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## REPORT OF INDEPENDENT AUDITORS

To the Honorable Mayor and  
Members of City Council  
City of Georgetown, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Georgetown, South Carolina, as of and for the year ended June 30, 2010, 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'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 Georgetown, South Carolina, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010, on our consideration of the City'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 page 11, Schedule of Funding Progress and Employer Contributions for the City's Other Postemployment Benefits Plan on page 66, and Budgetary Comparison Information on page 67, be presented to supplement the basic financial statements. Such information, although not 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's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and statistical tables 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 other supplementary information 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. This information has been subjected to 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 taken as a whole. The introductory section and statistical tables 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.

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Pawleys Island, South Carolina  
December 20, 2010

## Management's Discussion and Analysis

As management of the City of Georgetown, South Carolina, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages 1-4 of this report.

### Financial Highlights

- The assets of the City of Georgetown exceeded its liabilities at the close of the most recent fiscal year by \$64,587,151 (*net assets*). Of this amount, \$19,541,525 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$44,632. This increase in net assets is primarily due to the operations of the City's business-type activities.
- As of the close of the current fiscal year, the City of Georgetown's governmental funds reported combined ending fund balances of \$8,320,137, an increase of \$415,567 in comparison with the prior year. Approximately 85 percent of this total amount, \$7,057,471 is *available for spending* at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$5,265,536, 61.7 percent of total general fund expenditures.
- The City of Georgetown's total debt decreased overall by \$551,005 during the current fiscal year, which was a result of the issuance of new capital leases of \$308,464 and the retirement of capital lease debt and principal reduction of revenue bonds of \$859,469.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two 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 is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, operation of a historic house museum and community development. The business-type activities of the

City include electric, water, wastewater, and stormwater utilities in addition to a waste management operation.

The government-wide financial statements include the operations of the City itself and its discretely presented component unit.

The government-wide financial statements can be found on pages 24 and 25 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. A city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The general fund is considered to be a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26-29 of this report.

**Proprietary funds.** The City maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater, stormwater, and waste management operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility, the water and wastewater utility, and the stormwater drainage utility, each of which is considered to be a major enterprise fund of the City. The City maintains one additional nonmajor enterprise fund. Individual

fund data for the nonmajor enterprise fund is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-36 of this report.

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

The basic fiduciary fund financial statements can be found on pages 37 and 38 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-64 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, a schedule of the funding progress for the City's other post employment benefits has been provided. In addition, a budgetary comparison statement has been provided for the general fund to demonstrate compliance with the annual appropriated budget. These schedules are presented as *required supplementary information*. Required supplementary information can be found on pages 66-71 of this report.

Other supplementary information is presented immediately following the required supplementary information. This information, which can be found on pages 73-99, includes the combining statements referred to earlier, as well as various individual fund statements and schedules.

### **Government-wide Financial Analysis**

Our analysis of government-wide financial information focuses on the net assets (see Table 1) and changes in net assets (see Table 2) of the City's governmental and business-type activities.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total assets exceeded liabilities by \$64,587,151 at the close of the most recent fiscal year.

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**Table 1**  
**City of Georgetown's Net Assets**  
June 30, 2009 and 2010

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$ 9,632,435	\$ 9,996,731	\$19,925,375	\$18,771,174	\$29,557,810	\$28,767,905
Capital assets	13,642,620	13,963,589	36,652,411	36,602,019	50,295,031	50,565,608
Total assets	23,275,055	23,960,320	56,577,786	55,373,193	79,852,841	79,333,513
Long-term liabilities	3,183,299	909,553	10,102,996	8,514,788	13,286,295	9,424,341
Other liabilities	1,243,083	1,304,623	4,434,715	4,017,398	5,677,798	5,322,021
Total liabilities	4,426,382	2,214,176	14,537,711	12,532,186	18,964,093	14,746,362
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	13,301,350	13,812,256	28,017,047	28,387,257	41,318,397	42,199,513
Restricted	1,906,126	1,871,591	899,518	974,522	2,805,644	2,846,113
Unrestricted	3,641,197	6,062,297	13,123,510	13,479,228	16,764,707	19,541,525
Total net assets	\$18,848,673	\$21,746,144	\$42,040,075	\$42,841,007	\$60,888,748	\$64,587,151

The largest portion of total net assets, 65.3%, reflects the City's investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

Approximately 4.4% of net assets represent resources that are subject to external restrictions on how they may be used. *Unrestricted net assets*, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, totaled \$19,541,525 or 30.3% of total net assets. Unrestricted net assets include amounts that the City has "earmarked" for projects or other uses.

Unrestricted net assets of governmental activities account for 31.0% of total unrestricted net assets and unrestricted net assets of business-type activities account for the remaining 69.0% of total unrestricted net assets.

Table 2

## City of Georgetown's Changes in Net Assets

June 30, 2009 and 2010

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,034,203	\$ 2,567,678	\$ 19,829,153	\$ 19,748,721	\$ 22,863,356	\$ 22,316,399
Operating grants	120,621	592,636	5,087	8,651	125,708	601,287
Capital grants	107,898	4,634	162,211	276,005	270,109	280,639
General revenues:						
Property taxes	4,162,030	3,832,639			4,162,030	3,832,639
Local accommodations and hospitality taxes	731,169	666,359			731,169	666,359
Unrestricted state government shared revenues	654,370	630,060			654,370	630,060
Investment earnings	70,557	17,431	144,728	48,754	215,285	66,185
Gain on sale of assets	10,996	15,906	3,733	7,956	14,729	23,862
Miscellaneous	7,427	43,436	12,061	1,860	19,488	45,296
Total revenues	8,899,271	8,370,779	20,156,973	20,091,947	29,056,244	28,462,726
<b>Expenses:</b>						
General government	2,834,421	1,827,815	-	-	2,834,421	1,827,815
Public safety	7,502,005	6,022,495	-	-	7,502,005	6,022,495
Public works	1,091,371	927,418	-	-	1,091,371	927,418
Community development	885,435	395,014	-	-	885,435	395,014
Interest on debt	25,120	23,828	-	-	25,120	23,828
Electric utility	-	-	12,021,147	11,843,488	12,021,147	11,843,488
Water utility	-	-	2,438,939	1,984,792	2,438,939	1,984,792
Wastewater utility	-	-	3,254,393	3,421,018	3,254,393	3,421,018
Stormwater utility	-	-	787,864	671,518	787,864	671,518
Waste management	-	-	1,692,040	1,300,708	1,692,040	1,300,708
Total expenses	12,338,352	9,196,570	20,194,383	19,221,524	32,532,735	28,418,094
Increase (decrease) in Net assets before transfers	(3,439,081)	(825,791)	(37,410)	870,423	(3,476,491)	44,632
Transfers (net)	1,328,400	1,317,532	(1,328,400)	(1,317,532)	-	-
Net increase (decrease)	(2,110,681)	491,741	(1,365,810)	(447,109)	(3,476,491)	44,632
Net assets - 07/01	20,959,354	18,848,673	43,357,719	42,040,075	64,317,073	60,888,748
Adjustment to net assets	-	2,405,730	48,166	1,248,041	48,166	3,653,771
Net assets - 06/30	\$ 18,848,673	\$ 21,746,144	\$ 42,040,075	\$ 42,841,007	\$ 60,888,748	\$ 64,587,151

The City's total revenues exceeded expenses for the year by \$44,632. This increase in net assets results from governmental activities, which produced increases to net assets of \$491,741. Business-type activities had a negative impact, decreasing net assets by \$447,109.

**Governmental activities.** The cost of all governmental activities this year was \$9,196,570. However, as shown in the Statement of Activities on page 25 of this report, the amount that our taxpayers ultimately financed through City taxes was only \$4,498,998 because some of the costs were paid for by those who directly benefited from the programs (\$2,567,678) or by other governments and organizations that subsidized certain programs with grants and contributions (\$597,270). In addition, the City's business-type activities provide funding for programs by making cash transfers to the governmental activities each year. After deducting outgoing transfers to certain business-type activities, the net "subsidy" for the current year totaled \$1,317,532.

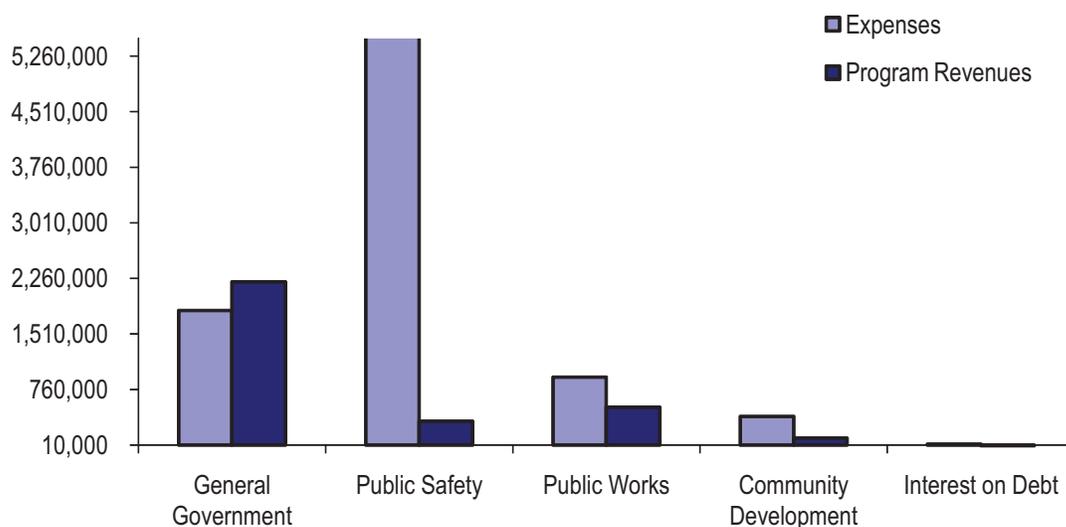
The City paid for the remaining costs of governmental activities with other general revenues, such as shared revenues from state government, investment earnings, and other miscellaneous sources.

Property tax revenues decreased approximately \$329,391 from 2009. This decrease is primarily the result of reductions to the tax base through the reduced assessments of property in developments recently annexed on the south end of the City and a reduction of the debt millage tax.

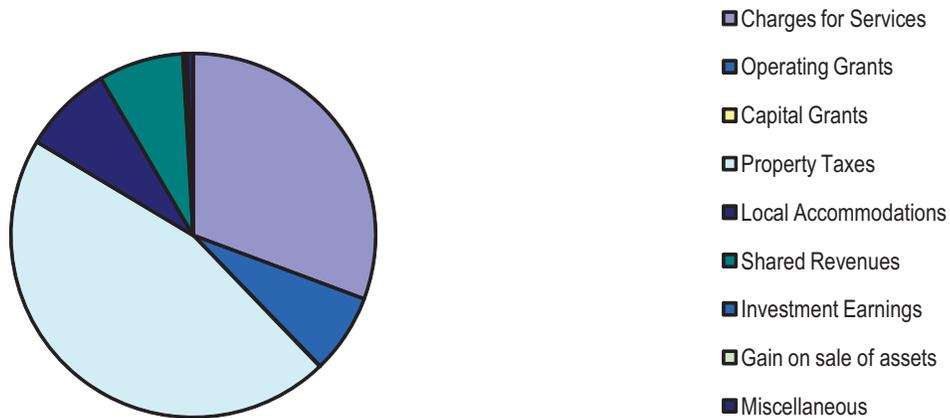
Expenses decreased approximately \$3,141,782. The majority of this decrease can be attributed to the reduction in expenses related to GASB Statement 45 which requires that the city accrue expenses related to future retiree health care benefits.

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### Expenses and Program Revenues – Governmental Activities



## Revenues by Source – Governmental Activities

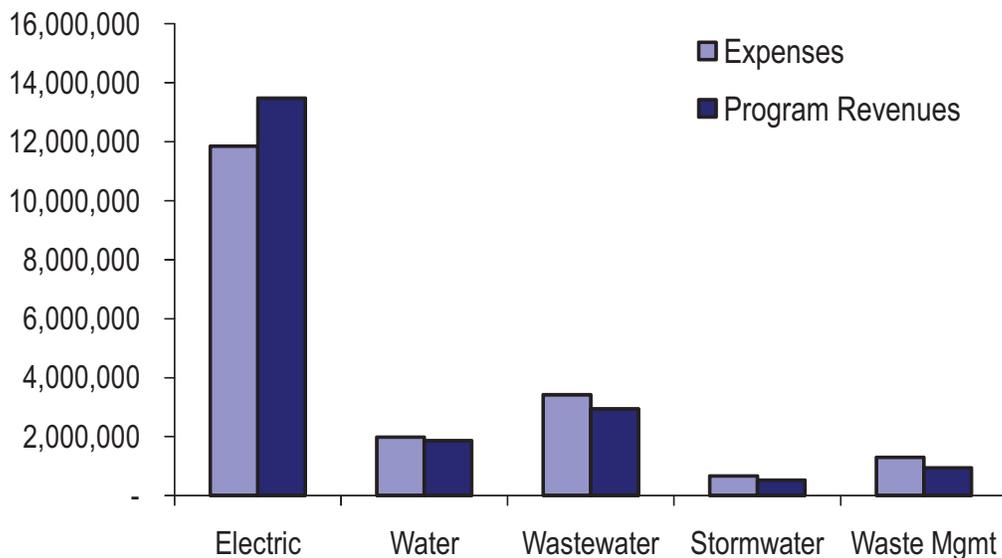


**Business-type activities.** Revenues of the City's business-type activities decreased by approximately \$80,432 or about 0.4% compared to the prior year, and expenses decreased by approximately \$972,859, or about 4.8%. There were rate increases for the year of 12.9% in Water and 15.9% in Wastewater.

The decrease in expenses of the business-type activities results primarily from the reduction of GASB Statement 45 related liability.

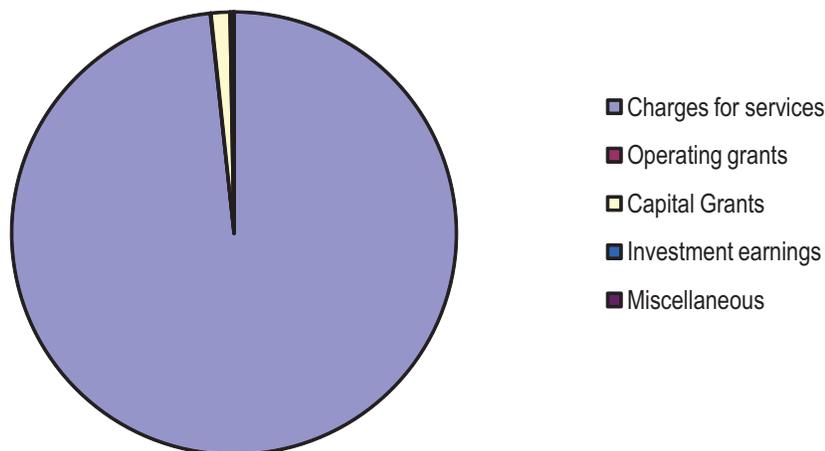
Revenues generated through service charges by the City's electric utility represent approximately 68.2% of total revenue recognized from service charges of all business-type activities of the City. Electric utility expenses account for about 61.6% of total expenses of all business-type activities. In addition, the electric utility transferred \$1,400,000 to the general fund to help fund governmental activities of the City.

## Expenses and Program Revenues – Business-type Activities



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## Revenues by Source – Business-type Activities



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## Financial Analysis of the Government's Funds

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

At the completion of the City's fiscal year, the general fund (as presented in the balance sheet on page 26 of this report) reported a fund balance of \$6,498,542 an increase of \$266,271, or 4.3% from the prior year. This increase is due to greater than anticipated revenues and a reduction in expenditures from position vacancies.

The fund balances of other governmental funds, none of which are reported as major funds, increased in total by \$149,296 or about 8.9%, from the prior year. This increase is due to the delay of large capital projects that were anticipated to start during the fiscal year.

**Proprietary funds.** The City's proprietary funds generally provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. At year-end, net assets of the Electric Utility Fund, the Water and Wastewater Utility Fund, and the Stormwater Drainage Utility Fund (the City's major enterprise funds) account for over 99.3% of net assets of all of the City's proprietary enterprise funds combined. Significant changes in net assets for each of these funds during the year ended June 30, 2010, were as follows:

- The Electric Utility Fund recognized an increase in net assets of \$1,657,489 before deducting transfers of \$2,129,340. Total net assets at the end of the year were \$10,988,781 of which approximately \$4,765,592 (43%) was invested in capital assets.
- The Water and Wastewater Utility Fund had a decrease in net assets of \$582,904 before adding capital contributions and transfers of \$1,005,345. Total net assets at the end of the year were \$23,200,553 of which approximately \$18,573,146 (80%) was invested in capital assets, net of related debt.
- The Stormwater Drainage Utility Fund had a decrease in net assets of \$136,074. Total net assets at the end of the year were \$8,363,705 of which approximately \$4,837,854 (58%) was invested in capital assets, net of related debt.

## General Fund Budgetary Highlights

The original general fund budget, as presented in this report, includes the original appropriations authorized by City Council just prior to the start of the fiscal year. During the year there was an increase in appropriations between the original and the final amended budget of \$3,600 in Police and Municipal Court combined for personal services. A budget transfer of \$5,000 was made between Administration, Building and Planning and Non-departmental.

At the close of the fiscal year there was a final budget variation of \$135,674 for revenues. Following are some of the more noteworthy variances from revenue estimates:

- Property taxes were over budget by \$93,680, due to greater than expected collection rates.
- Business licenses were over budget by \$13,129, due to conservative estimates during budgeting.
- Sunday liquor sale permits were over budget by \$15,950 due to changes in operations by several City businesses.

Actual expenditures incurred were \$284,864 less than appropriated. The more significant variances from budget are noted below:

- Public safety expenditures were \$205,421 less than budgeted due to positions that were budgeted but not filled.
- General government expenditures were \$106,683 less than budgeted due to positions that were budgeted but not filled.

Budgetary comparisons for all general fund revenue sources and functional expenditures can be found on pages 67-70 of this report.

## Capital Assets and Debt Administration

**Capital assets.** At the end of fiscal year 2010, the City had \$50.6 million (net of accumulated depreciation) invested in a broad range of capital assets. (see Table 3 on the following page). This amount represents a net increase (including additions and deductions) of about \$270,577, or 0.5%.

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Table 3

**City of Georgetown's Capital Assets**  
(net of depreciation)  
June 30, 2009 and 2010

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Land	\$ 2,364,144	\$ 2,422,404	\$ 220,225	\$ 477,022	\$ 2,584,369	\$ 2,899,426
Land improvements	-	-	181,704	181,704	181,704	181,704
Infrastructure	2,946,283	2,946,283	-	-	2,946,283	2,946,283
Buildings and Improvements	7,880,017	7,980,715	804,201	1,422,352	8,684,218	9,403,067
Vehicles, equipment, and furnishings	5,359,514	5,623,176	5,265,951	5,297,441	10,625,465	10,920,617
Electric system	-	-	6,750,664	7,170,364	6,750,664	7,170,364
Fiber optics system	-	-	909,366	912,805	909,366	912,805
Water system	-	-	15,863,557	15,793,046	15,863,557	15,793,046
Wastewater system	-	-	25,605,188	25,928,935	25,605,188	25,928,935
Stormwater system	-	-	4,441,435	4,449,961	4,441,435	4,449,961
Other improvements	2,332,009	2,447,710	-	-	2,332,009	2,447,710
Sludge disposal rights	-	-	472,047	-	472,047	-
Construction in progress	620,089	1,108,570	3,439,024	3,733,733	4,059,113	4,842,303
Total capital assets	21,502,056	22,528,858	63,953,362	65,367,363	85,455,418	87,896,221
Total accumulated depreciation	(7,859,436)	(8,565,269)	(27,300,951)	(28,765,344)	(35,160,387)	(37,330,613)
Net capital assets	\$ 13,642,620	\$ 13,963,589	\$ 36,652,411	\$ 36,602,019	\$ 50,295,031	\$ 50,565,608

This year's major capital expenditures included:

- Purchase of four new police vehicles (\$82,050).
- Refurbish Fire Department hazardous material truck (\$149,372).
- Additions and upgrades to infrastructure for City Hall drainage project (\$168,931).
- Additions and upgrades to the electric distribution system needed for City expansion (\$419,700).
- Additions and upgrades to the water and sewer system needed for City expansion (\$476,015).
- Purchase of a new street sweeper (\$167,601).
- Purchase of land and buildings at 2928 Fraser Street (\$1,073,448).

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

**Long-term debt.** As shown in Table 4 below, the City had \$8,506,990 in bonds, notes and lease obligations outstanding at year-end versus \$9,057,995 last year, a negligible decrease. More detailed information about the City's debt obligations and future debt service requirements can be found in Note 6 to the financial statements.

Table 4

City of Georgetown's Outstanding Debt

June 30, 2009 and 2010

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Capital lease obligations	\$ 341,270	\$ 292,228	\$ 1,079,308	\$ 1,017,939	\$ 1,420,578	\$ 1,310,167
Revenue bonds	-	-	7,637,417	7,196,823	7,637,417	7,196,823
Total	\$ 341,270	\$ 292,228	\$ 8,716,725	\$ 8,214,762	\$ 9,057,995	\$ 8,506,990

Under current state statutes, the City can issue general obligation debt without referendum whenever the new debt and outstanding balances of existing debt in total do not exceed 8% of taxable assessed values on property located within the city limits. As of June 30, 2010, the amount of new general obligation debt that could be issued without referendum was \$3,311,641. General obligation debt issued pursuant to referendum is not subject to the statute limitation.

### Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax rates, and fees that will be charged for business-type activities. Some of the factors considered were the national and local economy, tourism trends, population growth rates both in the City and in the County, and trend data regarding growth in property tax base and permits and licenses issued. Analysis of these factors resulted in projections for the new year that reflect some revenue growth.

At year-end, amounts available in the General Fund for future appropriation are \$6,365,536; however, of this amount the City maintains, by policy, a reserve amount of \$1,100,000 for emergencies and contingencies. This leaves \$5,265,536 in undesignated, unreserved fund balance at year-end. The City has strictly managed its activities over the last several years in order to increase fund balance to the current level. With limited potential for revenue growth in the near-term, a budget for fiscal year 2011 was prepared cautiously and with the recognition that realization of revenue estimates and containment of expenditures will be particularly important. Some of the measures taken to balance the general fund budget for the new year include:

- Funding for acquisition of capital assets was held to a minimum.
- Budget requests for operations and maintenance needs were thoroughly reviewed to find areas where savings could be realized.

### Requests for Information

This financial report is designed to provide a general overview of the City of Georgetown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, 120 North Fraser Street, City of Georgetown, SC, 29440.



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