CITY OF ROYSTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2012

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CITY OF ROYSTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2012

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Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Royston, 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 Royston, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Royston, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Royston, Georgia, as of June 30, 2012, and the respective changes in the financial position and cash flows, where applicable, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2012, on our consideration of the City of Royston, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Royston, Georgia's financial statements as a whole. The introductory section, combining and individual fund financial statements, and the state reporting section with the special purpose local option sales tax report, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis by the 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, the special 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Royston, Georgia's basic financial statements for the year ended June 30, 2011, which are not presented with the accompanying financial statements. In our report dated October 26, 2011, 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 Royston, Georgia's financial statements as a whole. The combining and individual fund financial statements and schedules, related to the 2011 financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
September 26, 2012

Mayor: David L. Jordan
Mayor Pro-Tem: Keith Turman
Council Members: Matt Fields
Wayne Braswell
Larry Bowen
Kenneth Roach
Lee Strickland

City Manager: Gregory Scott
City Clerk/CFO: Gloria Brown
City Judge: F. Mayes Davison
City Attorney: Michael Green

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Royston, it is our pleasure to present this narrative discussion and analysis of the City of Royston's financial performance, providing an overview of the activities for the fiscal year ended June 30, 2012. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Royston. This analytical information is designed to be read in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The City of Royston's assets exceeded its liabilities at June 30, 2012 by $10,191,442 (reported as *net assets).*
- As of June 30, 2012 Royston's governmental funds reported combined ending fund balances of $619,806.

More detailed information regarding these activities and funds begins on page 6.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Royston's basic financial statements. The City of Royston's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole)

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Royston and is designed to provide readers with a broad overview of the City's financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These two statements report information about the City of Royston using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Assets*** (pages 15-16) is to attempt to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net assets.* Although the purpose of the City is not to accumulate net assets, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The ***Statement of Activities*** (page 17), on the other hand, presents the revenues and expenses of the City. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net assets.* The primary focus of the Statement of Activities is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Assets and the Statement of Activities, we divide the City of Royston into three types of activities:

- ***Governmental Activities*** – Most of the City's basic services are reported under this category, including police, fire, public works, and general administration. Sales tax, property taxes, and intergovernmental revenues finance most of these services.

- ***Business-type Activities*** – The City charges fees to customers to assist in covering all or most of the cost for certain services it provides. The City's natural gas system, water and sewer system, and garbage collection fees are reported in 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 Royston, and therefore has been included as an integral part of the primary government.

The City's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the City's Major Funds)

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 an entity with a self-balancing set of accounts that the City uses to tract specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 57. The City's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different accounting approaches.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental 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.

  Because the focus of the governmental fund financial statements is narrower 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 sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided at the bottom of each statement.

In addition to the General Fund, Franklin County SPLOST #3 Capital Projects Fund, and Franklin County SPLOST #4 Capital Projects Fund, which are considered major funds, the City of Royston maintains two governmental fund types:

1. Special Revenue Funds
2. Capital Projects Funds

The City of Royston adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The City's basic governmental fund financial statements are presented on pages 18-20 of this report.

- ***Proprietary Funds*** – When the City charges customers for the services it provides – whether to outside customers or to other departments of the City – these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Royston uses enterprise funds, which are considered major funds, to account for its Natural Gas system, Water and Sewer system, and Solid Waste functions.

  The City's proprietary fund financial statements are presented on pages 23-27.

- ***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 of Royston's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City acts as a trustee or 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 28.

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 29-56 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21), which 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 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 statements.

- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities 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.

- Bond and note proceeds result in liabilities on the government-wide statements but are recorded as other financing sources on the governmental fund financial statements.

- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

City of Royston
Net Assets (Financial Position)
Fiscal Years 2011 and 2012

	Governmental Activities		Business-Type Activities		Total	
	2011	**2012**	**2011**	**2012**	**2011**	**2012**
Current assets	$ 445,825	$ 724,937	$ 2,044,802	$ 1,498,886	$ 2,490,627	$ 2,223,823
Capital assets	3,702,996	4,103,893	4,093,047	5,244,136	7,796,043	9,348,029
Other noncurrent assets	0	0	2,333	0	2,333	0
Total assets	4,148,821	4,828,830	6,140,182	6,743,022	10,289,003	11,571,852
Current liabilities	138,789	144,592	399,851	413,367	538,640	557,959
Noncurrent liabilities	38,642	23,187	381,847	799,264	420,489	822,451
Total liabilities	198,642	167,779	781,698	1,212,631	959,129	1,380,410
Net Assets						
Invested in capital assets, net of related debt	3,652,401	4,069,508	3,582,987	4,382,408	7,235,388	8,451,916
Restricted	68,769	507,717	0	0	68,769	507,717
Unrestricted	250,220	83,826	1,775,497	1,147,983	2,025,717	1,231,809
Total net assets	$ 3,971,390	$ 4,661,051	$ 5,358,484	$ 5,530,391	$ 9,329,874	$ 10,191,442

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets for the City of Royston exceeded liabilities by $10,191,442 at the close of the current year. However, much of those net assets either are restricted as to the purposes for which they can be used, or are invested in capital assets.

The largest portion of the City of Royston's net assets reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, the surplus in unrestricted governmental net assets was negatively affected by several factors of recent financial activity; revenues did however exceed expenditures due to conservative revenue budgeting. The City held prior year fund balance in reserve because of current economic conditions.

Several factors affected the City's original budget forecasts: Numerous sewer lift station repairs/replacements, a new well to put in system, adding a major water purchaser onto system, major gas line extension projects, and purchase of land, gas volume reduced due to a very mild winter, rising gas/fuel costs, and several storm water projects or repairs of drainage areas.

The city's cash balance position, reported as cash and equity in pooled cash in the Statement of Net Assets decreased slightly during FY2012. In other areas: group insurance rates experienced another increase, so the City continues to make life insurance, dental insurance, accident insurance, and short-term disability insurance an option that city employees pay at 100%, GMEBS retirement contributions experienced an 9.53 percent increase, and other insurance areas experienced a very small increase such as liability, auto, and workman's compensation.

In FY2009 the City improved its water supply system by expansion of existing well resources. The City continues to explore options from ground water. The City will still experience a cost savings with the addition of a new well, which will cut water treatment costs. We also added a major water customer in late FY2012 that will increase water sales a great deal in FY2013. Several unbudgeted infrastructure/site improvement projects were completed during the year with SPLOST taking care of water/sewer and streets/road projects in. A low-interest loan with a large principal forgiveness was awarded to the City by GEFA for the purpose of adding auto-water meters. We completed a new waterline replacement and a sewer line replacement in the Grove Street area CDBG project and a waterline extension along Dovetown Road. The Natural Gas department entered into a GMA Lease Agreement for $500,000.00 and several gas line extension projects were completed.

The Tri-County Wellness Park continues to thrive and is 97% complete at the end of FY2012. Phase I of the project was finished in early FY2011 with the City using SPLOST funds for matching amounts and received funds in the amount of $98,500 from a Recreational Trails Grant. The City applied for a second Recreational Trails Grant for phase II of the Wellness Park in FY2011 and FY2012 but was not awarded the grants. The City continues to move forward in completion of the park with SPLOST funds. The Franklin County Little League Association presented the City with a deed to the fields and SPLOST funds are being used to revamp this facility and hopefully will be ready for use in the spring of 2013.

The library received funding by the State, construction should begin late 2012, and should be completed mid- 2013. City Hall is temporarily relocating in Dill's Shopping Center for about 8 months until the library can move into their new facility and then City Hall will be located in the old library.

The City was awarded a CBDG grant for replacing aging sewer lines in an area around the elementary school in the amount of $406,598 in FY2011 and this grant is expected to be closed by September 2012.

Although the net assets of our business-type activities represent 57% ($5,358,484) of total unrestricted net assets, these resources cannot be used to add to the net asset surplus in governmental activities. The City generally can only use these net assets to finance the continuing operations of the business-type activities.

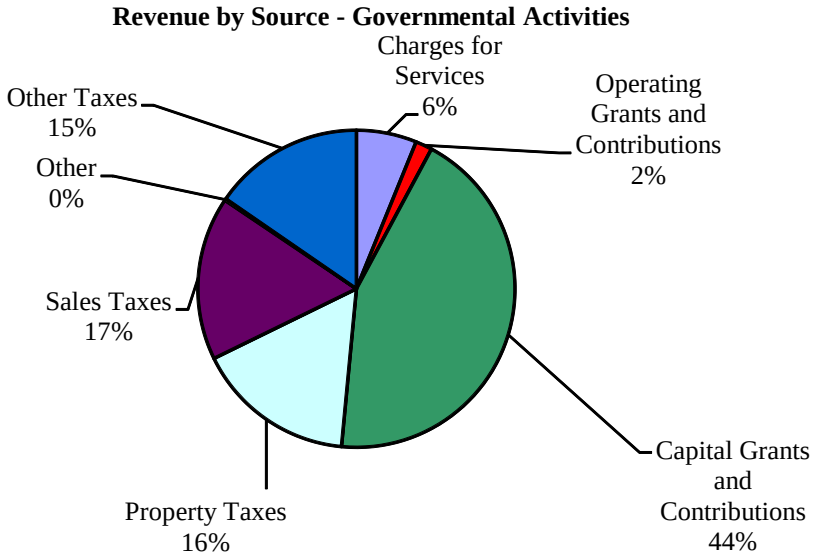
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Royston's net assets changed during the year.

City of Royston
Changes in Net Assets
For Fiscal Years 2011 and 2012

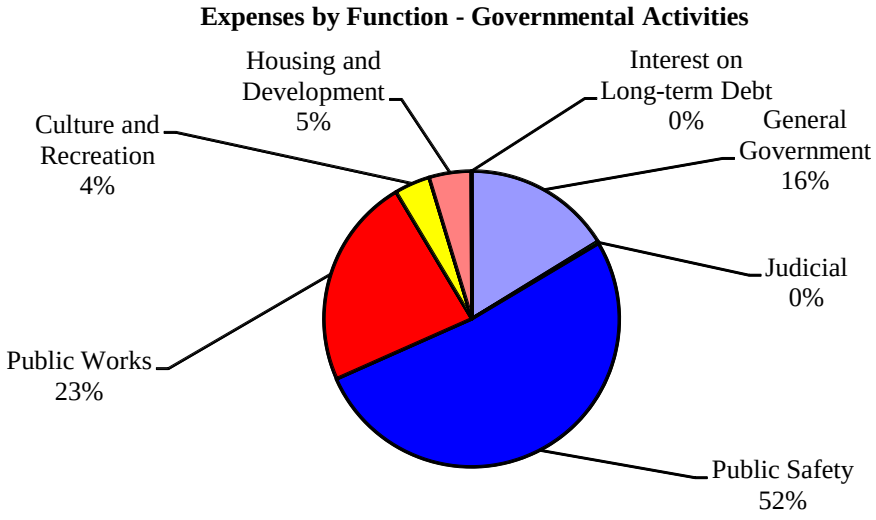
	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Program revenues:						
Charges for services	$ 190,815	$ 180,328	$ 3,606,408	$ 3,155,301	$ 3,797,223	$ 3,335,629
Operating grants and contributions	52,054	49,764	5,760	5,760	57,814	55,524
Capital grants and contributions	391,125	1,280,507	3,471	422,202	394,596	1,702,709
General revenues:						
Property taxes	518,037	476,753	0	0	518,037	476,753
Sales tax	447,514	488,854	0	0	447,514	488,854
Other taxes	444,608	451,569	0	0	444,608	451,569
Interest and investment earnings	4,878	1,387	15,005	5,646	19,883	7,033
Miscellaneous revenue	9,844	3,650	88,839	77,292	98,683	80,942
Total revenues	2,058,875	2,932,812	3,719,483	3,666,201	5,778,358	6,599,013
Expenses						
General Government	496,217	469,194	0	0	496,217	469,194
Judicial	9,598	6,716	0	0	9,598	6,716
Public Safety	1,166,199	1,333,583	0	0	1,166,199	1,333,583
Public Works	574,305	667,993	0	0	574,305	667,993
Culture and Recreation	105,942	112,540	0	0	105,942	112,540
Housing and Development	82,292	133,200	0	0	82,292	133,200
Interest on long-term debt	2,641	2,020	0	0	2,641	2,020
Water and sewer	0	0	897,431	900,349	897,431	900,349
Natural gas	0	0	1,970,885	1,832,886	1,970,885	1,832,886
Sanitation	0	0	220,560	278,964	220,560	278,964
Total expenses	2,437,194	2,725,246	3,088,876	3,012,199	5,526,070	5,737,445
Increase (decrease) in net assets before tranfers	(378,319)	207,566	630,607	654,002	252,288	861,568
Transfers	517,264	482,095	(517,264)	(482,095)	0	0
Increase (decrease) in net assets	138,945	689,661	113,343	171,907	252,288	861,568
Net assets - beginning	3,832,445	3,971,390	5,245,141	5,358,484	9,077,586	9,329,874
Net assets - ending	$ 3,971,390	$ 4,661,051	$ 5,358,484	$ 5,530,391	$ 9,329,874	$ 10,191,442

Governmental Activities –

The following chart depicts revenues of the governmental activities for the year:

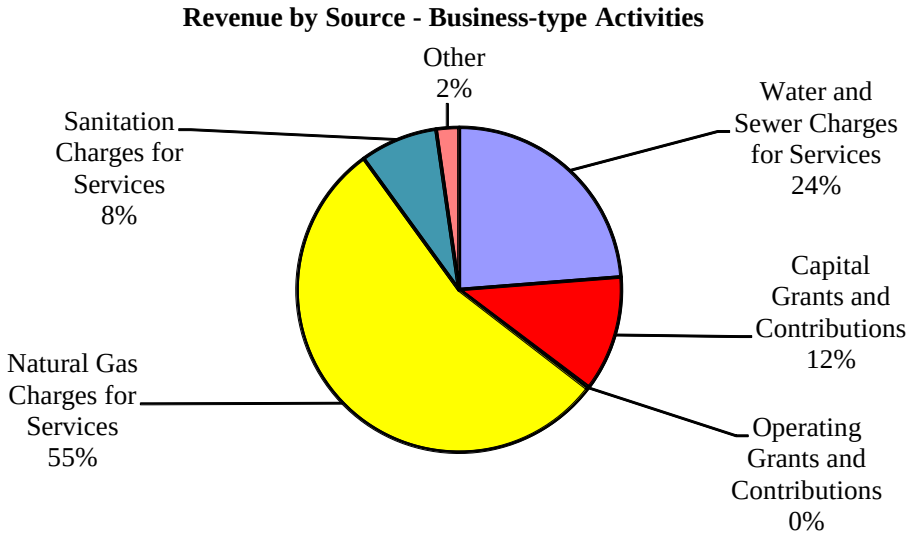


The following chart depicts the expenses of the governmental activities for the year:

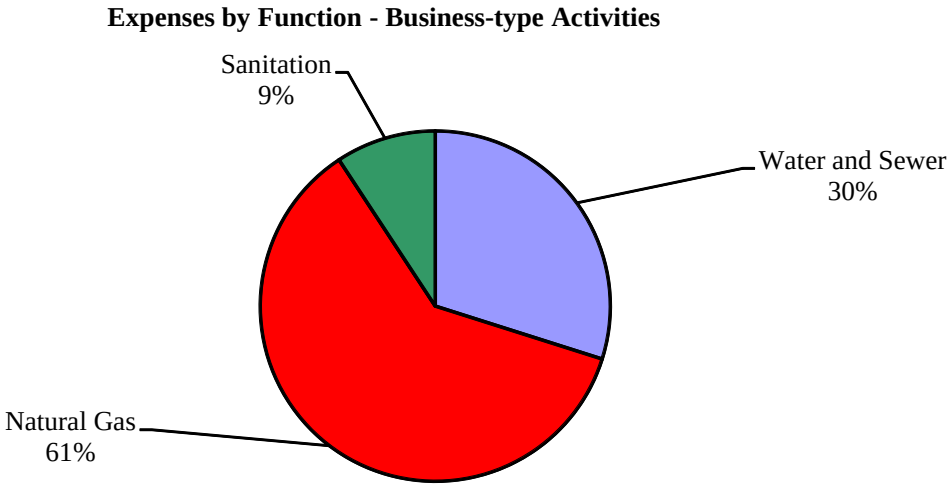


Business-type Activities –

The following chart depicts the revenues of the business-type activities:



The following chart depicts the expenses of the business-type activities:



Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Royston's governmental funds is 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As the City completed this year, its governmental funds reported a combined ending fund balance of $619,806. Of this amount, $87,706 (14%) constitutes unassigned and assigned fund balance, which is available for appropriation for the general purposes of the funds. The remainder of fund balance is it in a nonspendable form or is restricted for projects and is not available for spending.

The **General Fund** is the chief operating fund of the City. At the end of the current year, unassigned fund balance was $0, and assigned fund balance was $86,448, while total fund balance was $112,312. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 0% of the total General Fund expenditures, while total fund balance represents 5% of that same amount.

General Fund Budget Highlights

The original budget for the General Fund was amended by various additional revenues and appropriations approved after the beginning of the year.

Overall, the General Fund has remained under budget for many years. We continue to strive to reduce the general fund budget each year.

General Fund expenditures were $2,355,385 with appropriations of $2,498,075. The police department patrol and administration made a change from 10-hour shifts to 12-hour shifts in an effort to be more cost effective late in FY2010, which resulted in significant savings in FY2011 as well as FY2012. Three police vehicles were purchased in FY2012.

The city extended the cemetery in FY2012 adding lots and updated the mapping for the entire cemetery; the zoning maps were updated as well.

Proprietary Funds

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

Net assets of the City's three proprietary funds totaled as follows:

- Natural Gas $2,303,358
- Water and Sewer Utility $2,726,322
- Sanitation $ 500,711

The total decrease in net assets for the three funds was $18,575. Other factors concerning the finances of these two funds have already been addressed in the discussion of The City's business-type activities.

The Water/Sewer Department entered agreements with Hart and Madison Counties in FY2010 and with the City of Franklin Springs in late FY2012. Madison County is already online for water sales and Hart County came online in early FY2011 and Franklin Springs in late FY2012. A Blue Frog System was installed at the WWTP late in FY2011 and this system should eliminate the costly sludge removal every 3-5 years; improvements continue to be made to this system in FY2012.

Construction of a sewer line replacement in the elementary school area has been completed and the City used CBDG funds and SPLOST for the funding; waterlines were also replaced in the area during this time. The City received a non-matching GEFA Green Project Grant for automated water meters in FY2012, which will increase the efficiency and accuracy of meter readings and better leak detection.

Gas Profit margins leveled some and the natural gas department saw an increase over the last several years. The Natural Gas Department completed multiple gas line expansions in FY2012. These expansions should further broaden our residential customer base as well as our commercial poultry customer base. The Gas Department negotiated safety boundaries with neighboring gas companies to solidify our selling areas.

A new garbage truck was purchased in FY2012 with USDA funds. We have experienced significant savings with lessened trips to the landfill, in addition to lowered repair and maintenance.

Tanglewood and N. Tanglewood were paved using DOT LMIG funds and Grove and Cherry Streets were paved using SPLOST funds. The City continues to upgrade sidewalks throughout the City.

The Service Delivery Strategy with Franklin and Hart Counties was successfully negotiated and approved by Council.

Capital Assets and Debt Administration

Capital Assets. The City of Royston has invested $9,348,030 in capital assets (net of accumulated depreciation). Capital assets include infrastructure, land, buildings, and machinery and equipment. Approximately 56% of these investments are related to business-type activities and approximately 44% relates to governmental activities.

Capital assets held by the City at the end of the current year are summarized as follows:

City of Royston
Capital Assets (net of accumulated depreciation)
As of June 30, 2012

	Governmental Activities	Business-type Activities	Total
Land	$ 408,187	$ 97,761	$ 505,948
Buildings	3,368,230	240,933	3,609,163
Infrastructure	1,725,734	0	1,725,734
Land improvements	0	24,644	24,644
Distribution system	0	9,686,484	9,686,484
Vehicles and equipment	2,052,471	1,299,652	3,352,123
Furniture and fixtures	222,378	0	222,378
Construction in progress	0	571,201	571,201
Total	7,777,000	11,920,675	19,697,675
Accumulated depreciation	(3,673,107)	(6,676,538)	(10,349,645)
Net Capital Assets	$ 4,103,893	$ 5,244,137	$ 9,348,030

Additional information on the City of Royston's capital assets can be found in the Note 8 to the Financial Statements, Exhibit A-12, on pages 45-46 of this report.

Long-term debt. At June 30, 2012, the City of Royston had $115,000 in bonds payable, $362,859 in notes payable, and $34,385 in capital leases outstanding.

City of Royston
Outstanding Debt
As of June 30, 2012

	Governmental Activities	Business-type Activities	Total
Capital leases	$ 34,385	$ 0	$ 34,385
Notes payable	0	115,000	115,000
Bonds payable	0	362,859	362,859
Total	$ 34,385	$ 477,859	$ 512,244

The City's total debt decreased by approximately 16% in FY2010, 18% in FY2011, and 10% in FY2012. Additional information on the City's long-term debt can be found in the Notes 9 and 10 to the Financial Statements, Exhibit A-12, on pages 47-49 of this report.

Economic Condition and Outlook

Although not immune to the weakened economy, the City of Royston has executed a well thought out and thorough spending plan as well as positioning itself for future growth and health. This has caused it to compare well to other municipalities in the State of Georgia. Several factors were considered during preparation of the budget for FY2013, which include the following:

- The natural gas department net income continued to remain level in FY2010 with less fluctuation of gas prices but a slightly milder winter, which both affect the City's profit margin. The measures that Mayor and Council took in mid FY2006 to stabilize the City's profit margin have been successful. A commercial business customer closed its doors in FY2011 affecting volume of sales, however gas line expansions to various areas to place poultry farms and residents on natural gas should equal the difference in volume of sales. The City expects payback on current expansion projects to have a payback of from one to four years. The city is currently negotiating with a large commercial customer and expects to have them online in early FY2012. The expansion additions in FY2012 should increase funds in FY2013, even with a mild winter as poultry houses use a great volume of gas year round.

- After evaluating the wastewater treatment plant the City Council moved forward with the repair of one of the pond liners in FY2010 and plan to repair the #2 pond liner in FY2013. These repairs will extend the life of the wastewater treatment considerably. The City entered into agreements with Madison County and Hart County to supply water for the NE section of Madison County and the SE section of Hart County and with Franklin Springs in FY2012. These agreements resulted in an expanded infrastructure at no cost to the City in FY2010 and, as anticipated, we had a slight increase in water sales for FY2011 and expect a much larger increase in FY2012. We expect greater profits due to a large facility that will be in operation early FY2013 in the Franklin Springs area. A Blue Frog System was installed at the WWTP and will eliminate the costly procedure of sludge removal every 3-5 years; this system has reduced the sludge in-situ and continues to perform well. The City received a low-interest, GEFA loan to install auto-water meters and the project should result in savings by cutting the time and travel needed to read meters as well as personnel.

- With minimal increases in interest rates on investments with respect to the City's bank balances and certificates of deposits, increases have not been budgeted. LOST negotiations resulted in an increase from one our counties.

- A change in shifts at the Police Department has resulted in budget savings in several areas.

- The City entered into a low-cost loan agreement with USDA for the purchase of a garbage truck in FY2011; the loan closing and receipt of grant funds will occur in early FY2012.

- The City used Recreational Trail Grant funds to complete Phase I of the Tri-County Wellness Park in FY2011 and will apply for the same grant again in FY2011 for Phase II. The City did not receive the Recreational Tail Grant funding for FY 2011, but plans to apply again in FY2012 for Phase II. Phase II was not funded in FY2012, so the City will continue the work with SPLOST funds.

- Through a partnership with Royston and use of private donations, the Athens Regional Library System will receive funding from the State allowing renovation and re-purposing of the current City Hall/Civic Center into a new expanded and modern Library. The City will then use the present Library as City Hall and a meeting area. The City has agreed to provide $67,857.00 of the estimated $1.7 million cost toward the Library expansion, which is expected to start in early FY2013. The library received USDA Grant funds of $50,000 for use in purchasing computer equipment and will use the funding mid-FY2013.

- The new City Hall, which will be located at the old library, will be funded with SPLOST funds allocated for Government buildings.

Contacting the City's Financial Services Department

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City of Royston's finances 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 financial information should be addressed as follows:

City of Royston
ATTN: Gloria A. Brown, Finance Director/City Clerk
634 Franklin Springs Street
Royston, GA 30662

BASIC FINANCIAL STATEMENTS

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
ASSETS				
Current assets				
Cash and cash equivalents	$ 213,573	$ 715,118	$ 928,691	$ 8,234
Certificates of deposit	79,740	149,381	229,121	0
Restricted assets				
Cash and cash equivalents	1,481	190,885	192,366	0
Receivables (net)				
Accounts	4,853	303,736	308,589	0
Taxes	82,625	0	82,625	0
Intergovernmental	317,449	11,772	329,221	0
Interest	833	379	1,212	0
Prepaid items	24,383	10,946	35,329	0
Inventories	0	116,669	116,669	0
Total current assets	724,937	1,498,886	2,223,823	8,234
Noncurrent assets				
Capital assets				
Non-depreciable	408,187	668,961	1,077,148	6,000
Depreciable (net)	3,695,706	4,575,175	8,270,881	0
Total noncurrent assets	4,103,893	5,244,136	9,348,029	6,000
Total assets	4,828,830	6,743,022	11,571,852	14,234
LIABILITIES				
Current liabilities				
Payables				
Accounts	62,536	50,299	112,835	0
Sales tax	0	3,003	3,003	0
Interest	0	9,760	9,760	0
Accrued salaries and expenses	14,270	11,866	26,136	0
Compensated absences	50,929	30,068	80,997	0
Unearned revenue	0	51,681	51,681	0
Customer deposits payable	0	74,756	74,756	0
Capital leases payable	16,857	31,826	48,683	0
Notes payable	0	35,108	35,108	0
Bonds payable	0	115,000	115,000	0
Total current liabilities	144,592	413,367	557,959	0
Noncurrent liabilities				
Compensated absences	5,659	3,341	9,000	0
Capital leases payable	17,528	468,174	485,702	0
Notes payable	0	327,749	327,749	0
Total noncurrent liabilities	23,187	799,264	822,451	0
Total liabilities	167,779	1,212,631	1,380,410	0

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2012

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
NET ASSETS				
Invested in capital assets, net of related debt	$ 4,069,508	$ 4,382,408	$ 8,451,916	$ 6,000
Restricted for:				
Public Safety	25,505	0	25,505	0
Capital outlay	482,212	0	482,212	0
Unrestricted	83,826	1,147,983	1,231,809	8,234
Total net assets	$ 4,661,051	$ 5,530,391	$ 10,191,442	$ 14,234

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 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	$ 469,194	$ 97,898	$ 0	$ 0	$ (371,296)
Judicial	6,716	0	0	0	(6,716)
Public Safety	1,333,583	69,583	49,764	618,461	(595,775)
Public Works	667,993	2,780	0	617,531	(47,682)
Culture and Recreation	112,540	8,203	0	25,350	(78,987)
Housing and Development	133,200	1,864	0	19,165	(112,171)
Interest on long-term debt	2,020	0	0	0	(2,020)
Total governmental activities	2,725,246	180,328	49,764	1,280,507	(1,214,647)
Business-type activities					
Water and Sewer Utility	900,349	871,038	0	394,729	365,418
Natural Gas Utility	1,832,886	2,000,496	0	0	167,610
Sanitation	278,964	283,767	5,760	27,473	38,036
Total business-type activities	3,012,199	3,155,301	5,760	422,202	571,064
Total primary government	5,737,445	3,335,629	55,524	1,702,709	(643,583)
Component Unit					
Downtown Development Authority					
Housing and Development	17,939	8,062	2,950	0	(6,927)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Change in net assets				
Net (expense) revenue	$ (1,214,647)	$ 571,064	$ (643,583)	$ (6,927)
General revenues				
Taxes				
Property	476,753	0	476,753	0
Sales	488,854	0	488,854	0
Franchise	228,565	0	228,565	0
Insurance premium	121,107	0	121,107	0
Intangibles	2,190	0	2,190	0
Alcoholic beverage	70,948	0	70,948	0
Occupational	27,119	0	27,119	0
Hotel/Motel	1,640	0	1,640	0
Payments from City of Royston	0	0	0	1,399
Interest and investment earnings	1,387	5,646	7,033	0
Other	3,650	77,292	80,942	1,709
Transfers	482,095	(482,095)	0	0
Total general revenues and transfers	1,904,308	(399,157)	1,505,151	3,108
Change in net assets	689,661	171,907	861,568	(3,819)
Net assets - beginning	3,971,390	5,358,484	9,329,874	18,053
Net assets - ending	$ 4,661,051	$ 5,530,391	$ 10,191,442	$ 14,234

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2012

	General	Franklin County SPLOST #3 Capital Projects	Franklin County SPLOST #4 Capital Projects	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 21,759	$ 166,330	$ 0	$ 25,484	$ 213,573
Certificates of deposit	79,740	0	0	0	79,740
Restricted assets					
Cash	1,481	0	0	0	1,481
Receivables (net)					
Accounts	4,853	0	0	0	4,853
Taxes	82,625	0	0	0	82,625
Intergovernmental	0	0	317,531	0	317,531
Interest	833	0	0	0	833
Prepaid items	24,383	0	0	0	24,383
Total assets	$ 215,674	$ 166,330	$ 317,531	$ 25,484	$ 725,019
LIABILITIES AND					
FUND BALANCES					
Liabilities					
Payables					
Accounts	$ 60,685	$ 1,649	$ 0	$ 202	$ 62,536
Intergovernmental	82	0	0	0	82
Deferred revenue	28,325	0	0	0	28,325
Accrued salaries	14,270	0	0	0	14,270
Total liabilities	103,362	1,649		202	105,213
Fund balances					
Nonspendable prepaids	24,383	0	0	0	24,383
Restricted for:					
Public Safety	1,481	0	0	24,024	25,505
Capital projects	0	164,681	317,531	0	482,212
Assigned for:					
Budget	86,448	0	0	0	86,448
Housing and Development	0	0	0	1,258	1,258
Total fund balances	112,312	164,681	317,531	25,282	619,806
Total liabilities and fund balances	$ 215,674	$ 166,330	$ 317,531	$ 25,484	$ 725,019

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2012

Total fund balance - total governmental funds		$ 619,806
Amounts reported for governmental activities in the statement of net assets 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	$ 4,103,893	4,103,893
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds.		
These are:		
Property taxes	$ 28,325	28,325
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Capital leases	$ (34,385)	
Compensated absences	(56,588)	(90,973)
Net assets of governmental activities		$ 4,661,051

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	General	Franklin County SPLOST #3 Capital Projects	Franklin County SPLOST #4 Capital Projects	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	$ 1,414,957	$ 0	$ 0	$ 1,640	$ 1,416,597
Licenses and permits	13,974	0	0	0	13,974
Fines, fees and forfeitures	67,044	0	0	5,037	72,081
Charges for services	97,523	0	0	0	97,523
Intergovernmental	16,574	313,533	317,531	26,850	674,488
Interest	1,338	915	0	49	2,302
Contributions	9,735	0	0	3,601	13,336
Other	3,180	0	0	0	3,180
Total revenues	1,624,325	314,448	317,531	37,177	2,293,481
EXPENDITURES					
Current					
General Government	469,515	0	0	0	469,515
Judicial	6,716	0	0	0	6,716
Public Safety	1,100,931	0	0	39,262	1,140,193
Public Works	569,326	0	0	0	569,326
Culture and Recreation	62,469	0	0	0	62,469
Housing and Development	146,428	0	0	1,299	147,727
Capital outlay	0	84,106	0	9,996	94,102
Total expenditures	2,355,385	84,106	0	50,557	2,490,048
Excess (deficiency) of revenues over (under) expenditures	(731,060)	230,342	317,531	(13,380)	(196,567)
Other financing sources (uses)					
Transfers in (out)					
Transfers in	580,744	0	0	2,750	583,494
Transfers out	(2,750)	(98,649)	0	0	(101,399)
Sale of capital assets	470	0	0	0	470
Total other financing sources (uses)	578,464	(98,649)	0	2,750	482,565
Net change in fund balance	(152,596)	131,693	317,531	(10,630)	285,998
Fund balances, July 1	264,908	32,988	0	35,912	333,808
Fund balances, June 30	$ 112,312	$ 164,681	$ 317,531	$ 25,282	$ 619,806

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2012

Net change in fund balances - total governmental funds		$ 285,998
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 outlays	$ 203,052	
Depreciation	(251,917)	(48,865)
Contributions of capital from other governments and individuals increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		449,762
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 revenue.		579
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Debt principal repayments	$ 16,210	
Debt proceeds	0	16,210
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	$ (14,023)	(14,023)
Change in net assets of governmental activities		$ 689,661

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2012

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,347,600	$ 1,347,600	$ 1,414,957	$ 67,357
Licenses and permits	12,900	12,900	13,974	1,074
Fines, fees and forfeitures	82,500	82,500	67,044	(15,456)
Charges for services	105,188	105,188	97,523	(7,665)
Intergovernmental	19,500	19,500	16,574	(2,926)
Interest	1,550	1,550	1,338	(212)
Contributions	0	8,300	9,735	1,435
Other	6,175	6,175	3,180	(2,995)
Total revenues	1,575,413	1,583,713	1,624,325	40,612
EXPENDITURES				
Current				
General Government				
Mayor and Council	109,600	97,370	95,632	1,738
Administration	408,523	384,043	370,943	13,100
Elections	3,035	3,496	2,940	556
Judicial				
Municipal Court	10,258	10,258	6,716	3,542
Public Safety				
Police	1,108,096	1,108,254	1,022,322	85,932
Fire	79,189	77,026	69,862	7,164
Animal Control	8,747	8,747	8,747	0
Public Works				
Streets	428,539	454,377	448,439	5,938
Maintenance Shop	93,047	84,572	82,979	1,593
Cemetery	28,300	37,999	37,908	91
Culture and Recreation				
Library	31,125	32,909	31,534	1,375
Parks and Recreation	33,255	38,963	30,935	8,028
Housing and Development				
Code Enforcement	20,900	88,089	81,925	6,164
Better Hometown Program	63,652	65,972	64,503	1,469
Downtown Development Authority	6,000	6,000	0	6,000
Total expenditures	2,432,266	2,498,075	2,355,385	142,690
Excess (deficiency) of revenues over (under) expenditures	(856,853)	(914,362)	(731,060)	183,302
Other financing sources (uses)				
Transfers in (out)				
Transfers in	682,300	702,300	580,744	(121,556)
Transfers out	0	0	(2,750)	(2,750)
Sales of capital assets	5,000	5,000	470	(4,530)
Contingency	(1,000)	(1,000)	0	1,000
Total other financing sources (uses)	686,300	706,300	578,464	(127,836)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(170,553)	(208,062)	(152,596)	55,466
Fund balances, July 1	170,553	208,062	264,908	56,846
Fund balances, June 30	$ 0	$ 0	$ 112,312	$ 112,312

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 152,878	$ 187,721	$ 374,519	$ 715,118
Certificates of deposit	0	149,381	0	149,381
Restricted assets				
Cash and cash equivalents	21,135	169,750	0	190,885
Receivables (net)				
Accounts	112,647	156,078	35,011	303,736
Intergovernmental	11,772	0	0	11,772
Interest	0	379	0	379
Inventories	0	116,669	0	116,669
Prepaid items	7,048	2,296	1,602	10,946
Total current assets	305,480	782,274	411,132	1,498,886
Noncurrent assets				
Capital assets				
Non-depreciable	366,267	296,265	6,429	668,961
Depreciable (net)	2,494,103	1,891,044	190,028	4,575,175
Total noncurrent assets	2,860,370	2,187,309	196,457	5,244,136
Total assets	3,165,850	2,969,583	607,589	6,743,022
LIABILITIES				
Current liabilities				
Payables				
Accounts	12,198	34,114	3,987	50,299
Sales tax	0	3,003	0	3,003
Interest	2,300	6,725	735	9,760
Accrued salaries	5,041	5,813	1,012	11,866
Compensated absences	9,899	13,487	6,682	30,068
Unearned revenue	2,498	47,963	1,220	51,681
Capital leases	0	31,826	0	31,826
Notes payable	17,198	0	17,910	35,108
Revenue bonds payable	115,000	0	0	115,000
Liabilities payable from restricted assets:				
Customer deposits payable	21,135	53,621	0	74,756
Total current liabilities	185,269	196,552	31,546	413,367

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Noncurrent liabilities				
Compensated absences	$ 1,100	$ 1,499	$ 742	$ 3,341
Capital leases	0	468,174	0	468,174
Notes payable	253,159	0	74,590	327,749
Total noncurrent liabilities	254,259	469,673	75,332	799,264
Total liabilities	439,528	666,225	106,878	1,212,631
NET ASSETS				
Invested in capital assets, net of related debt	2,475,013	1,803,438	103,957	4,382,408
Unrestricted	251,309	499,920	396,754	1,147,983
Total net assets	$ 2,726,322	$ 2,303,358	$ 500,711	$ 5,530,391

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
OPERATING REVENUES				
Charges for sales and services	$ 871,038	$ 2,000,496	$ 283,767	$ 3,155,301
Other	42,363	30,120	4,809	77,292
Total operating revenues	913,401	2,030,616	288,576	3,232,593
OPERATING EXPENSES				
Costs of sales and services	325,348	1,408,048	133,776	1,867,172
Personal services	410,105	317,954	117,354	845,413
Depreciation	139,585	90,385	27,099	257,069
Other	0	9,774	0	9,774
Total operating expenses	875,038	1,826,161	278,229	2,979,428
Operating income (loss)	38,363	204,455	10,347	253,165
Non-operating revenues (expenses)				
Intergovernmental	0	0	5,760	5,760
Interest revenue	768	3,274	1,604	5,646
Interest expense	(16,209)	(6,725)	(735)	(23,669)
Amortization	(9,102)	0	0	(9,102)
Total non-operating revenues (expenses)	(24,543)	(3,451)	6,629	(21,365)
Income (loss) before capital contributions and transfers	13,820	201,004	16,976	231,800
Capital contributions				
Intergovernmental	394,729	0	27,473	422,202
Income (loss) before transfers	408,549	201,004	44,449	654,002
Transfers in (out)				
Transfers in	98,649	0	0	98,649
Transfers out	(20,360)	(497,360)	(63,024)	(580,744)
Total transfers	78,289	(497,360)	(63,024)	(482,095)
Change in net assets	486,838	(296,356)	(18,575)	171,907
Net Assets, July 1	2,239,484	2,599,714	519,286	5,358,484
Net Assets, June 30	$ 2,726,322	$ 2,303,358	$ 500,711	$ 5,530,391

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Cash flows from operating activities:				
Receipts from customers	$ 856,153	$ 1,987,819	$ 281,954	$ 3,125,926
Payments to suppliers	(344,119)	(1,440,176)	(133,178)	(1,917,473)
Payments to employees	(415,990)	(323,105)	(119,777)	(858,872)
Other receipts	42,363	30,120	4,809	77,292
Other payments	0	(9,774)	0	(9,774)
Net cash provided (used) by operating activities	138,407	244,884	33,808	417,099
Cash flows from non-capital financing activities:				
Receipts from other governments	0	0	5,760	5,760
Payments to other funds	(20,360)	(497,360)	(63,024)	(580,744)
Net cash provided (used) by non-capital financing activities	(20,360)	(497,360)	(57,264)	(574,984)
Cash flows from capital and related financing activities:				
Receipts from other governments	394,729	0	27,473	422,202
Receipts from other funds	98,649	0	0	98,649
Issuance of capital lease	0	500,000	0	500,000
Issuance of notes payable	0	0	92,500	92,500
Interest paid	(18,509)	0	0	(18,509)
Acquisition of capital assets	(608,997)	(579,046)	(194,949)	(1,382,992)
Principal payments - notes	(16,471)	0	0	(16,471)
Principal payments - bonds	(115,000)	0	0	(115,000)
Net cash provided (used) by capital and related financing activities	(265,599)	(79,046)	(74,976)	(419,621)
Cash flows from investing activities:				
Interest received	768	3,271	1,604	5,643
Proceeds from sale of investments	0	148,039	0	148,039
Purchase of investments	0	(149,381)	0	(149,381)
Net cash provided (used) by investing activities	768	1,929	1,604	4,301
Net increase (decrease) in cash and cash equivalents	(146,784)	(329,593)	(96,828)	(573,205)
Cash and cash equivalents, July 1	320,797	687,064	471,347	1,479,208
Cash and cash equivalents, June 30	$ 174,013	$ 357,471	$ 374,519	$ 906,003

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2012

	Business Type			
	Water and Sewer Utility	Natural Gas Utility	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 38,363	$ 204,455	$ 10,347	$ 253,165
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	139,585	90,385	27,099	257,069
(Increase) decrease in accounts receivable	(12,119)	(24,917)	(1,145)	(38,181)
(Increase) decrease in prepaid items	(1,305)	2,659	47	1,401
(Increase) decrease in inventories	0	10,836	0	10,836
Increase (decrease) in accounts payable	(17,466)	(45,623)	551	(62,538)
Increase (decrease) in sales tax payable	0	(172)	0	(172)
Increase (decrease) in unearned revenue	(2,339)	15,358	(668)	12,351
Increase (decrease) in accrued payroll liabilities	(5,885)	(5,151)	(2,423)	(13,459)
Increase (decrease) in deposits payable	(427)	(2,946)	0	(3,373)
Total adjustments	100,044	40,429	23,461	163,934
Net cash provided (used) by operating activities	$ 138,407	$ 244,884	$ 33,808	$ 417,099
Cash and cash equivalents reconciliation:				
Cash and cash equivalents	$ 152,878	$ 187,721	$ 374,519	$ 715,118
Restricted assets				
Cash and cash equivalents	21,135	169,750	0	190,885
Total cash and cash equivalents	$ 174,013	$ 357,471	$ 374,519	$ 906,003

Noncash investing, capital, and financing activities:

Acquistion of capital assets through accounts payable totaled $25,167 for the fiscal year ended June 30, 2012.

The accompanying notes are an integral part of these financial statements.

CITY OF ROYSTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2012

	Municipal Court Agency Fund
ASSETS	
Equity in pooled cash	$ 12,369
LIABILITIES	
Due to other agencies	$ 12,369

The accompanying notes are an integral part of these financial statements.

1. Description of Government Unit

The City of Royston was established in 1879. The City operates under a council/mayor form of government and provides the following services: public safety, street and sanitation, culture and recreation, public improvements and general and administrative services. In addition, the City operates public utilities for water, sewer, and gas for the incorporated and immediate surrounding areas.

The City is governed by an elected six-member council.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the City of Royston, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Royston (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 Royston Downtown Development Authority

The City of Royston 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 Royston. 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 Royston Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. The City of Royston Downtown Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the City of Royston Downtown Development Authority, 634 Franklin Springs Street, Royston, GA 30662.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-type activities for the City. Fiduciary activities of the City are not included in these statements.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all the City's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under 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.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The types of transaction reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

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

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements and Permanent funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Governmental Fund Financial Statements

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. The City considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The City reports the following major governmental fund:

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.

Franklin County SPLOST #3 Capital Projects Fund – This fund is used to account for long-term projects financed by the passage of the 2004 Franklin County special purpose local option sales tax.

Franklin County SPLOST #4 Capital Projects Fund – This fund is used to account for long-term projects financed by the passage of the 2010 Franklin County special purpose local option sales tax.

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 Royston.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Natural Gas Utility Fund – This fund is used to account for activities connected with the development, operation and maintenance of natural gas services in the City of Royston.

Sanitation 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 Royston.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary 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 an agency fund to account for the activity of the Municipal Court.

Component Units

The Royston 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).

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in the governmental and business-type activities and enterprise fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer functions and the other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. 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.

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by 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.

In January each year, the departments submit their budget requests to the Finance Director. The Finance Department compiles a complete citywide budget and submits the proposed budget to the City Manager for review. Meetings are held between the City Manager, Finance Director, and department heads in February to review the proposed budget. The City Manager then submits the proposed budget to the City Council by May 1.

During June, the Mayor and Council conduct a public hearing to discuss the proposed budget and to obtain input from the citizens of the City of Royston. This hearing is publicized in the local newspaper at least two weeks before the hearing. The final proposed budget is then adopted by the City Council on or before June 30 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 through the City Manager except for equipment requests under $5,000, which must be approved by the City Manager, and equipment requests over $5,000 and changes in personal services budgets, 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.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting, continued

The City does not use the encumbrance system of accounting.

F. 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.

G. 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.

H. Inventories

Inventories of the Natural Gas Utility Enterprise Fund are valued at cost on the first-in, first-out method.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items.

J. 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)

J. Capital Assets, continued

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the beginning of the fiscal year ended June 30, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Prior to July 1, 2007, neither their historical costs nor related depreciation had historically been reported in the financial statements. For entities the size of the City of Royston, retroactive reporting of infrastructure assets was not required.

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.

Depreciation is computed 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	50	$ 100,000
Bridges and culverts	50	$ 40,000
Equipment	10	$ 2,000
Vehicles	5	$ 2,000
Furniture and fixtures	5	$ 2,000
Land improvements	15	$ 2,000

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.

2. Summary of Significant Accounting Policies (continued)

K. Fund Balances – Governmental Funds

The City of Royston implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. 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 June 30, 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 Royston's 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. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 120 days of fiscal year-end.

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 Council's adopted policy, amounts may be assigned by the City Manager, 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)

K. 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.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay 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.

M. 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 assets. 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 an other 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.

2. Summary of Significant Accounting Policies (continued)

N. 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.

O. Reservations and Designations of Fund Balances

Reservations represent the portions of fund balances which are not appropriable for expenditure or have been segregated for specific future uses by legal mandate. Designations represent the portions of fund balance for which the government has made tentative plans.

P. 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 the State of Georgia requirement that all deposits be federally insured or fully collateralized.

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, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. 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.

4. Accounts Receivable

Net accounts receivable at June 30, 2012 consist of the following:

Major Funds		
General Fund		$ 4,853
Enterprise Funds		
Water and Sewer Utility	$ 198,485	
Less: Allowances for Uncollectibles	(85,838)	
Natural Gas Utility	305,017	
Less: Allowances for Uncollectibles	(148,939)	
Sanitation	59,889	
Less: Allowances for Uncollectibles	(24,878)	303,736
Total Primary Government		$ 308,589

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2012 consist of the following:

Major Fund	
Franklin County SPLOST #4	
Franklin County, Georgia	$ 317,449
Water and Sewer Utility	
State of Georgia	11,772
Total Primary Government	$ 329,221

6. Property Taxes

Taxes receivable as of June 30, 2012 consist of property taxes for seven years as follows:

Year of Levy	Amount
2011	$ 27,625
2010	16,373
2009	11,472
2008	3,191
2007	2,234
2006	2,627
2005	2,183
2004	1,154
	66,859
Less allowance for uncollectible	(26,184)
Total	$ 40,675

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 fiscal year 2012, based upon the assessments of January 1, 2011, were billed on December 20, 2011 and due on February 2, 2012. Tax liens are issued 90 days after the due date. The tax rate of 10.0 mills for fiscal year 2012 was levied on November 15, 2011.

Other Taxes

$41,950 of sales taxes are also included in taxes receivable.

7. Interfund Transfers

A summary of interfund transfers for fiscal year 2012 is as follows:

	Transfers out:					
	Major Funds					
	General	Franklin County SPLOST #3	Water and Sewer Utility	Natural Gas Utility	Sanitation	Total
Transfers in:						
Major Funds						
General	$ 0	$ 0	$ 20,360	$ 497,360	$ 63,024	$ 580,744
Water and Sewer Utility	0	98,649	0	0	0	98,649
Nonmajor Funds						
Governmental	2,750	0	0	0	0	2,750
	$ 2,750	$ 98,649	$ 20,360	$ 497,360	$ 63,024	$ 682,143

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

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2012 was as follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental activities				
Non-depreciable assets				
Land	$353,463	$54,724	$0	$408,187
Depreciable assets				
Buildings	3,368,230	0	0	3,368,230
Infrastructure	1,687,004	38,730	0	1,725,734
Vehicles and equipment	1,493,711	573,760	(15,000)	2,052,471
Furniture and fixtures	222,378	0	0	222,378
Total depreciable assets	6,771,323	612,490	(15,000)	7,368,813
Accumulated depreciation				
Buildings	(1,834,504)	(66,884)	0	(1,901,388)
Infrastructure	(153,986)	(40,640)	0	(194,626)
Vehicles and equipment	(1,256,488)	(129,590)	15,000	(1,371,078)
Furniture and fixtures	(176,812)	(29,203)	0	(206,015)
Total accumulated depreciation	(3,421,790)	(266,317)	15,000	(3,673,107)
Total depreciable assets, net	3,349,533	346,173	0	3,695,706
Governmental activities capital assets, net	$3,702,996	$400,897	$0	$4,103,893
Business-type activities				
Non-depreciable assets				
Land	$97,761	$0	$0	$97,761
Construction in progress	362,387	272,578	(63,764)	571,201
Total non-depreciable assets	460,148	272,578	(63,764)	668,962
Depreciable assets				
Buildings	240,933	0	0	240,933
Land improvements	22,611	2,033	0	24,644
Distribution system	8,738,777	947,707	0	9,686,484
Vehicles and equipment	1,064,446	249,606	(14,400)	1,299,652
Total depreciable assets	10,066,767	1,199,346	(14,400)	11,251,713
Accumulated depreciation				
Buildings	(107,859)	(4,832)	0	(112,691)
Land improvements	(4,525)	(1,632)	0	(6,157)
Distribution system	(5,437,544)	(178,016)	0	(5,615,560)
Vehicles and equipment	(883,941)	(72,589)	14,400	(942,130)
Total accumulated depreciation	(6,433,868)	(257,069)	14,400	(6,676,538)
Total depreciable assets, net	3,632,899	942,277	0	4,575,175
Business-type activities capital assets, net	$4,093,047	$1,214,855	($63,764)	5,244,137

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the year ended June 30, 2012 was as follows:

	Balance 6/30/2011	Increases	Decreases	Balance 6/30/2012
Downtown Development Authority Component Unit				
Non-depreciable assets				
Construction in progress	$6,000	$0	$0	$6,000

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 35,162
Public Safety	108,562
Public Works	57,302
Culture and Recreation	46,764
Housing and Development	4,127
Total depreciation expense for governmental activities	$ 251,917
Business-type activities	
Water and Sewer Utility	$ 139,585
Natural Gas Utility	90,385
Sanitation	27,099
Total depreciation expense for business-type activities	$ 257,069

	Governmental Activities	Business-type Activities
Current year depreciation expense	$ 251,917	$ 257,069
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	14,400	0
Additions to accumulated depreciation	$ 266,317	$ 257,069

9. Capital and Operating Lease Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of these leases at June 30, 2012 are $34,385 and $500,000 for the governmental activities and business-type activities, respectively.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2012:

Year Ending June 30,	Governmental Activities	Business-type Activities
2013	$ 18,229	$ 51,855
2014	18,229	69,140
2015	0	69,140
2016	0	69,140
2017	0	69,140
2018-2021	0	241,992
Total minimum lease payments	36,458	570,407
Less amounts representing interest	(2,073)	(70,407)
Present value of minimum lease payments	$ 34,385	$ 500,000

Total assets leased under capital leases are $147,926 for governmental activities and are reported as vehicles. Total assets leased under capital leases are $500,000 for business-type activities and are reported as infrastructure.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

10. Long-Term Debt

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issue at June 30, 2012:

$890,000 2003 Water and Sewerage Refunding Revenue Series Bonds due in annual installments of $115,000 through July 1, 2012; interest at 4.00% ($115,000, outstanding).

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	$ 115,000	$ 2,300	$ 117,300

Notes Payable

On October 1, 2004, the City entered into an agreement the Georgia Environmental Facilities Authority for expansion of the City's water and sewerage system. The City borrowed $381,024 due in monthly installments of $2,333 principal and interest through October 1, 2024; interest at 4.12% ($270,357, outstanding).

On March 25, 2012, the City entered into an agreement the United States Department of Agriculture to purchase a vehicle. The City borrowed $92,500 due in annual installments of $20,852 principal and interest through December 1, 2026; interest at 4.625% ($92,500, outstanding).

10. Long-Term Debt (continued)

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	$ 35,108	$ 13,741	$ 48,849
2014	35,301	13,548	48,849
2015	36,861	11,988	48,849
2016	38,472	10,377	48,849
2017	40,195	8,654	48,849
2018-2022	114,753	25,232	139,985
2023-2025	62,167	3,145	65,312
Totals	$ 362,857	$ 86,685	$ 449,542

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.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for fiscal year ended June 30, 2012:

	Balance 6/30/2011	Additions	Deductions	Balance 6/30/2012	Due Within One Year
Governmental activities					
Capital lease obligations	$ 50,595	$ 0	$ 16,210	$ 34,385	$ 16,857
Compensated absences	42,565	52,331	38,308	56,588	50,929
Total governmental activities	$ 93,160	$ 52,331	$ 54,518	$ 90,973	$ 67,786
Business-type activities					
Revenue bonds	$ 230,000	$ 0	$ 115,000	$ 115,000	$ 115,000
Loss on refunding	(6,768)	0	(6,768)	0	0
Notes payable	286,828	92,500	16,471	362,857	35,108
Capital lease obligations	0	500,000	0	500,000	31,826
Compensated absences	32,558	30,153	29,302	33,409	30,068
Total business-type activities	$ 542,618	$ 622,653	$ 154,005	$ 1,011,266	$ 212,002

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

11. Changes in Beginning Balances

Municipal Court Agency Fund

A prior period adjustment has been made to decrease accounts receivable for fines receivable that the City feels are not susceptible to accrual because they generally are not measureable until received. This adjustment decreased beginning assets and liabilities by $132,681.

12. Pension Plan

On June 12, 2007, the City elected to contribute and participate in an agent multiple-employer plan for fiscal year 2008 and periods thereafter. 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 basis of accounting and reporting of investments.

Plan Description and Contribution Information

The City contributes to the Georgia Municipal Employees Benefit System Retirement Fund (GMEBSRF), an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for municipalities in the State. The plan is administered by the Georgia Municipal Association (GMA) and provides pension benefits, death and disability benefits, which were established and may be amended by City Council Ordinance and change of contract with GMA. All full-time City employees are eligible to participate in GMEBSFR after one year of service. The normal retirement date of full-time City employees is attainment of age 65 with 5 years of credited service. City employees may elect early retirement on the first day of any month prior to his/her normal retirement date if he/she has attained age 55 and has a minimum of 10 years credited service. Upon retirement, the participant is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.5 percent of his/her average monthly earnings as defined in the plan for each year of credited service. The system also provides death and disability benefits. Employees vest in the plan after 5 years of full-time service with the City.

12. Pension Plan (continued)

Plan Description and Contribution Information, continued

GMEBS 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 Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Current membership in the plan is as follows:

Retirees and beneficiaries currently receiving benefits	8
Terminated vested participants entitled to but not yet receiving benefits	4
Active participants	50
Total number of participants	62

Funding Policy. The contribution requirements of the City are established and may be amended by City Council. Plan members are not allowed to make contributions to this plan. The City is required to contribute at an actuarially determined rate. The current rate is 9.65% of annual covered payroll. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy. Costs of administering the plan are financed through contributions and earnings.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2012. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.8%
Projected salary increases: Inflation	3.5%
Post-retirement benefit increases	3.5%
Life expectancy before and after retirement (Group Annuity Mortality table)	1983

12. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation, continued

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of assets was determined by using the sum of actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 2008 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 January 1, 2011 varies for the bases. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligations. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

The City's annual pension cost and net pension obligations for the current year were as follows:

Annual pension cost	$	135,376
Contributions made		135,376
Increase (decrease) in net pension obligation		0
Net pension obligation - beginning of year		0
Net pension obligation - end of year	$	0

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented.

12. Pension Plan (continued)

Schedule of Employer Contributions

Funding Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
3/1/2008	$ 37,997	100%	$ 0
3/1/2009	104,923	100%	0
1/1/2010	118,203	100%	0
1/1/2011	129,006	100%	0
1/1/2012	135,376	100%	0

Historical Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
3/1/2008	$ 34,503	$ 412,006	$ 377,503	8.37%	$ 1,289,462	29.28%
3/1/2009	116,069	507,258	391,189	22.88%	1,471,928	26.58%
1/1/2010	192,379	656,984	464,605	29.28%	1,423,620	32.64%
1/1/2011	322,106	772,966	450,860	41.67%	1,378,879	32.70%
1/1/2012	441,964	924,301	482,337	47.82%	1,435,417	33.60%

** Payroll of participants whose attained age is less than the assumed retirement age

13. Deferred Compensation Plans

The City 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 2002, 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 were enrolled in the GMA plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

13. Deferred Compensation Plans (continued)

Under the terms of the Plans, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 90 days of service, the City will contribute 25% of the employee's contributions per year. At June 30, 2012, there were 12 members of the Plans.

There is a cap of $1,000 per eligible employee for City contributions. 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 the fiscal year, the City contributed $4,708 to the plans based on covered salaries of $438,633. Plan members made voluntary contributions of $18,833 to the plans. Total payroll was $1,725,485.

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.

14. Hotel/Motel Lodging Tax

The City has levied a 3% lodging tax. A summary of the transactions for the year ending June 30, 2012, follows:

Lodging Tax Receipts	$1,640	
Disbursements to		
Downtown Development Authority	$1,299	79% of Tax Receipts

15. Joint Ventures

The City of Royston participates with various other cities in the Northern Piedmont Multi-Agency Narcotics Squad (MANS) 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 an ongoing financial responsibility of funding for this unit. This funding is determined each year from a budget of grant monies and individual municipalities participation. The MANS unit is funded primarily through grant monies and operates on a balanced budget determined by revenue. The financial records of the MANS unit are maintained by Franklin County Georgia and reported in their audit report. During fiscal year 2012, the City contributed $6,991 in cash financing. A copy of the MANS unit financial statements can be obtained from Franklin County, Georgia, 141 Athens Street, Carnesville, Georgia 30521.

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2012, the city paid $2,237 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from Georgia Mountains Regional Commission, 1310 West Ridge Road, Gainesville, Georgia 30501.

16. Related Organizations

The Housing Authority of the City of Royston is considered a related organization to the City of Royston. 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 Royston. The City received $16,574 as payment-in-lieu-of-taxes for fiscal year 2012. Separate financial statements may be obtained from Housing Authority of the City of Royston, 216 Hartwell Street, Royston, Georgia 30662.

17. 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. City has elected to manage its risk financing activities through the purchase of commercial insurance.

There have been no insurance settlements exceeding insurance coverage for any of the past three fiscal years.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating those losses. At June 30, 2012, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

18. Commitments and Contingencies

Contingencies

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

COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROYSTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

	Special Revenue	
	Confiscated Assets	**Hotel/Motel Tax**
ASSETS		
Cash and cash equivalents	$ 4,926	$ 1,460
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 202
Fund balances		
Restricted for:		
Public Safety	4,926	0
Assigned for Housing and Development	0	1,258
Total fund balances	4,926	1,258
Total liabilities and fund balances	$ 4,926	$ 1,460

Special Revenue		Capital Projects	Total
Technology Surcharge	Fire Department	Hart County SPLOST #2	Nonmajor Governmental Funds
$ 8,703	$ 10,395	$ 0	$ 25,484
$ 0	$ 0	$ 0	$ 202
8,703	10,395	0	24,024
0	0	0	1,258
8,703	10,395	0	25,282
$ 8,703	$ 10,395	$ 0	$ 25,484

CITY OF ROYSTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2012

	Special Revenue	
	Confiscated Assets	**Hotel/Motel Tax**
REVENUES		
Taxes	$ 0	$ 1,640
Fines, fees, and forfeitures	0	0
Intergovernmental	0	0
Interest	0	0
Contributions	0	0
Total revenues	0	1,640
EXPENDITURES		
Current		
Public Safety	168	0
Housing and Development	0	1,299
Capital outlay	0	0
Total expenditures	168	1,299
Excess (deficiency) of revenues over (under) expenditures	(168)	341
Other financing sources (uses)		
Transfers in	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(168)	341
Fund balances, July 1	5,094	917
Fund balances, June 30	$ 4,926	$ 1,258

Special Revenue		Capital Projects	Total
Technolgy Surcharge	Fire Department	Hart County SPLOST #2	Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 1,640
5,037	0	0	5,037
0	16,854	9,996	26,850
49	0	0	49
0	3,601	0	3,601
5,086	20,455	9,996	37,177
7,250	31,844	0	39,262
0	0	0	1,299
0	0	9,996	9,996
7,250	31,844	9,996	50,557
(2,164)	(11,389)	0	(13,380)
2,750	0	0	2,750
586	(11,389)	0	(10,630)
8,117	21,784	0	35,912
$ 8,703	$ 10,395	$ 0	$ 25,282

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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 ROYSTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 21,759	$ 182,774
Certificates of deposit	79,740	78,710
Restricted assets		
Cash and cash equivalents	1,481	786
Receivables (net)		
Accounts	4,853	3,966
Taxes	82,625	83,025
Interest	833	806
Prepaid items	24,383	26,557
Total assets	$ 215,674	$ 376,624
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 60,685	$ 40,438
Intergovernmental	82	0
Deferred revenue	28,325	27,746
Accrued salaries and payroll liabilities	14,270	43,532
Total liabilities	103,362	111,716
Fund balances		
Nonspendable prepaid items	24,383	26,557
Restricted for Public Safety	1,481	786
Assigned for:		
Budget	86,448	170,533
Culture and Recreation	0	11,815
Unassigned	0	55,217
Total fund balances	112,312	264,908
Total liabilities and fund balances	$ 215,674	$ 376,624

CITY OF ROYSTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Taxes	$ 1,414,957	$ 1,397,189
Licenses and permits	13,974	15,435
Fines, fees and forfeitures	67,044	68,995
Charges for services	97,523	105,438
Intergovernmental	16,574	22,324
Interest	1,338	4,362
Contributions	9,735	7,951
Other	3,180	4,571
Total revenues	1,624,325	1,626,265
EXPENDITURES		
Current		
General Government	469,515	463,326
Judicial	6,716	9,598
Public Safety	1,100,931	1,089,544
Public Works	569,326	545,643
Culture and Recreation	62,469	70,363
Housing and Development	146,428	81,783
Total expenditures	2,355,385	2,260,257
Excess (deficiency) of revenues over (under) expenditures before transfers	(731,060)	(633,992)
Other financing sources (uses)		
Transfers in (out)		
Technology Surcharge Fund	(2,750)	0
Water and Sewer Utility Fund	24,229	29,536
Natural Gas Utility Fund	494,350	597,716
Sanitation Fund	62,165	5,808
Sales of capital assets	470	5,474
Total other financing sources (uses)	578,464	638,534
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(152,596)	4,542
Fund balances, July 1	264,908	260,366
Fund balances, June 30	$ 112,312	$ 264,908

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Property tax	$ 445,000	$ 437,857	$ (7,143)	$ 468,775
Motor vehicle tax	27,000	29,209	2,209	29,311
Cost, penalties, and interest	5,500	7,465	1,965	8,333
Total general property taxes	477,500	474,531	(2,969)	506,419
Local option sales tax	440,000	488,854	48,854	447,514
Intangible tax	4,200	2,190	(2,010)	3,927
Franchise tax	200,500	228,565	28,065	208,222
Insurance premium tax	133,000	121,107	(11,893)	134,203
Beer and wine tax	60,000	70,948	10,948	68,005
Occupational tax	31,000	27,119	(3,881)	27,232
Other taxes	1,400	1,643	243	1,667
Total taxes	1,347,600	1,414,957	67,357	1,397,189
Licenses and Permits				
Building permits	1,500	1,864	364	2,658
Alcohol licenses and penalties	11,400	12,110	710	12,777
Total licenses and permits	12,900	13,974	1,074	15,435
Fines, fees and forfeitures	82,500	67,044	(15,456)	68,995
Charges for Services				
Cemetery lot sales	7,000	2,780	(4,220)	6,900
Fire protection	1,300	750	(550)	1,400
Civic Center rents	11,100	8,203	(2,897)	11,350
Indirect expenses	85,788	85,790	2	85,788
Total charges for services	105,188	97,523	(7,665)	105,438
Intergovernmental				
Grants and receipts	19,500	16,574	(2,926)	22,324
Interest	1,550	1,338	(212)	4,362
Contributions	8,300	9,735	1,435	7,951
Other	6,175	3,180	(2,995)	4,571
Total revenues	$ 1,583,713	$ 1,624,325	$ 40,612	$ 1,626,265

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 67,516	$ 66,888	$ 628	$ 68,207
Contractual services	28,046	27,231	815	23,326
Materials and supplies	1,808	1,513	295	6,684
Total Mayor and Council	97,370	95,632	1,738	98,217
Administration				
Personal services	212,002	206,706	5,296	226,096
Contractual services	89,269	84,139	5,130	99,144
Materials and supplies	27,296	24,145	3,151	25,203
Capital outlay	45,048	44,903	145	3,068
Payments to other agencies	10,428	11,050	(622)	10,320
Total Administration	384,043	370,943	13,100	363,831
Elections				
Contract services	3,330	2,882	448	1,142
Materials and supplies	166	58	108	136
Total Elections	3,496	2,940	556	1,278
Total General Government	484,909	469,515	15,394	463,326
Judicial				
Municipal Court				
Personal Services	10,258	6,716	3,542	9,598
Public Safety				
Police				
Personal services	827,561	744,173	83,388	820,338
Contractual services	109,907	107,416	2,491	97,712
Materials and supplies	87,186	90,127	(2,941)	84,076
Capital outlay	70,441	67,447	2,994	0
Payments to other agencies	13,159	13,159	0	8,790
Total Police Department	1,108,254	1,022,322	85,932	1,010,916
Fire				
Personal services	13,460	10,872	2,588	12,649
Contractual services	27,708	27,074	634	25,906
Materials and supplies	17,628	13,686	3,942	14,449
Debt service	18,230	18,230	0	18,229
Total Fire Department	77,026	69,862	7,164	71,233
Animal Control				
Payments to others agencies	8,747	8,747	0	7,395
Total Public Safety	1,194,027	1,100,931	93,096	1,089,544
Public Works				
Streets				
Personal services	226,566	223,535	3,031	203,322
Contractual services	105,885	100,153	5,732	100,990
Materials and supplies	120,926	124,751	(3,825)	101,246
Capital outlay	1,000	0	1,000	29,018
Total Streets	454,377	448,439	5,938	434,576

Exhibit C-4, continued

CITY OF ROYSTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
Public Works (continued)				
Maintenance Shop				
Personal services	$ 60,721	$ 59,938	$ 783	$ 57,487
Contractual services	6,978	6,434	544	6,821
Materials and supplies	16,873	16,607	266	16,247
Total Maintenance Shop	84,572	82,979	1,593	80,555
Cemetery				
Contractual services	35,700	35,609	91	30,512
Materials and supplies	2,299	2,299	0	0
Total Cemetery	37,999	37,908	91	30,512
Total Public Works	576,948	569,326	7,622	545,643
Culture and Recreation				
Library				
Contractual services	3,400	3,315	85	3,119
Materials and supplies	11,509	10,219	1,290	11,036
Payments to other agencies	18,000	18,000	0	19,000
Total Library	32,909	31,534	1,375	33,155
Parks and Recreation				
Contractual services	14,438	14,072	366	14,902
Materials and supplies	24,525	16,863	7,662	22,306
Total Parks and Recreation	38,963	30,935	8,028	37,208
Total Culture and Recreation	71,872	62,469	9,403	70,363
Housing and Development				
Code Enforcement				
Personal services	47,247	42,733	4,514	1,456
Contractual services	13,836	12,851	985	18,882
Materials and supplies	7,306	6,646	660	781
Capital outlay	19,700	19,695	5	3,068
Total Code Enforcement	88,089	81,925	6,164	24,187
Better Hometown Program				
Personal services	45,081	45,047	34	34,052
Contractual services	15,562	14,654	908	13,499
Materials and supplies	5,329	4,802	527	6,745
Total Better Hometown Program	65,972	64,503	1,469	54,296
Agency allocations				
Downtown Development Authority	6,000	0	6,000	3,300
Total Housing and Development	160,061	146,428	13,633	81,783
Total expenditures	$ 2,498,075	$ 2,355,385	$ 142,690	$ 2,260,257

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 - 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.

Hotel/Motel Tax Fund - Used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Royston.

Technology Surcharge Fund - Used to account for fines and fees received restricted for the purchase of computer hardware and software for the Police Department.

Fire Department Fund - Used to account for intergovernmental revenue and contributions from individuals received for the City of Royston Fire Department

CITY OF ROYSTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
	$ 4,926	$ 5,094
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for Public Safety	$ 4,926	$ 5,094

CITY OF ROYSTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 4,459	$ 0	$ (4,459)	$ 0
Contributions	0	0	0	22
Total revenues	4,459	0	(4,459)	22
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	4,459	168	4,291	1,065
Total expenditures	4,459	168	4,291	1,065
Excess (deficiency) of revenues over (under) expenditures	0	(168)	(168)	(1,043)
Fund balances, July 1	0	5,094	5,094	6,137
Fund balances, June 30	$ 0	$ 4,926	$ 4,926	$ 5,094

CITY OF ROYSTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 1,460	$ 1,218
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 202	$ 301
Fund balances		
Assigned for Housing and Development	1,258	917
Total liabilites and fund balance	$ 1,460	$ 1,218

CITY OF ROYSTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 2,700	$ 1,640	$ (1,060)	$ 3,020
Total revenues	2,700	1,640	(1,060)	3,020
EXPENDITURES				
Current				
Housing and Development				
Agency allocations	2,700	1,299	1,401	2,633
Total expenditures	2,700	1,299	1,401	2,633
Excess (deficiency) of revenues over (under) expenditures	0	341	341	387
Fund balances, July 1	0	917	917	530
Fund balances, June 30	$ 0	$ 1,258	$ 1,258	$ 917

CITY OF ROYSTON, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 8,703	$ 8,117
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for Public Safety	$ 8,703	$ 8,117

CITY OF ROYSTON, GEORGIA
TECHNOLOGY SURCHARGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 3,200	$ 5,037	$ 1,837	$ 3,447
Interest	0	49	49	32
Total revenues	3,200	5,086	1,886	3,479
EXPENDITURES				
Current				
Public Safety				
Capital outlay	7,250	7,250	0	0
Total expenditures	7,250	7,250	0	0
Excess (deficiency) of revenues over (under) expenditures	(4,050)	(2,164)	1,886	3,479
Other financing sources (uses)				
Transfers in (out)				
General Fund	2,750	2,750	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,300)	586	1,886	3,479
Fund balances, July 1	1,300	8,117	6,817	4,638
Fund balances, June 30	$ 0	$ 8,703	$ 8,703	$ 8,117

CITY OF ROYSTON, GEORGIA
FIRE DEPARTMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 10,395	$ 21,784
LIABILITIES AND FUND BALANCES		
Fund balances		
Restricted for Public Safety	$ 10,395	$ 21,784

CITY OF ROYSTON, GEORGIA
FIRE DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 12,984	$ 16,854	$ 3,870	$ 16,779
Contributions	2,000	3,601	1,601	2,477
Total revenues	14,984	20,455	5,471	19,256
EXPENDITURES				
Current				
Public Safety				
Materials and supplies	18,830	18,830	0	8,488
Capital outlay	11,514	11,514	0	11,038
Payments to other agencies	1,500	1,500	0	2,055
Total expenditures	31,844	31,844	0	21,581
Excess (deficiency) of revenues over (under) expenditures	(16,860)	(11,389)	5,471	(2,325)
Other financing sources (uses)				
Transfers in (out)				
General Fund	16,860	0	(16,860)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(11,389)	(11,389)	(2,325)
Fund balances, July 1	0	21,784	21,784	24,109
Fund balances, June 30	$ 0	$ 10,395	$ 10,395	$ 21,784

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CAPITAL PROJECTS FUNDS

These 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.

Franklin County Special Purpose Local Option Sales #3 Tax Fund – Used to account for long-term projects financed by the passage of the Franklin County special purpose local option sales tax #3.

Hart County Special Purpose Local Option Sales Tax #2 Fund – Used to account for long-term projects financed by the passage of the Hart County special purpose local option sales tax #2.

Franklin County Special Purpose Local Option Sales #4 Tax Fund – Used to account for long-term projects financed by the passage of the Franklin County special purpose local option sales tax #4.

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash and cash equivalents	$ 166,330	$ 27,572
Intergovernmental receivable	0	5,416
Total assets	$ 166,330	$ 32,988
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 1,649	$ 0
Fund balances		
Restricted for capital projects	164,681	32,988
Total liabilities and fund balances	$ 166,330	$ 32,988

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Intergovernmental	$ 313,533	$ 319,860
Interest	915	484
Contributions	0	47,325
Total revenues	314,448	367,669
EXPENDITURES		
Capital outlay		
Public Works		
Streets	38,552	0
Culture and Recreation		
Recreation	45,554	252,825
Total expenditures	84,106	252,825
Excess (deficiency) of revenues over (under) expenditures	230,342	114,844
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Utility Fund	(98,649)	(115,796)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	131,693	(952)
Fund balances, July 1	32,988	33,940
Fund balances, June 30	$ 164,681	$ 32,988

CITY OF ROYSTON, GEORGIA
HART COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

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

CITY OF ROYSTON, GEORGIA
HART COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #3
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
REVENUES		
Intergovernmental	$ 9,996	$ 23,941
Total revenues	9,996	23,941
EXPENDITURES		
Capital outlay		
Public Works		
Streets	9,996	0
Culture and Recreation		
Recreation	0	24,422
Total expenditures	9,996	24,422
Excess (deficiency) of revenues over (under) expenditures	0	(481)
Fund balances, July 1	0	481
Fund balances, June 30	$ 0	$ 0

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2012

ASSETS	
Intergovernmental receivable	$ 317,531
LIABILITIES AND FUND BALANCES	
Fund balances	
Restricted for capital projects	$ 317,531

CITY OF ROYSTON, GEORGIA
FRANKLIN COUNTY SPECIAL PURPOSE LOCAL OPTION SALES TAX #4
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2012

REVENUES	
Intergovernmental	$ 317,531
Total revenues	317,531
EXPENDITURES	
Total expenditures	0
Excess (deficiency) of revenues over (under) expenditures	317,531
Fund balances, July 1	0
Fund balances, June 30	$ 317,531

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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 Royston.

Natural Gas Utility Fund - Used to account for activities connected with the development, operation and maintenance of natural gas services in the City of Royston.

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

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 152,878	$ 299,235
Receivables		
Accounts (net)	112,647	112,300
Intergovernmental	11,772	0
Prepaid items	7,048	5,743
Total current assets	284,345	417,278
Restricted assets		
Customer Deposits		
Cash and cash equivalents	21,135	21,562
Capital assets		
Land	67,645	67,645
Land improvements	24,644	22,611
Buildings	94,400	94,400
Vehicles and equipment	430,873	417,131
Water system	6,232,365	5,613,678
Construction in progress	298,622	338,488
Accumulated depreciation	(4,288,179)	(4,162,994)
Total capital assets (net of accumulated depreciation)	2,860,370	2,390,959
Other assets		
Bond issuance costs (net of accumulated amortization)	0	2,333
Total assets	3,165,850	2,832,132

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

	2012	2011
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 12,198	$ 29,664
Interest	2,300	4,600
Accrued salaries	5,041	11,685
Compensated absences	9,899	9,216
Unearned revenue	2,498	4,837
Notes payable	17,198	16,469
Revenue bonds payable	115,000	115,000
Total current liabilities	164,134	191,471
Current liabilities payable from restricted assets		
Customer deposits payable	21,135	21,562
Long-term liabilities		
Compensated absences	1,100	1,024
Notes payable	253,159	270,359
Revenue bonds payable	0	108,232
Total long-term liabilities	254,259	379,615
Total liabilities	439,528	592,648
NET ASSETS		
Invested in capital assets, net of related debt	2,475,013	1,880,899
Unrestricted	251,309	358,585
Total net assets	$ 2,726,322	$ 2,239,484

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 535,234	$ 518,857
Sewer charges	335,804	351,862
Other	42,363	44,083
Total operating revenues	913,401	914,802
OPERATING EXPENSES		
Costs of sales and services	325,348	351,590
Personal services	410,105	386,154
Depreciation	139,585	129,027
Total operating expenses	875,038	866,771
Operating income (loss)	38,363	48,031
Non-operating revenues (expenses)		
Interest revenue	768	3,127
Interest expense	(16,209)	(21,558)
Amortization	(9,102)	(9,102)
Gain (loss) on disposal of capital assets	0	3,400
Total non-operating revenues (expenses)	(24,543)	(24,133)
Income (loss) before capital contributions and transfers	13,820	23,898
Capital contributions		
Intergovernmental	394,729	3,471
Income (loss) before transfers	408,549	27,369
Transfers in (out)		
General Fund	(20,360)	(29,536)
Franklin County SPLOST Fund #3	98,649	115,796
Total transfers	78,289	86,260
Change in net assets	486,838	113,629
Net assets, July 1	2,239,484	2,125,855
Net assets, June 30	$ 2,726,322	$ 2,239,484

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 856,153	$ 863,480
Payments to suppliers	(344,119)	(345,192)
Payments to employees	(415,990)	(378,498)
Other receipts	42,363	44,083
Net cash provided (used) by operating activities	138,407	183,873
Cash flows from non-capital financing activities:		
Payments to other funds	(20,360)	(29,536)
Cash flows from capital and related financing activities:		
Sale of capital assets	0	3,400
Receipts from other governments	394,729	3,471
Receipts from other funds	98,649	115,796
Interest paid	(18,509)	(23,658)
Acquisition of capital assets	(608,997)	(273,741)
Principal payments - notes	(16,471)	(15,824)
Principal payments - bonds	(115,000)	(105,000)
Net cash provided (used) by capital and related financing activities	(265,599)	(295,556)
Cash flows from investing activities:		
Interest received	768	3,127
Net increase (decrease) in cash and cash equivalents	(146,784)	(138,092)
Cash and cash equivalents, July 1	320,797	458,889
Cash and cash equivalents, June 30	$ 174,013	$ 320,797

CITY OF ROYSTON, GEORGIA
WATER AND SEWER UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 38,363	$ 48,031
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	139,585	129,027
(Increase) decrease in accounts receivable	(12,119)	2,287
(Increase) decrease in prepaid items	(1,305)	(215)
Increase (decrease) in accounts payable	(17,466)	6,613
Increase (decrease) in unearned revenue	(2,339)	3,019
Increase (decrease) in deposits payable	(427)	(12,545)
Increase (decrease) in accrued payroll liabilities	(5,885)	7,656
Total adjustments	100,044	135,842
Net cash provided (used) by operating activities	$ 138,407	$ 183,873
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 152,878	$ 299,235
Customers deposits		
Cash and cash equivalents	21,135	21,562
Total cash and cash equivalents	$ 174,013	$ 320,797

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 187,721	$ 630,497
Certificates of deposit	149,381	148,039
Receivables		
Accounts (net)	156,078	131,161
Interest	379	376
Inventories	116,669	127,505
Prepaid items	2,296	4,955
Total current assets	612,524	1,042,533
Restricted assets		
Construction Fund		
Cash and cash equivalents	116,129	0
Customer Deposits		
Cash and cash equivalents	53,621	56,567
Total restricted assets	169,750	56,567
Capital assets		
Land	23,687	23,687
Buildings	99,433	99,433
Vehicles and equipment	356,263	329,749
Natural gas system	3,454,120	3,125,100
Construction in progress	272,578	23,899
Accumulated depreciation	(2,018,772)	(1,928,387)
Total capital assets (net of accumulated depreciation)	2,187,309	1,673,481
Total assets	2,969,583	2,772,581

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

	2012	2011
LIABILITIES		
Current liabilities		
Payables		
Accounts	$ 34,114	$ 54,570
Sales tax	3,003	3,175
Interest	6,725	0
Accrued salaries	5,813	11,504
Compensated absences	13,487	13,001
Unearned revenue	47,963	32,605
Capital leases	31,826	0
Total current liabilities	142,931	114,855
Current liabilities payable from restricted assets		
Customer deposits payable	53,621	56,567
Long-term liabilities		
Compensated absences	1,499	1,445
Capital leases	468,174	0
Total long-term liabilities	469,673	1,445
Total liabilities	666,225	172,867
NET ASSETS		
Invested in capital assets	1,803,438	1,673,481
Unrestricted	499,920	926,233
Total net assets	$ 2,303,358	$ 2,599,714

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Gas sales	$ 1,943,349	$ 2,430,290
Gas services and repairs	57,147	24,159
Other	30,120	33,376
Total operating revenues	2,030,616	2,487,825
OPERATING EXPENSES		
Costs of sales and services	1,408,048	1,603,298
Personal services	317,954	279,811
Depreciation	90,385	75,217
Other	9,774	9,559
Total operating expenses	1,826,161	1,967,885
Operating income (loss)	204,455	519,940
Non-operating revenues (expenses)		
Interest revenue	3,274	8,330
Interest expense	(6,725)	(3,000)
Gain (loss) on disposal of capital assets	0	2,090
Total non-operating revenues (expenses)	(3,451)	7,420
Income (loss) before transfers	201,004	527,360
Transfers in (out)		
General Fund	(497,360)	(597,716)
Change in net assets	(296,356)	(70,356)
Net assets, July 1	2,599,714	2,670,070
Net assets, June 30	$ 2,303,358	$ 2,599,714

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 1,987,819	$ 2,543,101
Payments to suppliers	(1,440,176)	(1,640,093)
Payments to employees	(323,105)	(275,753)
Other receipts	30,120	33,376
Other payments	(9,774)	(9,559)
Net cash provided (used) by operating activities	244,884	651,072
Cash flows from non-capital financing activities:		
Payments to other funds	(497,360)	(700,716)
Net cash provided (used) by non-capital financing activities	(497,360)	(700,716)
Cash flows from capital and related financing activities:		
Sale of capital assets	0	2,090
Issuance of capital lease	500,000	0
Acquisition of capital assets	(579,046)	(245,935)
Net cash provided (used) by capital and related financing activities	(79,046)	(243,845)
Cash flows from investing activities:		
Interest received	3,271	8,644
Proceeds from maturities of investments	148,039	145,593
Purchase of investments	(149,381)	(148,039)
Net cash provided (used) by investing activities	1,929	6,198
Net increase (decrease) in cash and cash equivalents	(329,593)	(287,291)
Cash and cash equivalents, July 1	687,064	974,355
Cash and cash equivalents, June 30	$ 357,471	$ 687,064

CITY OF ROYSTON, GEORGIA
NATURAL GAS UTILITY ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 204,455	$ 519,940
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	90,385	75,217
(Increase) decrease in accounts receivable	(24,917)	107,817
(Increase) decrease in inventory	10,836	(19,264)
(Increase) decrease in prepaid items	2,659	129
Increase (decrease) in accounts payable	(45,623)	(17,660)
Increase (decrease) in deposits payable	(2,946)	(34,874)
Increase (decrease) in sales tax payable	(172)	(2,009)
Increase (decrease) in unearned revenue	15,358	17,718
Increase (decrease) in accrued payroll liabilities	(5,151)	4,058
Total adjustments	40,429	131,132
Net cash provided (used) by operating activities	$ 244,884	$ 651,072
Cash and cash equivalents reconciliation:		
Cash and cash eqivalents	$ 187,721	$ 630,497
Construction Fund		
Cash and cash equivalents	116,129	0
Customer deposits		
Cash and cash equivalents	53,621	56,567
Total cash and cash equivalents	$ 357,471	$ 687,064

Noncash investing, capital, and financing activities:

Acquistion of capital assets through accounts payable totaled $25,167 for the fiscal year ended June 30, 2012.

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 374,519	$ 471,347
Accounts receivable (net)	35,011	33,866
Prepaid items	1,602	1,649
Total current assets	411,132	506,862
Capital assets		
Land	6,429	6,429
Buildings	47,100	47,100
Vehicles and equipment	512,515	317,565
Accumulated depreciation	(369,587)	(342,487)
Total capital assets (net of accumulated depreciation)	196,457	28,607
Total assets	607,589	535,469
LIABILITIES		
Current liabilities		
Payables		
Accounts	3,987	3,436
Interest	735	0
Accrued salaries	1,012	2,987
Compensated absences	6,682	7,085
Unearned revenue	1,220	1,888
Notes payable	17,910	0
Total current liabilities	31,546	15,396
Long-term liabilities		
Compensated absences	742	787
Notes payable	74,590	0
Total long-term liabilities	75,332	787
Total liabilities	106,878	16,183
NET ASSETS		
Invested in capital assets, net of related debt	103,957	28,607
Unrestricted	396,754	490,679
Total net assets	$ 500,711	$ 519,286

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	$ 283,767	$ 281,240
Other	4,809	5,890
Total operating revenues	288,576	287,130
OPERATING EXPENSES		
Costs of sales and services	133,776	104,887
Personal services	117,354	114,443
Depreciation	27,099	1,230
Total operating expenses	278,229	220,560
Operating income (loss)	10,347	66,570
Non-operating revenue (expenses)		
Intergovernmental revenue	5,760	5,760
Interest revenue	1,604	3,548
Interest expense	(735)	0
Total non-operating revenue (expenses)	6,629	9,308
Income (loss) before capital contributions and transfers	16,976	75,878
Capital contributions		
Intergovernmental	27,473	0
Income (loss) before transfers	44,449	75,878
Transfers in (out)		
General Fund	(63,024)	(5,808)
Change in net assets	(18,575)	70,070
Net assets, July 1	519,286	449,216
Net assets, June 30	$ 500,711	$ 519,286

CITY OF ROYSTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Receipts from customers	$ 281,954	$ 283,300
Payments to suppliers	(133,178)	(106,811)
Payments to employees	(119,777)	(112,392)
Other receipts	4,809	5,890
Net cash provided (used) by operating activities	33,808	69,987
Cash flows from non-capital financing activities		
Receipts from other governments	5,760	5,760
Payments to other funds	(63,024)	(5,808)
Net cash provided (used) by non-capital financing activities	(57,264)	(48)
Cash flows from capital and related financing activities:		
Receipts from other governments	27,473	0
Acquisition of capital assets	(194,949)	(3,068)
Issuance of note payable	92,500	0
Net cash provided (used) by capital and related financing activities	(74,976)	(3,068)
Cash flows from investing activities:		
Interest received	1,604	3,548
Net increase (decrease) in cash and cash equivalents	(96,828)	70,419
Cash and cash equivalents, July 1	471,347	400,928
Cash and cash equivalents, June 30	$ 374,519	$ 471,347
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 10,347	$ 66,570
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	27,099	1,230
(Increase) decrease in accounts receivable	(1,145)	1,331
(Increase) decrease in prepaid items	47	(67)
Increase (decrease) in accounts payable	551	(1,857)
Increase (decrease) in unearned revenue	(668)	729
Increase (decrease) in accrued payroll liabilities	(2,423)	2,051
Total adjustments	23,461	3,417
Net cash provided by operating activities	$ 33,808	$ 69,987

AGENCY FUND

These 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 Agency Fund - Used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately transmitted to the General Fund or another agency.

CITY OF ROYSTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILTIES
June 30, 2012 and 2011

	2012	2011
ASSETS		
Equity in pooled cash	$ 12,369	$ 8,958
LIABILITIES		
Liabilities		
Due to other agencies	$ 12,369	$ 8,958

CITY OF ROYSTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2012

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Equity in pooled cash	$ 8,958	$ 92,528	$ (89,117)	$ 12,369
LIABILITIES				
Due to other agencies	$ 8,958	$ 92,528	$ (89,117)	$ 12,369

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COMPONENT UNIT

Downtown Development Authority – Used to account for governmental revenues and contributions reserved for City business development.

CITY OF ROYSTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2012 and 2011

	2012	2011
ASSETS		
Cash	$ 8,234	$ 12,053
LIABILITIES AND FUND BALANCES		
Fund balances		
Assigned for Housing and Development	$ 8,234	$ 12,053

CITY OF ROYSTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2012
(With comparative actual amounts for the fiscal year ended June 30, 2011)

	2012			2011
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 7,700	$ 1,399	$ (6,301)	$ 2,935
Contributions	12,500	2,950	(9,550)	2,700
Miscellaneous	9,800	9,771	(29)	8,522
Total revenues	30,000	14,120	(15,880)	14,157
EXPENDITURES				
Current				
Housing and Development				
Contractual services	10,150	6,852	3,298	6,176
Materials and supplies	12,400	7,887	4,513	7,179
Payment to other agencies	5,000	3,200	1,800	5,359
Total expenditures	27,550	17,939	9,611	18,714
Excess (deficiency) of revenues over (under) expenditures	2,450	(3,819)	(6,269)	(4,557)
Other financing sources (uses)				
Contingency	(2,450)	0	2,450	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(3,819)	(3,819)	(4,557)
Fund balances, July 1	0	12,053	12,053	16,610
Fund balances, June 30	$ 0	$ 8,234	$ 8,234	$ 12,053

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SINGLE AUDIT SECTION

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Royston, Georgia, as of and for the year ended June 30, 2012, which collectively comprise the City of Royston, Georgia's basic financial statements and have issued our report thereon dated September 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we identified certain deficiencies in internal control over financial reporting, as described in the accompanying schedule of findings and questioned costs as comment 12-1, that we consider to be significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Royston, 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 the no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the City of Royston, Georgia, in a separate letter dated September 26, 2012.

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W. Barclay Rushton, CPA | J. Chris Hollifield, CPA | Perry C. Barnett, CPA, PFS | Sally Walden-Crowe, CPA

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
September 26, 2012

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the City of Royston, 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 Royston, Georgia's major federal programs for the year ended June 30, 2012. The City of Royston, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Royston, Georgia's management. Our responsibility is to express an opinion on the City of Royston, Georgia's compliance based on our audit.

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 Royston, Georgia's 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. Our audit does not provide a legal determination on the City of Royston, Georgia's compliance with those requirements.

In our opinion, the City of Royston, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the City of Royston, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Royston, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Royston, Georgia's 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.

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 deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as define above.

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
September 26, 2012

CITY OF ROYSTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2012

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. Department of Agriculture			
Community Facilities Loans and Grants	10.766	N/A	
Loans			$ 92,500
Grants			27,743
Total U.S Department of Agriculture			120,243
U.S. Department of Defense			
Passed through:			
Georgia Emergency Management Agency			
Donations/Loans of Obsolete DOD Property			
Capital assets and equipment	12.700	YTAF48	618,461
U.S. Department of Housing and Urban Development			
Passed through:			
Georgia Department of Community Affairs			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	10p-x-059-2-5225	393,355
Total Federal Awards			$ 1,132,059

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 Royston, Georgia, under programs for the federal government for the year ended June 30, 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 ROYSTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 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?	None noted

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:

10.766	Community Facilities Loans and Grants
12.700	Donations/Loans of Obsolete DOD Property
14.228	Community Development Block Grant/ State's Program and Non-Entitlement Grants in Hawaii

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. Significant Deficiencies

Comment 12-1

Condition: City personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the City relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the City of Royston. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Chief Financial Officer is not trained to perform the daily accounting functions, but that the City has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the City accept responsibility and understanding of the audited financial report.

Effect: Failure to understand the financial statements may lead to material misstatements.

Recommendation: City personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the City's financial statements.

Management Response: Management concurs with this finding. The City has determined that the cost of training City personnel to fully perform the duties of financial director is prohibitive. The governing body and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

B. Material Noncompliance

None reported

C. 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.

STATE REPORTING SECTION

CITY OF ROYSTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2012

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
FRANKLIN COUNTY SPLOST #3					
Fire	$ 195,718	$ 195,718	$ 190,148	$ 0	$ 190,148
Recreation	192,523	226,203	101,852	45,554	147,406
Streets	283,122	283,122	166,880	45,767	212,647
Library	44,041	44,041	43,670	0	43,670
Water and Sewer	656,843	656,843	575,106	72,269	647,375
Total	$ 1,372,247	$ 1,405,927	$ 1,077,656	$ 163,590	$ 1,241,246

The prior year amounts for Fire, Recreation, and Library, have been restated by $3,032, $118,400, and $17,538, respectively, to correct the amounts previously reported as SPLOST expenditure but were financed through other revenues. The prior year amount for Water and Sewer has been restated by $17,735 to the correct the amount previously reported for SPLOST expenditures not reported.

Current year SPLOST #3 expenditures	$ 163,590
Expenditures financed through other revenues	19,165
Total expenditures and transfers out of the Franklin County SPLOST #3 Capital Projects Fund	$ 182,755

FRANKLIN COUNTY SPLOST #4					
Library; Roads, Streets, Bridges, and Sanitation; Water, Sewer, and Stormwater; Recreation; Administrative Buildings/ Government Buildings/ Facilities; Fire	$ 1,402,140	$ 1,402,140			
Total	$ 1,402,140	$ 1,402,140	$ 0	$ 0	$ 0

CITY OF ROYSTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2012

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
HART COUNTY SPLOST #3					
Streets	$ 59,400	$ 59,400	$ 0	$ 9,996	$ 9,996
Recreation	39,600	39,600	39,631	0	39,631
Total	$ 99,000	$ 99,000	$ 39,631	$ 9,996	$ 49,627

The Hart County SPLOST #3 was incorrectly titled as the Hart County SPLOST #2 in prior years.

HART COUNTY SPLOST #4					
Recreation; Public Safety; Water, Wastewater; Streets. Roads, Bridges	$ 358,400	$ 358,400			
	$ 358,400	$ 358,400	$ 0	$ 0	$ 0

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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