CITY OF STATESBORO, GEORGIA



Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2011

City of Statesboro, Georgia
Comprehensive Annual Financial Report
For The Year Ended June 30, 2011

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(Unaudited)

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Introduction

CITY OF STATESBORO

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

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

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

December 29, 2011

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

The **Comprehensive Annual Financial Report (CAFR)** of the City of Statesboro, Georgia for the fiscal year ended June 30, 2011 is submitted herewith. This report was prepared by the City's Finance Department. Responsibility for the completeness and accuracy of the report rests with the City's management. We believe the data presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position, results of operations and cash flows of the City as measured by the financial activity of its various funds; that the statements and underlying financial data have been prepared in conformity with generally accepted accounting principles (GAAP) and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

City management's narrative on the financial activities of the City for the fiscal year ended June 30, 2011, is included in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the independent auditor's report. The letter of transmittal is written to compliment the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other CAFR sections.

PROFILE OF THE CITY

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

The City reports a 2010 estimated population of, 28,522, which is based upon the 2010 United States Census Bureau. This is less than 1% of the total State of Georgia population. 22.9% of the Bulloch County population lives below the federal poverty level as compared to 14.5% in the State of Georgia. However, this number is impacted by the fact that 20,000 university students, when

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

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

The City is approximately 14.41 square miles with an average elevation of 240 feet above sea level, the terrain being mostly flat. The climate is seasonal, but moderate, with mild winters and warm, humid summers. The average high is 58 degrees in January and 91 degrees in July. The average annual rainfall is 47.0" and the relative humidity is 69% in January and 72% in July.

Statesboro is served by the Heart of Georgia Railway Company and numerous common freight carriers. The City and Bulloch County jointly own the Statesboro Municipal Airport that is located approximately 30 minutes from Interstate 16. It is 45 minutes from the Savannah/Hilton Head International Airport, which is serviced by 6 major airlines. The City of Statesboro also is located approximately fifty miles from the Georgia Ports Authority's Savannah terminal, and is within a reasonable distance of the ports of Charleston, Beaufort, Brunswick, and Jacksonville.

There are two institutions of higher learning located in the greater Statesboro area: Georgia Southern University (GSU) within the city limits, and Ogeechee Technical College just outside the city on US Highway 301 South. Accredited by the Southern Association of Colleges and Schools and Georgia's largest and most comprehensive center of higher education south of Atlanta, Georgia Southern offers more than 117 undergraduate and graduate degree programs through the doctoral level in its eight Colleges. The University's 20,000+ students come from 49 U.S. states and 100 nations.

Ogeechee Technical College is accredited by the Commission of the Council on Occupational Education and adheres to statewide curriculum standards established by the Georgia Department of Technical and Adult Education. OTC offers 125 programs of study including 36 diploma programs, 70 certificate programs, and 19 Associate degrees in conjunction with Georgia Southern University and East Georgia College. There are 15 public schools, 3 private and parochial schools, and 1 charter school in Bulloch County educating the county's 9,367 students. A total of 554 seniors graduated from these schools in 2011.

Statesboro is a leader in health care in southeast Georgia with East Georgia Regional Medical Center, a 150-bed hospital, employing more than 730 staff and 95 physicians representing a wide range of specialties. The hospital is accredited by the Joint Commission on Accreditation of

Healthcare Organizations, a distinction that is awarded only to those healthcare facilities that maintain the highest standards of quality.

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

The City has 119 miles of roads of which 118 are paved. Natural gas is sold to 3,556 customers while water and sewer service is provided by the City to over 13,000 customers with an average daily water consumption of 2.79 million gallons. Statesboro has 184 miles of sanitary sewer and 219.5 miles of water mains with 1,487 fire hydrants. The City maintains a Class 3 ISO rating with 2 fire stations.

Utilities are provided by the following within the City:

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

ECONOMIC CONDITION AND OUTLOOK

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

The 2010 Statesboro per capita income was $12,620 or 53% of the State of Georgia per capita income. Per capita income is total personal income (including wages, dividends, interest, rent, and government payments) divided by the total population. It is commonly used as an indicator of the quality of consumer markets and the economic wellbeing of a community. As noted above, this figure is actually skewed lower by the high number of university students who do not report earned income, but have considerable disposable income.

The area offers many educational and vocational opportunities that provide a competitive advantage for a strong workforce. The November 2011 unemployment rate was 12.7%, above the State of Georgia at 9.9% and the national rate of 8.6%. Approximately 29.1% of the Bulloch County civilian labor force is employed by the government sector including one of the City's largest employers, Georgia Southern University. Other government employers include Bulloch County, Bulloch County Board of Education, Ogeechee Technical College, and the City of

Statesboro. Major private sector employers in the City include East Georgia Regional Medical Center and Wal-Mart Supercenter.

The City and County are experiencing moderate growth with the City approving 266 new building permits in 2010, and 183 in 2011. The cost of housing in Bulloch County is among the lowest in the nation. The average residential sales price is $134,750. The median value of owner occupied units was $109,200.

MAJOR INITIATIVES

For The Year. In FY 2011**,** The Engineering Department expended $226,387 in SPLOST funds to finance drainage improvements, street repaving, street striping and installation and repairs of sidewalks.

SPLOST dollars totaling $745,321 were expended to purchase police vehicles, a new fire engine and personal protection equipment for the fire department.

The City's Water and Sewer Department expended $354,347 in SPLOST funds to finance emergency sewer line repairs, emergency well repairs, and water and sewer extensions. Engineering fees and construction costs for the extension of water and sewer lines along Old Register Road, the Southeast Quadrant and Lakeview Road were funded by bond proceeds in the amount of $1,233,487.

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

For FY 2012, the Engineering Department has budgeted $2,488,500 for street striping, sidewalk repairs, drainage improvements, storm water projects, street repaving, intersection improvements and traffic signal improvements.

Public Safety has budgeted $678,728 for police vehicles and conversions, personal protection equipment and a relocation of a fire station.

The Water and Sewer Department has budgeted $1,700,000 for water and sewer rehab projects, extension of water and sewer lines to unserved areas and to replace filters at the waste water treatment plant.

The Solid Waste Collection fund has $224,000 of SPLOST dollars budgeted for equipment replacement.

In FY 2012, landfill closure/post-closure expenses and air rights in the Wayne County Landfill will continue to be funded by 2007 SPLOST in the amount of $1,392,000.

FINANCIAL INFORMATION

In developing and evaluating the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial statements, and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits

likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

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

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

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

Long-term Financial Planning. The City of Statesboro maintains a flexible, yet thorough five year capital improvement plan whereby capital needs are identified several years before funding and implementation, to allow adequate time for planning. This plan also provides for the orderly replacement of facilities and equipment. The City's current five year plan has identified $45,332,410 in projected expenditures through FY 2017. In FY 2012, the City has budgeted $10,807,678 in projected expenditures, with $6,483,228 being funded from the 2007 Special Purpose Local Option Sales Tax and $1,950,000 being funded from the water and sewer revenue bond for water and sewer line extensions. The projects funded from the 2007 SPLOST include $2,488,500 in street projects, $450,000 for fire equipment and station relocation, $229,000 for police vehicles, $1,700,000 for water and sewer projects, $224,000 for solid waste equipment, and $1,392,000 for solid waste disposal projects.

OTHER INFORMATION

Independent Audit. State law requires annual audits of the accounting records by independent certified public accountants selected by the City Council. This requirement has been met, and the auditor's opinion is included in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The auditor's examination encompassed the basic financial statements for the fiscal year ended June 30, 2011.

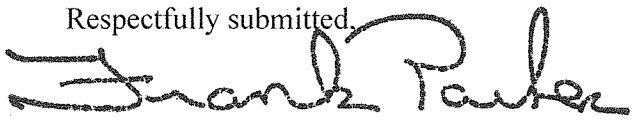
Awards. In 2011, the City received the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. A Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award presented by the Government Finance Officers Association of the United States and Canada to government units whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting, A government must publish an easily

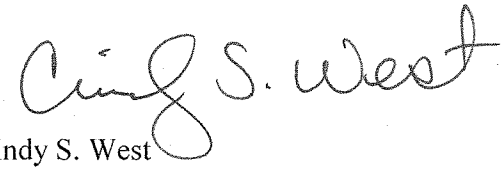
readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. This is the seventh consecutive year the City has received this award.

Also in 2010, the City received the Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2010 from the Government Finance Officers Association of the United States and Canada (GFOA). This award is the highest form of recognition in governmental budgeting. It is presented to governments whose budgets adhere to program standards and its attainment represents significant achievement by the organization in providing a budget document that clearly presents financial, accounting, and policy information. In order to receive this award a government must publish a budget document which meets program criteria as a policy document, financial plan, operations guide, and as a communications device. This is the seventh consecutive year the City has received this award. Both the Certificate of Achievement and the Distinguished Budget award are valid for a period of one year. The City has sent in its application for the GFOA Distinguished Budget Presentation Award, but at this time has not received any notification.

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

Respectfully submitted,





Frank C. Parker, III
City Manager

Cindy S. West
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Statesboro
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davidson

President

Jeffrey L. Esser

Executive Director

City of Statesboro, Georgia
Mayor and Council

Joe R. Brannen



In office since September 1998
Current term expires December 2013

Tommy Blitch
District 1



In office since 2004
Current term expires December 2013

Gary L. Lewis
District 2



In office since January 1998
Current term expires December 2011

William P. Britt
District 3



In office since January 2004
Current term expires December 2011

John Riggs
District 4



In office since January 2010
Current term expires December 2013

Travis L. Chance
District 5

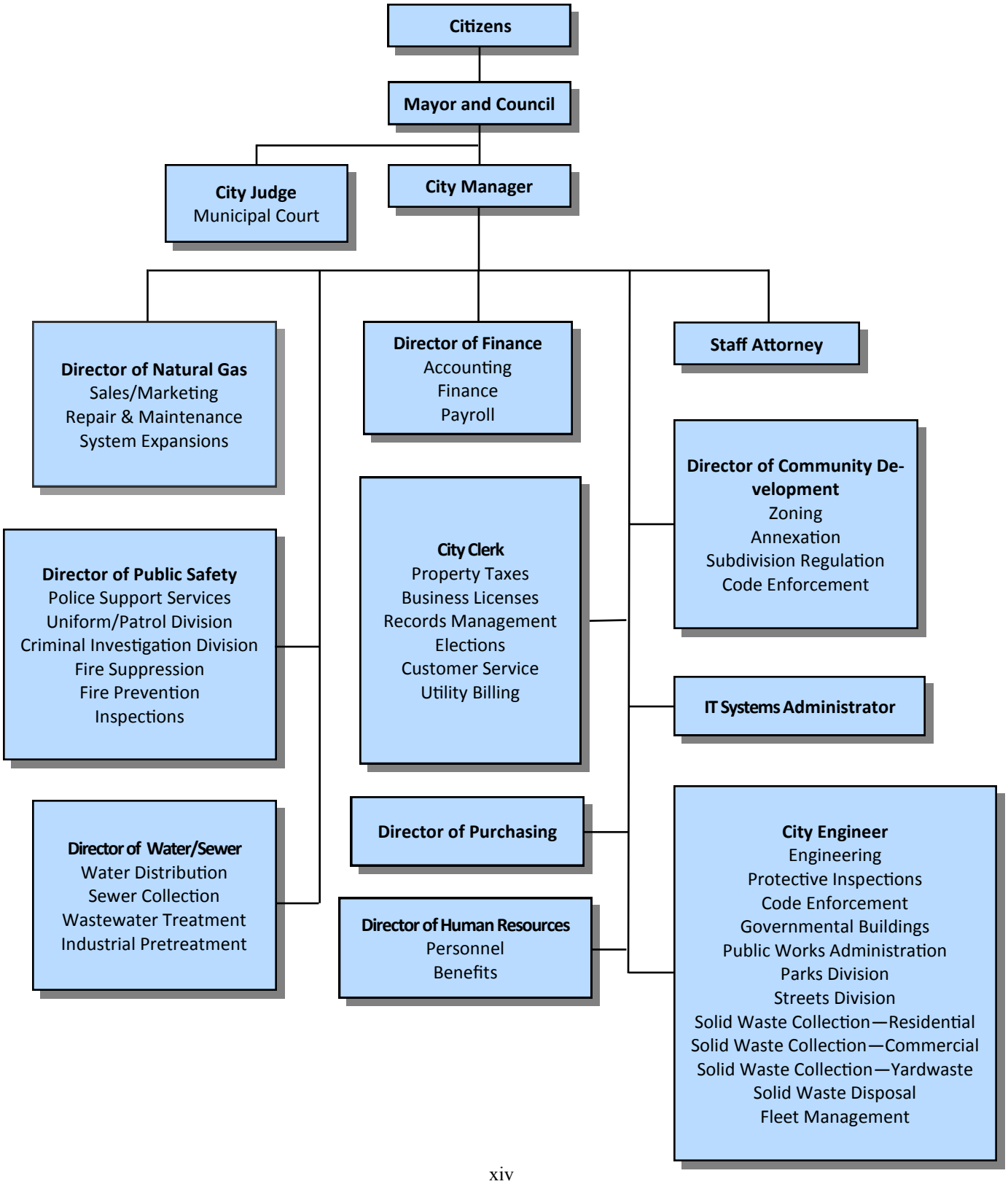


In office since January 2008
Current term expires December 2011

CITY OF STATESBORO, GEORGIA
APPOINTED PRINCIPAL OFFICIALS
As of June 30, 2011

NAME	POSITION	LENGTH OF TIME WITH CITY
Frank Parker	City Manager	8 months
Cindy West	Finance Director	14 years
Sue Starling	City Clerk	21 years
Michael Graves	Staff Attorney	2 year
Robert Cheshire	City Engineer/Public Works Director	2 year
Wendell Turner	Public Safety Director	18 years
Steve Hotchkiss	Natural Gas Director	20 years
Mandi Cody	Director of Community Development	2 years
Wayne Johnson	Water/Wastewater Director	29 years
Seth LaVine	Information Technology Director	3 years
Jeff Grant	Human Resources Director	1 year

ORGANIZATIONAL CHART
FOR THE CITY OF STATESBORO





Financial

THIGPEN, LANIER, WESTERFIELD & DEAL

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JENNIFER GROOMS, CPA

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

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Statesboro, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Statesboro, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Statesboro, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Statesboro, Georgia as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Statesboro Fire Service Special Revenue Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011, on our consideration of the City of Statesboro, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our

audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Thigpen, Lanier, Westerfield & Deal

December 29, 2011



Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Statesboro, Georgia's (the City's) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City had total net assets (assets exceeded liabilities) of $65,893,155 at 2011 fiscal year-end. That is $3,368,381 or 5.4%, higher than the total net assets of $62,524,774 at 2010 fiscal year-end . Fiscal year 2010 had seen a $3,637,236 or 6.2%, increase in total net assets.

- Total net assets are comprised of the following:

  (1) Capital assets, net of related debt, of $55,419,713 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets. The figure for fiscal year 2010 was $55,278,434. That is a increase of $141,279, or .3%. There was a decrease of $1,754,129, or 3.1%, for fiscal year 2010.

  (2) Net assets of $7,233,166 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations. That is $1,791,660, or 32.9%, more than the fiscal year 2010 amount of $5,441,506. That was $4,093,946 (or 304%) more than fiscal year 2009's $1,347,560. The large increase in restricted net assets is a result of the receipt of $2,319,900 in 2007 SPLOST funds that were not spent as of June 30, 2011.

  (3) Unrestricted net assets of $3,240,276 represent the portion available to maintain the City's continuing obligations to citizens and creditors. This is a $1,435,442 (or 79.5%) increase over the fiscal year 2010 total of $1,804,834. That amount was a $1,297,419 (or 255%) increase over fiscal year 2009's figure of $507,415. FY 2009 had seen a $1,059,406 (or 67.6%) decrease over FY 2008's amount. In fiscal year 2011, unrestricted net assets for business-type activities increased by $1,714,397 primarily due to an increase in revenues for the Water and Sewer Operating Fund. The unrestricted net assets for the governmental activities in fiscal year 2011 declined by $278,955 (or 173%) primarily due to the increase in the other post-employment benefits liability.

- The City's governmental funds reported total ending fund balance of $6,623,957, compared to $4,294,517 in fiscal year 2010. This is a $2,329,440(or 54.2%) increase. The primary reason is an increase in fund balance in the 2007 SPLOST fund. The City did not start receiving its portion of the 2007 SPLOST for certain projects until February 2010 after other SPLOST projects had been completed according to the SPLOST agreement. The fiscal year 2010 ending fund balance for governmental funds showed an increase of $2,225,691 (or 107.6%).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $(33,145). That compares to $(98,438) for fiscal year 2010. Fiscal year 2009's unassigned fund balance for the General Fund was $947,789, or 6.7% of total General Fund expenditures and transfers out.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

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

The City has two kinds of funds:

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

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

The basic governmental fund financial statements are presented on pages 16-22 of this report.

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

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

The basic enterprise fund financial statements are presented on pages 23-26 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

Supplementary Information

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

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented in this section of this report beginning on page 50.

Financial Analysis of the City as a Whole

The City's net assets at fiscal year 2011 were $65,893,155, compared to the fiscal year 2010 figure of $62,524,774. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Assets:								
Current assets	$8,329,576	$ 6,701,131	$ 6,166,213	$ 4,962,182	$ 14,495,789	$ 11,663,313	16%	13%
Capital assets	25,662,398	25,932,860	43,733,540	42,795,839	69,395,938	68,728,699	75%	77%
Other noncurrent assets	-	-	7,999,802	9,141,567	7,999,802	9,141,567	9%	10%
Total assets	33,991,974	32,633,991	57,899,555	56,899,588	91,891,529	89,533,579	100%	100%
Liabilities:								
Current liabilities	1,775,434	2,479,401	2,168,436	2,151,710	3,943,870	4,631,111	15%	17%
Long-term liabilities	1,985,078	1,952,210	20,069,426	20,425,484	22,054,504	22,377,694	85%	83%
Total liabilities	3,760,512	4,431,611	22,237,862	22,577,194	25,998,374	27,008,805	100%	100%
Net assets:								
Investment in capital assets, net of debt	24,229,149	24,168,198	31,190,564	31,110,236	55,419,713	55,278,434	84%	88%
Restricted	6,442,494	4,195,408	790,672	1,246,098	7,233,166	5,441,506	11%	9%
Unrestricted	(440,181)	(161,226)	3,680,457	1,966,060	3,240,276	1,804,834	5%	3%
Total net assets	$ 30,231,462	$ 28,202,380	$ 35,661,693	$ 34,322,394	65,893,155	62,524,774	100%	100%

The current ratio divides the current assets by the current liabilities, and is an indication of the ability to pay current obligations. For fiscal year 2011, the current ratio for governmental activities is 4.7 and 2.8 for business type activities. For fiscal year 2010, the current ratio for governmental activities was 2.7, and for business type activities 2.3. For the City, overall, the current ratio for fiscal

year 2011 is 3.7, compared to 2.5 for fiscal year 2010. For fiscal year 2009, the current ratio for governmental activities was 1.8 and for business type activities 1.3. For the City, overall, the current ratio was 1.5.

Net assets for fiscal year 2011 increased by $2,029,082 for governmental activities, and by $1,339,299 for business-type activities. Net assets for fiscal year 2010 increased by $2,528,818 for governmental activities and by $1,108,418 for business type activities.

Note that in fiscal year 2011, 80.1%, and in fiscal year 2010, 85.7% of the governmental activities' net assets were invested in capital assets. On the business type activities, the City has spent 87.5% of its net assets in fiscal year 2011, and 90.6% in fiscal year 2010 on capital assets. This is not unusual, as the business type activities are primarily utilities, which are very capital-intensive operations. Expansion of these systems is necessary for the continued growth of the City and for its financial position, as these utility systems generate considerable revenues for all the City's operations. 84.1% in fiscal year 2011, and 88.4% in fiscal year 2010 of the City's total net assets were included in capital assets.

The following table provides a summary of the changes in net assets, with comparative data for both fiscal years 2011 and 2010:

Summary of Changes in Net Assets

	2011				2010			
	Governmental Activities	**Business Activities**	**Total**	**Percentage of Total**	**Governmental Activities**	**Business Activities**	**Total**	**Percentage of Total**
Revenues:								
Program:								
Charges for services	$ 3,511,906	$ 18,702,225	$ 22,214,131	60%	$ 3,522,560	$ 17,896,580	$ 21,419,140	58%
Operating grants	186,407	-	186,407	0%	134,935	18,556	153,491	1%
Capital grants and contributions	5,672,847	554,394	6,227,241	17%	6,315,782	704,703	7,020,485	19%
General:		-						
Taxes	8,117,646		8,117,646	22%	8,089,577	-	8,089,577	22%
Other	151,269	227,018	378,287	1%	65,785	257,122	322,907	1%
Total revenues	17,640,075	19,483,637	37,123,712	100%	18,128,639	18,876,961	37,005,600	100%
Program Expenses:								
General government	2,368,425	-	2,368,425	7%	2,364,710	-	2,364,710	7%
Municipal court	622,589	-	622,589	2%	603,544	-	603,544	2%
Public safety	8,806,859	-	8,806,859	26%	8,935,759	-	8,935,759	27%
Public works	2,634,834	-	2,634,834	8%	2,530,638	-	2,530,638	8%
Community development	553,860	-	553,860	2%	534,041	-	534,041	2%
Parks and cemetries	458,607	-	458,607	1%	514,166	-	514,166	2%
Engineering	597,136	-	597,136	2%	850,662	-	850,662	3%
Planning and zoning	477,485	-	477,485	1%	326,066	-	326,066	1%
Community services	519,484	-	519,484	2%	284,557	-	284,557	1%
Interest	42,893	-	42,893	0%	34,202	-	34,202	0%
Water and sewer	-	7,668,906	7,668,906	23%	-	6,906,526	6,906,526	21%
Reclaimed water system	-	927	927	0%	-	-	-	0%
Gas	-	4,169,752	4,169,752	12%	-	4,293,665	4,293,665	13%
Solid waste collection	-	2,005,386	2,005,386	6%	-	2,094,925	2,094,925	6%
Solid waste disposal	-	2,828,187	2,828,187	8%	-	3,103,903	3,103,903	9%
Total expenses	17,082,172	16,673,158	33,755,330	100%	16,978,345	16,399,019	33,377,364	100%
Excess (deficiency)	557,903	2,810,479	3,368,382		1,150,294	2,477,942	3,628,236	
Transfers	1,471,179	(1,471,179)	-		1,369,524	(1,369,524)	-	
Change in net assets	2,029,082	1,339,299	3,368,381		2,528,818	1,108,418	3,637,236	
Beginning net assets	28,202,380	34,322,394	62,524,774		25,673,562	33,213,976	58,887,538	
Ending net assets	$ 30,231,462	$ 35,661,693	$ 65,893,155		$ 28,202,380	$ 34,322,394	$ 62,524,774	

GOVERNMENTAL REVENUES

Bulloch County (including the City of Statesboro) is one of only eight counties out of 159 in Georgia that do not receive any of the 1% Local Option Sales Tax (LOST). A local Constitutional Amendment was passed by the Georgia General Assembly in the 1981 Session (Georgia Laws, 1981, p. 1931) which called for a referendum on the question of whether or not the local option sales tax should go to the Bulloch County Board of Education, with a dollar for dollar reduction in the school property tax. (Boards of Education in Georgia are limited to a maximum millage rate of 20.) The referendum passed on November 2, 1982. Since that time, this money has gone to the Board of Education. Since most Georgia counties and cities negotiate a formula to distribute this sales tax among the county and city governments in that county, this puts both the City of Statesboro and Bulloch County government at a distinct disadvantage relative to almost all the other cities and counties in the state. It means that we have to rely more heavily on the local property tax and user fees than these other cities and counties. For example, if the City and County had equally split this approximately $9,872,925 in local option sales taxes in fiscal year 2011, the City would have had $4,936,462 in additional revenue. That is more than the City collected in property taxes. In effect, the City could have done away with its property tax levy totally if not for this local legislation and referendum in the early 1980's.

However, the City of Statesboro and Bulloch County (and the other cities in the county) do share the proceeds of a 1% Special Purpose Local Option Sales Tax (SPLOST), which has passed referendums in both 2002 for a five-year term and in 2006 (beginning collections in 2007) for a six-year term. In fiscal year 2011, sales taxes of $5,320,853 out of $17,688,470 in total governmental funds revenues, or 30.1%, were received from the 2002 SPLOST and the 2007 SPLOST. Of that money, $1,760,996 was transferred to the business-type funds for capital projects (water and sewer and solid waste disposal systems). The remaining, $3,559,857, will be used primarily for governmental activities, or 20.1% of the governmental funds' total revenues. In addition, all of that money will be spent on capital outlay, not operating costs, as the SPLOST funds are earmarked by state law specifically for capital outlay only. Similarly, in fiscal year 2010, $5,332,133 in sales taxes represented 29.5% of the $18,058,954 in governmental funds revenues. However, all of it was used to finance capital projects.

The City is heavily reliant on taxes to support governmental activities operations. In total, taxes make up 46.0% of revenues as compared to 44.6% in fiscal year 2010. Property taxes provided $3,882,316 or 21.9% of the City's total governmental activities revenue as compared to 21.8% in fiscal year 2010.

Also, note that program revenues covered 54.9% in fiscal year 2010, and 58.7% in fiscal year 2010 of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues funded the remaining 45.1% in fiscal year 2011, and 41.3% in fiscal year 2010 of the governmental activities. As these documents, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety function comprises 51.6% of the City's total governmental activity expenses and 26.1% of the total City expenses in fiscal year 2011. In fiscal year 2010, the figures were 52.6% and 26.8% respectively. In fiscal year 2011, general government totaled 13.9% of the total governmental activity expense, and 7.0% of the total City expenses. In fiscal year 2010, general government totaled 13.9% of the total governmental activity expenses, and 7.1% of the total City expenses. Of the total $17 million of governmental expenses, depreciation is 10.2% of that total. In fiscal year 2010, the numbers were $17 million and 10.3% respectively.

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

	Governmental Activities			
	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 2,368,425	$ 1,440,439	$ 2,364,710	$ 1,703,251
Municipal court	622,589	622,589	603,544	603,544
Public safety	8,806,859	5,088,496	8,935,759	4,851,381
Public works	2,634,834	(1,737,407)	2,530,638	(2,411,915)
Community development	553,860	553,860	534,041	534,041
Parks and cemetries	458,607	458,607	514,166	514,166
Engineering	597,136	244,566	850,662	565,775
Planning and zoning	477,485	477,485	326,066	326,066
Community services	519,484	519,484	284,557	284,557
Interest	42,893	42,893	34,202	34,202
Total	17,082,172	$ 7,711,012	16,978,345	$ 7,005,068

For fiscal year 2011 and 2010, all functions required a subsidy from general revenues except for public works in fiscal year 2011. In fiscal year 2011 and 2010, $4,342,411 and $4,444,299, respectively, in SPLOST revenue received from the County was included in program revenue for public works.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Expenses

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

For fiscal year 2010, the operating revenues for utility funds were 3.2% higher than 2009 and operating expenses were 3.5% below fiscal year 2009. Within the total business type activities of the City, these activities reported $2,463,461 in operating income, or an increase of 85.4% compared to fiscal year 2009. After transfers in and out between other funds, these funds reported a gain of $1,265,553, or an increase of $2,583,045, compared to fiscal year 2009. The primary reason for this increase was an increase in rates for services in the enterprise funds.

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

Each specific fund reported the following operating income or loss:

	2011		2010	
	Amount	Percent Change	Amount	Percent Change
Water and sewer fund	$2,245,403	14.6%	$ 1,960,152	106.3%
Reclaimed water sewer fund	$1,017	0%	$ 0	
Gas fund	$1,051,021	3.5%	$ 1,015,231	1.0%
Solid waste collection fund	$764,371	38.6%	$ 551,434	2.6%
Solid waste disposal fund	$ (958,944)	9.8%	$ (1,063,356)	8.6%

The operating income for the water and sewer fund increased by 14.6% in fiscal year 2011 since operating revenues were up 11.0% primarily due to an increase in water and sewer rates and operating expenses only increased 9.9%.

The gas fund's operating income increased by 3.5% over fiscal year 2010. Operating revenues were down 1.4% and operating expenses were down 2.5% primarily because of a decrease in the cost of natural gas.

The solid waste collection fund's operating income increased 38.6% from last year since operating revenues were 3.7% above fiscal year 2010 and expenses were 5.7% below fiscal year 2010.

Finally, the solid waste disposal fund's operating loss decreased by 9.8% from fiscal year 2010. Operating revenues decreased by 9.5% and operating expenses decreased by 9.6%. The revenues do not cover all expenses, and SPLOST is therefore used to make up the difference.

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

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

The solid waste disposal fund recognized a transfer in from the 2007 SPLOST fund of $1,299,024 in fiscal year 2011, which was used for the purchase of landfill space (air rights) in the Wayne County Solid Waste Landfill and for post-closure costs for our Lakeview Landfill.

Financial Analysis of the City's Funds

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $6,623,957 in fiscal year 2011, compared to $4,294,517 in fiscal year 2010, and $2,068,826 in fiscal year 2009. Of these year-end totals, $6,489,602 (or 98%) in fiscal year 2011 and $4,177,795 (or 97%) in fiscal year 2010 was restricted for specific purposes and not available for continuing city service requirements.

The total ending fund balances of governmental funds show an increase in fiscal year 2011 of $2,329,440 or 54.2% compared to a increase in fiscal year 2010 of $2,225,691 or 107.6%. This fiscal year 2011 and 2010 increase is primarily the result of the City receiving 2007 SPLOST funds of $2,319,900 over amounts spent during the year for 2011 and $3,204,247 for 2010.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by $82,354 in fiscal year 2011. The General Fund's fund balance decreased by $1,022,689 in fiscal year 2010, and decreased by $527,298 in fiscal year 2009 and by $1,115,834 in fiscal year 2008. The decreases in 2008 and 2009 were planned uses of fund balance to help finance the Averitt Arts Center operations and the new Police Station. The decrease in 2010 was the result of budgeting for a deficit, the settlement of a lawsuit by a former employee, and making a large transfer to the Benefits Insurance Fund because of increased health insurance costs.

Total taxes for the general fund were $7,693,363, or 1.4% higher than in fiscal year 2010. Total property taxes in fiscal year 2011 were $3,695,637 compared to $3,704,711 in fiscal year 2010. In fiscal year 2010, total taxes were $7,585,112, or 1.9% higher than the $7,443,083 in fiscal year 2009.

The general fund's total expenditures decreased by $289,451 or 2.4%, in fiscal year 2011 compared to a decrease of $344,912 or 2.7%, in fiscal year 2010.

The General Fund's ending unassigned fund balance ($33,145) represents the equivalent of (.3%) of the $13,251,481 in annual expenditures and transfers out budgeted for the next fiscal year. The City's overall cash flow varies little from month to month. The only real peak is in the December-February timeframe, when property taxes become due, then delinquent. The reason for this is that the utility revenues are consistent on a monthly basis, and other General Fund revenues come in during months when property taxes do not. Given this relatively stable cash flow environment, the City has set a target for unassigned fund balance in the General Fund of 25% of the next fiscal year's budgeted General Fund expenditures and transfers out. This provides more than adequate cash flow to handle these monthly fluctuations, while providing a cushion against any major unexpected events. The unassigned fund balance is at (.3%), below the 25% target set for unassigned fund balance. The governing body has adopted a conservative General Fund budget for FY 2012, and should begin replenishing this fund balance to a level equal to the targeted amount over an anticipated five-year period.

The Statesboro Fire Service Fund was created in fiscal year 2008. This fund accounts for the operations of the Statesboro Fire Department, which serves all the citizens of Statesboro and county citizens within the five-mile fire district. This fund had a fund balance of $484,439 at year-end compared to $425,424 at the end of fiscal year 2010. This represents a $59,015 or 13.9% increase.

The 2007 SPLOST fund's ending restricted fund balance was $5,641,348 for fiscal year 2011. This is an increase of $2,319,900 over fiscal year 2010. The reason is the City began receiving its portion of SPLOST in February 2010 for projects that were not started until mid- 2011.

The Proprietary Funds

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

Budgetary Highlights

The General Fund – The revenue side of the budget was amended downward by $309,034, or 2.9% primarily to reflect lower collections of fines and forfeitures. Overall, the City recognized revenues equal to 100.3% of budgeted revenues in the final appropriated budget. The total expenditure budget was decreased through budget amendments by $12,991 or .1%. Overall, the City recognized expenditures equal to $98,378 less than, or 99.2%, of budgeted expenditures in the final appropriated budget. In summary, the budget was underspent by .8%, while revenue estimates were .3% over.

On the revenue side of the budget, property taxes came in $69,825 lower than the amended budget. Franchise fees came in $120,746 more than budgeted. Licenses and Permits came in $29,173 less than budgeted. The budgeted amount had been amended upward due to a slight increase in the construction industry. Fines and Forfeitures came in $16,829 less than budgeted. In total, General Fund revenues came in $25,283 more than the budgeted amount.

On the expenditure side, the City Manager's Office, the City Clerk's Office, Financial Administration, Information Technology, Engineering and Debt Service costs were considerably below the budgeted amounts. Police, Animal Control and Streets and Public Works exceeded the budget due to some end of year adjustments. Overall, the General Fund expenditures were $98,378 less than budgeted.

Transfers in were $66,822 below budget.

Fund Balance was budgeted to increase by $20,157. However, fund balance increased by $62,197 more than budgeted, to end at $82,354 more than the previous year's fund balance.

The FY 2012 Budget for the General Fund has used very conservative revenue projections to build the fund balance as discussed earlier.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental (including the fleet management internal service fund) and business-type activities as of June 30, 2011 was $25,662,398 and $43,733,540 respectively, for a total of $69,395,938. That compares to fiscal year 2010 numbers of $25,932,859 and $42,795,839 respectively, for a total of $68,728,698. The fiscal year 2011 totals in this net investment were a 1% decrease for governmental and a 2.2% increase for business-type activities. The overall increase was 1% for the City as a whole. See Note 3D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Activities		Business Activities		Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Non-depreciable assets:						
Land	$ 1,636,113	$ 1,636,113	$ 549,410	$ 549,410	$ 2,185,523	$ 2,185,523
Construction in progress	-	2,163,786	2,348,038	1,006,791	2,348,038	3,170,577
Total non-depreciable	1,636,113	3,799,899	2,897,448	1,556,201	4,533,561	5,356,100
Depreciable assets:						
Buildings	14,059,521	14,059,521	2,114,622	2,020,491	16,174,143	16,080,012
Improvements other than buildings	619,730	372,622	61,749,754	60,354,265	62,369,484	60,726,887
Machinery and equipment	9,049,502	7,933,423	9,258,824	9,489,532	18,308,326	17,422,955
Infrastructure	13,847,258	11,613,800	-	-	13,847,258	11,613,800
Total depreciable assets	37,576,011	33,979,366	73,123,200	71,864,288	110,699,211	105,843,654
Less accumulated depreciation	13,549,726	11,846,405	32,287,108	30,624,650	45,836,834	42,471,055
Book value - depreciable assets	24,026,285	22,132,961	40,836,092	41,239,638	64,862,377	63,372,599
Percentage depreciated	36%	35%	44%	43%	41%	40%
Total book value	$ 25,662,398	$ 25,932,860	$ 43,733,540	$ 42,795,839	$ 69,395,938	$ 68,728,699

At June 30, 2011, the depreciable capital assets for governmental activities were 36% depreciated. This percentage is higher than the fiscal year 2010 amount of 35%.

The major increase in capital assets in fiscal year 2011 was several road projects and the acquisition of equipment for the police and fire department using grant proceeds.

In the City's business type activities, 44% of the asset values were depreciated at June 30, 2011. This percentage is higher than the fiscal year 2010 percentage of 43%.

The major increase in capital assets in fiscal year 2011 was the completion of well #10 and other water and sewer projects.

Long-term Debt

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

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

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

Outstanding Debt

	Governmental Activities		Business-type Activities		Totals	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Capital leases	$ 1,433,249	$ 1,764,662	$ 205,522	$ 285,697	$ 1,638,771	$ 2,050,359
Revenue bonds (including unamortized premium)	-	-	14,838,509	15,326,084	14,838,509	15,326,084
Notes payable	-	-	3,930,912	3,749,066	3,930,912	3,749,066
Landfill closure and postclosure care	-	-	1,579,273	1,697,688	1,579,273	1,697,688
Other post employment benefits	423,076	124,209	175,346	50,894	598,422	175,103
Compensated absences	491,529	493,440	186,996	173,914	678,525	667,354
Total	$ 2,347,854	$ 2,382,311	$ 20,916,558	$ 21,283,343	$ 23,264,412	$ 23,665,654

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

Economic Conditions Affecting the City

As of November 2011, the local unemployment rate was 12.7%, which was higher than the state rate of 9.9% and the national rate of 8.6%. Our local economy is experiencing the effects of the national recession, declines in the financial markets, and the recent credit crunch caused by substandard home mortgages. New residential construction and home sales have declined significantly.

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

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

Contacting the City's Financial Management

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



Basic Financial Statements

City of Statesboro, Georgia
Statement of Net Assets
June 30, 2011

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Current Assets				
Cash and cash equivalents	$ 6,668,704	$ 2,135,200	$ 8,803,904	$ 203,900
Receivables:				
Accounts	97,436	1,888,357	1,985,793	-
Taxes	403,297	-	403,297	-
Hotel/motel taxes	43,838	-	43,838	-
Intergovernmental	1,617,975	-	1,617,975	10,959
Notes	235,773	-	235,773	-
Internal balances	(1,206,043)	1,206,043	-	-
Inventory	128,856	340,369	469,225	-
Prepaid items	339,740	61,885	401,625	1,112
Restricted assets - Cash and cash equivalents	-	534,359	534,359	-
Total Current Assets	8,329,576	6,166,213	14,495,789	215,971
Noncurrent Assets				
Restricted assets - Cash and cash equivalents	-	7,812,647	7,812,647	-
Deferred charges	-	187,155	187,155	-
Capital Assets:				
Nondepreciable capital assets	1,636,113	2,897,448	4,533,561	-
Depreciable capital assets, net	24,026,285	40,836,092	64,862,377	950,174
Total Noncurrent Assets	25,662,398	51,733,342	77,395,740	950,174
Total Assets	33,991,974	57,899,555	91,891,529	1,166,145
Liabilities				
Current Liabilities				
Accounts payable	539,648	557,686	1,097,334	8,433
Accrued payroll	129,253	24,944	154,197	3,233
Intergovernmental payable	-	17,711	17,711	-
Accrued interest payable	-	186,604	186,604	-
Claims payable	425,728	-	425,728	-
Unearned revenue	140,496	-	140,496	-
Other payables	177,534	-	177,534	-
Compensated absences payable	98,306	37,399	135,705	-
Capital leases payable	264,469	80,175	344,644	-
Notes payable	-	160,500	160,500	24,353
Revenue bonds payable	-	450,000	450,000	-
Customer deposits	-	534,359	534,359	-
Landfill post-closure care costs	-	119,058	119,058	-
Total Current Liabilities	1,775,434	2,168,436	3,943,870	36,019
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	393,223	149,597	542,820	-
Other post employment benefits payable	423,075	175,346	598,421	
Capital leases payable (net of current portion)	1,168,780	125,347	1,294,127	-
Revenue bonds payable, net of unamortized premium (net of current portion)	-	14,388,509	14,388,509	-
Notes payable (net of current portion)	-	3,770,412	3,770,412	700,293
Landfill post-closure care costs (net of current portion)	-	1,460,215	1,460,215	-
Total Long-Term Liabilities	1,985,078	20,069,426	22,054,504	700,293
Total Liabilities	3,760,512	22,237,862	25,998,374	736,312
Net Assets				
Invested in capital assets, net of related debt	24,229,149	31,190,564	55,419,713	225,528
Restricted for:				
Capital projects	5,576,870	-	5,576,870	-
Program purposes	865,624	-	865,624	-
Revenue bond retirement	-	790,672	790,672	-
Unrestricted	(440,181)	3,680,457	3,240,276	204,305
Total Net Assets	$ 30,231,462	$ 35,661,693	$ 65,893,155	$ 429,833

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Activities
For the Year Ended June 30, 2011

Program/Function	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary Government								
General government	$ 2,368,425	$ 658,209	$ -	$ 269,777	$ (1,440,439)	$ -	$ (1,440,439)	$ -
Municipal court	622,589	-	-	-	(622,589)	-	(622,589)	-
Public safety	8,806,859	2,501,127	186,407	1,030,829	(5,088,496)	-	(5,088,496)	-
Public works	2,634,834	-	-	4,372,241	1,737,407	-	1,737,407	-
Community development	553,860	-	-	-	(553,860)	-	(553,860)	-
Parks and cemeteries	458,607	-	-	-	(458,607)	-	(458,607)	-
Engineering	597,136	352,570	-	-	(244,566)	-	(244,566)	-
Planning and zoning	477,485	-	-	-	(477,485)	-	(477,485)	-
Community services	519,484	-	-	-	(519,484)	-	(519,484)	-
Interest	42,893	-	-	-	(42,893)	-	(42,893)	-
Total Governmental Activities	17,082,172	3,511,906	186,407	5,672,847	(7,711,012)	-	(7,711,012)	-
Business-Type Activities:								
Water and sewer	7,668,906	9,011,417	-	554,394	-	1,896,905	1,896,905	-
Reclaimed water system	927	1,944	-	-	-	1,017	1,017	-
Gas	4,169,752	5,204,257	-	-	-	1,034,505	1,034,505	-
Solid waste collection	2,005,386	2,701,765	-	-	-	696,379	696,379	-
Solid waste disposal	2,828,187	1,782,842	-	-	-	(1,045,345)	(1,045,345)	-
Total Business-Type Activities	16,673,158	18,702,225	-	554,394	-	2,583,461	2,583,461	-
Total - Primary Government	$ 33,755,330	$ 22,214,131	$ 186,407	$ 6,227,241	(7,711,012)	2,583,461	(5,127,551)	-
Component Unit								
Downtown Statesboro Development Authority	$ 219,659	$ 40,009	$ 202,678	$ -	-	-	-	23,028
		General Revenues						
		Property taxes levied for:						
		General purposes			3,833,544	-	3,833,544	-
		Hotel/motel taxes			473,055	-	473,055	-
		Insurance premium taxes			1,221,874	-	1,221,874	-
		Franchise taxes			1,815,932	-	1,815,932	-
		Other taxes			773,241	-	773,241	-
		Gain on sale of capital assets			377	36,125	36,502	-
		Investment earnings			14,063	4,414	18,477	344
		Miscellaneous			136,829	186,479	323,308	73,303
		Total General Revenues			8,268,915	227,018	8,495,933	73,647
		Transfers			1,471,179	(1,471,179)	-	-
		Total General Revenues and Transfers			9,740,094	(1,244,161)	8,495,933	73,647
		Change in Net Assets			2,029,082	1,339,300	3,368,382	96,675
		Net Assets Beginning of Year			28,202,380	34,322,394	62,524,774	333,158
		Net Assets End of Year			$ 30,231,462	$ 35,661,694	$ 65,893,156	$ 429,833

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Balance Sheet
Governmental Funds
June 30, 2011

	General	Statesboro Fire Service	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 14,531	$ 506,154	$ 5,513,208	$ 235,274	$ 6,269,167
Receivables:					
Accounts	65,542	-	-	-	65,542
Taxes	403,297	-	-	-	403,297
Hotel/motel taxes	-	-	-	43,838	43,838
Intergovernmental	18,201	20,992	1,255,012	323,770	1,617,975
Interfund	1,242,689	-	-	80,178	1,322,867
Notes	-	-	-	235,773	235,773
Prepaid items	214,608	17,370	-	-	231,978
Total Assets	$ 1,958,868	$ 544,516	$ 6,768,220	$ 918,833	$ 10,190,437
Liabilities					
Accounts payable	$ 187,116	$ 22,972	$ 212,874	$ 44,549	$ 467,511
Accrued payroll and payroll taxes	110,540	16,859	-	-	127,399
Interfund payable	1,209,000	-	913,998	469,954	2,592,952
Deferred revenue	180,838	20,246	-	-	201,084
Other liabilities	89,911	-	-	87,623	177,534
Total Liabilities	1,777,405	60,077	1,126,872	602,126	3,566,480
Fund Balances					
Nonspendable	214,608	17,370	-	-	231,978
Unassigned	(33,145)	-	-	(64,478)	(97,623)
Restricted:					
Special revenue funds	-	467,069	-	381,185	848,254
Capital projects funds	-	-	5,641,348	-	5,641,348
Total Fund Balances	181,463	484,439	5,641,348	316,707	6,623,957
Total Liabilities and Fund Balances	$ 1,958,868	$ 544,516	$ 6,768,220	$ 918,833	$ 10,190,437

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

Total Governmental Fund Balances			$ 6,623,957
Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because:			
Capital assets used in governmental activities (excludes internal service funds) are not financial resources and therefore are not reported in the funds:			
Cost	$	38,795,899	
Less accumulated depreciation		(13,291,336)	25,504,563
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:			
Property taxes			60,588
The internal service funds are used by management to charge the costs of the operation and maintanance of the vehicle fleet workers' compensation, and health insurance to individual funds. Certain assets and liabilities of the internal service funds are included in governmental activities columns in the statement of net assets.			359,986
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net assets:			
Interfund receivables	$	752,901	
Interfund payables		(752,901)	-
Liabilities, including capital leases, compensated absences and other post employment benefits payable are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net assets:			
Capital leases payable	$	(1,433,249)	
Other post employment benefits payable		(408,424)	
Compensated absences		(475,959)	(2,317,632)
Net Assets Of Governmental Activities			$ 30,231,462

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General	Statesboro Fire Service	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	$ 3,882,316	$ -	$ -	$ -	$ 3,882,316
Insurance premium taxes	1,221,874	-	-	-	1,221,874
Franchise taxes	1,815,932	-	-	-	1,815,932
Other taxes	773,241	-	-	-	773,241
Hotel/motel taxes	-	-	-	473,055	473,055
Intergovernmental	-	-	4,995,146	864,108	5,859,254
Licenses and permits	926,979	-	-	-	926,979
Fines and forfeitures	1,344,271	-	-	131,704	1,475,975
Charges for services	218,362	890,590	-	-	1,108,952
Investment earnings	6,022	-	8,041	-	14,063
Miscellaneous	80,980	81	-	55,768	136,829
Total Revenues	10,269,977	890,671	5,003,187	1,524,635	17,688,470
Expenditures					
Current:					
General government	2,238,063	-	-	158,776	2,396,839
Municipal court	555,219	-	-	-	555,219
Public safety	5,315,725	2,241,300		404,524	7,961,549
Public works	1,849,010	-	-	-	1,849,010
Community development	81,075	-	-	473,055	554,130
Parks and cemeteries	376,518	-	-	-	376,518
Engineering	557,869	-	-	-	557,869
Planning and zoning	465,345	-	-	-	465,345
Community services	171,704	-	-	-	171,704
Capital Outlay	-	-	1,082,143	493,435	1,575,578
Debt Service:			-		
Principal retirement	264,591	-	66,822	-	331,413
Interest and fiscal charges	42,893	-	-	-	42,893
Total Expenditures	11,918,012	2,241,300	1,148,965	1,529,790	16,838,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,648,035)	(1,350,629)	3,854,222	(5,155)	850,403
Other Financing Sources (Uses)					
Sale of capital assets	7,858	-	-	-	7,858
Transfers in	3,132,175	1,409,644	-	211,001	4,752,820
Transfers out	(1,409,644)	-	(1,534,322)	(337,675)	(3,281,641)
Total Other Financing Sources (Uses)	1,730,389	1,409,644	(1,534,322)	(126,674)	1,479,037
Net Change in Fund Balances	82,354	59,015	2,319,900	(131,829)	2,329,440
Fund Balances Beginning of Year	99,109	425,424	3,321,448	448,536	4,294,517
Fund Balances End of Year	$ 181,463	$ 484,439	$ 5,641,348	$ 316,707	$ 6,623,957

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2011

Net Changes In Fund Balances - Total Governmental Funds			$ 2,329,440
Amounts reported for governmental activities in the statement of activities are different because			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (1,730,456)	
	Capital outlay	1,541,981	(188,475)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Property taxes:		
	Deferred @ 6/30/11	$ 60,588	
	Deferred @ 6/30/10	(109,360)	(48,772)
Elimination of transfers between governmental funds:			
	Transfers in	$ 1,520,645	
	Transfers out	(1,520,645)	-
Governmental funds do not report the cost of disposed capital assets but the cost is reported on the statement of activities			(65,596)
The internal service funds used by management to charge the the costs of self-insurance and fleet management to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.			(40,521)
Other financing sources for the inception of capital leases are reported on the fund level operating statement but are reported as a liability on the governmental-wide financial statements			-
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			331,413
Compensated absences and other post employment benefits (OPEB) reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Compensated absences liability @ 6/30/11	$ (475,959)	
	Compensated absences liability @ 6/30/10	476,209	250
	OPEB liability @ 6/30/11	$ (408,424)	
	OPEB liability @ 6/30/10	119,767	(288,657)
Change In Net Assets of Governmental Activities			$ 2,029,082

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes:				
Property	$ 3,765,462	$ 3,765,462	$ 3,695,637	$ (69,825)
Automobiles	190,000	190,000	186,679	(3,321)
Franchise	1,601,672	1,695,186	1,815,932	120,746
Insurance premium	1,260,000	1,221,875	1,221,874	(1)
Alcoholic beverage	677,000	677,000	647,353	(29,647)
Other	116,675	116,675	125,888	9,213
Licenses and permits	918,244	956,152	926,979	(29,173)
Charges for services	195,500	203,140	218,362	15,222
Fines and forfeitures	1,791,100	1,361,100	1,344,271	(16,829)
Investment earnings	2,500	2,500	6,022	3,522
Miscellaneous	35,575	55,604	80,980	25,376
Total Revenues	10,553,728	10,244,694	10,269,977	25,283
Expenditures				
Current:				
General government				
Governing body	215,646	225,381	221,793	3,588
City manager's office	234,849	342,849	325,555	17,294
City clerk's office	236,533	251,533	222,325	29,208
Elections	1,000	1,000	70	930
Financial administration	690,021	599,451	580,997	18,454
Legal	178,163	148,698	151,657	(2,959)
Information technology	448,101	413,101	385,148	27,953
Human resources	130,169	180,969	169,582	11,387
Government buildings	154,580	154,580	146,286	8,294
General administration fees	31,873	34,873	34,650	223
Total general government	2,320,935	2,352,435	2,238,063	114,372
Municipal court	621,046	574,046	555,219	18,827

(continued)

City of Statesboro, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

(continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Public safety				
Police	$ 5,149,589	$ 5,168,589	$ 5,246,725	$ (78,136)
Emergency management	5,000	5,000	5,000	-
Animal control	42,402	42,402	64,000	(21,598)
Total public safety	5,196,991	5,215,991	5,315,725	(99,734)
Streets/public works	1,707,349	1,797,849	1,849,010	(51,161)
Parks and cemeteries	372,484	372,484	376,518	(4,034)
Engineering	577,389	577,398	557,869	19,529
Planning and zoning	537,944	480,944	465,345	15,599
Community services				
Arts Center	135,172	135,172	135,867	(695)
Other	40,600	40,600	35,837	4,763
Total community services	175,772	175,772	171,704	4,068
Community development	80,956	80,956	81,075	(119)
Debt Service:				
Principal retirement	398,500	348,500	264,591	83,909
Interest and fiscal charges	40,015	40,015	42,893	(2,878)
Total Debt Service	438,515	388,515	307,484	81,031
Total Expenditures	12,029,381	12,016,390	11,918,012	98,378
Deficiency of Revenues Under Expenditures	(1,475,653)	(1,771,696)	(1,648,035)	123,661
Other Financing Sources (Uses)				
Transfers in	2,898,997	3,198,997	3,132,175	(66,822)
Transfers out	(1,409,644)	(1,409,644)	(1,409,644)	-
Sale of capital assets	2,500	2,500	7,858	5,358
Total Other Financing Sources (Uses)	1,491,853	1,791,853	1,730,389	(61,464)
Net Change in Fund Balances	$ 16,200	$ 20,157	82,354	$ 62,197
Fund Balances Beginning of Year			99,109	
Fund Balances End of Year			$ 181,463	

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Statesboro Fire Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	$ 10,000	$ 10,000	$ -	$ (10,000)
Charges for services	900,000	900,000	890,590	(9,410)
Investment earnings	750	750	-	(750)
Miscellaneous	2,100	2,100	81	(2,019)
Total Revenues	912,850	912,850	890,671	(22,179)
Expenditures				
Current:				
Fire	2,480,688	2,479,938	2,241,300	238,638
Deficiency of Revenues Under Expenditures	(1,567,838)	(1,567,088)	(1,350,629)	216,459
Other Financing Sources				
Transfers in	1,409,644	1,409,644	1,409,644	-
Net Change in Fund Balances	$ (158,194)	$ (157,444)	59,015	$ 216,459
Fund Balances Beginning of Year			425,424	
Fund Balances End of Year			$ 484,439	

See accompanying notes to the basic financial statements.

City of Statesboro, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal	Total	
Assets							
Current Assets:							
Cash and cash equivalents	$ 1,086,495	$ -	$ 595,759	$ 452,696	$ 250	$ 2,135,200	$ 399,537
Receivables:							
Accounts	379,994	1,944	113,337	126,617	35,737	657,629	31,894
Unbilled accounts	645,976	-	213,286	221,299	150,167	1,230,728	-
Interfund	1,986,159	-	-	-	291,667	2,277,826	-
Inventory	269,353	-	71,016	-	-	340,369	128,856
Prepaid items	32,368	-	17,369	2,167	9,981	61,885	107,762
Restricted assets - Cash and cash equivalents	445,785	-	88,574	-	-	534,359	-
Total Current Assets	4,846,130	1,944	1,099,341	802,779	487,802	7,237,996	668,049
Noncurrent Assets:							
Restricted Assets:							
Cash and cash equivalents	7,812,647	-	-	-	-	7,812,647	-
Deferred Charges	187,155	-	-	-	-	187,155	-
Capital Assets:							
Land	347,981	-	78,004	-	123,425	549,410	-
Construction in progress	1,463,538	836,680	47,820	-	-	2,348,038	-
Depreciable capital assets, net	35,900,452	-	2,595,988	743,625	1,596,027	40,836,092	157,835
Total Noncurrent Assets	45,711,773	836,680	2,721,812	743,625	1,719,452	51,733,342	157,835
Total Assets	50,557,903	838,624	3,821,153	1,546,404	2,207,254	58,971,338	825,884
Liabilities							
Current Liabilities:							
Accounts payable	211,548	42,077	174,625	83,705	45,731	557,686	72,137
Accrued payroll	16,181	-	2,826	3,682	2,255	24,944	1,854
Intergovernmental payable	-	-	17,711	-	-	17,711	-
Compensated absences payable	24,770	-	4,558	4,343	3,728	37,399	3,114
Notes payable	136,233	-	24,267	-	-	160,500	-
Capital leases payable	-	-	6,690	47,567	25,918	80,175	
Revenue bonds payable	450,000	-	-	-	-	450,000	-
Customer deposits	445,785	-	88,574	-	-	534,359	-
Landfill post-closure care costs	-	-	-	-	119,058	119,058	-
Accrued interest payable	184,295	-	2,309	-	-	186,604	-
Claims payable	-	-	-	-	-	-	425,728
Interfund payable	-	9,794	-	-	794,854	804,648	203,093
Total Current Liabilities	1,468,812	51,871	321,560	139,297	991,544	2,973,084	705,926
Long-Term Liabilities:							
Compensated absences payable (net of current portion)	99,080	-	18,232	17,371	14,914	149,597	12,456
Other post employment benefits payable	115,107	-	20,265	23,958	16,016	175,346	14,651
Landfill post-closure care costs (net of current portion)	-	-	-	-	1,460,215	1,460,215	-
Notes payable (net of current portion)	3,483,283	-	287,129	-	-	3,770,412	-
Capital leases payable (net of current portion)	-	-	13,378	60,133	51,836	125,347	-
Revenue bonds payable, net of unamortized premium (net of current portion)	14,388,509	-	-	-	-	14,388,509	-
Total Long-Term Liabilities	18,085,979	-	339,004	101,462	1,542,981	20,069,426	27,107
Total Liabilities	19,554,791	51,871	660,564	240,759	2,534,525	23,042,510	733,033
Net Assets							
Invested in capital assets, net of related debt	25,685,913	836,680	2,390,348	635,925	1,641,698	31,190,564	157,835
Restricted for revenue bond retirement	790,672	-	-	-	-	790,672	-
Unrestricted	4,526,527	(49,927)	770,241	669,720	(1,968,969)	3,947,592	(64,984)
Total Net Assets	$ 31,003,112	$ 786,753	$ 3,160,589	$ 1,305,645	$ (327,271)	35,928,828	$ 92,851
	Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.					(267,135)	
	Net assets of business-type activities					$ 35,661,693	

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal	Total	
Operating Revenues							
Charges for services	$ 9,011,417	$ 1,944	$ 5,204,257	$ 2,701,765	$ 1,782,842	$ 18,702,225	$ 4,553,247
Miscellaneous	140,984	-	2,796	-	42,699	186,479	-
Total Operating Revenues	9,152,401	1,944	5,207,053	2,701,765	1,825,541	18,888,704	4,553,247
Operating Expenses							
Salaries	2,062,150	-	325,872	478,998	280,275	3,147,295	230,226
Employee benefits	1,027,025	-	156,962	260,997	144,732	1,589,716	122,894
Purchased services	1,633,354	311	238,467	887,001	2,088,568	4,847,701	164,216
Materials and supplies	433,657	616	76,309	125,599	46,917	683,098	26,627
Cost of sales	-	-	3,198,765	-	-	3,198,765	373,318
Depreciation	1,647,362	-	123,993	170,614	221,779	2,163,748	16,391
Claims	-	-	-	-	-	-	3,784,283
Other	103,450	-	35,664	14,185	2,214	155,513	1,595
Total Operating Expenses	6,906,998	927	4,156,032	1,937,394	2,784,485	15,785,836	4,719,550
Operating Income (Loss)	2,245,403	1,017	1,051,021	764,371	(958,944)	3,102,868	(166,303)
Non-Operating Revenues (Expenses)							
Investment earnings	4,414	-	-	-	-	4,414	-
Interest expense	(743,328)	-	(9,609)	-	-	(752,937)	-
Amortization	(8,604)	-	-	-	-	(8,604)	-
Gain on sale of capital assets	-	-	-	27,886	8,239	36,125	-
Total Non-Operating Revenues (Expenses)	(747,518)	-	(9,609)	27,886	8,239	(721,002)	-
Income (Loss) before Capital Contributions and Transfers	1,497,885	1,017	1,041,412	792,257	(950,705)	2,381,866	(166,303)
Capital contributions	269,408	284,986	-	-	-	554,394	-
Transfers in	461,972	-	-	-	1,299,024	1,760,996	-
Transfers out	(1,524,000)	-	(931,690)	(590,567)	(185,918)	(3,232,175)	-
Change in Net Assets	705,265	286,003	109,722	201,690	162,401	1,465,081	(166,303)
Net Assets Beginning of Year	30,297,847	500,750	3,050,867	1,103,955	(489,672)		259,154
Net Assets End of Year	$ 31,003,112	$ 786,753	$ 3,160,589	$ 1,305,645	$ (327,271)		$ 92,851
Some amounts reported for business-type activities in the statement of activities are different because the net revenue of certain internal service funds is reported with business-type activities.						(125,782)	
						$ 1,339,299	

See accompanying notes to the basic financial statements

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal	Total	
Cash Flows from Operating Activities							
Cash received from customers	$ 9,102,346	$ -	$ 5,248,116	$ 2,686,515	$ 1,832,307	$ 18,869,284	$ 4,607,729
Cash payments to employees for services	(2,989,454)	(38,483)	(465,473)	(721,824)	(409,693)	(4,624,927)	(343,645)
Cash payments for goods and services	(2,150,553)	(927)	(3,567,569)	(1,042,118)	(2,280,704)	(9,041,871)	(539,436)
Cash payments for claims	-	-	-	-	-	-	(3,895,621)
Net Cash Provided by (Used in) Operating Activities	3,962,339	(39,410)	1,215,074	922,573	(858,090)	5,202,486	(170,973)
Cash Flows from Noncapital Financing Activities							
Advances from (to) other funds	(942,961)	82,509	20,112	(41,158)	(77,396)	(958,894)	554,624
Transfers out	(1,524,000)	-	(931,690)	(590,567)	(185,918)	(3,232,175)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(2,466,961)	82,509	(911,578)	(631,725)	(263,314)	(4,191,069)	554,624
Cash Flows from Capital and Related Financing Activities							
Proceeds from sale of capital assets	-	-	-	27,886	9,095	36,981	-
Capital contributions	269,408	284,986	-	-	-	554,394	-
Proceeds from loan	319,794	-	-	-	-	319,794	-
Payments on capital lease	-	-	(6,690)	(47,567)	(25,918)	(80,175)	-
Transfers in from capital projects funds	461,972	-	-	-	1,299,024	1,760,996	-
Principal paid on revenue bonds	(475,000)	-	-	-	-	(475,000)	-
Principal paid on notes payable	(114,395)	-	(23,553)	-	-	(137,948)	-
Interest paid on debt	(689,650)	-	(9,784)	-	-	(699,434)	-
Payments for capital acquisitions	(2,238,089)	(628,617)	(37,924)	(36,878)	(160,797)	(3,102,305)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,465,960)	(343,631)	(77,951)	(56,559)	1,121,404	(1,822,697)	-
Cash Flows from Investing Activities							
Investment earnings	4,414	-	-	-	-	4,414	-
Net Increase (Decrease) in Cash and Cash Equivalents	(966,168)	(300,532)	225,545	234,289	-	(806,866)	383,651
Cash and Cash Equivalents Beginning of Year	10,311,095	300,532	458,788	218,407	250	11,289,072	15,886
Cash and Cash Equivalents End of Year	$ 9,344,927	$ -	$ 684,333	$ 452,696	$ 250	$ 10,482,206	$ 399,537

(continued)

City of Statesboro, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds						Governmental Activities -
	Water and Sewer	Reclaimed Water System	Gas	Solid Waste Collection	Solid Waste Disposal	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating Income (Loss)	$ 2,245,403	$ 1,017	$ 1,051,021	$ 764,371	$ (958,944)	$ 3,102,868	$ (166,303)
Adjustments:							
Depreciation	1,647,362	-	123,993	170,614	221,779	2,163,748	16,391
(Increase) Decrease in Assets:							
Accounts receivable	(76,327)	(1,944)	35,558	(15,250)	6,766	(51,197)	54,482
Materials and supplies inventory	1,864	-	3,411	-	-	5,275	5,182
Prepaid items	(1,844)	-	2,443	254	445	1,298	(10,314)
Increase (Decrease) in Liabilities:							
Accounts payable	19,888	(38,483)	(12,889)	(15,587)	(25,035)	(72,106)	29,386
Accrued payroll	8,547	-	1,355	2,003	1,128	13,033	927
Compensated absences payable	6,786	-	1,511	1,966	2,819	13,082	(1,661)
Other post employment benefits payable	84,388	-	14,495	14,202	11,367	124,452	10,209
Sales taxes payable	-	-	(11,329)	-	-	(11,329)	-
Customer deposits	26,272	-	5,505	-	-	31,777	-
Accrued landfill postclosure costs	-	-	-	-	(118,415)	(118,415)	-
Claims payable	-	-	-	-	-	-	(109,272)
Net Cash Provided by (Used in) Operating Activities	$ 3,962,339	$ (39,410)	$ 1,215,074	$ 922,573	$ (858,090)	$ 5,202,486	$ (170,973)

See accompanying notes to the basic financial statements



Notes To The Basic Financial Statements

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

Note 1 - Summary of Significant Accounting Policies

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

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

1-A. Reporting Entity

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

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

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

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

Downtown Statesboro Development Authority (the Authority) – The Authority is a public corporation created in 1981. The primary purpose of the Authority is to promote industry and trade in the downtown area. The City Council appoints one board member and provides its primary funding. The Authority is fiscally dependent on the City. There are no separate financial statements for the Authority.

Related Organizations
The Housing Authority of the City of Statesboro, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity and the City does not appoint any of its board members. The City of Statesboro, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Statesboro, Georgia is a related organization and is excluded from the reporting entity.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

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

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

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

1-C. Measurement Focus

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting

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

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

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

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

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

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

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

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

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

1-E. Assets, Liabilities and Fund Equity

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled water, sewer and gas charges are accrued as receivables and revenue at June 30, 2011.

1-E-3 Interfund Balances

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

1-E-4 Consumable Inventories

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

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

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

1-E-7 Capital Assets

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

1-E-8 Compensated Absences

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

1-E-11 Fund Equity

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

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

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

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

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

Assigned– Fund balances are reported as assigned when amounts are constrained by the City Council's intent to be used for specific purposes, but are neither restricted or committed. Through resolution, the City Council has authorized the City's finance director to assign balances.

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

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

- Committed
- Assigned
- Unassigned

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

1-E-12 Operating Revenues and Expenses

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

1-E-13 Contributions of Capital

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

1-E-14 Interfund Activity

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

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

1-E-15 Estimates

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

1-E-16 Comparative Data

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

Note 2 – Stewardship, Compliance and Accountability

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

All budgets are adopted on a basis consistent with GAAP.

Note 2 – Stewardship, Compliance and Accountability (Continued)

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

During the year, the City Council approved budget revisions.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

For the year ended June 30, 2011, expenditures exceeded appropriations for the following departments within the general fund:

Legal	$	2,959
Police		78,136
Animal Control		21,598
Streets/Public Works		51,161
Parks and Cemeteries		4,034
Arts Center		695
Community Development		119

These overexpenditures were funded primarily by underexpenditures in other departments.

Expenditures exceeded appropriations by $31,067 in the Multiple Grant Fund and the Technology Fee Fund by $21,734 and these overexpenditures were funded by additional revenues over budget and by available fund balance.

2-C. Deficit Fund Equities

The capital improvements program fund had a deficit fund balance of $64,478 at June 30, 2011. The City plans to transfer funds from the water and sewer fund in fiscal year 2012 to eliminate the deficit.

The solid waste disposal fund had a deficit net asset balance of $327,271 at June 30, 2011.

Note 3 - Detailed Notes on All Funds

3-A. Cash and Cash Equivalents

At June 30, 2011, the carrying amount of the City's deposits (i.e., checking and certificates of deposits) was $17,150,910 and the bank balance was $17,489,433. Of the bank balance, $250,000 was covered by federal depository insurance and $17,239,433 was collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Note 3 - Detailed Notes on All Funds (Continued)

Cash & Cash Equivalent Reconciliation:

	Cash and Cash Equivalents
Fund Reporting Level:	
Governmental Funds - Balance Sheet	$ 6,269,167
Enterprise Fund Statement of Net Assets	2,135,200
Enterprise Fund Statement of Net Assets - Restricted	8,347,006
Internal Service Fund Statement of Net Assets	399,537
Total	$ 17,150,910

3-B. Receivables

Receivables at June 30, 2011, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. The allowances for uncollectibles netted against receivables at June 30, 2011 follow:

Fund	Allowance For Uncollectibles
General	$ 7,391
Water and sewer	181,078
Gas	93,957
Solid waste collection	58,324
Solid waste disposal	567

3-C. Property Taxes

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

Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2011, property taxes were levied on September 13, 2010 and were due December 20, 2010.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity (including the fleet management internal service fund) for the year ended June 30, 2011, was as follows:

	Balance 7/1/2010	Additions	Deductions	Balance 7/30/2011
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,636,113	$ -	$ -	$ 1,636,113
Construction in progress-infrastructure	1,867,152	-	1,867,152	-
Construction in progress	296,634	-	296,634	-
Total capital assets not being depreciated	3,799,899	-	2,163,786	1,636,113
Capital assets being depreciated				
Buildings	14,059,521	-	-	14,059,521
Improvements other than buildings	372,622	247,108	-	619,730
Machinery and equipment	7,933,423	1,167,086	51,007	9,049,502
Infrastructure	11,613,800	2,233,458	-	13,847,258
Total capital assets being depreciated	33,979,366	3,647,652	51,007	37,576,011
Total capital assets	37,779,265	3,647,652	2,214,793	39,212,124
Accumulated depreciation:				
Buildings	2,608,604	344,671	-	2,953,275
Improvements other than buildings	134,704	26,600	-	161,304
Machinery and equipment	5,292,539	743,833	43,526	5,992,846
Infrastructure	3,810,558	631,743	-	4,442,301
Total accumulated depreciation	11,846,405	1,746,847	43,526	13,549,726
Governmental activities capital assets, net	$ 25,932,860	$ 1,900,805	$ 2,171,267	$ 25,662,398

Governmental activities depreciation expense:	
General government	$ 95,002
Municipal court	4,035
Public safety	808,004
Public works	638,426
Parks and cemeteries	70,253
Engineering	15,804
Planning and zoning	1,152
Community services	97,780
Fleet management internal service fund	16,391
Total depreciation expense	$ 1,746,847

Note 3 - Detailed Notes on All Funds (Continued)

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

	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 549,410	$ -	$ -	$ 549,410
Construction in progress	1,006,791	2,479,098	1,137,851	2,348,038
Total capital assets not being depreciated	1,556,201	2,479,098	1,137,851	2,897,448
Capital assets being depreciated				
Buildings	2,020,491	94,131	-	2,114,622
Improvements other than buildings	60,354,265	1,395,489	-	61,749,754
Machinery and equipment	9,489,532	319,437	550,145	9,258,824
Total capital assets being depreciated	71,864,288	1,809,057	550,145	73,123,200
Total capital assets	73,420,489	4,288,155	1,687,996	76,020,648
Accumulated depreciation:				
Buildings	859,286	59,775	-	919,061
Improvements other than buildings	22,542,800	1,505,026	-	24,047,826
Machinery and equipment	7,222,564	598,946	501,289	7,320,221
Total accumulated depreciation	30,624,650	2,163,747	501,289	32,287,108
Business-type activities capital assets, net	$ 42,795,839	$ 2,124,408	$ 1,186,707	$ 43,733,540

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

	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011
Component Unit - Downtown Statesboro Development Authority:				
Capital assets being depreciated:				
Buildings	$ 853,559	$ 110,092	$ -	$ 963,651
Improvements other than buildings	12,552	-	-	12,552
Machinery and equipment	9,285	-	-	9,285
Total capital assets being depreciated	875,396	110,092	-	985,488
Accumulated depreciation:				
Buildings	5,335	21,339	-	26,674
Improvements other than buildings	837	837	-	1,674
Machinery and equipment	6,426	540	-	6,966
Total accumulated depreciation	12,598	22,716	-	35,314
Component unit capital assets, net	$ 862,798	$ 87,376	$ -	$ 950,174

Note 3 - Detailed Notes on All Funds (Continued)

3-E. - Interfund Balances and Transfers

Interfund balances at June 30, 2011, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

Receivable Fund	Payable Fund	Amount
General Fund	Community Development Block Grant Fund	$ 25,126
	Multiple Grant Fund	36,562
	Solid Waste Disposal Fund	357,080
	2007 SPLOST Fund	551,153
	Capital Improvement Fund	59,880
	Reclaimed Water Fund	9,794
	Benefits Insurance Fund	4,686
	Fleet Management Fund	198,407
Broadband Wireless Grant Fund	General Fund	9,000
2002 SPLOST Fund	2007 SPLOST Fund	71,178
Water and Sewer Operations Fund	General Fund	1,200,000
	Solid Waste Disposal Fund	437,774
	2002 SPLOST Fund	348,386
Solid Waste Disposal Fund	2007 SPLOST Fund	291,667
		$ 3,600,693

Interfund transfers for the year ended June 30, 2011, consisted of the following:

	Transfers From:				
Transfer to:	General Fund	Broadband Wireless Fund	2002 SPLOST Fund	2007 SPLOST Fund	Water and Sewer Operating Fund
General Fund	$ -	$ -	$ -	$ -	$ 1,424,000
Statesboro Fire Service Fund	1,409,644	-	-	-	-
2002 SPLOST Fund	-	-	-	-	-
Downtown Streetscape Fund	-	-	-	-	-
Capital Improvements Fund	-	111,001	-	-	100,000
Water and Sewer Operating Fund	-	-	226,674	235,298	-
Solid Waste Disposal Fund	-	-	-	1,299,024	-
	$1,409,644	$ 111,001	$226,674	$1,534,322	$ 1,524,000

	Transfers From:			
Transfer to:	Gas Operating Fund	Solid Waste Collection Fund	Solid Waste Disposal Fund	Total
General Fund	$ 931,690	$ 590,567	$ 185,918	$ 3,132,175
Statesboro Fire Service Fund	-	-	-	1,409,644
2002 SPLOST Fund	-	-	-	-
Downtown Streetscape Fund	-	-	-	-
Capital Improvements Fund	-	-	-	211,001
Water and Sewer Operating Fund	-	-	-	461,972
Solid Waste Disposal Fund	-	-	-	1,299,024
	$ 931,690	$ 590,567	$ 185,918	$ 6,513,816

Note 3 - Detailed Notes on All Funds (Continued)

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

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

3-F. Landfill Closure and Postclosure Care

State and federal laws and regulations required the City to place a final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Effective July 1, 1997, the City stopped accepting waste into its landfill. The remaining accrued landfill postclosure care costs liability at June 30, 2011, was $1,579,273. This amount is based on what it would cost to perform all postclosure care in 2011. Actual costs may be higher due to inflation, unexpected mitigation requirements, changes in technology, or changes in regulations.

3-G. Long-Term Debt

Water and Sewer Refunding and Improvement Revenue Bonds **-** During the fiscal year ended June 302010, the City issued revenue bonds of $15,040,000. The City issued the Series 2010 Water and Sewer Refunding and Improvement Revenue Bonds to advance refund Water and Sewer Revenue Refunding Bonds, Series 1995, with an outstanding balance of $215,000, and ten Georgia Environmental Facilities Authority (GEFA) notes with an outstanding balance of $6,132,934. Additionally, a portion of the net proceeds was deposited into the Water and Sewer System Fund Construction Account. The amount of outstanding bonds at June 30, 2010 was $14,565,000.

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

Annual debt service requirements to amortize all obligations outstanding, as of June 30, 2011 follow:

Year	Principal	Interest	Total
2012	$ 450,000	$ 596,021	$ 1,046,021
2013	465,000	579,021	1,044,021
2014	475,000	569,721	1,044,721
2015	480,000	560,221	1,040,221
2016	500,000	541,021	1,041,021
2017-2021	2,790,000	2,417,455	5,207,455
2022-2026	3,480,000	1,729,155	5,209,155
2027-2031	4,275,000	917,880	5,192,880
2032-2033	1,650,000	101,915	1,751,915
Total	$ 14,565,000	$ 8,012,410	$ 22,577,410

Note 3 - Detailed Notes on All Funds (Continued)

Notes Payable **–** The City has entered into a number of notes with the Georgia Environmental Facilities Authority (GEFA), and One Georgia Authority with balances at June 30, 2011, as follows:

One Georgia Authority, payable in quarterly installments of $8,334 including interest at 3% through April 1, 2022	$ 311,396
GEFA (2006 L25WJA), payable in monthly installments of $10,381 including interest at 4.28% through April 1, 2028	1,492,623
GEFA (2006-L25WJB), $650,000 loan, $621,295 drawn at June 30, 2011, payable in 240 monthly installments including interest at 4.28% after completion of related project	621,296
GEFA (2007-L31WJ), payable in monthly installments of $3,247 including interest at 4.10% through March 1, 2009	479,371
GEFA (2008-L05WJ), payable in monthly installments of $6,705 including interest at 4.10% through July 1, 2029	1,026,226
	$3,930,912

Component Unit - Downtown Statesboro Development Authority

Note payable to BB&T, payable in monthly installments of $5,000 including interest at a variable rate (5% at June 30, 2011), with a final payment of principal and interest due April 10, 2015	$ 724,646

Annual debt service requirements to amortize all notes payable outstanding, as of June 30, 2011 follow:

	Primary Government			Component Unit		
Year	Principal	Interest	Total	Principal	Interest	Total
2012	$ 160,500	$ 150,816	$ 311,316	$ 24,353	$ 35,647	$ 60,000
2013	179,633	155,966	335,599	25,599	34,401	60,000
2014	187,056	148,543	335,599	26,908	33,092	60,000
2015	194,823	140,776	335,599	647,786	26,528	674,314
2016	202,889	132,711	335,600	-	-	-
2017-2021	1,148,446	529,463	1,677,909	-	-	-
2022-2026	1,267,363	278,913	1,546,276	-	-	-
2027-2031	590,202	34,206	624,408	-	-	-
Total	$ 3,930,912	$ 1,571,394	$ 5,502,306	$ 724,646	$ 129,668	$ 854,314

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

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

Note 3 - Detailed Notes on All Funds (Continued)

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

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

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

The lease requires annual payments as follows:

Year	Principal	Interest	Total
2012	$ 62,000	$ 37,485	$ 99,485
2013	65,500	34,808	100,308
2014	69,500	31,972	101,472
2015	73,500	28,970	102,470
2016	78,000	25,788	103,788
2017-2021	465,000	74,173	539,173
2022	110,000	2,310	112,310
Total	$ 923,500	$ 235,506	$ 1,159,006

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

	Cost
2007 Tymco Street Sweeper	$ 92,846
Motorola Communication Equipment	249,404
Police Office Furnishings	316,742
2008 Chevrolet Silverado	21,108
2008 F150 Truck	15,412
2009 F150 Truck	22,297
(2) 2008 East Tandem Trucks	129,590
2008 F250 Truck	18,036
2008 Peterbilt 320 Garbage Truck	202,834
Pierce Custom Contender Fire Engine	334,111
	$1,402,380

The leases require annual payments without interest as follows:

Year	Principal
2012	$ 282,644
2013	217,128
2014	148,677
2015	66,822
Total	$ 715,271

Note 3 – Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2011:

Primary Government Governmental Activities	Outstanding 7/1/2010	Additions	Reductions	Outstanding 6/30/2011	Amounts Due in One Year
Capital lease - City Hall	$ 982,000	$ -	$ 58,500	$ 923,500	$ 62,000
Capital lease - GMA	782,662	-	272,913	509,749	202,469
Other post employment benefits	124,209	298,866	-	423,075	-
Compensated absences	493,440	12,482	14,393	491,529	98,306
Total Governmental Activities	$ 2,382,311	$ 311,348	$ 345,806	$ 2,347,853	$ 362,775
Business-Type Activities					
Water and sewer revenue bonds	$ 15,040,000	$ -	$ 475,000	$ 14,565,000	$ 450,000
Unamortized bond premium	286,084	-	12,575	273,509	-
	15,326,084	-	487,575	14,838,509	450,000
Notes payable - water fund	3,414,117	319,794	114,395	3,619,516	136,233
Notes payable - gas fund	334,949	-	23,553	311,396	24,267
Capital lease - GMA	285,697	-	80,175	205,522	80,175
Landfill closure and post-closure care	1,697,688	-	118,415	1,579,273	119,058
Other post employment benefits	50,894	124,452	-	175,346	-
Compensated absences	173,914	13,082	-	186,996	37,399
Total Business-Type Activities	$ 21,283,343	$ 457,328	$ 824,113	$ 20,916,558	$ 847,132
Component Unit					
Downtown Statesboro Development Authority					
Note payable	$ 747,288	$ -	$ 22,642	$ 724,646	$ 24,353

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

3-H. Pensions

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Annual Pension Cost and Net Pension Obligation **-** For 2011, the City's annual pension cost of $696,039 for the plan was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% per year for inflation, (c) additional projected salary increases of 3.5% per year attributed to seniority/merit, and (d) no post-retirement benefit increase. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is thirty years from 1982 and current changes in the unfunded actuarial accrued liability over fifteen years for actuarial gains and losses, twenty years for plan provisions and thirty years for actuarial assumptions and cost methods at a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(Funding Excess) (2)-(1)	(5) Annual Covered Payroll	(6) Unfunded AAL/(Funding Excess) as a Percentage of Covered Payroll
3/1/2009	$ 11,035,486	$ 14,895,270	74.1%	$ 3,859,784	$ 10,180,533	37.9%
1/1/2010	14,933,885	14,298,326	104.4%	(635,559)	11,335,059	-5.6%
1/1/2011	16,365,217	14,726,435	111.1%	(1,638,782)	8,627,610	-19.0%

Schedule of Employer Contributions

Year Ended June 30	Annual Pension Cost	Percentage Contributed
2009	1,197,070	100%
2010	914,465	100%
2011	696,039	100%

3-I. Defined Contribution Plan

The City sponsors a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code for the Municipal Court Judge. The plan is administered by the Georgia Municipal Association. The City Council is responsible and has authority to amend the plan provisions. The City contributes 4 percent of salary to the plan. The employees are not required to contribute to the plan. The City did not make any contributions to the plan during the year ended June 30, 2011.

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Fund Equity

As of June 30, 2011, governmental fund balances are composed of the following:

	General Fund	Statesboro Fire Service	2007 SPLOST	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	$ 214,608	$ 17,370	$ -	$ -	$ 231,978
Restricted:					
Capital projects	-	-	5,641,348	-	5,641,348
Fire protection	-	467,069	-	-	467,069
Police	-	-	-	159,401	159,401
Community development	-	-	-	221,784	221,784
Unassigned	(33,145)	-	-	(64,478)	(97,623)
Total fund balances	$ 181,463	$ 484,439	$ 5,641,348	$ 316,707	$ 6,623,957

Net assets on the government-wide statement of net assets as of June 30, 2011 are as follows:

Investments in capital assets, net of related debt:	Governmental Activities	Business Type Activities	Component Unit
Cost of capital assets	$ 39,212,124	$ 76,020,648	$ 985,488
Less accumulated depreciation	13,549,726	32,287,108	35,314
Book value	25,662,398	43,733,540	950,174
Less capital related debt	1,433,249	18,974,943	724,646
Plus unspent bond proceeds	-	6,431,967	-
Investments in capital assets, net of related debt	$ 24,229,149	$ 31,190,564	$ 225,528

Note 4 – Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the city carries commercial insurance.

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

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

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

Note 4 – Other Notes (Continued)

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

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

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

A third party administrator pays all claims from funds provided to them from the self-insurance fund's bank account. The City carries specific reinsurance for claims from one individual within one year exceeding $60,000. The claims liability of

$425,728 reported at June 30, 2011 represents known claims incurred on or prior to June 30, 2011 and an estimate for claims that have been incurred but not reported. Changes in the fund's claims liability for the year ended June 30, 2011 were as follows:

Date	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2009	511,000	3,503,065	3,614,065	400,000
2010	400,000	3,729,990	3,594,990	535,000
2011	535,000	3,784,284	3,893,556	425,728

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

4-B. Contingent Liabilities

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

The City was a defendant in several lawsuits at June 30, 2011. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the nine county coastal Georgia area, is a member of the Coastal Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2011, the City paid $28,422 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-33, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Georgia Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

Note 4 – Other Notes (Continued)

4-D. Hotel-Motel Lodging Tax

The City has levied a 5% lodging tax. A summary of the transactions for the year ended June 30, 2011 follows:

		Percentage of tax receipts
Lodging tax receipts	$ 473,055	
Disbursements to the:		
Statesboro Convention and Visitors Bureau for promotion of tourism	(189,222)	40.0%
Statesboro Arts Council for performing arts center	(165,569)	35.0%
Downtown Statesboro Development Authority for promotion of tourism	(118,264)	25.0%
Total	$ -	

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

4-E. Other Post-Employment Benefits

Plan Description. The City sponsors a single-employer post-retirement medical plan. The plan provides medical, prescription and death benefits to eligible retirees and their spouses. At June 30, 2011, six retired employees were eligible to participate. Since the plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

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

For the year ended June 30, 2011, the City made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to $131,621 for 2011. These costs are recognized as an expense when claims or premiums are paid.

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

Note 4 – Other Notes (Continued)

Annual Required Contribution	$ 553,773
Interest on Net OPEB Obligation	7,004
Adjustment to Annual Required Contribution	(5,837)
Annual OPEB Cost (Expense)	554,940
Contributions Made	(131,621)
Increase in Net Obligation	423,319
Net OPEB Obligation (BOY)	175,103
Net OPEB Obligation (BOY)	$ 598,422

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009-2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$ 110,899	21%	$ 87,551
6/30/2010	110,900	21%	175,103
6/30/2011	554,940	24%	598,422

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

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

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

In the July 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 7% initially, reduced by decrements to an ultimate rate of 5% after ten years. The actuarial value of assets was determined using a standard balanced portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at July 1, 2010 was 30 years.

4-F. Subsequent Events

Management has evaluated subsequent events through December 29, 2011, the date that the financial statements were available for issue. No subsequent events were noted.



Nonmajor Governmental Funds-By Fund Type

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 235,274	$ -	$ 235,274
Receivables:			
Hotel/motel taxes	43,838	-	43,838
Intergovernmental	46,562	277,208	323,770
Notes	235,773	-	235,773
Interfund	9,000	71,178	80,178
Total Assets	$ 570,447	$ 348,386	$ 918,833
Liabilities and Fund Balance			
Liabilities			
Accounts payable	$ 39,951	$ 4,598	$ 44,549
Interfund payable	61,688	408,266	469,954
Other	87,623	-	87,623
Total Liabilities	189,262	412,864	602,126
Fund Balances			
Restricted	381,185	(64,478)	316,707
Total Liabilities and Fund Balances	$ 570,447	$ 348,386	$ 918,833

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Hotel/motel taxes	$ 473,055	$ -	$ 473,055
Intergovernmental	508,571	355,537	864,108
Fines and forfeitures	131,704	-	131,704
Miscellaneous	19,252	36,516	55,768
Total Revenues	1,132,582	392,053	1,524,635
Expenditures			
Current:			
General government	158,776	-	158,776
Public safety	404,524	-	404,524
Community development	473,055	-	473,055
Capital Outlay:			
Public works	-	221,053	221,053
Parks and cemeteries	-	5,049	5,049
Recreation	-	250,000	250,000
Engineering	-	17,333	17,333
Total Expenditures	1,036,355	493,435	1,529,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,227	(101,382)	(5,155)
Other Financing Sources (Uses)			
Transfers in	-	211,001	211,001
Transfers out	(111,001)	(226,674)	(337,675)
Total Other Financing Sources (Uses)	(111,001)	(15,673)	(126,674)
Net Change in Fund Balances	(14,774)	(117,055)	(131,829)
Fund Balances Beginning of Year	395,959	52,577	448,536
Fund Balances End of Year	$ 381,185	$ (64,478)	$ 316,707



General Fund

City of Statesboro, Georgia
General Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 14,531	$ 254,765
Receivables:		
Taxes	403,297	458,550
Accounts	65,542	59,154
Intergovernmental	18,201	20,611
Interfund	1,242,689	1,041,532
Prepaid items	214,608	197,547
Total Assets	$ 1,958,868	$ 2,032,159
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 187,116	$ 398,388
Accrued payroll and payroll taxes	110,540	256,357
Other liabilities	89,911	77,374
Interfund payable	1,209,000	938,621
Deferred revenue	180,838	262,310
Total Liabilities	1,777,405	1,933,050
Fund Balances		
Nonspendable	214,608	197,547
Unassigned	(33,145)	(98,438)
Total Fund Balances	181,463	99,109
Total Liabilities and Fund Balances	$ 1,958,868	$ 2,032,159

City of Statesboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Taxes:		
Property	$ 3,695,637	$ 3,704,711
Automobiles	186,679	181,813
Franchise	1,815,932	1,688,915
Insurance premium	1,221,874	1,258,448
Alcoholic beverage	647,353	675,794
Other	125,888	75,431
Licenses and permits	926,979	865,829
Charges for services	218,362	205,961
Fines and forfeitures	1,344,271	1,439,339
Investment earnings	6,022	-
Miscellaneous	80,980	44,920
Total Revenues	10,269,977	10,141,161
Expenditures		
Current:		
General government		
Governing body	221,793	325,330
City manager's office	325,555	325,790
City clerk's office	222,325	426,368
Elections	70	13,620
Financial administration	580,997	592,849
Legal	151,657	23,345
Information technology	385,148	257,181
Human resources	169,582	101,528
Government buildings	146,286	105,511
Records management	-	4,030
General administration fees	34,650	26,534
Total general government	2,238,063	2,202,086
Municipal court	555,219	588,804
Public safety:		
Police	5,246,725	5,393,510
Emergency management	5,000	5,000
Animal control	64,000	-
Total public safety	5,315,725	5,398,510

(continued)

General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

(continued)

	2011	2010
Streets/public works	$ 1,849,010	$ 1,852,879
Parks and cemeteries	376,518	430,178
Engineering	557,869	797,572
Planning and zoning	465,345	319,139
Community services:		
Arts Center	135,867	147,008
Other	35,837	38,617
Total community services	171,704	185,625
Community development	81,075	94,155
Debt Service:		
Principal retirement	264,591	304,313
Interest and fiscal charges	42,893	34,202
Total Debt Service	307,484	338,515
Total Expenditures	11,918,012	12,207,463
Deficiency of Revenues Under Expenditures	(1,648,035)	(2,066,302)
Other Financing Sources (Uses)		
Transfers in	3,132,175	2,752,000
Transfers out	(1,409,644)	(1,713,028)
Sale of capital assets	7,858	4,641
Total Other Financing Sources (Uses)	1,730,389	1,043,613
Net Change in Fund Balances	82,354	(1,022,689)
Fund Balances Beginning of Year	99,109	1,121,798
Fund Balances End of Year	$ 181,463	$ 99,109



Major Capital Projects Fund

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 5,513,208	$ 2,970,246
Intergovernmental receivable	1,255,012	727,998
Interfund receivable	-	334,111
Total Assets	$ 6,768,220	$ 4,032,355
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 212,874	$ 117,421
Interfund payable	913,998	593,486
Total Liabilities	1,126,872	710,907
Fund Balances		
Restricted	5,641,348	3,321,448
Total Liabilities and Fund Balances	$ 6,768,220	$ 4,032,355

City of Statesboro, Georgia
2007 SPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental - Sales taxes	$ 4,995,146	$ 4,640,609
Investment earnings	8,041	2,378
Total Revenues	5,003,187	4,642,987
Expenditures		
Capital outlay:		
Parks and cemetery	8,589	142,577
Public safety	745,321	346,467
Public works	328,233	7,296
Debt Service-Principal	66,822	-
Total Expenditures	1,148,965	496,340
Excess of Revenues Over Expenditures	3,854,222	4,146,647
Other Financing Sources (Uses)		
Inception of capital lease obligation	-	334,111
Transfers out	(1,534,322)	(1,276,511)
Total Other Financing Sources (Uses)	(1,534,322)	(942,400)
Net Change in Fund Balances	2,319,900	3,204,247
Fund Balances Beginning of Year	3,321,448	117,201
Fund Balances End of Year	$ 5,641,348	$ 3,321,448



Nonmajor Capital Projects Fund

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	2002 SPLOST	Capital Improvements Program Fund	Total Nonmajor Capital Projects Funds
Assets			
Receivables:			
Intergovernmental	$ 277,208	$ -	$ 277,208
Interfund	71,178	-	71,178
Total Assets	$ 348,386	$ -	$ 348,386
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ 4,598	$ 4,598
Interfund payable	348,386	59,880	408,266
Total Liabilities	348,386	64,478	412,864
Fund Balances			
Unassigned	-	(64,478)	(64,478)
Total Liabilities and Fund Balances	$ 348,386	$ -	$ 348,386

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2011

	2002 SPLOST	Capital Improvements Program Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	$ 325,707	$ 29,830	$ 355,537
Miscellaneous	36,516	-	36,516
Total Revenues	362,223	29,830	392,053
Expenditures			
Current:			
Engineering	-	17,333	17,333
Parks and cemeteries	-	5,049	5,049
Public works	135,549	85,504	221,053
Recreation	-	250,000	250,000
Total Expenditures	135,549	357,886	493,435
Excess (Deficiency) of Revenues Over (Under) Expenditures	226,674	(328,056)	(101,382)
Other Financing Sources (Uses)			
Transfers in	-	211,001	211,001
Transfers out	(226,674)	-	(226,674)
Total Other Financing Sources (Uses)	(226,674)	211,001	(15,673)
Net Change in Fund Balances	-	(117,055)	(117,055)
Fund Balances Beginning of Year	-	52,577	52,577
Fund Balances End of Year	$ -	$ (64,478)	$ (64,478)

City of Statesboro, Georgia
2002 SPLOST Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ -	$ 53,747
Intergovernmental receivable	277,208	452,932
Interfund receivable	71,178	1,588
Total Assets	348,386	508,267
Liabilities		
Accounts payable	$ -	$ 25,709
Interfund payable	348,386	482,558
Total Liabilities	$ 348,386	$ 508,267

City of Statesboro, Georgia
2002 SPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental - Sales taxes	$ 325,707	$ 625,567
Miscellaneous	36,516	65,957
Total Revenues	362,223	691,524
Expenditures		
Capital outlay		
Public works	135,549	12,001
Excess of Revenues Over Expenditures	226,674	679,523
Other Financing Sources (Uses)		
Transfers in	-	89,492
Transfers out	(226,674)	(769,015)
Total Other Financing Sources (Uses)	(226,674)	(679,523)
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ -	$ 54,918
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 4,598	$ 2,341
Interfund payable	59,880	-
Total Liabilities	64,478	2,341
Fund Balances		
Unassigned	(64,478)	52,577
Total Liabilities and Fund Balances	$ -	$ 54,918

City of Statesboro, Georgia
Capital Improvements Program Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 29,830	$ 5,479
Investment earnings	-	349
Miscellaneous	-	348
Total Revenues	29,830	6,176
Expenditures		
Capital Outlay		
General government	-	9,000
Public works	85,504	23,795
Recreation	250,000	-
Parks and cemeteries	5,049	-
Engineering	17,333	10,465
Total Expenditures	357,886	43,260
Deficiency of Revenues Under Expenditures	(328,056)	(37,084)
Other Financing Sources (Uses)		
Transfers in	211,001	91,000
Net Change in Fund Balances	(117,055)	53,916
Fund Balances Beginning of Year	52,577	(1,339)
Fund Balances End of Year	$ (64,478)	$ 52,577



Major Special Revenue Funds

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 506,154	$ 819,036
Intergovernmental receivable	20,992	39,812
Prepaid items	17,370	17,613
Total Assets	$ 544,516	$ 876,461
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 22,972	$ 24,111
Deferred revenue	20,246	14,496
Accrued payroll	16,859	8,984
Interfund payable	-	403,446
Total Liabilities	60,077	451,037
Fund Balances		
Nonspendable	17,370	17,613
Restricted	467,069	407,811
Total Fund Balances	484,439	425,424
Total Liabilities and Fund Balances	$ 544,516	$ 876,461

City of Statesboro, Georgia
Statesboro Fire Service Fund
Comparitive Statement of Revenues,
Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2011 and 2010

	2011	2010
Revenues		
Charges for services	$ 890,590	$ 882,129
Intergovernmental	-	256,000
Investment earnings	-	896
Miscellaneous	81	2,151
Total Revenues	890,671	1,141,176
Expenditures		
Current:		
Fire	2,241,300	2,652,638
Deficiency of Revenues Under Expenditures	(1,350,629)	(1,511,462)
Other Financing Sources		
Transfers in	1,409,644	1,409,644
Net Change in Fund Balances	59,015	(101,818)
Fund Balances Beginning of Year	425,424	527,242
Fund Balances End of Year	$ 484,439	$ 425,424



Nonmajor Special Revenue Funds

City of Statesboro, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Confiscated Assets	CDBG	Department of Justice Grant	Hotel/Motel Tax	Multiple Grant	Broadband Wireless Grant	Technology Fee Fund	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	$ 141,877	$ 1,137	$ 57,197	$ -	$ -	$ 26,779	$ 8,284	$ 235,274
Receivables:								
Hotel/motel taxes	-	-	-	43,838	-	-	-	43,838
Intergovernmental	-	10,000	-	-	36,562	-	-	46,562
Notes	-	235,773	-	-	-	-	-	235,773
Interfund	-	-	-	-	-	9,000	-	9,000
Total Assets	$ 141,877	$ 246,910	$ 57,197	$ 43,838	$ 36,562	$ 35,779	$ 8,284	$ 570,447
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ -	$ -	$ 572	$ -	$ -	$ 35,779	$ 3,600	$ 39,951
Interfund payable	-	25,126	-	-	36,562	-		61,688
Other	43,785	-	-	43,838	-	-		87,623
Total Liabilities	43,785	25,126	572	43,838	36,562	35,779	3,600	189,262
Fund Balances								
Restricted	98,092	221,784	56,625	-	-	-	4,684	381,185
Total Liabilities and Fund Balances	$ 141,877	$ 246,910	$ 57,197	$ 43,838	$ 36,562	$ 35,779	$ 8,284	$ 570,447

City of Statesboro, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Confiscated Assets	CDBG	Department of Justice Grant	Hotel/Motel Tax	Multiple Grant	Broadband Wireless Grant	Technology Fee Fund	Total Nonmajor Special Revenue Funds
Revenues								
Hotel/motel taxes	$ -	$ -	$ -	$ 473,055	$ -	$ -	$ -	$ 473,055
Intergovernmental	-	-	-	-	186,407	322,164	-	508,571
Fines and forfeitures	6,407	-	62,879	-	-	-	62,418	131,704
Miscellaneous	-	19,252	-	-	-	-	-	19,252
Total Revenues	6,407	19,252	62,879	473,055	186,407	322,164	62,418	1,132,582
Expenditures								
Current:								
General government	-	-	-	-	-	158,776	-	158,776
Public safety	53,117	-	54,879	-	186,407	52,387	57,734	404,524
Community development	-	-	-	473,055	-	-	-	473,055
Total Expenditures	53,117	-	54,879	473,055	186,407	211,163	57,734	1,036,355
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,710)	19,252	8,000	-	-	111,001	4,684	96,227
Other Financing Sources (Uses)								
Transfers out	-	-	-	-	-	(111,001)	-	(111,001)
Net Change in Fund Balances	(46,710)	19,252	8,000	-	-	-	4,684	(14,774)
Fund Balances Beginning of Year	144,802	202,532	48,625	-	-	-	-	395,959
Fund Balances End of Year	$ 98,092	$ 221,784	$ 56,625	$ -	$ -	$ -	$ 4,684	$ 381,185

City of Statesboro, Georgia
Confiscated Assets Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 141,877	$ 196,301
Liabilities and Fund Balances		
Liabilities		
Other liabilities	$ 43,785	$ 51,499
Fund Balances		
Restricted	98,092	144,802
Total Liabilities and Fund Balances	$ 141,877	$ 196,301

City of Statesboro, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011			2010
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Fines and forfeitures	$ 75,000	$ 6,407	$ (68,593)	$ 69,831
Investment earnings	300	-	(300)	433
Total Revenues	75,300	6,407	(68,893)	70,264
Expenditures				
Current:				
Public safety	73,988	53,117	20,871	11,281
Net Change in Fund Balances	$ 1,312	(46,710)	$ (48,022)	58,983
Fund Balances Beginning of Year		144,802		85,819
Fund Balances End of Year		$ 98,092		$ 144,802

City of Statesboro, Georgia
Community Development Block Grant Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,137	$ -
Notes receivable	235,773	204,365
Intergovernmental receivable	10,000	-
Total Assets	$ 246,910	$ 204,365
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 25,126	$ 1,833
Fund Balances		
Restricted	221,784	202,532
Total Liabilities and Fund Balances	$ 246,910	$ 204,365

City of Statesboro, Georgia
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011			2010
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Sale of lots	$ 9,560	$ 19,252	$ 9,692	$ 9,252
Expenditures				
Current:				
Community development	-	-	-	-
Net Change in Fund Balances	$ 9,560	19,252	$ 9,692	9,252
Fund Balances Beginning of Year		202,532		193,280
Fund Balances End of Year		$ 221,784		$ 202,532

City of Statesboro, Georgia
Department of Justice Grant Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 57,197	$ 48,939
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 572	$ 314
Fund Balances		
Restricted	56,625	48,625
Total Liabilities and Fund Balances	$ 57,197	$ 48,939

City of Statesboro, Georgia
Department of Justice Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Intergovernmental	$ -	$ -	$ -	$ -	$ 8,315
Fines and forfeitures	25,000	58,000	62,879	4,879	59,471
Total Revenues	25,000	58,000	62,879	4,879	67,786
Expenditures					
Current:					
Public safety	25,000	61,420	54,879	6,541	23,197
Net Change in Fund Balances	$ -	$ (3,420)	8,000	$ 11,420	44,589
Fund Balances Beginning of Year			48,625		4,036
Fund Balances End of Year			$ 56,625		$ 48,625

City of Statesboro, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Taxes receivable	$ 43,838	$ 38,265
Interfund receivable	-	30,121
Total Assets	$ 43,838	$ 68,386
Liabilities		
Other liabilities	$ 43,838	$ 68,386

City of Statesboro, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011			2010
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Hotel/motel taxes	$ 600,000	$ 473,055	$ (126,945)	$ 439,838
Expenditures				
Current:				
Community development	600,000	473,055	126,945	439,838
Net Change in Fund Balances	$ -	-	$ -	-
Fund Balances Beginning of Year		-		-
Fund Balances End of Year		$ -		$ -

City of Statesboro, Georgia
Multiple Grant Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Intergovernmental receivable	$ 36,562	$ 76,875
Total Assets	$ 36,562	$ 76,875
Liabilities		
Accounts payable	$ -	$ 6,175
Interfund payable	36,562	70,700
Total Liabilities	$ 36,562	$ 76,875

City of Statesboro, Georgia
Multiple Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Intergovernmental	$ 143,340	$ 155,340	$ 186,407	$ 31,067	$ 356,015
Expenditures					
Current:					
Public safety	143,340	155,340	186,407	(31,067)	356,015
Net Change in Fund Balances	$ -	$ -	$ -	$ -	$ -
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of Statesboro, Georgia
Broadband Wireless Grant Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 26,779	$ -
Interfund receivable	9,000	-
Total Assets	$ 35,779	$ -
Liabilities		
Accounts payable	$ 35,779	$ -

City of Statesboro, Georgia
Broadband Wireless Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	$ 323,298	$ 322,164	$ (1,134)
Expenditures			
General government	615,000	158,776	456,224
Public safety	-	52,387	(52,387)
Total Expenditures	615,000	211,163	403,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	(291,702)	111,001	402,703
Other Financing Sources (Uses)			
Inception of capital lease	291,702	-	(291,702)
Transfers out	-	(111,001)	(111,001)
Total Other Financing Sources (Uses)	291,702	(111,001)	(402,703)
Net Change in Fund Balances	$ -	-	$ -
Fund Balances Beginning of Year		-	
Fund Balances End of Year		$ -	

City of Statesboro, Georgia
Technology Fee Fund
Comparative Balance Sheet
June 30, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 8,284	$ -
Total Assets	$ 8,284	$ -
Liabilities		
Accounts payable	$ 3,600	$ -
Fund Balances		
Restricted	4,684	-
Total Liabilities and Fund Balances	$ 8,284	$ -

City of Statesboro, Georgia
Technology Fee Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ -	$ 50,000	$ 62,418	$ 12,418
Expenditures				
Public safety	-	36,000	57,734	(21,734)
Net Change in Fund Balances	$ -	$ 14,000	4,684	$ (9,316)
Fund Balances Beginning of Year			-	
Fund Balances End of Year			$ 4,684	



Major Enterprise Funds

City of Statesboro, Georgia
Water and Sewer Operating Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,086,495	$ 945,774
Receivables:		
Accounts	379,994	374,943
Unbilled accounts	645,976	574,700
Interfund	1,986,159	1,146,358
Materials and supplies inventory	269,353	271,217
Prepaid items	32,368	30,524
Restricted assets - Cash and cash equivalents	445,785	419,513
Total Current Assets	4,846,130	3,763,029
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents	7,812,647	8,945,808
Capital Assets:		
Land	347,981	347,981
Buildings	641,859	641,859
Improvements other than buildings	56,768,337	55,343,426
Machinery and equipment	4,296,295	4,223,809
Less accumulated depreciation	(25,806,039)	(24,159,472)
Construction in progress	1,463,538	723,641
Total Capital Assets	37,711,971	37,121,244
Other Assets:		
Unamortized debt issuance costs	187,155	195,759
Total Noncurrent Assets	45,711,773	46,262,811
Total Assets	50,557,903	50,025,840
Liabilities		
Current Liabilities:		
Accounts payable	211,548	191,660
Accrued payroll	16,181	7,634
Accrued interest payable	184,295	118,042
Current portion of notes payable	136,233	119,455
Current portion of revenue bonds payable	450,000	475,000
Customer deposits	445,785	419,513
Compensated absences payable	24,770	23,413
Interfund payable	-	103,160
Total Current Liabilities	1,468,812	1,457,877
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	99,080	93,651
Other post employment benefits payable	115,107	30,719
Notes payable (net of current portion)	3,483,283	3,294,662
Revenue bonds payable, net of unamortized premium (net of current portion)	14,388,509	14,851,084
Total Long-Term Liabilites	18,085,979	18,270,116
Total Liabilities	19,554,791	19,727,993
Net Assets		
Invested in capital assets, net of related debt	25,685,913	26,056,287
Restricted for revenue bond retirement	790,672	1,046,098
Restricted for renewal and extension	-	200,000
Unrestricted	4,526,527	2,995,462
Total Net Assets	$ 31,003,112	$ 30,297,847

City of Statesboro, Georgia
Water and Sewer Opearating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For The Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Water sales	$ 4,001,310	$ 3,587,730
Sewer charges	3,599,440	3,312,429
Penalties	122,745	119,252
Reconnecting charges	141,869	172,995
Service fees	238,958	228,395
Tap fees	746,693	464,180
Rental income	160,402	160,402
Miscellaneous	140,984	197,419
Total Operating Revenues	9,152,401	8,242,802
Operating Expenses		
Salaries	2,062,150	1,857,376
Employee benefits	1,027,025	893,994
Purchased services:		
Training	4,434	6,963
Dues and certification	4,272	4,182
Repairs and maintenance	236,186	297,526
Inspections	44,910	43,151
Contracted services	41,832	26,705
Laboratory services	14,929	13,336
Electricity	723,757	663,593
Telephone	16,758	14,774
Insurance	46,010	68,960
Equipment rental	11,049	4,698
Engineering fees	229,292	49,467
Legal fees	-	4,413
Tippage fees	162,521	185,060
Travel	25,847	23,171
Advertising	6,002	1,578
Postage	65,555	5,204
Materials and supplies:		
Uniforms	20,232	15,601
Materials and supplies	216,716	226,395
Chemicals	73,959	78,046
Gasoline, oil, etc.	84,633	57,843
Small equipment	38,117	26,779
Depreciation	1,647,362	1,661,790
Bad debts	57,479	46,389
Other	45,971	5,656
Total Operating Expenses	6,906,998	6,282,650
Operating Income	2,245,403	1,960,152
Non-Operating Revenues (Expenses)		
Investment earnings	4,414	2,337
Interest expense	(743,328)	(510,876)
Amortization	(8,604)	(38,928)
Gain on sale of capital assets	-	4,708
Total Non-Operating Revenues (Expenses)	(747,518)	(542,759)
Income Before Capital Contributions and Transfers	1,497,885	1,417,393
Capital contributions	269,408	204,703
Transfers in	461,972	286,457
Transfers out	(1,524,000)	(1,215,000)
Change in Net Assets	705,265	693,553
Net Assets Beginning of Year	30,297,847	29,604,294
Net Assets End of Year	$ 31,003,112	$ 30,297,847

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ -	$ 300,532
Receivables:		
Accounts	1,944	-
Interfund	-	72,715
Total Current Assets	1,944	373,247
Noncurrent Assets		
Capital Assets:		
Construction in progress	836,680	208,063
Total Assets	838,624	581,310
Liabilities		
Current Liabilities:		
Accounts payable	42,077	80,560
Interfund payable	9,794	-
Total Current Liabilities	51,871	80,560
Net Assets		
Invested in capital assets, net of related debt	836,680	208,063
Unrestricted	(49,927)	292,687
Total Net Assets	$ 786,753	$ 500,750

City of Statesboro, Georgia
Reclaimed Water System Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For The Year Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 1,944	$ -
Operating Expenses		
Electricity	311	-
Chemicals	616	-
Total Operating Expenses	927	-
Operating Income	1,017	-
Non-Operating Revenues (Expenses)		
Investment earnings	-	750
Income Before Capital Contributions and Transfers	1,017	750
Capital contributions	284,986	500,000
Transfers out	-	(89,492)
Change in Net Assets	286,003	411,258
Net Assets Beginning of Year	500,750	89,492
Net Assets End of Year	$ 786,753	$ 500,750

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 595,759	$ 375,719
Receivables:		
Accounts	113,337	125,482
Unbilled accounts	213,286	236,699
Interfund	-	29,714
Inventory	71,016	74,427
Prepaid items	17,369	19,812
Restricted assets - Cash and cash equivalents	88,574	83,069
Total Current Assets	1,099,341	944,922
Capital Assets:		
Land	78,004	78,004
Buildings	154,535	154,535
Improvements other than buildings	4,552,919	4,552,919
Machinery and equipment	510,555	510,555
Less accumulated depreciation	(2,622,021)	(2,498,028)
Construction in progress	47,820	9,896
Total Capital Assets	2,721,812	2,807,881
Total Assets	3,821,153	3,752,803
Liabilities		
Current Liabilities:		
Accounts payable	174,625	187,514
Accrued payroll	2,826	1,471
Accrued interest payable	2,309	2,484
Compensated absences payable	4,558	4,256
Sales tax payable	17,711	29,040
Customer deposits	88,574	83,069
Notes payable	24,267	23,554
Capital lease payable	6,690	6,690
Interfund payable	-	9,602
Total Current Liabilities	321,560	347,680
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	18,232	17,023
Other post employment benefits payable	20,265	5,770
Notes payable (net of current portion)	287,129	311,395
Capital lease payable (net of current portion)	13,378	20,068
Total Long-Term Liabilities	339,004	354,256
Total Liabilities	660,564	701,936
Net Assets		
Invested in capital assets, net of related debt	2,390,348	2,446,174
Unrestricted	770,241	604,693
Total Net Assets	$ 3,160,589	$ 3,050,867

City of Statesboro, Georgia
Gas Operating Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Charges for services	$ 5,108,354	$ 5,192,392
Penalties	57,246	54,254
Tap fees	400	1,550
Transport fees	36,402	26,624
Service fees	1,855	1,450
Miscellaneous	2,796	2,854
Total Operating Revenues	5,207,053	5,279,124
Operating Expenses		
Salaries	325,872	351,675
Employee benefits	156,962	139,788
Purchased Services:		
Training	585	680
Dues and certification	1,723	2,053
Repairs and maintenance	67,141	59,030
Contracted services	78,993	65,595
Electricity	11,372	7,298
Telephone	9,055	6,003
Insurance	13,606	17,326
Equipment rental	7,334	6,713
Engineering fees	16,771	4,800
Water heater program	20,262	16,416
Travel	9,353	9,330
Advertising	2,171	841
Postage	101	140
Materials and supplies:		
Uniforms	4,714	2,937
Materials and supplies	35,598	29,304
Chemicals	10,676	1,301
Gasoline, oil, etc.	22,058	16,231
Small equipment	3,263	1,598
Cost of sales	3,198,765	3,377,219
Depreciation	123,993	123,515
Bad debts	22,590	11,000
Other	13,074	13,100
Total Operating Expenses	4,156,032	4,263,893
Operating Income	1,051,021	1,015,231
Non-Operating Revenues (Expenses)		
Investment earnings	-	375
Intergovernmental	-	18,556
Interest expense	(9,609)	(10,700)
Total Non-Operating Revenues (Expenses)	(9,609)	8,231
Income Before Transfers	1,041,412	1,023,462
Transfers out	(931,690)	(925,000)
Change in Net Assets	109,722	98,462
Net Assets Beginning of Year	3,050,867	2,952,405
Net Assets End of Year	$ 3,160,589	$ 3,050,867

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 452,696	$ 218,407
Receivables:		
Accounts	126,617	118,222
Unbilled accounts	221,299	214,444
Interfund	-	32,126
Prepaid items	2,167	2,421
Total Current Assets	802,779	585,620
Noncurrent Assets:		
Capital Assets:		
Buildings	74,602	74,602
Machinery and equipment	2,622,341	2,783,201
Less accumulated depreciation	(1,953,318)	(1,980,442)
Total Capital Assets	743,625	877,361
Total Assets	1,546,404	1,462,981
Liabilities		
Current Liabilities		
Accounts payable	83,705	99,292
Accrued payroll	3,682	1,679
Compensated absences payable	4,343	3,950
Capital lease payable	47,567	47,567
Interfund payable	-	73,284
Total Current Liabilities	139,297	225,772
Long-Term Liabilities:		
Compensated absences payable (net of current portion)	17,371	15,798
Other post employment benefits payable	23,958	9,756
Capital lease payable (net of current portion)	60,133	107,700
Total Long-Term Liabilities	101,462	133,254
Total Liabilities	240,759	359,026
Net Assets		
Invested in capital assets	635,925	722,094
Unrestricted	669,720	381,861
Total Net Assets	$ 1,305,645	$ 1,103,955

City of Statesboro, Georgia
Solid Waste Collection Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Sanitation charges	$ 2,657,923	$ 2,562,424
Penalties	43,842	42,777
Total Operating Revenues	2,701,765	2,605,201
Operating Expenses		
Salaries	478,998	501,342
Employee benefits	260,997	348,204
Purchases services:		
Training	750	360
Dues and certification	199	189
Repairs and maintenance	227,019	260,904
Contracted services	7,875	-
Telephone	787	1,153
Insurance	5,698	27,004
Tippage fees	642,229	622,137
Advertising	2,444	139
Travel	-	727
Materials and supplies:		
Uniforms	7,991	8,031
Materials and supplies	3,351	2,550
Gasoline, oil, etc.	113,093	86,483
Chemicals	1,164	1,588
Depreciation	170,614	181,756
Bad debts	13,598	10,605
Other	587	595
Total Operating Expenses	1,937,394	2,053,767
Operating Income	764,371	551,434
Non-Operating Revenues (Expenses)		
Investment earnings	-	353
Gain on sale of capital assets	27,886	-
Total Non-Operating Revenues (Expenses)	27,886	353
Income Before Transfers	792,257	551,787
Transfers out	(590,567)	(543,000)
Change in Net Assets	201,690	8,787
Net Assets Beginning of Year	1,103,955	1,095,168
Net Assets End of Year	$ 1,305,645	$ 1,103,955

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 250	$ 250
Receivables:		
Accounts	35,737	12,241
Unbilled accounts	150,167	180,429
Interfund	291,667	194,444
Prepaid items	9,981	10,426
Total Current Assets	487,802	397,790
Noncurrent Assets:		
Capital Assets:		
Land	123,425	123,425
Buildings	1,243,626	1,149,495
Improvements other than buildings	202,801	202,801
Infrastructure	225,697	225,697
Machinery and equipment	1,829,633	2,001,387
Less accumulated depreciation	(1,905,730)	(1,986,706)
Construction in progress	-	65,191
Total Capital Assets	1,719,452	1,781,290
Total Assets	2,207,254	2,179,080
Liabilities		
Current Liabilities:		
Accounts payable	45,731	70,766
Accrued payroll	2,255	1,127
Compensated absences payable	3,728	3,165
Capital lease payable	25,918	25,918
Interfund payable	794,854	775,027
Landfill postclosure care costs	119,058	124,892
Total Current Liabilities	991,544	1,000,895
Long-Term Liabilities:		
Compensated absences payable	14,914	12,658
Other post employment benefits payable	16,016	4,649
Landfill postclosure care costs (net of current portion)	1,460,215	1,572,796
Capital lease payable (net of current portion)	51,836	77,754
Total Long-Term Liabilities	1,542,981	1,667,857
Total Liabilities	2,534,525	2,668,752
Net Assets		
Invested in capital assets	1,641,698	1,677,618
Unrestricted	(1,968,969)	(2,167,290)
Total Net Assets	$ (327,271)	$ (489,672)

City of Statesboro, Georgia
Solid Waste Disposal Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Tippage fees	$ 1,749,991	$ 1,958,316
Penalties	32,851	11,410
Miscellaneous	42,699	47,988
Total Operating Revenues	1,825,541	2,017,714
Operating Expenses		
Salaries	280,275	276,964
Employee benefits	144,732	166,503
Purchased services:		
Training	1,275	360
Dues and certification	718	687
Repairs and maintenance	129,270	167,308
Contracted services	60,236	53,264
Electricity	12,888	16,078
Telephone	2,759	2,485
Insurance	12,422	10,764
Equipment rental	1,023	439
Transportation and disposal	567,104	624,253
Air rights	1,053,326	1,231,017
Advertising	121	-
Special projects/programs	85,000	85,000
Waste reduction	40,144	45,387
Enforcement and monitoring	122,000	122,000
Travel	282	2,064
Materials and supplies:		
Uniforms	3,470	3,620
Materials and supplies	7,784	8,239
Gasoline, oil, etc.	34,339	27,949
Chemicals	1,324	612
Depreciation	221,779	235,791
Miscellaneous	2,214	286
Total Operating Expenses	2,784,485	3,081,070
Operating (Loss)	(958,944)	(1,063,356)
Non-Operating Revenues		
Investment earnings	-	338
Gain on sale of capital assets	8,239	-
Total Non-Operating Revenues	8,239	338
(Loss) before Transfers	(950,705)	(1,063,018)
Transfers in	1,299,024	1,276,511
Transfers out	(185,918)	(160,000)
Change in Net Assets	162,401	53,493
Net Assets Beginning of Year	(489,672)	(543,165)
Net Assets End of Year	$ (327,271)	$ (489,672)



Internal Service Funds

City of Statesboro, Georgia
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

	Benefits Insurance	Fleet Management	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 399,537	$ -	$ 399,537
Accounts receivable	31,894	-	31,894
Inventory	-	128,856	128,856
Prepaid items	106,412	1,350	107,762
Total Current Assets	537,843	130,206	668,049
Noncurrent Assets:			
Capital Assets:			
Depreciable capital assets, net	-	157,835	157,835
Total Assets	537,843	288,041	825,884
Liabilities			
Current Liabilities:			
Accounts payable	15,905	56,232	72,137
Accrued payroll	-	1,854	1,854
Claims payable	425,728	-	425,728
Compensated absences payable	-	3,114	3,114
Interfund payable	4,686	198,407	203,093
Total Current Liabilities	446,319	259,607	705,926
Long-Term Liabilities			
Compensated absences payable (net of current portion)	-	12,456	12,456
Other post employment benefits payable	-	14,651	14,651
Total Long-Term Liabilities	-	27,107	27,107
Total Liabilites	446,319	286,714	733,033
Net Assets			
Invested in capital assets	-	157,835	157,835
Unrestricted	91,524	(156,508)	(64,984)
Total Net Assets	$ 91,524	$ 1,327	$ 92,851

City of Statesboro, Georgia
Combining Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2011

	Benefits Insurance	Fleet Management	Total
Operating Revenues			
Charges for services	$ 3,875,807	$ 677,440	$ 4,553,247
Operating Expenses			
Salaries	-	230,226	230,226
Employee benefits	-	122,894	122,894
Purchased services	-	164,216	164,216
Materials and supplies	-	26,627	26,627
Cost of sales	-	373,318	373,318
Depreciation	-	16,391	16,391
Claims	3,784,283	-	3,784,283
Miscellaneous	-	1,595	1,595
Total Operating Expenses	3,784,283	935,267	4,719,550
Operating Income (Loss)	91,524	(257,827)	(166,303)
Net Assets Beginning of Year	-	259,154	259,154
Net Assets End of Year	$ 91,524	$ 1,327	$ 92,851

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	Benefits Insurance	Fleet Management	Total
Cash Flows from Operating Activities			
Cash received from customers	$ 3,930,289	$ 677,440	$ 4,607,729
Cash payments to employees for services	-	(343,645)	(343,645)
Cash payments for goods and services	-	(539,436)	(539,436)
Cash payments for claims	(3,895,621)	-	(3,895,621)
Net Cash Provided by (Used in) Operating Activities	34,668	(205,641)	(170,973)
Cash Flows from Noncapital Financing Activities			
Advances from (to) other funds	364,869	189,755	554,624
Net Increase (Decrease) in Cash and Cash Equivalents	399,537	(15,886)	383,651
Cash and Cash Equivalents Beginning of Year	-	15,886	15,886
Cash and Cash Equivalents End of Year	$ 399,537	$ -	$ 399,537

City of Statesboro, Georgia
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2011

	Benefits Insurance	Fleet Management	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 91,524	$ (257,827)	$ (166,303)
Adjustments:			
Depreciation	-	16,391	16,391
(Increase) Decrease in Assets:			
Accounts receivable	54,482	-	54,482
Materials and supplies inventory	-	5,182	5,182
Prepaid items	(10,403)	89	(10,314)
Increase (Decrease) in Liabilities:			
Accounts payable	8,337	21,049	29,386
Accrued payroll	-	927	927
Claims payable	(109,272)	-	(109,272)
Compensated absences payable	-	(1,661)	(1,661)
Other post employment benefits payable	-	10,209	10,209
Net Cash Provided by (Used in) Operating Activities	$ 34,668	$ (205,641)	$ (170,973)

City of Statesboro, Georgia
Benefits Insurance Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ 399,537	$ -
Accounts receivable	31,894	86,376
Prepaid insurance	106,412	96,009
Interfund receivable	-	360,183
Total Current Assets	537,843	542,568
Liabilities		
Current Liabilities:		
Claims payable	425,728	535,000
Accounts payable	15,905	7,568
Interfund payable	4,686	-
Total Current Liabilities	446,319	542,568
Net Assets		
Unrestricted	$ 91,524	$ -

City of Statesboro, Georgia
Benefits Insurance Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Premiums - City and employees	$ 3,875,807	$ 3,379,098
Miscellaneous	-	9
Total Operating Revenues	3,875,807	3,379,107
Operating Expenses		
Claims	3,784,283	3,729,990
Operating Income (Loss)	91,524	(350,883)
Non-Operating Revenues		
Investment earnings	-	254
Income (Loss) before Transfers	91,524	(350,629)
Transfers in	-	303,384
Change in Net Assets	91,524	(47,245)
Net Assets Beginning of Year	-	47,245
Net Assets End of Year	$ 91,524	$ -

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Net Assets
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	$ -	$ 15,886
Inventory	128,856	134,038
Prepaid items	1,350	1,439
Total Current Assets	130,206	151,363
Noncurrent Assets:		
Capital Assets:		
Buildings	135,458	135,458
Equipment	280,766	280,766
Less accumulated depreciation	(258,389)	(241,998)
Total Capital Assets	157,835	174,226
Total Assets	288,041	325,589
Liabilities		
Current Liabilities:		
Accounts payable	56,232	35,183
Accrued payroll	1,854	927
Compensated absences payable	3,114	3,446
Interfund payable	198,407	8,652
Total Current Liabilities	259,607	48,208
Long-Term Liabilities		
Compensated absences payable (net of current portion)	12,456	13,785
Other post employment benefits payable	14,651	4,442
Total Long-Term Liabilities	27,107	18,227
Total Liabilites	286,714	66,435
Net Assets		
Invested in capital assets	157,835	174,226
Unrestricted	(156,508)	84,928
Total Net Assets	$ 1,327	$ 259,154

City of Statesboro, Georgia
Fleet Management Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
Parts sales and labor charges	$ 677,440	$ 868,038
Operating Expenses		
Salaries	230,226	253,946
Employee benefits	122,894	117,270
Purchased services:		
Training	790	360
Dues and certification	7	157
Repairs and maintenance	4,096	10,790
Contracted services	138,049	154,586
Electricity	17,339	12,962
Telephone	826	851
Insurance	1,708	1,850
Equipment rental	554	625
Travel	847	954
Materials and supplies:		
Uniforms	2,862	3,314
Materials and supplies	19,604	17,109
Gasoline, oil, etc.	4,161	3,196
Cost of sales	373,318	312,041
Depreciation	16,391	19,897
Miscellaneous	1,595	1,236
Total Operating Expenses	935,267	911,144
Operating Income (Loss)	(257,827)	(43,106)
Non-Operating Revenues		
Investment earnings	-	163
Change in Net Assets	(257,827)	(42,943)
Net Assets Beginning of Year	259,154	302,097
Net Assets End of Year	$ 1,327	$ 259,154

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2011

2002 SPLOST

	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Joint City/County Solid Waste Disposal	$ 2,120,000	$ 2,500,822	$ 2,500,822	$ -	$ 2,500,822	100%
Waste Water Treatement	5,000,000	4,372,334	2,555,100	226,674	2,781,774	64%
Street and Drainage Projects	5,000,000	4,465,128	4,329,579	135,549	4,465,128	100%
Public Safety - Police Station Expansion/Renovation	2,140,000	3,140,000	3,140,000	-	3,140,000	100%
Public Safety -Police Vehicles	500,000	500,000	500,000	-	500,000	100%
Community Development	1,360,000	1,860,000	1,860,000	-	1,860,000	100%
	$ 16,120,000	$ 16,838,284	$ 14,885,501	$ 362,223	$ 15,247,724	91%

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

Total 2002 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 135,549
Transfers to other funds	226,674
Total current year expenditures per above	$ 362,223

City of Statesboro, Georgia
Schedule of SPLOST Expenditures
From Inception and for the Fiscal Year Ended June 30, 2011

2007 SPLOST

	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Joint City/County Solid Waste Disposal	$ 7,000,000	$ 7,000,000	$ 3,220,956	$ 1,299,024	$ 4,519,980	65%
Cemetery Expansion	900,000	900,000	879,239	8,589	887,828	99%
Waste and Sewer Projects	9,860,000	9,860,000	-	235,298	235,298	2%
Street and Drainage Projects	5,307,500	5,307,500	7,296	328,233	335,529	6%
Public Safety Facilities and Equipment	4,200,000	4,200,000	70,471	812,143	882,614	21%
Solid Waste Handling Equipment	1,400,000	1,400,000	-	-	-	0%
	$ 28,667,500	$ 28,667,500	$ 4,177,962	$ 2,683,287	$ 6,861,249	24%

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

Total 2007 SPLOST fund expenditures per Statement of Revenues, Expenditures and Changes in Fund Balances	$ 1,148,965
Transfer to other funds	1,534,322
Total current year expenditures per above	$ 2,683,287



Statistical Section

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

Function/Program	Fiscal Year 2011			Fiscal Year 2010			Fiscal Year 2009			Fiscal Year 2008			Fiscal Year 2007		
	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]
Governmental Activities															
General government	$ 2,368,425	$ 927,986	$ (1,440,439)	$ 2,364,710	$ 661,459	$ (1,703,251)	$ 2,683,348	$ 765,661	$ (1,917,687)	$ 2,266,551	$ 782,058	$ (1,484,493)	$ 2,110,223	$ 620,563	$ (1,489,660)
Municipal court	622,589	-	(622,589)	603,544	-	(603,544)	697,203	-	(697,203)	635,975	-	(635,975)	639,563	-	(639,563)
Public safety	8,806,859	3,718,363	(5,088,496)	8,935,759	4,084,378	(4,851,381)	8,465,499	3,255,928	(5,209,571)	7,978,175	3,843,208	(4,134,967)	7,154,050	3,081,888	(4,072,162)
Public works	2,634,834	4,372,241	1,737,407	2,530,638	4,942,553	2,411,915	2,452,550	2,121,763	(330,787)	2,531,841	2,424,054	(107,787)	2,272,342	4,094,204	1,821,862
Community development	553,860	-	(553,860)	534,041	-	(534,041)	539,771	-	(539,771)	495,059	4,500	(490,559)	484,187	-	(484,187)
Parks and cemeteries	458,607	-	(458,607)	514,166	-	(514,166)	533,706	-	(533,706)	528,039	684,374	156,335	478,762	-	(478,762)
Engineering	597,136	352,570	(244,566)	850,662	284,887	(565,775)	760,687	100,637	(660,050)	701,021	153,737	(547,284)	701,041	332,604	(368,437)
Planning and zoning	477,485	-	(477,485)	326,066	-	(326,066)	285,709	-	(285,709)	241,067	-	(241,067)	210,291	-	(210,291)
Community services	519,484	-	(519,484)	284,557	-	(284,557)	535,258	5,500	(529,758)	349,975	6,250	(343,725)	807,676	18,750	(788,926)
Interest on long-term debt	42,893	-	(42,893)	34,202	-	(34,202)	30,966	-	(30,966)	46,241	-	(46,241)	67,886	-	(67,886)
Subtotal Governmental Activities	17,082,172	9,371,160	(7,711,012)	16,978,345	9,973,277	(7,005,068)	16,984,698	6,249,489	(10,735,209)	15,773,944	7,898,181	(7,875,763)	14,926,021	8,148,009	(6,778,012)
Business-type Activities															
Water and sewer	7,668,906	9,565,811	1,896,905	6,906,526	8,750,086	1,843,560	6,557,573	6,931,624	374,051	6,394,274	7,898,918	1,504,644	5,990,457	8,317,809	2,327,352
Reclaimed Water	927	1,944	1,017	-	-	-	-	-	-	-	-	-	-	-	-
Gas	4,169,752	5,204,257	1,034,505	4,293,665	5,294,826	1,001,161	5,040,258	6,053,741	1,013,483	5,299,783	6,224,982	925,199	5,833,902	6,277,707	443,805
Solid waste collection	2,005,386	2,701,765	696,379	2,094,925	2,605,201	510,276	2,026,631	2,538,590	511,959	1,968,174	2,471,249	503,075	1,891,991	2,359,448	467,457
Solid waste disposal	2,828,187	1,782,842	(1,045,345)	3,103,903	1,969,726	(1,134,177)	3,284,953	2,075,990	(1,208,963)	3,614,938	2,290,392	(1,324,546)	3,455,805	2,360,360	(1,095,445)
Subtotal Business-type Activities	16,673,158	19,256,619	2,583,461	16,399,019	18,619,839	2,220,820	16,909,415	17,599,945	690,530	17,277,169	18,885,541	1,608,372	17,172,155	19,315,324	2,143,169
Total Primary Government	$ 33,755,330	$ 28,627,779	$ (5,127,551)	$ 33,377,364	$ 28,593,116	$ (4,784,248)	$ 33,894,113	$ 23,849,434	$ (10,044,678)	$ 33,051,113	$ 26,783,722	$ (6,267,391)	$ 32,098,176	$ 27,463,333	$ (4,634,842)

Function/Program	Fiscal Year 2006			Fiscal Year 2005			Fiscal Year 2004			Fiscal Year 2003		
	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]	Expenses	Program Revenues	Net (Expense)/ Revenue [1]
Governmental Activities												
General government	$ 1,861,605	$ 572,414	$ (1,289,191)	$ 1,753,174	$ 578,353	$ (1,174,821)	$ 1,654,987	$ 594,551	$ (1,060,436)	$ 1,709,635	$ 583,981	$ (1,125,654)
Municipal court	415,176	-	(415,176)	424,274	-	(424,274)	390,188	-	(390,188)	390,355	3,939	(386,416)
Public safety	6,552,311	3,217,236	(3,335,075)	6,144,619	2,490,824	(3,653,795)	5,564,625	1,869,402	(3,695,223)	5,527,516	1,964,588	(3,562,928)
Public works	2,005,572	1,727,145	(278,427)	1,914,240	1,729,928	(184,312)	2,028,312	3,650,868	1,622,556	2,132,875	4,621,705	2,488,830
Community development	413,832	-	(413,832)	393,169	8,992	(384,177)	392,554	1,790,448	1,397,894	483,833	915,655	431,822
Parks and cemeteries	352,504	17,744	(334,760)	393,658	298,000	(95,658)	340,928	142,591	(198,337)	351,813	-	(351,813)
Engineering	728,455	445,368	(283,087)	611,241	124,870	(486,371)	640,525	73,043	(567,482)	477,639	99,658	(377,981)
Planning and zoning	117,322	-	(117,322)	119,935	-	(119,935)	115,631	-	(115,631)	127,516	3,259	(124,257)
Community services	314,091	-	(314,091)	197,110	-	(197,110)	104,683	1,253,500	1,148,817	129,816	-	(129,816)
Interest on long-term debt	66,886	-	(66,886)	-	-	-	18,297	-	(18,297)	82,864	-	(82,864)
Subtotal Governmental Activities	12,827,754	5,979,907	(6,847,847)	11,951,420	5,230,967	(6,720,453)	11,250,730	9,374,403	(1,876,327)	11,413,862	8,192,785	(3,221,077)
Business-type Activities												
Water and sewer	5,679,698	7,563,594	1,883,896	5,379,060	6,521,643	1,142,583	5,080,975	6,024,896	943,921	5,201,386	6,140,774	939,388
Gas	6,837,031	7,543,421	706,390	5,449,209	6,296,422	847,213	4,633,855	5,632,987	999,132	4,186,230	5,144,364	958,134
Solid waste collection	1,769,572	2,236,029	466,457	1,736,580	2,218,105	481,525	1,770,032	2,180,263	410,231	1,675,815	2,173,073	497,258
Solid waste disposal	3,179,109	2,109,065	(1,070,044)	2,851,868	1,986,143	(865,725)	2,705,237	1,839,152	(866,085)	2,455,218	1,890,069	(565,149)
Subtotal Business-type Activities	17,465,410	19,452,109	1,986,699	15,416,717	17,022,313	1,605,596	14,190,099	15,677,298	1,487,199	13,518,649	15,348,280	1,829,631
Total Primary Government	$ 30,293,164	$ 25,432,016	$ (4,861,148)	$ 27,368,137	$ 22,253,280	$ (5,114,857)	$ 25,440,829	$ 25,051,701	$ (389,128)	$ 24,932,511	$ 23,541,065	$ (1,391,446)

Notes:

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

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

City of Statesboro, Georgia

Government-wide Program Revenues [2] by Category

Last Nine Fiscal Years [1]

(accrual basis of accounting)

	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007
Governmental Activities					
Charges for Services:					
General Government	$ 658,209	$ 661,459	$ 672,700	$ 689,222	$ 518,673
Municipal Court	-	-	-	-	-
Public Safety	2,501,127	2,576,214	2,752,193	2,388,834	2,172,221
Engineering	352,570	284,887	100,637	153,737	332,604
Operating Grants and Contributions	186,407	134,935	162,191	359,659	156,840
Capital Grants and Contributions	5,672,847	6,315,782	2,561,768	4,306,729	4,967,671
Subtotal Governmental Activities Program Revenues	9,371,160	9,973,277	6,249,489	7,898,181	8,148,009
Business-type Activities					
Charges for Services:					
Water and Sewer	9,011,417	8,045,383	6,792,832	7,267,501	6,696,230
Reclaimed Water System	1,944	-	-	-	-
Gas	5,204,257	5,276,270	6,008,260	6,179,396	6,232,576
Solid Waste Collection	2,701,765	2,605,201	2,538,590	2,471,249	2,359,448
Solid Waste Disposal	1,782,842	1,969,726	2,073,273	2,290,392	2,333,218
Operating Grants and Contributions	-	18,556	48,198	45,586	72,373
Capital Grants and Contributions	554,394	704,703	138,792	631,417	1,621,579
Subtotal Business-type Activities Program Revenues	19,256,619	18,619,839	17,599,945	18,885,541	19,315,424
Primary Government					
Charges for Services	22,214,131	21,419,140	20,938,485	21,440,331	20,644,970
Operating Grants and Contributions	186,407	153,491	210,389	405,245	229,213
Capital Grants and Contributions	6,227,241	7,020,485	2,700,560	4,938,146	6,589,250
Total Primary Government Program Revenues	$ 28,627,779	$ 28,593,116	$ 23,849,434	$ 26,783,722	$ 27,463,433

Governmental Activities	Fiscal Year 2006	Fiscal Year 2005	Fiscal Year 2004	Fiscal Year 2003
Charges for Services:				
General Government				
Municipal Court	$ 468,630	$ 471,472	$ 470,889	$ 457,495
Public Safety	-	-	-	3,939
Engineering	1,789,377	1,911,813	1,809,666	1,757,261
Operating Grants and Contributions	445,368	124,870	73,043	99,658
Capital Grants and Contributions	103,784	116,945	213,455	334,284
	3,172,748	2,605,867	6,807,350	5,540,148
Subtotal Governmental Activities Program Revenues	5,979,907	5,230,967	9,374,403	8,192,785
Business-type Activities				
Charges for Services:				
Water and Sewer				
Gas	6,912,432	6,135,710	5,833,055	5,976,905
Solid Waste Collection	7,496,631	6,247,110	5,558,803	5,091,818
Solid Waste Disposal	2,236,029	2,218,105	2,180,263	2,173,073
Operating Grants and Contributions	2,109,065	1,986,143	1,839,152	1,862,335
Capital Grants and Contributions	46,790	49,312	74,184	96,036
	651,162	385,933	191,841	148,113
Subtotal Business-type Activities Program Revenues	19,452,109	17,022,313	15,677,298	15,348,280
Primary Government				
Charges for Services				
Operating Grants and Contributions	21,457,532	19,095,223	17,764,871	17,422,484
Capital Grants and Contributions	150,574	166,257	287,639	430,320
	3,823,910	2,991,800	6,999,191	5,688,261
Total Primary Government Program Revenues	$ 25,432,016	$ 22,253,280	$ 25,051,701	$ 23,541,065

Notes:

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

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

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

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

Note:

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

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

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

Notes:

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

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

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

Source	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxes	$ 5,712,647	$ 6,116,076	$ 6,213,085	$ 6,411,028	$ 6,622,152	$ 7,097,096	$ 7,596,780	$ 7,900,077	$ 8,024,950	$ 8,166,418
Intergovernmental	2,096,201	5,874,432	5,767,305 [1]	2,722,812	3,276,532	5,124,511 [1]	4,666,388 [1]	2,723,959	6,450,717 [1]	5,859,254 [1]
Licenses and permits	507,983	493,836	478,554	536,257	855,224	783,243	772,770	703,815	865,829	926,979
Fines and forfeitures	1,348,668	1,261,107	1,351,768	1,367,790	1,258,238	1,610,839	1,449,617	1,766,110	1,568,641	1,475,975
Charges for services	431,049	563,410	523,276	604,108	589,913	629,416	1,009,406	1,055,605	1,088,090	1,108,952
Investment earnings	147,285	113,515	161,082	145,454	152,404	91,159	29,512	8,496	4,056	14,063
Miscellaneous	228,270	101,670	1,348,680	105,979	84,203	79,184	49,403	38,698	56,671	136,829
Total revenues	$ 10,472,103	$ 14,524,046	$ 15,843,750	$ 11,893,428	$ 12,838,666	$ 15,415,448	$ 15,573,876	$ 14,196,760	$ 18,058,954	$ 17,688,470
% change from prior year	14.5%	38.7%	9.1%	-24.9%	7.9%	20.1%	1.0%	-8.8%	27.2%	-2.1%

Note:

[1]In fiscal years 2003, 2004, 2007, 2008, 2010 and 2011 the City drew down substantially more in sales taxes from the County than in prior years. The City may not levy a special purpose local option sales tax but receives a portion of the Bulloch County's special purpose local option sales tax.

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

Fiscal Year	Property	Vehicles	Franchise	Insurance Premium	Alcoholic Beverage	Other[1]	Total
2002	2,746,354	222,986	1,018,729	824,484	568,241	35,322	5,416,116
2003	2,935,273	210,509	1,021,082	904,647	594,883	106,983	5,773,377
2004	2,897,418	204,064	1,048,355	974,995	611,823	153,606	5,890,261
2005	2,920,576	199,835	1,094,343	1,056,630	629,362	151,967	6,052,713
2006	2,951,977	193,355	1,221,274	1,136,795	621,962	119,951	6,245,314
2007	3,187,407	212,955	1,310,552	1,189,372	651,652	140,001	6,691,939
2008	3,503,408	212,301	1,432,343	1,240,647	682,476	103,079	7,174,254
2009	3,581,923	191,028	1,587,617	1,270,366	683,371	128,778	7,443,083
2010	3,704,711	181,813	1,688,915	1,258,448	675,794	75,431	7,585,112
2011	3,695,637	186,679	1,815,932	1,221,874	647,353	125,888	7,693,363
Percentage Change In Dollars Over 10 Years	34.6%	-16.3%	78.3%	48.2%	13.9%	256.4%	42.0%

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Current:										
General government	$ 1,386,832	$ 1,634,159	$ 1,603,534	$ 1,686,164	$ 1,789,557	$ 2,008,167	$ 2,140,864	$ 2,461,925	$ 2,202,086	$ 2,396,839
Municipal court	379,194	385,518	390,604	420,501	412,762	638,695	625,001	684,444	588,804	555,219
Public safety	4,660,326	5,197,807	5,426,428	5,983,162	6,356,845	6,783,582	7,751,876	7,973,168	8,441,641	7,961,549
Streets/public works	1,535,407	1,616,810	1,859,572	1,651,440	1,673,729	1,824,491	1,864,703	1,779,706	1,852,879	1,849,010
Parks and cemeteries	286,868	324,366	421,155	948,682	412,075	406,397	433,076	444,407	430,178	376,518
Engineering	374,887	439,151	522,804	576,857	671,252	640,078	669,869	721,165	797,572	557,869
Planning and zoning	121,277	129,935	117,721	122,457	115,238	210,989	233,314	290,564	319,139	465,345
Community services	203,626	129,816	104,683	123,199	215,159	681,439	198,260	436,326	185,625	171,704
Community development	352,910	483,833	392,554	393,169	413,832	484,187	495,059	539,549	533,993	554,130
Total Current	9,301,327	10,341,395	10,839,055	11,905,631	12,060,449	13,678,025	14,412,022	15,331,254	15,351,917	14,888,183
% Change From Prior Year	7.5%	11.2%	4.8%	9.8%	1.3%	13.4%	5.4%	6.4%	0.1%	-3.0%
Capital Outlay	2,364,006	3,756,405	3,852,211	2,118,841	2,373,967	8,003,416	2,429,833	1,062,731	1,547,723	1,575,578
% Change From Prior Year	53.2%	58.9%	2.6%	-45.0%	12.0%	237.1%	-69.6%	-56.3%	45.6%	1.8%
Debt Service										
Principal	34,500	37,000	39,000	41,000	119,184	170,689	254,295	347,306	304,313	331,413
Interest	94,097	82,864	77,040	88,372	66,886	67,886	46,241	30,966	34,202	42,893
Total Debt Service	128,597	119,864	116,040	129,372	186,070	238,575	300,536	378,272	338,515	374,306
% Change From Prior Year	-77.5%	-6.8%	-3.2%	11.5%	43.8%	28.2%	26.0%	25.9%	-10.5%	10.6%
Total Expenditures	$ 11,793,930	$ 14,217,664	$ 14,807,306	$ 14,153,844	$ 14,620,486	$ 21,920,016	$ 17,142,391	$ 16,772,257	$ 17,238,155	$ 16,838,067
% Change From Prior Year	9.5%	20.6%	4.1%	-4.4%	3.3%	49.9%	-21.8%	-2.2%	2.8%	-2.3%
Debt Service as a Percentage of Total Noncapital Expenditures	1.4%	1.1%	1.1%	1.1%	1.5%	1.7%	2.0%	2.4%	2.2%	2.5%

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Revenues	$ 10,472,103	$ 14,524,046	$ 15,843,750	$ 11,893,428	$ 12,838,666	$ 15,415,448	$ 15,573,876	$ 14,196,760	$ 18,058,954	$ 17,688,470
Total Expenditures	11,793,930	14,217,664	14,807,306	14,153,844	14,620,486	21,920,016	17,142,391	16,772,257	17,238,155	16,838,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,321,827)	306,382	1,036,444	(2,260,416)	(1,781,820)	(6,504,568)	(1,568,515)	(2,575,497)	820,799	850,403
Other Financing Sources (Uses)	1,658,196	(564,564)	37,662	1,521,349	1,910,887	2,414,000	2,551,471	2,290,973	1,404,892	1,479,037
Net Change in Fund Balances	336,369	(258,182)	1,074,106	(739,067)	129,067	(4,090,568)	982,956	(284,524)	2,225,691	2,329,440

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable	$ -	$ 190,475	$ 209,413	$ 244,757	$ 199,020	$ 169,631	$ 170,717	$ 174,009	$ 197,547	214,608
Unassigned	3,778,493	3,726,401	4,589,068	4,732,116	3,823,745	2,595,299	1,478,379	947,789	(98,438)	(33,145)
Subtotal General Fund	3,778,493	3,916,876	4,798,481	4,976,873	4,022,765	2,764,930	1,649,096	1,121,798	99,109	181,463
General Fund Percentage Change	-11.4%	3.7%	22.5%	3.7%	-19.2%	-31.3%	-40.4%	-32.0%	-91.2%	83.1%
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	12,522	11,045	17,613	17,370
Unassigned	-	-	-	-	-	(1,702,733)	-	-	-	(64,478)
Restricted										
Special Revenue Funds	371,376	206,850	327,988	224,223	181,426	189,574	608,775	799,332	803,770	848,254
Capital Projects Fund	1,150,543	873,130	944,493	130,799	1,256,771	118,623	82,957	136,651	3,374,025	5,641,348
Subtotal All Other Governmental Funds	1,521,919	1,079,980	1,272,481	355,022	1,438,197	(1,394,536)	704,254	947,028	4,195,408	6,442,494
Total Governmental Funds										
Nonspendable	-	190,475	209,413	244,757	199,020	169,631	183,239	185,054	215,160	231,978
Restricted	1,521,919	1,079,980	1,272,481	355,022	1,438,197	308,197	691,732	935,983	4,177,795	6,489,602
Unassigned	3,778,493	3,726,401	4,589,068	4,732,116	3,823,745	892,566	1,478,379	947,789	(98,438)	(97,623)
Total Governmental Funds	$ 5,300,412	$ 4,996,856	$ 6,070,962	$ 5,331,895	$ 5,460,962	$ 1,370,394	$ 2,353,350	$ 2,068,826	$ 4,294,517	$ 6,623,957
All Governmental Funds Percentage Change	8.7%	-5.7%	21.5%	-12.2%	2.4%	-74.9%	71.7%	-12.1%	107.6%	54.2%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Conservation Use Property	Utility Property	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value[1]	Total Direct Tax Rate[2]	Estimated Actual Value	Annual Percentage Change
Amounts													
2002	133,801,032	206,049,148	9,359,213	1,244,400	1,314,600	13,981,230	28,398,320	216,768	5,733,874	388,630,837	7.750	985,911,778	21.4%
2003	133,668,976	213,243,900	7,767,909	1,286,680	1,503,720	13,981,230	28,202,404	213,320	4,504,381	395,363,758	7.750	999,670,348	1.4%
2004	133,647,220	234,104,327	6,920,280	1,531,200	1,372,640	14,680,200	28,402,633	213,320	5,096,105	415,775,715	7.741	1,052,179,550	5.3%
2005	150,273,037	272,246,100	6,758,133	1,169,760	1,510,880	18,524,000	27,819,183	151,488	5,205,094	473,247,487	6.921	1,196,131,453	13.7%
2006	152,086,310	274,694,201	5,908,250	1,142,680	1,424,200	18,524,040	28,606,845	139,084	8,985,597	473,540,013	6.921	1,206,314,025	0.9%
2007	157,668,335	291,603,982	5,795,995	1,302,000	1,346,440	16,218,390	27,556,331	266,774	3,931,944	497,826,303	6.921	1,254,395,618	4.0%
2008	192,623,437	349,207,061	5,998,633	879,840	1,688,920	15,879,960	29,724,461	120,480	8,794,116	587,328,676	6.358	1,490,306,980	18.8%
2009	198,301,459	364,606,300	9,438,297	788,800	527,600	15,171,200	32,148,066	139,999	7,730,648	613,391,073	6.358	1,552,804,303	4.2%
2010	200,928,770	371,633,720	11,259,654	746,640	527,600	15,104,470	32,646,286	64,840	4,214,899	628,697,081	6.358	1,582,279,950	1.9%
2011	189,022,386	372,885,823	10,948,474	808,861	1,017,661	14,299,932	28,656,965	210,954	8,662,633	609,188,423	6.358	1,544,627,640	-2.4%
Percentages													
2002	33.9%	52.2%	2.4%	0.3%	0.3%	3.5%	7.2%	0.1%	1.5%	98.5%			
2003	33.4%	53.3%	1.9%	0.3%	0.4%	3.5%	7.1%	0.1%	1.1%	98.9%			
2004	31.8%	55.6%	1.6%	0.4%	0.3%	3.5%	6.7%	0.1%	1.2%	98.8%			
2005	31.4%	56.9%	1.4%	0.2%	0.3%	3.9%	5.8%	0.0%	1.1%	98.9%			
2006	31.5%	56.9%	1.2%	0.2%	0.3%	3.8%	5.9%	0.0%	1.9%	98.1%			
2007	31.4%	58.1%	1.2%	0.3%	0.3%	3.2%	5.5%	0.1%	0.8%	99.2%			
2008	32.3%	58.6%	1.0%	0.1%	0.3%	2.7%	5.0%	0.0%	1.5%	98.5%			
2009	31.9%	58.7%	1.5%	0.1%	0.1%	2.4%	5.2%	0.0%	1.3%	98.7%			
2010	31.7%	58.7%	1.8%	0.1%	0.1%	2.4%	5.2%	0.0%	0.7%	99.3%			
2011	30.6%	60.4%	1.8%	0.1%	0.2%	2.3%	4.6%	0.0%	1.4%	98.6%			

Source:

Georgia Department of Revenue, Tax Digest Consolidation Summary

Notes:

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

[2] Tax rates expressed in rate per $1,000

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

		Overlapping Rates [1]				
Fiscal Year	**City Direct Rate**	**Bulloch County**	**Bulloch County Schools**	**State of Georgia[2]**	**Total Overlapping**	**Total Overlapping and Direct**
2002	7.750	8.880	8.570	0.250	17.700	25.450
2003	7.750	9.360	8.570	0.250	18.180	25.930
2004	7.741	9.350	8.560	0.250	18.160	25.901
2005	6.921	8.630	9.450	0.250	18.330	25.251
2006	6.921	8.630	9.450	0.250	18.330	25.251
2007	6.358	10.440	9.450	0.250	20.140	26.498
2008	6.358	10.440	9.450	0.250	20.140	26.498
2009	6.358	10.440	9.450	0.250	20.140	26.498
2010	6.358	10.440	9.450	0.250	20.140	26.498
2011	6.358	10.440	9.450	0.250	20.140	26.498

Source:

Georgia Department of Revenue, Property Tax Division

Notes:

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

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

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2002	2,726,869	2,538,584	93.10%	188,285	2,726,869	100.00%	-	0.00%
2003	2,704,985	2,628,696	97.18%	76,289	2,704,985	100.00%	-	0.00%
2004	2,850,782	2,839,309	99.60%	11,431	2,850,740	100.00%	42	0.00%
2005	2,902,999	2,894,631	99.71%	8,046	2,902,677	99.99%	322	0.01%
2006	2,955,195	2,893,494	97.91%	61,669	2,955,163	100.00%	32	0.00%
2007	3,117,016	3,105,291	99.62%	11,565	3,116,856	99.99%	160	0.01%
2008	3,367,186	3,334,179	99.02%	33,007	3,367,186	100.00%	-	0.00%
2009	3,578,352	3,549,025	99.18%	27,114	3,576,139	99.94%	2,213	0.06%
2010	3,710,229	3,605,588	97.18%	101,423	3,707,011	99.91%	3,218	0.09%
2011	3,672,791	3,622,799	98.64%	-	3,622,799	98.64%	49,992	1.36%

Source:

City of Statesboro Tax Office

City of Statesboro, Georgia
Principal Property Taxpayers
For the Fiscal Year Ended June 30, 2011 and Nine Years Ago

	2011			2002	
Principal Taxpayer	**Taxable Assessed Value**	**Percentage of Total City Taxable Assessed Value**	**Principal Taxpayer**	**Taxable Assessed Value**	**Percentage of Total City Taxable Assessed Value**
Statesboro HMA Inc.	$ 16,468,393	2.70%	Statesboro HMA Inc.	$ 13,772,200	3.54%
Executive Assistant of Finance	10,768,830	1.77%	Frontier Comm of GA Inc.	9,925,090	2.55%
Campus Club Associates LLC	10,585,341	1.74%	East Georgia Regional Med	5,861,087	1.51%
Frontier Comm of GA, Inc.	7,719,584	1.27%	SUH Georgia Southern LLC	4,611,862	1.19%
Fairfield Statesboro Exchange	7,690,762	1.26%	Wal-Mart Real Estate	4,356,400	1.12%
Campus Crest At Statesboro	6,723,680	1.10%	Georgia Power Co.	4,210,107	1.08%
Layton Land LLC	6,513,980	1.07%	The Garden District	4,021,680	1.03%
Layton Land LLC & Bonnie Screw	6,253,633	1.03%	Southern Place LLC	3,958,640	1.02%
Claude Howard Lumber Co Inc.	6,073,469	1.00%	JBPC South Inc	3,797,158	0.98%
Georgia Power Co.	5,910,835	0.97%	Wal-Mart Stores	3,724,082	0.96%
Total Principal Taxpayers	84,708,507	13.91%	Total Principal Taxpayers	58,238,306	14.99%
All Other Taxpayers	524,479,916	86.09%	All Other Taxpayers	330,392,531	85.01%
Total	$ 609,188,423	100.00%	Total	$ 388,630,837	100.00%

Source:

City of Statesboro Tax Office

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

Fiscal Year	State of Georgia	Bulloch County			Total Overlapping Rate
		LOST	SPLOST[2]	E-SPLOST[3]	
2002	4.00%	1.00%	1.00%	-	6.00%
2003	4.00%	1.00%	1.00%	-	6.00%
2004	4.00%	1.00%	1.00%	1.00%	7.00%
2005	4.00%	1.00%	1.00%	1.00%	7.00%
2006	4.00%	1.00%	1.00%	1.00%	7.00%
2007	4.00%	1.00%	1.00%	1.00%	7.00%
2008	4.00%	1.00%	1.00%	1.00%	7.00%
2009	4.00%	1.00%	1.00%	1.00%	7.00%
2010	4.00%	1.00%	1.00%	1.00%	7.00%
2011	4.00%	1.00%	1.00%	1.00%	7.00%

Source:

Georgia Department of Revenue, Sales and Use Tax Division

Notes:

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

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

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

City of Statesboro, Georgia
Water and Sewer Rates
Fiscal Years 2002 - 2011

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

	Water				
Fiscal Year	**Inside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-19,000 Gallons**	**20,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	4.50	1.90	2.00	2.00	2.10
2003	4.50	1.90	2.00	2.00	2.10
2004	4.50	1.90	2.00	2.00	2.10
2005	4.50	1.90	2.00	2.00	2.10
2006	4.50	1.90	2.00	2.00	2.10
2007	4.50	1.90	2.00	2.00	2.10
2008	4.60	1.94	2.04	2.04	2.14
2009	4.60	1.94	2.04	2.04	2.14
2010	6.00	2.15	2.25	2.50	3.00
2011	6.50	2.25	2.35	2.60	3.15

Fiscal Year	**Outside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-19,000 Gallons**	**20,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	9.00	3.80	4.00	4.00	4.20
2003	9.00	3.80	4.00	4.00	4.20
2004	9.00	3.80	4.00	4.00	4.20
2005	9.00	3.80	4.00	4.00	4.20
2006	9.00	3.80	4.00	4.00	4.20
2007	9.00	3.80	4.00	4.00	4.20
2008	9.20	3.88	4.08	4.08	4.28
2009	9.20	3.88	4.08	4.08	4.28
2010	12.00	4.30	4.50	5.00	6.00
2011	13.00	4.50	4.70	5.20	6.30

	Sewer			
Fiscal Year	**Inside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	4.50	2.30	2.40	2.50
2003	4.50	2.30	2.40	2.50
2004	4.50	2.30	2.40	2.50
2005	4.50	2.30	2.40	2.50
2006	4.50	2.30	2.40	2.50
2007	4.50	2.30	2.40	2.50
2008	4.60	2.35	2.45	2.55
2009	4.60	2.35	2.45	2.55
2010	6.00	2.60	2.70	2.80
2011	6.50	2.70	2.80	2.90

Fiscal Year	**Outside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	9.00	4.60	4.80	5.00
2003	9.00	4.60	4.80	5.00
2004	9.00	4.60	4.80	5.00
2005	9.00	4.60	4.80	5.00
2006	9.00	4.60	4.80	5.00
2007	9.00	4.60	4.80	5.00
2008	9.20	4.70	4.90	5.10
2009	9.20	4.70	4.90	5.10
2010	12.00	5.20	5.40	5.60
2011	13.00	5.40	5.60	6.30

Note:

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

(continued)

City of Statesboro, Georgia
Water and Sewer Rates
Fiscal Years 2002 - 2011

(continued)

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

	Water				
Fiscal Year	**Inside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 20,000-49,000 and up**	**Rate per 50,000 Gallons and up**
2002	9.00	1.90	2.00	2.00	2.10
2003	9.00	1.90	2.00	2.00	2.10
2004	9.00	1.90	2.00	2.00	2.10
2005	9.00	1.90	2.00	2.00	2.10
2006	9.00	1.90	2.00	2.00	2.10
2007	9.00	1.90	2.00	2.00	2.10
2008	9.20	1.94	2.04	2.04	2.14
2009	9.20	1.94	2.04	2.04	2.14
2010	12.00	2.15	2.25	2.50	3.00
2011	13.00	2.25	2.35	2.60	3.15

Fiscal Year	**Outside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 20,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	18.00	5.80	4.00	4.00	4.20
2003	18.00	5.80	4.00	4.00	4.20
2004	18.00	5.80	4.00	4.00	4.20
2005	18.00	5.80	4.00	4.00	4.20
2006	18.00	5.80	4.00	4.00	4.20
2007	18.00	5.80	4.00	4.00	4.20
2008	18.40	3.88	4.08	4.08	4.28
2009	18.40	3.88	4.08	4.08	4.28
2010	24.00	4.30	4.50	5.00	6.00
2011	26.00	4.50	4.70	5.20	6.30

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

	Sewer			
Fiscal Year	**Inside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	9.00	2.30	2.40	2.50
2003	9.00	2.30	2.40	2.50
2004	9.00	2.30	2.40	2.50
2005	9.00	2.30	2.40	2.50
2006	9.00	2.30	2.40	2.50
2007	9.00	2.30	2.40	2.50
2008	9.20	2.35	2.45	2.55
2009	9.20	2.35	2.45	2.55
2010	12.00	2.60	2.70	2.80
2011	13.00	2.70	2.80	2.90

Fiscal Year	**Outside Base Rate**	**Rate per 0-9000 Gallons**	**Rate per 10,000-49,000 Gallons**	**Rate per 50,000 Gallons and up**
2002	18.00	4.60	4.80	5.00
2003	18.00	4.60	4.80	5.00
2004	18.00	4.60	4.80	5.00
2005	18.00	4.60	4.80	5.00
2006	18.00	4.60	4.80	5.00
2007	18.00	4.60	4.80	5.00
2008	18.40	4.70	4.90	5.10
2009	18.40	4.70	4.90	5.10
2010	24.00	5.20	5.40	5.60
2011	26.00	5.40	5.60	5.80

Note:

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

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

Type of Customer	Fiscal Year 2002 Gallons	%	Fiscal Year 2003 Gallons	%	Fiscal Year 2004 Gallons	%	Fiscal Year 2005 Gallons	%	Fiscal Year 2006 Gallons	%
Residential	529.5	45%	525.8	52%	550	59%	550.1	58%	572.9	57%
Industrial	104.8	9%	103.7	10%	75.5	8%	69.9	7%	79.0	8%
Commercial	264.7	23%	247.3	25%	283.5	30%	302.7	32%	313.3	31%
Government	275.7	23%	132.3	13%	29.9	3%	25.4	3%	33.2	3%
Total	1,174.7	100%	1,009.1	100%	938.9	100%	948.1	100%	998.4	100%

Type of Customer	Fiscal Year 2007 Gallons	%	Fiscal Year 2008 Gallons	%	Fiscal Year 2009 Gallons	%	Fiscal Year 2010 Gallons	%	Fiscal Year 2011 Gallons	%
Residential	614.3	59%	544.9	57%	616.8	56%	574.5	56%	590.6	55%
Industrial	74.9	7%	104.8	11%	75.0	7%	75.5	7%	77.7	7%
Commercial	314.2	30%	259.9	27%	339.0	31%	248.6	24%	270.3	25%
Government	37.3	4%	48.8	5%	69.3	6%	118.5	12%	126.6	12%
Total	1,040.7	100%	958.4	100%	1,100.1	100%	1,017.1	100%	1,065.2	100%

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

Fiscal Year	Governmental-Activities	Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Leases[1]	Water Bonds	Gas Notes	Water Notes	Capital Leases	Total			
2002	1,345,000	3,745,000	1,046,609	9,292,632	-	14,084,241	15,429,241	3.5%	663
2003	1,425,486	3,240,000	968,191	9,168,621	-	13,376,812	14,802,298	2.9%	623
2004	1,327,743	2,710,000	885,669	8,768,347	-	12,364,016	13,691,759	2.7%	556
2005	1,424,929	2,160,000	796,956	8,347,022	-	11,303,978	12,728,907	2.3%	491
2006	1,305,245	1,585,000	707,049	7,923,878	-	10,215,927	11,521,172	2.4%	434
2007	1,281,569	985,000	610,544	8,117,958	-	9,713,502	10,995,071	2.5%	424
2008	2,038,765	740,000	501,922	8,717,620	-	9,959,542	11,998,307	2.8%	451
2009	1,734,864	485,000	394,398	9,801,212	365,872	11,046,482	12,781,346	3.9%	508
2010	1,764,662	15,040,000	334,949	3,414,117	285,697	19,074,763	20,839,425	6.0%	775
2011	1,433,249	14,565,000	311,396	3,619,516	205,522	18,701,434	20,134,683	5.6%	706

Notes:

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

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value	$ 388,631	$ 395,364	$ 415,776	$ 473,248	$ 473,540	$ 497,826	$ 587,329	$ 613,391	$ 628,697	$ 609,188
Legal Debt Margin										
Debt limit (10% of assessed value)	$ 38,863	$ 39,536	$ 41,578	$ 47,325	$ 47,354	$ 49,783	$ 58,733	$ 61,339	$ 62,870	$ 60,919
Debt applicable to limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 38,863	$ 39,536	$ 41,578	$ 47,325	$ 47,354	$ 49,783	$ 58,733	$ 61,339	$ 62,870	$ 60,919
As a percentage of debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note:

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

City of Statesboro, Georgia
Direct and Overlapping Debt
June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes			
Bulloch County Board of Education[1]	$ 10,260,000	100.0%	$ 10,260,000
City Direct Debt	-	-	-
Total Direct and Overlapping Debt	$ 10,260,000	100.0%	$ 10,260,000

Source:

[1] Bulloch County Board of Education

Notes:

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

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

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

	Water and Sewer Revenue Bonds						
Fiscal Year	Operating Revenue	Less: Operating Expenses[1]	Net Available Revenue	Debt Service			Times Coverage[2]
				Principal	Interest	Total	
2002	5,808,386	3,006,314	2,802,072	485,000	198,723	683,723	4.10
2003	6,010,061	3,291,720	2,718,341	505,000	177,868	682,868	3.98
2004	5,889,145	3,173,812	2,715,333	530,000	155,648	685,648	3.96
2005	6,208,677	3,398,860	2,809,817	550,000	125,563	675,563	4.16
2006	6,976,498	3,714,257	3,262,241	575,000	99,669	674,669	4.84
2007	6,782,632	4,047,644	2,734,988	600,000	71,910	671,910	4.07
2008	7,369,203	4,281,629	3,087,574	245,000	47,022	292,022	10.57
2009	6,911,791	4,323,869	2,587,922	255,000	31,512	286,512	9.03
2010	8,242,802	4,620,860	3,621,942	270,000	25,085	295,085	12.27
2011	9,152,401	5,259,636	3,892,765	475,000	558,425	1,033,425	3.77

Notes:

[1] Operating expenses do not include depreciation or interest.

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

City of Statesboro, Georgia
Principal Employers
For the Fiscal Year Ended June 30, 2011 and Nine Years Ago

	2011			2002	
Employer	**Number of Employees**	**Percentage of Total City Employment**	**Employer**	**Number of Employees**	**Percentage of Total City Employment**
Georgia Southern University	2,142	18.31%	Georgia Southern University	1,931	22.08%
Bulloch County Board of Education	1,392	11.90%	Bulloch County Board of Education	1,350	15.44%
East Georgia Regional Medical Center	710	6.07%	East Georgia Regional Medical Center	650	7.43%
Wal-Mart Supercenter	545	4.66%	Wal-Mart Supercenter	600	6.86%
Bulloch County Board of Commissioners	351	3.00%	Bulloch County Board of Commissioners	351	4.01%
City of Statesboro	267	2.28%	City of Statesboro	261	2.98%
Lowe's Home Center	152	1.30%	The Sack Company	218	2.49%
Belk	105	0.90%	Statesboro Herald	137	1.57%
Braswells	85	0.73%	Lowe's Home Center	135	1.54%
Statesboro Herald	81	0.69%	Robbins Packinghouse Company	105	1.20%
Total Principal Employers	5,830	49.83%	**Total Principal Employers**	5,738	65.62%
Other Employers	5,869	50.17%	Other Employers	3,006	34.38%
Total All Employers	11,699	100.00%	**Total All Employers**	8,744	100.00%

Source:

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

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

Year	Estimated Population	Personal Income	Per Capita Income	Median Age	School Enrollment	Unemployment Rate
2002	23,269	438,364,691	18,839	26	8,498	3.2%
2003	23,744	514,603,712	21,673	26	9,429	2.9%
2004	24,604	501,946,204	20,401	26	9,707	2.9%
2005	25,915	561,785,370	21,678	26	9,826	4.5%
2006	26,534	486,102,880	18,320	26	9,044	3.5%
2007	25,953	444,055,830	17,110	26	8,480	4.2%
2008	26,624	425,478,144	15,981	27	9,380	6.7%
2009	25,165	327,572,805	13,017	22	9,476	9.1%
2010	26,874	349,818,858	13,017	22	9,530	10.4%
2011	28,522	359,947,640	12,620	22	9,367	12.7%

Sources:

Georgia County Guide published by the University of Georgia
U.S. Census Bureau American Factfinder
Georgia Department of Education
Department of Labor

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

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City Manager's Office	2	2	2	2	2	4	4	3	3	2
City Clerk's Office	8	8	8	8	9	9	9	10	10	3
Finance	7	7	7	7	6	6	6	6	6	7
Legal Division	0	0	0	0	0	0	0	0	0	1
Information Technology	0	0	0	0	0	0	0	2	3	4
Human Resources	2	2	2	2	2	2	2	2	2	1
Municipal Court	3	3	3	3	2	3	3	3	2	3
Engineering	4	4	4	4	4	5	5	6	7	6
Protective Inspections	3	4	4	4	4	2	2	4	4	2
Governmental Buildings	0	0	0	0	0	0	0	3	2	1
Customer Service Division	0	0	0	0	0	0	0	0	0	4
Police	74	74	70	70	75	75	76	77	76	75.5
Animal Control	1	1	1	1	1	1	0	0	2	0
Fire Department	31	32	32	32	33	33	33	33	33	32.5
Public Works Administration	2	2	2	2	2	2	2	2	2	2
Streets	24	24	24	24	23	22	23	22	22	21
Parks	7	7	8	8	9	9	9	9	9	8
Planning/Community Developme	2	2	2	2	2	3	3	3	3	4
Community Development - Code	0	0	0	0	0	0	0	0	0	2
Water and Sewer	18	18	20	20	18	18	19	23	23.5	23.5
Wastewater Treatment Plant	27	27	27	27	27	27	27	27	27	27
Natural Gas	9	9	9	9	9	9	9	9	8.5	8.5
Solid Waste Collection	19	19	19	19	16	16	16	16	16	15
Solid Waste Disposal	8	8	8	8	8	8	8	8	8	8
Fleet Management	8	8	8	8	6	6	6	6	6	6
Infiltration and Inflow	2	2	0	0	0	0	0	0	0	0
Total	261	263	260	260	258	260	262	274	275	267

Source:

City of Statesboro's Finance department

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

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	34	34	40	42	43	43	49	49	43	47
Fire stations	2	2	2	2	2	2	2	2	2	2
Refuse collection										
Collection trucks	5	5	5	4	7	7	7	7	9	9
Streets and highways										
Streets (miles)	104	105	105	105	117	117	119	119	119	119
Traffic signals	8	9	11	11	11	12	13	15	15	15
Parks and recreation										
Acreage	52	52	52	52	52	55	83	83	83	83
Water										
Water mains (miles)	157	160	161	194	198	207	212	216	219.5	219.5
Fire hydrants	1,003	1,037	1,106	1,175	1,244	1,313	1,382	1,451	1,487	1,487
Storage capacity (thousands of gallons)	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Wastewater										
Sanitary sewers (miles)	134	140	141	168	171	174	177	181	184	184
Treatment capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Storm sewers (miles)	4	4	4	5	5	5	5	5	5	5

Source:

Various City Departments

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

Function/program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	1,806	1,782	2,100	1,740	1,863	1,794	1,736	2,185	2,105	2,587
Traffic violations	10,100	8,451	8,138	7,691	7,781	10,823	10,032	9,442	10,299	10,460
Fire										
Emergency responses	844	890	894	855	930	927	743	1,106	637	876
Fires extinguished	162	102	138	214	124	226	157	200	257	259
Inspections	1,739	687	254	151	639	1,353	1,289	1,973	1,343	1,046
Refuse collection										
Refuse collected (tons per month)	1,574.2	1,641.3	1,716.7	1,770.4	1,771.9	1,821.8	1,981.0	1,426.0	1,496.0	1,342.4
Streets and highways										
Resurfacing (miles)	3.70	3.62	3.35	12.50	0	7.5	1.43	2.75	0.603	1.609
Water										
New connections	217	156	90	156	275	562	187	188	367	77
Water mains breaks	23	11	28	27	13	18	8	7	19	23
Average daily consumption (thousands of gallons)	2,971	2,724	2,978	2,887	3,091	3,190	3,239	3,130	2,787	2,738
Peak daily consumption (thousands of gallons)	4,293	3,781	4,989	4,989	4,306	4,220	4,630	5,179	4,422	4,964
Wastewater										
Average daily sewage treatment (thousands of gallons)	3,217	4,507	3,718	3,814	3,721	3,615	3,444	3,106	4,000	3,270

Sources:

Various City departments

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GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the City Council
City of Statesboro, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Statesboro, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City of Statesboro's basic financial statements and have issued our report thereon dated December 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described below as 2011-1 and 2011-2 that we consider to be significant deficiencies 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.

2011-1 Inadequate tracking of additions to capital assets for governmental activities

A complete listing of additions to capital assets for governmental activities was not compiled and provided to the auditors for the year ended June 30, 2011. The City's purchasing policy indicates that the purchasing manager is required to maintain the City's capital asset records. The City should implement procedures that require each department and either the purchasing manager or accounts payable personnel to forward all information on capital asset purchases to the finance director at least annually to be recorded in the City's government-wide financial statements.

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

2011-2 Inventory costing

During our testing of unit costs for various items in inventory for the fleet management internal service fund, we noted several discrepancies in the unit cost used for reporting inventory at June 30, 2011. The unit price used to cost the year end inventory should be the latest cost paid for those items held in the year end inventory. We also noted an error in the addition of inventory costs for the water and sewer enterprise fund resulting in a $60,488 overstatement.

City response: We concur with this finding, and we will implement procedures to make sure each department with year end inventory understands to use the latest cost for purchases of items held in inventory to properly record inventory costs in the City's year end financial statements. We will also implement procedures to verify calculations when compiling total inventory costs for each fund.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Statesboro, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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

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

Thigpen, Lanier, Waterfield & Deal

December 29, 2011



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