



City of Roswell

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020



CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020

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, 2020

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	i-iv
Letter of Transmittal	v-xi
Certificate of Achievement for Excellence in Financial Reporting	xii
Principal Officials	xiii
Elected Officials	xiv
Organizational Chart	xv
 FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Position – Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Notes to Financial Statements	24-58
Required Supplementary Information:	
Schedule of Changes in the City's Net Pension Liability and Related Ratios	59
Schedule of City Contributions.....	60
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis	61

CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

Page

FINANCIAL SECTION (Continued)

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	62
Combining Statement of Revenues, Expenditures, and Changes in Fund	
Balances – Nonmajor Governmental Funds.....	63
Confiscated Assets – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Budgetary Basis	64
Emergency 911 Telephone System – Schedule of Revenues, Expenditures, and	
Changes in Fund Balances – Budget and Actual – Budgetary Basis	65
County/Local Grants – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Budgetary Basis	66
CDBG Grants – Schedule of Revenues, Expenditures,	
and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	67
Federal Grants Fund – Schedule of Revenues, Expenditures, and Changes	
in Fund Balances – Budget and Actual – Budgetary Basis	68
Soil Erosion – Schedule of Revenues, Expenditures,	
and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	69
Hotel/Motel Tax – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Budgetary Basis	70
Leita Thompson – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Budgetary Basis	71
Auto Rental Excise Tax – Schedule of Revenues, Expenditures, and Changes in2	
Fund Balances – Budget and Actual – Budgetary Basis	72
Debt Service – Schedule of Revenues, Expenditures,	
and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	73
Scholarship Fund – Schedule of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Budgetary Basis	74
Schedule of Projects Constructed with Proceeds from	
Transportation Special Purpose Local Option Sales Tax (TSPLOST).....	75
Combining Statement of Net Position – Internal Service Funds	
Combining Statement of Changes in Revenues, Expenses and Changes in	
Fund Net Position – Internal Service Funds.....	77
Combining Statement of Cash Flows – Internal Service Funds.....	
Component Unit – Historic Roswell Convention & Visitors Bureau, Inc.:	
Balance Sheet.....	79
Statement of Revenues, Expenditures, and Change in Fund Balance	80

CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

Page

STATISTICAL SECTION

Financial Trends:

Net Position by Component	81
Changes in Net Position	82 and 83
Fund Balances of Governmental Funds	84
Changes in Fund Balances of Governmental Funds.....	85
General Governmental Tax Revenues by Source	86

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property	87
Property Tax Rates Direct and Overlapping Governments.....	88
Principal Property Taxpayers.....	89
Property Tax Levies and Collections	90

Debt Capacity:

Ratios of Outstanding Debt by Type	91
Ratios of Net General Bonded Debt Outstanding	92
Direct and Overlapping Governmental Activities Debt	93
Legal Debt Margin Information	94

Demographic and Economic Information:

Demographic and Economic Statistics.....	95
Principal Employers	96

Operating Information:

Full-Time Equivalent City Government Employees by Function.....	97-99
Operating Indicators by Function.....	100
Capital Asset Statistics by Function	101

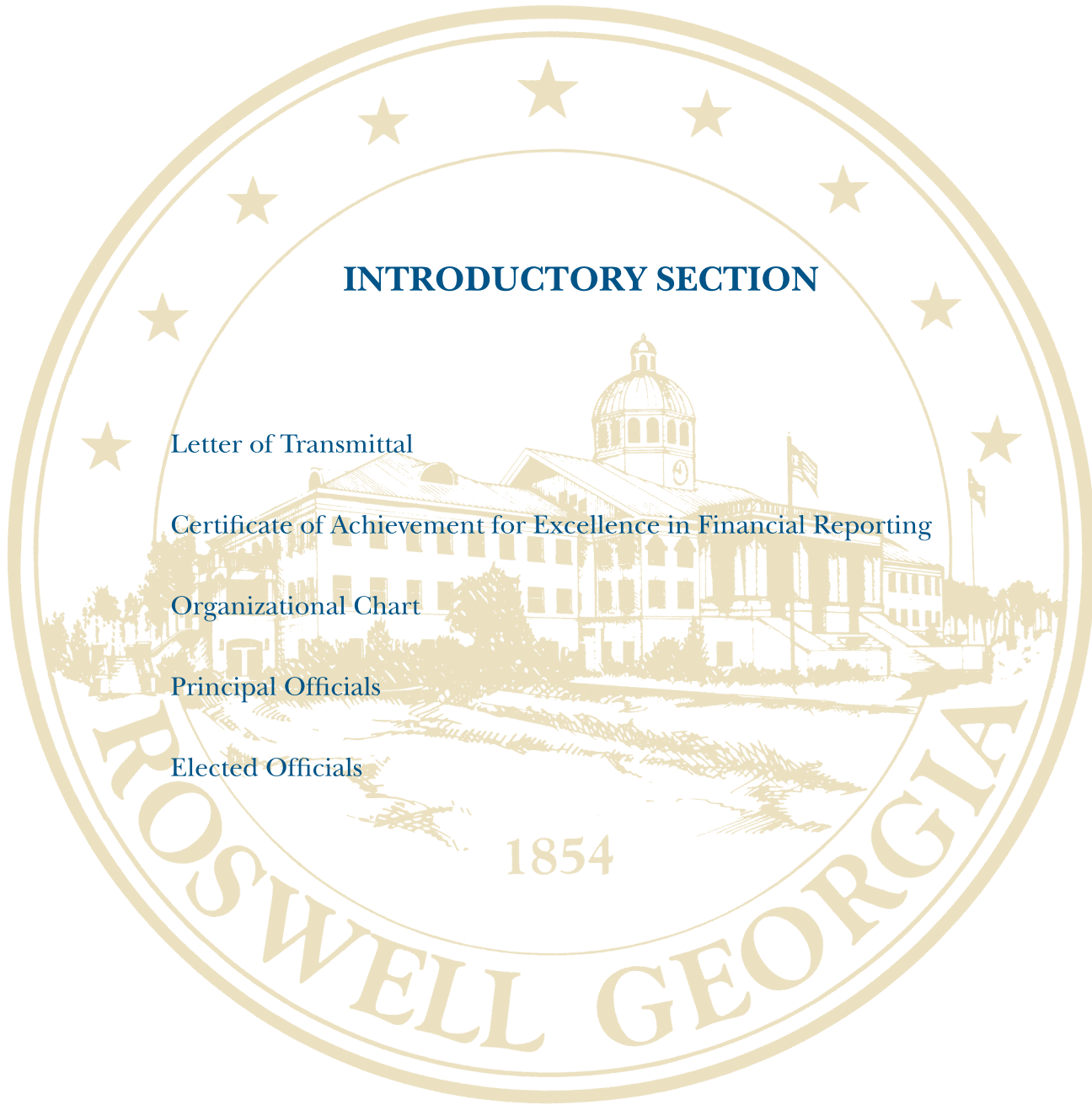
CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

Page

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	102 and 103
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	104-106
Schedule of Expenditures of Federal Awards	107
Notes to Schedule of Expenditures of Federal Awards.....	108
Schedule of Findings and Questioned Costs	109-111
Status of Prior Audit Findings.....	112



INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

Principal Officials

Elected Officials



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, 2020 (FY20). 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 FY20 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, 2020 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 Uniform Guidance, 2 CFR Part 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" 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 94,763 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, 2020.

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. Approximately 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, Wellstar North Fulton and McKesson Drug Company. These employers bring tax revenue, jobs and much needed services to our City.

The City's population has increased approximately seven 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. Southern Post is one mixed use project that is currently under development. Located on Alpharetta Highway between Norcross and Fraser Street, this development will include 40,000 square feet of restaurant and retail space, 95,000 square feet of loft style, open-concept office space, 128 apartments and nine townhomes with garages. There are also plans to include a five story boutique hotel on the site as well.

Two new hotels have also opened in Roswell, Springhill Suites and Home2Suites. These hotels are all-suite, upscale branded hotels. Both of these hotels will offer options to business travelers as well as stay and play packages for vacationers.

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.

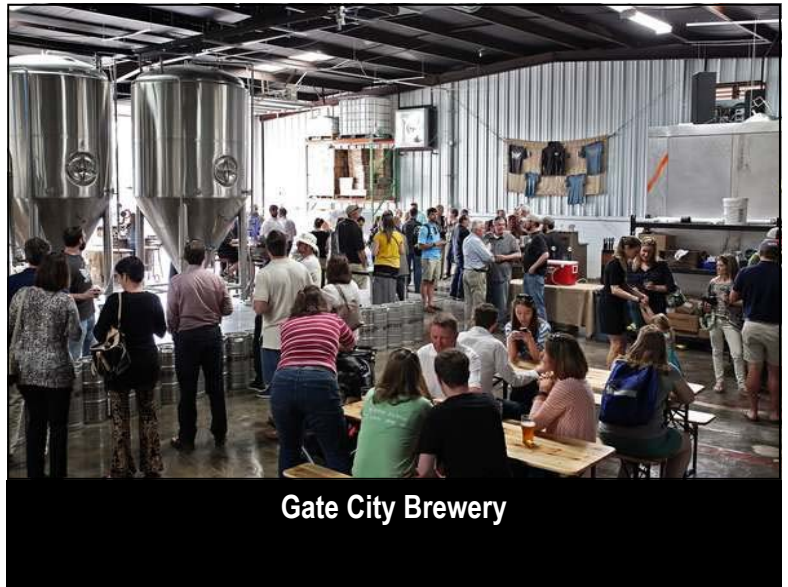
The City's Strategic Planning and Budgeting Office works with the City Administrator, departments, and elected officials each year to develop the City of Roswell's annual budget. Additionally, the Budget Office regularly reports on the City's current financial condition to Mayor and Council, City Administrator,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

citizens, and City employees. The Budget Office's development of the FY20 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.

The City is in the beginning stages of developing its 2040 Comprehensive Plan. This plan will provide long-range, policy direction for land use, transportation, economic development, housing, public facilities, inter-government agreements, and natural/cultural resources. The process involves a variety of stakeholders including elected officials, city staff, a comprehensive plan advisory committee, regulatory agencies, a consultant team, and the general public. Through a series of online meetings and an online portal, the City will collect input on what needs to change and what should stay the same. The input from these stakeholders will be molded into a governing document.



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

In fiscal year 2019, the City began development of a City-Wide Strategic Plan. Throughout the summer and fall of 2019, City staff worked with the community to develop its first city-wide strategic plan. The Vision and Engagement phase of this process included workshops, pop-up events, picnics, small meetings and online activities. Over 2,000 participants provided more than 7,000 comments that will contribute directly to the strategic plan. The Planning phase of the Strategic Plan began in January 2020 with a retreat that included the planning phase consultant, management partners, and the City executive team. The final draft of the Strategic Plan is anticipated to be presented to City Council in December 2020.



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 uninsured 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.

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

Major Initiatives

Some of the City of Roswell's major initiatives in Fiscal Year 2020 were:

- Completed Employee feedback phase of Classification and Compensation Study—This will allow the City to implement a plan to ensure labor market competitiveness.
- Increase Hotel/Motel tax rate—Passed by both City and State Legislature, this increase from six percent to eight percent changes the distribution of these funds. With the rate increase, 18.75% is restricted for Tourism Product Development, 43.75% is restricted for tourism, and 37.5% is unrestricted and can be used as the City deems appropriate,
- 2040 Comprehensive Plan—The City began the first phase of this plan as discussed earlier in this letter.
- Transfer Station—Completed the design of new replacement Transfer Station. The City will begin construction of a new Transfer Station in the upcoming fiscal year.
- Floating Homestead Exemption—City implemented a new floating homestead exemption. This exemption is automatically granted to all Roswell residents with a Fulton County Homestead exemption in place. The floating exemptions caps the 2019 taxable value at the lowest value from 2016, 2017, or 2018 plus 4.23%.
- New Fire Equipment—The City placed a new Heavy Rescue vehicle and brush fire unit into service. The Heavy Rescue unit responds on structure fires and special operations responses. The brush fire unit has the capability to operate between subdivisions, large open areas, and wooded areas where Fire Trucks would not normally be able to access.
- Mimosa Hall—Renovations on Mimosa Hall were completed and opened to the public.
- COVID 19 Response—In March 2020, the World Health Organization declared the global COVID-19 outbreak a pandemic. This led to National, State, and Local State of Emergency declarations. A shelter in place order restricted City operations for several months. With emergency operational plans in place for this pandemic, City operations continued with Fire, Police, and Public Works departments continuing to provide necessary services to citizens. The City has made necessary adjustments as the pandemic continues to ensure that employees are safe and citizens continue to receive the level of quality service they are used to.

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



Mimosa Hall

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, 2019. 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-four 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, 2019 for the second year in a row. 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 2020 by the National Purchasing Institute and received their 16th 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 2020. 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 sixteen fiscal years.

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

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



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, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF ROSWELL, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2020

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



**Lori Henry,
Mayor**



**Marcelo Zapata,
Post 1 Councilmember
Mayor Pro Tem**



**Mike Palermo,
Post 2 Councilmember**



**Christine Hall,
Post 3 Councilmember**



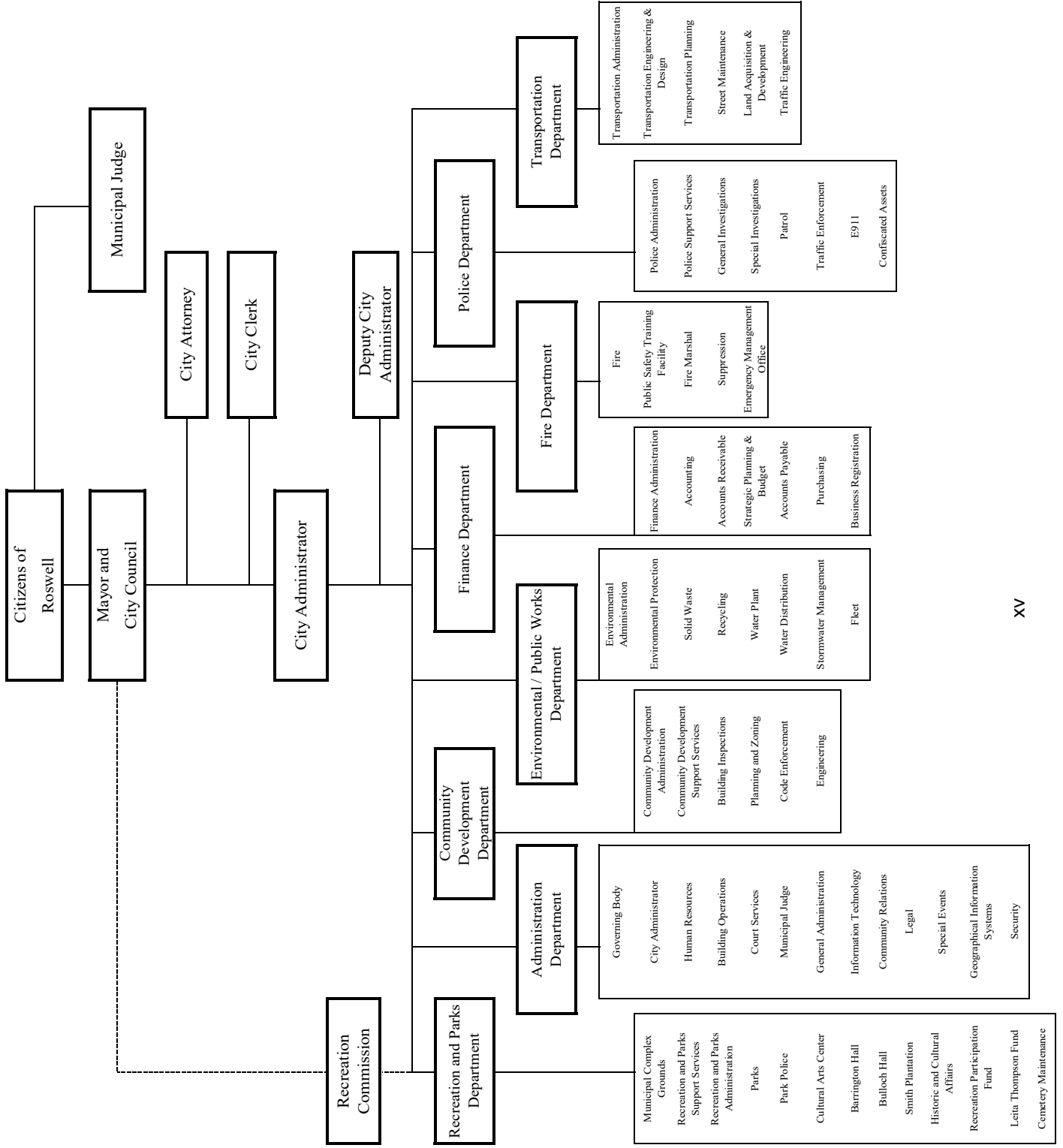
**Marie Willsey,
Post 4 Councilmember**



**Matthew Tyser,
Post 5 Councilmember**

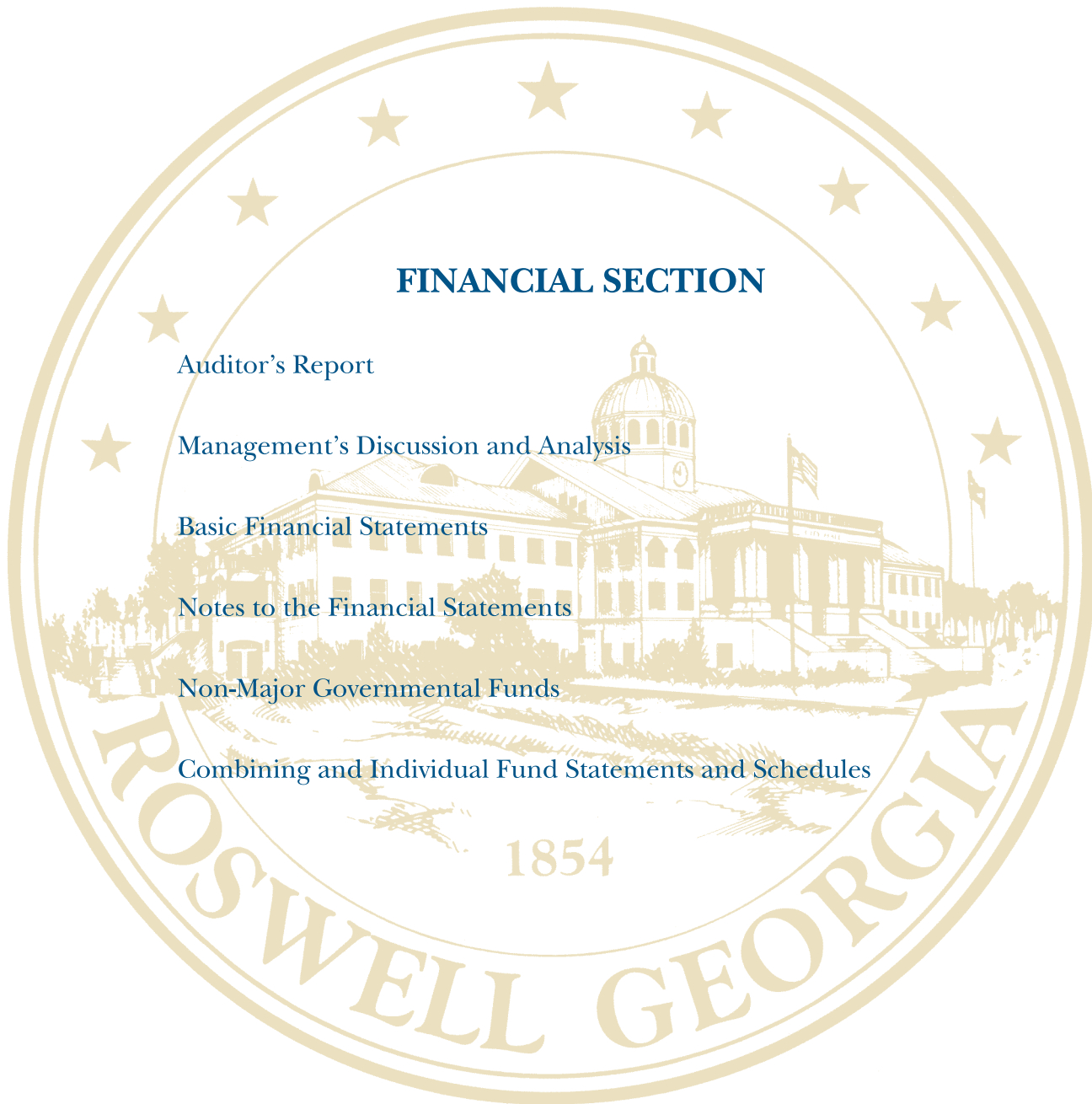


**Matt Judy,
Post 6 Councilmember**



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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, 2020, 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, 2020, 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 10, 2020 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 10, 2020

Management’s Discussion and Analysis

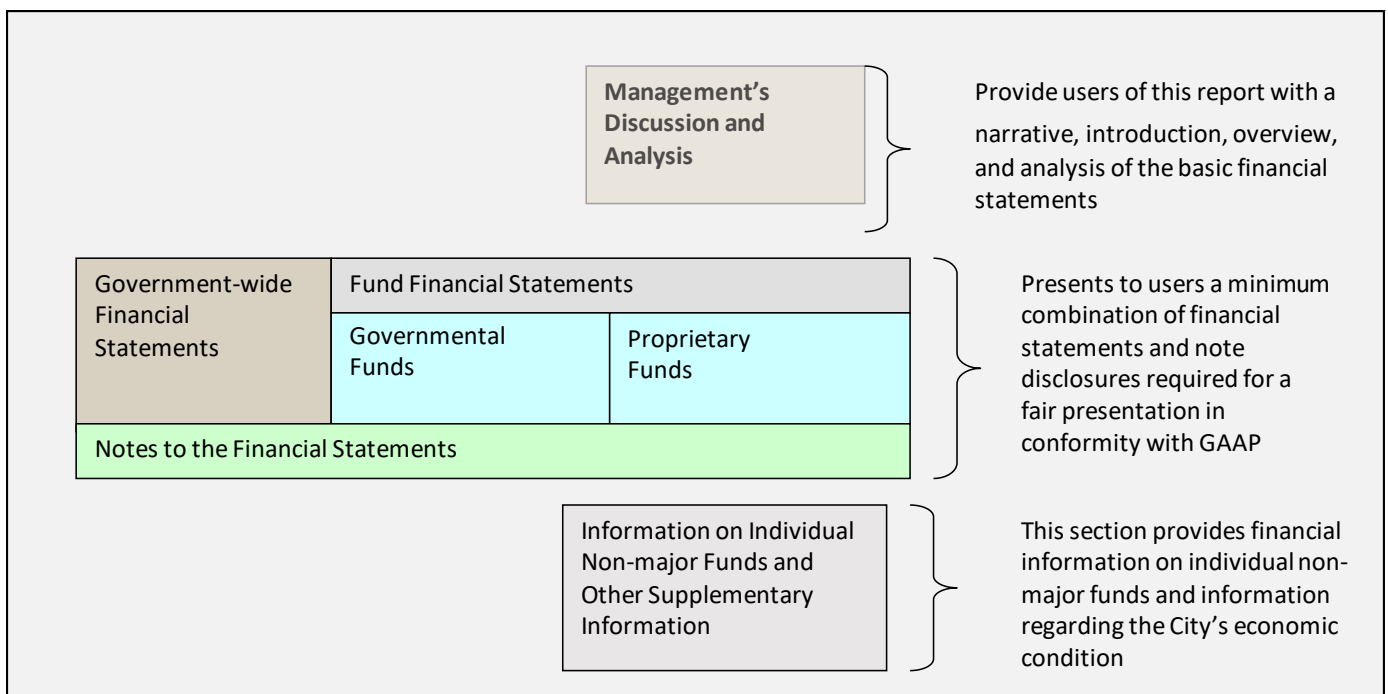
As management of Roswell, Georgia, we offer readers of Roswell’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. This discussion is intended to:

- 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 14 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
- 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 62.

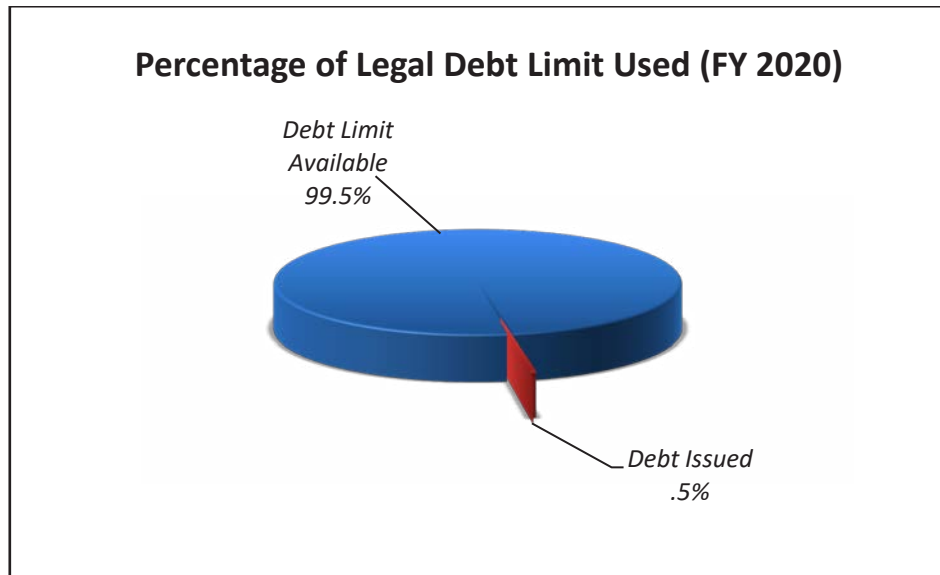
Within this section of the City of Roswell, Georgia's (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. The City's financial performance is discussed and 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, 2020 by \$312,770,418 (net position) for the fiscal year reported. Of this amount, \$35,577,290 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net position are comprised of the following:
 - 1) Capital assets, net of related debt, of \$223,350,260 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 \$53,842,868 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 decreased from \$43,311,877 in fiscal year 2019 to \$35,577,290.

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 \$1,485,000 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 2020.



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

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Assets:								
Current and other assets	\$ 113,364	\$ 101,607	\$ 13,830	\$ 14,148	\$ 127,194	\$ 115,755	33.31%	31.36%
Capital assets	216,697	215,660	37,996	37,727	254,693	253,387	66.69%	68.64%
Total assets	330,061	317,267	51,826	51,875	381,887	369,142	100.00%	100.00%
Deferred outflows of resources	6,441	4,232	1,013	778	7,454	5,010	100.00%	100.00%
Liabilities:								
Current liabilities	8,311	8,564	3,951	3,372	12,262	11,936	16.13%	17.89%
Long-term liabilities	47,336	38,922	16,402	15,865	63,738	54,787	83.87%	82.11%
Total liabilities	55,647	47,486	20,353	19,237	76,000	66,723	100.00%	100.00%
Deferred inflows of resources	493	4,022	77	740	570	4,762	100.00%	100.00%
Net position:								
Net Investment in capital asset	197,434	194,739	25,916	24,991	223,350	219,730	71.41%	72.60%
Restricted	53,843	39,627	-	-	53,843	39,627	17.21%	13.09%
Unrestricted	29,085	35,626	6,493	7,686	35,578	43,312	11.38%	14.31%
Total net position	\$ 280,362	\$ 269,992	\$ 32,409	\$ 32,677	\$ 312,771	\$ 302,669	100.00%	100.00%

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end 2020 increased 3.3% from \$302,668,968 at June 30, 2019 to \$312,770,418 at June 30, 2020 (See Table 1).

The largest portion of the City's net position (71.41%) at June 30, 2020, 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 (17.21%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$35,577,290 or 11.38%) may be used to meet the government's ongoing obligations to citizens and creditors.

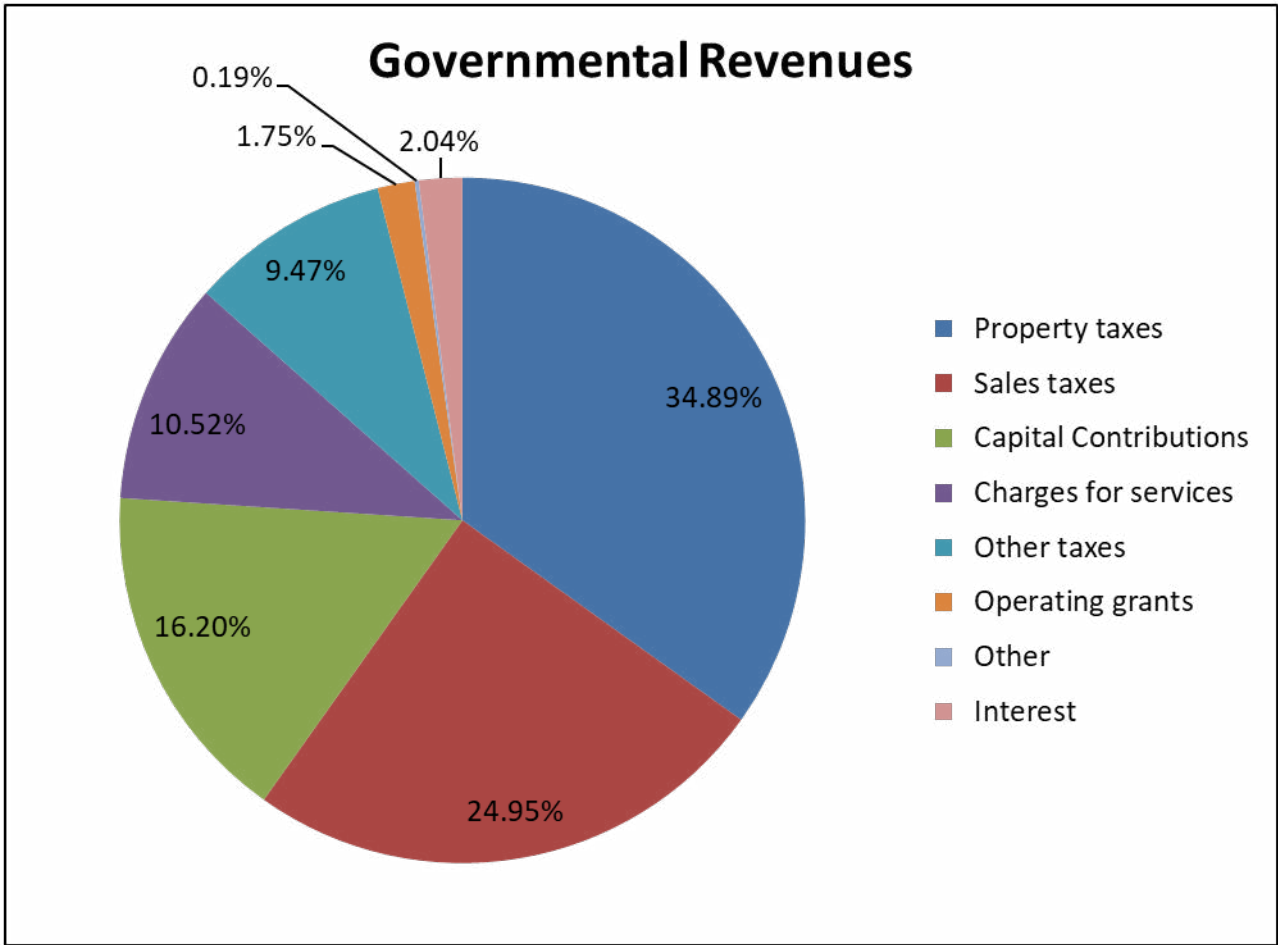
The City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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		
	2020	2019	2020	2019	2020	2019	2020	2019	
<i>Revenues:</i>									
<i>Program:</i>									
Charges for services	\$ 11,158	\$ 10,620	\$ 23,042	\$ 22,514	\$ 34,200	\$ 33,133	26.76%	25.01%	
Operating grants	1,821	2,077	-	-	1,821	2,077	1.42%	1.57%	
Capital Contributions	16,908	21,408	-	-	16,908	21,408	13.23%	16.16%	
<i>General:</i>									
Property taxes	36,401	35,746	-	-	36,401	35,746	28.48%	26.99%	
Sales taxes	26,029	27,357	-	-	26,029	27,357	20.36%	20.65%	
Other taxes	9,881	9,567	-	-	9,881	9,567	7.73%	7.22%	
Interest	2,125	2,280	251	256	2,376	2,536	1.86%	1.91%	
Other	203	624	-	12	203	636	0.16%	0.48%	
Total revenues	104,526	109,679	23,293	22,781	127,819	132,460	100.00%	100.00%	
<i>Program Expenses:</i>									
General government	14,791	13,423	-	-	14,791	13,423	12.56%	12.52%	
Judicial	1,248	1,116	-	-	1,248	1,116	1.06%	1.04%	
Financial services	2,832	2,387	-	-	2,832	2,387	2.41%	2.23%	
Planning and zoning	2,876	3,318	-	-	2,876	3,318	2.44%	3.09%	
Public safety	37,077	32,629	-	-	37,077	32,629	31.49%	30.43%	
Public works	16,736	13,870	-	-	16,736	13,870	14.21%	12.94%	
Culture and recreation	18,321	15,367	-	-	18,321	15,367	15.56%	14.33%	
Interest	364	336	-	-	364	336	0.31%	0.31%	
Water and sewer	-	-	4,277	4,535	4,277	4,535	3.63%	4.23%	
Solid waste	-	-	11,423	11,618	11,423	11,618	9.70%	10.84%	
Stormwater	-	-	2,478	2,471	2,478	2,471	2.10%	2.30%	
Participant Recreation	-	-	5,326	6,153	5,326	6,153	4.52%	5.74%	
Total expenses	94,245	82,445	23,504	24,777	117,749	107,222	100%	100%	
Excess (deficiency)	10,281	27,234	(211)	(1,996)	10,070	25,239			
Sale of assets	-	-	32	-	32	-			
Transfers	89	118	(89)	(118)	-	-			
Change in net position	10,370	27,353	(268)	(2,114)	10,102	25,239			
Beginning net position	269,992	242,639	32,677	34,791	302,669	277,430			
Ending net position	\$ 280,362	\$ 269,992	\$ 32,409	\$ 32,677	\$ 312,771	\$ 302,669			



GOVERNMENTAL REVENUES

The City’s governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 34.89% and sales taxes provided 24.95% of the City’s total governmental revenues. Also, note that program revenues cover 41.41% of governmental expenses. This means that the government’s taxpayers and the City’s other general revenues fund 58.59% 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)

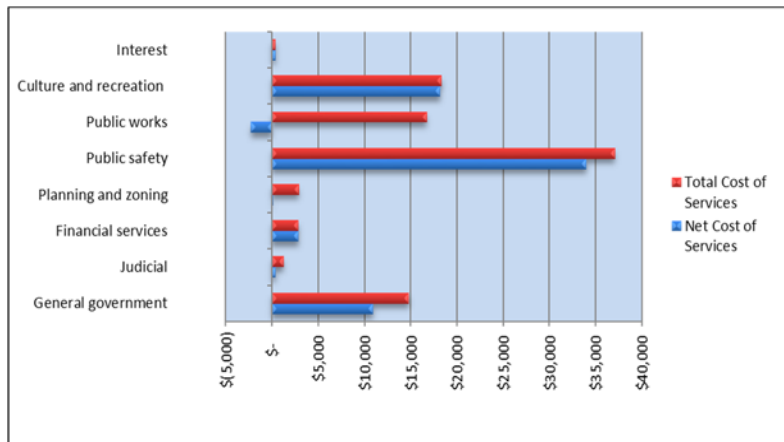
(IN THOUSANDS OF DOLLARS)

	Total Cost of Services		Percentage of Total		Net Cost of Services		Percentage of Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<i>General government</i>	\$ 14,791	\$ 13,423	15.69%	16.28%	\$ 10,929	\$ 9,591	16.98%	19.84%
<i>Judicial</i>	1,248	1,116	1.32%	1.35%	388	(332)	0.60%	-0.69%
<i>Financial services</i>	2,832	2,387	3.00%	2.89%	2,832	2,387	4.40%	4.94%
<i>Planning and zoning</i>	2,876	3,318	3.05%	4.02%	85	981	0.13%	2.03%
<i>Public safety</i>	37,077	32,629	39.34%	39.58%	33,811	29,840	52.54%	61.73%
<i>Public works</i>	16,736	13,870	17.76%	16.82%	(2,239)	(8,361)	-3.48%	-17.30%
<i>Culture and recreation</i>	18,321	15,367	19.44%	18.64%	18,188	13,898	28.26%	28.75%
<i>Interest</i>	364	336	0.39%	0.41%	364	336	0.57%	0.70%
Total	\$ 94,246	\$ 82,445	100.00%	100.00%	\$ 64,358	\$ 48,340	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 39.34% 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 \$18,321,329 or 19.44% of governmental expenses.

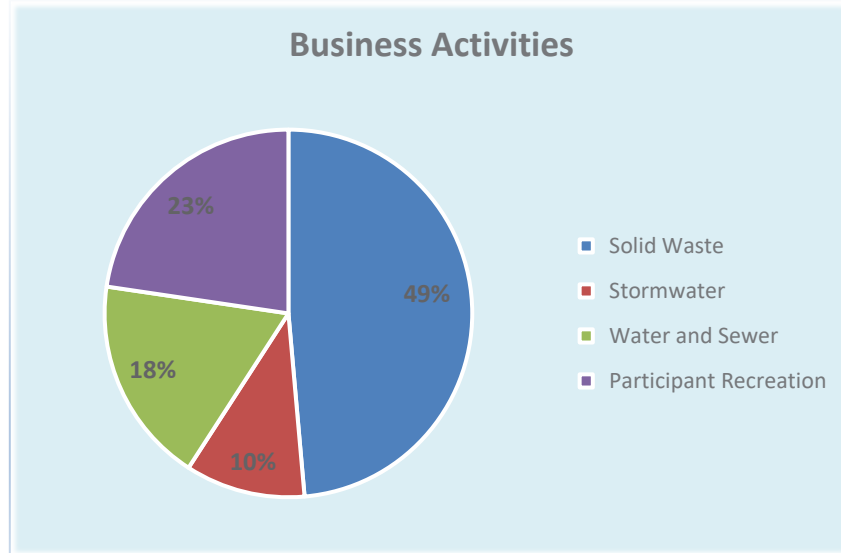
- The cost of all governmental activities this fiscal year was \$94,245,555 compared to \$82,444,713 in fiscal year 2019.
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax, hotel/motel tax, excise tax and business taxes (\$72,310,957).
- Some of the costs were paid by those who benefited directly from the programs (\$11,157,642) and subsidies from other governments and organizations through grants and/or contributions (\$18,729,768).



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The cost of all Proprietary (Business Type) activities this fiscal year was \$23,503,697 as shown in Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$23,042,116. Within the total business-type activities of the City, these activities reported a decrease in net position of \$267,894.



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 \$98,469,477. Of this year-end total, \$25,100,975 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, \$18,083,166 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 \$29,611,944. 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 36.3% of total general fund expenditures.

Total General Fund revenues were \$77,410,609 or 2% lower than fiscal year 2019. The ongoing nationwide pandemic was the most significant factor in this overall decrease. Due to Executive Orders from the Governor, many State and Local governments were closed to the public for several months of the current fiscal year. These Executive Orders also resulted in the closure of many local businesses. These closures resulted in lower collections of fines and forfeitures and sales taxes revenues.

The Capital Projects Fund reflects an ending fund balance increase of \$146,197. The increase in fund balance is due to an increase in the proceeds from the sale of capital assets.

The T-SPLOST Fund reflects an ending fund balance of \$42,462,773, an increase of \$13,127,778 from fiscal year 2019. This increase is due to the projects in this fund still being in the beginning phase of construction.

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 2.35% above those in fiscal year 2019 and operating expenses were 6.12% less than prior year. Due to the pandemic, the City prioritized projects within these funds to keep expenses to a minimum while still providing quality service to residents.

The Water and Sewer Fund's operating revenues are 6.37% above those in fiscal year 2019 and operating expenses were 6.12% less than prior year. This resulted in an increase in net position of \$113,484.

The Solid Waste Fund's operating revenues are 10.43% above than those in fiscal year 2019 and operating expenses were 3.28% less than the prior year. The increase in revenues was due to a rate increase that began on July 1, 2020.

The Participant Recreation Fund's operating revenues were 16.33% less when compared to the same time in fiscal year 2019. Operating expenses were 13.42% less than prior year. The Participant Recreation Fund was most affected by the pandemic. Revenues and expenses decreased because programs were cancelled and/or postponed for an extended period.

The Stormwater Fund's operating revenues were 3.28% higher when compared to the same time in fiscal year 2019. The increase in revenues was due to a rate increase that began on July 1, 2020. Operating expenses were 0.71% less than prior year.

Budgetary Highlights

General Fund – The General Fund's final approved revenue budget for FY 2020 was \$76,319,000. The original approved revenue budget was \$76,236,745. The City collected \$1,091,610 more than the approved revenue budget due to higher than anticipated collection of taxes.

The General Fund's final approved expenditure budget for FY 2020 was \$77,147,110. The original approved expenditure budget was \$72,902,554. The City expended 90.87% of the Amended Budget amount. The General Fund actual expenditures were \$7,045,149 less than budgeted. The decrease was mainly due to Administration and Public Safety. The decrease can be attributed to vacant positions and delay of project costs due to the pandemic.

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, 2020, was \$216,697,242 and \$37,996,173 respectively. The major changes to capital assets for FY20 were:

- Completed construction in progress in the governmental activities decreased by approximately \$5.1 million with the completion of several major projects.
- Vehicles increased due to the addition of a Heavy Duty Fire Rescue vehicle and addition of leased vehicles to the City's fleet.
- Governmental activities Infrastructure increased due to the completion of Hardscrabble Green Loop and the roadway realignment of Grove Way and Bush Street. Business-type activities infrastructure increased due to completion of several culvert and pipe repair 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	
	2020	2019	2020	2019	2020	2019
Non-depreciable assets:						
Land	\$ 52,354	\$ 52,331	\$ -	\$ -	\$ 52,354	\$ 52,331
Construction in Progress	19,958	25,089	1,334	859	21,292	25,948
Total non-depreciable assets	72,312	77,420	1,334	859	73,646	78,279
Depreciable assets:						
Land improvements	42,176	41,632	501	501	42,677	42,133
Buildings and plant	86,933	83,469	19,958	19,878	106,891	103,347
Machinery and equipment	27,959	26,009	2,933	2,614	30,892	28,623
Vehicles	27,471	23,963	5,712	5,745	33,183	29,708
Infrastructure	158,008	149,235	23,561	22,588	181,569	171,823
Total depreciable assets	342,548	324,308	52,665	51,326	395,213	375,634
Less accumulated depreciation:	198,163	186,068	16,003	14,458	214,166	200,526
Net book value-depreciated assets	144,385	138,240	36,662	36,868	181,047	175,108
Percentage depreciated	57.85%	57.37%	30.39%	28.17%	54.19%	53.38%
Total Capital Assets	\$ 216,697	\$ 215,660	\$ 37,996	\$ 37,727	\$ 254,693	\$ 253,386

At June 30, 2020, the depreciable capital assets for governmental activities were 57.85% depreciated. Note that the business-type activities are 30.39% depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$5,363,029, 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, 2020 and 2019

(in thousands of dollars)

	Governmental		Business-type		Totals	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Bonds	\$ 5,265	\$ 6,750	\$ -	\$ -	\$ 5,265	\$ 6,750
Plus Premium	98	165	-	-	98	165
Claims payable	370	375	-	-	370	375
Compensated absences	3,250	2,864	493	448	3,743	3,312
Net pension liability	24,581	14,774	3,864	2,717	28,445	17,491
Notes payable	2,906	3,271	12,045	12,700	14,951	15,971
Capital lease payable	2,393	944	-	-	2,393	944
Financed purchases payable	8,473	9,778	-	-	8,473	9,778
Total	\$ 47,336	\$ 38,922	\$ 16,402	\$ 15,865	\$ 63,738	\$ 54,786

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

Economic Factors and Next Year's Budgets and Rates

All of these factors were considered in preparing the City's budget for fiscal year 2021.

- Sustainability of Existing Services – the City has maintained a philosophy of budgetary evaluation, which reviews the needs of the City to the standards, which realizes that services and associated costs should not be appropriated if they are not justified as long-term goals of the City. This philosophy is solidified during the budget process, with a multi-year financial outlook that provides the conduit to evaluate government priorities, realign and diversify revenue structures, and provide the data for the decision making for continued financial success.
- Cost of Government – The operating millage rate of 4.955 mills is statutorily set and cannot be changed without a referendum. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes, to facilitate the provisions of City services.
- Infrastructure Improvements – The FY21 capital budget will focus on projects that are already in progress, have state/federal funding, and/or are essential due to safety or required by mandate.
- Economy Impact – The City is planning for a downturn because of the pandemic. In addition to the 25 percent General Fund reserve, the City has set aside \$1.6M in the FY21 budget to address the financial uncertainty caused by COVID-19. The fiscal year 2021 operating budget will focus on continuing to provide exceptional core services to the community.

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, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Roswell Economic Development & Tourism, Inc.	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 73,067,918	\$ 4,618,817	\$ 77,686,735	\$ 552,917	\$ 353,389
Investments	31,761,662	7,167,094	38,928,756	-	-
Receivables (net of allowance for uncollectibles)	1,648,552	2,491,614	4,140,166	185	-
Taxes receivable	4,341,889	-	4,341,889	-	-
Intergovernmental receivables	355,157	-	355,157	-	-
Internal balances	488,585	(488,585)	-	-	-
Inventories	129,013	-	129,013	1,537	-
Prepaid items	815,580	41,215	856,795	3,960	-
Notes receivable	755,584	-	755,584	-	-
Capital assets, nondepreciable	72,312,113	1,333,996	73,646,109	-	-
Capital assets, depreciable, net of accumulated depreciation	144,385,129	36,662,177	181,047,306	717	-
Total assets	330,061,182	51,826,328	381,887,510	559,316	353,389
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	6,441,271	1,012,591	7,453,862	-	-
Total deferred outflows of resources	6,441,271	1,012,591	7,453,862	-	-
LIABILITIES					
Accounts payable	2,920,698	2,024,176	4,944,874	15,238	-
Accrued liabilities	5,263,441	349,333	5,612,774	547	-
Retainage payable	127,663	-	127,663	-	-
Customer deposits payable	-	933,122	933,122	-	-
Unearned revenue	-	644,228	644,228	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	2,488,962	370,097	2,859,059	-	-
Capital leases	669,874	-	669,874	-	-
Financed purchases	1,289,938	-	1,289,938	-	-
Note payable	183,069	331,233	514,302	-	-
Claims payable	150,000	-	150,000	-	-
Bonds payable	1,520,000	-	1,520,000	-	-
Noncurrent liabilities due in more than one year					
Compensated absences payable	760,787	122,905	883,692	-	-
Capital leases	1,723,568	-	1,723,568	-	-
Financed purchases	7,182,829	-	7,182,829	-	-
Note payable	2,723,120	11,713,310	14,436,430	-	-
Claims payable	220,498	-	220,498	-	-
Bonds payable	3,843,029	-	3,843,029	-	-
Net pension liability	24,580,749	3,864,188	28,444,937	-	-
Total liabilities	55,648,225	20,352,592	76,000,817	15,785	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	492,685	77,452	570,137	-	-
Total deferred inflows of resources	492,685	77,452	570,137	-	-
NET POSITION					
Net investment in capital assets	197,434,152	25,916,108	223,350,260	717	-
Restricted for:					
Debt service	2,419,538	-	2,419,538	-	-
Environmental	38,604	-	38,604	-	-
Culture and recreation	1,123,239	-	1,123,239	542,814	-
Transportation	44,180,841	-	44,180,841	-	-
Public safety	3,694,387	-	3,694,387	-	-
Capital projects	2,267,728	-	2,267,728	-	-
Promotion of industry and tourism	83,189	-	83,189	-	-
Scholarship - nonexpendable	25,000	-	25,000	-	-
Scholarship - expendable	10,342	-	10,342	-	-
Unrestricted	29,084,523	6,492,767	35,577,290	-	353,389
Total net position	\$ 280,361,543	\$ 32,408,875	\$ 312,770,418	\$ 543,531	\$ 353,389

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

CITY OF ROSWELL, GEORGIA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 14,791,393	\$ 3,842,125	\$ 20,025	\$ -
Judicial	1,247,950	860,237	-	-
Financial services	2,831,834	-	-	-
Public safety	37,077,020	2,912,272	328,223	25,100
Public works	16,736,360	1,346,749	1,156,410	16,472,274
Planning and zoning	2,875,890	2,081,090	299,001	410,360
Culture and recreation	18,321,329	115,169	17,675	700
Interest on long-term debt	363,779	-	-	-
Total governmental activities	<u>94,245,555</u>	<u>11,157,642</u>	<u>1,821,334</u>	<u>16,908,434</u>
Business-type activities:				
Water and sewer	4,276,745	4,331,909	-	-
Solid waste	11,422,418	11,034,111	-	-
Participant recreation	5,326,283	4,480,172	-	-
Stormwater	2,478,251	3,195,924	-	-
Total business-type activities	<u>23,503,697</u>	<u>23,042,116</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 117,749,252</u>	<u>\$ 34,199,758</u>	<u>\$ 1,821,334</u>	<u>\$ 16,908,434</u>
Component units:				
Roswell Economic Development & Tourism, Inc.	\$ 1,562,830	\$ 255,701	\$ 1,160,000	\$ -
Downtown Development Authority	66,256	28,684	19,815	-
Total component units	<u>\$ 1,629,086</u>	<u>\$ 284,385</u>	<u>\$ 1,179,815</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales and use taxes				
Hotel/motel taxes				
Excise taxes				
Business taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Gain on sale of land held for development				
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
\$ (10,929,243)	\$ -	\$ (10,929,243)	\$ -	\$ -
(387,713)	-	(387,713)	-	-
(2,831,834)	-	(2,831,834)	-	-
(33,811,425)	-	(33,811,425)	-	-
2,239,073	-	2,239,073	-	-
(85,439)	-	(85,439)	-	-
(18,187,785)	-	(18,187,785)	-	-
(363,779)	-	(363,779)	-	-
<u>(64,358,145)</u>	<u>-</u>	<u>(64,358,145)</u>	<u>-</u>	<u>-</u>
-	55,164	55,164	-	-
-	(388,307)	(388,307)	-	-
-	(846,111)	(846,111)	-	-
-	717,673	717,673	-	-
-	<u>(461,581)</u>	<u>(461,581)</u>	<u>-</u>	<u>-</u>
<u>(64,358,145)</u>	<u>(461,581)</u>	<u>(64,819,726)</u>	<u>-</u>	<u>-</u>
-	-	-	(147,129)	-
-	-	-	-	(17,757)
-	-	-	<u>(147,129)</u>	<u>(17,757)</u>
36,400,833	-	36,400,833	-	-
26,028,936	-	26,028,936	-	-
1,006,915	-	1,006,915	-	-
262,614	-	262,614	-	-
8,611,659	-	8,611,659	-	-
2,124,678	250,836	2,375,514	-	61
-	32,009	32,009	-	-
-	-	-	-	137,300
202,696	-	202,696	-	-
89,158	(89,158)	-	-	-
<u>74,727,489</u>	<u>193,687</u>	<u>74,921,176</u>	<u>-</u>	<u>137,361</u>
10,369,344	(267,894)	10,101,450	(147,129)	119,604
269,992,199	32,676,769	302,668,968	690,660	233,785
<u>\$ 280,361,543</u>	<u>\$ 32,408,875</u>	<u>\$ 312,770,418</u>	<u>\$ 543,531</u>	<u>\$ 353,389</u>

CITY OF ROSWELL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

ASSETS	Nonmajor Governmental Funds				Total
	General	Capital Projects	T-SPLOST	Funds	
Cash and cash equivalents	\$ 20,210,754	\$ 12,422,488	\$ 26,498,835	\$ 10,629,721	\$ 69,761,798
Investments	10,075,390	3,148,568	15,459,297	287,798	28,971,053
Receivables (net of allowance for uncollectibles)	1,155,555	59,815	-	390,911	1,606,281
Taxes receivable (net)	2,815,810	-	1,432,753	93,326	4,341,889
Intergovernmental receivables	-	-	-	355,157	355,157
Due from other funds	502,967	-	-	-	502,967
Inventories	129,013	-	-	-	129,013
Prepaid items	369,085	30,296	-	17,792	417,173
Total assets	\$ 35,258,574	\$ 15,661,167	\$ 43,390,885	\$ 11,774,705	\$ 106,085,331
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,247,170	\$ 290,428	\$ 800,449	\$ 331,472	\$ 2,669,519
Accrued liabilities	3,000,107	-	-	77,045	3,077,152
Retainage payable	-	-	127,663	-	127,663
Advances from other funds	345,215	-	-	-	345,215
Total liabilities	4,592,492	290,428	928,112	408,517	6,219,549
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	612,583	-	-	27,223	639,806
Unavailable revenue - sales tax	255,091	-	-	-	255,091
Unavailable revenue - other	186,464	-	-	85	186,549
Unavailable revenue - intergovernmental	-	-	-	314,859	314,859
Total deferred inflows of resources	1,054,138	-	-	342,167	1,396,305
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	369,085	30,296	-	17,792	417,173
Inventories	129,013	-	-	-	129,013
Permanent fund corpus	-	-	-	25,000	25,000
Restricted:					
Public safety	-	-	-	3,687,891	3,687,891
Culture and recreation	-	-	-	1,123,239	1,123,239
Environmental	-	-	-	38,604	38,604
Transportation	-	-	42,462,773	1,718,068	44,180,841
Debt service	-	-	-	2,391,561	2,391,561
Capital projects	-	-	-	1,825,206	1,825,206
Scholarship	-	-	-	10,342	10,342
Promotion of industry and tourism	-	-	-	83,189	83,189
Committed:					
Culture and recreation	822,632	-	-	153,625	976,257
Cemetery maintenance	555	-	-	-	555
Environmental	-	-	-	27,461	27,461
Assigned:					
Use of reserves in subsequent budget	2,136,284	-	-	-	2,136,284
Capital projects - Public Safety Building	32,472	15,340,443	-	-	15,372,915
Transportation	122,688	-	-	-	122,688
Financial services	47,477	-	-	-	47,477
Special events	122,207	-	-	-	122,207
General government	211,028	-	-	-	211,028
Planning and zoning	5,605	-	-	-	5,605
Public safety	301,792	-	-	-	301,792
Public works	106,130	-	-	-	106,130
Culture and recreation	26,044	-	-	-	26,044
Unassigned	25,178,932	-	-	(77,957)	25,100,975
Total fund balances	29,611,944	15,370,739	42,462,773	11,024,021	98,469,477
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,258,574	\$ 15,661,167	\$ 43,390,885	\$ 11,774,705	

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.	216,608,444
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.	4,349,198
Notes receivable and related accrued interest are not an available resource and, therefore, is not reported in the funds.	784,233
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.	1,396,305
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(22,823,047)
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.	(18,423,067)

Net position of governmental activities

\$ 280,361,543

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, 2020

	General	Capital Projects	T-SPLOST	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 69,008,150	\$ -	\$ -	\$ 2,770,756	\$ 71,778,906
Licenses and permits	2,840,444	-	-	-	2,840,444
Intergovernmental	327,923	1,156,410	16,165,960	1,849,262	19,499,555
Fines and forfeitures	860,237	-	-	592,604	1,452,841
Charges for services	3,138,564	-	-	2,398,166	5,536,730
Impact fees	-	-	-	1,306,748	1,306,748
Investment earnings	903,909	257,568	928,435	39,770	2,129,682
Contributions	17,675	211,754	-	-	229,429
Miscellaneous	313,707	20,961	-	37,964	372,632
Total revenues	<u>77,410,609</u>	<u>1,646,693</u>	<u>17,094,395</u>	<u>8,995,270</u>	<u>105,146,967</u>
Expenditures:					
Current:					
General government	11,338,434	406,476	-	24,797	11,769,707
Judicial	1,184,640	-	-	-	1,184,640
Financial services	2,768,311	-	-	-	2,768,311
Public safety	29,339,196	-	-	3,032,513	32,371,709
Public works	8,111,307	21,131	-	19,002	8,151,440
Planning and zoning	2,181,617	-	-	442,581	2,624,198
Culture and recreation	12,540,385	104,824	-	748,855	13,394,064
Capital outlay	-	14,697,046	3,966,617	425,344	19,089,007
Debt service:					
Principal	1,669,883	440,593	-	1,485,000	3,595,476
Interest and fiscal charges	254,012	36,605	-	164,760	455,377
Total expenditures	<u>69,387,785</u>	<u>15,706,675</u>	<u>3,966,617</u>	<u>6,342,852</u>	<u>95,403,929</u>
Excess (deficiency) of revenues over expenditures	8,022,824	(14,059,982)	13,127,778	2,652,418	9,743,038
Other financing sources (uses):					
Proceeds from sale of capital assets	413,811	615,706	-	99	1,029,616
Issuance of long-term debt	-	1,890,301	-	-	1,890,301
Transfers in	673,251	11,700,172	-	95,254	12,468,677
Transfers out	(11,568,578)	-	-	(835,941)	(12,404,519)
Total other financing sources (uses)	<u>(10,481,516)</u>	<u>14,206,179</u>	<u>-</u>	<u>(740,588)</u>	<u>2,984,075</u>
Net change in fund balances	(2,458,692)	146,197	13,127,778	1,911,830	12,727,113
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 29,611,944</u>	<u>\$ 15,370,739</u>	<u>\$ 42,462,773</u>	<u>\$ 11,024,021</u>	<u>\$ 98,469,477</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, 2020

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

Net change in fund balances - total governmental funds	\$ 12,727,113
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.	2,769,909
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.	(1,682,205)
The payments received on notes receivable provide current financial resources to governmental funds, but have no effect on net position.	(136,976)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(484,250)
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.	1,705,175
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.	(4,435,875)
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>(93,547)</u>
Change in net position - governmental activities	<u>\$ 10,369,344</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, 2020

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
ASSETS				
Current assets:				
Cash	\$ 442,083	\$ 1,509,168	\$ 2,040,716	\$ 626,850
Investments	1,938,091	4,191,838	-	1,037,165
Receivables (net of allowance for uncollectibles)	702,285	1,485,850	-	303,479
Prepaid items	10,739	1,452	25,531	3,493
Total current assets	3,093,198	7,188,308	2,066,247	1,970,987
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	308,876	194,328	53,849	776,943
Capital assets, being depreciated	36,887,244	6,301,733	1,716,632	7,759,595
Less accumulated depreciation	(11,244,755)	(2,882,772)	(648,353)	(1,227,147)
Advances to other funds	-	345,215	-	-
Total noncurrent assets	25,951,365	3,958,504	1,122,128	7,309,391
Total assets	29,044,563	11,146,812	3,188,375	9,280,378
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	106,490	547,696	198,071	160,334
Total deferred outflows of resources	106,490	547,696	198,071	160,334
LIABILITIES				
Current liabilities:				
Accounts payable	605,671	1,317,121	59,711	41,673
Accrued expenses	58,466	111,249	142,479	37,139
Customer deposits payable	228,901	701,671	2,550	-
Due to other funds	-	-	502,967	-
Unearned revenue	-	-	644,228	-
Notes payable, current	331,233	-	-	-
Compensated absences, current	62,795	149,188	105,793	52,321
Total current liabilities	1,287,066	2,279,229	1,457,728	131,133
Long-term liabilities:				
Compensated absences	21,402	50,792	36,382	14,329
Notes payable, long term	11,713,310	-	-	-
Net pension liability	406,379	2,090,086	755,867	611,856
Total long-term liabilities	12,141,091	2,140,878	792,249	626,185
Total liabilities	13,428,157	4,420,107	2,249,977	757,318
DEFERRED INFLOWS OF RESOURCES				
Pension related items	8,145	41,893	15,150	12,264
Total deferred inflows of resources	8,145	41,893	15,150	12,264
NET POSITION				
Net investment in capital assets	13,906,822	3,613,289	1,122,128	7,273,869
Unrestricted	1,807,929	3,619,219	(809)	1,397,261
Total net position	\$ 15,714,751	\$ 7,232,508	\$ 1,121,319	\$ 8,671,130

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>
\$ 4,618,817	\$ 3,306,120
7,167,094	2,790,609
2,491,614	13,622
41,215	398,407
<u>14,318,740</u>	<u>6,508,758</u>
1,333,996	-
52,665,204	253,717
(16,003,027)	(164,919)
345,215	-
<u>38,341,388</u>	<u>88,798</u>
<u>52,660,128</u>	<u>6,597,556</u>
1,012,591	72,285
<u>1,012,591</u>	<u>72,285</u>
2,024,176	251,179
349,333	2,086,935
933,122	-
502,967	-
644,228	-
331,233	-
370,097	22,996
<u>5,155,156</u>	<u>2,361,110</u>
122,905	8,985
11,713,310	-
3,864,188	275,853
<u>15,700,403</u>	<u>284,838</u>
<u>20,855,559</u>	<u>2,645,948</u>
77,452	5,528
<u>77,452</u>	<u>5,528</u>
25,916,108	88,798
6,823,600	3,929,567
<u>32,739,708</u>	<u>\$ 4,018,365</u>
(330,833)	
<u>\$ 32,408,875</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Participant Recreation</u>	<u>Stormwater</u>
OPERATING REVENUES				
Charges for services				
Water sales	\$ 3,661,196	\$ -	\$ -	\$ -
Sewer sales	293,942	-	-	-
Sanitation sales	-	10,992,537	-	-
Stormwater sales	-	-	-	3,195,924
Other fees	238,684	41,574	4,480,172	-
Other operating income	138,087	-	-	-
Total operating revenues	<u>4,331,909</u>	<u>11,034,111</u>	<u>4,480,172</u>	<u>3,195,924</u>
OPERATING EXPENSES				
Personnel services and benefits	1,446,727	3,914,788	3,303,417	1,141,030
Purchased contract services	57,871	5,060,101	1,072,809	-
Supplies and maintenance	1,200,807	1,979,885	850,811	1,045,050
Utilities	133,281	12,692	-	-
Claims paid	-	-	-	-
Depreciation	1,257,646	372,131	101,447	291,065
Total operating expenses	<u>4,096,332</u>	<u>11,339,597</u>	<u>5,328,484</u>	<u>2,477,145</u>
Operating income (loss)	235,577	(305,486)	(848,312)	718,779
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	61,816	103,066	21,733	64,221
Interest expense	(172,841)	-	-	-
Loss on disposal of land held for development	-	(52,198)	-	-
Gain (loss) on disposal of capital assets	-	(23,442)	-	32,009
Total nonoperating revenues (expenses)	<u>(111,025)</u>	<u>27,426</u>	<u>21,733</u>	<u>96,230</u>
INCOME (LOSS) BEFORE TRANSFERS	124,552	(278,060)	(826,579)	815,009
Transfers in	-	5,632	-	-
Transfers out	(11,068)	(50,471)	-	(33,251)
Total transfers	<u>(11,068)</u>	<u>(44,839)</u>	<u>-</u>	<u>(33,251)</u>
Change in net position	113,484	(322,899)	(826,579)	781,758
NET POSITION, beginning of year	<u>15,601,267</u>	<u>7,555,407</u>	<u>1,947,898</u>	<u>7,889,372</u>
NET POSITION, end of year	<u>\$ 15,714,751</u>	<u>\$ 7,232,508</u>	<u>\$ 1,121,319</u>	<u>\$ 8,671,130</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>
\$ 3,661,196	\$ -
293,942	-
10,992,537	-
3,195,924	-
4,760,430	13,162,309
138,087	260,704
<u>23,042,116</u>	<u>13,423,013</u>
9,805,962	4,235,789
6,190,781	-
5,076,553	-
145,973	-
-	9,395,488
2,022,289	50,743
<u>23,241,558</u>	<u>13,682,020</u>
(199,442)	(259,007)
250,836	126,802
(172,841)	-
(52,198)	-
8,567	-
<u>34,364</u>	<u>126,802</u>
(165,078)	(132,205)
5,632	25,000
(94,790)	-
<u>(89,158)</u>	<u>25,000</u>
(254,236)	(107,205)
	<u>4,125,570</u>
	<u>\$ 4,018,365</u>
(13,658)	
<u>\$ (267,894)</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 4,332,353	\$ 11,021,662	\$ 4,433,401	\$ 3,189,218
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	(1,550,043)	(8,545,437)	(2,102,646)	(1,081,772)
Payments to employees	(1,446,188)	(3,727,235)	(3,276,066)	(1,126,390)
Net cash provided by (used in) operating activities	1,336,122	(1,251,010)	(945,311)	981,056
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(1,010,502)	(4,132,176)	-	(1,002,092)
Proceeds from sale of investments	-	2,000,000	991,831	1,000,000
Proceeds from the sale of land held for development	-	4,850,000	-	-
Interest received	18,474	34,187	25,092	17,447
Net cash provided by (used in) investing activities	(992,028)	2,752,011	1,016,923	15,355
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(555,645)	(539,091)	(122,027)	(1,148,030)
Principal payments on note payable	(655,555)	-	-	-
Proceeds from the sale of capital assets	-	35,097	-	46,599
Interest and fiscal charges paid	(173,606)	-	-	-
Net cash used in capital and related financing activities	(1,384,806)	(503,994)	(122,027)	(1,101,431)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from advances to other funds	-	181,086	-	-
Transfers in	-	5,632	-	-
Transfers out	(11,068)	(50,471)	-	(33,251)
Net cash provided by (used in) noncapital financing activities	(11,068)	136,247	-	(33,251)
Increase (decrease) in cash	(1,051,780)	1,133,254	(50,415)	(138,271)
Cash:				
Beginning of year	1,493,863	375,914	2,091,131	765,121
End of year	\$ 442,083	\$ 1,509,168	\$ 2,040,716	\$ 626,850
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 235,577	\$ (305,486)	\$ (848,312)	\$ 718,779
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,257,646	372,131	101,447	291,065
(Increase) decrease in accounts receivable	444	(12,449)	-	(6,706)
(Increase) decrease in prepaid expenses	4,856	1,830	(5,540)	447
(Increase) decrease in pension related deferred outflows of resources	(12,056)	(133,032)	(59,759)	(29,378)
Increase (decrease) in accounts payable	(166,113)	1,007,387	(113,266)	(37,169)
Increase (decrease) in accrued expenses	3,330	17,091	(92,510)	6,081
Increase (decrease) in customer deposits payable	3,173	(1,976)	(31,850)	-
Increase in unearned revenue	-	-	(14,921)	-
Decrease in due to other funds	-	(2,500,000)	(60,220)	-
Decrease in pension related deferred inflows of resources	(81,591)	(352,141)	(116,281)	(112,177)
Increase (decrease) in compensated absences	14,135	13,089	22,865	(4,591)
Increase (decrease) in net pension liability	76,721	642,546	273,036	154,705
Net cash provided by (used in) operating activities	\$ 1,336,122	\$ (1,251,010)	\$ (945,311)	\$ 981,056
NONCASH INVESTING ACTIVITIES				
Increase in fair value of investments	\$ 40,480	\$ 73,957	\$ -	\$ 38,432

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

Total	Governmental Activities Internal Service Funds
\$ 22,976,634	\$ 1,241,396
-	11,271,493
(13,279,898)	(13,972,736)
(9,575,879)	-
<u>120,857</u>	<u>(1,459,847)</u>
(6,144,770)	(2,516,750)
3,991,831	2,750,000
4,850,000	-
95,200	61,087
<u>2,792,261</u>	<u>294,337</u>
(2,364,793)	-
(655,555)	-
81,696	-
(173,606)	-
<u>(3,112,258)</u>	<u>-</u>
181,086	-
5,632	25,000
(94,790)	-
<u>91,928</u>	<u>25,000</u>
(107,212)	(1,140,510)
<u>4,726,029</u>	<u>4,446,630</u>
<u>\$ 4,618,817</u>	<u>\$ 3,306,120</u>
\$ (199,442)	\$ (259,007)
2,022,289	50,743
(18,711)	89,876
1,593	(250,235)
(234,225)	10,635
690,839	(197,461)
(66,008)	195,328
(30,653)	-
(14,921)	-
(2,560,220)	(1,010,805)
(662,190)	(73,268)
45,498	(2,040)
<u>1,147,008</u>	<u>(13,613)</u>
<u>\$ 120,857</u>	<u>\$ (1,459,847)</u>
<u>\$ 152,869</u>	<u>\$ 66,443</u>

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**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

CITY OF ROSWELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 a sale of redevelopment 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, 2020:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 714,176
Water & Sewer Fund	544,509
Solid Waste Fund	284,029
Stormwater Fund	427,751
Participant Recreation Fund	28,720
Nonmajor Governmental Funds	211,907
	<u>\$ 2,211,092</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 AAAs 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, local option sales tax, 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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.

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. The same formal action is required to modify or rescind a fund balance commitment.

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 to 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

NOTES TO FINANCIAL STATEMENTS

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 \$22,823,047 difference are as follows:

Bonds payable	\$ (5,265,000)
Unamortized premiums	(98,029)
Capital leases payable	(2,393,442)
Financed purchases payable	(8,472,767)
Notes payable	(2,906,189)
Claims payable	(370,498)
Accrued interest	(99,354)
Compensated absences	(3,217,768)
	(3,217,768)
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (22,823,047)

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 \$784,233 difference are as follows:

Notes receivable	\$ 755,584
Accrued interest receivable	28,649
	28,649
Net adjustment to increase <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 784,233

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 \$18,423,067 difference are as follows:

Net pension liability	\$ (24,304,896)
Pension related deferred outflows of resources	6,368,986
Pension related deferred inflows of resources	(487,157)
	(487,157)
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (18,423,067)

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (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 \$2,769,909 difference are as follows:

Capital outlay	\$ 14,903,207
Depreciation expense	<u>(12,133,298)</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>\$ 2,769,909</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 \$136,976 difference are as follows:

Payments on notes receivable	\$ (131,972)
Accrued interest receivable	<u>(5,004)</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>\$ (136,976)</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 \$1,705,175 difference are as follows:

Principal payment on bonds	\$	1,485,000
Issuance of capital leases		(1,890,301)
Principal payment on notes payable		364,768
Principal payment on financed purchases		1,305,114
Principal payment on capital lease payable		440,594
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>		\$ 1,705,175

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 \$4,435,875 difference are as follows:

Compensated absences	\$	(387,380)
Amortization		67,342
Accrued interest		24,256
Claims expense		4,562
Pension expense		(4,144,655)
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>		\$ (4,435,875)

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.

B. Deficit Fund Equity

The CDBG Grants Fund had a deficit fund balance of \$67,415 at June 30, 2020. The fund deficit will be reduced through recognition of unavailable revenues in the subsequent fiscal year.

Excess Expenditures Over Appropriations

For the year ended June 30, 2020, expenditures exceeded the budget in one fund as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund	
Debt service - interest	\$ 36,628

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

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, 2020, 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, 2020, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

At June 30, 2020, 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	\$ 25,232	N/A	0.25
Certificates of deposit	13,476,215	N/A	2.55
Municipal Bonds	3,139,185	AAA	0.81
Federal Home Loan Mortgage Corp.	18,768,455	AAA	3.86
Federal National Mortgage Assn.	2,504,005	AAA	2.01
Federal Farm Credit Bank	1,015,664	AAA	4.20
Georgia Fund 1	57,255,877	AAAf	0.10
	<u>\$ 96,184,633</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, 2020:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Money Markey Mutual Funds	\$ 25,232	\$ -	\$ 25,232
Municipal Bonds	-	3,139,185	3,139,185
Federal Home Loan Mortgage Corp	-	18,768,455	18,768,455
Federal National Mortgage Association	-	2,504,005	2,504,005
Federal Farm Credit Bank	-	1,015,664	1,015,664
Total investments measured at fair value	<u>\$ 25,232</u>	<u>\$ 25,427,309</u>	<u>\$ 25,452,541</u>
Investments not subject to level disclosure:			
Certificates of Deposit			13,476,215
Georgia Fund 1			<u>57,255,877</u>
Total investments			<u>\$ 96,184,633</u>

The Money Market Mutual Fund classified in Level 1 of the fair value hierarchy is valued using prices quoted in active markets for that investment. The investment in the Municipal Bonds, 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, 2020, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>TSPLOST Fund</u>	<u>Nonmajor Governmental Funds</u>	
Receivables:					
Taxes	\$ 2,982,910	\$ -	\$ 1,432,753	\$ 106,831	
Intergovernmental	-	-	-	355,157	
Accounts	1,333,211	59,815	-	390,911	
Gross receivables	<u>4,316,121</u>	<u>59,815</u>	<u>1,432,753</u>	<u>852,899</u>	
Less allowance for uncollectibles	(344,756)	-	-	(13,505)	
Net receivables	<u><u>\$ 3,971,365</u></u>	<u><u>\$ 59,815</u></u>	<u><u>\$ 1,432,753</u></u>	<u><u>\$ 839,394</u></u>	
	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Participant Recreation Fund</u>	<u>Stormwater Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Receivables:					
Accounts	\$ 834,053	\$ 1,811,852	\$ -	\$ 371,692	\$ 13,622
Gross receivables	<u>834,053</u>	<u>1,811,852</u>	<u>-</u>	<u>371,692</u>	<u>13,622</u>
Less allowance for uncollectibles	(131,768)	(326,002)	-	(68,213)	-
Net receivables	<u><u>\$ 702,285</u></u>	<u><u>\$ 1,485,850</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 303,479</u></u>	<u><u>\$ 13,622</u></u>

Property taxes for the 2020 fiscal year were levied in September 2019, with property values assessed as of January 1, 2019. Bills are payable on or before December 3, 2019, 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, 2020 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	\$ 23,054	\$ -	\$ -	\$ 52,353,636
Construction in progress	25,089,813	4,908,086	(892,734)	(9,146,688)	19,958,477
Total capital assets, not being depreciated	<u>77,420,395</u>	<u>4,931,140</u>	<u>(892,734)</u>	<u>(9,146,688)</u>	<u>72,312,113</u>
Capital assets, being depreciated:					
Land improvements	41,631,871	424,483	-	119,672	42,176,026
Buildings and improvements	83,468,531	2,963,734	(27,733)	528,659	86,933,191
Machinery and equipment	26,009,282	1,665,186	(10,750)	295,507	27,959,225
Vehicles	23,962,834	4,348,585	(840,410)	-	27,471,009
Infrastructure	149,235,315	570,079	-	8,202,850	158,008,244
Total capital assets, being depreciated	<u>324,307,833</u>	<u>9,972,067</u>	<u>(878,893)</u>	<u>9,146,688</u>	<u>342,547,695</u>
Less accumulated depreciation for:					
Land improvements	18,250,200	1,905,455	-	-	20,155,655
Buildings and improvements	46,687,369	2,254,524	(27,733)	-	48,914,160
Machinery and equipment	15,250,568	2,026,878	(10,750)	-	17,266,696
Vehicles	14,841,217	2,122,227	(50,939)	-	16,912,505
Infrastructure	91,038,593	3,874,957	-	-	94,913,550
Total accumulated depreciation	<u>186,067,947</u>	<u>12,184,041</u>	<u>(89,422)</u>	<u>-</u>	<u>198,162,566</u>
Total capital assets, being depreciated, net	<u>138,239,886</u>	<u>(2,211,974)</u>	<u>(789,471)</u>	<u>9,146,688</u>	<u>144,385,129</u>
Governmental activities capital assets, net	<u>\$ 215,660,281</u>	<u>\$ 2,719,166</u>	<u>\$ (1,682,205)</u>	<u>\$ -</u>	<u>\$ 216,697,242</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, \$88,798 of internal service fund capital assets is included above.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 858,803	\$ 664,284	\$ -	\$ (189,091)	\$ 1,333,996
Total capital assets, not being depreciated	<u>858,803</u>	<u>664,284</u>	<u>-</u>	<u>(189,091)</u>	<u>1,333,996</u>
Capital assets, being depreciated:					
Buildings and improvements	20,378,950	-	-	79,829	20,458,779
Machinery and equipment	2,613,893	319,246	-	-	2,933,139
Vehicles	5,744,723	517,934	(550,363)	-	5,712,294
Infrastructure	22,588,401	863,329	-	109,262	23,560,992
Total capital assets, being depreciated	<u>51,325,967</u>	<u>1,700,509</u>	<u>(550,363)</u>	<u>189,091</u>	<u>52,665,204</u>
Less accumulated depreciation for:					
Buildings and improvements	2,907,895	793,442	-	-	3,701,337
Machinery and equipment	1,410,307	153,017	-	-	1,563,324
Vehicles	3,045,518	410,620	(477,234)	-	2,978,904
Infrastructure	7,094,252	665,210	-	-	7,759,462
Total accumulated depreciation	<u>14,457,972</u>	<u>2,022,289</u>	<u>(477,234)</u>	<u>-</u>	<u>16,003,027</u>
Total capital assets, being depreciated, net	<u>36,867,995</u>	<u>(321,780)</u>	<u>(73,129)</u>	<u>189,091</u>	<u>36,662,177</u>
Business-type activities capital assets, net	<u>\$ 37,726,798</u>	<u>\$ 342,504</u>	<u>\$ (73,129)</u>	<u>\$ -</u>	<u>\$ 37,996,173</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	\$ 1,653,337
Public safety	2,892,042
Public works	5,161,627
Culture and recreation	2,477,035
Total depreciation expense - governmental activities	<u>\$ 12,184,041</u>

Business-type activities:

Water and Sewer Fund	\$ 1,257,646
Solid Waste Fund	372,131
Participant Recreation Fund	101,447
Stormwater Fund	291,065
Total depreciation expense - business-type activities	<u>\$ 2,022,289</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, 2020, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Participation Recreation Fund	\$ 502,967

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:

Receivable fund	Payable fund	Amount
Solid Waste Fund	General Fund	\$ 345,215

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, 2020 is \$345,215.

Interfund transfers for the year ended June 30, 2020 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Stormwater Fund	\$ 33,251
General Fund	Nonmajor Governmental Funds	640,000
Capital Projects Fund	General Fund	11,442,692
Capital Projects Fund	Nonmajor Governmental Funds	195,941
Capital Projects Fund	Solid Waste Fund	50,471
Capital Projects Fund	Water and Sewer Fund	11,068
Solid Waste Fund	General Fund	5,632
Nonmajor Governmental Funds	General Fund	95,254
Internal Service Funds	General Fund	25,000

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, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 6,750,000	\$ -	\$ (1,485,000)	\$ 5,265,000	\$ 1,520,000
Plus: Premiums	165,371	-	(67,342)	98,029	-
Total bonds payable	6,915,371	-	(1,552,342)	5,363,029	1,520,000
Capital lease payable	943,735	1,890,301	(440,594)	2,393,442	669,874
Financed purchases payable	9,777,881	-	(1,305,114)	8,472,767	1,289,938
Note payable	3,270,957	-	(364,768)	2,906,189	183,069
Compensated absences	2,864,409	2,673,130	(2,287,790)	3,249,749	2,488,962
Claims payable	375,060	-	(4,562)	370,498	150,000
Net pension liability	14,774,319	14,715,646	(4,909,216)	24,580,749	-
Governmental activities long-term liabilities	<u>\$ 38,921,732</u>	<u>\$ 19,279,077</u>	<u>\$ (10,864,386)</u>	<u>\$ 47,336,423</u>	<u>\$ 6,301,843</u>
Business-type Activities:					
Note payable	\$ 12,700,098	\$ -	\$ (655,555)	\$ 12,044,543	\$ 331,233
Compensated absences	447,504	400,671	(355,173)	493,002	370,097
Net pension liability	2,717,180	2,313,352	(1,166,344)	3,864,188	-
Business-type activities long-term liabilities	<u>\$ 15,864,782</u>	<u>\$ 2,714,023</u>	<u>\$ (2,177,072)</u>	<u>\$ 16,401,733</u>	<u>\$ 701,330</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, 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:

Year ending June 30,	Principal	Interest	Total
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>\$ 3,075,000</u>	<u>\$ 123,800</u>	<u>\$ 3,198,800</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:

Year ending June 30,	Principal	Interest	Total
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>\$ 2,190,000</u>	<u>\$ 166,800</u>	<u>\$ 2,356,800</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 September 1, 2028 and June 1, 2018 through November 1, 2028, respectively. The amortization schedules were revised after the Authority extended a six month, deferral period requiring no debt service payments to be made by the City to alleviate the effects of COVID-19.

The debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2021	\$ 183,069	\$ 7,075	\$ 190,144
2022	367,513	12,774	380,287
2023	369,355	10,932	380,287
2024	371,206	9,081	380,287
2025	373,066	7,221	380,287
2026-2029	1,241,980	10,518	1,252,498
Total	<u>\$ 2,906,189</u>	<u>\$ 57,601</u>	<u>\$ 2,963,790</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, 2020, the City had \$6,058,432 of vehicles and equipment, with associated accumulated depreciation of \$1,488,125 financed under the purchase agreement.

As of June 30, 2020 the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
2021	\$ 660,166	\$ 111,469	\$ 771,635
2022	677,920	93,714	771,634
2023	696,482	75,464	771,946
2024	570,946	56,678	627,624
2025	367,596	40,621	408,217
2026-2029	1,115,025	68,878	1,183,903
Total	<u>\$ 4,088,135</u>	<u>\$ 446,824</u>	<u>\$ 4,534,959</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, 2020, the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
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	682,812	30,791	713,603
2026-2028	1,104,525	22,904	1,127,429
Total	<u>\$ 4,384,632</u>	<u>\$ 310,812</u>	<u>\$ 4,695,444</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 use. Subsequently, in February 2020, the City entered into additional agreements with Enterprise to lease sixty-four (64) vehicles for departmental use. The leases range from four to six year periods. The leases do not contain a stated rate of interest; however, if the City fails to make monthly payments as required, interest and penalties may apply. The City used an incremental borrowing rate of 2% to impute interest on these capital leases. As of June 30, 2020, the City had \$2,894,473 of Enterprise vehicles, with associated accumulated depreciation of \$547,304 financed under the capital leases.

Year Ending June 30,	
2021	\$ 711,625
2022	711,625
2023	646,268
2024	354,678
2025	58,605
Total minimum lease payments	<u>2,482,801</u>
Less amount representing interest	89,359
Present value of future minimum lease payments	<u>\$ 2,393,442</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 March 1, 2037. The amortization schedule was revised after the Authority extended a six month, deferral period requiring no debt service payments to be made by the City to alleviate the effects of COVID-19.

The debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 331,233	\$ 83,347	\$ 414,580
2022	669,459	159,701	829,160
2023	678,892	150,269	829,161
2024	688,458	140,703	829,161
2025	698,158	131,002	829,160
2026-2030	3,641,151	504,653	4,145,804
2031-2035	3,905,005	240,799	4,145,804
2036-2037	1,432,187	18,445	1,450,632
Total	<u>\$ 12,044,543</u>	<u>\$ 1,428,919</u>	<u>\$ 13,473,462</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, 2020, the date of the most recent actuarial valuation, there were 916 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	345
Terminated vested participants not yet receiving benefits	308
Active employees - vested	263
Total	<u>916</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 2020, the actuarially determined contribution rate was 23.91% of covered payroll. The City makes all contributions to the plan. For 2020, the City's contribution to the Plan was \$3,935,658.

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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	7.38%

Mortality rates for the January 1, 2020 valuation were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015–June 30, 2019.

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. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation. 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, 2019 are summarized in the table below.

Asset class	Target allocation	expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Global fixed income	5%	3.06
Domestic fixed income	20%	1.96
Real estate	10%	4.76
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% 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 7.38%. 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, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/19	\$ 105,468,873	\$ 87,977,374	\$ 17,491,499
Changes for the year:			
Service cost	820,275	-	820,275
Interest	7,740,449	-	7,740,449
Differences between expected and actual experience	3,858,142	-	3,858,142
Changes of assumptions	4,490,152	-	4,490,152
Contributions—employer	-	3,531,899	(3,531,899)
Net investment income	-	2,543,661	(2,543,661)
Benefit payments, including refunds of employee contributions	(6,166,311)	(6,166,311)	-
Administrative expense	-	(119,980)	119,980
Net changes	10,742,707	(210,731)	10,953,438
Balances at 6/30/20	\$ 116,211,580	\$ 87,766,643	\$ 28,444,937

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 7.38 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 (6.38 percent) or 1-percentage-point higher (8.38 percent) than the current rate:

	1% Decrease (6.38%)	Current Discount Rate (7.38%)	1% Increase (8.38%)
City's net pension liability	\$ 41,957,840	\$ 28,444,937	\$ 17,038,740

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, 2019 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, 2020, the City recognized pension expense of \$8,254,660. At June 30, 2020, 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	\$ 1,929,071	\$ -
Changes in assumptions	2,245,076	-
Net difference between projected and actual earnings on pension plan investments	-	570,137
City contributions subsequent to the measurement date	3,279,715	-
Total	\$ 7,453,862	\$ 570,137

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 \$3,279,715 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, 2021. 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:	
2021	\$ 3,076,536
2022	(655,005)
2023	392,209
2024	790,270
Total	<u>\$ 3,604,010</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, 2020, there were 340 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 344 employees. For the fiscal year ended June 30, 2020, The City's contributions, which was also the City's pension expense, was \$192,180 and employee's contributed \$980,467.

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, 2020, there were 376 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, 2020, The City's contributions, which was also the City's pension expense, was \$2,088,435 and employee's contributed \$548,325

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>
2020	\$ 729,172	\$ 6,705,980	\$ 6,435,592	\$ 999,560
2019	978,969	7,150,810	7,400,607	729,172

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>
2020	\$ 1,132,990	\$ 475,326	\$ 616,762	\$ 991,554
2019	891,415	845,619	604,044	1,132,990

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, 2020, the City of Roswell contributed \$511,640 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 an 8% lodging tax. The Official Code of Georgia Annotated (O.C.G.A.) §48-13-51 requires that all lodging taxes levied of 3% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended June 30, 2020, the City collected \$1,006,915 in revenues. Of this amount, \$965,992 or 96% was expended or transferred out to other funds for use of the promotion of tourism, conventions or trade shows in accordance with 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, 2020, the City collected \$262,614 in motor vehicle excise taxes revenues. 100% of current collections were transferred out for these purposes, and the remaining fund balance 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

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 820,275	\$ 975,524	\$ 1,062,294	\$ 1,046,059	\$ 1,197,926	\$ 1,386,893
Interest on total pension liability	7,740,449	7,338,986	7,118,540	6,658,326	6,234,683	5,934,816
Differences between expected and actual experience	3,858,142	3,006,088	119,069	2,593,636	1,847,491	84,829
Changes of assumptions	4,490,152	-	1,775,845	-	-	(268,682)
Benefit payments, including refunds of employee contributions	(6,166,311)	(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>10,742,707</u>	<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>105,468,873</u>	<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>\$ 116,211,580</u>	<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	\$ 3,531,899	\$ 3,785,338	\$ 3,525,020	\$ 3,379,204	\$ 3,546,156	\$ 3,852,643
Net investment income	2,543,661	8,052,173	10,782,546	7,274,457	749,476	6,609,886
Benefit payments, including refunds of member contributions	(6,166,311)	(5,458,699)	(4,641,812)	(4,077,740)	(3,570,600)	(2,966,601)
Administrative expenses	(119,980)	(126,004)	(134,003)	(82,191)	(94,972)	(75,519)
Net change in plan fiduciary net position	<u>(210,731)</u>	<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>87,977,374</u>	<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>\$ 87,766,643</u>	<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>\$ 28,444,937</u>	<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	75.52%	83.42%	82.05%	76.66%	74.70%	79.13%
Covered payroll	\$ 17,280,787	\$ 19,211,727	\$ 20,021,387	\$ 21,429,383	\$ 23,275,599	\$ 23,744,082
City's net pension liability as a percentage of covered payroll	164.60%	91.05%	89.32%	102.57%	95.61%	72.29%

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

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,935,658	\$ 3,834,608	\$ 3,768,914	\$ 3,441,189	\$ 3,358,543	\$ 3,608,694
Contributions in relation to the actuarially determined contribution	3,935,658	3,834,608	3,768,914	3,441,189	3,358,543	3,608,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 16,460,965	\$ 17,554,061	\$ 19,764,282	\$ 20,107,088	\$ 21,870,148	\$ 23,744,082
Contributions as a percentage of covered payroll	23.91%	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, 2020**

	<u>Budgeted Amounts</u>		<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 68,110,636	\$ 68,135,771	\$ 69,008,150	\$ 872,379
Licenses and permits	2,570,000	2,770,000	2,840,444	70,444
Intergovernmental	176,505	470,072	327,923	(142,149)
Fines and forfeitures	1,440,000	840,000	860,237	20,237
Charges for services	3,068,104	3,031,657	3,138,564	106,907
Investment earnings	500,000	700,000	903,909	203,909
Contributions	20,000	20,000	17,675	(2,325)
Miscellaneous	351,500	351,500	313,707	(37,793)
Total revenues	<u>76,236,745</u>	<u>76,319,000</u>	<u>77,410,609</u>	<u>1,091,609</u>
Expenditures:				
Current:				
Administration	12,781,895	12,983,208	11,549,462	1,433,746
Courts	1,329,588	1,333,176	1,184,640	148,536
Finance	2,913,456	3,088,118	2,815,788	272,330
Police	20,927,719	21,550,710	18,967,556	2,583,154
Fire	9,630,090	12,253,832	10,673,432	1,580,400
Transportation	8,403,683	8,702,232	8,217,437	484,795
Planning and zoning	2,500,217	2,500,844	2,203,274	297,570
Recreation and parks	12,482,248	12,801,332	12,566,477	234,855
Debt service:				
Principal	1,716,274	1,716,274	1,669,883	46,391
Interest	217,384	217,384	254,012	(36,628)
Total expenditures	<u>72,902,554</u>	<u>77,147,110</u>	<u>70,101,961</u>	<u>7,045,149</u>
Excess (deficiency) of revenues over expenditures	3,334,191	(828,110)	7,308,648	8,136,758
Other financing sources (uses):				
Proceeds from sale of capital assets	150,000	398,158	413,811	15,653
Transfers in	908,251	673,251	673,251	-
Transfers out	(7,487,295)	(9,452,327)	(11,568,578)	(2,116,251)
Total other financing uses	<u>(6,429,044)</u>	<u>(8,380,918)</u>	<u>(10,481,516)</u>	<u>(2,100,598)</u>
Net change in fund balances (budgetary basis)	<u>\$ (3,094,853)</u>	<u>\$ (9,209,028)</u>	(3,172,868)	<u>\$ 6,036,160</u>
Less outstanding encumbrances, June 30			<u>714,176</u>	
Net change in fund balances (GAAP basis)			(2,458,692)	
Fund balance, beginning			<u>32,070,636</u>	
Fund balance, ending			<u>\$ 29,611,944</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.

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.

NONMAJOR GOVERNMENTAL FUNDS

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, 2020

	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	\$ 1,150,364	\$ 491,744	\$ 156,643	\$ -	\$ 150,964	\$ -	\$ 1,672,097	\$ 263,536
Investments	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectibles	-	381,124	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	291,166	63,991	-
Prepaid items	730	5,766	-	-	-	10,542	-	-
Total assets	\$ 1,151,094	\$ 878,634	\$ 156,643	\$ -	\$ 150,964	\$ 301,708	\$ 1,736,088	\$ 263,536
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 3,661	\$ 6,625	\$ -	\$ -	\$ 124	\$ 113,930	\$ 230	\$ 197,471
Accrued liabilities	2,238	68,381	-	-	-	1,670	156	-
Total liabilities	5,899	75,006	-	-	124	115,600	386	197,471
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - taxes	-	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	253,523	61,336	-
Unearned revenue - other	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	253,523	61,336	-
FUND BALANCES								
Nonspendable:								
Prepaid items	730	5,766	-	-	-	10,542	-	-
Permanent fund corpus	-	-	-	-	-	-	-	-
Restricted:								
Public safety	1,144,465	797,862	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	38,604
Transportation	-	-	156,643	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	150,840	-	1,674,366	-
Scholarship	-	-	-	-	-	-	-	-
Promotion of industry and tourism	-	-	-	-	-	-	-	-
Committed:								
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	27,461
Unassigned	-	-	-	-	-	(77,957)	-	-
Total fund balances	1,145,195	803,628	156,643	-	150,840	(67,415)	1,674,366	66,065
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,151,094	\$ 878,634	\$ 156,643	\$ -	\$ 150,964	\$ 301,708	\$ 1,736,088	\$ 263,536

Special Revenue Funds			Capital Projects Fund	Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Hotel/Motel Tax	Auto Rental Excise Tax	Leita Thompson	Impact Fees	Debt Service	Scholarship Fund	
\$ 51,277	\$ 80,615	\$ 160,495	\$ 4,323,735	\$ 2,118,141	\$ 10,110	\$ 10,629,721
-	-	-	-	262,566	25,232	287,798
-	-	5,260	-	4,527	-	390,911
55,216	2,574	-	-	35,536	-	93,326
-	-	-	-	-	-	355,157
-	-	-	-	754	-	17,792
<u>\$ 106,493</u>	<u>\$ 83,189</u>	<u>\$ 165,755</u>	<u>\$ 4,323,735</u>	<u>\$ 2,421,524</u>	<u>\$ 35,342</u>	<u>\$ 11,774,705</u>
\$ -	\$ -	\$ 7,445	\$ -	\$ 1,986	\$ -	\$ 331,472
-	-	4,600	-	-	-	77,045
-	-	12,045	-	1,986	-	408,517
-	-	-	-	27,223	-	27,223
-	-	85	-	-	-	314,859
-	-	85	-	-	-	85
-	-	85	-	27,223	-	342,167
-	-	-	-	754	-	17,792
-	-	-	-	-	25,000	25,000
-	-	-	1,745,564	-	-	3,687,891
106,493	-	-	1,016,746	-	-	1,123,239
-	-	-	-	-	-	38,604
-	-	-	1,561,425	-	-	1,718,068
-	-	-	-	2,391,561	-	2,391,561
-	-	-	-	-	-	1,825,206
-	-	-	-	-	10,342	10,342
-	83,189	-	-	-	-	83,189
-	-	153,625	-	-	-	153,625
-	-	-	-	-	-	27,461
-	-	-	-	-	-	(77,957)
<u>106,493</u>	<u>83,189</u>	<u>153,625</u>	<u>4,323,735</u>	<u>2,392,315</u>	<u>35,342</u>	<u>11,024,021</u>
<u>\$ 106,493</u>	<u>\$ 83,189</u>	<u>\$ 165,755</u>	<u>\$ 4,323,735</u>	<u>\$ 2,421,524</u>	<u>\$ 35,342</u>	<u>\$ 11,774,705</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	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	-	-	-	300	13,551	299,001	1,536,410	-
Fines and forfeitures	592,604	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Charges for services	-	2,310,043	-	-	-	-	-	10,918
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>592,604</u>	<u>2,310,043</u>	<u>-</u>	<u>300</u>	<u>13,551</u>	<u>299,001</u>	<u>1,536,410</u>	<u>10,918</u>
Expenditures:								
Current:								
General government	-	-	-	-	1,479	-	23,318	-
Public safety	384,569	2,548,329	-	-	-	-	99,615	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	41,954	-	-	-	-
Planning and zoning	-	-	-	-	-	442,581	-	-
Capital outlay	-	51,024	-	-	-	77,408	170,194	-
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>384,569</u>	<u>2,599,353</u>	<u>-</u>	<u>41,954</u>	<u>1,479</u>	<u>519,989</u>	<u>293,127</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	208,035	(289,310)	-	(41,654)	12,072	(220,988)	1,243,283	10,918
Other financing sources (uses):								
Proceeds from sale of capital assets	99	-	-	-	-	-	-	-
Transfers in	-	-	-	31,799	-	63,455	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>99</u>	<u>-</u>	<u>-</u>	<u>31,799</u>	<u>-</u>	<u>63,455</u>	<u>-</u>	<u>-</u>
Net change in fund balances	208,134	(289,310)	-	(9,855)	12,072	(157,533)	1,243,283	10,918
Fund balances, beginning 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>
Fund balances (deficit), end of year	<u>\$ 1,145,195</u>	<u>\$ 803,628</u>	<u>\$ 156,643</u>	<u>\$ -</u>	<u>\$ 150,840</u>	<u>\$ (67,415)</u>	<u>\$ 1,674,366</u>	<u>\$ 66,065</u>

Special Revenue Funds			Capital Projects Fund	Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Hotel/Motel Tax	Auto Rental Excise Tax	Leita Thompson	Impact Fees	Debt Service	Scholarship Fund	
\$ 1,006,915	\$ 262,614	\$ -	\$ -	\$ 1,501,227	\$ -	\$ 2,770,756
-	-	-	-	-	-	1,849,262
-	-	-	-	-	-	592,604
-	-	-	1,306,748	-	-	1,306,748
-	-	77,205	-	-	-	2,398,166
-	-	-	-	39,752	18	39,770
-	-	37,964	-	-	-	37,964
<u>1,006,915</u>	<u>262,614</u>	<u>115,169</u>	<u>1,306,748</u>	<u>1,540,979</u>	<u>18</u>	<u>8,995,270</u>
-	-	-	-	-	-	24,797
-	-	-	-	-	-	3,032,513
-	-	-	19,002	-	-	19,002
605,051	-	101,850	-	-	-	748,855
-	-	-	-	-	-	442,581
-	-	-	126,718	-	-	425,344
-	-	-	-	1,485,000	-	1,485,000
-	-	-	-	164,760	-	164,760
<u>605,051</u>	<u>-</u>	<u>101,850</u>	<u>145,720</u>	<u>1,649,760</u>	<u>-</u>	<u>6,342,852</u>
401,864	262,614	13,319	1,161,028	(108,781)	18	2,652,418
-	-	-	-	-	-	99
-	-	-	-	-	-	95,254
(360,941)	(475,000)	-	-	-	-	(835,941)
(360,941)	(475,000)	-	-	-	-	(740,588)
40,923	(212,386)	13,319	1,161,028	(108,781)	18	1,911,830
65,570	295,575	140,306	3,162,707	2,501,096	35,324	9,112,191
<u>\$ 106,493</u>	<u>\$ 83,189</u>	<u>\$ 153,625</u>	<u>\$ 4,323,735</u>	<u>\$ 2,392,315</u>	<u>\$ 35,342</u>	<u>\$ 11,024,021</u>

**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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 592,604	\$ 562,604
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>592,604</u>	<u>562,604</u>
Expenditures:				
Current:				
Public safety	232,734	545,680	384,854	160,826
Total expenditures	<u>232,734</u>	<u>545,680</u>	<u>384,854</u>	<u>160,826</u>
Excess (deficiency) of revenues over expenditures	(202,734)	(515,680)	207,750	723,430
Other financing sources:				
Proceeds from the sale of capital assets	-	-	99	99
Total other financing sources	<u>-</u>	<u>-</u>	<u>99</u>	<u>99</u>
Net change in fund balances (budgetary basis)	<u>\$ (202,734)</u>	<u>\$ (515,680)</u>	207,849	<u>\$ 723,529</u>
Less outstanding encumbrances, June 30			<u>285</u>	
Net change in fund balances (GAAP basis)			<u>\$ 208,134</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,230,000	\$ 2,230,000	\$ 2,310,043	\$ 80,043
Total revenues	<u>2,230,000</u>	<u>2,230,000</u>	<u>2,310,043</u>	<u>80,043</u>
Expenditures:				
Current:				
Public safety	2,770,830	2,770,943	2,548,442	222,501
Capital outlay	-	51,024	51,024	-
Total expenditures	<u>2,770,830</u>	<u>2,821,967</u>	<u>2,599,466</u>	<u>222,501</u>
Net change in fund balances (budgetary basis)	<u>\$ (540,830)</u>	<u>\$ (591,967)</u>	(289,423)	<u>\$ 302,544</u>
Less outstanding encumbrances, June 30			<u>113</u>	
Net change in fund balances (GAAP basis)			<u>\$ (289,310)</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 18,800	\$ 18,800	\$ 300	\$ (18,500)
Total revenues	<u>18,800</u>	<u>18,800</u>	<u>300</u>	<u>(18,500)</u>
Expenditures:				
Current:				
Culture and recreation	42,141	42,141	41,954	187
Total expenditures	<u>42,141</u>	<u>42,141</u>	<u>41,954</u>	<u>187</u>
Deficiency of revenues over expenditures	(23,341)	(23,341)	(41,654)	(18,313)
Other financing sources:				
Transfers in	13,641	13,641	31,799	18,158
Total other financing sources	<u>13,641</u>	<u>13,641</u>	<u>31,799</u>	<u>18,158</u>
Net change in fund balances (budgetary basis)	<u>\$ (9,700)</u>	<u>\$ (9,700)</u>	(9,855)	<u>\$ (155)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (9,855)</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 466,485	\$ 1,208,766	\$ 299,001	\$ (909,765)
Total revenues	<u>466,485</u>	<u>1,208,766</u>	<u>299,001</u>	<u>(909,765)</u>
Expenditures:				
Current:				
Planning and zoning	26,000	962,689	442,581	520,108
Capital outlay	-	260,523	220,879	39,644
Total expenditures	<u>26,000</u>	<u>1,223,212</u>	<u>663,460</u>	<u>559,752</u>
Excess (deficiency) of revenues over expenditures	440,485	(14,446)	(364,459)	(350,013)
Other financing sources:				
Transfers in	-	-	63,455	63,455
Total other financing sources	<u>-</u>	<u>-</u>	<u>63,455</u>	<u>63,455</u>
Net change in fund balances (budgetary basis)	<u>\$ 440,485</u>	<u>\$ (14,446)</u>	(301,004)	<u>\$ (286,558)</u>
Less outstanding encumbrances, June 30			<u>143,471</u>	
Net change in fund balances (GAAP basis)			<u>\$ (157,533)</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,800,752	\$ 1,896,043	\$ 1,536,410	\$ (359,633)
Total revenues	<u>1,800,752</u>	<u>1,896,043</u>	<u>1,536,410</u>	<u>(359,633)</u>
Expenditures:				
Current:				
General government	9,916	113,839	23,318	90,521
Planning and zoning	2,055	-	-	-
Public works	-	-	67,657	(67,657)
Public safety	123,687	119,985	99,996	19,989
Capital outlay	<u>282,476</u>	<u>441,234</u>	<u>170,194</u>	<u>271,040</u>
Total expenditures	<u>418,134</u>	<u>675,058</u>	<u>361,165</u>	<u>313,893</u>
Excess of revenues over expenditures	1,382,618	1,220,985	1,175,245	(45,740)
Other financing sources:				
Transfers in	<u>478,415</u>	<u>295,497</u>	-	(295,497)
Total other financing sources	<u>478,415</u>	<u>295,497</u>	-	(295,497)
Net change in fund balances (budgetary basis)	<u>\$ 1,861,033</u>	<u>\$ 1,516,482</u>	1,175,245	<u>\$ (341,237)</u>
Less outstanding encumbrances, June 30			<u>68,038</u>	
Net change in fund balances (GAAP basis)			<u>\$ 1,243,283</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 13,000	\$ 13,000	\$ 10,918	\$ (2,082)
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>10,918</u>	<u>(2,082)</u>
Net change in fund balances (budgetary basis)	<u>\$ 13,000</u>	<u>\$ 13,000</u>	10,918	<u>\$ (2,082)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 10,918</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,500,000	\$ 950,000	\$ 1,006,915	\$ 56,915
Total revenues	<u>1,500,000</u>	<u>950,000</u>	<u>1,006,915</u>	<u>56,915</u>
Expenditures:				
Current:				
Culture and recreation	806,200	606,200	605,051	1,149
Total expenditures	<u>806,200</u>	<u>606,200</u>	<u>605,051</u>	<u>1,149</u>
Excess of revenues over expenditures	693,800	343,800	401,864	58,064
Other financing uses:				
Transfers out	(650,000)	(360,941)	(360,941)	-
Total other financing uses	<u>(650,000)</u>	<u>(360,941)</u>	<u>(360,941)</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 43,800</u>	<u>\$ (17,141)</u>	40,923	<u>\$ 58,064</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 40,923</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 98,820	\$ 98,820	\$ 77,205	\$ (21,615)
Miscellaneous	-	-	37,964	37,964
Total revenues	<u>98,820</u>	<u>98,820</u>	<u>115,169</u>	<u>16,349</u>
Expenditures:				
Current:				
Culture and recreation	109,260	158,526	101,850	56,676
Total expenditures	<u>109,260</u>	<u>158,526</u>	<u>101,850</u>	<u>56,676</u>
Net change in fund balances (budgetary basis)	<u>\$ (10,440)</u>	<u>\$ (59,706)</u>	13,319	<u>\$ 73,025</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 13,319</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 262,614	\$ 12,614
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>262,614</u>	<u>12,614</u>
Other financing uses:				
Transfers out	-	-	(475,000)	(475,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(475,000)</u>	<u>(475,000)</u>
Net change in fund balances (budgetary basis)	<u>\$ 250,000</u>	<u>\$ 250,000</u>	(212,386)	<u>\$ (462,386)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (212,386)</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, 2020**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,561,381	\$ 1,561,381	\$ 1,501,227	\$ (60,154)
Investment earnings	-	-	39,752	39,752
Total revenues	<u>1,561,381</u>	<u>1,561,381</u>	<u>1,540,979</u>	<u>(20,402)</u>
Expenditures:				
Debt service:				
Principal	1,485,000	1,485,000	1,485,000	-
Interest	175,000	175,000	164,760	10,240
Total expenditures	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,649,760</u>	<u>10,240</u>
Net change in fund balances (budgetary basis)	<u>\$ (98,619)</u>	<u>\$ (98,619)</u>	(108,781)	<u>\$ (10,162)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (108,781)</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, 2020**

	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, 2020

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		TOTAL	PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL		
TSPLOST TIER 1							
Big Creek Parkway Phase 1 and 2	(1) \$ 69,000,000	\$ 42,450,412	\$ 2,235,860	\$ 2,000,444	(1) \$ 4,236,304		9.98 %
Holcomb Bridge Interchange	-	15,000,000	-	-	-		0.00 %
Historic Gateway	-	3,000,000	-	-	-		0.00 %
Rucker Road Reconstruction	-	2,246,327	35,086	306,704	341,790		15.22 %
Oxbo/SR9 Intersection	7,000,000	11,975,000	5,310,480	1,514,025	6,824,505		56.99 %
Old Holcomb Bridge Road Bridge Replacement	(1) 3,086,390	3,086,390	27,188	145,444	(1) 172,632		5.59 %
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	\$ 105,726,041	\$ 7,608,614	\$ 3,966,617	\$ 11,575,231		

(1) - Big Creek Parkway Phase 1 and 2 and Old Holcomb Bridge Road Bridge Replacement projects are being coordinated and conducted simultaneously by the City. Therefore, actual expenditures for these coordinated projects are being allocated to the individual projects based on the percentage of completion based on the current estimated costs.

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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, 2020

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
ASSETS					
Current assets:					
Cash	\$ 1,887,331	\$ 153,351	\$ 854,680	\$ 410,758	\$ 3,306,120
Investments	2,016,658	523,056	250,895	-	2,790,609
Receivables	7,440	3,575	2,607	-	13,622
Prepaid items	14,385	255,615	128,407	-	398,407
Total current assets	<u>3,925,814</u>	<u>935,597</u>	<u>1,236,589</u>	<u>410,758</u>	<u>6,508,758</u>
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	-	253,717	-	-	253,717
Less accumulated depreciation	-	(164,919)	-	-	(164,919)
Total noncurrent assets	<u>-</u>	<u>88,798</u>	<u>-</u>	<u>-</u>	<u>88,798</u>
Total assets	<u>3,925,814</u>	<u>1,024,395</u>	<u>1,236,589</u>	<u>410,758</u>	<u>6,597,556</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	-	30,545	-	41,740	72,285
Total deferred outflows of resources	<u>-</u>	<u>30,545</u>	<u>-</u>	<u>41,740</u>	<u>72,285</u>
LIABILITIES					
Current liabilities:					
Accounts payable	38,222	71,308	27,739	113,910	251,179
Accrued liabilities	1,069,910	5,405	994,204	17,416	2,086,935
Compensated absences	2,923	2,826	3,285	13,962	22,996
Total current liabilities	<u>1,111,055</u>	<u>79,539</u>	<u>1,025,228</u>	<u>145,288</u>	<u>2,361,110</u>
Long-term liabilities:					
Compensated absences	697	514	1,961	5,813	8,985
Net pension liability	-	116,566	-	159,287	275,853
Total long-term liabilities	<u>697</u>	<u>117,080</u>	<u>1,961</u>	<u>165,100</u>	<u>284,838</u>
Total liabilities	<u>1,111,752</u>	<u>196,619</u>	<u>1,027,189</u>	<u>310,388</u>	<u>2,645,948</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	-	2,336	-	3,192	5,528
Total deferred inflows of resources	<u>-</u>	<u>2,336</u>	<u>-</u>	<u>3,192</u>	<u>5,528</u>
NET POSITION					
Investment in capital assets	-	88,798	-	-	88,798
Unrestricted	2,814,062	767,187	209,400	138,918	3,929,567
Total net position	<u>\$ 2,814,062</u>	<u>\$ 855,985</u>	<u>\$ 209,400</u>	<u>\$ 138,918</u>	<u>\$ 4,018,365</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, 2020

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
OPERATING REVENUES					
Charges for services	\$ 9,197,531	\$ 1,305,386	\$ 838,429	\$ 1,820,963	\$ 13,162,309
Miscellaneous	246,338	-	-	14,366	260,704
Total operating revenues	<u>9,443,869</u>	<u>1,305,386</u>	<u>838,429</u>	<u>1,835,329</u>	<u>13,423,013</u>
OPERATING EXPENSES					
General and administrative	1,854,173	225,150	225,814	1,930,652	4,235,789
Depreciation	-	50,743	-	-	50,743
Claims expense	7,653,629	1,266,533	475,326	-	9,395,488
Total operating expenses	<u>9,507,802</u>	<u>1,542,426</u>	<u>701,140</u>	<u>1,930,652</u>	<u>13,682,020</u>
Operating income (loss)	(63,933)	(237,040)	137,289	(95,323)	(259,007)
NONOPERATING REVENUES					
Investment earnings	86,175	24,624	16,003	-	126,802
Total nonoperating revenues	<u>86,175</u>	<u>24,624</u>	<u>16,003</u>	<u>-</u>	<u>126,802</u>
Income (loss) before transfers	22,242	(212,416)	153,292	(95,323)	(132,205)
Transfers In	25,000	-	-	-	25,000
Total transfers	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Change in net position	47,242	(212,416)	153,292	(95,323)	(107,205)
NET POSITION, beginning 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>
NET POSITION, end of year	<u>\$ 2,814,062</u>	<u>\$ 855,985</u>	<u>\$ 209,400</u>	<u>\$ 138,918</u>	<u>\$ 4,018,365</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,241,396	\$ -	\$ -	\$ -	\$ 1,241,396
Receipts from interfund charges	7,292,349	1,305,386	838,429	1,835,329	11,271,493
Payments to suppliers and service providers	<u>(9,299,805)</u>	<u>(1,855,396)</u>	<u>(899,186)</u>	<u>(1,918,349)</u>	<u>(13,972,736)</u>
Net cash used in operating activities	<u>(766,060)</u>	<u>(550,010)</u>	<u>(60,757)</u>	<u>(83,020)</u>	<u>(1,459,847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(2,014,743)	(502,007)	-	-	(2,516,750)
Proceeds from the sale of investments	2,000,000	-	750,000	-	2,750,000
Interest received	<u>48,023</u>	<u>-</u>	<u>13,064</u>	<u>-</u>	<u>61,087</u>
Net cash provided by (used in) investing activities	<u>33,280</u>	<u>(502,007)</u>	<u>763,064</u>	<u>-</u>	<u>294,337</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net cash provided by noncapital financing activities	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net increase (decrease) in cash	(707,780)	(1,052,017)	702,307	(83,020)	(1,140,510)
Cash:					
Beginning 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>
End of year	<u>\$ 1,887,331</u>	<u>\$ 153,351</u>	<u>\$ 854,680</u>	<u>\$ 410,758</u>	<u>\$ 3,306,120</u>
Reconciliation of operating income (loss) to net cash used in operating activities:					
Operating income (loss)	\$ (63,933)	\$ (237,040)	\$ 137,289	\$ (95,323)	\$ (259,007)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation	-	50,743	-	-	50,743
Decrease in accounts receivable	89,876	-	-	-	89,876
(Increase) decrease in prepaids	21	(255,615)	79	5,280	(250,235)
(Increase) decrease in pension related deferred outflows of resources	22,095	(11,324)	-	(136)	10,635
Increase (decrease) in accounts payable	(49,221)	(138,429)	(48,312)	38,501	(197,461)
Increase (decrease) in accrued liabilities	333,287	4,777	(141,188)	(1,548)	195,328
Decrease in pension related deferred inflows of resources	(20,997)	(15,929)	-	(36,342)	(73,268)
Increase (decrease) in compensated absences	(54)	3,340	2,180	(7,506)	(2,040)
Increase (decrease) in net pension liability	(77,134)	49,467	-	14,054	(13,613)
Decrease in due to other funds	<u>(1,000,000)</u>	<u>-</u>	<u>(10,805)</u>	<u>-</u>	<u>(1,010,805)</u>
Net cash used in operating activities	<u>\$ (766,060)</u>	<u>\$ (550,010)</u>	<u>\$ (60,757)</u>	<u>\$ (83,020)</u>	<u>\$ (1,459,847)</u>
NONCASH INVESTING ACTIVITIES					
Increase in fair value of investments	<u>\$ 42,456</u>	<u>\$ 21,048</u>	<u>\$ 2,939</u>	<u>\$ -</u>	<u>\$ 66,443</u>

COMPONENT UNIT

CITY OF ROSWELL, GEORGIA
BALANCE SHEET
COMPONENT UNIT - ROSWELL ECONOMIC
DEVELOPMENT & TOURISM, INC.
JUNE 30, 2020

ASSETS	
Cash and cash equivalents	\$ 552,917
Receivables	185
Inventory	1,537
Prepaid items	<u>3,960</u>
Total assets	<u><u>\$ 558,599</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 15,238
Accrued liabilities	<u>547</u>
Total liabilities	<u>15,785</u>
FUND BALANCES	
Nonspendable:	
Inventory	1,537
Prepaid items	3,960
Restricted:	
Tourism	171,849
Economic development	<u>365,468</u>
Total fund balances	<u>542,814</u>
Total liabilities and fund balances	<u><u>\$ 558,599</u></u>

**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, 2020

Revenues:

Intergovernmental	\$	1,160,000
Charges for services		255,701
Total revenues		1,415,701

Expenditures:

Current:

Culture and recreation		648,899
Economic development		910,527
		910,527

Total expenditures		1,559,426
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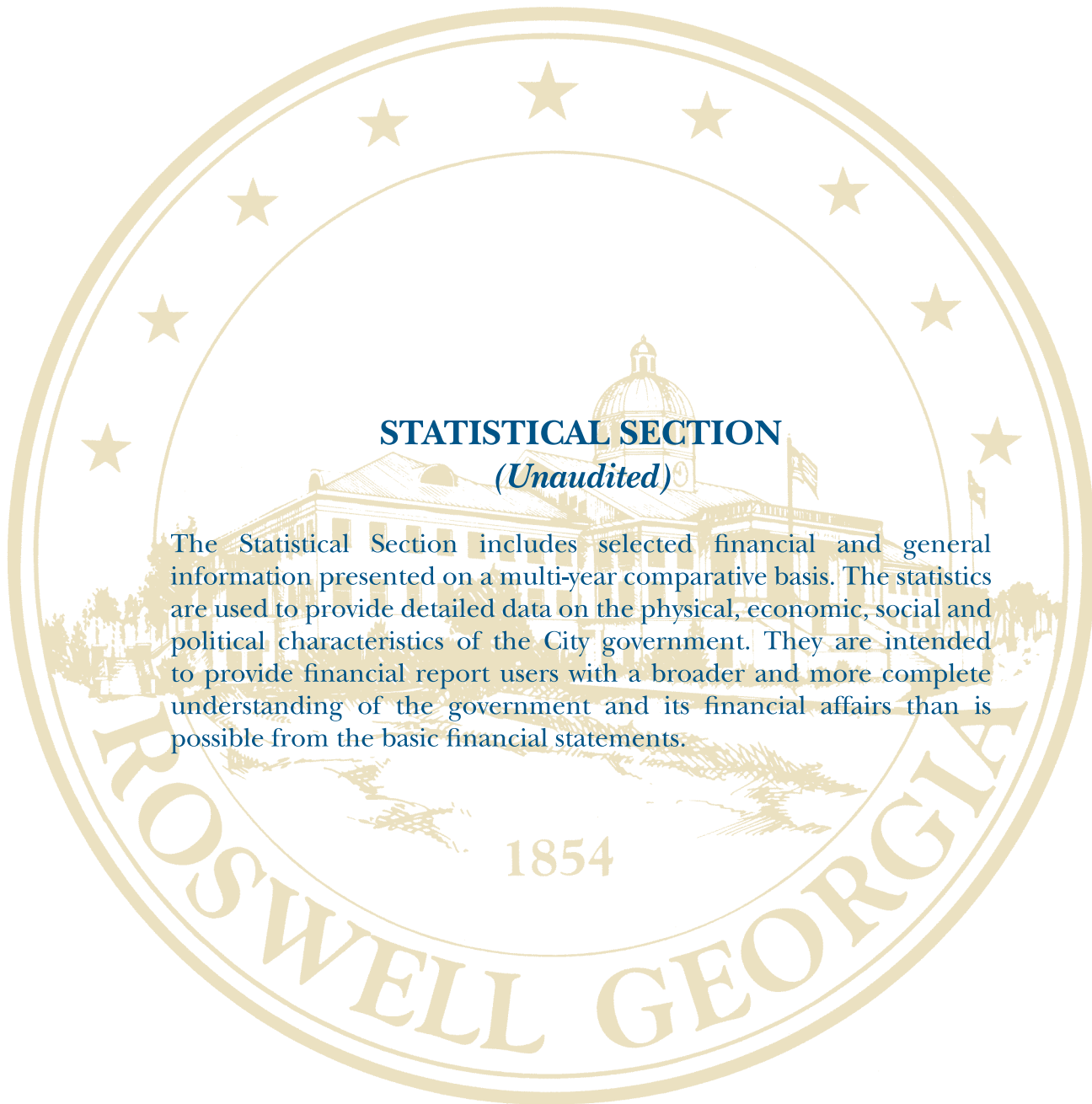
Net change in fund balances		(143,725)
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Fund balance, beginning of year		686,539
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Fund balance, end of year	\$	542,814
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The Statistical Section includes 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.

	<u>Page</u>
Financial Trends	81-86
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity.....	87-90
These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	
Debt Capacity.....	91-94
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	95 and 96
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information.....	97-101
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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 140,779	\$ 156,690	\$ 154,588	\$ 166,282
Restricted	21,015	11,443	20,996	27,264
Unrestricted	50,820	49,347	46,557	35,192
Total governmental activities net position	<u>\$ 212,614</u>	<u>\$ 217,480</u>	<u>\$ 222,141</u>	<u>\$ 228,738</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 14,581	\$ 15,146	\$ 17,069	\$ 20,108
Restricted	-	1,644	-	-
Unrestricted	15,314	15,005	16,828	15,277
Total business-type activities net position	<u>\$ 29,895</u>	<u>\$ 31,795</u>	<u>\$ 33,897</u>	<u>\$ 35,385</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 155,360	\$ 171,836	\$ 171,657	\$ 186,390
Restricted	21,015	13,087	20,996	27,264
Unrestricted	66,134	64,352	63,385	50,469
Total primary government net position	<u>\$ 242,509</u>	<u>\$ 249,275</u>	<u>\$ 256,038</u>	<u>\$ 264,123</u>

2015	2016	2017	2018	2019	2020
\$ 173,845	\$ 177,409	\$ 181,858	\$ 191,695	\$ 194,739	\$ 197,434
20,074	14,606	14,398	22,034	39,627	53,843
22,277	29,760	28,795	28,911	35,626	29,085
<u>\$ 216,196</u>	<u>\$ 221,775</u>	<u>\$ 225,051</u>	<u>\$ 242,640</u>	<u>\$ 269,992</u>	<u>\$ 280,362</u>
\$ 22,295	\$ 22,747	\$ 23,213	\$ 23,712	\$ 24,991	\$ 25,916
-	-	-	-	-	-
11,739	11,188	12,218	11,079	7,686	6,493
<u>\$ 34,034</u>	<u>\$ 33,935</u>	<u>\$ 35,431</u>	<u>\$ 34,791</u>	<u>\$ 32,677</u>	<u>\$ 32,409</u>
\$ 196,140	\$ 200,156	\$ 205,070	\$ 215,407	\$ 219,730	\$ 223,350
20,074	14,606	14,398	22,034	39,627	53,843
34,016	40,948	41,013	39,990	43,312	35,577
<u>\$ 250,230</u>	<u>\$ 255,710</u>	<u>\$ 260,481</u>	<u>\$ 277,430</u>	<u>\$ 277,430</u>	<u>\$ 312,770</u>

CITY OF ROSWELL, GEORGIA

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

	2011	2012	2013	2014
EXPENSES				
Governmental activities:				
General government	\$ 8,049	\$ 8,237	\$ 8,455	\$ 9,448
Judicial	1,442	1,374	1,371	1,265
Financial services	1,528	2,216	2,159	1,994
Public safety	24,346	26,037	24,622	25,881
Public works	12,670	13,438	12,355	11,433
Planning and zoning	3,978	2,541	2,844	3,260
Culture and recreation	11,445	12,102	12,258	12,767
Interest and paying agent fees	1,193	823	574	525
Total governmental activities expenses	64,651	66,768	64,638	66,573
Business-type activities:				
Water and sewer	2,936	3,330	2,861	3,091
Solid waste	8,951	8,887	8,928	9,064
Participant recreation	4,964	4,844	4,964	4,788
Stormwater	-	1,418	1,522	1,628
Total business-type activities expenses	16,851	18,479	18,275	18,571
Total primary government expenses	\$ 81,502	\$ 85,247	\$ 82,913	\$ 85,144
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 3,420	\$ 3,120	\$ 2,988	\$ 3,066
Judicial	2,969	2,938	2,246	1,702
Public safety	2,176	2,530	1,844	2,032
Public works	67	264	570	697
Planning and zoning	17	609	766	1,454
Culture and recreation	350	80	99	103
Total charges for services	8,999	9,541	8,513	9,054
Operating grants and contributions (1)	1,406	983	491	811
Capital grants and contributions (1)	9,443	2,883	2,101	1,710
Total governmental activities program revenues	19,848	13,407	11,105	11,575
Business-type activities:				
Charges for services:				
Water and sewer	3,304	3,567	3,219	3,250
Solid waste	9,821	8,655	8,857	8,636
Participant recreation	4,345	4,626	4,672	4,576
Stormwater	-	2,900	3,052	3,046
Total business-type activities program revenues	17,470	19,748	19,800	19,508
Total primary government program revenues	\$ 37,318	\$ 33,155	\$ 30,905	\$ 31,083
(continued)				

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	9,033	\$ 10,991	\$ 12,568	\$ 12,792	\$ 13,423	\$ 14,791
	1,155	978	1,160	1,140	1,116	1,248
	3,079	2,227	2,822	3,160	2,387	2,832
	26,043	27,540	31,044	31,406	32,629	37,077
	16,115	16,307	12,562	13,943	13,870	16,736
	3,625	3,467	3,356	3,299	3,318	2,876
	13,732	13,104	14,354	14,836	15,367	18,321
	363	188	238	301	336	364
	<u>73,145</u>	<u>74,802</u>	<u>78,103</u>	<u>80,877</u>	<u>82,445</u>	<u>94,246</u>
	3,122	3,705	3,896	4,136	4,535	4,277
	8,868	9,838	9,768	10,393	11,618	11,422
	5,277	5,331	5,248	5,469	6,153	5,326
	1,631	2,050	2,277	2,247	2,471	2,478
	<u>18,898</u>	<u>20,924</u>	<u>21,188</u>	<u>22,244</u>	<u>24,777</u>	<u>23,504</u>
\$	<u>92,043</u>	<u>95,726</u>	<u>99,291</u>	<u>103,121</u>	<u>107,222</u>	<u>117,749</u>
\$	2,968	\$ 3,581	\$ 3,458	\$ 3,425	\$ 3,798	\$ 3,842
	1,921	1,519	1,545	1,600	1,447	860
	2,305	2,145	2,762	2,391	2,634	2,912
	488	952	1,355	520	777	1,347
	1,721	2,050	1,757	1,416	1,872	2,081
	96	85	85	96	92	115
	<u>9,499</u>	<u>10,332</u>	<u>10,962</u>	<u>9,448</u>	<u>10,620</u>	<u>11,157</u>
	1,266	1,385	1,246	2,180	2,077	1,821
	1,248	1,340	3,905	18,313	21,408	16,908
	<u>12,013</u>	<u>13,057</u>	<u>16,113</u>	<u>29,941</u>	<u>34,105</u>	<u>29,887</u>
	3,671	3,717	4,740	3,976	4,073	4,332
	8,673	8,149	9,363	9,134	9,992	11,034
	4,812	5,231	5,254	5,314	5,355	4,480
	3,064	3,057	3,174	3,111	3,095	3,196
	<u>20,220</u>	<u>20,154</u>	<u>22,531</u>	<u>21,535</u>	<u>22,515</u>	<u>23,042</u>
\$	<u>32,233</u>	<u>33,211</u>	<u>38,644</u>	<u>51,475</u>	<u>56,619</u>	<u>52,929</u>

CITY OF ROSWELL, GEORGIA

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

	2011	2012	2013	2014
Net (expense)/revenue				
Governmental activities	\$ (44,803)	\$ (53,361)	\$ (53,533)	\$ (54,998)
Business-type activities	619	1,269	1,525	937
Total primary government net expense	\$ (44,184)	\$ (52,092)	\$ (52,008)	\$ (54,061)
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 31,344	\$ 30,227	\$ 30,398	\$ 31,239
Sales taxes	20,406	21,863	21,816	22,835
Hotel/Motel taxes	721	788	797	875
Excise taxes (2)	-	-	-	-
Business taxes	5,345	5,028	5,351	5,578
Total taxes	57,816	57,906	58,362	60,527
Investment earnings	559	411	229	587
Gain on sale of capital assets	-	148	-	-
Miscellaneous	100	179	217	119
Transfers	(1,748)	(418)	(571)	(362)
Total governmental activities	56,727	58,226	58,237	60,871
Business-type activities:				
Investment earnings	135	70	5	160
Gain on sale of capital assets	-	144	-	28
Miscellaneous	-	-	-	-
Transfers	1,748	418	571	362
Total business-type activities	1,883	632	576	550
Total primary government	\$ 58,610	\$ 58,858	\$ 58,813	\$ 61,421
CHANGE IN NET POSITION				
Governmental activities	\$ 11,924	\$ 4,865	\$ 4,704	\$ 5,873
Business-type activities	2,502	1,901	2,101	1,487
Total primary government	\$ 14,426	\$ 6,766	\$ 6,805	\$ 7,360

(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 2011 to 2020 reflect the changes in grants awarded to the City.

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ (61,132)	\$ (61,745)	\$ (61,990)	\$ (50,936)	\$ (48,340)	\$ (64,359)
<u>1,322</u>	<u>(770)</u>	<u>1,342</u>	<u>(709)</u>	<u>(2,263)</u>	<u>(462)</u>
<u>\$ (59,810)</u>	<u>\$ (62,515)</u>	<u>\$ (60,648)</u>	<u>\$ (51,645)</u>	<u>\$ (50,603)</u>	<u>\$ (64,820)</u>
\$ 31,578	\$ 32,774	\$ 33,165	\$ 33,370	\$ 35,746	\$ 36,401
23,965	24,304	24,368	25,827	27,357	26,029
993	1,068	1,134	1,045	1,097	1,007
-	-	-	-	296	263
<u>5,603</u>	<u>6,217</u>	<u>6,666</u>	<u>7,738</u>	<u>8,174</u>	<u>8,612</u>
<u>62,139</u>	<u>64,363</u>	<u>65,332</u>	<u>67,979</u>	<u>72,670</u>	<u>72,311</u>
651	973	51	16	2,280	2,125
60	2,155	-	463	235	-
467	264	76	124	389	203
<u>(48)</u>	<u>(431)</u>	<u>(194)</u>	<u>(56)</u>	<u>118</u>	<u>89</u>
<u>63,269</u>	<u>67,324</u>	<u>65,265</u>	<u>68,526</u>	<u>75,693</u>	<u>74,727</u>
62	150	(40)	(11)	256	251
-	90	-	-	12	32
-	-	-	25	-	-
<u>48</u>	<u>431</u>	<u>194</u>	<u>56</u>	<u>(118)</u>	<u>(89)</u>
<u>110</u>	<u>671</u>	<u>154</u>	<u>70</u>	<u>149</u>	<u>194</u>
<u>\$ 63,379</u>	<u>\$ 67,995</u>	<u>\$ 65,419</u>	<u>\$ 68,596</u>	<u>\$ 75,842</u>	<u>\$ 74,921</u>
\$ 2,137	\$ 5,579	\$ 3,275	\$ 17,589	\$ 27,353	\$ 10,369
<u>1,432</u>	<u>(99)</u>	<u>1,496</u>	<u>(640)</u>	<u>(2,114)</u>	<u>(268)</u>
<u>\$ 3,569</u>	<u>\$ 5,480</u>	<u>\$ 4,771</u>	<u>\$ 16,950</u>	<u>\$ 25,239</u>	<u>\$ 10,101</u>

CITY OF ROSWELL, GEORGIA

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Nonspendable	\$ 291	\$ 188	\$ 570	\$ 812
Restricted	104	88	66	52
Committed	16,329	14,007	14,398	16,596
Assigned	6,893	3,299	2,826	2,507
Unassigned	<u>7,418</u>	<u>8,882</u>	<u>3,408</u>	<u>3,034</u>
Total general fund	<u>31,035</u>	<u>26,464</u>	<u>21,268</u>	<u>23,001</u>
All other governmental funds				
Nonspendable	130	63	297	343
Restricted	19,693	11,116	20,452	27,029
Committed	399	494	531	434
Assigned	15,929	17,519	19,187	17,748
Unassigned	<u>(1,188)</u>	<u>(1,699)</u>	<u>(420)</u>	<u>(874)</u>
Total all other governmental funds	<u>34,963</u>	<u>27,493</u>	<u>40,047</u>	<u>44,680</u>
Total all funds	<u>\$ 65,998</u>	<u>\$ 53,957</u>	<u>\$ 61,315</u>	<u>\$ 67,681</u>

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

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 377	\$ 352	\$ 372	\$ 449	\$ 468	\$ 498
20	1	1	-	-	-
15,436	16,426	17,200	18,087	860	823
3,271	3,475	1,522	1,413	6,504	3,112
5,445	5,407	3,976	5,181	24,239	25,179
<u>24,549</u>	<u>25,661</u>	<u>23,072</u>	<u>25,130</u>	<u>32,071</u>	<u>29,612</u>
114	51	40	54	98	73
19,839	14,526	14,329	21,958	38,249	53,341
422	482	382	348	157	181
16,405	17,446	17,395	16,354	15,168	15,340
(553)	(1,409)	(521)	(559)	-	(78)
<u>36,227</u>	<u>31,096</u>	<u>31,625</u>	<u>38,155</u>	<u>53,672</u>	<u>68,858</u>
<u>\$ 60,776</u>	<u>\$ 56,757</u>	<u>\$ 54,697</u>	<u>\$ 63,285</u>	<u>\$ 85,742</u>	<u>\$ 98,470</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)

	2011	2012	2013	2014
REVENUES				
Taxes	\$ 57,641	\$ 58,008	\$ 58,077	\$ 60,544
Licenses and permits	1,268	1,430	1,521	2,201
Intergovernmental	4,679	3,788	3,022	2,293
Fines and forfeitures	3,345	3,303	2,478	1,840
Charges for services	4,127	4,159	4,163	4,357
Impact fees	276	245	543	669
Investment earnings (1)	527	391	229	587
Contributions	-	25	53	59
Miscellaneous	100	260	317	223
Total revenues	71,963	71,609	70,403	72,773
EXPENDITURES				
General government	7,479	7,672	7,794	8,609
Judicial	1,439	1,377	1,368	1,167
Financial services	1,456	2,087	1,918	2,156
Public safety	23,218	24,742	23,056	24,224
Public works	9,673	10,584	9,484	8,235
Planning and zoning	3,945	2,459	2,729	3,129
Culture and recreation	9,414	10,021	10,178	10,514
Capital outlay	9,592	11,099	9,570	14,609
Principal on long-term debt	5,165	12,250	5,925	1,139
Interest and paying agent fees	1,240	1,093	648	422
Total expenditures	72,621	83,384	72,670	74,204
Excess (deficiency) of revenues over expenditures	(658)	(11,775)	(2,267)	(1,431)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	153	-	94
Transfers in	7,821	11,908	13,075	9,044
Transfers out	(9,569)	(13,327)	(13,446)	(8,998)
Proceeds from bond issuance	-	-	9,760	4,940
Premium on bonds issued	-	-	239	351
Payments to refunded bond escrow agent	-	-	-	-
Capital leases	-	-	-	1,640
Financed purchases (2)	-	-	-	-
Installment sales agreement	-	-	-	-
Total other financing sources (uses)	(1,748)	(1,266)	9,628	7,071
Net change in fund balances	\$ (2,406)	\$ (13,041)	\$ 7,361	\$ 5,640
Debt service as a percentage of noncapital expenditures	10.1%	18.3%	10.3%	2.6%

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

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

	2015	2016	2017	2018	2019	2020
\$	61,970	\$ 64,700	\$ 65,319	\$ 67,951	\$ 72,719	\$ 71,779
	2,465	2,784	2,484	2,146	2,609	2,840
	2,707	1,875	5,981	20,386	22,226	19,500
	2,227	1,814	2,251	2,020	1,712	1,453
	4,141	4,864	4,825	4,716	5,477	5,537
	455	911	1,388	494	1,381	1,307
	651	926	54	20	2,285	2,130
	26	95	33	87	504	229
	513	349	276	340	608	373
	<u>75,155</u>	<u>78,319</u>	<u>82,612</u>	<u>98,161</u>	<u>109,520</u>	<u>105,147</u>
	9,030	9,793	10,514	11,118	11,849	11,770
	976	1,021	1,123	1,132	1,125	1,185
	2,187	2,278	2,543	2,485	2,643	2,768
	24,192	25,646	27,843	28,506	29,538	32,372
	8,514	9,178	8,436	9,398	8,395	8,151
	3,088	3,460	3,194	3,048	3,332	2,624
	10,899	11,236	11,797	12,271	13,079	13,394
	17,640	23,031	17,533	27,917	17,438	19,089
	5,528	1,596	2,006	2,308	2,870	3,595
	409	285	327	366	398	455
	<u>82,463</u>	<u>87,524</u>	<u>85,316</u>	<u>98,550</u>	<u>90,668</u>	<u>95,404</u>
	(7,308)	(9,205)	(2,704)	(390)	18,852	9,743
	110	1,465	223	1,075	284	1,030
	9,242	12,459	12,934	11,584	7,635	12,469
	(8,950)	(12,731)	(13,297)	(11,568)	(7,494)	(12,405)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	544	785	1,179	1,004	1,890
	-	-	-	3,000	2,176	-
	-	3,449	-	3,709	-	-
	<u>402</u>	<u>5,186</u>	<u>644</u>	<u>8,978</u>	<u>3,605</u>	<u>2,984</u>
\$	<u>(6,906)</u>	<u>(4,019)</u>	<u>(2,060)</u>	<u>8,588</u>	<u>22,457</u>	<u>12,727</u>
	8.7%	2.8%	3.4%	3.8%	4.4%	5.0%

CITY OF ROSWELL, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Business Tax</u>	<u>Total</u>
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
2020	35,869	27,298	8,612	71,779

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)
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%
2020	4,376,304	47,082	2,095,479	400,608	6,118,257	4.955	15,295,643	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		
		(Less) Local					Fulton County		
		General Millage	Option Sales Tax	Total M&O	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage
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)	5.055	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
2020	2019	8.924	(4.219)	4.705	0.250	4.955	9.899	0.220	10.119

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
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
17.796	0.000	17.796	0.000	32.870

CITY OF ROSWELL, GEORGIA

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

Taxpayer	2020			2011		
	Taxable Assessed	Percentage of Total Taxable		Taxable Assessed	Percentage of Total Taxable	
	Value	Rank	Value	Value	Rank	Value
Strata Roswell LLC	\$ 39,681	1	0.65%			
BR Roswell LLC	28,880	2	0.47%			
F7 MOO LLC	22,400	3	0.37%			
Kimberly Clark Corp	19,917	4	0.33%	\$ 23,359	2	0.50%
LC Avia LLC	18,811	5	0.31%			
River Trace LLC	18,767	6	0.31%			
LMREC CDO 1 REO 1X INC &	18,120	7	0.30%			
Holcomb Bridge GA Partners LLC	18,120	8	0.30%			
Willeo Creek Partners LLC	18,038	9	0.29%			
Walton Centennial LLC	17,360	10	0.28%			
Northmeadow Investors LLC				32,122	1	0.69%
A Colonial Three Hundred				22,993	3	0.50%
WLI IV Roswell LLC				20,187	4	0.44%
AMIREIT				19,181	5	0.41%
Orion Roswell Associates				18,312	6	0.39%
Sanctuary Park Realty Holdings				16,700	7	0.36%
BHR Landing LLC				11,363	8	0.24%
Jefferson at Champions Pkwy				11,329	9	0.24%
DRA Grande Oaks LLC				10,627	10	0.23%
Totals	<u>\$ 220,094</u>		<u>3.60%</u>	<u>\$ 186,173</u>		<u>4.01%</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
2011	\$	23,814	\$ 22,868	96.03%	946	\$ 23,814	100.00%
2012		22,335	21,761	97.43%	574	22,335	100.00%
2013		21,635	21,294	98.42%	341	21,635	100.00%
2014		22,245	21,849	98.22%	388	22,237	99.96%
2015		22,323	21,868	97.96%	451	22,319	99.98%
2016		24,202	23,704	97.94%	494	24,198	99.98%
2017		24,789	24,393	98.40%	392	24,785	99.98%
2018		25,507	24,992	97.95%	505	25,497	99.96%
2019		27,253	26,563	97.47%	667	27,230	99.92%
2020		26,503	25,667	96.85%	-	25,667	96.85%

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 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					Total	Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Leases	Financed Purchases	Notes Payable	Notes Payable					
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
2020	5,363	2,393	8,473	2,906	-	19,135	12,045	31,180	0.55%	329

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)
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
2020	5,363	2,392	2,971	0.02%	31

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, 2020 (amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Debt repaid with property taxes			
Fulton County	\$ 239,939	7.83%	\$ 18,787
Fulton County Board of Education	22,385	14.73%	3,297
Total overlapping debt	262,324		22,085
City of Roswell direct debt			
Bonds payable	5,363	100.00%	5,363
Capital leases payable	2,393	100.00%	2,393
Financed purchases payable	8,473	100.00%	8,473
Notes payable	2,906	100.00%	2,906
Total direct debt	19,135		19,135
Total direct and overlapping debt	\$ 281,459		\$ 41,220

Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County and Fulton County Board of Education's 2019 CAFR and City of Roswell Finance Department records. Debt outstanding data provided by each government 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 2019 tax digest.

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CITY OF ROSWELL, GEORGIA

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years (amounts expressed in thousands)

	2011	2012	2013	2014
Debt limit (10% of total assessed value)	\$ 490,308	\$ 478,893	\$ 471,029	\$ 473,651
Total net debt applicable to limit	13,685	8,601	9,786	14,238
Legal debt margin	<u>\$ 476,623</u>	<u>\$ 470,292</u>	<u>\$ 461,243</u>	<u>\$ 459,413</u>
Total net debt applicable to the limit as a percentage of debt limit	2.79%	1.80%	2.08%	3.01%

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.

	2015	2016	2017	2018	2019	2020
	\$ 473,767	\$ 501,956	\$ 505,865	\$ 519,002	\$ 605,470	\$ 651,887
	10,380	10,222	9,357	8,288	4,433	3,245
	\$ 463,387	\$ 491,734	\$ 496,508	\$ 510,714	\$ 601,037	\$ 648,642
	2.19%	2.04%	1.85%	1.60%	0.73%	0.50%
Assessed Value						\$ 6,118,257
Add back: exempt real property						400,608
Total assessed value						6,518,865
Debt limit (10% of total assessed value)						651,887
Debt applicable to limit:						
General obligation bonds						5,363
Less: Amount set aside for repayment of general obligation debt						(2,118)
Total net debt applicable to limit						3,245
Legal debt margin						\$ 648,642

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
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
2020	94,763	5,658,204	59,709	39.30	23,345	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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kimberly-Clark Corporation	1,128	1	2.09%	1,397	2	2.18%
GM IT Innovation Center	959	2	1.78%			
Wellstar North Fulton Hospital Inc	919	3	1.70%			
McKesson Drug Company	660	4	1.22%			
City of Roswell	582	5	1.08%	604	5	0.94%
Yardi Systems Inc	372	6	0.69%			
NTG	315	7	0.58%			
Ryder Transportation Services	290	8	0.54%			
Roswell Nursing & Rehabilitation Center	270	9	0.50%			
Lennar GA Inc.	251	10	0.46%			
Fulton County School System				1,658	1	2.59%
Verizon Wireless				1,214	3	1.90%
North Fulton Regional Hospital				688	4	1.07%
Kroger Co				501	6	0.78%
Target				387	7	0.60%
Johnson Controls				345	8	0.54%
Asbury Automotive Group				324	9	0.51%
Prommis Solutions LLC				300	10	0.47%
Total	<u>5,746</u>		<u>10.64%</u>	<u>7,418</u>		<u>11.58%</u>

Source: City of Roswell Economic & Community Development Department.

(1) 2020 City of Roswell is full time and part time employees. 2011 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
City Administrator	3	3	3	3	3	3	2	3	3	3
City Hall	9	9	9	9	9	9	7	7	7	6
Community Information	4	4	4	5	5	5	5	6	6	6
Court Services	16	17	16	3	3	3	5	5	6	7
General Administration	5	6	5	5	6	7	7	7	7	8
Governing Body	2	2	2	1	2	2	2	2	2	1
Human Resources	3	3	4	4	5	5	5	5	5	5
Legal	3	3	3	3	3	3	3	3	3	3
Risk Management	1	1	1	1	1	1	1	1	-	1
Workers' Compensation	1	1	1	1	1	1	1	1	1	1
Benefits Manager	1	1	1	1	1	1	1	1	-	1
Strat. Planning and Budgeting	3	-	-	-	-	-	-	-	-	-
IT (formerly MIS)	9	9	7	7	9	9	9	9	8	9
Security	-	-	-	-	-	-	2	2	2	2
Finance										
Accounting	4	4	4	3	4	4	5	7	6	6
Finance - Administration	3	3	3	3	3	3	3	4	4	4
Treasury	1	1	-	-	-	-	-	-	-	-
Cash Disbursement	3	3	3	3	3	3	3	3	3	3
Accounts Receivable	6	6	6	7	8	7	8	8	8	8
Cash Receipting	3	3	3	2	2	2	2	2	2	2
Purchasing	3	3	3	2	3	3	2	3	3	3
Strat. Planning and Budgeting	-	3	3	2	3	2	3	3	3	3
Business Registration	-	-	-	-	-	-	-	-	-	1

Source: City Budget Office

Continued

CITY OF ROSWELL, GEORGIA

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Criminal Investigations	23	23	20	22	23	18	21	24	18	15
Jail/Detention	34	33	18	16	15	18	-	-	-	-
Patrol	79	77	78	78	78	86	79	75	76	83
Police - Admin Services	3	3	2	3	3	3	3	3	1	2
Police - Support Services	25	27	35	26	26	28	29	31	30	34
Special Operations	11	12	5	15	14	15	14	15	11	11
Traffic Control	13	12	16	13	12	12	16	10	10	10
E-911	19	22	20	18	19	18	21	23	27	29
Fire										
Administration	2	2	2	2	2	2	2	2	2	2
Fire	6	6	6	7	7	7	7	7	8	8
Fire Training	1	1	1	1	1	1	1	1	1	1
Fire Marshal	9	9	9	9	9	9	8	8	10	9
Fire Suppression	-	-	-	-	-	-	-	-	138	-
Cultural & recreation										
Municipal Complex	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	2	1	1	3	3
Support Services	22	38	38	38	35	41	40	41	39	36
Parks	51	56	56	58	55	56	53	57	57	56
Barrington Hall	1	1	1	1	1	1	1	1	1	1
Bulloch Hall	1	1	1	1	1	1	1	1	1	1
Smith Plantation	1	1	1	1	1	1	1	1	1	1
Cultural Arts	2	2	2	2	2	2	2	1	2	2
Historic & Cultural Affairs	1	1	1	1	-	2	2	2	3	3
Environmental										
Administration	2	2	2	2	-	-	-	-	-	-
Environmental	3	3	3	3	-	-	-	-	-	-
Water Resources	2	-	-	-	-	-	-	-	-	-
Garage	7.00	7.00	7.00	7.20	7.00	7.10	8.00	7.35	7.35	6.35
Stormwater Mgmt	6.75	9.00	12.00	11.00	12.90	12.20	13.53	13.48	14.13	13.15

Continued

CITY OF ROSWELL, GEORGIA

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community Development										
Administration	3	3	4	1	3	3	3	3	3	3
Building Inspections	4	5	-	-	-	-	-	-	-	7
Code Enforcement	6	6	-	-	-	-	-	-	-	4
Support Services	2	2	2	3	4	4	4	3	3	4
Economic Development	4	2	-	-	-	-	-	-	-	-
Engineering	1	6	7	7	7	8	8	8	9	10
GIS	3	4	4	4	3	4	4	4	4	4
Licensing	1	1	1	1	1	1	-	1	1	-
Planning & Zoning	13	7	7	7	7	7	6	8	8	8
Transportation										
Transportation	8	8	8	7	7	6	8	8	6	8
Administration	4	4	4	4	4	4	4	4	4	5
Street Maintenance	31	31	28	29	30	30	28	27	26	31
Land Acq. & Development	-	3	3	3	2	2	2	2	1	1
Traffic Engineering	18	18	18	17	16	18	18	12	18	17
Water										
Administration	1.3	2.05	2.05	2.05	1.65	1.95	2.48	2.43	2.08	2.10
Distribution	9	8.5	8.5	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Water Plant	7	7	7	7	7	8	7	7	7	6
Solid Waste										
Administration	4.5	4.5	4.35	4.4	6.95	7.25	7.49	8.24	7.94	7.90
Public Education	0.55	0.55	0.55	0.55	-	-	-	-	-	-
Residential Collection	34	34	34	33	34	33	32	32	29	29
Commercial Collection	8	8	8	7	8	8	8	8	8	8
Recycling Center	6.25	6.25	6.25	6.25	5.00	7	7	7	6	7
Total employees	580	608	578	556	557	578	559	562	693	582

Note: 2020 includes both full-time and part-time employees. Prior years have been include only full-time employees. The 2019 full-time employees reported was revised by management.

CITY OF ROSWELL, GEORGIA

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Calls for service	102,864	85,216	67,386	69,939	67,563	76,723	111,004	118,548	116,352	112,416
Traffic stops	43,090	28,885	17,867	19,964	24,340	24,382	21,867	24,631	16,608	12,406
Part 1 Crimes Index Rate	23.7	23.6	24.9	22.9	24.4	24.6	18.6	18.7	16.4	13.7
Fire										
Fire Calls	2,104	2,301	2,802	3,121	3,126	3,344	3,784	3,831	3,931	4,516
Fires extinguished	203	198	185	162	174	188	211	152	169	165
EMS Calls	5,101	4,795	5,251	5,225	5,060	4,951	5,269	5,512	5,618	5,100
Community development										
Building permits issued	3,798	4,068	3,382	2,351	2,108	4,996	6,920	2,979	3,378	2,861
Refuse collection										
Household garbage collected-tons per year	19,080	18,645	19,128	18,964	13,078	20,150	20,754	21,392	21,930	23,464
Curbside recycling collected-tons per year	7,086	6,766	6,726	6,893	7,597	6,674	8,897	7,377	7,091	6,385
Glass recycling collected-tons per year (2)	-	-	-	-	-	-	3,583	3,180	274	1,405
Yard waste collected-tons per year	8,712	8,140	7,872	8,376	7,527	7,274	6,363	6,322	6,296	6,321
Recycling from recycle center-tons per year	2,056	1,586	1,811	1,695	1,698	1,625	1,752	1,828	1,779	1,621
Parks and recreation										
Registered participants (1)	33,694	34,722	33,843	33,567	32,767	26,817	32,449	31,308	31,140	25,867
Park acres maintained	917	918	918	912	912	987	987	1,057	1,057	1,084
Total Point of Sale Participants (1)	102,971	122,170	111,624	98,111	100,263	47,087	46,679	51,132	62,246	36,448
Total Facility Rentals (1)	1,725	1,707	1,642	2,236	2,373	1,148	1,527	1,835	1,777	1,084
Water										
Water production in MGD (3)	371	351	368	388	397	278	537	540	584	328
Sanitation										
Number of residential customers	25,146	25,230	25,232	25,360	26,120	26,120	25,720	26,000	24,893	26,422
Number of commercial customers	836	892	1,002	892	972	955	854	993	1,282	877

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Vehicles	54	54	54	54	55	55	55	56	58	68
Buildings	30	30	30	30	30	30	30	30	30	30
Police										
Vehicles	157	157	158	158	208	215	214	219	236	241
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	4530	4530	4530	5175	5186	5211	5226	5316
Parks and recreation										
Acreage	917	917	917	917	917	987	987	1057	1057	1057
Parks and playgrounds	19	19	19	19	22	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	11	18	18	18
Swimming pools	1	1	1	1	1	2	2	2	2	2
Tennis courts	34	34	34	34	34	32	28	28	28	28
Transportation										
Paved roads in miles (1)	373	373	385	385	385	326	15.1	10.6	19.6	9.63
Traffic signals	145	145	152	152	154	102	103	102	100	110
Water										
Water mains (miles) (2)	201	201	201	201	201	201	86.5	86.5	88.3	89.0
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, 2020, 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 10, 2020.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 10, 2020



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, 2020. 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, 2020.

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 10, 2020

CITY OF ROSWELL, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 24,530
Community Development Block Grant	14.218	B-17-MC-13-0018	161,157
Community Development Block Grant	14.218	B-17-MC-13-0018	77,409
Community Development Block Grant	14.218	B-18-MC-13-0018	256,893
Total Community Development Block Grant			519,989
Passed through Cobb County, Georgia: Home Investment Partnerships Program	14.239	H13-RM-WM-R9-RA-RC	3,661
Total U.S. Department of Housing and Urban Development			523,650
U.S. DEPARTMENT OF JUSTICE			
Bullet Proof Vest Partnership Program	16.607	2020BUBX20023355	13,461
Edward Byrne Memorial Justice Assistance Grant	16.607	2018-DJ-BX-0397	947
Edward Byrne Memorial Justice Assistance Grant	16.607	2019-DJ-BX-0818	10,374
			24,782
Equitable Sharing Program	16.922	GA0600500	384,569
Total U.S. Department of Justice			409,351
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	171,800
Total Highway Planning and Construction Cluster			171,800
Total U.S. Department of Transportation			171,800
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			
Passed through the Georgia Department of Community Affairs:			
AmeriCorps Planning Grant	94.006	17AFHGA0010009	14,940
Total Corporation for National and Community Services			14,940
Total Expenditures of Federal Awards			\$ 1,119,741

See accompanying notes 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, 2020

(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, 2020**

**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
14.218

Name of Federal Program or Cluster
Community Development Block
Grants/Entitlement Grants

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, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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, 2020

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.

Status: Resolved.

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