

CITY OF GEORGETOWN, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013

Prepared By:

Department of Finance

Debra L. Bivens
Director of Finance

Susan Prescott
Accounting Manager

CITY OF GEORGETOWN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2013

INTRODUCTORY SECTION (UNAUDITED)

	<u>Page Number</u>
Transmittal Letter	1
Elected and Appointed Officials	5
Organizational Chart - City of Georgetown	6
Certificate of Achievement for Excellence in Financial Reporting	7

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 9

Management's Discussion and Analysis 11

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position 24

Statement of Activities 25

Fund Financial Statements:

Balance Sheet - Governmental Funds 26

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 27

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 28

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities 29

Statement of Net Position - Proprietary Funds 30

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds 31

Statement of Cash Flows - Proprietary Funds 32

Statement of Net Position - Fiduciary Fund Types 33

Statement of Changes in Net Position - Fiduciary Fund Types 34

Notes to the Financial Statements 35

REQUIRED SUPPLEMENTARY INFORMATION:

Budgetary Comparison Schedule - General Fund:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgets and Actual 65

Notes to Budgetary Comparison Schedule - General Fund 66

Other Postemployment Benefit Plan Schedules:

Defined Benefit Healthcare Plan - Schedules of Employer Contributions and Funding Progress 67

SUPPLEMENTARY INFORMATION:

Combining and Individual Fund Financial Schedules:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Final Budget and Actual - General Fund 71

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2013

FINANCIAL SECTION (CONTINUED)

	<u>Page Number</u>
SUPPLEMENTARY INFORMATION (CONTINUED)	
Combining Balance Sheet - Nonmajor Governmental Funds	78
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	80
<u>Special Revenue Funds:</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Federal, State, and Local Grants Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - State Accommodations Tax Fund	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Local Accommodations and Hospitality Tax Fund	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Community Development Fund	85
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budgets and Actual - Seized and Forfeited Property Fund	86
<u>Proprietary Funds:</u>	
Combining Schedule of Net Position - Water and Wastewater Utility Funds	89
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position - Water and Wastewater Utility Funds	90
Combining Schedule of Cash Flows - Water and Wastewater Utility Funds	91
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budgets and Actual - Electric Utility Fund	92
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budgets and Actual - Water Utility Fund	93
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budgets and Actual - Wastewater Utility Fund	94
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budgets and Actual - Stormwater Drainage Utility Fund	95
Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budgets and Actual - Waste Management Fund	96
Schedule of Changes in Assets and Liabilities - Fiduciary Fund - Agency - Firemen's Fund	99
Schedule of Fines, Assessments, and Surcharges - General Fund - Victim's Advocate	101
OTHER INFORMATION:	
Schedule of Volume Charge True-Up Calculation - Regional Wastewater Treatment Plant	105

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

TABLE OF CONTENTS

YEAR ENDED JUNE 30, 2013

STATISTICAL SECTION (UNAUDITED)

Page Number

Financial Trends Information:

Net Position by Component - Last Ten Fiscal Years - Accrual Basis of Accounting	109
Changes in Net Position - Last Ten Fiscal Years - Accrual Basis of Accounting	110
Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years - Accrual Basis of Accounting	112
Fund Balances of Governmental Funds - Last Ten Fiscal Years - Modified Accrual Basis of Accounting	113
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years - Modified Accrual Basis of Accounting	114

Revenue Capacity Information:

Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	116
Electric Sales and Base Rates - Last Ten Fiscal Years	117
Electric Rates - Last Ten Fiscal Years	118
Principal Electric Customers - Current Fiscal Year and Nine Fiscal Years Ago	119

Debt Capacity Information:

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	120
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	121
Direct and Overlapping Governmental Activities Debt - Last Ten Fiscal Years	122
Legal Debt Margin Information - Last Ten Fiscal Years	123
Pledged-Revenue Coverage - Last Ten Fiscal Years	124

Demographic and Economic Information:

Demographic and Economic Statistics - Last Ten Fiscal Years	125
Principal Employers - Current Fiscal Year and Eleven Fiscal Years Ago	126

Operating Information:

Full-Time Equivalent City Government Employees by Function/Program- Last Ten Fiscal Years	127
Operating Indicators by Function - Last Ten Fiscal Years	128
Capital Asset Statistics by Function - Last Ten Fiscal Years	129

COMPLIANCE SECTION

Independent Auditor's Report - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	131
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Jack M. Scoville
Mayor

Debra L. Bivens
Finance Director



Chris Carter
City Administrator

City of Georgetown

FINANCE DEPARTMENT

(843) 545-4030

December 18, 2013

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Georgetown:

State law requires that every general-purpose government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Greene, Finney & Horton, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Georgetown’s (“City”) financial statements for the year ended June 30, 2013. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Georgetown, incorporated in 1805 as a Town and in 1892 as a City, is a historic community located on the coast of South Carolina sixty miles north of Charleston and thirty-five miles south of Myrtle Beach. It currently occupies seven square miles and serves a population of approximately 9,092. The City of Georgetown is empowered to levy a property tax on both real and personal property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which is done from time to time.

The City of Georgetown operates under the Mayor-Council form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and six other members, all elected on a partisan basis. The Mayor and Council members are elected at large, each for four-year staggered terms. The Mayor and Council appoint the City Administrator who administers all departments of the City. All department heads are appointed by the City Administrator with the approval of Mayor and Council.

The City provides a full range of services, including police and fire protection, sanitation services, the repair and maintenance of city streets and infrastructure, building regulation, planning, zoning, code enforcement, operation of a museum, and cultural events. In addition to governmental activities, the City provides water, wastewater, and stormwater drainage utility services. The City also operates an electric utility, providing service to residents and commercial entities within the municipal boundaries.

This report includes all operations and funds of the City. The City is also financially accountable for a legally separate organization, City of Georgetown Winyah Auditorium Corporation (“Corporation”). The Corporation is not reported within the City’s government-wide financial statements as a discretely presented component unit – as it is not deemed significant to the City. Additional information on this legally separate entity can be found in the notes to the financial statements (Note I).

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Georgetown’s financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

Local Economy

The continued presence of Georgetown’s major manufacturing industry and expected residential growth along the City’s waterfront areas contribute to a positive economic outlook for the City. Major industries located within the government’s boundaries or in close proximity include manufacturers of steel, paper mill, medical services, and communications, as well as several real estate companies.

The unemployment rate for the Georgetown area has improved vastly. The current rate is at 8.8% (2013), down from 10.9% in 2012. Unemployment is expected to continue to remain stable or decrease for the following reasons: Arcelormittal Georgetown, the owner of the Georgetown steel mill is fully operational, citing market conditions becoming more favorable to support continuing operations. The mill employs about 250 people. Secondly, International Paper Company is a mainstay in the Georgetown Community with more than 600 employees. The mill purchases \$12 million in local goods and services within Georgetown County each year.

During the past five years, the City’s governmental fund expenditures have decreased by approximately \$1,037,791, or 12%. Much of this reflects the decreased capital expenditure in the area of public safety and services, as well as reduction of personnel in the area of general government.

Property taxes remain relatively consistent over the last few years at approximately 51% of total revenues. The City is always pursuing other means of generating revenues and holding expenditures to a minimum.

Long-Term Financial Planning

Unassigned fund balance in the General Fund stands at 90% of total General Fund expenditures. Due to Council’s adoption of formal financial policies, there is a plan to maintain a minimum of 15% of the total audited General Fund expenditures for the previous fiscal year.

Relevant Financial Policies

The City recognizes the benefits of utilizing public funds in a prudent manner in order to provide adequate working capital in the event of emergencies or other unexpected economic events, and to reduce the need for short-term borrowing. City Council has adopted a fund balance policy, which endeavors to maintain an unassigned fund balance in the General Fund in an amount equal to at least two month’s normal General Fund operating expenditures, excluding capital outlay. The City has determined this target amount to be approximately \$1,100,000, and internally reserves the amount for use in natural disaster recovery.

Major Initiatives

The City began the Advanced Meter Infrastructure (“AMI”) Replacement "Metering" project during fiscal year 2012. We have partnered with Cooper Power Systems, a world leader in metering solutions, to make this project a success. The project replaces old and outdated electric and water meters. The total cost for the metering project is expected to be approximately \$2,825,000 and is primarily being funded with proceeds from the 2011 Revenue Bonds and reserves from the electric fund. This project is approximately 95% completed.

The construction of the Streetscape extension phase II improvement project is complete. The project consisted of installing sidewalks, brick curbing, landscaping and historic style lampposts along a three block section of Front Street. The total project cost was approximately \$469,000 and was primarily funded with a Community Development Block Grant.

Awards and Acknowledgements

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Georgetown for its comprehensive annual financial report (“CAFR”) for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance and Administration Department. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Georgetown’s finances.

Respectfully submitted,



Debra L. Bivens
Director of Finance



**City of Georgetown, South Carolina
List of Elected and Appointed Officials
June 30, 2013**

Elected Officials

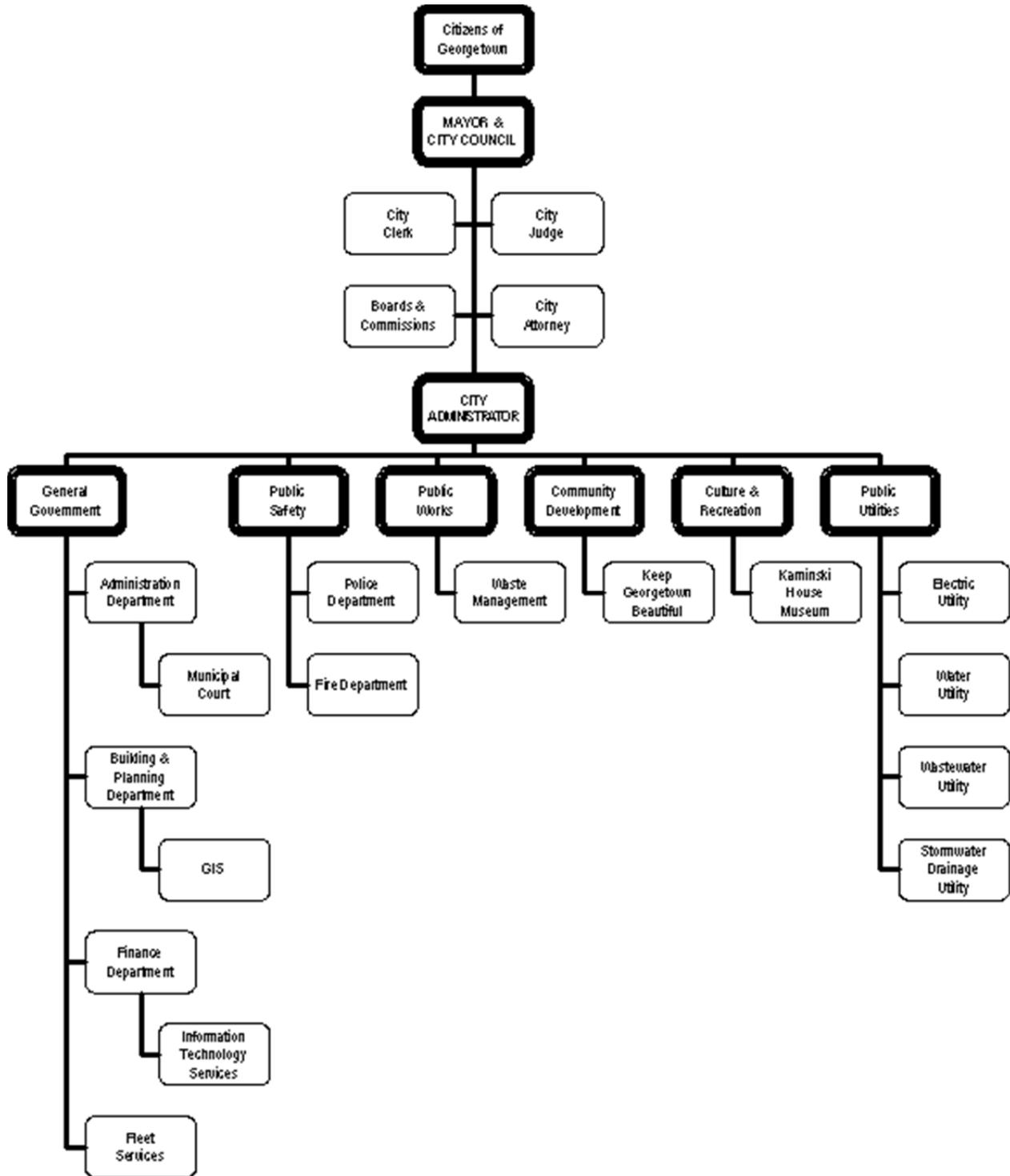
Jack M Scoville..... **Mayor**
Rudolph A Bradley Mayor Pro-Tempore, Council Member
Jeanette Ard Council Member
Brendon M Barber, Sr..... Council Member
Paige B Sawyer, III. Council Member
Clarence C Smalls..... Council Member
Peggy P Wayne..... Council Member

Appointed Officials

Chris Carter **City Administrator**
Ann U Mercer, CMC. City Clerk
Debra L Bivens Director of Finance
Paul A Gardner Chief of Police
Joseph K Tanner Fire Chief
Alan J Loveless Electric Utilities Director
Jonathan Heald..... Public Services Director
Ricky H Martin, CBO, CFM..... Building Official
Thomas Miller, Jr..... Planning & Economic Development Director
Michael Drummond IT/Systems Coordinator

Elise F Crosby City Attorney
Robert W Maring City Prosecutor
Robert H O'Donnell..... City Judge

City of Georgetown, South Carolina
Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Georgetown
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO





INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Georgetown
Georgetown, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Georgetown, South Carolina (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Georgetown, South Carolina, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – General Fund, and the other postemployment benefit plan schedules, as listed in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, other information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, other information, and statistical section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Greene, Finney & Horton, LLP
Mauldin, South Carolina
December 18, 2013

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

As management of the City of Georgetown, South Carolina ("City"), we offer readers of the City's financial statements this management's discussion and analysis ("MD&A") of the financial activities of the City for the fiscal year ended June 30, 2013. We would encourage readers to not only consider the information presented here, but also the information provided in the letter of transmittal, the financial statements, and the notes to the financial statements to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by approximately \$69,303,000 (*net position*). Of this amount, approximately \$18,183,000 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by approximately \$275,000. This increase in net position is primarily due to the operations of the City's governmental activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately \$8,862,000, an increase of approximately \$938,000 in comparison with the prior year. Approximately 80% of this total amount, \$7,104,000 is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately \$7,104,000, or 90% of total General Fund expenditures.
- The City's capital asset balances increased overall by approximately \$1,031,000, or 2%, during the current fiscal year. This increase was primarily due to additions of approximately \$3,700,000, partially offset by depreciation expense and disposals of capital assets of approximately \$2,663,000 and \$6,000 respectively.
- The City's total debt and lease purchase obligations decreased overall by approximately \$1,015,000, or 10%, during the current fiscal year due to the regularly scheduled principal payments.
- The City implemented Governmental Accounting Standards Board ("GASB") Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" ("GASB #63" or "Statement") in 2013. This Statement establishes financial reporting requirements and related disclosures for certain elements of a statement of financial position that were discussed in the GASB's 2007 Concepts Statement No. 4, "*Elements of Financial Statements*". In Concepts Statement No. 4, the GASB defines a *deferred outflow of resources* as a consumption of net assets by a government that is applicable to a future reporting period; a *deferred inflow of resources* as an acquisition of net assets by a government that is applicable to a future reporting period; and *net position* as the residual of all other elements presented in a statement of financial position (the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources). Under GASB #63, amounts for items that the GASB has designated to be deferred outflows of resources are to be presented in a statement of financial position in a separate section following assets, while amounts for items that the GASB has designated to be deferred inflows of resources are to be presented in a separate section following liabilities. The residual of assets and deferred outflows of resources over liabilities and deferred inflows of resources is to be reported as net position rather than as net assets in a statement of financial position. Since the City had no deferred outflows or inflows of resources at June 30, 2013, the City's implementation of GASB #63 had no material effect on the presentation of its 2013 financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, the *Financial Section* (which includes management's discussion and analysis, the financial statements, required supplementary information, supplementary information, and other information), the *Statistical Section*, and the *Compliance Section*.

Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the financial statements, this report contains supplementary information that will enhance the reader's understanding of the financial condition of the City.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 position* presents information on all of the City's assets and deferred outflows (if any) and liabilities and deferred inflows (if any), with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (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 other 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 can be found as listed in the table of contents 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. The 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 seven 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 six 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 schedules* elsewhere in this report.

The governmental fund financial statements can be found as listed in the table of contents of this report.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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 – the waste management fund.

The proprietary fund financial statements can be found as listed in the table of contents 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 fiduciary fund financial statements can be found as listed in the table of contents 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 as listed in the table of contents of this report.

Other Information – In addition to the financial statements and accompanying notes, a schedule of employer contributions and a schedule of funding progress for the City's other postemployment benefit plan have been provided. In addition, a budgetary comparison schedule 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 as listed in the table of contents of this report.

Supplementary information is presented immediately following the required supplementary information. This information, which can be found as listed in the table of contents, includes the combining statements referred to earlier, as well as various individual fund statements and schedules.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-1 Major Features of the City’s Government-Wide and Fund Financial Statements				
	Fund Financial Statements			
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds).	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses.	Instances in which the City is the trustee or agent for someone else’s resources.
Required Financial Statements	<ul style="list-style-type: none"> ▪ Statement of Net Position. ▪ Statement of Activities. 	<ul style="list-style-type: none"> ▪ Balance Sheet. ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances. 	<ul style="list-style-type: none"> ▪ Statement of Net Position. ▪ Statement of Revenues, Expenses, and Changes in Net Position. ▪ Statement of Cash Flows. 	<ul style="list-style-type: none"> ▪ Statement of Fiduciary Net Position. ▪ Statement of Changes in Fiduciary Net Position (not required for agency funds).
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon, thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of government-wide financial information focuses on the net position and changes in net position of the City's governmental and business-type activities.

As noted earlier, net position may serve over time, as a useful indicator of a government's financial position. The following table provides a summary of the City’s net position as of June 30, 2013 compared to June 30, 2012:

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and Other Assets	\$ 9,979,705	9,386,963	18,112,669	21,833,086	28,092,374	\$ 31,220,049
Capital Assets, Net	13,236,407	13,779,023	42,414,091	40,840,912	55,650,498	54,619,935
Total Assets	\$ 23,216,112	23,165,986	60,526,760	62,673,998	83,742,872	\$ 85,839,984
Liabilities:						
Long-Term Obligations	\$ 1,144,995	1,003,905	9,178,597	10,056,718	10,323,592	\$ 11,060,623
Other Liabilities	871,005	1,219,093	3,245,070	4,532,222	4,116,075	5,751,315
Total Liabilities	\$ 2,016,000	2,222,998	12,423,667	14,588,940	14,439,667	\$ 16,811,938
Net Position:						
Net Investment in Capital Assets	\$ 13,236,407	13,779,023	35,459,312	34,222,427	48,695,719	\$ 48,001,450
Restricted	1,682,895	1,323,479	741,224	741,224	2,424,119	2,064,703
Unrestricted	6,280,810	5,840,486	11,902,557	13,121,407	18,183,367	18,961,893
Total Net Position	\$ 21,200,112	20,942,988	48,103,093	48,085,058	69,303,205	\$ 69,028,046

The City’s total current and other assets decreased approximately \$3,128,000 from the prior year to approximately \$28,092,000 at June 30, 2013. The decrease was primarily due to the use of bond proceeds for the electric meter replacement project, which decreased current assets (i.e. cash and cash equivalents) by approximately \$2,429,000 while increasing capital assets. Net capital asset balances increased overall by approximately \$1,031,000, or 2%, from the prior year to approximately \$55,650,000 at June 30, 2013. This increase was primarily due to additions of approximately \$3,700,000, partially offset by depreciation expense and disposals of capital assets of approximately \$2,663,000 and \$6,000, respectively. Total long-term obligations decreased approximately \$737,000, or 7%, primarily due to the regularly scheduled principal payments on its debt and lease purchase obligations of approximately \$1,015,000, partially offset by increases in other long term obligations of approximately \$278,000. Other liabilities decreased by approximately \$1,635,000, or 28%, primarily due to payments to the South Carolina Department of Transportation of \$1,125,000, which were accrued at June 30, 2012, related to costs associated with the stormwater drainage project.

The largest portion of total net position of approximately \$48,696,000 (70%) represents the City’s investment in capital assets (e.g., land, infrastructure, utility systems, buildings, machinery, equipment, etc.), less any related debt (including lease purchases) 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 \$2,424,000 (3%) of net position represents resources that are subject to external restrictions on how they may be used. This portion of the net position are restricted primarily for tourism related expenditures, debt service, and capital improvements for a regional wastewater treatment plant. *Unrestricted net position*, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, totaled approximately \$18,183,000 (27%) of total net position. Unrestricted net position includes amounts that the City has “earmarked” for projects or other uses.

Unrestricted net position of governmental activities and business-type activities accounted for approximately 35% and 65%, respectively, of total unrestricted net position.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in the City's net position for fiscal year 2013 compared to 2012.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 479,396	489,361	19,169,583	19,921,821	19,648,979	\$ 20,411,182
Operating Grants and Contributions	205,269	526,621	-	-	205,269	526,621
Capital Grants and Contributions	-	-	-	38,547	-	38,547
General Revenues:						
Taxes	3,986,865	4,019,970	-	-	3,986,865	4,019,970
Business Licenses	2,819,430	2,160,084	-	-	2,819,430	2,160,084
Other	596,350	524,166	62,819	42,728	659,169	566,894
Total Revenues	<u>8,087,310</u>	<u>7,720,202</u>	<u>19,232,402</u>	<u>20,003,096</u>	<u>27,319,712</u>	<u>27,723,298</u>
Expenses:						
General Government	1,943,114	1,751,807	-	-	1,943,114	1,751,807
Public Safety	5,697,996	5,695,484	-	-	5,697,996	5,695,484
Public Works	1,068,045	1,017,830	-	-	1,068,045	1,017,830
Community & Economic Development	520,270	763,529	-	-	520,270	763,529
Interest	761	2,263	-	-	761	2,263
Electric Utility	-	-	11,555,347	11,197,351	11,555,347	11,197,351
Water Utility	-	-	1,958,394	1,970,507	1,958,394	1,970,507
Wastewater Utility	-	-	2,821,512	2,843,468	2,821,512	2,843,468
Stormwater Utility	-	-	630,431	595,203	630,431	595,203
Waste Management	-	-	848,683	978,606	848,683	978,606
Total Expenses	<u>9,230,186</u>	<u>9,230,913</u>	<u>17,814,367</u>	<u>17,585,135</u>	<u>27,044,553</u>	<u>26,816,048</u>
Change in Net Position Before Special						
Item and Transfers	(1,142,876)	(1,510,711)	1,418,035	2,417,961	275,159	907,250
Special Item - Donation to Winyah Audit	-	(756,868)	-	-	-	(756,868)
Transfers In (Out)	1,400,000	1,388,915	(1,400,000)	(1,388,915)	-	-
Change in Net Position	<u>257,124</u>	<u>(878,664)</u>	<u>18,035</u>	<u>1,029,046</u>	<u>275,159</u>	<u>150,382</u>
Net Position - Beginning of Year	<u>20,942,988</u>	<u>21,821,652</u>	<u>48,085,058</u>	<u>47,056,012</u>	<u>69,028,046</u>	<u>68,877,664</u>
Net Position - End of Year	<u>\$ 21,200,112</u>	<u>20,942,988</u>	<u>48,103,093</u>	<u>48,085,058</u>	<u>69,303,205</u>	<u>\$ 69,028,046</u>

Governmental Activities: Total expenses for governmental activities for 2013 were approximately \$9,230,000. Some of these expenses were paid for by those who directly benefited from the programs (approximately \$479,000) or by other governments and organizations that subsidized certain programs with grants and contributions (approximately \$205,000). In addition, the City's business-type activities provide funding for programs by making cash transfers to the governmental activities each year. After deducting transfers to certain business-type activities, the net "subsidy" for the current year was approximately \$1,400,000. The amount that our taxpayers ultimately financed through City taxes (i.e. property taxes, hospitality taxes, etc.) was approximately \$3,987,000. The City paid for the remaining costs of governmental activities with other general revenues, such as business licenses, shared revenues, investment earnings, and other miscellaneous sources.

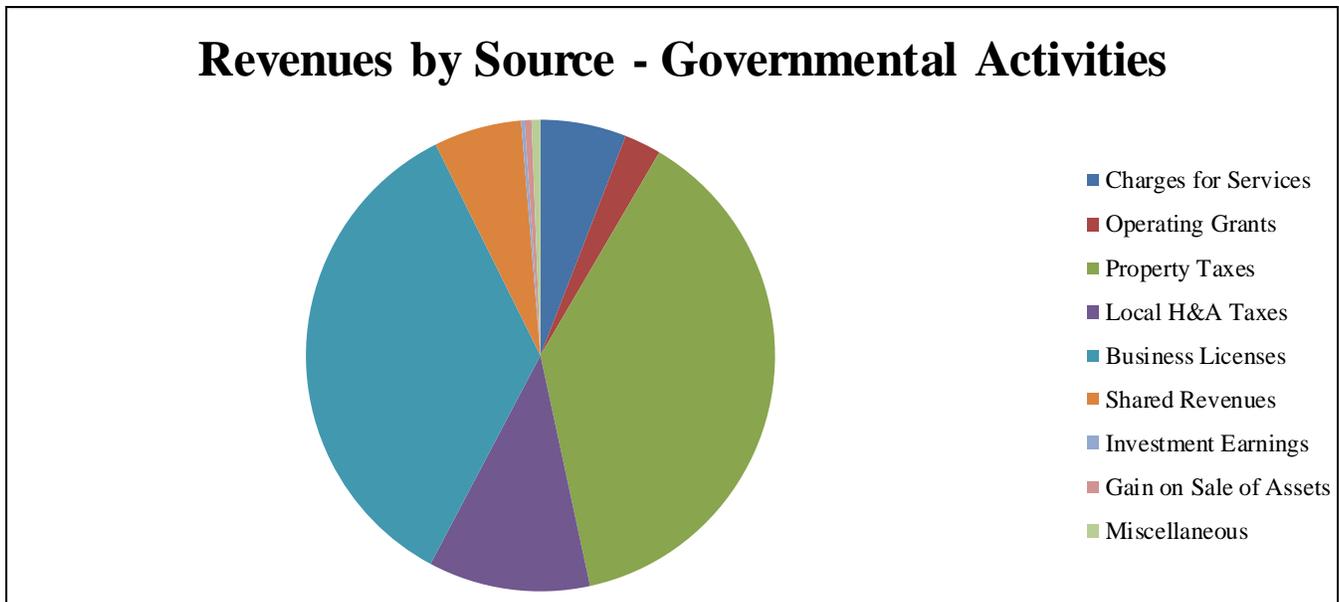
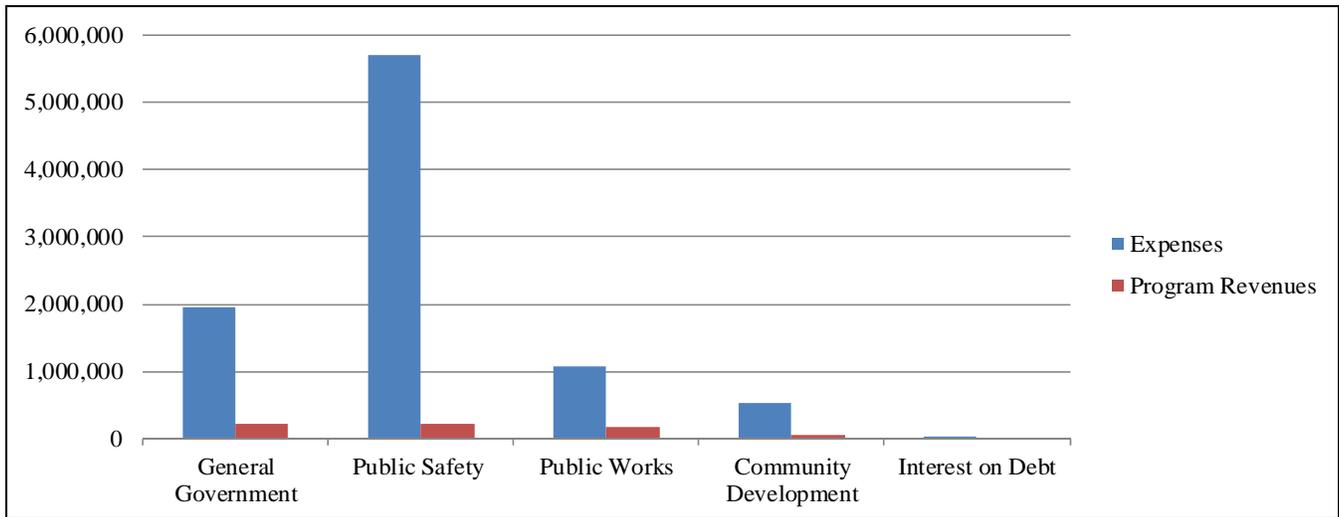
Total revenues increased approximately \$367,000 to approximately \$8,087,000 in 2013, which was primarily due to an increase in business licenses. Expenses were fairly flat compared to the prior year and were \$9,230,000 for 2013.

CITY OF GEORGETOWN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

Expenses and Program Revenues – Governmental Activities



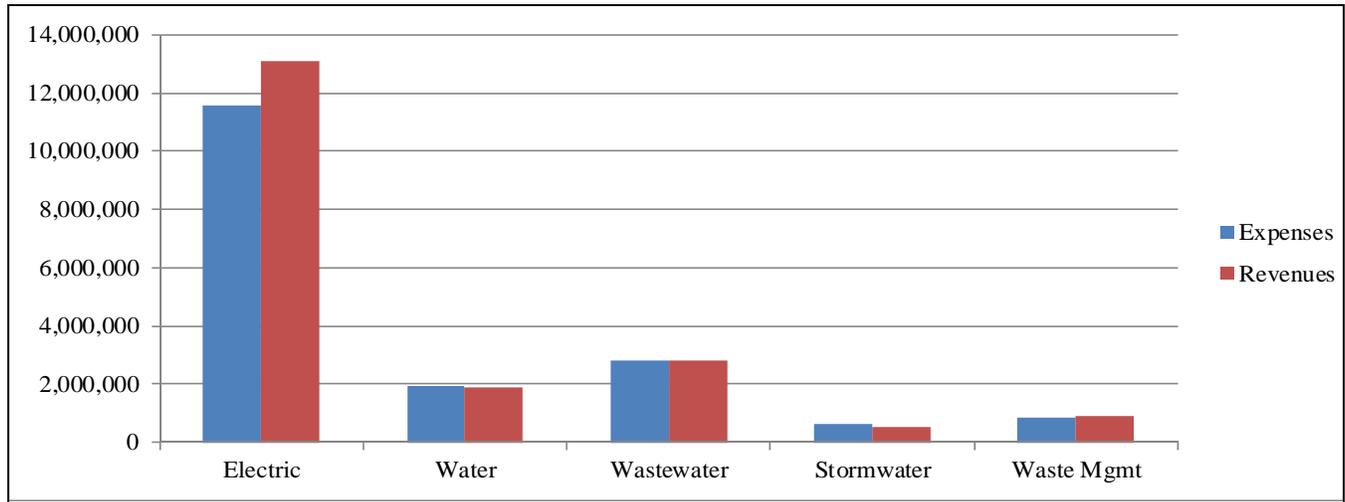
Business-Type Activities: Revenues of the City's business-type activities decreased by approximately \$771,000 (around 4%) compared to the prior year. This decrease was due to a general decrease in electric utility operating revenues of approximately \$456,000 due to the mild winter and a decrease of water and wastewater operating revenues of approximately \$288,000 due to a wet summer. Expenses of the City's business-type activities increased by approximately \$249,000, or about 1%, compared to the prior year. This increase was primarily due to an increase in the amount of purchased electricity.

CITY OF GEORGETOWN, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities (Continued)

Expenses and Program Revenues – Business-Type Activities



Revenues generated through service charges by the City’s electric utility represent approximately 68% of total revenue recognized from service charges of all business-type activities. Electric utility expenses account for approximately 65% of total expenses of all business-type activities. In addition, the electric utility transferred approximately \$1,400,000 to the General Fund to help fund governmental activities of the City.

Practically all of the revenues in the City’s business-type activities are related to charges for services, as the City received very little other revenues in fiscal year 2013. Therefore, no revenue by source chart has been included for the current year’s MD&A.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

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

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, unassigned 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 reported a fund balance of approximately \$7,210,000, an increase of approximately \$538,000 (8%), from the prior year. This increase was primarily due to greater than anticipated revenues (primarily due to higher business license collections) and a reduction in expenditures from position vacancies.

The fund balances of the other governmental funds, none of which are reported as major funds, increased in total by approximately \$400,000 (32%), from the prior year. This increase was primarily due to a decrease of expenditures in the current year due to the completion of the Way Finding project in the prior year and a decrease in the amount transferred out to the General Fund.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

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 position 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 approximately 99.8% of net position of all of the City's proprietary enterprise funds combined.

Significant changes in net position for each of these funds during the year ended June 30, 2013, were as follows:

- The Electric Utility Fund recognized an increase in net position of approximately \$160,000. Total net position at the end of the year was approximately \$12,837,000, of which approximately \$7,385,000 (58%) was its net investment in capital assets.
- The Water and Wastewater Utility Fund had a decrease in net position of approximately \$81,000. Total net position at the end of the year was approximately \$23,115,000, of which approximately \$17,037,000 (74%) was its net investment in capital assets. In addition, the fund had restricted net position of approximately \$741,000 which was restricted for debt service and capital improvements costs related to a regional waste water treatment plant.
- The Stormwater Drainage Utility Fund had a decrease in net position of approximately \$127,000. Total net position at the end of the year was approximately \$12,050,000, of which approximately \$10,713,000 (89%) was its net investment in capital assets.

General Fund Budgetary Highlights. The original General Fund budget, as presented later in this report, includes the original appropriations authorized by City Council just prior to the start of the fiscal year with a minor change of approximately \$60,000 that occurred at the time of adoption.

At the close of the fiscal year, actual revenues were greater than budget by approximately \$526,000. Following are some of the more noteworthy variances from revenue estimates:

- Property taxes were under budget by approximately \$81,000, due to lower rates and collections after the City's reassessment.
- Licenses and permits were over budget by approximately \$645,000 due to conservative estimates during budgeting and growth due to an improving economy.
- Fines and forfeitures decreased approximately \$39,000 due to less enforcement officers on staff.

Actual expenditures incurred were approximately \$1,745,000 less than budget. The more significant variances from budget are noted below:

- Public safety, and general government expenditures were approximately \$379,000, and \$297,000, respectively, less than budget. These decreases were primarily due to positions that were budgeted but not filled, as well as the elimination of positions.
- Actual capital outlay was under budget by approximately \$1,271,000, primarily due to a delay in the building of the fire station on the Eagle Electric property.

Budgetary comparisons for all General Fund revenue sources and functional expenditures can be found as listed in the table of contents of this report.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30 2013, the City had approximately \$55,650,000 (net of accumulated depreciation) in a broad range of capital assets. This amount represents a net increase of approximately \$1,031,000 (2%) from the prior year. The City’s capital assets (net of depreciation) as of June 30, 2013 and 2012 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 2,422,404	2,422,404	477,022	477,022	2,899,426	\$ 2,899,426
Construction in Progress	54,044	852,399	3,797,038	9,787,717	3,851,082	10,640,116
Land Improvements	-	-	186,291	181,704	186,291	181,704
Buildings and Improvements	8,279,812	8,279,812	1,541,882	1,494,322	9,821,694	9,774,134
Electric System	-	-	7,919,369	7,830,737	7,919,369	7,830,737
Fiber Optics System	-	-	912,805	912,805	912,805	912,805
Water System	-	-	17,393,801	16,427,372	17,393,801	16,427,372
Wastewater System	-	-	26,131,952	25,978,320	26,131,952	25,978,320
Stormwater Drainage System	-	-	12,462,296	4,449,961	12,462,296	4,449,961
Infrastructure	3,016,561	3,016,561	-	-	3,016,561	3,016,561
Vehicles, Equipment, and Furnishings	6,509,387	6,651,831	5,459,369	5,434,744	11,968,756	12,086,575
Other Improvements	3,674,019	2,639,417	-	-	3,674,019	2,639,417
Capital Assets	23,956,227	23,862,424	76,281,825	72,974,704	100,238,052	96,837,128
Accumulated Depreciation	10,719,820	10,083,401	33,867,734	32,133,792	44,587,554	42,217,193
Total	\$ 13,236,407	13,779,023	42,414,091	40,840,912	55,650,498	\$ 54,619,935

Major capital asset items for the year included the following:

- Capital asset additions for the City’s governmental activities were approximately \$389,000 and consisted of the following:
 - Police department vehicles of approximately \$152,000.
 - Streetscape improvements of approximately \$164,000.
 - Playground and park equipment of approximately \$42,000.
 - East Bay Park Boat Landing improvements of approximately \$24,000.
 - Other miscellaneous capital assets of approximately \$7,000.
- Capital asset additions for the City’s business-type activities were approximately \$3,311,000 and consisted of the following:
 - Electric meter replacement of approximately \$2,429,000.
 - Electric overhead line replacement of approximately \$153,000.
 - Water – Waste treatment plant roof replacement of approximately \$249,000.
 - Other miscellaneous capital assets of approximately \$480,000.
- Depreciation expense of approximately \$929,000 and \$1,734,000 for the City governmental and business-type activities, respectively.
- Disposals of capital assets of approximately \$2,000 and \$4,000 for the City governmental and business-type activities, respectively.

Additional information regarding the City’s capital assets can be found in Note III.D in the notes to the financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration

As of June 30, 2013 and June 30, 2012, the City had total outstanding debt and lease purchases of approximately \$8,656,000 and \$9,670,000, respectively. The City's total debt and lease purchases as of June 30, 2013 and 2012 were as follows:

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
2011 Revenue Bonds	\$ -	-	8,420,611	9,146,875	8,420,611	\$ 9,146,875
Lease Purchases	-	48,429	235,130	475,079	235,130	523,508
Total	<u>\$ -</u>	<u>48,429</u>	<u>8,655,741</u>	<u>9,621,954</u>	<u>8,655,741</u>	<u>\$ 9,670,383</u>

The City's total debt and lease purchases decreased overall by approximately \$1,015,000, or 10%, during the current fiscal year due to regularly scheduled principal payments. There were no new issuances of debt or lease purchases during fiscal year 2013.

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, 2013, the amount of new general obligation debt that could be issued without referendum was approximately \$3,122,000. General obligation debt issued pursuant to referendum is not subject to the statute limitation.

Additional information regarding the City's long-term obligations can be found in Note III.E in the notes to the financial statements.

ECONOMIC FACTORS AND 2014 BUDGET FOR CITY

The City's elected and appointed officials considered many factors when setting the fiscal year 2014 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 approximately \$7,104,000 (unassigned fund balance); however, of this amount the City maintains, by policy, a minimum fund balance policy of approximately 15% of total audited General Fund expenditures \$1,179,000 for emergencies and contingencies. This leaves approximately \$5,925,000 in unassigned 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 2014 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.
- Personnel costs were reduced by not filling vacant positions.

REQUESTS FOR CITY 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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Basic Financial Statements

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2013

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and Cash Equivalents	\$ 7,162,598	10,286,217	\$ 17,448,815
Cash and Cash Equivalents, Restricted	1,832,278	3,774,595	5,606,873
Investments	-	1,808	1,808
Receivables, Net:			
Property Taxes	116,480	-	116,480
Accounts	94,847	2,148,733	2,243,580
Other	214,491	83,529	298,020
Intergovernmental Receivables	419,611	767,783	1,187,394
Internal Balances	19,817	(19,817)	-
Prepays and Inventories	119,583	1,069,821	1,189,404
Capital Assets:			
Non-Depreciable	2,476,448	4,274,060	6,750,508
Depreciable, Net	10,759,959	38,140,031	48,899,990
TOTAL ASSETS	\$ 23,216,112	60,526,760	\$ 83,742,872
LIABILITIES			
Bank Overdraft	\$ 5,846	162,734	\$ 168,580
Accounts Payable	435,159	1,250,860	1,686,019
Accrued Interest Payable	-	3,644	3,644
Accrued Salaries and Benefits	208,829	85,670	294,499
Customer Deposits	-	618,580	618,580
Other Accrued Liabilities	8,364	-	8,364
Unearned Revenues	212,807	1,123,582	1,336,389
Non-Current Liabilities:			
Due Within One Year	54,508	975,389	1,029,897
Due in More Than One Year	1,090,487	8,203,208	9,293,695
TOTAL LIABILITIES	2,016,000	12,423,667	14,439,667
NET POSITION			
Net Investment in Capital Assets	13,236,407	35,459,312	48,695,719
Restricted For:			
Regional Wastewater Treatment Plant	-	658,809	658,809
Debt Service	7,927	82,415	90,342
Tourism Related Expenditures	1,629,449	-	1,629,449
Other	45,519	-	45,519
Unrestricted	6,280,810	11,902,557	18,183,367
TOTAL NET POSITION	\$ 21,200,112	48,103,093	\$ 69,303,205

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions	Governmental Activities	Business-Type Activities	Total
PRIMARY GOVERNMENT:							
Governmental Activities:							
General Government	\$ 1,943,114	211,509	-	-	(1,731,605)	-	\$ (1,731,605)
Public Safety	5,697,996	229,287	4,905	-	(5,463,804)	-	(5,463,804)
Public Works	1,068,045	-	171,057	-	(896,988)	-	(896,988)
Community Development	520,270	38,600	29,307	-	(452,363)	-	(452,363)
Interest on Long-Term Obligations	761	-	-	-	(761)	-	(761)
Total Governmental Activities	9,230,186	479,396	205,269	-	(8,545,521)	-	(8,545,521)
Business-Type Activities:							
Electric Utility	11,555,347	13,098,407	-	-	-	1,543,060	1,543,060
Water Utility	1,958,394	1,850,049	-	-	-	(108,345)	(108,345)
Wastewater Utility	2,821,512	2,807,199	-	-	-	(14,313)	(14,313)
Stormwater Utility	630,431	500,290	-	-	-	(130,141)	(130,141)
Waste Management	848,683	913,638	-	-	-	64,955	64,955
Total Business-Type Activities	17,814,367	19,169,583	-	-	-	1,355,216	1,355,216
TOTAL - PRIMARY GOVERNMENT	\$ 27,044,553	19,648,979	205,269	-	(8,545,521)	1,355,216	(7,190,305)
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					3,084,436	-	3,084,436
Property Taxes Levied for Debt Service					(155)	-	(155)
Local Accommodations and Hospitality Taxes					902,584	-	902,584
Business Licenses					2,819,430	-	2,819,430
Unrestricted State Shared Revenues					489,222	-	489,222
Investment Income					19,664	28,903	48,567
Miscellaneous					49,640	32,287	81,927
Gain on Sale of Assets					37,824	1,629	39,453
Transfers In (Out)					1,400,000	(1,400,000)	-
Total General Revenues and Transfers					8,802,645	(1,337,181)	7,465,464
CHANGE IN NET POSITION					257,124	18,035	275,159
NET POSITION, BEGINNING OF YEAR					20,942,988	48,085,058	69,028,046
NET POSITION, END OF YEAR					21,200,112	48,103,093	\$ 69,303,205

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash and Cash Equivalents	\$ 7,162,598	-	\$ 7,162,598
Cash and Cash Equivalents, Restricted	18,415	1,813,863	1,832,278
Receivables, Net:			
Property Taxes	116,480	-	116,480
Accounts	-	94,847	94,847
Police Fines	71,873	-	71,873
Business Licenses	99,959	-	99,959
Other	42,659	-	42,659
Intergovernmental Receivables	373,812	45,799	419,611
Due From Other Funds	21,393	-	21,393
Prepays	8,935	369	9,304
Inventory	88,526	21,753	110,279
TOTAL ASSETS	<u>\$ 8,004,650</u>	<u>1,976,631</u>	<u>\$ 9,981,281</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Bank Overdraft	\$ -	5,846	\$ 5,846
Accounts Payable	356,016	79,143	435,159
Accrued Salaries and Benefits	202,091	6,738	208,829
Accrued Court Bonds	8,364	-	8,364
Due To Other Funds	-	1,576	1,576
Unearned/Deferred Revenues:			
Taxes	102,951	-	102,951
Police Fines	55,244	-	55,244
Grants	3,910	-	3,910
Other	66,431	231,140	297,571
TOTAL LIABILITIES	<u>795,007</u>	<u>324,443</u>	<u>1,119,450</u>
FUND BALANCES			
Nonspendable:			
Prepays	8,935	369	9,304
Inventory	88,526	21,753	110,279
Restricted For:			
Debt Service	-	7,927	7,927
Tourism Related Expenditures	-	1,585,084	1,585,084
Other	8,464	37,055	45,519
Unassigned	7,103,718	-	7,103,718
TOTAL FUND BALANCES	<u>7,209,643</u>	<u>1,652,188</u>	<u>8,861,831</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,004,650</u>	<u>1,976,631</u>	<u>\$ 9,981,281</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2013

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 8,861,831**

Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not current financial resources and therefore are not reported as assets in governmental funds. The cost of the capital assets was \$23,956,227 and the accumulated depreciation was \$10,719,820. 13,236,407

Property taxes and other receivables that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore have been deferred in the governmental funds. 246,869

Long-term liabilities, including bonds payable, are not due or payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisted of the following:

Compensated Absence Obligations	(205,690)
Net OPEB Liability	(939,305)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 21,200,112**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2013

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 3,034,114	750,970	\$ 3,785,084
Licenses and Permits	3,063,513	-	3,063,513
Fire Impact Fees	14,222	-	14,222
Fines and Forfeitures	164,910	(1,409)	163,501
Intergovernmental	553,410	291,779	845,189
Investment Earnings	17,344	2,320	19,664
Sales and Service Fees	-	38,600	38,600
Miscellaneous	82,419	10,609	93,028
TOTAL REVENUES	6,929,932	1,092,869	8,022,801
EXPENDITURES			
Current:			
General Government	1,501,266	16,869	1,518,135
Public Safety	5,187,340	8,470	5,195,810
Public Works	919,162	9,811	928,973
Community Development	-	467,878	467,878
Capital Outlay	200,638	188,278	388,916
Debt Service:			
Principal Retirement	48,429	-	48,429
Interest	1,526	-	1,526
TOTAL EXPENDITURES	7,858,361	691,306	8,549,667
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(928,429)	401,563	(526,866)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	24,120	-	24,120
Sale of Capital Assets	40,246	-	40,246
Transfers In	1,539,383	137,333	1,676,716
Transfers Out	(137,333)	(139,383)	(276,716)
TOTAL OTHER FINANCING SOURCES (USES)	1,466,416	(2,050)	1,464,366
NET CHANGES IN FUND BALANCES	537,987	399,513	937,500
FUND BALANCES, BEGINNING OF YEAR	6,671,656	1,252,675	7,924,331
FUND BALANCES, END OF YEAR	\$ 7,209,643	1,652,188	\$ 8,861,831

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2013

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 937,500
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:	
Property tax and other revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	2,565
Repayment of lease purchase obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	48,429
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	765
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(22,461)
A net OPEB liability results from not fully funding the annual required contribution to an OPEB Plan in the current and/or prior years and is not reported as a liability in the governmental funds. This amount represents the change in this liability during the current year and is reported in the Statement of Activities.	(167,058)
In the Statement of Activities, the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.	(2,422)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, capital outlay expenditures that qualify as capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$929,109) exceeded depreciation expense (\$388,915) in the current period.	<u>(540,194)</u>
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 257,124</u></u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2013

	<u>ELECTRIC UTILITY FUND</u>	<u>WATER & WASTEWATER UTILITY FUND</u>	<u>STORMWATER DRAINAGE UTILITY FUND</u>	<u>WASTE MANAGEMENT FUND</u>	<u>TOTAL</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 4,079,889	5,574,922	631,406	-	\$ 10,286,217
Cash and Cash Equivalents, Restricted	412,995	3,361,600	-	-	3,774,595
Investments	1,808	-	-	-	1,808
Accounts Receivable, Net	1,634,093	425,306	29,945	59,389	2,148,733
Other Receivables	73,707	9,822	-	-	83,529
Intergovernmental Receivables	-	17,783	750,000	-	767,783
Prepays	107	34,502	50	-	34,659
Inventories	969,879	60,703	4,580	-	1,035,162
Total Current Assets	<u>7,172,478</u>	<u>9,484,638</u>	<u>1,415,981</u>	<u>59,389</u>	<u>18,132,486</u>
Non-Current Assets:					
Capital Assets:					
Non-Depreciable	3,608,138	445,697	220,225	-	4,274,060
Depreciable, Net	3,776,405	23,429,984	10,563,148	370,494	38,140,031
Total Non-Current Assets	<u>7,384,543</u>	<u>23,875,681</u>	<u>10,783,373</u>	<u>370,494</u>	<u>42,414,091</u>
TOTAL ASSETS	<u>\$ 14,557,021</u>	<u>33,360,319</u>	<u>12,199,354</u>	<u>429,883</u>	<u>\$ 60,546,577</u>
LIABILITIES					
Current Liabilities:					
Bank Overdraft	\$ -	-	-	162,734	\$ 162,734
Accounts Payable	1,039,369	183,401	21,832	6,258	1,250,860
Accrued Interest Payable	-	1,336	1,793	515	3,644
Accrued Salaries and Benefits	32,278	36,698	7,284	9,410	85,670
Customer Deposits	452,070	166,510	-	-	618,580
Due To Other Funds	5,393	6,092	2,515	5,817	19,817
Unearned Revenue	-	1,123,582	-	-	1,123,582
Current Portion of Compensated Absences	11,311	13,347	1,820	1,428	27,906
Current Portion of Lease Purchase	-	118,804	34,643	45,831	199,278
Current Portion of Debt	-	748,205	-	-	748,205
Total Current Liabilities	<u>1,540,421</u>	<u>2,397,975</u>	<u>69,887</u>	<u>231,993</u>	<u>4,240,276</u>
Non-Current Liabilities:					
Other Post Employment Benefits	146,439	155,384	38,264	92,008	432,095
Compensated Absences, Less Current Portion	32,826	19,997	4,975	5,057	62,855
Lease Purchase, Less Current Portion	-	-	35,852	-	35,852
Debt, Less Current Portion	-	7,672,406	-	-	7,672,406
Total Long-Term Liabilities	<u>179,265</u>	<u>7,847,787</u>	<u>79,091</u>	<u>97,065</u>	<u>8,203,208</u>
TOTAL LIABILITIES	<u>1,719,686</u>	<u>10,245,762</u>	<u>148,978</u>	<u>329,058</u>	<u>12,443,484</u>
NET POSITION					
Net Investment in Capital Assets	7,384,543	17,037,228	10,712,878	324,663	35,459,312
Restricted for Debt Service	-	82,415	-	-	82,415
Restricted for Regional Wastewater Treatment Plant	-	658,809	-	-	658,809
Unrestricted	5,452,792	5,336,105	1,337,498	(223,838)	11,902,557
TOTAL NET POSITION	<u>12,837,335</u>	<u>23,114,557</u>	<u>12,050,376</u>	<u>100,825</u>	<u>48,103,093</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 14,557,021</u>	<u>33,360,319</u>	<u>12,199,354</u>	<u>429,883</u>	<u>\$ 60,546,577</u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2013

	<u>ELECTRIC UTILITY FUND</u>	<u>WATER & WASTEWATER UTILITY FUND</u>	<u>STORMWATER DRAINAGE UTILITY FUND</u>	<u>WASTE MANAGEMENT FUND</u>	<u>TOTAL</u>
OPERATING REVENUES					
Charges for Services	\$ 13,098,407	4,657,248	500,290	913,638	\$ 19,169,583
TOTAL OPERATING REVENUES	13,098,407	4,657,248	500,290	913,638	19,169,583
OPERATING EXPENSES					
Purchased Electricity	9,145,159	-	-	-	9,145,159
Purchased Water	-	68,001	-	-	68,001
Provision for Bad Debts	31,656	12,767	1,544	5,210	51,177
Personal Services	1,004,648	1,108,037	260,409	319,065	2,692,159
Supplies	139,221	469,457	31,962	17,964	658,604
Other Charges and Services	987,210	1,627,587	158,919	417,841	3,191,557
Depreciation	247,453	1,225,967	174,820	85,702	1,733,942
TOTAL OPERATING EXPENSES	11,555,347	4,511,816	627,654	845,782	17,540,599
OPERATING INCOME (LOSS)	1,543,060	145,432	(127,364)	67,856	1,628,984
NON-OPERATING REVENUES (EXPENSES)					
Interest Earned on Investments	13,987	13,850	1,066	-	28,903
Interest on Long-Term Obligations	-	(268,090)	(2,777)	(2,901)	(273,768)
Gain (Loss) on Sale of Capital Assets	-	1,629	-	-	1,629
Miscellaneous	3,084	26,665	2,473	65	32,287
TOTAL NON-OPERATING REVENUES (EXPENSES)	17,071	(225,946)	762	(2,836)	(210,949)
INCOME (LOSS) BEFORE TRANSFERS	1,560,131	(80,514)	(126,602)	65,020	1,418,035
Transfers Out	(1,400,000)	-	-	-	(1,400,000)
CHANGE IN NET POSITION	160,131	(80,514)	(126,602)	65,020	18,035
NET POSITION, BEGINNING OF YEAR	12,677,204	23,195,071	12,176,978	35,805	48,085,058
NET POSITION, END OF YEAR	\$ 12,837,335	23,114,557	12,050,376	100,825	\$ 48,103,093

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2013

	ELECTRIC UTILITY FUND	WATER & WASTEWATER UTILITY FUND	STORMWATER DRAINAGE UTILITY FUND	WASTE MANAGEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 13,005,288	4,492,115	496,983	906,058	\$ 18,900,444
Payments to Suppliers for Goods and Services	(10,093,586)	(2,202,788)	(1,289,942)	(493,047)	(14,079,363)
Payments for Personnel Services	(997,063)	(1,106,753)	(258,045)	(317,907)	(2,679,768)
Other Receipts (Payments)	3,084	26,665	2,473	65	32,287
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>1,917,723</u>	<u>1,209,239</u>	<u>(1,048,531)</u>	<u>95,169</u>	<u>2,173,600</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
State and Federal Grants	-	136,840	747,862	-	884,702
Transfers to Other Funds	(1,400,000)	-	-	-	(1,400,000)
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	<u>(1,400,000)</u>	<u>136,840</u>	<u>747,862</u>	<u>-</u>	<u>(515,298)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(2,743,175)	(562,868)	(4,587)	-	(3,310,630)
Proceeds on Sale of Capital Assets	-	5,138	-	-	5,138
Bond, Note, and Capital Lease Principal Payments	-	(841,776)	(33,474)	(90,963)	(966,213)
Bond, Note, and Capital Lease Interest Payments	-	(269,388)	(3,628)	(4,206)	(277,222)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,743,175)</u>	<u>(1,668,894)</u>	<u>(41,689)</u>	<u>(95,169)</u>	<u>(4,548,927)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Earnings	13,987	13,850	1,066	-	28,903
Short Term Investments, Net	353	-	-	-	353
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>14,340</u>	<u>13,850</u>	<u>1,066</u>	<u>-</u>	<u>29,256</u>
NET DECREASE IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	(2,211,112)	(308,965)	(341,292)	-	(2,861,369)
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	<u>6,703,996</u>	<u>9,245,487</u>	<u>972,698</u>	<u>-</u>	<u>16,922,181</u>
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 4,492,884</u>	<u>8,936,522</u>	<u>631,406</u>	<u>-</u>	<u>\$ 14,060,812</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ 1,543,060	145,432	(127,364)	67,856	\$ 1,628,984
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:					
Depreciation Expense	247,453	1,225,967	174,820	85,702	1,733,942
Other Miscellaneous Receipts	3,084	26,665	2,473	65	32,287
Change in Account Representing Operating Activities:					
Accounts Receivable	(124,456)	14,424	(3,307)	(7,580)	(120,919)
Other Receivables	7,337	11,414	-	-	18,751
Prepays and Inventory	77,440	(993)	(287)	-	76,160
Accounts Payable	106,622	(50,929)	(1,105,314)	(69,546)	(1,119,167)
Accrued Salaries and Benefits	2,474	(2,416)	1,325	1,058	2,441
Customer Deposits	24,000	(859)	-	-	23,141
Other Post Employment Benefits	25,598	26,946	8,084	17,514	78,142
Unearned Revenue	-	(190,112)	-	-	(190,112)
Compensated Absences	5,111	3,700	1,039	100	9,950
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,917,723</u>	<u>1,209,239</u>	<u>(1,048,531)</u>	<u>95,169</u>	<u>\$ 2,173,600</u>
Supplemental Non-Cash Information:					
Depreciation Expense	\$ 247,453	1,225,967	174,820	85,702	\$ 1,733,942

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF NET POSITION - FIDUCIARY FUND TYPES

JUNE 30, 2013

	GUERRY SCHOLARSHIP PRIVATE PURPOSE TRUST FUND	FIREMEN'S AGENCY FUND
ASSETS		
Cash and Cash Equivalents, Restricted	\$ 31,066	\$ 2,100
TOTAL ASSETS	\$ 31,066	\$ 2,100
LIABILITIES		
Due to City Fireman's Association	\$ -	\$ 2,100
TOTAL LIABILITIES	-	\$ 2,100
NET POSITION		
Held in Trust for Benefits of Future Scholarship Recipients	31,066	
TOTAL LIABILITIES AND NET POSITION	\$ 31,066	

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND TYPES

YEAR ENDED JUNE 30, 2013

	GUERRY SCHOLARSHIP PRIVATE PURPOSE TRUST FUND
ADDITIONS	
Investment Earnings:	
Interest	\$ 75
Total Investment Earnings	<u>75</u>
TOTAL ADDITIONS (REDUCTIONS) ALL SOURCES	<u>75</u>
DEDUCTIONS	
Scholarships Funded	-
TOTAL DEDUCTIONS	<u>-</u>
NET INCREASE IN NET POSITION	75
NET POSITION, Beginning of Year	<u>30,991</u>
NET POSITION, End of Year	<u><u>\$ 31,066</u></u>

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

The City of Georgetown (“City”) was incorporated in 1805 under the laws of the State of South Carolina. Section 47-26 of the 1962 Code of Laws, as amended (Home Rule Act), requires that municipalities adopt a specific form of government. The City operates under the Mayor-Council form of government. The Council is composed of a Mayor and six Council members. The Mayor is elected at-large and six Council members are elected on a single member ward basis. The Mayor and Council, elected for four-year staggered terms, are vested with the legislative and policymaking powers of the City. The Council appoints a City Administrator who serves as the chief executive officer of the City and is responsible to the Council for proper administration of all affairs of the City.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

As required by GAAP, the financial statements must present the City’s financial information with any of its component units (if significant). The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity’s governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the City’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government’s operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City does not have any significant component units.

Related Organization

City of Georgetown Winyah Auditorium Corporation (“Winyah Auditorium” or “Corporation”) provides oversight for the renovation of the historic Winyah Auditorium building, holds fund raising campaigns to provide financial resources, and authorizes or plans all activities held in the facility. The directors of the Corporation are appointed by City Council and serve indefinite terms. Since the financial position and activities of the Corporation are not significant to the City, the Corporation has not been included as a discretely presented component unit in the City’s government-wide financial statements. Separate financial statements are available and can be obtained by contacting the Corporation by phone at (843) 461-1342 or by mail at P.O. Box 3047, Georgetown, SC 29442.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Major Operations

The City's major operations include: general government, public safety (police and fire), public works, community development, electric utility, water utility, wastewater utility, stormwater utility, and waste management.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the "Primary Government"). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the financial statements of the Proprietary Funds and non-agency Fiduciary Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, includes property taxes, grants and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The City implemented GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" ("GASB #63") in 2013. GASB #63 establishes financial reporting requirements and related disclosures for certain elements of a statement of financial position that were discussed in the GASB's 2007 Concepts Statement No. 4, "*Elements of Financial Statements*". In Concepts Statement No. 4, the GASB defines a *deferred outflow of resources* as a consumption of net assets by a government that is applicable to a future reporting period; a *deferred inflow of resources* as an acquisition of net assets by a government that is applicable to a future reporting period; and *net position* as the residual of all other elements presented in a statement of financial position (the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources). Under GASB #63, amounts for items that the GASB has designated to be deferred outflows of resources are to be presented in a statement of financial position in a separate section following assets, while amounts for items that the GASB has designated to be deferred inflows of resources are to be presented in a separate section following liabilities. The residual of assets and deferred outflows of resources over liabilities and deferred inflows of resources is to be reported as net position rather than as net assets in a statement of financial position. Since the City had no deferred outflows or inflows of resources at June 30, 2013, the City's implementation of GASB #63 had no material effect on the presentation of its 2013 financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental **fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers its revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of certain reimbursement expenditure grants for which a twelve month availability period is generally used.

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

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the City.

Governmental Fund Types are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary Funds and Fiduciary Funds) are accounted for through governmental funds. Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. The City's governmental fund types and major and non-major funds are as follows:

The **General Fund, a major fund** and a budgeted fund, is the general operating fund of the City and accounts for all revenues and expenditures of the City except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The **Special Revenue Funds, non-major funds**, are used to account for the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City has the following non-major budgeted Special Revenue Funds:

- | | |
|---|------------------------------------|
| Federal, State, and Local Grants Fund | Community Development Fund |
| Local Accommodations and Hospitality Tax Fund | Seized and Forfeited Property Fund |
| State Accommodations Tax Fund | |

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The *Debt Service Fund, a non-major fund* and an unbudgeted fund, is used to account for and report the accumulation of financial resources that are restricted, committed, or assigned for the payment of long-term debt principal, interest, and related costs for the City.

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds are made up of two classes: enterprise funds and internal service funds. The City does not have any internal service funds and has four enterprise funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are primarily charges for services and fees. Operating expenses for enterprise funds include the expense for providing goods and services, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City's proprietary fund types and major and non-major funds are as follows:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has the following Enterprise Funds:

The **Electric Utility Fund, a major fund**, is used to account for assets and activities of the City's electric distribution operations. All costs are financed through charges to utility customers. This is a budgeted fund.

The **Water and Wastewater Utility Fund, a major fund**, is used to account for assets and activities of the City's water and wastewater operations. All costs are financed through charges to utility customers. This is a budgeted fund.

The **Stormwater Drainage Utility Fund, a major fund**, is used to account for the assets and activities of the City's stormwater drainage operations. Costs are financed through charges to utility customers, along with subsidies from other City funds. This is a budgeted fund.

The **Waste Management Fund, a nonmajor fund**, is used to account for the City's operation and maintenance of the City's waste collection and disposal systems, including community education and awareness regarding recycling and litter control. This is a budgeted fund.

Fiduciary Fund Types include the *Trust Fund* and the *Agency Fund*. These funds are used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds and are accounted for in essentially the same manner as Proprietary Funds. Trust funds account for resources that are required to be held in trust for the recipients of scholarship funds. The Guerry Scholarship Private Purpose Trust Fund is used to account for assets and transactions of a scholarship fund established with contributions made in memory of Major Spencer Guerry, a City policeman who lost his life in 1994 while serving in the line of duty. Agency funds are generally used to account for miscellaneous assets that the government holds on behalf of others. The Fireman's Agency Fund is used to account for insurance premium rebates remitted by the State Treasurer to be expended for the collective benefit and enjoyment of the City firefighters. The Agency Fund is custodial in nature and does not present results of operations.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity

1. Cash, Cash Equivalents, and Investments

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments.

The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types, and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

The City's cash and investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has primarily used the following investments in its operating activities:

- Agency securities are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. Government.
- South Carolina Local Government Investment Pool ("LGIP") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers in (out). To the extent that certain transactions between funds had not been paid or received as of year-end, balances of interfund amounts or payables have been recorded.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services, including franchise fees, hospitality fees, sanitation, water, sewer, stormwater, and other fees and charges.

3. Inventories and Prepaid Items

Inventories of materials, supplies and gasoline are stated at average cost, which approximates market. The costs of inventories and prepaid items are accounted for using the consumption method (expensed when consumed).

4. 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 the governmental funds. These assets are reported in the governmental activities column of the Government-Wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the Government-Wide Statement of Net Position and in the respective fund financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

4. Capital Assets (Continued)

The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) or groupings of similar items with individual costs is less than \$5,000, but when purchased together the total is greater than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated fair market value (as estimated by the City) at the date of donation.

Public domain (“infrastructure”) general capital assets, consist of the road network (roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, lighting systems), and water and sewer system assets that were acquired or that received substantial improvements. These assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Interest costs related to Proprietary Fund construction is capitalized as part of the capitalized value of the asset constructed. Interest costs of tax-exempt borrowings are capitalized net of related investment earnings on the proceeds.

Capital assets are depreciated on the straight-line method using the following estimated useful lives:

Land Improvements	10 - 40 years
Buildings and Improvements	10 - 40 years
Furniture and Fixtures	10 years
Vehicles, Equipment, and Furnishings	5 - 10 years
Electric System	25 - 40 years
Fiber Optics System	10 years
Water and Wastewater Systems	10 - 40 years
Stormwater Drainage Systems	5 - 40 years

The City has a collection of historical furnishings presented for public exhibition and education at the Kaminski House Museum. The City ensures the collection is protected and preserved for future generations. The collection is not capitalized or depreciated subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire items for the collection.

5. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused general leave (which encompasses vacation and sick pay benefits). Unused general leave is accumulated in varying amounts based on years of service to a maximum amount per scheduled work hour classification. General leave is depleted on the first-in, first-out (“FIFO”) basis.

General leave may be used to cover the following types of absences (upon advance approval of the employee’s supervisor/manager): employee vacation, employee personal leave for medical reasons, Family Medical Leave approved absences, and funeral leave. Unused general leave will be paid for at termination at a rate of 50% only if the employee is terminated for non-disciplinary reasons or if the employee gives and properly works a two-week notice of resignation. The City Administrator may waive the notice requirement. Effective April 18, 2013, a leave donation policy was adopted which allows all eligible employees to donate general leave hours on a voluntary basis from their unused balance to the Leave Donation Bank in accordance with policy guidelines.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

5. *Compensated Absences (Continued)*

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Accumulated general leave is accrued at 50% of each employee's current pay rate multiplied by an estimated percentage (which is currently estimated at 50%) of those that will qualify for payout (i.e. non-disciplinary termination, properly work two-week notice, etc.). The entire compensated absence liability and expense is reported in the government-wide financial statements. The portion applicable to the City's enterprise activities is also recorded in the Proprietary Funds financial statements, if material. Governmental funds will only recognize compensated absences liability if they have matured, for example, as a result of employee resignations or retirements.

6. *Accrued Liabilities and Long-Term Obligations*

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable bond premiums and discounts.

In the governmental fund financial statements, bond premiums, discounts and bond issuance costs are recognized immediately. The face amount of debt or lease purchase issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, claims and judgments, debt and capital leases, compensated absences, contractually required pension contributions, special termination benefits and other related long-term liabilities that will eventually be paid from governmental funds are not reported as a liability in the fund financial statements until due and payable.

7. *Fund Balance*

In accordance with GAAP, the City classifies its governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action (ordinance) made by the highest level of decision making authority (City Council) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made by an approved motion by City Council before the report issuance date.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

7. *Fund Balance (Continued)*

Unassigned – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City's Council has formally adopted a minimum fund balance policy that endeavors to maintain a minimum of two months (approximately 15%) of normal General Fund expenditures to be available as unassigned fund balance. The City had approximately \$7,104,000 (which is approximately 90% of General Fund expenditures) of unassigned fund balance at June 30, 2013.

8. *Net Position*

Net position represents the difference between assets and deferred outflows (if any) and liabilities and deferred inflows (if any) in the statement of net position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

9. *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

10. *Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

11. *Comparative Data*

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City has elected to present its budgetary comparison information for the General Fund as a separate schedule and not as a basic financial statement. The General Fund was the only major governmental fund for which the City had a legally adopted budget. See the notes to the budgetary comparison schedule – General Fund (following the notes to the financial statements) for details regarding the City’s budgetary information and process.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2013, none of the City’s bank balances of approximately \$4,815,000 (with a carrying value of approximately \$4,675,000 which includes approximately \$169,000 in bank overdrafts) were exposed to custodial credit risk as they were uninsured and uncollateralized.

Investments

As of June 30, 2013, the City had the following investments and maturities:

Investment Type	Credit Rating ^	Fair Value	Investment Maturities in Years			
			< 1 yr	1-3 yrs	3-5yrs	> 5 yrs
LGIP	NR	\$18,245,115	18,245,115	-	-	\$ -
Agency Securities	NR	1,808	1,808	-	-	-
Total		\$18,246,923	18,246,923	-	-	\$ -

^ If available, credit ratings are for Standard & Poor’s and Moody’s Investors Service.
NR – Not rated.

Interest Rate Risk: The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The City places no limit on the amount the City may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

Certain cash, cash equivalents, and investments of the City are legally restricted for specified purposes. The major types of restrictions at June 30, 2013 were (a) those imposed by the revenue source (i.e. hospitality fees, accommodation taxes, grants, etc.), (b) debt service reserve funds, and (c) unspent bond proceeds.

Reconciliation to the Financial Statements

A reconciliation of cash and investments as shown in the statements of net position for all activities is as follows:

Description	Amount
Carrying Amount of Deposits	\$ 4,675,159
Fair Value of Investments	18,246,923
Total Deposits and Investments	\$ 22,922,082
Statement of Net Position:	
Cash and Cash Equivalents	\$ 17,448,815
Cash and Cash Equivalents, Restricted	5,606,873
Investments	1,808
Bank Overdraft	(168,580)
Statement of Net Position - Fiduciary Funds	
Cash and Cash Equivalents, Restricted	33,166
Total Cash, Cash Equivalents, and Investments	\$ 22,922,082

B. Receivables and Deferred/Unearned Revenue

Property Taxes

Property taxes receivable represent current real and personal property as well as delinquent real and personal property taxes for the past ten years, less an allowance for amounts estimated to be uncollectible. All net property taxes receivable at year end, except those collected within 60 days, are recorded as deferred tax revenue and thus not recognized as revenue until collected in the governmental funds (if material).

Property taxes are assessed and collected by Georgetown County. The County levies its real property taxes each September based upon current assessed valuation. Assessed values are established by the County Assessor, the County Auditor, and the South Carolina Department of Revenue and Taxation at various rates of 4 to 10.5 percent of the estimated market value. Real property and all personal property taxes other than vehicle property taxes attach as an enforceable lien on property as of January 16th. Taxes are levied and billed in September on all property other than vehicles and are payable without penalty until January 15th of the following year. Penalties are assessed on unpaid taxes on the following dates:

January 16 th	3%
February 2 nd	an additional 7%
March 17 th	an additional 5%

After proper notification, the law requires "exclusive possession" of property necessary to satisfy the delinquent taxes. Properties with unpaid taxes are sold at a public auction during the month of October. Vehicle property taxes attach a lien and are levied throughout the year depending on when the vehicles' license tags expire. The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Receivables and Deferred/Unearned Revenue (Continued)

Property Taxes (Continued)

The City’s fiscal year 2013 real and business personal property taxes (which was for tax year 2012) were levied in October 2012 based on a millage rate of 87 mills. The City’s assessed value of real and personal property (including vehicles) was approximately \$39 million for tax year 2012. Any amounts received by Georgetown County but not yet remitted to the City at year end are included in the caption “Intergovernmental Receivables” in the balance sheet and statement of net position.

Other Receivables

The City has receivables related to electric, water, wastewater, stormwater, and waste management service fee billings, Hospitality Fee Fund, and other miscellaneous receivables.

The intergovernmental and other net receivables of the City’s governmental funds and enterprise funds at June 30, 2013, which include an allowance for uncollectibles of approximately \$366,000 (property taxes and police fines) and \$1,199,000 (utility charges for services), respectively, and consisted of the following:

Description	General Fund	Other Governmental Funds	Electric Utility Fund	Water & Wastewater Utility Fund	Stormwater Drainage Utility Fund	Waste Management Fund	Totals
Property Taxes	\$ 116,480	-	-	-	-	-	\$ 116,480
Utilities	-	-	1,634,093	425,306	29,945	59,389	2,148,733
Accommodations Taxes	-	15,379	-	-	-	-	15,379
Hospitality Fees	-	94,847	-	-	-	-	94,847
Business Licenses	99,959	-	-	-	-	-	99,959
Police Fines	71,873	-	-	-	-	-	71,873
Other	416,471	-	73,707	27,605	-	-	517,783
Grant	-	30,420	-	-	750,000	-	780,420
Net Receivables	<u>\$ 704,783</u>	<u>140,646</u>	<u>1,707,800</u>	<u>452,911</u>	<u>779,945</u>	<u>59,389</u>	<u>\$3,845,474</u>

Deferred/Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). As of June 30, 2013, the City’s governmental funds had the following deferred/unearned revenues:

Description	Fund	Deferred/Unavailable	Unearned	Total
Property Taxes	General	\$ 102,951	-	\$ 102,951
Police Fines	General	55,244	-	55,244
Grants	General/Other Governmental	-	3,910	3,910
Other	General/Other Governmental	88,674	208,897	297,571
Total Deferred/Unearned Revenue		<u>\$ 246,869</u>	<u>212,807</u>	<u>\$ 459,676</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Interfund Receivables, Payables, and Transfers

Interfund Receivables and Payables

Interfund balances at June 30, 2013, consisted of the following individual fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Receivables	Payables
General Fund	\$ 21,393	\$ -
State Accommodations Tax Fund	-	655
Local A-Tax/Hospitality Tax Fund	-	921
Electric Utility Fund	-	5,393
Water and Wastewater Utility Fund	-	6,092
Stormwater Utility Fund	-	2,515
Waste Management Fund	-	5,817
Totals	\$ 21,393	\$ 21,393

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Interfund transfers for the year ended June 30, 2013, consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,539,383	\$ 137,333
Federal, State, and Local Grant Fund	101,556	-
State Accommodation Tax Fund	-	31,383
Local A-Tax/Hospitality Tax Fund	35,777	108,000
Electric Utility Fund	-	1,400,000
Totals	\$ 1,676,716	\$ 1,676,716

During the course of normal operations and in order to support the numerous functions of the City, transactions between funds may occur. The City uses transfers to move unrestricted receipts so that they may be used for various programs in other funds. Transfers are most commonly made for program subsidies and grant matches. Funds are transferred to the General Fund from the Electric Utility Fund, Accommodations Tax Fund, and Hospitality Tax Fund to support various programs and services of the City. Council approves the amount transferred annually during the budget process.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets

Capital asset activity for the City's governmental activities for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Non-Depreciable:					
Land	\$ 2,422,404	-	-	-	\$ 2,422,404
Construction In Progress	852,399	188,277	500	(986,132)	54,044
Total Capital Assets, Non-Depreciable	<u>3,274,803</u>	<u>188,277</u>	<u>500</u>	<u>(986,132)</u>	<u>2,476,448</u>
Capital Assets, Depreciable:					
Buildings and Improvements	8,279,812	-	-	-	8,279,812
Vehicles, Equipment, and Furnishings	6,651,831	152,168	294,612	-	6,509,387
Infrastructure	3,016,561	-	-	-	3,016,561
Other Improvements	2,639,417	48,470	-	986,132	3,674,019
Total Capital Assets, Depreciable	<u>20,587,621</u>	<u>200,638</u>	<u>294,612</u>	<u>986,132</u>	<u>21,479,779</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	3,065,160	266,726	-	-	3,331,886
Vehicles, Equipment, and Furnishings	4,270,551	439,418	292,690	-	4,417,279
Infrastructure	1,495,772	95,357	-	-	1,591,129
Other Improvements	1,251,918	127,608	-	-	1,379,526
Total Accumulated Depreciation	<u>10,083,401</u>	<u>929,109</u>	<u>292,690</u>	<u>-</u>	<u>10,719,820</u>
Total Capital Assets, Depreciable, Net	<u>10,504,220</u>	<u>(728,471)</u>	<u>1,922</u>	<u>986,132</u>	<u>10,759,959</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,779,023</u>	<u>(540,194)</u>	<u>2,422</u>	<u>-</u>	<u>\$ 13,236,407</u>

Capital asset additions and depreciation expense for governmental activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
General Government	\$ 48,470	\$ 361,129
Public Safety	152,168	388,865
Public Works	164,300	121,909
Community Development	23,977	57,206
Total - Governmental Activities	<u>\$ 388,915</u>	<u>\$ 929,109</u>

Construction in progress in the City's governmental activities primarily relates to the East Bay Boat Landing project.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Capital asset activity for the City's business-type activities for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities					
Capital Assets, Non-Depreciable:					
Land	\$ 477,022	-	-	-	\$ 477,022
Construction In Progress	9,787,717	2,626,907	3,509	(8,614,077)	3,797,038
Total Capital Assets, Non-Depreciable	<u>10,264,739</u>	<u>2,626,907</u>	<u>3,509</u>	<u>(8,614,077)</u>	<u>4,274,060</u>
Capital Assets, Depreciable:					
Land Improvements	181,704	4,587	-	-	186,291
Buildings and Improvements	1,494,322	47,560	-	-	1,541,882
Vehicles, Equipment, and Furnishings	5,434,744	24,625	-	-	5,459,369
Electric System	7,830,737	88,632	-	-	7,919,369
Fiber Optics System	912,805	-	-	-	912,805
Water System	16,427,372	463,404	-	503,025	17,393,801
Wastewater System	25,978,320	54,915	-	98,717	26,131,952
Stormwater Drainage System	4,449,961	-	-	8,012,335	12,462,296
Total Capital Assets, Depreciable	<u>62,709,965</u>	<u>683,723</u>	<u>-</u>	<u>8,614,077</u>	<u>72,007,765</u>
Less: Accumulated Depreciation for:					
Land Improvements	102,256	5,885	-	-	108,141
Buildings and Improvements	749,497	54,956	-	-	804,453
Vehicles, Equipment, and Furnishings	3,934,452	242,301	-	-	4,176,753
Electric System	4,698,859	156,311	-	-	4,855,170
Fiber Optics System	900,930	4,250	-	-	905,180
Water System	7,819,685	387,818	-	-	8,207,503
Wastewater System	12,041,954	725,474	-	-	12,767,428
Stormwater Drainage System	1,886,159	156,947	-	-	2,043,106
Total Accumulated Depreciation	<u>32,133,792</u>	<u>1,733,942</u>	<u>-</u>	<u>-</u>	<u>33,867,734</u>
Total Capital Assets, Depreciable, Net	<u>30,576,173</u>	<u>(1,050,219)</u>	<u>-</u>	<u>8,614,077</u>	<u>38,140,031</u>
Business-Type Activities Capital Assets, Net	<u>\$ 40,840,912</u>	<u>1,576,688</u>	<u>3,509</u>	<u>-</u>	<u>\$ 42,414,091</u>

Capital asset additions and depreciation expense for business-type activities were charged to functions/programs as follows:

Functions/Programs	Capital Asset Additions	Depreciation Expense
Electric Utility	\$ 2,743,174	\$ 247,453
Water Utility	485,704	440,120
Wastewater Utility	77,165	785,847
Stormwater Utility	4,587	174,820
Waste Management	-	85,702
Total - Business-Type Activities	<u>\$ 3,310,630</u>	<u>\$ 1,733,942</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Capital Assets (Continued)

Construction in progress in the City's business-type activities primarily represents ongoing costs associated with the meter replacement project.

E. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. Lease Purchase ("LP") obligations are special obligations of the City payable from the general revenues of the City. Revenue Bonds ("RB") are obligations of the City that are secured by revenue from a specific source. The full faith, credit, and taxing powers of the City are not pledged for the payment of LP and RB obligations nor the interest thereon. Details on the City's outstanding debt and lease purchase obligations as of June 30, 2013 are as follows:

	<u>Balance at June 30, 2013</u>
<i>Revenue Bonds</i>	
\$9,733,383 Combined Public Utility System Improvement and Refunding Revenue Bonds issued in July 2011 ("RB - 2011" or "2011 Revenue Bonds"), which is due in 140 equal monthly installments of \$82,415 beginning on September 1, 2011 and running through April 1, 2023, including interest at 2.98%. The proceeds from these bonds were used to (a) refund the 2001 South Carolina Revolving Fund Loan, which was originally issued to finance improvements and expansion of the City's Wastewater Treatment Facility, (b) to purchase, construct, and install a water metering system and other related improvements, and (c) to pay the cost of issuance. The deferred loss and issuance costs were not significant and thus have not been recorded related to this issue.	\$ 8,420,611
<i>Lease Purchase Obligations</i>	
\$216,801 lease purchase agreement was entered into in February 2009 ("LP - 02/09"), with 5 annual payments (including interest) of \$47,137 beginning February 6, 2010 through February 6, 2014 which includes interest at 2.850%. The proceeds from this lease purchase obligation were used to purchase a sanitation truck.	45,831
\$562,000 lease purchase agreement was entered into in February 2009 ("LP - 02/09"), with 5 annual payments (including interest) of \$122,190 beginning February 6, 2010 through February 6, 2014 which includes interest at 2.850%. The proceeds from this lease purchase obligation were used to finance the acquisition of Wastewater Treatment Plant improvements.	118,804
\$167,569 lease purchase agreement was entered into in October 2009 ("LP - 10/09"), with 5 annual payments (including interest) of \$37,103 beginning October 7, 2010 through October 7, 2014 which includes interest at 3.490%. The proceeds from this lease purchase obligation were used to purchase a regenerative street sweeper.	\$ 70,495

The 2011 Revenue Bonds require the City to maintain user rates sufficient to generate net revenues, as defined by the agreements, of 120% per any fiscal year of the combined annual principal and interest payments on all debt paid from or secured by the revenues of the Electric Utility Fund and the Water and Wastewater Utility Fund. The 2011 Revenue Bonds also contain significant requirements for annual debt service, various restrictive covenants which require the City to maintain various restricted cash and investment accounts and to meet various other general requirements. The City is in compliance with all such significant financial covenants and restrictions at June 30, 2013.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City or Town shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City or Town voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2013, the City had no bonded debt. The City's 8% legal debt limit (on its assessed values of approximately \$39,028,000) and the unused legal debt margin were the same and were approximately \$3,122,000 at June 30, 2013.

The City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension* in 2009. This Statement established standards for the measurement, recognition and display of Other Post Employment Benefits ("OPEB") expenditures and related liabilities (assets), note disclosures, and required supplementary information in financial reports. For more information on the net OPEB liability (which is shown in the long-term obligation rollforward), see Note IV.C for more details.

Presented below is a summary of changes in long-term obligations for the City's governmental and business-type activities for the year ended June 30, 2013:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Lease Purchases:					
LP – 12/09	\$ 48,429	-	48,429	-	\$ -
Total Lease Purchases	48,429	-	48,429	-	-
Compensated Absences	183,229	71,017	48,556	205,690	54,508
Net OPEB Liability	772,247	167,058	-	939,305	-
Total Governmental Activities	\$ 1,003,905	238,075	96,985	1,144,995	\$ 54,508
Business-Type Activities:					
Debt:					
RB – 2011	\$ 9,146,875	-	726,264	8,420,611	\$ 748,205
Lease Purchases:					
LP – 01/08	46,402	-	46,402	-	-
LP – 02/09	90,392	-	44,561	45,831	45,831
LP – 02/09	234,316	-	115,512	118,804	118,804
LP – 10/09	103,969	-	33,474	70,495	34,643
Total Lease Purchases	475,079	-	239,949	235,130	199,278
Total Debt and Lease Purchases	9,621,954	-	966,213	8,655,741	947,483
Compensated Absences	80,811	31,365	21,415	90,761	27,906
Net OPEB Liability	353,953	78,142	-	432,095	-
Total Business-Type Activities	\$ 10,056,718	109,507	987,628	9,178,597	\$ 975,389

Resources from the General Fund have been utilized to liquidate the governmental activities lease purchase obligation. Resources from the General Fund and Local Accommodations Tax/Hospitality Tax Fund have been used to liquidate all of the governmental activities other long-term obligations.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Long-Term Obligations (Continued)

Resources from the Water and Wastewater Utility Fund have been used to liquidate the RB – 2011 debt. Resources from the Water and Wastewater Utility Fund, Stormwater Drainage Utility Fund, and Waste Management Fund have been used to liquidate the LP obligations. The Electric Utility Fund, Water and Wastewater Utility Fund, Stormwater Drainage Fund, and Waste Management Fund have typically been used in prior years to liquidate their respective liabilities for compensated absences and OPEB.

Presented below is a summary of debt service requirements to maturity by year for the City’s governmental and business-type activities as of June 30, 2013:

Year Ending June 30,	Debt		Lease Purchase		Total
	Principal	Interest	Principal	Interest	
<u>Business-Type Activities</u>					
2014	\$ 748,205	240,770	199,278	7,152	\$ 1,195,405
2015	770,808	218,166	35,852	1,251	1,026,077
2016	794,095	194,880	-	-	988,975
2017	818,085	170,890	-	-	988,975
2018	842,799	146,175	-	-	988,974
2019-2023	4,446,619	333,426	-	-	4,780,045
Totals	<u>\$ 8,420,611</u>	<u>1,304,307</u>	<u>235,130</u>	<u>8,403</u>	<u>\$ 9,968,451</u>

Interest paid on the debt issued by the City is generally exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City does not have an arbitrage liability at June 30, 2013.

IV. OTHER INFORMATION

A. Risk Management

Participation in Public Entity Risk Pools for Property and Casualty Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (“SCMIRF”) and the South Carolina Municipal Insurance Trust (“SCMIT”), which are public entity risk pools currently operating as a common risk management and insurance program for general risk insurance and workers compensation, respectively.

The City pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2013, the City made premium payments totaling approximately \$485,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF’s net assets/position from its most recently issued audited financial statements at December 31, 2012, totaled approximately \$29,180,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

Participation in Public Entity Risk Pools for Property and Casualty Insurance (Continued)

The City pays an annual premium to SCMIT for its workers compensation insurance. For the year ended June 30, 2013, the City made premium payments totaling approximately \$97,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net assets/position from its most recently issued audited financial statements at December 31, 2012, totaled approximately \$49,467,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

Self-Insurance Health Plan

The City changed from a self-insured to a fully insured health insurance program effective July 1, 2010. There were no significant remaining outstanding liabilities related to the City's previous self-insured program at June 30, 2013. The City has not significantly reduced insurance coverages from the previous year; and settled claims in excess of insurance coverage for the last three years were immaterial.

B. Retirement Plan

South Carolina Retirement and Police Officers' Retirement System

Full time employees of the City are covered under two different plans. City employees, except for fire and police department civil service personnel, participate in the South Carolina Retirement System ("SCRS"), a cost-sharing multiple-employer defined benefit pension plan. City police officers and firemen participate in the South Carolina Police Officers' Retirement System ("SCPORS"), a cost-sharing multiple-employer defined benefit pension plan.

The SCRS was established by the South Carolina state legislature on July 1, 1945, for the benefit of teachers and employees of the State and its political subdivisions. The SCPORS was established by the South Carolina state legislature on July 1, 1962, for the benefit of police officers and firemen. Both the SCRS and the SCPORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the South Carolina Code of Laws and were originally administered by the South Carolina Budget and Control Board. Effective July 1, 2012, the South Carolina General Assembly transferred administration of the SCRS and SCPORS to the newly created South Carolina Public Employee Benefit Authority ("PEBA"). The PEBA has the authority to establish and amend benefits and funding policy. A comprehensive annual financial report containing financial statements and required supplementary information for the retirement benefits is issued and publicly available by writing to the South Carolina Public Employee Benefit Authority, Post Office Box 11960, Columbia, South Carolina 29211-1960.

Both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City's contributions are actuarially determined, but are communicated to and paid by the City as a percentage of the employees' annual earnings.

	SCRS Rates			SCPORS Rates		
	2011	2012	2013	2011	2012	2013
Employer Rate:						
Retirement	9.240%	9.385%	10.450%	11.130%	11.363%	11.900%
Incidental Death Benefit	0.000%	0.000%	0.000%	0.200%	0.200%	0.200%
Accidental Death Benefit	0.150%	0.150%	0.150%	0.200%	0.200%	0.200%
	<u>9.390%</u>	<u>9.535%</u>	<u>10.600%</u>	<u>11.530%</u>	<u>11.763%</u>	<u>12.300%</u>
Employee Rate	<u>6.50%</u>	<u>6.50%</u>	<u>7.00%</u>	<u>6.50%</u>	<u>6.50%</u>	<u>7.00%</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

B. Retirement Plan (Continued)

The required contributions and percentages of amounts contributed for the past three years were as follows:

Year Ending June 30	SCRS Contributions		SCPORS Contributions	
	Required	% Contributed	Required	% Contributed
2013	\$ 331,765	100%	\$ 318,052	100%
2012	348,038	100%	280,769	100%
2011	\$ 375,980	100%	\$ 283,579	100%

Eligible payrolls covered under both systems for the past three years were as follows:

Fiscal Year	SCRS	SCPORS	Total
	Payroll	Payroll	SCRS/SCPORS Payroll
Fiscal Year 2013	\$ 3,174,786	2,664,304	\$ 5,839,090
Fiscal Year 2012	3,650,109	2,386,879	6,036,988
Fiscal Year 2011	\$ 4,004,047	2,459,491	\$ 6,463,538

Total payroll for 2013, 2012, and 2011 for all City employees was approximately \$6,135,000, \$6,365,000, and \$6,643,000, respectively.

C. Postemployment Benefits Other Than Pensions

Plan Description

The City sponsors a single-employer defined benefit postemployment healthcare plan (the "OPEB Plan") that provides medical and dental insurance to eligible retirees. To be eligible, all participants must qualify for retirement benefits under the SCRS or SCPORS with 20 years of continuous service with the City under the Medicare eligible age of 65. Plan benefits include medical and dental coverage for retirees and their eligible dependents. Retirees and spouses must pay a portion of the premium. Coverage is offered up to age 65 for the retiree and up to age 65 for the surviving spouse after the death of the retiree.

Information regarding SCRS eligibility may be found in the Comprehensive Annual Financial Report as identified in Note IV.B. The OPEB Plan is approved each year by City Council; the benefit and contribution requirements of the City and plan members are established and amended by Council. These contributions are neither guaranteed nor mandatory. Council has retained the right to unilaterally modify its payments toward retiree health care benefits at any time.

As of July 1, 2011, the measurement date, there were 228 covered participants; 67 members are retirees (or their spouse) receiving benefits and 161 are active participants.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other Than Pensions (Continued)

Funding Policy

The City has elected not to make any contributions to an irrevocable trust. The following tables list the contribution rates for the retiree and City by plan type and category:

<u>Health Coverage</u>	<u>Total Premium</u>	<u>Retiree Contribution</u>	<u>City Contribution</u>
Retiree	\$ 340.64	133.32	\$ 207.32
Retiree & Children	642.43	195.16	447.27
Retiree & Spouse	776.54	292.74	483.80
Family	\$ 944.20	320.63	\$ 623.57

<u>Dental Coverage</u>	<u>Total Premium</u>	<u>Retiree Contribution</u>	<u>City Contribution</u>
Retiree	\$ 23.35	14.47	\$ 8.88
Retiree & Children	55.15	28.51	26.64
Retiree & Spouse	55.15	31.19	23.96
Family	\$ 55.15	37.88	\$ 17.27

The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 thirty years.

Actuarial Methods and Assumptions

The following table summarizes the key actuarial assumptions and cost method:

Actuarial Valuation Date:	July 1, 2011
Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level dollar method with a 2.5% annual increase over the amortization
Amortization Period:	30 Years, Open Basis
Actuarial Assumptions:	
Inflation Rate:	2.5%
Investment/Interest Rate:	4.0% annual return net of both administrative and investment related
Salary Rate:	2.5%
Health Cost Trend:	10% graded down .5% per year to 5%
Dental Cost Trend:	5.0%
Participation Rate Assumption:	90% and 50% of active participants are assumed to continue their coverage and the coverage for their spouses into retirement,
Active Participant Marriage Assumption:	55% of all active employees are assumed to be married with female spouses assumed to be 3 years younger.
Mortality Table:	UP-94. SCRS employees have a one year setback in age for females. SCPORS employees have a one year setback in age for females and male rates set forward three years.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other Than Pensions (Continued)

Actuarial Methods and Assumptions (Continued)

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 OPEB 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.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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.

Annual OPEB Costs and Rollforward of Net OPEB Obligation

For 2013, the annual OPEB cost (expense) and the progression of the net OPEB obligation in the OPEB Plan for the most recent plan year (fiscal year 2013) was as follows:

1. Net OPEB Obligation (Asset), Beginning of the Plan Year	\$ 1,126,200
2. One Year's Interest on the Net OPEB Obligation	45,000
3. ARC (Normal Cost Plus Any Amortization Payments)	407,900
4. Adjustment to Annual Required Contribution	(46,900)
5. Annual OPEB Cost: (2)+(3)+(4)	406,000
6. Contributions Made for the Plan Year	(160,800)
7. Increase (Decrease) in Net OPEB Obligation (Asset): (5)+(6)	245,200
8. Net OPEB Obligation (Asset), End of the Plan Year: (1)+(7)	<u>\$ 1,371,400</u>

The net OPEB liability has been apportioned between the City's governmental and business-type activities (proprietary funds) based on the number of employees per activity. For more information on the breakout of the net OPEB liability of the City between the governmental and business-type activities, see Note III.E for more details.

Schedule of Employer Contributions

The City did not make any contributions to pre-fund benefits (i.e. irrevocable trust) but did make contributions of \$160,800 for its portion of the health/dental premiums of retirees.

Annual OPEB cost, annual OPEB cost contributed, percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation (asset) for the past few years were as follows:

Schedule of Employer Contributions					
Fiscal Year Ending	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Cost Contributed	Percentage	Net OPEB Obligation (Asset)
June 30, 2011	\$ 391,600	\$ 140,900	35.98%		\$ 890,400
June 30, 2012	389,000	153,200	39.38%		1,126,200
June 30, 2013	\$ 406,000	\$ 160,800	39.61%		\$ 1,371,400

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Benefits Other Than Pensions (Continued)

Schedule of Funding Progress

This schedule will provide trend information about whether the actuarial values of OPEB Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress for the OPEB Plan is as follows:

Schedule of Funding Progress						
Actual Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage Of Covered Payroll ((b-a)/c)
July 1, 2008	\$ -	40,592,680	\$ 40,592,680	0.00%	\$ 6,698,448	606.00%
July 1, 2009	-	4,203,900	4,203,900	0.00%	6,615,754	63.54%
July 1, 2011	\$ -	4,682,400	\$ 4,682,400	0.00%	\$ 6,367,000	73.54%

D. Contingent Liabilities and Commitments

Grants

The City receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the City at June 30, 2013.

Litigation

The City has received notice of fourteen lawsuits regarding the sinkholes that started developing in the City related to work that was being done by engineers and subcontractors on the stormwater drainage improvement project in the City. The City expects to defend any potential liability to the City related to this SCDOT-managed project. The City may need to defend claims for damages under its insurance coverage.

The City is periodically the subject of litigation by a variety of plaintiffs. The City’s management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

Construction Commitments

The City began the Advanced Meter Infrastructure Replacement “Metering” project during 2012. The project replaces old and outdated utility meters with new wireless meters. The total cost for the metering project is expected to be approximately \$2,825,000. The project is primarily being funded with proceeds from the 2011 Revenue Bonds. To date, the City has expended approximately \$2,398,000 with the remaining outstanding cost of the project estimated to be approximately \$427,000 at June 30, 2013.

The City’s enterprise funds have remaining construction commitments of approximately \$486,000 outstanding at June 30, 2013 related to various projects including a sewer rehab project, water lines and water tanks, and clearwell renovations.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

D. Contingent Liabilities and Commitments (Continued)

Contractual Commitment – Service Agreement

The City's Electric Utility Fund has a contractual commitment to purchase power for resale to City customers from the South Carolina Public Service Authority ("Authority"). Under the terms of the service agreement, dated December 29, 2000, the City shall pay for service in accordance with provisions of the Authority's published "Municipal Light and Power" Rate Schedule. Rates are subject to change from time to time, however, the City has the right to terminate the agreement early in the event that rate increases exceed certain thresholds established in the agreement.

Wastewater Agreement

On October 30, 1997, the City of Georgetown, the Town of Andrews, the Georgetown County Water and Sewer District, and the County of Georgetown, all political subdivisions of the State of South Carolina, entered into a contract known as the "West Georgetown County Regional Wastewater Treatment System Service Agreement." The parties to the agreement have determined that by joining together in a wastewater transportation, treatment, and disposal project for their mutual benefit, rather than each separately constructing its own new or improved system, economies of scale will result in long-term savings and other tangible and intangible benefits for their users and the community at large. Under the terms of the agreement, the City will construct, own and maintain the West Georgetown County Regional Wastewater Treatment Facility. The facility is planned to have an initial capacity of 12.0 million gallons per day. During the fiscal year ended June 30, 2008, the Town of Andrews sold a portion of its capacity to the City of Georgetown and the Georgetown County Water and Sewer District. The revised allocation of capacity due to this sale is as follows: City of Georgetown – 48.7%, Georgetown County Water and Sewer District – 33.7%, and Town of Andrews – 17.6%. Participants pay monthly costs for use of the system based on allocated capacity and usage volume.

Construction of the expanded wastewater treatment plant and effluent outfall force main was completed during the fiscal year ended June 30, 2004. Costs of the project, including engineering fees and capitalized interest of \$247,598, total approximately \$13,830,700. The project was initially financed with a loan from the South Carolina Water Pollution Control Revolving Loan Fund ("SC Revolving Loan") in the amount of \$10,069,024 and grants from the Federal Environmental Protection Agency totaling \$2,811,100. The remainder of the project was funded internally. During 2012, the City refunded the SC Revolving Loan with the 2011 Revenue Bonds. See Note III.E for additional information regarding the 2011 Revenue Bonds.

E. Related Party Transactions

Under an approved by City Council, employees of the City are eligible for a loan in an amount up to \$2,500 to purchase computer equipment and related accessories for personal use at home. The loans are interest free and are repaid through payroll deduction over a period of up to three years. Loans, which are made from the Electric Utility Enterprise Fund, are payable in full should an employee voluntarily or involuntarily terminate employment. As of June 30, 2013, fifty-nine loans were outstanding in the total amount of approximately \$25,000.

F. Economic Dependence on Major Taxpayer

Mittal Steel Inc. is the City's largest payer of property taxes and business license fees. For the fiscal year ended June 30, 2013, the City's General Fund recognized revenues of approximately \$309,000 on Mittal Steel's accounts, approximately 4.5% of total General Fund revenues.

For the fiscal year ended June 30, 2013, the City's Proprietary Enterprise Funds recognized revenues of approximately \$925,000 from Georgetown Memorial Hospital, approximately 4.8% of total Proprietary Enterprise Fund operating revenues.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

IV. OTHER INFORMATION (CONTINUED)

G. Pending Implementation of GASB Statements on Pensions

GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions*” (“Statement”), was issued by the GASB in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that are provided by other entities. In addition, state and local governments who participate in a cost-sharing multiple employer plan will now be required to recognize a liability for its proportionate share of the net pension liability of that plan. It is GASB’s intention that this new Statement will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City’s financial obligations to current and former employees for past services rendered.

In particular, the City will be required to report a net pension liability for its participation in the SCRS and SCPORS on financial statements prepared on the economic resources measurement focus and accrual basis of accounting (i.e., the Statement of Net Position) and present more extensive note disclosures. In general, it should not have a significant impact on the City’s governmental funds.

The effect of implementation of this Statement has not been determined at this time, but it is anticipated that it will materially decrease the City’s unrestricted net position. This Statement is required to be implemented by the City no later than the fiscal year ending June 30, 2015.

H. Subsequent Events

Construction and Loan Commitments

In July 2013, the City approved a contract for approximately \$1,377,000 for construction of the City of Georgetown Municipal Center South Water Tank.

In July 2013, the City approved a contract for approximately \$417,000 for a Historic District Manhole Rehabilitation project.

In July 2013, the City entered into a contract for approximately \$741,000 for repairs and upgrades to the East Bay Park Public Boat Landing.

In August 2013, the City entered into a consultant agreement for approximately \$192,000 for Wastewater Treatment Plant effluent holding pond modifications.

In September 2013, the City approved the financing of the Construction of a Water Tank to be Made Part of the Combined Public Utility System of the City of Georgetown, SC from the Drinking Water Revolving Loan Fund, by Agreement with the South Carolina Water Quality Revolving Fund Authority in the amount of \$1,608,962.

In September 2013, the City approved the financing of Manhole Rehabilitation in the Historic District of the City of Georgetown, SC from the Water Pollution Control Revolving Loan Fund, by Agreement with the South Carolina Water Quality Revolving Fund Authority in the amount of \$538,744.

Service Agreement

In November 2013, the City entered into a new ten year service agreement for the supply of electric power and energy which replaced the December 29, 2000 agreement. Under the terms of the service agreement, the City shall pay for service in accordance with provisions of the Authority’s published “Municipal Light and Power” Rate Schedule. Rates are subject to change from time to time, however, the City has the right to terminate the agreement early in the event that rate increases exceed certain thresholds established in the agreement.



Required Supplementary Information

THE GENERAL FUND

The **General Fund** is the general operating fund of the City and accounts for all revenues and expenditures of the City except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.



CITY OF GEORGETOWN, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Property Taxes	\$ 3,115,368	3,115,368	3,034,114	\$ (81,254)
Licenses and Permits	2,418,415	2,418,415	3,063,513	645,098
Fire Impact Fees	40,000	40,000	14,222	(25,778)
Fines and Forfeitures	204,100	204,100	164,910	(39,190)
Intergovernmental	581,907	581,907	553,410	(28,497)
Investment Earnings	-	-	17,344	17,344
Miscellaneous	44,000	44,000	82,419	38,419
TOTAL REVENUES	6,403,790	6,403,790	6,929,932	526,142
EXPENDITURES				
Current:				
General Government	1,232,960	1,232,960	936,317	296,643
Public Safety	5,566,051	5,566,051	5,187,340	378,711
Public Works	867,607	867,607	919,162	(51,555)
Nondepartmental	415,449	415,449	564,949	(149,500)
Capital Outlay	1,471,187	1,471,187	200,638	1,270,549
Debt Service:				
Principal	48,429	48,429	48,429	-
Interest	1,525	1,525	1,526	(1)
TOTAL EXPENDITURES	9,603,208	9,603,208	7,858,361	1,744,847
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,199,418)	(3,199,418)	(928,429)	2,270,989
OTHER FINANCING SOURCES (USES)				
General Obligation Bonds Issued	1,025,000	1,025,000	-	(1,025,000)
Insurance Proceeds	-	-	24,120	24,120
Sale of Capital Assets	10,000	10,000	40,246	30,246
Transfers In	1,534,860	1,534,860	1,539,383	4,523
Transfers Out	-	-	(137,333)	(137,333)
TOTAL OTHER FINANCING SOURCES (USES)	2,569,860	2,569,860	1,466,416	(1,103,444)
NET CHANGE IN FUND BALANCES	(629,558)	(629,558)	537,987	1,167,545
FUND BALANCES, BEGINNING OF YEAR	6,671,656	6,671,656	6,671,656	-
FUND BALANCES, END OF YEAR	\$ 6,042,098	6,042,098	7,209,643	\$ 1,167,545

Note: The notes to the budgetary comparison schedule is an integral part of this schedule.

Note: The City's original and final budget reflected the use of appropriated fund balance of \$629,558. Actual performance was better than budget and thus no fund balance was used.

CITY OF GEORGETOWN, SOUTH CAROLINA

NOTES TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

YEAR ENDED JUNE 30, 2013

A. BASIS OF ACCOUNTING

The budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America. Amounts presented in the “original” budget column in the budgetary comparative schedules reflect amounts originally adopted by ordinance. Amounts presented in the “final” budget column include any supplemental appropriations or other amendments formally authorized by Council.

B. BUDGETARY INFORMATION

The City utilizes the following procedures in enacting its annual budgets:

- a) Prior to June 1, the City Administrator submits to City Council proposed annual budgets for all funds for the fiscal year commencing the following July 1. The proposed budgets included recommended appropriations for each fund and the estimated sources to support such expenditures.
- b) Public hearings are held to obtain citizen input.
- c) Prior to July 1, budgets are legally enacted upon two readings and passage of a budget ordinance.

The City employs formal budgetary integration in its accounting system as a management control device. Expenditures may not exceed the budgeted appropriations at the fund level. The City Administrator is authorized to transfer budgeted amounts between departments within any fund and department heads may make budget transfers within their departments with the approval of the City Administrator. However, transfers of appropriations between funds and all supplemental appropriations must be approved by City Council. The legal level of budgetary control is therefore at the fund level.

Encumbrance accounting is utilized in all governmental funds. Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation. All encumbrances lapse at year-end.

The City’s original and final budget reflected the use of appropriated fund balance.

General government and nondepartmental functions are combined by the City in the financial statements.

CITY OF GEORGETOWN, SOUTH CAROLINA

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN SCHEDULES – DEFINED BENEFIT HEALTHCARE PLAN
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS**

YEAR ENDED JUNE 30, 2013

Fiscal year 2009 was the first year of implementation of GASB Statement No. 45, and the City has elected to implement prospectively. Therefore, comparative data is only available from that date.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Annual Amount Contributed	Percentage Funded
June 30, 2009	\$ 4,333,532	\$ 376,744	8.69%
June 30, 2010	374,900	121,100	32.30%
June 30, 2011	393,200	140,900	35.83%
June 30, 2012	390,500	153,200	39.23%
June 30, 2013	\$ 407,900	\$ 160,800	39.42%

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2008	\$ -	40,592,680	\$ 40,592,680	0.00%	\$ 6,698,448	606.00%
July 1, 2009	-	4,203,900	4,203,900	0.00%	6,615,754	63.54%
July 1, 2011	\$ -	4,682,400	\$ 4,682,400	0.00%	\$ 6,367,000	73.54%



Supplementary Information



CITY OF GEORGETOWN, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2013

	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES			
Property Taxes:			
Real and Personal Other than Vehicles	\$ 2,843,104	2,778,284	\$ (64,820)
Vehicles	222,264	225,510	3,246
Penalties and Interest	50,000	30,320	(19,680)
Total Property Taxes	<u>3,115,368</u>	<u>3,034,114</u>	<u>(81,254)</u>
Licenses and Permits:			
Business Licenses	2,121,200	2,779,811	658,611
Franchise Fees	125,000	103,146	(21,854)
Fees in Lieu of Taxes	80,000	72,293	(7,707)
Permits	92,215	108,263	16,048
Total Licenses, Permits, and Franchise Fees	<u>2,418,415</u>	<u>3,063,513</u>	<u>645,098</u>
Fire Impact Fees			
Fire Impact Fees	40,000	14,222	(25,778)
Total Fire Impact Fees	<u>40,000</u>	<u>14,222</u>	<u>(25,778)</u>
Fines and Forfeitures:			
Court and Police Fines	182,000	143,220	(38,780)
Victim's Assistance Assessments	22,000	21,590	(410)
Safe Street Fees	100	100	-
Total Fines and Forfeitures	<u>204,100</u>	<u>164,910</u>	<u>(39,190)</u>
Intergovernmental Revenue:			
Local Government Fund	184,929	197,693	12,764
Homestead Exemption	120,000	120,490	490
Merchants Inventory Tax	132,978	132,978	-
Manufacturers Tax Replacement	14,000	14,515	515
Motor Carriers Tax	6,000	6,096	96
Sunday Liquor Permits	6,000	17,450	11,450
School Resource Officer Reimbursement	118,000	64,188	(53,812)
Total Intergovernmental Revenue	<u>581,907</u>	<u>553,410</u>	<u>(28,497)</u>
Investment Earnings			
Investment Earnings	-	17,344	17,344
Total Investment Earnings	<u>-</u>	<u>17,344</u>	<u>17,344</u>
Miscellaneous Revenues:			
Rents and Royalties	29,000	26,277	(2,723)
Other	15,000	56,142	41,142
Total Miscellaneous Revenues	<u>44,000</u>	<u>82,419</u>	<u>38,419</u>
TOTAL REVENUES	\$ 6,403,790	6,929,932	\$ 526,142

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2013

	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES			
General Government:			
Administration:			
Personnel Services	\$ 653,510	533,528	\$ 119,982
Supplies	12,450	6,505	5,945
Other Services and Charges	81,207	74,831	6,376
Admin Expenses Allocated to Other Funds	(197,869)	(192,848)	(5,021)
Total Administration	<u>549,298</u>	<u>422,016</u>	<u>127,282</u>
Building and Planning:			
Personnel Services	290,550	242,385	48,165
Supplies	12,000	5,375	6,625
Other Services and Charges	152,369	81,959	70,410
Admin Expenses Allocated to Other Funds	17,316	11,309	6,007
Total Building and Planning	<u>472,235</u>	<u>341,028</u>	<u>131,207</u>
Finance:			
Personnel Services	553,810	433,067	120,743
Supplies	17,000	11,232	5,768
Other Services and Charges	59,519	103,677	(44,158)
Admin Expenses Allocated to Other Funds	(388,902)	(388,002)	(900)
Total Finance	<u>241,427</u>	<u>159,974</u>	<u>81,453</u>
Information Technology:			
Personnel Services	125,080	64,644	60,436
Supplies	11,500	14,240	(2,740)
Other Services and Charges	55,839	55,994	(155)
Admin Expenses Allocated to Other Funds	(222,419)	(118,518)	(103,901)
Capital Outlay	30,000	-	30,000
Total Information Technology	<u>-</u>	<u>16,360</u>	<u>(16,360)</u>
Fleet:			
Personnel Services	181,950	166,500	15,450
Supplies	24,450	14,170	10,280
Other Services and Charges	33,539	38,019	(4,480)
Admin Expenses Allocated to Other Funds	(239,939)	(221,750)	(18,189)
Total Fleet	<u>-</u>	<u>(3,061)</u>	<u>3,061</u>
Total General Government	<u>\$ 1,262,960</u>	<u>936,317</u>	<u>\$ 326,643</u>

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2013

	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES (CONTINUED)			
Public Safety:			
Police:			
Personnel Services	\$ 2,198,503	1,978,357	\$ 220,146
Supplies	150,450	177,696	(27,246)
Other Services and Charges	743,867	629,291	114,576
Admin Expenses Allocated to Other Funds	31,190	47,889	(16,699)
Capital Outlay	281,187	152,168	129,019
Total Police	<u>3,405,197</u>	<u>2,985,401</u>	<u>419,796</u>
Municipal Court:			
Personnel Services	136,562	132,491	4,071
Supplies	4,500	2,996	1,504
Other Services and Charges	34,081	24,055	10,026
Admin Expenses Allocated to Other Funds	13,793	14,932	(1,139)
Total Municipal Court	<u>188,936</u>	<u>174,474</u>	<u>14,462</u>
Fire:			
Personnel Services	1,668,520	1,543,927	124,593
Supplies	194,638	199,917	(5,279)
Other Services and Charges	368,396	410,782	(42,386)
Admin Expenses Allocated to Other Funds	21,551	25,007	(3,456)
Capital Outlay	1,000,000	-	1,000,000
Total Fire	<u>3,253,105</u>	<u>2,179,633</u>	<u>1,073,472</u>
Total Public Safety	<u>6,847,238</u>	<u>5,339,508</u>	<u>1,507,730</u>
Public Works:			
Street:			
Personnel Services	492,850	661,112	(168,262)
Supplies	81,000	64,342	16,658
Other Services and Charges	284,444	189,995	94,449
Admin Expenses Allocated to Other Funds	9,313	3,713	5,600
Total Street	<u>867,607</u>	<u>919,162</u>	<u>(51,555)</u>
Total Public Works	<u>867,607</u>	<u>919,162</u>	<u>(51,555)</u>
Nondepartmental:			
Personnel Services	106,000	176,666	(70,666)
Supplies	7,000	4,493	2,507
Other Services and Charges	415,237	496,578	(81,341)
Admin Expenses Allocated to Other Funds	(112,788)	(112,788)	-
Capital Outlay	160,000	48,470	111,530
Total Nondepartmental	<u>\$ 575,449</u>	<u>613,419</u>	<u>\$ (37,970)</u>

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2013

	FINAL BUDGET	ACTUAL	VARIANCE
EXPENDITURES (CONTINUED)			
Debt Service:			
Principal	\$ 48,429	48,429	\$ -
Interest	1,525	1,526	(1)
Total Debt Service	<u>49,954</u>	<u>49,955</u>	<u>(1)</u>
TOTAL EXPENDITURES	<u>9,603,208</u>	<u>7,858,361</u>	<u>1,744,847</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,199,418)</u>	<u>(928,429)</u>	<u>2,270,989</u>
OTHER FINANCING SOURCES (USES)			
General Obligation Bonds Issued	1,025,000	-	(1,025,000)
Insurance Proceeds	-	24,120	24,120
Sale of Capital Assets	10,000	40,246	30,246
Transfers In	1,534,860	1,539,383	4,523
Transfers Out	-	(137,333)	(137,333)
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,569,860</u>	<u>1,466,416</u>	<u>(1,103,444)</u>
NET CHANGE IN FUND BALANCES	(629,558)	537,987	1,167,545
FUND BALANCES, BEGINNING OF YEAR	<u>6,671,656</u>	<u>6,671,656</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 6,042,098</u>	<u>7,209,643</u>	<u>\$ 1,167,545</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$629,558. Actual performance was better than budget and thus no fund balance was used.

Combining and Individual Fund Schedules



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City uses the following Special Revenue Funds:

Federal, State, and Local Grants Fund – is used to account for various projects and initiatives funded wholly or in part by federal, state or local grants and expended in accordance with objectives and provisions of the related grant agreements.

State Accommodations Tax Fund – is used to account for revenues received from the State. The first \$25,000 and five percent (5%) of amounts in excess of \$25,000 are, by statute, allocated to the City’s General Fund. All other accommodation tax receipts must be used for tourism related activities.

Local Accommodations and Hospitality Tax Fund – is used to account for revenues received from a three percent (3%) fee imposed on the rental of accommodations provided to transients and from a two percent (2%) fee collected on the sale of prepared food and beverages served by restaurants, hotels, lounges, and other food facilities. The fees are restricted for expenditures associated with the preservation, maintenance and improvement of historical, environmental, and cultural assets of Georgetown, and public facilities related to their use.

Community Development Fund – is used to account for various community development projects funded by federal and state grants and expended in accordance with objectives and provisions of the related grant agreements.

Seized & Forfeited Property Fund – is used to account for property seized and forfeited to the City in conjunction with the police department’s drug enforcement activities. Expenditures of these resources are restricted by federal and state laws, which require that they be used specifically for certain law enforcement purposes.

DEBT SERVICE FUNDS

Debt service funds are used to account for the revenue collected to retire certain debt of the City and the expenditures related to the retirement of this debt.

CITY OF GEORGETOWN, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	SPECIAL REVENUE FUNDS	
	FEDERAL, STATE & LOCAL GRANTS	STATE ACCOM. TAX
ASSETS		
Cash and Cash Equivalents, Restricted	\$ -	96,614
Receivables, Net		
Accounts	-	-
Intergovernmental Receivables	30,420	15,379
Prepays	-	-
Inventories	-	-
TOTAL ASSETS	\$ 30,420	\$ 111,993
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Bank Overdraft	\$ 5,846	-
Accounts Payable	24,574	23,453
Accrued Salaries and Benefits	-	-
Due to Other Funds	-	655
Unearned/Deferred Revenues:		
Other	-	-
TOTAL LIABILITIES	30,420	24,108
FUND BALANCES		
Nonspendable:		
Prepays	-	-
Inventories	-	-
Restricted For:		
Debt Service	-	-
Special Revenue	-	87,885
TOTAL FUND BALANCES	-	87,885
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,420	111,993

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	TOTAL OTHER GOVERNMENTAL FUNDS
LOCAL ACCOM. & HOSPITALITY TAX	COMMUNITY DEVELOPMENT	SEIZED & FORFEITED PROPERTY	DEBT SERVICE	
1,463,298	12,150	233,874	7,927	\$ 1,813,863
94,847	-	-	-	94,847
-	-	-	-	45,799
369	-	-	-	369
21,753	-	-	-	21,753
1,580,267	12,150	233,874	7,927	\$ 1,976,631
-	-	-	-	\$ 5,846
31,044	-	72	-	79,143
6,738	-	-	-	6,738
921	-	-	-	1,576
22,243	-	208,897	-	231,140
60,946	-	208,969	-	324,443
369	-	-	-	369
21,753	-	-	-	21,753
-	-	-	7,927	7,927
1,497,199	12,150	24,905	-	1,622,139
1,519,321	12,150	24,905	7,927	1,652,188
1,580,267	12,150	233,874	7,927	\$ 1,976,631

CITY OF GEORGETOWN, SOUTH CAROLINA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS	
	FEDERAL, STATE & LOCAL GRANTS	STATE ACCOMM. TAX
REVENUES		
Taxes	\$ -	-
Fines and Forfeitures	-	-
Intergovernmental	139,119	152,660
Investment Earnings	-	66
Sales and Service Fees	-	-
Miscellaneous	4,905	-
TOTAL REVENUES	144,024	152,726
EXPENDITURES		
Current:		
Public Safety	2,697	-
Public Works	9,811	-
Community Development	-	92,896
Capital Outlay	164,301	-
TOTAL EXPENDITURES	193,678	92,896
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,654)	59,830
OTHER FINANCING SOURCES (USES)		
Transfers In	101,556	-
Transfers Out	-	(31,383)
TOTAL OTHER FINANCING SOURCES (USES)	101,556	(31,383)
NET CHANGE IN FUND BALANCES	51,902	28,447
FUND BALANCES, BEGINNING OF YEAR	(51,902)	59,438
FUND BALANCES, END OF YEAR	\$ -	87,885

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND	TOTAL OTHER GOVERNMENTAL FUNDS
LOCAL ACCOMM. & HOSPITALITY TAX	COMMUNITY DEVELOPMENT	SEIZED & FORFEITED PROPERTY	DEBT SERVICE	
751,125	-	-	(155)	\$ 750,970
-	-	(1,409)	-	(1,409)
-	-	-	-	291,779
2,254	-	-	-	2,320
38,600	-	-	-	38,600
4,585	-	1,119	-	10,609
796,564	-	(290)	(155)	1,092,869
-	-	5,773	-	8,470
-	-	-	-	9,811
374,982	-	-	-	467,878
23,977	-	-	-	188,278
398,959	-	5,773	-	691,306
397,605	-	(6,063)	(155)	401,563
35,777	-	-	-	137,333
(108,000)	-	-	-	(139,383)
(72,223)	-	-	-	(2,050)
325,382	-	(6,063)	(155)	399,513
1,193,939	12,150	30,968	8,082	1,252,675
1,519,321	12,150	24,905	7,927	\$ 1,652,188

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
FEDERAL, STATE, AND LOCAL GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Intergovernmental - Federal Grants	\$ 484,592	484,592	139,119	\$ (345,473)
Miscellaneous	-	-	4,905	4,905
TOTAL REVENUES	<u>484,592</u>	<u>484,592</u>	<u>144,024</u>	<u>(340,568)</u>
EXPENDITURES				
Current:				
General Government	1,250	1,250	16,869	(15,619)
Public Safety	27,360	27,360	2,697	24,663
Public Works	-	-	9,811	(9,811)
Capital Outlay	627,900	627,900	164,301	463,599
TOTAL EXPENDITURES	<u>656,510</u>	<u>656,510</u>	<u>193,678</u>	<u>462,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(171,918)</u>	<u>(171,918)</u>	<u>(49,654)</u>	<u>122,264</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	156,975	156,975	101,556	(55,419)
TOTAL OTHER FINANCING SOURCES (USES)	<u>156,975</u>	<u>156,975</u>	<u>101,556</u>	<u>(55,419)</u>
NET CHANGE IN FUND BALANCES	(14,943)	(14,943)	51,902	66,845
FUND BALANCES, BEGINNING OF YEAR	<u>(51,902)</u>	<u>(51,902)</u>	<u>(51,902)</u>	-
FUND BALANCES, END OF YEAR	<u>\$ (66,845)</u>	<u>(66,845)</u>	<u>-</u>	<u>\$ 66,845</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$14,943.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
STATE ACCOMMODATIONS TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Intergovernmental - Accommodations Taxes	\$ 65,000	65,000	152,660	\$ 87,660
Investment Earnings	-	-	66	66
TOTAL REVENUES	<u>65,000</u>	<u>65,000</u>	<u>152,726</u>	<u>87,726</u>
EXPENDITURES				
Current:				
Community Development	38,140	38,140	92,896	(54,756)
TOTAL EXPENDITURES	<u>38,140</u>	<u>38,140</u>	<u>92,896</u>	<u>(54,756)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>26,860</u>	<u>26,860</u>	<u>59,830</u>	<u>32,970</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(26,860)	(26,860)	(31,383)	(4,523)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(26,860)</u>	<u>(26,860)</u>	<u>(31,383)</u>	<u>(4,523)</u>
NET CHANGE IN FUND BALANCES	-	-	28,447	28,447
FUND BALANCES, BEGINNING OF YEAR	<u>59,438</u>	<u>59,438</u>	<u>59,438</u>	-
FUND BALANCES, END OF YEAR	<u>\$ 59,438</u>	<u>59,438</u>	<u>87,885</u>	<u>\$ 28,447</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
LOCAL ACCOMMODATIONS AND HOSPITALITY TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Hospitality Taxes	\$ 540,000	540,000	586,654	\$ 46,654
Accommodations Taxes	130,000	130,000	164,471	34,471
Sales and Service Fees	21,300	21,300	38,600	17,300
Investment Earnings	500	500	2,254	1,754
Miscellaneous	4,500	4,500	4,585	85
TOTAL REVENUES	<u>696,300</u>	<u>696,300</u>	<u>796,564</u>	<u>100,264</u>
EXPENDITURES				
Current:				
Community Development	686,993	686,993	374,982	312,011
Capital Outlay	400,000	400,000	23,977	376,023
TOTAL EXPENDITURES	<u>1,086,993</u>	<u>1,086,993</u>	<u>398,959</u>	<u>688,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(390,693)</u>	<u>(390,693)</u>	<u>397,605</u>	<u>788,298</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	35,777	35,777
Transfers Out	(314,975)	(314,975)	(108,000)	206,975
TOTAL OTHER FINANCING SOURCES (USES)	<u>(314,975)</u>	<u>(314,975)</u>	<u>(72,223)</u>	<u>242,752</u>
NET CHANGE IN FUND BALANCES	<u>(705,668)</u>	<u>(705,668)</u>	<u>325,382</u>	<u>1,031,050</u>
FUND BALANCES, BEGINNING OF YEAR	<u>1,193,939</u>	<u>1,193,939</u>	<u>1,193,939</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 488,271</u>	<u>488,271</u>	<u>1,519,321</u>	<u>\$ 1,031,050</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$705,668.

CITY OF GEORGETOWN, SOUTH CAROLINA

**SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
COMMUNITY DEVELOPMENT FUND**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
TOTAL REVENUES	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
EXPENDITURES				
Current:				
Community Development	12,150	12,150	-	12,150
TOTAL EXPENDITURES	<u>12,150</u>	<u>12,150</u>	<u>-</u>	<u>12,150</u>
NET CHANGE IN FUND BALANCES	(12,150)	(12,150)	-	12,150
FUND BALANCES, BEGINNING OF YEAR	<u>12,150</u>	<u>12,150</u>	<u>12,150</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>-</u>	<u>12,150</u>	<u>\$ 12,150</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$12,150.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
SEIZED AND FORFEITED PROPERTY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Fines and Forfeitures	\$ 13,000	13,000	(1,409)	\$ (14,409)
Miscellaneous	-	-	1,119	1,119
TOTAL REVENUES	<u>13,000</u>	<u>13,000</u>	<u>(290)</u>	<u>(13,290)</u>
EXPENDITURES				
Current:				
Public Safety	24,750	24,750	5,773	18,977
Capital Outlay	26,000	26,000	-	26,000
TOTAL EXPENDITURES	<u>50,750</u>	<u>50,750</u>	<u>5,773</u>	<u>44,977</u>
NET CHANGE IN FUND BALANCES	(37,750)	(37,750)	(6,063)	31,687
FUND BALANCES, BEGINNING OF YEAR	<u>30,968</u>	<u>30,968</u>	<u>30,968</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (6,782)</u>	<u>(6,782)</u>	<u>24,905</u>	<u>\$ 31,687</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$37,750.

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes. The City has the following Proprietary Funds:

Electric Utility Fund – is used to account for the operations of the City’s electricity utility. Electrical power is provided to all residents and commercial entities of the City.

Water Utility Fund – is used to account for the operations of the City’s water filtration and distribution systems. Services are provided to all residents of the City. Water service is only provided to a limited area outside the City limits.

Wastewater Utility Fund – is used to account for the operations of the City’s wastewater collection and treatment systems. Services are provided to all residents of the City.

Stormwater Drainage Utility Fund – is used to account for the operation and maintenance of the City’s stormwater drainage system.

Waste Management Fund – is used to account for the operation and maintenance of the City’s waste collection and disposal systems, including community education and awareness regarding recycling and litter control.



CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - WATER AND WASTEWATER UTILITY FUNDS
COMBINING SCHEDULE OF NET POSITION

JUNE 30, 2013

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	TOTAL
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 3,298,636	2,276,286	\$ 5,574,922
Cash and Cash Equivalents, Restricted	1,820,873	1,540,727	3,361,600
Accounts Receivable, Net	199,545	225,761	425,306
Other Receivables	6,052	3,770	9,822
Intergovernmental Receivables	-	17,783	17,783
Prepays	10,889	23,613	34,502
Inventories	53,787	6,916	60,703
Total Current Assets	<u>5,389,782</u>	<u>4,094,856</u>	<u>9,484,638</u>
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	290,500	155,197	445,697
Depreciable, Net	9,835,953	13,594,031	23,429,984
Total Non-Current Assets	<u>10,126,453</u>	<u>13,749,228</u>	<u>23,875,681</u>
TOTAL ASSETS	<u>\$ 15,516,235</u>	<u>17,844,084</u>	<u>\$ 33,360,319</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 112,084	71,317	\$ 183,401
Accrued Interest Payable	-	1,336	1,336
Accrued Salaries and Benefits	19,084	17,614	36,698
Customer Deposits	91,547	74,963	166,510
Due To Other Funds	4,930	1,162	6,092
Unearned Revenue	-	1,123,582	1,123,582
Current Portion of Compensated Absences	6,541	6,806	13,347
Current Portion of Capital Lease	-	118,804	118,804
Current Portion of Debt	230,610	517,595	748,205
Total Current Liabilities	<u>464,796</u>	<u>1,933,179</u>	<u>2,397,975</u>
Non-Current Liabilities:			
Other Post Employment Benefits	80,253	75,131	155,384
Compensated Absences, Less Current Portion	13,399	6,598	19,997
Debt, Less Current Portion	2,364,771	5,307,635	7,672,406
Total Long-Term Liabilities	<u>2,458,423</u>	<u>5,389,364</u>	<u>7,847,787</u>
TOTAL LIABILITIES	<u>2,923,219</u>	<u>7,322,543</u>	<u>10,245,762</u>
NET POSITION			
Net Investment in Capital Assets	9,232,034	7,805,194	17,037,228
Restricted for Debt Service	25,402	57,013	82,415
Restricted for Regional Wastewater Treatment Plant	-	658,809	658,809
Unrestricted	3,335,580	2,000,525	5,336,105
TOTAL NET POSITION	<u>12,593,016</u>	<u>10,521,541</u>	<u>23,114,557</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 15,516,235</u>	<u>17,844,084</u>	<u>\$ 33,360,319</u>

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - WATER AND WASTEWATER UTILITY FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED JUNE 30, 2013

	WATER UTILITY FUND	WASTEWATER UTILITY FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 1,850,049	2,807,199	\$ 4,657,248
TOTAL OPERATING REVENUES	1,850,049	2,807,199	4,657,248
OPERATING EXPENSES			
Purchased Water	68,001	-	68,001
Provision for Bad Debts	5,443	7,324	12,767
Personal Services	638,776	469,261	1,108,037
Supplies	307,227	162,230	469,457
Other Charges and Services	417,855	1,209,732	1,627,587
Depreciation	440,120	785,847	1,225,967
TOTAL OPERATING EXPENSES	1,877,422	2,634,394	4,511,816
OPERATING INCOME (LOSS)	(27,373)	172,805	145,432
NON-OPERATING REVENUES (EXPENSES)			
Interest Earned on Investments	9,360	4,490	13,850
Interest on Long-Term Obligations	(80,972)	(187,118)	(268,090)
Gain (Loss) on Sale of Capital Assets	(2,636)	4,265	1,629
Miscellaneous	25,292	1,373	26,665
TOTAL NON-OPERATING REVENUES (EXPENSES)	(48,956)	(176,990)	(225,946)
CHANGE IN NET POSITION	(76,329)	(4,185)	(80,514)
NET POSITION, BEGINNING OF YEAR	12,669,345	10,525,726	23,195,071
NET POSITION, END OF YEAR	\$ 12,593,016	10,521,541	\$ 23,114,557

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - WATER AND WASTEWATER UTILITY FUNDS
COMBINING SCHEDULE OF CASH FLOWS

YEAR ENDED JUNE 30, 2013

	<u>WATER UTILITY FUND</u>	<u>WASTEWATER UTILITY FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,864,615	2,627,500	\$ 4,492,115
Payments to Suppliers for Goods and Services	(814,764)	(1,388,024)	(2,202,788)
Payments for Personnel Services	(636,410)	(470,343)	(1,106,753)
Other Receipts (Payments)	25,292	1,373	26,665
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>438,733</u>	<u>770,506</u>	<u>1,209,239</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State and Federal Grants	-	136,840	136,840
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>136,840</u>	<u>136,840</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(485,190)	(77,678)	(562,868)
Proceeds on Sale of Capital Assets	-	5,138	5,138
Bond, Note, and Capital Lease Principal Payments	(223,847)	(617,929)	(841,776)
Bond, Note, and Capital Lease Interest Payments	(80,972)	(188,416)	(269,388)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(790,009)</u>	<u>(878,885)</u>	<u>(1,668,894)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings	9,360	4,490	13,850
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>9,360</u>	<u>4,490</u>	<u>13,850</u>
NET INCREASE (DECREASE) IN RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS	(341,916)	32,951	(308,965)
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, Beginning of Year	<u>5,461,425</u>	<u>3,784,062</u>	<u>9,245,487</u>
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS, End of Year	<u>\$ 5,119,509</u>	<u>3,817,013</u>	<u>\$ 8,936,522</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	\$ (27,373)	172,805	\$ 145,432
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation Expense	440,120	785,847	1,225,967
Other Miscellaneous Receipts	25,292	1,373	26,665
Change in Account Representing Operating Activities:			
Accounts Receivable	6,296	8,128	14,424
Other Receivables	9,209	2,205	11,414
Prepays and Inventory	214	(1,207)	(993)
Accounts Payable	(31,272)	(19,657)	(50,929)
Accrued Salaries and Benefits	(2,256)	(160)	(2,416)
Customer Deposits	(939)	80	(859)
Other Post Employment Benefits	14,820	12,126	26,946
Unearned Revenue	-	(190,112)	(190,112)
Compensated Absences	4,622	(922)	3,700
Net Cash Provided by Operating Activities	<u>\$ 438,733</u>	<u>770,506</u>	<u>\$ 1,209,239</u>
Supplemental Non-Cash Information:			
Depreciation Expense	\$ 440,120	785,847	\$ 1,225,967

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - ELECTRIC UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES				
Sale of Electricity	\$ 13,500,000	13,500,000	12,510,540	\$ (989,460)
Security Light Rental Fees	265,000	265,000	262,646	(2,354)
Penalties	140,000	140,000	134,208	(5,792)
Other Fees	181,500	181,500	191,013	9,513
TOTAL OPERATING REVENUES	<u>14,086,500</u>	<u>14,086,500</u>	<u>13,098,407</u>	<u>(988,093)</u>
OPERATING EXPENSES				
Purchase of Electricity	9,667,471	9,667,471	9,145,159	522,312
Personal Services	913,634	913,634	1,004,648	(91,014)
Supplies	151,600	151,600	139,221	12,379
Other Charges and Services	1,271,368	1,271,368	987,210	284,158
Provision for Bad Debts	40,000	40,000	31,656	8,344
Depreciation	237,336	237,336	247,453	(10,117)
TOTAL OPERATING EXPENSES	<u>12,281,409</u>	<u>12,281,409</u>	<u>11,555,347</u>	<u>726,062</u>
TOTAL OPERATING INCOME (LOSS)	<u>1,805,091</u>	<u>1,805,091</u>	<u>1,543,060</u>	<u>(262,031)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	15,000	15,000	13,987	(1,013)
Miscellaneous	(10,000)	(10,000)	3,084	13,084
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,000</u>	<u>5,000</u>	<u>17,071</u>	<u>12,071</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,810,091</u>	<u>1,810,091</u>	<u>1,560,131</u>	<u>(249,960)</u>
Transfers Out	(1,400,000)	(1,400,000)	(1,400,000)	-
CHANGE IN NET POSITION	<u>410,091</u>	<u>410,091</u>	<u>160,131</u>	<u>(249,960)</u>
NET POSITION, BEGINNING OF YEAR	<u>12,677,204</u>	<u>12,677,204</u>	<u>12,677,204</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 13,087,295</u>	<u>13,087,295</u>	<u>12,837,335</u>	<u>\$ (249,960)</u>

Note: The City's original and final budget reflected an expected surplus of \$410,091.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - WATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES				
Sale of Water	\$ 1,957,126	1,957,126	1,797,626	\$ (159,500)
Connection Fees	55,607	55,607	20,747	(34,860)
Penalties	13,706	13,706	26,681	12,975
Other Fees	9,497	9,497	4,995	(4,502)
TOTAL OPERATING REVENUES	<u>2,035,936</u>	<u>2,035,936</u>	<u>1,850,049</u>	<u>(185,887)</u>
OPERATING EXPENSES				
Purchase of Raw Water	91,750	91,750	68,001	23,749
Personal Services	714,291	714,291	638,776	75,515
Supplies	331,365	331,365	307,227	24,138
Other Charges and Services	637,792	637,792	559,448	78,344
Charges and Services Allocated to Other Funds	(213,092)	(213,092)	(141,593)	(71,499)
Provision for Bad Debts	8,000	8,000	5,443	2,557
Depreciation	434,004	434,004	440,120	(6,116)
TOTAL OPERATING EXPENSES	<u>2,004,110</u>	<u>2,004,110</u>	<u>1,877,422</u>	<u>126,688</u>
TOTAL OPERATING INCOME (LOSS)	<u>31,826</u>	<u>31,826</u>	<u>(27,373)</u>	<u>(59,199)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	10,397	10,397	9,360	(1,037)
Interest on Long-Term Obligations	-	-	(80,972)	(80,972)
Gain (Loss) on Sale of Capital Assets	2,659	2,659	(2,636)	(5,295)
Miscellaneous	937	937	25,292	24,355
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>13,993</u>	<u>13,993</u>	<u>(48,956)</u>	<u>(62,949)</u>
CHANGE IN NET POSITION	<u>45,819</u>	<u>45,819</u>	<u>(76,329)</u>	<u>(122,148)</u>
NET POSITION, BEGINNING OF YEAR	<u>12,669,345</u>	<u>12,669,345</u>	<u>12,669,345</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 12,715,164</u>	<u>12,715,164</u>	<u>12,593,016</u>	<u>\$ (122,148)</u>

Note: The City's original and final budget reflected an expected surplus of \$45,819.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - WASTEWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES				
Wastewater Service Fees	\$ 3,056,940	3,056,940	2,750,568	\$ (306,372)
Connection Fees	8,100	8,100	6,965	(1,135)
Penalties	28,000	28,000	31,701	3,701
Other Fees	15,000	15,000	17,965	2,965
TOTAL OPERATING REVENUES	<u>3,108,040</u>	<u>3,108,040</u>	<u>2,807,199</u>	<u>(300,841)</u>
OPERATING EXPENSES				
Personal Services	473,714	473,714	469,261	4,453
Supplies	166,620	166,620	162,230	4,390
Other Charges and Services	1,118,371	1,118,371	1,019,359	99,012
Allocated Charges and Services	242,774	242,774	190,373	52,401
Provision for Bad Debts	7,500	7,500	7,324	176
Depreciation	791,701	791,701	785,847	5,854
TOTAL OPERATING EXPENSES	<u>2,800,680</u>	<u>2,800,680</u>	<u>2,634,394</u>	<u>166,286</u>
TOTAL OPERATING INCOME (LOSS)	<u>307,360</u>	<u>307,360</u>	<u>172,805</u>	<u>(134,555)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	1,500	1,500	4,490	2,990
Interest on Long-Term Obligations	(188,312)	(188,312)	(187,118)	1,194
Gain (Loss) on Sale of Capital Assets	-	-	4,265	4,265
Miscellaneous	(3,500)	(3,500)	1,373	4,873
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(190,312)</u>	<u>(190,312)</u>	<u>(176,990)</u>	<u>13,322</u>
CHANGE IN NET POSITION	117,048	117,048	(4,185)	(121,233)
NET POSITION, BEGINNING OF YEAR	<u>10,525,726</u>	<u>10,525,726</u>	<u>10,525,726</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 10,642,774</u>	<u>10,642,774</u>	<u>10,521,541</u>	<u>\$ (121,233)</u>

Note: The City's original and final budget reflected an expected surplus of \$117,048.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - STORMWATER DRAINAGE UTILITY FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES				
Stormwater Drainage Fees	\$ 525,000	525,000	494,427	\$ (30,573)
Penalties	6,000	6,000	5,863	(137)
TOTAL OPERATING REVENUES	<u>531,000</u>	<u>531,000</u>	<u>500,290</u>	<u>(30,710)</u>
OPERATING EXPENSES				
Personal Services	229,847	229,847	260,409	(30,562)
Supplies	15,105	15,105	31,962	(16,857)
Other Charges and Services	144,228	144,228	135,320	8,908
Allocated Charges and Services	35,515	35,515	23,599	11,916
Provision for Bad Debts	1,400	1,400	1,544	(144)
Depreciation	185,939	185,939	174,820	11,119
TOTAL OPERATING EXPENSES	<u>612,034</u>	<u>612,034</u>	<u>627,654</u>	<u>(15,620)</u>
TOTAL OPERATING INCOME (LOSS)	<u>(81,034)</u>	<u>(81,034)</u>	<u>(127,364)</u>	<u>(46,330)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Earned on Investments	1,000	1,000	1,066	66
Interest on Long-Term Obligations	(3,629)	(3,629)	(2,777)	852
Miscellaneous	(1,500)	(1,500)	2,473	3,973
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(4,129)</u>	<u>(4,129)</u>	<u>762</u>	<u>4,891</u>
CHANGE IN NET POSITION	(85,163)	(85,163)	(126,602)	(41,439)
NET POSITION, BEGINNING OF YEAR	<u>12,176,978</u>	<u>12,176,978</u>	<u>12,176,978</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 12,091,815</u>	<u>12,091,815</u>	<u>12,050,376</u>	<u>\$ (41,439)</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$85,163.

CITY OF GEORGETOWN, SOUTH CAROLINA

SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE - WASTE MANAGEMENT FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
OPERATING REVENUES				
Sanitation Fees - Residential	\$ 780,000	780,000	772,738	\$ (7,262)
Sanitation Fees - Commercial	125,000	125,000	125,741	741
Penalties	15,000	15,000	15,159	159
TOTAL OPERATING REVENUES	<u>920,000</u>	<u>920,000</u>	<u>913,638</u>	<u>(6,362)</u>
OPERATING EXPENSES				
Personal Services	452,050	452,050	319,065	132,985
Supplies	16,500	16,500	17,964	(1,464)
Other Services and Charges	393,685	393,685	417,841	(24,156)
Provision for Bad Debts	1,500	1,500	5,210	(3,710)
Depreciation	83,784	83,784	85,702	(1,918)
TOTAL OPERATING EXPENSES	<u>947,519</u>	<u>947,519</u>	<u>845,782</u>	<u>101,737</u>
TOTAL OPERATING INCOME (LOSS)	<u>(27,519)</u>	<u>(27,519)</u>	<u>67,856</u>	<u>95,375</u>
NONOPERATING REVENUES (EXPENSES)				
Interest on Long-Term Obligations	(4,205)	(4,205)	(2,901)	1,304
Miscellaneous	(1,500)	(1,500)	65	1,565
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(5,705)</u>	<u>(5,705)</u>	<u>(2,836)</u>	<u>2,869</u>
CHANGE IN NET POSITION	<u>(33,224)</u>	<u>(33,224)</u>	<u>65,020</u>	<u>98,244</u>
NET POSITION, BEGINNING OF YEAR	<u>35,805</u>	<u>35,805</u>	<u>35,805</u>	<u>-</u>
NET POSITION, END OF YEAR	<u>\$ 2,581</u>	<u>2,581</u>	<u>100,825</u>	<u>\$ 98,244</u>

Note: The City's original and final budget reflected the use of appropriated fund balance of \$33,224.

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the City's programs.

Agency Fund – accounts for funds held in custody for others.

Firemen's Agency Fund – is used to account for insurance premium rebates remitted by the State Treasurer to be expended for the collective benefit and enjoyment of the City firefighters.



CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - FIDUCIARY FUND - AGENCY FUND -
FIREMEN'S FUND

YEAR ENDED JUNE 30, 2013

	<u>BALANCE AT JUNE 30, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE AT JUNE 30, 2013</u>
ASSETS				
Cash and Cash Equivalents, Restricted	\$ 495	24,723	23,118	\$ 2,100
TOTAL ASSETS	<u>\$ 495</u>	<u>24,723</u>	<u>23,118</u>	<u>\$ 2,100</u>
LIABILITIES				
Amounts Held for Custody for Others	\$ 495	24,723	23,118	\$ 2,100
TOTAL LIABILITIES	<u>\$ 495</u>	<u>24,723</u>	<u>23,118</u>	<u>\$ 2,100</u>



CITY OF GEORGETOWN, SOUTH CAROLINA

**SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
GENERAL FUND - VICTIM'S ADVOCATE**

YEAR ENDED JUNE 30, 2013

Court Fines

Court Fines Collected	\$	144,276
Court Fines Retained by City		<u>(144,276)</u>
Court Fines Remitted to the State Treasurer	\$	<u><u>-</u></u>

Court Assessments

Court Assessments Collected	\$	130,631
Court Assessments Retained by City		<u>(15,628)</u>
Court Assessments Remitted to the State Treasurer	\$	<u><u>115,003</u></u>

Court Surcharges

Court Surcharges Collected	\$	47,426
Court Surcharges Retained by the City		<u>(5,963)</u>
Court Surcharges Remitted to the State Treasurer	\$	<u><u>41,463</u></u>

Victim's Advocate

Court Assessments Allocated to Victim's Advocate	\$	15,628
Court Surcharges Allocated to Victim's Advocate		<u>5,963</u>
Funds Allocated to Victim's Advocate		21,591
Victim's Advocate Expenditures		<u>(48,464)</u>
Funds Available to Carry Forward		(26,873)
Funds Carry Forward from Prior Year		<u>(129,117)</u>
Fund Balance for Victim's Advocate	\$	<u><u>(155,990)</u></u>



Other Information



CITY OF GEORGETOWN, SOUTH CAROLINA

SCHEDULE OF VOLUME CHARGE TRUE-UP CALCULATION
REGIONAL WASTEWATER TREATMENT PLANT

YEAR ENDED JUNE 30, 2013

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
WWTP Operating Expenses				
Personal Services	\$ 160,687	160,687	164,018	\$ (3,331)
Supplies	121,585	121,585	115,159	6,426
Services	756,246	756,246	706,540	49,706
Indirect Costs	132,313	132,313	102,522	29,791
Other Charges	1,500	1,500	1,510	(10)
Capital Outlay	50,000	50,000	29,144	20,856
Reserve Fund	75,000	75,000	75,000	-
Capital Lease Principal and Interest	122,190	122,190	120,891	1,299
Total Operating Expenses to be Allocated	\$ 1,419,521	1,419,521	1,314,784	\$ 104,737

	<u>FLows (ACTUAL MGs)</u>	<u>VOLUME CHARGE</u>		<u>ADJUSTMENT REFUND (CHARGE)</u>
		<u>BILLED</u>	<u>ACTUAL</u>	
Allocation to Participants				
Town of Andrews	182.1	\$ 214,101	173,301	\$ 40,800
Georgetown County Water & Sewer District	333.4	391,024	317,343	73,681
City of Georgetown	866.0	1,015,104	824,140	190,964
Total Operating Expenses Allocated	1,381.5	\$ 1,620,229	1,314,784	\$ 305,445



STATISTICAL SECTION

This part of the City of Georgetown’s (“City”) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Contents	Page
Financial Trends Information <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	109
Revenue Capacity Information <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	116
Debt Capacity Information <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	120
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	125
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	127

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



CITY OF GEORGETOWN, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 13,236,407	13,779,023	14,503,810	13,812,256	13,301,350	13,332,811	12,910,178	11,561,207	11,273,063	\$ 11,770,023
Restricted	1,682,895	1,323,479	1,383,024	1,871,591	1,906,126	2,001,923	1,626,077	2,142,869	943,759	663,815
Unrestricted	6,280,810	5,840,486	5,934,818	6,062,297	3,641,197	5,624,620	3,611,891	2,127,171	2,187,184	2,720,648
Total governmental activities net position	\$ 21,200,112	20,942,988	21,821,652	21,746,144	18,848,673	20,959,354	18,148,146	15,831,247	14,404,006	\$ 15,154,486
Business-type activities										
Net investment in capital assets	\$ 35,459,312	34,222,427	33,495,323	28,387,257	28,017,047	27,480,872	25,023,336	24,874,577	25,444,619	\$ 25,937,957
Restricted	741,224	741,224	1,049,523	974,522	899,518	375,000	300,000	-	-	-
Unrestricted	11,902,557	13,121,407	12,511,166	13,479,228	13,123,510	15,501,847	15,689,573	15,637,186	14,664,808	13,651,558
Total business-type activities net position	\$ 48,103,093	48,085,058	47,056,012	42,841,007	42,040,075	43,357,719	41,012,909	40,511,763	40,109,427	\$ 39,589,515
Primary government										
Net investment in capital assets	\$ 48,695,719	48,001,450	47,999,133	42,199,513	41,318,397	40,813,683	37,933,514	36,435,784	36,717,682	\$ 37,707,980
Restricted	2,424,119	2,064,703	2,432,547	2,846,113	2,805,644	2,367,314	1,926,077	2,142,869	943,759	663,815
Unrestricted	18,183,367	18,961,893	18,445,984	19,541,525	16,764,707	21,136,076	19,301,464	17,764,357	16,851,992	16,372,206
Total primary government net position	\$ 69,303,205	69,028,046	68,877,664	64,587,151	60,888,748	64,317,073	59,161,055	56,343,010	54,513,433	\$ 54,744,001

CITY OF GEORGETOWN, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

UNAUDITED

	FISCAL YEAR									
	2013	2012	2011 *	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 1,943,114	1,751,807	1,442,970	1,827,815	2,834,421	1,824,263	1,684,401	1,320,557	2,209,732	\$ 1,498,845
Public safety	5,697,996	5,695,484	5,726,331	6,022,495	7,502,005	5,517,875	5,188,064	5,479,890	4,809,497	4,877,911
Public works	1,068,045	1,017,830	928,736	927,418	1,091,371	745,307	788,593	857,296	920,279	814,141
Community development	520,270	763,529	1,217,905	395,014	885,435	567,868	206,117	189,676	126,897	127,422
Interest on debt	761	2,263	6,219	23,828	25,120	20,079	38,242	45,492	49,572	76,930
Total Governmental activities expenses	9,230,186	9,230,913	9,322,161	9,196,570	12,338,352	8,675,392	7,905,417	7,892,911	8,115,977	7,395,249
Business-type activities:										
Electric utility	11,555,347	11,197,351	12,194,989	11,843,488	12,021,147	10,869,711	10,878,950	10,505,144	9,349,691	8,658,928
Water utility	1,958,394	1,970,507	2,036,496	1,984,792	2,438,939	1,905,911	1,930,937	1,859,131	1,741,854	1,739,552
Wastewater utility	2,821,512	2,843,468	3,145,191	3,421,018	3,254,393	3,427,912	3,068,099	2,728,629	2,707,361	2,466,641
Stormwater utility	630,431	595,203	587,193	671,518	787,864	611,190	599,127	523,362	494,384	444,378
Waste management	848,683	978,606	1,223,814	1,300,708	1,692,040	1,461,917	1,420,291	1,496,843	1,411,961	1,416,304
Kaminski House Museum	-	-	-	-	-	-	287,089	285,705	293,625	279,542
Total business-type activities expenses	17,814,367	17,585,135	19,187,683	19,221,524	20,194,383	18,276,641	18,184,493	17,398,814	15,998,876	15,005,345
Total primary government expenses	\$ 27,044,553	26,816,048	28,509,844	28,418,094	32,532,735	26,952,033	26,089,910	25,291,725	24,114,853	\$ 22,400,594
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 211,509	200,036	171,581	178,524	319,482	594,256	392,698	70,317	107,308	\$ 271,275
Public safety	229,287	265,645	365,631	326,085	330,874	531,339	356,877	469,516	358,146	296,432
Community development	38,600	23,680	18,334	28,760	27,674	31,748	889	889	2,500	1,256
Operating grants and contributions	205,269	526,621	229,095	592,636	120,621	233,377	615,260	579,590	239,523	293,563
Capital grants and contributions	-	-	324,262	4,634	107,898	210,530	443,091	-	2,639	57,505
Total governmental activities program revenues	684,665	1,015,982	1,108,903	1,130,639	906,549	1,601,250	1,808,815	1,120,312	710,116	920,031
Business-Type Activities:										
Charges for services:										
Electric utility	13,098,407	13,554,088	14,201,949	13,476,793	13,527,400	12,633,964	12,908,429	12,528,478	11,591,411	11,247,112
Water utility	1,850,049	1,982,288	1,895,039	1,868,043	1,767,021	2,053,127	1,939,948	1,795,484	1,721,748	1,571,983
Wastewater utility	2,807,199	2,963,010	3,071,748	2,938,090	2,812,978	3,120,636	3,012,146	2,581,378	2,484,915	2,438,033
Stormwater utility	500,290	505,982	515,980	526,614	526,165	523,457	518,513	391,992	384,158	369,126
Waste management	913,638	916,453	945,978	939,181	1,195,589	1,292,584	1,276,702	1,183,043	1,046,034	867,857
Kaminski House Museum	-	-	-	-	-	-	29,776	34,211	37,157	36,946
Operating grants and contributions	-	-	-	8,651	5,087	10,739	8,140	10,244	195,980	9,859
Capital grants and contributions	-	38,547	4,027,166	276,005	162,211	2,253,731	-	310,062	-	1,996,308
Total business-type activities program revenues	19,169,583	19,960,368	24,657,860	20,033,377	19,996,451	21,888,238	19,693,654	18,834,892	17,461,403	18,537,224
Total primary government program revenues	\$ 19,854,248	20,976,350	25,766,763	21,164,016	20,903,000	23,489,488	21,502,469	19,955,204	18,171,519	\$ 19,457,255

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

	FISCAL YEAR									
	2013	2012	2011 *	2010	2009	2008	2007	2006	2005	2004
Net (Expense)/Revenue										
Governmental activities	\$ (8,545,521)	(8,214,931)	(8,213,258)	(8,065,931)	(11,431,803)	(7,074,142)	(6,096,602)	(6,772,599)	(7,405,861)	\$ (6,475,218)
Business-type activities	1,355,216	2,375,233	5,470,177	811,853	(197,932)	3,611,597	1,509,161	1,436,078	1,462,527	3,531,879
Total primary government net expense	\$ (7,190,305)	(5,839,698)	(2,743,081)	(7,254,078)	(11,629,735)	(3,462,545)	(4,587,441)	(5,336,521)	(5,943,334)	\$ (2,943,339)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 3,084,436	3,184,824	3,168,628	3,385,484	3,723,830	3,332,776	2,902,290	2,644,466	2,463,781	\$ 2,389,205
Property taxes, levied for debt service	(155)	9,378	40,161	447,155	438,200	-	-	-	-	-
Local accommodations and hospitality taxes	902,584	825,768	721,013	666,359	731,169	772,692	762,938	701,346	676,138	677,696
Fees in lieu of taxes	-	-	-	-	-	-	-	-	30,814	24,203
Business license fees	2,819,430	2,160,084	2,529,885	2,034,309	2,356,173	2,482,649	2,311,836	2,166,989	1,989,576	1,673,627
Shared revenues from other governments	489,222	457,646	480,797	630,060	654,370	595,969	565,946	556,390	513,602	499,105
Fire impact fees	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	19,664	2,455	7,802	17,431	70,557	184,878	164,463	75,756	43,755	34,465
Gain (loss) on disposal of assets	37,824	1,925	2,627	15,906	10,996	8,348	-	448,153	-	-
Miscellaneous	49,640	62,140	16,353	43,436	7,427	3,283	18,681	19,271	49,102	21,259
Special Item - Donation to Winyah Auditorium	-	(756,868)	-	-	-	-	-	-	-	-
Transfers	1,400,000	1,388,915	1,321,500	1,317,532	1,328,400	2,299,730	1,795,780	1,587,469	1,182,600	877,321
Total governmental activities	8,802,645	7,336,267	8,288,766	8,557,672	9,321,122	9,680,325	8,521,934	8,199,840	6,949,368	6,196,881
Business-type activities:										
Unrestricted investment earnings	28,903	37,510	28,899	48,754	144,728	566,177	775,559	538,299	226,634	155,426
Gain on disposal of assets	1,629	578	35,178	7,956	3,733	-	1,388	4,246	-	-
Miscellaneous	32,287	4,640	2,251	1,860	12,061	6,481	49,123	11,182	13,351	43,299
Transfers	(1,400,000)	(1,388,915)	(1,321,500)	(1,317,532)	(1,328,400)	(2,299,730)	(1,795,780)	(1,587,469)	(1,182,600)	(877,321)
Total business-type activities	(1,337,181)	(1,346,187)	(1,255,172)	(1,258,962)	(1,167,878)	(1,727,072)	(969,710)	(1,033,742)	(942,615)	(678,596)
Total primary government	\$ 7,465,464	5,990,080	7,033,594	7,298,710	8,153,244	7,953,253	7,552,224	7,166,098	6,006,753	\$ 5,518,285
Change in Net Position										
Governmental activities	\$ 257,124	(878,664)	75,508	491,741	(2,110,681)	2,606,183	2,425,332	1,427,241	(456,493)	\$ (278,337)
Business-type activities	18,035	1,029,046	4,215,005	(447,109)	(1,365,810)	1,884,525	539,451	402,336	519,912	2,853,283
Total primary government	\$ 275,159	150,382	4,290,513	44,632	(3,476,491)	4,490,708	2,964,783	1,829,577	63,419	\$ 2,574,946

* Certain amounts have been reclassified to agree to the current year presentation.

CITY OF GEORGETOWN, SOUTH CAROLINA

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS

(accrual basis of accounting)

UNAUDITED

Fiscal Year		Property Tax	Accommodations/ Hospitality Tax		Total
2013	\$	3,084,281	902,584	\$	3,986,865
2012		3,194,202	825,768		4,019,970
2011		3,208,789	721,013		3,929,802
2010		3,832,639	666,359		4,498,998
2009		4,162,030	731,169		4,893,199
2008		3,332,776	772,692		4,105,468
2007		2,902,290	762,938		3,665,228
2006		2,644,466	701,346		3,345,812
2005		2,463,781	676,138		3,139,919
2004	\$	2,389,205	677,696	\$	3,066,901

CITY OF GEORGETOWN, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
<u>Pre-GASB #54</u> ^A										
Reserved	\$ -	-	-	133,006	323,369	313,120	245,923	304,463	390,927	\$ 62,742
Unreserved	-	-	-	6,365,536	5,908,902	5,517,088	3,649,674	2,472,242	1,778,574	2,389,221
<u>Post GASB #54</u> ^A										
Nonspendable	97,461	94,565	374,314	-	-	-	-	-	-	-
Restricted	8,464	18,916	19,016	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	7,103,718	6,558,175	6,234,833	-	-	-	-	-	-	-
Total General Fund	<u>\$7,209,643</u>	<u>6,671,656</u>	<u>6,628,163</u>	<u>6,498,542</u>	<u>6,232,271</u>	<u>5,830,208</u>	<u>3,895,597</u>	<u>2,776,705</u>	<u>2,169,501</u>	<u>\$2,451,963</u>
All Other Governmental Funds										
<u>Pre-GASB #54</u> ^A										
Reserved	\$ -	-	-	29,660	24,814	413,108	546,340	604,884	8,834	\$ -
Unreserved, Reported In:										
Special Revenue Funds	-	-	-	1,765,842	1,647,485	1,391,699	917,535	735,584	629,212	604,499
Debt Service Funds	-	-	-	26,093	-	-	-	-	-	-
<u>Post GASB #54</u> ^A										
Nonspendable	22,122	23,457	26,951	-	-	-	-	-	-	-
Restricted	1,630,066	1,281,120	1,339,365	-	-	-	-	-	-	-
Unassigned	-	(51,902)	(44,511)	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$1,652,188</u>	<u>1,252,675</u>	<u>1,321,805</u>	<u>1,821,595</u>	<u>1,672,299</u>	<u>1,804,807</u>	<u>1,463,875</u>	<u>1,340,468</u>	<u>638,046</u>	<u>\$ 604,499</u>

(A) The City implemented GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB #54") in 2011. GASB #54 established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The City has elected to apply GASB #54 prospectively - and thus has provided fund balance information before ("Pre") and after ("Post") its implementation.

CITY OF GEORGETOWN, SOUTH CAROLINA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Taxes	\$ 3,785,084	3,822,580	3,885,800	4,610,494	4,645,132	4,053,899	3,665,063	3,355,932	3,152,379	\$ 3,052,259
Licenses and Permits	3,063,513	2,475,445	2,805,243	2,289,747	2,676,325	2,988,443	2,692,897	2,369,021	2,103,982	1,871,346
Fire Impact Fees	14,222	21,059	15,574	11,460	32,813	116,186	54,207	46,046	14,095	28,573
Fines and Forfeitures	163,501	182,207	263,849	250,933	212,502	359,444	289,106	373,388	328,727	296,320
Sales and Service Fees	38,600	23,830	18,334	28,760	26,785	30,832	-	-	-	-
Intergovernmental	845,189	1,057,914	741,997	1,178,325	737,613	1,042,968	1,158,116	803,663	764,777	798,968
Investment Earnings	19,664	2,455	7,802	17,431	70,557	184,878	164,462	75,756	43,755	33,993
Miscellaneous	93,028	124,325	54,830	77,390	62,487	64,990	110,929	51,254	84,558	68,483
Donations	-	-	-	-	-	206,570	25,025	307,774	-	-
Total Revenues	8,022,801	7,709,815	7,793,429	8,464,540	8,464,214	9,048,210	8,159,805	7,383,435	6,492,273	6,149,942
Expenditures										
General Government	1,518,135	1,354,919	1,121,749	1,510,869	1,780,807	1,511,936	1,474,576	1,202,106	846,138	937,491
Public Safety	5,195,810	5,201,923	5,235,151	5,568,227	5,557,245	5,157,566	4,894,168	5,146,062	4,369,419	4,629,943
Public Works	928,973	858,766	768,801	766,318	717,182	700,640	636,055	707,218	778,412	678,084
Community Development	467,878	702,325	1,145,549	335,142	781,098	500,498	163,412	153,444	94,128	94,501
Nondepartmental	-	-	-	-	-	-	-	-	1,231,873	299,985
Capital Outlay	388,916	1,009,171	1,095,372	1,141,790	449,758	982,428	1,397,583	1,242,947	121,464	498,430
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	48,429	46,950	196,849	189,937	270,372	223,313	446,209	455,758	449,840	371,525
Interest	1,526	3,004	9,494	12,818	25,496	25,709	37,296	31,599	38,869	99,564
Bond Issuance Costs	-	-	-	12,500	5,500	-	-	-	-	-
Fiscal Charges	-	-	-	-	-	-	-	1,075	1,075	1,038
Total Expenditures	8,549,667	9,177,058	9,572,965	9,537,601	9,587,458	9,102,090	9,049,299	8,940,209	7,931,218	7,610,561
Excess (Deficiency) of Revenues Over Expenditures	\$ (526,866)	(1,467,243)	(1,779,536)	(1,073,061)	(1,123,244)	(53,880)	(889,494)	(1,556,774)	(1,438,945)	\$(1,460,619)

(Continued)

CITY OF GEORGETOWN, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Other Financing Sources (Uses)										
Sale of Capital Assets	\$ 40,246	3,187	29,525	15,906	13,335	20,774	18,389	32,394	7,430	\$ 14,832
Transfers In	1,676,716	1,615,301	1,560,450	1,972,342	1,928,603	2,258,639	2,528,130	2,404,881	1,988,458	1,839,560
Transfers Out	(276,716)	(215,301)	(238,950)	(654,810)	(600,203)	(154,239)	(508,904)	(817,412)	(805,858)	(966,560)
Lease Purchase Proceeds	-	-	-	140,895	-	152,000	132,736	396,674	-	239,000
Insurance Proceeds	24,120	38,419	58,342	14,295	51,064	12,624	48,294	849,863	-	-
Total Other Financing Sources (Uses)	1,464,366	1,441,606	1,409,367	1,488,628	1,392,799	2,289,798	2,218,645	2,866,400	1,190,030	1,126,832
Net Change in Fund Balances	\$ 937,500	(25,637)	(370,169)	415,567	269,555	2,235,918	1,329,151	1,309,626	(248,915)	\$ (333,787)
Debt service as a percentage of noncapital expenditures	0.61%	0.61%	2.43%	2.56%	3.30%	3.07%	6.32%	6.35%	6.27%	6.64%

CITY OF GEORGETOWN, SOUTH CAROLINA

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(in thousands of dollars)

UNAUDITED

Fiscal Year		Property Tax	Accommodations/ Hospitality Tax		Total
2013	\$	3,033,959	751,125	\$	3,785,084
2012		3,106,055	716,525		3,822,580
2011		3,183,252	702,548		3,885,800
2010		3,940,835	669,659		4,610,494
2009		3,939,311	705,821		4,645,132
2008		3,280,826	773,073		4,053,899
2007		2,904,122	760,941		3,665,063
2006		2,654,040	701,892		3,355,932
2005		2,476,864	675,515		3,152,379
2004	\$	2,375,570	676,689	\$	3,052,259

CITY OF GEORGETOWN, SOUTH CAROLINA

ELECTRIC SALES AND BASE RATES

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Period Ended	Kwh (1,000'S) Used	Kwh (1,000'S) Billed	Kwh (1,000'S) Unbilled	Commercial		Residential		Commercial Customers	Residential Customers
				Base Rate	Rate per Kwh	Base Rate	Rate per Kwh		
06/30/13	138,128	127,042	11,086	\$ 12.00	\$ 0.08442	\$ 8.00	\$ 0.08640	3,821	1,153
06/30/12	142,298	132,545	9,753	12.00	0.08442	8.00	0.08640	3,819	1,188
06/30/11	153,365	140,899	12,466	12.00	0.06019	8.00	0.06217	3,832	1,205
06/30/10	152,505	142,678	9,827	12.00	0.06019	8.00	0.06217	3,861	1,223
06/30/09	144,610	134,822	9,788	12.00	0.06019	8.00	0.06217	3,887	1,232
06/30/08	142,646	132,783	9,863	12.00	0.06019	8.00	0.06217	3,907	1,230
06/30/07	150,909	141,311	9,598	12.00	0.06019	8.00	0.06217	3,910	1,216
06/30/06	152,628	143,655	8,973	12.00	0.06019	8.00	0.06217	3,874	1,220
06/30/05	148,896	139,770	9,126	12.00	0.06019	8.00	0.06217	3,855	1,191
06/30/04	152,161	143,531	8,630	\$ 12.00	\$ 0.06019	\$ 8.00	\$ 0.06217	3,804	1,181

Source: City of Georgetown electric services billing records.

Note: The rates above are not inclusive of all charges. See the schedule of Electric Rates on the next page for full disclosure.

CITY OF GEORGETOWN, SOUTH CAROLINA

ELECTRIC RATES

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Commercial				Residential			
	Base Rate	Usage Rate Per Kwh (<2800)	Usage Rate Per Kwh (>2800)	Demand Rate per KW	Fuel Adjustment Rate (per Kwh)	Base Rate	Usage Rate Per Kwh	Fuel Adjustment Rate (per Kwh)
06/30/13	\$ 12.00	0.08442	0.07942	6.60	\$ 0.00230	8.00	0.08640	\$ 0.00230
06/30/12	12.00	0.08442	0.07942	6.60	0.01000	8.00	0.08640	0.01000
06/30/11	12.00	0.06019	0.05519	6.60	0.03130	8.00	0.06217	0.03130
06/30/10	12.00	0.06019	0.05519	6.60	0.02122	8.00	0.06217	0.02189
06/30/09	12.00	0.06019	0.05519	6.60	0.02122	8.00	0.06217	0.02122
06/30/08	12.00	0.06019	0.05519	6.60	0.01259	8.00	0.06217	0.01259
06/30/07	12.00	0.06019	0.05519	6.60	0.01554	8.00	0.06217	0.01554
06/30/06	12.00	0.06019	0.05519	6.60	0.01190	8.00	0.06217	0.01190
06/30/05	12.00	0.06019	0.05519	6.60	0.00891	8.00	0.06217	0.00891
06/30/04	\$ 12.00	0.06019	0.05519	6.60	\$ 0.00842	8.00	0.06217	\$ 0.00842

Source: City of Georgetown electric services billing records.

Note: The fuel adjustment rate is also referred to as the Purchase Price Cost Adjustment, which is used to charge customers the difference between the fixed rate per Kwh and the actual cost of purchased power.

CITY OF GEORGETOWN, SOUTH CAROLINA

PRINCIPAL ELECTRIC CUSTOMERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

UNAUDITED

Customer	2013			2003		
	Total Electric Consumption	Rank	Percentage of Total Electric Consumption	Total Electric Consumption	Rank	Percentage of Total Electric Consumption
Georgetown Memorial Hospital	\$ 797,370	1	6.37%	\$ 709,454	1	6.46%
Wal - Mart Inc.	457,277	2	3.66%	552,827	2	5.03%
Holcim Incorporated	175,741	3	1.40%	-		0.00%
Georgetown High School	173,918	4	1.39%	202,857	3	1.85%
Piggly Wiggly	163,396	5	1.31%	126,930	7	1.16%
Georgetown Middle School	155,318	6	1.24%	137,563	4	1.25%
Food Lion #456	130,465	7	1.04%	127,472	6	1.16%
Georgetown Memorial Data Center	123,337	8	0.99%	-		0.00%
Food Lion #706	117,722	9	0.94%	136,872	5	1.25%
Prince George Village	99,328	10	0.79%	85,699	8	0.78%
Georgetown Ice Company	-		0.00%	74,408	10	0.68%
Maryville Elementary	-		0.00%	78,321	9	0.71%
	<u>\$ 2,393,872</u>		<u>19.13%</u>	<u>\$ 2,232,403</u>		<u>18.94%</u>
All Consumers	<u>\$ 12,510,540</u>		<u>100.00%</u>	<u>\$ 10,983,616</u>		<u>100.00%</u>

Source: City of Georgetown electric services billing records

CITY OF GEORGETOWN, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except for per capita amount)

UNAUDITED

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Lease Purchases	Revenue Debt	Lease Purchases			
2013	\$ -	-	8,421	235	\$ 8,656	5.59%	\$ 952
2012	-	48	9,147	475	9,670	5.88%	1,058
2011	-	95	6,741	751	7,587	4.62%	828
2010	-	292	7,197	1,018	8,507	6.52%	951
2009	-	341	7,637	1,079	9,057	6.95%	1,012
2008	-	612	8,063	384	9,059	6.95%	1,012
2007	-	681	8,474	210	9,365	7.18%	1,046
2006	-	1,019	8,871	18	9,908	7.60%	1,107
2005	145	895	9,254	-	10,294	8.25%	1,146
2004	\$ 280	1,269	9,624	-	\$ 11,173	8.11%	\$ 1,244

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF GEORGETOWN, SOUTH CAROLINA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(amounts expressed in thousands, except for per capita amount)

UNAUDITED

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita (1)
2013	\$ -	8	\$ (8)	-	\$ -
2012	-	8	(8)	-	-
2011	-	66	(66)	-	-
2010	-	26	(26)	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-
2005	145	-	145	0.03%	16
2004	\$ 280	-	\$ 280	0.06%	\$ 31

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

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF GEORGETOWN, SOUTH CAROLINA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 18,400	6.40%	\$ 1,178
Debt repaid with property taxes: School District	\$ 100,054	6.40%	6,403
Subtotal, overlapping debt			<u>7,581</u>
City of Georgetown direct debt			-
Total Direct and overlapping debt			<u>\$ 7,581</u>

Source: Assessed value data used to estimate applicable percentages provided by the Georgetown County Auditor's Office. Debt outstanding provided by the Finance Departments of Georgetown County and the Georgetown County School District.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Georgetown. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

CITY OF GEORGETOWN, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 2,382,160	2,308,177	2,427,626	2,961,748	3,295,921	3,523,440	3,311,641	2,958,230	2,946,431	\$ 3,122,230
Total net debt applicable to limit	280,000	145,000	-	-	-	-	-	-	-	-
Legal debt margin	\$ 2,102,160	2,163,177	2,427,626	2,961,748	3,295,921	3,523,440	3,311,641	2,958,230	2,946,431	\$ 3,122,230
Total net debt applicable to the limit as a percentage of debt limit	11.75%	6.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2013

Total Assessed Value	\$ 39,027,877
Debt limit (8% of total assessed value)	3,122,230
Total net debt applicable to limit	-
Legal debt margin	\$ 3,122,230

Note: Under state finance law, the City of Georgetown's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds

CITY OF GEORGETOWN, SOUTH CAROLINA

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Period Ended	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
6/30/13	\$ 17,814,870	14,593,743	3,221,127	841,776	269,388	\$ 1,111,164	2.90
6/30/12 ⁽³⁾	18,588,823	14,238,039	4,350,784	698,820	266,107	964,927	4.51
6/30/11	4,958,282	3,652,889	1,358,855	472,397	229,766	702,163	1.94
6/30/10	4,820,867	3,416,345	1,404,522	440,594	261,569	702,163	2.00
6/30/09	4,640,136	3,713,776	926,360	425,505	276,658	702,163	1.32
6/30/08	5,412,310	4,095,524	1,316,786	410,932	291,231	702,163	1.88
6/30/07	5,294,329	3,752,686	1,541,643	396,859	305,304	702,163	2.20
6/30/06	4,595,753	3,228,521	1,367,232	383,267	318,896	702,163	1.95
6/30/05	4,317,441	3,102,679	1,214,762	370,142	332,021	702,163	1.73
6/30/04	\$ 4,112,747	3,003,126	1,109,621	357,419	344,744	\$ 702,163	1.58

Note: The Water and Sewer Utility activities were originally a part of The Combined Public Utility System, comprised of the Electric Utility, Water Utility, and Wastewater Utility enterprise funds. By ordinance in June 2001, The Water and Sewer System, comprised of the Water Utility and Wastewater Utility enterprise funds, was uncombined from the Electric Utility. The Water and Sewer Utility System ("System") was established to provide adequate revenue pledges for and in conjunction with various revenue bond issues under the System. The City in a July 2011 bond ordinance, changed the structure of the System to include once again the Electric Utility and authorized the issuance of the 2011 Combined Public Utility System Improvement and Refunding Revenue Bonds, and established a new rate covenant for the System. Details regarding the government's outstanding debt can be found in the notes to the financial statements.

(1) Gross revenues, as presented, include all receipts and revenues derived from the operation of the System. Such revenues are calculated in accordance with provisions of applicable bond ordinances, and includes proceeds from the sale or disposition of property, interest and other investment income and all other unencumbered money to which the City in conjunction with its operation of the System may become entitled from any source whatsoever.

(2) Operating expenses (Operation and Maintenance Expenses), as presented, are calculated in accordance with provisions of applicable bond ordinances and exclude losses from the sale or disposal of capital assets not in the ordinary course of business, depreciation expense, and interest expense on revenue bonds. Transfers to other City funds are included in operating expenses for the purpose of determining debt coverage.

(3) Debt service requirements for 2013 include lease purchase principal and interest of \$115,512 and \$6,678, respectively.

CITY OF GEORGETOWN, SOUTH CAROLINA

DEMOGRAPHICS AND ECONOMICS STATISTICS

LAST TEN FISCAL YEARS

UNAUDITED

<u>Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	9,092	\$	154,945,864	\$	17,042	8.80%
2012	9,138		164,383,482		17,989	9.7%
2011	9,163		164,145,982		17,914	10.9%
2010	8,950		130,383,600		14,568	10.7%
2009	8,950		130,383,600		14,568	12.1%
2008	8,950		130,383,600		14,568	6.7%
2007	8,706		126,829,008		14,568	6.3%
2006	8,950		130,383,600		14,568	6.9%
2005	8,979		124,709,331		13,889	7.6%
2004	8,979	\$	118,675,443	\$	13,217	9.1%

2013 Population - By Age

Under 5	8.0%
Under 18	21.6%
Between 18 and 65	55.7%
Over 65	14.7%
	<u>100.0%</u>

2013 Population - By Race

Black	56.3%
White	36.3%
Hispanic	5.3%
Asian	0.7%
Other	1.4%
	<u>100.0%</u>

2013 Population - By Sex

Male	44.9%
Female	55.1%
	<u>100.0%</u>

Source: Data extracted from U.S. Department of Commerce, Bureau of Census official 2010 census -- with updated 2013 information, and the S.C. Unemployment Security Commission, except as noted.

CITY OF GEORGETOWN, SOUTH CAROLINA

PRINCIPAL EMPLOYERS

CURRENT FISCAL YEAR AND ELEVEN FISCAL YEARS AGO

UNAUDITED

Employer	2013			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Georgetown Hospital System	852	1	13.11%	470	4	8.68%
Georgetown County Dept of Education	835	2	12.85%	820	1	15.15%
County of Georgetown	590	3	9.08%	491	3	9.07%
Wal-Mart Associates	310	4	4.77%	189	6	3.49%
Mittal Steel USA - Georgetown	246	5	3.78%	750	2	13.86%
Food Lion	235	6	3.62%	111	7	2.05%
Prince George Village	185	7	2.85%	85	8	1.57%
City of Georgetown	154	8	2.37%	206	5	3.81%
	<u>3,407</u>		<u>52.43%</u>	<u>3,122</u>		<u>57.68%</u>

Source: County Department of Economic Development and each employer.

Note: Only the top eight employers are available.

Note: Historical information for 2004 was not available. 2002 data is considered a reasonable comparison.

CITY OF GEORGETOWN, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Administration	4	4	4	4	5	5	6	4	5	5
Building & Planning	4	4	5	5	5	7	7	4	4	4
Finance	9	7	10	11	11	11	11	11	12	12
Information Technology	1	-	1	1	1	1	-	2	2	2
Public Safety										
Police-Staff Services	37	36	38	43	45	42	40	39	45	45
Police-Victim/Witness Advocate	1	1	1	1	1	1	1	1	1	1
Municipal Court	3	3	3	4	4	4	4	4	4	6
Fire	29	31	31	31	32	32	31	28	35	36
Public Works										
Streets	13	12	8	8	8	8	6	6	7	7
Streets-Ground Maintenance	-	-	-	-	-	-	3	2	4	4
Fleet Services	3	3	3	3	3	3	3	4	4	4
Culture										
Kaminski House Museum	1	1	1	1	1	3	2	2	2	2
Public Utilities										
Electric Utility	16	16	18	18	20	22	21	22	22	22
Water Utility	10	11	12	11	12	13	12	12	13	13
Engineering Services	-	-	-	-	1	1	1	2	2	2
Wastewater Utility	11	8	9	10	11	11	11	9	13	13
Stormwater Utility	5	4	4	5	5	5	6	4	5	5
Sanitation/Recycling										
Waste Management	7	6	14	14	14	15	16	18	20	20
Keep Georgetown Beautiful	-	-	-	-	1	1	1	1	1	1
Total Full-time Employees	<u>154</u>	<u>147</u>	<u>162</u>	<u>170</u>	<u>180</u>	<u>185</u>	<u>182</u>	<u>175</u>	<u>201</u>	<u>204</u>

Source: City of Georgetown Human Resources Department

CITY OF GEORGETOWN, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical arrests	644	713	699	1,308	1,201	1,346	1,365	675	995	1,027
Parking violation	740	694	603	483	375	453	444	382	126	48
Traffic violation	2,309	2,738	3,008	2,239	1,798	2,930	3,422	2,527	1,558	1,948
Fire										
Number of calls answered	1,752	1,731	1,130	1,200	1,818	1,807	1,723	1,799	1,923	1,879
Sanitation										
Refuse collected (tons)	11,558	12,774	12,162	12,703	13,832	13,082	11,234	11,417	9,720	9,766
Recyclables collected	252	273	297	273	252	199	183	183	178	172
Culture										
Museum admissions	4,965	4,553	4,635	3,179	3,269	2,772	2,357	3,195	2,102	NA
Electric										
New connections	16	61	48	32	11	-	3	9	52	13
Average daily usage (KWH/day)	416,879	407,934	418,159	413,449	390,811	396,192	417,822	420,178	385,231	387,094
Water										
New connections	7	59	38	36	2	-	7	10	7	9
Average daily consumption (million gallons/day)	1.82	2.00	2.00	2.00	2.00	2.00	1.18	1.61	1.73	1.22
Wastewater										
Average daily sewage treatment (million gallons/day)	3.85	4.10	5.00	4.20	4.82	4.58	3.63	3.21	3.30	3.30

Sources: Various government departments.
 Note: Indicators are not available for the general government function.

CITY OF GEORGETOWN, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	39	37	41	40	41	42	42	40	39	40
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	6	6	6	8	8	8	8	8	8	9
Streets										
Street mileage	81	81	81	81	81	81	81	81	81	81
Streetlights	2,393	2,468	2,492	2,492	2,492	2,492	2,492	2,517	2,517	2,539
Culture										
Number of parks	5	5	5	5	5	5	5	5	5	5
Number of museums	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	2	2	2	2	2	2	2	2	2	2
Miles of service lines	67	70	70	72	72	72	72	72	72	72
Water										
Water mains (miles)	66	66	66	93	95	95	95	95	95	101
Fire hydrants	426	438	438	438	438	438	438	438	495	492
Wastewater										
Sewer lines (miles)	56	56	56	77	79	79	79	79	79	79
Treatment plant capacity (million gallons/day)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.90

Sources: Various government departments.
 Note: No capital asset indicators are available for the general government function.



**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***

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of City Council
City of Georgetown
Georgetown, South Carolina

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Georgetown, South Carolina (the "City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

Purpose of this Report

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



Greene, Finney & Horton, LLP
Mauldin, South Carolina
December 18, 2013