

ROSWELL FIRE STATION



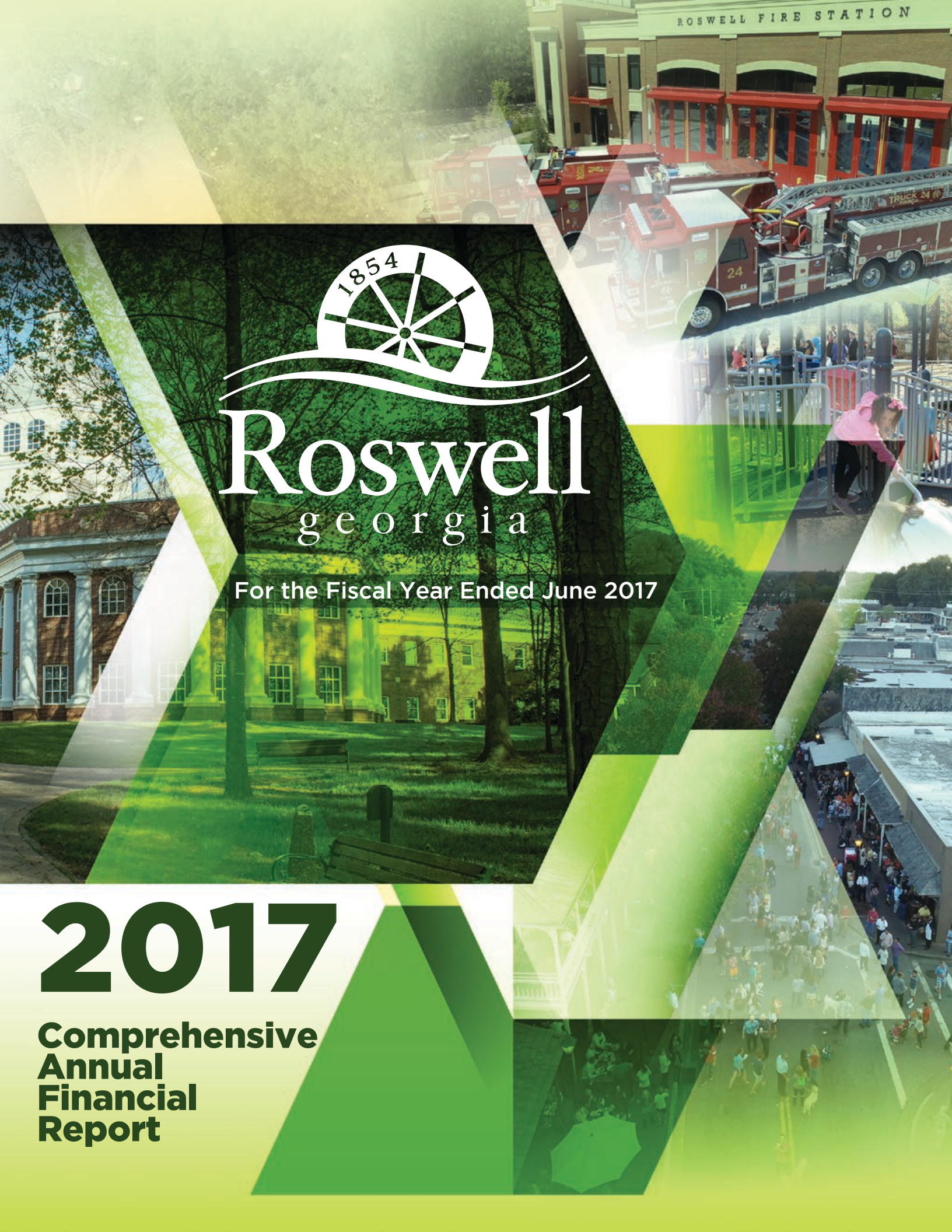
# Roswell

georgia

For the Fiscal Year Ended June 2017

# 2017

## Comprehensive Annual Financial Report



**CITY OF ROSWELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2017**

**Prepared By:**  
**The City of Roswell Finance Department**

THIS PAGE INTENTIONALLY LEFT BLANK.



**CITY OF ROSWELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

**TABLE OF CONTENTS**

	<u><b>Page</b></u>
<b>INTRODUCTORY SECTION</b>	
Table of Contents .....	i-iv
Letter of Transmittal .....	v-xv
Certificate of Achievement for Excellence in Financial Reporting .....	xvi
Principal Officials .....	xvii
Organizational Chart .....	xiii
 <b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	1-3
Management's Discussion and Analysis .....	4-15
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	16
Statement of Activities .....	17
<b>Fund Financial Statements:</b>	
Balance Sheet – Governmental Funds .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Net Position – Proprietary Funds .....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	22
Statement of Cash Flows – Proprietary Funds .....	23
Notes to Financial Statements .....	24-57
<b>Required Supplementary Information:</b>	
Schedule of Changes in the City's Net Pension Liability and Related Ratios .....	58
Schedule of City Contributions .....	59
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis .....	60

# CITY OF ROSWELL, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2017

### TABLE OF CONTENTS

Page

#### FINANCIAL SECTION (Continued)

##### Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	62
Federal Grants Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	63
Confiscated Assets – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	64
Emergency 911 Telephone System – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis .....	65
County/Local Grants – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	66
American Stimulus Recovery Grants – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	67
CDBG Grants – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	68
Soil Erosion – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	69
Hotel/Motel Tax – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	70
Leita Thompson – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	71
Debt Service – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	72
Scholarship Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis.....	73
Schedule of Projects Constructed with Proceeds from Transportation Special Purpose Local Option Sales Tax (TSPLOST).....	74
Combining Statement of Net Position – Internal Service Funds.....	75
Combining Statement of Changes in Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds.....	76
Combining Statement of Cash Flows – Internal Service Funds .....	77
Component Unit – Historic Roswell Convention & Visitors Bureau, Inc.:	
Balance Sheet.....	78
Statement of Revenues, Expenditures, and Change in Fund Balance.....	79

**CITY OF ROSWELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

**TABLE OF CONTENTS**

	<u>Page</u>
<b>STATISTICAL SECTION</b>	
<b>Financial Trends:</b>	
Net Position by Component .....	80
Changes in Net Position .....	81 and 82
Fund Balances of Governmental Funds .....	83
Changes in Fund Balances of Governmental Funds .....	84
General Governmental Tax Revenues by Source .....	85
<b>Revenue Capacity:</b>	
Assessed Value and Estimated Actual Value of Taxable Property .....	86
Property Tax Rates Direct and Overlapping Governments .....	87
Principal Property Taxpayers .....	88
Property Tax Levies and Collections .....	89
<b>Debt Capacity:</b>	
Ratios of Outstanding Debt by Type .....	90
Ratios of Net General Bonded Debt Outstanding .....	91
Direct and Overlapping Governmental Activities Debt .....	92
Legal Debt Margin Information .....	93
<b>Demographic and Economic Information:</b>	
Demographic and Economic Statistics .....	94
Principal Employers .....	95
<b>Operating Information:</b>	
Full-Time Equivalent City Government Employees by Function .....	96-98
Operating Indicators by Function .....	99
Capital Asset Statistics by Function .....	100

**CITY OF ROSWELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

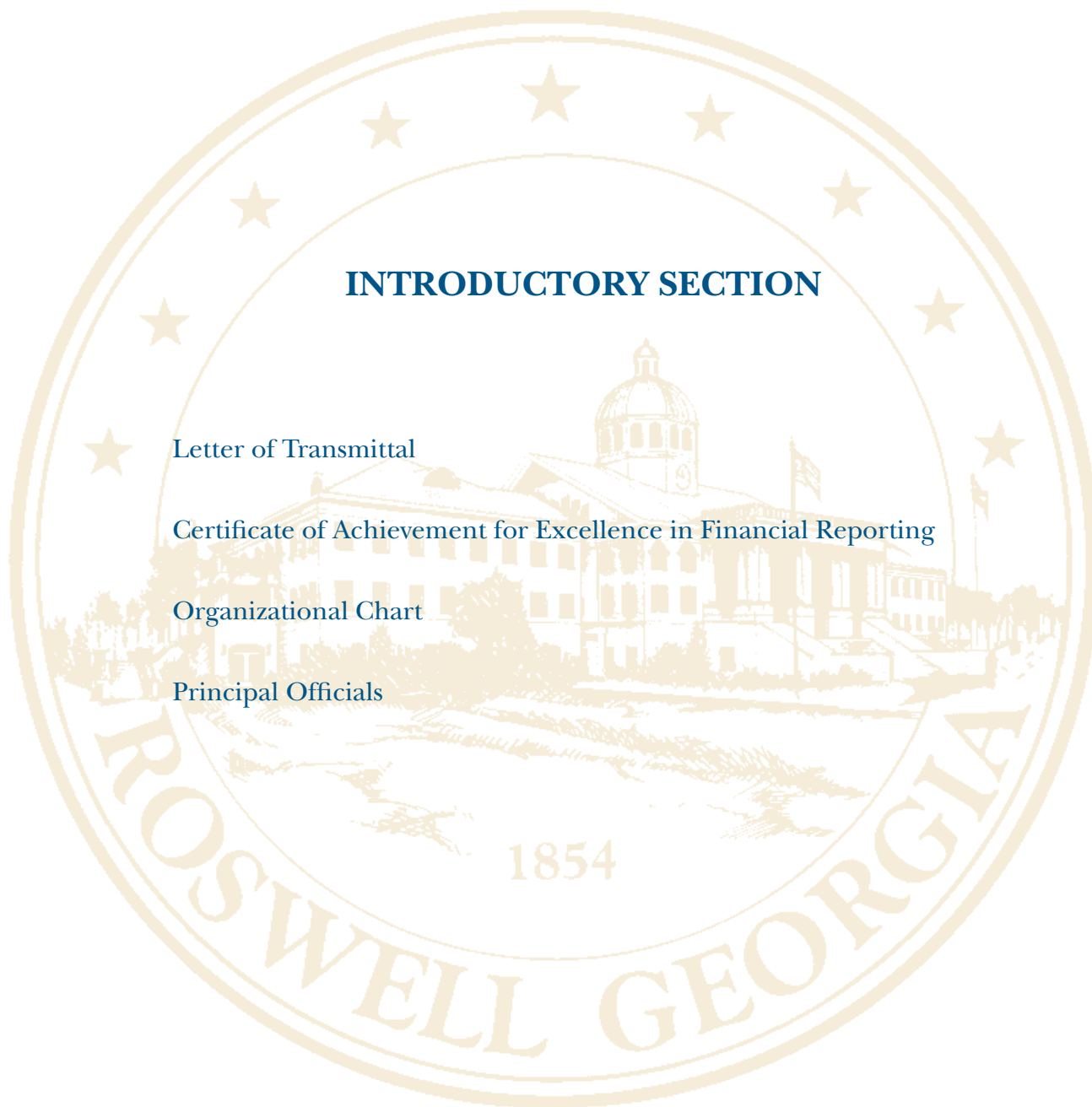
---

**TABLE OF CONTENTS**

**Page**

**COMPLIANCE SECTION**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	101-103
Schedule of Findings and Responses .....	104-107



## **INTRODUCTORY SECTION**

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

Principal Officials



December 8, 2017

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



**Front: Jerry Orlans, Jere Wood, Lori Henry**  
**Back: Mike Palermo, Donald Horton, Marcelo Zapata, Nancy Diamond**

MODERN SPIRIT SOUTHERN SOUL

CITY OF ROSWELL

We are pleased to present the Comprehensive Annual Financial Report of the City of Roswell, Georgia (the "City") for the fiscal year ended June 30, 2017 (FY16). This report consists of **management's representations** concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. We believe the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included. The management of the City is responsible for establishing and maintaining an effective internal control structure. In developing

and evaluating the City's accounting system, consideration is given to the adequacy of its system of internal control. We believe the City's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Georgia Code requires an annual audit by independent certified public accountants. The City selected the accounting firm Mauldin & Jenkins, LLC to **complete the audit and the auditor's** unmodified opinion has been included in this report.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for FY17 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 ac-

counting 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, 2017 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and "Government Auditing Standards," issued by the Comptroller General of the United States, is typically performed each year. However, in FY17, the City did not meet the \$750,000 threshold in federal expenses that necessitates a Single Audit.

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 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.

## Reporting Entity

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. There are no potential blended component units that met these criteria. Discretely presented component units are reported in a 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. The Historic Roswell Convention & Visitors Bureau, Inc. and Downtown Development Authority are reported as discretely presented component units at June 30, 2017.

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. **Roswell's City Council is comprised of six dedicated individuals**



Roswell City Hall

who, elected at large, work together to make Roswell a better place to live, work and play. Overseeing policy making decisions, the City Council approves the annual budget, determines the millage rate, acts on rezoning and annexation and approves various ordinances. 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 and Zoning Council meetings.

The City of Roswell, Georgia is located in northern Fulton County, 20 miles north of the City of Atlanta. Fulton County is the central and most populous county in Georgia. The City of Roswell has a land area of 42 square

miles and has an unparalleled quality of life for its 94,598 residents.

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

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



Adult Recreation Aquatic Facility

Roswell has over 900 acres of parkland, 10 acres per 1,000 residents.



Oak Leaf Triptych

under the provisions of Fulton County.

The natural beauty along the Chattahoochee River, creative and innovative businesses, and emphasis on historic preservation distinguishes Roswell as a very special community. Roswell is a **unique place...a progressive City** with a small-town feel and a strong sense of family and community. Roswell is brimming with many of the amenities found in larger cities yet it has retained its charm and friendly atmosphere.

**Roswell's recreation and parks services are second to none in the State of Georgia. From the hundreds of programs offered to residents to the City's beautiful trail system, no other park system in the state matches Roswell's.** Roswell has over 900 acres of parkland, 10 acres per 1,000 residents. This exceeds the national recommendation of 7 acres per 1,000 residents. Roswell Recreation and Parks Department is nationally accredited. For six consecutive years, the City of **Roswell's Recreation, Parks, Historic & Cultural Affairs Department** has been named as a final-

ist for the National Gold Medal Grand Plaque Award for Excellence in Park and Recreation Management in the Class III category by The American Academy for Park and Recreation Administration, in partnership with the National Recreation and Park Association. It has received the Georgia Recreation and Parks Association Agency of the Year designation for nine years. They have also received the USA Track and Field Georgia Association Green Space Award and **were named "Community Wildlife Habitat" by the National Wildlife Federation in 2013.**

City recreational programs include an exhaustive list of activities such as tennis, gymnastics, disc golf, skateboarding, swimming, soccer, lacrosse, baseball, basketball, and football. Many of these activities are supported by various booster organizations. Several sporting clubs call Roswell home including rowing teams, hiking groups, mountain biking, and road cycling clubs. The city is also one of a few **communities classified as a Georgia's Bicycle Friendly Community**, awarded by the League of Ameri-

can Bicyclists. Bike races, disc golf tournaments, tennis tournaments, and road races are held here each year

Quality of life for a community begins with a feeling of safety in our homes and in our streets. The City of Roswell is one of the safest cities in Georgia. We are one of fewer than 450 municipal law enforcement agencies to have received national accreditation from Commission on Accreditation for Law Enforcement Agencies (CALEA). The Department is also one of fewer than 150 law enforcement agencies that have received state certification from the Georgia Association of Chiefs of Police.

**Roswell's firefighters are on duty 24-hours-a-day, seven days a week to protect the lives of all citizens who live, work, visit or travel through Roswell. Roswell's Fire Department** accomplishes this with a combined part-time and full-time work force and seven stations throughout the community. **Roswell's Fire Department** holds an Insurance Service Office (ISO) rating of Class 2. The ISO rating is a measurement of the effectiveness of fire protection services. Insurance companies base their fire insurance premiums on this rating, generally offering lower rates to communities with better protection.

Roswell continues to be a leader in the metro Atlanta area in managing the current and future growth of our wonderful city. We are fortunate to have leaders who concentrate their policy making into solid guidelines for smart growth and development. The Community Development Department is responsible for carrying out those guidelines. The City has implemented a number of projects that will enhance our community. These projects in-

Roswell preserves its rich past and heritage within a vibrant contemporary culture with a 640-acre Historic District.



City of Roswell's Water Plant

clude receiving a \$2.3 million LCI Grant from the Atlanta Regional Commission to fund the redevelopment of the Roswell Midtown from Norcross Street to Commerce Parkway, completion of the Transportation Master Plan, and the Town Square area Design Charrettes. The Community Development Department also oversees building inspections and code enforcement. **Roswell's enforcement of building codes** with respect to apartments is the model for metro Atlanta.

To assist the City of Roswell with economic development, the City works hand-in-hand with Roswell, Inc. in a public/private partnership. Roswell, Inc. works closely with commercial property owners, business owners and developers to assure that all of our businesses are functioning at their highest and best use, contributing to the **City's tax base and helping us achieve the City's economic development goals** as identified in the Strategic Economic Development Plan (SEDP). In addition, Roswell Inc. works to actively market the City, recruit new businesses, and help existing businesses thrive.

For a community the size of Roswell, there are a significant collection of cultural organizations of which the community can be very proud. The historic downtown includes professional galleries,

theaters, and music venues. The Georgia Ensemble Theatre and **Michael O'Neal Singers** all call Roswell home. Our City recreation programs include arts centers that offer classroom studios, darkrooms, ceramic studios, galleries, and sculpture gardens. The City also offers instruction in performing arts including a variety of dramatics and dance classes.

Roswell preserves its rich past and heritage within a vibrant contemporary culture with a 640-acre Historic District. People are encouraged to get out of their cars to stroll along brick-paved, tree-lined sidewalks. Tourists and day **visitors, drawn to Roswell's many historic homes and sites**, often stay to dine and shop in a num-

ber of popular restaurants, trendy art galleries, shops and offices. **"Alive in Roswell"** entices neighbors and visitors downtown each third Thursday from April through October to shop while they sample refreshments and listen to outdoor music.

Whether you come to Roswell to visit, to live, or to build a business, you will discover a quality of life and strong sense of community that is rare in suburban Georgia. Roswell offers unique opportunities for culture, history, activity, and connection that make it a great place to be.



Bulloch Hall

## City Organization

An election for one-half of the Council occurs every two years. While all six Council Members are elected at large, all must reside within the City of Roswell. The Mayor is elected to a term of four years to serve on a part-time basis. 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.

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.



Gate City Brewery

## Budgetary Controls

The annual budget currently serves as the foundation for the **City of Roswell's financial planning and control**. The objective of these budgetary controls is to ensure compliance with legal

provisions embodied in the annual appropriated budget approved by the Mayor and Council. Annual Budget and Program for Services are legally adopted for the General Fund, Special Revenue

Funds, Debt Service, Permanent and Proprietary Funds. All budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP). Instead, revenues and expenditures for budgetary purposes are recognized on the encumbrance **basis**. **The City's integrated accounting and budget system is equipped to perform encumbrance accounting.**

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

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



Canton Street

## Local Economy



Completed City Walk Development

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.

Roswell continues to be a prosperous municipality. The City of Roswell has earned an "AAA" bond rating, the highest possible rating, consistently each year since 2000.

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. Fully-prepared and beautifully landscaped business parks are located here, providing a range of spaces at competitive leasing rates.

In the past, 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 the cities. Roswell's new and updated UDC, or Unified Development Code, is an invaluable tool in the redevelopment efforts. It allows for mixed-use zoning and simplifies the processes that

have hindered new businesses in the past. The aging shopping centers of the 80's and 90's are being converted into office, retail and even residential spaces that allow residents to live, work and play within a walkable area.

This includes several massive projects that create mixed use, urban style developments in these formerly isolated suburbs. Projects like Alpharetta's Avalon, which is planning on adding additional housing, a hotel/conference center, and 550,000 square feet of new Class A office space and Milton's proposed city center all offer the village style amenities that allow residents to live, work and play within reasonable and even walkable distance.

Another planned mixed use project is Roswell Exchange, which would sit on 18.1 acres in the at the intersection of Alpharetta Hwy and Sun Valley Drive. It will contain restaurants, retail, office space, 300 apartments, and bring approximately 400 new jobs to Roswell.

Furthermore, the Georgia 400 Corridor is attracting major businesses to the area in larger numbers and diversity that ever before, particularly in the IT and medical industries. These corpo-

rations bring thousands of jobs to the area and provide opportunity for the highly skilled, highly educated workforce to thrive. This promotes affluence within the communities and further drives the local economics forward. Given Roswell's access to GA 400 and proximity to Perimeter Center, Buckhead, Midtown and Downtown Atlanta, the City is well situated to capitalize on future expansion and relocation.



City Green Rendering

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

## Financial Planning

Prudent decision-making and good business actions have resulted in the City of Roswell's maintaining customer expectation for government services, sustaining a level of three (3) months of operating expenditures in the general fund, rolling back M&O property tax millage rates in 2005, and maintaining this roll-back through 2017. Communication is the key to success as it has proven with the City's finances. The City uses various methods to monitor the City's finances. The Budget Office focuses on maintaining the financial health and integrity of the City through the development of fiscally prudent budgets, forecasting models, and other planning efforts, along with an effort to promote the best management, planning and financial practices throughout the City's departments. The City government has earned a “AAA” bond rating, the highest possible

rating, consistently each year since 2000 .

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

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, keeping communication forthcoming 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 FY 17 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.

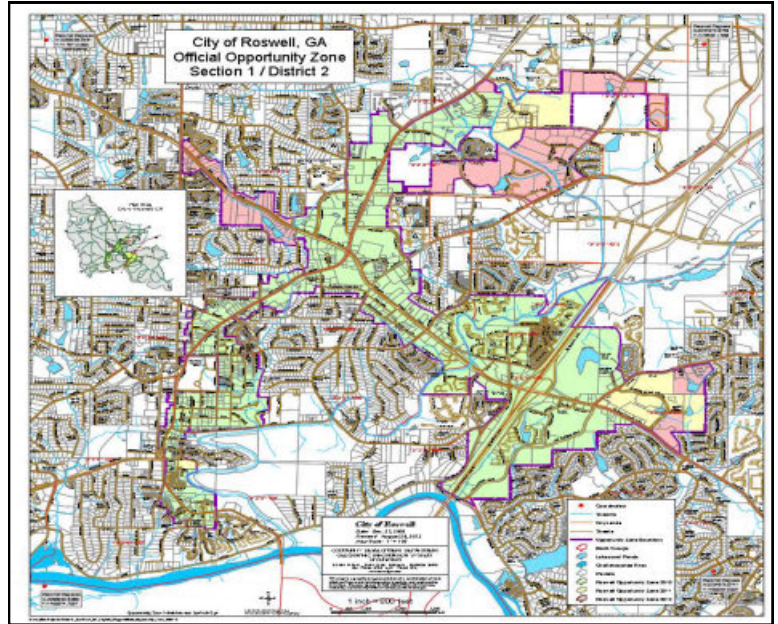
The City's finances are consistently and rigorously reviewed and monitored by the City's Budget Office. This timely evaluation of the finances allow for a quick response in the event that a financial decision must be made.

Planning for the future has always **been a priority for Roswell's** elected officials and staff. The City takes great pride in making sound decisions for the community by exploring opportunities and getting **our citizens' input before developing** and implementing a final plan of action. These planning steps are essential when thinking of our **community's future and establishing** the reward needed to ensure that projects develop to full potential and high-quality services are offered to our residents.

During FY 17, the City of Roswell planned and implemented several major initiatives designed to meet the needs for services, improve the overall quality of life and **adhere to the Mayor and Council's** vision and mission for the City.

Over 100 businesses are taking advantage of an exciting business location incentive available in **Roswell's expanded Opportunity Zone** with new businesses signing up each month. The program offers the highest and most user-friendly job tax credit in the state. Designation carries dramatic tax advantages. First, businesses in the designated area, or zone, are eligible for the maximum state job tax credit of \$3,500 per employee for five years starting the year of the hire. Second, any legal business is eligible; there are no restrictions on the type of jobs created. Third, only two or more jobs need to be created in any one year to be eligible (other programs require ten), and there is no upper limit on eligible jobs. Fourth, and **most significantly, if the company's** state income tax liability is insufficient to absorb all of the credits the balance may be taken by retaining employee withholding taxes that would otherwise be paid to the state. This allows the credit to be **"cashed out" quickly and easily.** The amounts retained by the com-

Over 100 businesses are taking advantage of an exciting business location incentive available in **Roswell's expanded Opportunity Zone**



**Opportunity Zone**

pany from employee withholding are exempt by law from Georgia income tax and may not be subject to federal income tax, so the company gets the full value of the credited dollars. Note that there are flow-through opportunities to pass the credit to partners, shareholders, etc.

The City is implementing its second Strategic Economic Development Plan (SEDP) under a partnership with Roswell Inc., which provides economic development services to the City. The plan includes an economic and demographic profile, competitive assessment, organizational and structural analysis, community input, target cluster analysis, marketing assessment, economic development strategy, workforce development strategy, and implementation plan guidelines. Led by an Executive Committee, Roswell **Inc. used the plan's guidelines to** craft an action plan that is being implemented. The Roswell Downtown Development Authority was

reactivated in January 2012, and is at work activating property for redevelopment. The City also added a business incentive program to its economic development incentive program for larger companies.

The City of Roswell adopted an Urban Redevelopment Plan in 2010 which was amended in 2013. This plan examines an area primarily west of SR 400 which it **describes as "an older suburban retail, office, and light industrial district with an historic downtown."** These areas are noted for having more retail space than demand, leading to vacancy and blight. Residential spaces in this area are typically multifamily and are frequently older, with poor maintenance practices and higher crime rates. The Urban Redevelopment Area includes areas with the highest poverty rates in Fulton County north of the Chattahoochee River. In response to these stated concerns, the plan attempts to provide a way to accomplish the following:



- Incentivize redevelopment in commercial areas,
- Improve workforce housing,
- Redevelop properties to their highest and best economic uses,
- Build upon the existing transportation network...with better connections and multiple modes of transportation.”

The plan proposes ways to do this including rezoning and the establishment of Opportunity Zones in which lower taxes and other incentives could encourage redevelopments and new businesses. It also cites other successful plans including some from the ARC’s Livable Centers Initiative and Roswell’s Midtown redevelopment plan from 2003, which resulted in a streetscape project on Alpharetta Street where redevelopment can now be seen.

Downtown Roswell is a thriving historic center anchored by natural and historic resources. The area centered on Canton Street is home to many local restaurants and boutique retailers in historic buildings. As the downtown has become more active and busy, attention has turned to the area’s alleyways which were used irregularly and haphazardly for parking, vehicular and pedestrian circulation and garbage dumpsters. Businesses increasingly saw these typically unused spaces as useful assets that should be capitalized upon, which motivated the city to create a master plan for these irregular and precious spaces. Based on public and city inputs, the plan created a unique and context-sensitive vision for each of the seven corridors identified. These recommendations included widened sidewalks with space for outdoor dining, branded gateways, infrastructure to support temporary road closures, use of consistent materials and textures, and vari-

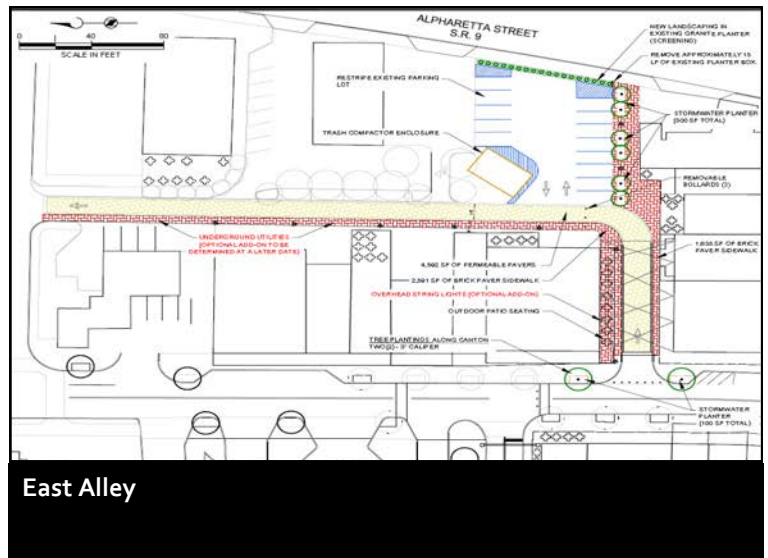
ous parking and circulation modifications all aimed at creating a friendlier, accessible Downtown Roswell. The master plan was adopted by the City in May 2015, along with a first phase implementation plan for improvements to East Alley including permeable pavers for the roadway, brick pavers for expanded sidewalks, removable bollards, tree plantings on Canton Street, and a trash compactor enclosure, among other improvements.

As an adjunct to the UDC, the City embarked on a project to create a set of design guidelines that support the City’s proposed UDC. The focus of the project was to establish design options that allow for innovative approaches to development while maintaining the desired character that is Roswell. The guidelines address development throughout the city, including the historic district. However, they do not address changes to existing single-family homes or neighborhoods in Roswell.

Roswell’s UDC provides the specific design standards that shape development throughout the city, such as permitted land uses and maximum height. The design guidelines build on UDC standards

to address the design quality of new development and changes in the historic district. Considerations include building massing, materials, public amenities, historic rehabilitation and storm water management.

As the downtown has become more active and busy, attention has turned to the area’s alleyways which were used irregularly and haphazardly for parking, vehicular and pedestrian circulation and garbage dumpsters.



## Financial Policies

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

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

13) Accrued Payables; 14) Travel; 15) Prepaids; (16) Fund Equity; and (17) 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 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. The Office of Strategic Planning and Budgeting also review and approve 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. Accordingly, demand deposit bank accounts must be collateralized by a pledge of State of Georgia or United States Treasury or Agency obligations equal in market value to 110% of the uninsured amount of the deposit. All collateral on deposits are to be held by the City, its agent, or a financial institution's trust department in the City's name.

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

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roswell for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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 govern-

ment unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Roswell has received a Certificate of Achievement for the last twenty-eight consecutive years, since June 30, 1989. We believe our current report continues to conform to the Certificate of Achievement program require-

ments, and we are submitting it to the GFOA.

The City of Roswell Department of Finance, Purchasing Division was recognized in 2017 by the National Purchasing Institute and received their 13th Annual Achievement of Excellence in Procurement Award.

In 1995, the National Purchasing Institute established a program designed to recognize the achievement of organizational excellence in public procurement. The award is achieved by those organizations that demonstrate excellence in procurement by obtaining a high score on a rating of standardized

...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.

criteria. The criteria are designed to measure innovation, professionalism, productivity, and leadership attributes of the procurement organization.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Roswell, Georgia for its annual budget for fiscal year 2017. 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 past fourteen fiscal years.

The Recreation department was nationally recognized with the Gold Medal for Excellence in Park and Recreation Management by the American Academy for Park and Recreation Administration.

#### City Recognition

Named a Gold Certified Green

### Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. I want to especially thank the accounting staff for their dedication in preparing the financial records to be reviewed by the auditors. They have my sincere appreciation for the contributions made in the preparation of this report. Without their able assistance, the job would have been much more difficult. Appreciation is also expressed to the Mayor and Council for their cooperation

Community by the Atlanta Regional Commission for leadership in its environmental and sustainability efforts

Named One of the Top Three Cities in the Nation to Raise Your Family: Roswell was listed third in the book, "Best Places to Raise Your Family," released by Frommer's

Roswell is ranked as the 18th Safest City in the United States according to City Crime Rankings

Named the 6th Best Place to Retire in the United States by Black Enterprise Magazine

City of Excellence: Only 50 cities in the state have been honored with the designation by the Georgia Municipal Association

Designated as a Bicycle Friendly Community in 2006 by the League of American Bicyclists

"Money Magazine's" 19th Best Eastern U.S. City to Live: Roswell was ranked 19th for cities with populations under 100,000

"Atlanta Magazine's" Best Place to Live in Metro Atlanta: Roswell was honored twice by "Atlanta Maga-

zine" as the best place to live in the metro area

Internationally Accredited Police Department: Commission on Accreditation of Law Enforcement Agencies (CALEA)

State of Georgia Law Enforcement Certification: Roswell Police Department

Nationally Accredited Recreation and Parks Department: Commission for Accreditation of Park and Recreation Agencies

Preserve America Community Designation: Honored for its efforts in preserving our historic, cultural, and natural heritage

#### Awards

Trendsetter Award 2006: Roswell received the award for the Big Creek Wetlands demonstration project from the Georgia Municipal Association

Create Community Award 2005: The Atlanta Regional Commission's most prestigious award. Roswell was honored for its efforts in environmental sustainability

Georgia Recreation and Parks Agency of the Year: 1974, 1979, 1984, 1988, 1990, 2000, 2004, and 2011 Tree City USA Award: The National Arbor Day Foundation

and all City department heads for their positive attitudes toward budgetary responsibility.

Sincerely,



Ryan Lockett  
Interim 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, 2016**

Executive Director/CEO

# CITY OF ROSWELL, GEORGIA

## PRINCIPAL OFFICIALS

June 30, 2017

---

Michael Fischer

Deputy City Administrator

Alice Wakefield

Community Development Director

Rick Burnette

Fire Chief

James Harner

Human Resources Director

Rusty Grant

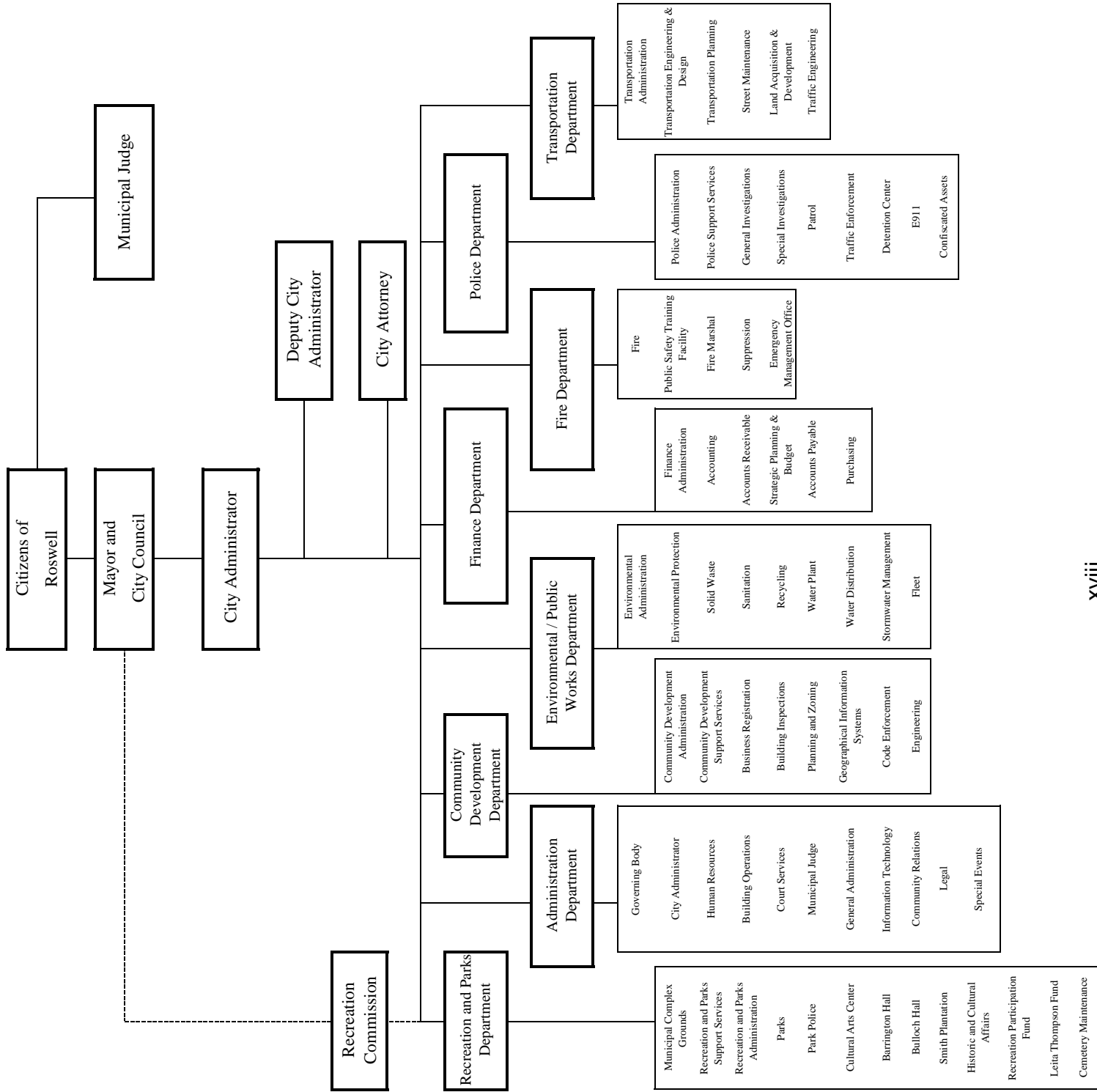
Police Chief

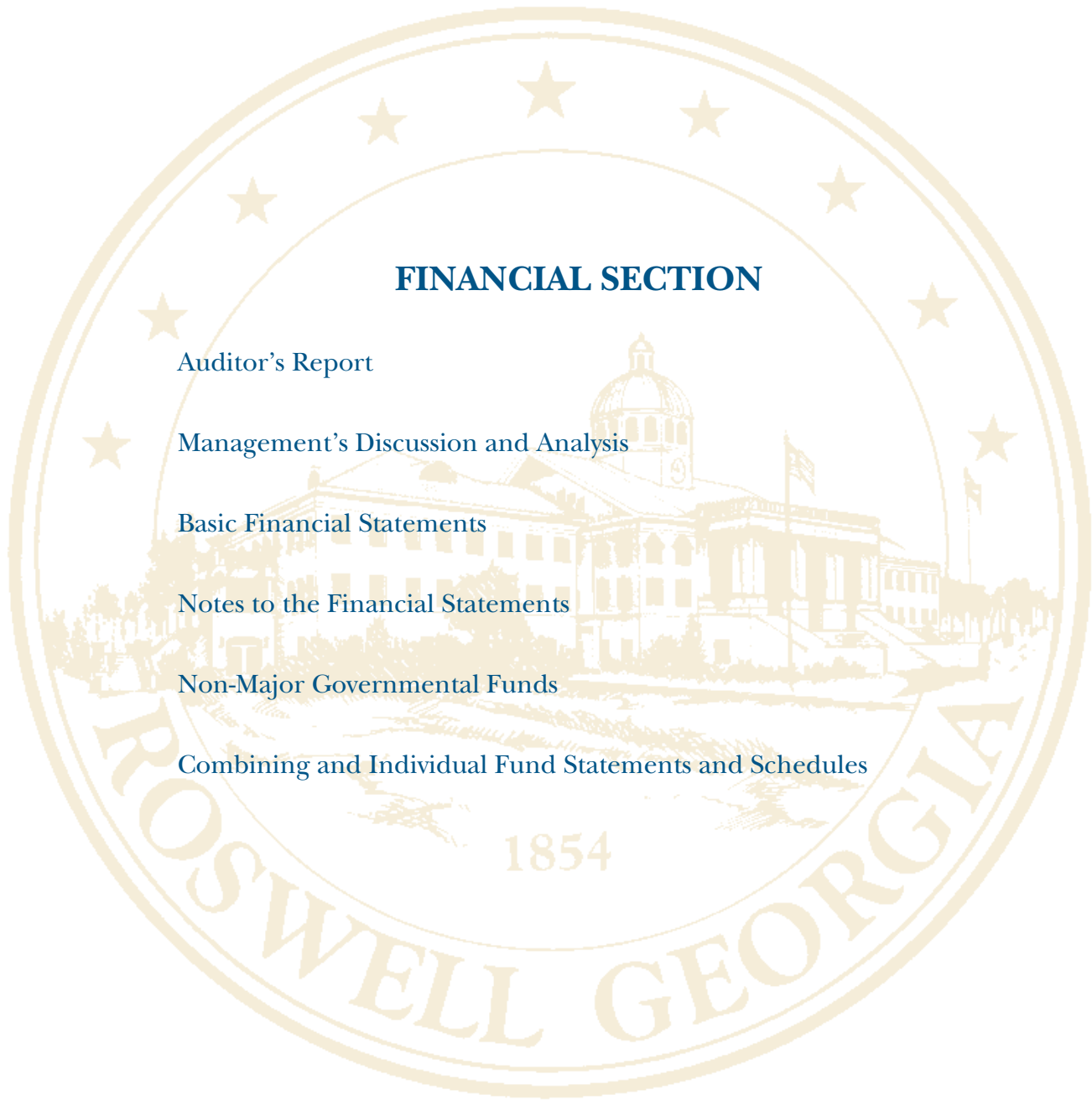
Dan Skalsky

Public Works/Environmental Director

Steve Acenbrak

Transportation Director





## **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, 2017, 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, 2017, 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 on pages 4 through 15, 58, 59, and 60 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, 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 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 8, 2017 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 8, 2017

## Management’s Discussion and Analysis

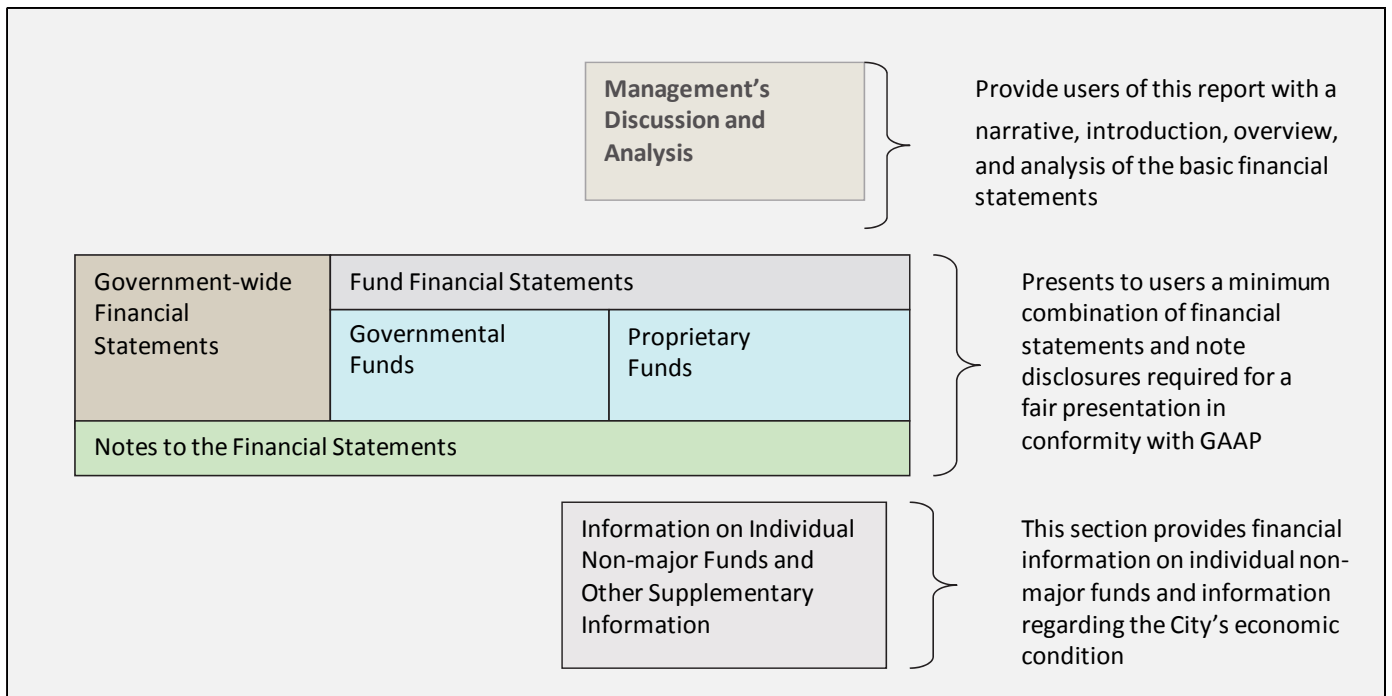
As management of Roswell, Georgia, we offer readers of Roswell’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. This discussion is intended to:

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

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

## Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) and under the guiding principle 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, storm water and participant recreation activities are reported here.
- **Component units** – The City includes four additional separate legal entities in its report – the Historic Roswell Convention & Visitors Bureau, Inc. and the Downtown Development Authority of the City of Roswell, Georgia. Although legally separate, these “component units” are important because the City is financially accountable for 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 two major and 17 non-major governmental funds.

The City's major governmental funds are:

- General
- Capital Projects

The City's non-major governmental funds are:

- Federal Grants
- Confiscated Assets
- Emergency 911 Telephone System
- State Grants
- County and Local Grants
- American Stimulus Recovery Grants
- CDBG Grants
- Soil Erosion
- Hotel/Motel Tax
- Leita Thompson
- Impact Fees
- 2000 Bond
- 2013 Bond
- 2014 Bond
- TSPLOST
- 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 61.

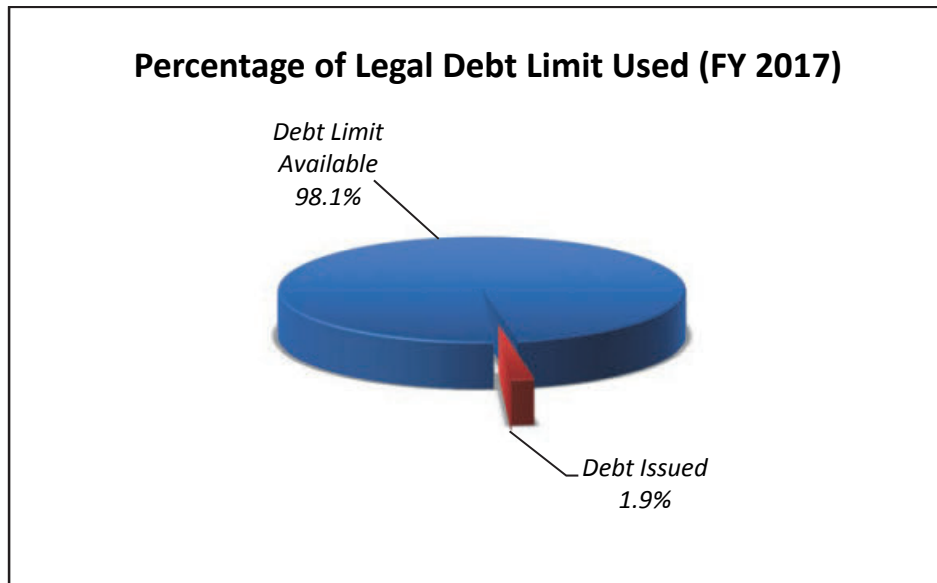
Within this section of the City of Roswell, Georgia's (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. The City's financial performance is discussed and 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, 2017 by \$260,481,274 (net position) for the fiscal year reported. Of this amount, \$41,012,774 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
  - 1) Capital assets, net of related debt, of \$205,070,949 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 \$14,397,551 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - 3) At the end of the current fiscal year, unrestricted net position decreased from \$40,947,486 in fiscal year 2016 to \$41,012,774.

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 \$1,395,000 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 2017.



## Financial Analysis of the City as a Whole

The financial highlights are explained in more detail in the “financial analysis” section of this document. The City’s net position at fiscal year-end 2017 increased 1.87% from \$255,709,911 at June 30, 2016 to \$260,481,274 at June 30, 2017 (See Table 1).

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

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>Assets:</b>								
Current and other assets	\$ 69,714	\$ 75,195	\$ 18,356	\$ 18,372	\$ 88,070	\$ 93,567	27.41%	29.20%
Capital assets	196,071	189,716	37,198	37,203	233,269	226,919	72.59%	70.80%
Total assets	265,785	264,911	55,554	55,575	321,339	320,486	100.00%	100.00%
Deferred outflows of resources	4,207	4,954	740	1,003	4,947	5,957	100.00%	100.00%
<b>Liabilities:</b>								
Current liabilities	7,772	9,639	3,166	4,417	10,938	14,056	16.65%	19.91%
Long-term liabilities	37,077	38,340	17,681	18,204	54,758	56,544	83.35%	80.09%
Total liabilities	44,849	47,979	20,847	22,621	65,696	70,600	100.00%	100.00%
Deferred inflows of resources	92	111	16	22	108	133	100.00%	100.00%
<b>Net position:</b>								
Net Investment in capital assets	181,858	177,409	23,213	22,747	205,071	200,156	78.73%	78.27%
Restricted	14,397	14,605	-	-	14,397	14,605	5.53%	5.71%
Unrestricted	28,795	29,761	12,218	11,187	41,013	40,948	15.75%	16.01%
Total net position	\$ 225,050	\$ 221,775	\$ 35,431	\$ 33,934	\$ 260,481	\$ 255,709	100.00%	100.00%

The largest portion of the City’s net position (78.73%) at June 30, 2017, reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City’s net position (5.53%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$41,012,774 or 15.74%) may be used to meet the government’s ongoing obligations to citizens and creditors.

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

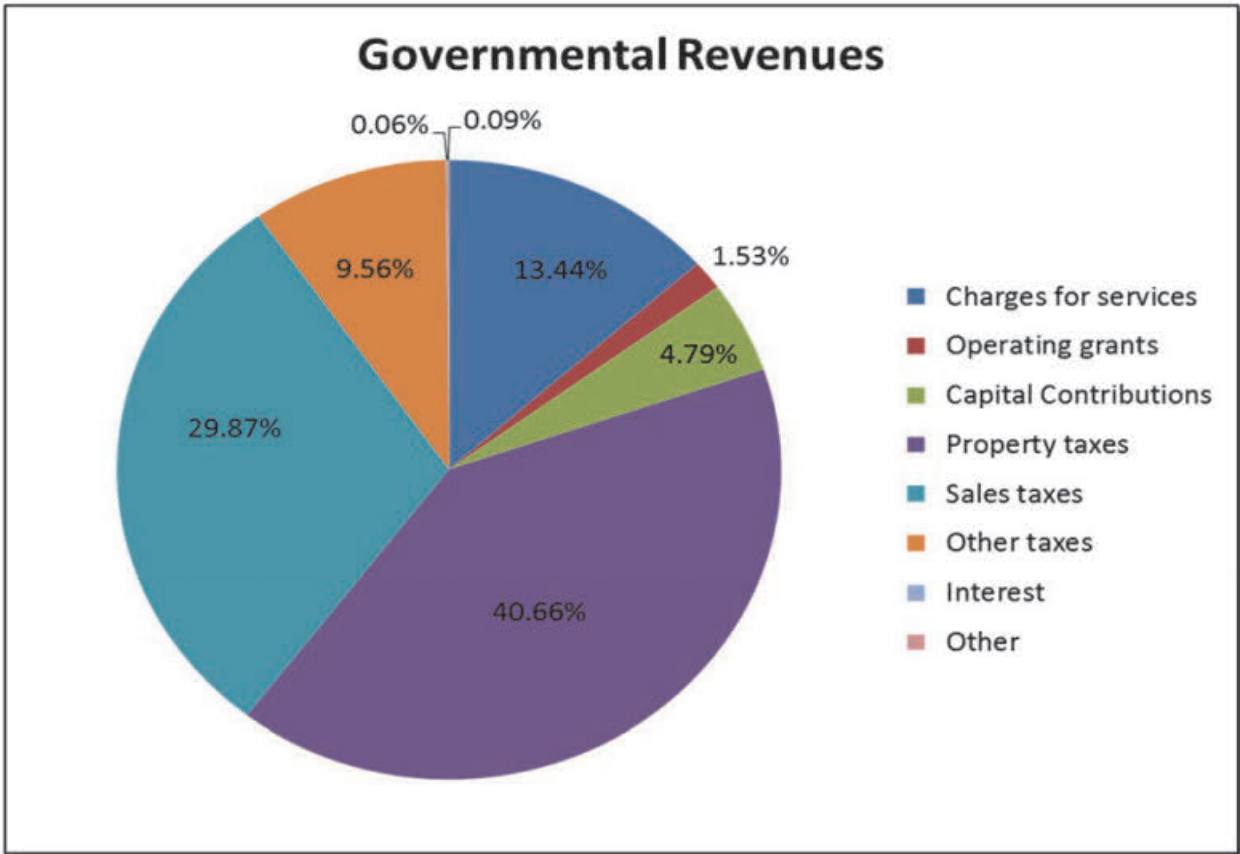
## CITY OF ROSWELL'S CHANGES IN NET POSITION

### Summary of Changes in Net Position (Table 2)

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total	
	2017	2016	2017	2016	2017	2016	2017	2016
<i>Revenues:</i>								
<i>Program:</i>								
Charges for services	\$ 10,962	\$ 10,332	\$ 22,530	\$ 20,154	\$ 33,492	\$ 30,486	32.18%	30.81%
Operating grants	1,246	1,385	-	-	1,246	1,385	1.20%	1.40%
Capital Contributions	3,905	1,340	-	-	3,905	1,340	3.75%	1.35%
<i>General:</i>								
Property taxes	33,165	32,774	-	-	33,165	32,774	31.87%	33.12%
Sales taxes	24,369	24,304	-	-	24,369	24,304	23.42%	24.68%
Other taxes	7,800	7,285	-	-	7,800	7,285	7.50%	6.98%
Interest	50	973	(40)	150	10	1,123	0.01%	1.13%
Other	76	264	-	-	76	264	0.07%	0.15%
<b>Total revenues</b>	<b>81,573</b>	<b>78,657</b>	<b>22,490</b>	<b>20,304</b>	<b>104,063</b>	<b>98,961</b>	<b>100.00%</b>	<b>100.00%</b>
<i>Program Expenses:</i>								
General government	12,568	10,991	-	-	12,568	10,991	12.66%	11.48%
Judicial	1,160	978	-	-	1,160	978	1.17%	1.02%
Financial services	2,822	2,227	-	-	2,822	2,227	2.84%	2.33%
Planning and zoning	3,356	3,467	-	-	3,356	3,467	3.38%	3.62%
Public safety	31,044	27,540	-	-	31,044	27,540	31.27%	28.00%
Public works	12,562	16,307	-	-	12,562	16,307	12.65%	15.76%
Culture and recreation	14,354	13,104	-	-	14,354	13,104	14.46%	13.69%
Interest	238	188	-	-	238	188	0.24%	0.20%
Water and sewer	-	-	3,896	3,705	3,896	3,705	3.92%	3.87%
Solid waste	-	-	9,767	9,838	9,767	9,838	9.84%	10.28%
Stormwater	-	-	2,276	2,050	2,276	2,050	2.29%	1.91%
Participant Recreation	-	-	5,248	5,331	5,248	5,331	5.29%	5.68%
<b>Total expenses</b>	<b>78,104</b>	<b>74,802</b>	<b>21,187</b>	<b>20,924</b>	<b>99,291</b>	<b>95,726</b>	<b>100%</b>	<b>98%</b>
Excess (deficiency)	3,469	3,855	1,303	(620)	4,772	3,235		
Sale of assets	-	2,155	-	89	-	2,244		
Transfers	(194)	(431)	194	431	-	-		
<b>Change in net position</b>	<b>3,275</b>	<b>5,579</b>	<b>1,497</b>	<b>(100)</b>	<b>4,772</b>	<b>5,479</b>		
<b>Beginning net position</b>	<b>221,775</b>	<b>216,196</b>	<b>33,934</b>	<b>34,034</b>	<b>255,709</b>	<b>250,230</b>		
<b>Ending net position</b>	<b>\$ 225,050</b>	<b>\$ 221,775</b>	<b>\$ 35,431</b>	<b>\$ 33,934</b>	<b>\$ 260,481</b>	<b>\$ 255,709</b>		





#### GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 40.66% and sales taxes provided 29.87% of the City's total governmental revenues. Also, note that program revenues cover 19.75% of governmental expenses. This means that the government's taxpayers and the City's other general revenues fund 80.25% 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)**

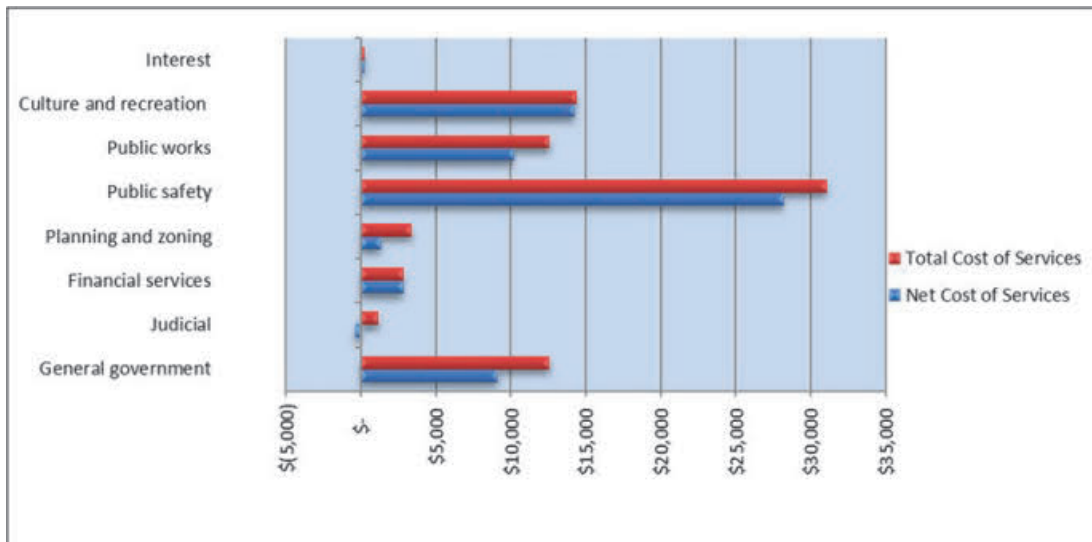
(IN THOUSANDS OF DOLLARS)

	Total Cost of Services		Percentage of Total		Net Cost of Services		Percentage of Total	
	2017	2016	2017	2016	2017	2016	2017	2016
<i>General government</i>	\$ 12,568	\$ 10,991	16.09%	14.69%	\$ 9,094	\$ 7,409	14.67%	12.00%
<i>Judicial</i>	1,160	978	1.49%	1.31%	(386)	(541)	-0.62%	-0.88%
<i>Financial services</i>	2,821	2,227	3.61%	2.99%	2,822	2,227	4.55%	3.61%
<i>Planning and zoning</i>	3,356	3,467	4.30%	4.63%	1,311	708	2.11%	1.15%
<i>Public safety</i>	31,044	27,540	39.75%	36.82%	28,166	25,288	45.44%	40.96%
<i>Public works</i>	12,562	16,307	16.08%	21.80%	6,514	13,494	10.51%	21.85%
<i>Culture and recreation</i>	14,354	13,104	18.38%	17.52%	14,231	12,971	22.96%	21.01%
<i>Interest</i>	238	188	0.30%	0.79%	238	189	0.38%	0.94%
<b>Total</b>	<b>\$ 78,103</b>	<b>\$ 74,802</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 61,990</b>	<b>\$ 61,745</b>	<b>100.00%</b>	<b>100.00%</b>

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 39.75% of the total governmental expenses. Revenues collected from a variety of sources offset public safety expenses, with the largest being fines and forfeitures. The second largest City cost for government is culture and recreation, totaling over \$14,354,124 or 18.38% of governmental expenses.

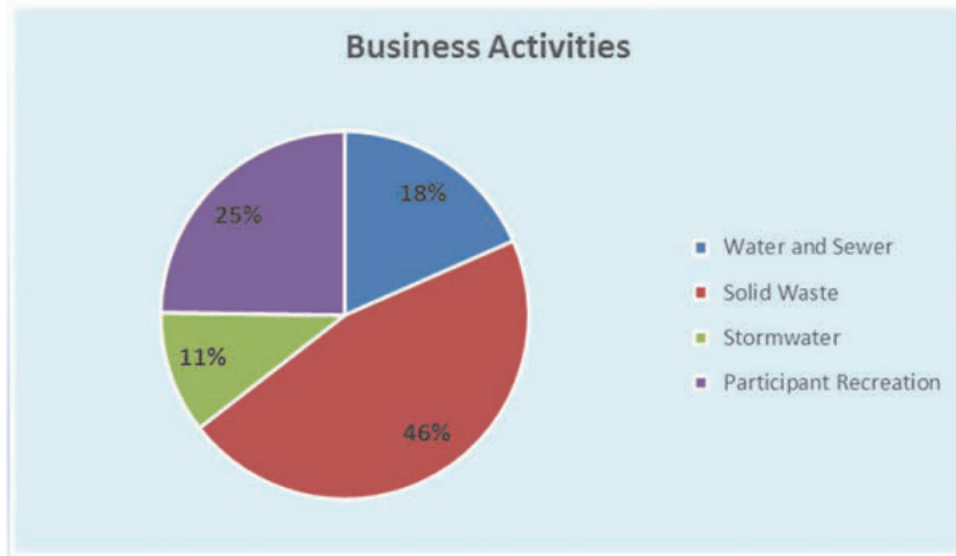
- The cost of all governmental activities this fiscal year was \$78,103,473 compared to \$74,801,870 in fiscal year 2016,
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax and business taxes (\$64,198,430),
- Some of the costs were paid by those who benefited directly from the programs (\$10,962,468) and subsidies from other governments and organizations through grants and/or contributions (\$5,151,352).



## BUSINESS-TYPE ACTIVITIES

### Revenues vs. Costs

The cost of all Proprietary (Business Type) activities this fiscal year was \$21,187,841 as shown in Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$22,530,175. Within the total business-type activities of the City, these activities reported an increase in net position of \$1,496,305.



### 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 \$54,697,141. Of this year-end total, \$3,454,770 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. Therefore, \$16,588,449 is committed in accordance with the fund balance reserve policy.

### 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 \$23,070,266. 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 7% of total general fund expenditures.

Total General Fund revenues were \$69,521,279, or 0.05% lower than fiscal year 2016. Investment earnings decreased by \$421,668. Revenue budget projections did not require significant adjustments during the fiscal year.

The Capital Projects Fund reflects an ending fund balance decrease of \$52,966. The decrease in fund balance is due to project monies that were appropriated, in prior years, for specific projects being spent within the fiscal year.

### **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 11.79% above those in fiscal year 2016.

The Water and Sewer Fund's operating revenues are 27.52% above those in fiscal year 2016 and operating expenses were 0.87% less than prior year.

The Solid Waste Fund's operating revenues are 14.89% more than those in fiscal year 2016 and operating expenses were 1.48% less than the prior year.

The Participant Recreation Fund's operating revenues were 0.44% more when compared to the same time in fiscal year 2016. Operating expenses were 2.13% less than prior year.

The Storm Water Fund's operating revenues were 3.83% higher when compared to the same time in fiscal year 2016. Operating expenses were 18.78% more than prior year. The increase in expenses was related to supplies and maintenance expenses.

### **Budgetary Highlights**

**The General Fund** – The General Fund's final approved revenue budget for FY 2017 was \$69,898,830. The original approved revenue budget was \$69,233,830. The City collected \$377,551 less than the approved revenue budget. The decrease compared to budget projection can be attributed to investment earnings and intergovernmental revenues.

The General Funds' final approved expenditure budget for FY 2017 was \$65,271,163. The original approved expenditure budget was \$62,871,218. The City expended 93.74% of the Amended Budget amount. The General Fund actual expenditures were \$4,089,007 less than budgeted.

### **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, 2017, was \$196,070,574 and \$37,197,290 respectively. The major changes to capital assets for FY17 were:

- Completed construction in progress in the governmental activities accounted for an increase of \$6.9 million in land improvements associated with development of Riverwalk, completion of therapeutic pool, and various road/sidewalk improvements.
- Completed construction in progress for business-type activities added \$17,715,218 in additions. Some of the major projects were: completion of the new water plant and the adult recreation center improvements.
- Machinery & Equipment added \$783,250 and Infrastructure added \$746,793 in assets.

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 (Table4)**  
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Non-depreciable assets:</b>						
Land	\$ 46,543	\$ 45,479	\$ -	\$ -	\$ 46,543	\$ 45,479
Construction in Progress	24,612	22,391	340	17,771	24,952	40,162
Total non-depreciable assets	71,155	67,870	340	17,771	71,495	85,641
<b>Depreciable assets:</b>						
Land improvements	36,763	29,441	-	-	36,763	29,441
Buildings and plant	75,313	74,804	20,319	2,955	95,632	77,759
Machinery and equipment	22,398	21,410	2,305	2,290	24,703	23,700
Vehicles	22,350	21,519	5,342	4,727	27,692	26,246
Infrastructure	132,525	131,431	19,977	18,879	152,502	150,310
Total depreciable assets	289,349	278,605	47,943	28,851	337,292	307,456
Less accumulated depreciation:	164,433	156,759	11,086	9,418	175,519	166,177
<b>Net book value-depreciated assets</b>	124,916	121,846	36,857	19,433	161,773	141,279
Percentage depreciated	56.83%	56.27%	23.12%	32.64%	52.04%	54.05%
<b>Total Capital Assets</b>	\$ 196,071	\$ 189,716	\$ 37,197	\$ 37,204	\$ 233,268	\$ 226,920

At June 30, 2017, the depreciable capital assets for governmental activities were 56.83% depreciated. Note that the business-type activities are 23.12% depreciated.

### Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$9,932,407, 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, 2017 and 2016 (in thousands of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Bonds	\$ 9,625	\$ 11,020	\$ -	\$ -	\$ 9,625	\$ 11,020
Plus: Premium	307	389	-	-	307	389
Claims payable	713	818	-	-	713	818
Compensated absences	2,513	2,552	408	401	2,921	2,953
Net pension liability	18,691	18,507	3,290	3,747	21,981	22,254
Notes payable	-	-	13,984	14,456	13,984	14,456
Capital lease payable	2,096	1,604	-	-	2,096	1,604
Installment sales agreement	3,132	3,449	-	-	3,132	3,449
<b>Total</b>	<b>\$ 37,077</b>	<b>\$ 38,339</b>	<b>\$ 17,682</b>	<b>\$ 18,604</b>	<b>\$ 54,759</b>	<b>\$ 56,943</b>

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

### Economic Conditions Affecting the City

Economic measures for both the City and the metropolitan area demonstrate a consistent trend of economic growth and prosperity. Unemployment for the City continues to decline and is among the lowest in the region. Real estate market prices continue on an upward trend with the median home price at \$297,000. The median income for the City is \$82,150 and growth in personal income for the metropolitan area has exceeded five percent in each of the last two years.

A stable real estate market as well as above average levels of affluence help to provide a steady revenue base to support City services. The strength of the City's revenue stream is challenged by the fact that sales tax revenues are sensitive to the overall condition of the economy. Additionally, residential property digest values lag behind market prices meaning that property tax revenues have not kept pace with the improving real estate market.

### 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](http://www.roswellgov.com).

THIS PAGE INTENTIONALLY LEFT BLANK.





**BASIC FINANCIAL STATEMENTS**



**CITY OF ROSWELL, GEORGIA**

**STATEMENT OF NET POSITION  
JUNE 30, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Historic Roswell Convention & Visitors Bureau, Inc.	Downtown Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,086,743	\$ 3,580,063	\$ 25,666,806	\$ 564,916	\$ 268,688
Investments	40,216,756	7,422,284	47,639,040	-	-
Receivables (net of allowance for uncollectibles)	2,728,787	2,251,869	4,980,656	1,693	-
Taxes receivable	2,465,494	-	2,465,494	-	-
Intergovernmental receivables	589,078	-	589,078	-	-
Internal balances	(181,490)	181,490	-	-	-
Inventories	132,337	-	132,337	-	-
Prepaid items	542,570	18,922	561,492	-	-
Notes receivable	1,134,519	-	1,134,519	-	-
Real estate held for resale	-	4,902,198	4,902,198	-	-
Capital assets, nondepreciable	71,154,724	339,699	71,494,423	-	-
Capital assets, depreciable, net of accumulated depreciation	124,915,850	36,857,591	161,773,441	12,590	-
<b>Total assets</b>	<b>265,785,368</b>	<b>55,554,116</b>	<b>321,339,484</b>	<b>579,199</b>	<b>268,688</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	4,206,624	740,395	4,947,019	-	-
<b>Total deferred outflows of resources</b>	<b>4,206,624</b>	<b>740,395</b>	<b>4,947,019</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable	3,636,285	1,210,903	4,847,188	27,486	-
Accrued liabilities	3,976,026	343,338	4,319,364	8,796	-
Retainage payable	151,424	-	151,424	-	-
Customer deposits payable	-	992,593	992,593	-	-
Unearned revenue	8,773	618,959	627,732	-	-
Noncurrent liabilities due within one year					
Compensated absences payable	1,868,266	301,107	2,169,373	-	-
Capital leases	282,882	-	282,882	-	-
Installment sales agreement payable	323,090	-	323,090	-	-
Note payable	-	637,465	637,465	-	-
Claims payable	150,000	-	150,000	-	-
Bonds payable	1,425,000	-	1,425,000	-	-
Noncurrent liabilities due in more than one year					
Compensated absences payable	644,509	106,832	751,341	-	-
Capital leases	1,812,805	-	1,812,805	-	-
Installment sales agreement payable	2,808,869	-	2,808,869	-	-
Note payable	-	13,346,545	13,346,545	-	-
Claims payable	563,296	-	563,296	-	-
Bonds payable	8,507,407	-	8,507,407	-	-
Net pension liability	18,690,555	3,289,668	21,980,223	-	-
<b>Total liabilities</b>	<b>44,849,187</b>	<b>20,847,410</b>	<b>65,696,597</b>	<b>36,282</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	92,373	16,259	108,632	-	-
<b>Total deferred inflows of resources</b>	<b>92,373</b>	<b>16,259</b>	<b>108,632</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	181,857,669	23,213,280	205,070,949	12,590	-
Restricted for:					
Debt service	3,020,670	-	3,020,670	-	-
Environmental	38,604	-	38,604	-	-
Culture and recreation	991,747	-	991,747	530,327	-
Transportation	5,289,994	-	5,289,994	-	-
Public safety	3,858,094	-	3,858,094	-	-
Capital projects	1,162,598	-	1,162,598	-	-
Cemetery maintenance	556	-	556	-	-
Scholarship - nonexpendable	25,000	-	25,000	-	-
Scholarship - expendable	10,288	-	10,288	-	-
Unrestricted	28,795,212	12,217,562	41,012,774	-	268,688
<b>Total net position</b>	<b>\$ 225,050,432</b>	<b>\$ 35,430,842</b>	<b>\$ 260,481,274</b>	<b>\$ 542,917</b>	<b>\$ 268,688</b>

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

**CITY OF ROSWELL, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 12,568,016	\$ 3,457,674	\$ 16,046	\$ -
Judicial	1,159,694	1,545,313	-	-
Financial services	2,821,543	-	-	-
Public safety	31,043,668	2,762,365	105,186	10,450
Public works	12,562,379	1,355,509	817,643	3,875,366
Planning and zoning	3,356,178	1,757,030	272,205	15,617
Culture and recreation	14,354,124	84,577	34,839	4,000
Interest on long-term debt	237,871	-	-	-
Total governmental activities	<u>78,103,473</u>	<u>10,962,468</u>	<u>1,245,919</u>	<u>3,905,433</u>
Business-type activities:				
Water and sewer	3,895,873	4,740,204	-	-
Solid waste	9,767,641	9,362,653	-	-
Participant recreation	5,247,798	5,253,557	-	-
Stormwater	2,276,529	3,173,761	-	-
Total business-type activities	<u>21,187,841</u>	<u>22,530,175</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 99,291,314</u>	<u>\$ 33,492,643</u>	<u>\$ 1,245,919</u>	<u>\$ 3,905,433</u>
<b>Component units:</b>				
Historic Roswell Convention & Visitors Bureau	\$ 1,375,722	\$ 232,257	\$ 1,152,730	\$ -
Downtown Development Authority	130,034	-	226,598	-
Total component units	<u>\$ 1,505,756</u>	<u>\$ 232,257</u>	<u>\$ 1,379,328</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales and use taxes				
Hotel/motel taxes				
Business taxes				
Unrestricted investment earnings (loss)				
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.

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Historic Roswell Convention &amp; Visitors Bureau, Inc.</b>	<b>Downtown Development Authority</b>
\$ (9,094,296)	\$ -	\$ (9,094,296)	\$ -	\$ -
385,619	-	385,619	-	-
(2,821,543)	-	(2,821,543)	-	-
(28,165,667)	-	(28,165,667)	-	-
(6,513,861)	-	(6,513,861)	-	-
(1,311,326)	-	(1,311,326)	-	-
(14,230,708)	-	(14,230,708)	-	-
(237,871)	-	(237,871)	-	-
<u>(61,989,653)</u>	<u>-</u>	<u>(61,989,653)</u>	<u>-</u>	<u>-</u>
-	844,331	844,331	-	-
-	(404,988)	(404,988)	-	-
-	5,759	5,759	-	-
-	897,232	897,232	-	-
-	1,342,334	1,342,334	-	-
<u>(61,989,653)</u>	<u>1,342,334</u>	<u>(60,647,319)</u>	<u>-</u>	<u>-</u>
-	-	-	9,265	-
-	-	-	-	96,564
-	-	-	<u>9,265</u>	<u>96,564</u>
33,164,530	-	33,164,530	-	-
24,367,896	-	24,367,896	-	-
1,134,007	-	1,134,007	-	-
6,666,004	-	6,666,004	-	-
50,050	(39,679)	10,371	25	26
75,874	-	75,874	-	-
(193,650)	193,650	-	-	-
<u>65,264,711</u>	<u>153,971</u>	<u>65,418,682</u>	<u>25</u>	<u>26</u>
3,275,058	1,496,305	4,771,363	9,290	96,590
221,775,374	33,934,537	255,709,911	533,627	172,098
<u>\$ 225,050,432</u>	<u>\$ 35,430,842</u>	<u>\$ 260,481,274</u>	<u>\$ 542,917</u>	<u>\$ 268,688</u>

**CITY OF ROSWELL, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

ASSETS	Capital			Nonmajor	Total
	General	Projects	Governmental	Funds	
Cash and cash equivalents	\$ 5,461,664	\$ 3,950,783	\$ 9,069,694	\$	\$ 18,482,141
Investments	17,722,836	13,542,531	5,290,463		36,555,830
Receivables (net of allowance for uncollectibles)	1,028,754	77,654	1,559,784		2,666,192
Taxes receivable (net)	2,312,799	-	152,695		2,465,494
Intergovernmental receivables	-	-	589,078		589,078
Due from other funds	2,160,671	548,107	27		2,708,805
Inventories	132,337	-	-		132,337
Prepaid items	240,460	-	15,845		256,305
<b>Total assets</b>	<b>\$ 29,059,521</b>	<b>\$ 18,119,075</b>	<b>\$ 16,677,586</b>	<b>\$</b>	<b>\$ 63,856,182</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,686,834	\$ 664,616	\$ 956,220	\$	\$ 3,307,670
Accrued liabilities	2,236,251	920	48,530		2,285,701
Unearned revenue	-	-	8,773		8,773
Retainage payable	-	58,163	93,261		151,424
Due to other funds	597,316	-	757,443		1,354,759
Advances from other funds	881,650	-	-		881,650
<b>Total liabilities</b>	<b>5,402,051</b>	<b>723,699</b>	<b>1,864,227</b>		<b>7,989,977</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - taxes	340,731	-	42,776		383,507
Unavailable revenue - other	246,473	-	-		246,473
Unavailable revenue - intergovernmental	-	-	539,084		539,084
<b>Total deferred inflows of resources</b>	<b>587,204</b>	<b>-</b>	<b>581,860</b>		<b>1,169,064</b>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
Prepays	240,460	-	15,845		256,305
Inventories	132,337	-	-		132,337
Permanent fund corpus	-	-	25,000		25,000
Restricted:					
Public safety	-	-	3,858,094		3,858,094
Culture and recreation	-	-	991,747		991,747
Environmental	-	-	38,604		38,604
Transportation	-	-	5,289,994		5,289,994
Cemetery maintenance	556	-	-		556
Debt service	-	-	2,977,894		2,977,894
Capital projects	-	-	1,162,598		1,162,598
Scholarship	-	-	10,288		10,288
Committed:					
Culture and recreation	611,063	-	202,126		813,189
Environmental	-	-	180,364		180,364
Stabilization	16,588,449	-	-		16,588,449
Assigned:					
Capital projects	-	17,395,376	-		17,395,376
FY 2018 expenditures	445,000	-	-		445,000
General government	436,694	-	-		436,694
Judicial	38,050	-	-		38,050
Planning and zoning	9,535	-	-		9,535
Public safety	378,852	-	-		378,852
Public works	84,305	-	-		84,305
Culture and recreation	129,140	-	-		129,140
Unassigned	3,975,825	-	(521,055)		3,454,770
<b>Total fund balances</b>	<b>23,070,266</b>	<b>17,395,376</b>	<b>14,231,499</b>		<b>54,697,141</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 29,059,521</b>	<b>\$ 18,119,075</b>	<b>\$ 16,677,586</b>		

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.	195,829,543
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.	4,873,250
Notes receivable is not an available resource and, therefore, is not reported in the funds.	1,177,536
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.	1,169,064
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(18,440,009)
The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.	(14,256,093)

Net position of governmental activities

\$ 225,050,432

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, 2017**

	General	Capital Projects	Nonmajor Governmental Funds	Total
<b>Revenues:</b>				
Taxes	\$ 62,274,690	\$ -	\$ 3,044,388	\$ 65,319,078
Licenses and permits	2,483,757	-	-	2,483,757
Intergovernmental	128,617	817,643	5,034,687	5,980,947
Fines and forfeitures	1,545,313	-	706,189	2,251,502
Charges for services	2,794,029	-	2,031,305	4,825,334
Impact fees	-	-	1,388,287	1,388,287
Investment earnings (loss)	78,692	(43,015)	18,752	54,429
Contributions	24,826	8,000	-	32,826
Miscellaneous	191,355	-	84,577	275,932
Total revenues	<u>69,521,279</u>	<u>782,628</u>	<u>12,308,185</u>	<u>82,612,092</u>
<b>Expenditures:</b>				
Current:				
General government	10,005,762	506,489	1,441	10,513,692
Judicial	1,122,639	-	-	1,122,639
Financial services	2,543,305	-	-	2,543,305
Public safety	24,887,566	595,373	2,360,313	27,843,252
Public works	7,642,823	733,550	59,517	8,435,890
Planning and zoning	3,025,150	-	169,090	3,194,240
Culture and recreation	10,549,920	20,000	1,227,407	11,797,327
Capital outlay	-	11,290,286	6,243,051	17,533,337
Debt service:				
Principal	293,854	317,236	1,395,000	2,006,090
Interest and fiscal charges	34,561	60,468	231,595	326,624
Total expenditures	<u>60,105,580</u>	<u>13,523,402</u>	<u>11,687,414</u>	<u>85,316,396</u>
Excess (deficiency) of revenues over expenditures	9,415,699	(12,740,774)	620,771	(2,704,304)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	218,996	-	4,495	223,491
Issuance of long-term debt	784,875	-	-	784,875
Transfers in	54,202	12,687,808	191,625	12,933,635
Transfers out	(13,064,352)	-	(232,933)	(13,297,285)
Total other financing sources (uses)	<u>(12,006,279)</u>	<u>12,687,808</u>	<u>(36,813)</u>	<u>644,716</u>
Net change in fund balances	(2,590,580)	(52,966)	583,958	(2,059,588)
<b>Fund balances, beginning of year</b>	<u>25,660,846</u>	<u>17,448,342</u>	<u>13,647,541</u>	<u>56,756,729</u>
<b>Fund balances, end of year</b>	<u>\$ 23,070,266</u>	<u>\$ 17,395,376</u>	<u>\$ 14,231,499</u>	<u>\$ 54,697,141</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, 2017

---

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

Net change in fund balances - total governmental funds	\$ (2,059,588)
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.	6,592,088
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(478,588)
The payments received on notes receivable provide current financial resources to governmental funds, but have no effect on net position.	(119,860)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(836,562)
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.	1,221,215
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.	(666,682)
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>(376,965)</u>
Change in net position - governmental activities	<u>\$ 3,275,058</u>

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

THIS PAGE INTENTIONALLY LEFT BLANK.



# CITY OF ROSWELL, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2017

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
<b>ASSETS</b>				
Current assets:				
Cash	\$ 383,665	\$ 948,245	\$ 1,815,187	\$ 432,966
Investments	2,495,716	1,961,434	1,473,106	1,492,028
Receivables (net of allowance for uncollectibles)	632,802	1,325,694	672	292,701
Due from other funds	49,209	-	-	-
Prepaid items	12,375	230	5,467	850
Real estate held for resale	-	4,902,198	-	-
Total current assets	<u>3,573,767</u>	<u>9,137,801</u>	<u>3,294,432</u>	<u>2,218,545</u>
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	-	2,214	15,527	321,958
Capital assets, being depreciated	35,394,064	5,899,061	1,474,746	5,175,839
Less accumulated depreciation	(7,574,100)	(2,607,261)	(379,391)	(525,367)
Advances to other funds	-	881,650	-	-
Total noncurrent assets	<u>27,819,964</u>	<u>4,175,664</u>	<u>1,110,882</u>	<u>4,972,430</u>
Total assets	<u>31,393,731</u>	<u>13,313,465</u>	<u>4,405,314</u>	<u>7,190,975</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	107,273	382,479	140,150	110,493
Total deferred outflows of resources	<u>107,273</u>	<u>382,479</u>	<u>140,150</u>	<u>110,493</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	450,058	495,892	191,239	73,714
Accrued expenses	55,079	87,903	169,854	30,502
Customer deposits payable	214,630	708,363	69,600	-
Due to other funds	27	45,927	474,571	-
Unearned revenue	-	-	593,959	25,000
Notes payable, current	637,465	-	-	-
Compensated absences, current	63,030	125,196	63,208	49,673
Total current liabilities	<u>1,420,289</u>	<u>1,463,281</u>	<u>1,562,431</u>	<u>178,889</u>
Long-term liabilities:				
Compensated absences	20,488	46,951	25,145	14,248
Notes payable, long term	13,346,545	-	-	-
Net pension liability	476,627	1,699,401	622,705	490,935
Total long-term liabilities	<u>13,843,660</u>	<u>1,746,352</u>	<u>647,850</u>	<u>505,183</u>
Total liabilities	<u>15,263,949</u>	<u>3,209,633</u>	<u>2,210,281</u>	<u>684,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	2,356	8,399	3,078	2,426
Total deferred inflows of resources	<u>2,356</u>	<u>8,399</u>	<u>3,078</u>	<u>2,426</u>
<b>NET POSITION</b>				
Net investment in capital assets	13,835,954	3,294,014	1,110,882	4,972,430
Unrestricted	2,398,745	7,183,898	1,221,223	1,642,540
Total net position	<u>\$ 16,234,699</u>	<u>\$ 10,477,912</u>	<u>\$ 2,332,105</u>	<u>\$ 6,614,970</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>
\$ 3,580,063	\$ 3,604,602
7,422,284	3,660,926
2,251,869	19,578
49,209	-
18,922	286,265
4,902,198	-
<u>18,224,545</u>	<u>7,571,371</u>
339,699	-
47,943,710	253,717
(11,086,119)	(12,686)
881,650	-
<u>38,078,940</u>	<u>241,031</u>
<u>56,303,485</u>	<u>7,812,402</u>
740,395	92,410
<u>740,395</u>	<u>92,410</u>
1,210,903	328,615
343,338	1,580,909
992,593	-
520,525	882,730
618,959	-
637,465	-
301,107	40,573
<u>4,624,890</u>	<u>2,832,827</u>
106,832	14,958
13,346,545	-
3,289,668	410,592
<u>16,743,045</u>	<u>425,550</u>
<u>21,367,935</u>	<u>3,258,377</u>
16,259	2,029
<u>16,259</u>	<u>2,029</u>
23,213,280	241,031
12,446,406	4,403,375
35,659,686	<u>\$ 4,644,406</u>
(228,844)	
<u>\$ 35,430,842</u>	

**CITY OF ROSWELL, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
<b>OPERATING REVENUES</b>				
Charges for services				
Water sales	\$ 3,749,342	\$ -	\$ -	\$ -
Sewer sales	372,054	-	-	-
Sanitation sales	-	9,334,879	-	-
Stormwater sales	-	-	-	3,173,761
Other fees	472,946	27,704	5,253,557	-
Other operating income	145,862	70	-	-
Total operating revenues	<u>4,740,204</u>	<u>9,362,653</u>	<u>5,253,557</u>	<u>3,173,761</u>
<b>OPERATING EXPENSES</b>				
Personnel services and benefits	1,224,715	3,663,631	3,014,058	1,059,527
Purchased contract services	94,560	3,970,941	1,070,969	-
Supplies and maintenance	1,028,958	1,655,089	1,058,328	1,014,475
Utilities	163,541	8,613	-	-
Claims paid	-	-	-	-
Depreciation	1,168,169	395,231	78,900	193,304
Total operating expenses	<u>3,679,943</u>	<u>9,693,505</u>	<u>5,222,255</u>	<u>2,267,306</u>
Operating income (loss)	1,060,261	(330,852)	31,302	906,455
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (loss)	(17,731)	(12,321)	(6,336)	(3,291)
Interest expense	(196,493)	-	-	-
Total nonoperating revenues (expenses)	<u>(214,224)</u>	<u>(12,321)</u>	<u>(6,336)</u>	<u>(3,291)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	846,037	(343,173)	24,966	903,164
Transfers in	-	12,398	321,391	-
Transfers out	-	-	-	(140,139)
Total transfers	<u>-</u>	<u>12,398</u>	<u>321,391</u>	<u>(140,139)</u>
Change in net position	846,037	(330,775)	346,357	763,025
<b>NET POSITION, beginning of year</b>	<u>15,388,662</u>	<u>10,808,687</u>	<u>1,985,748</u>	<u>5,851,945</u>
<b>NET POSITION, end of year</b>	<u>\$ 16,234,699</u>	<u>\$ 10,477,912</u>	<u>\$ 2,332,105</u>	<u>\$ 6,614,970</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>
\$ 3,749,342	\$ -
372,054	-
9,334,879	-
3,173,761	-
5,754,207	10,193,071
145,932	1,320,761
<u>22,530,175</u>	<u>11,513,832</u>
8,961,931	2,997,729
5,136,470	-
4,756,850	-
172,154	-
-	9,123,744
1,835,604	12,686
<u>20,863,009</u>	<u>12,134,159</u>
1,667,166	(620,327)
(39,679)	(54,977)
<u>(196,493)</u>	<u>-</u>
<u>(236,172)</u>	<u>(54,977)</u>
1,430,994	(675,304)
333,789	170,000
<u>(140,139)</u>	<u>-</u>
<u>193,650</u>	<u>170,000</u>
1,624,644	(505,304)
	<u>5,149,710</u>
	<u>\$ 4,644,406</u>
(128,339)	
<u>\$ 1,496,305</u>	

**CITY OF ROSWELL, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

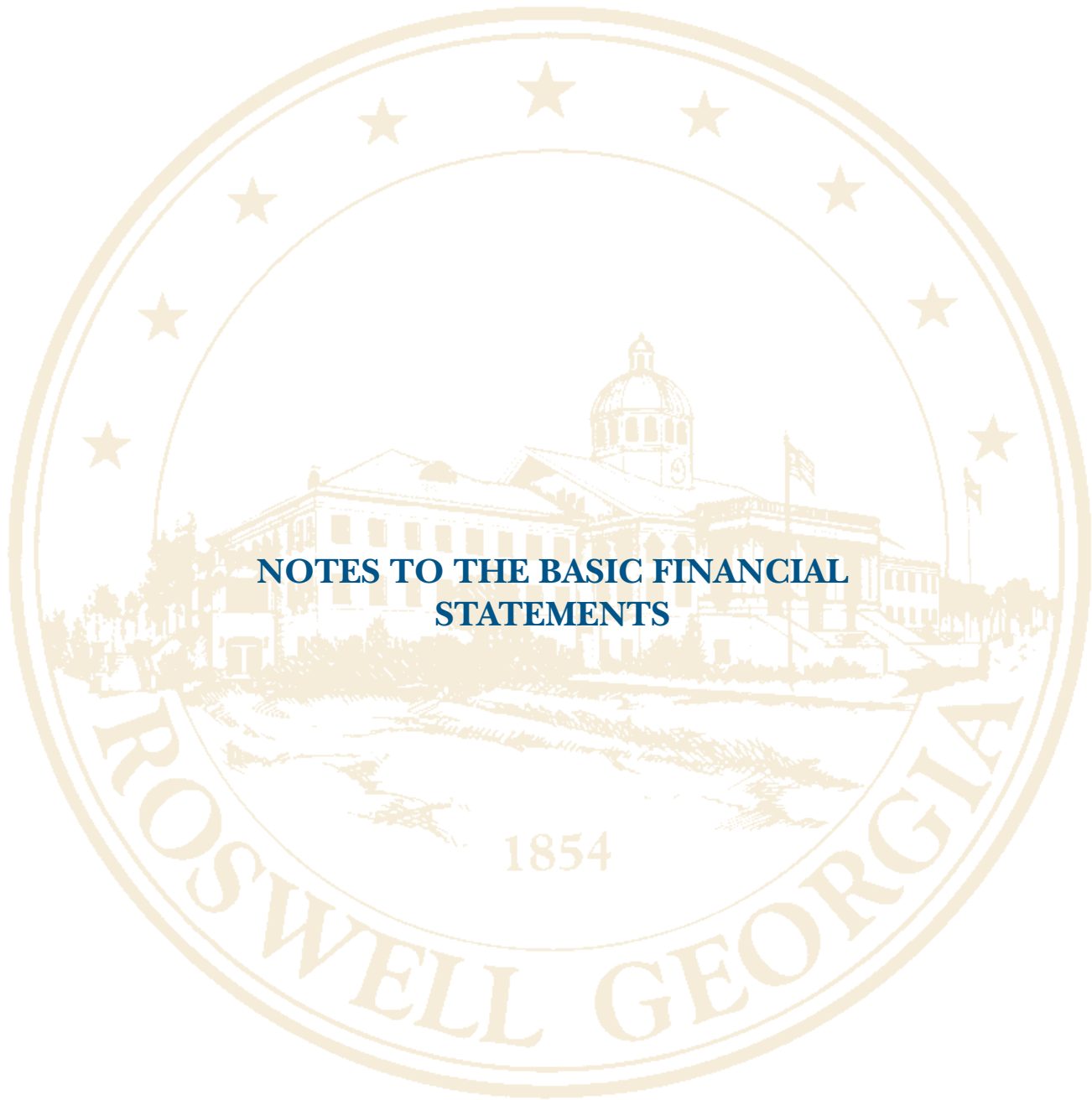
	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 5,959,830	\$ 8,975,044	\$ 5,313,547	\$ 3,092,261
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	(2,173,313)	(6,422,567)	(2,080,524)	(1,016,277)
Payments to employees	(1,343,691)	(3,480,939)	(3,300,457)	(1,007,572)
Net cash provided by (used in) operating activities	<u>2,442,826</u>	<u>(928,462)</u>	<u>(67,434)</u>	<u>1,068,412</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(2,520,753)	(1,998,697)	(1,501,619)	(1,002,018)
Proceeds from sale of investments	249,875	4,000,000	-	-
Interest received	1,896	33,092	21,505	10,940
Net cash provided by (used in) investing activities	<u>(2,268,982)</u>	<u>2,034,395</u>	<u>(1,480,114)</u>	<u>(991,078)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(16,109)	(311,983)	(15,528)	(1,485,401)
Principal payments on note payable	(472,580)	-	-	-
Interest and fiscal charges paid	(195,124)	-	-	-
Net cash used in capital and related financing activities	<u>(683,813)</u>	<u>(311,983)</u>	<u>(15,528)</u>	<u>(1,485,401)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	12,398	321,391	-
Transfers out	-	-	-	(140,139)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>12,398</u>	<u>321,391</u>	<u>(140,139)</u>
Increase (decrease) in cash	(509,969)	806,348	(1,241,685)	(1,548,206)
<b>Cash:</b>				
Beginning of year	893,634	141,897	3,056,872	1,981,172
End of year	<u>\$ 383,665</u>	<u>\$ 948,245</u>	<u>\$ 1,815,187</u>	<u>\$ 432,966</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 1,060,261	\$ (330,852)	\$ 31,302	\$ 906,455
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,168,169	395,231	78,900	193,304
(Increase) decrease in accounts receivable	1,268,835	(387,609)	2,343	(81,500)
Increase in due from other funds	(49,209)	(807,665)	-	-
(Increase) decrease in prepaid expenses	(7,572)	90	11,061	(294)
Decrease in pension related deferred outflows of resources	77,520	40,297	129,506	15,362
Decrease in accounts payable	(869,474)	(16,521)	(26,536)	(1,508)
Increase (decrease) in accrued expenses	5,376	18,901	(7,176)	5,958
Increase (decrease) in customer deposits payable	(9,208)	(9,755)	15,450	-
Increase in unearned revenue	-	-	42,197	-
Increase in due to other funds	-	45,927	64,248	-
Decrease in pension related deferred inflows of resources	(1,811)	(1,135)	(3,003)	(412)
Increase (decrease) in compensated absences	13,583	4,456	(21,167)	10,227
Increase (decrease) in net pension liability	(213,644)	120,173	(384,559)	20,820
Net cash provided by (used in) operating activities	<u>\$ 2,442,826</u>	<u>\$ (928,462)</u>	<u>\$ (67,434)</u>	<u>\$ 1,068,412</u>
<b>NONCASH INVESTING ACTIVITIES</b>				
Decrease in fair value of investments	<u>\$ (25,557)</u>	<u>\$ (37,960)</u>	<u>\$ (28,513)</u>	<u>\$ (22,210)</u>

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 23,340,682	\$ 2,071,794
-	9,808,332
(11,692,681)	(11,657,884)
<u>(9,132,659)</u>	<u>-</u>
2,515,342	222,242
(7,023,087)	(3,493,060)
4,249,875	1,749,750
<u>67,433</u>	<u>23,981</u>
<u>(2,705,779)</u>	<u>(1,719,329)</u>
(1,829,021)	(253,717)
(472,580)	-
<u>(195,124)</u>	<u>-</u>
<u>(2,496,725)</u>	<u>(253,717)</u>
333,789	170,000
(140,139)	-
<u>193,650</u>	<u>170,000</u>
(2,493,512)	(1,580,804)
6,073,575	5,185,406
<u>\$ 3,580,063</u>	<u>\$ 3,604,602</u>
\$ 1,667,166	\$ (620,327)
1,835,604	12,686
802,069	-
(856,874)	-
3,285	(216,685)
262,685	20,574
(914,039)	(67,689)
23,059	690,332
(3,513)	-
42,197	-
110,175	410,579
(6,361)	(519)
7,099	4,744
<u>(457,210)</u>	<u>(11,453)</u>
<u>\$ 2,515,342</u>	<u>\$ 222,242</u>
<u>\$ (114,240)</u>	<u>\$ (92,264)</u>

THIS PAGE INTENTIONALLY LEFT BLANK.





**NOTES TO THE BASIC FINANCIAL  
STATEMENTS**

**CITY OF ROSWELL, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

---

**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 Historic Roswell Convention & Visitors Bureau, 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 feels it would be misleading not to include the Bureau as a component unit. Separate financial statements are not prepared for the Historic Roswell Convention & Visitors Bureau, 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. Upon dissolution, the assets of the DDA would revert to 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 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 **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, 2017:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 1,076,576
Water & Sewer Fund	302,196
Solid Waste Fund	125,265
Participation Recreation Fund	248,094
Stormwater Fund	470,047
Nonmajor Governmental Funds	888,572
	<u>\$ 3,110,750</u>

#### E. Deposits and Investments

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Deposits and Investments (Continued)

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

#### F. Receivables and Payables

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

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

#### G. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market 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	8
Infrastructure	10 - 65

#### I. Deferred Outflows/Inflows of Resources

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Compensated Absences

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

#### K. Long-Term Obligations

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

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

#### L. Fund Equity

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

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

Fund balances are classified as follows:

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



## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Fund Equity (Continued)

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

*Committed* – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e. resolution) of the City Council. The City Council passed an ordinance under which the City's General Fund is to maintain stabilization funds equal to 25% of budgeted expenditures. Expenditure of these funds can only be used to strengthen the City's position in response to self insurance should cash position in the respective internal service fund be inadequate to pay claims due, or provide funds in the event of natural disaster or terrorist attack and require prior approval by the City Council.

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

*Unassigned* – Fund balances are reported as unassigned as the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Pensions

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

#### N. Management Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$18,440,009 difference are as follows:

Bonds payable	\$ (9,625,000)
Unamortized premiums	(307,407)
Capital leases payable	(2,095,687)
Installment sales agreement	(3,131,959)
Claims payable	(713,296)
Accrued interest	(109,416)
Compensated absences	(2,457,244)
	<hr/>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (18,440,009)</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “Notes receivable is not an available resource and, therefore is not reported in the funds.” The details of this \$1,177,536 difference are as follows:

Notes receivable	\$ 1,134,519
Accrued interest receivable	43,017
Net adjustment to increase <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 1,177,536

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds.” The details of this \$14,256,093 difference are as follows:

Net pension liability	\$ (18,279,963)
Pension related deferred outflows of resources	4,114,214
Pension related deferred inflows of resources	(90,344)
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ (14,256,093)

## NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$6,592,088 difference are as follows:

Capital outlay	\$ 16,550,866
Depreciation expense	<u>(9,958,778)</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>\$ 6,592,088</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 \$119,860 difference are as follows:

Payments on notes receivable	\$ 115,481
Accrued interest receivable	<u>4,379</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>\$ 119,860</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 \$1,221,215 difference are as follows:

Principal payment on bonds	\$	1,395,000
Issuance of capital lease payable		(784,875)
Principal payment on installment sales agreement		317,236
Principal payment on capital lease payable		<u>293,854</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>		
	\$	<u><u>1,221,215</u></u>

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 \$666,682 difference are as follows:

Compensated absences	\$	43,758
Amortization		81,831
Accrued interest		6,922
Claims expense		104,464
Pension expense		<u>(903,657)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>		
	\$	<u><u>(666,682)</u></u>

## 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 following funds had deficit fund balances at June 30, 2017. The fund deficits will be reduced through anticipated revenues, recognition of unavailable revenues, and General Fund appropriations, as needed.

Fund	Deficit
Federal Grants	\$ 520,388

#### Excess Expenditures Over Appropriations

For the year ended June 30, 2017 expenditures exceeded the budget in two funds as follows:

Fund/Department	Excess
American Stimulus Recovery Grants Fund	\$ 1,370
Hotel/Motel Tax Fund	657

The excess of expenditures over budget that are noted above were primarily funded by greater than anticipated revenues.

## 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, 2017, the City's bank balances were collateralized as defined by State statutes.

At June 30, 2017, 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>Average Maturity (years)</u>
Money market mutual fund	\$ 25,187	N/A	0.25
Certificates of deposit	9,239,983	N/A	1.89
Municipal Bonds	4,376,097	AAA	3.48
Federal Home Loan Bank	7,854,368	AAA	3.96
Federal Home Loan Mortgage Corp.	2,030,654	AAA	4.09
Federal National Mortgage Assn.	7,958,843	AAA	3.96
Federal Farm Credit Bank	16,153,908	AAA	3.81
Georgia Fund 1	5,450,569	AAAF	0.07
	<u>\$ 53,089,609</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, 2017:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Money Markey Mutual Funds	\$ 25,187	\$ -	\$ 25,187
Municipal Bonds	4,376,097	-	4,376,097
Federal Home Loan Bank	-	7,854,368	7,854,368
Federal Home Loan Mortgage Corp	-	2,030,654	2,030,654
Federal National Mortgage Association	-	7,958,843	7,958,843
Federal Farm Credit Bank	-	16,153,908	16,153,908
Real estate held for resale	-	4,902,198	4,902,198
Total investments measured at fair value	<u>\$ 4,401,284</u>	<u>\$ 38,899,971</u>	<u>\$ 43,301,255</u>
Investments not subject to level disclosure:			
Certificates of Deposit			9,239,983
Georgia Fund 1			5,450,569
Total investments			<u>\$ 57,991,807</u>

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

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.

#### B. Historic Roswell Convention & Visitors Bureau, Inc.

As of June 30, 2017, the Historic Roswell Convention & Visitors Bureau, Inc. had \$6,108 in deposits that were uninsured and not collateralized as defined by GASB.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

#### C. Downtown Development Authority

As of June 30, 2017, the Downtown Development Authority had \$18,688 in deposits that were uninsured and not collateralized as defined by GASB.

### NOTE 5. RECEIVABLES

#### A. Primary Government

Receivables at June 30, 2017, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Governmental Activities Internal Service Funds</u>
Receivables:				
Taxes	\$ 2,502,383	\$ -	\$ 199,093	\$ -
Other governments	-	-	589,078	-
Accounts	<u>1,341,847</u>	<u>77,654</u>	<u>1,559,784</u>	<u>19,578</u>
Gross receivables	3,844,230	77,654	2,347,955	19,578
Less allowance for uncollectibles	<u>(502,677)</u>	-	<u>(46,398)</u>	-
Net receivables	<u>\$ 3,341,553</u>	<u>\$ 77,654</u>	<u>\$ 2,301,557</u>	<u>\$ 19,578</u>
	<u>Water &amp; Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Participant Recreation Fund</u>	<u>Stormwater Fund</u>
Receivables:				
Taxes	\$ -	\$ -	\$ -	\$ -
Other governments	52,789	-	-	-
Accounts	<u>694,532</u>	<u>1,599,221</u>	<u>672</u>	<u>357,383</u>
Gross receivables	747,321	1,599,221	672	357,383
Less allowance for uncollectibles	<u>(114,519)</u>	<u>(273,527)</u>	-	<u>(64,682)</u>
Net receivables	<u>\$ 632,802</u>	<u>\$ 1,325,694</u>	<u>\$ 672</u>	<u>\$ 292,701</u>

Property taxes for the 2017 fiscal year were levied in October 2016, with property values assessed as of January 1, 2016. Bills are payable on or before December 28, 2016, 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 February 1.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 45,479,381	\$ 1,063,441	\$ -	\$ -	\$ 46,542,822
Construction in progress	22,391,056	10,473,754	(275,284)	(7,977,624)	24,611,902
Total capital assets, not being depreciated	<u>67,870,437</u>	<u>11,537,195</u>	<u>(275,284)</u>	<u>(7,977,624)</u>	<u>71,154,724</u>
Capital assets, being depreciated:					
Land improvements	29,440,913	387,252	-	6,934,909	36,763,074
Buildings and improvements	74,803,934	247,132	-	262,279	75,313,345
Machinery and equipment	21,410,044	1,297,406	(56,069)	-	22,651,381
Vehicles	21,518,534	3,022,490	(2,444,583)	-	22,096,441
Infrastructure	131,430,932	313,108	-	780,436	132,524,476
Total capital assets, being depreciated	<u>278,604,357</u>	<u>5,267,388</u>	<u>(2,500,652)</u>	<u>7,977,624</u>	<u>289,348,717</u>
Less accumulated depreciation for:					
Land improvements	13,646,142	1,486,395	-	-	15,132,537
Buildings and improvements	40,257,680	2,039,992	-	-	42,297,672
Machinery and equipment	9,909,916	1,649,236	(30,838)	-	11,528,314
Vehicles	12,005,760	2,095,542	(2,266,510)	-	11,834,792
Infrastructure	80,939,253	2,700,299	-	-	83,639,552
Total accumulated depreciation	<u>156,758,751</u>	<u>9,971,464</u>	<u>(2,297,348)</u>	<u>-</u>	<u>164,432,867</u>
Total capital assets, being depreciated, net	<u>121,845,606</u>	<u>(4,704,076)</u>	<u>(203,304)</u>	<u>7,977,624</u>	<u>124,915,850</u>
Governmental activities capital assets, net	<u>\$ 189,716,043</u>	<u>\$ 6,833,119</u>	<u>\$ (478,588)</u>	<u>\$ -</u>	<u>\$ 196,070,574</u>

## 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>
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 17,771,439	\$ 283,478	\$ -	\$ (17,715,218)	\$ 339,699
Total capital assets, not being depreciated	<u>17,771,439</u>	<u>283,478</u>	<u>-</u>	<u>(17,715,218)</u>	<u>339,699</u>
Capital assets, being depreciated:					
Buildings and improvements	2,954,751	-	-	17,364,485	20,319,236
Machinery and equipment	2,289,640	15,500	-	-	2,305,140
Vehicles	4,727,069	783,250	(167,980)	-	5,342,339
Infrastructure	18,879,469	746,793	-	350,733	19,976,995
Total capital assets, being depreciated	<u>28,850,929</u>	<u>1,545,543</u>	<u>(167,980)</u>	<u>17,715,218</u>	<u>47,943,710</u>
Less accumulated depreciation for:					
Buildings and improvements	588,400	734,107	-	-	1,322,507
Machinery and equipment	1,109,204	105,918	-	-	1,215,122
Vehicles	2,392,423	439,858	(167,980)	-	2,664,301
Infrastructure	5,328,468	555,721	-	-	5,884,189
Total accumulated depreciation	<u>9,418,495</u>	<u>1,835,604</u>	<u>(167,980)</u>	<u>-</u>	<u>11,086,119</u>
Total capital assets, being depreciated, net	<u>19,432,434</u>	<u>(290,061)</u>	<u>-</u>	<u>17,715,218</u>	<u>36,857,591</u>
Business-type activities capital assets, net	<u>\$ 37,203,873</u>	<u>\$ (6,583)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,197,290</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	\$ 1,428,086
Financial Services	6,424
Public safety	2,363,643
Public works	4,046,582
Culture and recreation	2,126,729
Total depreciation expense - governmental activities	<u>\$ 9,971,464</u>
Business-type activities:	
Water and Sewer Fund	\$ 1,168,169
Solid Waste Fund	395,231
Participant Recreation Fund	78,900
Stormwater Fund	193,304
Total depreciation expense - business-type activities	<u>\$ 1,835,604</u>

**The remainder of this page was intentionally left blank.**

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Participation Recreation Fund	\$ 474,571
General Fund	Solid Waste Fund	45,927
General Fund	Internal Service Funds	882,730
General Fund	Nonmajor Governmental Funds	757,443
Nonmajor Governmental	Water and Sewer Fund	27
Water and Sewer Fund	General Fund	49,209
Capital Projects Fund	General Fund	548,107
		<u>\$ 2,758,014</u>

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

Advances to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Solid Waste Fund	General Fund	\$ 881,650

In 2014 and 2015 the Solid Waste fund loaned the General Fund \$1,218,564 for operational purposes; the General Fund will repay the balances over a period greater than one year and are appropriately reported as long-term advances. The outstanding balance at June 30, 2017 is \$881,650.

Interfund transfers for the year ended June 30, 2017 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Stormwater Fund	\$ 54,202
Capital Projects Fund	General Fund	12,454,875
Capital Projects Fund	Nonmajor Governmental Funds	232,933
Solid Waste Fund	General Fund	12,398
Participant Recreation Fund	General Fund	321,391
Internal Service Funds	General Fund	170,000
Nonmajor Governmental Fund	General Fund	105,688
Nonmajor Governmental Fund	Stormwater Fund	85,937
		<u>\$ 13,437,424</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

### NOTE 8. LONG-TERM DEBT

#### A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds payable	\$ 11,020,000	\$ -	\$ (1,395,000)	\$ 9,625,000	\$ 1,425,000
Plus: Premiums	389,238	-	(81,831)	307,407	-
Total bonds payable	11,409,238	-	(1,476,831)	9,932,407	1,425,000
Capital lease payable	1,604,666	784,875	(293,854)	2,095,687	282,882
Installment sales agreement	3,449,195	-	(317,236)	3,131,959	323,090
Compensated absences	2,551,789	2,436,459	(2,475,473)	2,512,775	1,868,266
Claims payable	817,760	83,489	(187,953)	713,296	150,000
Net pension liability	18,506,794	9,242,569	(9,058,808)	18,690,555	-
Governmental activities long-term liabilities	<u>\$ 38,339,442</u>	<u>\$ 12,547,392</u>	<u>\$ (13,810,155)</u>	<u>\$ 37,076,679</u>	<u>\$ 4,049,238</u>
<b>Business-type Activities:</b>					
Note payable	\$ 14,456,590	\$ -	\$ (472,580)	\$ 13,984,010	\$ 637,465
Compensated absences	400,840	460,195	(453,096)	407,939	301,107
Net pension liability	3,746,878	1,137,643	(1,594,853)	3,289,668	-
Business-type activities long-term liabilities	<u>\$ 18,604,308</u>	<u>\$ 1,597,838</u>	<u>\$ (2,520,529)</u>	<u>\$ 17,681,617</u>	<u>\$ 938,572</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**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:

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 960,000	\$ 105,388	\$ 1,065,388
2019	975,000	93,388	1,068,388
2020	985,000	81,200	1,066,200
2021	1,005,000	61,500	1,066,500
2022	1,025,000	41,400	1,066,400
2023	1,045,000	20,900	1,065,900
Total	<u>\$ 5,995,000</u>	<u>\$ 403,776</u>	<u>\$ 6,398,776</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:

<b>Year ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 465,000	\$ 104,250	\$ 569,250
2019	475,000	94,950	569,950
2020	500,000	80,700	580,700
2021	515,000	65,700	580,700
2022	535,000	50,250	585,250
2023 - 2024	1,140,000	50,850	1,190,850
Total	<u>\$ 3,630,000</u>	<u>\$ 446,700</u>	<u>\$ 4,076,700</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Notes Payable.** The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. The agreement was originally executed for \$14,456,590, with an interest rate of 1.4%. The agreement is paid each month beginning October 1, 2016 through September 1, 2036.

The debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2018	\$ 637,465	\$ 191,696	\$ 829,161
2019	646,447	182,714	829,161
2020	655,555	173,606	829,161
2021	664,792	164,369	829,161
2022	674,159	155,002	829,161
2023 - 2027	3,515,987	629,817	4,145,804
2028 - 2032	3,770,771	375,033	4,145,804
2033 - 2037	3,419,234	104,699	3,523,933
Total	<u>\$ 13,984,410</u>	<u>\$ 1,976,936</u>	<u>\$ 15,961,346</u>

**Capital Leases Payable.** The City has entered into a lease-purchase agreement to finance the acquisition of five public safety vehicles. The leases are for periods of seven to ten years, at interest rates ranging from 1.80% to 2.24% annually. As of June 30, 2017, the City had \$3,036,753 of vehicles, with associated accumulated depreciation of \$574,222 financed under the capital leases. The annual amortization of the leased assets is included in depreciation expense for capital assets.

As of June 30, 2017 the future lease payments for the capital leases are as follows:

Year Ending June 30,	
2018	\$ 328,415
2019	328,415
2020	328,415
2021	278,182
2022	278,182
2023-2027	<u>760,064</u>
Total minimum lease payments	2,301,673
Less amount representing interest	<u>205,986</u>
Present value of future minimum lease payments	<u>\$ 2,095,687</u>



## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 8. LONG-TERM DEBT (CONTINUED)

#### A. Primary Government (Continued)

**Installment Sale Agreement Payable.** The City has entered into an installment sale agreement to finance the acquisition of real property. The agreement is for a period of ten years, at an interest rate of 1.83% annually.

As of June 30, 2017 the future payments for the installment sale agreement are as follows:

Year Ending June 30,		
2018	\$	377,704
2019		377,704
2020		377,704
2021		377,704
2022		377,704
2023-2026		<u>1,510,816</u>
Total minimum payments		3,399,336
Less amount representing interest		<u>267,377</u>
Present value of future minimum payments	\$	<u><u>3,131,959</u></u>

### 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.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 9. PENSION PLAN (CONTINUED)

#### Plan Description (Continued)

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, 2017, the date of the most recent actuarial valuation, there were 911 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	254
Terminated vested participants not yet receiving benefits	300
Active employees - vested	<u>357</u>
Total	<u><u>911</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 2017, the actuarially determined contribution rate was 17.11% of covered payroll. The City makes all contributions to the plan. For 2017, the City's contribution to the Plan was \$3,441,189.

#### Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2016.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. PENSION PLAN (CONTINUED)

#### Net Pension Liability of the City (Continued)

*Actuarial assumptions.* The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25%
Investment rate of return	7.75%

Mortality rates for the January 1, 2017 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the table below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.75%
International equity	20%	7.45
Global fixed income	5%	3.30
Domestic fixed income	20%	1.75
Real estate	10%	4.55
Cash	—%	
Total	100%	

\* Rates shown are net of the 3.25% 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 7.75%. 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, 2017 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/16</b>	\$ 87,952,757	\$ 65,699,085	\$ 22,253,672
<b>Changes for the year:</b>			
Service cost	1,046,059	-	1,046,059
Interest	6,658,326	-	6,658,326
Differences between expected and actual experience	2,593,636	-	2,593,636
Contributions—employer	-	3,379,204	(3,379,204)
Net investment income	-	7,274,457	(7,274,457)
Benefit payments, including refunds of employee contributions	(4,077,740)	(4,077,740)	-
Administrative expense	-	(82,191)	82,191
<b>Net changes</b>	<b>6,220,281</b>	<b>6,493,730</b>	<b>(273,449)</b>
<b>Balances at 6/30/17</b>	<b>\$ 94,173,038</b>	<b>\$ 72,192,815</b>	<b>\$ 21,980,223</b>

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 7.75 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 (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 33,375,233	\$ 21,980,223	\$ 12,398,109

*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, 2016 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, 2017, the City recognized pension expense of \$4,152,562. At June 30, 2017, 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	\$ 2,366,127	\$ -
Changes in assumptions	-	67,171
Net difference between projected and actual earnings on pension plan investments	-	41,461
City contributions subsequent to the measurement date	2,580,892	-
Total	\$ 4,947,019	\$ 108,632

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. PENSION PLAN (CONTINUED)

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

City contributions subsequent to the measurement date of \$2,580,892 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, 2018. 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:	
2018	\$ 1,427,412
2019	857,546
2020	415,143
2021	(442,606)
Total	<u>\$ 2,257,495</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, 2017, there were 304 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 308 employees. For the fiscal year ended June 30, 2017, The City's contributions, which was also the City's pension expense, was \$175,324 and employee's contributed \$949,405.

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, 2017, there were 308 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, 2017, The City's contributions, which was also the City's pension expense, was \$1,432,461 and employee's contributed \$355,993.

## 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.** Beginning in fiscal year 2015, the City established a self-funded trust for the administration and funding of the City's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee. Claim liabilities do not include nonincremental claims adjustment expenses.

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

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2017	\$ 538,218	\$ 6,363,707	\$ 5,792,602	\$ 1,109,323
2016	516,616	5,287,907	5,266,305	538,218

#### Workers' Compensation

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

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2017	\$ 324,556	\$ 709,649	\$ 604,285	\$ 429,920
2016	263,035	578,144	516,623	324,556

#### 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 rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

#### Grant Contingencies

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



## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 13. JOINT VENTURES**

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

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: The Financial Reporting Entity, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Roswell is responsible for approximately \$5.1 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended June 30, 2017, the City of Roswell contributed \$846,654 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 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

### **NOTE 14. HOTEL/MOTEL TAX**

The City has levied a 6% lodging tax. During the year ended June 30, 2017, the City collected \$1,134,007 in revenues. The current year expenditures of \$1,067,730 or 94% of current year revenues, including the utilization of fund balance, were expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

**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>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>			
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	-
<b>Net change in total pension liability</b>	<u>6,220,281</u>	<u>5,719,928</u>	<u>4,171,255</u>
<b>Total pension liability - beginning</b>	<u>87,952,757</u>	<u>82,232,829</u>	<u>78,061,574</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 94,173,038</u>	<u>\$ 87,952,757</u>	<u>\$ 82,232,829</u>
<b>Plan fiduciary net position</b>			
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)
<b>Net change in plan fiduciary net position</b>	<u>6,493,730</u>	<u>630,060</u>	<u>7,420,409</u>
<b>Plan fiduciary net position - beginning</b>	<u>65,699,085</u>	<u>65,069,025</u>	<u>57,648,616</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 72,192,815</u>	<u>\$ 65,699,085</u>	<u>\$ 65,069,025</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 21,980,223</u>	<u>\$ 22,253,672</u>	<u>\$ 17,163,804</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	76.66%	74.70%	79.13%
<b>Covered-employee payroll</b>	\$ 19,764,282	\$ 20,107,088	\$ 21,870,148
<b>City's net pension liability as a percentage of covered-employee payroll</b>	111.21%	110.68%	78.48%

**Notes to the Schedule:**

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

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

	<u>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	<u>3,441,189</u>	<u>3,358,543</u>	<u>3,608,694</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 20,107,088	\$ 21,870,148	\$ 23,744,082
Contributions as a percentage of covered-employee payroll	17.11%	15.36%	15.20%

**Notes to the Schedule:**

(1) Actuarial Assumptions:

Valuation Date	January 1, 2016
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	

Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

(2) 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, 2017**

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 61,858,000	\$ 62,258,000	\$ 62,274,690	\$ 16,690
Licenses and permits	2,387,000	2,647,000	2,483,757	(163,243)
Intergovernmental	286,011	286,011	128,617	(157,394)
Fines and forfeitures	1,602,000	1,602,000	1,545,313	(56,687)
Charges for services	2,577,819	2,582,819	2,794,029	211,210
Investment earnings	303,000	303,000	78,692	(224,308)
Contributions	20,000	20,000	24,826	4,826
Miscellaneous	200,000	200,000	191,355	(8,645)
Total revenues	<u>69,233,830</u>	<u>69,898,830</u>	<u>69,521,279</u>	<u>(377,551)</u>
<b>Expenditures:</b>				
Current:				
Administration	11,791,549	11,820,403	10,394,457	1,425,946
Courts	1,155,208	1,229,199	1,160,689	68,510
Finance	2,519,623	2,652,131	2,591,304	60,827
Police	19,080,726	20,223,738	18,638,396	1,585,342
Fire	6,677,497	6,695,624	6,628,022	67,602
Transportation	7,804,376	8,076,527	7,727,128	349,399
Planning and zoning	3,003,145	3,268,478	3,034,685	233,793
Recreation and parks	10,499,851	10,965,820	10,679,060	286,760
Debt service:				
Principal	339,243	339,243	293,854	45,389
Interest	-	-	34,561	(34,561)
Total expenditures	<u>62,871,218</u>	<u>65,271,163</u>	<u>61,182,156</u>	<u>4,089,007</u>
Excess of revenues over expenditures	6,362,612	4,627,667	8,339,123	3,711,456
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	60,000	126,635	218,996	92,361
Issuance of capital lease	1,390,000	1,390,000	784,875	(605,125)
Transfers in	54,202	54,202	54,202	-
Transfers out	(10,470,397)	(13,892,083)	(13,064,352)	827,731
Total other financing sources (uses)	<u>(8,966,195)</u>	<u>(12,321,246)</u>	<u>(12,006,279)</u>	<u>314,967</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (2,603,583)</u>	<u>\$ (7,693,579)</u>	(3,667,156)	<u>\$ 4,026,423</u>
<b>Less outstanding encumbrances, June 30</b>			<u>1,076,576</u>	
<b>Net change in fund balances (GAAP basis)</b>			(2,590,580)	
<b>Fund balance, beginning</b>			<u>25,660,846</u>	
<b>Fund balance, ending</b>			<u>\$ 23,070,266</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.

**Federal Grants** – to account for the expenditures and restricted resources of federally funded grants of the City.

**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.

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

**American Stimulus Recovery Grants** - to account for American Stimulus Recovery 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.

## Capital Projects Funds

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

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

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

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

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

**T-SPLOST Fund** - to account for financial resources which are used exclusively for transportation projects per the terms of the T-SPLOST agreement.

## **NONMAJOR GOVERNMENTAL FUNDS**

---

### **Debt Service Fund**

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

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

### **Permanent Fund**

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

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

THIS PAGE INTENTIONALLY LEFT BLANK.





**CITY OF ROSWELL, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	Special Revenue Funds							
	Federal Grants	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	American Stimulus Recovery Grants	CDBG Grants	Soil Erosion
<b>ASSETS</b>								
Cash and cash equivalents	\$ 106,625	\$ 1,251,844	\$ 1,700,548	\$ 156,643	\$ -	\$ 116,555	\$ -	\$ 56,769
Investments	-	-	-	-	-	-	-	251,187
Receivables, net of allowance for uncollectibles	-	-	262,252	-	-	-	-	273
Taxes receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	549,290	-	-	-	-	-	39,788	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid items	-	6,423	5,555	-	822	-	2,292	-
<b>Total assets</b>	<b>\$ 655,915</b>	<b>\$ 1,258,267</b>	<b>\$ 1,968,355</b>	<b>\$ 156,643</b>	<b>\$ 822</b>	<b>\$ 116,555</b>	<b>\$ 42,080</b>	<b>\$ 308,229</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 42,197	\$ 201,327	\$ 27,118	\$ -	\$ -	\$ -	\$ 525	\$ 89,261
Accrued liabilities	-	-	42,580	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-	-
Due to other funds	595,022	-	34,477	-	667	4,255	34,109	-
<b>Total liabilities</b>	<b>637,219</b>	<b>201,327</b>	<b>104,175</b>	<b>-</b>	<b>667</b>	<b>4,255</b>	<b>34,634</b>	<b>89,261</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailble revenue - taxes	-	-	-	-	-	-	-	-
Unavailble revenue - intergovernmental	539,084	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>539,084</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>								
Nonspendable:								
Prepays	-	6,423	5,555	-	822	-	2,292	-
Permanent fund corpus	-	-	-	-	-	-	-	-
Restricted:								
Public safety	-	1,050,517	1,858,625	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	38,604
Transportation	-	-	-	156,643	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	112,300	5,154	-
Scholarship	-	-	-	-	-	-	-	-
Committed:								
Culture and recreation	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	180,364
Unassigned	(520,388)	-	-	-	(667)	-	-	-
<b>Total fund balances</b>	<b>(520,388)</b>	<b>1,056,940</b>	<b>1,864,180</b>	<b>156,643</b>	<b>155</b>	<b>112,300</b>	<b>7,446</b>	<b>218,968</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 655,915</b>	<b>\$ 1,258,267</b>	<b>\$ 1,968,355</b>	<b>\$ 156,643</b>	<b>\$ 822</b>	<b>\$ 116,555</b>	<b>\$ 42,080</b>	<b>\$ 308,229</b>

Special Revenue Funds		Capital Projects Funds					Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Hotel/Motel Tax	Leita Thompson	Impact Fees	2000 Bond	2013 Bond	2014 Bond	T-SPLOST	Debt Service	Scholarship Fund	
\$ 237,609	\$ 215,001	\$ 1,324,261	\$ 412,070	\$ 146,783	\$ 355,470	\$ 2,404,475	\$ 574,940	\$ 10,101	\$ 9,069,694
-	-	1,967,126	-	-	596,319	-	2,450,644	25,187	5,290,463
-	3,432	3,789	-	-	17,277	1,256,134	16,627	-	1,559,784
103,014	-	-	-	-	-	-	49,681	-	152,695
-	-	-	-	-	-	-	-	-	589,078
27	-	-	-	-	-	-	-	-	27
-	-	-	-	-	-	-	753	-	15,845
<u>\$ 340,650</u>	<u>\$ 218,433</u>	<u>\$ 3,295,176</u>	<u>\$ 412,070</u>	<u>\$ 146,783</u>	<u>\$ 969,066</u>	<u>\$ 3,660,609</u>	<u>\$ 3,092,645</u>	<u>\$ 35,288</u>	<u>\$ 16,677,586</u>
\$ -	\$ 1,584	\$ 155,931	\$ -	\$ 114,423	\$ 275,091	\$ 47,876	\$ 887	\$ -	\$ 956,220
-	5,950	-	-	-	-	-	-	-	48,530
-	8,773	-	-	-	-	-	-	-	8,773
-	-	-	-	249	93,012	-	-	-	93,261
18,578	-	-	-	-	-	-	70,335	-	757,443
<u>18,578</u>	<u>16,307</u>	<u>155,931</u>	<u>-</u>	<u>114,672</u>	<u>368,103</u>	<u>47,876</u>	<u>71,222</u>	<u>-</u>	<u>1,864,227</u>
-	-	-	-	-	-	-	42,776	-	42,776
-	-	-	-	-	-	-	-	-	539,084
-	-	-	-	-	-	-	42,776	-	581,860
-	-	-	-	-	-	-	753	-	15,845
-	-	-	-	-	-	-	-	25,000	25,000
-	-	948,952	-	-	-	-	-	-	3,858,094
322,072	-	669,675	-	-	-	-	-	-	991,747
-	-	-	-	-	-	-	-	-	38,604
-	-	1,520,618	-	-	-	3,612,733	-	-	5,289,994
-	-	-	-	-	-	-	2,977,894	-	2,977,894
-	-	-	412,070	32,111	600,963	-	-	-	1,162,598
-	-	-	-	-	-	-	-	10,288	10,288
-	202,126	-	-	-	-	-	-	-	202,126
-	-	-	-	-	-	-	-	-	180,364
-	-	-	-	-	-	-	-	-	(521,055)
<u>322,072</u>	<u>202,126</u>	<u>3,139,245</u>	<u>412,070</u>	<u>32,111</u>	<u>600,963</u>	<u>3,612,733</u>	<u>2,978,647</u>	<u>35,288</u>	<u>14,231,499</u>
<u>\$ 340,650</u>	<u>\$ 218,433</u>	<u>\$ 3,295,176</u>	<u>\$ 412,070</u>	<u>\$ 146,783</u>	<u>\$ 969,066</u>	<u>\$ 3,660,609</u>	<u>\$ 3,092,645</u>	<u>\$ 35,288</u>	<u>\$ 16,677,586</u>

**CITY OF ROSWELL, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds							
	Federal Grants	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	American Stimulus Recovery Grants	CDBG Grants	Soil Erosion
<b>Revenues:</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,084,256	-	-	-	2,000	15,617	272,205	-
Fines and forfeitures	-	706,189	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-	-	-
Charges for services	-	-	2,017,080	-	-	-	-	14,225
Investment earnings (loss)	-	-	16,305	-	-	-	-	216
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	1,084,256	706,189	2,033,385	-	2,000	15,617	272,205	14,441
<b>Expenditures:</b>								
Current:								
General government	71	-	-	-	-	1,370	-	-
Public safety	37,100	150,989	2,170,224	-	2,000	-	-	-
Public works	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Planning and zoning	-	-	-	-	-	-	169,090	-
Capital outlay	325,363	-	4,394	-	-	-	42,935	132,000
Debt service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	362,534	150,989	2,174,618	-	2,000	1,370	212,025	132,000
Excess (deficiency) of revenues over expenditures	721,722	555,200	(141,233)	-	-	14,247	60,180	(117,559)
<b>Other financing sources (uses):</b>								
Proceeds from sale of capital assets	-	4,495	-	-	-	-	-	-
Transfers in	106,625	-	-	-	-	-	-	-
Transfers out	-	(10,000)	-	-	-	-	-	-
Total other financing sources (uses):	106,625	(5,505)	-	-	-	-	-	-
Net change in fund balances	828,347	549,695	(141,233)	-	-	14,247	60,180	(117,559)
<b>Fund balances (deficits), beginning of year</b>	<b>(1,348,735)</b>	<b>507,245</b>	<b>2,005,413</b>	<b>156,643</b>	<b>155</b>	<b>98,053</b>	<b>(52,734)</b>	<b>336,527</b>
<b>Fund balances (deficits), end of year</b>	<b>\$ (520,388)</b>	<b>\$ 1,056,940</b>	<b>\$ 1,864,180</b>	<b>\$ 156,643</b>	<b>\$ 155</b>	<b>\$ 112,300</b>	<b>\$ 7,446</b>	<b>\$ 218,968</b>

Special Revenue Funds			Capital Projects Funds				Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
Hotel/Motel Tax	Leita Thompson	Impact Fees	2000 Bond	2013 Bond	2014 Bond	T-SPLOST	Debt Service	Scholarship Fund	
\$ 1,134,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,910,381	\$ -	\$ 3,044,388
-	-	-	-	-	-	3,660,609	-	-	5,034,687
-	-	1,388,287	-	-	-	-	-	-	706,189
-	-	-	-	-	-	-	-	-	1,388,287
-	-	(19,614)	807	11,046	27,066	-	(17,094)	20	2,031,305
-	84,577	-	-	-	-	-	-	-	18,752
1,134,007	84,577	1,368,673	807	11,046	27,066	3,660,609	1,893,287	20	84,577
-	-	-	-	-	-	-	-	-	1,441
-	-	-	-	-	-	-	-	-	2,360,313
-	-	11,641	-	-	-	47,876	-	-	59,517
1,160,836	66,571	-	-	-	-	-	-	-	1,227,407
-	-	-	-	-	-	-	-	-	169,090
-	-	2,008,214	447,517	1,932,177	1,350,451	-	-	-	6,243,051
-	-	-	-	-	-	-	1,395,000	-	1,395,000
-	-	-	-	799	-	-	230,796	-	231,595
1,160,836	66,571	2,019,855	447,517	1,932,976	1,350,451	47,876	1,625,796	-	11,687,414
(26,829)	18,006	(651,182)	(446,710)	(1,921,930)	(1,323,385)	3,612,733	267,491	20	620,771
-	-	-	-	-	-	-	-	-	4,495
85,000	-	-	-	-	-	-	-	-	191,625
(222,933)	-	-	-	-	-	-	-	-	(232,933)
(137,933)	-	-	-	-	-	-	-	-	(36,813)
(164,762)	18,006	(651,182)	(446,710)	(1,921,930)	(1,323,385)	3,612,733	267,491	20	583,958
486,834	184,120	3,790,427	858,780	1,954,041	1,924,348	-	2,711,156	35,268	13,647,541
\$ 322,072	\$ 202,126	\$ 3,139,245	\$ 412,070	\$ 32,111	\$ 600,963	\$ 3,612,733	\$ 2,978,647	\$ 35,288	\$ 14,231,499

**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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 4,115,344	\$ 4,115,344	\$ 1,084,256	\$ (3,031,088)
Total revenues	<u>4,115,344</u>	<u>4,115,344</u>	<u>1,084,256</u>	<u>(3,031,088)</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	71	(71)
Public safety	39,230	39,230	37,100	2,130
Capital outlay	2,578,700	2,578,700	384,676	2,194,024
Total expenditures	<u>2,617,930</u>	<u>2,617,930</u>	<u>421,847</u>	<u>2,196,083</u>
Excess of revenues over expenditures	1,497,414	1,497,414	662,409	(835,005)
<b>Other financing sources:</b>				
Transfers in	287,148	287,148	106,625	(180,523)
Total other financing sources	<u>287,148</u>	<u>287,148</u>	<u>106,625</u>	<u>(180,523)</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 1,784,562</u>	<u>\$ 1,784,562</u>	769,034	<u>\$ (1,015,528)</u>
Less outstanding encumbrances, June 30			<u>59,313</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 828,347</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Fines and forfeitures	\$ 100,000	\$ 100,000	\$ 706,189	\$ 606,189
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>706,189</u>	<u>606,189</u>
<b>Expenditures:</b>				
Current:				
Public safety	203,526	203,526	153,846	49,680
Total expenditures	<u>203,526</u>	<u>203,526</u>	<u>153,846</u>	<u>49,680</u>
Excess (deficiency) of revenues over expenditures	(103,526)	(103,526)	552,343	655,869
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	4,495	4,495
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(5,505)</u>	<u>4,495</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (113,526)</u>	<u>\$ (113,526)</u>	546,838	<u>\$ 660,364</u>
<b>Less outstanding encumbrances, June 30</b>			<u>2,857</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 549,695</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 1,909,000	\$ 1,909,000	\$ 2,017,080	\$ 108,080
Investment earnings	8,000	8,000	16,305	8,305
Total revenues	<u>1,917,000</u>	<u>1,917,000</u>	<u>2,033,385</u>	<u>116,385</u>
<b>Expenditures:</b>				
Current:				
Public safety	2,684,877	2,720,254	2,488,441	231,813
Capital outlay	500,000	500,000	4,394	495,606
Total expenditures	<u>3,184,877</u>	<u>3,220,254</u>	<u>2,492,835</u>	<u>727,419</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (1,267,877)</u>	<u>\$ (1,303,254)</u>	(459,450)	<u>\$ 843,804</u>
<b>Less outstanding encumbrances, June 30</b>			<u>318,217</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (141,233)</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public safety	2,000	2,000	2,000	-
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Less outstanding encumbrances, June 30</b>			-	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ -</u>	



**CITY OF ROSWELL, GEORGIA  
AMERICAN STIMULUS RECOVERY GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 6,636	\$ 6,636	\$ 15,617	\$ 8,981
Total revenues	<u>6,636</u>	<u>6,636</u>	<u>15,617</u>	<u>8,981</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	1,370	(1,370)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,370</u>	<u>(1,370)</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 6,636</u>	<u>\$ 6,636</u>	14,247	<u>\$ 7,611</u>
<b>Less outstanding encumbrances, June 30</b>			<u>-</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 14,247</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 423,689	\$ 717,561	\$ 272,205	\$ (445,356)
Total revenues	<u>423,689</u>	<u>717,561</u>	<u>272,205</u>	<u>(445,356)</u>
<b>Expenditures:</b>				
Current:				
Planning and zoning	26,359	598,521	430,790	167,731
Capital outlay	-	145,399	143,104	2,295
Total expenditures	<u>26,359</u>	<u>743,920</u>	<u>573,894</u>	<u>170,026</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 397,330</u>	<u>\$ (26,359)</u>	(301,689)	<u>\$ (275,330)</u>
<b>Less outstanding encumbrances, June 30</b>			<u>361,869</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 60,180</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 15,000	\$ 15,000	\$ 14,225	\$ (775)
Investment earnings	4,000	4,000	216	(3,784)
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>14,441</u>	<u>(4,559)</u>
<b>Expenditures:</b>				
Capital outlay	-	232,000	232,000	-
Total expenditures	<u>-</u>	<u>232,000</u>	<u>232,000</u>	<u>-</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 19,000</u>	<u>\$ (213,000)</u>	(217,559)	<u>\$ (4,559)</u>
<b>Less outstanding encumbrances, June 30</b>			<u>100,000</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (117,559)</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,081,500	\$ 1,081,500	\$ 1,134,007	\$ 52,507
Investment earnings	5,000	5,000	-	(5,000)
Total revenues	<u>1,086,500</u>	<u>1,086,500</u>	<u>1,134,007</u>	<u>47,507</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	1,160,179	1,160,179	1,160,836	(657)
Total expenditures	<u>1,160,179</u>	<u>1,160,179</u>	<u>1,160,836</u>	<u>(657)</u>
<b>Other financing sources (uses):</b>				
Transfers in	85,000	85,000	85,000	-
Transfers out	(222,933)	(222,933)	(222,933)	-
Total other financing sources (uses)	<u>(137,933)</u>	<u>(137,933)</u>	<u>(137,933)</u>	<u>-</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (211,612)</u>	<u>\$ (211,612)</u>	(164,762)	<u>\$ 46,850</u>
<b>Less outstanding encumbrances, June 30</b>			<u>-</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (164,762)</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, 2017**

	<u>Budget</u>		<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous	\$ 85,000	\$ 85,000	\$ 84,577	\$ (423)
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>84,577</u>	<u>(423)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	106,260	125,008	112,887	12,121
Total expenditures	<u>106,260</u>	<u>125,008</u>	<u>112,887</u>	<u>12,121</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (21,260)</u>	<u>\$ (40,008)</u>	(28,310)	<u>\$ 11,698</u>
<b>Less outstanding encumbrances, June 30</b>			<u>46,316</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 18,006</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 1,800,000	\$ 1,800,000	\$ 1,910,381	\$ 110,381
Investment earnings (loss)	-	-	(17,094)	(17,094)
Total revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,893,287</u>	<u>93,287</u>
<b>Expenditures:</b>				
Debt service:				
Principal	1,395,000	1,395,000	1,395,000	-
Interest	250,000	250,000	230,796	19,204
Total expenditures	<u>1,645,000</u>	<u>1,645,000</u>	<u>1,625,796</u>	<u>19,204</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 155,000</u>	<u>\$ 155,000</u>	267,491	<u>\$ 112,491</u>
<b>Less outstanding encumbrances, June 30</b>			-	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 267,491</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, 2017**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 50	\$ 20	\$ (30)
Total revenues	<u>50</u>	<u>50</u>	<u>20</u>	<u>(30)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	50	50	-	50
Total expenditures	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ -</u>	<u>\$ -</u>	20	<u>\$ 20</u>
<b>Less outstanding encumbrances, June 30</b>			<u>-</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 20</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, 2017**

PROJECT	ESTIMATED COST		PRIOR	EXPENDITURES		PROJECT COMPLETION
	ORIGINAL	CURRENT		CURRENT	TOTAL	
<b>TSPLOST TIER 1</b>						
Big Creek Parkway Phase 1 and 2, Holcomb Bridge Interchange, Historic Gateway Enhancements, Rucker Road Reconstruction	\$ 69,000,000	\$ 69,000,000	\$ -	\$ 41,770	\$ 41,770	0.061 %
Oxbo/SR9 Intersection	7,000,000	7,000,000	-	4,238	4,238	0.061 %
Old Holcomb Bridge Road Bridge Replacement	3,086,390	3,086,390	-	1,868	1,868	0.061 %
<b>TSPLOST TIER 2</b>						
Sidewalk Repair and Complete Streets Program	7,000,000	7,000,000	-	-	-	0.000 %
Safety Improvements and Maintenance	6,956,422	6,956,422	-	-	-	0.000 %
<b>TSPLOST TIER 3</b>						
Northbound Early Off Ramp	14,011,490	14,011,490	-	-	-	0.000 %
<b>TOTAL TSPLOST</b>	<b>\$ 107,054,302</b>	<b>\$ 107,054,302</b>	<b>\$ -</b>	<b>\$ 47,876</b>	<b>\$ 47,876</b>	



THIS PAGE INTENTIONALLY LEFT BLANK.



## **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, 2017

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash	\$ 1,516,596	\$ 56,168	\$ 1,706,527	\$ 325,311	\$ 3,604,602
Investments	2,438,587	1,222,339	-	-	3,660,926
Receivables (net of allowance for uncollectibles)	12,908	6,670	-	-	19,578
Prepaid items	1,460	221,682	60,408	2,715	286,265
Total assets	<u>3,969,551</u>	<u>1,506,859</u>	<u>1,766,935</u>	<u>328,026</u>	<u>7,571,371</u>
Noncurrent assets:					
Capital assets:					
Capital assets, being depreciated	-	253,717	-	-	253,717
Less accumulated depreciation	-	(12,686)	-	-	(12,686)
Total noncurrent assets	<u>-</u>	<u>241,031</u>	<u>-</u>	<u>-</u>	<u>241,031</u>
Total assets	<u>3,969,551</u>	<u>1,747,890</u>	<u>1,766,935</u>	<u>328,026</u>	<u>7,812,402</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	17,978	15,786	-	58,646	92,410
Total deferred outflows of resources	<u>17,978</u>	<u>15,786</u>	<u>-</u>	<u>58,646</u>	<u>92,410</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	114,518	188,566	14,925	10,606	328,615
Accrued liabilities	1,128,355	2,774	432,013	17,767	1,580,909
Due to other funds	838,445	-	95	44,190	882,730
Compensated absences	6,963	3,037	1,101	29,472	40,573
Total current liabilities	<u>2,088,281</u>	<u>194,377</u>	<u>448,134</u>	<u>102,035</u>	<u>2,832,827</u>
Long-term liabilities:					
Compensated absences	2,875	2,135	277	9,671	14,958
Net pension liability	79,877	70,140	-	260,575	410,592
Total long-term liabilities	<u>82,752</u>	<u>72,275</u>	<u>277</u>	<u>270,246</u>	<u>425,550</u>
Total liabilities	<u>2,171,033</u>	<u>266,652</u>	<u>448,411</u>	<u>372,281</u>	<u>3,258,377</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	395	346	-	1,288	2,029
Total deferred inflows of resources	<u>395</u>	<u>346</u>	<u>-</u>	<u>1,288</u>	<u>2,029</u>
<b>NET POSITION</b>					
Investment in capital assets	-	241,031	-	-	241,031
Unrestricted	1,816,101	1,255,647	1,318,524	13,103	4,403,375
Total net position	<u>\$ 1,816,101</u>	<u>\$ 1,496,678</u>	<u>\$ 1,318,524</u>	<u>\$ 13,103</u>	<u>\$ 4,644,406</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, 2017**

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 7,858,570	\$ 1,050,000	\$ 516,000	\$ 768,501	\$ 10,193,071
Miscellaneous	1,320,761	-	-	-	1,320,761
Total operating revenues	<u>9,179,331</u>	<u>1,050,000</u>	<u>516,000</u>	<u>768,501</u>	<u>11,513,832</u>
<b>OPERATING EXPENSES</b>					
General and administrative	1,907,181	155,527	174,877	760,144	2,997,729
Depreciation	-	12,686	-	-	12,686
Claims expense	7,398,506	1,015,589	709,649	-	9,123,744
Total operating expenses	<u>9,305,687</u>	<u>1,183,802</u>	<u>884,526</u>	<u>760,144</u>	<u>12,134,159</u>
Operating income (loss)	(126,356)	(133,802)	(368,526)	8,357	(620,327)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(35,990)	(20,206)	1,219	-	(54,977)
Total nonoperating revenues (expenses)	<u>(35,990)</u>	<u>(20,206)</u>	<u>1,219</u>	<u>-</u>	<u>(54,977)</u>
Income (loss) before transfers	(162,346)	(154,008)	(367,307)	8,357	(675,304)
Transfers in	-	-	-	170,000	170,000
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>170,000</u>
Change in net position	(162,346)	(154,008)	(367,307)	178,357	(505,304)
<b>NET POSITION, beginning of year</b>	<u>1,978,447</u>	<u>1,650,686</u>	<u>1,685,831</u>	<u>(165,254)</u>	<u>5,149,710</u>
<b>NET POSITION, end of year</b>	<u>\$ 1,816,101</u>	<u>\$ 1,496,678</u>	<u>\$ 1,318,524</u>	<u>\$ 13,103</u>	<u>\$ 4,644,406</u>

**CITY OF ROSWELL, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Group Health Fund	Risk Management Fund	Workers' Compensation Fund	Fleet Services Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 2,071,794	\$ -	\$ -	\$ -	\$ 2,071,794
Receipts from interfund charges	7,473,831	1,050,000	516,000	768,501	9,808,332
Payments to suppliers and service providers	(8,651,770)	(1,373,645)	(907,839)	(724,630)	(11,657,884)
Net cash provided by (used in) operating activities	<u>893,855</u>	<u>(323,645)</u>	<u>(391,839)</u>	<u>43,871</u>	<u>222,242</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(2,493,060)	(1,000,000)	-	-	(3,493,060)
Proceeds from sale of investments	-	1,250,000	499,750	-	1,749,750
Interest received	5,575	14,497	3,909	-	23,981
Net cash provided by (used in) investing activities	<u>(2,487,485)</u>	<u>264,497</u>	<u>503,659</u>	<u>-</u>	<u>(1,719,329)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	-	(253,717)	-	-	(253,717)
Net cash used in capital and related financing activities	<u>-</u>	<u>(253,717)</u>	<u>-</u>	<u>-</u>	<u>(253,717)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	170,000	170,000
Net cash provided in noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>170,000</u>
Net increase (decrease) in cash	(1,593,630)	(312,865)	111,820	213,871	(1,580,804)
<b>Cash:</b>					
Beginning of year	3,110,226	369,033	1,594,707	111,440	5,185,406
End of year	<u>\$ 1,516,596</u>	<u>\$ 56,168</u>	<u>\$ 1,706,527</u>	<u>\$ 325,311</u>	<u>\$ 3,604,602</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ (126,356)	\$ (133,802)	\$ (368,526)	\$ 8,357	\$ (620,327)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	-	12,686	-	-	12,686
Increase in prepaids	(1,460)	(212,351)	(222)	(2,652)	(216,685)
(Increase) decrease in pension related deferred outflows of resources	(250)	978	-	19,846	20,574
Increase (decrease) in accounts payable	60,044	585	(128,758)	440	(67,689)
Increase in accrued liabilities	582,221	373	105,779	1,959	690,332
Decrease in pension related deferred inflows of resources	(5)	(32)	-	(482)	(519)
Increase (decrease) in compensated absences	(286)	398	(207)	4,839	4,744
Increase (decrease) in net pension liability	13,653	7,520	-	(32,626)	(11,453)
Increase in due to other funds	366,294	-	95	44,190	410,579
Net cash provided by (used in) operating activities	<u>\$ 893,855</u>	<u>\$ (323,645)</u>	<u>\$ (391,839)</u>	<u>\$ 43,871</u>	<u>\$ 222,242</u>
<b>NONCASH INVESTING ACTIVITIES</b>					
Decrease in fair value of investments	<u>\$ (54,473)</u>	<u>\$ (35,625)</u>	<u>\$ (2,166)</u>	<u>\$ -</u>	<u>\$ (92,264)</u>

## COMPONENT UNIT

---

**CITY OF ROSWELL, GEORGIA**  
**BALANCE SHEET**  
**COMPONENT UNIT - HISTORIC ROSWELL**  
**CONVENTION & VISITORS BUREAU, INC.**

**JUNE 30, 2017**

	<u>Historic Roswell Convention &amp; Visitors Bureau, Inc.</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 564,916
Receivables, net of allowance for uncollectibles	<u>1,693</u>
Total assets	<u>\$ 566,609</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 27,486
Accrued liabilities	<u>8,796</u>
Total liabilities	<u>36,282</u>
<b>FUND BALANCES</b>	
Restricted:	
Tourism	290,732
Economic development	<u>239,595</u>
Total fund balances	<u>530,327</u>
Total liabilities and fund balances	<u>\$ 566,609</u>

**CITY OF ROSWELL, GEORGIA**

**STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGE IN FUND BALANCE  
COMPONENT UNIT - HISTORIC ROSWELL  
CONVENTION & VISITORS BUREAU, INC.**

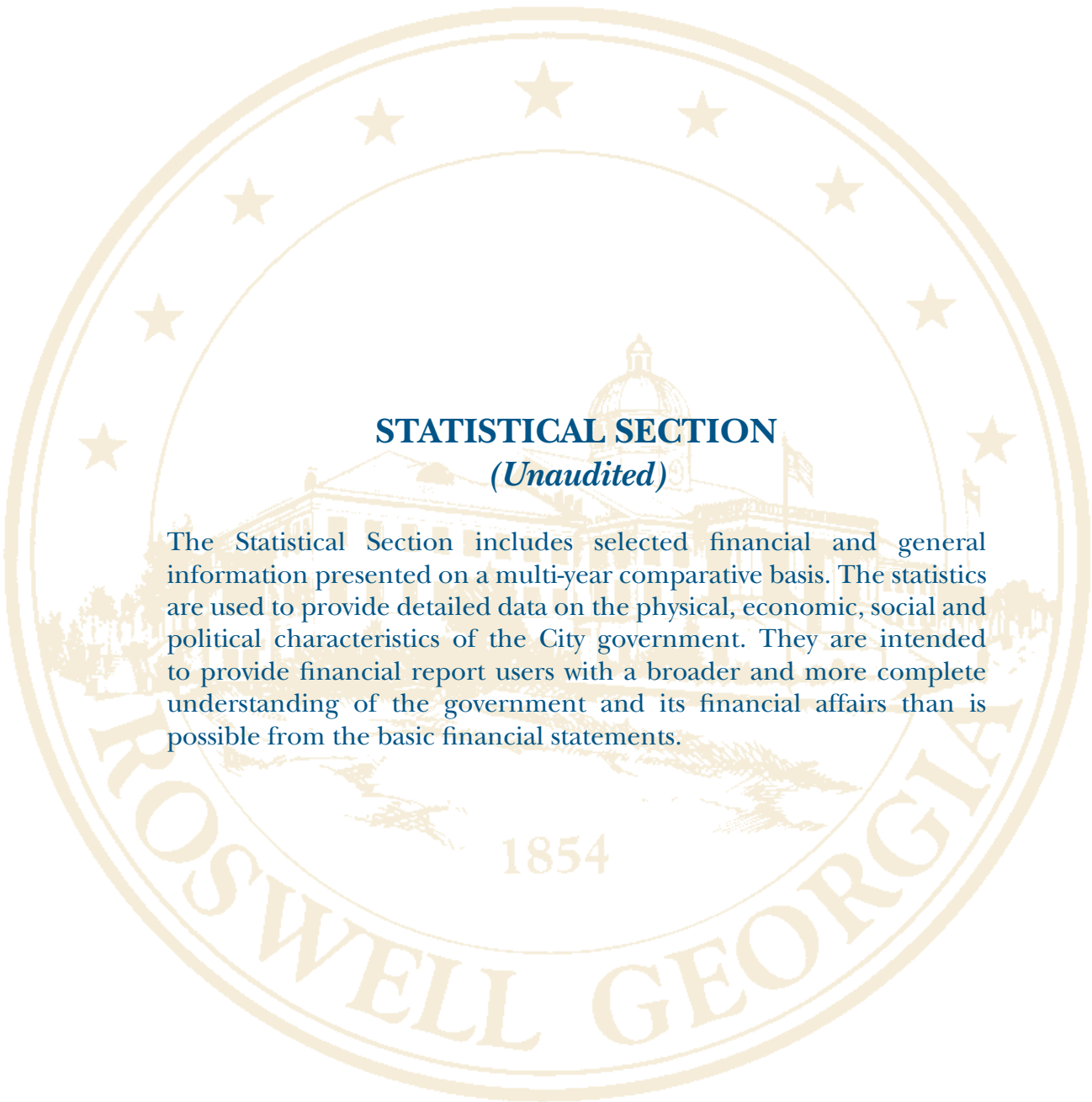
**FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Historic Roswell Convention &amp; Visitors Bureau, Inc.</u>
<b>Revenues:</b>	
Intergovernmental	\$ 1,152,730
Charges for services	232,257
Investment earnings	25
Total revenues	<u>1,385,012</u>
<b>Expenditures:</b>	
Current:	
Culture and recreation	632,460
Economic development	<u>736,234</u>
Total expenditures	<u>1,368,694</u>
Net change in fund balances	16,318
<b>Fund balance, beginning of year</b>	<u>514,009</u>
<b>Fund balance, end of year</b>	<u><u>\$ 530,327</u></u>



THIS PAGE INTENTIONALLY LEFT BLANK.





**STATISTICAL SECTION**  
*(Unaudited)*

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

# STATISTICAL SECTION

---

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

	<u>Page</u>
<b>Financial Trends .....</b>	<b>80-85</b>
<b>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity.....</b>	<b>86-89</b>
<b>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</b>	
<b>Debt Capacity.....</b>	<b>90-93</b>
<b>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.</b>	
<b>Demographic and Economic Information .....</b>	<b>94 and 95</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</b>	
<b>Operating Information.....</b>	<b>96-100</b>
<b>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.</b>	

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

# CITY OF ROSWELL, GEORGIA

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

---

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 107,136	\$ 117,562	\$ 126,837	\$ 140,779
Restricted	7,496	7,845	8,314	21,015
Unrestricted	72,291	69,817	65,539	50,820
Total governmental activities net position	<u>\$ 186,923</u>	<u>\$ 195,224</u>	<u>\$ 200,690</u>	<u>\$ 212,614</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 9,506	\$ 10,963	\$ 13,044	\$ 14,581
Restricted	-	-	-	-
Unrestricted	12,893	13,867	14,349	15,314
Total business-type activities net position	<u>\$ 22,399</u>	<u>\$ 24,830</u>	<u>\$ 27,393</u>	<u>\$ 29,895</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 116,642	\$ 128,525	\$ 139,881	\$ 155,360
Restricted	7,496	7,845	8,314	21,015
Unrestricted	85,184	83,684	79,888	66,134
Total primary government net position	<u>\$ 209,322</u>	<u>\$ 220,054</u>	<u>\$ 228,083</u>	<u>\$ 242,509</u>

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 156,690	\$ 154,588	\$ 166,282	\$ 173,845	\$ 177,409	\$ 181,858
11,443	20,996	27,264	20,074	14,606	14,398
49,347	46,557	35,192	22,277	29,760	28,795
<u>\$ 217,480</u>	<u>\$ 222,141</u>	<u>\$ 228,738</u>	<u>\$ 216,196</u>	<u>\$ 221,775</u>	<u>\$ 225,050</u>
\$ 15,146	\$ 17,069	\$ 20,108	\$ 22,295	\$ 22,747	\$ 23,213
1,644	-	-	-	-	-
15,005	16,828	15,277	11,739	11,188	12,218
<u>\$ 31,795</u>	<u>\$ 33,897</u>	<u>\$ 35,385</u>	<u>\$ 34,034</u>	<u>\$ 33,935</u>	<u>\$ 35,431</u>
\$ 171,836	\$ 171,657	\$ 186,390	\$ 196,140	\$ 200,156	\$ 205,070
13,087	20,996	27,264	20,074	14,606	14,398
64,352	63,385	50,469	34,016	40,948	41,013
<u>\$ 249,275</u>	<u>\$ 256,038</u>	<u>\$ 264,123</u>	<u>\$ 250,230</u>	<u>\$ 255,710</u>	<u>\$ 260,481</u>

# CITY OF ROSWELL, GEORGIA

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 5,398	\$ 7,130	\$ 7,309	\$ 8,049
Judicial	1,496	1,484	1,502	1,442
Financial services	3,964	2,387	2,335	1,528
Public safety	22,486	23,764	24,880	24,346
Public works	8,847	9,402	12,380	12,670
Planning and zoning	3,932	3,675	3,650	3,978
Culture and recreation	12,634	12,198	12,340	11,445
Interest and paying agent fees	1,831	1,506	1,278	1,193
Total governmental activities expenses	<u>60,588</u>	<u>61,546</u>	<u>65,674</u>	<u>64,651</u>
Business-type activities:				
Water and sewer	2,662	2,680	3,057	2,936
Solid waste	8,655	8,607	8,985	8,951
Participant recreation	3,845	3,859	3,855	4,964
Stormwater	-	-	-	-
Total business-type activities expenses	<u>15,162</u>	<u>15,146</u>	<u>15,897</u>	<u>16,851</u>
Total primary government expenses	<u>\$ 75,750</u>	<u>\$ 76,692</u>	<u>\$ 81,571</u>	<u>\$ 81,502</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,376	\$ 1,899	\$ 1,256	\$ 3,420
Judicial (2)	3,154	584	2,259	2,969
Public safety	3,843	4,650	2,918	2,176
Public works	435	481	1,480	67
Planning and zoning	604	698	373	17
Culture and recreation	476	273	512	350
Total charges for services	<u>10,888</u>	<u>8,585</u>	<u>8,798</u>	<u>8,999</u>
Operating grants and contributions (1)	1,300	737	2,368	1,406
Capital grants and contributions (1)	1,662	1,323	2,222	9,443
Total governmental activities program revenues	<u>13,850</u>	<u>10,645</u>	<u>13,388</u>	<u>19,848</u>
Business-type activities:				
Charges for services:				
Water and sewer	3,183	3,257	3,297	3,304
Solid waste	9,763	9,681	9,981	9,821
Participant recreation	4,077	3,910	4,126	4,345
Stormwater	-	-	-	-
Total charges for services	<u>17,023</u>	<u>16,848</u>	<u>17,404</u>	<u>17,470</u>
Capital grants and contributions (1)	107	-	844	-
Total business-type activities program revenues	<u>17,130</u>	<u>16,848</u>	<u>18,248</u>	<u>17,470</u>
Total primary government program revenues	<u>\$ 30,980</u>	<u>\$ 27,493</u>	<u>\$ 31,636</u>	<u>\$ 37,318</u>

(continued)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	8,237	\$ 8,455	\$ 9,448	\$ 9,033	\$ 10,991	\$ 12,568
	1,374	1,371	1,265	1,155	978	1,160
	2,216	2,159	1,994	3,079	2,227	2,822
	26,037	24,622	25,881	26,043	27,540	31,044
	13,438	12,355	11,433	16,115	16,307	12,562
	2,541	2,844	3,260	3,625	3,467	3,356
	12,102	12,258	12,767	13,732	13,104	14,354
	823	574	525	363	188	238
	<u>66,768</u>	<u>64,638</u>	<u>66,573</u>	<u>73,145</u>	<u>74,802</u>	<u>78,103</u>
	3,330	2,861	3,091	3,122	3,705	3,896
	8,887	8,928	9,064	8,868	9,838	9,768
	4,844	4,964	4,788	5,277	5,331	5,248
	1,418	1,522	1,628	1,631	2,050	2,277
	<u>18,479</u>	<u>18,275</u>	<u>18,571</u>	<u>18,898</u>	<u>20,924</u>	<u>21,188</u>
\$	<u>85,247</u>	<u>82,913</u>	<u>85,144</u>	<u>92,043</u>	<u>95,726</u>	<u>99,291</u>
\$	3,120	\$ 2,988	\$ 3,066	\$ 2,968	\$ 3,581	\$ 3,458
	2,938	2,246	1,702	1,921	1,519	1,545
	2,530	1,844	2,032	2,305	2,145	2,762
	264	570	697	488	952	1,355
	609	766	1,454	1,721	2,050	1,757
	80	99	103	96	85	85
	<u>9,541</u>	<u>8,513</u>	<u>9,054</u>	<u>9,499</u>	<u>10,332</u>	<u>10,962</u>
	983	491	811	1,266	1,385	1,246
	2,883	2,101	1,710	1,248	1,340	3,905
	<u>13,407</u>	<u>11,105</u>	<u>11,575</u>	<u>12,013</u>	<u>13,057</u>	<u>16,113</u>
	3,567	3,219	3,250	3,671	3,717	4,740
	8,655	8,857	8,636	8,673	8,149	9,363
	4,626	4,672	4,576	4,812	5,231	5,254
	2,900	3,052	3,046	3,064	3,057	3,174
	<u>19,748</u>	<u>19,800</u>	<u>19,508</u>	<u>20,220</u>	<u>20,154</u>	<u>22,530</u>
	-	-	-	-	-	-
	<u>19,748</u>	<u>19,800</u>	<u>19,508</u>	<u>20,220</u>	<u>20,154</u>	<u>22,530</u>
\$	<u>33,155</u>	<u>30,905</u>	<u>31,083</u>	<u>32,233</u>	<u>33,211</u>	<u>38,644</u>

# CITY OF ROSWELL, GEORGIA

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (expense)/revenue				
Governmental activities	\$ (46,738)	\$ (50,901)	\$ (52,286)	\$ (44,803)
Business-type activities	1,968	1,702	2,351	619
Total primary government net expense	<u>\$ (44,770)</u>	<u>\$ (49,199)</u>	<u>\$ (49,935)</u>	<u>\$ (44,184)</u>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 31,635	\$ 31,890	\$ 31,674	\$ 31,344
Sales taxes	22,689	19,720	19,562	20,406
Hotel/Motel taxes	853	686	602	721
Business taxes	5,307	5,378	5,248	5,345
Total taxes	<u>60,484</u>	<u>57,674</u>	<u>57,086</u>	<u>57,816</u>
Investment earnings	3,395	1,751	593	559
Gain on sale of capital assets	-	-	-	-
Miscellaneous	479	202	73	100
Transfers	10	(425)	-	(1,748)
Total governmental activities	<u>64,368</u>	<u>59,202</u>	<u>57,752</u>	<u>56,727</u>
Business-type activities:				
Investment earnings	348	280	123	135
Gain on sale of capital assets	12	24	89	-
Miscellaneous	-	-	-	-
Transfers	(10)	425	-	1,748
Total business-type activities	<u>350</u>	<u>729</u>	<u>212</u>	<u>1,883</u>
Total primary government	<u>\$ 64,718</u>	<u>\$ 59,931</u>	<u>\$ 57,964</u>	<u>\$ 58,610</u>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 17,630	\$ 8,301	\$ 5,466	\$ 11,924
Business-type activities	2,318	2,431	2,563	2,502
Total primary government	<u>\$ 19,948</u>	<u>\$ 10,732</u>	<u>\$ 8,029</u>	<u>\$ 14,426</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 2008 to 2017 reflect the changes in grants awarded to the City.

(2) The decrease in Judicial for 2009 is attributable to the decrease in fine revenues and for the allocation of court fines to Public Safety.



2012	2013	2014	2015	2016	2017
\$ (53,361)	\$ (53,533)	\$ (54,998)	\$ (61,132)	\$ (61,745)	\$ (61,990)
1,269	1,525	937	1,322	(770)	1,342
<u>\$ (52,092)</u>	<u>\$ (52,008)</u>	<u>\$ (54,061)</u>	<u>\$ (59,810)</u>	<u>\$ (62,515)</u>	<u>\$ (60,648)</u>
\$ 30,227	\$ 30,398	\$ 31,239	\$ 31,578	\$ 32,774	\$ 33,165
21,863	21,816	22,835	23,965	24,304	24,368
788	797	875	993	1,068	1,134
5,028	5,351	5,578	5,603	6,217	6,666
<u>57,906</u>	<u>58,362</u>	<u>60,527</u>	<u>62,139</u>	<u>64,363</u>	<u>65,332</u>
411	229	587	651	973	51
148	-	-	60	2,155	-
179	217	119	467	264	76
(418)	(571)	(362)	(48)	(431)	(194)
<u>58,226</u>	<u>58,237</u>	<u>60,871</u>	<u>63,269</u>	<u>67,324</u>	<u>65,265</u>
70	5	160	62	150	(40)
144	-	28	-	90	-
-	-	-	-	-	-
418	571	362	48	431	194
<u>632</u>	<u>576</u>	<u>550</u>	<u>110</u>	<u>671</u>	<u>154</u>
<u>\$ 58,858</u>	<u>\$ 58,813</u>	<u>\$ 61,421</u>	<u>\$ 63,379</u>	<u>\$ 67,995</u>	<u>\$ 65,419</u>
\$ 4,865	\$ 4,704	\$ 5,873	\$ 2,137	\$ 5,579	\$ 3,275
1,901	2,101	1,487	1,432	(99)	1,496
<u>\$ 6,766</u>	<u>\$ 6,805</u>	<u>\$ 7,360</u>	<u>\$ 3,569</u>	<u>\$ 5,480</u>	<u>\$ 4,771</u>

# CITY OF ROSWELL, GEORGIA

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund				
Reserved	\$ 865	\$ 714	\$ 620	\$ -
Unreserved	40,843	35,224	31,858	-
Nonspendable	-	-	-	291
Restricted	-	-	-	104
Committed	-	-	-	16,329
Assigned	-	-	-	6,893
Unassigned	-	-	-	7,418
Total general fund	<u>41,708</u>	<u>35,938</u>	<u>32,478</u>	<u>31,035</u>
All other governmental funds				
Reserved	13,399	12,377	15,400	-
Unreserved, reported in:				
Special revenue funds	3,365	4,289	1,307	-
Debt service funds	18,494	20,602	19,219	-
Capital projects funds	-	-	-	-
Nonspendable	-	-	-	130
Restricted	-	-	-	19,693
Committed	-	-	-	399
Assigned	-	-	-	15,929
Unassigned	-	-	-	(1,188)
Total all other governmental funds	<u>35,258</u>	<u>37,268</u>	<u>35,926</u>	<u>34,963</u>
Total all funds	<u>\$ 76,966</u>	<u>\$ 73,206</u>	<u>\$ 68,404</u>	<u>\$ 65,998</u>

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
188	570	812	377	352	373
88	66	52	20	1	1
14,007	14,398	16,596	15,436	16,426	17,200
3,299	2,826	2,507	3,271	3,475	1,522
8,882	3,408	3,034	5,445	5,407	3,976
<u>26,464</u>	<u>21,268</u>	<u>23,001</u>	<u>24,549</u>	<u>25,661</u>	<u>23,072</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
63	297	343	114	51	40
11,116	20,452	27,029	19,839	14,526	14,329
494	531	434	422	482	382
17,519	19,187	17,748	16,405	17,446	17,395
(1,699)	(420)	(874)	(553)	(1,409)	(521)
<u>27,493</u>	<u>40,047</u>	<u>44,680</u>	<u>36,227</u>	<u>31,096</u>	<u>31,625</u>
<u>\$ 53,957</u>	<u>\$ 61,315</u>	<u>\$ 67,681</u>	<u>\$ 60,776</u>	<u>\$ 56,757</u>	<u>\$ 54,697</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)

	2008	2009	2010	2011
<b>REVENUES</b>				
Taxes	\$ 59,821	\$ 57,198	\$ 57,967	\$ 57,641
Licenses and permits	2,428	1,295	1,187	1,268
Intergovernmental	2,589	3,058	1,801	4,679
Fines and forfeitures	4,811	3,476	3,392	3,345
Charges for services	3,549	3,683	4,115	4,127
Impact fees	-	-	95	276
Investment earnings (1)	3,321	1,707	569	527
Contributions	-	-	-	-
Miscellaneous	554	119	73	100
<b>Total revenues</b>	<b>77,073</b>	<b>70,536</b>	<b>69,199</b>	<b>71,963</b>
<b>EXPENDITURES</b>				
General government	5,124	6,356	6,565	7,479
Judicial	1,460	1,532	1,501	1,439
Financial services	3,587	2,425	2,323	1,456
Public safety	22,171	23,205	24,108	23,218
Public works	7,203	7,531	9,862	9,673
Planning and zoning	3,786	3,749	3,660	3,945
Culture and recreation	11,070	10,639	10,522	9,414
Capital outlay	11,227	12,774	9,303	9,592
Principal on long-term debt	8,140	4,705	4,755	5,165
Interest and paying agent fees	2,329	1,484	1,432	1,240
<b>Total expenditures</b>	<b>76,097</b>	<b>74,400</b>	<b>74,031</b>	<b>72,621</b>
Excess (deficiency) of revenues over expenditures	976	(3,864)	(4,832)	(658)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	107	11,090	30	-
Transfers in	10,516	(11,080)	8,539	7,821
Transfers out	(10,506)	-	(8,539)	(9,569)
Proceeds from bond issuance	15,975	-	-	-
Premium on bonds issued	997	-	-	-
Payments to refunded bond escrow agent	(16,920)	-	-	-
Capital leases	-	94	-	-
Installment sales agreement	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>169</b>	<b>104</b>	<b>30</b>	<b>(1,748)</b>
<b>Net change in fund balances</b>	<b>\$ 1,145</b>	<b>\$ (3,760)</b>	<b>\$ (4,802)</b>	<b>\$ (2,406)</b>
Debt service as a percentage of noncapital expenditures	12.5%	9.8%	9.6%	10.1%

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

	2012	2013	2014	2015	2016	2017
\$	58,008	\$ 58,077	\$ 60,544	\$ 61,970	\$ 64,700	\$ 65,319
	1,430	1,521	2,201	2,465	2,784	2,484
	3,788	3,022	2,293	2,707	1,875	5,981
	3,303	2,478	1,840	2,227	1,814	2,251
	4,159	4,163	4,357	4,141	4,864	4,825
	245	543	669	455	911	1,388
	391	229	587	651	926	54
	25	53	59	26	95	33
	260	317	223	513	349	276
	<u>71,609</u>	<u>70,403</u>	<u>72,773</u>	<u>75,155</u>	<u>78,319</u>	<u>82,612</u>
	7,672	7,794	8,609	9,030	9,793	10,514
	1,377	1,368	1,167	976	1,021	1,123
	2,087	1,918	2,156	2,187	2,278	2,543
	24,742	23,056	24,224	24,192	25,646	27,843
	10,584	9,484	8,235	8,514	9,178	8,436
	2,459	2,729	3,129	3,088	3,460	3,194
	10,021	10,178	10,514	10,899	11,236	11,797
	11,099	9,570	14,609	17,640	23,031	17,533
	12,250	5,925	1,139	5,528	1,596	2,006
	1,093	648	422	409	285	327
	<u>83,384</u>	<u>72,670</u>	<u>74,204</u>	<u>82,463</u>	<u>87,524</u>	<u>85,316</u>
	<u>(11,775)</u>	<u>(2,267)</u>	<u>(1,431)</u>	<u>(7,308)</u>	<u>(9,205)</u>	<u>(2,704)</u>
	153	-	94	110	1,465	223
	11,908	13,075	9,044	9,242	12,459	12,934
	(13,327)	(13,446)	(8,998)	(8,950)	(12,731)	(13,297)
	-	9,760	4,940	-	-	-
	-	239	351	-	-	-
	-	-	-	-	-	-
	-	-	1,640	-	544	785
	-	-	-	-	3,449	-
	<u>(1,266)</u>	<u>9,628</u>	<u>7,071</u>	<u>402</u>	<u>5,186</u>	<u>644</u>
\$	<u>(13,041)</u>	<u>\$ 7,361</u>	<u>\$ 5,640</u>	<u>\$ (6,906)</u>	<u>\$ (4,019)</u>	<u>\$ (2,060)</u>
	18.3%	10.3%	2.6%	8.7%	2.8%	3.4%

# CITY OF ROSWELL, GEORGIA

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

---

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Business Tax</u>	<u>Total</u>
2008	\$ 30,971	\$ 23,543	\$ 5,307	\$ 59,821
2009 (1)	25,599	18,706	12,893	57,198
2010	32,031	20,086	5,850	57,967
2011	32,279	20,017	5,345	57,641
2012	30,328	22,652	5,028	58,008
2013	30,113	22,613	5,351	58,077
2014	31,257	23,709	5,578	60,544
2015	31,409	24,958	5,603	61,970
2016	33,111	25,373	6,217	64,700
2017	33,151	25,502	6,666	65,319

(1) Taxes have been classified differently in 2009 to more accurately reflect the tax source, thus resulting in variances compared to prior years.

## 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)
2008	\$ 3,105,857	\$ 53,966	\$ 1,541,096	\$ 140,597	\$ 4,560,322	5.657	\$ 11,400,805	40.00%
2009	3,226,197	49,179	1,824,638	249,837	4,850,177	5.455	12,125,443	40.00%
2010	3,209,102	44,830	1,863,224	253,501	4,863,655	5.455	12,159,138	40.00%
2011	3,049,069	38,015	1,815,995	264,506	4,638,573	5.455	11,596,433	40.00%
2012	2,900,791	38,015	1,850,126	264,119	4,524,813	5.455	11,312,033	40.00%
2013	2,848,200	41,486	1,820,604	282,840	4,427,450	5.455	11,068,625	40.00%
2014	2,815,902	36,208	1,884,403	301,037	4,435,476	5.455	11,088,690	40.00%
2015	2,896,326	36,838	1,804,506	307,403	4,430,267	5.455	11,075,668	40.00%
2016	3,183,132	42,318	1,794,111	308,863	4,710,698	5.455	11,776,745	40.00%
2017	3,261,187	41,425	1,756,033	313,711	4,744,934	5.425	11,862,335	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 Option					Fulton County		
		General Millage	Sales Tax	Total M&O	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage
2008	2007	8.173	(4.262)	3.911	1.746	5.657	10.281	0.000	10.281
2009	2008	7.978	(3.919)	4.059	1.396	5.455	10.281	0.000	10.281
2010	2009	7.679	(3.620)	4.059	1.396	5.455	10.281	0.000	10.281
2011	2010	7.898	(3.839)	4.059	1.396	5.455	10.281	0.000	10.281
2012	2011	8.003	(3.944)	4.059	1.396	5.455	10.281	0.000	10.281
2013	2012	8.788	(4.729)	4.059	1.396	5.455	10.281	0.000	10.281
2014	2013	9.153	(4.689)	4.464	0.991	5.455	10.211	0.000	10.211
2015	2014	9.292	(4.828)	4.464	0.991	5.455	11.781	0.000	11.781
2016	2015	9.864	(4.809)	5.055	0.400	5.455	10.500	0.000	10.500
2017	2016	9.864	(4.839)	5.025	0.400	5.425	10.450	0.000	10.450

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.



<b>Overlapping Rates</b>				
<b>School District</b>			<b>State</b>	<b>Total</b>
<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total School Millage</b>	<b>Total State Millage</b>	<b>Direct &amp; Overlapping Rates</b>
17.825	0.282	18.107	0.250	34.295
16.904	1.189	18.093	0.250	34.079
16.403	1.099	17.502	0.250	33.488
17.502	0.000	17.502	0.250	33.488
18.502	0.000	18.502	0.250	34.488
18.502	0.000	18.502	0.200	34.438
18.502	0.000	18.502	0.150	34.318
18.502	0.000	18.502	0.100	35.838
18.502	0.000	18.502	0.050	34.507
18.483	0.000	18.483	0.000	34.358

# CITY OF ROSWELL, GEORGIA

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

Taxpayer	2017			2008		
	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
Fulton County Board of Education	\$ 126,089	1	2.66%			
City of Roswell	57,429	2	1.21%			
Strata Roswell LLC	36,491	3	0.77%			
Calibre Creek Apartment Partners	30,531	4	0.64%			
BR Roswell LLC	28,880	5	0.61%			
Kimberly Clark Corp	24,739	6	0.52%	21,956	2	0.48%
Northmeadow Investors LLC	19,884	7	0.42%	29,564	1	0.65%
Sanctuary Park Realty Holding	17,815	8	0.38%			
Nesbit Palisades LLC	17,614	9	0.37%			
AJ Riverside Gardens LLC	16,719	10	0.35%			
Orion Roswell Associates				17,726	3	0.39%
WLI IV Roswell LLC				16,740	4	0.37%
A Colonial Three Hundred				14,553	5	0.32%
Firstcal Industrial Two				11,962	6	0.26%
EQR Bond Partnership				11,971	7	0.26%
Jefferson at Champions Pkwy				11,895	8	0.26%
Prudential Ins Company of America				11,300	9	0.25%
CMCP Roswell LLC				11,073	10	0.24%
Totals	<u>\$ 376,191</u>		<u>7.93%</u>	<u>\$ 158,740</u>		<u>3.48%</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
2008	\$ 23,372	\$ 22,892	97.95%	\$ 480	\$ 23,372	100.00%
2009	24,278	23,279	95.89%	989	24,268	99.96%
2010	24,449	23,737	97.09%	701	24,438	99.96%
2011	23,814	22,868	96.03%	934	23,802	99.95%
2012	22,335	21,761	97.43%	559	22,320	99.93%
2013	21,635	21,294	98.42%	330	21,624	99.95%
2014	22,245	21,849	98.22%	384	22,233	99.95%
2015	22,323	21,868	97.96%	448	22,316	99.97%
2016	24,202	23,704	97.94%	476	24,180	99.91%
2017	24,789	24,393	98.40%	-	24,393	98.40%

Source: Financial Services Division within the City Finance Department.

**Note:**

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

# CITY OF ROSWELL, GEORGIA

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

Fiscal Year	Governmental Activities				Total	Business-Type	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Leases	Installment Sales Agreement	Notes Payable					
2008	\$ 36,625	\$ 180	\$ -	\$ -	\$ 36,805	\$ -	\$ 36,805	1.12%	\$ 422
2009	32,100	-	-	-	32,100	-	32,100	0.96%	379
2010	27,345	-	-	-	27,345	-	27,345	0.78%	312
2011	22,180	-	-	-	22,180	1,440	23,620	0.62%	267
2012	9,930	-	-	-	9,930	1,644	11,574	0.34%	127
2013	14,085	-	-	-	14,085	1,499	15,584	0.42%	166
2014	18,359	1,445	-	-	19,804	213	20,017	0.52%	213
2015	12,872	1,282	-	-	14,154	7,818	21,972	0.54%	234
2016	11,409	1,605	3,449	-	16,463	14,457	30,920	0.72%	327
2017	9,932	2,096	3,132	-	15,160	13,347	28,507	0.74%	301

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)
2008	\$ 36,625	\$ 6,996	\$ 29,629	0.26%	\$ 339
2009	32,100	7,845	24,255	0.20%	287
2010	27,345	8,290	19,055	0.16%	217
2011	22,180	8,495	13,685	0.12%	155
2012	9,930	1,329	8,601	0.08%	94
2013	14,085	955	13,130	0.12%	140
2014	18,359	4,121	14,237	0.13%	151
2015	12,872	2,520	10,352	0.09%	110
2016	11,409	2,711	8,698	0.07%	92
2017	9,932	2,978	6,955	0.06%	74

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, 2017 (amounts expressed in thousands)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Government</b>	<b>Amount Applicable to Government</b>
Debt repaid with property taxes			
Fulton County Board of Education	\$ 55,870	8.10%	\$ 4,525
City of Roswell direct debt	15,160	100.00%	15,160
Total direct and overlapping debt	\$ 71,030		\$ 19,686

Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County Board of Education's 2016 CAFR and City of Roswell Finance Department records. Debt outstanding data provided by each government unit.

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

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

THIS PAGE INTENTIONALLY LEFT BLANK.



# CITY OF ROSWELL, GEORGIA

## LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

---

	2008	2009	2010	2011
Debt limit (10% of total assessed value)	\$ 475,489	\$ 518,848	\$ 511,716	\$ 490,308
Total net debt applicable to limit	29,629	24,255	19,055	13,685
Legal debt margin	\$ 445,860	\$ 494,593	\$ 492,661	\$ 476,623
Total net debt applicable to the limit as a percentage of debt limit	6.23%	4.67%	3.72%	2.79%

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.



	2012	2013	2014	2015	2016	2017
	\$ 478,893	\$ 471,029	\$ 473,651	\$ 473,767	\$ 501,956	\$ 505,865
	8,601	9,786	14,238	10,380	10,222	9,357
	\$ 470,292	\$ 461,243	\$ 459,413	\$ 463,387	\$ 491,734	\$ 496,508
	1.80%	2.08%	3.01%	2.19%	2.04%	1.85%
Assessed Value						\$ 4,744,934
Add back: exempt real property						313,711
Total assessed value						5,058,645
Debt limit (10% of total assessed value)						505,865
Debt applicable to limit:						
General obligation bonds						9,932
Less: Amount set aside for repayment of general obligation debt						(575)
Total net debt applicable to limit						9,357
Legal debt margin						\$ 496,508

# CITY OF ROSWELL, GEORGIA

## DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

---

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment (1)	Unemployment Rate
2008	87,312	\$ 3,283,804	\$ 37,610	35.20	23,309	4.60 %
2009	84,595	3,358,841	38,318	36.60	13,294	7.61
2010	87,719	3,490,778	39,795	37.00	13,336	8.70
2011	88,346	3,824,145	43,286	36.30	13,563	10.20
2012	91,168	3,453,535	37,881	36.20	14,848	9.90
2013	93,692	3,731,565	39,828	40.20	15,081	9.00
2014	94,034	3,846,273	40,903	36.80	14,869	8.16
2015	94,089	4,036,418	42,900	37.90	14,791	8.30
2016	94,501	4,308,962	45,597	38.80	24,413	7.10
2017	94,598	3,851,179	40,711	36.00	22,615	6.00

Sources: U.S. Census Bureau for the population, personal income, median age, per capita income, and unemployment rate. Statistics for 2016 are for the City of Roswell except for the unemployment rate which is for the state of Georgia.

(1) The school enrollment was provided by the Fulton County Board of Education; 2017 is U.S. Census Bureau

# CITY OF ROSWELL, GEORGIA

## PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kimberly-Clark Corporation	1,312	1	2.50%	1,437	1	2.39%
Wellstar North Fulton Hospital Inc	900	2	1.71%			
GM IT Innovation Center	700	3	1.33%			
City of Roswell	559	4	1.06%	1,000	3	1.66%
Roswell Nursing & Rehabilitation	277	5	0.53%	262	9	0.44%
Wal-mart Supercenter # 1578	266	6	0.51%	313	7	0.52%
Colibrium Direct LLC	223	7	0.42%			
Promethean Inc	207	8	0.39%			
Enable of Georgia, Inc	205	9	0.39%			
Yardi Systems Inc	203	10	0.39%			
North Fulton Regional Hospital				1,016	2	1.69%
Prommis Solutions LLC				649	4	1.08%
Target Store				506	5	0.84%
Witness Systems, Inc.				411	6	0.68%
Verizon Wireless				279	8	0.46%
Tenet Patient Financial Services				200	10	0.33%
Total	4,852		9.23%	6,073		10.09%

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General government</b>										
City Administrator	3	2	3	3	3	3	3	3	3	2
City Hall	8	8	8	9	9	9	9	9	9	7
Community Information	4	3	4	4	4	4	5	5	5	5
Court Services	20	20	20	16	17	16	3	3	3	5
General Administration	8	6	6	5	6	5	5	6	7	7
Governing Body	3	2	2	2	2	2	1	2	2	2
Human Resources	5	4	3	3	3	4	4	5	5	5
Legal	3	3	3	3	3	3	3	3	3	3
Risk Management	1	2	-	1	1	1	1	1	1	1
Worker's Compensation	-	-	-	1	1	1	1	1	1	1
Benefits Manager	-	-	-	1	1	1	1	1	1	1
Strat. Planning and Budgeting	3	3	3	3	-	-	-	-	-	-
IT (formerly MIS)	-	8	8	9	9	7	7	9	9	9
Security	-	-	-	-	-	-	-	-	-	2
<b>Finance</b>										
Accounting	8	8	5	4	4	4	3	4	4	5
Finance - Administration	2	2	2	3	3	3	3	3	3	3
Treasury	-	-	-	1	1	-	-	-	-	-
Accounts Payable	-	-	3	-	-	-	-	-	-	-
Cash Disbursement	-	-	-	3	3	3	3	3	3	3
Accounts Receivable	-	-	-	6	6	6	7	8	7	8
Cash Receipting	-	-	-	3	3	3	2	2	2	2
Purchasing	4	4	4	3	3	3	2	3	3	2
IT (formerly MIS)	8	-	-	-	-	-	-	-	-	-
Tax Administration	4	5	5	-	-	-	-	-	-	-
Utility Billing	6	5	5	-	-	-	-	-	-	-
Strat. Planning and Budgeting	-	-	-	-	3	3	2	3	2	3

Source: City Budget Office

Continued

# CITY OF ROSWELL, GEORGIA

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Criminal Investigations	19	21	21	23	23	20	22	23	18	21
Jail/Detention	31	33	34	34	33	18	16	15	18	-
Patrol	84	90	86	79	77	78	78	78	86	79
Police - Admin Services	2	2	2	3	3	2	3	3	3	3
Police - Bldg Maintenance	-	-	-	-	-	-	-	-	-	-
Police - Support Services	25	23	24	25	27	35	26	26	28	29
Special Operations	8	10	13	11	12	5	15	14	15	14
Traffic Control	12	9	10	13	12	16	13	12	12	16
E-911	19	18	19	19	22	20	18	19	18	21
<b>Fire</b>										
Administration	2	2	2	2	2	2	2	2	2	2
Fire	4	4	6	6	6	6	7	7	7	7
Fire Training	1	1	1	1	1	1	1	1	1	1
Fire Marshal	9	9	9	9	9	9	9	9	9	8
<b>Cultural &amp; recreation</b>										
Municipal Complex	2	2	2	2	2	2	2	2	2	2
Administration	2	2	2	2	2	2	2	2	2	1
Support Services	43	43	22	22	38	38	38	35	41	40
Parks	54	54	51	51	56	56	58	55	56	53
Barrington Hall	1	1	1	1	1	1	1	1	1	1
Bulloch Hall	1	1	1	1	1	1	1	1	1	1
Smith Plantation	1	1	1	1	1	1	1	1	1	1
Cultural Arts	2	2	2	2	2	2	2	2	2	2
Historic & Cultural Affairs	1	1	1	1	1	1	1	-	2	2
<b>Environmental</b>										
Administration	2	2	2.15	2.15	2.15	2.15	2.1	-	-	-
Environmental	3	3	3	3	3	3	3	-	-	-
Water Resources	4.5	4.5	1.5	1.5	-	-	-	-	-	-
Garage	7	7	7	7	7	7	7.2	7	7.1	8
Stormwater Mgmt	4	4	6.75	6.75	9	12	11	13	12	13.5

Continued

# CITY OF ROSWELL, GEORGIA

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Community Development</b>										
Administration	3	3	3	3	3	4	1	3	3	3
Building Inspections	5	4	-	4	5	-	-	-	-	-
Code Enforcement	5	6	-	6	6	-	-	-	-	-
Support Services	7	6	2	2	2	2	3	4	4	4
Economic Development	2	2	4	4	2	-	-	-	-	-
Engineering	9	6	-	1	6	7	7	7	8	8
GIS	3	3	3	3	4	4	4	3	4	4
Licensing	2	2	1	1	1	1	1	1	1	-
Planning & Zoning	11	9	13	13	7	7	7	7	7	6
<b>Transportation</b>										
Transportation	7	11	8	8	8	8	7	7	6	8
Trans/PW Facility	-	-	-	-	-	-	-	-	-	-
Administration	3	3	3	4	4	4	4	4	4	4
Street Maintenance	31	31	31	31	31	28	29	30	30	28
Land Acq. & Development	-	-	-	-	3	3	3	2	2	2
Traffic Engineering	22	16	20	18	18	18	17	16	18	18
<b>Water</b>										
Administration	1.9	0.9	1.3	1.3	2.05	2.05	2.05	1.65	1.95	2.48
Distribution	9.25	9	10	9	8.50	8.50	8.50	8.50	8.50	8.50
Water Plant	5.75	6	7	7	7	7	7	7	8	7
<b>Solid Waste</b>										
Administration	4.85	4.85	4.5	4.5	4.5	4.35	4.35	6.95	7.25	7.49
Public Education	0.75	0.75	0.55	0.55	0.55	0.55	0.55	-	-	-
Residential Collection	34	35	34	34	34	34	33	34	33	32
Commercial Collection	8	7	8	8	8	8	7	8	8	8
Yard Trimmings Collection	-	-	-	-	-	-	-	-	-	-
Recycling Center	5	6	6.25	6.25	6.25	6.25	6.25	5	7	7
	613	606	574	580	608	578	556	557	578	559

# CITY OF ROSWELL, GEORGIA

## OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Calls for service	106,948	93,651	108,864	102,864	85,216	67,386	69,939	67,563	76,723	111,004
Traffic stops	34,139	33,320	43,457	43,090	28,885	17,867	19,964	24,340	24,382	21,867
Part 1 Crimes Index Rate	31.6	31.9	26.2	23.7	23.6	24.9	22.9	24.4	24.6	18.6
<b>Fire</b>										
Fire Calls	2,030	1,965	2,103	2,104	2,301	2,802	3,121	3,126	3,344	3,784
Fires extinguished	242	191	197	203	198	185	162	174	188	211
EMS Calls	4,102	4,100	4,364	5,101	4,795	5,251	5,225	5,060	4,951	5,269
<b>Community development</b>										
Building permits issued	4,155	3,423	3,912	3,798	4,068	3,382	2,351	2,108	4,996	6,920
<b>Refuse collection</b>										
Household garbage collected-tons per year	21,803	21,164	18,872	19,080	18,645	19,128	18,964	13,078	20,150	20,754
Curbside recycling collected-tons per year	6,404	6,398	8,251	7,086	6,766	6,726	6,893	7,597	6,674	8,897
Glass recycling collected-tons per per year (2)	-	-	-	-	-	-	-	-	-	3,583
Yard waste collected-tons per year	7,997	8,024	7,386	8,712	8,140	7,872	8,376	7,527	7,274	6,363
Recycling from recycle center-tons per year	3,022	2,639	2,438	2,056	1,586	1,811	1,695	1,698	1,625	1,752
<b>Parks and recreation</b>										
Registered participants (1)	189,104	196,716	191,448	33,694	34,722	33,843	33,567	32,767	26,817	32,449
Park acres maintained	890	917	917	917	918	918	912	912	987	967
Participant Visits	691,501	712,321	719,012	-	-	-	-	-	-	-
Spectator Visits	362,627	408,360	409,840	-	-	-	-	-	-	-
Facility Visits	916,733	906,812	952,368	-	-	-	-	-	-	-
Total Point of Sale Participants (1)	-	-	-	102,971	122,170	111,624	98,111	100,263	47,087	46,679
Total Facility Rentals (1)	-	-	-	1,725	1,707	1,642	2,236	2,373	1,148	1,527
<b>Water</b>										
Water production in MGD (3)	417	328	373	371	351	368	388	397	278	537
<b>Sanitation</b>										
Number of residential customers	24,309	23,807	25,080	25,146	25,230	25,232	25,360	26,120	26,120	25,720
Number of commercial customers	1,115	1,203	1,201	836	892	1,002	892	972	955	854

Sources: Various city departments.

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

(1) With implementation of new registration software in FY2011, we are now able to more accurately count total registered participants. Totals from previous years were based on monthly reports, causing participants to be counted multiple times for the same activity. Point of Sale Participants include fees for daily entry for the Pool, both Spraygrounds, Tennis Courts, Racquetball and Manor Haunted House. Total Rentals includes all paying room and shelter reservations at any Roswell Parks.

(2) January through June 2017 Glass recycling collected

(3) Water production was lower in years prior to 2017. 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

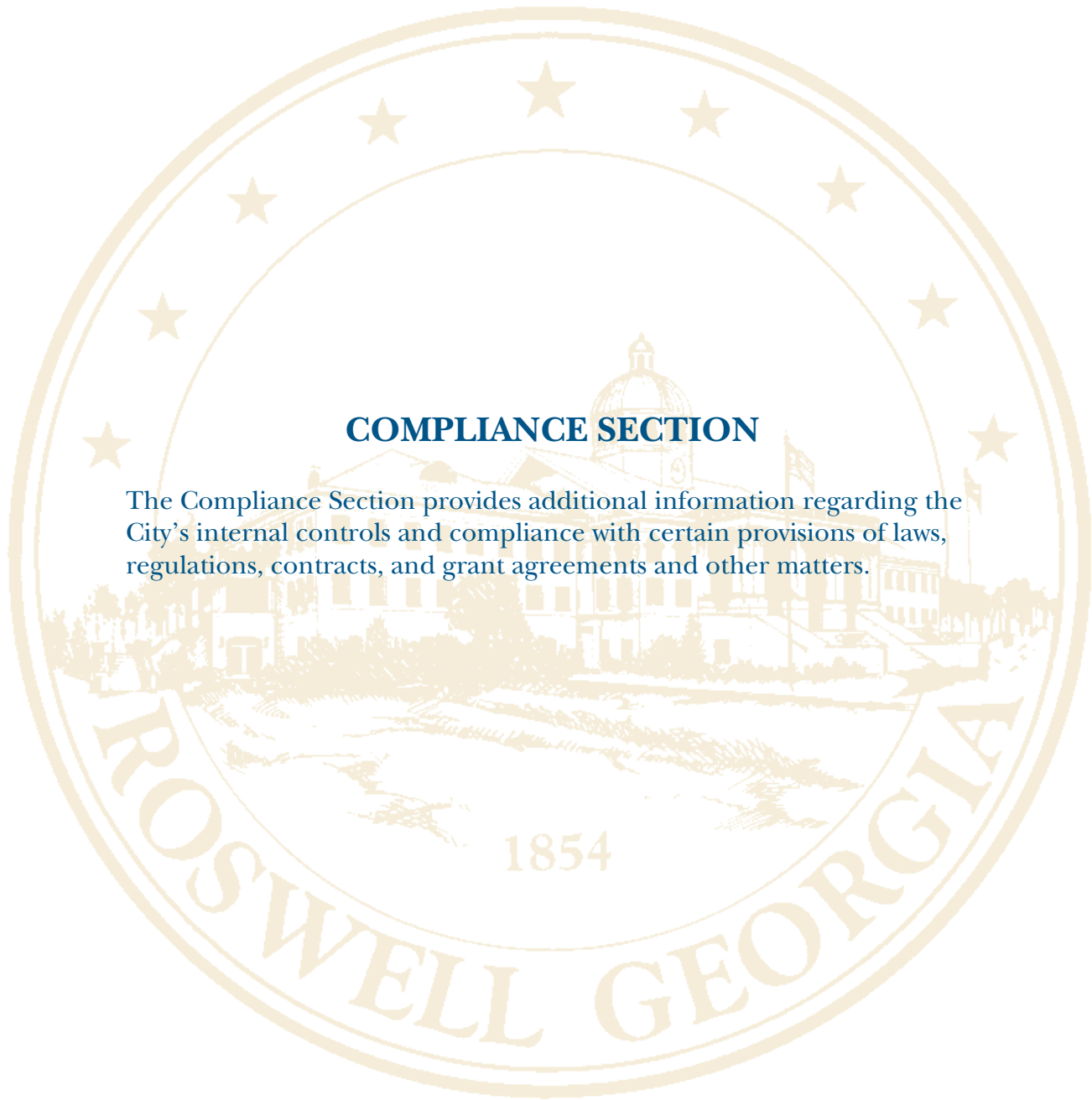
Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General government</b>										
Vehicles	53	54	54	54	54	54	54	55	55	55
Buildings	30	30	30	30	30	30	30	30	30	30
<b>Police</b>										
Vehicles	150	157	157	157	157	158	158	208	215	214
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4452	4452	4452	4452	4452	4530	4530	4530	5175	5186
<b>Parks and recreation</b>										
Acreage	901	901	917	917	917	917	917	917	987	987
Parks and playgrounds	19	19	19	19	19	19	19	22	22	22
Athletic fields	43	43	44	44	44	44	44	44	44	44
Recreational buildings	9	9	9	9	9	9	9	9	9	11
Swimming pools	1	1	1	1	1	1	1	1	2	2
Tennis courts	34	34	34	34	34	34	34	34	32	28
<b>Transportation</b>										
Paved roads in miles (1)	373	373	373	373	373	385	385	385	326	15.1
Traffic signals	145	145	145	145	145	152	152	154	102	103
<b>Water</b>										
Water mains (miles) (2)	201	201	201	201	201	201	201	201	201	86.5
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 2008 to fiscal year 2017 is the result water mains that have been abandoned in place and the Fulton County Lines within our system boundary; 2017 is the Roswell Water Utility only.





## **COMPLIANCE SECTION**

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



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

---

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roswell, Georgia (the "City"), as of and for the year ended June 30, 2017, 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 8, 2017.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

---

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. We consider the deficiency described in the accompanying schedule of findings and responses, as item 2017-002, to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses, as item 2017-001, to be a significant deficiency.

### **Compliance and Other Matters**

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

### **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 responses. 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 8, 2017

THIS PAGE INTENTIONALLY LEFT BLANK.



**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

**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**

There was not an audit of major federal award programs for the year ended June 30, 2017 due to the total amount expended being less than \$750,000.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

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

**2017-001 Equity Reconciliation - Historic Roswell Convention and Visitors Bureau, Inc.**

**Criteria:** Internal controls should be in place to ensure that financial statements are properly presenting the financial position and results of operations of the Bureau in accordance with generally accepted accounting principles.

**Condition:** Internal controls were not sufficient to detect misstatements in the reporting of the opening equity balances of the Bureau.

**Context/Cause:** During our testing, an audit adjustment was required to adjust the opening equity of the Bureau's financial statements. The entry included an adjustment to record audit entries from the prior year which were not posted to the Bureau's general ledger.

**Effects:** An audit adjustment totaling approximately \$7,600 was needed to correct the Bureau's opening fund balance as of June 30, 2017.

**Recommendation:** We recommend the Bureau carefully review all transactions to ensure all year-end closing entries, including those proposed by the auditors, are recorded in accordance with generally accepted accounting principles.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure equity is reconciled to prior year ending equity.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

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

**2017-002 Accrued Liabilities and Related Expenditure/Expense Recognition – City of Roswell and Historic Roswell Convention and Visitors Bureau, Inc.**

**Criteria:** Generally, expenditures should be recognized as soon as a liability is incurred, regardless of the timing of the related cash flows in accordance with generally accepted accounting principles.

**Condition:** Material misstatements were detected in the reporting of the City's accrued liabilities and related expenses. Material misstatements were also detected in the reporting of the Bureau's payroll expenditures and related liabilities.

**Context/Cause:** During our testing of City's accrued liabilities and related expenses, audit adjustments were required to correct current year balances. In the City's general ledger, an adjustment was required to reduce the accrued sewer fees due to the City recording sewer fees twice. These expenses were identified as being accrued twice during a test of accrued liabilities. Also, during our testing of the Bureau's accrued liabilities and related expenditures, an adjustment was required to properly accrue salaries and wages payable balances. These expenditures were identified during a test of the completeness of the liabilities, whereby it was determined the related services were incurred prior to June 30, 2017 and should be accrued as incurred expenditures of the Bureau.

**Effects:** An audit adjustment totaling approximately \$193,500 was needed to correctly report accrued liabilities and expenses for the City's Water and Sewer Fund. An audit adjustment totaling approximately \$8,800 was needed to correctly report payroll expenditures and the related liabilities for the Bureau.

**Recommendation:** We recommend the City and Bureau carefully review all expenses/expenditures and related balance sheet accounts to ensure all necessary transactions are properly reported in the proper period.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure that expenditures/expenses and the related liabilities are properly recorded.



**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

---

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not Applicable.