429	-	-	100,610	899,361	(136,891)
Transfers in (out)	(888,118)	571	(925,000)	(543,000)	(192,000)	(2,547,547)	-
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(131,796)</u>	<u>43,000</u>	<u>(925,000)</u>	<u>(543,000)</u>	<u>(91,390)</u>	<u>(1,648,186)</u>	<u>(136,891)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Proceeds from sale of capital assets	-	-	-	19,303	-	19,303	667
Capital contributions	209,551	-	-	-	-	209,551	-
Proceeds from loan	65,144	-	-	-	-	65,144	-
Payments on capital lease	-	-	(6,690)	(47,567)	(25,918)	(80,175)	-
Transfers in from capital projects funds	358,109	-	-	346,522	1,166,667	1,871,298	-
Principal paid on revenue bonds	(450,000)	-	-	-	-	(450,000)	-
Principal paid on notes payable	(136,270)	-	(24,268)	-	-	(160,538)	-
Interest paid on debt	(772,827)	-	(9,068)	-	-	(781,895)	-
Payments for capital acquisitions	(2,328,116)	(19,021)	(129,483)	(917,501)	(207,065)	(3,601,186)	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(3,054,409)</u>	<u>(19,021)</u>	<u>(169,509)</u>	<u>(599,243)</u>	<u>933,684</u>	<u>(2,908,498)</u>	<u>667</u>
<b>Cash Flows from Investing Activities</b>							
Investment earnings	11,822	-	-	-	-	11,822	-
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(486,871)</u>	<u>-</u>	<u>94,952</u>	<u>(20,616)</u>	<u>-</u>	<u>(412,535)</u>	<u>219,433</u>
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>9,344,927</u>	<u>-</u>	<u>684,333</u>	<u>452,696</u>	<u>250</u>	<u>10,482,206</u>	<u>399,537</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 8,858,056</u>	<u>\$ -</u>	<u>\$ 779,285</u>	<u>\$ 432,080</u>	<u>\$ 250</u>	<u>\$ 10,069,671</u>	<u>\$ 618,970</u>

(continued)

City of Statesboro, Georgia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds					Total	Governmental Activities -
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal		Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>							
<b>Operating Income (Loss)</b>	\$ 1,226,116	\$ 4,790	\$ 1,082,978	\$ 711,720	\$ (920,670)	\$ 2,104,934	\$ (22,701)
<b>Adjustments:</b>							
Depreciation	1,637,140	12,574	124,119	210,481	210,726	2,195,040	12,885
<b>(Increase) Decrease in Assets:</b>							
Accounts receivable	107,388	5	(5,494)	(28,948)	(11,124)	61,827	(82,383)
Materials and supplies inventory	(79,282)	-	(13,007)	-	-	(92,289)	(1,330)
Prepaid items	(369,365)	(695)	(2,176)	(12,106)	(3,058)	(387,400)	182,395
<b>Increase (Decrease) in Liabilities:</b>							
Accounts payable	61,063	(40,653)	(26,308)	218,233	1,125	213,460	(20,381)
Accrued payroll	7,946	-	1,517	2,331	381	12,175	827
Compensated absences payable	9,991	-	4,960	5,713	(2,631)	18,033	2,513
Other post employment benefits payable	84,388	-	14,495	14,203	11,366	124,452	10,210
Sales taxes payable	-	-	5,827	-	-	5,827	-
Customer deposits	2,127	-	2,550	-	-	4,677	-
Accrued landfill postclosure costs	-	-	-	-	(128,409)	(128,409)	-
Claims payable	-	-	-	-	-	-	273,622
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 2,687,512</u>	<u>\$ (23,979)</u>	<u>\$ 1,189,461</u>	<u>\$ 1,121,627</u>	<u>\$ (842,294)</u>	<u>\$ 4,132,327</u>	<u>\$ 355,657</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, 2012*

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*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

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

***Note 1 - Summary of Significant Accounting Policies***

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

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

***1-A. Reporting Entity***

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

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

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

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

***Downtown Statesboro Development Authority*** (the Authority) – The Authority is a public corporation created in 1981. The primary purpose of the Authority is to promote industry and trade in the downtown area. The City Council appoints one board member and provides its primary funding. 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, 2012*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**1-B. Basis of Presentation**

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

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

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

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

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

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

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

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

**Governmental Funds** - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**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.

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

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

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

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

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

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

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

**1-C. Measurement Focus**

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

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

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

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**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 deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

**Revenues - Non-exchange Transactions** - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

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

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

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

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

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

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

**1-E. Assets, Liabilities and Fund Equity**

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

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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

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

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

***1-E-2 Receivables***

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water, sewer and gas charges are accrued as receivables and revenue at June 30, 2012

***1-E-3 Interfund Balances***

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

***1-E-4 Consumable Inventories***

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

***1-E-5 Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

***1-E-6 Restricted Assets***

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

***1-E-7 Capital Assets***

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

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

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

**1-E-8 Compensated Absences**

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

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

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

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

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

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

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

**1-E-11 Fund Equity**

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

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. 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 or 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

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

***1-E-12 Operating Revenues and Expenses***

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

***1-E-13 Contributions of Capital***

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

***1-E-14 Interfund Activity***

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

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

***1-E-15 Estimates***

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

***1-E-16 Comparative Data***

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

***Note 2 – Stewardship, Compliance and Accountability***

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

All budgets are adopted on a basis consistent with GAAP.

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**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, 2012, expenditures exceeded appropriations for the following departments within the general fund:

City Clerk's Office	\$ 285
Financial Administration	7,041
General Administration Fees	284
Information Technology	17,917
Police	4,517
Streets/Public Works	74,281
Arts Center	725
Community Development	9,599

These overexpenditures were funded primarily by underexpenditures in other departments.

Expenditures exceeded appropriations by \$296 in the Confiscated Assets Fund and \$86,332 in the Multiple Grant Fund and these overexpenditures were funded by additional revenues over budget.

**2-C. Deficit Fund Equities**

The solid waste disposal fund had a deficit net asset balance of \$273,274 at June 30, 2012.

**Note 3 - Detailed Notes on All Funds**

**3-A. Cash and Cash Equivalents**

At June 30, 2012, the carrying amount of the City's deposits (i.e., checking and certificates of deposits) was \$19,174,090 and the bank balance was \$18,963,889. Of the bank balance, \$250,000 was covered by federal depository insurance and \$18,713,889 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.



*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

**Cash & Cash Equivalent Reconciliation:**

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 8,485,449
Enterprise Fund Statement of Net Assets	3,102,180
Enterprise Fund Statement of Net Assets - Restricted	6,967,491
Internal Service Fund Statement of Net Assets	618,970
 Total	 \$ 19,174,090

**3-B. Receivables**

Receivables at June 30, 2012, 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, 2012 follow:

Fund	Allowance For Uncollectibles
General	\$ 13,899
Water and sewer	244,359
Gas	111,406
Solid waste collection	86,734
Solid waste disposal	567

**3-C. Property Taxes**

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

Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2012, property taxes were levied on September 13, 2011 and were due December 20, 2011.

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

**3-D. Capital Assets**

Capital asset activity (including the fleet management internal service fund) for the year ended June 30, 2012, was as follows:

	<u>Balance</u> <u>7/1/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2012</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,636,113	\$ -	\$ -	\$ 1,636,113
Capital assets being depreciated				
Buildings	14,059,521	-	-	14,059,521
Improvements other than buildings	619,730	-	-	619,730
Machinery and equipment	9,049,502	743,863	167,778	9,625,587
Infrastructure	13,847,258	460,424	-	14,307,682
Total capital assets being depreciated	<u>37,576,011</u>	<u>1,204,287</u>	<u>167,778</u>	<u>38,612,520</u>
Total capital assets	<u>39,212,124</u>	<u>1,204,287</u>	<u>167,778</u>	<u>40,248,633</u>
Accumulated depreciation:				
Buildings	2,953,275	344,670	-	3,297,945
Improvements other than buildings	161,304	24,641	-	185,945
Machinery and equipment	5,992,846	833,924	159,181	6,667,589
Infrastructure	4,442,301	749,521	-	5,191,822
Total accumulated depreciation	<u>13,549,726</u>	<u>1,952,756</u>	<u>159,181</u>	<u>15,343,301</u>
Governmental activities capital assets, net	<u>\$ 25,662,398</u>	<u>\$ (748,469)</u>	<u>\$ 8,597</u>	<u>\$ 24,905,332</u>
Governmental activities depreciation expense:				
General government	\$ 119,978			
Municipal court	4,035			
Public safety	864,956			
Public works	763,383			
Parks and cemeteries	73,050			
Engineering	15,099			
Planning and zoning	1,590			
Community services	97,780			
Fleet management internal service fund	12,885			
Total depreciation expense	<u>\$ 1,952,756</u>			

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

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

	7/1/2011	Additions	Deductions	6/30/2012
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 549,410	\$ 5,000	\$ -	\$ 554,410
Construction in progress	2,348,038	61,395	1,472,787	936,646
Total capital assets not being depreciated	<u>2,897,448</u>	<u>66,395</u>	<u>1,472,787</u>	<u>1,491,056</u>
Capital assets being depreciated				
Buildings	2,114,622	98,372	-	2,212,994
Improvements other than buildings	61,749,754	3,544,115	-	65,293,869
Machinery and equipment	9,258,824	1,365,091	314,530	10,309,385
Total capital assets being depreciated	<u>73,123,200</u>	<u>5,007,578</u>	<u>314,530</u>	<u>77,816,248</u>
Total capital assets	<u>76,020,648</u>	<u>5,073,973</u>	<u>1,787,317</u>	<u>79,307,304</u>
Accumulated depreciation:				
Buildings	919,061	62,129	-	981,190
Improvements other than buildings	24,047,826	1,552,134	-	25,599,960
Machinery and equipment	7,320,221	580,777	312,066	7,588,932
Total accumulated depreciation	<u>32,287,108</u>	<u>2,195,040</u>	<u>312,066</u>	<u>34,170,082</u>
Business-type activities capital assets, net	<u>\$ 43,733,540</u>	<u>\$ 2,878,933</u>	<u>\$ 1,475,251</u>	<u>\$ 45,137,222</u>

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

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
Component Unit - Downtown Statesboro Development Authority:				
Capital assets not being depreciated:				
Land	\$ -	\$ 20,912	\$ -	\$ 20,912
Capital assets being depreciated:				
Buildings	963,651	-	-	\$ 963,651
Improvements other than buildings	12,552	-	-	12,552
Machinery and equipment	9,285	-	-	9,285
Total capital assets being depreciated	<u>985,488</u>	<u>-</u>	<u>-</u>	<u>985,488</u>
Total Capital Assets	<u>985,488</u>	<u>20,912</u>	<u>-</u>	<u>1,006,400</u>
Accumulated depreciation:				
Buildings	26,674	28,678	-	55,352
Improvements other than buildings	1,674	837	-	2,511
Machinery and equipment	6,966	540	-	7,506
Total accumulated depreciation	<u>35,314</u>	<u>30,055</u>	<u>-</u>	<u>65,369</u>
Component unit capital assets, net	<u>\$ 950,174</u>	<u>\$ (9,143)</u>	<u>\$ -</u>	<u>\$ 941,031</u>

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

**3-E. - Interfund Balances and Transfers**

Interfund balances at June 30, 2012, 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	\$ 31,223
	Multiple Grant Fund	78,260
	Solid Waste Disposal Fund	457,690
	Fleet Management Fund	191,209
	Worker's Compensation Fund	61,212
Water and Sewer Operations Fund	General Fund	391,455
	Solid Waste Disposal Fund	437,774
	2007 SPLOST Fund	348,385
	Reclaimed Water Fund	52,223
Solid Waste Disposal Fund	2007 SPLOST Fund	291,667
		<u>\$ 2,341,098</u>

Interfund transfers for the year ended June 30, 2012, consisted of the following:

<u>Transfer to:</u>	<u>Transfers From:</u>		
	<u>General Fund</u>	<u>2007 SPLOST Fund</u>	<u>Water and Sewer Operating Fund</u>
General Fund	\$ -	\$ -	\$ 713,118
Statesboro Fire Service Fund	1,360,000	-	-
Capital Improvements Fund	100,000	-	175,000
Water and Sewer Operating Fund	-	358,109	-
Reclaimed Water Sewer Fund	-	571	-
Solid Waste Collection Fund	-	346,522	-
Solid Waste Disposal Fund	-	1,166,667	-
	<u>\$ 1,460,000</u>	<u>\$ 1,871,869</u>	<u>\$ 888,118</u>

<u>Transfer to:</u>	<u>Transfers From:</u>			
	<u>Gas Operating Fund</u>	<u>Solid Waste Collection Fund</u>	<u>Solid Waste Disposal Fund</u>	<u>Total</u>
General Fund	\$ 925,000	\$ 543,000	\$ 192,000	\$ 2,373,118
Statesboro Fire Service Fund	-	-	-	1,360,000
Capital Improvements Fund	-	-	-	275,000
Water and Sewer Operating Fund	-	-	-	358,109
Reclaimed Water Sewer Fund	-	-	-	571
Solid Waste Collection Fund	-	-	-	346,522
Solid Waste Disposal Fund	-	-	-	1,166,667
	<u>\$ 925,000</u>	<u>\$ 543,000</u>	<u>\$ 192,000</u>	<u>\$ 5,879,987</u>

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

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, 2012, was \$1,450,864. This amount is based on what it would cost to perform all postclosure care in 2012. 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, 2012 was \$14,115,000.

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.

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2012 follow:

Year	Principal	Interest	Total
2013	465,000	579,021	1,044,021
2014	475,000	569,721	1,044,721
2015	480,000	560,221	1,040,221
2016	500,000	541,021	1,041,021
2017	520,000	521,021	1,041,021
2018-2022	2,900,000	2,307,255	5,207,255
2023-2027	3,635,000	1,570,005	5,205,005
2028-2032	4,455,000	738,155	5,193,155
2033	685,000	29,969	714,969
<b>Total</b>	<b>\$ 14,115,000</b>	<b>\$ 7,416,389</b>	<b>\$ 21,531,389</b>

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 3 - Detailed Notes on All Funds (Continued)**

**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, 2012, as follows:

One Georgia Authority, payable in quarterly installments of \$8,334 including interest at 3% through April 1, 2022	\$ 287,128
GEFA (2006 L25WJA), payable in monthly installments of \$10,381 including interest at 4.28% through April 1, 2028	1,430,735
GEFA (2006-L25WJB), payable in monthly installments of \$4,857 including interest at 4.28% through April 2028	669,399
GEFA (2007-L31WJ), payable in monthly installments of \$3,247 including interest at 4.10% through March 1, 2009	461,140
GEFA (2008-L05WJ), payable in monthly installments of \$6,705 including interest at 4.10% through July 1, 2029	<u>987,116</u>
	<u><u>\$ 3,835,518</u></u>

Component Unit - Downtown Statesboro Development Authority

Note payable to BB&T, payable in monthly installments of \$5,000 including interest at a variable rate (5% at June 30, 2012), with a final payment of principal and interest due April 10, 2015	<u>\$ 700,725</u>
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Annual debt service requirements to amortize all notes payable outstanding, as of June 30, 2012 follow:

Year	Primary Government			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 179,605	\$ 155,994	\$ 335,599	\$ 25,534	\$ 34,466	\$ 60,000
2014	187,056	148,543	335,599	26,840	33,160	60,000
2015	194,823	140,776	335,599	648,351	26,587	674,938
2016	202,889	132,711	335,600	-	-	-
2017	211,378	124,222	335,600	-	-	-
2018-2022	1,196,266	483,266	1,679,532	-	-	-
2023-2027	1,288,083	223,233	1,511,316	-	-	-
2028-2030	375,418	12,865	388,283	-	-	-
Total	<u>\$ 3,835,518</u>	<u>\$ 1,421,610</u>	<u>\$ 5,257,128</u>	<u>\$ 700,725</u>	<u>\$ 94,213</u>	<u>\$ 794,938</u>

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

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

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
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**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

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

The lease requires annual payments as follows:

Year	Principal	Interest	Total
2013	\$ 65,500	\$ 34,808	\$ 100,308
2014	69,500	31,972	101,472
2015	73,500	28,970	102,470
2016	78,000	25,788	103,788
2017	82,500	22,417	104,917
2018-2022	492,500	54,065	546,565
Total	\$ 861,500	\$ 198,020	\$ 1,059,520

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

	Cost
2007 Tymco Street Sweeper	\$ 92,846
Motorola Communication Equipment	249,404
2008 Chevrolet Silverado	21,108
2008 F150 Truck	15,412
2009 F150 Truck	22,297
(2) 2008 East Tandem Trucks	129,590
2008 F250 Truck	18,036
2008 Peterbilt 320 Garbage Truck	202,834
Pierce Custom Contender Fire Engine	334,111
Side Dresser	72,000
	<u>\$ 1,157,638</u>

The leases require annual payments without interest as follows:

Year	Governmental Activities	Business-Type Activities	Total
	Principal	Principal	
2013	\$ 158,353	\$ 73,175	\$ 231,528
2014	110,905	52,172	163,077
2015	81,222	-	81,222
2016	14,400	-	14,400
Total	\$ 364,880	\$ 125,347	\$ 490,227

*City of Statesboro, Georgia*  
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**Note 3 – Detailed Notes on All Funds (Continued)**

**Changes in Long-term Debt** - Changes in the City’s long-term obligations consisted of the following for the year ended June 30, 2012:

<u>Primary Government</u>	Outstanding			Outstanding	
Governmental Activities	7/1/2011	Additions	Reductions	6/30/2012	Amounts Due in One Year
Capital lease - City Hall	\$ 923,500	\$ -	\$ 62,000	\$ 861,500	\$ 65,500
Capital lease - GMA	509,749	72,000	216,869	364,880	158,353
Other post employment benefits	423,075	322,514	-	745,589	-
Compensated absences	491,529	37,313	26,089	502,753	100,551
<b>Total Governmental Activities</b>	<b>\$ 2,347,853</b>	<b>\$ 431,827</b>	<b>\$ 304,958</b>	<b>\$ 2,474,722</b>	<b>\$ 324,404</b>
<b>Business-Type Activities</b>					
Water and sewer revenue bonds	\$ 14,565,000	\$ -	\$ 450,000	\$ 14,115,000	\$ 465,000
Unamortized bond premium	273,509	-	12,575	260,934	-
	14,838,509	-	462,575	14,375,934	465,000
Notes payable - water fund	3,619,516	65,144	136,270	3,548,390	154,602
Notes payable - gas fund	311,396	-	24,268	287,128	25,003
Capital lease - GMA	205,522	-	80,175	125,347	73,175
Landfill closure and post-closure care	1,579,273	-	128,409	1,450,864	161,585
Other post employment benefits	175,346	124,452	-	299,798	-
Compensated absences	186,996	18,033	-	205,029	41,006
<b>Total Business-Type Activities</b>	<b>\$ 20,916,558</b>	<b>\$ 207,629</b>	<b>\$ 831,697</b>	<b>\$ 20,292,490</b>	<b>\$ 920,371</b>
<b>Component Unit</b>					
Downtown Statesboro Development Authority Note payable	\$ 724,646	\$ -	\$ 23,921	\$ 700,725	\$ 25,534

The capital lease obligations for governmental funds will be paid from the General Fund and for business-type activities from the fund which incurred the capital lease obligation. The compensated absences 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 closure and post-closure care liability will be retired from the solid waste disposal fund.

**3-H. Pensions**

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



*City of Statesboro, Georgia*  
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**Note 3 - Detailed Notes on All Funds (Continued)**

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

**Annual Pension Cost and Net Pension Obligation** - For 2012, the City's annual pension cost of \$730,791 for the plan was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2012, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% per year for inflation, (c) additional projected salary increases of 3.5% per year attributed to seniority/merit, and (d) no post-retirement benefit increase. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is thirty years from 1982 and current changes in the unfunded actuarial accrued liability over fifteen years for actuarial gains and losses, twenty years for plan provisions and thirty years for actuarial assumptions and cost methods at a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(Funding Excess) (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded AAL/(funding Excess) as a Percentage of Covered Payroll
1/1/2010	\$ 14,933,885	\$ 14,298,326	104.4%	\$ (635,559)	\$ 11,335,059	-5.6%
1/1/2011	16,365,217	14,216,904	115.1%	\$ (2,148,313)	8,761,645	-24.5%
1/1/2012	17,536,111	15,532,914	112.9%	\$ (2,003,197)	9,058,361	-22.1%

Schedule of Employer Contributions

Year Ended June 30	Annual Pension Cost	Percentage Contributed
2010	914,465	100%
2011	706,853	100%
2012	730,791	100%

**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. 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 did not make any contributions to the plan during the year ended June 30, 2012.

*City of Statesboro, Georgia*  
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**Note 3 - Detailed Notes on All Funds (Continued)**

**3-J. Fund Equity**

As of June 30, 2012, governmental fund balances are composed of the following:

	General Fund	Statesboro Fire Service	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 211,929	\$ 23,792	\$ -	\$ -	\$ 235,721
Assigned					
Capital projects	-	-	-	59,602	59,602
Restricted:					
Capital projects	-	-	7,876,543	-	7,876,543
Fire protection	-	354,806	-	-	354,806
Police	-	-	-	191,050	191,050
Community development	-	-	-	226,784	226,784
Unassigned	290,475	-	-	-	290,475
Total fund balances	<u>\$ 502,404</u>	<u>\$ 378,598</u>	<u>\$ 7,876,543</u>	<u>\$ 477,436</u>	<u>\$ 9,234,981</u>

Net assets invested in capital assets, net of related debt, on the government-wide statement of net assets as of June 30, 2012 are as follows:

	Governmental Activities	Business Type Activities	Component Unit
Investments in capital assets, net of related debt:			
Cost of capital assets	\$ 40,248,633	\$ 79,307,304	\$ 1,006,400
Less accumulated depreciation	15,343,301	34,170,082	65,369
Book value	24,905,332	45,137,222	941,031
Less capital related debt	1,226,380	18,336,799	700,925
Plus unspent bond proceeds	-	4,943,060	-
Investments in capital assets, net of related debt	<u>\$ 23,678,952</u>	<u>\$ 31,743,483</u>	<u>\$ 240,106</u>

**Note 4 – Other Notes**

**4-A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters 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

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**Note 4 – Other Notes (Continued)**

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 \$699,350 reported at June 30, 2012 for the Internal Service Funds represents known claims incurred on or prior to June 30, 2012 and an estimate for claims that have been incurred but not reported. Changes in the funds' claims liability for the year ended June 30, 2012 were as follows:

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2010	400,000	3,729,990	3,594,990	535,000
2011	535,000	3,784,284	3,893,556	425,728
2012	425,728	3,969,918	3,696,296	699,350

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

**4-B. Contingent Liabilities**

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

The City was a defendant in several lawsuits at June 30, 2012. 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 nine county coastal Georgia area, is a member of the Coastal Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2012, the City paid \$28,422 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

*City of Statesboro, Georgia*  
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**Note 4 – Other Notes (Continued)**

member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Georgia Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

**4-D. Hotel-Motel Lodging Tax**

The City has levied a 5% lodging tax. A summary of the transactions for the year ended June 30, 2012 follows:

		<u>Percentage of tax receipts</u>
Lodging tax receipts	\$ 526,504	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(210,602)	40.0%
Statesboro Arts Council for performing arts center	(184,276)	35.0%
Downtown Statesboro Development Authority for promotion of tourism	(131,626)	25.0%
	<hr/>	
Total	<u><u>\$ -</u></u>	

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

**4-E. Other Post-Employment Benefits**

**Plan Description.** The City sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription and death benefits to eligible retirees and their spouses. At June 30, 2012, nine 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 100% of coverage if the employee has 25 or more years of service.

For the year ended June 30, 2012, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$107,975 for 2012. 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.

*City of Statesboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended June 30, 2012*

**Note 4 – Other Notes (Continued)**

Annual Required Contribution	\$ 553,773
Interest on Net OPEB Obligation	7,004
Adjustment to Annual Required Contribution	<u>(5,837)</u>
Annual OPEB Cost (Expense)	554,940
Contributions Made	<u>(107,975)</u>
Increase in Net Obligation	446,965
Net OPEB Obligation (BOY)	598,422
Net OPEB Obligation (EOY)	<u><u>\$ 1,045,387</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010-2012 is as follows:

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	110,900	21%	175,103
6/30/2011	554,940	24%	598,422
6/30/2012	554,940	19%	1,045,387

**Funded Status and Funding Progress.** As of July 1, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$3,989,988 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$3,989,988. The covered payroll (annual payroll of active employees covered by the plan) was \$10,109,447 and the ratio of the UAAL to the covered payroll was 39.5%.

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.

**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, 2010 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 7% 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, 2010 was 30 years.

**4-F. Subsequent Events**

Management has evaluated subsequent events through December 21, 2012, the date that the financial statements were available for issue. No subsequent events were noted.



*Nonmajor Governmental  
Funds - By Fund Type*

**City of Statesboro, Georgia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds - By Fund Type**  
**June 30, 2012**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 244,492	\$ 61,374	\$ 305,866
Receivables:			
Hotel/motel taxes	47,189	-	47,189
Intergovernmental	83,260	-	83,260
Notes	253,007	-	253,007
<b>Total Assets</b>	<b>\$ 627,948</b>	<b>\$ 61,374</b>	<b>\$ 689,322</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,413	\$ 1,772	\$ 9,185
Interfund payable	109,483	-	109,483
Other	93,218	-	93,218
<b>Total Liabilities</b>	<b>210,114</b>	<b>1,772</b>	<b>211,886</b>
<b>Fund Balances</b>			
Assigned	-	59,602	59,602
Restricted	417,834	-	417,834
<b>Total Fund Balances</b>	<b>417,834</b>	<b>59,602</b>	<b>477,436</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 627,948</b>	<b>\$ 61,374</b>	<b>\$ 689,322</b>

**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, 2012**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Hotel/motel taxes	\$ 526,504	\$ -	\$ 526,504
Intergovernmental	258,150	-	258,150
Fines and forfeitures	218,673	-	218,673
Miscellaneous	5,000	-	5,000
<b>Total Revenues</b>	<b>1,008,327</b>	<b>-</b>	<b>1,008,327</b>
<b>Expenditures</b>			
<b>Current:</b>			
Public safety	445,174	-	445,174
Community development	526,504	-	526,504
<b>Capital Outlay:</b>			
General government	-	105,607	105,607
Public works	-	85,066	85,066
Parks and cemeteries	-	16,345	16,345
Community development	-	7,350	7,350
Engineering	-	8,552	8,552
<b>Total Expenditures</b>	<b>971,678</b>	<b>222,920</b>	<b>1,194,598</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>36,649</b>	<b>(222,920)</b>	<b>(186,271)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	275,000	275,000
Proceeds from capital lease	-	72,000	72,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>347,000</b>	<b>347,000</b>
<b>Net Change in Fund Balances</b>	<b>36,649</b>	<b>124,080</b>	<b>160,729</b>
<b>Fund Balances Beginning of Year</b>	<b>381,185</b>	<b>(64,478)</b>	<b>316,707</b>
<b>Fund Balances End of Year</b>	<b>\$ 417,834</b>	<b>\$ 59,602</b>	<b>\$ 477,436</b>





*General Fund*

**City of Statesboro, Georgia**  
**General Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 14,381	\$ 14,531
Receivables:		
Taxes	365,020	403,297
Accounts	54,035	65,542
Intergovernmental	22,193	18,201
Interfund	819,594	1,242,689
Prepaid items	211,929	214,608
<b>Total Assets</b>	<u>\$ 1,487,152</u>	<u>\$ 1,958,868</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 263,407	\$ 187,116
Accrued payroll and payroll taxes	75,887	110,540
Other liabilities	86,290	89,911
Interfund payable	391,455	1,209,000
Deferred revenue	167,709	180,838
<b>Total Liabilities</b>	<u>984,748</u>	<u>1,777,405</u>
<b>Fund Balances</b>		
Nonspendable	211,929	214,608
Unassigned	290,475	(33,145)
<b>Total Fund Balances</b>	<u>502,404</u>	<u>181,463</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,487,152</u>	<u>\$ 1,958,868</u>

**City of Statesboro, Georgia**  
**General Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Taxes:		
Property	\$ 3,675,552	\$ 3,695,637
Automobiles	201,337	186,679
Franchise	1,974,408	1,815,932
Insurance premium	1,333,111	1,221,874
Alcoholic beverage	672,491	647,353
Other	145,669	125,888
Licenses and permits	941,669	926,979
Intergovernmental	12,859	-
Charges for services	231,011	218,362
Fines and forfeitures	1,250,937	1,344,271
Investment earnings	-	6,022
Miscellaneous	34,400	80,980
<b>Total Revenues</b>	<u>10,473,444</u>	<u>10,269,977</u>
<b>Expenditures</b>		
<b>Current:</b>		
General government		
Governing body	221,231	221,793
City manager's office	112,427	325,555
City clerk's office	219,733	222,325
Elections	4,016	70
Financial administration	426,719	580,997
Legal	72,177	151,657
Information technology	359,739	385,148
Human resources	158,802	169,582
Government buildings	150,851	146,286
General administration fees	36,822	34,650
Total general government	<u>1,762,517</u>	<u>2,238,063</u>
Municipal court	<u>541,681</u>	<u>555,219</u>
Public safety:		
Police	5,302,723	5,246,725
Emergency management	5,000	5,000
Animal control	46,716	64,000
Total public safety	<u>5,354,439</u>	<u>5,315,725</u>

(continued)

**General Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended June 30, 2012 and 2011**

(continued)

	<b>2012</b>	<b>2011</b>
Streets/public works	\$ 1,917,899	\$ 1,849,010
Parks and cemeteries	338,438	376,518
Engineering	396,485	557,869
Planning and zoning	260,767	465,345
Community services:		
Arts Center	135,897	135,867
Other	35,986	35,837
Total community services	171,883	171,704
Community development	95,860	81,075
<b>Debt Service:</b>		
Principal retirement	212,047	264,591
Interest and fiscal charges	27,512	42,893
<b>Total Debt Service</b>	<b>239,559</b>	<b>307,484</b>
<b>Total Expenditures</b>	<b>11,079,528</b>	<b>11,918,012</b>
<b>Deficiency of Revenues Under Expenditures</b>	<b>(606,084)</b>	<b>(1,648,035)</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	2,373,118	3,132,175
Transfers out	(1,460,000)	(1,409,644)
Sale of capital assets	13,907	7,858
<b>Total Other Financing Sources (Uses)</b>	<b>927,025</b>	<b>1,730,389</b>
<b>Net Change in Fund Balances</b>	<b>320,941</b>	<b>82,354</b>
<b>Fund Balances Beginning of Year</b>	<b>181,463</b>	<b>99,109</b>
<b>Fund Balances End of Year</b>	<b>\$ 502,404</b>	<b>\$ 181,463</b>



*Major Capital Projects  
Fund*

**City of Statesboro, Georgia**  
**2007 SPLOST Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 7,874,563	\$ 5,513,208
Intergovernmental receivable	841,178	1,255,012
<b>Total Assets</b>	<u>\$ 8,715,741</u>	<u>\$ 6,768,220</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 199,146	\$ 212,874
Interfund payable	640,052	913,998
<b>Total Liabilities</b>	839,198	1,126,872
<b>Fund Balances</b>		
Restricted	7,876,543	5,641,348
<b>Total Liabilities and Fund Balances</b>	<u>\$ 8,715,741</u>	<u>\$ 6,768,220</u>

**City of Statesboro, Georgia**  
**2007 SPLOST Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Intergovernmental - Sales taxes	\$ 5,174,194	\$ 4,995,146
Investment earnings	9,327	8,041
<b>Total Revenues</b>	<u>5,183,521</u>	<u>5,003,187</u>
<b>Expenditures</b>		
Capital outlay:		
Parks and cemetery	-	8,589
Public safety	474,726	745,321
Public works	534,909	328,233
Debt Service-Principal	66,822	66,822
<b>Total Expenditures</b>	<u>1,076,457</u>	<u>1,148,965</u>
<b>Excess of Revenues Over Expenditures</b>	4,107,064	3,854,222
<b>Other Financing Sources (Uses)</b>		
Transfers out	(1,871,869)	(1,534,322)
<b>Net Change in Fund Balances</b>	2,235,195	2,319,900
<b>Fund Balances Beginning of Year</b>	<u>5,641,348</u>	<u>3,321,448</u>
<b>Fund Balances End of Year</b>	<u>\$ 7,876,543</u>	<u>\$ 5,641,348</u>



*Nonmajor Capital  
Projects Fund*



**City of Statesboro, Georgia**  
**Capital Improvements Program Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 61,374	\$ -
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,772	\$ 4,598
Interfund payable	-	59,880
<b>Total Liabilities</b>	<u>1,772</u>	<u>64,478</u>
<b>Fund Balances</b>		
Assigned	59,602	-
Unassigned	-	(64,478)
<b>Total Fund Balances</b>	<u>59,602</u>	<u>(64,478)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 61,374</u>	<u>\$ -</u>

**City of Statesboro, Georgia**  
**Capital Improvements Program Fund**  
**Comparative Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Intergovernmental	\$ -	\$ 29,830
<b>Expenditures</b>		
<b>Capital Outlay</b>		
General government	105,607	-
Public works	85,066	85,504
Recreation	-	250,000
Parks and cemeteries	16,345	5,049
Engineering	8,552	17,333
Community development	7,350	-
<b>Total Expenditures</b>	<u>222,920</u>	<u>357,886</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(222,920)</u>	<u>(328,056)</u>
<b>Other Financing Sources</b>		
Transfers in	275,000	211,001
Proceeds from capital lease	72,000	-
<b>Total Other Financing Sources</b>	<u>347,000</u>	<u>211,001</u>
<b>Net Change in Fund Balances</b>	124,080	(117,055)
<b>Fund Balances Beginning of Year</b>	<u>(64,478)</u>	<u>52,577</u>
<b>Fund Balances End of Year</b>	<u>\$ 59,602</u>	<u>\$ (64,478)</u>



*Major Special  
Revenue Funds*

**City of Statesboro, Georgia**  
**Statesboro Fire Service Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 290,639	\$ 506,154
Accounts receivable		
Accounts	22,850	20,992
Intergovernmental	93,473	-
Prepaid items	23,792	17,370
<b>Total Assets</b>	<u>\$ 430,754</u>	<u>\$ 544,516</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 18,371	\$ 22,972
Deferred revenue	20,489	20,246
Accrued payroll	13,296	16,859
<b>Total Liabilities</b>	<u>52,156</u>	<u>60,077</u>
<b>Fund Balances</b>		
Nonspendable	23,792	17,370
Restricted	354,806	467,069
<b>Total Fund Balances</b>	<u>378,598</u>	<u>484,439</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 430,754</u>	<u>\$ 544,516</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, 2012 and 2011*

	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Charges for services	\$ 858,390	\$ 890,590
Miscellaneous	401	81
<b>Total Revenues</b>	858,791	890,671
<b>Expenditures</b>		
<b>Current:</b>		
Public safety - Fire	2,335,919	2,241,300
<b>Deficiency of Revenues Under Expenditures</b>	(1,477,128)	(1,350,629)
<b>Other Financing Sources</b>		
Transfers in	1,360,000	1,409,644
Sale of capital assets	11,287	-
<b>Total Other Financing Sources</b>	1,371,287	1,409,644
<b>Net Change in Fund Balances</b>	(105,841)	59,015
<b>Fund Balances Beginning of Year</b>	484,439	425,424
<b>Fund Balances End of Year</b>	<u>\$ 378,598</u>	<u>\$ 484,439</u>



*Nonmajor Special  
Revenue Funds*

City of Statesboro, Georgia  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	Confiscated Assets	CDBG	Department of Justice Grant	Hotel/Motel Tax	Multiple Grant	Technology Fee Fund	Total Nonmajor Special Revenue Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 110,642	\$ -	\$ 108,693	\$ 6,066	\$ -	\$ 19,091	\$ 244,492
Receivables:							
Hotel/motel taxes	-	-	-	47,189	-	-	47,189
Intergovernmental	-	5,000	-	-	78,260	-	83,260
Notes	-	253,007	-	-	-	-	253,007
<b>Total Assets</b>	<b>\$ 110,642</b>	<b>\$ 258,007</b>	<b>\$ 108,693</b>	<b>\$ 53,255</b>	<b>\$ 78,260</b>	<b>\$ 19,091</b>	<b>\$ 627,948</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 2,993	\$ -	\$ -	\$ 4,420	\$ 7,413
Interfund payable	-	31,223	-	-	78,260	-	109,483
Other	39,963	-	-	53,255	-	-	93,218
<b>Total Liabilities</b>	39,963	31,223	2,993	53,255	78,260	4,420	210,114
<b>Fund Balances</b>							
Restricted	70,679	226,784	105,700	-	-	14,671	417,834
<b>Total Liabilities and Fund Balances</b>	<b>\$ 110,642</b>	<b>\$ 258,007</b>	<b>\$ 108,693</b>	<b>\$ 53,255</b>	<b>\$ 78,260</b>	<b>\$ 19,091</b>	<b>\$ 627,948</b>

City of Statesboro, Georgia  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2012

	Confiscated Assets	CDBG	Department of Justice Grant	Hotel/Motel Tax	Multiple Grant	Technology Fee Fund	Total Nonmajor Special Revenue Funds
<b>Revenues</b>							
Hotel/motel taxes	\$ -	\$ -	\$ -	\$ 526,504	\$ -	\$ -	\$ 526,504
Intergovernmental	-	-	-	-	258,150	-	258,150
Fines and forfeitures	26,883	-	100,225	-	-	91,565	218,673
Miscellaneous	-	5,000	-	-	-	-	5,000
<b>Total Revenues</b>	<u>26,883</u>	<u>5,000</u>	<u>100,225</u>	<u>526,504</u>	<u>258,150</u>	<u>91,565</u>	<u>1,008,327</u>
<b>Expenditures</b>							
<b>Current:</b>							
Public safety	54,296	-	51,150	-	258,150	81,578	445,174
Community development	-	-	-	526,504	-	-	526,504
<b>Total Expenditures</b>	<u>54,296</u>	<u>-</u>	<u>51,150</u>	<u>526,504</u>	<u>258,150</u>	<u>81,578</u>	<u>971,678</u>
<b>Net Change in Fund Balances</b>	(27,413)	5,000	49,075	-	-	9,987	36,649
<b>Fund Balances Beginning of Year</b>	<u>98,092</u>	<u>221,784</u>	<u>56,625</u>	<u>-</u>	<u>-</u>	<u>4,684</u>	<u>381,185</u>
<b>Fund Balances End of Year</b>	<u>\$ 70,679</u>	<u>\$ 226,784</u>	<u>\$ 105,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,671</u>	<u>\$ 417,834</u>



**City of Statesboro, Georgia**  
**Confiscated Assets Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 110,642	\$ 141,877
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Other liabilities	\$ 39,963	\$ 43,785
<b>Fund Balances</b>		
Restricted	70,679	98,092
<b>Total Liabilities and Fund Balances</b>	<u>\$ 110,642</u>	<u>\$ 141,877</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, 2012**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2011)*

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>					
Fines and forfeitures	\$ 22,000	\$ 22,000	\$ 26,883	\$ 4,883	\$ 6,407
Investment earnings	300	300	-	(300)	-
<b>Total Revenues</b>	22,300	22,300	26,883	4,583	6,407
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	20,000	54,000	54,296	(296)	53,117
<b>Net Change in Fund Balances</b>	<u>\$ 2,300</u>	<u>\$ (31,700)</u>	(27,413)	<u>\$ 4,287</u>	(46,710)
<b>Fund Balances Beginning of Year</b>			98,092		144,802
<b>Fund Balances End of Year</b>			<u>\$ 70,679</u>		<u>\$ 98,092</u>

**City of Statesboro, Georgia**  
**Community Development Block Grant Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 1,137
Notes receivable	253,007	235,773
Intergovernmental receivable	5,000	10,000
<b>Total Assets</b>	<u>\$ 258,007</u>	<u>\$ 246,910</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ 31,223	\$ 25,126
<b>Fund Balances</b>		
Restricted	226,784	221,784
<b>Total Liabilities and Fund Balances</b>	<u>\$ 258,007</u>	<u>\$ 246,910</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, 2012**  
 (With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012			2011
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Sale of lots	\$ 10,000	\$ 5,000	\$ (5,000)	\$ 19,252
<b>Expenditures</b>				
<b>Current:</b>				
Community development	-	-	-	-
<b>Net Change in Fund Balances</b>	<u>\$ 10,000</u>	5,000	<u>\$ (5,000)</u>	19,252
<b>Fund Balances Beginning of Year</b>		<u>221,784</u>		<u>202,532</u>
<b>Fund Balances End of Year</b>		<u>\$ 226,784</u>		<u>\$ 221,784</u>

**City of Statesboro, Georgia**  
**Department of Justice Grant Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 108,693	\$ 57,197
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 2,993	\$ 572
<b>Fund Balances</b>		
Restricted	105,700	56,625
<b>Total Liabilities and Fund Balances</b>	<b>\$ 108,693</b>	<b>\$ 57,197</b>

**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, 2012**  
 (With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>					
Fines and forfeitures	40,000	60,000	100,225	40,225	62,879
<b>Total Revenues</b>	40,000	60,000	100,225	40,225	62,879
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	40,000	63,947	51,150	12,797	54,879
<b>Net Change in Fund Balances</b>	\$ -	\$ (3,947)	49,075	\$ 53,022	8,000
<b>Fund Balances Beginning of Year</b>			56,625		48,625
<b>Fund Balances End of Year</b>			\$ 105,700		\$ 56,625

**City of Statesboro, Georgia**  
***Hotel/Motel Tax Fund***  
***Comparative Balance Sheet***  
***June 30, 2012 and 2011***

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	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash	\$ 6,066	\$ -
Taxes receivable	47,189	43,838
<b>Total Assets</b>	<u>\$ 53,255</u>	<u>\$ 43,838</u>
<b>Liabilities</b>		
Other liabilities	<u>\$ 53,255</u>	<u>\$ 43,838</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, 2012**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2011)*

	2012		2011	
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Hotel/motel taxes	\$ 600,000	\$ 526,504	\$ (73,496)	\$ 473,055
<b>Expenditures</b>				
<b>Current:</b>				
Community development	600,000	526,504	73,496	473,055
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>Fund Balances Beginning of Year</b>		<u>-</u>		<u>-</u>
<b>Fund Balances End of Year</b>		<u>\$ -</u>		<u>\$ -</u>



**City of Statesboro, Georgia**  
***Multiple Grant Fund***  
***Comparative Balance Sheet***  
***June 30, 2012 and 2011***

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	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Intergovernmental receivable	<u>\$ 78,260</u>	<u>\$ 36,562</u>
<b>Liabilities</b>		
Interfund payable	<u>\$ 78,260</u>	<u>\$ 36,562</u>

**City of Statesboro, Georgia**  
**Multiple Grant Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2012**  
 (With Comparative Actual Amounts for the Year Ended June 30, 2011)

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>					
Intergovernmental	\$ 109,929	\$ 171,818	\$ 258,150	\$ 86,332	\$ 186,407
<b>Expenditures</b>					
<b>Current:</b>					
Public safety	109,929	171,818	258,150	(86,332)	186,407
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances Beginning of Year</b>			-		-
<b>Fund Balances End of Year</b>			<u>\$ -</u>		<u>\$ -</u>

**City of Statesboro, Georgia**  
**Technology Fee Fund**  
**Comparative Balance Sheet**  
**June 30, 2012 and 2011**

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	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 19,091	\$ 8,284
	<u>                    </u>	<u>                    </u>
<b>Liabilities</b>		
Accounts payable	\$ 4,420	\$ 3,600
	<u>                    </u>	<u>                    </u>
<b>Fund Balances</b>		
Restricted	14,671	4,684
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,091</u>	<u>\$ 8,284</u>

**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, 2012**  
*(With Comparative Actual Amounts for the Year Ended June 30, 2011)*

	2012			2011	
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>					
Fines and forfeitures	\$ 120,000	\$ 120,000	\$ 91,565	\$ (28,435)	\$ 62,418
<b>Expenditures</b>					
Public safety	80,848	86,438	81,578	4,860	57,734
<b>Net Change in Fund Balances</b>	<u>\$ 39,152</u>	<u>\$ 33,562</u>	9,987	<u>\$ (23,575)</u>	<u>\$ 4,684</u>
<b>Fund Balances Beginning of Year</b>			<u>4,684</u>		
<b>Fund Balances End of Year</b>			<u>\$ 14,671</u>		



*Major Enterprise Funds*

City of Statesboro, Georgia  
*Water and Sewer Operating Fund*  
*Comparative Statement of Net Assets*  
*June 30, 2012 and 2011*

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 1,981,689	\$ 1,086,495
Receivables:		
Accounts	333,076	379,994
Unbilled accounts	585,506	645,976
Interfund	1,229,837	1,986,159
Materials and supplies inventory	348,635	269,353
Prepaid items	401,733	32,368
Restricted assets - Cash and cash equivalents	447,912	445,785
<b>Total Current Assets</b>	<u>5,328,388</u>	<u>4,846,130</u>
<b>Noncurrent Assets:</b>		
<b>Restricted Assets:</b>		
Cash and cash equivalents	6,428,455	7,812,647
<b>Capital Assets:</b>		
Land	352,981	347,981
Buildings	669,505	641,859
Improvements other than buildings	59,506,161	56,768,337
Machinery and equipment	4,378,855	4,296,295
Less accumulated depreciation	(27,379,806)	(25,806,039)
Construction in progress	875,251	1,463,538
<b>Total Capital Assets</b>	<u>38,402,947</u>	<u>37,711,971</u>
<b>Other Assets:</b>		
Unamortized debt issuance costs	178,552	187,155
<b>Total Noncurrent Assets</b>	<u>45,009,954</u>	<u>45,711,773</u>
<b>Total Assets</b>	<u>50,338,342</u>	<u>50,557,903</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	272,611	211,548
Accrued payroll	24,127	16,181
Accrued interest payable	157,444	184,295
Current portion of notes payable	154,602	136,233
Current portion of revenue bonds payable	465,000	450,000
Customer deposits	447,912	445,785
Compensated absences payable	26,768	24,770
<b>Total Current Liabilities</b>	<u>1,548,464</u>	<u>1,468,812</u>
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	107,073	99,080
Other post employment benefits payable	199,495	115,107
Notes payable (net of current portion)	3,393,788	3,483,283
Revenue bonds payable, net of unamortized premium (net of current portion)	13,910,934	14,388,509
<b>Total Long-Term Liabilities</b>	<u>17,611,290</u>	<u>18,085,979</u>
<b>Total Liabilities</b>	<u>19,159,754</u>	<u>19,554,791</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	25,421,683	25,685,913
Restricted for revenue bond retirement	790,834	790,672
Unrestricted	4,966,071	4,526,527
<b>Total Net Assets</b>	<u>\$ 31,178,588</u>	<u>\$ 31,003,112</u>

City of Statesboro, Georgia  
*Water and Sewer Operating Fund*  
*Comparative Statement of Revenues,*  
*Expenses and Changes in Fund Net Assets*  
*For The Years Ended June 30, 2012 and 2011*

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Water sales	\$ 4,003,776	\$ 4,001,310
Sewer charges	3,571,571	3,599,440
Penalties	111,579	122,745
Reconnecting charges	153,831	141,869
Service fees	178,664	238,958
Tap fees	392,920	746,693
Rental income	149,630	160,402
Miscellaneous	86,864	140,984
<b>Total Operating Revenues</b>	<u>8,648,835</u>	<u>9,152,401</u>
<b>Operating Expenses</b>		
Salaries	2,057,338	2,062,150
Employee benefits	1,039,323	1,027,025
Purchased services:		
Training	8,006	4,434
Dues and certification	4,082	4,272
Repairs and maintenance	288,303	236,186
Inspections	47,833	44,910
Contracted services	22,105	41,832
Laboratory services	15,884	14,929
Electricity	750,447	723,757
Telephone	21,952	16,758
Insurance	42,714	46,010
Equipment rental	4,650	11,049
Engineering fees	69,706	229,292
Tippage fees	152,483	162,521
Travel	22,637	25,847
Advertising	3,024	6,002
Postage	65,975	65,555
Materials and supplies:		
Uniforms	18,874	20,232
Materials and supplies	291,599	216,716
Chemicals	67,003	73,959
Gasoline, oil, etc.	85,694	84,633
Small equipment	31,322	38,117
Indirect cost allocation	610,882	-
Depreciation	1,637,140	1,647,362
Bad debts	59,277	57,479
Other	4,466	45,971
<b>Total Operating Expenses</b>	<u>7,422,719</u>	<u>6,906,998</u>
<b>Operating Income</b>	<u>1,226,116</u>	<u>2,245,403</u>
<b>Non-Operating Revenues (Expenses)</b>		
Investment earnings	11,822	4,414
Interest expense	(733,400)	(743,328)
Amortization	(8,604)	(8,604)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(730,182)</u>	<u>(747,518)</u>
<b>Income Before Capital Contributions and Transfers</b>	495,934	1,497,885
Capital contributions	209,551	269,408
Transfers in	358,109	461,972
Transfers out	(888,118)	(1,524,000)
<b>Change in Net Assets</b>	175,476	705,265
<b>Net Assets Beginning of Year</b>	31,003,112	30,297,847
<b>Net Assets End of Year</b>	<u>\$ 31,178,588</u>	<u>\$ 31,003,112</u>

**City of Statesboro, Georgia**  
**Reclaimed Water System Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Accounts receivable	\$ 1,939	\$ 1,944
Prepaid insurance	695	-
<b>Total Current Assets</b>	<u>2,634</u>	<u>1,944</u>
<b>Noncurrent Assets</b>		
<b>Capital Assets:</b>		
Improvements other than buildings	838,235	-
Less accumulated depreciation	(12,574)	-
Construction in progress	17,466	836,680
<b>Total Capital Assets</b>	<u>843,127</u>	<u>836,680</u>
<b>Total Assets</b>	<u>845,761</u>	<u>838,624</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,424	42,077
Interfund payable	52,223	9,794
<b>Total Current Liabilities</b>	<u>53,647</u>	<u>51,871</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	843,127	836,680
Unrestricted	(51,013)	(49,927)
<b>Total Net Assets</b>	<u>\$ 792,114</u>	<u>\$ 786,753</u>



**City of Statesboro, Georgia**  
**Reclaimed Water System Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For The Year Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Charges for services	\$ 26,149	\$ 1,944
<b>Operating Expenses</b>		
Purchased services:		
Insurance	139	-
Electricity	6,090	311
Materials and supplies:		
Parts and materials	610	-
Chemicals	1,923	616
Depreciation	12,574	-
Other	23	-
<b>Total Operating Expenses</b>	<u>21,359</u>	<u>927</u>
<b>Operating Income</b>	4,790	1,017
Capital contributions	-	284,986
Transfers in	571	-
<b>Change in Net Assets</b>	5,361	286,003
<b>Net Assets Beginning of Year</b>	<u>786,753</u>	<u>500,750</u>
<b>Net Assets End of Year</b>	<u>\$ 792,114</u>	<u>\$ 786,753</u>

City of Statesboro, Georgia  
Gas Operating Fund  
Comparative Statement of Net Assets  
June 30, 2012 and 2011

	<b>2012</b>	<b>2011</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 688,161	\$ 595,759
Receivables:		
Accounts	101,068	113,337
Unbilled accounts	231,049	213,286
Inventory	84,023	71,016
Prepaid items	19,545	17,369
Restricted assets - Cash and cash equivalents	91,124	88,574
<b>Total Current Assets</b>	<b>1,214,970</b>	<b>1,099,341</b>
<b>Capital Assets:</b>		
Land	78,004	78,004
Buildings	191,038	154,535
Improvements other than buildings	4,622,898	4,552,919
Machinery and equipment	562,201	510,555
Less accumulated depreciation	(2,726,965)	(2,622,021)
Construction in progress	-	47,820
<b>Total Capital Assets</b>	<b>2,727,176</b>	<b>2,721,812</b>
<b>Total Assets</b>	<b>3,942,146</b>	<b>3,821,153</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	148,317	174,625
Accrued payroll	4,343	2,826
Accrued interest payable	2,130	2,309
Compensated absences payable	5,550	4,558
Sales tax payable	23,538	17,711
Customer deposits	91,124	88,574
Notes payable	25,003	24,267
Capital lease payable	6,690	6,690
<b>Total Current Liabilities</b>	<b>306,695</b>	<b>321,560</b>
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	22,200	18,232
Other post employment benefits payable	34,760	20,265
Notes payable (net of current portion)	262,125	287,129
Capital lease payable (net of current portion)	6,688	13,378
<b>Total Long-Term Liabilities</b>	<b>325,773</b>	<b>339,004</b>
<b>Total Liabilities</b>	<b>632,468</b>	<b>660,564</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	2,426,670	2,390,348
Unrestricted	883,008	770,241
<b>Total Net Assets</b>	<b>\$ 3,309,678</b>	<b>\$ 3,160,589</b>

**City of Statesboro, Georgia**  
**Gas Operating Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Charges for services	\$ 4,509,383	\$ 5,108,354
Penalties	45,586	57,246
Reconnecting charges	3,250	2,115
Tap fees	2,780	400
Transport fees	34,153	36,402
Service fees	2,575	1,855
Miscellaneous	3,184	681
<b>Total Operating Revenues</b>	<u>4,600,911</u>	<u>5,207,053</u>
<b>Operating Expenses</b>		
Salaries	352,279	325,872
Employee benefits	161,410	156,962
Purchased Services:		
Training	1,487	585
Dues and certification	2,090	1,723
Repairs and maintenance	84,014	67,141
Contracted services	99,923	78,993
Electricity	11,852	11,372
Telephone	7,436	9,055
Insurance	13,144	13,606
Equipment rental	1,908	7,334
Engineering fees	6,976	16,771
Water heater program	28,381	20,262
Travel	10,004	9,353
Advertising	794	2,171
Postage	274	101
Franchise fee	7,374	6,355
Materials and supplies:		
Uniforms	3,351	4,714
Materials and supplies	46,726	35,598
Chemicals	301	10,676
Gasoline, oil, etc.	26,571	22,058
Small equipment	12,206	3,263
Cost of sales	2,490,506	3,198,765
Depreciation	124,119	123,993
Bad debts	17,689	22,590
Other	7,118	6,719
<b>Total Operating Expenses</b>	<u>3,517,933</u>	<u>4,156,032</u>
<b>Operating Income</b>	1,082,978	1,051,021
<b>Non-Operating Revenues (Expenses)</b>		
Interest expense	(8,889)	(9,609)
<b>Income Before Transfers</b>	1,074,089	1,041,412
Transfers out	(925,000)	(931,690)
<b>Change in Net Assets</b>	149,089	109,722
<b>Net Assets Beginning of Year</b>	<u>3,160,589</u>	<u>3,050,867</u>
<b>Net Assets End of Year</b>	<u>\$ 3,309,678</u>	<u>\$ 3,160,589</u>

**City of Statesboro, Georgia**  
**Solid Waste Collection Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 432,080	\$ 452,696
Receivables:		
Accounts	134,539	126,617
Unbilled accounts	242,325	221,299
Prepaid items	14,273	2,167
<b>Total Current Assets</b>	<u>823,217</u>	<u>802,779</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Buildings	74,602	74,602
Machinery and equipment	3,329,074	2,622,341
Less accumulated depreciation	<u>(1,955,495)</u>	<u>(1,953,318)</u>
<b>Total Capital Assets</b>	<u>1,448,181</u>	<u>743,625</u>
<b>Total Assets</b>	<u>2,271,398</u>	<u>1,546,404</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	301,938	83,705
Accrued payroll	6,013	3,682
Compensated absences payable	5,485	4,343
Capital lease payable	40,567	47,567
<b>Total Current Liabilities</b>	<u>354,003</u>	<u>139,297</u>
<b>Long-Term Liabilities:</b>		
Compensated absences payable (net of current portion)	21,942	17,371
Other post employment benefits payable	38,161	23,958
Capital lease payable (net of current portion)	<u>19,566</u>	<u>60,133</u>
<b>Total Long-Term Liabilities</b>	<u>79,669</u>	<u>101,462</u>
<b>Total Liabilities</b>	<u>433,672</u>	<u>240,759</u>
<b>Net Assets</b>		
Invested in capital assets	1,388,048	635,925
Unrestricted	449,678	669,720
<b>Total Net Assets</b>	<u>\$ 1,837,726</u>	<u>\$ 1,305,645</u>

**City of Statesboro, Georgia**  
**Solid Waste Collection Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>		
Sanitation charges	\$ 2,859,256	\$ 2,657,923
Penalties	40,830	43,842
<b>Total Operating Revenues</b>	<b>2,900,086</b>	<b>2,701,765</b>
<b>Operating Expenses</b>		
Salaries	500,584	478,998
Employee benefits	291,299	260,997
Purchases services:		
Training	537	750
Dues and certification	233	199
Repairs and maintenance	329,534	227,019
Contracted services	-	7,875
Telephone	1,058	787
Insurance	5,021	5,698
Tippage fees	658,684	642,229
Advertising	412	2,444
Materials and supplies:		
Uniforms	12,216	7,991
Materials and supplies	3,779	3,351
Gasoline, oil, etc.	140,384	113,093
Chemicals	1,688	1,164
Depreciation	210,481	170,614
Bad debts	29,389	13,598
Other	3,067	587
<b>Total Operating Expenses</b>	<b>2,188,366</b>	<b>1,937,394</b>
<b>Operating Income</b>	<b>711,720</b>	<b>764,371</b>
<b>Non-Operating Revenues (Expenses)</b>		
Gain on sale of capital assets	16,839	27,886
<b>Income Before Transfers</b>	<b>728,559</b>	<b>792,257</b>
Transfers in	346,522	-
Transfers out	(543,000)	(590,567)
<b>Change in Net Assets</b>	<b>532,081</b>	<b>201,690</b>
<b>Net Assets Beginning of Year</b>	<b>1,305,645</b>	<b>1,103,955</b>
<b>Net Assets End of Year</b>	<b>\$ 1,837,726</b>	<b>\$ 1,305,645</b>

**City of Statesboro, Georgia**  
**Solid Waste Disposal Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 250	\$ 250
Receivables:		
Accounts	37,945	35,737
Unbilled accounts	159,083	150,167
Interfund	291,667	291,667
Prepaid items	13,039	9,981
<b>Total Current Assets</b>	<u>501,984</u>	<u>487,802</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Land	123,425	123,425
Buildings	1,277,962	1,243,626
Improvements other than buildings	202,801	202,801
Infrastructure	225,697	225,697
Machinery and equipment	1,937,219	1,829,633
Less accumulated depreciation	(2,095,242)	(1,905,730)
Construction in progress	43,929	-
<b>Total Capital Assets</b>	<u>1,715,791</u>	<u>1,719,452</u>
<b>Total Assets</b>	<u>2,217,775</u>	<u>2,207,254</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	46,856	45,731
Accrued payroll	2,636	2,255
Compensated absences payable	3,202	3,728
Capital lease payable	25,918	25,918
Interfund payable	895,464	794,854
Landfill postclosure care costs	161,585	119,058
<b>Total Current Liabilities</b>	<u>1,135,661</u>	<u>991,544</u>
<b>Long-Term Liabilities:</b>		
Compensated absences payable	12,809	14,914
Other post employment benefits payable	27,382	16,016
Landfill postclosure care costs (net of current portion)	1,289,279	1,460,215
Capital lease payable (net of current portion)	25,918	51,836
<b>Total Long-Term Liabilities</b>	<u>1,355,388</u>	<u>1,542,981</u>
<b>Total Liabilities</b>	<u>2,491,049</u>	<u>2,534,525</u>
<b>Net Assets</b>		
Invested in capital assets	1,663,955	1,641,698
Unrestricted	(1,937,229)	(1,968,969)
<b>Total Net Assets</b>	<u>\$ (273,274)</u>	<u>\$ (327,271)</u>

**City of Statesboro, Georgia**  
**Solid Waste Disposal Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>		
Tippage fees	\$ 1,951,390	\$ 1,749,991
Penalties	8,557	32,851
Miscellaneous	4,538	42,699
<b>Total Operating Revenues</b>	<b>1,964,485</b>	<b>1,825,541</b>
<b>Operating Expenses</b>		
Salaries	251,515	280,275
Employee benefits	152,708	144,732
Purchased services:		
Training	2,156	1,275
Dues and certification	233	718
Repairs and maintenance	185,602	129,270
Contracted services	10,885	60,236
Electricity	8,515	12,888
Telephone	3,156	2,759
Insurance	14,869	12,422
Equipment rental	357	1,023
Transportation and disposal	654,151	567,104
Air rights	1,103,875	1,053,326
Advertising	302	121
Special projects/programs	70,000	85,000
Waste reduction	34,648	40,144
Enforcement and monitoring	122,000	122,000
Travel	232	282
Materials and supplies:		
Uniforms	5,154	3,470
Materials and supplies	11,581	7,784
Gasoline, oil, etc.	39,584	34,339
Chemicals	1,306	1,324
Depreciation	210,726	221,779
Miscellaneous	1,600	2,214
<b>Total Operating Expenses</b>	<b>2,885,155</b>	<b>2,784,485</b>
<b>Operating (Loss)</b>	<b>(920,670)</b>	<b>(958,944)</b>
<b>Non-Operating Revenues</b>		
Gain on sale of capital assets	-	8,239
<b>(Loss) before Transfers</b>	<b>(920,670)</b>	<b>(950,705)</b>
Transfers in	1,166,667	1,299,024
Transfers out	(192,000)	(185,918)
<b>Change in Net Assets</b>	<b>53,997</b>	<b>162,401</b>
<b>Net Assets Beginning of Year</b>	<b>(327,271)</b>	<b>(489,672)</b>
<b>Net Assets End of Year</b>	<b>\$ (273,274)</b>	<b>\$ (327,271)</b>



# *Internal Service Funds*



City of Statesboro, Georgia  
Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2012

	Health Insurance	Fleet Management	Workers Compensation	Total
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 618,970	\$ -	\$ -	\$ 618,970
Accounts receivable	114,277	-	-	114,277
Inventory	-	130,186	-	130,186
Prepaid items	-	2,600	108,986	111,586
<b>Total Current Assets</b>	<b>733,247</b>	<b>132,786</b>	<b>108,986</b>	<b>975,019</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Depreciable capital assets, net	-	144,950	-	144,950
<b>Total Assets</b>	<b>733,247</b>	<b>277,736</b>	<b>108,986</b>	<b>1,119,969</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Accounts payable	12,799	38,957	-	51,756
Accrued payroll	-	2,681	-	2,681
Claims payable	686,687	-	12,663	699,350
Compensated absences payable	-	3,617	-	3,617
Interfund payable	-	191,209	61,212	252,421
<b>Total Current Liabilities</b>	<b>699,486</b>	<b>236,464</b>	<b>73,875</b>	<b>1,009,825</b>
<b>Long-Term Liabilities</b>				
Compensated absences payable (net of current portion)	-	14,466	-	14,466
Other post employment benefits payable	-	24,861	-	24,861
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>39,327</b>	<b>-</b>	<b>39,327</b>
<b>Total Liabilities</b>	<b>699,486</b>	<b>275,791</b>	<b>73,875</b>	<b>1,049,152</b>
<b>Net Assets</b>				
Invested in capital assets	-	144,950	-	144,950
Unrestricted	33,761	(143,005)	35,111	(74,133)
<b>Total Net Assets</b>	<b>\$ 33,761</b>	<b>\$ 1,945</b>	<b>\$ 35,111</b>	<b>\$ 70,817</b>

**City of Statesboro, Georgia**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	<b>Health Insurance</b>	<b>Fleet Management</b>	<b>Workers Compensation</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for services	\$ 3,751,899	\$ 949,456	\$ 410,699	\$ 5,112,054
Miscellaneous	66	1,760	-	1,826
<b>Total Operating Revenues</b>	<b>3,751,965</b>	<b>951,216</b>	<b>410,699</b>	<b>5,113,880</b>
<b>Operating Expenses</b>				
Salaries	-	252,427	-	252,427
Employee benefits	-	116,090	-	116,090
Purchased services	-	139,945	215,398	355,343
Materials and supplies	-	32,446	-	32,446
Cost of sales	-	396,378	-	396,378
Depreciation	-	12,885	-	12,885
Claims	3,889,535	-	80,383	3,969,918
Miscellaneous	-	1,094	-	1,094
<b>Total Operating Expenses</b>	<b>3,889,535</b>	<b>951,265</b>	<b>295,781</b>	<b>5,136,581</b>
<b>Operating Income (Loss)</b>	<b>(137,570)</b>	<b>(49)</b>	<b>114,918</b>	<b>(22,701)</b>
<b>Non-Operating Revenues</b>				
Sale of assets	-	667	-	667
<b>Change in Net Assets</b>	<b>(137,570)</b>	<b>618</b>	<b>114,918</b>	<b>(22,034)</b>
<b>Net Assets Beginning of Year</b>	<b>171,331</b>	<b>1,327</b>	<b>(79,807)</b>	<b>92,851</b>
<b>Net Assets End of Year</b>	<b>\$ 33,761</b>	<b>\$ 1,945</b>	<b>\$ 35,111</b>	<b>\$ 70,817</b>

City of Statesboro, Georgia  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2012

	<u>Health Insurance</u>	<u>Fleet Management</u>	<u>Workers Compensation</u>	<u>Total</u>
<b>Cash Flows from Operating Activities</b>				
Cash received from customers	\$ 3,669,582	\$ 951,216	\$ 410,699	\$ 5,031,497
Cash payments to employees for services	-	(354,967)	-	(354,967)
Cash payments for goods and services	-	(589,718)	(215,398)	(805,116)
Cash payments for claims	(3,445,463)	-	(70,294)	(3,515,757)
<b>Net Cash Provided by (Used in) Operating Activities</b>	224,119	6,531	125,007	355,657
<b>Cash Flows from Noncapital Financing Activities</b>				
Advances from (to) other funds	(4,686)	(7,198)	(125,007)	(136,891)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	-	667	-	667
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	219,433	-	-	219,433
<b>Cash and Cash Equivalents Beginning of Year</b>	399,537	-	-	399,537
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 618,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618,970</u>

**City of Statesboro, Georgia**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2012**

	<u>Health Insurance</u>	<u>Fleet Management</u>	<u>Workers Compensation</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
<b>Operating Income (Loss)</b>	\$ (137,570)	\$ (49)	\$ 114,918	\$ (22,701)
<b>Adjustments:</b>				
Depreciation	-	12,885	-	12,885
<b>(Increase) Decrease in Assets:</b>				
Accounts receivable	(82,383)	-	-	(82,383)
Materials and supplies inventory	-	(1,330)	-	(1,330)
Prepaid items	186,219	(1,250)	(2,574)	182,395
<b>Increase (Decrease) in Liabilities:</b>				
Accounts payable	(3,106)	(17,275)	-	(20,381)
Accrued payroll	-	827	-	827
Claims payable	260,959	-	12,663	273,622
Compensated absences payable	-	2,513	-	2,513
Other post employment benefits payable	-	10,210	-	10,210
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 224,119</u>	<u>\$ 6,531</u>	<u>\$ 125,007</u>	<u>\$ 355,657</u>

**City of Statesboro, Georgia**  
**Health Insurance Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 618,970	\$ 399,537
Accounts receivable	114,277	31,894
Interfund receivable	-	186,219
	<u>733,247</u>	<u>617,650</u>
<b>Total Current Assets</b>		
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Claims payable	686,687	425,728
Accounts payable	12,799	15,905
Interfund payable	-	4,686
	<u>699,486</u>	<u>446,319</u>
<b>Total Current Liabilities</b>		
<b>Net Assets</b>		
Unrestricted	<u>\$ 33,761</u>	<u>\$ 171,331</u>

**City of Statesboro, Georgia**  
**Health Insurance Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Premiums - City and employees	\$ 3,751,899	\$ 3,639,894
Miscellaneous	66	-
<b>Total Operating Revenues</b>	3,751,965	3,639,894
<b>Operating Expenses</b>		
Claims	3,889,535	3,453,864
<b>Change in Net Assets</b>	(137,570)	186,030
<b>Net Assets Beginning of Year</b>	171,331	(14,699)
<b>Net Assets End of Year</b>	<u>\$ 33,761</u>	<u>\$ 171,331</u>

**City of Statesboro, Georgia**  
**Fleet Management Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Inventory	\$ 130,186	\$ 128,856
Prepaid items	2,600	1,350
<b>Total Current Assets</b>	<u>132,786</u>	<u>130,206</u>
<b>Noncurrent Assets:</b>		
<b>Capital Assets:</b>		
Buildings	135,458	135,458
Equipment	280,766	280,766
Less accumulated depreciation	<u>(271,274)</u>	<u>(258,389)</u>
<b>Total Capital Assets</b>	<u>144,950</u>	<u>157,835</u>
<b>Total Assets</b>	<u>277,736</u>	<u>288,041</u>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	38,957	56,232
Accrued payroll	2,681	1,854
Compensated absences payable	3,617	3,114
Interfund payable	<u>191,209</u>	<u>198,407</u>
<b>Total Current Liabilities</b>	<u>236,464</u>	<u>259,607</u>
<b>Long-Term Liabilities</b>		
Compensated absences payable (net of current portion)	14,466	12,456
Other post employment benefits payable	<u>24,861</u>	<u>14,651</u>
<b>Total Long-Term Liabilities</b>	<u>39,327</u>	<u>27,107</u>
<b>Total Liabilities</b>	<u>275,791</u>	<u>286,714</u>
<b>Net Assets</b>		
Invested in capital assets	144,950	157,835
Unrestricted	<u>(143,005)</u>	<u>(156,508)</u>
<b>Total Net Assets</b>	<u>\$ 1,945</u>	<u>\$ 1,327</u>

**City of Statesboro, Georgia**  
**Fleet Management Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>		
Parts sales and labor charges	\$ 949,456	\$ 677,440
Miscellaneous	1,760	-
<b>Total Operating Revenues</b>	<b>951,216</b>	<b>677,440</b>
<b>Operating Expenses</b>		
Salaries	252,427	230,226
Employee benefits	116,090	122,894
Purchased services:		
Training	175	790
Dues and certification	123	7
Repairs and maintenance	7,839	4,096
Contracted services	110,623	138,049
Electricity	16,302	17,339
Telephone	695	826
Advertising	540	-
Insurance	1,870	1,708
Equipment rental	902	554
Travel	876	847
Materials and supplies:		
Uniforms	3,635	2,862
Materials and supplies	24,270	19,604
Gasoline, oil, etc.	4,541	4,161
Cost of sales	396,378	373,318
Depreciation	12,885	16,391
Miscellaneous	1,094	1,595
<b>Total Operating Expenses</b>	<b>951,265</b>	<b>935,267</b>
<b>Operating Income (Loss)</b>	<b>(49)</b>	<b>(257,827)</b>
<b>Non-Operating Revenues</b>		
Gain on sale of capital assets	667	-
<b>Change in Net Assets</b>	<b>618</b>	<b>(257,827)</b>
<b>Net Assets Beginning of Year</b>	<b>1,327</b>	<b>259,154</b>
<b>Net Assets End of Year</b>	<b>\$ 1,945</b>	<b>\$ 1,327</b>



**City of Statesboro, Georgia**  
**Workers Compensation Fund**  
**Comparative Statement of Net Assets**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Prepaid insurance	\$108,986	\$106,412
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Claims payable	12,663	-
Interfund payable	61,212	186,219
<b>Total Current Liabilities</b>	<u>73,875</u>	<u>186,219</u>
<b>Net Assets</b>		
Unrestricted	<u>\$ 35,111</u>	<u>\$ (79,807)</u>

**City of Statesboro, Georgia**  
**Workers Compensation Fund**  
**Comparative Statement of Revenues,**  
**Expenses and Changes in Fund Net Assets**  
**For the Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Operating Revenues</b>		
Premiums	\$ 410,699	\$ 235,913
<b>Operating Expenses</b>		
Premiums	215,398	202,421
Claims	80,383	127,998
<b>Total Operating Expenses</b>	<u>295,781</u>	<u>330,419</u>
<b>Change in Net Assets</b>	114,918	(94,506)
<b>Net Assets Beginning of Year</b>	<u>(79,807)</u>	<u>14,699</u>
<b>Net Assets End of Year</b>	<u>\$ 35,111</u>	<u>\$ (79,807)</u>

**City of Statesboro, Georgia**  
**Schedule of SPLOST Expenditures**  
**From Inception and for the Fiscal Year Ended June 30, 2012**

**2007 SPLOST**

	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Joint City/County Solid Waste Disposal	\$ 7,000,000	\$ 7,000,000	\$ 4,519,980	\$ 1,166,667	\$ 5,686,647	81%
Cemetery Expansion	900,000	900,000	887,828	-	887,828	99%
Waste and Sewer Projects	9,860,000	9,860,000	235,298	358,680	593,978	6%
Street and Drainage Projects	5,307,500	5,307,500	335,529	534,909	870,438	16%
Public Safety Facilities and Equipment	4,200,000	4,200,000	882,614	541,548	1,424,162	34%
Solid Waste Handling Equipment	1,400,000	1,400,000	-	346,522	346,522	25%
	<u>\$ 28,667,500</u>	<u>\$ 28,667,500</u>	<u>\$ 6,861,249</u>	<u>\$ 2,948,326</u>	<u>\$ 9,809,575</u>	<u>34%</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	\$ 1,076,457
Transfer to other funds	1,871,869
Total current year expenditures per above	<u>\$ 2,948,326</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.

<b>Contents</b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>S-1</b>
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	
<b>Revenue Capacity</b>	<b>S-10</b>
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.	
<b>Debt Capacity</b>	<b>S-18</b>
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.	
<b>Economic &amp; Demographic Information</b>	<b>S-22</b>
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.	
<b>Operating Information</b>	<b>S-24</b>
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 2012			Fiscal Year 2011			Fiscal Year 2010			Fiscal Year 2009			Fiscal Year 2008		
	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>
<b>Governmental Activities</b>															
General government	\$ 1,934,249	\$ 656,558	\$ (1,277,691)	\$ 2,368,425	\$ 927,986	\$ (1,440,439)	\$ 2,364,710	\$ 661,459	\$ (1,703,251)	\$ 2,683,348	\$ 765,661	\$ (1,917,687)	\$ 2,266,551	\$ 782,058	\$ (1,484,493)
Municipal court	556,554	-	(556,554)	622,589	-	(622,589)	603,544	-	(603,544)	697,203	-	(697,203)	635,975	-	(635,975)
Public safety	9,119,781	3,750,528	(5,369,253)	8,806,859	3,718,363	(5,088,496)	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)
Public works	2,807,901	4,159,318	1,351,417	2,634,834	4,372,241	1,737,407	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)
Community development	622,364	12,859	(609,505)	553,860	-	(553,860)	534,041	-	(534,041)	539,771	-	(539,771)	495,059	4,500	(490,559)
Parks and cemeteries	427,882	-	(427,882)	458,607	-	(458,607)	514,166	-	(514,166)	533,706	-	(533,706)	528,039	684,374	156,335
Engineering	437,128	375,947	(61,181)	597,136	352,570	(244,566)	850,662	284,887	(565,775)	760,687	100,637	(660,050)	701,021	153,737	(547,284)
Planning and zoning	273,996	-	(273,996)	477,485	-	(477,485)	326,066	-	(326,066)	285,709	-	(285,709)	241,067	-	(241,067)
Community services	269,663	-	(269,663)	519,484	-	(519,484)	284,557	-	(284,557)	535,258	5,500	(529,758)	349,975	6,250	(343,725)
Interest on long-term debt	27,512	-	(27,512)	42,893	-	(42,893)	34,202	-	(34,202)	30,966	-	(30,966)	46,241	-	(46,241)
<b>Subtotal Governmental Activities</b>	<b>16,477,030</b>	<b>8,955,210</b>	<b>(7,521,820)</b>	<b>17,082,172</b>	<b>9,371,160</b>	<b>(7,711,012)</b>	<b>16,978,345</b>	<b>9,973,277</b>	<b>(7,005,068)</b>	<b>16,984,698</b>	<b>6,249,489</b>	<b>(10,735,209)</b>	<b>15,773,944</b>	<b>7,898,181</b>	<b>(7,875,763)</b>
<b>Business-type Activities</b>															
Water and sewer	8,177,825	8,771,522	593,697	7,668,906	9,565,811	1,896,905	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
Reclaimed Water	21,359	26,149	4,790	927	1,944	1,017	-	-	-	-	-	-	-	-	-
Gas	3,528,771	4,597,727	1,068,956	4,169,752	5,204,257	1,034,505	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
Solid waste collection	2,183,140	2,900,086	716,946	2,005,386	2,701,765	696,379	2,094,925	2,605,201	510,276	2,026,631	2,538,590	511,959	1,968,174	2,471,249	503,075
Solid waste disposal	2,884,566	1,959,947	(924,619)	2,828,187	1,782,842	(1,045,345)	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)
<b>Subtotal Business-type Activities</b>	<b>16,795,661</b>	<b>18,255,431</b>	<b>1,459,770</b>	<b>16,673,158</b>	<b>19,256,619</b>	<b>2,583,461</b>	<b>16,399,019</b>	<b>18,619,839</b>	<b>2,220,820</b>	<b>16,909,415</b>	<b>17,599,945</b>	<b>690,530</b>	<b>17,277,169</b>	<b>18,885,541</b>	<b>1,608,372</b>
<b>Total Primary Government</b>	<b>\$ 33,272,691</b>	<b>\$ 27,210,641</b>	<b>\$ (6,062,050)</b>	<b>\$ 33,755,330</b>	<b>\$ 28,627,779</b>	<b>\$ (5,127,551)</b>	<b>\$ 33,377,364</b>	<b>\$ 28,593,116</b>	<b>\$ (4,784,248)</b>	<b>\$ 33,894,113</b>	<b>\$ 23,849,434</b>	<b>\$ (10,044,678)</b>	<b>\$ 33,051,113</b>	<b>\$ 26,783,722</b>	<b>\$ (6,267,391)</b>

Function/Program	Fiscal Year 2007			Fiscal Year 2006			Fiscal Year 2005			Fiscal Year 2004			Fiscal Year 2003		
	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>	Expenses	Program Revenues	Net (Expense)/Revenue <sup>1</sup>
<b>Governmental Activities</b>															
General government	\$ 2,110,223	\$ 620,563	\$ (1,489,660)	\$ 1,861,605	\$ 572,414	\$ (1,289,191)	\$ 1,753,174	\$ 578,353	\$ (1,174,821)	\$ 1,654,987	\$ 594,551	\$ (1,060,436)	\$ 1,709,635	\$ 583,981	\$ (1,125,654)
Municipal court	639,563	-	(639,563)	415,176	-	(415,176)	424,274	-	(424,274)	390,188	-	(390,188)	390,355	3,939	(386,416)
Public safety	7,154,050	3,081,888	(4,072,162)	6,552,311	3,217,236	(3,335,075)	6,144,619	2,490,824	(3,653,795)	5,564,625	1,869,402	(3,695,223)	5,527,516	1,964,588	(3,562,928)
Public works	2,272,342	4,094,204	1,821,862	2,005,572	1,727,145	(278,427)	1,914,240	1,729,928	(184,312)	2,028,312	3,650,868	1,622,556	2,132,875	4,621,705	2,488,830
Community development	484,187	-	(484,187)	413,832	-	(413,832)	393,169	8,992	(384,177)	392,554	1,790,448	1,397,894	483,833	915,655	431,822
Parks and cemeteries	478,762	-	(478,762)	352,504	17,744	(334,760)	393,658	298,000	(95,658)	340,928	142,591	(198,337)	351,813	-	(351,813)
Engineering	701,041	332,604	(368,437)	728,455	445,368	(283,087)	611,241	124,870	(486,371)	640,525	73,043	(567,482)	477,639	99,658	(377,981)
Planning and zoning	210,291	-	(210,291)	117,322	-	(117,322)	119,935	-	(119,935)	115,631	-	(115,631)	127,516	3,259	(124,257)
Community services	807,676	18,750	(788,926)	314,091	-	(314,091)	197,110	-	(197,110)	104,683	1,253,500	1,148,817	129,816	-	(129,816)
Interest on long-term debt	67,886	-	(67,886)	66,886	-	(66,886)	-	-	-	18,297	-	(18,297)	82,864	-	(82,864)
<b>Subtotal Governmental Activities</b>	<b>14,926,021</b>	<b>8,148,009</b>	<b>(6,778,012)</b>	<b>12,827,754</b>	<b>5,979,907</b>	<b>(6,847,847)</b>	<b>11,951,420</b>	<b>5,230,967</b>	<b>(6,720,453)</b>	<b>11,250,730</b>	<b>9,374,403</b>	<b>(1,876,327)</b>	<b>11,413,862</b>	<b>8,192,785</b>	<b>(3,221,077)</b>
<b>Business-type Activities</b>															
Water and sewer	5,990,457	8,317,809	2,327,352	5,679,698	7,563,594	1,883,896	5,379,060	6,521,643	1,142,583	5,080,975	6,024,896	943,921	5,201,386	6,140,774	939,388
Gas	5,833,902	6,277,707	443,805	6,837,031	7,543,421	706,390	5,449,209	6,296,422	847,213	4,633,855	5,632,987	999,132	4,186,230	5,144,364	958,134
Solid waste collection	1,891,991	2,359,448	467,457	1,769,572	2,236,029	466,457	1,736,580	2,218,105	481,525	2,180,263	410,231	1,675,815	2,173,073	497,258	497,258
Solid waste disposal	3,455,805	2,360,360	(1,095,445)	3,179,109	2,109,065	(1,070,044)	2,851,868	1,986,143	(865,725)	2,705,237	1,839,152	(866,085)	2,455,218	1,890,069	(565,149)
<b>Subtotal Business-type Activities</b>	<b>17,172,155</b>	<b>19,315,324</b>	<b>2,143,169</b>	<b>17,465,410</b>	<b>19,452,109</b>	<b>1,986,699</b>	<b>15,416,717</b>	<b>17,022,313</b>	<b>1,605,596</b>	<b>14,190,099</b>	<b>15,677,298</b>	<b>1,487,199</b>	<b>13,518,649</b>	<b>15,348,280</b>	<b>1,829,631</b>
<b>Total Primary Government</b>	<b>\$ 32,098,176</b>	<b>\$ 27,463,333</b>	<b>\$ (4,634,842)</b>	<b>\$ 30,293,164</b>	<b>\$ 25,432,016</b>	<b>\$ (4,861,148)</b>	<b>\$ 27,368,137</b>	<b>\$ 22,253,280</b>	<b>\$ (5,114,857)</b>	<b>\$ 25,440,829</b>	<b>\$ 25,051,701</b>	<b>\$ (389,128)</b>	<b>\$ 24,932,511</b>	<b>\$ 23,541,065</b>	<b>\$ (1,391,446)</b>

**Notes:**

<sup>1</sup> 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 Revenues<sup>1</sup> by Category  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008
<b>Governmental Activities</b>					
Charges for Services:					
General Government	\$ 656,558	\$ 658,209	\$ 661,459	\$ 672,700	\$ 689,222
Public Safety	2,468,175	2,501,127	2,576,214	2,752,193	2,388,834
Engineering	375,947	352,570	284,887	100,637	153,737
Operating Grants and Contributions	196,009	186,407	134,935	162,191	359,659
Capital Grants and Contributions	5,258,521	5,672,847	6,315,782	2,561,768	4,306,729
<b>Subtotal Governmental Activities Program Revenues</b>	<u>8,955,210</u>	<u>9,371,160</u>	<u>9,973,277</u>	<u>6,249,489</u>	<u>7,898,181</u>
<b>Business-type Activities</b>					
Charges for Services:					
Water and Sewer	8,561,971	9,011,417	8,045,383	6,792,832	7,267,501
Reclaimed Water System	26,149	1,944	-	-	-
Gas	4,597,727	5,204,257	5,276,270	6,008,260	6,179,396
Solid Waste Collection	2,900,086	2,701,765	2,605,201	2,538,590	2,471,249
Solid Waste Disposal	1,959,947	1,782,842	1,969,726	2,073,273	2,290,392
Operating Grants and Contributions	-	-	18,556	48,198	45,586
Capital Grants and Contributions	209,551	554,394	704,703	138,792	631,417
<b>Subtotal Business-type Activities Program Revenues</b>	<u>18,255,431</u>	<u>19,256,619</u>	<u>18,619,839</u>	<u>17,599,945</u>	<u>18,885,541</u>
<b>Primary Government</b>					
Charges for Services	21,546,560	22,214,131	21,419,140	20,938,485	21,440,331
Operating Grants and Contributions	196,009	186,407	153,491	210,389	405,245
Capital Grants and Contributions	5,468,072	6,227,241	7,020,485	2,700,560	4,938,146
<b>Total Primary Government Program Revenues</b>	<u>\$ 27,210,641</u>	<u>\$ 28,627,779</u>	<u>\$ 28,593,116</u>	<u>\$ 23,849,434</u>	<u>\$ 26,783,722</u>
<b>Governmental Activities</b>					
Charges for Services:					
General Government	\$ 518,673	\$ 468,630	\$ 471,472	\$ 470,889	\$ 461,434
Public Safety	2,172,221	1,789,377	1,911,813	1,809,666	1,757,261
Engineering	332,604	445,368	124,870	73,043	99,658
Operating Grants and Contributions	156,840	103,784	116,945	213,455	334,284
Capital Grants and Contributions	4,967,671	3,172,748	2,605,867	6,807,350	5,540,148
<b>Subtotal Governmental Activities Program Revenues</b>	<u>8,148,009</u>	<u>5,979,907</u>	<u>5,230,967</u>	<u>9,374,403</u>	<u>8,192,785</u>
<b>Business-type Activities</b>					
Charges for Services:					
Water and Sewer	6,696,230	6,912,432	6,135,710	5,833,055	5,976,905
Gas	6,232,576	7,496,631	6,247,110	5,558,803	5,091,818
Solid Waste Collection	2,359,448	2,236,029	2,218,105	2,180,263	2,173,073
Solid Waste Disposal	2,333,218	2,109,065	1,986,143	1,839,152	1,862,335
Operating Grants and Contributions	72,373	46,790	49,312	74,184	96,036
Capital Grants and Contributions	1,621,579	651,162	385,933	191,841	148,113
<b>Subtotal Business-type Activities Program Revenues</b>	<u>19,315,424</u>	<u>19,452,109</u>	<u>17,022,313</u>	<u>15,677,298</u>	<u>15,348,280</u>
<b>Primary Government</b>					
Charges for Services	20,644,970	21,457,532	19,095,223	17,764,871	17,422,484
Operating Grants and Contributions	229,213	150,574	166,257	287,639	430,320
Capital Grants and Contributions	6,589,250	3,823,910	2,991,800	6,999,191	5,688,261
<b>Total Primary Government Program Revenues</b>	<u>\$ 27,463,433</u>	<u>\$ 25,432,016</u>	<u>\$ 22,253,280</u>	<u>\$ 25,051,701</u>	<u>\$ 23,541,065</u>

Notes:

<sup>1</sup> 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 Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year 2012</b>	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2009</b>	<b>Fiscal Year 2008</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2006</b>	<b>Fiscal Year 2005</b>	<b>Fiscal Year 2004</b>	<b>Fiscal Year 2003</b>
<b>Net (Expense), Total Primary Government (see page S-1)</b>										
Governmental activities	\$ (7,521,820)	\$ (7,711,012)	\$ (7,005,068)	\$ (10,735,209)	\$ (7,875,763)	\$ (6,778,012)	\$ (6,847,847)	\$ (6,720,453)	\$ (1,876,327)	\$ (3,221,077)
Business activities	1,459,770	2,583,461	2,220,820	690,530	1,608,372	2,143,169	1,986,699	1,605,596	1,487,199	1,829,631
<b>Total Primary Government</b>	<b>(6,062,050)</b>	<b>(5,127,551)</b>	<b>(4,784,248)</b>	<b>(10,044,678)</b>	<b>(6,267,391)</b>	<b>(4,634,842)</b>	<b>(4,861,148)</b>	<b>(5,114,857)</b>	<b>(389,128)</b>	<b>(1,391,446)</b>
<b>General revenues and other changes in net assets</b>										
<b>Governmental Activities:</b>										
Taxes										
Property taxes levied for general purposes	3,845,135	3,833,544	3,960,151	3,785,398	3,720,220	3,360,813	3,188,375	3,111,124	2,986,241	3,010,361
Hotel/motel taxes	526,504	473,055	439,838	456,994	422,526	405,157	376,838	358,315	322,824	342,699
Insurance premium taxes	1,333,111	1,221,874	1,258,448	1,270,366	1,240,647	1,189,372	1,136,795	1,056,630	974,995	904,647
Franchise taxes	1,974,408	1,815,932	1,688,915	1,587,617	1,432,343	1,310,552	1,221,274	1,094,343	1,048,355	1,021,082
Other taxes	818,160	773,241	751,225	812,149	785,555	791,653	741,913	781,329	765,429	701,866
Gain (loss) on sale of capital assets	16,597	377	4,641	(17,225)	(18,855)	16,310	28,230	24,677	456,314	-
Investment earnings	-	14,063	4,473	12,624	69,887	148,643	192,461	166,013	178,010	118,764
Miscellaneous	39,801	136,829	56,671	38,698	49,403	79,184	84,203	106,974	95,180	101,670
Transfers from (to) business-type activities	676,249	1,471,179	1,369,524	2,389,521	1,111,704	2,250,677	1,859,492	1,282,596	(431,276)	(523,434)
<b>Subtotal Governmental Activities</b>	<b>9,229,965</b>	<b>9,740,094</b>	<b>9,533,886</b>	<b>10,336,142</b>	<b>8,813,430</b>	<b>9,552,361</b>	<b>8,829,581</b>	<b>7,982,001</b>	<b>6,396,072</b>	<b>5,677,655</b>
<b>Business-type Activities:</b>										
Gain (loss) on the sale of capital assets	16,839	36,125	4,708	66,753	74,269	16,118	58,641	(32,458)	61,294	20,467
Investment earnings	11,822	4,414	4,153	9,316	58,365	143,201	147,984	88,723	93,636	104,456
Miscellaneous	94,586	186,479	248,261	163,021	188,561	149,983	109,252	151,972	80,439	57,106
Transfers from (to) governmental activities	(676,249)	(1,471,179)	(1,369,524)	(2,389,521)	(1,111,704)	(2,250,677)	(1,859,492)	(1,282,596)	431,276	523,434
<b>Subtotal Business-type Activities</b>	<b>(553,002)</b>	<b>(1,244,161)</b>	<b>(1,112,402)</b>	<b>(2,150,431)</b>	<b>(790,509)</b>	<b>(1,941,375)</b>	<b>(1,543,615)</b>	<b>(1,074,359)</b>	<b>666,645</b>	<b>705,463</b>
<b>Changes in Net Assets</b>										
Governmental activities	1,708,145	2,029,082	2,528,818	(399,067)	937,667	2,774,349	1,981,734	1,261,548	4,519,745	2,456,578
Business-type activities	906,768	1,339,299	1,108,418	(1,459,900)	817,863	201,795	443,084	531,237	2,153,844	2,535,094
<b>Total Primary Government</b>	<b>\$ 2,614,913</b>	<b>\$ 3,368,381</b>	<b>\$ 3,637,236</b>	<b>\$ (1,858,967)</b>	<b>\$ 1,755,530</b>	<b>\$ 2,976,144</b>	<b>\$ 2,424,818</b>	<b>\$ 1,792,785</b>	<b>\$ 6,673,589</b>	<b>\$ 4,991,672</b>



**City of Statesboro, Georgia**  
**Government-wide Net Assets by Category**<sup>1</sup>  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>June 30, 2009</b>	<b>June 30, 2008</b>	<b>June 30, 2007</b>	<b>June 30, 2006</b>	<b>June 30, 2005</b>	<b>June 30, 2004</b>	<b>June 30, 2003</b>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 23,678,952	\$ 24,229,149	\$ 24,168,198	\$ 23,985,317	\$ 23,841,321	\$ 23,224,510	\$ 13,872,311	\$ 12,233,346	\$ 10,311,153	\$ 6,982,216
Restricted for:										
Capital projects	7,876,543	5,576,870	3,374,025	137,990	166,489	118,623	1,256,771	7,052	944,493	873,130
Specific projects and programs	796,432	865,624	821,383	810,377	621,297	189,574	181,426	224,223	327,988	206,850
Unrestricted	(412,320)	(440,181)	(161,226)	739,878	1,443,522	1,602,255	4,466,573	5,330,726	4,950,165	3,951,858
<b>Subtotal Governmental Activities Net Assets</b>	<b>31,939,607</b>	<b>30,231,462</b>	<b>28,202,380</b>	<b>25,673,562</b>	<b>26,072,629</b>	<b>25,134,962</b>	<b>19,777,081</b>	<b>17,795,347</b>	<b>16,533,799</b>	<b>12,014,054</b>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	31,743,483	31,190,564	31,110,236	33,047,246	34,151,296	33,089,016	31,093,383	30,290,308	29,608,026	27,583,210
Restricted for revenue bond retirement	790,834	790,672	1,046,098	199,193	199,281	194,468	186,490	180,879	179,018	179,460
Renewal & extension	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Unrestricted	4,034,144	3,680,457	1,966,060	(232,463)	123,299	372,529	2,174,345	2,539,947	2,692,853	2,563,383
<b>Subtotal Business-type Activities Net assets</b>	<b>36,568,461</b>	<b>35,661,693</b>	<b>34,322,394</b>	<b>33,213,976</b>	<b>34,673,876</b>	<b>33,856,013</b>	<b>33,654,218</b>	<b>33,211,134</b>	<b>32,679,897</b>	<b>30,526,053</b>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	55,422,435	55,419,713	55,278,434	57,032,563	57,992,617	56,313,526	44,965,694	42,523,654	39,919,179	34,565,426
Restricted										
Capital projects	7,876,543	5,576,870	3,374,025	137,990	166,489	118,623	1,256,771	7,052	944,493	873,130
Restricted for revenue bond retirement	790,834	790,672	1,046,098	199,193	199,281	194,468	186,490	180,879	179,018	179,460
Renewal & Extension	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Specific projects and programs	796,432	865,624	821,383	810,377	621,297	189,574	181,426	224,223	327,988	206,850
Unrestricted	3,621,824	3,240,276	1,804,834	507,415	1,566,821	1,974,784	6,640,918	7,870,673	7,643,018	6,515,241
<b>Total Primary Government Net Assets</b>	<b>\$ 68,508,068</b>	<b>\$ 65,893,155</b>	<b>\$ 62,524,774</b>	<b>\$ 58,887,538</b>	<b>\$ 60,746,505</b>	<b>\$ 58,990,975</b>	<b>\$ 53,431,299</b>	<b>\$ 51,006,481</b>	<b>\$ 49,213,696</b>	<b>\$ 42,540,107</b>

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

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

<b>Source</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Taxes	\$ 6,116,076	\$ 6,213,085	\$ 6,411,028	\$ 6,622,152	\$ 7,097,096	\$ 7,596,780	\$ 7,900,077	\$ 8,024,950	\$ 8,166,418	\$ 8,529,072
<sup>1</sup> Intergovernmental	5,874,432	5,767,305	2,722,812	3,276,532	5,124,511	4,666,388	2,723,959	6,450,717	5,859,254	5,445,203
Licenses and permits	493,836	478,554	536,257	855,224	783,243	772,770	703,815	865,829	926,979	941,669
Fines and forfeitures	1,261,107	1,351,768	1,367,790	1,258,238	1,610,839	1,449,617	1,766,110	1,568,641	1,475,975	1,469,610
Charges for services	563,410	523,276	604,108	589,913	629,416	1,009,406	1,055,605	1,088,090	1,108,952	1,089,401
Investment earnings	113,515	161,082	145,454	152,404	91,159	29,512	8,496	4,056	14,063	9,327
Miscellaneous	101,670	1,348,680	105,979	84,203	79,184	49,403	38,698	56,671	136,829	39,801
<b>Total revenues</b>	<b>\$ 14,524,046</b>	<b>\$ 15,843,750</b>	<b>\$ 11,893,428</b>	<b>\$ 12,838,666</b>	<b>\$ 15,415,448</b>	<b>\$ 15,573,876</b>	<b>\$ 14,196,760</b>	<b>\$ 18,058,954</b>	<b>\$ 17,688,470</b>	<b>\$ 17,524,083</b>
<b>% change from prior year</b>	<b>38.7%</b>	<b>9.1%</b>	<b>-24.9%</b>	<b>7.9%</b>	<b>20.1%</b>	<b>1.0%</b>	<b>-8.8%</b>	<b>27.2%</b>	<b>-2.1%</b>	<b>-0.9%</b>

**Note:**

<sup>1</sup> 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)*

<b>Fiscal Year</b>	<b>Property</b>	<b>Vehicles</b>	<b>Franchise</b>	<b>Insurance Premium</b>	<b>Alcoholic Beverage</b>	<b>Other</b>	<b>Total</b>
2003	2,935,273	210,509	1,021,082	904,647	594,883	106,983	5,773,377
2004	2,897,418	204,064	1,048,355	974,995	611,823	153,606	5,890,261
2005	2,920,576	199,835	1,094,343	1,056,630	629,362	151,967	6,052,713
2006	2,951,977	193,355	1,221,274	1,136,795	621,962	119,951	6,245,314
2007	3,187,407	212,955	1,310,552	1,189,372	651,652	140,001	6,691,939
2008	3,503,408	212,301	1,432,343	1,240,647	682,476	103,079	7,174,254
2009	3,581,923	191,028	1,587,617	1,270,366	683,371	128,778	7,443,083
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
Percentage Change In Dollars Over 10 Years	25.2%	-4.4%	93.4%	47.4%	13.0%	36.2%	38.6%

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

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Current:</b>										
General government	\$ 1,634,159	\$ 1,603,534	\$ 1,686,164	\$ 1,789,557	\$ 2,008,167	\$ 2,140,864	\$ 2,461,925	\$ 2,202,086	\$ 2,396,839	\$ 1,762,517
Municipal court	385,518	390,604	420,501	412,762	638,695	625,001	684,444	588,804	555,219	541,681
Public safety	5,197,807	5,426,428	5,983,162	6,356,845	6,783,582	7,751,876	7,973,168	8,441,641	7,961,549	8,135,532
Streets/public works	1,616,810	1,859,572	1,651,440	1,673,729	1,824,491	1,864,703	1,779,706	1,852,879	1,849,010	1,917,899
Parks and cemeteries	324,366	421,155	948,682	412,075	406,397	433,076	444,407	430,178	376,518	338,438
Engineering	439,151	522,804	576,857	671,252	640,078	669,869	721,165	797,572	557,869	396,485
Planning and zoning	129,935	117,721	122,457	115,238	210,989	233,314	290,564	319,139	465,345	260,767
Community services	129,816	104,683	123,199	215,159	681,439	198,260	436,326	185,625	171,704	171,883
Community development	483,833	392,554	393,169	413,832	484,187	495,059	539,549	533,993	554,130	622,364
<b>Total Current</b>	<b>10,341,395</b>	<b>10,839,055</b>	<b>11,905,631</b>	<b>12,060,449</b>	<b>13,678,025</b>	<b>14,412,022</b>	<b>15,331,254</b>	<b>15,351,917</b>	<b>14,888,183</b>	<b>14,147,566</b>
<b>% Change From Prior Year</b>	<b>11.2%</b>	<b>4.8%</b>	<b>9.8%</b>	<b>1.3%</b>	<b>13.4%</b>	<b>5.4%</b>	<b>6.4%</b>	<b>0.1%</b>	<b>-3.0%</b>	<b>-5.0%</b>
<b>Capital Outlay</b>	<b>3,756,405</b>	<b>3,852,211</b>	<b>2,118,841</b>	<b>2,373,967</b>	<b>8,003,416</b>	<b>2,429,833</b>	<b>1,062,731</b>	<b>1,547,723</b>	<b>1,575,578</b>	<b>1,232,555</b>
<b>% Change From Prior Year</b>	<b>58.9%</b>	<b>2.6%</b>	<b>-45.0%</b>	<b>12.0%</b>	<b>237.1%</b>	<b>-69.6%</b>	<b>-56.3%</b>	<b>45.6%</b>	<b>1.8%</b>	<b>-21.8%</b>
<b>Debt Service</b>										
Principal	37,000	39,000	41,000	119,184	170,689	254,295	347,306	304,313	331,413	278,869
Interest	82,864	77,040	88,372	66,886	67,886	46,241	30,966	34,202	42,893	27,512
<b>Total Debt Service</b>	<b>119,864</b>	<b>116,040</b>	<b>129,372</b>	<b>186,070</b>	<b>238,575</b>	<b>300,536</b>	<b>378,272</b>	<b>338,515</b>	<b>374,306</b>	<b>306,381</b>
<b>% Change From Prior Year</b>	<b>-6.8%</b>	<b>-3.2%</b>	<b>11.5%</b>	<b>43.8%</b>	<b>28.2%</b>	<b>26.0%</b>	<b>25.9%</b>	<b>-10.5%</b>	<b>10.6%</b>	<b>-18.1%</b>
<b>Total Expenditures</b>	<b>\$ 14,217,664</b>	<b>\$ 14,807,306</b>	<b>\$ 14,153,844</b>	<b>\$ 14,620,486</b>	<b>\$ 21,920,016</b>	<b>\$ 17,142,391</b>	<b>\$ 16,772,257</b>	<b>\$ 17,238,155</b>	<b>\$ 16,838,067</b>	<b>\$ 15,686,502</b>
<b>% Change From Prior Year</b>	<b>20.6%</b>	<b>4.1%</b>	<b>-4.4%</b>	<b>3.3%</b>	<b>49.9%</b>	<b>-21.8%</b>	<b>-2.2%</b>	<b>2.8%</b>	<b>-2.3%</b>	<b>-6.8%</b>
<b>Debt Service as a Percentage of Total Noncapital Expenditures</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>2.0%</b>	<b>2.4%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>2.1%</b>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Total Revenues</b>	\$ 14,524,046	\$ 15,843,750	\$ 11,893,428	\$ 12,838,666	\$ 15,415,448	\$ 15,573,876	\$ 14,196,760	\$ 18,058,954	\$ 17,688,470	\$17,524,083
<b>Total Expenditures</b>	14,217,664	14,807,306	14,153,844	14,620,486	21,920,016	17,142,391	16,772,257	17,238,155	16,838,067	15,686,502
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	306,382	1,036,444	(2,260,416)	(1,781,820)	(6,504,568)	(1,568,515)	(2,575,497)	820,799	850,403	1,837,581
<b>Other Financing Sources (Uses)</b>	(564,564)	37,662	1,521,349	1,910,887	2,414,000	2,551,471	2,290,973	1,404,892	1,479,037	773,443
<b>Net Change in Fund Balances</b>	<u>(258,182)</u>	<u>1,074,106</u>	<u>(739,067)</u>	<u>129,067</u>	<u>(4,090,568)</u>	<u>982,956</u>	<u>(284,524)</u>	<u>2,225,691</u>	<u>2,329,440</u>	<u>2,611,024</u>

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>General Fund</b>										
Nonspendable	\$ 190,475	\$ 209,413	\$ 244,757	\$ 199,020	\$ 169,631	\$ 170,717	\$ 174,009	\$ 197,547	\$ 214,608	\$ 211,929
Unassigned	3,726,401	4,589,068	4,732,116	3,823,745	2,595,299	1,478,379	947,789	(98,438)	(33,145)	290,475
<b>Subtotal General Fund</b>	<u>3,916,876</u>	<u>4,798,481</u>	<u>4,976,873</u>	<u>4,022,765</u>	<u>2,764,930</u>	<u>1,649,096</u>	<u>1,121,798</u>	<u>99,109</u>	<u>181,463</u>	<u>502,404</u>
<b>General Fund Percentage Change</b>	<u>3.7%</u>	<u>22.5%</u>	<u>3.7%</u>	<u>-19.2%</u>	<u>-31.3%</u>	<u>-40.4%</u>	<u>-32.0%</u>	<u>-91.2%</u>	<u>83.1%</u>	<u>176.9%</u>
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	-	12,522	11,045	17,613	17,370	23,792
Assigned	-	-	-	-	-	-	-	-	-	59,602
Unassigned	-	-	-	-	(1,702,733)	-	-	-	(64,478)	-
Restricted										
Special Revenue Funds	206,850	327,988	224,223	181,426	189,574	608,775	799,332	803,770	848,254	772,640
Capital Projects Fund	873,130	944,493	130,799	1,256,771	118,623	82,957	136,651	3,374,025	5,641,348	7,876,543
<b>Subtotal All Other</b>										
<b>Governmental Funds</b>	<u>1,079,980</u>	<u>1,272,481</u>	<u>355,022</u>	<u>1,438,197</u>	<u>(1,394,536)</u>	<u>704,254</u>	<u>947,028</u>	<u>4,195,408</u>	<u>6,442,494</u>	<u>8,732,577</u>
<b>Total Governmental Funds</b>										
Nonspendable	190,475	209,413	244,757	199,020	169,631	183,239	185,054	215,160	231,978	235,721
Assigned	-	-	-	-	-	-	-	-	-	59,602
Restricted	1,079,980	1,272,481	355,022	1,438,197	308,197	691,732	935,983	4,177,795	6,489,602	8,649,183
Unassigned	3,726,401	4,589,068	4,732,116	3,823,745	892,566	1,478,379	947,789	(98,438)	(97,623)	290,475
<b>Total Governmental Funds</b>	<u>\$ 4,996,856</u>	<u>\$ 6,070,962</u>	<u>\$ 5,331,895</u>	<u>\$ 5,460,962</u>	<u>\$ 1,370,394</u>	<u>\$ 2,353,350</u>	<u>\$ 2,068,826</u>	<u>\$ 4,294,517</u>	<u>\$ 6,623,957</u>	<u>\$ 9,234,981</u>
<b>All Governmental Funds</b>										
<b>Percentage Change</b>	<u>-5.7%</u>	<u>21.5%</u>	<u>-12.2%</u>	<u>2.4%</u>	<u>-74.9%</u>	<u>71.7%</u>	<u>-12.1%</u>	<u>107.6%</u>	<u>54.2%</u>	<u>39.4%</u>

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

Amounts													
Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate <sup>2</sup>	Estimated Actual Value	Annual Percentage Change
2003	133,668,976	213,243,900	7,767,909	1,286,680	1,503,720	13,981,230	28,202,404	213,320	4,504,381	395,363,758	7.750	999,670,348	1.4%
2004	133,647,220	234,104,327	6,920,280	1,531,200	1,372,640	14,680,200	28,402,633	213,320	5,096,105	415,775,715	7.741	1,052,179,550	5.3%
2005	150,273,037	272,246,100	6,758,133	1,169,760	1,510,880	18,524,000	27,819,183	151,488	5,205,094	473,247,487	6.921	1,196,131,453	13.7%
2006	152,086,310	274,694,201	5,908,250	1,142,680	1,424,200	18,524,040	28,606,845	139,084	8,985,597	473,540,013	6.921	1,206,314,025	0.9%
2007	157,668,335	291,603,982	5,795,995	1,302,000	1,346,440	16,218,390	27,556,331	266,774	3,931,944	497,826,303	6.921	1,254,395,618	4.0%
2008	192,623,437	349,207,061	5,998,633	879,840	1,688,920	15,879,960	29,724,461	120,480	8,794,116	587,328,676	6.358	1,490,306,980	18.8%
2009	198,301,459	364,606,300	9,438,297	788,800	527,600	15,171,200	32,148,066	139,999	7,730,648	613,391,073	6.358	1,552,804,303	4.2%
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	-	8,662,633	606,125,908	6.358	1,536,971,353	-0.5%

**Percentages**

2003	33.4%	53.3%	1.9%	0.3%	0.4%	3.5%	7.1%	0.1%	1.1%	98.9%
2004	31.8%	55.6%	1.6%	0.4%	0.3%	3.5%	6.7%	0.1%	1.2%	98.8%
2005	31.4%	56.9%	1.4%	0.2%	0.3%	3.9%	5.8%	0.0%	1.1%	98.9%
2006	31.5%	56.9%	1.2%	0.2%	0.3%	3.8%	5.9%	0.0%	1.9%	98.1%
2007	31.4%	58.1%	1.2%	0.3%	0.3%	3.2%	5.5%	0.1%	0.8%	99.2%
2008	32.3%	58.6%	1.0%	0.1%	0.3%	2.7%	5.0%	0.0%	1.5%	98.5%
2009	31.9%	58.7%	1.5%	0.1%	0.1%	2.4%	5.2%	0.0%	1.3%	98.7%
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%

**Source:**

Georgia Department of Revenue, Tax Digest Consolidation Summary

**Notes:**

<sup>1</sup> All property is assessed at 40% of fair market value.

<sup>2</sup> 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 <sup>1</sup>			Total Overlapping	Total Overlapping and Direct
		Bulloch County	Bulloch County Schools	State of Georgia <sup>2</sup>		
2003	7.750	9.360	8.570	0.250	18.180	25.930
2004	7.741	9.350	8.560	0.250	18.160	25.901
2005	6.921	8.630	9.450	0.250	18.330	25.251
2006	6.921	8.630	9.450	0.250	18.330	25.251
2007	6.358	10.440	9.450	0.250	20.140	26.498
2008	6.358	10.440	9.450	0.250	20.140	26.498
2009	6.358	10.440	9.450	0.250	20.140	26.498
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

**Source:**

Georgia Department of Revenue, Property Tax Division

**Notes:**

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

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



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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2003	2,704,985	2,628,696	97.18%	76,289	2,704,985	100.00%	-	0.00%
2004	2,850,782	2,839,309	99.60%	11,473	2,850,782	100.00%	-	0.00%
2005	2,902,999	2,894,631	99.71%	8,368	2,902,999	100.00%	-	0.00%
2006	2,955,195	2,893,494	97.91%	61,701	2,955,195	100.00%	-	0.00%
2007	3,117,016	3,105,291	99.62%	11,725	3,117,016	100.00%	-	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%	27,244	3,576,269	99.94%	2,083	0.06%
2010	3,710,229	3,605,588	97.18%	102,519	3,708,107	99.94%	2,122	0.06%
2011	3,672,791	3,622,799	98.64%	43,683	3,666,482	99.83%	6,309	0.17%
2012	3,646,967	3,587,428	98.37%	-	3,587,428	98.37%	59,539	1.63%

Source:

City of Statesboro Tax Office

**City of Statesboro, Georgia**  
**Principal Property Taxpayers**  
*For the Fiscal Year Ended June 30, 2012 and Nine Years Ago*

<b>Principal Taxpayer</b>	<b>2012</b>		<b>Principal Taxpayer</b>	<b>2003</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total City Taxable Assessed Value</b>		<b>Taxable Assessed Value</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Statesboro HMA Inc.	\$ 16,468,393	2.72%	Statesboro HMA Inc.	\$ 14,928,600	3.78%
Diamond URS Statesboro LLC	11,974,282	1.98%	Frontier Comm of GA Inc.	12,659,145	3.20%
Executive Assistant of Finance	10,764,102	1.78%	States Property Company, LLC	10,472,222	2.65%
Frontier Comm of GA, Inc.	7,463,914	1.23%	East Georgia Regional Medical	5,620,624	1.42%
Claude Howard Lumber Co Inc.	7,141,346	1.18%	Wal-Mart Real Estate	4,609,062	1.17%
Georgia Power Co.	6,633,708	1.09%	Georgia Power Co.	4,236,880	1.07%
Layton Land LLC & Bonnie Screw	6,253,633	1.03%	The Garden District	4,216,769	1.07%
Campus Crest at Statesboro	6,251,982	1.03%	Southern Place LLC	4,021,680	1.02%
Layton Land LLC	5,753,418	0.95%	JBPC South Inc	3,958,640	1.00%
Statesboro Crossing LLC	5,753,376	0.95%	Wal-Mart Stores	3,796,878	0.96%
<b>Total Principal Taxpayers</b>	<b>84,458,154</b>	<b>13.93%</b>	<b>Total Principal Taxpayers</b>	<b>68,520,500</b>	<b>17.33%</b>
<b>All Other Taxpayers</b>	<b>521,667,754</b>	<b>86.07%</b>	<b>All Other Taxpayers</b>	<b>326,843,258</b>	<b>82.67%</b>
<b>Total</b>	<b>\$ 606,125,908</b>	<b>100.00%</b>	<b>Total</b>	<b>\$ 395,363,758</b>	<b>100.00%</b>

**Source:**

City of Statesboro Tax Office

**City of Statesboro, Georgia**  
**Overlapping Sales Tax Rates <sup>1</sup>**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>State of Georgia</b>	<b>Bulloch County</b>			<b>Total Overlapping Rate</b>
		<b>LOST</b>	<b>SPLOST<sup>2</sup></b>	<b>E-SPLOST<sup>3</sup></b>	
2003	4.00%	1.00%	1.00%	-	6.00%
2004	4.00%	1.00%	1.00%	1.00%	7.00%
2005	4.00%	1.00%	1.00%	1.00%	7.00%
2006	4.00%	1.00%	1.00%	1.00%	7.00%
2007	4.00%	1.00%	1.00%	1.00%	7.00%
2008	4.00%	1.00%	1.00%	1.00%	7.00%
2009	4.00%	1.00%	1.00%	1.00%	7.00%
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%

**Source:**

Georgia Department of Revenue, Sales and Use Tax Division

**Notes:**

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

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

<sup>3</sup>Effective 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 2003 - 2012

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

<b>Water</b>						
<b>Fiscal Year</b>	<b>Inside Base Rate</b>	<b>Rate per</b>		<b>20,000-49,000 Gallons</b>	<b>Rate per</b>	
		<b>0-9000 Gallons</b>	<b>10,000-19,000 Gallons</b>		<b>50,000 Gallons and up</b>	
2003	4.50	1.90	2.00	2.00	2.10	
2004	4.50	1.90	2.00	2.00	2.10	
2005	4.50	1.90	2.00	2.00	2.10	
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	

<b>Fiscal Year</b>	<b>Outside Base Rate</b>	<b>Rate per</b>		<b>20,000-49,000 Gallons</b>	<b>Rate per</b>	
		<b>0-9000 Gallons</b>	<b>10,000-19,000 Gallons</b>		<b>50,000 Gallons and up</b>	
2003	9.00	3.80	4.00	4.00	4.20	
2004	9.00	3.80	4.00	4.00	4.20	
2005	9.00	3.80	4.00	4.00	4.20	
2006	9.00	3.80	4.00	4.00	4.20	
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	

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

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

**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 2003 - 2012

(continued)

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

Fiscal Year	Water				
	Inside Base Rate	Rate per 0-9000 Gallons	Rate per 10,000-49,000 Gallons	Rate per 20,000-49,000 and up	Rate per 50,000 Gallons and up
2003	9.00	1.90	2.00	2.00	2.10
2004	9.00	1.90	2.00	2.00	2.10
2005	9.00	1.90	2.00	2.00	2.10
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

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
2003	18.00	5.80	4.00	4.00	4.20
2004	18.00	5.80	4.00	4.00	4.20
2005	18.00	5.80	4.00	4.00	4.20
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

**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
2003	9.00	2.30	2.40	2.50
2004	9.00	2.30	2.40	2.50
2005	9.00	2.30	2.40	2.50
2006	9.00	2.30	2.40	2.50
2007	9.00	2.30	2.40	2.50
2008	9.20	2.35	2.45	2.55
2009	9.20	2.35	2.45	2.55
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

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
2003	18.00	4.60	4.80	5.00
2004	18.00	4.60	4.80	5.00
2005	18.00	4.60	4.80	5.00
2006	18.00	4.60	4.80	5.00
2007	18.00	4.60	4.80	5.00
2008	18.40	4.70	4.90	5.10
2009	18.40	4.70	4.90	5.10
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

**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)*

<b>Type of Customer</b>	<b>Fiscal Year 2003</b>		<b>Fiscal Year 2004</b>		<b>Fiscal Year 2005</b>		<b>Fiscal Year 2006</b>		<b>Fiscal Year 2007</b>	
	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>
Residential	525.8	52%	550	59%	550.1	58%	572.9	57%	614.3	59%
Industrial	103.7	10%	75.5	8%	69.9	7%	79.0	8%	74.9	7%
Commercial	247.3	25%	283.5	30%	302.7	32%	313.3	31%	314.2	30%
Government	132.3	13%	29.9	3%	25.4	3%	33.2	3%	37.3	4%
<b>Total</b>	<b>1,009.1</b>	<b>100%</b>	<b>938.9</b>	<b>100%</b>	<b>948.1</b>	<b>100%</b>	<b>998.4</b>	<b>100%</b>	<b>1,040.7</b>	<b>100%</b>

<b>Type of Customer</b>	<b>Fiscal Year 2008</b>		<b>Fiscal Year 2009</b>		<b>Fiscal Year 2010</b>		<b>Fiscal Year 2011</b>		<b>Fiscal Year 2012</b>	
	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>	<b>Gallons</b>	<b>%</b>
Residential	544.9	57%	616.8	56%	574.5	56%	590.6	55%	527.3	47%
Industrial	104.8	11%	75.0	7%	75.5	7%	77.7	7%	159.7	14%
Commercial	259.9	27%	339.0	31%	248.6	24%	270.3	25%	255.5	23%
Government	48.8	5%	69.3	6%	118.5	12%	126.6	12%	178.5	16%
<b>Total</b>	<b>958.4</b>	<b>100%</b>	<b>1,100.1</b>	<b>100%</b>	<b>1,017.1</b>	<b>100%</b>	<b>1,065.2</b>	<b>100%</b>	<b>1,121.0</b>	<b>100%</b>

**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 <sup>1</sup>	Water Bonds	Gas Notes	Water Notes	Capital Leases	Total			
2003	1,425,486	3,240,000	968,191	9,168,621	-	13,376,812	14,802,298	2.9%	623
2004	1,327,743	2,710,000	885,669	8,768,347	-	12,364,016	13,691,759	2.7%	556
2005	1,424,929	2,160,000	796,956	8,347,022	-	11,303,978	12,728,907	2.3%	491
2006	1,305,245	1,585,000	707,049	7,923,878	-	10,215,927	11,521,172	2.4%	434
2007	1,281,569	985,000	610,544	8,117,958	-	9,713,502	10,995,071	2.5%	424
2008	2,038,765	740,000	501,922	8,717,620	-	9,959,542	11,998,307	2.8%	451
2009	1,734,864	485,000	394,398	9,801,212	365,872	11,046,482	12,781,346	3.9%	508
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

**Notes:**

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Assessed Value</b>	\$ 395,364	\$ 415,776	\$ 473,248	\$ 473,540	\$ 497,826	\$ 587,329	\$ 613,391	\$ 628,697	\$ 609,188	\$ 606,125,908
<b>Legal Debt Margin</b>										
Debt limit (10% of assessed value)	\$ 39,536	\$ 41,578	\$ 47,325	\$ 47,354	\$ 49,783	\$ 58,733	\$ 61,339	\$ 62,870	\$ 60,919	\$ 60,612,591
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 39,536	\$ 41,578	\$ 47,325	\$ 47,354	\$ 49,783	\$ 58,733	\$ 61,339	\$ 62,870	\$ 60,919	\$ 60,612,591
As a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**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, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
<b>Debt Repaid With Property Taxes</b>			
Bulloch County Board of Education <sup>1</sup>	\$ 10,615,000	100.0%	\$ 10,615,000
<b>City Direct Debt</b>			<u>1,226,380</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 11,841,380</u></u>

**Source:**

<sup>1</sup> Bulloch County Board of Education

**Notes:**

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

<sup>3</sup> 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**

<b>Fiscal Year</b>	<b>Operating Revenue</b>	<b>Less: Operating Expenses<sup>1</sup></b>	<b>Net Available Revenue</b>	<b>Debt Service</b>			<b>Times Coverage<sup>2</sup></b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2003	6,010,061	3,291,720	2,718,341	505,000	177,868	682,868	3.98
2004	5,889,145	3,173,812	2,715,333	530,000	155,648	685,648	3.96
2005	6,208,677	3,398,860	2,809,817	550,000	125,563	675,563	4.16
2006	6,976,498	3,714,257	3,262,241	575,000	99,669	674,669	4.84
2007	6,782,632	4,047,644	2,734,988	600,000	71,910	671,910	4.07
2008	7,369,203	4,281,629	3,087,574	245,000	47,022	292,022	10.57
2009	6,911,791	4,323,869	2,587,922	255,000	31,512	286,512	9.03
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

**Notes:**

<sup>1</sup> Operating expenses do not include depreciation or interest.

<sup>2</sup> 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, 2012 and Nine Years Ago*

<u>Employer</u>	2012		<u>Employer</u>	2003	
	<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	2,340	21.47%	Georgia Southern University	1,805	23.82%
Bulloch County Board of Education	1,390	12.75%	Bulloch County Board of Education	1,400	18.47%
East Georgia Regional Medical Center	615	5.64%	East Georgia Regional Medical Center	735	9.70%
Wal-Mart Supercenter	550	5.05%	Wal-Mart Supercenter	675	8.91%
Bulloch County Board of Commissioners	370	3.40%	Bulloch County Board of Commissioners	348	4.59%
City of Statesboro	264	2.42%	City of Statesboro	245	3.23%
Lowe's Home Center	120	1.10%	The Sack Company	200	2.64%
Belk	110	1.01%	Lowe's Home Center	150	1.98%
Braswells	99	0.91%	Robbins Packinghouse Company	135	1.78%
Statesboro Herald	75	0.69%	Statesboro Herald	132	1.74%
<b>Total Principal Employers</b>	<b>5,933</b>	<b>54.44%</b>	<b>Total Principal Employers</b>	<b>5,825</b>	<b>76.87%</b>
Other Employers	4,965	45.56%	Other Employers	1,753	23.13%
<b>Total All Employers</b>	<b>10,898</b>	<b>100.00%</b>	<b>Total All Employers</b>	<b>7,578</b>	<b>100.00%</b>

**Source:**

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

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

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<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2003	23,744	514,603,712	21,673	26	9,429	2.9%
2004	24,604	501,946,204	20,401	26	9,707	2.9%
2005	25,915	561,785,370	21,678	26	9,826	4.5%
2006	26,534	486,102,880	18,320	26	9,044	3.5%
2007	25,953	444,055,830	17,110	26	8,480	4.2%
2008	26,624	425,478,144	15,981	27	9,380	6.7%
2009	25,165	327,572,805	13,017	22	9,476	9.1%
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%

**Sources:**

American Towns.com/Statesboro,GA  
Georgia Department of Education  
Department of Labor

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

<b>Function/program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
City Manager's Office	2	2	2	2	4	4	3	3	2	2
City Clerk's Office	8	8	8	9	9	9	10	10	3	3
Finance	7	7	7	6	6	6	6	6	7	6
Legal Division	0	0	0	0	0	0	0	0	1	1
Information Technology	0	0	0	0	0	0	2	3	4	4
Human Resources	2	2	2	2	2	2	2	2	1	2
Municipal Court	3	3	3	2	3	3	3	2	3	3
Engineering	4	4	4	4	5	5	6	7	6	5
Protective Inspections	4	4	4	4	2	2	4	4	2	2
Governmental Buildings	0	0	0	0	0	0	3	2	1	0
Customer Service Division	0	0	0	0	0	0	0	0	4	5
Police	74	70	70	75	75	76	77	76	75.5	75.5
Animal Control	1	1	1	1	1	0	0	2	0	0
Fire Department	32	32	32	33	33	33	33	33	32.5	32.5
Public Works Administration	2	2	2	2	2	2	2	2	2	2
Streets	24	24	24	23	22	23	22	22	21	21
Parks	7	8	8	9	9	9	9	9	8	7
Planning/Community Development	2	2	2	2	3	3	3	3	4	3
Community Development - Code Compl	0	0	0	0	0	0	0	0	2	2
Water and Sewer	18	20	20	18	18	19	23	23.5	23.5	23.5
Wastewater Treatment Plant	27	27	27	27	27	27	27	27	27	27
Natural Gas	9	9	9	9	9	9	9	8.5	8.5	8.5
Solid Waste Collection	19	19	19	16	16	16	16	16	15	15
Solid Waste Disposal	8	8	8	8	8	8	8	8	8	8
Fleet Management	8	8	8	6	6	6	6	6	6	6
Infiltration and Inflow	2	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>263</b>	<b>260</b>	<b>260</b>	<b>258</b>	<b>260</b>	<b>262</b>	<b>274</b>	<b>275</b>	<b>267</b>	<b>264</b>

**Source:**

City of Statesboro's Finance department

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

<b><u>Function/program</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	40	42	43	43	49	49	43	47	50
Fire stations	2	2	2	2	2	2	2	2	2	2
Refuse collection										
Collection trucks	5	5	4	7	7	7	7	9	9	9
Streets and highways										
Streets (miles)	105	105	105	117	117	119	119	119	119	120
Traffic signals	9	11	11	11	12	13	15	15	15	15
Parks and recreation										
Acreage	52	52	52	52	55	83	83	83	83	83
Water										
Water mains (miles)	160	161	194	198	207	212	216	219.5	219.5	221.5
Fire hydrants	1,037	1,106	1,175	1,244	1,313	1,382	1,451	1,487	1,487	1,503
Storage capacity (thousands of gallons)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Wastewater										
Sanitary sewers (miles)	140	141	168	171	174	177	181	184	184	187
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)	4	4	5	5	5	5	5	5	5	5

**Source:**

Various City Departments

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

<b>Function/program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Police</b>										
Physical arrests	1,782	2,100	1,740	1,863	1,794	1,736	2,185	2,105	2,587	2,350
Traffic violations	8,451	8,138	7,691	7,781	10,823	10,032	9,442	10,299	10,460	10,921
<b>Fire</b>										
Emergency responses	890	894	855	930	927	743	1,106	637	876	722
Fires extinguished	102	138	214	124	226	157	200	257	259	224
Inspections	687	254	151	639	1,353	1,289	1,973	1,343	1,046	1,139
<b>Refuse collection</b>										
Refuse collected (tons per month)	1,641.3	1,716.7	1,770.4	1,771.9	1,821.8	1,981.0	1,426.0	1,496.0	1,342.4	1,482.0
<b>Streets and highways</b>										
Resurfacing (miles)	3.62	3.35	12.50	0	7.5	1.43	2.75	0.603	1.609	1.895
<b>Water</b>										
New connections	156	90	156	275	562	187	188	367	77	497
Water mains breaks	11	28	27	13	18	8	7	19	23	26
Average daily consumption (thousands of gallons)	2,724	2,978	2,887	3,091	3,190	3,239	3,130	2,787	2,738	3,367
Peak daily consumption (thousands of gallons)	3,781	4,989	4,989	4,306	4,220	4,630	5,179	4,422	4,964	4,703
<b>Wastewater</b>										
Average daily sewage treatment (thousands of gallons)	4,507	3,718	3,814	3,721	3,615	3,444	3,106	4,000	3,270	3,280

**Sources:**

Various City departments

# THIGPEN, LANIER, WESTERFIELD & DEAL

CERTIFIED PUBLIC ACCOUNTANTS  
201 SOUTH ZETTEROWER AVENUE  
P.O. BOX 505  
STATESBORO, GEORGIA 30459  
PHONE (912) 489-8756  
FAX (912) 489-1243

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

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

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

To the City Council  
City of Statesboro, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Statesboro, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Statesboro's basic financial statements and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

*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.

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



material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described below as 2012-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

### **2012-1 Inventory costing**

During our testing of unit costs for various items in inventory for the enterprise and internal service funds, we noted several discrepancies in the unit cost used for reporting inventory at June 30, 2012. 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 each department with year-end inventory 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*.

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

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

*Thigpen, Lanier, Westerfield & Deal*

December 21, 2012



50 East Main Street  
Statesboro, Georgia 30458  
[www.statesboroga.net](http://www.statesboroga.net)