

City of

Roswell

Comprehensive Annual
Financial Report

For the Fiscal Year
Ended June 30, 2019

CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

Prepared By:
The City of Roswell Finance Department

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CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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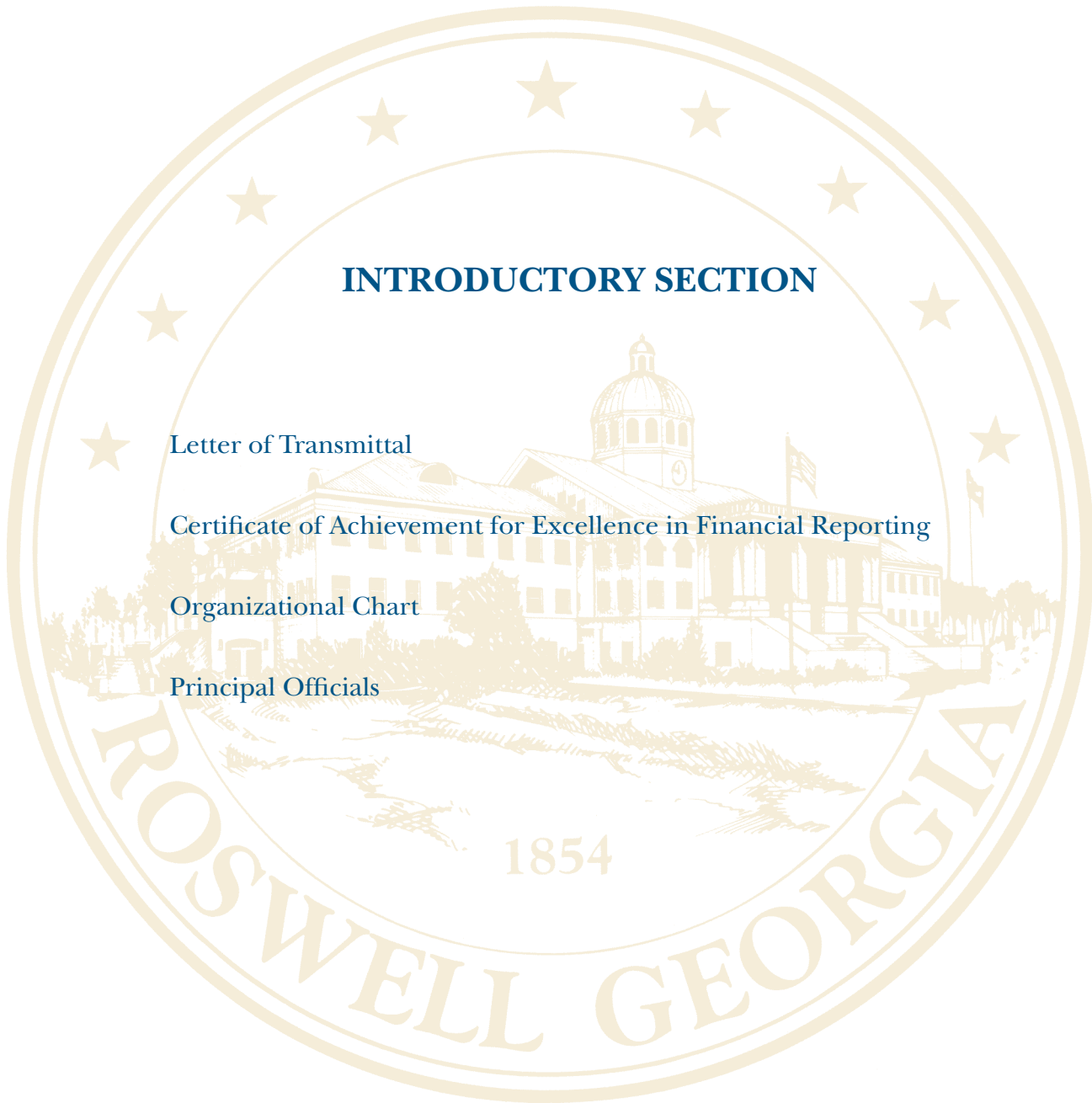
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INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

Principal Officials

December 13, 2019



Roswell City Hall

To the Honorable Mayor, City Council and Citizens of the City of Roswell:

We are pleased to present the Comprehensive Annual Financial Report of the City of Roswell, Georgia (the "City") for the fiscal year ended June 30, 2019 (FY19). This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included.

The management of the City is responsible for establishing and maintaining an effective internal control structure. In developing and evaluating the City's accounting system, consideration is given to the adequacy of its system of internal control. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Georgia Code requires an annual audit by independent certified public accountants. The City selected the accounting firm Mauldin & Jenkins, LLC to complete the audit and the auditor's unmodified opinion has been included in this report. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for FY19 are free of material misstatement. The independent audit involved: examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City and its component units' financial statements for the fiscal year ended June 30, 2019 are fairly presented and conform to accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The City receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act, P.L. 98-502, and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations" and "Government Auditing Standards," issued by the Comptroller General of the United States, is typically performed each year. The required reports are included in the Compliance Section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Roswell's MD&A can be found immediately following the auditor's report in the financial section of this report.

Profile of the Government

The City of Roswell, Georgia is located in northern Fulton County, 20 miles north of the City of Atlanta. Fulton County is the central and most populous county in Georgia. The City of Roswell has a land area of 42 square miles and has an unparalleled quality of life for its 94,650 residents.

The City operates under a charter adopted in 1854 and revised on April 19, 2000, which provides for a Mayor-Council form of government with a city administrator. The Mayor is elected to a term of four years to serve on a part-time basis. An election for one-half of the Council occurs every two years. Roswell's City Council is comprised of six members who, elected at large, work together to make Roswell a better place to live, work and play. While all six Council Members are elected at large, all must reside within the City of Roswell. It is the duty of the Council Members, in general, to set policy and millage rates, approve budgets, pass ordinances, and to hear and act on requests for rezoning and annexation. Council Members also serve on City committees that give them the opportunity to learn critical details of projects and services that they will eventually vote upon in Regular Council meetings.

The Chief Administrative and Operational Officer of the City is the City Administrator, who is appointed by the City of Roswell Mayor and Council to: implement Council policies; oversee the daily activities of the City; and supervise the City's department heads. An organizational chart, depicting the current structure associated with the management of the City of Roswell is included in this introductory section.

The City of Roswell provides a full range of services to its citizens. These services include police and fire protection; public works; court system; the construction and maintenance of recreational pathways; streets and infrastructure; solid waste collection and recycling; planning and zoning; building inspections; recreation activities and cultural events; water and storm-water management; and inherent administrative and support activities. The City also operates a web site and citizen newsletter. Wastewater treatment is provided to the city residents by a regional sewage treatment plant operated under the provisions of Fulton County.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., City of Roswell Georgia, as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units (although legally separate entities) are, in substance, part of the primary government's operations and are included as part of the primary government. There are no potential blended component units that met these criteria. Discretely presented component units are reported in a separate column in the

The City operates under a charter adopted in 1854 and revised on April 19, 2000.



Chattahoochee River



Roswell has over 1,000 acres of parkland, 10 acres per 1,000 residents.

government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. Roswell Economic Development & Tourism, Inc. and Downtown Development Authority are reported as discretely presented component units at June 30, 2019.

The annual budget currently serves as the foundation for the City of Roswell's financial planning and control. The Mayor and Council are legally required to adopt a balanced budget no later than the close of the fiscal year. The City's fiscal year runs from July 1st through June 30th. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) is set at the department level for each fund. Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets.

Local Economy

Roswell continues to be a prosperous municipality. Over 5,000 businesses are located in Roswell, some of the larger employers in the area are: GM IT Innovation Center, Kimberly Clark Corporation, Yardi Systems, Siteone Landscape Supply, and Brookdale Roswell. These employers bring tax revenue, jobs and much needed services to our City. The unemployment rate has continued to decrease in recent years.

The City's population has increased approximately twelve percent in the last ten years. Historically, large population growth would likely result in further sprawl with the expansion of residential neighborhoods and chain-filled shopping centers. Now, however, local municipalities are looking inward and taking stock of their resources. They are reinvesting in current properties and implementing creative new zoning practices that will improve the quality of life within. Roswell's UDC, or Unified Development Code, is an invaluable tool in the City's redevelopment efforts. It allows for mixed-use zoning and simplifies the processes that have hindered new businesses in the past. The aging shopping centers of the 80's and 90's are being converted into office, retail and even residential spaces that allow residents to live, work and play within a walkable area.

These new live, work, play developments within the City combine restaurants, retail and office space and residential units. Roswell Exchange is one mixed use project that is currently under construction. Located on 18.1 acres at the intersection of Alpharetta Highway and Sun Valley Drive, this development will bring restaurants, retail, office space, 300 multifamily units and approximately 400 jobs to the local economy. Another mixed use development located steps from Roswell's City Hall and Canton Street is Southern Post. The former Roswell Plaza located on Alpharetta Highway between Norcross and Fraser Street will contain retail space, loft style and open concept office space, apartments and townhomes.

Financial Planning

Prudent decision-making and good business actions have assisted the City in meeting resident's expectations for City services, sustaining a level of three (3) months of operating expenditures in the general fund and rolling back the property tax millage rates in 2005 and 2018.

The City's Strategic Planning and Budgeting Office works with the City Administrator, departments, and elected officials each year to develop the City of Roswell's annual budget. Additionally, the Budget Office regularly reports on the City's current financial condition to Mayor and Council, City Administrator, Roswell

citizens, and City employees. The Budget Office's development of the FY19 budget took into consideration a variety of requests that necessitated difficult decisions. The process focused on responding to the current service levels while maintaining the City's assets. The City uses monthly work sessions to keep the Mayor and Council informed and to solicit guidance regarding budget priorities. The City's Management Team participated in all phases of the budget and the preparation of the staff's working budget document. The departments were also asked to identify any services that could be streamlined.

Pro forma analyses covering five year periods are reviewed by the City's Management Team, comprised of department heads, and presented to Mayor and Council throughout each fiscal year. This planning allows for adjustments to the City's finances so that service deliveries will continue to be met.

Sustainability of the City relies on diversification of revenue sources. While property and sales tax revenue are the two most significant revenue sources, significant discussion is centered on how to further diversify the City's revenue base. Existing revenue sources are evaluated periodically to ensure that the underlying rates are reasonable and justifiable.

Over 190 businesses are taking advantage of an exciting business location incentive available in Roswell's expanded Opportunity Zone with new businesses signing up each month. The program offers the highest and most user-friendly job tax credit in the state. Designation carries dramatic tax advantages. First, businesses in the designated area, or zone, are eligible for the maximum state job tax credit of \$3,500 per employee for five years starting the year of the hire. Second, any legal business is eligible; there are no restrictions on the type of jobs created. Third, only two or more jobs need to be created in any one year to be eligible (other programs require ten), and there is no upper limit on eligible jobs. Fourth, and most significantly, if the company's state income tax liability is insufficient to absorb

all of the credits the balance may be taken by retaining employee withholding taxes that would otherwise be paid to the state. This allows the credit to be "cashed out" quickly and easily. The amounts retained by the company from employee withholding are exempt by law from Georgia income tax and may not be subject to federal income tax, so the company gets the full value of the credited dollars. Note that there are flow-through opportunities to pass the credit to partners, shareholders, etc.

In August 2012, the City implemented its first Strategic Economic Development Plan (SEDP) under a partnership with Roswell Inc. The plan includes an eco-



Gate City Brewery

North Fulton County's business climate is characterized by available, affordable buildings and developable sites, a well-educated workforce, and a comprehensive array of business services and benefits.



Canton Street



The City government has earned a "AAA" bond rating, the highest possible rating, consistently each year since 2000 .

conomic and demographic profile, competitive assessment, organizational and structural analysis, community input, target cluster analysis, marketing assessment, economic development strategy, workforce development strategy, and implementation plan guidelines. In 2017, Roswell Inc. re-engaged with RKG Associates to update the Strategic Economic Development Plan (SEDP 2.0). The update is intended to refocus economic development efforts based on market conditions and provide a pathway for the City and Roswell Inc. to continue to enhance their services to current and prospective corporate citizens.

Financial Policies

The Roswell City Council has adopted a set of financial policies to govern the financial management of the various City funds. The City maintains seven fund types: General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Permanent Funds. The description of these fund types can be found in the Notes to the Financial Statements.

The practice of these policies has enabled the City to maintain an AAA unsecured bond rating with Moody's and Standard and Poor's. These policies cover 1) Budget Amendments for Expenditures; 2) Budget Amendments for Revenues; 3) Budget Transfers for Expenditures; 4) Budget Transfers for Revenues; 5) Debt and 6) Investment Policy. The City of Roswell also has established a variety of procedures for 1) Deposits; 2) Deferred Inflows/Outflows of Resources; 3) Disposal of Assets; 4) Purchasing; 5) Petty Cash; 6) Acceptance of Checks; 7) Change Drawer Fund; 8) Purchasing Card; 9) Returned Checks; 10) Grants Manual; 11) Unclaimed Property; 12) Accrued Payables; 13) Travel; 14) Prepaids; 15) Fund Equity; and 16) Signing Authority.

The City has developed financial policies to ensure that the City's financial resources are managed in a prudent manner. The City maintains the goal of a structurally balanced budget to achieve long-term financial stability for the community. Current revenue will be sufficient to support current operating expenditures plus recurring capital expenditures. Unassigned fund balances of three months operating expenditures will be maintained in the General Fund. Additional fund balance can be used for nonrecurring capital expenses. However, if projected revenue in future years is not sufficient to support projected requirements, an unassigned ending balance may be budgeted to achieve structural balance. This fiscal year's budget is also reviewed in respect to how the decisions made this year will affect the City's revenues and expenditures in the following years.

The City Administrator and the Office of Strategic Planning and Budgeting work throughout the year to monitor the

City's financial activity. Each month a report is submitted to the Administration and Finance committee as an update on the financial situation of the City. In addition, the Office of Strategic Planning and Budgeting reviews and approves all check requests and requisitions for accuracy. Departments are not allowed to exceed expenditures at the department level.

Investments are made in accordance with applicable state laws and the City's investment policy. The focus of the investment policy is to minimize credit and market risks while maintaining a competitive yield on the portfolio.

Major Initiatives

Some of the City of Roswell's major initiatives in Fiscal Year 2019 were: Hardscrabble Green Loop, Phase Four of Roswell's Riverwalk project, and Big Creek Parkway and SR9/Oxbo Rd TSPLOST construction projects.

Hardscrabble Green Loop Complete Street—This project constructed a multi-use trail along Hardscrabble Road connecting Roswell High School with Sweet Apple Elementary School. It includes several intersection improvements as well as a multi-use path and bicycle lanes. The Green Loop project was a combination of Federal Grant, Impact Fee, Local Maintenance and Improvement Grant (LMIG), and Capital Project funds.

Roswell Riverwalk Phase IV—This final phase of the Roswell Riverwalk trail project is part of the Roswell Riverside multi-use trail and would serve as a link within the overall trail plan for the area. This trail extends the existing riverside trail system along Willeo Road to Willeo Park. This unique river level boardwalk trail provides connectivity and safe pedestrian and bicycle access to the Chattahoochee Nature Center and Willeo Park at the Cobb County border. The project also provides connectivity between the Roswell Riverside trail system in Fulton County, and the Cobb County trail system that includes the Silver Comet Trail. The linking of these planned trail systems will now provide over 40 continuous miles of trail from Roswell to Columbus.

Big Creek Parkway – The main goal of the Big Creek Parkway project is to provide an alternative to the Holcomb Bridge Road interchange for travelers moving from east to west. This project will construct a new two lane roadway across GA-400 from Warsaw Road to Old Alabama Rd. A new bridge over GA-400 and a rebuild of the existing bridge over Big Creek on Old Holcomb Bridge Road are the main focus of this project. In addition to the bridge work, new sidewalk, multi-use path and bicycle lanes will be added to the majority of the corridor.

Atlanta Street/Oxbo Road Intersection – The goal of this project is to realign Oxbo Road and Oxbo Drive to eliminate the staggered intersection at SR 9/SR 120/Atlanta Street. The plans also include converting Oxbo Drive to a two-way street between Mimosa Boulevard and Atlanta Street (SR9/120). The project will also extend Elm Street from its existing terminus at Maple Street to the intersection of Oxbo Road and Pleasant Hill Street in addition to extending Oxbo Road west to connect to Mimosa Boulevard. This extension is intended to provide better access to SR 120/Marietta Hwy and the Magnolia Street/Pine Grove Road corridors. There will also be new turning lanes on both Hwy 9/Atlanta Street and Oxbo Road and a new traffic signal at the intersection.

In Fiscal Year 2020, the City will complete its first city-wide strategic plan. The strategic plan will be used to identify and memorialize Roswell's collective vision, values and goals. City staff will use these visions, values and goals to develop objectives that will move the City toward these defined goals.

Some of the other significant projects in FY2020 include: ongoing maintenance of our citywide facilities, stormwater and water line projects, sidewalk projects, parks maintenance, development of a Comprehensive Plan 2040 and an Urban Redevelopment Plan.

Current revenue will be sufficient to support current operating expenditures plus recurring capital expenditures.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roswell for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Roswell has received a Certificate of Achievement for the last thirty consecutive years, since June 30, 1989. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Roswell for its Popular Annual Financial Report for the fiscal year ended June 30, 2018. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The City of Roswell's Purchasing Division was recognized in 2019 by the National Purchasing Institute and received their 15th Annual Achievement of Excellence in Procurement Award. In 1995, the National Purchasing Institute established a program designed to recognize the achievement of organizational excellence in public procurement. The award is achieved by those organizations that demonstrate excellence in procurement by obtaining a high score on a rating of standardized criteria. The criteria are designed to measure innovation, professionalism, productivity, and leadership attributes of the procurement organization.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Roswell for its annual budget for fiscal year 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device. This award is valid for a period of one year only. This award has been received by the City for the past fifteen fiscal years.

...the City continues to meet its responsibility for sound financial management.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. I want to especially thank the accounting staff for their dedication in preparing the financial records to be reviewed by the auditors. They have my sincere appreciation for the contributions made in the preparation of this report. Appreciation is also expressed to the Mayor and Council, City Administrator and all City department heads for their continued commitment to fiscal responsibility.

Sincerely,



Ryan Lockett
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Roswell
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF ROSWELL, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2019

Gary Palmer	City Administrator
Michael Fischer	Deputy City Administrator
Alice Wakefield	Community Development Director
Ryan Lockett	Finance Director
Rick Burnette	Fire Chief
James Harner	Human Resources Director
Dan Skalsky	Public Works/Environmental Director
Jeff Leatherman	Recreation and Parks Director
Muhummad Rauf	Transportation Director
David Davidson	City Attorney
Marlee Press	City Clerk

City of Roswell, Georgia
Elected Officials
June 30, 2019



Lori Henry
Mayor



Marcelo Zapata
Post 1 Councilmember



Mike Palermo
Post 2 Councilmember



Sean Groer
Post 3 Councilmember



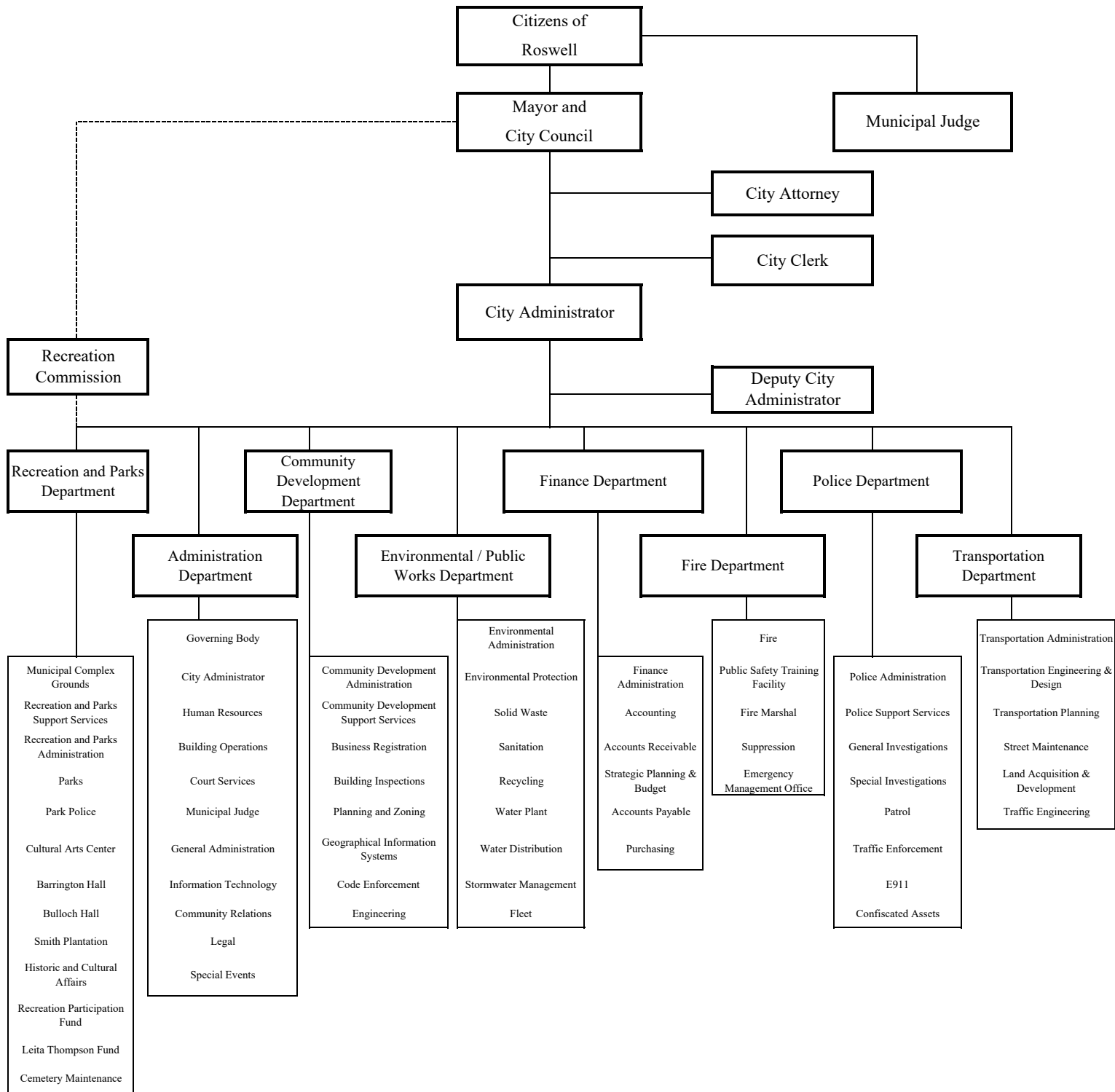
Marie Willsey
Post 4 Councilmember



Matthew Tyser
Post 5 Councilmember

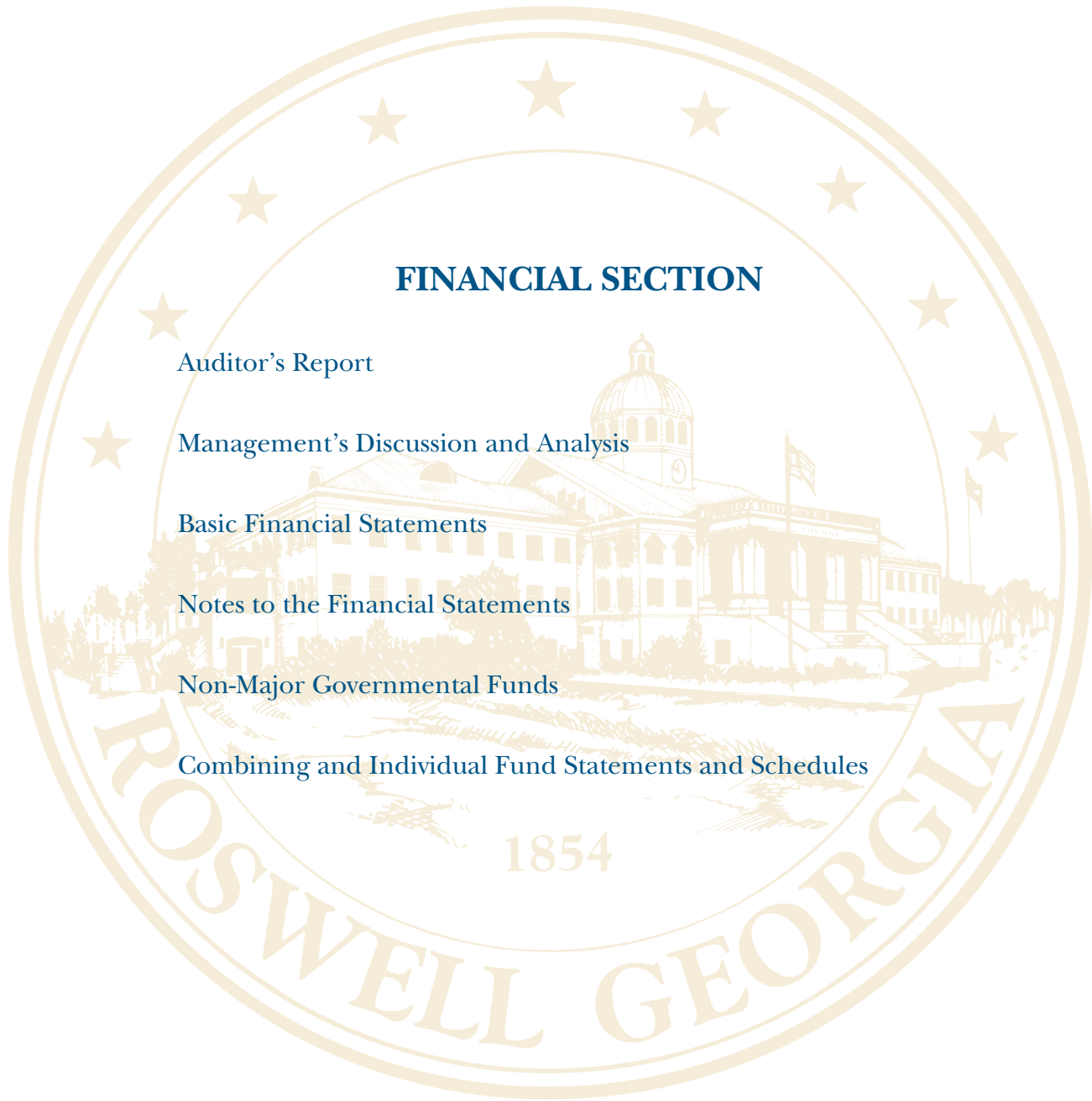


Matt Judy
Post 6 Councilmember



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FINANCIAL SECTION

Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to the Financial Statements

Non-Major Governmental Funds

Combining and Individual Fund Statements and Schedules



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Members
of the City Council
City of Roswell, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Roswell, Georgia** (the "City"), as of and for the year ended June 30, 2019, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, 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, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of City Contributions and the Budgetary comparison for the General Fund, 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.

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 combining and individual fund statements and schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2019

Management's Discussion and Analysis

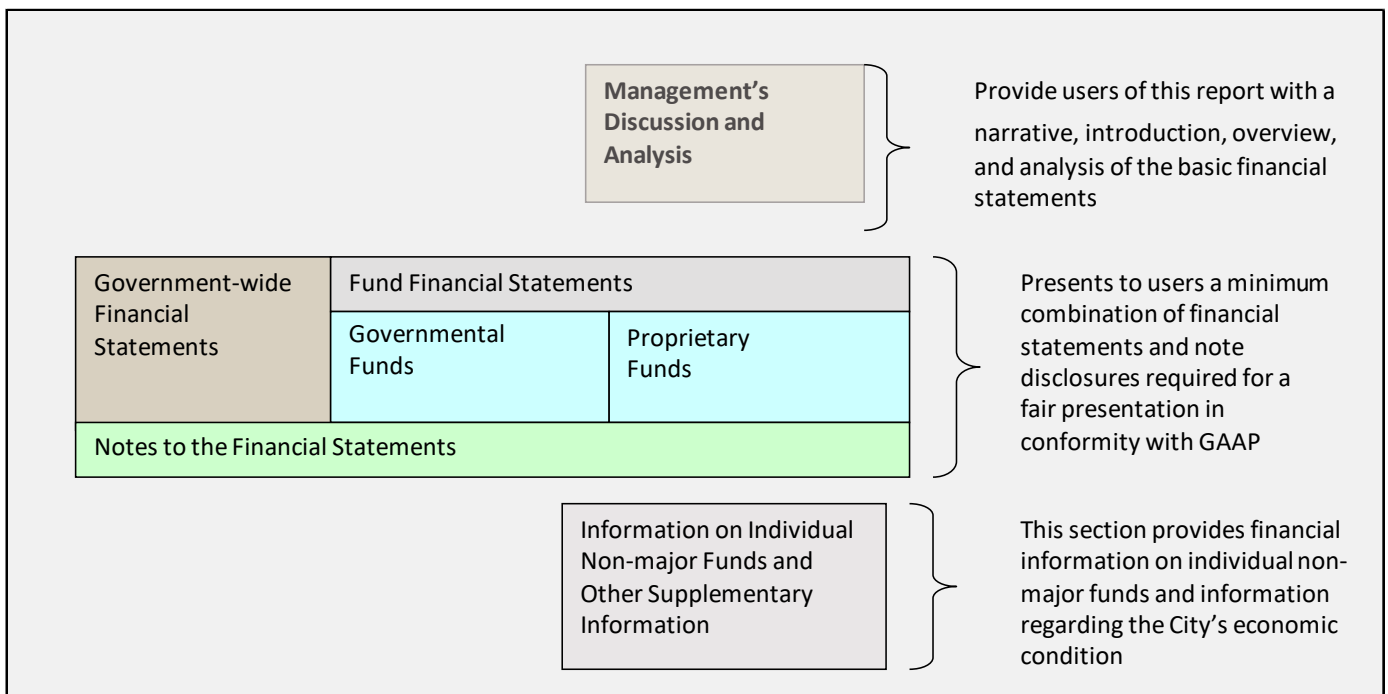
As management of Roswell, Georgia, we offer readers of Roswell's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. This discussion is intended to:

- 1) assist the reader in understanding significant financial issues;
- 2) provide an overview of the City's financial activities;
- 3) identify changes in the City's financial position;
- 4) identify material deviations from the original budget; and
- 5) identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and under the guiding principles of the Governmental Accounting Standards Board (GASB). To help facilitate the understanding of the organization of this report we are providing the following illustration:



Management's Discussion and Analysis document is intended to serve as an introduction to the City of Roswell's basic financial statements. The basic financial statements include:

- 1) government-wide financial statements;
- 2) fund financial statements; and
- 3) notes to the basic financial statements.

Government-wide Financial Statements

The City's basic financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the

Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets, deferred outflow of resources, liabilities and deferred inflows of resources, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the tax base or the condition of City infrastructure, in addition to the financial information provided in this report.

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

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system, environmental waste systems, stormwater and participant recreation activities are reported here.
- **Component units** – The City includes two additional separate legal entities in its report – the Roswell Economic Development & Tourism, Inc. and the Downtown Development Authority of the City of Roswell, Georgia. Although legally separate, these component units are included because management feels they are significant enough that it would be misleading to exclude them.

The government-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The City has two kinds of funds:

- **Governmental funds** – The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements. The City maintains three major and 17 non-major governmental funds. The City's major governmental funds are:
 - General
 - Capital Projects
 - T-SPLOST

The City's non-major governmental funds are:

- Confiscated Assets
- Emergency 911
- State Grants
- County and Local Grants
- NSP Grants
- CDBG Grants
- Federal Grants
- Soil Erosion
- Hotel/Motel Tax
- Auto Rental Excise Tax
- Leita Thompson
- Impact Fee
- 2000 Bond
- 2013 Bond
- 2014 Bond
- Debt Service
- Scholarship

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

Proprietary funds – The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as cash flows. These are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains four enterprise funds:

- Water and Sewer
- Solid Waste
- Stormwater
- Participant Recreation

Internal service funds – These funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis. The City has four of the fund types:

- Workers' Compensation
- Risk Management
- Group Health
- Fleet Services

The proprietary fund financial statements are presented on pages 21-23 of this report.

Notes to the Basic Financial Statements

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Budgetary Presentations

Budgetary comparison statements are included as “required supplementary information” for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City’s adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented as supplementary financial information beginning on page 59.

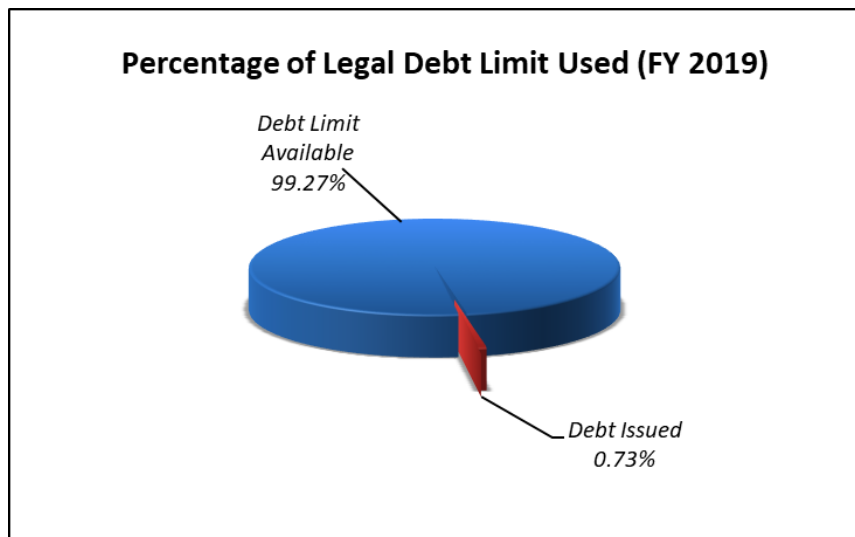
Within this section of the City of Roswell, Georgia’s (the City) annual financial report, the City’s management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. The City’s financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$302,668,968 (net position) for the fiscal year reported. Of this amount, \$44,923,819 (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
 - 1) Capital assets, net of related debt, of \$219,730,091 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets,
 - 2) Net position of \$38,015,058 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - 3) At the end of the current fiscal year, unrestricted net position increased from \$39,989,689 in fiscal year 2018 to \$44,923,819.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City’s total long-term bonds decreased by \$1,450,000 during the current fiscal year. The decrease in the net long-term debt was caused by the payment of principal on General Obligation bonds in FY 2019.



City of Roswell's Summary of Net Position (Table 1)

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Assets:								
Current and other assets	\$ 101,607	\$ 77,838	\$ 14,148	\$ 16,983	\$ 115,755	\$ 94,821	31.36%	27.56%
Capital assets	215,660	212,115	37,727	37,073	253,387	249,188	68.64%	72.44%
Total assets	317,267	289,953	51,875	54,056	369,142	344,009	100.00%	100.00%
Deferred outflows of resources	4,232	4,301	778	654	5,010	4,955	100.00%	100.00%
Liabilities:								
Current liabilities	8,564	8,535	3,372	3,222	11,936	11,757	17.89%	17.47%
Long-term liabilities	38,922	39,413	15,865	16,140	54,787	55,553	82.11%	82.53%
Total liabilities	47,486	47,948	19,237	19,362	66,723	67,310	100.00%	100.00%
Deferred inflows of resources	4,022	3,666	740	557	4,762	4,223	100.00%	100.00%
Net position:								
Net Investment in capital asset	194,739	191,695	24,991	23,712	219,730	215,407	72.60%	77.64%
Restricted	39,627	22,033	-	-	39,627	22,033	13.09%	7.94%
Unrestricted	35,626	28,911	7,686	11,078	43,312	39,989	14.31%	14.41%
Total net position	\$ 269,992	\$ 242,639	\$ 32,677	\$ 34,791	\$ 302,669	\$ 277,430	100.00%	100.00%

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end 2019 increased 9.1% from \$277,430,285 at June 30, 2018 to \$302,668,968 at June 30, 2019 (See Table 1).

The largest portion of the City's net position (72.6%) at June 30, 2019, reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City's net position (13.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$43,311,877 or 14.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

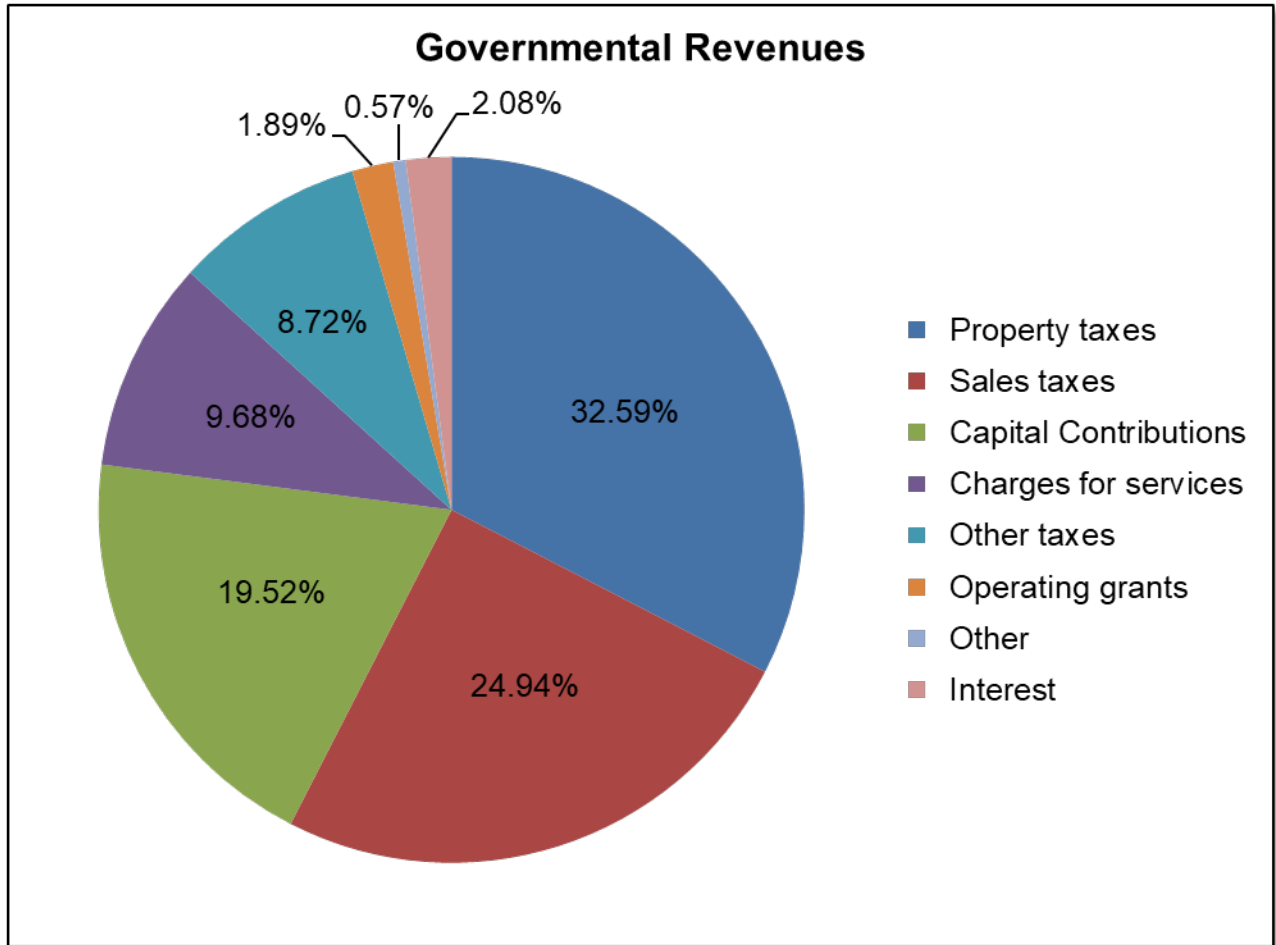
At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF ROSWELL'S CHANGES IN NET POSITION

Summary of Changes in Net Position (Table 2)

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total		
	2019	2018	2019	2018	2019	2018	2019	2018	
<i>Revenues:</i>									
<i>Program:</i>									
Charges for services	\$ 10,620	\$ 9,448	\$ 22,514	\$ 21,534	\$ 33,133	\$ 30,982	25.01%	25.80%	
Operating grants	2,077	2,180	-	-	2,077	2,180	1.57%	1.82%	
Capital Contributions	21,408	18,313	-	-	21,408	18,313	16.16%	15.25%	
<i>General:</i>									
Property taxes	35,746	33,370	-	-	35,746	33,370	26.99%	27.79%	
Sales taxes	27,357	25,827	-	-	27,357	25,827	20.65%	21.51%	
Other taxes	9,567	8,783	-	-	9,567	8,783	7.22%	7.31%	
Interest	2,280	16	256	(11)	2,536	4	1.91%	0.00%	
Other	624	586	12	25	636	611	0.48%	0.51%	
Total revenues	109,679	98,523	22,781	21,548	132,460	120,070	100.00%	100.00%	
<i>Program Expenses:</i>									
General government	13,423	12,792	-	-	13,423	12,792	12.52%	12.40%	
Judicial	1,116	1,140	-	-	1,116	1,140	1.04%	1.11%	
Financial services	2,387	3,160	-	-	2,387	3,160	2.23%	3.06%	
Planning and zoning	3,318	3,299	-	-	3,318	3,299	3.09%	3.20%	
Public safety	32,629	31,406	-	-	32,629	31,406	30.43%	30.46%	
Public works	13,870	13,943	-	-	13,870	13,943	12.94%	13.52%	
Culture and recreation	15,367	14,836	-	-	15,367	14,836	14.33%	14.39%	
Interest	336	301	-	-	336	301	0.31%	0.29%	
Water and sewer	-	-	4,535	4,136	4,535	4,136	4.23%	4.01%	
Solid waste	-	-	11,618	10,393	11,618	10,393	10.84%	10.08%	
Stormwater	-	-	2,471	2,247	2,471	2,247	2.30%	2.18%	
Participant Recreation	-	-	6,153	5,469	6,153	5,469	5.74%	5.30%	
Total expenses	82,445	80,877	24,777	22,244	107,222	103,121	100%	100%	
Excess (deficiency)	27,234	17,645	(1,996)	(696)	25,239	16,949			
Sale of assets	-	-	-	-	-	-			
Transfers	118	(56)	(118)	56	-	-			
Change in net position	27,353	17,589	(2,114)	(640)	25,239	16,949			
Beginning net position	242,639	225,050	34,791	35,431	277,430	260,481			
Ending net position	\$ 269,992	\$ 242,639	\$ 32,677	\$ 34,791	\$ 302,669	\$ 277,430			



GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 32.59% and sales taxes provided 24.94% of the City's total governmental revenues. Also, note that program revenues cover 41.37% of governmental expenses. This means that the government's taxpayers and the City's other general revenues fund 58.63% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL ACTIVITIES EXPENSES

CITY OF ROSWELL GOVERNMENTAL ACTIVITIES (TABLE 3)

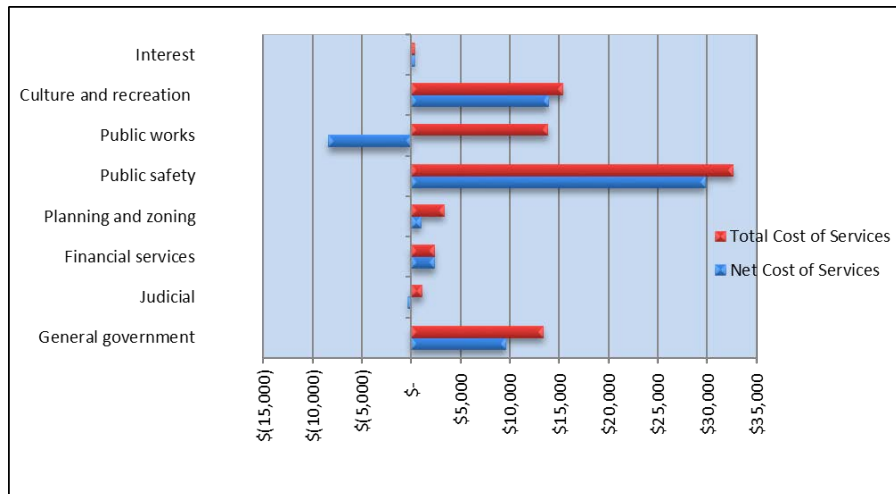
(IN THOUSANDS OF DOLLARS)

	Total Cost of Services		Percentage of Total		Net Cost of Services		Percentage of Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<i>General government</i>	\$ 13,423	\$ 12,792	16.28%	15.82%	\$ 9,591	\$ 9,265	19.84%	18.19%
<i>Judicial</i>	1,116	1,140	1.35%	1.41%	(332)	(459)	-0.69%	-0.90%
<i>Financial services</i>	2,387	3,160	2.89%	3.91%	2,387	3,160	4.94%	6.20%
<i>Planning and zoning</i>	3,318	3,299	4.02%	4.08%	981	1,373	2.03%	2.70%
<i>Public safety</i>	32,629	31,406	39.58%	38.83%	29,840	28,882	61.73%	56.70%
<i>Public works</i>	13,870	13,943	16.82%	17.24%	(8,361)	(6,071)	-17.30%	-11.92%
<i>Culture and recreation</i>	15,367	14,836	18.64%	18.34%	13,898	14,484	28.75%	28.44%
<i>Interest</i>	336	301	0.41%	0.37%	336	301	0.70%	0.59%
Total	\$ 82,445	\$ 80,877	100.00%	100.00%	\$ 48,340	\$ 50,936	100.00%	100.00%

Table 3 presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

The most significant governmental expense for the City is providing Public Safety services such as Fire and Police protection. This comprises 39.54% of the total governmental expenses. Revenues collected from a variety of sources offset public safety expenses. The second largest City cost for government is culture and recreation, totaling over \$15,367,000 or 18.64% of governmental expenses.

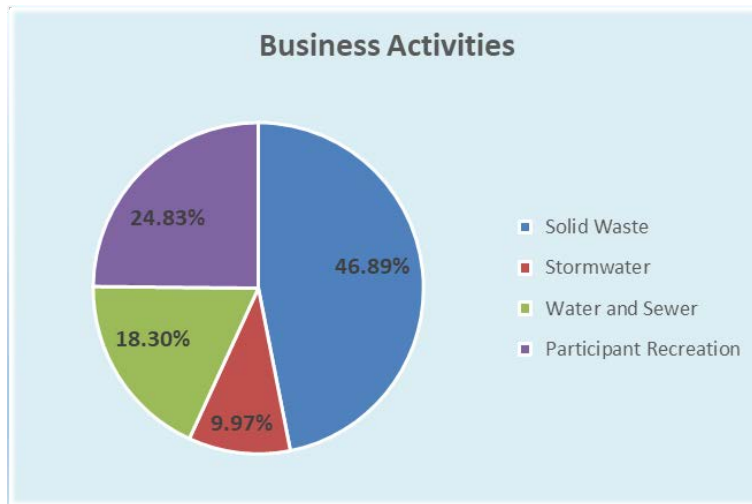
- The cost of all governmental activities this fiscal year was \$82,444,713 compared to \$80,877,322 in fiscal year 2018.
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax and business taxes (\$71,277,456).
- Some of the costs were paid by those who benefited directly from the programs (\$10,619,837) and subsidies from other governments and organizations through grants and/or contributions (\$23,485,168).



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The cost of all Proprietary (Business Type) activities this fiscal year was \$24,776,792 as shown in Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$22,513,565. Within the total business-type activities of the City, these activities reported a decrease in net position of \$2,114,064.



Financial Analysis of the City's Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental Funds

Governmental funds reported ending fund balances of \$85,742,364. Of this year-end total, \$24,239,306 is unassigned indicating availability for continuing City service requirements. The City has adopted a 25 percent stabilization policy to retain in reserve an equivalent of 25% of the next years budgeting general fund expenditures less the budgeted general fund capital expenditures. In accordance with the fund balance reserve policy, \$20,580,322 is included in the unassigned fund balance.

Major Governmental Funds

The General Fund is the City's primary operating funds and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$32,070,636. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 36.7% of total general fund expenditures.

Total General Fund revenues were \$78,954,508 or 8.8% higher than fiscal year 2018. Investment earnings increased to \$1,230,888 in fiscal year 2019. Revenue budget projections did not require significant adjustments during the fiscal year.

The Capital Projects Fund reflects an ending fund balance decrease of \$1,137,481. The decrease in fund balance is due to project monies that were appropriated, in prior years, for specific projects being spent within the fiscal year.

The T-SPLOST Fund reflects an ending fund balance of \$29,334,995 an increase of \$14,692,034 from fiscal year 2018. This increase is due to the projects in this fund still in being in the beginning phase of construction and an increase in investment earnings reported within the fund.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues were 4.5% above those in fiscal year 2018.

The Water and Sewer Fund's operating revenues are 2.4% above those in fiscal year 2018 and operating expenses were 12.1% more than prior year. The increase in expenses was due to an increase in water line repairs as well as meter replacements.

The Solid Waste Fund's operating revenues are 9.4% above than those in fiscal year 2018 and operating expenses were 14.5% more than the prior year. The increase in revenues was due to a rate increase that began on January 1, 2019. The increase in expenses were related to the switch to semi-automated curbside collection for residential garbage.

The Participant Recreation Fund's operating revenues were 0.78% more when compared to the same time in fiscal year 2018. Operating expenses were 13.4% more than prior year. The increase in expenses were mostly related to an increase in salary expenses and instructor fees.

The Stormwater Fund's operating revenues were 0.51% lower when compared to the same time in fiscal year 2018. Operating expenses were 11.9% more than prior year. The increase in expenses were related to stormwater projects completed this fiscal year.

Budgetary Highlights

General Fund – The General Fund's final approved revenue budget for FY 2019 was \$75,687,579. The original approved revenue budget was \$74,012,127. The City collected \$3,266,929 more than the approved revenue budget due to higher than anticipated collection of taxes and an increase in investment earnings.

The General Fund's final approved expenditure budget for FY 2019 was \$73,694,655. The original approved expenditure budget was \$69,771,235. The City expended 93.24% of the Amended Budget amount. The General Fund actual expenditures were \$4,983,764 less than budgeted. The decrease was mainly due to Administration and Public Safety. The decrease can be attributed to vacant positions and lower than anticipated project costs.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation for governmental and business-type activities as of June 30, 2019, was \$215,660,281 and \$37,726,798 respectively. The major changes to capital assets for FY19 were:

- Completed construction in progress in the governmental activities decreased by \$2.2 million with the completion of several major projects.
- Land improvements increased due to completion of Riverwalk and the Old Mill project. Infrastructure increased with the completion of the Sun Valley extension.
- Completed construction in progress for business-type activities added \$1.6 million in additions. This was due to the completion of several water line and stormwater projects.

For more information for governmental and business-type activities on the changes in capital assets, see Note 6-A.

City of Roswell's Capital Assets (Table 4)
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Non-depreciable assets:						
Land	\$ 52,331	\$ 52,331	\$ -	\$ -	\$ 52,331	\$ 52,331
Construction in Progress	25,089	27,306	859	650	25,948	27,956
Total non-depreciable assets	77,420	79,636	859	650	78,279	80,286
Depreciable assets:						
Land improvements	41,632	38,151	501	501	42,133	38,652
Buildings and plant	83,469	81,755	19,878	19,878	103,347	101,633
Machinery and equipment	26,009	24,320	2,614	2,361	28,623	26,681
Vehicles	23,963	23,254	5,745	5,432	29,708	28,686
Infrastructure	149,235	139,451	22,588	21,082	171,823	160,533
Total depreciable assets	324,308	306,931	51,326	49,254	375,634	356,185
Less accumulated depreciation:	186,068	174,452	14,458	12,831	200,526	187,283
Net book value-depreciated assets	138,240	132,479	36,868	36,423	175,108	168,902
Percentage depreciated	57.37%	56.84%	28.17%	26.05%	53.38%	52.58%
Total Capital Assets	\$ 215,660	\$ 212,115	\$ 37,727	\$ 37,073	\$ 253,386	\$ 249,188

At June 30, 2019, the depreciable capital assets for governmental activities were 57.37% depreciated. Note that the business-type activities are 28.17% depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$6,915,371, all of which is backed by the full faith and credit of the City (general obligation bonds).

City of Roswell Long-Term Debt as of June 30, 2019 and 2018 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Bonds	\$ 6,750	\$ 8,200	\$ -	\$ -	\$ 6,750	\$ 8,200
Plus Premium	165	225	-	-	165	225
Claims payable	375	642	-	-	375	642
Compensated absences	2,864	2,591	448	433	3,312	3,024
Net pension liability	14,774	15,522	2,717	2,360	17,491	17,882
Notes payable	3,271	3,634	12,700	13,347	15,971	16,981
Capital lease payable	944	2,992			2,992	2,992
Financed purchases payable	9,778	5,607	-	-	9,778	5,607
Total	\$ 38,922	\$ 39,413	\$ 15,865	\$ 16,140	\$ 56,834	\$ 55,553

For more information on long-term obligations, see Note 8-A to the financial statements

Economic Conditions Affecting the City

Economic measures for both the City and the metropolitan area demonstrate a consistent trend of economic growth and prosperity. Unemployment for the City continues to decline and is among the lowest in the region. Real estate market prices continue on an upward trend with the median home price at \$333,200. The median income for the City is \$87,911 and growth in personal income for the metropolitan area has exceeded five percent in each of the last two years.

A stable real estate market as well as above average levels of affluence help to provide a steady revenue base to support City services. The strength of the City's revenue stream is challenged by the fact that sales tax revenues are sensitive to the overall condition of the economy.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City at 770-641-3727 or visit the City's website at www.roswellgov.com.

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BASIC FINANCIAL STATEMENTS

CITY OF ROSWELL, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Roswell Economic Development & Tourism, Inc.	Downtown Development Authority
Cash and cash equivalents	\$ 45,171,199	\$ 4,726,029	\$ 49,897,228	\$ 725,340	\$ 358,785
Investments	44,337,130	4,861,286	49,198,416	-	-
Receivables (net of allowance for uncollectibles)	1,517,775	2,470,136	3,987,911	1,934	-
Taxes receivable	4,180,223	-	4,180,223	-	-
Intergovernmental receivables	1,970,077	-	1,970,077	-	-
Internal balances	2,854,061	(2,854,061)	-	-	-
Inventories	107,843	-	107,843	-	-
Prepaid items	581,260	42,808	624,068	3,960	-
Notes receivable	887,556	-	887,556	-	-
Real estate held for development	-	4,902,198	4,902,198	-	-
Capital assets, nondepreciable	77,420,395	858,803	78,279,198	-	-
Capital assets, depreciable, net of accumulated depreciation	138,239,886	36,867,995	175,107,881	4,121	-
Total assets	317,267,405	51,875,194	369,142,599	735,355	358,785
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	4,232,272	778,366	5,010,638	-	-
Total deferred outflows of resources	4,232,272	778,366	5,010,638	-	-
LIABILITIES					
Accounts payable	4,114,994	1,333,337	5,448,331	33,456	-
Accrued liabilities	4,435,621	416,106	4,851,727	11,239	-
Retainage payable	13,424	-	13,424	-	-
Customer deposits payable	-	963,775	963,775	-	125,000
Unearned revenue	-	659,149	659,149	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	2,147,438	331,971	2,479,409	-	-
Capital leases	244,789	-	244,789	-	-
Financed purchases	1,306,154	-	1,306,154	-	-
Note payable	364,768	655,555	1,020,323	-	-
Claims payable	150,000	-	150,000	-	-
Bonds payable	1,485,000	-	1,485,000	-	-
Noncurrent liabilities due in more than one year					
Compensated absences payable	716,971	115,533	832,504	-	-
Capital leases	698,946	-	698,946	-	-
Financed purchases	8,471,727	-	8,471,727	-	-
Note payable	2,906,189	12,044,543	14,950,732	-	-
Claims payable	225,060	-	225,060	-	-
Bonds payable	5,430,371	-	5,430,371	-	-
Net pension liability	14,774,319	2,717,180	17,491,499	-	-
Total liabilities	47,485,771	19,237,149	66,722,920	44,695	125,000
DEFERRED INFLOWS OF RESOURCES					
Pension related items	4,021,707	739,642	4,761,349	-	-
Total deferred inflows of resources	4,021,707	739,642	4,761,349	-	-
NET POSITION					
Net investment in capital assets	194,738,913	24,991,178	219,730,091	4,121	-
Restricted for:					
Debt service	2,523,684	-	2,523,684	-	-
Environmental	38,604	-	38,604	-	-
Culture and recreation	996,556	-	996,556	686,539	-
Transportation	30,232,992	-	30,232,992	-	-
Public safety	3,530,221	-	3,530,221	-	-
Capital projects	1,974,044	-	1,974,044	-	-
Promotion of industry and tourism	295,575	-	295,575	-	-
Scholarship - nonexpendable	25,000	-	25,000	-	-
Scholarship - expendable	10,324	-	10,324	-	-
Unrestricted	35,626,286	7,685,591	43,311,877	-	233,785
Total net position	\$ 269,992,199	\$ 32,676,769	\$ 302,668,968	\$ 690,660	\$ 233,785

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

CITY OF ROSWELL, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,422,748	\$ 3,797,773	\$ 33,586	\$ -
Judicial	1,115,540	1,447,092	-	-
Financial services	2,386,586	-	-	-
Public safety	32,628,911	2,633,658	121,766	33,112
Public works	13,869,748	776,773	1,448,451	20,005,966
Planning and zoning	3,318,103	1,872,488	449,775	15,124
Culture and recreation	15,367,000	92,053	23,538	1,353,850
Interest on long-term debt	336,077	-	-	-
Total governmental activities	82,444,713	10,619,837	2,077,116	21,408,052
Business-type activities:				
Water and sewer	4,535,116	4,072,642	-	-
Solid waste	11,617,766	9,991,507	-	-
Participant recreation	6,153,096	5,354,847	-	-
Stormwater	2,470,814	3,094,569	-	-
Total business-type activities	24,776,792	22,513,565	-	-
Total primary government	\$ 107,221,505	\$ 33,133,402	\$ 2,077,116	\$ 21,408,052
Component units:				
Roswell Economic Development & Tourism, Inc.	\$ 1,561,206	\$ 271,568	\$ 1,295,536	\$ -
Downtown Development Authority	86,390	-	122,980	-
Total component units	\$ 1,647,596	\$ 271,568	\$ 1,418,516	\$ -
General revenues:				
Property taxes				
Sales and use taxes				
Hotel/motel taxes				
Excise taxes				
Business taxes				
Unrestricted investment earnings (loss)				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Roswell Economic Development & Tourism, Inc.	Downtown Development Authority
\$ (9,591,389)	\$ -	\$ (9,591,389)	\$ -	\$ -
331,552	-	331,552	-	-
(2,386,586)	-	(2,386,586)	-	-
(29,840,375)	-	(29,840,375)	-	-
8,361,442	-	8,361,442	-	-
(980,716)	-	(980,716)	-	-
(13,897,559)	-	(13,897,559)	-	-
(336,077)	-	(336,077)	-	-
<u>(48,339,708)</u>	<u>-</u>	<u>(48,339,708)</u>	<u>-</u>	<u>-</u>
-	(462,474)	(462,474)	-	-
-	(1,626,259)	(1,626,259)	-	-
-	(798,249)	(798,249)	-	-
-	623,755	623,755	-	-
-	(2,263,227)	(2,263,227)	-	-
<u>(48,339,708)</u>	<u>(2,263,227)</u>	<u>(50,602,935)</u>	<u>-</u>	<u>-</u>
-	-	-	5,898	-
-	-	-	-	36,590
-	-	-	<u>5,898</u>	<u>36,590</u>
35,745,739	-	35,745,739	-	-
27,357,312	-	27,357,312	-	-
1,097,111	-	1,097,111	-	-
295,575	-	295,575	-	-
8,174,405	-	8,174,405	-	-
2,279,750	256,137	2,535,887	-	40
234,745	11,513	246,258	-	-
389,331	-	389,331	-	-
118,487	(118,487)	-	-	-
<u>75,692,455</u>	<u>149,163</u>	<u>75,841,618</u>	<u>-</u>	<u>40</u>
27,352,747	(2,114,064)	25,238,683	5,898	36,630
242,639,452	34,790,833	277,430,285	684,762	197,155
<u>\$ 269,992,199</u>	<u>\$ 32,676,769</u>	<u>\$ 302,668,968</u>	<u>\$ 690,660</u>	<u>\$ 233,785</u>

CITY OF ROSWELL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

ASSETS	Nonmajor				Total
	General	Capital Projects	T-SPLOST	Governmental Funds	
Cash and cash equivalents	\$ 15,642,996	\$ 4,900,023	\$ 11,511,357	\$ 8,670,193	\$ 40,724,569
Investments	12,923,913	11,933,142	16,475,199	25,217	41,357,471
Receivables (net of allowance for uncollectibles)	934,266	75,277	-	392,596	1,402,139
Taxes receivable (net)	2,588,300	-	1,441,313	150,610	4,180,223
Intergovernmental receivables	-	-	-	1,970,077	1,970,077
Due from other funds	4,334,562	-	-	16,482	4,351,044
Inventories	107,843	-	-	-	107,843
Prepaid items	360,291	56,594	-	16,203	433,088
Total assets	\$ 36,892,171	\$ 16,965,036	\$ 29,427,869	\$ 11,241,378	\$ 94,526,454
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,401,487	\$ 1,710,588	\$ 92,874	\$ 461,405	\$ 3,666,354
Accrued liabilities	2,350,025	-	-	70,379	2,420,404
Retainage payable	-	13,424	-	-	13,424
Due to other funds	-	16,482	-	260,570	277,052
Advances from other funds	526,301	-	-	-	526,301
Total liabilities	4,277,813	1,740,494	92,874	792,354	6,903,535
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	340,258	-	-	22,588	362,846
Unavailable revenue - other	203,464	-	-	170	203,634
Unavailable revenue - intergovernmental	-	-	-	1,314,075	1,314,075
Total deferred inflows of resources	543,722	-	-	1,336,833	1,880,555
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepays	360,291	56,594	-	16,203	433,088
Inventories	107,843	-	-	-	107,843
Permanent fund corpus	-	-	-	25,000	25,000
Restricted:					
Public safety	-	-	-	3,517,109	3,517,109
Culture and recreation	-	-	-	996,556	996,556
Environmental	-	-	-	38,604	38,604
Transportation	-	-	29,334,995	897,997	30,232,992
Debt service	-	-	-	2,500,297	2,500,297
Capital projects	-	-	-	657,677	657,677
Scholarship	-	-	-	10,324	10,324
Promotion of industry and tourism	-	-	-	295,575	295,575
Committed:					
Culture and recreation	858,983	-	-	140,306	999,289
Cemetery maintenance	555	-	-	-	555
Environmental	-	-	-	16,543	16,543
Assigned:					
Use of reserves in subsequent budget	3,223,550	-	-	-	3,223,550
Capital projects	25,000	15,167,948	-	-	15,192,948
Transportation	91,288	-	-	-	91,288
Special events	74,145	-	-	-	74,145
General government	238,679	-	-	-	238,679
Planning and zoning	162,292	-	-	-	162,292
Public safety	2,564,030	-	-	-	2,564,030
Public works	69,766	-	-	-	69,766
Culture and recreation	54,908	-	-	-	54,908
Unassigned	24,239,306	-	-	-	24,239,306
Total fund balances	32,070,636	15,224,542	29,334,995	9,112,191	85,742,364
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,892,171	\$ 16,965,036	\$ 29,427,869	\$ 11,241,378	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	215,520,740
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.	4,442,745
Notes receivable and related accrued interest are not an available resource and, therefore, is not reported in the funds.	921,209
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.	1,880,555
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(24,237,002)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(14,278,412)

Net position of governmental activities \$ 269,992,199

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

CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Capital Projects	T-SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 69,917,785	\$ -	\$ -	\$ 2,801,541	\$ 72,719,326
Licenses and permits	2,609,035	-	-	-	2,609,035
Intergovernmental	116,066	1,448,451	16,700,984	3,960,754	22,226,255
Fines and forfeitures	1,447,092	-	-	265,090	1,712,182
Charges for services	3,101,847	-	-	2,374,730	5,476,577
Impact fees	-	-	-	1,380,660	1,380,660
Investment earnings	1,230,888	359,217	668,376	26,055	2,284,536
Contributions	23,538	480,100	-	-	503,638
Miscellaneous	508,257	7,302	-	92,053	607,612
Total revenues	<u>78,954,508</u>	<u>2,295,070</u>	<u>17,369,360</u>	<u>10,900,883</u>	<u>109,519,821</u>
Expenditures:					
Current:					
General government	10,849,123	987,397	-	12,643	11,849,163
Judicial	1,124,682	-	-	-	1,124,682
Financial services	2,642,891	-	-	-	2,642,891
Public safety	26,649,939	-	-	2,887,954	29,537,893
Public works	7,877,382	507,341	-	10,344	8,395,067
Planning and zoning	2,830,943	95,048	-	406,330	3,332,321
Culture and recreation	12,040,149	215,349	-	823,707	13,079,205
Capital outlay	-	10,426,612	2,677,326	4,334,418	17,438,356
Debt service:					
Principal	1,359,708	60,437	-	1,450,000	2,870,145
Interest and fiscal charges	204,077	5,094	-	189,305	398,476
Total expenditures	<u>65,578,894</u>	<u>12,297,278</u>	<u>2,677,326</u>	<u>10,114,701</u>	<u>90,668,199</u>
Excess (deficiency) of revenues over expenditures	13,375,614	(10,002,208)	14,692,034	786,182	18,851,622
Other financing sources (uses):					
Proceeds from sale of capital assets	283,080	793	-	-	283,873
Issuance of long-term debt	-	3,180,336	-	-	3,180,336
Transfers in	231,929	5,694,776	-	1,708,119	7,634,824
Transfers out	(6,950,475)	(11,178)	-	(532,266)	(7,493,919)
Total other financing sources (uses)	<u>(6,435,466)</u>	<u>8,864,727</u>	<u>-</u>	<u>1,175,853</u>	<u>3,605,114</u>
Net change in fund balances	6,940,148	(1,137,481)	14,692,034	1,962,035	22,456,736
Fund balances, beginning of year					
	<u>25,130,488</u>	<u>16,362,023</u>	<u>14,642,961</u>	<u>7,150,156</u>	<u>63,285,628</u>
Fund balances, end of year	<u>\$ 32,070,636</u>	<u>\$ 15,224,542</u>	<u>\$ 29,334,995</u>	<u>\$ 9,112,191</u>	<u>\$ 85,742,364</u>

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

CITY OF ROSWELL, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 22,456,736
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	3,645,500
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(49,128)
The payments received on notes receivable provide current financial resources to governmental funds, but have no effect on net position.	(131,014)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	687,318
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(310,191)
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 governmental funds.	325,405
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	<u>728,121</u>
Change in net position - governmental activities	<u>\$ 27,352,747</u>

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

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CITY OF ROSWELL, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2019

ASSETS	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
Current assets:				
Cash	\$ 1,493,863	\$ 375,914	\$ 2,091,131	\$ 765,121
Investments	887,109	1,985,705	991,831	996,641
Receivables (net of allowance for uncollectibles)	699,867	1,478,479	3,359	288,431
Prepaid items	15,595	3,282	19,991	3,940
Real estate held for development	-	4,902,198	-	-
Total current assets	3,096,434	8,745,578	3,106,312	2,054,133
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	23,098	53,774	11,651	770,280
Capital assets, being depreciated	36,617,377	6,375,740	1,636,803	6,696,047
Less accumulated depreciation	(9,987,109)	(2,924,646)	(546,906)	(999,311)
Advances to other funds	-	526,301	-	-
Total noncurrent assets	26,653,366	4,031,169	1,101,548	6,467,016
Total assets	29,749,800	12,776,747	4,207,860	8,521,149
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	94,434	414,664	138,312	130,956
Total deferred outflows of resources	94,434	414,664	138,312	130,956
LIABILITIES				
Current liabilities:				
Accounts payable	771,784	309,734	172,977	78,842
Accrued expenses	55,901	94,158	234,989	31,058
Customer deposits payable	225,728	703,647	34,400	-
Due to other funds	-	2,500,000	563,187	-
Unearned revenue	-	-	659,149	-
Notes payable, current	655,555	-	-	-
Compensated absences, current	51,978	136,429	88,381	55,183
Total current liabilities	1,760,946	3,743,968	1,753,083	165,083
Long-term liabilities:				
Compensated absences	18,084	50,462	30,929	16,058
Notes payable, long term	12,044,543	-	-	-
Net pension liability	329,658	1,447,540	482,831	457,151
Total long-term liabilities	12,392,285	1,498,002	513,760	473,209
Total liabilities	14,153,231	5,241,970	2,266,843	638,292
DEFERRED INFLOWS OF RESOURCES				
Pension related items	89,736	394,034	131,431	124,441
Total deferred inflows of resources	89,736	394,034	131,431	124,441
NET POSITION				
Net investment in capital assets	13,953,268	3,504,868	1,101,548	6,431,494
Unrestricted	1,647,999	4,050,539	846,350	1,457,878
Total net position	\$ 15,601,267	\$ 7,555,407	\$ 1,947,898	\$ 7,889,372

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds
Net position of business-type activities

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 4,726,029	\$ 4,446,630
4,861,286	2,979,659
2,470,136	81,983
42,808	148,172
4,902,198	-
<u>17,002,457</u>	<u>7,656,444</u>
858,803	-
51,325,967	253,717
(14,457,972)	(114,176)
526,301	-
<u>38,253,099</u>	<u>139,541</u>
<u>55,255,556</u>	<u>7,795,985</u>
<u>778,366</u>	<u>82,920</u>
<u>778,366</u>	<u>82,920</u>
1,333,337	448,640
416,106	1,891,607
963,775	-
3,063,187	1,010,805
659,149	-
655,555	-
331,971	23,224
<u>7,423,080</u>	<u>3,374,276</u>
115,533	10,797
12,044,543	-
2,717,180	289,466
<u>14,877,256</u>	<u>300,263</u>
<u>22,300,336</u>	<u>3,674,539</u>
<u>739,642</u>	<u>78,796</u>
<u>739,642</u>	<u>78,796</u>
24,991,178	139,541
8,002,766	3,986,029
<u>32,993,944</u>	<u>\$ 4,125,570</u>
(317,175)	
<u>\$ 32,676,769</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Participant Recreation</u>	<u>Stormwater</u>
OPERATING REVENUES				
Charges for services				
Water sales	\$ 3,248,397	\$ -	\$ -	\$ -
Sewer sales	285,719	-	-	-
Sanitation sales	-	9,942,128	-	-
Stormwater sales	-	-	-	3,094,569
Other fees	359,434	49,379	5,354,847	-
Other operating income	<u>179,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>4,072,642</u>	<u>9,991,507</u>	<u>5,354,847</u>	<u>3,094,569</u>
OPERATING EXPENSES				
Personnel services and benefits	1,443,416	3,793,922	3,725,649	1,210,015
Purchased contract services	15,584	4,253,272	1,213,348	-
Supplies and maintenance	1,513,818	3,295,470	1,129,310	1,037,617
Utilities	160,249	9,797	-	-
Claims paid	-	-	-	-
Depreciation	<u>1,248,660</u>	<u>371,919</u>	<u>86,127</u>	<u>247,332</u>
Total operating expenses	<u>4,381,727</u>	<u>11,724,380</u>	<u>6,154,434</u>	<u>2,494,964</u>
Operating income (loss)	(309,085)	(1,732,873)	(799,587)	599,605
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	25,322	106,607	65,674	58,534
Interest expense	(181,959)	-	-	-
Gain (loss) on disposal of capital assets	<u>15,602</u>	<u>(4,089)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(141,035)</u>	<u>102,518</u>	<u>65,674</u>	<u>58,534</u>
INCOME (LOSS) BEFORE TRANSFERS	(450,120)	(1,630,355)	(733,913)	658,139
Transfers in	-	7,916	74,345	-
Transfers out	<u>(29,354)</u>	<u>(116,994)</u>	<u>-</u>	<u>(54,400)</u>
Total transfers	<u>(29,354)</u>	<u>(109,078)</u>	<u>74,345</u>	<u>(54,400)</u>
Change in net position	(479,474)	(1,739,433)	(659,568)	603,739
NET POSITION, beginning of year	<u>16,080,741</u>	<u>9,294,840</u>	<u>2,607,466</u>	<u>7,285,633</u>
NET POSITION, end of year	<u>\$ 15,601,267</u>	<u>\$ 7,555,407</u>	<u>\$ 1,947,898</u>	<u>\$ 7,889,372</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds				
Change in net position of business-type activities				

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 3,248,397	\$ -
285,719	-
9,942,128	-
3,094,569	-
5,763,660	12,494,074
179,092	714,101
<u>22,513,565</u>	<u>13,208,175</u>
10,173,002	3,922,204
5,482,204	-
6,976,215	-
170,046	-
-	8,469,851
1,954,038	50,747
<u>24,755,505</u>	<u>12,442,802</u>
(2,241,940)	765,373
256,137	145,838
(181,959)	-
11,513	-
<u>85,691</u>	<u>145,838</u>
(2,156,249)	911,211
82,261	-
(200,748)	(22,418)
<u>(118,487)</u>	<u>(22,418)</u>
(2,274,736)	888,793
	<u>3,236,777</u>
	<u>\$ 4,125,570</u>
160,672	
<u>\$ (2,114,064)</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

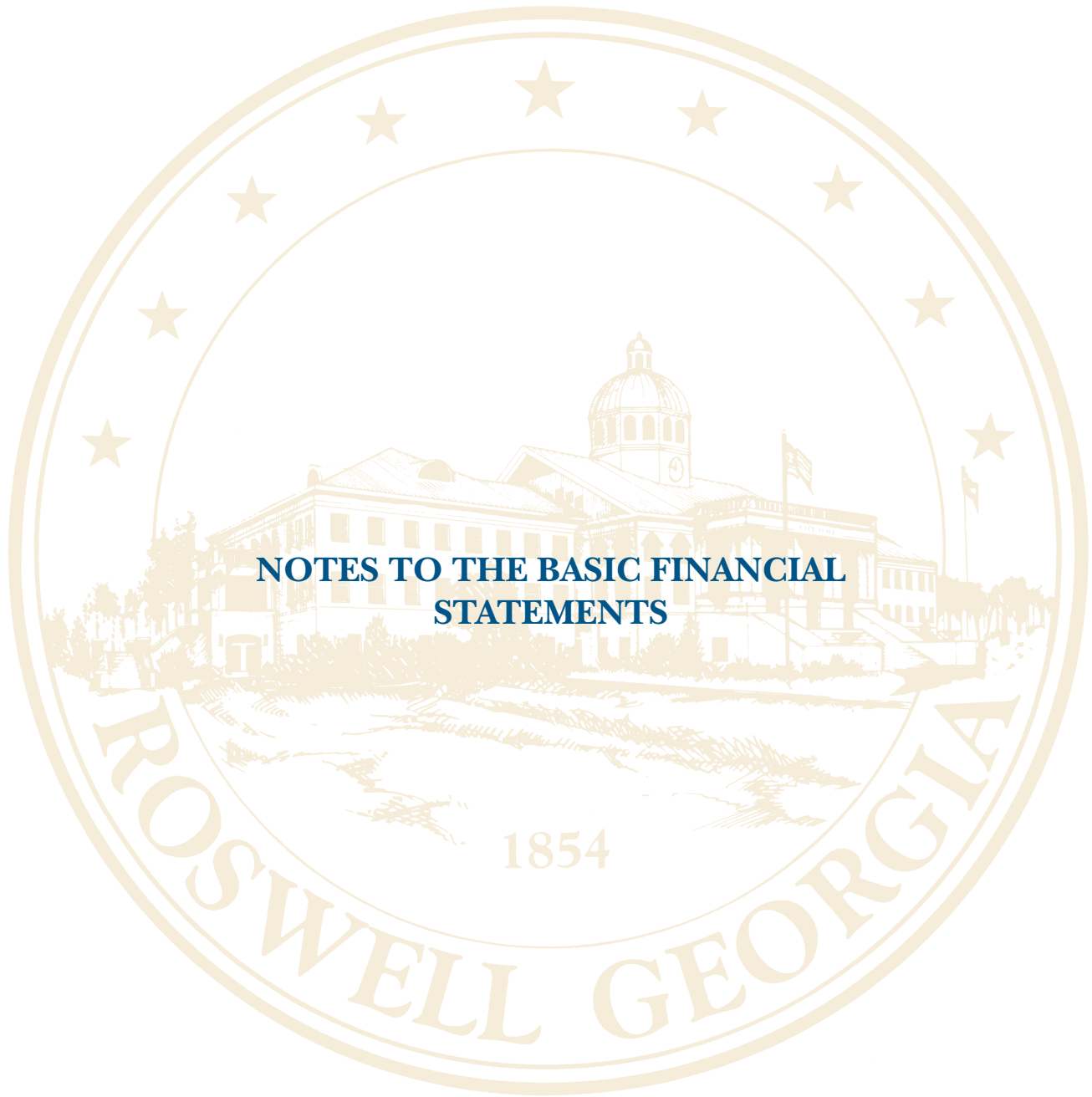
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Participant Recreation</u>	<u>Stormwater</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,980,624	\$ 9,897,091	\$ 5,407,447	\$ 3,113,124
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	(1,251,931)	(5,998,336)	(2,559,099)	(1,011,824)
Payments to employees	(1,444,631)	(3,704,975)	(3,439,324)	(1,112,820)
Net cash provided by (used in) operating activities	<u>1,284,062</u>	<u>193,780</u>	<u>(590,976)</u>	<u>988,480</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(870,583)	-	-	-
Proceeds from sale of investments	990,700	-	982,600	-
Interest received	-	39,980	29,171	23,495
Net cash provided by investing activities	<u>120,117</u>	<u>39,980</u>	<u>1,011,771</u>	<u>23,495</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(622,750)	(904,943)	(113,993)	(1,080,311)
Principal payments on note payable	(646,447)	-	-	-
Proceeds from the sale of capital assets	21,832	96,348	-	7,529
Interest and fiscal charges paid	(182,714)	-	-	-
Net cash used in capital and related financing activities:	<u>(1,430,079)</u>	<u>(808,595)</u>	<u>(113,993)</u>	<u>(1,072,782)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	7,916	74,345	-
Transfers out	(29,354)	(116,994)	-	(54,400)
Net cash provided by (used in) noncapital financing activities:	<u>(29,354)</u>	<u>(109,078)</u>	<u>74,345</u>	<u>(54,400)</u>
Increase (decrease) in cash	(55,254)	(683,913)	381,147	(115,207)
Cash:				
Beginning of year	1,549,117	1,059,827	1,709,984	880,328
End of year	<u>\$ 1,493,863</u>	<u>\$ 375,914</u>	<u>\$ 2,091,131</u>	<u>\$ 765,121</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (309,085)	\$ (1,732,873)	\$ (799,587)	\$ 599,605
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,248,660	371,919	86,127	247,332
(Increase) decrease in accounts receivable	(92,018)	(94,416)	-	18,555
Decrease in due from other funds	-	178,802	-	-
(Increase) decrease in prepaid expenses	5,762	(2,682)	(3,069)	2,842
(Increase) decrease in pension related deferred outflows of resources	(4,987)	(26,868)	(68,034)	(24,630)
Increase (decrease) in accounts payable	423,862	(413,148)	18,899	22,951
Increase (decrease) in accrued expenses	(759)	2,264	38,810	1,481
Increase (decrease) in customer deposits payable	8,096	(4,136)	(14,725)	-
Increase in unearned revenue	-	-	67,325	-
Increase (decrease) in due to other funds	-	1,801,367	(232,271)	-
Increase (decrease) in pension related deferred inflows of resources	13,489	63,468	71,524	33,806
Increase (decrease) in compensated absences	(15,772)	2,228	14,851	13,153
Increase (decrease) in net pension liability	6,814	47,855	229,174	73,385
Net cash provided by (used in) operating activities	<u>\$ 1,284,062</u>	<u>\$ 193,780</u>	<u>\$ (590,976)</u>	<u>\$ 988,480</u>
NONCASH INVESTING ACTIVITIES				
Increase in fair value of investments	<u>\$ 32,124</u>	<u>\$ 66,627</u>	<u>\$ 36,933</u>	<u>\$ 29,011</u>

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 22,398,286	\$ 1,777,031
-	12,097,408
(10,821,190)	(12,168,154)
<u>(9,701,750)</u>	<u>-</u>
1,875,346	1,706,285
(870,583)	-
1,973,300	-
<u>92,646</u>	<u>57,959</u>
1,195,363	57,959
(2,721,997)	-
(646,447)	-
125,709	-
<u>(182,714)</u>	<u>-</u>
(3,425,449)	-
82,261	-
<u>(200,748)</u>	<u>(22,418)</u>
(118,487)	(22,418)
(473,227)	1,741,826
5,199,256	2,704,804
<u>\$ 4,726,029</u>	<u>\$ 4,446,630</u>
\$ (2,241,940)	\$ 765,373
1,954,038	50,747
(167,879)	195,612
178,802	-
2,853	152,491
(124,519)	12,341
52,564	143,060
41,796	(25,152)
(10,765)	-
67,325	-
1,569,096	478,322
182,287	(2,406)
14,460	(9,744)
<u>357,228</u>	<u>(54,359)</u>
<u>\$ 1,875,346</u>	<u>\$ 1,706,285</u>
<u>\$ 164,695</u>	<u>\$ 78,641</u>

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**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

CITY OF ROSWELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Roswell, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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.

A. Reporting Entity

The City of Roswell operates under a mayor/council form of government and provides the following services to its citizens: public safety, judicial, public works, planning and zoning, culture and recreation, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units

The Roswell Economic Development & Tourism, Inc. (the “Bureau”) has been included as a discretely presented component unit in the accompanying financial statements. The Bureau was incorporated under the laws of the State of Georgia on April 23, 1993 for the purposes of promoting the preservation of the Historic District of Roswell and encouraging tourism and improving the quality of life in the Historic District. Due to the significant portion of hotel/motel tax received by the Bureau, management believes it would be misleading not to include the Bureau as a component unit. Separate financial statements are not prepared for the Roswell Economic Development & Tourism, Inc.

The Roswell Downtown Development Authority (the “DDA”) has been included as a discretely presented component unit in the accompanying financial statements. The DDA is a public body, corporate and politic, reactivated on January 9, 2012 under the “Downtown Development Authorities Laws,” O.C.G.A 36-42-4. The DDA was formed to improve the economy of Roswell by coordinating public and private programs that promote the redevelopment and growth of Roswell’s central business district. Seven positions are available on the DDA’s Board of Directors, and members are appointed by the City of Roswell’s Mayor and Council. A mix of professions and interests will be taken into consideration when appointing the DDA Board members. Because of the significance of an impending sale and redevelopment of property in collaboration with the DDA, the management of the City believes it would be misleading to exclude the DDA from the financial reporting of the City. Separate financial statements for the Roswell Downtown Development Authority are not prepared. There are no differences between the fund level and government-wide reporting for the DDA; therefore fund level statements have not been presented.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organization

The Housing Authority of the City of Roswell is not considered a component unit of the City of Roswell and accordingly no financial information is presented for the Authority. The Housing Authority was created under O.C.G.A. 8-3-1 and is an instrumentality of the State of Georgia, whose purpose is to provide safe and sanitary housing to low and moderate income families. The Authority operates a housing development in the City of Roswell which is federally financed and under the control of the United States Department of Housing and Urban Development (HUD). The Board of Commissioners consists of five commissioners appointed by the Mayor for five year staggered terms and cannot be removed except for cause. The chairman, vice chairman and other officers are elected by the commissioners themselves. No commissioner may be an officer or employee of the City. This prohibition includes the Mayor and all Councilpersons.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Capital Projects Fund** accounts for financial resources to be used for the acquisition and construction of major capital projects.

The **Transportation SPLOST (T-SPLOST) Fund** accounts for financial resources which are used exclusively for transportation projects per the terms of the T-SPLOST agreement.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities of the City's water system and the billing on behalf of Fulton County's sewer system as it applies to City residents, which renders those services to the residents and businesses located within the City.

The **Solid Waste Fund** accounts for the operations of the City's solid waste and sanitation program.

The **Participant Recreation Fund** accounts for the operations of activities held at the City's parks.

The **Stormwater Fund** accounts for the operations of the City's stormwater program.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are restricted or committed to expenditure for specific purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **Capital Project Funds** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets.

The **Debt Service Fund** accounts for the accumulation of resources and payments made of principal and interest on the City's general obligation debt.

The **Permanent Fund** accounts for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

The **Internal Service Funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City uses internal service funds to account for group health, risk management and workers' compensation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget

Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets. The governmental fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenditures. Enterprise fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenses and the inflows from the issuance of debt as financing sources and related outflows as capital expenses. All appropriations lapse at fiscal year end. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the City Council. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is employed by the City.

The following encumbrances were outstanding as of June 30, 2019:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 3,131,997
Water & Sewer Fund	504,763
Solid Waste Fund	417,225
Stormwater Fund	316,885
Participant Recreation Fund	97,094
Nonmajor Governmental Funds	586,078
	<u>\$ 5,054,042</u>

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

Investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of investment earnings.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute “available, spendable resources” even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Machinery and equipment	5 - 30
Vehicles	4 - 8
Infrastructure	10 - 65

I. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, other, and intergovernmental revenues as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan before year end but subsequent to the measurement date of the City's net pension liability are reported as deferred outflows of resources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e. ordinance) of the City Council.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City Council, through resolution, has delegated to the Director of Finance the authority to assign funds for a particular purpose.

Unassigned – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. The City intends to maintain a minimum unassigned fund balance in its general fund of 25% of the subsequent year's budgeted expenditures. This minimum fund balance is the protect against cash flow shortfalls.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used or restricted fund balance as described in the section above. All other net position is reported as unrestricted. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Roswell Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Management 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 that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$24,237,002 difference are as follows:

Bonds payable	\$	(6,750,000)
Unamortized premiums		(165,371)
Capital leases payable		(943,735)
Financed purchases payable		(9,777,881)
Notes payable		(3,270,957)
Claims payable		(375,060)
Accrued interest		(123,610)
Compensated absences		(2,830,388)
		<hr/>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>(24,237,002)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another element of that reconciliation states that “Notes receivable is not an available resource and, therefore is not reported in the funds.” The details of this \$921,209 difference are as follows:

Notes receivable	\$	887,556
Accrued interest receivable		<u>33,653</u>
Net adjustment to increase <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>921,209</u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds.” The details of this \$14,278,412 difference are as follows:

Net pension liability	\$	(14,484,853)
Pension related deferred outflows of resources		4,149,352
Pension related deferred inflows of resources		<u>(3,942,911)</u>
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$	<u>(14,278,412)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,645,500 difference are as follows:

Capital outlay	\$ 15,827,816
Depreciation expense	<u>(12,182,316)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 3,645,500</u></u>

Another element of the reconciliation states that “The payments received on notes receivable provide current financial resources to governmental funds, but have no effect on net position.” The details of this \$131,014 difference are as follows:

Payments on notes receivable	\$ (126,228)
Accrued interest receivable	<u>(4,786)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (131,014)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$310,191 difference are as follows:

Principal payment on bonds	\$	1,450,000
Issuance of capital leases		(1,004,172)
Issuance of financed purchases		(2,176,164)
Principal payment on notes payable		362,949
Principal payment on financed purchases		996,759
Principal payment on capital lease payable		60,437
		60,437
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>		
	\$	(310,191)

Another element of that reconciliation states that “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 governmental funds.” The details of this \$325,405 difference are as follows:

Compensated absences	\$	(283,516)
Amortization		60,205
Accrued interest		2,194
Claims expense		266,941
Pension expense		279,581
		279,581
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>		
	\$	325,405

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

1. Prior to July 1, the City Manager submits the proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the City.
3. The budget is then legally enacted through passage of a resolution by the City Council at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the City Council in a regular meeting.

Budgeted amounts are as originally adopted, or as amended by the City Council. The supplementary budgetary appropriations made are reflected in the final budget amounts.

Excess Expenditures Over Appropriations

For the year ended June 30, 2019 expenditures exceeded the budget in four funds as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund	
Planning and zoning	\$ 70,802
Debt service - interest	2,993
Federal Grants Fund	
Public works	242,606
Hotel/Motel Tax Fund	
Culture and recreation	1,523
Leita Thompson Fund	
Culture and recreation	988

The excess of expenditures over budget that are noted above were funded by expending less than budget in other functions, and use of fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

A. Primary Government

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, the financial institutions holding all of the City's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2019, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

At June 30, 2019, the City had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity (years)</u>
Money market mutual fund	\$ 25,217	N/A	0.25
Certificates of deposit	15,216,847	N/A	2.73
Municipal Bonds	4,255,883	AAA	1.45
Federal Home Loan Bank	7,956,692	AAA	1.96
Federal Home Loan Mortgage Corp.	1,969,159	AAA	3.00
Federal National Mortgage Assn.	6,460,988	AAA	2.30
Federal Farm Credit Bank	13,313,630	AAA	2.15
Georgia Fund 1	32,216,004	AAAf	0.11
	<u>\$ 81,414,420</u>		

Interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the City limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The City intends to hold all investments to maturity.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

A. Primary Government (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2019:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Money Markey Mutual Funds	\$ 25,217	\$ -	\$ 25,217
Municipal Bonds	4,255,883	-	4,255,883
Federal Home Loan Bank	-	7,956,692	7,956,692
Federal Home Loan Mortgage Corp	-	1,969,159	1,969,159
Federal National Mortgage Association	-	6,460,988	6,460,988
Federal Farm Credit Bank	-	13,313,630	13,313,630
Total investments measured at fair value	<u>\$ 4,281,100</u>	<u>\$ 29,700,469</u>	<u>\$ 33,981,569</u>
Investments not subject to level disclosure:			
Certificates of Deposit			15,216,847
Georgia Fund 1			<u>32,216,004</u>
Total investments			<u>\$ 81,414,420</u>

The Money Market Mutual Fund and the Municipal Bonds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The investment in Federal Home Loan Bank, Federal Home Loan Mortgage Corp, Federal Farm Credit Bank and the Federal National Mortgage Association classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at June 30, 2019, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds
Receivables:				
Taxes	\$ 2,818,098	\$ -	\$ 1,441,313	\$ 194,309
Intergovernmental	-	-	-	1,970,077
Accounts	1,416,367	75,277	-	392,596
Gross receivables	<u>4,234,465</u>	<u>75,277</u>	<u>1,441,313</u>	<u>2,556,982</u>
Less allowance for uncollectibles	(711,899)	-	-	(43,699)
Net receivables	<u><u>\$ 3,522,566</u></u>	<u><u>\$ 75,277</u></u>	<u><u>\$ 1,441,313</u></u>	<u><u>\$ 2,513,283</u></u>

	Water & Sewer Fund	Solid Waste Fund	Participant Recreation Fund	Stormwater Fund	Governmental Activities Internal Service Funds
Receivables:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts	824,170	1,782,120	3,359	348,824	81,983
Gross receivables	<u>824,170</u>	<u>1,782,120</u>	<u>3,359</u>	<u>348,824</u>	<u>81,983</u>
Less allowance for uncollectibles	(124,303)	(303,641)	-	(60,393)	-
Net receivables	<u><u>\$ 699,867</u></u>	<u><u>\$ 1,478,479</u></u>	<u><u>\$ 3,359</u></u>	<u><u>\$ 288,431</u></u>	<u><u>\$ 81,983</u></u>

Property taxes for the 2019 fiscal year were levied in September 2018, with property values assessed as of January 1, 2018. Bills are payable on or before December 3, 2018, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 52,330,582	\$ -	\$ -	\$ -	\$ 52,330,582
Construction in progress	27,305,868	11,180,949	-	(13,397,004)	25,089,813
Total capital assets, not being depreciated	<u>79,636,450</u>	<u>11,180,949</u>	<u>-</u>	<u>(13,397,004)</u>	<u>77,420,395</u>
Capital assets, being depreciated:					
Land improvements	38,150,917	253,655	(32,623)	3,259,922	41,631,871
Buildings and improvements	81,754,662	874,417	-	839,452	83,468,531
Machinery and equipment	24,320,171	1,892,111	(203,000)	-	26,009,282
Vehicles	23,253,841	1,139,722	(430,729)	-	23,962,834
Infrastructure	139,450,723	486,962	-	9,297,630	149,235,315
Total capital assets, being depreciated	<u>306,930,314</u>	<u>4,646,867</u>	<u>(666,352)</u>	<u>13,397,004</u>	<u>324,307,833</u>
Less accumulated depreciation for:					
Land improvements	16,662,279	1,605,252	(17,331)	-	18,250,200
Buildings and improvements	44,474,482	2,212,887	-	-	46,687,369
Machinery and equipment	13,418,287	2,035,281	(203,000)	-	15,250,568
Vehicles	13,283,865	1,954,245	(396,893)	-	14,841,217
Infrastructure	86,613,195	4,425,398	-	-	91,038,593
Total accumulated depreciation	<u>174,452,108</u>	<u>12,233,063</u>	<u>(617,224)</u>	<u>-</u>	<u>186,067,947</u>
Total capital assets, being depreciated, net	<u>132,478,206</u>	<u>(7,586,196)</u>	<u>(49,128)</u>	<u>13,397,004</u>	<u>138,239,886</u>
Governmental activities capital assets, net	<u>\$ 212,114,656</u>	<u>\$ 3,594,753</u>	<u>\$ (49,128)</u>	<u>\$ -</u>	<u>\$ 215,660,281</u>

Internal service funds predominately serve governmental funds, and accordingly capital assets for them are included as part of the above totals for governmental activities. At year end, \$139,541 of internal service fund capital assets is included above.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 649,828	\$ 1,847,396	\$ (7,531)	\$ (1,630,890)	\$ 858,803
Total capital assets, not being depreciated	<u>649,828</u>	<u>1,847,396</u>	<u>(7,531)</u>	<u>(1,630,890)</u>	<u>858,803</u>
Capital assets, being depreciated:					
Buildings and improvements	20,378,950	-	-	-	20,378,950
Machinery and equipment	2,361,081	135,145	(32,286)	149,953	2,613,893
Vehicles	5,432,076	714,152	(401,505)	-	5,744,723
Infrastructure	<u>21,082,160</u>	<u>25,304</u>	<u>-</u>	<u>1,480,937</u>	<u>22,588,401</u>
Total capital assets, being depreciated	<u>49,254,267</u>	<u>874,601</u>	<u>(433,791)</u>	<u>1,630,890</u>	<u>51,325,967</u>
Less accumulated depreciation for:					
Buildings and improvements	2,114,952	792,943	-	-	2,907,895
Machinery and equipment	1,320,958	119,199	(29,850)	-	1,410,307
Vehicles	2,927,904	414,889	(297,275)	-	3,045,518
Infrastructure	<u>6,467,245</u>	<u>627,007</u>	<u>-</u>	<u>-</u>	<u>7,094,252</u>
Total accumulated depreciation	<u>12,831,059</u>	<u>1,954,038</u>	<u>(327,125)</u>	<u>-</u>	<u>14,457,972</u>
Total capital assets, being depreciated, net	<u>36,423,208</u>	<u>(1,079,437)</u>	<u>(106,666)</u>	<u>1,630,890</u>	<u>36,867,995</u>
Business-type activities capital assets, net	<u>\$ 37,073,036</u>	<u>\$ 767,959</u>	<u>\$ (114,197)</u>	<u>\$ -</u>	<u>\$ 37,726,798</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 1,502,161
Public safety	2,620,935
Public works	5,894,792
Culture and recreation	2,215,175
Total depreciation expense - governmental activities	<u>\$ 12,233,063</u>

Business-type activities:

Water and Sewer Fund	\$ 1,248,660
Solid Waste Fund	371,919
Participant Recreation Fund	86,127
Stormwater Fund	247,332
Total depreciation expense - business-type activities	<u>\$ 1,954,038</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2019, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Participation Recreation Fund	\$ 563,187
General Fund	Solid Waste Fund	2,500,000
General Fund	Internal Service Funds	1,010,805
General Fund	Nonmajor Governmental Funds	260,570
Nonmajor Governmental	Capital Projects Fund	16,482
		<u>\$ 4,351,044</u>

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

Advances to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Solid Waste Fund	General Fund	\$ 526,301

In 2014 and 2015 the Solid Waste fund loaned the General Fund \$1,218,564 for operational purposes; the General Fund will repay the balances over a period greater than one year and are appropriately reported as long-term advances. The outstanding balance at June 30, 2019 is \$526,301.

Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 33,251
General Fund	Capital Projects Fund	11,178
General Fund	Nonmajor Governmental Funds	187,500
Capital Projects Fund	General Fund	5,324,861
Capital Projects Fund	Water and Sewer Fund	29,354
Capital Projects Fund	Solid Waste Fund	116,994
Capital Projects Fund	Stormwater Fund	21,149
Capital Projects Fund	Internal Service Funds	22,418
Capital Projects Fund	Nonmajor Governmental Funds	180,000
Solid Waste Fund	General Fund	7,916
Participant Recreation Fund	General Fund	74,345
Nonmajor Governmental Funds	General Fund	1,543,353
Nonmajor Governmental Funds	Nonmajor Governmental Funds	164,766
		<u>\$ 7,717,085</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Transfers between funds are for the use of unrestricted revenue to finance various capital improvement projects accounted for in other funds. Transfers between funds are also used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them.

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 8,200,000	\$ -	\$ (1,450,000)	\$ 6,750,000	\$ 1,485,000
Plus: Premiums	225,576	-	(60,205)	165,371	-
Total bonds payable	<u>8,425,576</u>	<u>-</u>	<u>(1,510,205)</u>	<u>6,915,371</u>	<u>1,485,000</u>
Capital lease payable	-	1,004,172	(60,437)	943,735	244,789
Financed purchases payable	8,598,476	2,176,164	(996,759)	9,777,881	1,306,154
Note payable	3,633,906	-	(362,949)	3,270,957	364,768
Compensated absences	2,590,637	2,524,085	(2,250,313)	2,864,409	2,147,438
Claims payable	642,001	631,897	(898,838)	375,060	150,000
Net pension liability	<u>15,522,456</u>	<u>9,479,024</u>	<u>(10,227,161)</u>	<u>14,774,319</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 39,413,052</u>	<u>\$ 15,815,342</u>	<u>\$ (16,306,662)</u>	<u>\$ 38,921,732</u>	<u>\$ 5,698,149</u>
Business-type Activities:					
Note payable	\$ 13,346,545	\$ -	\$ (646,447)	\$ 12,700,098	\$ 655,555
Compensated absences	433,044	420,841	(406,381)	447,504	331,971
Net pension liability	<u>2,359,952</u>	<u>1,967,578</u>	<u>(1,610,350)</u>	<u>2,717,180</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 16,139,541</u>	<u>\$ 2,388,419</u>	<u>\$ (2,663,178)</u>	<u>\$ 15,864,782</u>	<u>\$ 987,526</u>

For governmental and business activities, compensated absences are liquidated in the funds from which the employees' salaries are paid, which include the General Fund, Nonmajor Governmental Funds, Water & Sewer Fund, Solid Waste Fund, Participant Recreation Fund, Stormwater Fund, and Internal Service Funds, as applicable. For governmental activities, claims and judgments will be liquidated in the Impact Fees Fund but are not expected to be liquidated within the next year. The net pension liability is liquidated by the General Fund, Group Health, Risk Management and Fleet Services funds for governmental activities. For business-type activities, the net pension liability will be liquidated by all enterprise funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Governmental Activities

General Obligation Bonds, Series 2013. During fiscal year 2013, the City issued \$9,760,000 of general obligation bonds for the purpose of (i) funding infrastructure improvement projects, (ii) financing the acquisition, design and development of real and personal property for recreational fields and park facilities, (iii) financing the acquisition, design and development of a fire station, and (iv) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 1.0%-2.0% per annum and mature February 1, 2023.

The City's debt service requirements to maturity on the general obligation bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 985,000	\$ 81,200	\$ 1,066,200
2021	1,005,000	61,500	1,066,500
2022	1,025,000	41,400	1,066,400
2023	1,045,000	20,900	1,065,900
Total	<u>\$ 4,060,000</u>	<u>\$ 205,000</u>	<u>\$ 4,265,000</u>

General Obligation Bonds, Series 2014. During fiscal year 2014, the City issued \$4,940,000 of general obligation bonds for the purpose of (i) funding infrastructure improvement projects, (ii) financing the acquisition, design and development of real and personal property for recreational fields and park facilities, (iii) financing the acquisition, design and development of a fire station, and (iv) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 2.0%-3.0% per annum and mature February 1, 2024.

The City's debt service requirements to maturity on the general obligation bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 500,000	\$ 80,700	\$ 580,700
2021	515,000	65,700	580,700
2022	535,000	50,250	585,250
2023	585,000	34,200	619,200
2024	555,000	16,650	571,650
Total	<u>\$ 2,690,000</u>	<u>\$ 247,500</u>	<u>\$ 2,937,500</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable From Direct Borrowings. The City has also incurred debt to the Georgia Environmental Finance Authority to finance the costs of acquisition of a land conservation project as approved by the Georgia Land Conservation Council. Two agreements for the land conservation projects were originally executed for \$2,739,421 and \$969,193, with interest rates of 0.5%. The agreements are paid each month beginning April 1, 2018 through March 1, 2028 and June 1, 2018 through May 1, 2028, respectively.

The debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 364,768	\$ 15,520	\$ 380,288
2021	366,596	13,692	380,288
2022	368,433	11,854	380,287
2023	370,279	10,008	380,287
2024	372,135	8,152	380,287
2025-2028	1,428,746	13,896	1,442,642
Total	<u>\$ 3,270,957</u>	<u>\$ 73,122</u>	<u>\$ 3,344,079</u>

Financed Purchases From Direct Borrowings. The City has entered into a purchase agreement to finance the acquisition of six public safety vehicles and equipment for use in the City's IT department. The financed purchases are for periods of six to eleven years, at interest rates ranging from 1.80% to 3.41% annually. As of June 30, 2019, the City had \$6,391,948 of vehicles and equipment, with associated accumulated depreciation of \$1,189,002 financed under the purchase agreement.

As of June 30, 2019 the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 688,979	\$ 136,219	\$ 825,198
2021	660,196	111,439	771,635
2022	677,952	93,683	771,635
2023	696,515	75,432	771,947
2024	570,959	56,666	627,625
2025-2029	1,481,475	109,473	1,590,948
Total	<u>\$ 4,776,076</u>	<u>\$ 582,912</u>	<u>\$ 5,358,988</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Financed Purchases from Direct Borrowings. The City has entered into installment sale agreements to finance the acquisition of real property. One agreement is for a period of ten years, at an interest rate of 1.83% annually. Another agreement is for a period of ten years, at an interest rate of 2.25% annually.

As of June 30, 2019 the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 617,175	\$ 96,427	\$ 713,602
2021	629,772	83,831	713,603
2022	642,629	70,974	713,603
2023	655,751	57,852	713,603
2024	669,143	44,460	713,603
2025-2029	1,787,335	53,695	1,841,030
Total	<u>\$ 5,001,805</u>	<u>\$ 407,239</u>	<u>\$ 5,409,044</u>

Capital Leases Payable. In March of 2019, the City entered into an agreement with Enterprise Fleet Management to lease thirty-seven (37) vehicles for various departmental uses. The leases are for four year periods. The lease agreement does not contain a stated rate of interest; however, if the City fails to make monthly payments as required, interest and penalties may apply. As of June 30, 2019, the City had \$1,004,172 of Enterprise vehicles, with associated accumulated depreciation of \$83,554 financed under the capital leases.

Year Ending June 30,	
2020	\$ 261,428
2021	261,428
2022	261,428
2023	196,071
Total minimum lease payments	<u>980,355</u>
Less amount representing interest	<u>36,620</u>
Present value of future minimum lease payments	<u>\$ 943,735</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Business-Type Activities

Notes Payable From Direct Borrowings. The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. The agreement for construction of water and sewer system projects was originally executed for \$14,456,590, with an interest rate of 1.40%. The agreement is paid each month beginning October 1, 2016 through September 1, 2036.

The debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 655,555	\$ 173,606	\$ 829,161
2021	664,792	164,369	829,161
2022	674,159	155,002	829,161
2023	683,659	145,503	829,162
2024	693,291	135,870	829,161
2025-2029	3,615,766	580,276	4,196,042
2030-2034	3,877,781	321,902	4,199,683
2035-2037	1,835,095	61,868	1,896,963
Total	<u>\$ 12,700,098</u>	<u>\$ 1,738,396</u>	<u>\$ 14,438,494</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Roswell Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$30 for each year of service after reaching normal retirement age.

Plan Membership. At January 1, 2019, the date of the most recent actuarial valuation, there were 915 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	320
Terminated vested participants not yet receiving benefits	314
Active employees - vested	281
Total	<u>915</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2019, the actuarially determined contribution rate was 21.84% of covered payroll. The City makes all contributions to the plan. For 2019, the City's contribution to the Plan was \$3,834,608.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2018.

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75%
Investment rate of return	7.50%

Mortality rates for the January 1, 2019 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2018 are summarized in the table below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.40
Global fixed income	5%	3.03
Domestic fixed income	20%	1.75
Real estate	10%	5.10
Cash	—%	
Total	100%	

* Rates shown are net of the 2.75% assumed rate of inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2019 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	\$ 99,606,974	\$ 81,724,566	\$ 17,882,408
Changes for the year:			
Service cost	975,524	-	975,524
Interest	7,338,986	-	7,338,986
Differences between expected and actual experience	3,006,088	-	3,006,088
Contributions—employer	-	3,785,338	(3,785,338)
Net investment income	-	8,052,173	(8,052,173)
Benefit payments, including refunds of employee contributions	(5,458,699)	(5,458,699)	-
Administrative expense	-	(126,004)	126,004
Other	-	-	-
Net changes	5,861,899	6,252,808	(390,909)
Balances at 6/30/19	\$ 105,468,873	\$ 87,977,374	\$ 17,491,499

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's net pension liability	\$ 29,515,511	\$ 17,491,499	\$ 7,332,589

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2018 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$3,925,599. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,542,734	\$ -
Changes in assumptions	591,948	-
Net difference between projected and actual earnings on pension plan investments	-	4,761,349
City contributions subsequent to the measurement date	2,875,956	-
Total	\$ 5,010,638	\$ 4,761,349

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$2,875,956 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2020	\$ 1,104,550
2021	(1,887,881)
2022	(1,445,275)
2023	(398,061)
Total	<u>\$ (2,626,667)</u>

NOTE 10. DEFINED CONTRIBUTION PLAN

A. Primary Government

The City of Roswell's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At June 30, 2019, there were 356 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Mayor and Council have approved discretionary employer contributions for 346 employees. For the fiscal year ended June 30, 2019, The City's contributions, which was also the City's pension expense, was \$183,462 and employee's contributed \$913,629.

During the year ended June 30, 2014, the City adopted a second deferred compensation plan for employees hired after March 1, 2011. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At June 30, 2019, there were 357 plan members.

Employees are not required to contribute to the Plan. The City contributes 10% of each employee's compensation each pay period and will match up to an additional 5% of contributions made by the employee. For the fiscal year ended June 30, 2019, The City's contributions, which was also the City's pension expense, was \$1,811,988 and employee's contributed \$480,612.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Health Insurance

The City has established a self-funded trust for the administration and funding of the City's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee. Claim liabilities do not include nonincremental claims adjustment expenses.

The following describes the activity in the health care plan, including changes to the estimate for claims incurred but not reported, for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2019	\$ 978,969	\$ 7,150,810	\$ 7,400,607	\$ 729,172
2018	1,109,323	6,620,232	6,750,586	978,969

Workers' Compensation

The City is self-insured for workers' compensation claims. Individual limits for City payments are \$600,000 per claim. After these limits are met, private insurance covers the claims. The City has entered into a contract with a third party administrator to administer the claims. The City has established the Workers' Compensation Fund to record this activity. Claim liabilities do not include nonincremental claims adjustment expenses. The following describes the activity related to these claims based on actual claims presented after year-end and historical experience for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2019	\$ 891,415	\$ 845,619	\$ 604,044	\$ 1,132,990
2018	429,920	1,237,719	776,224	891,415

General Liability

The City participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

General Liability (Continued)

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

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded coverage in the past three years and there have been no significant reductions in coverage.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Fulton County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: The Financial Reporting Entity, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Roswell is responsible for approximately \$5.1 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended June 30, 2019, the City of Roswell contributed \$460,200 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 1 Galambos Way, Sandy Springs, Georgia 30328.

NOTE 14. HOTEL/MOTEL TAX

The City has levied a 6% lodging tax. During the year ended June 30, 2019, the City collected \$1,097,111 in revenues. The current year expenditures of \$701,459 or 64% of current year revenues were expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTE 15. AUTO RENTAL EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated §48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the promotion of trade, industry, commerce and tourism for capital projects related to sports, conventions, recreational facilities or public safety facilities or for maintenance of such facilities. During the year ended June 30, 2019, the City collected \$295,575 in motor vehicle excise taxes revenues. Of this amount, \$295,575, or 100%, was restricted for use for these purposes.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSWELL, GEORGIA

**REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability					
Service cost	\$ 975,524	\$ 1,062,294	\$ 1,046,059	\$ 1,197,926	\$ 1,386,893
Interest on total pension liability	7,338,986	7,118,540	6,658,326	6,234,683	5,934,816
Differences between expected and actual experience	3,006,088	119,069	2,593,636	1,847,491	84,829
Changes of assumptions	-	1,775,845	-	-	(268,682)
Benefit payments, including refunds of employee contributions	(5,458,699)	(4,641,812)	(4,077,740)	(3,570,600)	(2,966,601)
Other changes	-	-	-	10,428	-
Net change in total pension liability	<u>5,861,899</u>	<u>5,433,936</u>	<u>6,220,281</u>	<u>5,719,928</u>	<u>4,171,255</u>
Total pension liability - beginning	<u>99,606,974</u>	<u>94,173,038</u>	<u>87,952,757</u>	<u>82,232,829</u>	<u>78,061,574</u>
Total pension liability - ending (a)	<u>\$ 105,468,873</u>	<u>\$ 99,606,974</u>	<u>\$ 94,173,038</u>	<u>\$ 87,952,757</u>	<u>\$ 82,232,829</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,785,338	\$ 3,525,020	\$ 3,379,204	\$ 3,546,156	\$ 3,852,643
Net investment income	8,052,173	10,782,546	7,274,457	749,476	6,609,886
Benefit payments, including refunds of member contributions	(5,458,699)	(4,641,812)	(4,077,740)	(3,570,600)	(2,966,601)
Administrative expenses	(126,004)	(134,003)	(82,191)	(94,972)	(75,519)
Net change in plan fiduciary net position	<u>6,252,808</u>	<u>9,531,751</u>	<u>6,493,730</u>	<u>630,060</u>	<u>7,420,409</u>
Plan fiduciary net position - beginning	<u>81,724,566</u>	<u>72,192,815</u>	<u>65,699,085</u>	<u>65,069,025</u>	<u>57,648,616</u>
Plan fiduciary net position - ending (b)	<u>\$ 87,977,374</u>	<u>\$ 81,724,566</u>	<u>\$ 72,192,815</u>	<u>\$ 65,699,085</u>	<u>\$ 65,069,025</u>
City's net pension liability - ending (a) - (b)	<u>\$ 17,491,499</u>	<u>\$ 17,882,408</u>	<u>\$ 21,980,223</u>	<u>\$ 22,253,672</u>	<u>\$ 17,163,804</u>
Plan fiduciary net position as a percentage of the total pension liability	83.42%	82.05%	76.66%	74.70%	79.13%
Covered payroll	\$ 16,460,965	\$ 17,554,061	\$ 19,764,282	\$ 20,107,088	\$ 21,870,148
City's net pension liability as a percentage of covered payroll	106.26%	101.87%	111.21%	110.68%	78.48%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF ROSWELL, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 3,834,608	\$ 3,768,914	\$ 3,441,189	\$ 3,358,543	\$ 3,608,694
Contributions in relation to the actuarially determined contribution	<u>3,834,608</u>	<u>3,768,914</u>	<u>3,441,189</u>	<u>3,358,543</u>	<u>3,608,694</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,554,061	\$ 19,764,282	\$ 20,107,088	\$ 21,870,148	\$ 23,744,082
Contributions as a percentage of covered payroll	21.84%	19.07%	17.11%	15.36%	15.20%

Notes to the Schedule:

(1) The schedule will present 10 years of information once it is accumulated.

**CITY OF ROSWELL, GEORGIA
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 66,471,883	\$ 68,003,433	\$ 69,917,785	\$ 1,914,352
Licenses and permits	2,339,500	2,339,500	2,609,035	269,535
Intergovernmental	163,779	168,181	116,066	(52,115)
Fines and forfeitures	1,480,000	1,480,000	1,447,092	(32,908)
Charges for services	2,919,715	2,919,715	3,101,847	182,132
Investment earnings	405,250	405,250	1,230,888	825,638
Contributions	20,000	20,000	23,538	3,538
Miscellaneous	212,000	351,500	508,257	156,757
Total revenues	<u>74,012,127</u>	<u>75,687,579</u>	<u>78,954,508</u>	<u>3,266,929</u>
Expenditures:				
Current:				
Administration	12,752,889	13,209,325	10,916,014	2,293,311
Courts	1,181,921	1,201,718	1,124,682	77,036
Finance	2,758,853	2,953,929	2,814,678	139,251
Police	18,709,076	18,748,422	17,728,771	1,019,651
Fire	9,630,090	12,253,832	11,485,198	768,634
Transportation	8,289,699	8,446,881	7,947,148	499,733
Planning and zoning	2,818,189	2,961,708	3,032,510	(70,802)
Recreation and parks	12,056,092	12,344,414	12,098,105	246,309
Debt service:				
Principal	1,447,802	1,373,342	1,359,708	13,634
Interest	126,624	201,084	204,077	(2,993)
Total expenditures	<u>69,771,235</u>	<u>73,694,655</u>	<u>68,710,891</u>	<u>4,983,764</u>
Excess of revenues over expenditures	4,240,892	1,992,924	10,243,617	8,250,693
Other financing sources (uses):				
Proceeds from sale of capital assets	100,000	2,048,819	283,080	(1,765,739)
Transfers in	258,251	158,528	231,929	73,401
Transfers out	(4,002,732)	(5,428,514)	(6,950,475)	(1,521,961)
Total other financing uses	<u>(3,644,481)</u>	<u>(3,221,167)</u>	<u>(6,435,466)</u>	<u>(3,214,299)</u>
Net change in fund balances (budgetary basis)	<u>\$ 596,411</u>	<u>\$ (1,228,243)</u>	3,808,151	<u>\$ 5,036,394</u>
Less outstanding encumbrances, June 30			<u>3,131,997</u>	
Net change in fund balances (GAAP basis)			6,940,148	
Fund balance, beginning			<u>25,130,488</u>	
Fund balance, ending			<u>\$ 32,070,636</u>	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Confiscated Assets - to account for monies forfeited by criminals that are prosecuted for narcotics or vice activity.

Emergency 911 Telephone System - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services. The E911 charges are restricted in purpose by state law.

State Grants - to account for grant monies received from various state agencies.

Federal Grants - to account for grant monies received from various federal agencies.

County/Local Grants - to account for grant monies received from various local agencies.

NSP Grants - to account for Neighborhood Stabilization Program grant monies received from various federal agencies.

CDBG Grants - to account for CDBG grant monies received from various federal agencies.

Soil Erosion - to account for fees received from developers for the promotion of soil erosion prevention.

Hotel/Motel Tax - to account for the collection of hotel/motel taxes within the City which are restricted for the promotion of tourism and development of trails. These funds support the Historic Roswell Convention & Visitors Bureau and Roswell's trail system.

Leita Thompson - to account for revenues collected in association with the Leitalift Foundation agreement for donated park land and its assets.

Auto Rental Excise Tax Fund – To account for the rental motor vehicle excise tax collected as allowed by Georgia law.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the City's capital assets other than those financed by enterprise funds.

Impact Fees Fund accounts for the collection of impact fees to pay for system improvements for fire, recreation and parks and transportation facilities as projected in the Roswell Comprehensive Land Use Plan.

2000 Bond Fund - to account for the proceeds of the 2000 General Obligation Bond Issue. The revenue in this fund must be used for the acquisition and construction of major capital projects specifically identified in the bond issue.

2013 Bond Fund - to account for the proceeds of the 2013 General Obligation Bond Issue. The revenue in this fund must be used for the acquisition and construction of major capital projects specifically identified in the bond issue.

2014 Bond Fund - to account for the proceeds of the 2014 General Obligation Bond Issue. The revenue in this fund must be used for the acquisition and construction of major capital projects specifically identified in the bond issue.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

The debt service fund is used to account for accumulation of resources and payments made of principal and interest on the City's general obligation debt.

Debt Service Fund accounts for the accumulation of resources and payments made of principal and interest on the City's general obligation debt.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Scholarship Fund - to account for funds designated for qualified scholarship participants.

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CITY OF ROSWELL, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds							
	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	NSP Grants	CDBG Grants	Federal Grants	Soil Erosion
ASSETS								
Cash and cash equivalents	\$ 1,154,916	\$ 898,878	\$ 156,643	\$ 7,155	\$ 138,892	\$ -	\$ -	\$ 158,508
Investments	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectibles	-	382,832	-	2,700	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	168,717	1,801,360	-
Due from other funds	-	4,512	-	-	-	-	-	-
Prepaid items	1,353	11,759	-	-	-	2,292	-	-
Total assets	\$ 1,156,269	\$ 1,297,981	\$ 156,643	\$ 9,855	\$ 138,892	\$ 171,009	\$ 1,801,360	\$ 158,508
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 200,982	\$ 18,133	\$ -	\$ -	\$ 124	\$ 79,791	\$ 55,952	\$ 103,361
Accrued liabilities	2,541	61,888	-	-	-	1,100	250	-
Due to other funds	15,685	125,022	-	-	-	-	-	-
Total liabilities	219,208	205,043	-	-	124	80,891	56,202	103,361
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - taxes	-	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-	1,314,075	-
Unearned revenue - other	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	1,314,075	-
FUND BALANCES								
Nonspendable:								
Prepays	1,353	11,759	-	-	-	2,292	-	-
Permanent fund corpus	-	-	-	-	-	-	-	-
Restricted:								
Public safety	935,708	1,081,179	-	-	-	-	-	-
Culture and recreation	-	-	-	9,855	-	-	-	-
Environmental	-	-	-	-	-	-	-	38,604
Transportation	-	-	156,643	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	138,768	87,826	431,083	-
Scholarship	-	-	-	-	-	-	-	-
Promotion of industry and tourism	-	-	-	-	-	-	-	-
Committed:								
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	16,543
Total fund balances	937,061	1,092,938	156,643	9,855	138,768	90,118	431,083	55,147
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,156,269	\$ 1,297,981	\$ 156,643	\$ 9,855	\$ 138,892	\$ 171,009	\$ 1,801,360	\$ 158,508

Special Revenue Funds			Capital Projects Funds			Debt Service	Permanent Fund	Total Nonmajor Governmental Funds	
Hotel/Motel Tax	Auto Rental Excise Tax	Leita Thompson	Impact Fees	2000 Bond	2013 Bond	2014 Bond	Scholarship Fund		
\$ 89,564	\$ 269,881	\$ 140,895	\$ 3,162,707	\$ -	\$ -	\$ -	\$ 2,482,047	\$ 10,107	\$ 8,670,193
-	-	-	-	-	-	-	-	25,217	25,217
-	-	4,905	-	-	-	-	2,159	-	392,596
95,869	25,694	-	-	-	-	-	29,047	-	150,610
-	-	-	-	-	-	-	-	-	1,970,077
-	-	-	-	-	-	-	11,970	-	16,482
-	-	-	-	-	-	-	799	-	16,203
<u>\$ 185,433</u>	<u>\$ 295,575</u>	<u>\$ 145,800</u>	<u>\$ 3,162,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,526,022</u>	<u>\$ 35,324</u>	<u>\$ 11,241,378</u>
\$ -	\$ -	\$ 724	\$ -	\$ -	\$ -	\$ -	\$ 2,338	\$ -	\$ 461,405
-	-	4,600	-	-	-	-	-	-	70,379
119,863	-	-	-	-	-	-	-	-	260,570
119,863	-	5,324	-	-	-	-	2,338	-	792,354
-	-	-	-	-	-	-	22,588	-	22,588
-	-	-	-	-	-	-	-	-	1,314,075
-	-	170	-	-	-	-	-	-	170
-	-	170	-	-	-	-	22,588	-	1,336,833
-	-	-	-	-	-	-	799	-	16,203
-	-	-	-	-	-	-	-	25,000	25,000
-	-	-	1,500,222	-	-	-	-	-	3,517,109
65,570	-	-	921,131	-	-	-	-	-	996,556
-	-	-	-	-	-	-	-	-	38,604
-	-	-	741,354	-	-	-	-	-	897,997
-	-	-	-	-	-	-	2,500,297	-	2,500,297
-	-	-	-	-	-	-	-	-	657,677
-	295,575	-	-	-	-	-	-	10,324	10,324
-	-	-	-	-	-	-	-	-	295,575
-	-	140,306	-	-	-	-	-	-	140,306
-	-	-	-	-	-	-	-	-	16,543
65,570	295,575	140,306	3,162,707	-	-	-	2,501,096	35,324	9,112,191
<u>\$ 185,433</u>	<u>\$ 295,575</u>	<u>\$ 145,800</u>	<u>\$ 3,162,707</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,526,022</u>	<u>\$ 35,324</u>	<u>\$ 11,241,378</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds							
	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	NSP Grants	CDBG Grants	Federal Grants	Soil Erosion
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	5,700	15,124	449,775	3,490,155	-
Fines and forfeitures	265,090	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Charges for services	-	2,360,143	-	-	-	-	-	14,587
Investment earnings (loss)	-	3,429	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>265,090</u>	<u>2,363,572</u>	<u>-</u>	<u>5,700</u>	<u>15,124</u>	<u>449,775</u>	<u>3,490,155</u>	<u>14,587</u>
Expenditures:								
Current:								
General government	-	-	-	-	1,653	-	10,990	-
Public safety	320,616	2,533,071	-	3,000	-	-	31,267	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	14,000	-
Planning and zoning	-	-	-	-	-	395,659	10,671	-
Capital outlay	-	-	-	-	-	-	3,937,320	190,000
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>320,616</u>	<u>2,533,071</u>	<u>-</u>	<u>3,000</u>	<u>1,653</u>	<u>395,659</u>	<u>4,004,248</u>	<u>190,000</u>
Excess (deficiency) of revenues over expenditures	(55,526)	(169,499)	-	2,700	13,471	54,116	(514,093)	(175,413)
Other financing sources (uses):								
Transfers in	-	-	-	7,000	-	73,072	1,463,281	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>73,072</u>	<u>1,463,281</u>	<u>-</u>
Net change in fund balances	(55,526)	(169,499)	-	9,700	13,471	127,188	949,188	(175,413)
Fund balances (deficits), beginning of year	<u>992,587</u>	<u>1,262,437</u>	<u>156,643</u>	<u>155</u>	<u>125,297</u>	<u>(37,070)</u>	<u>(518,105)</u>	<u>230,560</u>
Fund balances, end of year	<u>\$ 937,061</u>	<u>\$ 1,092,938</u>	<u>\$ 156,643</u>	<u>\$ 9,855</u>	<u>\$ 138,768</u>	<u>\$ 90,118</u>	<u>\$ 431,083</u>	<u>\$ 55,147</u>

Special Revenue Funds			Capital Projects Funds			Debt Service	Permanent Fund	Total Nonmajor Governmental Funds	
Hotel/Motel Tax	Rental Motor Vehicle Excise Tax	Leita Thompson	Impact Fees	2000 Bond	2013 Bond	2014 Bond	Debt Service	Scholarship Fund	
\$ 1,097,111	\$ 295,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,408,855	\$ -	\$ 2,801,541
-	-	-	-	-	-	-	-	-	3,960,754
-	-	-	-	-	-	-	-	-	265,090
-	-	-	1,380,660	-	-	-	-	-	1,380,660
-	-	-	-	-	-	-	-	-	2,374,730
-	-	-	(344)	(71)	153	3,875	18,995	18	26,055
-	-	92,053	-	-	-	-	-	-	92,053
1,097,111	295,575	92,053	1,380,316	(71)	153	3,875	1,427,850	18	10,900,883
-	-	-	-	-	-	-	-	-	12,643
-	-	-	-	-	-	-	-	-	2,887,954
-	-	-	10,344	-	-	-	-	-	10,344
701,459	-	108,248	-	-	-	-	-	-	823,707
-	-	-	-	-	-	-	-	-	406,330
-	-	-	24,700	-	-	182,398	-	-	4,334,418
-	-	-	-	-	-	-	1,450,000	-	1,450,000
-	-	-	-	-	-	-	189,305	-	189,305
701,459	-	108,248	35,044	-	-	182,398	1,639,305	-	10,114,701
395,652	295,575	(16,195)	1,345,272	(71)	153	(178,523)	(211,455)	18	786,182
-	-	-	-	-	-	-	164,766	-	1,708,119
(367,500)	-	-	-	-	(153)	(164,613)	-	-	(532,266)
(367,500)	-	-	-	-	(153)	(164,613)	164,766	-	1,175,653
28,152	295,575	(16,195)	1,345,272	(71)	-	(343,136)	(46,689)	18	1,962,035
37,418	-	156,501	1,817,435	71	-	343,136	2,547,785	35,306	7,150,156
\$ 65,570	\$ 295,575	\$ 140,306	\$ 3,162,707	\$ -	\$ -	\$ -	\$ 2,501,096	\$ 35,324	\$ 9,112,191

**CITY OF ROSWELL, GEORGIA
CONFISCATED ASSETS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 150,000	\$ 150,000	\$ 265,090	\$ 115,090
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>265,090</u>	<u>115,090</u>
Expenditures:				
Current:				
Public safety	222,058	704,902	561,484	143,418
Total expenditures	<u>222,058</u>	<u>704,902</u>	<u>561,484</u>	<u>143,418</u>
Net change in fund balances (budgetary basis)	<u>\$ (72,058)</u>	<u>\$ (554,902)</u>	(296,394)	<u>\$ 258,508</u>
Less outstanding encumbrances, June 30			<u>240,868</u>	
Net change in fund balances (GAAP basis)			<u>\$ (55,526)</u>	

**CITY OF ROSWELL, GEORGIA
EMERGENCY 911 TELEPHONE SYSTEM**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,030,000	\$ 2,030,000	\$ 2,360,143	\$ 330,143
Investment earnings (loss)	17,375	17,375	3,429	(13,946)
Total revenues	<u>2,047,375</u>	<u>2,047,375</u>	<u>2,363,572</u>	<u>316,197</u>
Expenditures:				
Current:				
Public safety	2,796,867	2,796,867	2,533,194	263,673
Capital outlay	-	168,423	-	168,423
Total expenditures	<u>2,796,867</u>	<u>2,965,290</u>	<u>2,533,194</u>	<u>432,096</u>
Net change in fund balances (budgetary basis)	<u>\$ (749,492)</u>	<u>\$ (917,915)</u>	(169,622)	<u>\$ 748,293</u>
Less outstanding encumbrances, June 30			<u>123</u>	
Net change in fund balances (GAAP basis)			<u>\$ (169,499)</u>	

**CITY OF ROSWELL, GEORGIA
COUNTY/LOCAL GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 5,700	\$ (300)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>5,700</u>	<u>(300)</u>
Expenditures:				
Current:				
Public safety	3,000	3,000	3,000	-
Culture and recreation	10,000	10,000	-	10,000
Total expenditures	<u>13,000</u>	<u>13,000</u>	<u>3,000</u>	<u>10,000</u>
Excess of revenues over expenditures	(7,000)	(7,000)	2,700	9,700
Other financing sources:				
Transfers in	7,000	7,000	7,000	-
Total other financing sources	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	9,700	<u>\$ 9,700</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 9,700</u>	

**CITY OF ROSWELL, GEORGIA
NSP GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 15,124	\$ 15,124	\$ 15,124	\$ -
Total revenues	<u>15,124</u>	<u>15,124</u>	<u>15,124</u>	<u>-</u>
Expenditures:				
Current:				
General government	1,653	1,653	1,653	-
Total expenditures	<u>1,653</u>	<u>1,653</u>	<u>1,653</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 13,471</u>	<u>\$ 13,471</u>	13,471	<u>\$ -</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 13,471</u>	

**CITY OF ROSWELL, GEORGIA
CDBG GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 307,545	\$ 1,350,466	\$ 449,775	\$ (900,691)
Total revenues	<u>307,545</u>	<u>1,350,466</u>	<u>449,775</u>	<u>(900,691)</u>
Expenditures:				
Current:				
Planning and zoning	26,000	1,038,881	395,659	643,222
Capital outlay	-	260,523	100,937	159,586
Total expenditures	<u>26,000</u>	<u>1,299,404</u>	<u>496,596</u>	<u>802,808</u>
Other financing sources:				
Transfers in	-	-	73,072	73,072
Total other financing sources	<u>-</u>	<u>-</u>	<u>73,072</u>	<u>73,072</u>
Net change in fund balances (budgetary basis)	<u>\$ 281,545</u>	<u>\$ 51,062</u>	26,251	<u>\$ (24,811)</u>
Less outstanding encumbrances, June 30			<u>100,937</u>	
Net change in fund balances (GAAP basis)			<u>\$ 127,188</u>	

**CITY OF ROSWELL, GEORGIA
FEDERAL GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,900,865	\$ 5,075,734	\$ 3,490,155	\$ (1,585,579)
Total revenues	<u>4,900,865</u>	<u>5,075,734</u>	<u>3,490,155</u>	<u>(1,585,579)</u>
Expenditures:				
Current:				
General government	145,326	19,862	10,990	8,872
Planning and zoning	13,674	13,674	10,671	3,003
Public works	-	-	242,606	(242,606)
Public safety	25,630	36,804	32,811	3,993
Culture and recreation	-	14,000	14,000	-
Capital outlay	<u>4,028,426</u>	<u>4,019,797</u>	<u>3,937,320</u>	<u>82,477</u>
Total expenditures	<u>4,213,056</u>	<u>4,104,137</u>	<u>4,248,398</u>	<u>(144,261)</u>
Deficiency of revenues over expenditures	687,809	971,597	(758,243)	(1,729,840)
Other financing sources:				
Transfers in	<u>208,087</u>	<u>206,301</u>	<u>1,463,281</u>	<u>1,256,980</u>
Total other financing sources	<u>208,087</u>	<u>206,301</u>	<u>1,463,281</u>	<u>1,256,980</u>
Net change in fund balances (budgetary basis)	<u>\$ 895,896</u>	<u>\$ 1,177,898</u>	705,038	<u>\$ (472,860)</u>
Less outstanding encumbrances, June 30			<u>244,150</u>	
Net change in fund balances (GAAP basis)			<u>\$ 949,188</u>	

**CITY OF ROSWELL, GEORGIA
SOIL EROSION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 13,000	\$ 13,000	\$ 14,587	\$ 1,587
Investment earnings (loss)	4,750	4,750	-	(4,750)
Total revenues	<u>17,750</u>	<u>17,750</u>	<u>14,587</u>	<u>(3,163)</u>
Expenditures:				
Capital outlay	-	190,000	190,000	-
Total expenditures	<u>-</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 17,750</u>	<u>\$ (172,250)</u>	(175,413)	<u>\$ (3,163)</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ (175,413)</u>	

**CITY OF ROSWELL, GEORGIA
HOTEL/MOTEL TAX**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,168,027	\$ 1,168,027	\$ 1,097,111	\$ (70,916)
Total revenues	<u>1,168,027</u>	<u>1,168,027</u>	<u>1,097,111</u>	<u>(70,916)</u>
Expenditures:				
Current:				
Culture and recreation	699,936	699,936	701,459	(1,523)
Total expenditures	<u>699,936</u>	<u>699,936</u>	<u>701,459</u>	<u>(1,523)</u>
Other financing uses:				
Transfers out	(405,000)	(405,000)	(367,500)	37,500
Total other financing uses	<u>(405,000)</u>	<u>(405,000)</u>	<u>(367,500)</u>	<u>37,500</u>
Net change in fund balances (budgetary basis)	<u>\$ 63,091</u>	<u>\$ 63,091</u>	28,152	<u>\$ (34,939)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 28,152</u>	

CITY OF ROSWELL, GEORGIA
LEITA THOMPSON

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>		<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 90,000	\$ 90,000	\$ 92,053	\$ 2,053
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>92,053</u>	<u>2,053</u>
Expenditures:				
Current:				
Culture and recreation	107,260	107,260	108,248	(988)
Total expenditures	<u>107,260</u>	<u>107,260</u>	<u>108,248</u>	<u>(988)</u>
Net change in fund balances (budgetary basis)	<u>\$ (17,260)</u>	<u>\$ (17,260)</u>	(16,195)	<u>\$ 1,065</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (16,195)</u>	

**CITY OF ROSWELL, GEORGIA
AUTO RENTAL EXCISE TAX**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 75,000	\$ 75,000	\$ 295,575	\$ 220,575
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>295,575</u>	<u>220,575</u>
Net change in fund balances (budgetary basis)	<u>\$ 75,000</u>	<u>\$ 75,000</u>	295,575	<u>\$ 220,575</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 295,575</u>	

**CITY OF ROSWELL, GEORGIA
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,279,892	\$ 1,279,892	\$ 1,408,855	\$ 128,963
Investment earnings (loss)	37,375	37,375	18,995	(18,380)
Total revenues	<u>1,317,267</u>	<u>1,317,267</u>	<u>1,427,850</u>	<u>110,583</u>
Expenditures:				
Debt service:				
Principal	1,425,000	1,450,000	1,450,000	-
Interest	225,000	200,000	189,305	10,695
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,639,305</u>	<u>10,695</u>
Other financing sources:				
Transfers in	-	-	164,766	164,766
Total other financing sources	<u>-</u>	<u>-</u>	<u>164,766</u>	<u>164,766</u>
Net change in fund balances (budgetary basis)	<u>\$ (332,733)</u>	<u>\$ (332,733)</u>	(46,689)	<u>\$ 286,044</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (46,689)</u>	

**CITY OF ROSWELL, GEORGIA
SCHOLARSHIP FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 18	\$ (32)
Total revenues	<u>50</u>	<u>50</u>	<u>18</u>	<u>(32)</u>
Expenditures:				
Current:				
Culture and recreation	50	50	-	50
Total expenditures	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	18	<u>\$ 18</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 18</u>	

CITY OF ROSWELL, GEORGIA

**SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX (TSPLOST)
FOR THE YEAR ENDED JUNE 30, 2019**

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
TSPLOST TIER 1						
Big Creek Parkway Phase 1 and 2	\$ 69,000,000	\$ 53,000,000	\$ 1,069,778	\$ 1,166,082	\$ 2,235,860	4.22 %
Holcomb Bridge Interchange	-	6,000,000	-	-	-	0.00 %
Historic Gateway	-	3,000,000	-	-	-	0.00 %
Rucker Road Reconstruction	-	2,973,060	-	35,086	35,086	1.18 %
Oxbo/SR9 Intersection	7,000,000	10,000,000	3,834,322	1,476,158	5,310,480	53.10 %
Old Holcomb Bridge Road Bridge Replacement	3,086,390	3,086,390	27,188	-	27,188	0.88 %
TSPLOST TIER 2						
Sidewalk Repair and Complete Streets Program	7,000,000	7,000,000	-	-	-	0.00 %
Safety Improvements and Maintenance	6,956,422	6,956,422	-	-	-	0.00 %
TSPLOST TIER 3						
Northbound Early Off Ramp	14,011,490	14,011,490	-	-	-	0.00 %
TOTAL TSPLOST	\$ 107,054,302	\$ 106,027,362	\$ 4,931,288	\$ 2,677,326	\$ 7,608,614	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Group Health Fund – to account for charges to other funds and for the payment of employee's health insurance and the payment of claims.

Risk Management Fund – to account for charges to other funds and for the payment of general liability and property insurance and the payment of claims.

Workers' Compensation Fund – to account for charges to other funds and for the payment of the workers' compensation insurance and claims.

Fleet Services Fund – to account for charges to other funds and to account for the costs of operating the fleet maintenance function.

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2019

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
ASSETS					
Current assets:					
Cash	\$ 2,595,111	\$ 1,205,368	\$ 152,373	\$ 493,778	\$ 4,446,630
Investments	1,981,703	-	997,956	-	2,979,659
Receivables	79,376	-	2,607	-	81,983
Prepaid items	14,406	-	128,486	5,280	148,172
Total current assets	<u>4,670,596</u>	<u>1,205,368</u>	<u>1,281,422</u>	<u>499,058</u>	<u>7,656,444</u>
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	-	253,717	-	-	253,717
Less accumulated depreciation	-	(114,176)	-	-	(114,176)
Total noncurrent assets	<u>-</u>	<u>139,541</u>	<u>-</u>	<u>-</u>	<u>139,541</u>
Total assets	<u>4,670,596</u>	<u>1,344,909</u>	<u>1,281,422</u>	<u>499,058</u>	<u>7,795,985</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	22,095	19,221	-	41,604	82,920
Total deferred outflows of resources	<u>22,095</u>	<u>19,221</u>	<u>-</u>	<u>41,604</u>	<u>82,920</u>
LIABILITIES					
Current liabilities:					
Accounts payable	87,443	209,737	76,051	75,409	448,640
Accrued liabilities	736,623	628	1,135,392	18,964	1,891,607
Due to other funds	1,000,000	-	10,805	-	1,010,805
Compensated absences	3,208	-	1,353	18,663	23,224
Total current liabilities	<u>1,827,274</u>	<u>210,365</u>	<u>1,223,601</u>	<u>113,036</u>	<u>3,374,276</u>
Long-term liabilities:					
Compensated absences	466	-	1,713	8,618	10,797
Net pension liability	77,134	67,099	-	145,233	289,466
Total long-term liabilities	<u>77,600</u>	<u>67,099</u>	<u>1,713</u>	<u>153,851</u>	<u>300,263</u>
Total liabilities	<u>1,904,874</u>	<u>277,464</u>	<u>1,225,314</u>	<u>266,887</u>	<u>3,674,539</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	20,997	18,265	-	39,534	78,796
Total deferred inflows of resources	<u>20,997</u>	<u>18,265</u>	<u>-</u>	<u>39,534</u>	<u>78,796</u>
NET POSITION					
Investment in capital assets	-	139,541	-	-	139,541
Unrestricted	2,766,820	928,860	56,108	234,241	3,986,029
Total net position	<u>\$ 2,766,820</u>	<u>\$ 1,068,401</u>	<u>\$ 56,108</u>	<u>\$ 234,241</u>	<u>\$ 4,125,570</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
OPERATING REVENUES					
Charges for services	\$ 8,925,617	\$ 1,111,999	\$ 616,005	\$ 1,840,453	\$ 12,494,074
Miscellaneous	714,101	-	-	-	714,101
Total operating revenues	<u>9,639,718</u>	<u>1,111,999</u>	<u>616,005</u>	<u>1,840,453</u>	<u>13,208,175</u>
OPERATING EXPENSES					
General and administrative	2,014,865	155,017	209,365	1,542,957	3,922,204
Depreciation	-	50,747	-	-	50,747
Claims expense	6,497,910	1,126,322	845,619	-	8,469,851
Total operating expenses	<u>8,512,775</u>	<u>1,332,086</u>	<u>1,054,984</u>	<u>1,542,957</u>	<u>12,442,802</u>
Operating income (loss)	1,126,943	(220,087)	(438,979)	297,496	765,373
NONOPERATING REVENUES					
Investment earnings	119,107	-	26,731	-	145,838
Total nonoperating revenues	<u>119,107</u>	<u>-</u>	<u>26,731</u>	<u>-</u>	<u>145,838</u>
Income (loss) before transfers	1,246,050	(220,087)	(412,248)	297,496	911,211
Transfers out	-	-	-	(22,418)	(22,418)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,418)</u>	<u>(22,418)</u>
Change in net position	1,246,050	(220,087)	(412,248)	275,078	888,793
NET POSITION, beginning of year	<u>1,520,770</u>	<u>1,288,488</u>	<u>468,356</u>	<u>(40,837)</u>	<u>3,236,777</u>
NET POSITION, end of year	<u>\$ 2,766,820</u>	<u>\$ 1,068,401</u>	<u>\$ 56,108</u>	<u>\$ 234,241</u>	<u>\$ 4,125,570</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,777,031	\$ -	\$ -	\$ -	\$ 1,777,031
Receipts from interfund charges	8,528,951	1,111,999	616,005	1,840,453	12,097,408
Payments to suppliers and service providers	(8,774,927)	(841,269)	(949,311)	(1,602,647)	(12,168,154)
Net cash provided by (used in) operating activities	<u>1,531,055</u>	<u>270,730</u>	<u>(333,306)</u>	<u>237,806</u>	<u>1,706,285</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	39,960	-	17,999	-	57,959
Net cash provided by investing activities	<u>39,960</u>	<u>-</u>	<u>17,999</u>	<u>-</u>	<u>57,959</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	-	-	(22,418)	(22,418)
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,418)</u>	<u>(22,418)</u>
Net increase (decrease) in cash	1,571,015	270,730	(315,307)	215,388	1,741,826
Cash:					
Beginning of year	1,024,096	934,638	467,680	278,390	2,704,804
End of year	<u>\$ 2,595,111</u>	<u>\$ 1,205,368</u>	<u>\$ 152,373</u>	<u>\$ 493,778</u>	<u>\$ 4,446,630</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,126,943	\$ (220,087)	\$ (438,979)	\$ 297,496	\$ 765,373
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	50,747	-	-	50,747
Decrease in accounts receivable	195,612	-	-	-	195,612
(Increase) decrease in prepaids	(13,101)	238,569	(68,082)	(4,895)	152,491
(Increase) decrease in pension related deferred outflows of resources	(1,999)	(1,742)	-	16,082	12,341
Increase (decrease) in accounts payable	17,088	203,868	(76,185)	(1,711)	143,060
Increase (decrease) in accrued liabilities	(265,517)	(2,146)	241,666	845	(25,152)
Increase (decrease) in pension related deferred inflows of resources	3,867	3,366	-	(9,639)	(2,406)
Increase (decrease) in compensated absences	(7,092)	(5,858)	604	2,602	(9,744)
Increase (decrease) in net pension liability	4,602	4,013	-	(62,974)	(54,359)
Increase in due to other funds	470,652	-	7,670	-	478,322
Net cash provided by (used in) operating activities	<u>\$ 1,531,055</u>	<u>\$ 270,730</u>	<u>\$ (333,306)</u>	<u>\$ 237,806</u>	<u>\$ 1,706,285</u>
NONCASH INVESTING ACTIVITIES					
Increase in fair value of investments	<u>\$ 68,025</u>	<u>\$ -</u>	<u>\$ 10,616</u>	<u>\$ -</u>	<u>\$ 78,641</u>

COMPONENT UNIT

CITY OF ROSWELL, GEORGIA
BALANCE SHEET
COMPONENT UNIT - ROSWELL ECONOMIC
DEVELOPMENT & TOURISM, INC.

JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$	725,340
Receivables		1,934
Prepaid items		3,960
		3,960
Total assets	\$	731,234

**LIABILITIES
AND FUND BALANCES**

LIABILITIES

Accounts payable	\$	33,456
Accrued liabilities		11,239
		11,239
Total liabilities		44,695

FUND BALANCES

Restricted:		
Tourism		344,474
Economic development		342,065
Total fund balances		686,539
Total liabilities and fund balances	\$	731,234

CITY OF ROSWELL, GEORGIA

STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE
COMPONENT UNIT - ROSWELL ECONOMIC
DEVELOPMENT & TOURISM, INC.

FOR THE YEAR ENDED JUNE 30, 2019

Revenues:

Intergovernmental	\$	1,295,536
Charges for services		<u>271,568</u>
Total revenues		<u>1,567,104</u>

Expenditures:

Current:		
Culture and recreation		708,683
Economic development		<u>846,247</u>

Total expenditures		<u>1,554,930</u>
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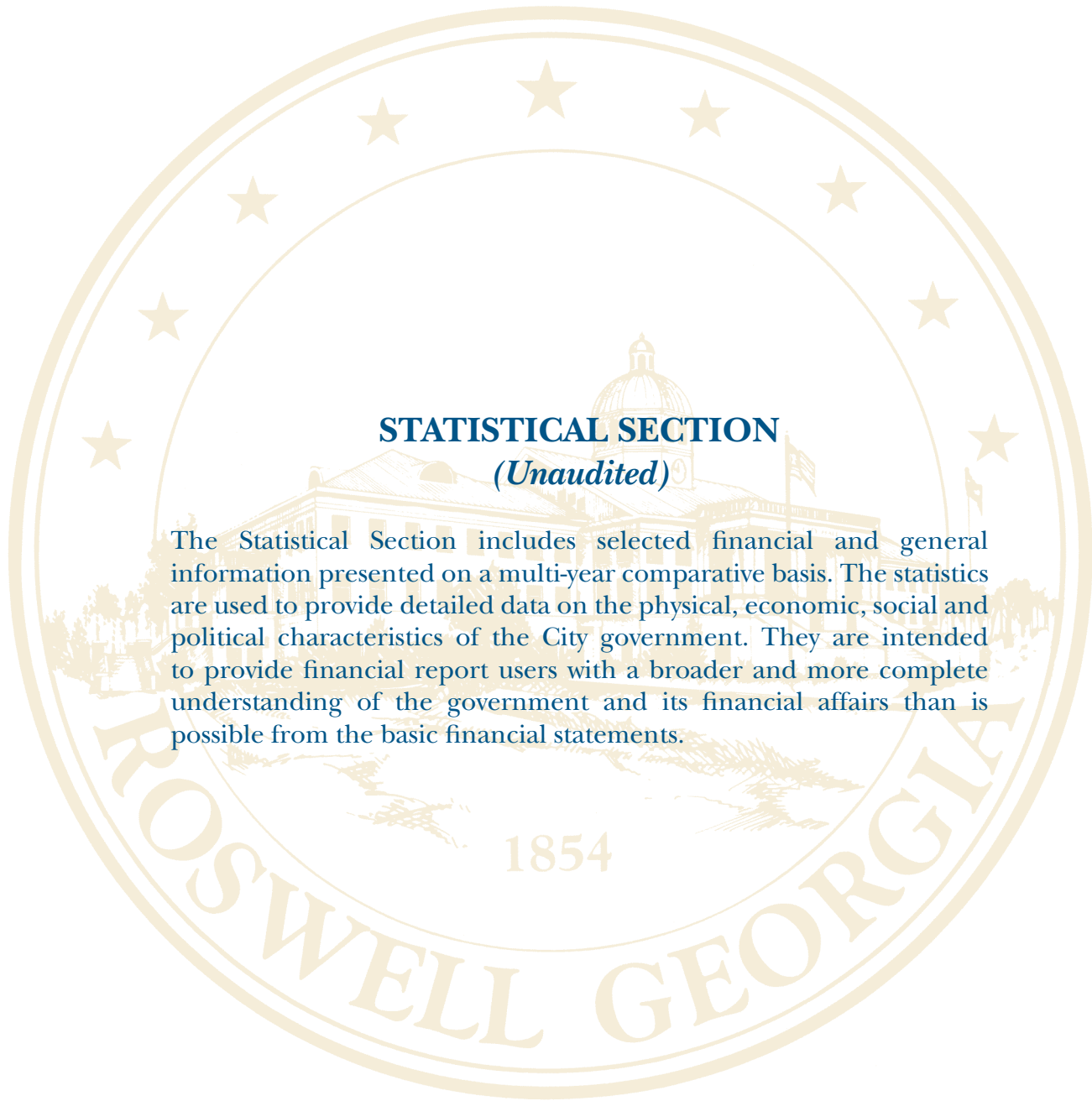
Net change in fund balances		12,174
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Fund balance, beginning of year		<u>674,365</u>
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Fund balance, end of year	\$	<u><u>686,539</u></u>
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STATISTICAL SECTION
(Unaudited)

The Statistical Section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social and political characteristics of the City government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than is possible from the basic financial statements.

STATISTICAL SECTION

This part of City of Roswell's 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 government's overall financial health.

Page

Financial Trends82-87

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity88-91

These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity92-95

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 96 and 97

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information98-102

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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

CITY OF ROSWELL, GEORGIA

NET POSITION BY COMPONENT Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 126,837	\$ 140,779	\$ 156,690	\$ 154,588
Restricted	8,314	21,015	11,443	20,996
Unrestricted	65,539	50,820	49,347	46,557
Total governmental activities net position	<u>\$ 200,690</u>	<u>\$ 212,614</u>	<u>\$ 217,480</u>	<u>\$ 222,141</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 13,044	\$ 14,581	\$ 15,146	\$ 17,069
Restricted	-	-	1,644	-
Unrestricted	14,349	15,314	15,005	16,828
Total business-type activities net position	<u>\$ 27,393</u>	<u>\$ 29,895</u>	<u>\$ 31,795</u>	<u>\$ 33,897</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 139,881	\$ 155,360	\$ 171,836	\$ 171,657
Restricted	8,314	21,015	13,087	20,996
Unrestricted	79,888	66,134	64,352	63,385
Total primary government net position	<u>\$ 228,083</u>	<u>\$ 242,509</u>	<u>\$ 249,275</u>	<u>\$ 256,038</u>

2014	2015	2016	2017	2018	2019
\$ 166,282	\$ 173,845	\$ 177,409	\$ 181,858	\$ 191,695	\$ 194,739
27,264	20,074	14,606	14,398	22,034	39,627
35,192	22,277	29,760	28,795	28,911	35,626
<u>\$ 228,738</u>	<u>\$ 216,196</u>	<u>\$ 221,775</u>	<u>\$ 225,051</u>	<u>\$ 242,640</u>	<u>\$ 269,992</u>
\$ 20,108	\$ 22,295	\$ 22,747	\$ 23,213	\$ 23,712	\$ 24,991
-	-	-	-	-	-
15,277	11,739	11,188	12,218	11,079	7,686
<u>\$ 35,385</u>	<u>\$ 34,034</u>	<u>\$ 33,935</u>	<u>\$ 35,431</u>	<u>\$ 34,791</u>	<u>\$ 32,677</u>
\$ 186,390	\$ 196,140	\$ 200,156	\$ 205,070	\$ 215,407	\$ 219,730
27,264	20,074	14,606	14,398	22,034	39,627
50,469	34,016	40,948	41,013	39,990	43,312
<u>\$ 264,123</u>	<u>\$ 250,230</u>	<u>\$ 255,710</u>	<u>\$ 260,481</u>	<u>\$ 277,430</u>	<u>\$ 302,669</u>

CITY OF ROSWELL, GEORGIA

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
EXPENSES				
Governmental activities:				
General government	\$ 7,309	\$ 8,049	\$ 8,237	\$ 8,455
Judicial	1,502	1,442	1,374	1,371
Financial services	2,335	1,528	2,216	2,159
Public safety	24,880	24,346	26,037	24,622
Public works	12,380	12,670	13,438	12,355
Planning and zoning	3,650	3,978	2,541	2,844
Culture and recreation	12,340	11,445	12,102	12,258
Interest and paying agent fees	1,278	1,193	823	574
Total governmental activities expenses	<u>65,674</u>	<u>64,651</u>	<u>66,768</u>	<u>64,638</u>
Business-type activities:				
Water and sewer	3,057	2,936	3,330	2,861
Solid waste	8,985	8,951	8,887	8,928
Participant recreation	3,855	4,964	4,844	4,964
Stormwater	-	-	1,418	1,522
Total business-type activities expenses	<u>15,897</u>	<u>16,851</u>	<u>18,479</u>	<u>18,275</u>
Total primary government expenses	<u>\$ 81,571</u>	<u>\$ 81,502</u>	<u>\$ 85,247</u>	<u>\$ 82,913</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 1,256	\$ 3,420	\$ 3,120	\$ 2,988
Judicial	2,259	2,969	2,938	2,246
Public safety	2,918	2,176	2,530	1,844
Public works	1,480	67	264	570
Planning and zoning	373	17	609	766
Culture and recreation	512	350	80	99
Total charges for services	<u>8,798</u>	<u>8,999</u>	<u>9,541</u>	<u>8,513</u>
Operating grants and contributions (1)	2,368	1,406	983	491
Capital grants and contributions (1)	2,222	9,443	2,883	2,101
Total governmental activities program revenues	<u>13,388</u>	<u>19,848</u>	<u>13,407</u>	<u>11,105</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,297	3,304	3,567	3,219
Solid waste	9,981	9,821	8,655	8,857
Participant recreation	4,126	4,345	4,626	4,672
Stormwater	-	-	2,900	3,052
Total charges for services	<u>17,404</u>	<u>17,470</u>	<u>19,748</u>	<u>19,800</u>
Capital grants and contributions (1)	844	-	-	-
Total business-type activities program revenues	<u>18,248</u>	<u>17,470</u>	<u>19,748</u>	<u>19,800</u>
Total primary government program revenues	<u>\$ 31,636</u>	<u>\$ 37,318</u>	<u>\$ 33,155</u>	<u>\$ 30,905</u>

(continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	9,448	\$ 9,033	\$ 10,991	\$ 12,568	\$ 12,792	\$ 13,423
	1,265	1,155	978	1,160	1,140	1,116
	1,994	3,079	2,227	2,822	3,160	2,387
	25,881	26,043	27,540	31,044	31,406	32,629
	11,433	16,115	16,307	12,562	13,943	13,870
	3,260	3,625	3,467	3,356	3,299	3,318
	12,767	13,732	13,104	14,354	14,836	15,367
	525	363	188	238	301	336
	<u>66,573</u>	<u>73,145</u>	<u>74,802</u>	<u>78,103</u>	<u>80,877</u>	<u>82,445</u>
	3,091	3,122	3,705	3,896	4,136	4,535
	9,064	8,868	9,838	9,768	10,393	11,618
	4,788	5,277	5,331	5,248	5,469	6,153
	1,628	1,631	2,050	2,277	2,247	2,471
	<u>18,571</u>	<u>18,898</u>	<u>20,924</u>	<u>21,188</u>	<u>22,244</u>	<u>24,777</u>
\$	<u>85,144</u>	<u>92,043</u>	<u>95,726</u>	<u>99,291</u>	<u>103,121</u>	<u>107,222</u>
\$	3,066	\$ 2,968	\$ 3,581	\$ 3,458	\$ 3,425	\$ 3,798
	1,702	1,921	1,519	1,545	1,600	1,447
	2,032	2,305	2,145	2,762	2,391	2,634
	697	488	952	1,355	520	777
	1,454	1,721	2,050	1,757	1,416	1,872
	103	96	85	85	96	92
	<u>9,054</u>	<u>9,499</u>	<u>10,332</u>	<u>10,962</u>	<u>9,448</u>	<u>10,620</u>
	811	1,266	1,385	1,246	2,180	2,077
	1,710	1,248	1,340	3,905	18,313	21,408
	<u>11,575</u>	<u>12,013</u>	<u>13,057</u>	<u>16,113</u>	<u>29,941</u>	<u>34,105</u>
	3,250	3,671	3,717	4,740	3,976	4,073
	8,636	8,673	8,149	9,363	9,134	9,992
	4,576	4,812	5,231	5,254	5,314	5,355
	3,046	3,064	3,057	3,174	3,111	3,095
	<u>19,508</u>	<u>20,220</u>	<u>20,154</u>	<u>22,531</u>	<u>21,535</u>	<u>22,514</u>
	-	-	-	-	-	-
	<u>19,508</u>	<u>20,220</u>	<u>20,154</u>	<u>22,531</u>	<u>21,535</u>	<u>22,514</u>
\$	<u>31,083</u>	<u>32,233</u>	<u>33,211</u>	<u>38,644</u>	<u>51,475</u>	<u>56,619</u>

CITY OF ROSWELL, GEORGIA

CHANGES IN NET POSITION Last Ten Fiscal Years (accrual basis of accounting) (amounts expressed in thousands)

	2010	2011	2012	2013
Net (expense)/revenue				
Governmental activities	\$ (52,286)	\$ (44,803)	\$ (53,361)	\$ (53,533)
Business-type activities	2,351	619	1,269	1,525
Total primary government net expense	\$ (49,935)	\$ (44,184)	\$ (52,092)	\$ (52,008)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 31,674	\$ 31,344	\$ 30,227	\$ 30,398
Sales taxes	19,562	20,406	21,863	21,816
Hotel/Motel taxes	602	721	788	797
Excise taxes (2)	-	-	-	-
Business taxes	5,248	5,345	5,028	5,351
Total taxes	57,086	57,816	57,906	58,362
Investment earnings	593	559	411	229
Gain on sale of capital assets	-	-	148	-
Miscellaneous	73	100	179	217
Transfers	-	(1,748)	(418)	(571)
Total governmental activities	57,752	56,727	58,226	58,237
Business-type activities:				
Investment earnings	123	135	70	5
Gain on sale of capital assets	89	-	144	-
Miscellaneous	-	-	-	-
Transfers	-	1,748	418	571
Total business-type activities	212	1,883	632	576
Total primary government	\$ 57,964	\$ 58,610	\$ 58,858	\$ 58,813
CHANGE IN NET POSITION				
Governmental activities	\$ 5,466	\$ 11,924	\$ 4,865	\$ 4,704
Business-type activities	2,563	2,502	1,901	2,101
Total primary government	\$ 8,029	\$ 14,426	\$ 6,766	\$ 6,805

(1) Operating grants and contributions and capital grants and contributions vary widely depending on the grants available from federal, state and local sources. Variances from 2008 to 2017 reflect the changes in grants awarded to the City.

(2) The City began collecting motor rental vehicle excise taxes in 2019.

2014	2015	2016	2017	2018	2019
\$ (54,998)	\$ (61,132)	\$ (61,745)	\$ (61,990)	\$ (50,936)	\$ (48,340)
937	1,322	(770)	1,342	(709)	(2,263)
<u>\$ (54,061)</u>	<u>\$ (59,810)</u>	<u>\$ (62,515)</u>	<u>\$ (60,648)</u>	<u>\$ (51,645)</u>	<u>\$ (50,603)</u>
\$ 31,239	\$ 31,578	\$ 32,774	\$ 33,165	\$ 33,370	\$ 35,746
22,835	23,965	24,304	24,368	25,827	27,357
875	993	1,068	1,134	1,045	1,097
-	-	-	-	-	296
5,578	5,603	6,217	6,666	7,738	8,174
<u>60,527</u>	<u>62,139</u>	<u>64,363</u>	<u>65,332</u>	<u>67,979</u>	<u>72,670</u>
587	651	973	51	16	2,280
-	60	2,155	-	463	235
119	467	264	76	124	389
(362)	(48)	(431)	(194)	(56)	118
<u>60,871</u>	<u>63,269</u>	<u>67,324</u>	<u>65,265</u>	<u>68,526</u>	<u>75,693</u>
160	62	150	(40)	(11)	256
28	-	90	-	-	12
-	-	-	-	25	-
362	48	431	194	56	(118)
<u>550</u>	<u>110</u>	<u>671</u>	<u>154</u>	<u>70</u>	<u>149</u>
<u>\$ 61,421</u>	<u>\$ 63,379</u>	<u>\$ 67,995</u>	<u>\$ 65,419</u>	<u>\$ 68,596</u>	<u>\$ 75,842</u>
\$ 5,873	\$ 2,137	\$ 5,579	\$ 3,275	\$ 17,589	\$ 27,353
1,487	1,432	(99)	1,496	(640)	(2,114)
<u>\$ 7,360</u>	<u>\$ 3,569</u>	<u>\$ 5,480</u>	<u>\$ 4,771</u>	<u>\$ 16,950</u>	<u>\$ 25,239</u>

CITY OF ROSWELL, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund				
Reserved	\$ 620	\$ -	\$ -	\$ -
Unreserved	31,858	-	-	-
Nonspendable	-	291	188	570
Restricted	-	104	88	66
Committed	-	16,329	14,007	14,398
Assigned	-	6,893	3,299	2,826
Unassigned	-	7,418	8,882	3,408
Total general fund	<u>32,478</u>	<u>31,035</u>	<u>26,464</u>	<u>21,268</u>
All other governmental funds				
Reserved	15,400	-	-	-
Unreserved, reported in:				
Special revenue funds	1,307	-	-	-
Debt service funds	19,219	-	-	-
Capital projects funds	-	-	-	-
Nonspendable	-	130	63	297
Restricted	-	19,693	11,116	20,452
Committed	-	399	494	531
Assigned	-	15,929	17,519	19,187
Unassigned	-	(1,188)	(1,699)	(420)
Total all other governmental funds	<u>35,926</u>	<u>34,963</u>	<u>27,493</u>	<u>40,047</u>
Total all funds	<u>\$ 68,404</u>	<u>\$ 65,998</u>	<u>\$ 53,957</u>	<u>\$ 61,315</u>

NOTE: The City implemented GASB Statement No. 54 for the year ending June 30, 2011.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
812	377	352	372	449	468
52	20	1	1	-	-
16,596	15,436	16,426	17,200	18,087	860
2,507	3,271	3,475	1,522	1,413	6,504
3,034	5,445	5,407	3,976	5,181	24,239
<u>23,001</u>	<u>24,549</u>	<u>25,661</u>	<u>23,072</u>	<u>25,130</u>	<u>32,071</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
343	114	51	40	54	98
27,029	19,839	14,526	14,329	21,958	38,249
434	422	482	382	348	157
17,748	16,405	17,446	17,395	16,354	15,168
(874)	(553)	(1,409)	(521)	(559)	-
<u>44,680</u>	<u>36,227</u>	<u>31,096</u>	<u>31,625</u>	<u>38,155</u>	<u>53,672</u>
<u>\$ 67,681</u>	<u>\$ 60,776</u>	<u>\$ 56,757</u>	<u>\$ 54,697</u>	<u>\$ 63,285</u>	<u>\$ 85,742</u>

CITY OF ROSWELL, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

	2010	2011	2012	2013
REVENUES				
Taxes	\$ 57,967	\$ 57,641	\$ 58,008	\$ 58,077
Licenses and permits	1,187	1,268	1,430	1,521
Intergovernmental	1,801	4,679	3,788	3,022
Fines and forfeitures	3,392	3,345	3,303	2,478
Charges for services	4,115	4,127	4,159	4,163
Impact fees	95	276	245	543
Investment earnings (1)	569	527	391	229
Contributions	-	-	25	53
Miscellaneous	73	100	260	317
Total revenues	69,199	71,963	71,609	70,403
EXPENDITURES				
General government	6,565	7,479	7,672	7,794
Judicial	1,501	1,439	1,377	1,368
Financial services	2,323	1,456	2,087	1,918
Public safety	24,108	23,218	24,742	23,056
Public works	9,862	9,673	10,584	9,484
Planning and zoning	3,660	3,945	2,459	2,729
Culture and recreation	10,522	9,414	10,021	10,178
Capital outlay	9,303	9,592	11,099	9,570
Principal on long-term debt	4,755	5,165	12,250	5,925
Interest and paying agent fees	1,432	1,240	1,093	648
Total expenditures	74,031	72,621	83,384	72,670
Excess (deficiency) of revenues over expenditures	(4,832)	(658)	(11,775)	(2,267)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	30	-	153	-
Transfers in	8,539	7,821	11,908	13,075
Transfers out	(8,539)	(9,569)	(13,327)	(13,446)
Proceeds from bond issuance	-	-	-	9,760
Premium on bonds issued	-	-	-	239
Payments to refunded bond escrow agent	-	-	-	-
Capital leases	-	-	-	-
Financed purchases (2)	-	-	-	-
Installment sales agreement	-	-	-	-
Total other financing sources (uses)	30	(1,748)	(1,266)	9,628
Net change in fund balances	\$ (4,802)	\$ (2,406)	\$ (13,041)	\$ 7,361
Debt service as a percentage of noncapital expenditures	9.6%	10.1%	18.3%	10.3%

(1) The differences in interest earnings are due to changes in market conditions.

(2) The City implemented GASB Statement No. 88 in 2019.

	2014	2015	2016	2017	2018	2019
\$	60,544	\$ 61,970	\$ 64,700	\$ 65,319	\$ 67,951	\$ 72,719
	2,201	2,465	2,784	2,484	2,146	2,609
	2,293	2,707	1,875	5,981	20,386	22,226
	1,840	2,227	1,814	2,251	2,020	1,712
	4,357	4,141	4,864	4,825	4,716	5,477
	669	455	911	1,388	494	1,381
	587	651	926	54	20	2,285
	59	26	95	33	87	504
	223	513	349	276	340	608
	<u>72,773</u>	<u>75,155</u>	<u>78,319</u>	<u>82,612</u>	<u>98,161</u>	<u>109,520</u>
	8,609	9,030	9,793	10,514	11,118	11,849
	1,167	976	1,021	1,123	1,132	1,125
	2,156	2,187	2,278	2,543	2,485	2,643
	24,224	24,192	25,646	27,843	28,506	29,538
	8,235	8,514	9,178	8,436	9,398	8,395
	3,129	3,088	3,460	3,194	3,048	3,332
	10,514	10,899	11,236	11,797	12,271	13,079
	14,609	17,640	23,031	17,533	27,917	17,438
	1,139	5,528	1,596	2,006	2,308	2,870
	422	409	285	327	366	398
	<u>74,204</u>	<u>82,463</u>	<u>87,524</u>	<u>85,316</u>	<u>98,550</u>	<u>90,668</u>
	(1,431)	(7,308)	(9,205)	(2,704)	(390)	18,852
	94	110	1,465	223	1,075	284
	9,044	9,242	12,459	12,934	11,584	7,635
	(8,998)	(8,950)	(12,731)	(13,297)	(11,568)	(7,494)
	4,940	-	-	-	-	-
	351	-	-	-	-	-
	-	-	-	-	-	-
	1,640	-	544	785	1,179	1,004
	-	-	-	-	3,000	2,176
	-	-	3,449	-	3,709	-
	<u>7,071</u>	<u>402</u>	<u>5,186</u>	<u>644</u>	<u>8,978</u>	<u>3,605</u>
\$	<u>5,640</u>	<u>(6,906)</u>	<u>(4,019)</u>	<u>(2,060)</u>	<u>8,588</u>	<u>22,457</u>
	2.6%	8.7%	2.8%	3.4%	3.8%	4.4%

CITY OF ROSWELL, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Taxes	Sales Taxes	Business Tax	Total
2010	\$ 32,031	\$ 20,086	\$ 5,850	\$ 57,967
2011	32,279	20,017	5,345	57,641
2012	30,328	22,652	5,028	58,008
2013	30,113	22,613	5,351	58,077
2014	31,257	23,709	5,578	60,544
2015	31,409	24,958	5,603	61,970
2016	33,111	25,373	6,217	64,700
2017	33,151	25,502	6,666	65,319
2018	33,341	26,872	7,738	67,951
2019	35,795	28,750	8,174	72,719

CITY OF ROSWELL, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Real Property	Privately Owned Public Utilities	Personal and Business (2)	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
2010	\$ 3,209,102	\$ 44,830	\$ 1,863,224	\$ 253,501	\$ 4,863,655	5.455	\$ 12,159,138	40.00%
2011	3,049,069	38,015	1,815,995	264,506	4,638,573	5.455	11,596,433	40.00%
2012	2,900,791	38,015	1,850,126	264,119	4,524,813	5.455	11,312,033	40.00%
2013	2,848,200	41,486	1,820,604	282,840	4,427,450	5.455	11,068,625	40.00%
2014	2,815,902	36,208	1,884,403	301,037	4,435,476	5.455	11,088,690	40.00%
2015	2,896,326	36,838	1,804,506	307,403	4,430,267	5.455	11,075,668	40.00%
2016	3,183,132	42,318	1,794,111	308,863	4,710,698	5.425	11,776,745	40.00%
2017	3,261,187	41,425	1,756,033	313,711	4,744,934	5.455	11,862,335	40.00%
2018	3,304,895	42,540	1,842,582	363,362	4,826,655	5.455	12,066,638	40.00%
2019	4,122,074	40,013	1,892,610	386,443	5,668,254	4.955	14,170,635	40.00%

Source: Georgia Department of Revenue and Fulton County Tax Assessor's Department

(1) Assessed values are established by the County Assessment Board on January 1, of each year at 40% of actual value, as required by State law.

(2) Personal and business property includes commercial, industrial and non profit real property, and motor vehicles.

CITY OF ROSWELL, GEORGIA

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS) Last Ten Fiscal Years (Mills - rate per \$1,000 of taxable assessed value)

Fiscal Year	Tax Year	City of Roswell					Overlapping Rates Fulton County		
		General Millage	(Less) Local Option		Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage
			Sales Tax	Total M&O					
2010	2009	7.679	(3.620)	4.059	1.396	5.455	10.281	0.000	10.281
2011	2010	7.898	(3.839)	4.059	1.396	5.455	10.281	0.000	10.281
2012	2011	8.003	(3.944)	4.059	1.396	5.455	10.281	0.000	10.281
2013	2012	8.788	(4.729)	4.059	1.396	5.455	10.281	0.000	10.281
2014	2013	9.153	(4.689)	4.464	0.991	5.455	10.211	0.000	10.211
2015	2014	9.292	(4.828)	4.464	0.991	5.455	11.781	0.000	11.781
2016	2015	9.864	(4.809)	5.055	0.400	5.455	10.500	0.000	10.500
2017	2016	9.864	(4.839)	5.025	0.400	5.425	10.450	0.000	10.450
2018	2017	9.963	(4.758)	5.205	0.250	5.455	10.380	0.250	10.630
2019	2018	8.954	(4.249)	4.705	0.250	4.955	10.200	0.230	10.430

Source: State Department of Revenue

Note: The City's basic property tax rate may be increased by majority vote of the City's Mayor and Council. Rates for debt service are set based on yearly requirements.

Overlapping rates are those of local and county governments that apply to property owners within the City.

Overlapping Rates				
School District			State	Total
Operating Millage	Debt Service Millage	Total School Millage	Total State Millage	Direct & Overlapping Rates
16.403	1.099	17.502	0.250	33.488
17.502	0.000	17.502	0.250	33.488
18.502	0.000	18.502	0.250	34.488
18.502	0.000	18.502	0.200	34.438
18.502	0.000	18.502	0.150	34.318
18.502	0.000	18.502	0.100	35.838
18.502	0.000	18.502	0.050	34.507
18.483	0.000	18.483	0.000	34.358
18.546	0.000	18.546	0.000	34.631
17.796	0.000	17.796	0.000	33.181

CITY OF ROSWELL, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO (amounts expressed in thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Strata Roswell LLC	\$ 49,279	1	0.87%		
Calibre Creek Apartment Partner	43,507	2	0.77%			
BR Roswell LLC	28,880	3	0.51%			
Kimberly Clark Corp	24,740	4	0.44%	\$ 20,577	3	0.42%
AJ Riverside Gardens LLC	23,245	5	0.41%			
F7 Moo LLC	22,400	6	0.40%			
LMREC CDO 1 REO 1X INC &	20,573	7	0.36%			
Sanctuary Acquisitions East LL	19,697	8	0.35%			
Strata Grande LLC	19,496	9	0.34%			
Holcomb Bridge GA Partners LLC	18,983	10	0.33%			
Northmeadow Investors LLC				31,518	1	0.65%
Orion Roswell Associates				22,854	2	0.47%
A Colonial Three Hundred				19,673	4	0.40%
WLI IV Roswell LLC				17,228	5	0.35%
Sanctuary Park Realty Holdings				16,700	6	0.34%
AMIREIT				16,303	7	0.34%
Jefferson at Champions Pkwy				13,466	8	0.28%
EQR Bond Partnership				11,788	9	0.24%
BHR Landing LLC				11,363	10	0.23%
Totals	<u>\$ 270,800</u>		<u>4.78%</u>	<u>\$ 181,470</u>		<u>3.73%</u>

Source: Financial Services Division within the City Finance Department.

CITY OF ROSWELL, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2010	\$ 24,449	\$ 23,737	97.09%	705	\$ 24,442	99.97%
2011	23,814	22,868	96.03%	937	23,805	99.96%
2012	22,335	21,761	97.43%	561	22,322	99.94%
2013	21,635	21,294	98.42%	332	21,626	99.96%
2014	22,245	21,849	98.22%	385	22,234	99.95%
2015	22,323	21,868	97.96%	450	22,318	99.98%
2016	24,202	23,704	97.94%	492	24,196	99.98%
2017	24,789	24,393	98.40%	390	24,783	99.98%
2018	25,507	24,992	97.95%	503	25,495	99.95%
2019	27,253	26,563	97.47%	-	26,563	97.47%

Source: Financial Services Division within the City Finance Department.

Note:

Taxes levied have been adjusted to include subsequent bills. If an assessment is in appeal at the time of the billing, the City bills 85% of of the taxable amount. When the appeal is settled, the City then sends a bill for the increased amount.

CITY OF ROSWELL, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Governmental Activities					Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Leases	Financed Purchases	Notes Payable	Total	Notes Payable			
2010	\$ 27,345	\$ -	\$ -	\$ -	\$ 27,345	\$ -	\$ 27,345	0.78%	\$ 312
2011	22,180	-	-	-	22,180	1,440	23,620	0.62%	267
2012	9,930	-	-	-	9,930	1,644	11,574	0.34%	127
2013	14,085	-	-	-	14,085	1,499	15,584	0.42%	166
2014	18,359	1,445	-	-	19,804	213	20,017	0.52%	213
2015	12,872	1,282	-	-	14,154	7,818	21,972	0.54%	234
2016	11,409	1,605	3,449	-	16,463	14,457	30,920	0.72%	327
2017	9,932	2,096	3,132	-	15,160	13,984	29,144	0.76%	308
2018	8,426	2,992	5,607	3,634	20,658	13,347	34,005	0.78%	359
2019	6,915	944	9,778	3,271	20,908	12,700	33,608	0.66%	355

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 ROSWELL, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2010	\$ 27,345	\$ 8,290	\$ 19,055	0.16%	\$ 217
2011	22,180	8,495	13,685	0.12%	155
2012	9,930	1,329	8,601	0.08%	94
2013	14,085	955	13,130	0.12%	140
2014	18,359	4,121	14,237	0.13%	151
2015	12,872	2,520	10,352	0.09%	110
2016	11,409	2,711	8,698	0.07%	92
2017	9,932	2,978	6,954	0.06%	74
2018	8,426	2,547	5,879	0.05%	62
2019	6,915	2,500	4,415	0.03%	47

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

CITY OF ROSWELL, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES

DEBT JUNE 30, 2019

(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Debt repaid with property taxes			
Fulton County	\$ 245,227	8.03%	\$ 19,686
Fulton County Board of Education	32,715	14.99%	4,903
Total overlapping debt	<u>277,942</u>		<u>24,589</u>
City of Roswell direct debt			
Bonds payable	6,915	100.00%	6,915
Capital leases payable	944	100.00%	944
Financed purchases payable	9,778	100.00%	9,778
Notes payable	3,271	100.00%	3,271
Total direct debt	<u>20,908</u>		<u>20,908</u>
Total direct and overlapping debt	<u>\$ 298,850</u>		<u>\$ 45,497</u>

Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County and Fulton County Board of Education's 2018 CAFR and City of Roswell Finance Department records. Debt outstanding data provided by each governmental unit.

Notes: Overlapping government 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 Roswell. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden of 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) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. Calculations were based on City of Roswell, Fulton County and Fulton County Board of Education's 2018 tax digest.

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CITY OF ROSWELL, GEORGIA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit (10% of total assessed value)	\$ 511,716	\$ 490,308	\$ 478,893	\$ 471,029
Total net debt applicable to limit	19,055	13,685	8,601	9,786
Legal debt margin	<u>\$ 492,661</u>	<u>\$ 476,623</u>	<u>\$ 470,292</u>	<u>\$ 461,243</u>
Total net debt applicable to the limit as a percentage of debt limit	3.72%	2.79%	1.80%	2.08%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 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.

	2014	2015	2016	2017	2018	2019
	\$ 473,651	\$ 473,767	\$ 501,956	\$ 505,865	\$ 519,002	\$ 605,470
	14,238	10,380	10,222	9,357	8,288	4,433
	\$ 459,413	\$ 463,387	\$ 491,734	\$ 496,508	\$ 510,714	\$ 601,037
	3.01%	2.19%	2.04%	1.85%	1.60%	0.73%
Assessed Value						\$ 5,668,254
Add back: exempt real property						386,443
Total assessed value						6,054,697
Debt limit (10% of total assessed value)						605,470
Debt applicable to limit:						
General obligation bonds						6,915
Less: Amount set aside for repayment of general obligation debt						(2,482)
Total net debt applicable to limit						4,433
Legal debt margin						\$ 601,037

CITY OF ROSWELL, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment (1)	Unemployment Rate
2010	87,719	\$ 3,490,778	\$ 39,795	37.00	13,336	8.70 %
2011	88,346	3,824,145	43,286	36.30	13,563	10.20
2012	91,168	3,453,535	37,881	36.20	14,848	9.90
2013	93,692	3,731,565	39,828	40.20	15,081	9.00
2014	94,034	3,846,273	40,903	36.80	14,869	8.16
2015	94,089	4,036,418	42,900	37.90	14,791	8.30
2016	94,501	4,308,962	45,597	38.80	24,413	7.10
2017	94,598	3,851,179	40,711	36.00	22,615	6.00
2018	94,786	4,353,331	45,928	38.50	25,096	5.80
2019	94,650	5,130,219	54,202	40.60	22,867	4.80

Sources: U.S. Census Bureau for the population, personal income, median age, per capita income, and unemployment rate. Statistics are for the City of Roswell except for the unemployment rate which is for the state of Georgia.

(1) The school enrollment was provided by the Fulton County Board of Education; 2016 through 2018 is U.S. Census Bureau.

CITY OF ROSWELL, GEORGIA

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
GM IT Innovation Center	1,050	1	1.99%			
Kimberly-Clark Corporation	930	2	1.76%	1,453	1	2.42%
City of Roswell (1)	777	3	1.47%	900	4	1.50%
Yardi Systems Inc	340	4	0.64%			
Wal-mart Supercenter # 1578	310	5	0.59%			
NTG	286	6	0.54%			
Lennar Ga Inc	210	7	0.40%			
Siteone Landscape Supply	210	8	0.40%			
Brookdale Roswell	206	9	0.39%			
Johnson Controls	200	10	0.38%			
North Fulton Regional Hospital				1,016	2	1.69%
Verizon Wireless				975	3	1.62%
Prommis Solutions LLC				649	5	1.08%
Target Store				509	6	0.85%
Witness Systems, Inc.				411	7	0.68%
Wal-mart Supercenter # 1578				371	8	0.62%
Publix Super Markets, Inc				276	9	0.46%
The Home Depot				272	10	0.45%
Total	4,519		8.56%	6,832		11.37%

Source: City of Roswell Economic & Community Development Department.

(1) 2019 City of Roswell is full time and part time employees. 2010 City of Roswell is total paid employees.

CITY OF ROSWELL, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
City Administrator	3	3	3	3	3	3	3	2	3	3
City Hall	8	9	9	9	9	9	9	7	7	8
Community Information	4	4	4	4	5	5	5	5	6	7
Court Services	20	16	17	16	3	3	3	5	5	6
General Administration	6	5	6	5	5	6	7	7	7	9
Governing Body	2	2	2	2	1	2	2	2	2	2
Human Resources	3	3	3	4	4	5	5	5	5	6
Legal	3	3	3	3	3	3	3	3	3	3
Risk Management	0	1	1	1	1	1	1	1	1	0
Workers' Compensation	-	1	1	1	1	1	1	1	1	1
Benefits Manager	-	1	1	1	1	1	1	1	1	-
Strat. Planning and Budgeting	3	3	0	-	-	-	-	-	-	-
IT (formerly MIS)	8	9	9	7	7	9	9	9	9	9
Security	-	-	-	-	-	-	-	2	2	3
Finance										
Accounting	5	4	4	4	3	4	4	5	7	6
Finance - Administration	2	3	3	3	3	3	3	3	4	4
Treasury	-	1	1	-	-	-	-	-	-	-
Accounts Payable	3	-	0	-	-	-	-	-	-	-
Cash Disbursement	-	3	3	3	3	3	3	3	3	3
Accounts Receivable	-	6	6	6	7	8	7	8	8	8
Cash Receipting	-	3	3	3	2	2	2	2	2	2
Purchasing	4	3	3	3	2	3	3	2	3	3
IT (formerly MIS)	-	-	0	-	-	-	-	-	-	-
Tax Administration	5	-	0	-	-	-	-	-	-	-
Utility Billing	5	-	0	-	-	-	-	-	-	-
Strat. Planning and Budgeting	-	-	3	3	2	3	2	3	3	3

Source: City Budget Office

Continued

CITY OF ROSWELL, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Criminal Investigations	21	23	23	20	22	23	18	21	24	18
Jail/Detention	34	34	33	18	16	15	18	-	-	-
Patrol	86	79	77	78	78	78	86	79	75	78
Police - Admin Services	2	3	3	2	3	3	3	3	3	1
Police - Bldg Maintenance	-	-	-	-	-	-	-	-	-	-
Police - Support Services	24	25	27	35	26	26	28	29	31	30
Special Operations	13	11	12	5	15	14	15	14	15	11
Traffic Control	10	13	12	16	13	12	12	16	10	10
E-911	19	19	22	20	18	19	18	21	23	28
Fire										
Administration	2	2	2	2	2	2	2	2	2	2
Fire	6	6	6	6	7	7	7	7	7	8
Fire Training	1	1	1	1	1	1	1	1	1	1
Fire Marshal	9	9	9	9	9	9	9	8	8	10
Fire Suppression	-	-	-	-	-	-	-	-	-	138
Cultural & recreation										
Municipal Complex	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	2	2	1	1	12
Support Services	22	22	38	38	38	35	41	40	41	39
Parks	51	51	56	56	58	55	56	53	57	111
Barrington Hall	1	1	1	1	1	1	1	1	1	3
Bulloch Hall	1	1	1	1	1	1	1	1	1	3
Smith Plantation	1	1	1	1	1	1	1	1	1	4
Cultural Arts	2	2	2	2	2	2	2	2	1	2
Historic & Cultural Affairs	1	1	1	1	1	-	2	2	2	3
Environmental										
Administration	2.15	2.15	2.15	2.15	2.1	-	-	-	-	-
Environmental	3	3	3	3	3	-	-	-	-	-
Water Resources	1.5	1.5	0	-	-	-	-	-	-	-
Garage	7	7	7	7	7	7	7.1	8.00	7.35	7.35
Stormwater Mgmt	6.75	6.75	9	12	11	13	12.20	13.53	13.48	14.13

Continued

CITY OF ROSWELL, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Community Development										
Administration	3	3	3	4	1	3	3	3	3	3
Building Inspections	-	4	5	-	-	-	-	-	-	-
Code Enforcement	-	6	6	-	-	-	-	-	-	-
Support Services	2	2	2	2	3	4	4	4	3	3
Economic Development	4	4	2	-	-	-	-	-	-	-
Engineering	-	1	6	7	7	7	8	8	8	9
GIS	3	3	4	4	4	3	4	4	4	4
Licensing	1	1	1	1	1	1	1	-	1	1
Planning & Zoning	13	13	7	7	7	7	7	6	8	8
Transportation										
Transportation	8	8	8	8	7	7	6	8	8	6
Trans/PW Facility	-	-	0	-	-	-	-	-	-	-
Administration	3	4	4	4	4	4	4	4	4	4
Street Maintenance	31	31	31	28	29	30	30	28	27	27
Land Acq. & Development	-	-	3	3	3	2	2	2	2	1
Traffic Engineering	20	18	18	18	17	16	18	18	12	20
Water										
Administration	1.3	1.3	2.05	2.05	2.05	1.65	1.95	2.48	2.43	2.08
Distribution	10	9	8.5	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Water Plant	7	7	7	7	7	7	8	7	7	7
Solid Waste										
Administration	4.5	4.5	4.5	4.4	4.35	6.95	7.25	7.49	8.24	7.94
Public Education	0.55	0.55	0.55	0.55	0.55	-	-	-	-	-
Residential Collection	34	34	34	34	33	34	33	32	32	30
Commercial Collection	8	8	8	8	7	8	8	8	8	8
Yard Trimmings Collection	-	-	-	-	-	-	-	-	-	-
Recycling Center	6.25	6.25	6.25	6.25	6.25	5	7	7	7	6
	<u>574</u>	<u>580</u>	<u>608</u>	<u>578</u>	<u>556</u>	<u>557</u>	<u>578</u>	<u>559</u>	<u>562</u>	<u>777</u>

Note: 2019 includes both full-time and part-time employees. Prior years include only full-time employees.

CITY OF ROSWELL, GEORGIA

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Calls for service	108,864	102,864	85,216	67,386	69,939	67,563	76,723	111,004	118,548	116,352
Traffic stops	43,457	43,090	28,885	17,867	19,964	24,340	24,382	21,867	24,631	16,608
Part 1 Crimes Index Rate	26.2	23.7	23.6	24.9	22.9	24.4	24.6	18.6	18.7	16.43
Fire										
Fire Calls	2,103	2,104	2,301	2,802	3,121	3,126	3,344	3,784	3,831	3,931
Fires extinguished	197	203	198	185	162	174	188	211	152	169
EMS Calls	4,364	5,101	4,795	5,251	5,225	5,060	4,951	5,269	5,512	5,618
Community development										
Building permits issued	3,912	3,798	4,068	3,382	2,351	2,108	4,996	6,920	2,979	3,378
Refuse collection										
Household garbage collected-tons per year	18,872	19,080	18,645	19,128	18,964	13,078	20,150	20,754	21,392	21,930
Curbside recycling collected-tons per year	8,251	7,086	6,766	6,726	6,893	7,597	6,674	8,897	7,377	7,091
Glass recycling collected-tons per per year (2)	0	0	0	0	0	0	0	3,583	3,180	273.57
Yard waste collected-tons per year	7,386	8,712	8,140	7,872	8,376	7,527	7,274	6,363	6,322	6,296
Recycling from recycle center-tons per year	2,438	2,056	1,586	1,811	1,695	1,698	1,625	1,752	1,828	1,779
Parks and recreation										
Registered participants (1)	191,448	33,694	34,722	33,843	33,567	32,767	26,817	32,449	31,308	31,140
Park acres maintained	917	917	918	918	912	912	987	987	1,057	1,057
Participant Visits	719,012	0	-	-	-	-	-	-	-	-
Spectator Visits	409,840	0	-	-	-	-	-	-	-	-
Facility Visits	952,368	0	-	-	-	-	-	-	-	-
Total Point of Sale Participants (1)	-	102,971	122,170	111,624	98,111	100,263	47,087	46,679	51,132	62,246
Total Facility Rentals (1)	-	1,725	1,707	1,642	2,236	2,373	1,148	1,527	1,835	1,777
Water										
Water production in MGD (3)	373	371	351	368	388	397	278	537	540	583.96
Sanitation										
Number of residential customers	25,080	25,146	25,230	25,232	25,360	26,120	26,120	25,720	26,000	24,893
Number of commercial customers	1,201	836	892	1,002	892	972	955	854	993	1,282

Sources: Various city departments.

Note: Operating indicators are not available for the general government function.

(1) With implementation of new registration software, we are now able to more accurately count total registered participants. Totals from previous years were based on monthly reports, causing participants to be counted multiple times for the same activity. Point of Sale Participants include fees for daily entry for the Pool, both Spraygrounds, Tennis Courts, Racquetball and Manor Haunted House. Total Rentals includes all paying room and shelter reservations at any Roswell Parks.

(2) January through June 2017 Glass recycling collected

(3) Water production was lower previous years. The new plant came in May of 2016 and is permitted to produce 3.3 MG per day. Prior to the new plant, water was purchased from Fulton County to supplement the City's system demands. Now all of the water needed has meet the system's demand.

CITY OF ROSWELL, GEORGIA

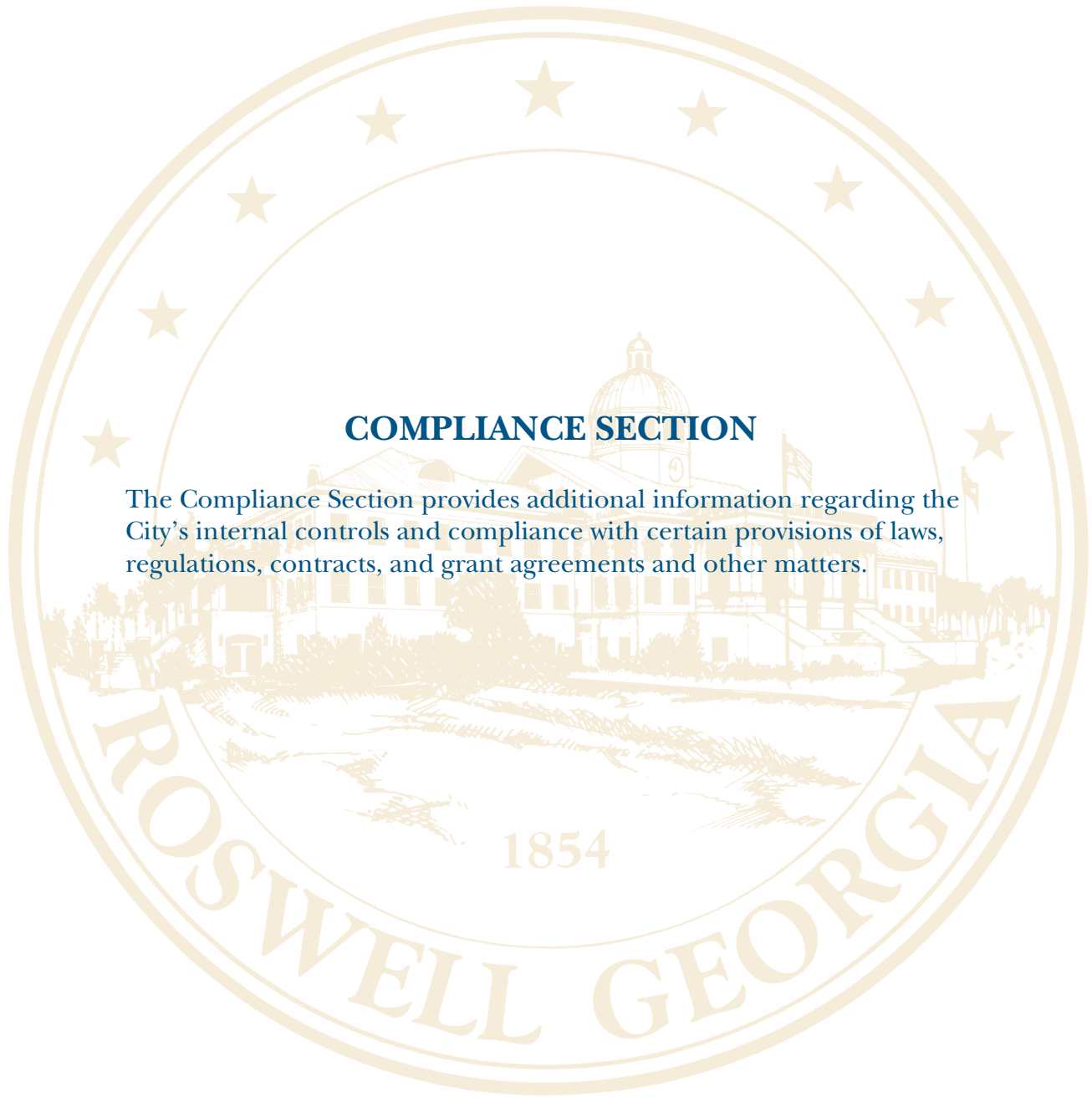
CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Vehicles	54	54	54	54	54	55	55	55	56	58
Buildings	30	30	30	30	30	30	30	30	30	30
Police										
Vehicles	157	157	157	158	158	208	215	214	219	236
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4452	4452	4452	4530	4530	4530	5175	5186	5211	5226
Parks and recreation										
Acreage	917	917	917	917	917	917	987	987	1057	1057
Parks and playgrounds	19	19	19	19	19	22	22	22	22	22
Athletic fields	44	44	44	44	44	44	44	44	44	44
Recreational buildings	9	9	9	9	9	9	9	11	18	18
Swimming pools	1	1	1	1	1	1	2	2	2	2
Tennis courts	34	34	34	34	34	34	32	28	28	28
Transportation										
Paved roads in miles (1)	373	373	373	385	385	385	326	15.1	10.6	19.6
Traffic signals	145	145	145	152	152	154	102	103	102	100
Water										
Water mains (miles) (2)	201	201	201	201	201	201	201	86.5	86.5	88.3
Water plant	1	1	1	1	1	1	1	1	1	1

Sources: City of Roswell capital asset inventory system.

(1) Paved road in Centerline Miles in 2017

(2) The difference in the number from fiscal year 2016 to fiscal year 2017 is the result water mains that have been abandoned in place and the Fulton County Lines within our system boundary; 2017 is the Roswell Water Utility only.



COMPLIANCE SECTION

The Compliance Section provides additional information regarding the City's internal controls and compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.



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

**To the Honorable Mayor and Members
of the City Council
City of Roswell, Georgia**

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roswell, Georgia (the "City"), as of and for the year ended June 30, 2019, 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 13, 2019.

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

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*.

The City's Response to the Finding

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

Purpose of this Report

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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and Members
of the City Council
City of Roswell, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Roswell, Georgia's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 13, 2019

CITY OF ROSWELL, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant	14.218	B-15-MC-13-0018	\$ 5,109
Community Development Block Grant	14.218	B-16-MC-13-0018	159,782
Community Development Block Grant	14.218	B-17-MC-13-0018	38,273
Community Development Block Grant	14.218	B-18-MC-13-0018	145,447
Community Development Block Grant	14.218	B-17-MC-13-0018	47,047
Total Community Development Block Grant			<u>395,658</u>
Passed through Cobb County, Georgia: Home Investment Partnerships Program	14.239	H13-RM-WM-R9-RA-RC	6,376
Total U.S. Department of Housing and Urban Development			<u>402,034</u>
U.S. DEPARTMENT OF JUSTICE			
Bullet Proof Vest Partnership Program	16.607	OMB # 1121-0235	9,631
Edward Byrne Memorial Justice Assistance Grant	16.607	2017-DJ-BX-0244	10,899
Edward Byrne Memorial Justice Assistance Grant	16.607	2017-DJ-BX-0244	9,772
			<u>30,302</u>
Equitable Sharing Program	16.922	GA0600500	140,703
Total U.S. Department of Justice			<u>171,005</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction Cluster Passed through the Georgia Department of Transportation:			
Highway Planning and Construction	20.205	PI#721010	456,193
Highway Planning and Construction	20.205	PI#0000265	1,741,647
Highway Planning and Construction	20.205	CSTEE-0009-00(057)	1,607,514
Total Highway Planning and Construction Cluster			<u>3,805,354</u>
Total U.S. Department of Transportation			<u>3,805,354</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Clean Water State Revolving Fund Cluster Passed through the Georgia Department of Natural Resources: Capitalization Grants for Clean Water State Revolving Funds	66.458	Section 319(h) FY17 – PSP	15,258
Total U.S. Environmental Protection Agency			<u>15,258</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES			
National Recreation and Park Association	45.024	N/A	627
Passed through the Georgia Department of Economic Development: National Endowment for the Arts	45.024	FY19012	7,000
Total National Endowment for the Humanities			<u>7,627</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			
Passed through the Georgia Department of Community Affairs: AmeriCorps Planning Grant	94.006	17AFHGA001003	3,506
Total Corporation for National and Community Services			<u>3,506</u>
U.S. DEPARTMENT OF THE INTERIOR			
Passed through the Georgia Department of Natural Resources: Historic Preservation Fund Grant	15.904	FFY2017 HPF	900
Total U.S. Department of the Interior			<u>900</u>
U.S. DEPARTMENT OF VETERAN AFFAIRS			
Adaptive Sports Programs	64.034	2018-ASG-19	480
Total U.S. Department of Veteran Affairs			<u>480</u>
Total Expenditures of Federal Awards			<u>\$ 4,406,164</u>

See accompanying note to schedule of expenditures of federal awards.

CITY OF ROSWELL, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2019

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The City did not utilize the 10% de minimis indirect cost rate.

CITY OF ROSWELL, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

yes no

Significant deficiencies identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Type of auditor's report issued on compliance for Major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

yes no

Identification of major federal programs:

CFDA Number
20.205

Name of Federal Program or Cluster
Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2019

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2019-001 Equity Reconciliation & Accrued Liabilities Reporting – Roswell Economic Development & Tourism, Inc.

Criteria: Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of operations of the Roswell Economic Development & Tourism Inc. (the “Bureau”) in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect misstatements in the reporting of the opening equity balances, ending accrued salaries and accounts payable of the Bureau.

Context/Cause: During our testing, an audit adjustment was required to adjust the opening equity, ending accrued salaries and accounts payable of the Bureau’s financial statements.

Effects: Audit adjustments totaling approximately \$15,000 were needed to correct the Bureau’s opening fund balance, ending accrued salaries and accounts payable balances as of June 30, 2019.

Recommendations: We recommend the Bureau carefully review the general ledger to ensure that all reported balances are recorded appropriately.

Auditee’s Response: We will take necessary steps in the future to ensure that all general ledger balances are reported correctly.

CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF ROSWELL, GEORGIA
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

2018-001 Interfund Balances

Criteria: In accordance with generally accepted accounting principles, if a fund with an interfund payable does not have the ability to repay the interfund balance, the interfund balance should be reduced by the amount that the fund does not have the ability to repay. The fund should report the balance that cannot be repaid as a transfer from the fund that made the loan.

Condition: Misstatements were detected in the reporting of the interfund balances of the City.

Context/Cause: During our testing, audit adjustments were required to correct interfund balance reporting among the General Fund, Federal Grants Fund, 2013 Bond Fund, and CDBG Fund.

Effects: Audit adjustments totaling approximately \$1,184,000 were needed to correct the City's interfund balance reporting as of June 30, 2018.

Status: Resolved.



2019-001 Equity Reconciliation & Accrued Liabilities Reporting – Roswell Economic Development & Tourism, Inc.

Name of the Contact Person Responsible for the Corrective Action Plan: Ryan Lockett, Finance Director

Corrective Action Plan: We concur with the finding. The City will work with the Roswell Economic Development & Tourism, Inc. (the "Bureau") to ensure that the year end balances are up to date based on journal entries completed. We will also work with the Bureau to ensure that beginning balances match ending balances each fiscal year and ensure that all accruals are completed timely.

Anticipated Completion Date: January 31, 2020

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