CITY OF NORCROSS, GEORGIA

Annual Financial Report

For the year ended December 31, 2012

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CITY OF NORCROSS, GEORGIA
FINANCIAL REPORT
For the year ended December 31, 2012

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Norcross, 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 the City of Norcross, Georgia, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Norcross, Georgia, as of December 31, 2012, and the respective changes in the financial position and. where applicable, cash flows, and the budgetary comparison of the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norcross, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual fund financial statements and schedules, the special purpose local option sales tax report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the special purpose local option sales tax report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Norcross, Georgia's basic financial statements for the year ended December 31, 2011, which are not presented with the accompanying financial statements. In our report dated May 3, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norcross's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2011 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2011 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2011 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2013, on our consideration of the City of Norcross, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Norcross' internal control over financial reporting.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 22, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Norcross provides this Management's Discussion and Analysis for readers of the City's financial statements for the year ended December 31, 2012. The purpose of this narrative is to provide readers of these financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Norcross. This narrative overview of the City's financial activities should be read in conjunction with the information presented in the letter of transmittal found at the front of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Norcross exceeded its liabilities at the close of the year by $81,697,704 (reported as "net position"). Of this amount $10,909,867 is unrestricted, of which $4,055,791 is Governmental Activities and $6,854,076 is Business-Type Activities. This unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $1,962,309.

- The City's governmental funds reported combined ending fund balances of $10,414,334. Approximately 78 percent of this amount, $8,534,038, is available for spending at the City's discretion (unassigned fund balance in the General Fund).

- The City's proprietary funds reported net position of $24,870,348 at year end, an increase of $759,952 as a result of the current year's operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Norcross. The financial statements of the City of Norcross comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. Comparative data is presented when available.

Government-wide financial statements.

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Norcross. The government-wide financial statements include the statement of net position and the statement of activities. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses is taken into account regardless of when cash is received or paid.

Statement of Net Position

The statement of net position (pages 24-25), presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The City's net position, which is the difference between assets (what the citizens own), and liabilities (what the citizens owe), is one way to measure the City's financial position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and utility systems) must be considered to assess the overall health of the City.

Statement of Activities

The statement of activities (page 26), presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

- **Governmental activities** - Most of the City's basic services are reported under this category. These services include police, infrastructure maintenance, parks and recreation, and general administration. Taxes, fines/forfeitures and intergovernmental revenues (governmental activities) finance most of these activities.

- **Business-Type activities** - The City charges fees to customers to offset most of the cost of certain services it provides. The City's utility and solid waste services are reported under this category.

- **Discretely Presented Component Unit** – Component units are legally separate organizations for which the elected officials of the City are financially accountable. The Downtown Development Authority, although legally separate, functions for all practical purposes as a department of the City of Norcross, and, therefore, has been included as an integral part of the primary government.

Fund Financial Statements.

The focus of fund financial statements is directed to specific activities of the City and its most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law. The City of Norcross uses two categories of funds: governmental funds and proprietary funds.

In fund financial statements, information is presented in separate columns for each of the major funds. Data from non-major funds are combined into a single, aggregated column for presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements beginning on page 75.

Governmental funds

Most of the City's basic governmental activities reported in the government-wide statements are accounted for in governmental funds, which focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation beside the fund financial statements.

In addition to the General Fund, which is considered a major fund, the City of Norcross maintains two governmental funds types:

1. Special Revenue Funds
2. Capital Projects Funds

The 2009 Special Purpose Local Option Sales Tax (SPLOST) and Grants Capital Projects Funds are considered major Governmental funds.

The City of Norcross adopts an annual appropriated budget for its General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with these budgets.

The City's basic governmental fund financial statements can be found on pages 27-31 of this report.

Because the focus of the governmental fund financial statements is more narrow than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance that reconciles the two statements is provided at the bottom of each statement.

Proprietary funds

When the City charges customers for the full or partial cost of the services it provides (whether to outside customers or to other units of the City), these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities, using the accrual basis of accounting. Enterprise funds are a type of proprietary fund used to account for functions reported as business-type activities in the government-wide statements. The City uses four enterprise funds to account for separate business-type activities, and the major funds are reported in the basic proprietary fund financial statements on pages 32-35 of this report. The City of Norcross uses enterprise funds to account for its water and sewer, electric, storm water, and solid waste functions. The Water and Sewer Utility, Electric Utility, Storm Water Utility and Solid Waste Enterprise Funds are considered major funds.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City acts as a fiduciary for the Municipal Court Agency Fund.

Fiduciary funds are presented in the fund financial statements, but are not reported in the government-wide financial statements.

The City's fiduciary fund Statement of Assets and Liabilities is presented on page 36.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combined financial statements for non-major funds described earlier. Individual fund statements and schedules are presented following the required supplementary information. These statements and schedules contain much more detailed financial information about individual services or divisions of the City.

This report includes two schedules on pages 28 and 30 that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on the fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement, but are reported as deferred revenue on the fund financial statements.
- Unless due and payable, long-term liabilities appear only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Repayment of debt principal reduces a liability on the government-wide statements, but is an expenditure on the fund financial statements.
- Some expenses reported in the government-wide statements represent increases in liabilities on the government-wide statements but are not reported as expenditures in governmental funds because they do not require the use of current financial resources.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

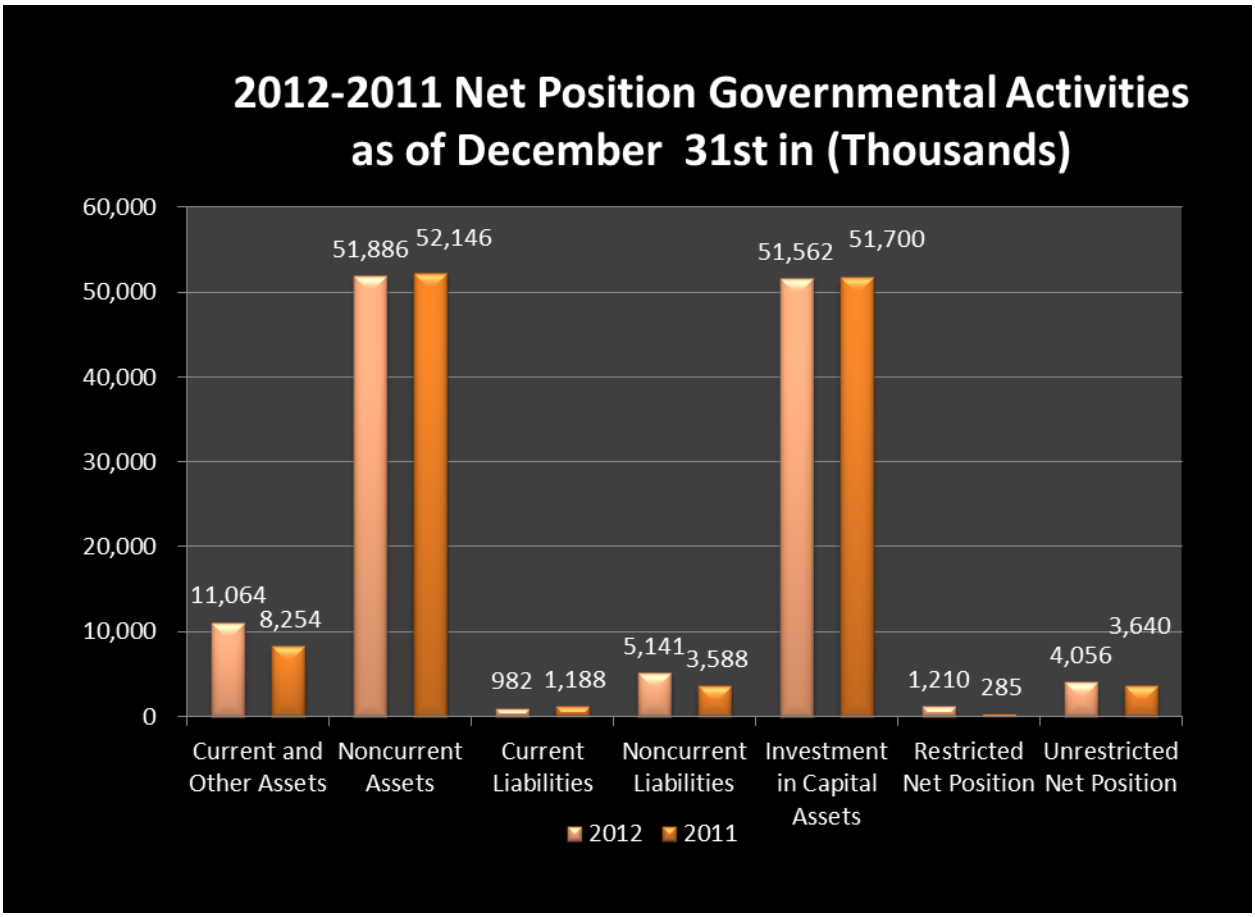
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Norcross, assets exceeded liabilities by $81,697,704 as of December 31, 2012. The following table provides a summary of the City's governmental and business-type net position for the years ended December 31.

City of Norcross
Net Position as of December 31, 2012 and 2011
(in Thousands)

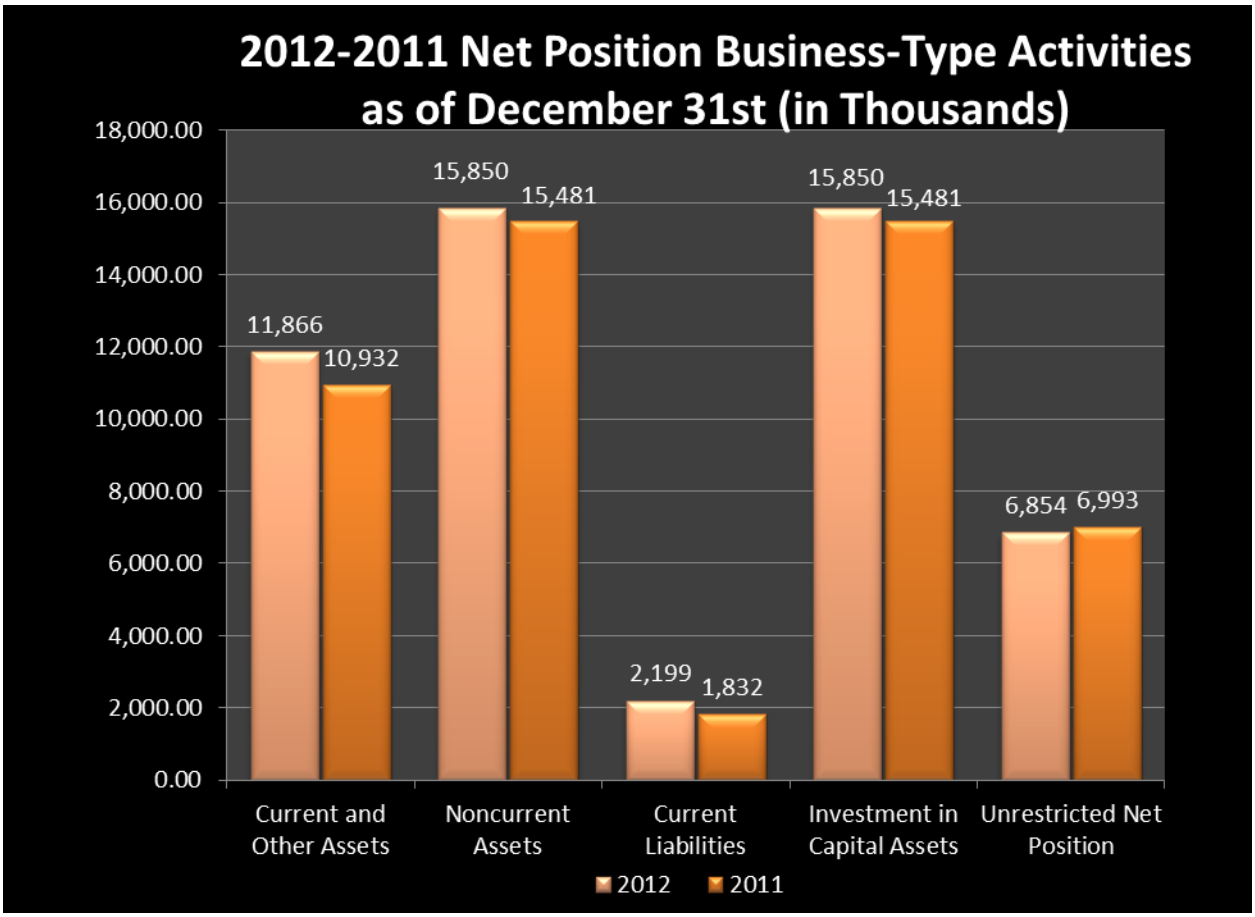
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current Assets	$11,064	$8,254	$11,867	$10,932	$22,931	$19,186
Capital Assets	51,693	52,146	15,850	15,481	67,543	67,627
Other Noncurrent Assets	193	0	0	0	193	0
Total Assets	62,950	60,400	27,717	26,413	90,667	86,813
Current Liabilities	982	1,187	2,199	1,832	3,181	3,019
Long-term Liabilities	5,141	3,588	647	471	5,788	4,059
Total Liabilities	6,123	4,775	2,846	2,303	8,969	7,078
Net Investment in Capital Assets	51,562	51,700	15,850	15,481	67,412	67,181
Restricted Net Position	1,210	285	2,166	1,636	3,376	1,921
Unrestricted Net Position	4,056	3,640	6,854	6,993	10,910	10,633
Total Net Position	$56,828	$55,625	$24,870	$24,110	$81,698	$79,735

The largest portion of the City's net position as of December 31, 2012 (82%) reflects its net investment in capital assets (e.g. land, buildings, machinery, equipment and the Street and sidewalks). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Governmental Activities: Capital assets decreased by 1% over 2011. Unrestricted net position increased in 2012 by 11%.



Business-Type: Current assets increased by 8%, capital assets increased by 2%, and unrestricted net position decreased by 2%.



Restricted net position of the primary government totaling $3,375,780 are constrained by debt covenants or legal requirements and are not available for day-to-day operations of the City. The remaining balance is unrestricted net position of $10,909,867, which may be used to meet the City's ongoing obligations to citizens and creditors. The portion of unrestricted net position from business-type activities was $6,854,076 at the end of the year.

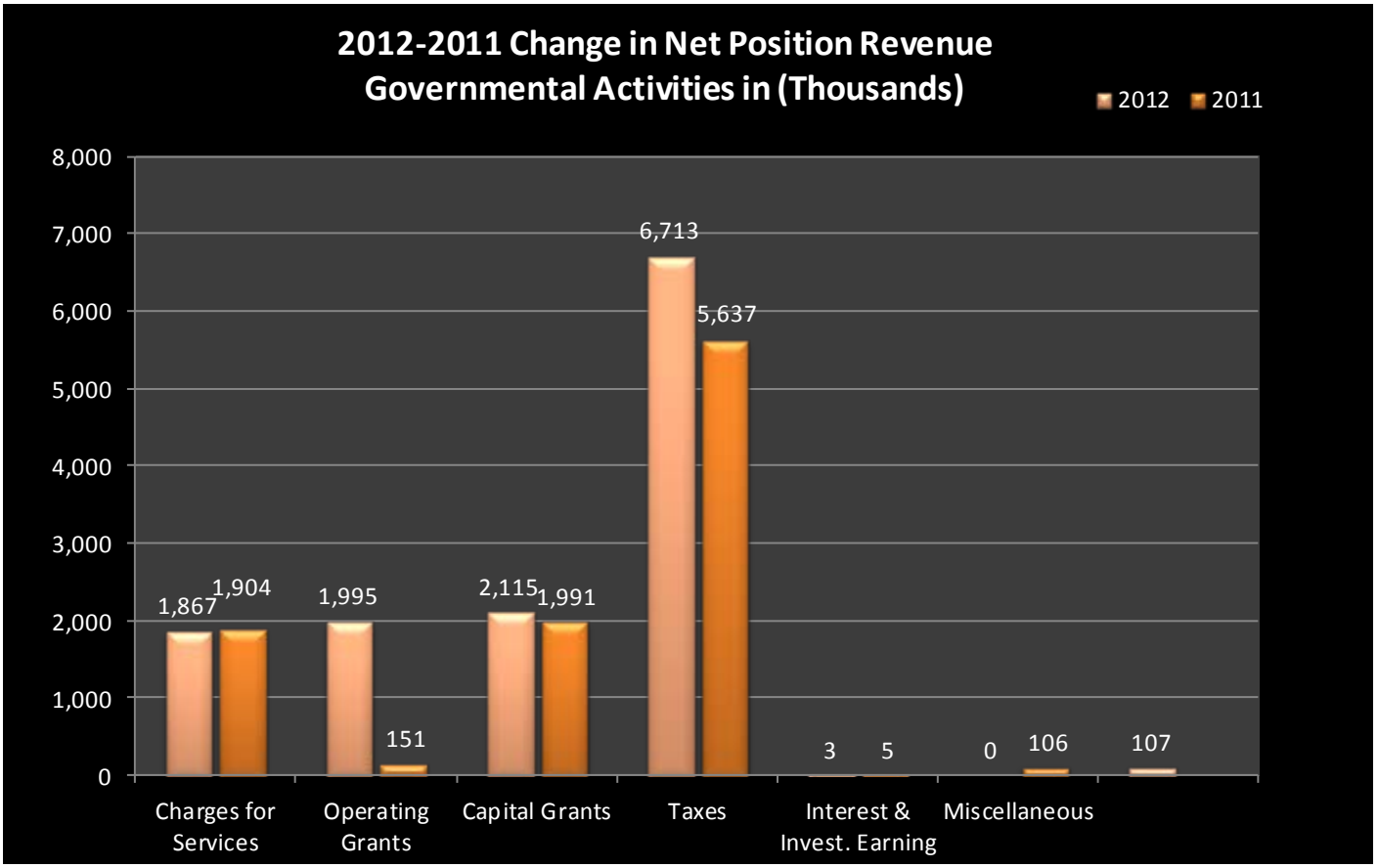
The City's net position increased by $1,962,309 during the current year. Governmental activities resulted in a increase in net position of $1,202,357 while business-type activities resulted in an increase of net position of $759,952. The following table was derived from the government-wide Statement of Activities and reflects how the City's net position changed during the year.

City of Norcross
Changes in Net Position for the Years ended December 31, 2012 and 2011
(in Thousands)

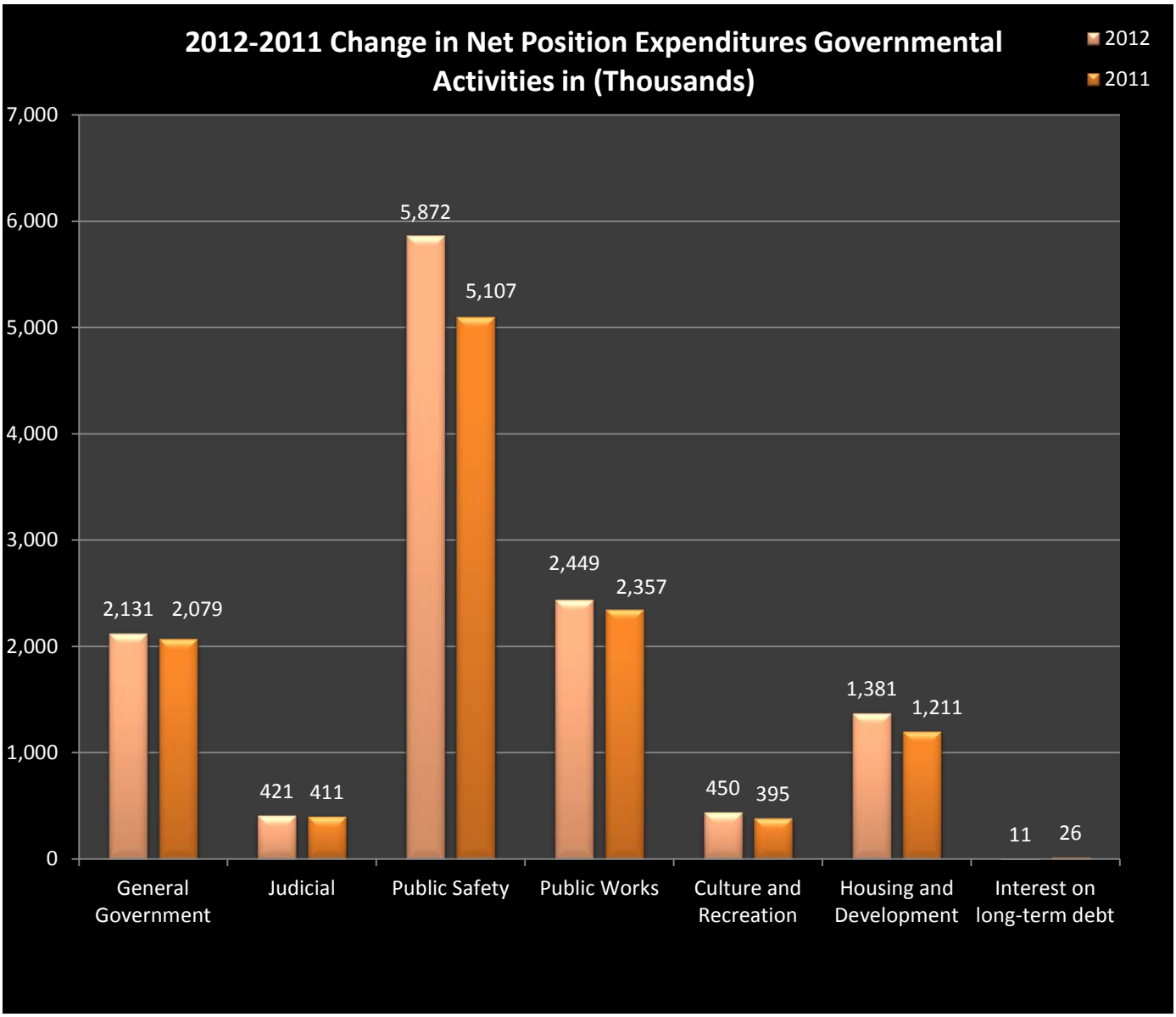
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for Services	$1,867	$1,904	$17,147	$16,694	$19,014	$18,598
Operating Grants	1,995	151	0	0	1,995	151
Capital Grants	2,115	1,991	0	15	2,115	2,006
General Revenues:						
Taxes	6,713	5,637	0	0	6,713	5,637
Interest and Investment Earnings	3	5	53	43	56	48
Payment component	0	0	0	0	0	0
Miscellaneous	107	106	36	56	143	162
Total Revenues	**12,800**	**9,794**	**17,236**	**16,808**	**30,036**	**26,602**
Expenses:						
General Government	2,131	2,079	0	0	2,131	2,079
Judicial	421	411	0	0	421	411
Public Safety	5,872	5,107	0	0	5,872	5,107
Public Works	2,449	2,357	0	0	2,449	2,357
Culture and Recreation	450	395	0	0	450	395
Housing and Development	1,381	1,211	0	0	1,381	1,211
Interest on long-term debt	11	26	0	0	11	26
Water and Sewer	0	0	2,113	2,573	2,113	2,573
Electric	0	0	10,965	10,028	10,965	10,028
Solid Waste	0	0	1,838	1,357	1,838	1,357
Storm Water	0	0	443	380	443	380
Total Expenses	**12,715**	**11,586**	**15,359**	**14,338**	**28,074**	**25,924**
Increase in net position before transfers	**85**	**(1,792)**	**1,877**	**2,469**	**2,554**	**677**
Transfers	1,117	675	(1,117)	(675)	0	0
Change in Net Position	**1,202**	**(1,117)**	**760**	**1,794**	**1,962**	**677**
Net Position - January 1	55,625	56,438	24,110	22,620	79,735	79,058
Prior period adjustments	0	304	0	(304)	0	0
Dec. 31 Net Position	**$56,827**	**$55,625**	**$24,870**	**$24,110**	**$81,697**	**$79,735**

Governmental Activities. Governmental Activities increased the City's net position by $1,202,357. Revenues for the City's governmental activities increased by 31% ($3,006,970) over 2011. This increase in revenue was the result of an increase in property and hotel/motel taxes. Expenses are up by 10% over 2011 ($1,129,547). This increase in expenses was the result of an increase in the Public Safety function.

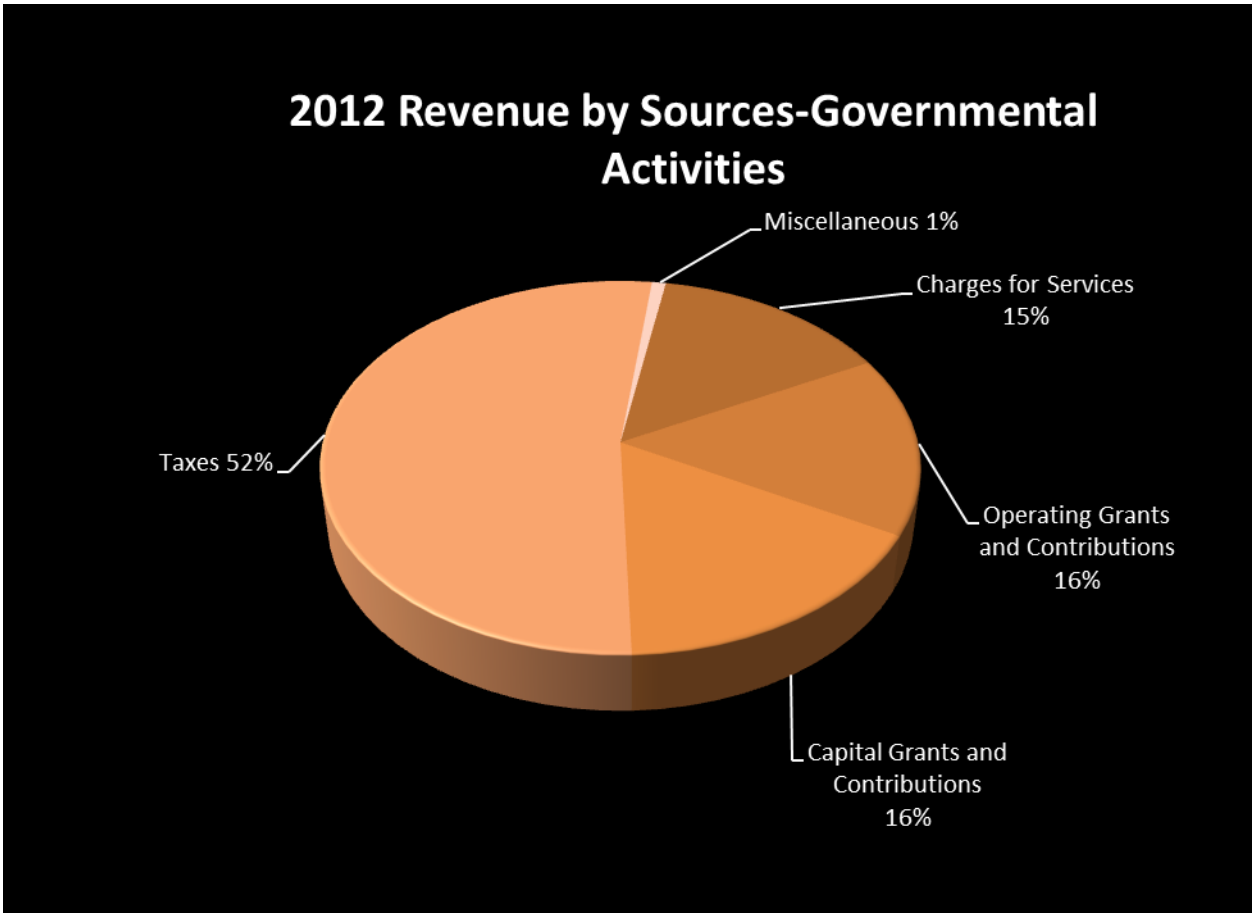
Operating Grants and Contributions increased 1224%, Capital Grants and Contributions increased 6%, Taxes increased 19%, Interest and Investment Earnings decreased 41%.



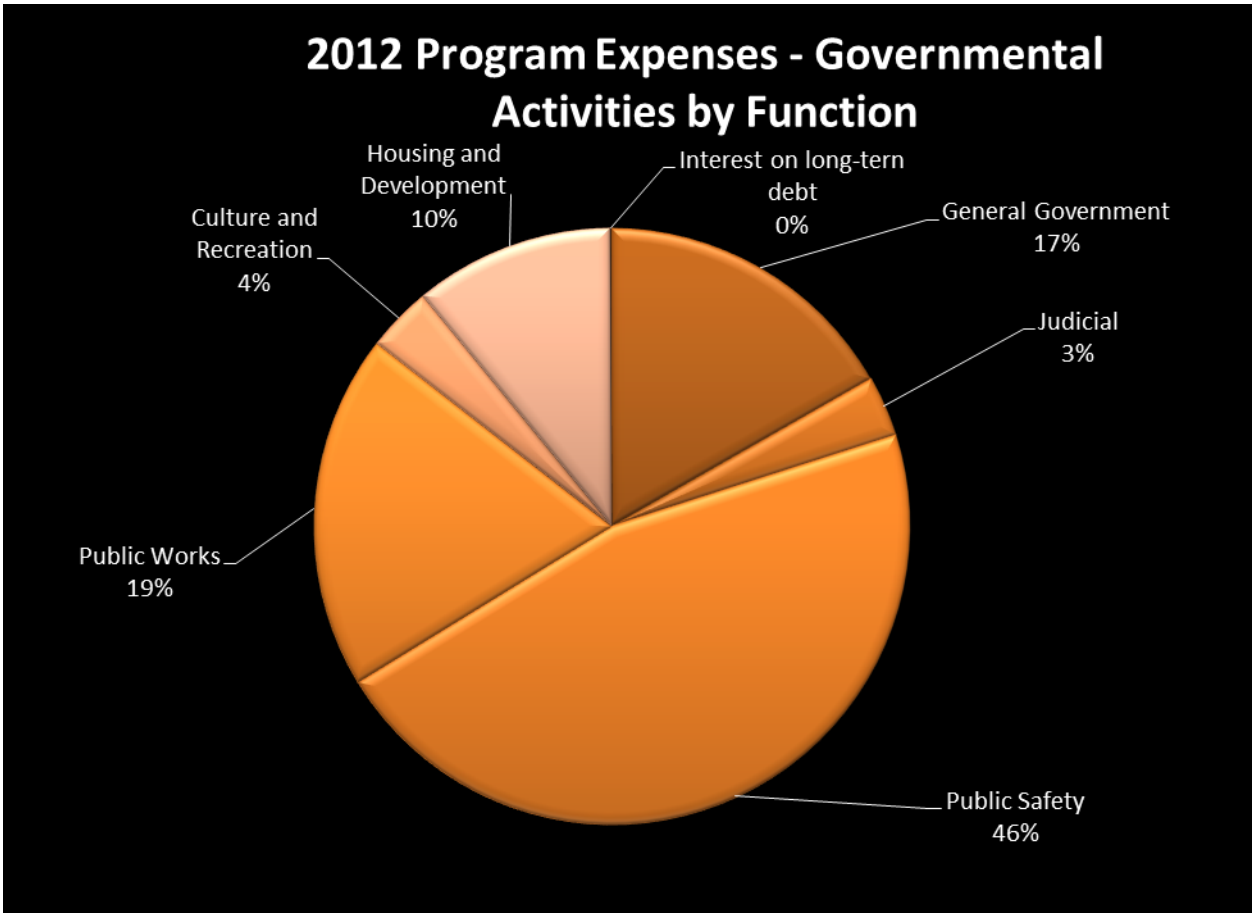
Governmental Activities: General Government expenses increased by 3%, Public Safety increased 15%, Judicial increased 2%, Culture Art increased 14%, Public Works increased 4%, Housing and Development increased 14% and Interest on long term debt decreased 57%.



Revenue for governmental activities was $12.80 million. The major revenue sources were taxes (52%), capital grants and contributions (17%), charges for services (15%), operating grants and contributions (16%) and miscellaneous (1%).

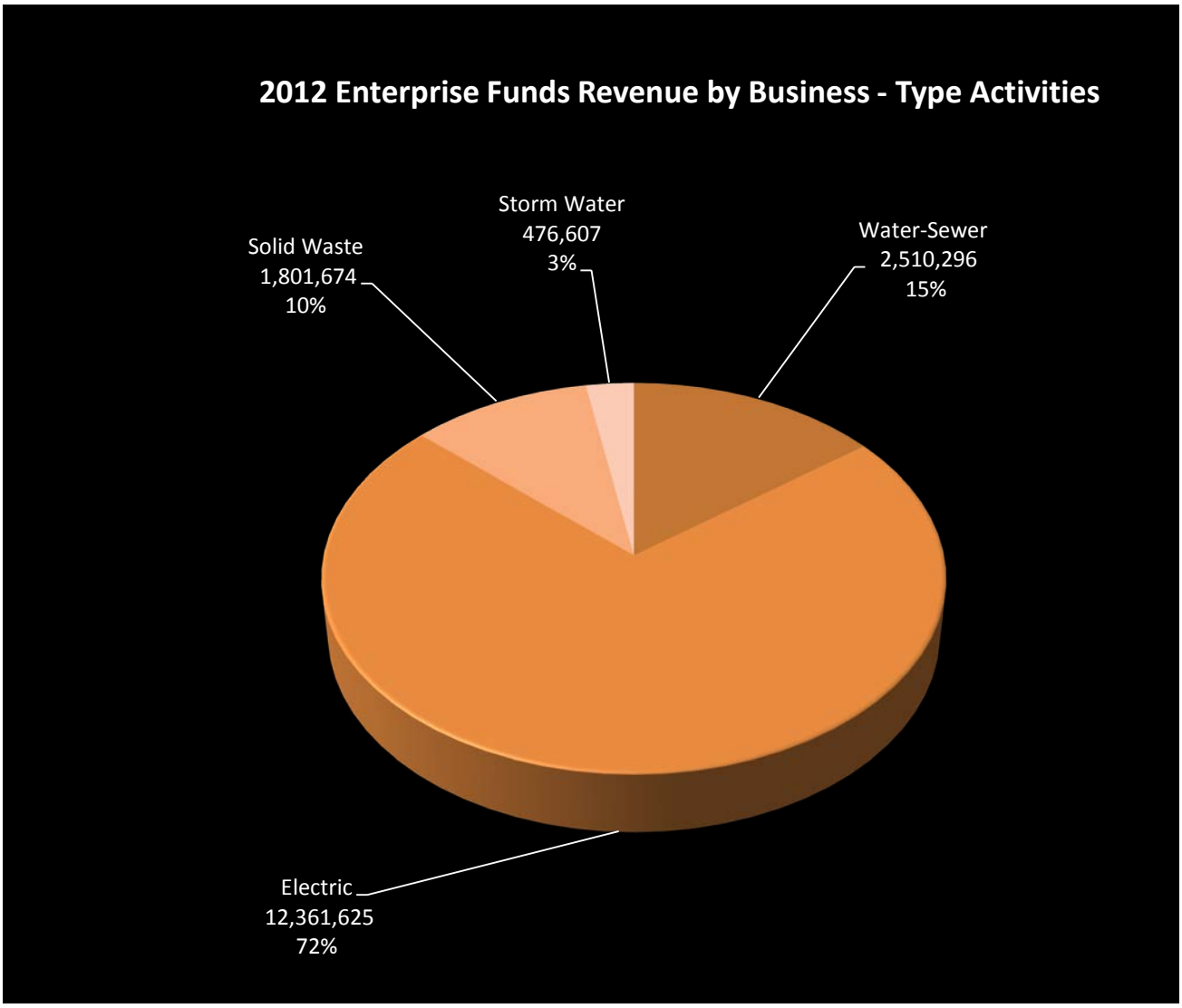


Expenses for the Governmental Activities were $12.7 million, of which Public Safety accounted for 46%, Public Works 19%, General Government 17%, Housing and Development 11%, Judicial 3%, and Culture and Recreation 3% .

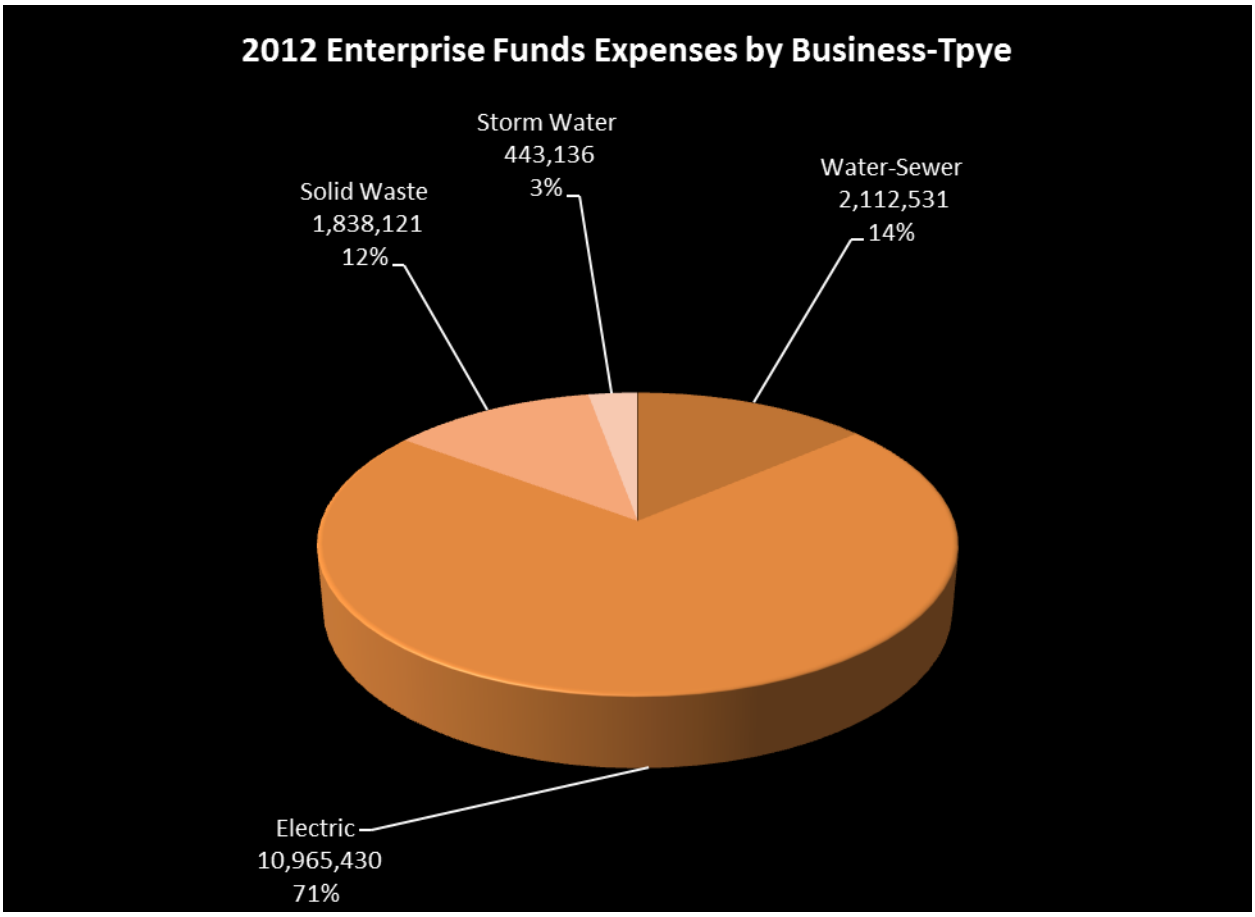


Business-Type Activities. Operations of business-type activities increased the City's net position by $759,952. Key elements of this increase were as follows:

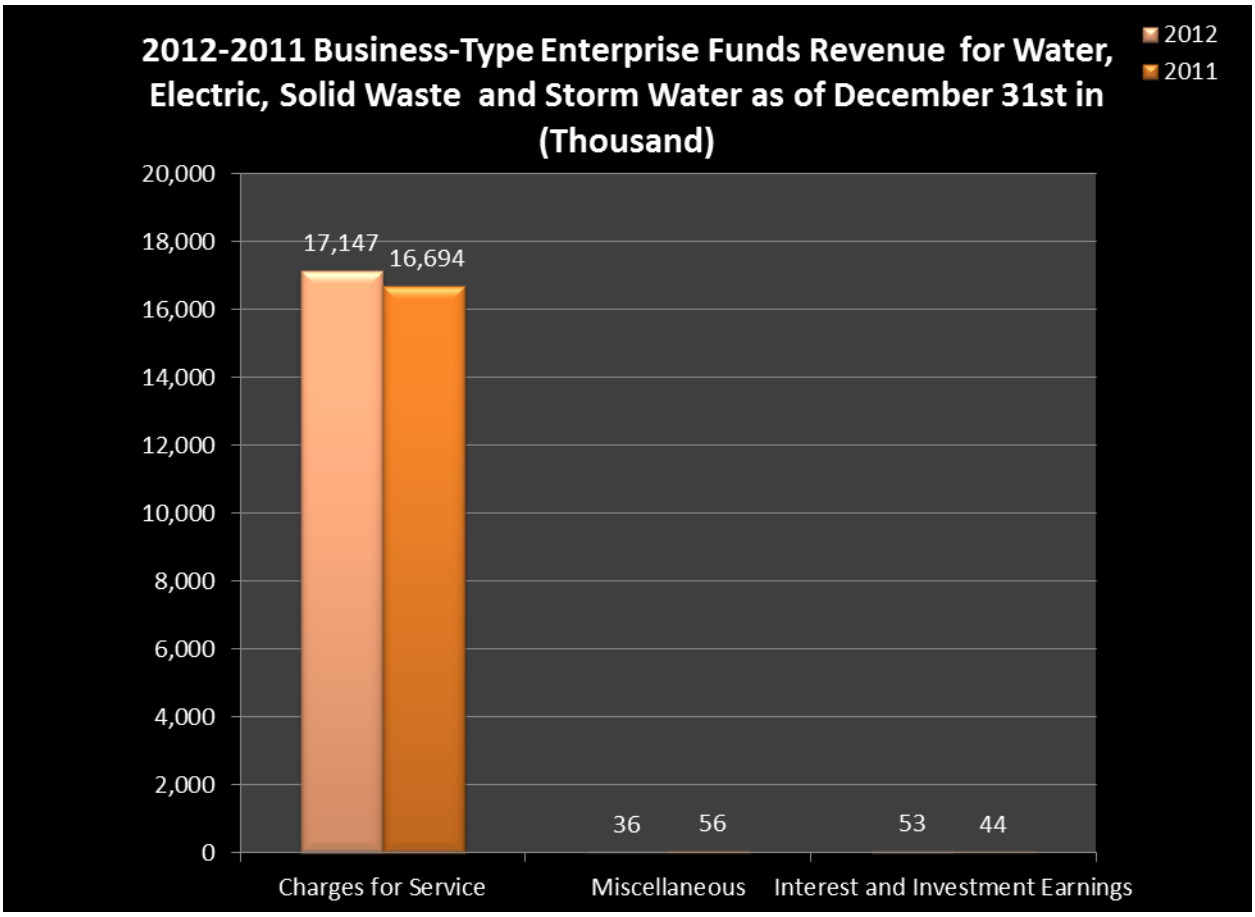
Sales for Business-Type activities were $17,147,202 an increase of 3% over the prior year sales of $16,693,942.



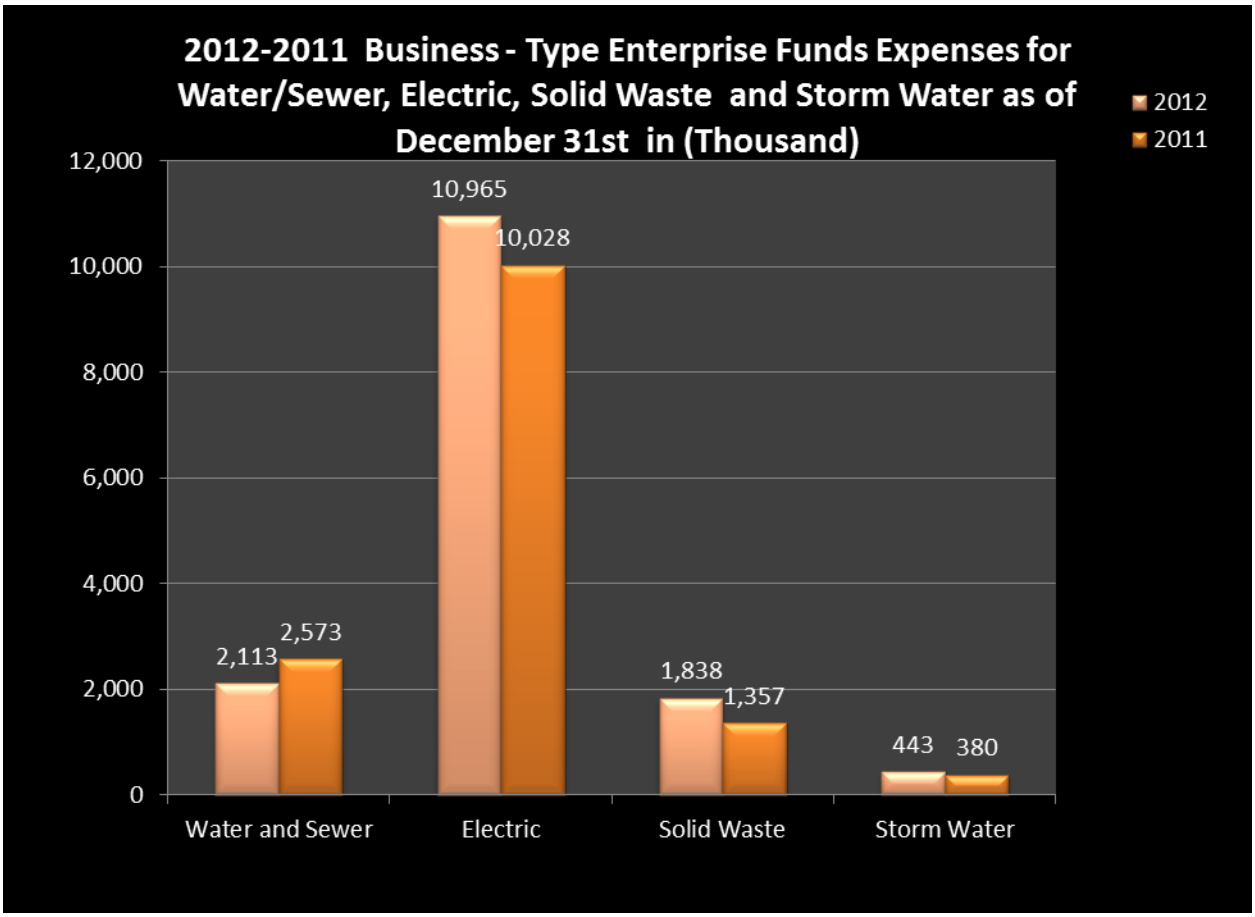
Expenses for the Business-type Activities were $15.3 million, of which Electric accounted for 71%, Water/Sewer 14%, Solid Waste 12% and Storm Water 3%.



Business-Type; Water/Sewer, Electric, Storm Water, and Solid Waste charges for services increased 3%, Miscellaneous decreased 35% and Interest on Investment Earning increased by 22%



Business-Type: Water/Sewer expenses decreased 18%, Electric increased 9%, Solid Waste increased 35% and Storm Water increased 17%.



The Water and Sewer Utility Enterprise Fund net position increased by $407,122. The increase in net position was due to nothing being transferred to the General Fund compared to $175,069 in 2011.

The Electric Utility Enterprise Fund net position increased by $527,019. This was a decrease from 2011 of $1,013,506 due to $944,603 being transferred to the General Fund compared to $500,000 in 2011.

The Solid Waste Utility Enterprise Fund net position decreased by $208,547. This is a increase from 2011 of $205,780 due to the addition of additional service coverage area.

The Storm Water Utility Fund net position increased by $34,358. This is a decrease from 2011 of $73,586 due to an increase in personal services.

Review pages 100-111 (Exhibits F-1 thru F-12) for additional information on Enterprise Funds.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S INDIVIDUAL FUNDS

As noted earlier, the City of Norcross uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and financial reporting requirements.

Governmental funds. The City uses governmental funds to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. The City of Norcross uses nine governmental funds.

At the end of the current year, the City's General Fund reported an ending fund balance of $8,974,062, an increase of $2,016,524 or (29%) in comparison with the prior year. Approximately 95.1% of this amount ($8,534,038) constitutes an unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is in a nonspendable form.

As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 94% of total general fund expenditures for the current year.

Key factors in the increase of the General Fund's fund balance of $2,016,524 during the current year are:

- This increase is due to the settlement of the Service Delivery Strategy with the County and the full year operation with the annexed area.

- For 2012, there were transfers in of $1,114,515. $157,515 was transferred in from the Solid Waste Enterprise Fund, and $957,000 from the Electric Utility Enterprise Fund.

Below is a breakdown of 2012-2011 Revenues and Expenses comparison:

- 2012-2011 Revenues comparison: Revenues for 2012 are $10,074,184 and 2011 revenues were $7,475,380. Revenues increased by $2,598,804, which is an increase of 35% over 2011.

- 2012-2011 Expenditures comparison: Expenditures for 2012 are $9,100,575 and 2011 expenditures were $8,411,979. Expenditures increased by $688,596, a 8% increase over 2011.

Below are several revenue line items that have an increase (decrease) in revenue over 2011.

- Tax revenue increased by $692,256 (13%) as a result increased collections in various types of taxes.

- Investment earnings decreased by $1,539 (43%) due to the market rate being very low on investments.

- Licenses and permits increased by $1,592 (<1%) due to new business startup.

- Fine, fees and forfeitures increased by $48,791 (5%) over 2011 due to the decrease in community service work.

- Charges for services increased by $10,525 (9%) due to the increase in fees.

- Other increased by $2,601 (2%) due to the increase in miscellaneous revenue

Review pages 79-83 (Exhibits C-1 thru C-4) for additional information on the General Fund.

SPECIAL REVENUE FUNDS

- Confiscated Assets Fund: The fund balance for 2011 was $42,657 and for 2012 is $4,807. This is a decrease of $37,850 which is a 89% decrease over 2011.

- Hotel/Motel Tax Fund: The fund balance for 2011 was $40,624 and for 2012 is $226,198. This is a increase of $185,574, which is a 457% increase over 2011.

- Federal Seized Drug Fund: The fund balance for 2011 was $194,313 and for 2012 is $9,249. This is a decrease of $185,064, which is a 95% decrease over 2011.

- Police Grant Fund: The fund balance for 2011 was $277 and for 2012 is $0. This is a decrease of $277, which is a 100% decrease over 2011. All projects are complete and this Grant Fund has been closed out.

- Technology Surcharges Fund: The fund balance for 2011 was $63,555 and for 2012 is $62,469. This is an decrease of $1,086, which is a 2% decrease over 2011.

Review pages 84-93 (Exhibits D-1 thru D-10) for additional information on the Special Revenue Funds.

CAPITAL PROJECTS FUNDS

The City has two Special Purpose Local Option Sale Tax funds for the purpose of funding capital projects These funds were voted on and approved by the citizens of Norcross by referendum in an election.

- 2009 Special Purpose Local Option Sales Tax Fund: The fund balance for 2011 is ($54,069) and for 2012 is $993,059. This is an increase of $1,047,128.

- Capital Grants: The fund balance for 2011 was $214,574 and for 2012 is $144,490. This is a decrease of $70,084 which is a decrease of 33% over 2011.

Review pages 94-99 (Exhibits E-1 thru E-6) for additional information on the Capital Projects Funds.

PRIOPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

2012 Net position of the City's four proprietary funds are as follows:

Water and Sewer Utility	$ 8,544,194
Electric Utility	14,290,338
Solid Waste Utility	1,061,582
Storm Water Utility	974,234

The increase in net position for the funds was $759,952, which is a 3% increase over 2011. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's Business-type Activities.

Review pages 100-11 (Exhibits F-1 thru F-12) for additional information on the Enterprise Funds.

COMPONENT UNIT

The Component Unit 2011 Balance Sheet shows fund balance of $440,448 and 2012 Balance Sheet shows fund balance of $424,150. This is a decrease of $16,298 which is a decrease of 4% over 2011.

Review pages 114-115 (Exhibits H-1 thru H-2) for additional information on the Downtown Development Component Unit.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund 2012 adopted budget was $7,831,000. Final year end budget total was $9,176,878. There were budget adjustments of $1,345,878 due to the full year operation of the Communication E911 and other projects within the various departments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Governmental and Business-Type

The investment in capital assets for the City's Governmental and Business- type activities as of December 31, 2012, amounted to $67,544,208 (net of accumulated depreciation), which is a <1% decrease from 2011. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and distribution systems for water/sewer, electricity and storm water.

During the year ended December 31, 2012, the City invested $2,752,221 in new capital assets. Investment for business-type activities totaled $907,421, while $1,844,800 was for governmental activities. Major capital asset events during the current year included the following:

Governmental Activities : $1,844,800

- $22,442 Purchase of Land
- $691,200 Construction in Progress
- $111,078 Buildings
- $664,604 Infrastructure
- $263,932 Vehicles and equipment
- $91,544 Furniture and Fixtures

Business-type Activities : $907,421

- $826,773 Construction in Progress
- $5,902 Investment in the water/sewer, electrical, and storm water distribution systems
- $74,746 Vehicles and equipment

More information on capital assets may be found in the Note 9 to the Financial Statements, Exhibit A-12, on pages 57-58 of this report.

Debt Administration

Primary Government:

At the end of 2012 the City had no debt.

Component Unit:

At the end of the current year, the Downtown Development Authority had outstanding debt. The Downtown Development Authority purchased real property in the original amount of $57,5000, and as of December 31, 2012 the balance of the noted is $39,942. Monthly installments of principle and interest are due through August 1, 2017, with unpaid interest due September 1, 2017: interest at 3.00%.

Downtown Development Authority entered into an intergovernmental agreement with the City on December 20, 2006 in the amount of $258,000 for the purchase of 62 College Street (Tea Folk House). On July 22, 2010, a portion of this property was returned to the City and $165,500 of the original amount was forgiven. As of December 31, 2012 the balance was $92,500. The balance is due on December 1, 2017: interest at 0.00%.

Downtown Development Authority entered into a lending agreement with the City of Norcross in the amount of $100,000 on July 22, 2010. The proceeds were then loaned to a local business for renovation improvements. As of December 31, 2012, the balance was $100,000. The balance is due on September 1, 2017; interest payments are due monthly through September 1, 2017 at the MEAG Municipal Competitive Trust Short-term Portfolio rate of return at quarter end plus 1%;

More information on long-term debt may be found in the Note 13 to the Financial Statements, Exhibit A-12, on pages 60-61 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected officials and management considered many factors when adopting the budget for the year ending December 31, 2013. Budget calculations were based on, but not limited to, the following factors:

- The City has completed negotiations with Gwinnett County to sell the Water/Sewer System. The County will be able to operate the system at a lower cost than the City.
- The Storm Water department has been operating for four years, and we are yet faced with the challenge to make sure rates are set to accommodate capital replacement and fund the operation of the department. With an old Storm Water System, there are high dollar projects that need to be done and it will be hard to do with the current rate.
- SPLOST funds from Gwinnett County are being received at an average monthly rate of $126,833. These funds are restricted for Roads and Streets, Recreation, Administration Facilities, and Parking Facilities. The challenge at this point is the decrease in projected funds from the County and the need to re-adjust projects.
- Tee-Grant and LCI revenues and expenditures will continue to be recognized during 2013.
- Departmental expenditures were budgeted to account for the increase in revenue due to the increase in population as a result of the annexation . The City will only fill necessary positions.
- The revenue projected is expected to be consistent with 2012 due to the annexation.
- The biggest challenge for 2013 as in prior years, is to continue to provide excellent customer service to residents by not reducing services or current staff.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Norcross finances for all of its citizens, taxpayers, customers, investors and creditors and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Administrative Services Director, 65 Lawrenceville Street, Norcross GA, 30071.

BASIC FINANCIAL STATEMENTS

CITY OF NORCROSS, GEORGIA
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,111,398	$ 2,583,916	$ 7,695,314	$ 119,550
Certificates of deposit	2,651,959	0	2,651,959	0
Investments	0	3,040,355	3,040,355	0
Restricted assets				
Cash and cash equivalents	0	191,632	191,632	0
Investments	0	2,556,982	2,556,982	0
Receivables (net)				
Accounts	48,802	2,768,903	2,817,705	0
Taxes	1,008,498	0	1,008,498	0
Intergovernmental	696,881	0	696,881	0
Notes	0	0	0	4,284
Interest	3,834	0	3,834	0
Internal balances	293,963	(293,963)	0	0
Prepaid items	162,922	181,615	344,537	0
Property held for resale	1,085,766	0	1,085,766	112,994
Inventories	0	837,035	837,035	0
Total current assets	11,064,023	11,866,475	22,930,498	236,828
Noncurrent assets				
Notes receivable	192,500	0	192,500	188,520
Capital assets				
Non-depreciable	16,259,519	408,417	16,667,936	4,000
Depreciable (net)	35,434,310	15,441,782	50,876,092	0
Total noncurrent assets	51,886,329	15,850,199	67,736,528	192,520
Total assets	62,950,352	27,716,674	90,667,026	429,348
LIABILITIES				
Current liabilities				
Payables				
Accounts	325,873	382,189	708,062	0
Retainages	33,643	0	33,643	0
Intergovernmental	37,788	816,752	854,540	1,198
Sales tax	0	49,398	49,398	0
Accrued salaries and payroll liabilities	170,659	16,453	187,112	0
Compensated absences	160,653	12,595	173,248	0
Unearned revenue	3,550	339,544	343,094	0
Other liabilities	249,661	0	249,661	0
Notes payable	0	0	0	3,616
Liabilities payable from restricted assets				
Customer deposits payable	0	582,541	582,541	0
Total current liabilities	981,827	2,199,472	3,181,299	4,814
Noncurrent liabilities				
Notes payable	0	0	0	228,826
Net OPEB obligation	5,141,169	646,854	5,788,023	0
Total noncurrent liabilities	5,141,169	646,854	5,788,023	228,826
Total liabilities	6,122,996	2,846,326	8,969,322	233,640

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
NET POSITION				
Net investment in capital assets	$ 51,561,858	$ 15,850,199	$ 67,412,057	$ 4,000
Restricted for:				
General Government	62,469	0	62,469	0
Public Safety	14,056	0	14,056	0
Public Works	140,123	0	140,123	0
MEAG generation projects	0	2,166,073	2,166,073	0
Capital projects	993,059	0	993,059	0
Unrestricted	4,055,791	6,854,076	10,909,867	191,708
Total net position	$ 56,827,356	$ 24,870,348	$ 81,697,704	$ 195,708

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 2,130,948	$ 187,285	$ 2,668	$ 0	$ (1,940,995)
Judicial	421,335	0	0	0	(421,335)
Public Safety	5,872,299	1,316,758	1,992,609	162,332	(2,400,600)
Public Works	2,448,658	0	0	463,155	(1,985,503)
Culture and Recreation	449,578	0	0	1,063,724	614,146
Housing and Development	1,381,098	362,835	0	426,219	(592,044)
Interest on long-term debt	11,323	0	0	0	(11,323)
Total governmental activities	12,715,239	1,866,878	1,995,277	2,115,430	(6,737,654)
Business-type activities					
Water and Sewer Utility	2,112,531	2,510,296	0	0	397,765
Electric Utility	10,965,430	12,361,625	0	0	1,396,195
Solid Waste	1,838,121	1,801,674	0	0	(36,447)
Storm Water Utility	443,136	473,607	0	0	30,471
Total business-type activities	15,359,218	17,147,202	0	0	1,787,984
Total primary government	28,074,457	19,014,080	1,995,277	2,115,430	(4,949,670)
Component Unit					
Downtown Development Authority					
Housing and Development	34,489	0	0	0	(34,489)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Change in net assets				
Net (expense) revenue	$ (6,737,654)	$ 1,787,984	$ (4,949,670)	$ (34,489)
General revenues				
Taxes				
Property	4,020,707	0	4,020,707	0
Franchise	947,738	0	947,738	0
Insurance premium	454,160	0	454,160	0
Intangibles	69,512	0	69,512	0
Occupational	342,133	0	342,133	0
Alcoholic beverage	260,047	0	260,047	0
Hotel/Motel	618,457	0	618,457	0
Interest and investment earnings	2,781	52,981	55,762	12,498
Miscellaneous	107,428	36,035	143,463	9,202
Transfers	1,117,048	(1,117,048)	0	0
Total general revenues and transfers	7,940,011	(1,028,032)	6,911,979	21,700
Change in net position	1,202,357	759,952	1,962,309	(12,789)
Net position - beginning	55,624,999	24,110,396	79,735,395	208,497
Net position - ending	$ 56,827,356	$ 24,870,348	$ 81,697,704	$ 195,708

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

	General	2009 SPLOST	Grants Capital Projects	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 3,555,335	$ 1,239,185	$ 55,570	$ 261,308	$ 5,111,398
Certificates of deposit	2,651,959	0	0	0	2,651,959
Receivables (net)					
Accounts	48,802	0	0	0	48,802
Taxes	871,180	0	0	137,318	1,008,498
Intergovernmental	1,198	273,931	421,752	0	696,881
Notes	192,500	0	0	0	192,500
Interest	3,834	0	0	0	3,834
Prepaid items	158,922	0	0	4,000	162,922
Due from other funds	973,938	53,678	0	12,298	1,039,914
Property held for resale	1,085,766	0	0	0	1,085,766
Advances to other funds	281,102	0	0	0	281,102
Total assets	$ 9,824,536	$ 1,566,794	$ 477,322	$ 414,924	$ 12,283,576
LIABILITIES					
Payables					
Accounts	$ 203,874	$ 9,818	$ 88,510	$ 23,671	$ 325,873
Retainages	0	0	33,643	0	33,643
Intergovernmental	0	0	0	37,788	37,788
Accrued salaries and payroll liabilities	169,900	0	0	759	170,659
Unearned revenue	3,550	0	0	0	3,550
Due to other funds	0	12,815	210,679	24,006	247,500
Other liabilities	223,684	0	0	25,977	249,661
Advances from other funds	228,451	551,102	0	0	779,553
Total liabilities	829,459	573,735	332,832	112,201	1,848,227
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	21,015	0	0	0	21,015
FUND BALANCES					
Nonspendable:					
Prepaid items	158,922	0	0	4,000	162,922
Advances to other funds	281,102	0	0	0	281,102
Restricted for:					
General Government	0	0	0	62,469	62,469
Public Safety	0	0	0	14,056	14,056
Public Works	0	0	140,123	0	140,123
Capital outlay	0	993,059	0	0	993,059
Assigned for:					
Public Works	0	0	4,367	0	4,367
Housing and Development	0	0	0	222,198	222,198
Unassigned	8,534,038	0	0	0	8,534,038
Total fund balances	8,974,062	993,059	144,490	302,723	10,414,334
Total liabilities, deferred inflows, and fund balances	$ 9,824,536	$ 1,566,794	$ 477,322	$ 414,924	$ 12,283,576

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2012

Total fund balance - total governmental funds		$ 10,414,334
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and, therefore, are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation		51,693,829
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds. These are:		
Property taxes		21,015
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These are:		
Compensated absences	(160,653)	
Net OPEB obligations	(5,141,169)	(5,301,822)
Net position of governmental activities		$ 56,827,356

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2012

	General	2009 SPLOST	Grants Capital Projects	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 6,237,718	$ 0	$ 0	$ 618,457	$ 6,856,175
Licenses and permits	464,386	0	0	0	464,386
Fines, fees and forfeitures	1,135,427	0	0	135,000	1,270,427
Charges for services	132,065	0	0	0	132,065
Intergovernmental	1,995,277	1,526,176	564,617	23,934	4,110,004
Interest	2,045	703	0	736	3,484
Other	107,266	0	0	160	107,426
Total revenues	10,074,184	1,526,879	564,617	778,287	12,943,967
EXPENDITURES					
Current					
General Government	1,716,141	0	0	71,057	1,787,198
Judicial	362,471	0	0	0	362,471
Public Safety	4,383,214	0	0	327,468	4,710,682
Public Works	1,542,292	0	0	0	1,542,292
Culture and Recreation	300,731	0	0	0	300,731
Housing and Development	795,726	0	0	435,946	1,231,672
Capital outlay	0	172,898	540,226	77	713,201
Debt service	0	457,980	0	0	457,980
Total expenditures	9,100,575	630,878	540,226	834,548	11,106,227
Excess (deficiency) of revenues over (under) expenditures	973,609	896,001	24,391	(56,261)	1,837,740
Other financing soures (uses)					
Transfers in	1,114,515	151,127	56,652	17,481	1,339,775
Transfers out	(71,600)	0	(151,127)	0	(222,727)
Total other financing sources (uses)	1,042,915	151,127	(94,475)	17,481	1,117,048
Net change in fund balance	2,016,524	1,047,128	(70,084)	(38,780)	2,954,788
Fund balances, January 1	6,957,538	(54,069)	214,574	341,503	7,459,546
Fund balances, December 31	$ 8,974,062	$ 993,059	$ 144,490	$ 302,723	$ 10,414,334

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2012

Net change in fund balances - total governmental funds		$ 2,954,788
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 1,300,578	
Depreciation	(1,752,981)	(452,403)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred inflows.		(143,421)
The proceeds of debt issuance provide current financial resources to government funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Debt principal repayments	446,657	
Debt proceeds	0	446,657
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences	(49,895)	
Net OPEB obligations	(1,553,369)	(1,603,264)
Change in net assets of governmental activities		$ 1,202,357

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 5,782,700	$ 5,822,204	$ 6,237,718	$ 415,514
Licenses and permits	255,500	260,305	464,386	204,081
Fines, fees and forfeitures	1,000,000	1,000,000	1,135,427	135,427
Charges for services	93,800	93,800	132,065	38,265
Intergovernmental	130,000	130,000	1,995,277	1,865,277
Interest	5,000	5,000	2,045	(2,955)
Other	57,000	90,154	107,266	17,112
Total revenues	7,324,000	7,401,463	10,074,184	2,672,721
EXPENDITURES				
Current				
General Government				
Governing Body	327,166	239,862	239,329	533
Administration	447,540	485,576	488,151	(2,575)
City Clerk	200,475	244,783	235,262	9,521
Chief Executive	72,073	71,210	59,168	12,042
Information Technology	784,600	695,043	694,231	812
Judicial				
Municipal Court	370,281	376,940	362,471	14,469
Public Safety				
Police	3,467,573	4,373,960	4,383,214	(9,254)
Public Works				
Public Works Administration	1,108,343	1,588,944	1,542,292	46,652
Culture and Recreation				
Parks and Recreation	299,683	301,404	300,731	673
Housing and Development				
Community Development	690,116	748,709	745,687	3,022
Economic Development	0	50,447	50,039	408
Downtown Development Authority	63,150	0	0	0
Total expenditures	7,831,000	9,176,878	9,100,575	76,303
Excess (deficiency) of revenues over (under) expenditures	(507,000)	(1,775,415)	973,609	2,749,024
Other financing sources (uses)				
Transfers in	507,000	507,000	1,114,515	607,515
Transfers out	0	(131,104)	(71,600)	59,504
Contingency	0	(81,751)	0	81,751
Total other financing sources (uses)	507,000	294,145	1,042,915	748,770
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,481,270)	2,016,524	3,497,794
Fund balances, January 1	0	1,481,270	6,957,538	5,476,268
Fund balances, December 31	$ 0	$ 0	$ 8,974,062	$ 8,974,062

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business Type				
	Water and Sewer Utility	Electric Utility	Solid Waste	Storm Water Utility	Totals
ASSETS					
Current assets					
Cash and cash equivalents	$ 971,419	$ 191,205	$ 1,065,954	$ 355,338	$ 2,583,916
Investments	0	3,040,355	0	0	3,040,355
Restricted assets					
Cash and cash equivalents	80,426	0	111,206	0	191,632
Investments	0	2,556,982	0		2,556,982
Accounts receivable (net)	453,027	1,817,113	383,471	115,292	2,768,903
Prepaid items	1,724	177,750	0	2,141	181,615
Inventories	28,946	808,089	0	0	837,035
Due from other funds	0	0	164,586	0	164,586
Total current assets	1,535,542	8,591,494	1,725,217	472,771	12,325,024
Noncurrent assets					
Capital assets					
Non-depreciable	146,849	261,568	0	0	408,417
Depreciable (net)	7,216,836	7,615,948	0	608,998	15,441,782
Other assets					
Advances to other funds	0	498,451	0	0	498,451
Total noncurrent assets	7,363,685	8,375,967	0	608,998	16,348,650
Total assets	8,899,227	16,967,461	1,725,217	1,081,769	28,673,674
LIABILITIES					
Current liabilities					
Payables					
Accounts	17,520	60,481	299,419	4,769	382,189
Intergovernmental	105,578	711,174	0	0	816,752
Sales tax	0	49,398	0	0	49,398
Accrued salaries and payroll liabilities	4,920	10,476	0	1,057	16,453
Compensated absences	2,736	8,039	0	1,820	12,595
Unearned revenue	0	86,534	253,010	0	339,544
Due to other funds	0	957,000	0	0	957,000
Liabilities payable from restricted assets					
Customer deposits payable	80,426	390,909	111,206	0	582,541
Total current liabilities	211,180	2,274,011	663,635	7,646	3,156,472
Noncurrent liabilities					
Net OPEB obligation	143,853	403,112	0	99,889	646,854
Total liabilities	355,033	2,677,123	663,635	107,535	3,803,326
NET POSITON					
Investment in capital assets	7,363,685	7,877,516	0	608,998	15,850,199
Restricted for:					
MEAG generation projects	0	2,166,073	0	0	2,166,073
Unrestricted	1,180,509	4,246,749	1,061,582	365,236	6,854,076
Total net position	$ 8,544,194	$ 14,290,338	$ 1,061,582	$ 974,234	$ 24,870,348

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2012

	Business Type				
	Water and Sewer Utility	Electric Utility	Solid Waste	Storm Water Utility	Totals
OPERATING REVENUES					
Charges for sales and services	$ 2,510,296	$ 12,361,625	$ 1,801,674	$ 473,607	$ 17,147,202
Other	2,588	31,825	1,288	334	36,035
Total operating revenues	2,512,884	12,393,450	1,802,962	473,941	17,183,237
OPERATING EXPENSES					
Costs of sales and services	1,479,534	9,890,827	1,790,693	124,126	13,285,180
Personal services	385,574	823,791	47,428	278,790	1,535,583
Depreciation	247,423	250,812	0	40,220	538,455
Total operating expenses	2,112,531	10,965,430	1,838,121	443,136	15,359,218
Operating income (loss)	400,353	1,428,020	(35,159)	30,805	1,824,019
Non-operating revenues (expenses)					
Investment revenue	3,330	43,602	4,909	1,140	52,981
Income (loss) before transfers	403,683	1,471,622	(30,250)	31,945	1,877,000
Transfers in (out)					
Transfers in	3,439	12,397	0	2,413	18,249
Transfers out	0	(957,000)	(178,297)	0	(1,135,297)
Total transfers	3,439	(944,603)	(178,297)	2,413	(1,117,048)
Change in net position	407,122	527,019	(208,547)	34,358	759,952
Net position, January 1	8,137,072	13,763,319	1,270,129	939,876	24,110,396
Net position, December 31	$ 8,544,194	$ 14,290,338	$ 1,061,582	$ 974,234	$ 24,870,348

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2012

	Business Type				
	Water and Sewer Utility	Electric Utility	Solid Waste	Storm Water Utility	Totals
Cash flows from operating activities:					
Receipts from customers	$ 2,465,242	$ 12,218,772	$ 1,895,912	$ 461,940	$ 17,041,866
Payments to suppliers	(1,593,633)	(9,910,983)	(1,609,708)	(123,447)	(13,237,771)
Payments to employees	(322,188)	(717,004)	(47,428)	(263,839)	(1,350,459)
Other receipts	2,588	31,825	1,288	334	36,035
Net cash provided (used) by operating activities	552,009	1,622,610	240,064	74,988	2,489,671
Cash flows from non-capital financing activities:					
Receipts from other funds	3,439	12,397	0	2,413	18,249
Payments to other funds	0	(500,000)	(342,883)	0	(842,883)
Net cash provided (used) by non-capital financing activities	3,439	(487,603)	(342,883)	2,413	(824,634)
Cash flows from capital and related financing activities:					
Receipts from other governments	0	0	0	15,000	15,000
Acquisition of capital assets	(137,349)	(739,504)	0	(30,567)	(907,420)
Payment of capital related accounts payable	0	0	0	(54,155)	(54,155)
Net cash provided (uses) by capital and related financing activities	(137,349)	(739,504)	0	(69,722)	(946,575)
Cash flows from investing activities:					
Interest received	3,330	43,602	4,909	1,140	52,981
Purchase of investments	0	(550,945)	0	0	(550,945)
Net cash provided (used) by investing activities	3,330	(507,343)	4,909	1,140	(497,964)
Net increase (decrease) in cash and cash equivalents	421,429	(111,840)	(97,910)	8,819	220,498
Cash and cash equivalents, January 1	630,416	303,045	1,275,070	346,519	2,555,050
Cash and cash equivalents, December 31	$ 1,051,845	$ 191,205	$ 1,177,160	$ 355,338	$ 2,775,548

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2012

	Business Type				
	Water and Sewer Utility	Electric Utility	Solid Waste	Storm Water Utility	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 400,353	$ 1,428,020	$ (35,159)	$ 30,805	$ 1,824,019
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	247,423	250,812	0	40,220	538,455
(Increase) decrease in accounts receivable	(50,405)	(271,629)	(161,068)	(11,667)	(494,769)
(Increase) decrease in prepaid items	(1,724)	48,248	0	(1,030)	45,494
(Increase) decrease in inventories	1,782	(22,794)	0	0	(21,012)
Increase (decrease) in accounts payable	(106,765)	10,965	180,985	1,709	86,894
Increase (decrease) in intergovernmental payable	(7,392)	(56,575)	0	0	(63,967)
Increase (decrease) in sales tax payable	0	(2,922)	0	0	(2,922)
Increase (decrease) in unearned revenue	0	86,534	242,478	0	329,012
Increase (decrease) in deposits payable	5,351	45,164	12,828	0	63,343
Increase (decrease) in net OPEB obligation	58,618	102,581	0	14,654	175,853
Increase (decrease) in accrued payroll liabilities	4,768	4,206	0	297	9,271
Total adjustments	151,656	194,590	275,223	44,183	665,652
Net cash provided (used) by operating activities	$ 552,009	$ 1,622,610	$ 240,064	$ 74,988	$ 2,489,671
Cash and cash equivalents reconciliation:					
Cash and cash equivalents	$ 971,419	$ 191,205	$ 1,065,954	$ 355,338	$ 2,583,916
Restricted assets					
Cash and cash equivalents	80,426	0	111,206	0	191,632
Total cash and cash equivalents	$ 1,051,845	$ 191,205	$ 1,177,160	$ 355,338	$ 2,775,548

See accompanying notes to the financial statements.

CITY OF NORCROSS, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2012

	Municipal Court Agency Fund
ASSETS	
Cash and cash equivalents	$ 141,761
LIABILITIES	
Due to other agencies	$ 141,761

See accompanying notes to the financial statements.

1. Description of Government Unit

The City of Norcross was established in 1870. The City operates under a council/mayor and city manager form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities for water and sewerage, and electric, as well as sanitation and storm water for the incorporated and immediate surrounding areas.

The City is governed by an elected mayor and five-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business- type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Norcross (the primary government) and material component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements of the following component unit have been included as discretely presented component unit.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

City of Norcross Downtown Development Authority

The City of Norcross Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members appointed by the City Council and an executive director. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Norcross. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, budget approval, accounting, payroll, etc.

The City of Norcross Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the section labeled "Component Unit" (See Exhibit H). The City of Norcross Downtown Development Authority has a December 31st year-end. Individual financial statements may be obtained by contacting the City of Norcross Downtown Development Authority, 65 Lawrenceville Street, Norcross, GA 30071.

Norcross Development Authority

The Norcross Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members appointed by the City Council. The Development Authority provides for the development and promotion of trade, commerce, industry, and employment opportunities in the City of Norcross. There was no activity for the Development Authority in 2012.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

2009 Special Purpose Local Option Sales Tax Capital Projects Fund - This fund is used to account for long-term projects financed by the passage of a special purpose local option sales tax.

Grants Capital Projects Fund - This fund is used to account for capital grants used to finance major capital projects.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The City reports the following major proprietary funds:

Water and Sewer Utility Fund - This fund is used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Norcross.

Electric Utility Fund – This fund is used to account for activities connected with the development, operation and maintenance of electric services in the City of Norcross.

Solid Waste Fund – This fund is used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Norcross.

Storm Water Utility Fund – This fund is used to account for activities connected with the development, operation and maintenance of storm water services in the City of Norcross.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Fiduciary Fund Types

Agency Funds - Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the City or for others. The City has the Municipal Court Agency Fund.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Component Units

The Norcross Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

G. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all governmental fund types, prior to December 31, except for the Capital Project Funds. The Capital Projects Funds are budgeted by the City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

At the beginning of September each year, the departments submit their budget requests to the Administrative Services Director. Meetings are held between the Administrative Services Director and department heads in to review the proposed budget. The Administrative Services Director then submits the proposed budget to the City Council by October 1.

During November and December, the Mayor and Council conduct public hearings to discuss the proposed budget and to obtain input from the citizens of the City of Norcross. These hearings are publicized in the local newspaper at least two weeks before each hearing. The final proposed budget is then adopted by the City Council on or before December 31 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Changes may be made within an operating budget by departmental request, which must be approved by the City Council. All operating budget transfers between departments and all changes to Capital Projects budgets must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end. The City does not use the encumbrance system of accounting. Except as indicated on the major fund budgetary comparison statement, budget amounts included in this report are as amended as of December 31, 2012.

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories of the Water and Sewer Utility and Electric Utility Enterprise Funds are valued at cost on the average cost method. The cost of these inventories is recorded as an expense when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2012 are recorded as prepaid items. The cost of the prepaid items is recorded as expenditures/expenses when consumed rather than purchased.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the beginning of 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset class of the City. Neither their historical costs nor related depreciation have historically been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets in the year ended December 31, 2007. The City elected to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Land and construction-in-progress are not depreciated. The other property, plant equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Buildings	50	$ 2,000
Distribution systems	50	$ 20,000
Roads (per lane mile)	50	$ 50,000
Bridges and culverts	50	$ 20,000
Sidewalks and streetlights	50	$ 20,000
Storm water system	50	$ 20,000
Equipment	7-10	$ 2,000
Vehicles	5	$ 2,000
Furniture and fixtures	7-10	$ 2,000
Land improvements	25-50	$ 2,000
Intangibles	15	$ 2,000

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

All land will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits and compensatory time, which will be paid to the employees upon separation from City service. Accumulated unpaid compensated absence amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

P. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

2. Summary of Significant Accounting Policies (continued)

Q. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

R. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

S. Restricted Assets and Restricted Net Position

Restricted assets of the Enterprise Funds represent certain resources set aside for the repayment of revenue bonds because they are maintained in a separate bank account and their use is limited by applicable bond covenants.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

2. Summary of Significant Accounting Policies (continued)

T. Fund Balances – Governmental Funds

The City of Norcross implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at December 31, 2012, by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Norcross' highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the Administrative Services Director, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

2. Summary of Significant Accounting Policies (continued)

T. Fund Balances – Governmental Funds, continued

For the purposes of fund balance classification, the City considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2011 amounts have been reclassified to conform with the 2012 presentation.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City has no formal policy, but follows State of Georgia requirements that all deposits be federally insured or fully collateralized. At December 31, 2012, the City had no uninsured, uncollateralized deposits.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

3. Deposit and Investment Risk (continued)

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City has no investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The City has no formal policy on the amount the City may invest in any one issuer.

Foreign currency risk

The City has no investments denominated in a foreign currency.

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG then bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in the City's Voluntary Flexible Operating Accounts or Generation Trust Accounts in MEAG's Municipal Competitive Trust in lieu of receiving a refund. This voluntary stabilization funds are used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust accounts are used to offset the City's share of future MEAG generation projects. The City may not use funds in the generation trust accounts for any other purpose.

The Municipal Competitive Trust accounts are held in the Intermediate and Short-term Portfolios; these portfolios are not rated. At December 31, 2012, the average weighted maturity of the Intermediate and Short-term Portfolios were 15.7 and 3.0 months, respectively. At December 31, 2012, the City's balances in the Voluntary Flexible Operating Accounts were $3,431,264 and in the Generation Trust Accounts were $2,166,073.

3. Deposit and Investment Risk (continued)

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAm rated money market funds. Georgia Fund 1 is managed by the Georgia Office of State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

Georgia Fund 1 is rated AAAf/S1+ by Standard & Poor's. The weighted average maturity at December 31, 2012 was 40 days. At December 31, 2012, the City's balance in Georgia Fund 1 was $46,963.

4. Accounts Receivable

Net accounts receivable at December 31, 2012 consist of the following:

Major Funds		
General Fund		$ 48,802
Enterprise Funds		
Water and Sewer Utility	$ 455,305	
Less: Allowances for Uncollectibles	(2,278)	
Electric Utility	1,826,243	
Less: Allowances for Uncollectibles	(9,129)	
Solid Waste	385,398	
Less: Allowances for Uncollectibles	(1,927)	
Storm Water Utility	191,663	
Less: Allowances for Uncollectibles	(76,372)	2,768,903
Total Primary Government		$ 2,817,705

5. Intergovernmental Receivables

Intergovernmental receivables at December 31, 2012 consist of the following:

Major Funds		
General Fund		
City of Norcross Downtown Development Authority	$	1,198
2009 SPLOST Capital Projects		
Gwinnett County, Georgia		273,931
Nonmajor Funds		
Grants Capital Projects Fund		
Georgia Department of Transportation		421,752
Total primary government	$	696,881

6. Taxes Receivable

Property Taxes

Property taxes receivable as of December 31, 2012 consist of property taxes for seven years as follows:

Year of Levy	Amount
2012	$ 324,121
2011	27,153
2010	23,142
2009	22,163
2008	26,389
2007	10,115
2006	6,747
	439,830
Less allowance for uncollectible	(125,512)
Total	$ 314,318

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for 2012, based upon the assessments of January 1, 2012, were billed on September 14, 2012, and due on November 11, 2012. Tax liens are issued 90 days after the due date. The tax rate of 7.018 mills for 2012 was levied on August 6, 2012.

6. Taxes Receivable (continued)

Other Taxes

$540,962 of franchise taxes, $137,318 of hotel/motel taxes, and $15,900 of alcohol excise taxes are also included in taxes receivable.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables is as follows:

Receivable Fund	Payable Fund	Amount
General	2009 SPLOST	$ 281,619
	Electric Utility	957,000
	Nonmajor Governmental	16,421
2009 SPLOST	Grants Capital Projects	53,678
Electric Utility	General	228,451
	2009 SPLOST	270,000
Solid Waste	Grants Capital Projects	157,001
	Nonmajor Governmental	7,585
Nonmajor Governmental	2009 SPLOST	12,298
Subtotal		$ 1,984,053

The balance reported in the Solid Waste Fund as due from the Nonmajor Governmental Funds resulted from transactions to alleviate an equity in pooled cash deficit at year-end.

The balance reported in the Nonmajor Governmental Funds as due from the 2009 SPLOST Capital Projects Fund resulted from transactions to move expenditures allowable by the 2009 SPLOST referendum. The balance reported in the 2009 SPLOST Capital Projects Fund as due from the Nonmajor Governmental Funds resulted in transactions to move revenue required to be recorded in the Grants Capital Projects Fund to the 2009 SPLOST Fund that statue required to expend them.

The balance reported in the Electric Utilities Fund as due from General is an advance to the General Fund which will be liquidated through future revenue recognition; this balance is not expected to be paid back within the next year.

7. Interfund Receivables and Payables

The balances reported in the General and Electric Utilities Funds as due from the 2009 SPLOST Capital Project Fund are advances to the 2009 SPLOST Fund which will be liquidated through future revenue recognition; these balances are not expected to be paid back within the next year.

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

8. Interfund Transfers

A summary of interfund transfers is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Grants Capital Projects	$ 56,652
	Nonmajor Governmental	14,948
Grants Capital Projects	2009 SPLOST	151,127
Electric Utility	General	957,000
Solid Waste	General	157,515
	Storm Water Utility	2,413
	Water and Sewer Utility	3,439
	Electric Utility	12,397
	Nonmajor Governmental	2,533
Subtotal		$ 1,358,024

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities, also within business-type activities. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2012 was as follows:

	Balance 12/31/2011	Increases	Decreases	Balance 12/31/2012
Governmental activities				
Non-depreciable assets				
Land	$ 15,300,423	$ 22,442	$ 0	$ 15,322,865
Construction in progress	842,150	691,200	(596,696)	936,654
Total nondepreciable assets	16,142,573	713,642	(596,696)	16,259,519
Depreciable assets				
Buildings	12,599,588	111,078	0	12,710,666
Infrastructure	48,129,958	664,604	0	48,794,562
Vehicles and equipment	2,457,093	263,932	0	2,721,025
Furniture and fixtures	1,956,104	91,544	0	2,047,648
Intangible assets	125,000	52,474	0	177,474
Total depreciable assets	65,267,743	1,183,632	0	66,451,375
Accumulated depreciation				
Buildings	(2,175,032)	(248,483)	0	(2,423,515)
Infrastructure	(24,326,712)	(955,794)	0	(25,282,506)
Vehicles and equipment	(1,835,019)	(229,001)	0	(2,064,020)
Furniture and fixtures	(901,765)	(311,416)	0	(1,213,181)
Intangible assets	(25,556)	(8,287)	0	(33,843)
Total accumulated depreciation	(29,264,084)	(1,752,981)	0	(31,017,065)
Total depreciable assets, net	36,003,659	(569,349)	0	35,434,310
Governmental activities capital assets, net	$ 52,146,232	$ 144,293	$ (596,696)	$ 51,693,829
Business-type activities				
Non-depreciable assets				
Land	$ 10,500	$ 0	$ 0	$ 10,500
Construction in progress	656,352	826,773	(1,085,208)	397,917
Total non-depreciable assets	666,852	826,773	(1,085,208)	408,417
Depreciable assets				
Distribution system	20,967,352	1,091,110	0	22,058,462
Vehicles and equipment	1,173,284	74,746	(18,767)	1,229,263
Total depreciable assets	22,140,636	1,165,856	(18,767)	23,287,725
Accumulated depreciation				
Distribution system	(6,513,181)	(431,073)	0	(6,944,254)
Vehicles and equipment	(813,074)	(107,382)	18,767	(901,689)
Total accumulated depreciation	(7,326,255)	(538,455)	18,767	(7,845,943)
Total depreciable assets, net	14,814,381	627,401	0	15,441,782
Business-type activities capital assets, net	$ 15,481,233	$ 1,454,174	$ (1,085,208)	$ 15,850,199

The storm water drainage system is reported as infrastructure in the Governmental activities. This system will be transferred to the Storm Water Utility Enterprise Fund in the future.

9. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the year ended December 31, 2012 was as follows:

	Balance 12/31/2011	Increases	Decreases	Balance 12/31/2012
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	$ 4,000	$ 0	$ 0	$ 4,000

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 257,365
Judicial	922
Public Safety	361,320
Public Works	1,032,832
Culture and Recreation	59,034
Housing and Development	41,508
Total depreciation expense for governmental activities	$ 1,752,981
Business-type activities	
Water and Sewer Utility	$ 247,423
Electric Utility	250,812
Storm Water Utility	40,220
Total depreciation expense for business-type activities	$ 538,455

10. Property held for Resale

The City has purchased property in conjunction with the Lillian Webb Park project to attract business to the Downtown Norcross area. The City will develop the property and expects to sale lots to businesses. The City has no plans to use the property. The Downtown Development Authority Component Unit has also purchased property in conjunction with the Lillian Webb Park project. The total investment in property held for resale is $1,085,766 and $112,994 for the primary government and the DDA, respectively.

11. Notes Receivable

On July 22, 2010, the Downtown Development Authority entered into an owner-financed lending agreement with a local business for the sale of real property in the original amount of $83,901. As part of the lending agreement, the Downtown Development Authority also agreed to finance $100,000 for renovation improvements to the property. At December 31, 2012, the balance of the note receivable was $178,413. Monthly installments of principal and interest are due through August 1, 2017, with unpaid principal and interest due September 1, 2017; interest at 6.00%. The Downtown Development Authority will use these payments to service the lending agreements with the City of Norcross. See Note 13.

On August 1, 2011, the Downtown Development Authority entered into a lending agreement with a local business for the improvements in the downtown area in the original amount of $15,000. At December 31, 2012, the balance of the note receivable was $14,391. Monthly installments principal and interest are due through August 1, 2017, with unpaid principal and interest due February 1, 2022; interest at 4.25%.

Annual service requirements for note receivable are as follows:

Year ending December 31,	Principal	Interest	Total
2013	$ 4,284	$ 11,405	$ 15,689
2014	4,087	10,988	15,075
2015	4,314	10,761	15,075
2016	4,554	10,521	15,075
2017	168,535	7,801	176,336
2018-2022	7,030	653	7,683
Totals	$ 192,804	$ 52,129	$ 244,933

12. Operating Lease Agreements

The City's lease agreements are relatively minor commitments and are in compliance with state law.

13. Long-Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, while revenue bonds are issued for the construction and expansion of proprietary activities. General obligation bonds are direct obligations and pledge the full faith, credit and taxing powers of the City while revenue bonds pledge the revenues of the proprietary activity for repayment of the bond issues.

Notes Payable

Downtown Development Authority Component Unit

On August 15, 2007, the Downtown Development Authority entered into a lending agreement with the Georgia Department of Community Affairs for the purchase of real property in the original amount of $57,500. At December 31, 2012, the balance of this note is $39,942. Monthly installments of principal and interest are due through August 1, 2017, with unpaid principal and interest due September 1, 2017; interest at 3.00%.

On December 20, 2006, the Downtown Development Authority entered into an owner-financed lending agreement with the City of Norcross for the purchase of real property in the original amount of $258,000. On July 22, 2010, the Downtown Development Authority returned a portion of the property back to the City of Norcross; $165,500 of the original debt was forgiven. At December 31, 2012, the balance of this note is $92,500. Payment of principal is due on September 1, 2017; interest at 0.00%. On July 22, 2010, the Downtown Development Authority sold the remaining portion of the property to a local business. See Note 11 for note receivable on the sale of the property.

On July 22, 2010, the Downtown Development Authority entered into a lending agreement with the City of Norcross in the original amount of $100,000. The proceeds of this agreement were subsequently loaned to a local business for renovation improvements. See Note 11 for note receivable on the loan. At December 31, 2012, the balance of this note is $100,000. Payment of principal is due on September 1, 2017; interest payments are due monthly through September 1, 2017 at the variable interest rate of the MEAG Municipal Competitive Trust Short-term Portfolio rate of return plus 1%; at December 31, 2012, this interest rate was 1.13%.

13. Long-Term Debt (continued)

Notes Payable, continued

Downtown Development Authority Component Unit (continued)

Annual debt service requirements for note payables are as follows:

Year ending December 31,	Principal	Interest	Total
2013	$ 3,616	$ 2,279	$ 5,895
2014	3,726	2,169	5,895
2015	3,840	2,055	5,895
2016	3,956	1,939	5,895
2017	217,304	1,320	218,624
Totals	$ 232,442	$ 9,762	$ 242,204

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for year ended December 31, 2012:

	Balance 12/31/2011	Additions	Deductions	Balance 12/31/2012	Due Within One Year
Governmental activities					
Notes payable	$ 446,657	$ 0	$ (446,657)	$ 0	$ 0
Compensated absences	110,758	160,653	(110,758)	160,653	160,653
Total governmental activities	$ 557,415	$ 160,653	(557,415)	$ 160,653	$ 160,653
Business-type activities					
Compensated absences	$ 13,071	$ 12,595	$ (13,071)	$ 12,595	$ 12,595
Downtown Development Authority Component Unit					
Notes payable	$ 235,951	$ 0	$ (3,509)	$ 232,442	$ 3,616

Revenue bond issue costs and discounts/premiums are amortized over the life of the related debt using the straight-line method. In prior years, long-term liabilities of the governmental activities, such as compensated absences, were liquidated by the General Fund.

14. Changes in Beginning Balances

Municipal Court Agency Fund

A prior period adjustment has been made to decrease accounts receivable for fines receivable that are no longer being reported by the City. Fines are not susceptible to accrual because they generally are not measureable until received. This adjustment decreased beginning assets and liabilities by $137,268.

15. Intradepartmental Billings

Total operating revenues and total operating expenses in the Water and Sewer Utility, Electric Utility, and Solid Waste Enterprise Funds include $49,689, $198,134, and $19,967, respectively, of intra departmental billings for water and sewer, electricity, and sanitation usage.

16. Retirement Plans

Plan Description

The City of Norcross is a participating member in the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan ("Plan"), which is a service of Georgia Municipal Association (GMA). GMEBS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipalities in Georgia. The City elected to participate in GMEBS as of March 1, 1986, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments.

All City employees who work a minimum of forty hours per week are eligible to participate in the Plan after completing one year of service. Mayor and Council are not eligible to participate in the plan. Benefits vest after five years of service. Participants become eligible to retire with unreduced benefits at age 65 with five years of service or at age 62 with ten years of service.

GMA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association at 21 Pryor Street, SW, Atlanta, Georgia 30303.

16. Retirement Plans (continued)

Plan Description, continued

Vested employees who have reached the age of 65 and have completed five years of credited service are eligible to receive a monthly benefit, payable for life. The benefit is equal to 1.55% of the employee's average salary up to a floating break point and 2.00% of the employee's average salary above the floating break point for the five highest years of employment multiplied by the years of credited service. The floating break point is based upon average Social Security earnings determined by the employee's year of employment termination. The plan also provides benefits in the event of death or disability. These benefits provisions were established by an adoption agreement executed by the City Council.

Vested employees who have reached age 55 with at least ten years of credited service are eligible to receive an early retirement benefit, payable monthly for life, reduced on an actuarial equivalent basis. Death benefits and optional forms of retirement income on an actuarial equivalent basis are also available.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	28
Terminated vested participants entitled to but not yet receiving benefits	23
Active participants	85
Total number of participants	136

Funding Policy

The funding policy for the plan is to contribute an amount equal to the recommended contribution each year. The current rate is 15.12% of annual covered payroll. The Plan is a noncontributory participant plan. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of GASB Statement No. 27.

16. Retirement Plans (continued)

Funding Policy, continued

These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1986 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year. The remaining amortization period at July 1, 2012 varies for the bases. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Annual Pension Cost

For 2012, the City's annual pension cost of $599,612 was equal to the City's recommended and actual contributions. The minimum contribution was $446,392. The recommended contribution (projected to January 1, 2013) was computed as part of an actuarial valuation as of July 1, 2012. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 7.75 percent per year compounded annually, (b) projected salary increases of 6.5 percent per year compounded annually (3.0 percent and 3.5 percent attributable to inflation and merit, respectively), (c) no post-retirement benefit increases.

16. Retirement Plans (continued)

Historical Trend Information

Historical trend information for Annual Pension Cost and funding progress is as follows:

Schedule of Employer Contributions

Funding Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
3/1/2007	$ 302,934	100%	$ 0
3/1/2008	339,565	100%	0
3/1/2009	544,640	100%	0
7/1/2010	525,100	100%	0
7/1/2011	536,674	100%	0
7/1/2012	599,612	100%	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	(Funded) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
3/1/2007	$ 4,507,741	$ 5,097,671	$ 589,930	88.43%	$ 2,956,003	19.96%
3/1/2008	4,986,333	5,768,966	782,633	86.43%	3,408,725	22.96%
3/1/2009	4,321,148	6,721,388	2,400,240	64.29%	3,750,551	64.00%
7/1/2010	5,774,959	7,360,077	1,585,118	78.46%	3,853,588	41.13%
7/1/2011	6,237,899	7,817,111	1,579,212	79.80%	3,726,964	42.37%
7/1/2012	6,764,865	8,531,603	1,766,738	79.29%	3,898,465	45.32%

Additional ten year historical trend information can be found in separate reports issued by GMA, which provides information about progress made in accumulating sufficient assets to pay benefits when due. The actuarial value of assets is calculated as the roll forward of prior year's actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains (losses) during 10 prior years.

17. Deferred Compensation Plans

The City also provides retirement benefits for its employees through two deferred compensation, defined contribution plans. The Plans were created under Internal Revenue Code Sections 457 and 401(a). The first plan is administered by the Public Employees Benefits Services Corporation (PEBSCO), an independent third party. In fiscal year 2001, the City elected to participate in the plan administered by the Georgia Municipal Association (GMA), an independent third party. Participating employees at the time of the conversion were given the option of remaining with the plan administered by PEBSCO, or changing to the plan administered by GMA. All employees who became eligible to participate in the deferred compensation, defined contribution plan after the conversion could choose between the plans. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

Under the terms of the Plans, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer up to the maximum deferral allowed by law. The City will contribute 50% of the employee's contributions for the year, up to 3% of the employee's salary per year.

Funds are vested 100% at the time of contribution. Amounts held in the Plans are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During 2012, the City contributed $72,169 to the plans based on covered salaries of $3,032,831. Plan members made voluntary contributions of $170,900 to the plans. Total payroll was $5,199,241.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

18. Post-employment Health Care Benefits

Plan Description

The City of Norcross provides post employment health care benefits as a participating member in the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit other post employment benefit (OPEB) plan ("Plan"), which is a service of Georgia Municipal Association (GMA). GMEBS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipalities in Georgia. The City elected to participate in GMEBS as of March 1, 2007, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments.

City employees who retired prior to January 1, 1999 with 10 years of service and employees who retired after January 1, 1999 with 20 years of service are eligible to participate in the Plan.

GMA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association at 21 Pryor Street, SW, Atlanta, Georgia 30303.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	18
Active participants	79
Total number of participants	97

The funding policy for the plan is to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (ie, pay-as-you-go basis). Plan members receiving benefits contributed $1,837, through their required contributions of $12.36, $7.58, and $1.14 per month for family health coverage without Medicare, family health coverage with Medicare, and family dental coverage, respectively.

18. Post-employment Health Care Benefits (continued)

Funding Policy

The recommended contribution meets the guidelines for calculating an annual required contribution set forth in GASB Statement No. 45. These contributions are determined under the unit credit actuarial cost method and the market value of assets for developing the actuarial value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount on a closed basis. The remaining amortization period at December 31, 2012 is 26 years. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

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 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.

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 include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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 effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

18. Post-employment Health Care Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

For 2012, the City's annual OPEB cost of $1,901,715 was equal to the City's recommended contribution, as calculated on the pay-as-you go basis. The recommended contribution was computed as part of an actuarial valuation as of July 1, 2011. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 4.0 percent per year compounded annually, (b) a rate of inflation of 3.0 percent, (c) no post-retirement benefit increases, (d) a medical and drug cost trend rate of 9.5 percent, graded to 5.0 percent over 9 years, and (e) dental cost trend rate of 7.0 percent, graded to 5.0 percent over 4 years.

Annual required contribution	$ 1,983,544
Interest on net OPEB obligation	162,352
Adjustment to ARC	(244,181)
Annual OPEB cost	1,901,715
Contributions made	(172,493)
Increase (decrease) in net OPEB obligation	1,729,222
Net OPEB obligation - beginning of year	4,058,801
Net OPEB obligation - end of year	$ 5,788,023

Historical Trend Information

Historical trend information for Annual OPEB Cost and funding progress is as follows:

Schedule of Employer Contributions

Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
12/31/2008	$ 1,077,330	22%	$ 849,045
12/31/2009	1,111,292	21%	1,724,926
12/31/2010	1,146,327	22%	2,621,908
12/31/2011	1,689,853	14%	4,058,801
12/31/2012	1,901,715	9%	5,788,023

18. Post-employment Health Care Benefits (continued)

Historical Trend Information, continued

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
3/1/2007	$ 0	$ 7,924,626	$ 7,924,626	0.00%	$ 2,956,003	268.09%
7/1/2011	0	13,028,392	13,028,392	0.00%	3,726,964	349.57%

19. Hotel/Motel Lodging Tax

The City has levied a 7% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(b). The City is require to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows. A summary of the transactions for the year ending December 31, 2012, follows:

Lodging Tax Receipts	$ 618,457	
Disbursements to promote trade and tourism	$ 435,946	70% of tax receipts

20. Joint Ventures

The City of Norcross participates with the Drug Enforcement Administration (DEA) to facilitate the investigation, arrest, prosecution and conviction of those residents and non-residents involved in the manufacture, use, distribution, and sale of illicit drugs. The City has no ongoing financial responsibility of funding for this unit. The DEA unit is funded primarily through grant monies and operates on a balanced budget determined by revenue. During 2012, the City of Norcross contributed the use of one police officer to the DEA for undercover work; the City paid $86,666 in personnel costs for the officer.

20. Joint Ventures (continued)

Under Georgia law, the City, in conjunction with other cities and counties in the Greater Atlanta Metropolitan area, is a member of the Atlanta Regional Commission (ARC). During its year ended December 31, 2012, the City made no payments to the Commission for services rendered. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, N.E., Atlanta, GA 30303.

21. Related Organizations

The Housing Authority of the City of Norcross is considered a related organization to the City of Norcross. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Norcross. The City received $1,948 as a payment-in-lieu-of-taxes for 2012. Separate financial statements may be obtained from Housing Authority of the City of Norcross, 19 Garner Street, Norcross, GA 30071.

22. Risk Management

Material estimates have been made by management about the life of depreciated capital assets. Management has used a conservative approach on these estimates.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

22. Risk Management (continued)

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At December 31, 2012, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

23. Subsequent Event

On April 1, 2013 the Mayor and Council approved the sale agreement presented by Gwinnett County to purchase the Water and Sewer System, which includes all fire hydrants, for $2,000,000. The transfer of the system was effective on May 13, 2013.

24. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations, which extend through the year 2020, are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling $9,251,960 from MEAG during the year ended December 31, 2012. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply.

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created four types of accounts that are held by MEAG in the name of the City. The generation trust account is used to offset the City's share of future MEAG generation projects and the balance at December 31, 2012 was $2,166,073. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest and the balance at December 31, 2012 was $3,341,264. Both of these accounts are included in investments in the Electric Utility Fund.

The two additional accounts created were the credit support operating and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can only be applied to charges related to MEAG's bond obligations. The balances of these accounts at December 31, 2012 were $1,948,028 and $2,647,136, respectively. Due to the restricted nature of these funds, neither is shown in the Electric Utility Fund.

24. Commitments and Contingencies (continued)

Commitments, continued

The City has several active construction projects as of December 31, 2012. At year-end, the City's commitments with contractors are as follows:

Projects	Amount Expended Date	Remaining Commitment
ADA Sidewalk Improvement project	$ 480,043	$ 260,816
Norcross PED Connectivity project	30,328	19,552
Total	$ 510,371	$ 280,368

Contingencies

The City's legal counsel has stated that there are presently no determinable lawsuits.

25. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the year ended December 31, 2012, the City incurred expenditures of $39,159 in the Police Grant Special Revenue Fund that were materially in excess of appropriations of $14,853.

Management concurs with these findings. The Administrative Services Director will be reviewing the comparative financial statements to budget and recommend any necessary budget revisions to the City Council.

COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF NORCROSS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue		
	Confiscated Assets	**Hotel/Motel Tax**	**Federal Seized Drug**
ASSETS			
Cash and cash equivalents	$ 30,784	$ 117,842	$ 25,670
Receivables			
Taxes	0	137,318	0
Prepaid items	0	4,000	0
Due from other funds	0	12,298	0
Total assets	$ 30,784	$ 271,458	$ 25,670
LIABILITIES AND FUND BALANCES			
Liabilities			
Payables			
Accounts	$ 0	$ 6,713	$ 0
Intergovernmental	0	37,788	0
Accrued salaries and payroll liabilities	0	759	0
Other liabilities	25,977	0	0
Due to other funds	0	0	16,421
Total liabilities	25,977	45,260	16,421
Fund balances			
Nonspendable prepaids	0	4,000	0
Restricted for:			
General Government	0	0	0
Public Safety	4,807	0	9,249
Assigned for:			
Housing and Development	0	222,198	0
Total fund balances	4,807	226,198	9,249
Total liabilities and fund balances	$ 30,784	$ 271,458	$ 25,670

Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
Police Grant	Technology Surcharges	2004 SPLOST	
$ 7,585	$ 79,427	$ 0	$ 261,308
0	0	0	137,318
0	0	0	4,000
0	0	0	12,298
$ 7,585	$ 79,427	$ 0	$ 414,924
$ 0	$ 16,958	$ 0	$ 23,671
0	0	0	37,788
0	0	0	759
0	0	0	25,977
7,585	0	0	24,006
7,585	16,958	0	112,201
0	0	0	4,000
0	62,469	0	62,469
0	0	0	14,056
0	0	0	222,198
0	62,469	0	302,723
$ 7,585	$ 79,427	$ 0	$ 414,924

CITY OF NORCROSS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2012

	Special Revenue		
	Confiscated Assets	**Hotel/Motel Tax**	**Federal Seized Drug**
REVENUES			
Taxes	$ 0	$ 618,457	$ 0
Fees, fines, and forfeitures	6,144	0	59,118
Intergovernmental	0	0	0
Interest	22	370	111
Other	0	160	0
Total revenues	6,166	618,987	59,229
EXPENDITURES			
Current			
General Government	0	0	0
Public Safety	44,016	0	244,293
Housing and Development	0	435,946	0
Capital outlay	0	0	0
Total expenditures	44,016	435,946	244,293
Excess (deficiency) of revenues over (under) expenditures	(37,850)	183,041	(185,064)
Other financing sources (uses)			
Transfers in	0	2,533	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(37,850)	185,574	(185,064)
Fund balances, January 1	42,657	40,624	194,313
Fund balances, December 31	$ 4,807	$ 226,198	$ 9,249

Special Revenue		Capital Projects	Total Nonmajor Governmental Funds
Police Grant	Technology Surcharges	2004 SPLOST	
$ 0	$ 0	$ 0	$ 618,457
0	69,738	0	135,000
23,934	0	0	23,934
0	233	0	736
0	0	0	160
23,934	69,971	0	778,287
0	71,057	0	71,057
39,159	0	0	327,468
0	0	0	435,946
0	0	77	77
39,159	71,057	77	834,548
(15,225)	(1,086)	(77)	(56,261)
14,948	0	0	17,481
(277)	(1,086)	(77)	(38,780)
277	63,555	77	341,503
$ 0	$ 62,469	$ 0	$ 302,723

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GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF NORCROSS, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 3,555,335	$ 1,960,743
Certificates of deposit	2,651,959	2,637,890
Receivables (net)		
Accounts	48,802	11,570
Taxes	871,180	741,019
Intergovernmental	1,198	44,000
Notes	192,500	192,500
Interest	3,834	11,682
Prepaid items	158,922	167,617
Due from other funds	973,938	615,554
Property held for resale	1,085,766	1,085,766
Advances to other funds	281,102	281,102
Total assets	$ 9,824,536	$ 7,749,443
LIABILITIES		
Payables		
Accounts	$ 203,874	$ 132,221
Accrued salaries and payroll liabilities	169,900	59,207
Unearned revenue	3,550	6,218
Other liabilities	223,684	201,373
Advances from other fund	228,451	228,451
Total liabilities	829,459	627,470
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	21,015	164,435
FUND BALANCES		
Nonspendable:		
Prepaid items	158,922	167,617
Advances to other funds	281,102	281,102
Unassigned	8,534,038	6,508,819
Total fund balances	8,974,062	6,957,538
Total liabilities, deferred inflows, and fund balances	$ 9,824,536	$ 7,749,443

CITY OF NORCROSS, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2012 and 2011

	2012	2011
REVENUES		
Taxes	$ 6,237,718	$ 5,545,462
Licenses and permits	464,386	462,794
Fines, fees and forfeitures	1,135,427	1,086,636
Charges for services	132,065	121,540
Intergovernmental	1,995,277	150,699
Interest	2,045	3,584
Other	107,266	104,665
Total revenues	10,074,184	7,475,380
EXPENDITURES		
Current		
General Government	1,716,141	1,699,114
Judicial	362,471	349,661
Public Safety	4,383,214	4,028,451
Public Works	1,542,292	1,203,406
Culture and Recreation	300,731	280,616
Housing and Development	795,726	850,731
Total expenditures	9,100,575	8,411,979
Excess (deficiency) of revenues over (under) expenditures	973,609	(936,599)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	(14,948)	0
Grants Capital Projects Fund	(56,652)	0
Water and Sewer Utility Fund	0	175,069
Electric Utility Fund	957,000	500,000
Solid Waste Fund	157,515	0
Proceeds from the sale of capital assets	0	1,100
Total other financing sources (uses)	1,042,915	676,169
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,016,524	(260,430)
Fund balances, January 1	6,957,538	7,217,968
Fund balances, December 31	$ 8,974,062	$ 6,957,538

CITY OF NORCROSS, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(With comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	$ 3,700,000	$ 3,952,664	$ 252,664	$ 3,443,749
Motor vehicle tax	145,000	167,230	22,230	148,533
Cost, penalties, and interest	40,000	44,234	4,234	103,545
Total general property taxes	3,885,000	4,164,128	279,128	3,695,827
Intangible tax	25,000	54,184	29,184	23,553
Real estate transfer tax	7,500	15,328	7,828	8,626
Franchise tax	1,000,000	947,738	(52,262)	893,935
Insurance premium tax	450,000	454,160	4,160	427,579
Occupational tax	290,704	342,133	51,429	292,591
Alcoholic beverage excise tax	164,000	260,047	96,047	203,351
Total taxes	5,822,204	6,237,718	415,514	5,545,462
Licenses and Permits				
Alcohol licenses	86,000	153,200	67,200	91,575
Building permits	166,305	293,564	127,259	363,181
Other permits	8,000	17,622	9,622	8,038
Total licenses and permits	260,305	464,386	204,081	462,794
Fines, fees and forfeitures	1,000,000	1,135,427	135,427	1,086,636
Charges for Services	93,800	132,065	38,265	121,540
Intergovernmental	130,000	1,995,277	1,865,277	150,699
Interest	5,000	2,045	(2,955)	3,584
Other	90,154	107,266	17,112	104,665
Total revenues	$ 7,401,463	$ 10,074,184	$ 2,672,721	$ 7,475,380

CITY OF NORCROSS, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(With comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Governing Body				
Personal services	$ 64,999	$ 64,999	$ 0	$ 66,651
Contract services	173,863	173,863	0	174,836
Supplies and materials	1,000	467	533	443
Total Governing Body	239,862	239,329	533	241,930
Administration				
Personal services	336,633	336,634	(1)	358,346
Contract services	120,394	120,393	1	186,834
Supplies and materials	13,506	16,081	(2,575)	12,882
Capital outlay	15,043	15,043	0	0
Total Administration	485,576	488,151	(2,575)	558,062
City Clerk				
Personal services	202,129	202,128	1	155,371
Contract services	32,454	30,382	2,072	23,340
Supplies and materials	10,200	2,752	7,448	6,280
Total City Clerk	244,783	235,262	9,521	184,991
Chief Executive				
Personal services	60,218	48,543	11,675	67,443
Contract services	9,965	10,234	(269)	63,461
Supplies and materials	1,027	391	636	651
Total Chief Executive	71,210	59,168	12,042	131,555
Information Technology				
Personal services	137,987	137,987	0	145,312
Contract services	497,009	496,527	482	398,103
Supplies and materials	60,047	59,717	330	39,161
Total Information Technology	695,043	694,231	812	582,576
Total General Government	1,736,474	1,716,141	20,333	1,699,114
Judicial				
Municipal Court				
Personal services	352,640	351,753	887	327,833
Contract services	20,150	8,037	12,113	20,039
Supplies and materials	4,150	2,681	1,469	1,789
Total Judicial	376,940	362,471	14,469	349,661

CITY OF NORCROSS, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(With comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
Public Safety				
Police				
Personal services	$ 3,799,585	$ 3,799,586	$ (1)	$ 3,494,647
Contract services	255,761	255,763	(2)	218,105
Supplies and materials	255,741	264,992	(9,251)	269,127
Capital outlay	62,873	62,873	0	46,572
Total Police	4,373,960	4,383,214	(9,254)	4,028,451
Public Works				
Public Works Administration				
Personal services	490,090	475,404	14,686	442,520
Contract services	639,315	637,954	1,361	575,445
Supplies and materials	169,647	167,917	1,730	178,661
Capital outlay	289,892	261,017	28,875	6,780
Total Public Works Administration	1,588,944	1,542,292	46,652	1,203,406
Culture and Recreation				
Parks and Recreation				
Personal services	157,361	157,361	0	162,028
Contract services	81,345	81,344	1	52,103
Supplies and materials	62,698	62,026	672	66,485
Total Culture and Recreation	301,404	300,731	673	280,616
Housing and Development				
Community Development				
Personal services	626,168	626,168	0	595,341
Contract services	78,617	77,969	648	34,844
Supplies and materials	6,922	4,549	2,373	10,542
Capital outlay	37,002	37,001	1	185,004
Total Community Development	748,709	745,687	3,022	825,731
Economic Development				
Personal services	12,635	12,576	59	0
Contract services	37,312	37,312	0	0
Supplies and materials	500	151	349	0
Total Economic Development	50,447	50,039	408	0
Downtown Development Authority				
Agency allocation	0	0	0	25,000
Total Housing and Development	799,156	795,726	3,430	850,731
Total expenditures	$ 9,176,878	$ 9,100,575	$ 76,303	$ 8,411,979

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Confiscated Assets Fund - This fund is used to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid in participation with the Gwinnett County Drug Task Force.

Hotel/Motel Tax Fund - This fund is used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Norcross.

Federal Seized Drug Fund - This fund is used to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid in participation with the Drug Enforcement Administration.

Police Grant Fund - This fund is used to account for grant monies received restricted for the expenditures rated to the Police Department.

Technology Surcharges Fund - This fund is used to account for fines and fees received restricted for the purchase of computer hardware and software for the Police, City Marshall, and Municipal Court Departments.

CITY OF NORCROSS, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 30,784	$ 57,670
LIABILITIES		
Other liabilities	$ 25,977	$ 15,012
FUND BALANCES		
Restricted for Public Safety	4,807	42,657
Total liabilities and fund balances	$ 30,784	$ 57,669

CITY OF NORCROSS, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(with comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Forfeitures	$ 3,000	$ 6,144	$ 3,144	$ 3,775
Interest	0	22	22	42
Total revenues	3,000	6,166	3,166	3,817
EXPENDITURES				
Current				
Public Safety				
Contract services	3,000	3,000	0	3,000
Supplies and materials	42,643	41,016	1,627	0
Total expenditures	45,643	44,016	1,627	3,000
Excess (deficiency) of revenues over (under) expenditures	(42,643)	(37,850)	4,793	817
Fund balances, January 1	42,643	42,657	14	41,840
Fund balances, December 31	$ 0	$ 4,807	$ 4,807	$ 42,657

CITY OF NORCROSS, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 117,842	$ 99,285
Taxes receivable	137,318	69,194
Prepaid items	4,000	3,450
Due from other funds	12,298	12,298
Total assets	$ 271,458	$ 184,227
LIABILITIES		
Payables		
Accounts	$ 6,713	$ 22,560
Intergovernmental	37,788	120,641
Accrued salaries and payroll liabilities	759	402
Total liabilities	45,260	143,603
FUND BALANCES		
Nonspendable prepaids	4,000	3,450
Assigned for Housing and Development	222,198	37,174
Total fund balances	226,198	40,624
Total liabilities and fund balances	$ 271,458	$ 184,227

CITY OF NORCROSS, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(with comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/Motel taxes	$ 444,266	$ 618,457	$ 174,191	$ 378,866
Interest	0	370	370	550
Other	2,533	160	(2,373)	426
Total revenues	446,799	618,987	172,188	379,842
EXPENDITURES				
Current				
Housing and Development				
Personal services	79,178	79,178	0	49,473
Contract services	365,098	354,246	10,852	226,327
Capital outlay	2,523	2,522	1	0
Payments to others	0	0	0	120,641
Total expenditures	446,799	435,946	10,853	396,441
Excess (deficiency) of revenues over (under) expenditures	0	183,041	183,041	(16,599)
Other financing sources (uses)				
Transfers in (out)				
Solid Waste Fund	0	2,533	2,533	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	185,574	185,574	(16,599)
Fund balances, January 1	0	40,624	40,624	57,223
Fund balances, December 31	$ 0	$ 226,198	$ 226,198	$ 40,624

CITY OF NORCROSS, GEORGIA
FEDERAL SEIZED DRUG SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 25,670	$ 215,004
LIABILITIES		
Due to other funds	$ 16,421	$ 20,691
FUND BALANCES		
Restricted for Public Safety	9,249	194,313
Total liabilities and fund balances	$ 25,670	$ 215,004

CITY OF NORCROSS, GEORGIA
FEDERAL SEIZED DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(with comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fees, fines and forfeitures	$ 60,000	$ 59,118	$ (882)	$ 167,860
Interest	0	111	111	213
Total revenues	60,000	59,229	(771)	168,073
EXPENDITURES				
Current				
Public Safety				
Contract services	0	0	0	4,650
Supplies and materials	112,790	109,665	3,125	25,156
Capital outlay	134,628	134,628	0	286,223
Total expenditures	247,418	244,293	3,125	316,029
Excess (deficiency) of revenues over (under) expenditures	(187,418)	(185,064)	2,354	(147,956)
Fund balances, January 1	187,418	194,313	6,895	342,269
Fund balances, December 31	$ 0	$ 9,249	$ 9,249	$ 194,313

CITY OF NORCROSS, GEORGIA
POLICE GRANT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 7,585	$ 14,853
LIABILITIES		
Unearned revenue	$ 0	$ 14,576
Due to other funds	7,585	0
Total liabilities	7,585	14,576
FUND BALANCES		
Restricted for Public Safety	0	277
Total liabilities and fund balances	$ 7,585	$ 14,853

CITY OF NORCROSS, GEORGIA
POLICE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(with comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 14,853	$ 23,934	$ 9,081	$ 0
Total revenues	14,853	23,934	9,081	0
EXPENDITURES				
Current				
Public Safety				
Supplies and materials	10,038	12,090	(2,052)	1,909
Capital outlay	4,815	27,069	(22,254)	0
Total expenditures	14,853	39,159	(24,306)	1,909
Excess (deficiency) of revenues over (under) expenditures	0	(15,225)	(15,225)	(1,909)
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	14,948	14,948	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(277)	(277)	(1,909)
Fund balances, January 1	0	277	277	2,186
Fund balances, December 31	$ 0	$ 0	$ 0	$ 277

CITY OF NORCROSS, GEORGIA
TECHNOLOGY SURCHARGES SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 79,427	$ 63,555
LIABILITIES		
Accounts payable	$ 16,958	$ 0
FUND BALANCES		
Restricted for General Government	62,469	63,555
Total liabilities and fund balances	$ 79,427	$ 63,555

CITY OF NORCROSS, GEORGIA
TECHNOLOGY SURCHARGES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(with comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fees, fines and forfeitures	$ 67,200	$ 69,738	$ 2,538	$ 61,156
Interest	0	233	233	324
Total revenues	67,200	69,971	2,771	61,480
EXPENDITURES				
Current				
General Government				
Contract services	5,997	5,997	0	6,900
Supplies and materials	21,879	17,762	4,117	0
Capital outlay	47,731	47,298	433	41,061
Total expenditures	75,607	71,057	4,550	47,961
Excess (deficiency) of revenues over (under) expenditures	(8,407)	(1,086)	7,321	13,519
Fund balances, January 1	8,407	63,555	55,148	50,036
Fund balances, December 31	$ 0	$ 62,469	$ 62,469	$ 63,555

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CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds.

2004 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for long-term projects financed by the passage of the 2004 special purpose local option sales tax.

2009 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for long-term projects financed by the passage of the 2009 special purpose local option sales tax.

Grants Capital Projects Fund – This fund is used to account for capital grants used to finance major capital projects.

CITY OF NORCROSS, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 0	$ 77
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for capital projects	$ 0	$ 77

CITY OF NORCROSS, GEORGIA
2004 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the years ended December 31, 2012 and 2011

	2012	2011
REVENUES		
Total revenues	$ 0	$ 0
EXPENDITURES		
Public Works		
Capital outlay	0	950
Culture and Recreation		
Contract services	77	0
Total expenditures	77	950
Excess (deficiency) of revenues over (under) expenditures	(77)	(950)
Fund balances, January 1	77	1,027
Fund balances, December 31	$ 0	$ 77

CITY OF NORCROSS, GEORGIA
2009 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 1,239,185	$ 300,064
Intergovernmental receivable	273,931	265,280
Due from other funds	53,678	0
Total assets	$ 1,566,794	$ 565,344
LIABILITIES		
Accounts payable	$ 9,818	$ 55,496
Due to other funds	12,815	12,815
Advances from other funds	551,102	551,102
Total liabilities	573,735	619,413
FUND BALANCES		
Restricted for capital outlay	993,059	0
Unassigned	0	(54,069)
Total fund balances	993,059	(54,069)
Total liabilities and fund balances	$ 1,566,794	$ 565,344

CITY OF NORCROSS, GEORGIA
2009 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the years ended December 31, 2012 and 2011

	2012	2011
REVENUES		
Intergovernmental	$ 1,526,176	$ 1,430,999
Interest	703	254
Total revenues	1,526,879	1,431,253
EXPENDITURES		
Public Works		
Contract services	0	2,086
Capital outlay	150,972	812,267
Culture and Recreation		
Contract services	0	12,298
Capital outlay	21,926	180,900
Debt service	457,980	458,738
Total expenditures	630,878	1,466,289
Excess (deficiency) of revenues over (under) expenditures	896,001	(35,036)
Other financing sources (uses)		
Transfers in (out)		
Grants Capital Projects Fund	151,127	345,443
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,047,128	310,407
Fund balances, January 1	(54,069)	(364,476)
Fund balances, December 31	$ 993,059	$ (54,069)

CITY OF NORCROSS, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 55,570	$ 0
Intergovernmental receivable	421,752	311,412
Total assets	$ 477,322	$ 311,412
LIABILITIES		
Payables		
Accounts	$ 88,510	$ 2,492
Retainages	33,643	0
Due to other funds	210,679	94,346
Total liabilities	332,832	96,838
FUND BALANCES		
Restricted for Public Works	140,123	214,574
Assigned for Public Works	4,367	0
Total fund balances	144,490	214,574
Total liabilities and fund balances	$ 477,322	$ 311,412

CITY OF NORCROSS, GEORGIA
GRANTS CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the years ended December 31, 2012 and 2011

	2012	2011
REVENUES		
Intergovernmental	$ 564,617	$ 560,017
Total revenues	564,617	560,017
EXPENDITURES		
Public Works		
Capital outlay	540,226	0
Total expenditures	540,226	0
Excess (deficiency) of revenues over (under) expenditures	24,391	560,017
Other financing sources (uses)		
Transfers in (out)		
General Fund	56,652	0
2009 SPLOST Fund	(151,127)	(345,443)
Total other financing sources (uses)	(94,475)	(345,443)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(70,084)	214,574
Fund balances, January 1	214,574	0
Fund balances, December 31	$ 144,490	$ 214,574

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Utility Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Norcross.

Electric Utility Fund - Used to account for activities connected with the development, operation and maintenance of electric services in the City of Norcross.

Solid Waste Fund - Used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Norcross.

Storm Water Utility Fund - Used to account for activities connected with the development, operation and maintenance of storm water services in the City of Norcross.

CITY OF NORCROSS, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 971,419	$ 555,341
Accounts receivable (net)	453,027	402,622
Prepaid items	1,724	0
Inventories	28,946	30,728
Total current assets	1,455,116	988,691
Restricted assets		
Customer deposits		
Cash and cash equivalents	80,426	75,075
Capital assets		
Land	9,500	9,500
Water and sewer system	12,210,484	12,210,484
Vehicles and equipment	160,786	160,786
Construction in progress	137,349	0
Accumulated depreciation	(5,154,434)	(4,907,011)
Total capital assets (net of accumulated depreciation)	7,363,685	7,473,759
Total assets	8,899,227	8,537,525
LIABILITIES		
Current liabilities		
Payables		
Accounts	17,520	124,285
Intergovernmental	105,578	112,970
Accrued salaries and payroll liabilities	4,920	1,577
Compensated absences	2,736	1,311
Total current liabilities	130,754	240,143
Current liabilities payable from restricted assets		
Customer deposits	80,426	75,075
Noncurrent assets		
Net OPEB obligation	143,853	85,235
Total liabilities	355,033	400,453
NET POSITION		
Investment in capital assets	7,363,685	7,473,759
Unrestricted	1,180,509	663,313
Total net position	$ 8,544,194	$ 8,137,072

CITY OF NORCROSS, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 1,493,900	$ 1,550,200
Sewer charges	1,016,396	1,283,038
Tap fees	0	36,276
Other	2,588	22,973
Total operating revenues	2,512,884	2,892,487
OPERATING EXPENSES		
Costs of sales and services	1,479,534	1,868,360
Personal services	385,574	456,277
Depreciation	247,423	248,790
Total operating expenses	2,112,531	2,573,427
Operating income (loss)	400,353	319,060
Non-operating revenues (expenses)		
Investment revenue	3,330	4,515
Income (loss) before transfers	403,683	323,575
Transfers in (out)		
General Fund	0	(175,069)
Solid Waste Fund	3,439	0
Total transfers	3,439	(175,069)
Change in net position	407,122	148,506
Net position, January 1	8,137,072	7,988,566
Net position, December 31	$ 8,544,194	$ 8,137,072

CITY OF NORCROSS, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 2,465,242	$ 2,873,313
Payments to suppliers	(1,593,633)	(1,735,445)
Payments to employees	(322,188)	(424,866)
Other receipts	2,588	22,973
Net cash provided (used) by operating activities	552,009	735,975
Cash flows from non-capital financing activities		
Receipts from other funds	3,439	0
Payments to other funds	0	(175,069)
Net cash provided (used) by non-capital financing activities	3,439	(175,069)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(137,349)	0
Cash flows from investing activities:		
Interest received	3,330	4,515
Net increase (decrease) in cash and cash equivalents	421,429	565,421
Cash and cash equivalents, January 1	630,416	64,995
Cash and cash equivalents, December 31	$ 1,051,845	$ 630,416
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 400,353	$ 319,060
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	247,423	248,790
(Increase) decrease in accounts receivable	(50,405)	(6,281)
(Increase) decrease in prepaid items	(1,724)	4,425
(Increase) decrease in inventories	1,782	1,504
Increase (decrease) in accounts payable	(106,765)	121,237
Increase (decrease) in intergovernmental payables	(7,392)	5,749
Increase (decrease) in deposits payable	5,351	10,080
Increase (decrease) in net OPEB obligation	58,618	30,175
Increase (decrease) in accrued payroll liabilities	4,768	1,236
Total adjustments	151,656	416,915
Net cash provided (used) by operating activities	$ 552,009	$ 735,975
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 971,419	$ 555,341
Customer Deposits		
Cash and cash equivalents	80,426	75,075
Total cash and cash equivalents	$ 1,051,845	$ 630,416

CITY OF NORCROSS, GEORGIA
ELECTRIC UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 191,205	$ 303,045
Investments	3,040,355	3,064,161
Accounts receivable (net)	1,817,113	1,545,484
Prepaid items	177,750	225,998
Inventories	808,089	785,295
Total current assets	6,034,512	5,923,983
Restricted assets		
MEAG Generation Trust		
Investments	2,166,073	1,636,486
Customer Deposits		
Investments	390,909	345,745
Total restricted assets	2,556,982	1,982,231
Capital assets		
Land	1,000	1,000
Electric system	9,302,463	8,217,255
Vehicles and equipment	878,952	847,637
Construction in progress	260,568	656,353
Accumulated depreciation	(2,565,467)	(2,333,421)
Total capital assets (net of accumulated depreciation)	7,877,516	7,388,824
Other assets		
Advances to other funds	498,451	498,451
Total assets	16,967,461	15,793,489
LIABILITIES		
Current liabilities		
Payables		
Accounts	60,481	49,516
Intergovernmental	711,174	767,749
Sales tax	49,398	52,320
Unearned revenue	86,534	0
Accrued salaries and payroll liabilities	10,476	4,418
Compensated absences	8,039	9,891
Due to other funds	957,000	500,000
Total current liabilities	1,883,102	1,383,894
Current liabilities payable from restricted assets		
Customer deposits	390,909	345,745
Noncurrent liabilities		
Net OPEB obligation	403,112	300,531
Total liabilities	2,677,123	2,030,170
NET POSITION		
Investment in capital assets	7,877,516	7,388,824
Restricted for MEAG generation projects	2,166,073	1,636,486
Unrestricted	4,246,749	4,738,009
Total net position	$ 14,290,338	$ 13,763,319

CITY OF NORCROSS, GEORGIA
ELECTRIC UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Electric sales	$ 12,361,625	$ 12,006,725
Other	31,825	28,911
Total operating revenues	12,393,450	12,035,636
OPERATING EXPENSES		
Costs of sales and services	9,890,827	8,963,420
Personal services	823,791	832,498
Depreciation	250,812	232,149
Total operating expenses	10,965,430	10,028,067
Operating income (loss)	1,428,020	2,007,569
Non-operating revenues (expenses)		
Investment revenue	43,602	29,206
Gain (loss) on sale of assets	0	3,750
Total non-operating revenues (expenses)	43,602	32,956
Net income before transfers	1,471,622	2,040,525
Transfers in (out)		
General Fund	(957,000)	(500,000)
Solid Waste Fund	12,397	0
Total transfers	(944,603)	(500,000)
Change in net position	527,019	1,540,525
Net position, January 1	13,763,319	12,222,794
Net position, December 31	$ 14,290,338	$ 13,763,319

CITY OF NORCROSS, GEORGIA
ELECTRIC UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 12,218,772	$ 11,948,763
Payments to suppliers	(9,910,983)	(8,807,311)
Payments to employees	(717,004)	(720,487)
Other receipts	31,825	28,911
Net cash provided (used) by operating activities	1,622,610	2,449,876
Cash flows from non-capital financing activities		
Receipts from other funds	12,397	0
Payments to other funds	(500,000)	0
Net cash provided (used) non-capital financing activities	(487,603)	0
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	0	3,750
Acquisition of capital assets	(739,504)	(676,521)
Net cash provided (used) by capital and related financing activities	(739,504)	(672,771)
Cash flows from investing activities:		
Interest received	43,602	29,206
Purchase of investments	(550,945)	(1,571,398)
Net cash provided (used) by investing activities	(507,343)	(1,542,192)
Net increase (decrease) in cash and cash equivalents	(111,840)	234,913
Cash and cash equivalents, January 1	303,045	68,132
Cash and cash equivalents, December 31	$ 191,205	$ 303,045
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 1,428,020	$ 2,007,569
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	250,812	232,149
(Increase) decrease in accounts receivable	(271,629)	(138,620)
(Increase) decrease in prepaid items	48,248	62,852
(Increase) decrease in inventories	(22,794)	96,874
Increase (decrease) in accounts payable	10,965	(78,654)
Increase (decrease) in intergovernmental payables	(56,575)	75,037
Increase (decrease) in unearned revenue	86,534	0
Increase (decrease) in deposits payable	45,164	28,338
Increase (decrease) in sales tax payable	(2,922)	52,320
Increase (decrease) in accrued payroll liabilities	4,206	5,681
Increase (decrease) in net OPEB obligation	102,581	106,330
Total adjustments	194,590	442,307
Net cash provided (used) by operating activities	$ 1,622,610	$ 2,449,876

CITY OF NORCROSS, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,065,954	$ 1,176,692
Accounts receivable (net)	383,471	222,403
Due from other funds	164,586	0
Total current assets	1,614,011	1,399,095
Restricted assets		
Customer deposits		
Cash and cash equivalents	111,206	98,378
Total assets	1,725,217	1,497,473
LIABILITIES		
Current liabilities		
Accounts payable	299,419	118,434
Unearned revenue	253,010	10,532
Total current liabilities	552,429	128,966
Current liabilities payable from restricted assets		
Customer deposits	111,206	98,378
Total liabilities	663,635	227,344
NET POSITION		
Unrestricted	$ 1,061,582	$ 1,270,129

CITY OF NORCROSS, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	$ 1,801,674	$ 1,347,247
Other	1,288	0
Total operating revenues	1,802,962	1,347,247
OPERATING EXPENSES		
Costs of sales and services	1,790,693	1,288,881
Personal services	47,428	68,556
Total operating expenses	1,838,121	1,357,437
Operating income (loss)	(35,159)	(10,190)
Non-operating revenues (expenses)		
Investment revenue	4,909	7,423
Net income (loss) before transfers	(30,250)	(2,767)
Transfers in (out)		
General Fund	(157,515)	0
Hotel/Motel Tax Fund	(2,533)	0
Storm Water Fund	(2,413)	0
Water/Sewer Fund	(3,439)	0
Electric Fund	(12,397)	0
Total transfers	(178,297)	0
Change in net position	(208,547)	(2,767)
Net position, January 1	1,270,129	1,272,896
Net position, December 31	$ 1,061,582	$ 1,270,129

CITY OF NORCROSS, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 1,895,912	$ 1,343,725
Payments to suppliers	(1,609,708)	(1,373,754)
Payments to employees	(47,428)	(68,556)
Other receipts	1,288	0
Net cash provided (used) by operating activities	240,064	(98,585)
Cash flows from non-capital financing activities		
Payments to other funds	(342,883)	0
Cash flows from investing activities		
Interest received	4,909	7,423
Net increase (decrease) in cash and cash equivalents	(97,910)	(91,162)
Cash and cash equivalents, January 1	1,275,070	1,366,232
Cash and cash equivalents, December 31	$ 1,177,160	$ 1,275,070
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (35,159)	$ (10,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(161,068)	(24,197)
Increase (decrease) in accounts payable	180,985	(84,873)
Increase (decrease) in unearned revenue	242,478	10,532
Increase (decrease) in deposits payable	12,828	10,143
Total adjustments	275,223	(88,395)
Net cash provided by operating activities	$ 240,064	$ (98,585)
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 1,065,954	$ 1,176,692
Customer Deposits		
Cash and cash equivalents	111,206	98,378
Total cash and cash equivalents	$ 1,177,160	$ 1,275,070

CITY OF NORCROSS, GEORGIA
STORM WATER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 355,338	$ 346,519
Receivables		
Accounts (net)	115,292	103,624
Intergovernmental	0	15,000
Prepaid items	2,141	1,111
Total current assets	472,771	466,254
Capital assets		
Storm water system	545,513	539,613
Vehicles and equipment	189,528	164,861
Accumulated depreciation	(126,043)	(85,823)
Total capital assets (net of accumulated depreciation)	608,998	618,651
Total assets	1,081,769	1,084,905
LIABILITIES		
Current liabilities		
Payables		
Accounts	4,769	28,181
Retainages	0	29,033
Accrued salaries and payroll liabilities	1,057	711
Compensated absences	1,820	1,869
Total current liabilities	7,646	59,794
Noncurrent liabilities		
Net OPEB obligation	99,889	85,235
Total liabilities	107,535	145,029
NET POSITION		
Net investment in capital assets	608,998	564,496
Unrestricted	365,236	375,380
Total net position	$ 974,234	$ 939,876

CITY OF NORCROSS, GEORGIA
STORM WATER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ended December 31, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Storm water fees	$ 473,607	$ 470,456
Other	334	0
Total operating revenues	473,941	470,456
OPERATING EXPENSES		
Costs of sales and services	124,126	102,671
Personal services	278,790	243,426
Depreciation	40,220	33,869
Total operating expenses	443,136	379,966
Operating income (loss)	30,805	90,490
Non-operating revenues (expenses)		
Investment revenue	1,140	2,454
Net income (loss) before capital contributions and transfers	31,945	92,944
Capital contributions		
Intergovernmental	0	15,000
Net income (loss) before transfers	31,945	107,944
Transfers in (out)		
Solid Waste Fund	2,413	0
Change in net position	34,358	107,944
Net position, January 1 (restated)	939,876	831,932
Net position, December 31	$ 974,234	$ 939,876

CITY OF NORCROSS, GEORGIA
STORM WATER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 461,940	$ 496,738
Payments to suppliers	(123,447)	(98,206)
Payments to employees	(263,839)	(213,109)
Other receipts	334	0
Net cash provided (used) by operating activities	74,988	185,423
Cash flows from non-capital financing activities		
Receipts from other funds	2,413	0
Cash flows from capital and related financing activities:		
Receipts from other governments	15,000	0
Acquisition of capital assets	(30,567)	(241,735)
Payment of capital related accounts payable	(54,155)	0
Net cash provided (used) by capital and related financing activities	(69,722)	(241,735)
Cash flows from investing activities		
Interest received	1,140	2,454
Net increase (decrease) in cash and cash equivalents	8,819	(53,858)
Cash and cash equivalents, January 1	346,519	400,377
Cash and cash equivalents, December 31	$ 355,338	$ 346,519
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 30,805	$ 90,490
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	40,220	33,869
(Increase) decrease in accounts receivable	(11,667)	26,282
(Increase) decrease in prepaid items	(1,030)	1,544
Increase (decrease) in accounts payable	1,709	2,921
Increase (decrease) in payroll liabilities	297	142
Increase (decrease) in net OPEB obligation	14,654	30,175
Total adjustments	44,183	94,933
Net cash provided by operating activities	$ 74,988	$ 185,423

Noncash investing, capital, and financing activities:
Acquistion of capital assets through accounts payable totaled $54,155 for the year ended December 31, 2011.

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AGENCY FUND

Agency funds are used to account for assets held by the City as an agent to be expended in accordance with the conditions of its agency capacity.

Municipal Court Fund – This fund is used to account, on a temporary basis, for fines collected by the municipal court that ultimately are transmitted to the general fund or another agency.

CITY OF NORCROSS, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 141,761	$ 95,684
LIABILITIES		
Due to other agencies	$ 141,761	$ 95,684

CITY OF NORCROSS, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2012

	Balance January 1	Additions	Deletions	Balance December 31
ASSETS				
Cash and cash equivalents	$ 95,684	$ 1,924,773	$ (1,878,696)	$ 141,761
LIABILITIES				
Due to others agencies	$ 95,684	$ 1,924,773	$ (1,878,696)	$ 141,761

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COMPONENT UNIT

Downtown Development Authority – This component unit is used to account for governmental revenues and contributions reserved for City business development.

CITY OF NORCROSS, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
December 31, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 119,550	$ 133,733
Property held for resale	112,994	112,994
Notes receivable	192,804	195,859
Total assets	$ 425,348	$ 442,586
LIABILITIES		
Payables		
Accounts	$ 0	$ 610
Intergovernmental	1,198	1,528
Total liabilities	1,198	2,138
FUND BALANCES		
Nonspendable:		
Property held for resale	112,994	112,994
Notes receivable	192,804	195,859
Assigned for:		
Housing and Development	101,057	0
Budget	17,295	131,595
Total fund balances	424,150	440,448
Total liabilities and fund balances	$ 425,348	$ 442,586

CITY OF NORCROSS, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2012
(With comparative actual amounts for the year ended December 31, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 0	$ 0	$ 0	$ 25,000
Interest	400	12,498	12,098	10,422
Rent	3,600	3,000	(600)	2,740
Other	13,800	6,202	(7,598)	1,068
Total revenues	17,800	21,700	3,900	39,230
EXPENDITURES				
Current				
Housing and Development				
Contract services	147,830	32,035	115,795	81,109
Supplies and materials	0	0	0	156
Payments to others	4,000	0	4,000	1,786
Debt service	6,000	5,963	37	6,293
Total expenditures	157,830	37,998	119,832	89,344
Excess (deficiency) of revenues over (under) expenditures	(140,030)	(16,298)	123,732	(50,114)
Fund balances, January 1	140,030	440,448	300,418	490,562
Fund balances, December 31	$ 0	$ 424,150	$ 424,150	$ 440,448

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SINGLE AUDIT SECTION

This section contains reports required by OMB A-133 and grantor agencies.

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

Honorable Mayor and Members
of the City Council
City of Norcross, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Norcross, Georgia, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Norcross, Georgia's basic financial statements and have issued our report thereon dated May 22, 2013.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 12-1 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Norcross, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 12-2.

City of Norcross, Georgia's Response to Findings

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 22, 2013

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

Honorable Mayor and Members
of the City Council
City of Norcross, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Norcross, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Norcross' major federal programs for the year ended December 31, 2012. The City of Norcross' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Norcross, Georgia's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Norcross' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Norcross, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Norcross, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2012.

Report on Internal Control over Compliance

Management of the City of Norcross, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Norcross' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Norcross' internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 22, 2013

CITY OF NORCROSS, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2012

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through Gwinnett County, Georgia			
Community Development Block Grants/ Entitlement Grants	14.218	NORC-11-1706	$ 138,399
U.S. Department of Justice			
Equitable Sharing for State and Local Law Enforcement Agencies	16.000	N/A	239,434
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	14,576
Total U.S. Department of Justice			254,010
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction	20.205	STP-0006-00(989)	275,092
		STP-0010-00(330)	151,127
			426,219
Passed through the Governor's Office of Highway Safety			
State and Community Highway Safety	20.600	GA-2012-000-00518	9,358
Total U.S. Department of Transportation			435,577
Total Federal Awards			$ 827,986

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal grant activity of the City of Norcross, Georgia, under programs for the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF NORCROSS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2012

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	None noted
Significant deficiency(ies) identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None noted
Significant deficiency(ies) identified not considered material weaknesses?	None noted
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	None noted
Identification of major programs:	
20.205 Highway Planning and Construction	
Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 12-1

Condition: During audit procedures on accrued liabilities, we noted that accounts payable amounts in the general ledger were not reconciled to the subsidiary listings. The accounts payable listings did not balance to the trial balance. Also, we noted material unrecorded accounts payable in the General, Electric Utility, and Solid Waste Funds.

Criteria: Generally accepted account principles require that accruals be properly calculated and recorded. Generally accepted accounting principles also require that the general ledger reconcile to the subsidiary ledgers.

Effect: Failure to properly apply generally accepted accounting principles may lead to financial statements that are materially misstated.

Recommendation: All trial balance amounts for assets and liabilities should be reconciled to the subsidiary ledgers or listings. During the year-end closing process, City personnel should review all disbursements to identify liabilities subject to accrual.

Management Response: Management concurs with this finding. The Administrative Services Director will ensure that all assets and liabilities are reconciled to the subsidiary ledgers or listing monthly. During the year-end closing process, the Administrative Services Director will also review all disbursements to ensure all liabilities are properly accrued. This action was taken immediately upon receipt of the comment from our auditors.

Comment 12-2

Condition: The Police Grant Special Revenue Fund incurred material expenditures over budget appropriations.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to maintain expenditures within the balanced budget for the General Fund and all special revenue funds will place the City in violation of state law.

Recommendation: Budget to actual comparisons should be periodically reviewed by City management and budgets amended as needed to ensure that the City remains in compliance with state law.

Management Response: Management concurs with this finding. The Administrative Services Director will review the comparative financial statements on a periodic basis and recommend any necessary budget amendments to the City Council. This action was taken immediately upon receipt of the comment from our auditors.

B. Prior Year Audit Findings Follow-Ups

No prior audit findings to report.

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Section 510(a) of OMB A-133.

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STATE REPORTING SECTION

CITY OF NORCROSS, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2012

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2004 SPLOST Referendum					
Roads Improvements	$ 1,040,250	$ 1,040,250	$ 860,515	$ 0	$ 860,515
Recreational Facilities	5,000,500	5,436,170	6,112,787	77	6,112,864
Public Safety Facilities and Equipment	344,324	344,324	335,760	0	335,760
Total	$ 6,385,074	$ 6,820,744	$ 7,309,062	$ 77	$ 7,309,139
Current year expenditures				$ 77	
Expenditures financed through other revenues and transfers from other funds				0	
Total expenditures of the 2004 SPLOST Capital Projects Fund				$ 77	
2009 SPLOST Referendum					
Roads Improvements	$ 1,500,000	$ 1,500,000	$ 502,201	$ 0	$ 502,201
Recreational Facilities	3,568,281	3,568,281	1,316,364	21,926	1,338,290
Administrative Facilities	2,000,000	2,000,000	1,935,363	457,980	2,393,343
Parking Facilities	2,000,000	2,000,000	44,051	0	44,051
Total	$ 9,068,281	$ 9,068,281	$ 3,797,979	$ 479,906	$ 4,277,885
Current year expenditures				$ 479,906	
Expenditures financed through other revenues and transfers from other funds				150,972	
Total expenditures of the 2009 SPLOST Capital Projects Fund				$ 630,878	