

City of Roswell

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2021



CITY OF ROSWELL, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021

Prepared By:
The City of Roswell Finance Department

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CITY OF ROSWELL, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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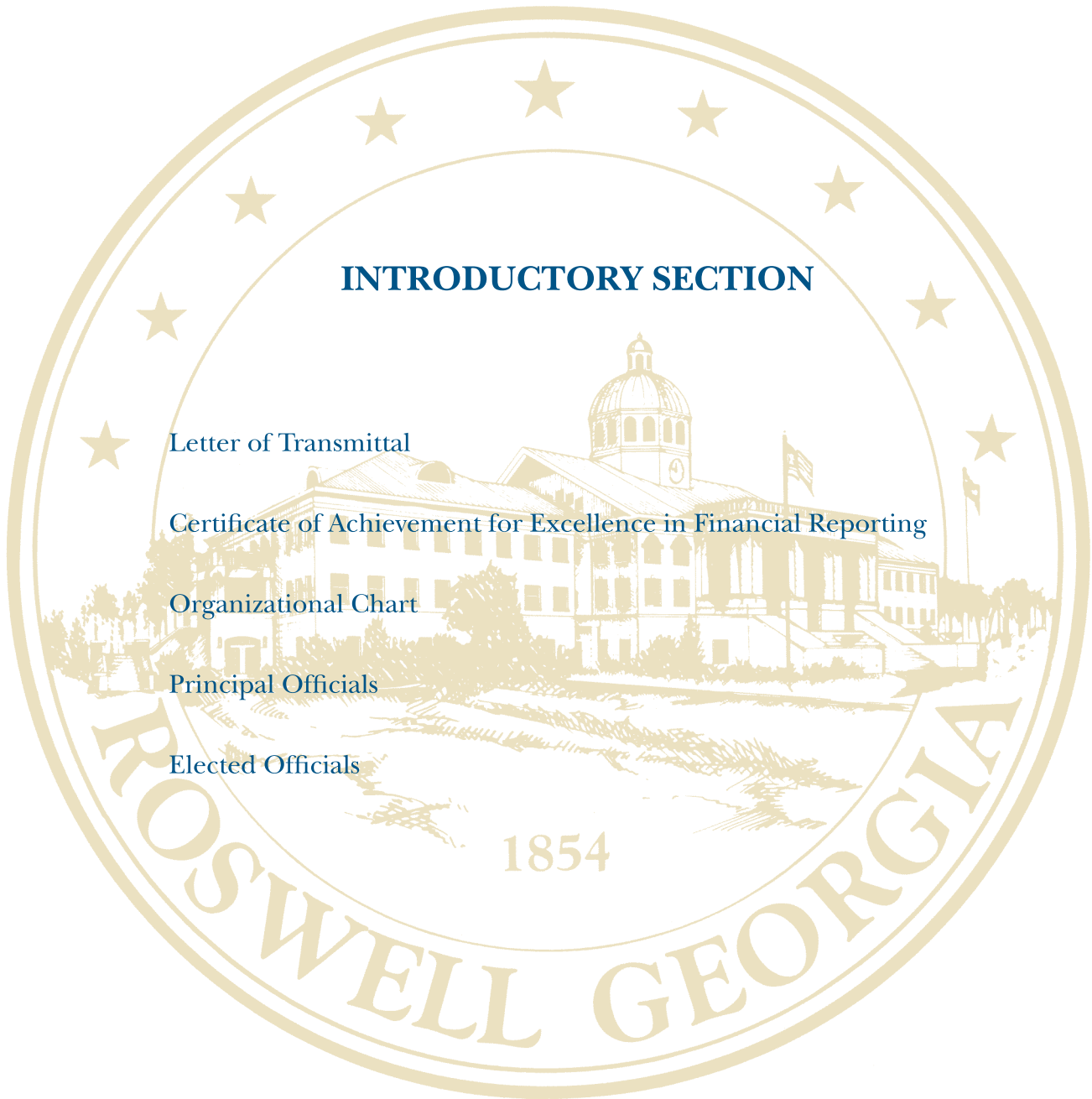
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INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

Principal Officials

Elected Officials



Roswell City Hall

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

We are pleased to present the Annual Comprehensive Financial Report of the City of Roswell, Georgia (the "City") for the fiscal year ended June 30, 2021 (FY21). 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. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

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 FY21 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, 2021 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 over 94,000 residents.

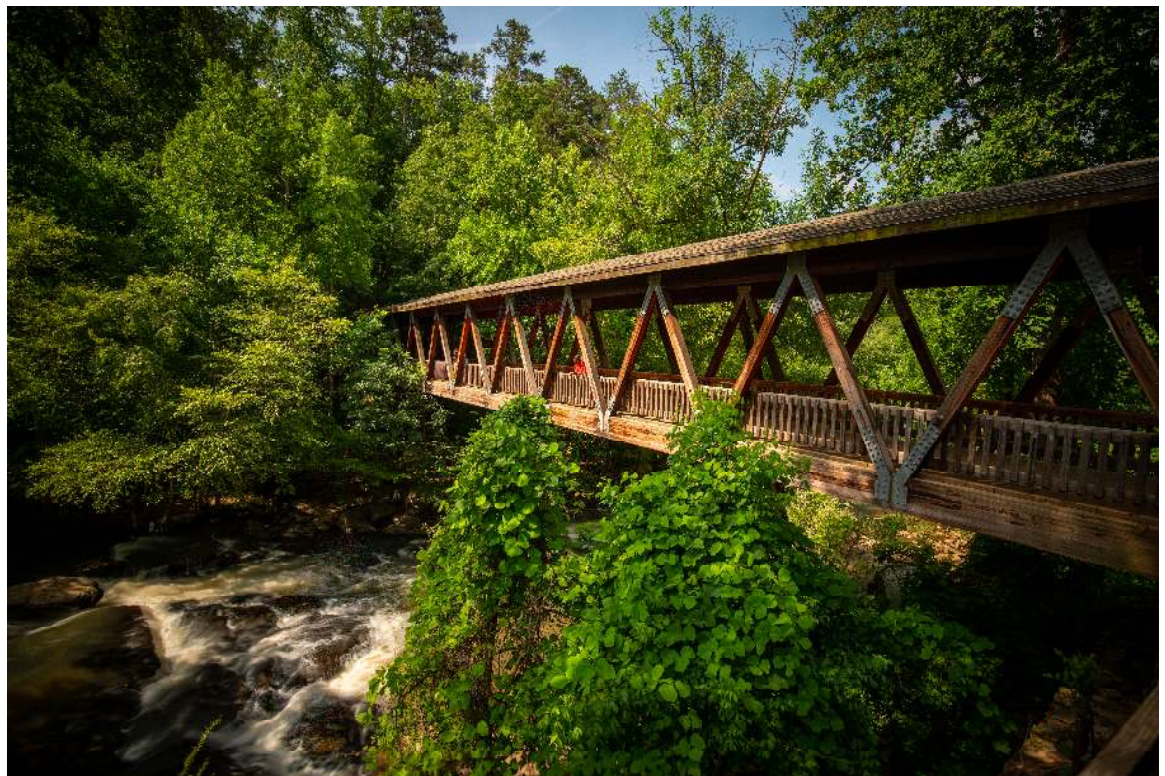
The City operates under a charter adopted in 1854 and revised on April 19, 2000, which provides for a Mayor-Council form of government with a city administrator. The Mayor is elected to a term of four years to serve on a part-time basis. An election for one-half of the Council occurs every two years. 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

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





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

separate column in the 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, 2021.

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

Local Economy

Roswell continues to be a prosperous municipality. Over 4,500 businesses are located in Roswell, some of the larger employers in the area are: Yardi Systems, Wellstar North Fulton, NTG, Easter Seals of North Georgia 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.

Many new mixed use developments within the City are considered live, work, play developments. These 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, 90,000 square feet of loft style, open-concept office space, 128 apartments and ten townhomes with garages.

The West Alley project is another development project that will bring economic growth to the City's Historic District. This project includes plans for a 125 room boutique hotel with meeting/banquet space, a spa, retail and office space, and parking to the Roswell Historic District.

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 FY21 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.

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 develops a five year forecast each year during the budget process that considers future scenarios and serves as a guide to Mayor and Council to help make financial decisions for the fiscal year. This forecast reflects the City's commitment to fiscal health and stability. The Capital Improvements Plan (CIP) is also a five year program that details anticipated expenditures as well as the approved sources of funding. The first year of the program is incorporated into the annual budget with the outlying years serving as a guide for future planning.

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.





Financial Policies

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

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

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

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

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

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

Major Initiatives

- Strategic Plan 2021-2025—The City approved its first ever Citywide Strategic Plan in FY2021. The plan memorializes the vision, mission, values, goals and objectives of the city for the next five years while providing a clear path forward for leaders and residents of Roswell. Through the strategic planning evolution, the City Council identified eight goals that address the core issues raised by the community. Successful implementation of these goals will require a collective effort by City employees in all departments. A separate Implementation Action Plan is being prepared to guide progress of achieving each goal. Concurrent with the Implementation Action Plan, City teams will begin building the metrics to measure performance to inform decision making.
- 2040 Comprehensive Plan—The City developed the 2040 Comprehensive Plan during fiscal year 2021. The 2040 Comprehensive Plan serves as long-range policy direction for land use, transportation, economic development, housing, public facilities, intergovernmental agreements and natural/cultural resources. Adoption and acceptance of a Comprehensive Plan is required for the City to have a Qualified Local Government Status. This status allows the City to participate in a variety of State programs.
- Transfer Station – The City secured funding from Georgia Environmental Finance Authority (GEFA) for the construction of the new transfer station. Construction has begun with the anticipated completion of Spring 2022.
- Resurfacing – Roswell secured a loan from the Georgia Transportation Infrastructure Bank (GTIB) through the State Roads and Tollway Authority (SRTA) for repaving of approximately 100,000 linear feet of roadway.
- American Rescue Plan Act (ARPA) – The City received the first of two \$5 million payments totaling \$11.4 million from the American Rescue Plan in May 2021. The second payment will be received in May 2022. These funds are restricted to responding to the public health emergency and its negative economic impacts, premium pay for workers performing essential work during the pandemic, providing government services impacted by the revenue loss due to COVID-19 and investments in water, sewer or broadband infrastructure. The City is currently seeking input from residents and business owners regarding the City's plan to prioritize and spend its allocation.

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



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roswell for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. 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 annual comprehensive financial report, whose contents conform to program standards. The ACFR 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-five 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 award results for the fiscal year ended June 30, 2020 have not yet been published by GFOA.

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 2021. 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 seventeen fiscal years.

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

Acknowledgments

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

Sincerely,



Ryan Lockett
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Roswell
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF ROSWELL, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2021

Ryan Lockett	Finance Director
Joe Pennino	Fire Chief
James Harner	Human Resources Director
James Conroy	Police Chief
Dan Skalsky	Public Works/Environmental Director
Jeff Leatherman	Recreation and Parks Director
Muhummad Rauf	Transportation Director
David Davidson	City Attorney
Marlee Press	City Clerk

City of Roswell, Georgia
Elected Officials
June 30, 2021



Lori Henry
Mayor



Marcelo Zapata
Post 1 Councilmember
Mayor Pro Tem



Mike Palermo
Post 2 Councilmember



Christine Hall
Post 3 Councilmember



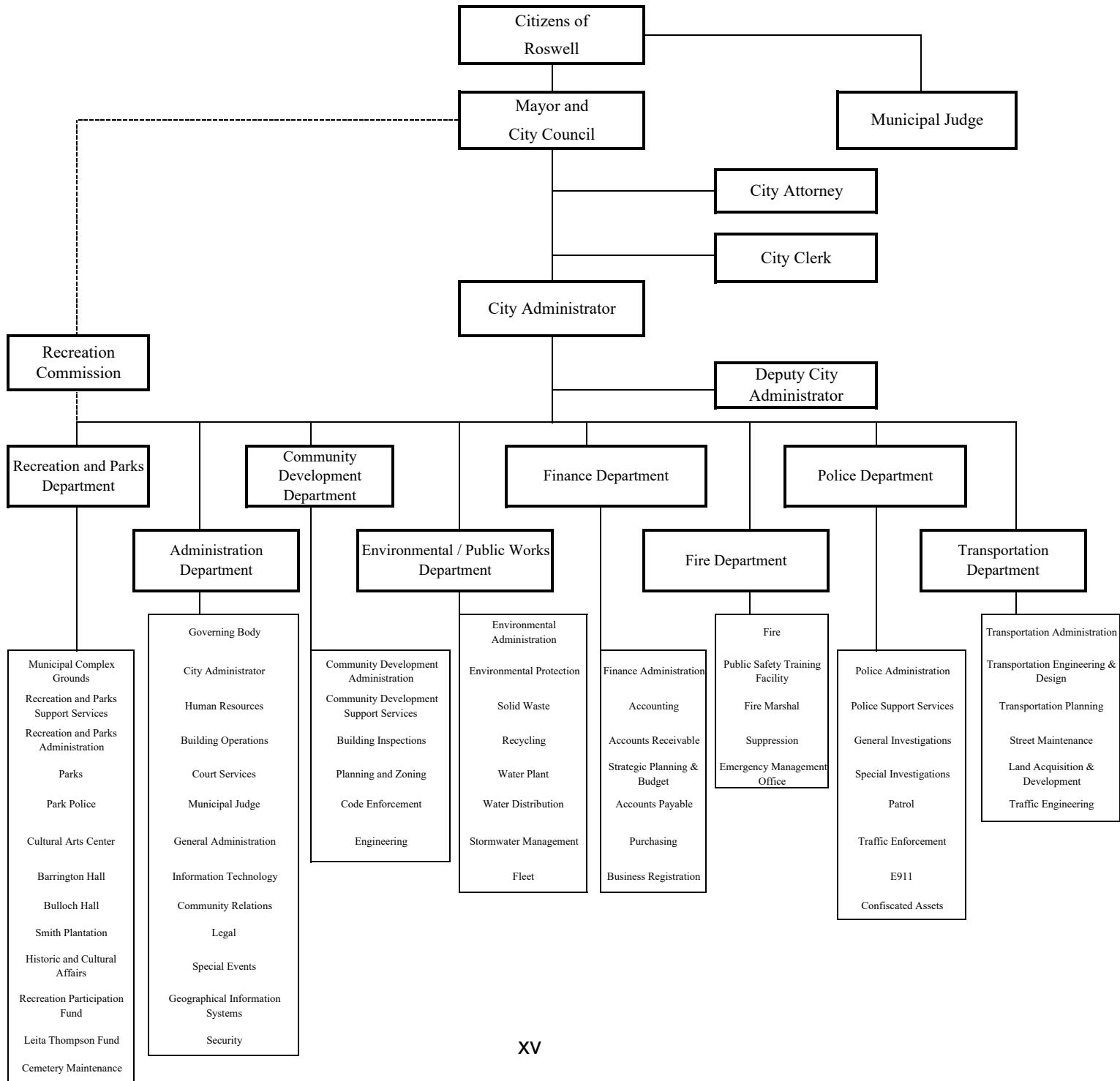
Marie Willsey
Post 4 Councilmember



Matthew Tyser
Post 5 Councilmember

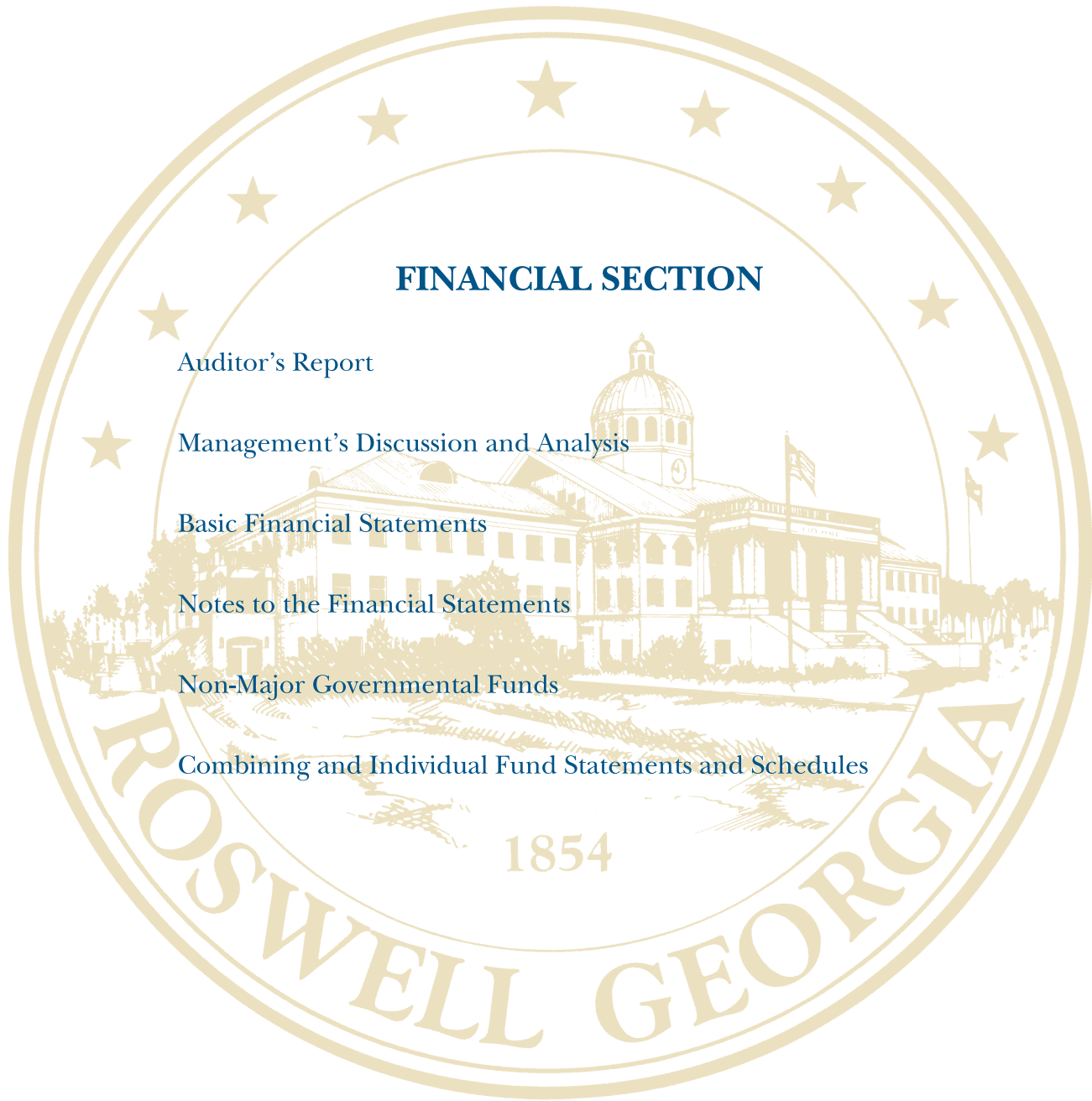


Matt Judy
Post 6 Councilmember



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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, 2021, 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, 2021, 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 14, 2021 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 14, 2021

Management's Discussion and Analysis

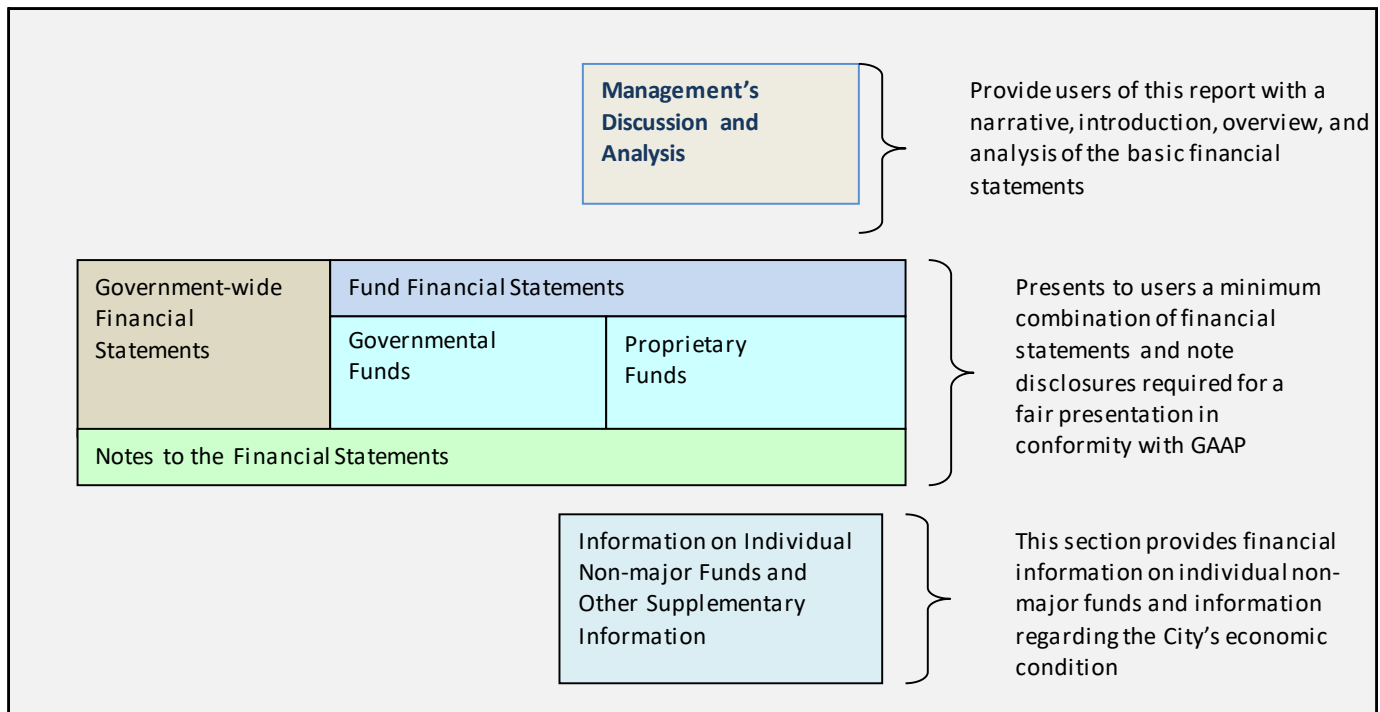
As management of Roswell, Georgia, we offer readers of Roswell's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. This discussion is intended to:

- 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 Annual Comprehensive Financial Report (ACFR) 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 four major and 14 non-major governmental funds. The City's major governmental funds are:
 - General
 - Capital Projects
 - T-SPLOST
 - ARPA Grant

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 59.

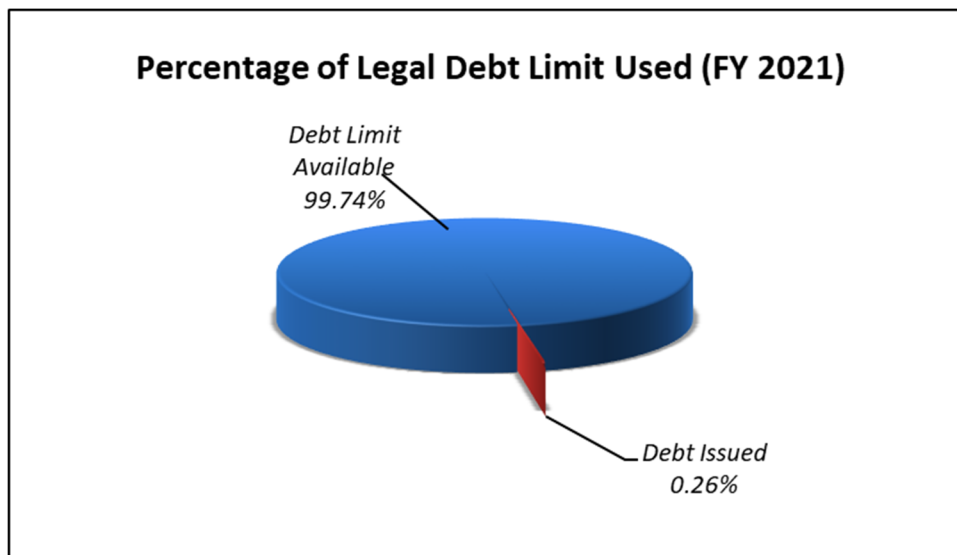
Within this section of the City of Roswell, Georgia's (the "City") annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. The City's financial performance is discussed 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, 2021 by \$331,070,788 (net position) for the fiscal year reported. Of this amount, \$37,161,724 (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 \$227,137,180 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 \$66,771,884 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations,
 - 3) At the end of the current fiscal year, unrestricted net position increased from \$35,577,290 in fiscal year 2020 to \$37,161,724.

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 \$1,520,000 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 2021.



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

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Assets:								
Current and other assets	\$ 136,930	\$ 113,364	\$ 14,243	\$ 13,830	\$ 151,173	\$ 127,194	37.01%	33.31%
Capital assets	218,947	216,697	38,341	37,996	257,288	254,693	62.99%	66.69%
Total assets	355,877	330,061	52,584	51,826	408,461	381,887	100.00%	100.00%
Deferred outflows of resources	4,359	6,441	636	1,013	4,995	7,454	100.00%	100.00%
Liabilities:								
Current liabilities	14,981	8,311	4,392	3,951	19,373	12,262	23.81%	16.13%
Long-term liabilities	46,064	47,336	15,940	16,402	62,004	63,738	76.19%	83.87%
Total liabilities	61,045	55,647	20,332	20,353	81,377	76,000	100.00%	100.00%
Deferred inflows of resources	880	493	128	77	1,008	570	100.00%	100.00%
Net position:								
Net Investment in capital asset	200,701	197,434	26,436	25,916	227,137	223,350	68.61%	71.41%
Restricted	66,771	53,843	-	-	66,771	53,843	20.17%	17.21%
Unrestricted	30,839	29,085	6,323	6,493	37,162	35,578	11.22%	11.38%
Total net position	\$ 298,311	\$ 280,362	\$ 32,759	\$ 32,409	\$ 331,070	\$ 312,771	100.00%	100.00%

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end 2021 increased 5.9% from \$312,770,418 at June 30, 2020 to \$331,070,788 at June 30, 2021. (See Table 1).

The largest portion of the City's net position (68.61%) at June 30, 2021, reflects its net 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 (20.17%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$37,161,724 or 11.22%) may be used to meet the government's ongoing obligations to citizens and creditors.

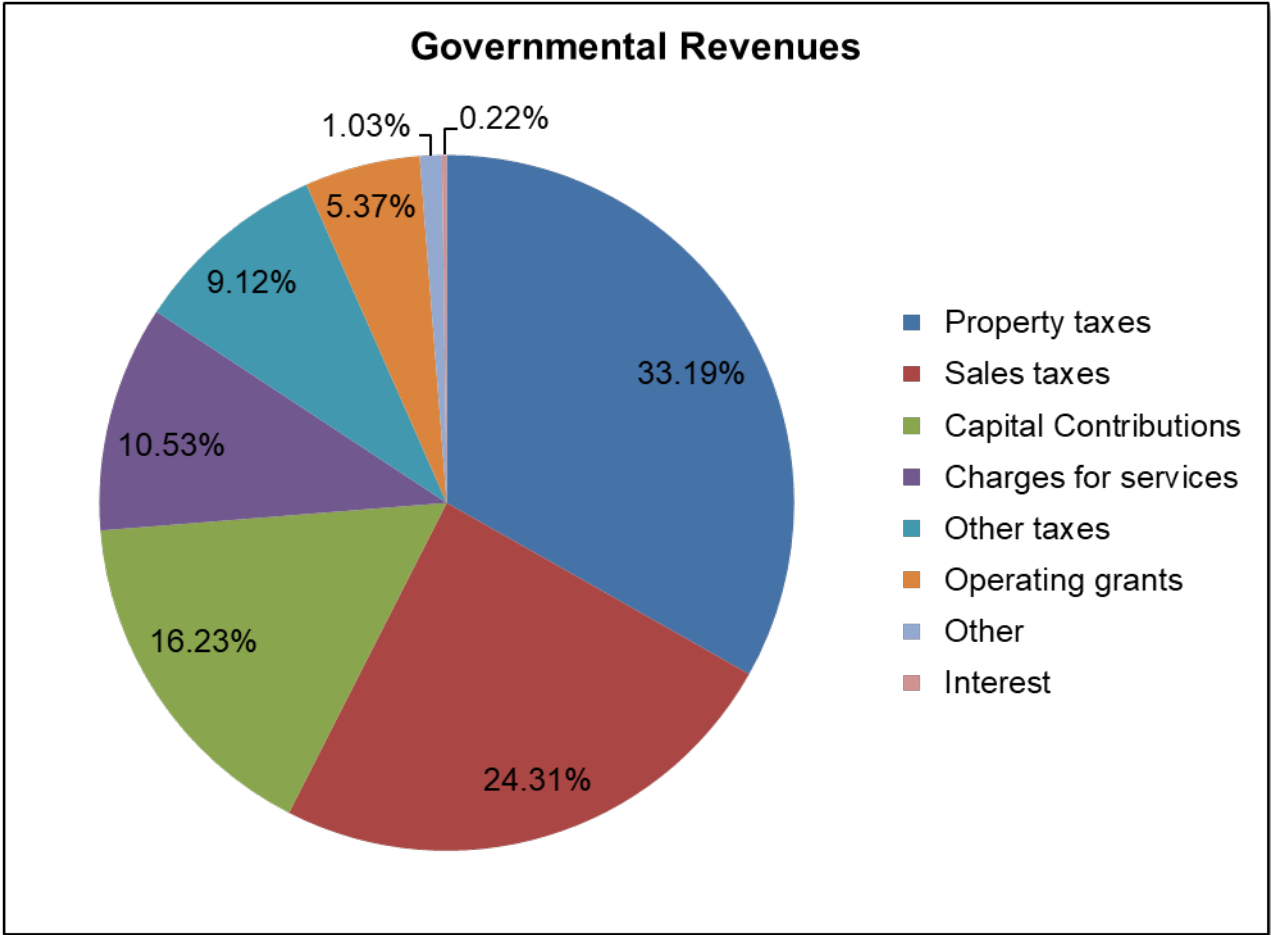
The City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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		
	2021	2020	2021	2020	2021	2020	2021	2020	
<i>Revenues:</i>									
<i>Program:</i>									
Charges for services	\$ 11,989	\$ 11,158	\$ 23,429	\$ 23,042	\$ 35,418	\$ 34,200	25.77%	26.76%	
Operating grants	6,115	1,821	7	-	6,122	1,821	4.46%	1.42%	
Capital Contributions	18,483	16,908	86	-	18,569	16,908	13.51%	13.23%	
<i>General:</i>									
Property taxes	37,796	36,401	-	-	37,796	36,401	27.50%	28.48%	
Sales taxes	27,688	26,029	-	-	27,688	26,029	20.15%	20.36%	
Other taxes	10,390	9,881	-	-	10,390	9,881	7.56%	7.73%	
Interest	245	2,125	17	251	262	2,376	0.19%	1.86%	
Other	1,171	203	-	-	1,171	203	0.85%	0.16%	
Total revenues	113,877	104,526	23,539	23,293	137,416	127,819	100.00%	100.00%	
<i>Program Expenses:</i>									
General government	15,373	14,791	-	-	15,373	14,791	12.90%	12.56%	
Judicial	1,306	1,248	-	-	1,306	1,248	1.10%	1.06%	
Financial services	3,471	2,832	-	-	3,471	2,832	2.91%	2.41%	
Planning and zoning	3,271	2,876	-	-	3,271	2,876	2.74%	2.44%	
Public safety	37,975	37,077	-	-	37,975	37,077	31.86%	31.49%	
Public works	16,629	16,736	-	-	16,629	16,736	13.95%	14.21%	
Culture and recreation	16,614	18,321	-	-	16,614	18,321	13.94%	15.56%	
Interest	356	364	-	-	356	364	0.30%	0.31%	
Water and sewer	-	-	4,676	4,277	4,676	4,277	3.92%	3.63%	
Solid waste	-	-	11,563	11,423	11,563	11,423	9.70%	9.70%	
Stormwater	-	-	2,371	2,478	2,371	2,478	1.99%	2.10%	
Participant Recreation	-	-	5,581	5,326	5,581	5,326	4.68%	4.52%	
Total expenses	94,995	94,245	24,191	23,504	119,186	117,749	100%	100%	
Excess (deficiency)	18,882	10,281	(652)	(211)	18,230	10,070			
Sale of assets	-	-	69	32	69	32			
Transfers	(933)	89	933	(89)	-	-			
Change in net position	17,949	10,370	350	(268)	18,299	10,102			
Beginning net position	280,362	269,992	32,409	32,677	312,771	302,669			
Ending net position	\$ 298,311	\$ 280,362	\$ 32,759	\$ 32,409	\$ 331,070	\$ 312,771			



GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 33.19% and sales taxes provided 24.31% of the City's total governmental revenues. Also, note that program revenues cover 38.51% of governmental expenses. This means that the government's taxpayers and the City's other general revenues fund 61.49% 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)

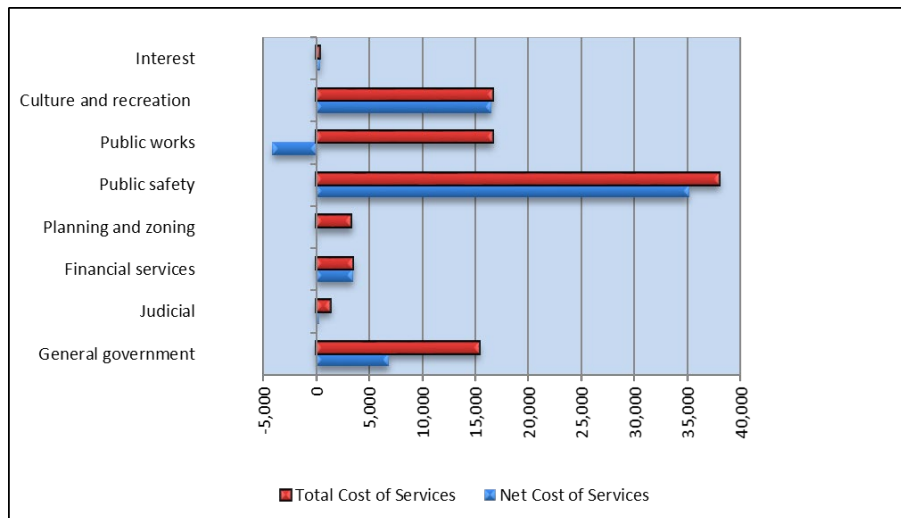
	Total Cost of Services		Percentage of Total		Net Cost of Services		Percentage of Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<i>General government</i>	\$ 15,373	\$ 14,791	16.18%	15.69%	\$ 6,822	\$ 10,929	11.68%	16.98%
<i>Judicial</i>	1,306	1,248	1.37%	1.32%	216	388	0.37%	0.60%
<i>Financial services</i>	3,471	2,832	3.65%	3.00%	3,471	2,832	5.94%	4.40%
<i>Planning and zoning</i>	3,271	2,876	3.44%	3.05%	67	85	0.11%	0.13%
<i>Public safety</i>	37,976	37,077	39.98%	39.34%	35,100	33,811	60.09%	52.54%
<i>Public works</i>	16,629	16,736	17.51%	17.76%	(4,120)	(2,239)	-7.05%	-3.48%
<i>Culture and recreation</i>	16,613	18,321	17.49%	19.44%	16,496	18,188	28.24%	28.26%
<i>Interest</i>	356	364	0.37%	0.39%	356	364	0.61%	0.57%
Total	\$ 94,995	\$ 94,245	100.00%	100.00%	\$ 58,408	\$ 64,358	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. Public works is the second largest City cost for government at \$16,628,783 or 17.51%. The third largest City cost for government is culture and recreation, totaling \$16,614,047 or 17.49% of governmental expenses.

- The cost of all governmental activities this fiscal year was \$94,994,851 compared to \$94,245,555 in fiscal year 2020.
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax and business taxes (\$74,594,342).

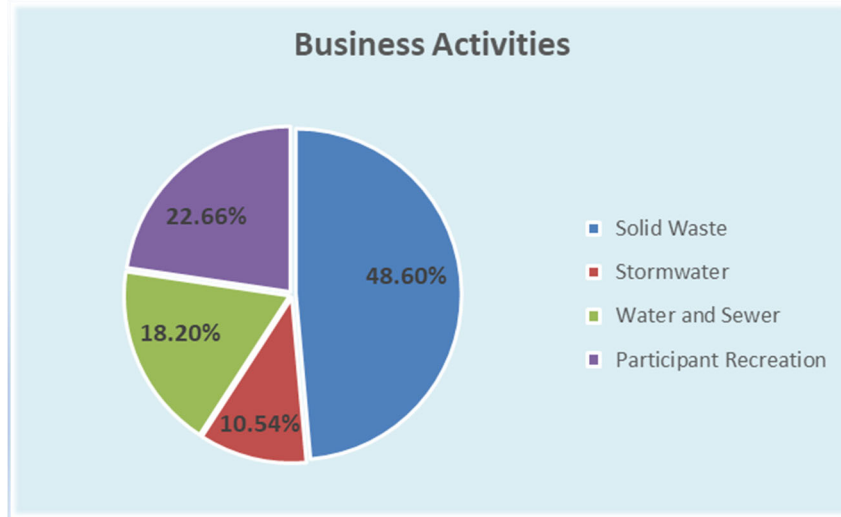
Some of the costs were paid by those who benefited directly from the programs (\$11,989,059) and subsidies from other governments and organizations through grants and/or contributions (\$18,482,640).



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The cost of all Proprietary (Business-type) activities this fiscal year was \$24,190,944 as shown in Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$23,428,689. Within the total business-type activities of the City, these activities reported an increase in net position of \$350,437.



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 \$116,545,974. Of this year-end total, \$28,088,464 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, \$19,946,599 is included in the unassigned fund balance.

Major Governmental Funds

The General Fund is the City's primary operating funds and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$32,354,190. 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 39.02% of total general fund expenditures.

Total General Fund revenues were \$87,236,520 or 12.7% higher than fiscal year 2020. The nationwide pandemic contributed to the lower revenues in fiscal year 2020.

The Capital Projects Fund reflects an ending fund balance increase of \$2,318,037. The increase in fund balance is due to a decrease in capital expenditures. The uncertainty of the economy put many projects on hold for the first six months of the fiscal year.

The T-SPLOST Fund reflects an ending fund balance of \$54,706,545, an increase of \$12,243,772 from fiscal year 2020. This increase is due to the projects in this fund still being in the beginning phase of construction.

The ARPA Grant Fund reflects a fund balance of zero. This is a new fund in fiscal year 2021, and the City reports only cash and a liability, unearned revenue, which offsets the cash balance.

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 1.68% above those in fiscal year 2020 and operating expenses were 2.81% more than prior year.

The Water and Sewer Fund's operating revenues are 0.55% above those in fiscal year 2020 and operating expenses were 10.25% more than prior year. The increase in expenses was a result of increase in personnel expenses from the City's compensation study as well as resuming normal replacement schedules for meters.

The Solid Waste Fund's operating revenues are 2.98% above those in fiscal year 2020 and operating expenses were 0.95% more than the prior year.

The Participant Recreation Fund's operating revenues were 1.11% less when compared to the same time in fiscal year 2020. Operating expenses were 4.24% more than prior year.

The Stormwater Fund's operating revenues were 2.60% higher when compared to the same time in fiscal year 2020. Operating expenses were 4.10% less than prior year.

Budgetary Highlights

General Fund – The General Fund's final approved revenue budget for FY 2021 was \$82,929,437. The original approved revenue budget was \$72,065,969. The City collected \$4,307,083 more than the approved revenue budget due to higher than anticipated collection of taxes.

The General Fund's final approved expenditure budget for FY 2021 was \$76,054,037. The original approved expenditure budget was \$70,993,470. The City expended 95.67% of the Amended Budget amount. The General Fund actual expenditures were \$3,296,198 less than budgeted. The decrease was mainly due to Administration and Public Safety.

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, 2021, was \$218,947,446 and \$38,340,804 respectively. The major changes to capital assets for FY21 were:

- Governmental construction in progress increased as the City resumed approval of capital expenditures after halting most projects during the prior fiscal year due to the pandemic.
- Business-type construction in progress decreased because several projects were completed which increased infrastructure.

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	
	2021	2020	2021	2020	2021	2020
Non-depreciable assets:						
Land	\$ 54,854	\$ 52,354	\$ -	\$ -	\$ 54,854	\$ 52,354
Construction in Progress	28,300	19,958	997	1,334	29,297	21,292
Total non-depreciable assets	<u>83,154</u>	<u>72,312</u>	<u>997</u>	<u>1,334</u>	<u>84,151</u>	<u>73,646</u>
Depreciable assets:						
Land improvements	42,260	42,176	501	501	42,761	42,677
Buildings and plant	87,053	86,933	19,958	19,958	107,011	106,891
Machinery and equipment	30,810	27,960	3,168	2,933	33,978	30,893
Vehicles	26,403	27,471	5,603	5,712	32,006	33,183
Infrastructure	158,008	158,008	25,767	23,561	183,775	181,569
Total depreciable assets	<u>344,534</u>	<u>342,548</u>	<u>54,997</u>	<u>52,665</u>	<u>399,531</u>	<u>395,213</u>
Less accumulated depreciation:	<u>208,741</u>	<u>198,163</u>	<u>17,653</u>	<u>16,003</u>	<u>226,394</u>	<u>214,166</u>
Net book value-depreciated assets	<u>135,793</u>	<u>144,385</u>	<u>37,344</u>	<u>36,662</u>	<u>173,137</u>	<u>181,047</u>
Percentage depreciated	<u>60.59%</u>	<u>57.85%</u>	<u>32.10%</u>	<u>30.39%</u>	<u>56.66%</u>	<u>54.19%</u>
Total Capital Assets	<u>\$ 218,947</u>	<u>\$ 216,697</u>	<u>\$ 38,341</u>	<u>\$ 37,996</u>	<u>\$ 257,288</u>	<u>\$ 254,693</u>

At June 30, 2021, the depreciable capital assets for governmental activities were 60.59% depreciated. Note that the business-type activities are 32.10% depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$3,806,880, 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, 2021 and 2020 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Bonds	\$ 3,745	\$ 5,265	\$ -	\$ -	\$ 3,745	\$ 5,265
Plus Premium	62	98	-	-	62	98
Claims payable	370	370	-	-	370	370
Compensated absences	3,325	3,250	524	493	3,849	3,743
Net pension liability	24,296	24,581	3,545	3,864	27,841	28,445
Notes payable	2,723	2,906	11,871	12,045	14,594	14,951
Capital lease payable	3,295	2,393	-	-	3,295	2,393
Financed purchases payable	8,248	8,473	-	-	8,248	8,473
Total	\$ 46,064	\$ 47,336	\$ 15,940	\$ 16,402	\$ 62,004	\$ 63,738

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 2022.

- 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 set annually by Mayor and City Council. 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 FY22 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.

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, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Roswell Economic Development & Tourism, Inc.	Downtown Development Authority
ASSETS					
Cash and cash equivalents	\$ 72,120,028	\$ 4,723,698	\$ 76,843,726	\$ 688,852	\$ 306,658
Investments	54,194,010	7,577,813	61,771,823	-	-
Receivables (net of allowance for uncollectibles)	1,892,098	2,806,069	4,698,167	499	-
Taxes receivable	5,086,862	-	5,086,862	-	-
Intergovernmental receivables	1,046,863	-	1,046,863	-	-
Internal balances	876,499	(876,499)	-	-	-
Inventories	104,135	-	104,135	1,167	-
Prepaid items	992,201	11,917	1,004,118	273	-
Notes receivable	617,607	-	617,607	-	-
Capital assets, nondepreciable	83,153,884	996,568	84,150,452	-	-
Capital assets, depreciable, net of accumulated depreciation	135,793,562	37,344,236	173,137,798	9,873	-
Total assets	355,877,749	52,583,802	408,461,551	700,664	306,658
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	4,358,632	635,923	4,994,555	-	-
Total deferred outflows of resources	4,358,632	635,923	4,994,555	-	-
LIABILITIES					
Accounts payable	3,346,305	2,185,538	5,531,843	17,442	-
Accrued liabilities	5,773,428	493,391	6,266,819	-	-
Retainage payable	173,969	32,888	206,857	-	-
Customer deposits payable	-	948,394	948,394	-	1,135
Unearned revenue	5,687,379	731,522	6,418,901	9,750	-
Noncurrent liabilities due within one year					
Compensated absences payable	2,520,349	393,560	2,913,909	-	-
Capital leases	1,104,762	-	1,104,762	-	-
Financed purchases	1,578,705	-	1,578,705	-	-
Note payable	367,513	669,459	1,036,972	78,264	-
Claims payable	150,000	-	150,000	-	-
Bonds payable	1,560,000	-	1,560,000	-	-
Noncurrent liabilities due in more than one year					
Compensated absences payable	804,639	130,395	935,034	-	-
Capital leases	2,190,346	-	2,190,346	-	-
Financed purchases	6,668,814	-	6,668,814	-	-
Note payable	2,355,607	11,202,127	13,557,734	93,423	-
Claims payable	220,498	-	220,498	-	-
Bonds payable	2,246,880	-	2,246,880	-	-
Net pension liability	24,295,837	3,544,767	27,840,604	-	-
Total liabilities	61,045,031	20,332,041	81,377,072	198,879	1,135
DEFERRED INFLOWS OF RESOURCES					
Pension related items	879,874	128,372	1,008,246	-	-
Total deferred inflows of resources	879,874	128,372	1,008,246	-	-
NET POSITION					
Net investment in capital assets	200,700,850	26,436,330	227,137,180	9,873	-
Restricted for:					
Debt service	2,311,532	-	2,311,532	-	-
Environmental	38,604	-	38,604	-	-
Culture and recreation	1,500,544	-	1,500,544	491,912	-
Transportation	56,763,064	-	56,763,064	-	-
Public safety	3,555,406	-	3,555,406	-	-
Capital projects	2,466,264	-	2,466,264	-	-
Promotion of industry and tourism	101,112	-	101,112	-	-
Scholarship - nonexpendable	25,000	-	25,000	-	-
Scholarship - expendable	10,358	-	10,358	-	-
Unrestricted	30,838,742	6,322,982	37,161,724	-	305,523
Total net position	\$ 298,311,476	\$ 32,759,312	\$ 331,070,788	\$ 501,785	\$ 305,523

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

CITY OF ROSWELL, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,372,832	\$ 4,588,652	\$ 3,962,153	\$ -
Judicial	1,305,512	1,090,128	-	-
Financial services	3,471,379	-	-	-
Public safety	37,975,930	2,537,844	247,335	90,468
Public works	16,628,783	1,160,147	1,209,156	18,379,460
Planning and zoning	3,270,509	2,537,842	652,852	12,712
Culture and recreation	16,614,047	74,446	43,851	-
Interest on long-term debt	355,859	-	-	-
Total governmental activities	<u>94,994,851</u>	<u>11,989,059</u>	<u>6,115,347</u>	<u>18,482,640</u>
Business-type activities:				
Water and sewer	4,676,046	4,355,883	-	85,810
Solid waste	11,562,968	11,363,051	225	-
Participant recreation	5,580,917	4,430,583	5,343	-
Stormwater	2,371,013	3,279,172	1,796	-
Total business-type activities	<u>24,190,944</u>	<u>23,428,689</u>	<u>7,364</u>	<u>85,810</u>
Total primary government	<u>\$ 119,185,795</u>	<u>\$ 35,417,748</u>	<u>\$ 6,122,711</u>	<u>\$ 18,568,450</u>
Component units:				
Roswell Economic Development & Tourism, Inc.	\$ 930,658	\$ 248,021	\$ 640,891	\$ -
Downtown Development Authority	49,008	-	-	-
Total component units	<u>\$ 979,666</u>	<u>\$ 248,021</u>	<u>\$ 640,891</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				
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
\$ (6,822,027)	\$ -	\$ (6,822,027)	\$ -	\$ -
(215,384)	-	(215,384)	-	-
(3,471,379)	-	(3,471,379)	-	-
(35,100,283)	-	(35,100,283)	-	-
4,119,980	-	4,119,980	-	-
(67,103)	-	(67,103)	-	-
(16,495,750)	-	(16,495,750)	-	-
(355,859)	-	(355,859)	-	-
<u>(58,407,805)</u>	<u>-</u>	<u>(58,407,805)</u>	<u>-</u>	<u>-</u>
-	(234,353)	(234,353)	-	-
-	(199,692)	(199,692)	-	-
-	(1,144,991)	(1,144,991)	-	-
-	909,955	909,955	-	-
<u>-</u>	<u>(669,081)</u>	<u>(669,081)</u>	<u>-</u>	<u>-</u>
<u>(58,407,805)</u>	<u>(669,081)</u>	<u>(59,076,886)</u>	<u>-</u>	<u>-</u>
-	-	-	(41,746)	-
-	-	-	-	(49,008)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,746)</u>	<u>(49,008)</u>
37,795,923	-	37,795,923	-	-
27,688,313	-	27,688,313	-	-
962,195	-	962,195	-	-
317,923	-	317,923	-	-
9,110,106	-	9,110,106	-	-
244,900	17,271	262,171	-	1,142
-	69,597	69,597	-	-
1,171,028	-	1,171,028	-	-
(932,650)	932,650	-	-	-
<u>76,357,738</u>	<u>1,019,518</u>	<u>77,377,256</u>	<u>-</u>	<u>1,142</u>
17,949,933	350,437	18,300,370	(41,746)	(47,866)
280,361,543	32,408,875	312,770,418	543,531	353,389
<u>\$ 298,311,476</u>	<u>\$ 32,759,312</u>	<u>\$ 331,070,788</u>	<u>\$ 501,785</u>	<u>\$ 305,523</u>

**CITY OF ROSWELL, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

ASSETS	Capital					Nonmajor Governmental Funds	Total
	General	Projects	T-SPLOST	ARPA Grant			
Cash and cash equivalents	\$ 6,355,137	\$ 4,535,270	\$ 42,465,468	\$ 5,687,379	\$ 11,194,107	\$ 70,237,361	
Investments	25,700,271	13,741,605	10,940,410	-	536,388	50,918,674	
Receivables (net of allowance for uncollectibles)	1,433,176	25,073	-	-	404,330	1,862,579	
Taxes receivable (net)	3,178,966	-	1,698,708	-	209,188	5,086,862	
Intergovernmental receivables	-	766,202	-	-	280,661	1,046,863	
Due from other funds	523,405	-	-	-	-	523,405	
Inventories	104,135	-	-	-	-	104,135	
Prepaid items	677,533	12,560	-	-	18,909	709,002	
Total assets	\$ 37,972,623	\$ 19,080,710	\$ 55,104,586	\$ 5,687,379	\$ 12,643,583	\$ 130,488,881	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,403,711	\$ 942,871	\$ 245,436	\$ -	\$ 455,358	\$ 3,047,376	
Accrued liabilities	3,292,851	-	-	-	87,124	3,379,975	
Unearned revenue	-	-	-	5,687,379	-	5,687,379	
Retainage payable	2,500	18,864	152,605	-	-	173,969	
Advances from other funds	161,816	-	-	-	-	161,816	
Total liabilities	4,860,878	961,735	398,041	5,687,379	542,482	12,450,515	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	579,049	-	-	-	30,871	609,920	
Unavailable revenue - other	178,506	-	-	-	-	178,506	
Unavailable revenue - intergovernmental	-	430,199	-	-	273,767	703,966	
Total deferred inflows of resources	757,555	430,199	-	-	304,638	1,492,392	
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaid items	677,533	12,560	-	-	18,909	709,002	
Inventories	104,135	-	-	-	-	104,135	
Permanent fund corpus	-	-	-	-	25,000	25,000	
Restricted:							
Public safety	-	-	-	-	3,542,334	3,542,334	
Culture and recreation	-	-	-	-	1,500,544	1,500,544	
Environmental	-	-	-	-	38,604	38,604	
Transportation	-	-	54,706,545	-	2,056,519	56,763,064	
Debt service	-	-	-	-	2,279,908	2,279,908	
Capital projects	-	-	-	-	2,021,949	2,021,949	
Scholarship	-	-	-	-	10,358	10,358	
Promotion of industry and tourism	-	-	-	-	101,112	101,112	
Committed:							
Culture and recreation	602,665	-	-	-	172,165	774,830	
Environmental	-	-	-	-	37,566	37,566	
Assigned:							
Use of reserves in subsequent budget	1,865,179	-	-	-	-	1,865,179	
Capital projects - Public Safety Building	-	17,676,216	-	-	-	17,676,216	
Transportation	41,288	-	-	-	-	41,288	
Financial services	36,263	-	-	-	-	36,263	
Special events	96,575	-	-	-	-	96,575	
General government	132,157	-	-	-	-	132,157	
Planning and zoning	10,534	-	-	-	-	10,534	
Public safety	465,913	-	-	-	-	465,913	
Public works	52,466	-	-	-	-	52,466	
Culture and recreation	172,512	-	-	-	-	172,512	
Unassigned	28,096,970	-	-	-	(8,505)	28,088,465	
Total fund balances	32,354,190	17,688,776	54,706,545	-	11,796,463	116,545,974	
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,972,623	\$ 19,080,710	\$ 55,104,586	\$ 5,687,379	\$ 12,643,583		

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.	218,909,392
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.	3,257,374
Notes receivable and related accrued interest are not an available resource and, therefore, are not reported in the funds.	641,025
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.	1,492,392
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(21,816,123)
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.	(20,718,558)

Net position of governmental activities

\$ 298,311,476

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, 2021

	General	Capital Projects	T-SPLOST	ARPA Grant	Nonmajor Governmental Funds	Total
Revenues:						
Taxes	\$ 73,347,469	\$ -	\$ -	\$ -	\$ 2,811,968	\$ 76,159,437
Licenses and permits	3,384,817	-	-	-	-	3,384,817
Intergovernmental	4,174,562	1,209,156	17,931,824	-	849,487	24,165,029
Fines and forfeitures	1,090,128	-	-	-	147,242	1,237,370
Charges for services	3,804,171	-	-	-	2,446,925	6,251,096
Impact fees	-	-	-	-	1,123,819	1,123,819
Investment earnings (loss)	140,215	(5,993)	111,493	-	4,416	250,131
Contributions	43,851	-	-	-	-	43,851
Miscellaneous	1,251,307	-	-	-	57,698	1,309,005
Total revenues	<u>87,236,520</u>	<u>1,203,163</u>	<u>18,043,317</u>	<u>-</u>	<u>7,441,555</u>	<u>113,924,555</u>
Expenditures:						
Current:						
General government	12,337,073	107,216	-	-	26,381	12,470,670
Judicial	1,247,809	-	-	-	-	1,247,809
Financial services	3,002,866	-	-	-	-	3,002,866
Public safety	30,537,389	2,110	-	-	3,006,352	33,545,851
Public works	8,235,670	2,682	-	-	29,217	8,267,569
Planning and zoning	2,557,827	-	-	-	534,811	3,092,638
Culture and recreation	12,397,467	71,749	-	-	470,231	12,939,447
Capital outlay	-	12,989,730	5,799,545	-	467,453	19,256,728
Debt service:						
Principal	1,468,577	861,797	-	-	1,520,000	3,850,374
Interest and fiscal charges	212,077	57,101	-	-	128,425	397,603
Total expenditures	<u>71,996,755</u>	<u>14,092,385</u>	<u>5,799,545</u>	<u>-</u>	<u>6,182,870</u>	<u>98,071,555</u>
Excess (deficiency) of revenues over expenditures	15,239,765	(12,889,222)	12,243,772	-	1,258,685	15,853,000
Other financing sources (uses):						
Proceeds from sale of capital assets	131,105	214,973	-	-	-	346,078
Issuance of long-term debt	1,060,260	1,763,463	-	-	-	2,823,723
Transfers in	633,251	13,242,464	-	-	283,532	14,159,247
Transfers out	(14,322,135)	(13,641)	-	-	(769,775)	(15,105,551)
Total other financing sources (uses)	<u>(12,497,519)</u>	<u>15,207,259</u>	<u>-</u>	<u>-</u>	<u>(486,243)</u>	<u>2,223,497</u>
Net change in fund balances	2,742,246	2,318,037	12,243,772	-	772,442	18,076,497
Fund balances, beginning of year	<u>29,611,944</u>	<u>15,370,739</u>	<u>42,462,773</u>	<u>-</u>	<u>11,024,021</u>	<u>98,469,477</u>
Fund balances, end of year	<u>\$ 32,354,190</u>	<u>\$ 17,688,776</u>	<u>\$ 54,706,545</u>	<u>\$ -</u>	<u>\$ 11,796,463</u>	<u>\$ 116,545,974</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, 2021

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

Net change in fund balances - total governmental funds	\$	18,076,497
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.		2,991,420
The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.		(690,472)
The payments received on notes receivable provide current financial resources to governmental funds, but have no effect on net position.		(143,208)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		96,087
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.		1,026,651
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.		(2,315,218)
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>(1,091,824)</u>
Change in net position - governmental activities	\$	<u><u>17,949,933</u></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, 2021

ASSETS	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
Current assets:				
Cash	\$ 572,674	\$ 1,242,955	\$ 2,287,248	\$ 620,821
Investments	2,018,940	4,281,220	-	1,277,653
Receivables (net of allowance for uncollectibles)	791,259	1,714,692	-	300,118
Prepaid items	9,658	317	578	1,364
Total current assets	<u>3,392,531</u>	<u>7,239,184</u>	<u>2,287,826</u>	<u>2,199,956</u>
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	206,255	465,487	53,849	270,977
Capital assets, being depreciated	37,668,520	6,235,430	1,716,632	9,376,312
Less accumulated depreciation	(12,404,586)	(2,922,838)	(730,776)	(1,594,458)
Advances to other funds	-	161,816	-	-
Total noncurrent assets	<u>25,470,189</u>	<u>3,939,895</u>	<u>1,039,705</u>	<u>8,052,831</u>
Total assets	<u>28,862,720</u>	<u>11,179,079</u>	<u>3,327,531</u>	<u>10,252,787</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	63,795	351,293	151,773	69,062
Total deferred outflows of resources	<u>63,795</u>	<u>351,293</u>	<u>151,773</u>	<u>69,062</u>
LIABILITIES				
Current liabilities:				
Accounts payable	717,906	1,092,566	118,742	256,324
Retainage payable	-	15,828	-	17,060
Accrued expenses	78,182	137,147	238,130	39,932
Customer deposits payable	229,901	711,468	7,025	-
Due to other funds	-	-	523,405	-
Unearned revenue	-	-	731,522	-
Notes payable, current	669,459	-	-	-
Compensated absences, current	78,642	163,706	90,873	60,339
Total current liabilities	<u>1,774,090</u>	<u>2,120,715</u>	<u>1,709,697</u>	<u>373,655</u>
Long-term liabilities:				
Compensated absences	26,606	55,117	31,498	17,174
Notes payable, long term	11,043,851	158,276	-	-
Net pension liability	355,607	1,958,182	846,013	384,965
Total long-term liabilities	<u>11,426,064</u>	<u>2,171,575</u>	<u>877,511</u>	<u>402,139</u>
Total liabilities	<u>13,200,154</u>	<u>4,292,290</u>	<u>2,587,208</u>	<u>775,794</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	12,878	70,915	30,638	13,941
Total deferred inflows of resources	<u>12,878</u>	<u>70,915</u>	<u>30,638</u>	<u>13,941</u>
NET POSITION				
Net investment in capital assets	13,756,879	3,603,975	1,039,705	8,035,771
Unrestricted	1,956,604	3,563,192	(178,247)	1,496,343
Total net position	<u>\$ 15,713,483</u>	<u>\$ 7,167,167</u>	<u>\$ 861,458</u>	<u>\$ 9,532,114</u>

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>
\$ 4,723,698	\$ 1,882,667
7,577,813	3,275,336
2,806,069	6,101
11,917	283,199
<u>15,119,497</u>	<u>5,447,303</u>
996,568	-
54,996,894	253,717
(17,652,658)	(215,663)
161,816	-
<u>38,502,620</u>	<u>38,054</u>
<u>53,622,117</u>	<u>5,485,357</u>
<u>635,923</u>	<u>15,922</u>
<u>635,923</u>	<u>15,922</u>
2,185,538	298,929
32,888	-
493,391	2,299,694
948,394	-
523,405	-
731,522	-
669,459	-
393,560	32,712
<u>5,978,157</u>	<u>2,631,335</u>
130,395	13,037
11,202,127	-
3,544,767	110,445
<u>14,877,289</u>	<u>123,482</u>
<u>20,855,446</u>	<u>2,754,817</u>
<u>128,372</u>	<u>3,998</u>
<u>128,372</u>	<u>3,998</u>
26,436,330	38,054
6,837,892	2,704,410
<u>33,274,222</u>	<u>\$ 2,742,464</u>
<u>(514,910)</u>	
<u>\$ 32,759,312</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Participant Recreation</u>	<u>Stormwater</u>
OPERATING REVENUES				
Charges for services				
Water sales	\$ 3,655,391	\$ -	\$ -	\$ -
Sewer sales	318,423	-	-	-
Sanitation sales	-	11,315,131	-	-
Stormwater sales	-	-	-	3,279,172
Other fees	194,067	47,920	4,430,583	-
Other operating income	188,002	-	-	-
Total operating revenues	<u>4,355,883</u>	<u>11,363,051</u>	<u>4,430,583</u>	<u>3,279,172</u>
OPERATING EXPENSES				
Personnel services and benefits	1,603,329	4,062,396	3,637,789	1,000,107
Purchased contract services	22,057	4,982,461	1,307,527	-
Supplies and maintenance	1,467,350	2,037,979	526,890	1,008,461
Utilities	138,641	11,437	-	-
Claims paid	-	-	-	-
Depreciation	1,284,868	352,880	82,423	367,311
Total operating expenses	<u>4,516,245</u>	<u>11,447,153</u>	<u>5,554,629</u>	<u>2,375,879</u>
Operating income (loss)	(160,362)	(84,102)	(1,124,046)	903,293
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	(1,281)	24,509	781	(6,738)
Intergovernmental	-	225	5,343	1,796
Interest expense and issuance costs	(82,961)	(30,000)	-	-
Gain on disposal of capital assets	14,066	53,037	-	2,494
Total nonoperating revenues (expenses)	<u>(70,176)</u>	<u>47,771</u>	<u>6,124</u>	<u>(2,448)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(230,538)	(36,331)	(1,117,922)	900,845
Capital contributions	85,810	-	-	-
Transfers in	169,775	3,319	858,061	-
Transfers out	(26,315)	(32,329)	-	(39,861)
Total transfers	<u>229,270</u>	<u>(29,010)</u>	<u>858,061</u>	<u>861,030</u>
Change in net position	(1,268)	(65,341)	(259,861)	860,984
NET POSITION, beginning of year	<u>15,714,751</u>	<u>7,232,508</u>	<u>1,121,319</u>	<u>8,671,130</u>
NET POSITION, end of year	<u>\$ 15,713,483</u>	<u>\$ 7,167,167</u>	<u>\$ 861,458</u>	<u>\$ 9,532,114</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>
\$ 3,655,391	\$ -
318,423	-
11,315,131	-
3,279,172	-
4,672,570	12,897,403
188,002	1,919,722
<u>23,428,689</u>	<u>14,817,125</u>
10,303,621	4,221,992
6,312,045	-
5,040,680	-
150,078	-
-	11,846,542
2,087,482	50,745
<u>23,893,906</u>	<u>16,119,279</u>
(465,217)	(1,302,154)
17,271	12,599
7,364	-
(112,961)	-
69,597	-
<u>(18,729)</u>	<u>12,599</u>
(483,946)	(1,289,555)
85,810	-
1,031,155	25,000
<u>(98,505)</u>	<u>(11,346)</u>
<u>1,018,460</u>	<u>13,654</u>
534,514	(1,275,901)
	<u>4,018,365</u>
	<u>\$ 2,742,464</u>
<u>(184,077)</u>	
<u>\$ 350,437</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 4,264,680	\$ 11,138,480	\$ 4,522,352	\$ 3,286,031
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	(1,513,732)	(7,229,672)	(1,729,995)	(774,621)
Payments to employees	(1,565,520)	(3,924,134)	(3,410,010)	(1,120,393)
Net cash provided by (used in) operating activities	1,185,428	(15,326)	(617,653)	1,391,017
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(860,000)	(2,739,564)	-	(510,436)
Proceeds from sale of investments	750,000	2,600,000	-	250,000
Interest received	30,099	70,420	781	9,712
Net cash provided by (used in) investing activities	(79,901)	(69,144)	781	(250,724)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(731,121)	(520,641)	-	(1,110,751)
Principal payments on note payable	(331,233)	-	-	-
Proceeds from the sale of capital assets	27,305	56,008	-	2,494
Proceeds from issuance of note payable	-	158,276	-	-
Interest and fiscal charges paid	(83,347)	(30,000)	-	-
Net cash used in capital and related financing activities	(1,118,396)	(336,357)	-	(1,108,257)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipts from advances to other funds	-	183,399	-	-
Operating grants	-	225	5,343	1,796
Transfers in	169,775	3,319	858,061	-
Transfers out	(26,315)	(32,329)	-	(39,861)
Net cash provided by (used in) noncapital financing activities	143,460	154,614	863,404	(38,065)
Increase (decrease) in cash	130,591	(266,213)	246,532	(6,029)
Cash:				
Beginning of year	442,083	1,509,168	2,040,716	626,850
End of year	\$ 572,674	\$ 1,242,955	\$ 2,287,248	\$ 620,821
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (160,362)	\$ (84,102)	\$ (1,124,046)	\$ 903,293
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,284,868	352,880	82,423	367,311
(Increase) decrease in accounts receivable	(91,203)	(224,571)	-	6,859
Decrease in prepaid expenses	1,081	1,135	24,953	2,129
Decrease in pension related deferred outflows of resources	42,695	196,403	46,298	91,272
Increase (decrease) in accounts payable	112,235	(208,727)	59,031	231,711
Increase in accrued expenses	20,102	25,898	95,651	2,793
Increase in customer deposits payable	1,000	9,797	4,475	-
Increase in unearned revenue	-	-	87,294	-
Increase in due to other funds	-	-	20,438	-
Increase (decrease) in pension related deferred inflows of resources	4,733	29,022	15,488	1,677
Increase (decrease) in compensated absences	21,051	18,843	(19,804)	10,863
Increase (decrease) in net pension liability	(50,772)	(131,904)	90,146	(226,891)
Net cash provided by (used in) operating activities	\$ 1,185,428	\$ (15,326)	\$ (617,653)	\$ 1,391,017
NONCASH INVESTING ACTIVITIES				
Increase in fair value of investments	\$ (29,151)	\$ (50,182)	\$ -	\$ (19,948)
Contributions of capital assets	85,810	-	-	-

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 23,211,543	\$ 2,772,962
-	12,050,831
(11,248,020)	(15,789,624)
<u>(10,020,057)</u>	<u>-</u>
1,943,466	(965,831)
(4,110,000)	(1,747,771)
3,600,000	1,250,000
<u>111,012</u>	<u>26,495</u>
<u>(398,988)</u>	<u>(471,276)</u>
(2,362,513)	-
(331,233)	-
85,807	-
158,276	-
<u>(113,347)</u>	<u>-</u>
<u>(2,563,010)</u>	<u>-</u>
183,399	-
7,364	-
1,031,155	25,000
<u>(98,505)</u>	<u>(11,346)</u>
1,123,413	13,654
104,881	(1,423,453)
4,618,817	3,306,120
<u>\$ 4,723,698</u>	<u>\$ 1,882,667</u>
\$ (465,217)	\$ (1,302,154)
2,087,482	50,745
(308,915)	6,668
29,298	115,208
376,668	56,363
194,250	47,750
144,444	212,759
15,272	-
87,294	-
20,438	-
50,920	(1,530)
30,953	13,768
<u>(319,421)</u>	<u>(165,408)</u>
<u>\$ 1,943,466</u>	<u>\$ (965,831)</u>
\$ (99,281)	\$ (13,044)
85,810	-

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**NOTES TO THE BASIC FINANCIAL
STATEMENTS**

CITY OF ROSWELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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 its close relation with the City, 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 **ARPA Grant Fund** accounts for the American Rescue Plan Act grant activity of the City.

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, 2021:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 761,084
Water & Sewer Fund	347,193
Solid Waste Fund	3,917,326
Stormwater Fund	183,085
Participant Recreation Fund	112,184
Nonmajor Governmental Funds	306,297
	<u>\$ 5,627,169</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 AAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

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

F. Receivables and Payables

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

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

G. Inventories and Prepaid Items

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

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

H. Capital Assets

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

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

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

I. Deferred Outflows/Inflows of Resources

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

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

K. Long-Term Obligations

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

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

L. Fund Equity

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

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

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 \$21,816,123 difference are as follows:

Bonds payable	\$ (3,745,000)
Unamortized premiums	(61,880)
Capital leases payable	(3,295,108)
Financed purchases payable	(8,247,519)
Notes payable	(2,723,120)
Claims payable	(370,498)
Accrued interest	(93,759)
Compensated absences	<u>(3,279,239)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (21,816,123)</u></u>

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 \$641,025 difference are as follows:

Notes receivable	\$ 617,607
Accrued interest receivable	<u>23,418</u>
Net adjustment to increase <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ 641,025</u></u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds.” The details of this \$20,718,558 difference are as follows:

Net pension liability	\$ (24,185,392)
Pension related deferred outflows of resources	4,342,710
Pension related deferred inflows of resources	<u>(875,876)</u>
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (20,718,558)</u></u>

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 \$2,991,420 difference are as follows:

Capital outlay	\$ 16,146,520
Depreciation expense	<u>(13,155,100)</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>\$ 2,991,420</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 \$143,208 difference are as follows:

Payments on notes receivable	\$ (137,977)
Accrued interest receivable	<u>(5,231)</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>\$ (143,208)</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 \$1,026,651 difference are as follows:

Principal payment on bonds	\$	1,520,000
Issuance of capital leases		(1,763,463)
Issuance of financed purchases		(1,060,260)
Principal payment on notes payable		183,069
Principal payment on financed purchases		1,285,508
Principal payment on capital lease payable		861,797
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>		\$ 1,026,651

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 \$2,315,218 difference are as follows:

Compensated absences	\$	(61,471)
Amortization		36,149
Accrued interest		5,595
Pension expense		(2,295,491)
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>		\$ (2,315,218)

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 \$3,463 at June 30, 2021. 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, 2021, expenditures exceeded the budget in one fund as follows:

<u>Fund/Department</u>	<u>Excess</u>
General Fund	
Police	\$ 651,522
Debt service - interest	1,320

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, 2021, 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, 2021, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

At June 30, 2021, 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	\$ 25,245	N/A	0.25
Certificates of deposit	10,761,808	N/A	1.88
Municipal Bonds	2,080,141	AAA	0.71
Federal Home Loan Mortgage Corp.	21,418,692	AAA	3.66
Federal National Mortgage Assn.	2,114,038	AAA	10.01
Federal Farm Credit Bank	1,002,590	AAA	3.20
Federal Home Loan Bank	997,680	AAA	4.83
U.S. Treasury Notes/Bonds	23,371,629	AAA	2.57
Georgia Fund 1	19,823,542	AAAf	0.10
	<u>\$ 81,595,365</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, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Money Markey Mutual Funds	\$ 25,245	\$ -	\$ 25,245
Municipal Bonds	-	2,080,141	2,080,141
Federal Home Loan Mortgage Corp	-	21,418,692	21,418,692
Federal National Mortgage Association	-	2,114,038	2,114,038
Federal Farm Credit Bank	-	1,002,590	1,002,590
Federal Home Loan Bank	-	997,680	997,680
US Treasury Notes/Bonds	<u>23,371,629</u>	<u>-</u>	<u>23,371,629</u>
Total investments measured at fair value	<u>\$ 23,396,874</u>	<u>\$ 27,613,141</u>	<u>\$ 51,010,015</u>
Investments not subject to level disclosure:			
Certificates of deposit			10,761,808
Georgia Fund 1			<u>19,823,542</u>
Total investments			<u>\$ 81,595,365</u>

The Money Market Mutual Fund and U.S. Treasury Bonds/Notes classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for that investment. The investment in the Municipal Bonds, Federal Home Loan Mortgage Corp, Federal Home Loan Bank, 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, 2021, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	Capital Projects Fund	TSPLOST Fund	Nonmajor Governmental Funds	
Receivables:					
Taxes	\$ 3,385,788	\$ -	\$ 1,698,708	\$ 225,111	
Intergovernmental	-	766,202	-	280,661	
Accounts	1,633,486	25,073	-	404,330	
Gross receivables	5,019,274	791,275	1,698,708	910,102	
Less allowance for uncollectibles	(407,132)	-	-	(15,923)	
Net receivables	\$ 4,612,142	\$ 791,275	\$ 1,698,708	\$ 894,179	
	Water & Sewer Fund	Solid Waste Fund	Participant Recreation Fund	Stormwater Fund	Governmental Activities Internal Service Funds
Receivables:					
Accounts	\$ 973,695	\$ 2,053,212	\$ -	\$ 385,412	\$ 6,101
Gross receivables	973,695	2,053,212	-	385,412	6,101
Less allowance for uncollectibles	(182,436)	(338,520)	-	(85,294)	-
Net receivables	\$ 791,259	\$ 1,714,692	\$ -	\$ 300,118	\$ 6,101

Property taxes for the 2021 fiscal year were levied in September 2020, with property values assessed as of January 1, 2020. Bills are payable on or before December 1, 2020, 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, 2021 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	\$ 52,353,636	\$ 2,500,000	\$ -	\$ -	\$ 54,853,636
Construction in progress	<u>19,958,477</u>	<u>9,182,091</u>	<u>(448,868)</u>	<u>(391,452)</u>	<u>28,300,248</u>
Total capital assets, not being depreciated	<u>72,312,113</u>	<u>11,682,091</u>	<u>(448,868)</u>	<u>(391,452)</u>	<u>83,153,884</u>
Capital assets, being depreciated:					
Land improvements	42,176,026	84,440	-	-	42,260,466
Buildings and improvements	86,933,191	119,375	-	-	87,052,566
Machinery and equipment	27,959,225	2,465,214	(5,744)	391,452	30,810,147
Vehicles	27,471,009	1,795,400	(2,863,576)	-	26,402,833
Infrastructure	<u>158,008,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,008,244</u>
Total capital assets, being depreciated	<u>342,547,695</u>	<u>4,464,429</u>	<u>(2,869,320)</u>	<u>391,452</u>	<u>344,534,256</u>
Less accumulated depreciation for:					
Land improvements	20,155,655	2,046,219	-	-	22,201,874
Buildings and improvements	48,914,160	2,301,022	-	-	51,215,182
Machinery and equipment	17,266,696	2,344,641	(5,744)	-	19,605,593
Vehicles	16,912,505	2,586,631	(2,621,973)	-	16,877,163
Infrastructure	<u>94,913,550</u>	<u>3,927,332</u>	<u>-</u>	<u>-</u>	<u>98,840,882</u>
Total accumulated depreciation	<u>198,162,566</u>	<u>13,205,845</u>	<u>(2,627,717)</u>	<u>-</u>	<u>208,740,694</u>
Total capital assets, being depreciated, net	<u>144,385,129</u>	<u>(8,741,416)</u>	<u>(241,603)</u>	<u>391,452</u>	<u>135,793,562</u>
Governmental activities capital assets, net	<u>\$ 216,697,242</u>	<u>\$ 2,940,675</u>	<u>\$ (690,471)</u>	<u>\$ -</u>	<u>\$ 218,947,446</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, \$38,054 of internal service fund capital assets is included above.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 1,333,996	\$ 1,607,312	\$ -	\$ (1,944,740)	\$ 996,568
Total capital assets, not being depreciated	<u>1,333,996</u>	<u>1,607,312</u>	<u>-</u>	<u>(1,944,740)</u>	<u>996,568</u>
Capital assets, being depreciated:					
Buildings and improvements	20,458,779	-	-	-	20,458,779
Machinery and equipment	2,933,139	134,444	-	100,803	3,168,386
Vehicles	5,712,294	344,839	(454,061)	-	5,603,072
Infrastructure	<u>23,560,992</u>	<u>361,728</u>	<u>-</u>	<u>1,843,937</u>	<u>25,766,657</u>
Total capital assets, being depreciated	<u>52,665,204</u>	<u>841,011</u>	<u>(454,061)</u>	<u>1,944,740</u>	<u>54,996,894</u>
Less accumulated depreciation for:					
Buildings and improvements	3,701,337	790,410	-	-	4,491,747
Machinery and equipment	1,563,324	152,832	-	-	1,716,156
Vehicles	2,978,904	394,666	(437,851)	-	2,935,719
Infrastructure	<u>7,759,462</u>	<u>749,574</u>	<u>-</u>	<u>-</u>	<u>8,509,036</u>
Total accumulated depreciation	<u>16,003,027</u>	<u>2,087,482</u>	<u>(437,851)</u>	<u>-</u>	<u>17,652,658</u>
Total capital assets, being depreciated, net	<u>36,662,177</u>	<u>(1,246,471)</u>	<u>(16,210)</u>	<u>1,944,740</u>	<u>37,344,236</u>
Business-type activities capital assets, net	<u>\$ 37,996,173</u>	<u>\$ 360,841</u>	<u>\$ (16,210)</u>	<u>\$ -</u>	<u>\$ 38,340,804</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	\$ 1,644,921
Public safety	3,377,658
Public works	5,483,389
Culture and recreation	2,699,877
Total depreciation expense - governmental activities	<u>\$ 13,205,845</u>

Business-type activities:

Water and Sewer Fund	\$ 1,284,868
Solid Waste Fund	352,880
Participant Recreation Fund	82,423
Stormwater Fund	367,311
Total depreciation expense - business-type activities	<u>\$ 2,087,482</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, 2021, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Participation Recreation Fund	\$ 523,405

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	\$ 161,816

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 therefore balances are appropriately reported as long-term advances. The outstanding balance at June 30, 2021 is \$161,816.

Interfund transfers for the year ended June 30, 2021 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Stormwater Fund	\$ 33,251
General Fund	Nonmajor Governmental Funds	600,000
Capital Projects Fund	General Fund	13,165,864
Capital Projects Fund	Stormwater Fund	6,610
Capital Projects Fund	Solid Waste Fund	32,329
Capital Projects Fund	Water and Sewer Fund	26,315
Capital Projects Fund	Internal Service Funds	11,346
Solid Waste Fund	General Fund	3,319
Internal Service Funds	General Fund	25,000
Nonmajor Governmental Funds	General Fund	269,891
Participant Recreation Fund	General Fund	858,061
Nonmajor Governmental Funds	Capital Projects Fund	13,641
Water and Sewer Fund	Nonmajor Governmental Funds	169,775
		\$ 15,215,402

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, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 5,265,000	\$ -	\$ (1,520,000)	\$ 3,745,000	\$ 1,560,000
Plus: Premiums	98,029	-	(36,149)	61,880	-
Total bonds payable	5,363,029	-	(1,556,149)	3,806,880	1,560,000
Capital lease payable	2,393,442	1,763,463	(861,797)	3,295,108	1,104,762
Financed purchases payable	8,472,767	1,060,260	(1,285,508)	8,247,519	1,578,705
Note payable	2,906,189	-	(183,069)	2,723,120	367,513
Compensated absences	3,249,749	3,154,471	(3,079,232)	3,324,988	2,520,349
Claims payable	370,498	-	-	370,498	150,000
Net pension liability	24,580,749	10,632,379	(10,917,291)	24,295,837	-
Governmental activities long-term liabilities	<u>\$ 47,336,423</u>	<u>\$ 16,610,573</u>	<u>\$ (17,883,046)</u>	<u>\$ 46,063,950</u>	<u>\$ 7,281,329</u>
Business-type Activities:					
Note payable	\$ 12,044,543	\$ 158,276	\$ (331,233)	\$ 11,871,586	\$ 669,459
Compensated absences	493,002	445,809	(414,856)	523,955	393,560
Net pension liability	3,864,188	1,551,266	(1,870,687)	3,544,767	-
Business-type activities long-term liabilities	<u>\$ 16,401,733</u>	<u>\$ 2,155,351</u>	<u>\$ (2,616,776)</u>	<u>\$ 15,940,308</u>	<u>\$ 1,063,019</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:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,025,000	\$ 41,400	\$ 1,066,400
2023	1,045,000	20,900	1,065,900
Total	<u>\$ 2,070,000</u>	<u>\$ 62,300</u>	<u>\$ 2,132,300</u>

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

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 535,000	\$ 50,250	\$ 585,250
2023	585,000	34,200	619,200
2024	555,000	16,650	571,650
Total	<u>\$ 1,675,000</u>	<u>\$ 101,100</u>	<u>\$ 1,776,100</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 debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
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	374,936	5,351	380,287
2027- 2029	867,044	5,167	872,211
Total	<u>\$ 2,723,120</u>	<u>\$ 50,526</u>	<u>\$ 2,773,646</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. In 2021, the City entered into a purchase agreement to finance equipment used in an IT switch replacement project. The financed purchase is for four years at an interest rate of 1.76%. As of June 30, 2021, the City had \$7,188,688 of vehicles and equipment, with associated accumulated depreciation of \$1,992,212 financed under the purchase agreement.

As of June 30, 2021 the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 936,076	\$ 112,387	\$ 1,048,463
2023	959,182	89,593	1,048,775
2024	838,275	66,178	904,453
2025	639,629	45,416	685,045
2026	378,068	31,017	409,085
2027-2029	741,429	37,868	779,297
Total	<u>\$ 4,492,659</u>	<u>\$ 382,459</u>	<u>\$ 4,875,118</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, 2021, the future payments for the financed purchases from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
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	696,764	16,839	713,603
2027-2028	407,761	6,064	413,825
Total	<u>\$ 3,754,860</u>	<u>\$ 226,980</u>	<u>\$ 3,981,840</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. During 2021, the city entered into an agreement with Enterprise Fleet management to lease fifty-four (54) vehicles for various 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, 2021, the City had \$4,657,936 of Enterprise vehicles, with associated accumulated depreciation of \$1,358,234 financed under the capital leases.

Year Ending June 30,	
2022	\$ 1,160,554
2023	1,068,174
2024	776,584
2025	360,518
2026	38,580
Total minimum lease payments	<u>3,404,410</u>
Less amount representing interest	109,302
Present value of future minimum lease payments	<u>\$ 3,295,108</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 debt service requirements to maturity are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	707,995	121,165	829,160
2027-2031	3,692,455	453,349	4,145,804
2032-2036	3,960,028	185,777	4,145,805
2037	617,865	3,606	621,471
Total	<u>\$ 11,713,310</u>	<u>\$ 1,345,572</u>	<u>\$ 13,058,882</u>

In April 2021, the city executed an agreement with the Georgia Environmental Finance Authority for the construction of a new Solid Waste transfer station. The agreement for construction of the transfer station has been executed for \$3,000,000 with an interest rate of .63%. As of June 30, 2021, the City had made draws totaling \$158,276 on the note payable to GEFA. Currently there is no amortization on the debt as the project is in the construction phase, thus the entire payable is reported as due in more than one year.

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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, 2021, the date of the most recent actuarial valuation, there were 915 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	369
Terminated vested participants not yet receiving benefits	298
Active employees - vested	<u>248</u>
Total	<u><u>915</u></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 2021, the actuarially determined contribution rate was 29.70% of covered payroll. The City makes all contributions to the plan. For 2021, the City's contribution to the Plan was \$4,788,083.

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, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2021 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, 2021 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, 2021 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, 2020 are summarized in the table below.

Asset class	Target allocation	expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	7.05
Global fixed income	5%	1.25
Domestic fixed income	20%	1.15
Real estate	10%	4.50
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, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/20	\$ 116,211,580	\$ 87,766,643	\$ 28,444,937
Changes for the year:			
Service cost	859,638	-	859,638
Interest	8,392,323	-	8,392,323
Differences between expected and actual experience	2,806,985	-	2,806,985
Contributions—employer	-	4,476,736	(4,476,736)
Net investment income	-	8,311,242	(8,311,242)
Benefit payments, including refunds of employee contributions	(6,554,026)	(6,554,026)	-
Administrative expense	-	(124,699)	124,699
Net changes	5,504,920	6,109,253	(604,333)
Balances at 6/30/21	\$ 121,716,500	\$ 93,875,896	\$ 27,840,604

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	\$ 41,794,047	\$ 27,840,604	\$ 16,047,734

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, 2020 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, 2021, the City recognized pension expense of \$7,081,166. At June 30, 2021, 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	\$ 1,403,493	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,008,246
City contributions subsequent to the measurement date	3,591,062	-
Total	\$ 4,994,555	\$ 1,008,246

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 \$3,591,062 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, 2022. 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:	
2022	\$ 364,558
2023	8,279
2024	406,340
2025	(383,930)
Total	<u>\$ 395,247</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, 2021, there were 360 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 360 employees. For the fiscal year ended June 30, 2021, The City's contributions, which was also the City's pension expense, was \$196,197 and employee's contributed \$1,101,342.

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, 2021, there were 423 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, 2021, The City's contributions, which was also the City's pension expense, was \$2,309,171 and employee's contributed \$604,708.

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. Health Insurance claims are reported in accrued liabilities.

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>
2021	\$ 999,560	\$ 10,325,997	\$ 9,739,433	\$ 1,586,124
2020	729,172	6,705,980	6,435,592	999,560

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. Workers' Compensation claims are reported in accrued liabilities. 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>
2021	\$ 991,554	\$ 301,123	\$ 654,722	\$ 637,955
2020	1,132,990	475,326	616,762	991,554

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, 229 Peachtree Street, NE, STE 100, 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, 2021, the City of Roswell contributed \$619,052 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, 2021, the City collected \$962,195 in revenues. Of this amount, \$714,325 or 74% 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, 2021, the City collected \$317,923 in motor vehicle excise taxes revenues. 94% 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**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service cost	\$ 859,638	\$ 820,275	\$ 975,524	\$ 1,062,294
Interest on total pension liability	8,392,323	7,740,449	7,338,986	7,118,540
Differences between expected and actual experience	2,806,985	3,858,142	3,006,088	119,069
Changes of assumptions	-	4,490,152	-	1,775,845
Benefit payments, including refunds of employee contributions	(6,554,026)	(6,166,311)	(5,458,699)	(4,641,812)
Other changes	-	-	-	-
Net change in total pension liability	<u>5,504,920</u>	<u>10,742,707</u>	<u>5,861,899</u>	<u>5,433,936</u>
Total pension liability - beginning	<u>116,211,580</u>	<u>105,468,873</u>	<u>99,606,974</u>	<u>94,173,038</u>
Total pension liability - ending (a)	<u>\$ 121,716,500</u>	<u>\$ 116,211,580</u>	<u>\$ 105,468,873</u>	<u>\$ 99,606,974</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,476,736	\$ 3,531,899	\$ 3,785,338	\$ 3,525,020
Net investment income	8,311,242	2,543,661	8,052,173	10,782,546
Benefit payments, including refunds of member contributions	(6,554,026)	(6,166,311)	(5,458,699)	(4,641,812)
Administrative expenses	(124,699)	(119,980)	(126,004)	(134,003)
Net change in plan fiduciary net position	<u>6,109,253</u>	<u>(210,731)</u>	<u>6,252,808</u>	<u>9,531,751</u>
Plan fiduciary net position - beginning	<u>87,766,643</u>	<u>87,977,374</u>	<u>81,724,566</u>	<u>72,192,815</u>
Plan fiduciary net position - ending (b)	<u>\$ 93,875,896</u>	<u>\$ 87,766,643</u>	<u>\$ 87,977,374</u>	<u>\$ 81,724,566</u>
City's net pension liability - ending (a) - (b)	<u>\$ 27,840,604</u>	<u>\$ 28,444,937</u>	<u>\$ 17,491,499</u>	<u>\$ 17,882,408</u>
Plan fiduciary net position as a percentage of the total pension liability	77.13%	75.52%	83.42%	82.05%
Covered payroll	\$ 16,375,818	\$ 17,280,787	\$ 19,211,727	\$ 20,021,387
City's net pension liability as a percentage of covered payroll	170.01%	164.60%	91.05%	89.32%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Total pension liability				
Service cost	\$ 1,046,059	\$ 1,197,926	\$ 1,386,893	
Interest on total pension liability	6,658,326	6,234,683	5,934,816	
Differences between expected and actual experience	2,593,636	1,847,491	84,829	
Changes of assumptions	-	-	(268,682)	
Benefit payments, including refunds of employee contributions	(4,077,740)	(3,570,600)	(2,966,601)	
Other changes	-	10,428	-	
Net change in total pension liability	<u>6,220,281</u>	<u>5,719,928</u>	<u>4,171,255</u>	
Total pension liability - beginning	<u>87,952,757</u>	<u>82,232,829</u>	<u>78,061,574</u>	
Total pension liability - ending (a)	<u>\$ 94,173,038</u>	<u>\$ 87,952,757</u>	<u>\$ 82,232,829</u>	
Plan fiduciary net position				
Contributions - employer	\$ 3,379,204	\$ 3,546,156	\$ 3,852,643	
Net investment income	7,274,457	749,476	6,609,886	
Benefit payments, including refunds of member contributions	(4,077,740)	(3,570,600)	(2,966,601)	
Administrative expenses	(82,191)	(94,972)	(75,519)	
Net change in plan fiduciary net position	<u>6,493,730</u>	<u>630,060</u>	<u>7,420,409</u>	
Plan fiduciary net position - beginning	<u>65,699,085</u>	<u>65,069,025</u>	<u>57,648,616</u>	
Plan fiduciary net position - ending (b)	<u>\$ 72,192,815</u>	<u>\$ 65,699,085</u>	<u>\$ 65,069,025</u>	
City's net pension liability - ending (a) - (b)	<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	76.66%	74.70%	79.13%	
Covered payroll	\$ 21,429,383	\$ 23,275,599	\$ 23,744,082	
City's net pension liability as a percentage of covered payroll	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**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 4,788,083	\$ 3,935,658	\$ 3,834,608	\$ 3,768,914
Contributions in relation to the actuarially determined contribution	4,788,083	3,935,658	3,834,608	3,768,914
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 16,120,377	\$ 16,460,965	\$ 17,554,061	\$ 19,764,282
Contributions as a percentage of covered payroll	29.70%	23.91%	21.84%	19.07%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 3,441,189	\$ 3,358,543	\$ 3,608,694	
Contributions in relation to the actuarially determined contribution	3,441,189	3,358,543	3,608,694	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 20,107,088	\$ 21,870,148	\$ 23,744,082	
Contributions as a percentage of covered payroll	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, 2021**

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 63,561,374	\$ 70,061,374	\$ 73,347,469	\$ 3,286,095
Licenses and permits	2,565,625	2,590,325	3,384,817	794,492
Intergovernmental	164,750	4,110,978	4,174,562	63,584
Fines and forfeitures	1,290,000	775,000	1,090,128	315,128
Charges for services	3,693,720	3,694,020	3,804,171	110,151
Investment earnings	400,000	300,000	140,215	(159,785)
Contributions	20,000	12,000	43,851	31,851
Miscellaneous	370,500	1,385,740	1,251,307	(134,433)
Total revenues	<u>72,065,969</u>	<u>82,929,437</u>	<u>87,236,520</u>	<u>4,307,083</u>
Expenditures:				
Current:				
Administration	11,159,962	13,749,579	12,469,230	1,280,349
Courts	1,347,260	1,342,410	1,247,809	94,601
Finance	2,966,154	3,149,460	3,039,129	110,331
Police	20,653,799	19,296,103	19,947,625	(651,522)
Fire	9,630,090	12,253,832	10,932,621	1,321,211
Transportation	8,278,742	8,633,175	8,288,136	345,039
Planning and zoning	2,555,577	2,749,374	2,578,755	170,619
Recreation and parks	12,528,626	13,196,986	12,573,880	623,106
Debt service:				
Principal	1,655,429	1,472,361	1,468,577	3,784
Interest	217,831	210,757	212,077	(1,320)
Total expenditures	<u>70,993,470</u>	<u>76,054,037</u>	<u>72,757,839</u>	<u>3,296,198</u>
Excess of revenues over expenditures	1,072,499	6,875,400	14,478,681	7,603,281
Other financing sources (uses):				
Proceeds from sale of capital assets	100,000	134,099	131,105	(2,994)
Issuance of long-term debt	2,616,500	1,060,260	1,060,260	-
Transfers in	733,251	633,251	633,251	-
Transfers out	(6,618,534)	(14,176,421)	(14,322,135)	(145,714)
Total other financing sources (uses)	<u>(3,168,783)</u>	<u>(12,348,811)</u>	<u>(12,497,519)</u>	<u>(148,708)</u>
Net change in fund balances (budgetary basis)	<u>\$ (2,096,284)</u>	<u>\$ (5,473,411)</u>	1,981,162	<u>\$ 7,454,573</u>
Less outstanding encumbrances, June 30			<u>761,084</u>	
Net change in fund balances (GAAP basis)			2,742,246	
Fund balance, beginning			<u>29,611,944</u>	
Fund balance, ending			<u>\$ 32,354,190</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, 2021**

Special Revenue Funds								
ASSETS	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	NSP Grants	CDBG Grants	Federal Grants	Soil Erosion
Cash and cash equivalents	\$ 1,037,809	\$ 179,727	\$ 156,643	\$ 32,641	\$ 162,265	\$ -	\$ 1,867,918	\$ 85,352
Investments	-	-	-	-	-	-	-	249,438
Receivables, net of allowance for uncollectibles	-	397,613	-	-	-	-	-	41
Taxes receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	267,545	13,116	-
Prepaid items	-	13,072	-	-	-	5,042	42	-
Total assets	\$ 1,037,809	\$ 590,412	\$ 156,643	\$ 32,641	\$ 162,265	\$ 272,587	\$ 1,881,076	\$ 334,831
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 1,000	\$ 22,107	\$ -	\$ -	\$ -	\$ 6,604	\$ 14,498	\$ 258,661
Accrued liabilities	-	80,943	-	-	-	1,901	630	-
Total liabilities	1,000	103,050	-	-	-	8,505	15,128	258,661
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - taxes	-	-	-	-	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	267,545	6,222	-
Total deferred inflows of resources	-	-	-	-	-	267,545	6,222	-
FUND BALANCES								
Nonspendable:								
Prepaid items	-	13,072	-	-	-	5,042	42	-
Permanent fund corpus	-	-	-	-	-	-	-	-
Restricted:								
Public safety	1,036,809	474,290	-	500	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	38,604
Transportation	-	-	156,643	32,141	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	162,265	-	1,859,684	-
Scholarship	-	-	-	-	-	-	-	-
Promotion of industry and tourism	-	-	-	-	-	-	-	-
Committed:								
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	37,566
Unassigned	-	-	-	-	-	(8,505)	-	-
Total fund balances	1,036,809	487,362	156,643	32,641	162,265	(3,463)	1,859,726	76,170
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,037,809	\$ 590,412	\$ 156,643	\$ 32,641	\$ 162,265	\$ 272,587	\$ 1,881,076	\$ 334,831

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	
\$ 277,399	\$ 66,327	\$ 176,952	\$ 5,125,547	\$ 2,015,414	\$ 10,113	\$ 11,194,107
-	-	-	-	261,705	25,245	536,388
-	-	4,885	-	1,791	-	404,330
137,751	34,785	-	-	36,652	-	209,188
-	-	-	-	-	-	280,661
-	-	-	-	753	-	18,909
\$ 415,150	\$ 101,112	\$ 181,837	\$ 5,125,547	\$ 2,316,315	\$ 35,358	\$ 12,643,583
\$ 60,787	\$ -	\$ 6,022	\$ 80,896	\$ 4,783	\$ -	\$ 455,358
-	-	3,650	-	-	-	87,124
60,787	-	9,672	80,896	4,783	-	542,482
-	-	-	-	30,871	-	30,871
-	-	-	-	-	-	273,767
-	-	-	-	30,871	-	304,638
-	-	-	-	753	-	18,909
-	-	-	-	-	25,000	25,000
-	-	-	2,030,735	-	-	3,542,334
354,363	-	-	1,146,181	-	-	1,500,544
-	-	-	-	-	-	38,604
-	-	-	1,867,735	-	-	2,056,519
-	-	-	-	2,279,908	-	2,279,908
-	-	-	-	-	-	2,021,949
-	-	-	-	-	10,358	10,358
-	101,112	-	-	-	-	101,112
-	-	172,165	-	-	-	172,165
-	-	-	-	-	-	37,566
-	-	-	-	-	-	(8,505)
354,363	101,112	172,165	5,044,651	2,280,661	35,358	11,796,463
\$ 415,150	\$ 101,112	\$ 181,837	\$ 5,125,547	\$ 2,316,315	\$ 35,358	\$ 12,643,583

**CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	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	-	-	-	19,000	12,712	652,852	164,923	-
Fines and forfeitures	147,242	-	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Charges for services	-	2,361,853	-	-	-	-	-	10,626
Investment earnings (loss)	-	-	-	-	-	-	-	(521)
Miscellaneous	57,698	-	-	-	-	-	-	-
Total revenues	<u>204,940</u>	<u>2,361,853</u>	<u>-</u>	<u>19,000</u>	<u>12,712</u>	<u>652,852</u>	<u>164,923</u>	<u>10,105</u>
Expenditures:								
Current:								
General government	-	-	-	-	1,287	-	25,094	-
Public safety	313,326	2,678,119	-	-	-	-	14,907	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Planning and zoning	-	-	-	-	-	534,811	-	-
Capital outlay	-	-	-	-	-	-	93,767	-
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>313,326</u>	<u>2,678,119</u>	<u>-</u>	<u>-</u>	<u>1,287</u>	<u>534,811</u>	<u>133,768</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(108,386)	(316,266)	-	19,000	11,425	118,041	31,155	10,105
Other financing sources (uses):								
Transfers in	-	-	-	13,641	-	115,686	154,205	-
Transfers out	-	-	-	-	-	(169,775)	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,641</u>	<u>-</u>	<u>(54,089)</u>	<u>154,205</u>	<u>-</u>
Net change in fund balances	(108,386)	(316,266)	-	32,641	11,425	63,952	185,360	10,105
Fund balances (deficit), beginning 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>
Fund balances (deficit), end of year	<u>\$ 1,036,809</u>	<u>\$ 487,362</u>	<u>\$ 156,643</u>	<u>\$ 32,641</u>	<u>\$ 162,265</u>	<u>\$ (3,463)</u>	<u>\$ 1,859,726</u>	<u>\$ 76,170</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	
\$ 962,195	\$ 317,923	\$ -	\$ -	\$ 1,531,850	\$ -	\$ 2,811,968
-	-	-	-	-	-	849,487
-	-	-	-	-	-	147,242
-	-	-	1,123,819	-	-	1,123,819
-	-	74,446	-	-	-	2,446,925
-	-	-	-	4,921	16	4,416
-	-	-	-	-	-	57,698
<u>962,195</u>	<u>317,923</u>	<u>74,446</u>	<u>1,123,819</u>	<u>1,536,771</u>	<u>16</u>	<u>7,441,555</u>
-	-	-	-	-	-	26,381
-	-	-	-	-	-	3,006,352
-	-	-	29,217	-	-	29,217
414,325	-	55,906	-	-	-	470,231
-	-	-	-	-	-	534,811
-	-	-	373,686	-	-	467,453
-	-	-	-	1,520,000	-	1,520,000
-	-	-	-	<u>128,425</u>	-	<u>128,425</u>
<u>414,325</u>	<u>-</u>	<u>55,906</u>	<u>402,903</u>	<u>1,648,425</u>	<u>-</u>	<u>6,182,870</u>
547,870	317,923	18,540	720,916	(111,654)	16	1,258,685
-	-	-	-	-	-	283,532
<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(769,775)</u>
<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(486,243)</u>
247,870	17,923	18,540	720,916	(111,654)	16	772,442
<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>\$ 354,363</u>	<u>\$ 101,112</u>	<u>\$ 172,165</u>	<u>\$ 5,044,651</u>	<u>\$ 2,280,661</u>	<u>\$ 35,358</u>	<u>\$ 11,796,463</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, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 147,242	\$ 117,242
Miscellaneous	-	-	57,698	57,698
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>204,940</u>	<u>174,940</u>
Expenditures:				
Current:				
Public safety	<u>424,528</u>	<u>424,528</u>	<u>313,326</u>	<u>111,202</u>
Total expenditures	<u>424,528</u>	<u>424,528</u>	<u>313,326</u>	<u>111,202</u>
Net change in fund balances (budgetary basis)	<u>\$ (394,528)</u>	<u>\$ (394,528)</u>	(108,386)	<u>\$ 286,142</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (108,386)</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, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 2,360,953	\$ 2,360,953	\$ 2,361,853	\$ 900
Total revenues	<u>2,360,953</u>	<u>2,360,953</u>	<u>2,361,853</u>	<u>900</u>
Expenditures:				
Current:				
Public safety	2,759,209	2,834,008	2,678,119	155,889
Total expenditures	<u>2,759,209</u>	<u>2,834,008</u>	<u>2,678,119</u>	<u>155,889</u>
Net change in fund balances (budgetary basis)	<u>\$ (398,256)</u>	<u>\$ (473,055)</u>	(316,266)	<u>\$ 156,789</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (316,266)</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, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,000	\$ 19,000	\$ 19,000	\$ -
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Expenditures:				
Current:				
Culture and recreation	187	187	-	187
Total expenditures	<u>187</u>	<u>187</u>	<u>-</u>	<u>187</u>
Excess of revenues over expenditures	18,813	18,813	19,000	187
Other financing sources:				
Transfers in	13,641	13,641	13,641	-
Total other financing sources	<u>13,641</u>	<u>13,641</u>	<u>13,641</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 32,454</u>	<u>\$ 32,454</u>	32,641	<u>\$ 187</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 32,641</u>	

**CITY OF ROSWELL, GEORGIA
NSP GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,551	\$ 13,551	\$ 12,712	\$ (839)
Total revenues	<u>13,551</u>	<u>13,551</u>	<u>12,712</u>	<u>(839)</u>
Expenditures:				
Current:				
General government	1,478	1,478	1,287	191
Total expenditures	<u>1,478</u>	<u>1,478</u>	<u>1,287</u>	<u>191</u>
Net change in fund balances (budgetary basis)	<u>\$ 12,073</u>	<u>\$ 12,073</u>	11,425	<u>\$ (648)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 11,425</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 450,000	\$ 1,750,976	\$ 652,852	\$ (1,098,124)
Total revenues	<u>450,000</u>	<u>1,750,976</u>	<u>652,852</u>	<u>(1,098,124)</u>
Expenditures:				
Current:				
Planning and zoning	26,000	1,157,403	825,557	331,846
Capital outlay	-	565,114	-	565,114
Total expenditures	<u>26,000</u>	<u>1,722,517</u>	<u>825,557</u>	<u>896,960</u>
Excess (deficiency) of revenues over expenditures	424,000	28,459	(172,705)	(201,164)
Other financing sources (uses):				
Transfers in	-	-	115,686	115,686
Transfers out	-	-	(169,775)	(169,775)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(54,089)</u>	<u>(54,089)</u>
Net change in fund balances (budgetary basis)	<u>\$ 424,000</u>	<u>\$ 28,459</u>	(226,794)	<u>\$ (255,253)</u>
Less outstanding encumbrances, June 30			<u>290,746</u>	
Net change in fund balances (GAAP basis)			<u>\$ 63,952</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 418,969	\$ 374,888	\$ 164,923	\$ (209,965)
Total revenues	<u>418,969</u>	<u>374,888</u>	<u>164,923</u>	<u>(209,965)</u>
Expenditures:				
Current:				
General government	191,967	116,618	40,489	76,129
Public safety	20,370	20,370	15,063	5,307
Capital outlay	303,283	315,657	93,767	221,890
Total expenditures	<u>515,620</u>	<u>452,645</u>	<u>149,319</u>	<u>303,326</u>
Excess (deficiency) of revenues over expenditures	(96,651)	(77,757)	15,604	93,361
Other financing sources:				
Transfers in	369,850	350,956	154,205	(196,751)
Total other financing sources	<u>369,850</u>	<u>350,956</u>	<u>154,205</u>	<u>(196,751)</u>
Net change in fund balances (budgetary basis)	<u>\$ 273,199</u>	<u>\$ 273,199</u>	169,809	<u>\$ (103,390)</u>
Less outstanding encumbrances, June 30			<u>15,551</u>	
Net change in fund balances (GAAP basis)			<u>\$ 185,360</u>	
Fund balance, beginning			<u>1,674,366</u>	
Fund balance, ending			<u>\$ 1,859,726</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 13,000	\$ 13,000	\$ 10,626	\$ (2,374)
Investment loss	-	-	(521)	(521)
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>10,105</u>	<u>(2,895)</u>
Net change in fund balances (budgetary basis)	<u>\$ 13,000</u>	<u>\$ 13,000</u>	10,105	<u>\$ (2,895)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 10,105</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 962,195	\$ (337,805)
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>962,195</u>	<u>(337,805)</u>
Expenditures:				
Current:				
Culture and recreation	574,950	574,950	414,325	160,625
Total expenditures	<u>574,950</u>	<u>574,950</u>	<u>414,325</u>	<u>160,625</u>
Excess of revenues over expenditures	725,050	725,050	547,870	(177,180)
Other financing uses:				
Transfers out	(400,000)	(300,000)	(300,000)	-
Total other financing uses	<u>(400,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 325,050</u>	<u>\$ 425,050</u>	247,870	<u>\$ (177,180)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 247,870</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, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 317,923	\$ 67,923
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>317,923</u>	<u>67,923</u>
Other financing uses:				
Transfers out	-	-	(300,000)	(300,000)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net change in fund balances (budgetary basis)	<u>\$ 250,000</u>	<u>\$ 250,000</u>	17,923	<u>\$ (232,077)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 17,923</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 78,540	\$ 78,540	\$ 74,446	\$ (4,094)
Total revenues	<u>78,540</u>	<u>78,540</u>	<u>74,446</u>	<u>(4,094)</u>
Expenditures:				
Current:				
Culture and recreation	78,540	78,540	55,906	22,634
Total expenditures	<u>78,540</u>	<u>78,540</u>	<u>55,906</u>	<u>22,634</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	18,540	<u>\$ 18,540</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 18,540</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, 2021

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,528,000	\$ 1,528,000	\$ 1,531,850	\$ 3,850
Investment earnings	-	-	4,921	4,921
Total revenues	<u>1,528,000</u>	<u>1,528,000</u>	<u>1,536,771</u>	<u>8,771</u>
Expenditures:				
Debt service:				
Principal	1,520,000	1,520,000	1,520,000	-
Interest	130,000	130,000	128,425	1,575
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>1,648,425</u>	<u>1,575</u>
Net change in fund balances (budgetary basis)	<u>\$ (122,000)</u>	<u>\$ (122,000)</u>	(111,654)	<u>\$ 10,346</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (111,654)</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, 2021**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 16	\$ (34)
Total revenues	<u>50</u>	<u>50</u>	<u>16</u>	<u>(34)</u>
Expenditures:				
Current:				
Culture and recreation	<u>50</u>	<u>50</u>	-	<u>50</u>
Total expenditures	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Net change in fund balances (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	16	<u>\$ 16</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ 16</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, 2021

PROJECT	ESTIMATED COST		EXPENDITURES			PROJECT COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
TSPLOST TIER 1						
Big Creek Parkway Phase 1 and 2	(1) \$ 69,000,000	\$ 42,450,412	\$ 4,236,304	\$ 831,068 (1)	\$ 5,067,372	11.94 %
Holcomb Bridge Interchange	-	15,000,000	-	2,370,541	2,370,541	15.80 %
Historic Gateway	-	3,000,000	-	55,689	55,689	1.86 %
Rucker Road Reconstruction	-	2,246,327	341,790	1,577,280	1,919,070	85.43 %
Oxbo/SR9 Intersection	7,000,000	11,626,357	6,824,505	904,544	7,729,049	66.48 %
Old Holcomb Bridge Road Bridge Replacement	(1) 3,086,390	3,086,390	172,632	60,423 (1)	233,055	7.55 %
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	\$ 105,377,398	\$ 11,575,231	\$ 5,799,545	\$ 17,374,776	

(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.

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, 2021

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
ASSETS					
Current assets:					
Cash	\$ 313,439	\$ 75,708	\$ 1,131,023	\$ 362,497	\$ 1,882,667
Investments	2,762,926	512,410	-	-	3,275,336
Receivables	2,491	3,610	-	-	6,101
Prepaid items	12,513	142,186	128,407	93	283,199
Total current assets	<u>3,091,369</u>	<u>733,914</u>	<u>1,259,430</u>	<u>362,590</u>	<u>5,447,303</u>
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	-	253,717	-	-	253,717
Less accumulated depreciation	-	(215,663)	-	-	(215,663)
Total noncurrent assets	<u>-</u>	<u>38,054</u>	<u>-</u>	<u>-</u>	<u>38,054</u>
Total assets	<u>3,091,369</u>	<u>771,968</u>	<u>1,259,430</u>	<u>362,590</u>	<u>5,485,357</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	1,521	-	-	14,401	15,922
Total deferred outflows of resources	<u>1,521</u>	<u>-</u>	<u>-</u>	<u>14,401</u>	<u>15,922</u>
LIABILITIES					
Current liabilities:					
Accounts payable	76,486	-	88,407	134,036	298,929
Accrued liabilities	1,620,334	5,985	641,317	32,058	2,299,694
Compensated absences	5,213	6,337	3,662	17,500	32,712
Total current liabilities	<u>1,702,033</u>	<u>12,322</u>	<u>733,386</u>	<u>183,594</u>	<u>2,631,335</u>
Long-term liabilities:					
Compensated absences	1,141	1,666	2,048	8,182	13,037
Net pension liability	30,166	-	-	80,279	110,445
Total long-term liabilities	<u>31,307</u>	<u>1,666</u>	<u>2,048</u>	<u>88,461</u>	<u>123,482</u>
Total liabilities	<u>1,733,340</u>	<u>13,988</u>	<u>735,434</u>	<u>272,055</u>	<u>2,754,817</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	1,092	-	-	2,906	3,998
Total deferred inflows of resources	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>2,906</u>	<u>3,998</u>
NET POSITION					
Investment in capital assets	-	38,054	-	-	38,054
Unrestricted	1,358,458	719,926	523,996	102,030	2,704,410
Total net position	<u>\$ 1,358,458</u>	<u>\$ 757,980</u>	<u>\$ 523,996</u>	<u>\$ 102,030</u>	<u>\$ 2,742,464</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, 2021**

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
OPERATING REVENUES					
Charges for services	\$ 9,025,130	\$ 1,305,386	\$ 838,421	\$ 1,728,466	\$ 12,897,403
Miscellaneous	1,919,351	-	-	371	1,919,722
Total operating revenues	<u>10,944,481</u>	<u>1,305,386</u>	<u>838,421</u>	<u>1,728,837</u>	<u>14,817,125</u>
OPERATING EXPENSES					
General and administrative	2,095,125	150,817	221,671	1,754,379	4,221,992
Depreciation	-	50,745	-	-	50,745
Claims expense	10,341,584	1,203,835	301,123	-	11,846,542
Total operating expenses	<u>12,436,709</u>	<u>1,405,397</u>	<u>522,794</u>	<u>1,754,379</u>	<u>16,119,279</u>
Operating income (loss)	(1,492,228)	(100,011)	315,627	(25,542)	(1,302,154)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	11,624	2,006	(1,031)	-	12,599
Total nonoperating revenues (expenses)	<u>11,624</u>	<u>2,006</u>	<u>(1,031)</u>	<u>-</u>	<u>12,599</u>
INCOME (LOSS) BEFORE TRANSFERS	(1,480,604)	(98,005)	314,596	(25,542)	(1,289,555)
Transfers in	25,000	-	-	-	25,000
Transfers out	-	-	-	(11,346)	(11,346)
Total transfers	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(11,346)</u>	<u>13,654</u>
Change in net position	(1,455,604)	(98,005)	314,596	(36,888)	(1,275,901)
NET POSITION, beginning of year	<u>2,814,062</u>	<u>855,985</u>	<u>209,400</u>	<u>138,918</u>	<u>4,018,365</u>
NET POSITION, end of year	<u>\$ 1,358,458</u>	<u>\$ 757,980</u>	<u>\$ 523,996</u>	<u>\$ 102,030</u>	<u>\$ 2,742,464</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 2,772,962	\$ -	\$ -	\$ -	\$ 2,772,962
Receipts from interfund charges	8,178,187	1,305,386	838,421	1,728,837	12,050,831
Payments to suppliers and service providers	<u>(11,813,678)</u>	<u>(1,395,645)</u>	<u>(814,549)</u>	<u>(1,765,752)</u>	<u>(15,789,624)</u>
Net cash provided by (used in) operating activities	<u>(862,529)</u>	<u>(90,259)</u>	<u>23,872</u>	<u>(36,915)</u>	<u>(965,831)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(1,747,771)	-	-	-	(1,747,771)
Proceeds from the sale of investments	1,000,000	-	250,000	-	1,250,000
Interest received	<u>11,408</u>	<u>12,616</u>	<u>2,471</u>	<u>-</u>	<u>26,495</u>
Net cash provided by (used in) investing activities	<u>(736,363)</u>	<u>12,616</u>	<u>252,471</u>	<u>-</u>	<u>(471,276)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	25,000	-	-	-	25,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,346)</u>	<u>(11,346)</u>
Net cash provided by (used in) noncapital financing activities	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(11,346)</u>	<u>13,654</u>
Net increase (decrease) in cash	(1,573,892)	(77,643)	276,343	(48,261)	(1,423,453)
Cash:					
Beginning of year	<u>1,887,331</u>	<u>153,351</u>	<u>854,680</u>	<u>410,758</u>	<u>3,306,120</u>
End of year	<u>\$ 313,439</u>	<u>\$ 75,708</u>	<u>\$ 1,131,023</u>	<u>\$ 362,497</u>	<u>\$ 1,882,667</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,492,228)	\$ (100,011)	\$ 315,627	\$ (25,542)	\$ (1,302,154)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	50,745	-	-	50,745
Decrease in accounts receivable	6,668	-	-	-	6,668
(Increase) decrease in prepaids	1,872	113,429	-	(93)	115,208
(Increase) decrease in pension related deferred outflows of resources	(1,521)	30,545	-	27,339	56,363
Increase (decrease) in accounts payable	38,264	(71,308)	60,668	20,126	47,750
Increase (decrease) in accrued liabilities	550,424	580	(352,887)	14,642	212,759
Increase (decrease) in pension related deferred inflows of resources	1,092	(2,336)	-	(286)	(1,530)
Increase in compensated absences	2,734	4,663	464	5,907	13,768
Increase (decrease) in net pension liability	<u>30,166</u>	<u>(116,566)</u>	<u>-</u>	<u>(79,008)</u>	<u>(165,408)</u>
Net cash provided by (used in) operating activities	<u>\$ (862,529)</u>	<u>\$ (90,259)</u>	<u>\$ 23,872</u>	<u>\$ (36,915)</u>	<u>\$ (965,831)</u>
NONCASH INVESTING ACTIVITIES					
Decrease in fair value of investments	<u>\$ (1,503)</u>	<u>\$ (10,646)</u>	<u>\$ (895)</u>	<u>\$ -</u>	<u>\$ (13,044)</u>

COMPONENT UNIT

**CITY OF ROSWELL, GEORGIA
BALANCE SHEET
COMPONENT UNIT - ROSWELL ECONOMIC
DEVELOPMENT & TOURISM, INC.
JUNE 30, 2021**

ASSETS

Cash and cash equivalents	\$	688,852
Receivables		499
Inventory		1,167
Prepaid items		273
		690,791
Total assets	\$	690,791

**LIABILITIES
AND FUND BALANCES**

LIABILITIES

Accounts payable	\$	17,442
Unearned revenue		9,750
		27,192
Total liabilities		27,192

FUND BALANCES

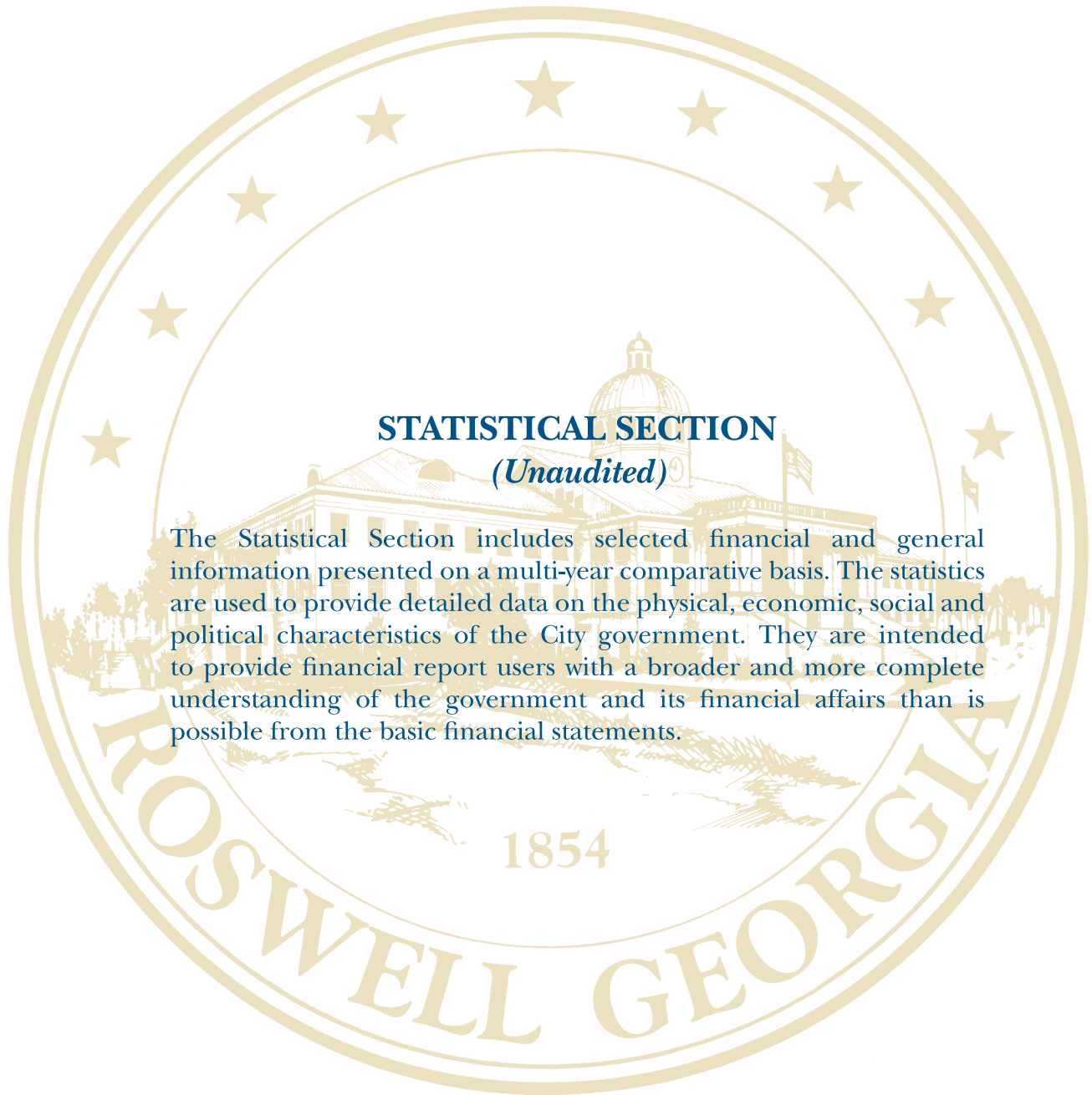
Nonspendable:		
Inventory		1,167
Prepaid items		273
Restricted:		
Tourism		61,281
Debt service		171,687
Economic development		429,191
Total fund balances		663,599
Total liabilities and fund balances	\$	690,791

**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, 2021**

Revenues:	
Intergovernmental	\$ 640,891
Charges for services	248,021
Total revenues	888,912
 Expenditures:	
Current:	
Culture and recreation	429,881
Economic development	509,933
Total expenditures	939,814
Deficiency of revenues over expenditures	(50,902)
 Other financing sources:	
Issuance of debt	171,687
Total other financing sources	171,687
Net change in fund balances	120,785
Fund balance, beginning of year	542,814
Fund balance, end of year	\$ 663,599

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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 annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Page

Financial Trends 82-87

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

Revenue Capacity 88-91

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

Debt Capacity 92-95

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

Demographic and Economic Information 96 and 97

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

Operating Information 98-102

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 156,690	\$ 154,588	\$ 166,282	\$ 173,845
Restricted	11,443	20,996	27,264	20,074
Unrestricted	49,347	46,557	35,192	22,277
Total governmental activities net position	<u>\$ 217,480</u>	<u>\$ 222,141</u>	<u>\$ 228,738</u>	<u>\$ 216,196</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 15,146	\$ 17,069	\$ 20,108	\$ 22,295
Restricted	1,644	-	-	-
Unrestricted	15,005	16,828	15,277	11,739
Total business-type activities net position	<u>\$ 31,795</u>	<u>\$ 33,897</u>	<u>\$ 35,385</u>	<u>\$ 34,034</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 171,836	\$ 171,657	\$ 186,390	\$ 196,140
Restricted	13,087	20,996	27,264	20,074
Unrestricted	64,352	63,385	50,469	34,016
Total primary government net position	<u>\$ 249,275</u>	<u>\$ 256,038</u>	<u>\$ 264,123</u>	<u>\$ 250,230</u>

2016	2017	2018	2019	2020	2021
\$ 177,409	\$ 181,858	\$ 191,695	\$ 194,739	\$ 197,434	\$ 200,701
14,606	14,398	22,034	39,627	53,843	66,772
29,760	28,795	28,911	35,626	29,085	30,839
<u>\$ 221,775</u>	<u>\$ 225,051</u>	<u>\$ 242,640</u>	<u>\$ 269,992</u>	<u>\$ 280,362</u>	<u>\$ 298,311</u>
\$ 22,747	\$ 23,213	\$ 23,712	\$ 24,991	\$ 25,916	\$ 26,436
-	-	-	-	-	-
11,188	12,218	11,079	7,686	6,493	6,323
<u>\$ 33,935</u>	<u>\$ 35,431</u>	<u>\$ 34,791</u>	<u>\$ 32,677</u>	<u>\$ 32,409</u>	<u>\$ 32,760</u>
\$ 200,156	\$ 205,070	\$ 215,407	\$ 219,730	\$ 223,350	\$ 227,137
14,606	14,398	22,034	39,627	53,843	66,772
40,948	41,013	39,990	43,312	35,577	37,162
<u>\$ 255,710</u>	<u>\$ 260,481</u>	<u>\$ 277,431</u>	<u>\$ 302,669</u>	<u>\$ 312,770</u>	<u>\$ 331,071</u>

CITY OF ROSWELL, GEORGIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
EXPENSES				
Governmental activities:				
General government	\$ 8,237	\$ 8,455	\$ 9,448	\$ 9,033
Judicial	1,374	1,371	1,265	1,155
Financial services	2,216	2,159	1,994	3,079
Public safety	26,037	24,622	25,881	26,043
Public works	13,438	12,355	11,433	16,115
Planning and zoning	2,541	2,844	3,260	3,625
Culture and recreation	12,102	12,258	12,767	13,732
Interest and paying agent fees	823	574	525	363
Total governmental activities expenses	<u>66,768</u>	<u>64,638</u>	<u>66,573</u>	<u>73,145</u>
Business-type activities:				
Water and sewer	3,330	2,861	3,091	3,122
Solid waste	8,887	8,928	9,064	8,868
Participant recreation	4,844	4,964	4,788	5,277
Stormwater	1,418	1,522	1,628	1,631
Total business-type activities expenses	<u>18,479</u>	<u>18,275</u>	<u>18,571</u>	<u>18,898</u>
Total primary government expenses	<u>\$ 85,247</u>	<u>\$ 82,913</u>	<u>\$ 85,144</u>	<u>\$ 92,043</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 3,120	\$ 2,988	\$ 3,066	\$ 2,968
Judicial	2,938	2,246	1,702	1,921
Public safety	2,530	1,844	2,032	2,305
Public works	264	570	697	488
Planning and zoning	609	766	1,454	1,721
Culture and recreation	80	99	103	96
Total charges for services	<u>9,541</u>	<u>8,513</u>	<u>9,054</u>	<u>9,499</u>
Operating grants and contributions (1)	983	491	811	1,266
Capital grants and contributions (1)	2,883	2,101	1,710	1,248
Total governmental activities program revenues	<u>13,407</u>	<u>11,105</u>	<u>11,575</u>	<u>12,013</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,567	3,219	3,250	3,671
Solid waste	8,655	8,857	8,636	8,673
Participant recreation	4,626	4,672	4,576	4,812
Stormwater	2,900	3,052	3,046	3,064
Operating grants and contributions (1)	-	-	-	-
Capital grants and contributions (1)	-	-	-	-
Total business-type activities program revenues	<u>19,748</u>	<u>19,800</u>	<u>19,508</u>	<u>20,220</u>
Total primary government program revenues	<u>\$ 33,155</u>	<u>\$ 30,905</u>	<u>\$ 31,083</u>	<u>\$ 32,233</u>
(continued)				

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 10,991	\$ 12,568	\$ 12,792	\$ 13,423	\$ 14,791	\$ 15,373
978	1,160	1,140	1,116	1,248	1,306
2,227	2,822	3,160	2,387	2,832	3,471
27,540	31,044	31,406	32,629	37,077	37,976
16,307	12,562	13,943	13,870	16,736	16,629
3,467	3,356	3,299	3,318	2,876	3,271
13,104	14,354	14,836	15,367	18,321	16,614
188	238	301	336	364	356
<u>74,802</u>	<u>78,103</u>	<u>80,877</u>	<u>82,445</u>	<u>94,245</u>	<u>94,995</u>
3,705	3,896	4,136	4,535	4,277	4,676
9,838	9,768	10,393	11,618	11,422	11,563
5,331	5,248	5,469	6,153	5,326	5,581
2,050	2,277	2,247	2,471	2,478	2,371
<u>20,924</u>	<u>21,188</u>	<u>22,244</u>	<u>24,777</u>	<u>23,504</u>	<u>24,191</u>
<u>\$ 95,726</u>	<u>\$ 99,291</u>	<u>\$ 103,121</u>	<u>\$ 107,222</u>	<u>\$ 117,749</u>	<u>\$ 119,186</u>
\$ 3,581	\$ 3,458	\$ 3,425	\$ 3,798	\$ 3,842	\$ 4,589
1,519	1,545	1,600	1,447	860	1,090
2,145	2,762	2,391	2,634	2,912	2,538
952	1,355	520	777	1,347	1,160
2,050	1,757	1,416	1,872	2,081	2,538
85	85	96	92	115	74
<u>10,332</u>	<u>10,962</u>	<u>9,448</u>	<u>10,620</u>	<u>11,157</u>	<u>11,989</u>
1,385	1,246	2,180	2,077	1,821	6,115
1,340	3,905	18,313	21,408	16,908	18,483
<u>13,057</u>	<u>16,113</u>	<u>29,941</u>	<u>34,105</u>	<u>29,887</u>	<u>36,587</u>
3,717	4,740	3,976	4,073	4,332	4,356
8,149	9,363	9,134	9,992	11,034	11,363
5,231	5,254	5,314	5,355	4,480	4,431
3,057	3,174	3,111	3,095	3,196	3,279
-	-	-	-	-	7
-	-	-	-	-	86
<u>20,154</u>	<u>22,531</u>	<u>21,535</u>	<u>22,515</u>	<u>23,042</u>	<u>23,522</u>
<u>\$ 33,211</u>	<u>\$ 38,644</u>	<u>\$ 51,475</u>	<u>\$ 56,619</u>	<u>\$ 52,929</u>	<u>\$ 60,109</u>

CITY OF ROSWELL, GEORGIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (expense)/revenue				
Governmental activities	\$ (53,361)	\$ (53,533)	\$ (54,998)	\$ (61,132)
Business-type activities	1,269	1,525	937	1,322
Total primary government net expense	<u>\$ (52,092)</u>	<u>\$ (52,008)</u>	<u>\$ (54,061)</u>	<u>\$ (59,810)</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 30,227	\$ 30,398	\$ 31,239	\$ 31,578
Sales taxes	21,863	21,816	22,835	23,965
Hotel/Motel taxes	788	797	875	993
Excise taxes (2)	-	-	-	-
Business taxes	5,028	5,351	5,578	5,603
Total taxes	<u>57,906</u>	<u>58,362</u>	<u>60,527</u>	<u>62,139</u>
Investment earnings	411	229	587	651
Gain on sale of capital assets	148	-	-	60
Miscellaneous	179	217	119	467
Transfers	<u>(418)</u>	<u>(571)</u>	<u>(362)</u>	<u>(48)</u>
Total governmental activities	<u>58,226</u>	<u>58,237</u>	<u>60,871</u>	<u>63,269</u>
Business-type activities:				
Investment earnings	70	5	160	62
Gain on sale of capital assets	144	-	28	-
Miscellaneous	-	-	-	-
Transfers	418	571	362	48
Total business-type activities	<u>632</u>	<u>576</u>	<u>550</u>	<u>110</u>
Total primary government	<u>\$ 58,858</u>	<u>\$ 58,813</u>	<u>\$ 61,421</u>	<u>\$ 63,379</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 4,865	\$ 4,704	\$ 5,873	\$ 2,137
Business-type activities	1,901	2,101	1,487	1,432
Total primary government	<u>\$ 6,766</u>	<u>\$ 6,805</u>	<u>\$ 7,360</u>	<u>\$ 3,569</u>

(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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ (61,745)	\$ (61,990)	\$ (50,936)	\$ (48,340)	\$ (64,359)	\$ (58,408)
(770)	1,342	(709)	(2,263)	(462)	(669)
<u>\$ (62,515)</u>	<u>\$ (60,648)</u>	<u>\$ (51,645)</u>	<u>\$ (50,603)</u>	<u>\$ (64,821)</u>	<u>\$ (59,077)</u>
\$ 32,774	\$ 33,165	\$ 33,370	\$ 35,746	\$ 36,401	\$ 37,796
24,304	24,368	25,827	27,357	26,029	27,688
1,068	1,134	1,045	1,097	1,007	962
-	-	-	296	263	318
6,217	6,666	7,738	8,174	8,612	9,110
<u>64,363</u>	<u>65,332</u>	<u>67,979</u>	<u>72,670</u>	<u>72,312</u>	<u>75,874</u>
973	51	16	2,280	2,125	245
2,155	-	463	235	-	-
264	76	124	389	203	1,171
(431)	(194)	(56)	118	89	(933)
<u>67,324</u>	<u>65,265</u>	<u>68,526</u>	<u>75,693</u>	<u>74,727</u>	<u>76,358</u>
150	(40)	(11)	256	251	17
90	-	-	12	32	70
-	-	25	-	-	-
431	194	56	(118)	(89)	933
<u>671</u>	<u>154</u>	<u>70</u>	<u>149</u>	<u>194</u>	<u>1,020</u>
<u>\$ 67,995</u>	<u>\$ 65,419</u>	<u>\$ 68,596</u>	<u>\$ 75,842</u>	<u>\$ 74,921</u>	<u>\$ 77,377</u>
\$ 5,579	\$ 3,275	\$ 17,589	\$ 27,353	\$ 10,369	\$ 17,950
(99)	1,496	(640)	(2,114)	(268)	351
<u>\$ 5,480</u>	<u>\$ 4,771</u>	<u>\$ 16,950</u>	<u>\$ 25,239</u>	<u>\$ 10,101</u>	<u>\$ 18,300</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Nonspendable	\$ 188	\$ 570	\$ 812	\$ 377
Restricted	88	66	52	20
Committed	14,007	14,398	16,596	15,436
Assigned	3,299	2,826	2,507	3,271
Unassigned	8,882	3,408	3,034	5,445
Total general fund	<u>26,464</u>	<u>21,268</u>	<u>23,001</u>	<u>24,549</u>
All other governmental funds				
Nonspendable	63	297	343	114
Restricted	11,116	20,452	27,029	19,839
Committed	494	531	434	422
Assigned	17,519	19,187	17,748	16,405
Unassigned	(1,699)	(420)	(874)	(553)
Total all other governmental funds	<u>27,493</u>	<u>40,047</u>	<u>44,680</u>	<u>36,227</u>
Total all funds	<u>\$ 53,957</u>	<u>\$ 61,315</u>	<u>\$ 67,681</u>	<u>\$ 60,776</u>

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 352	\$ 372	\$ 449	\$ 468	\$ 498	\$ 782
1	1	-	-	-	-
16,426	17,200	18,087	860	823	603
3,475	1,522	1,413	6,504	3,112	2,873
5,407	3,976	5,181	24,239	25,179	28,097
<u>25,661</u>	<u>23,072</u>	<u>25,130</u>	<u>32,071</u>	<u>29,612</u>	<u>32,355</u>
51	40	54	98	73	56
14,526	14,329	21,958	38,249	53,341	66,258
482	382	348	157	181	210
17,446	17,395	16,354	15,168	15,340	17,676
(1,409)	(521)	(559)	-	(78)	(9)
<u>31,096</u>	<u>31,625</u>	<u>38,155</u>	<u>53,672</u>	<u>68,858</u>	<u>84,192</u>
<u>\$ 56,757</u>	<u>\$ 54,697</u>	<u>\$ 63,285</u>	<u>\$ 85,742</u>	<u>\$ 98,470</u>	<u>\$ 116,546</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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES				
Taxes	\$ 58,008	\$ 58,077	\$ 60,544	\$ 61,970
Licenses and permits	1,430	1,521	2,201	2,465
Intergovernmental	3,788	3,022	2,293	2,707
Fines and forfeitures	3,303	2,478	1,840	2,227
Charges for services	4,159	4,163	4,357	4,141
Impact fees	245	543	669	455
Investment earnings (1)	391	229	587	651
Contributions	25	53	59	26
Miscellaneous	260	317	223	513
Total revenues	<u>71,609</u>	<u>70,403</u>	<u>72,773</u>	<u>75,155</u>
EXPENDITURES				
General government	7,672	7,794	8,609	9,030
Judicial	1,377	1,368	1,167	976
Financial services	2,087	1,918	2,156	2,187
Public safety	24,742	23,056	24,224	24,192
Public works	10,584	9,484	8,235	8,514
Planning and zoning	2,459	2,729	3,129	3,088
Culture and recreation	10,021	10,178	10,514	10,899
Capital outlay	11,099	9,570	14,609	17,640
Principal on long-term debt	12,250	5,925	1,139	5,528
Interest and paying agent fees	1,093	648	422	409
Total expenditures	<u>83,384</u>	<u>72,670</u>	<u>74,204</u>	<u>82,463</u>
Excess (deficiency) of revenues over expenditures	<u>(11,775)</u>	<u>(2,267)</u>	<u>(1,431)</u>	<u>(7,308)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Assets	153	-	94	110
Transfers in	11,908	13,075	9,044	9,242
Transfers out	(13,327)	(13,446)	(8,998)	(8,950)
Proceeds from bond issuance	-	9,760	4,940	-
Premium on bonds issued	-	239	351	-
Capital leases	-	-	1,640	-
Financed purchases (2)	-	-	-	-
Installment sales agreement	-	-	-	-
Total other financing sources (uses)	<u>(1,266)</u>	<u>9,628</u>	<u>7,071</u>	<u>402</u>
Net change in fund balances	<u>\$ (13,041)</u>	<u>\$ 7,361</u>	<u>\$ 5,640</u>	<u>\$ (6,906)</u>
Debt service as a percentage of noncapital expenditures	18.3%	10.3%	2.6%	8.7%

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

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

	2016	2017	2018	2019	2020	2021
\$	64,700	\$ 65,319	\$ 67,951	\$ 72,719	\$ 71,779	\$ 76,159
	2,784	2,484	2,146	2,609	2,840	3,385
	1,875	5,981	20,386	22,226	19,500	24,165
	1,814	2,251	2,020	1,712	1,453	1,237
	4,864	4,825	4,716	5,477	5,537	6,251
	911	1,388	494	1,381	1,307	1,124
	926	54	20	2,285	2,130	250
	95	33	87	504	229	44
	349	276	340	608	373	1,309
	<u>78,319</u>	<u>82,612</u>	<u>98,161</u>	<u>109,520</u>	<u>105,147</u>	<u>113,925</u>
	9,793	10,514	11,118	11,849	11,770	12,471
	1,021	1,123	1,132	1,125	1,185	1,248
	2,278	2,543	2,485	2,643	2,768	3,003
	25,646	27,843	28,506	29,538	32,372	33,546
	9,178	8,436	9,398	8,395	8,151	8,268
	3,460	3,194	3,048	3,332	2,624	3,093
	11,236	11,797	12,271	13,079	13,394	12,939
	23,031	17,533	27,917	17,438	19,089	19,257
	1,596	2,006	2,308	2,870	3,595	3,850
	285	327	366	398	455	398
	<u>87,524</u>	<u>85,316</u>	<u>98,550</u>	<u>90,668</u>	<u>95,404</u>	<u>98,072</u>
	(9,205)	(2,704)	(390)	18,852	9,743	15,853
	1,465	223	1,075	284	1,030	346
	12,459	12,934	11,584	7,635	12,469	14,159
	(12,731)	(13,297)	(11,568)	(7,494)	(12,405)	(15,106)
	-	-	-	-	-	-
	-	-	-	-	-	-
	544	785	1,179	1,004	1,890	2,824
	-	-	3,000	2,176	-	-
	3,449	-	3,709	-	-	-
	<u>5,186</u>	<u>644</u>	<u>8,978</u>	<u>3,605</u>	<u>2,984</u>	<u>2,223</u>
\$	<u>(4,019)</u>	<u>(2,060)</u>	<u>8,588</u>	<u>22,457</u>	<u>12,727</u>	<u>18,076</u>
	2.8%	3.4%	3.8%	4.4%	5.0%	5.2%

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

Fiscal Year	Property Taxes	Sales Taxes	Business Tax	Total
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
2021	38,081	28,968	9,110	76,159

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)
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%
2021	4,509,831	48,898	2,008,557	361,669	6,205,617	4.955	15,514,043	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
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
2021	2020	8.660	(3.955)	4.705	0.250	4.955	9.776	0.220	9.996

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
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
17.796	0.000	17.796	0.000	32.747

**CITY OF ROSWELL, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
	Value	Rank	Value	Value	Rank	Value
WRPV XIV Roswell Village LLC	\$ 49,160	1	0.79%			
Calibre Creek Apartment Partner	39,424	2	0.64%	\$ 14,524	6	0.32%
BR Roswell LLC	25,732	3	0.41%			
29SC Lake House LP	23,204	4	0.37%			
F7 Moo LLC	22,400	5	0.36%			
Holcomb Bridge Ga Partners LLC	18,120	6	0.29%			
Willeo Creek Partners LLC	18,038	7	0.29%	10,445	8	0.23%
Walton Centennial LLC	17,273	8	0.28%			
Kimberly Clark Corp	16,929	9	0.27%	23,356	1	0.52%
Strata Grande LLC	16,430	10	0.26%			
Northmeadow Investors LLC				17,904	3	0.40%
A Colonial Three Hundred				16,196	5	0.36%
Amireit				16,304	4	0.36%
Orion Roswell Associates				18,390	2	0.41%
Sanctuary Park Realty Holdings				12,920	7	0.29%
Jefferson At Champions Pkwy				9,592	9	0.21%
DRA Grande Oaks LLC				9,560	10	0.21%
Totals	<u>\$ 246,710</u>		<u>3.98%</u>	<u>\$ 149,191</u>		<u>3.30%</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
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%	819	26,486	99.94%
2021	27,162	26,573	97.83%	-	26,573	97.83%

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					Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Leases	Financed Purchases	Notes Payable	Total	Notes Payable			
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
2021	3,807	3,295	8,248	2,723	18,073	11,872	29,944	0.51%	315

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)
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
2021	3,807	2,312	1,495	0.01%	16

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, 2021
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Debt repaid with property taxes			
Fulton County	\$ 234,408	7.69%	\$ 18,026
Fulton County Board of Education	11,495	14.51%	1,668
Total overlapping debt	<u>245,903</u>		<u>19,694</u>
City of Roswell direct debt			
Bonds payable	3,807	100.00%	3,807
Capital leases payable	3,295	100.00%	3,295
Financed purchases payable	8,248	100.00%	8,248
Notes payable	2,723	100.00%	2,723
Total direct debt	<u>18,073</u>		<u>18,073</u>
 Total direct and overlapping debt	 <u>\$ 263,976</u>		 <u>\$ 37,767</u>

Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County 2020 ACFR 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 2020 tax digest.

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CITY OF ROSWELL, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit (10% of total assessed value)	\$ 478,893	\$ 471,029	\$ 473,651	\$ 473,767
Total net debt applicable to limit	8,601	9,786	14,238	10,380
Legal debt margin	<u>\$ 470,292</u>	<u>\$ 461,243</u>	<u>\$ 459,413</u>	<u>\$ 463,387</u>
Total net debt applicable to the limit as a percentage of debt limit	1.80%	2.08%	3.01%	2.19%

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.

	2016	2017	2018	2019	2020	2021
\$	501,956	\$ 505,865	\$ 519,002	\$ 605,470	\$ 651,887	\$ 656,729
	10,222	9,357	8,288	4,433	3,245	1,495
\$	491,734	\$ 496,508	\$ 510,714	\$ 601,037	\$ 648,642	\$ 655,234

	2.04%	1.85%	1.60%	0.73%	0.50%	0.23%
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Assessed Value	\$ 6,205,617
Add back: exempt real property	361,669
Total assessed value	<u>6,567,286</u>
Debt limit (10% of total assessed value)	656,729
Debt applicable to limit:	
General obligation bonds	3,807
Less: Amount set aside for repayment of general obligation debt	<u>(2,312)</u>
Total net debt applicable to limit	<u>1,495</u>
Legal debt margin	<u>\$ 655,234</u>

CITY OF ROSWELL, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands) (1)	Per Capita Personal Income (1)	Median Age	School Enrollment (2)	Unemployment Rate (3)
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
2021	94,959	5,834,334	61,441	38.60	22,505	1.70

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) 2021 Personal income and per capita income are estimates based on the Fulton County increase from the U.S. Department of Commerce-Bureau of Economic Analysis.

(2) The school enrollment for 2012 to 2015 was provided by the Fulton County Board of Education; 2016 to 2020 is U.S. Census Bureau; 2021 is an estimate based on Fulton County School enrollment trend.

(3) The unemployment rate for 2021 is from the Georgia Department of Labor, Civilian Labor Force Estimates.

CITY OF ROSWELL, GEORGIA

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kimberly-Clark Corporation	1,020	1	2.88%	1,278	1	2.53%
General Motors	1,000	2	2.82%			
Wellstar	805	3	2.27%			
City of Roswell	459	4	1.29%	594	4	1.18%
McKesson Corporation	459	5	1.29%			
Yardi Systems	408	6	1.15%			
NTG	391	7	1.10%			
Easter Seals	315	8	0.89%			
Wal-mart Stores East LP	294	9	0.83%	311	7	0.62%
Cypress Health Care Management	270	10	0.76%			
Accu-Tech Corporation				279	10	0.55%
Verizon Wireless				1220	2	2.42%
North Fulton Regional Hospital				656	3	1.30%
Kroger Co				308	8	0.61%
Target				391	5	0.78%
Verint Americas Inc.				346	6	0.69%
Prommis Solutions LLC				300	9	0.59%
Total	5,421		15.28%	5,683		11.27%

Source: City of Roswell Economic & Community Development Department.

CITY OF ROSWELL, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
City Administrator	3	3	3	3	3	2	3	3	3	2
City Hall	9	9	9	9	9	7	7	7	6	7
Community Information	4	4	5	5	5	5	6	6	6	6
Court Services	17	16	3	3	3	5	5	6	7	7
General Administration	6	5	5	6	7	7	7	7	8	13
Governing Body	2	2	1	2	2	2	2	2	1	2
Human Resources	3	4	4	5	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	-	-	-	-	-	-	-	-	-	-
IT (formerly MIS)	9	7	7	9	9	9	9	8	9	9
Security	-	-	-	-	-	2	2	2	2	2
Finance										
Accounting	4	4	3	4	4	5	7	6	6	6
Finance - Administration	3	3	3	3	3	3	4	4	4	3
Treasury	1	-	-	-	-	-	-	-	-	-
Cash Disbursement	3	3	3	3	3	3	3	3	3	3
Accounts Receivable	6	6	7	8	7	8	8	8	8	9
Cash Receipting	3	3	2	2	2	2	2	2	2	2
Purchasing	3	3	2	3	3	2	3	3	3	4
Strat. Planning and Budgeting	3	3	2	3	2	3	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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Criminal Investigations	23	20	22	23	18	21	24	18	15	17
Jail/Detention	33	18	16	15	18	-	-	-	-	-
Patrol	77	78	78	78	86	79	75	76	83	86
Police - Admin Services	3	2	3	3	3	3	3	1	2	3
Police - Support Services	27	35	26	26	28	29	31	30	34	34
Special Operations	12	5	15	14	15	14	15	11	11	12
Traffic Control	12	16	13	12	12	16	10	10	10	10
E-911	22	20	18	19	18	21	23	27	29	26
Fire										
Administration	2	2	2	2	2	2	2	2	2	1
Fire	6	6	7	7	7	7	7	8	8	8
Fire Training	1	1	1	1	1	1	1	1	1	1
Fire Marshal	9	9	9	9	9	8	8	10	9	10
Fire Suppression	-	-	-	-	-	-	-	138	-	-
Cultural & recreation										
Municipal Complex	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	1	1	3	3	3
Support Services	38	38	38	35	41	40	41	39	36	30
Parks	56	56	58	55	56	53	57	57	56	58
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	1	2	2	3
Historic & Cultural Affairs	1	1	1	-	2	2	2	3	3	2
Environmental										
Administration	2	2	2	-	-	-	-	-	-	-
Environmental	3	3	3	-	-	-	-	-	-	-
Water Resources	-	-	-	-	-	-	-	-	-	-
Garage	7	7	7	7	7.10	8	7.35	7.35	6.35	8.00
Stormwater Mgmt	9	12	11	12.90	12.20	13.53	13.48	14.13	13.15	8.00

Continued

CITY OF ROSWELL, GEORGIA

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community Development										
Administration	3	4	1	3	3	3	3	3	3	2
Building Inspections	5	-	-	-	-	-	-	-	7	8
Code Enforcement	6	-	-	-	-	-	-	-	4	4
Support Services	2	2	3	4	4	4	3	3	4	6
Economic Development	2	-	-	-	-	-	-	-	-	-
Engineering	6	7	7	7	8	8	8	9	10	9
GIS	4	4	4	3	4	4	4	4	4	2
Licensing	1	1	1	1	1	-	1	1	-	-
Planning & Zoning	7	7	7	7	7	6	8	8	8	8
Transportation										
Transportation	8	8	7	7	6	8	8	6	8	9
Administration	4	4	4	4	4	4	4	4	5	5
Street Maintenance	31	28	29	30	30	28	27	26	31	30
Land Acq. & Development	3	3	3	2	2	2	2	1	1	-
Traffic Engineering	18	18	17	16	18	18	12	18	17	18
Water										
Administration	2.05	2.05	2.05	1.65	1.95	2.48	2.43	2.08	2.10	8.00
Distribution	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	9.00
Water Plant	7	7	7	7	8	7	7	7	6	7
Solid Waste										
Administration	4.5	4.35	4.4	6.95	7.25	7.49	8.24	7.94	7.90	7.00
Public Education	0.55	0.55	0.55	-	-	-	-	-	-	-
Residential Collection	34	34	33	34	33	32	32	29	29	30
Commercial Collection	8	8	7	8	8	8	8	8	8	6
Recycling Center	6.25	6.25	6.25	5.00	7	7	7	6	7	7
Total employees	608	578	556	557	578	559	562	693	582	589

CITY OF ROSWELL, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Calls for service	85,216	67,386	69,939	67,563	76,723	111,004	118,548	116,352	112,416	114,411
Traffic stops	28,885	17,867	19,964	24,340	24,382	21,867	24,631	16,608	12,406	14,727
Part 1 Crimes Index Rate	23.6	24.9	22.9	24.4	24.6	18.6	18.7	16.4	13.7	15.3
Fire										
Fire Calls	2,301	2,802	3,121	3,126	3,344	3,784	3,831	3,931	4,516	4,710
Fires extinguished	198	185	162	174	188	211	152	169	165	156
EMS Calls	4,795	5,251	5,225	5,060	4,951	5,269	5,512	5,618	5,100	5,273
Community development										
Building permits issued	4,068	3,382	2,351	2,108	4,996	6,920	2,979	3,378	2,861	3,355
Refuse collection										
Household garbage collected-tons per year	18,645	19,128	18,964	13,078	20,150	20,754	21,392	21,930	23,464	25,829
Curbside recycling collected-tons per year	6,766	6,726	6,893	7,597	6,674	8,897	7,377	7,091	6,385	6,302
Glass recycling collected-tons per year (2)	-	-	-	-	-	3,583	3,180	274	1,405	1,067
Yard waste collected-tons per year	8,140	7,872	8,376	7,527	7,274	6,363	6,322	6,296	6,321	6,465
Recycling from recycle center-tons per year	1,586	1,811	1,695	1,698	1,625	1,752	1,828	1,779	1,621	1,861
Parks and recreation										
Registered participants (1)	34,722	33,843	33,567	32,767	26,817	32,449	31,308	31,140	25,867	24,057
Park acres maintained	918	918	912	912	987	987	1,057	1,057	1,084	1,048
Total Point of Sale Participants (1)	122,170	111,624	98,111	100,263	47,087	46,679	51,132	62,246	36,448	37,392
Total Facility Rentals (1)	1,707	1,642	2,236	2,373	1,148	1,527	1,835	1,777	1,084	907
Water										
Water production in MGD (3)	351	368	388	397	278	537	540	584	328	609
Sanitation										
Number of residential customers	25,230	25,232	25,360	26,120	26,120	25,720	26,000	24,893	26,422	25,179
Number of commercial customers	892	1,002	892	972	955	854	993	1,282	877	1,267

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 playgrounds, 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.

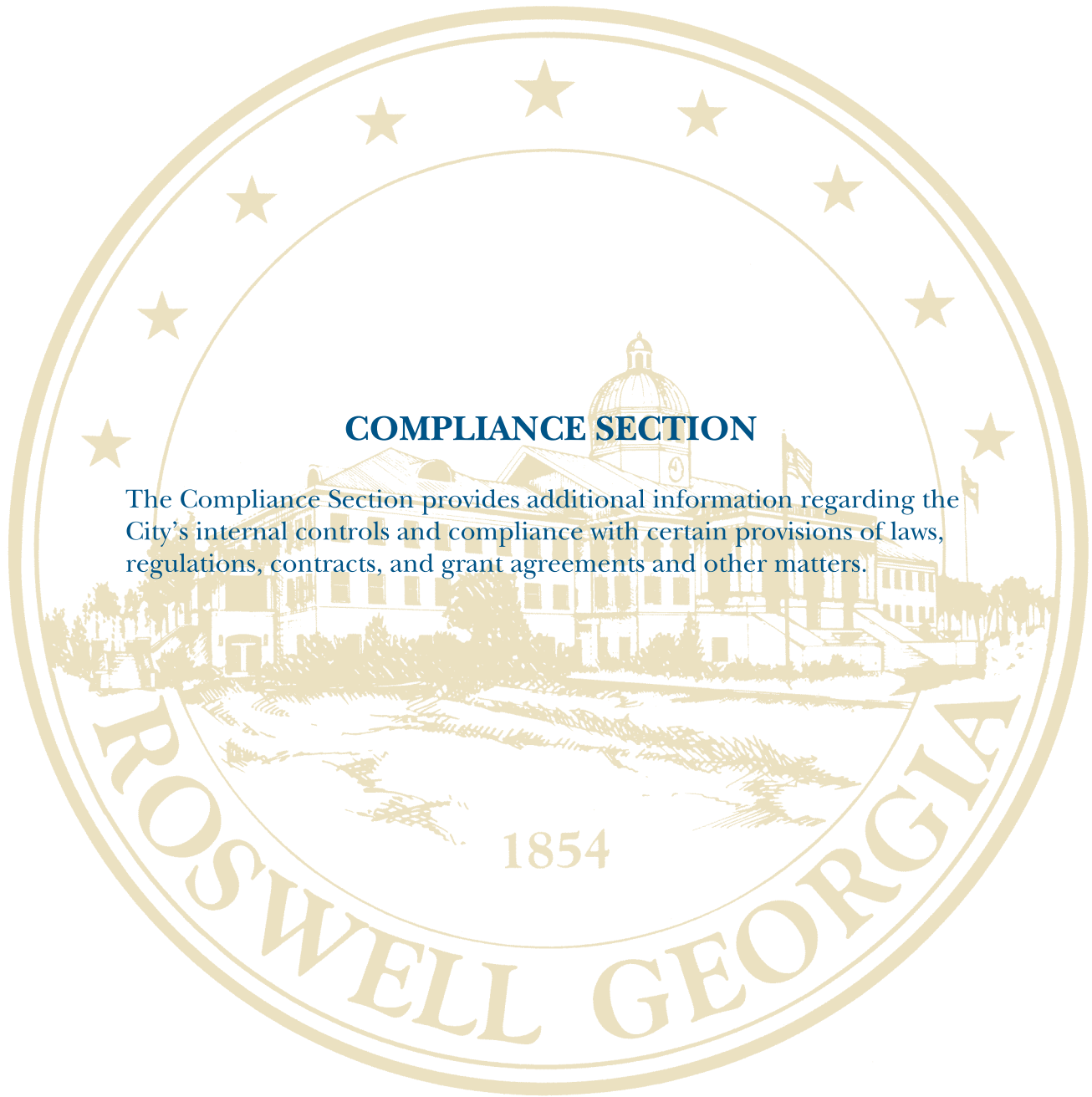
CITY OF ROSWELL, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Vehicles	54	54	54	55	55	55	56	58	68	65
Buildings	30	30	30	30	30	30	30	30	30	30
Police										
Vehicles	157	158	158	208	215	214	219	236	241	265
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	4530	4530	4530	5175	5186	5211	5226	5316	5355
Parks and recreation										
Acreage	917	917	917	917	987	987	1057	1057	1057	1057
Parks and playgrounds	19	19	19	22	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	11	18	18	18	18
Swimming pools	1	1	1	1	2	2	2	2	2	2
Tennis courts	34	34	34	34	32	28	28	28	28	28
Transportation										
Paved roads in miles (1)	373	385	385	385	326	15.1	10.6	19.6	8.5	9.6
Traffic signals	145	152	152	154	102	103	102	100	110	101
Water										
Water mains (miles) (2)	201	201	201	201	201	86.5	86.5	88.3	89.0	88.9
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 the 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, 2021, 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 14, 2021.

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, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-002.

The City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 14, 2021

**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, 2021. 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, 2021.

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 14, 2021

CITY OF ROSWELL, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Entitlement Grants Cluster			
Community Development Block Grant	14.218	B-18-MC-13-0018	\$ 40,787
Community Development Block Grant	14.218	B-19-MC-13-0018	98,366
Community Development Block Grant	14.218	B-20-MC-13-0018	128,831
Community Development Block Grant	14.218	B-21-MC-13-0018	160,642
Community Development Block Grant	14.218	B-19-MC-13-0018	146,796
Community Development Block Grant	14.218	B-20-MC-13-0018	16,353
Community Development Block Grant	14.218	B-20-MW-13-0018	6,626
COVID-19 - Community Development Block Grant	14.218	B-20-MW-13-0018	88,103
Community Development Block Grant	14.218	B-20-MW-13-0018	17,210
Total Entitlement Grants Cluster			703,714
Passed through Cobb County, Georgia:			
Home Investment Partnerships Program	14.239	H13-RM-WM-R9-RA-RC	3,456
Total U.S. Department of Housing and Urban Development			707,170
U.S. DEPARTMENT OF TREASURY			
Passed through Fulton County, Georgia:			
COVID-19 - Coronavirus Relief Fund	21.019	ROSW550298-P	3,953,591
Equitable Sharing Program	21.016	GA0600500	255,491
Total U.S. Department of Treasury			4,209,082
U.S. DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant			
Bullet Proof Vest Partnership Program	16.607	2020-DJ-BX-0818	9,850
Bullet Proof Vest Partnership Program	16.607	2019BUBX19096259	190
Bullet Proof Vest Partnership Program	16.607	2020BUBX20023355	10,645
Total Community Development Block Grant			20,685
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1687	14,422
Equitable Sharing Program	16.922	GA0600500	57,835
Total U.S. Department of Justice			92,942
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	56,863
Total Highway Planning and Construction Cluster			56,863
Total U.S. Department of Transportation			56,863
U.S. DEPARTMENT OF INTERIOR			
Passed through the Georgia Department of Natural Resources:			
Historic Preservation Fund Grants-In-Aid	15.904	EMW-2020-FG-00986	4,816
Total U.S. Department of Interior			4,816
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES			
Passed through the Georgia Department of Community Affairs:			
AmeriCorps Planning Grant	94.006	20AC221805	13,848
Total Corporation for National and Community Services			13,848
Total Expenditures of Federal Awards			\$ 5,084,721

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, 2021

(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, 2021**

**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 _____
21.019

Name of Federal Program or Cluster
COVID-19 – Coronavirus Relief Fund

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, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

2021-001 Internal Controls Related to Project Management

Criteria: Internal controls should be in place to ensure that the City is able to effectively initiate and manage projects and avoid, detect and/or correct issues related to budgeting, project delays and overruns, and parcel acquisition. In addition, adapting certain policies and procedures related to project management would provide effective safeguards against the risk of material noncompliance with state law.

Condition: Internal controls related to project management were not sufficient to prevent, detect and/or correct various issues with the City's Oxbo Road Intersection Improvement Project, which resulted in delays, unnecessary costs and inefficiencies.

Context/Cause: During our inquiries and discussions with management, we were made aware of internal control deficiencies pertaining to the City's Oxbo Road Intersection Improvement Project. The summary of these deficiencies is as follows:

- Internal controls should be in place and adhered to by the City for acquisition and/or purchase of real property for a transportation project. Absent a formal policy, property to be acquired in fee simple must be appraised prior to the initiation of purchase negotiations with the owner. There were fourteen (14) parcel acquisitions in which the City's controls did not facilitate, detect or correct the need to obtain appraisals of real property.
- Several of the temporary construction easement interests that were acquired over the duration of the project have expired. Unauthorized access into these areas by City employees or its contractors will amount to trespassing on private property. The City will need to acquire new construction easement access rights from property owners for expired temporary construction easements on five (5) parcels.
- Many of the transactions that the City negotiated for the Project and entered into with property owners contained terms, conditions and clauses whereby the City remains obligated to make improvements to private property parcels as alternative to paying additional cash to the property owners for damages incurred. The value of these improvements has not been established by appraisal, formal quote and there is no indication such obligations were included in Project scope of work. Undertaking construction on private property could result in future claims brought against the City if the City does not obtain proper acceptance of improvements or liability release from the owners.

**CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

2021-001 Internal Controls Related to Project Management (Continued)

- The City negotiated with and paid for a property in an acquisition in which the seller did not own the property or parcel. This occurred on three (3) parcels with an LLC in which the LLC did not possess legal title to sell the property paid for by the City at a purchase price of approximately \$300,000.
- The City failed to return a parcel of property back to a property owner based on a contract that the City and property owners entered into in 2017. Part of the contract was to convey land as part of the overall purchase price for the property within a three-year period, which was never satisfied. A payment of \$2,500,000 was required as a settlement.

Effects: As a result of the issues listed above, the City incurred, at a minimum, approximately an additional \$2.8 million in expenditures as a result of a lack of a cohesive internal control structure related to project management. This does not include potential contingent, legal liabilities that could arise as a result of the easement issues.

Recommendations: We recommend that the City adopt the following policies, procedures and changes that will help ensure that control activities prevent, detect and/or correct any issues related to internal project management:

- *Project Manager* – Establishment of a dedicated Project Manager should be identified so that there is a single individual that oversees the project and who is responsible for coordinating professionals across the City's departments, outside engineers, contractors, legal counsel, and other third parties.
- *Standard Operating Procedures for the Transportation Department* – A typical project should proceed in accordance with established guidelines. We recommend that the City adopt such guidelines and utilize a checklist to ensure that projects remain in conformance with the applicable standards.
- *Acquisition Policy for Low Value Properties* – In the event that the City wishes to be legally entitled to acquire property without the need to obtain appraisals for low value properties, the City must adopt a Resolution, subject to Council approval, to establish the low value thresholds. We recommend such an adoption.

**CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

2021-001 Internal Controls Related to Project Management (Continued)

- *Acquisition of Property Checklist* – As part of the standard operating procedures, we recommend that the City implement an acquisition of property checklist that indicates the necessary steps needed to be taken from the time of identification of a target property, to bringing it to attention of Mayor and Council, and through Council vote for approval of acquisition.
- *Agenda Approval Process* – In order to ensure that property acquisitions do not reach the City Council’s meeting agenda prematurely and absent adequate information for the Council to make an informed decision, we recommend that the City create a more robust and involved agenda approval process that requires the Project Manager to present approvals of the agenda item across the pertinent departments. Such a listing would indicate that the necessary acquisition procedures were followed.

Auditee’s Response: We agree with the finding. The City has begun taking necessary steps to address the internal control issues related to project management.

2021-002 State Law Compliance Related to Appraisal and Property Exchange

Criteria: Policies should be in place to ensure that the City follow and abide by certain required processes when acquiring real property for a transportation project, and in the exchange and/or disposition of property for public road purposes.

Condition: Over the span of the City’s Oxbo Road Intersection Improvement Project, there were several noted instances of noncompliance with state laws Official Code of Georgia Annotated (O.C.G.A.) Sections 22-1-9, 36-37-6(c), and 32-3-3(b).

Context/Cause: During our inquiries and discussions with management, we were made aware of noncompliance with certain state laws that were attributable to the City’s Oxbo Road Intersection Improvement Project. The summary of the noncompliance is as follows:

- State statutory requirements (found in O.C.G.A. Title 32 and Title 22) were not followed in nine (9) instances during which the City acquired certain properties for transportation purposes. The subject properties acquired were not appraised to determine a basis for just compensation prior to the initiation of negotiations with the private property owners in accordance with O.C.G.A. 22-1-9.

**CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

2021-002 State Law Compliance Related to Appraisal and Property Exchange (Continued)

- State law only authorizes the City to dispose of its real property by exchange when certain conditions are met. In one (1) exchange instance, it is unknown if the City timely published a notice in the City's official legal organ prior to closing on a transaction in accordance with O.C.G.A. 36-37-6(c).
- State law only authorizes the City to dispose of its real property by exchange for a transportation project in accordance with O.C.G.A. 32-3-3(b) in which the property or interest to be acquired in exchange is appraised as being of equal value to, or of greater value than, the property or interest to be exchanged. In two (2) instances, we noted that the City gave up more than what was received in the exchanges, and, therefore the value of what the City gave up was higher than the property it received. In one (1) other instance, it was indeterminable if this occurred as there was no appraisal or valuation information available to support the transaction in accordance with O.C.G.A. 32-3-3(b).

Effects: The failure to be in compliance with provisions of state laws could result in material monetary loss on property exchange and/or dispositions as well as potential legal liability brought on by third parties.

Recommendations: We recommend that the City implement policies and procedures designed to prevent and deter noncompliance with state law, as well as to monitor its projects and related transactions on an ongoing basis to ensure that the City is in compliance with state laws and statutes.

Auditee's Response: We agree with the finding. The City has begun taking necessary steps to address state law compliance related to appraisal and property exchange.

**CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

**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, 2021**

None reported.



2021-001 Internal Controls Related to Project Management

Name of the Contact Person Responsible for the Corrective Action Plan: Dan Skalsky, Interim Transportation Director

Corrective Action Plan: The City has initiated actions to address all recommendations from the Oxbo Investigation report completed by Jarrard and Davis and the related findings as noted in the Auditor's report. These actions include development, clarification, and execution of standard procedures to address internal controls and legal compliance concerns on future projects. An update on the status of implementation activities is being provided to Mayor and City Council and the public at each City Council meeting.

Anticipated Completion Date: March 30, 2022.

2021-002 State Law Compliance Related to Appraisal and Property Exchange

Name of the Contact Person Responsible for the Corrective Action Plan: Dan Skalsky, Interim Transportation Director

Corrective Action Plan: The City has approved an acquisition policy for low value properties. And acquisition of properties checklist and agenda approval process is currently in progress to address the issue related to state law compliance.

Anticipated Completion Date: January 31, 2022.

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