

CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2015

This page intentionally left blank.

CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Page (s)

Table of Contents	i-x
-------------------	-----

FINANCIAL SECTION:

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-10

BASIC FINANCIAL STATEMENTS

Exhibit

Government-wide Statements

A-1	Statement of Net Position	11-12
A-2	Statement of Activities	13

Fund Financial Statements

A-3	Balance Sheet – Governmental Funds	14
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	18
A-8	Statement of Net Position – Proprietary Funds	19-20
A-9	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	21
A-10	Statement of Cash Flows – Proprietary Funds	322-23
A-11	Combining Statement of Net Position – Component Units	24
A-12	Combining Statement of Revenues, Expenses, and Changes in Net Position – Component Units	25

CITY OF CARROLLTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2015

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

A-13 Notes to the Financial Statements 26-68

Item #	Page #
1. Description of Government Unit	26
2. Summary of Significant Accounting Policies	26-40
3. Deposit and Investment Risk	41
4. Accounts Receivable	41
5. Intergovernmental Receivables	42
6. Property Taxes	42
7. Interfund Receivables and Payables, and Transfers	43-44
8. Capital Assets	45-46
9. Capital and Operating Leases Agreements	47-48
10. Long-Term Debt	48-53
11. Bond Refunding	53
12. Conduit Debt	54
13. Deficit Equity Balances	55
14. Nonspendable, Restricted, Committed, and Assigned Fund Balances	55
15. Changes in Beginning Balances	56
16. Pension Plans	57-61
17. Post-Employment Health Care Benefits	62-65
18. Hotel/Motel Lodging Tax	65
19. Joint Ventures	66
20. Related Organizations	66
21. Risk Management	66-67
22. Commitments and Contingencies	67-68
23. Material Budget Violations	68

CITY OF CARROLLTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2015

Table of Contents, continued

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit
Page(s)

B-1	Schedule of Changes in the Net Pension Liability and Related Ratios	69
B-2	Schedule of Contributions	70
B-3	Notes to the Required Supplementary Information	71-72

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

C-1	Combining Balance Sheet – Nonmajor Governmental Funds	73-74
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	75-76

GENERAL FUND

D-1	Balance Sheet	77
D-2	Statements of Revenues, Expenditures and Changes in Fund Balances	78
D-3	Schedule of Revenues - Budget (GAAP Basis) and Actual	79
D-4	Schedule of Expenditures - Budget (GAAP Basis) and Actual	80-83

SPECIAL REVENUE FUNDS

E-1	Hotel/Motel Tax Special Revenue Fund Balance Sheet	84
E-2	Hotel/Motel Special Revenue Fund Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget (GAAP Basis) and Actual	85
E-3	Drug Seizure Special Revenue Fund Balance Sheet	86
E-4	Drug Seizure Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	87
E-5	Regional Hazardous Material Team Special Revenue Fund Balance Sheet	88
E-6	Regional Hazardous Material Team Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	89

CITY OF CARROLLTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2015

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>		<u>Page(s)</u>
	<i>SPECIAL REVENUE FUNDS, continued</i>	
E-7	West Metro Regional Drug Enforcement Special Revenue Fund Balance Sheet	90
E-8	West Metro Regional Drug Enforcement Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	91
E-9	Neighborhood Stabilization Program Special Revenue Fund Balance Sheet	92
E-10	Neighborhood Stabilization Program Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	93
	<i>CAPITAL PROJECTS FUNDS</i>	
F-1	2004 SPLOST Capital Projects Fund Balance Sheet	94
F-2	2004 SPLOST Capital Projects Fund Statement of Revenues, Expenditures and Changes in Fund Balances	95
F-3	2009 SPLOST Capital Projects Fund Balance Sheet	96
F-4	2009 SPLOST Capital Projects Fund Statement of Revenues, Expenditures and Changes in Fund Balance	97
F-5	2015 SPLOST Capital Projects Fund Balance Sheet	98
F-6	2015 SPLOST Capital Projects Fund Statement of Revenues, Expenditures, and Changes in Fund Balances	99
F-7	Capital Projects Fund for Public Roads Balance Sheet	100
F-8	Capital Projects Fund for Public Roads Statement of Revenues, Expenditures, and Changes in Fund Balances	101
	<i>ENTERPRISE FUNDS</i>	
G-1	Water and Sewerage Enterprise Fund Statement of Net Position	102-103
G-2	Water and Sewerage Enterprise Fund Statement of Revenues, Expenses and Changes in Net Position	104
G-3	Water and Sewerage Enterprise Fund Statement of Cash Flows	105-106

CITY OF CARROLLTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2015

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>	<u>Page(s)</u>
<i>ENTERPRISE FUNDS, continued</i>	
G-4 Sanitation Enterprise Fund Statement of Net Position	107
G-5 Sanitation Enterprise Fund Statement of Revenues, Expenses and Changes in Net Position	108
G-6 Sanitation Enterprise Fund Statement of Cash Flows	109
<i>COMPONENT UNITS</i>	
H-1 Main Street Carrollton Balance Sheet	110
H-2 Main Street Carrollton Statement of Revenues, Expenditures, and Changes in Fund Balances	111

OTHER REPORTING SECTION:

SINGLE AUDIT 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>	112-113
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	114-115
I-1 Schedule of Expenditures of Federal Awards	116
I-2 Notes to the Schedule of Expenditures of Federal Awards	117
I-3 Schedule of Findings and Questioned Costs	118-120

STATE REPORTING SECTION

J-1 Schedule of Projects Financed with Special Purpose Local Option Sales Tax	121-123
---	---------

This page intentionally left blank.

Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Carrollton, 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 Carrollton, Georgia, as of and for the year ended June 30, 2015, 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 of 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 of Carrollton, Georgia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in conformity 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 and the required supplementary information on pages 3 through 10 and 69 through 72 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 of Carrollton, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2016 on our consideration of the City of Carrollton, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and, not to provide an opinion on the 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 of Carrollton, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
January 14, 2016

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Carrollton's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the City's financial statements, which begin on page 11.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 11 and 13) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 11. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, streets, general government, and recreation departments. Property tax, franchise fees, sales tax, occupation tax, and fines and forfeitures finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City water/sewer and sanitation operations are reported here.
- Component units – The City includes two separate legal entities in its report – Main Street Carrollton and Carrollton Redevelopment Authority. Although legally separate, these component units are important because the City is financially accountable for them.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 14 and provides detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

•**Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into 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 called modified accrual 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.

•**Proprietary Funds** – When the City charges customers for the services it provides, 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. These funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

The City as a Whole

Net Position

The City's combined net position decreased from \$170,775,921 in 2014 to \$166,813,812 in 2015, a decrease of 2.3%. Our analysis below focuses on the net position (Table 1) of the City's governmental and business-type activities.

The net position for governmental activities decreased from \$95,251,177 in 2014 to \$93,811,739 in 2015, a decrease of \$1,439,438 (1.5%). Unrestricted net position for governmental activities decreased from \$11,375,233 in 2014 to \$1,240,765 in 2015, a decrease of \$10,134,468 (89.1%).

Total net position for business-type activities decreased from \$75,524,744 in 2014 to \$73,002,073 in 2015, a decrease of \$2,522,671 (3.3%). Unrestricted net position for business-type activities decreased from \$7,593,233 in 2014, to \$4,755,725 in 2015, a decrease of \$2,837,508 (37.3%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 22,201,974	\$ 28,791,030	\$ 7,922,879	8,802,071	\$ 30,124,853	\$ 37,593,101
Restricted assets	420,477	0	1,026,171	1,506,989	1,446,648	1,506,989
Capital assets, net	88,186,859	82,295,792	75,032,835	72,899,758	163,219,694	155,195,550
Total assets	110,809,310	111,086,822	83,981,885	83,208,818	194,791,195	194,295,640
 Total deferred outflows	 886,536	 0	 471,579	 0	 1,358,115	 0
Current liabilities	3,824,802	4,477,015	1,875,954	1,904,739	5,700,756	6,381,754
Noncurrent liabilities	13,535,549	11,358,630	9,326,569	5,779,335	22,862,118	17,137,965
Total liabilities	17,360,351	15,835,645	11,202,523	7,684,074	28,562,874	23,519,719
 Total deferred inflows	 523,756	 0	 248,868	 0	 772,624	 0
 Net position:						
Net investment in						
capital assets	83,130,375	79,994,610	67,967,421	66,424,522	151,097,796	146,419,132
Restricted					0	0
Capital projects	6,579,147	1,711,914	258,847	387,709	6,837,994	2,099,623
Debt service	0	236,620	20,080	1,119,280	20,080	1,355,900
Other purposes	2,861,452	1,932,800	0	0	2,861,452	1,932,800
Unrestricted	1,240,765	11,375,233	4,755,725	7,593,233	5,996,490	18,968,466
 Total net position	 \$ 93,811,739	 \$ 95,251,177	 \$ 73,002,073	 \$ 75,524,744	 \$ 166,813,812	 \$ 170,775,921

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Changes in Net Position

The City's combined change in net position increased from \$1,570,124 in 2014 to \$2,439,169 in 2015. Our analysis below focuses on the changes in net assets (Table 2) of the City's governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities totaled \$23,751,267 (excluding transfers). This total represents a decrease of \$786,601 (3.2%) over the FY 2014 total of \$24,537,868.

Expenditures for the City's governmental activities totaled \$23,577,355 (excluding transfers). This total represents a decrease of \$1,638,728 (6.5%) over the 2014 total of \$25,216,083.

Business-Type Activities

Revenues for the City's business-type activities totaled \$15,678,433 (excluding capital grants and contributions, interest, and other). This represents an increase of \$432,247 (2.83%) over the FY 2014 total of \$15,246,186. Operating expenses for the City's business-type activities totaled \$14,304,125 (excluding transfers), an increase of \$1,122,776 (8.5%) over the FY 2014 total of \$13,181,349.

The operating revenues are as follows:

	<u>2014</u>	<u>2015</u>
Charges for services:		
Water and sewer fees & charges	\$ 11,388,481	\$ 11,581,921
Garbage and landfill fees	<u>3,857,705</u>	<u>4,096,512</u>
Total	<u>\$ 15,246,186</u>	<u>\$ 15,678,433</u>

The non-operating revenues (expenses) consist of the following material changes from FY 2014 to FY 2016:

- Water and sewer debt issuance costs in the amount of \$141,235.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues						
Charges for services	\$ 3,198,296	\$ 3,788,139	\$ 15,678,433	\$ 15,246,185	\$ 18,876,729	\$ 19,034,324
Operating grants and contributions	1,974,869	3,660,295	0	0	1,974,869	3,660,295
Capital grants and contributions	4,570,823	3,938,093	191,134	214,853	4,761,957	4,152,946
General revenues						
Property taxes	3,833,845	3,960,717	0	0	3,833,845	3,960,717
Franchise & public service taxes	3,753,224	3,497,720	0	0	3,753,224	3,497,720
Sales taxes	3,881,847	3,759,371	0	0	3,881,847	3,759,371
Other taxes	2,286,677	1,100,858	0	0	2,286,677	1,100,858
Interest and investment earnings	11,627	31,477	9,033	92,074	20,660	123,551
Contributions	0	187,945	0	0		187,945
Miscellaneous	240,059	613,253	107,624	133,468	347,683	746,721
Total revenues	<u>23,751,267</u>	<u>24,537,868</u>	<u>15,986,224</u>	<u>15,686,580</u>	<u>39,737,491</u>	<u>40,224,448</u>
Expenses						
Program Expenses						
General government	1,583,365	2,079,199	0	0	1,583,365	2,079,199
Public safety	11,690,366	11,637,391	0	0	11,690,366	11,637,391
Public works	2,641,475	2,708,122	0	0	2,641,475	2,708,122
Landfill	0	73,630	0	0	0	73,630
Culture and recreation	6,204,870	6,410,498	0	0	6,204,870	6,410,498
Housing and development	1,424,892	2,134,225	0	0	1,424,892	2,134,225
Water and sewer	0	0	10,453,654	10,035,658	10,453,654	10,035,658
Sanitation	0	0	3,267,313	3,402,583	3,267,313	3,402,583
Interest on long-term debt	32,387	173,018	0	0	32,387	173,018
Total expenses	<u>23,577,355</u>	<u>25,216,083</u>	<u>13,720,967</u>	<u>13,438,241</u>	<u>37,298,322</u>	<u>38,654,324</u>
Indirect costs	<u>(953,940)</u>	<u>0</u>	<u>953,940</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) before transfers	1,127,852	(678,215)	1,311,317	2,248,339	2,439,169	1,570,124
Transfers	<u>1,582,095</u>	<u>1,404,191</u>	<u>(1,582,095)</u>	<u>(1,404,191)</u>	<u>0</u>	<u>0</u>
Change in net position	2,709,947	725,976	(270,778)	844,148	2,439,169	1,570,124
Net position, beginning of year	95,251,177	94,525,201	75,524,744	74,680,596	170,775,921	169,205,797
Prior period adjustments	<u>(4,149,385)</u>	<u>0</u>	<u>(2,251,893)</u>	<u>0</u>	<u>(6,401,278)</u>	<u>0</u>
Net position, end of year	<u>\$ 93,811,739</u>	<u>\$ 95,251,177</u>	<u>\$ 73,002,073</u>	<u>\$ 75,524,744</u>	<u>\$ 166,813,812</u>	<u>\$ 170,775,921</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The City's Funds

As the City completed FY2015, its governmental funds (as presented in the balance sheet on page 14) reported a combined fund balance of \$20,672,524. This total represents a decrease of \$5,456,978 (20.89%) over the FY2014 combined fund balance of \$26,129,502, and is primarily due to the drawdown of funds in the 2009 and 2015 SPLOST Capital Project Funds. The City's proprietary funds (as presented in the statement of net position on page 19 reported combined unrestricted net position available for appropriation in the amount of \$4,755,725.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

General Fund budgetary highlights discussed below are shown in Table 3. Total actual revenue was over total budgeted revenue in the amount of \$630,923. Of this amount, tax revenue realized on property was under budget in the amount of \$55,688. Local option sales tax revenue exceeded budgeted revenue in the amount of \$81,847. Insurance premium tax revenue exceeded budgeted revenue in the amount of \$40,577. Franchise tax revenue exceeded budgeted revenue in the amount of \$137,647. Alcohol excise tax revenue exceeded budgeted revenue in the amount of \$61,759. Occupation tax revenue exceeded budgeted revenue in the amount of \$72,489. Energy excise tax revenue exceeded budgeted revenue in the amount of \$107,779.

Recreation Department program fee revenue was realized at an amount of \$300,666 over budgeted amounts. This positive variance reflects higher than anticipated utilization of the City's Recreation Department programs and services.

Main Street event revenue was realized in the amount of \$123,073. There was no budgeted revenue for this activity. The financial activity for the City's Main Street Merchants Association was combined with the City's General Fund in October 2014. Revenue from this activity has been budgeted and is included in the FY 2016 Budget.

Fines and forfeitures revenue was realized in the amount of \$36,923 under the budgeted amounts.

Rental revenue was realized in the amount of \$24,945 under the budgeted amounts.

Miscellaneous revenue was realized in the amount of \$179,982 under the budgeted amount.

In summary, the City's overall positive revenue variance of \$630,923 indicate a stabilizing economy after several years of stagnant and/or negative growth.

Table 3 - General Fund Revenues

	2015			2014		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 12,980,000	\$ 13,435,830	\$ 455,830	\$ 9,885,000	\$ 9,769,618	\$ (115,382)
Licenses and permits	300,000	312,501	12,501	3,620,000	3,642,169	22,169
Intergovernmental	1,236,237	1,204,208	(32,029)	1,040,598	1,243,425	202,827
Charges for services	1,825,440	2,261,904	436,464	895,000	1,262,950	367,950
Fines and forfeitures	850,000	813,077	(36,923)	850,000	862,773	12,773
Interest on invested funds	10,000	10,007	7	40,000	29,859	(10,141)
Other	417,019	212,092	(204,927)	233,000	396,510	163,510
Contributions	-	-	0	0	166,835	166,835
Total	\$ 17,618,696	\$ 18,249,619	\$ 630,923	\$ 16,563,598	\$ 17,374,139	\$ 810,541

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Expenditures

General Fund expenditure highlights are discussed below in Table 4. The City completed FY 2015 with a total of \$19,816,765 in General Fund operating expenditures. The operating budget for these expenditures totaled \$20,127,320 resulting in expenditures being realized at an amount of \$310,555 under budget. Expenditures for Public Safety were under budget by \$386,910. Expenditures for General Government were over budget by \$70,552. Expenditures for Public Works were under budget by \$237,164. Expenditures for Cultural and Recreation exceeded budgeted amounts by \$157,386. This budget overage was due to increased utilization of Cultural and Recreation Programs and services by citizens. As discussed earlier, this variance is offset by Cultural and Recreation revenues exceeding budgeted amounts by \$300,666. Expenditures for the City's Main Street Program exceeded budgeted amounts by \$74,744. As discussed earlier, this was due to the combining of the Main Street Merchants Association (financial activity) with the City's General Fund in October 2014. This activity has been included in the FY 2016 Budget. This variance is offset by Main Street Program revenues exceeding budgeted amounts by \$123,073.

Table 4 - General Fund Operating Expenditures

	2015			2014		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 1,322,121	\$ 1,407,237	\$ (85,116)	\$ 1,555,505	\$ 1,581,836	\$ (26,331)
Public safety	11,051,778	10,665,944	385,834	11,205,842	10,555,398	650,444
Public Works	1,970,569	1,733,405	237,164	1,014,914	1,064,519	(49,605)
Cultural and recreation	5,309,514	5,466,900	(157,386)	5,253,887	5,679,920	(426,033)
Housing and Development	473,338	543,279	(69,941)	0	0	0
Total operating expenditures	\$ 20,127,320	\$ 19,816,765	\$ 310,555	\$ 19,030,148	\$ 18,881,673	\$ 148,475

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2015, the City had \$163,219,694 invested in a broad range of capital assets, including public safety equipment, buildings, recreation and cultural arts facilities, and water and sewer infrastructure. Please refer to our analysis below for a breakdown of the City's capital assets and to notes to the financial statements for more information.

Table 5 - Capital Assets at June 30, 2015, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,060,741	\$ 10,855,246	\$ 8,933,204	\$ 8,538,762	\$ 19,993,945	\$ 19,394,008
Land improvements	6,658,200	6,144,270	0	0	6,658,200	6,144,270
Buildings and improvements	25,887,448	26,371,806	1,858,371	1,908,319	27,745,819	28,280,125
Equipment	5,689,044	3,373,770	1,883,608	1,542,572	7,572,652	4,916,342
Infrastructure	35,854,852	34,086,242	61,955,225	60,010,794	97,810,077	94,097,036
Construction in progress	3,036,574	1,464,458	402,427	899,311	3,439,001	2,363,769
Totals	\$ 88,186,859	\$ 82,295,792	\$ 75,032,835	\$ 72,899,758	\$ 163,219,694	\$ 155,195,550

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

DEBT

The total long-term debt of the City outstanding at June 30, 2015 was \$17,622,202. The City had \$6,515,000 in revenue bond debt outstanding. Amounts reported as intergovernmental debt of \$10,000,000 relate to advance funding of construction costs for recreation, sidewalks, public safety, and green space/green belt financed by the 2015 Special Purpose Local Option Sales Tax. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems. Please refer to our analysis below for the breakdown of the City's outstanding debt and notes to the financial statements for more information.

Table 6 - Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenue bonds \$	0 \$	0 \$	6,515,000 \$	630,819 \$	6,515,000 \$	630,819
Capital leases	173,840	257,808	429,293	557,618	603,133	815,426
Notes payable	0	0	504,069	5,286,799	504,069	5,286,799
Contracts payable	10,000,000	12,043,374	0	0	10,000,000	12,043,374
Totals	\$ 10,173,840	\$ 12,301,182	\$ 7,448,362	\$ 6,475,236	\$ 17,622,202	\$ 18,776,418

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2016 budget, millage rates, and user fees that will be charged for business-type activities. The growth in the property tax digest, as well as the projected collection rate in property taxes is taken into account when the millage rate is approved by the Mayor and City Council. Also, growth rates in other General Fund revenue categories such as sales tax, automobile tax, utility franchise fees, and occupation tax are taken into account when preparing the General Fund budget.

The above indicators were taken into account when adopting the General Fund budget for FY 2016. The fiscal year 2016 General Fund budget totals \$20,995,279 an increase of \$817,959 over the FY 2015 budget.

After declining approximately 12% from 2010 to 2012 the City's property tax digest is projected to remain at or near FY 2015 levels. Other revenue categories are expected to remain at or near current levels.

If these estimates are realized, the City's General Fund balance is expected to remain unchanged for FY 2016. These results are expected to be achieved without selling capital assets or using one-time sources of funds.

As for the City's business-type activities, we expect that the FY 2016 results will continue to show solid financial performance.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's financial position, and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Finance Office at the City of Carrollton, 315 Bradley Street, Carrollton, GA. 30117.

BASIC FINANCIAL STATEMENTS

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 19,677,805	\$ 5,373,083	\$ 25,050,888	\$ 3,862
Restricted assets				
Cash and cash equivalents	371,079	1,026,171	1,397,250	0
Certificates of deposit	49,398	0	49,398	0
Receivables (net)				
Accounts	182,124	2,529,821	2,711,945	0
Intergovernmental	735,474	0	735,474	0
Taxes	659,005	0	659,005	0
Internal balances	439,533	(439,533)	0	0
Inventories	0	271,376	271,376	0
Prepays	288,791	188,132	476,923	0
Property held for resale	219,242	0	219,242	0
Total current assets	22,622,451	8,949,050	31,571,501	3,862
Noncurrent assets				
Capital assets				
Non-depreciable	14,097,315	9,335,631	23,432,946	0
Depreciable (net)	74,089,544	65,697,204	139,786,748	0
Total noncurrent assets	88,186,859	75,032,835	163,219,694	0
Total assets	110,809,310	83,981,885	194,791,195	3,862
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	0	50,333	50,333	0
Pension contributions subsequent to measurement date	684,914	325,443	1,010,357	0
Pension experience differences	201,622	95,803	297,425	0
Total deferred outflows	886,536	471,579	1,358,115	0
LIABILITIES				
Current liabilities				
Accounts payable	971,967	830,663	1,802,630	0
Retainages payable	78,108	0	78,108	0
Accrued salaries and payroll liabilities	350,604	112,277	462,881	0
Compensated absences	233,989	93,747	327,736	0
Accrued interest payable	31,242	0	31,242	0
Unearned revenue	343,169	0	343,169	0
Due to others	148,276	0	148,276	0
Capital leases payable	83,697	128,325	212,022	0
Contracts payable	1,583,750	0	1,583,750	0
Liabilities payable from restricted assets				
Customer deposits payable	0	354,540	354,540	0
Notes payable	0	162,402	162,402	0
Bonds payable	0	194,000	194,000	0
Total current liabilities	3,824,802	1,875,954	5,700,756	0

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Net pension liability	\$ 4,090,472	\$ 1,943,623	\$ 6,034,095	\$ 0
Net OPEB obligation	938,684	419,311	1,357,995	0
Capital leases payable	90,143	300,968	391,111	0
Notes payable	0	341,667	341,667	0
Bonds payable	0	6,321,000	6,321,000	0
Contracts payable	8,416,250	0	8,416,250	0
Total noncurrent liabilities	13,535,549	9,326,569	22,862,118	0
Total liabilities	17,360,351	11,202,523	28,562,874	0
DEFERRED INFLOWS OF RESOURCES				
Pension investment return differences	363,993	172,955	536,948	0
Pension assumption changes	159,763	75,913	235,676	0
Total deferred inflows of resources	523,756	248,868	772,624	0
NET POSITION				
Net investment in capital assets	83,130,375	67,967,421	151,097,796	0
Restricted for:				
Public Safety	1,129,273	0	1,129,273	0
Culture and Recreation	275,525	0	275,525	0
Housing and Development	1,456,654	0	1,456,654	0
Capital outlay	6,579,147	258,847	6,837,994	0
Debt service	0	20,080	20,080	0
Unrestricted	1,240,765	4,755,725	5,996,490	3,862
Total net position	<u>\$ 93,811,739</u>	<u>\$ 73,002,073</u>	<u>\$ 166,813,812</u>	<u>\$ 3,862</u>

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 1,583,365	\$ (953,940)	\$ 192,909	\$ 0	\$ 28,706	\$ (407,810)
Public Safety	11,690,366	0	1,577,831	1,425,527	30,948	(8,656,060)
Public Works	2,641,475	0	25,725	203,230	3,621,190	1,208,670
Culture and Recreation	6,204,870	0	1,159,166	275,588	298,116	(4,472,000)
Housing and Development	1,424,892	0	242,665	70,524	591,863	(519,840)
Interest on long-term debt	32,387	0	0	0	0	(32,387)
Total governmental activities	23,577,355	(953,940)	3,198,296	1,974,869	4,570,823	(12,879,427)
Business-type activities						
Water and Sewer	10,453,654	758,820	11,581,921	0	191,134	560,581
Sanitation	3,267,313	195,120	4,096,512	0	0	634,079
Total business-type activities	13,720,967	953,940	15,678,433	0	191,134	1,194,660
Total primary government	37,298,322	0	18,876,729	1,974,869	4,761,957	(11,684,767)
Component Units						
Carrollton Redevelopment Authority	0	0	0	0	0	0
Main Street Carrollton	95,519	0	12,652	0	0	(82,867)
Total Component Units	95,519	0	12,652	0	0	(82,867)
			Primary Government			Component Unit
			Governmental Activities	Business-Type Activities	Total	
Change in net position						
Net (expense) revenue			\$ (12,879,427)	\$ 1,194,660	\$ (11,684,767)	\$ (82,867)
General revenues						
Taxes						
Property			3,833,845	0	3,833,845	0
Sales			3,881,847	0	3,881,847	0
Insurance premium			1,315,577	0	1,315,577	0
Alcohol excise			711,759	0	711,759	0
Franchise			2,437,647	0	2,437,647	0
Occupational			1,047,489	0	1,047,489	0
Other			527,429	0	527,429	0
Interest and investment earnings			11,627	9,033	20,660	3
Gain on sale of assets			10,420	0	10,420	0
Other			229,639	107,624	337,263	73
Transfers			1,582,095	(1,582,095)	0	0
Total general revenues and transfers			15,589,374	(1,465,438)	14,123,936	76
Change in net position			2,709,947	(270,778)	2,439,169	(82,791)
Net position - beginning (original)			95,251,177	75,524,744	170,775,921	86,653
Prior period adjustments			(4,149,385)	(2,251,893)	(6,401,278)	0
Net position - beginning (restated)			91,101,792	73,272,851	164,374,643	86,653
Net position - ending			\$ 93,811,739	\$ 73,002,073	\$ 166,813,812	\$ 3,862

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	2009 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 11,403,821	\$ 53,403	\$ 5,898,299	\$ 2,322,282	\$ 19,677,805
Restricted assets					
Cash and cash equivalents	371,079	0	0	0	371,079
Certificates of deposit	49,398	0	0	0	49,398
Receivables (net)					
Accounts	182,124	0	0	0	182,124
Intergovernmental	16,213	0	583,123	136,138	735,474
Taxes	631,297	0	0	27,708	659,005
Prepaid items	263,166	0	0	25,625	288,791
Due from other funds	482,368	21,884	381,890	485,636	1,371,778
Property held for resale	0	0	0	219,242	219,242
Total assets	\$ 13,399,466	\$ 75,287	\$ 6,863,312	\$ 3,216,631	\$ 23,554,696
LIABILITIES					
Accounts payable	\$ 535,333	\$ 36,567	\$ 377,924	\$ 22,143	\$ 971,967
Retainage payable	0	0	78,108	0	78,108
Accrued salaries and payroll liabilities	350,604	0	0	0	350,604
Unearned revenue	214,169	110,000	0	19,000	343,169
Due to other funds	51,176	466,699	0	414,370	932,245
Due to others	0	0	0	148,276	148,276
Total liabilities	1,151,282	613,266	456,032	603,789	2,824,369
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	57,803	0	0	0	57,803
FUND BALANCES					
Nonspendable:					
Prepays	263,166	0	0	25,625	288,791
Property held for resale	0	0	0	219,242	219,242
Restricted for:					
Public Safety	0	0	0	1,129,273	1,129,273
Culture and Recreation	275,525	0	0	0	275,525
Housing and Development	144,952	0	0	1,066,835	1,211,787
Capital outlay	0	0	6,407,280	171,867	6,579,147
Unassigned	11,506,738	(537,979)	0	0	10,968,759
Total fund balances	12,190,381	(537,979)	6,407,280	2,612,842	20,672,524
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,399,466	\$ 75,287	\$ 6,863,312	\$ 3,216,631	\$ 23,554,696

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2015

Total fund balances - total governmental funds **\$ 20,672,524**

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

Some assets are not financial resources and therefore are not reported in the funds.

These are:

Capital assets, net of accumulated depreciation	88,186,859
---	------------

Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

These are:

Property taxes	57,803
----------------	--------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:	
Pension contributions subsequent to measurement date	684,914
Pension experience differences	201,622
Deferred inflows of resources:	
Pension investment return differences	(363,993)
Pension experience differences	(159,763)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	\$ (233,989)		
Capital leases payable	(173,840)		
Contracts payable	(10,000,000)		
Accrued interest payable	(31,242)		
Net pension liability	(4,090,472)		
Net OPEB obligation	(938,684)		
	(15,468,227)		

Net position of governmental activities	\$ 93,811,739
---	---------------

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2015

	General	2009 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 13,435,830	\$ 0	\$ 0	\$ 330,230	\$ 13,766,060
Licenses and permits	312,501	0	0	0	312,501
Fines, fees and forfeitures	813,077	0	0	757,384	1,570,461
Charges for services	2,261,904	0	0	4,554	2,266,458
Intergovernmental	1,204,208	2,576,613	896,470	1,413,635	6,090,926
Contributions	0	85,479	212,636	54,536	352,651
Interest	10,007	0	8,589	1,645	20,241
Other	212,092	0	0	17,553	229,645
Total revenues	18,249,619	2,662,092	1,117,695	2,579,537	24,608,943
EXPENDITURES					
Current					
General Government	1,392,673	0	0	0	1,392,673
Public Safety	10,593,836	0	0	888,090	11,481,926
Public Works	1,733,405	0	0	0	1,733,405
Culture and Recreation	5,466,900	0	0	0	5,466,900
Housing and Development	543,279	0	0	876,053	1,419,332
Debt service	86,672	0	0	0	86,672
Capital outlay	0	4,429,770	5,150,684	576,630	10,157,084
Total expenditures	19,816,765	4,429,770	5,150,684	2,340,773	31,737,992
Excess (deficiency) of revenues over (under) expenditures	(1,567,146)	(1,767,678)	(4,032,989)	238,764	(7,129,049)
Other financing sources (uses)					
Transfers in	1,832,092	0	0	0	1,832,092
Transfers out	0	(80,422)	(37,483)	(132,092)	(249,997)
Sale of capital assets	0	0	0	10,420	10,420
Total other financing sources (uses)	1,832,092	(80,422)	(37,483)	(121,672)	1,592,515
Net change in fund balance	264,946	(1,848,100)	(4,070,472)	117,092	(5,536,534)
Fund balances, July 1 (original)	12,471,119	1,310,121	10,477,752	1,870,510	26,129,502
Prior period adjustments	(545,684)	0	0	625,240	79,556
Fund balances, July 1 (restated)	11,925,435	1,310,121	10,477,752	2,495,750	26,209,058
Fund balances, June 30	\$ 12,190,381	\$ (537,979)	\$ 6,407,280	\$ 2,612,842	\$ 20,672,524

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2015

Net change in fund balances - total governmental funds **\$ (5,536,534)**

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

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.

Capital outlays	\$	9,249,769	
Depreciation		<u>(3,387,311)</u>	5,862,458

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	(1,138,427)		
Related accumulated depreciation		<u>1,126,749</u>	(11,678)

Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 96,314

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.

Pension contributions	821,345		
Cost of benefits earned, net of employee contributions		<u>(499,594)</u>	321,751

Other post employment benefits are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (120,249)

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Accrued interest	(31,242)		
Debt principal payments		<u>2,127,342</u>	2,096,100

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable deferred revenue			(10,466)
------------------------------	--	--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences			<u>12,251</u>
----------------------	--	--	---------------

Change in net position of governmental activities		<u>\$ 2,709,947</u>	
---	--	---------------------	--

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 12,980,000	\$ 12,980,000	\$ 13,435,830	\$ 455,830
Licenses and permits	300,000	300,000	312,501	12,501
Fines, fees and forfeitures	850,000	850,000	813,077	(36,923)
Charges for services	1,825,440	1,825,440	2,261,904	436,464
Intergovernmental	1,236,237	1,236,237	1,204,208	(32,029)
Interest	10,000	10,000	10,007	7
Other	417,019	417,019	212,092	(204,927)
Total revenues	17,618,696	17,618,696	18,249,619	630,923
EXPENDITURES				
Current				
General Government				
Mayor and Council	98,282	98,282	78,380	19,902
City Manager	105,129	105,129	95,649	9,480
General Administration	767,002	767,002	858,836	(91,834)
Finance and Purchasing	48,661	48,661	55,412	(6,751)
Human Resources	96,879	96,879	111,555	(14,676)
General Maintenance	91,168	91,168	88,984	2,184
Legal	115,000	115,000	103,857	11,143
Public Safety				
Police Department	6,175,591	6,175,591	6,000,728	174,863
Fire Department	4,805,155	4,805,155	4,593,108	212,047
Public Works				
Street Department	1,242,558	1,242,558	1,008,376	234,182
Engineering	510,917	510,917	517,977	(7,060)
Landfill	75,271	75,271	73,144	2,127
Garage	141,823	141,823	133,908	7,915
Culture and Recreation				
Library	297,646	297,646	297,648	(2)
Recreation Administration	1,020,902	1,020,902	959,104	61,798
Recreation Parks	1,427,254	1,427,254	1,350,782	76,472
Recreation Programs	1,000,355	1,000,355	1,331,741	(331,386)
Recreation Arts	488,360	488,360	483,118	5,242
Recreation Athletics	1,074,997	1,074,997	1,044,507	30,490
Housing and Development				
Planning Administration	111,036	111,036	115,155	(4,119)
Code Enforcement	83,170	83,170	76,035	7,135
Convention and Visitor's Bureau	157,019	157,019	155,232	1,787
Main Street Division	122,113	122,113	196,857	(74,744)
Debt Service				
General Administration	0	0	14,564	(14,564)
Police Department	53,274	53,274	54,081	(807)
Fire Department	17,758	17,758	18,027	(269)
Total expenditures	20,127,320	20,127,320	19,816,765	310,555
Excess (deficiency) of revenues over expenditures	(2,508,624)	(2,508,624)	(1,567,146)	941,478
Other financing sources (uses)				
Transfers in	2,508,624	2,508,624	1,832,092	(676,532)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	264,946	264,946
Fund balances, July 1 (original)	0	0	12,471,119	12,471,119
Prior period adjustments	0	0	(545,684)	(545,684)
Fund balances, July 1 (restated)	0	0	11,925,435	11,925,435
Fund balances, June 30	\$ 0	\$ 0	\$ 12,190,381	\$ 12,190,381

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,280,821	\$ 3,092,262	\$ 5,373,083
Restricted assets			
Cash and cash equivalents	1,026,171	0	1,026,171
Accounts receivable, net	1,956,702	573,119	2,529,821
Inventories	271,376	0	271,376
Prepaid items	138,190	49,942	188,132
Due from other funds	0	67,987	67,987
Total current assets	5,673,260	3,783,310	9,456,570
Noncurrent assets			
Capital assets			
Non-depreciable	9,335,631	0	9,335,631
Depreciable (net)	64,863,921	833,283	65,697,204
Total noncurrent assets	74,199,552	833,283	75,032,835
Total assets	79,872,812	4,616,593	84,489,405
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on debt refunding	50,333	0	50,333
Pension contributions subsequent to measurement date	237,580	87,863	325,443
Pension experience differences	69,938	25,865	95,803
Total deferred outflows	357,851	113,728	471,579
LIABILITIES			
Current liabilities			
Accounts payable	777,911	52,752	830,663
Accrued salaries and payroll liabilities	90,545	21,732	112,277
Compensated absences	62,172	31,575	93,747
Due to other funds	295,768	211,752	507,520
Capital leases	54,534	73,791	128,325
Liabilities payable from restricted assets			
Customer deposits payable	354,540	0	354,540
Notes payable	162,402	0	162,402
Bonds payable	194,000	0	194,000
Total current liabilities	1,991,872	391,602	2,383,474
Noncurrent liabilities			
Net pension liability	1,418,887	524,736	1,943,623
Net OPEB Obligation	300,189	119,122	419,311
Capital leases	109,069	191,899	300,968
Notes payable	341,667	0	341,667
Bonds payable	6,321,000	0	6,321,000
Total Noncurrent liabilities	8,490,812	835,757	9,326,569
Total liabilities	10,482,684	1,227,359	11,710,043

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension investment return differences	\$ 126,261	\$ 46,694	\$ 172,955
Pension assumption changes	55,418	20,495	75,913
Total deferred inflows of resources	181,679	67,189	248,868
NET POSITION			
Net investment in capital assets	67,399,828	567,593	67,967,421
Restricted for Debt Service	20,080	0	20,080
Restricted for Capital Outlay	258,847	0	258,847
Unrestricted	1,887,545	2,868,180	4,755,725
Total net position	\$ 69,566,300	\$ 3,435,773	\$ 73,002,073

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2015

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 11,581,921	\$ 4,096,512	\$ 15,678,433
Other	107,624	0	107,624
Total operating revenues	11,689,545	4,096,512	15,786,057
OPERATING EXPENSES			
Costs of sales and services	4,557,046	1,561,090	6,118,136
Personal services	4,310,864	1,778,778	6,089,642
Depreciation	1,973,782	120,335	2,094,117
Total operating expenses	10,841,692	3,460,203	14,301,895
Operating income (loss)	847,853	636,309	1,484,162
Non-operating revenues (expenses)			
Interest and investment earnings	5,121	3,912	9,033
Interest expense	(229,547)	(2,230)	(231,777)
Debt issue costs	(141,235)	0	(141,235)
Total non-operating revenues (expenses)	(365,661)	1,682	(363,979)
Net income (loss) before capital contributions and transfers	482,192	637,991	1,120,183
Capital Contributions	191,134	0	191,134
Net income before transfers	673,326	637,991	1,311,317
Transfers in (out)			
Transfers in	117,905	0	117,905
Transfers out	(1,003,000)	(697,000)	(1,700,000)
Total transfers in (out)	(885,095)	(697,000)	(1,582,095)
Change in net position	(211,769)	(59,009)	(270,778)
Net position, July 1 (original)	71,417,467	4,107,277	75,524,744
Prior period adjustments	(1,639,398)	(612,495)	(2,251,893)
Net position, July 1 (restated)	69,778,069	3,494,782	73,272,851
Net position, June 30	\$ 69,566,300	\$ 3,435,773	\$ 73,002,073

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2015

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 11,148,516	\$ 4,050,172	\$ 15,198,688
Payments to suppliers	(4,258,779)	(1,642,827)	(5,901,606)
Payments to employees	(4,349,249)	(1,812,294)	(6,161,543)
Other receipts	107,624	0	107,624
Net cash provided (used) by operating activities	2,648,112	595,051	3,243,163
Cash flows from non-capital financing activities:			
Receipts from other funds	0	25,355	25,355
Payments to other funds	(1,003,000)	(722,355)	(1,725,355)
Net cash provided (used) by non-capital financing activities	(1,003,000)	(697,000)	(1,700,000)
Cash flows from capital and related financing activities:			
Receipts from other funds	117,905	0	117,905
Receipts from other governments	191,134	0	191,134
Payments for acquisitions of capital assets	(3,995,087)	(232,107)	(4,227,194)
Principal payments - capital leases	(54,534)	(73,791)	(128,325)
Principal payments - promissory notes	(4,782,730)	0	(4,782,730)
Proceeds - bonds payable	6,705,000	0	6,705,000
Principal payments - bonds payable	(820,819)	0	(820,819)
Debt issue and deferred costs	(202,752)	0	(202,752)
Interest paid	(218,362)	(2,230)	(220,592)
Net cash provided (used) by capital and related financing activities	(3,060,245)	(308,128)	(3,368,373)
Cash flows from investing activities			
Interest and investment earnings received	5,121	3,912	9,033
Net increase (decrease) in cash and cash equivalents	(1,410,012)	(406,165)	(1,816,177)
Cash and cash equivalents, July 1	4,717,004	3,498,427	8,215,431
Cash and cash equivalents, June 30	\$ 3,306,992	\$ 3,092,262	\$ 6,399,254

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2015

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 847,853	\$ 636,309	\$ 1,484,162
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,973,782	120,335	2,094,117
(Increase) decrease in accounts receivable	(576,673)	(46,340)	(623,013)
(Increase) decrease in intergovernmental receivable	144,063	0	144,063
(Increase) decrease in inventories	31,745	0	31,745
(Increase) decrease in prepaid items	(6,232)	(2,730)	(8,962)
(Increase) decrease in pension contributions subsequent to measurement date	8,329	3,080	11,409
(Increase) decrease in pension experience differences	(69,938)	(25,865)	(95,803)
Increase (decrease) in accounts payable	272,754	(79,007)	193,747
Increase (decrease) in accrued salaries and payroll liabilities	22,542	4,284	26,826
Increase (decrease) in compensated absences	12,225	(11,783)	442
Increase (decrease) in customer deposits	(795)	0	(795)
Increase (decrease) in net pension liability	(231,678)	(85,681)	(317,359)
Increase (decrease) in net OPEB Obligation	38,456	15,260	53,716
Increase (decrease) in pension assumption differences	55,418	20,495	75,913
Increase (decrease) in pension investment return differences	126,261	46,694	172,955
Total adjustments	1,800,259	(41,258)	1,759,001
Net cash provided (used) by operating activities	\$ 2,648,112	\$ 595,051	\$ 3,243,163
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 2,280,821	\$ 3,092,262	\$ 5,373,083
Restricted assets			
Cash and cash equivalents	1,026,171	0	1,026,171
	\$ 3,306,992	\$ 3,092,262	\$ 6,399,254

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS

	<u>Carrollton Redevelopment Authority</u>	<u>Main Street Carrollton</u>	<u>Total Component Units</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 0	\$ 3,862	\$ 3,862
 NET POSITION			
Unrestricted	<u>\$ 0</u>	<u>\$ 3,862</u>	<u>\$ 3,862</u>

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2015

	Carrollton Redevelopment Authority	Main Street Carrollton	Total Component Units
Expenses			
Housing and Development	\$ 0	\$ 95,519	\$ 95,519
Program revenues			
Charges for services	0	12,652	12,652
Net (expense) revenue	0	(82,867)	(82,867)
General revenues			
Interest	0	3	3
Other	0	73	73
Total general revenues	0	76	76
Change in net position	0	(82,791)	(82,791)
Net position, July 1	0	86,653	86,653
Net position, June 30	\$ 0	\$ 3,862	\$ 3,862

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

1. Description of Government Unit

The City of Carrollton, Georgia (the City) is located in Carroll County about 50 miles west of Atlanta. The City provides a full range of governmental services, including public safety, highways and streets, recreational and cultural programs and economic development, as well as water and sewer and sanitation services. The City is governed by an elected mayor and four-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Carrollton, Georgia (the primary government) and material component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of the following component units have been included as either blended or discretely presented component units.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides service entirely to the City.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

The activity and assets of the following two component units (Swimming Association and Area Convention and Visitors Bureau) which are functions of the Parks, Recreation, and Cultural Arts Department, were blended in the City's general fund financial statements. Component unit financial statements are available at the office of the Parks, Recreation and Cultural Arts Department, 118 S. White St., Carrollton, Georgia 30117.

Carrollton Swimming Association

This nonprofit group is the organization of parents who have children on the Carrollton Swim Team and support the activities financially, by dues and other fund raising activities. Annual costs are approximately \$113,700.

Carrollton Area Convention and Visitors Bureau

This entity superseded the Carroll County Area Convention and Visitors Bureau and is funded from a portion of the tax assessed on area motel and hotel receipts. Approximately \$153,200 was expended to promote tourism in the area this year.

The discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Carrollton Redevelopment Authority

The Carrollton Redevelopment Authority, a Georgia non-profit organization, was created by the General Assembly of Georgia to provide for revenue bonds and other funding sources for construction in Carrollton, Georgia. The Authority operates under a board of nine directors, which are appointed by the Mayor and City Council of the City of Carrollton, Georgia.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

The Carrollton Redevelopment Authority is reported in a separate column to emphasize that it is legally separate from the City. There was no activity for the Authority during the fiscal year.

Main Street Carrollton

Main Street Carrollton is a Georgia non-profit organization created to assist in the revitalization and economic development of the Carrollton main street area. This entity provides operational and promotional assistance for two downtown City owned facilities (the AMP and the Historic Train Depot). Main Street Carrollton operates under a board of nine directors, which are appointed by the Mayor and City Council of the City of Carrollton, Georgia. During the fiscal year, Main Street was reorganized by the Mayor and City Council to account for Main Street operations within the City's General Fund.

Main Street Carrollton is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Report in the section labeled "Component Units". (See Exhibits H-1 to H-2). Main Street Carrollton has a June 30 year-end. There is no separately issued stand-alone financial report for this component unit.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

As discussed earlier, the government has two discretely presented component units, which are combined in a column in the government-wide financial statements. For the current year, the Carrollton Redevelopment Authority had no activity to report in the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewerage and Sanitation Enterprise Funds and the other functions of the government. Elimination of these charges would distort the direct costs of program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

2015 SPLOST Capital Projects Fund - accounts for projects funded by the 2015 special one percent local option sales tax levies.

2009 SPLOST Capital Projects Fund - Accounts for projects funded by the 2009 special one percent local option sales tax levies.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The City reports the following major proprietary funds:

Water and Sewer Fund - Accounts for activities in providing water and wastewater services to the public.

Sanitation Fund - Accounts for activities in providing sanitation services to the public.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Component Units

The Main Street Carrollton Component Unit is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

The Carrollton Redevelopment Authority Component Unit is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e. when they both become measurable and available).

Interfund Activity

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

The 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer and Sanitation Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services 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.

G. Budgets and Budgetary Accounting

The City Council adopts an operating budget for all governmental fund types, except for the Capital Projects Funds, for the upcoming fiscal year, prior to July 1. Capital budgets are adopted for Capital Projects Funds. The budgets are prepared based on requests made by various department heads. The adopted budgets include proposed expenditures and the means of financing them. Prior to budgets being legally enacted through passage of an ordinance, public hearings are held to obtain taxpayer comments. The budgets are prepared on the modified accrual basis of accounting. The City does not use an encumbrance system which records commitments related to unperformed contracts for goods and services.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories of the Water and Sewerage Fund are valued at cost on the first-in, first-out method.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the City. Prior to July 1, 2006, neither their historical costs, nor related depreciation, had been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Land and construction-in-progress are not depreciated. The other property, plant equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life <u>in Years</u>
Buildings	25 to 50
Improvements	10 to 50
Furnishings, vehicles, machinery and equipment	3 to 20
Utility System	25 to 50
Infrastructure	25 to 50

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

All land will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflow of resource for deferred charges on bond refunding and their defined benefit pension plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plans.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

O. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. Restricted Assets and Restricted Net Position

Restricted assets consist of cash included in the City's Water and Sewerage System which reflect restrictions for future construction of facilities, retainages, revenue bond and note payable retirement.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds

The City of Carrollton implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to constraints imposed by formal action of the Mayor and City Council through the adoption of a resolution or motion. The Mayor and City Council also may modify or rescind the commitment.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Through resolution or motion, the Mayor and City Council has authorized the City's Finance Officer to assign fund balances.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

R. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation leave which will be paid to the employees upon separation from City service. Accumulated unpaid vacation leave amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

2. Summary of Significant Accounting Policies (continued)

R. Compensated Absences, continued

expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured (ie, unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

S. 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 deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

3. Deposit and Investment Risk

Custodial credit risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City's policies require that all deposits be federally insured or fully collateralized.

Investment policies - Credit, concentration of credit, and interest rate risk

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The City has no investment policy that would further limit its investment choices. The City places no limits on the amount the City may invest in any one issuer of equity or debt securities. Investments are reported at fair market value.

Foreign currency risk

The City has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at June 30, 2015 consist of the following:

Primary Government:

Major Funds

General Fund		\$ 182,124
Water and Sewerage Enterprise Fund	\$ 2,123,034	
Less: Allowance for Uncollectibles	<u>(166,332)</u>	1,956,702
Sanitation Enterprise Fund	633,337	
Less: Allowance for Uncollectibles	<u>(60,218)</u>	<u>573,119</u>
Total Primary Government		<u><u>\$ 2,711,945</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2015 consist of the following:

Primary Government:

Major Funds

General Fund

Three Rivers Regional Commission	\$ 16,213
----------------------------------	-----------

2015 SPLOST Fund

Carroll County, Georgia	583,123
-------------------------	---------

Nonmajor Funds

Special Revenue Funds

West Metro Regional Drug Enforcement

State of Georgia	104,648
------------------	---------

Neighborhood Stabilization Program

Carrollton Housing Authority	27,369
------------------------------	--------

Drug Seizure

Due from others	<u>4,121</u>
-----------------	--------------

Total Primary Government	<u><u>\$ 735,474</u></u>
--------------------------	--------------------------

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2014, based upon the assessments of January 1, 2014, were levied on August 5, 2014, billed on September 29, 2014, and due on December 1, 2014. The Carroll County tax commissioner bills and collects the City's property taxes.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 231,252
	Sanitation	211,752
	2009 SPLOST	6,884
	Nonmajor Governmental	32,480
2009 SPLOST	Water and Sewerage	21,884
2015 SPLOST	Nonmajor Governmental	381,890
Nonmajor Governmental	2009 SPLOST	459,815
	General	25,821
Sanitation	Water and Sewerage	42,632
	General	<u>25,355</u>
		<u><u>\$ 1,439,765</u></u>

Interfund balances at June 30, 2015, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The City expects to repay all interfund balances within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

7. Interfund Receivables, Payables, and Transfers (continued)

A summary of interfund transfers is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
2009 SPLOST	Water and Sewerage	\$ 80,422
2015 SPLOST	Water and Sewerage	37,483
Water and Sewerage	General	1,003,000
Sanitation	General	697,000
Nonmajor Governmental	General	<u>132,092</u>
		<u><u>\$ 1,949,997</u></u>

Interfund transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer City matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. The transfers from the Water and Sewerage and Sanitation Funds to the General Fund is in accordance with City policy, and is common practice for government-owned utility systems. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2015 was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 10,855,246	\$ 217,176	\$ (11,681)	\$ 11,060,741
Construction in progress	1,464,458	2,597,393	(1,025,277)	3,036,574
Total non-depreciable assets	12,319,704	2,814,569	(1,036,958)	14,097,315
Depreciable assets				
Land improvements	8,179,658	943,381	0	9,123,039
Buildings and improvements	34,179,492	210,950	0	34,390,442
Furnishings, vehicles, machinery and equipment	13,827,980	3,150,250	(1,126,746)	15,851,484
Infrastructure	61,999,569	3,388,099	0	65,387,668
Total depreciable assets	118,186,699	7,692,680	(1,126,746)	124,752,633
Less accumulated depreciation				
Land improvements	(2,091,412)	(373,427)	0	(2,464,839)
Buildings and improvements	(7,807,686)	(695,308)	0	(8,502,994)
Furnishings, vehicles, machinery and equipment	(10,454,210)	(834,980)	1,126,749	(10,162,441)
Infrastructure	(27,913,327)	(1,619,488)	0	(29,532,815)
Total accumulated depreciation	(48,266,635)	(3,523,203)	1,126,749	(50,663,089)
Total depreciable assets, net	69,920,064	4,169,477	3	74,089,544
Governmental activities capital assets, net	<u>\$ 82,239,768</u>	<u>\$ 6,984,046</u>	<u>\$ (1,036,955)</u>	<u>\$ 88,186,859</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,538,762	\$ 394,442	\$ 0	\$ 8,933,204
Construction in progress	899,311	0	(496,884)	402,427
Total non-depreciable assets	9,438,073	394,442	(496,884)	9,335,631
Depreciable assets				
Buildings and improvements	5,815,390	61,205	0	5,876,595
Distribution system	87,108,705	3,659,857	0	90,768,562
Vehicles, machinery and equipment	5,598,477	608,574	(51,300)	6,155,751
Total depreciable assets	98,522,572	4,329,636	(51,300)	102,800,908
Less accumulated depreciation				
Buildings and improvements	(3,907,071)	(111,153)	0	(4,018,224)
Distribution system	(27,097,911)	(1,715,426)	0	(28,813,337)
Vehicles and equipment	(4,055,905)	(267,538)	51,300	(4,272,143)
Total accumulated depreciation	(35,060,887)	(2,094,117)	51,300	(37,103,704)
Total depreciable assets, net	63,461,685	2,235,519	(0)	65,697,204
Business-type activities capital assets, net	<u>\$ 72,899,758</u>	<u>\$ 2,629,961</u>	<u>\$ (496,884)</u>	<u>\$ 75,032,835</u>

Beginning governmental activities balances have been restated to include an additional \$56,024 in accumulated depreciation for land improvements.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 200,363
Public Safety	623,675
Public Works	1,724,350
Culture and Recreation	838,923
	<hr/>

Total depreciation expense for governmental activities	<u><u>\$ 3,387,311</u></u>
--	----------------------------

Business-type activities

Water and Sewerage	\$ 1,973,782
Sanitation	120,335
	<hr/>

Total depreciation expense for business-type activities	<u><u>\$ 2,094,117</u></u>
---	----------------------------

	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
Current year depreciation expense	\$ 3,387,311	\$ 2,094,117
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	<hr/> 135,892	<hr/> 0
Additions to accumulated depreciation	<u><u>\$ 3,523,203</u></u>	<u><u>\$ 2,094,117</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

9. Capital and Operating Leases Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at June 30, 2015, are \$173,840 and \$429,292 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$274,203 and \$641,627 for governmental and business-type activities, respectively. Total accumulated depreciation on assets leased under capital leases are \$67,061 and \$91,661 for governmental and business-type activities, respectively. The assets are included in furnishings, vehicles, machinery and equipment and vehicles, machinery and equipment for governmental and business-type activities, respectively.

Amortization of leased equipment under capital assets is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2015:

Year Ending June 30,	Governmental Activities	Business-type Activities
2016	\$ 89,518	\$ 145,176
2017	86,144	139,081
2018	5,981	132,985
2019	0	45,199
Total minimum lease payments	181,643	462,441
Less amounts representing interest	(7,803)	(33,148)
Present value of minimum lease payments	<u>\$ 173,840</u>	<u>\$ 429,293</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

9. Capital and Operating Leases Agreements (continued)

The City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of \$150,126,000 were issued in connection with the lease program, with the City's pro rata share of the principal being \$2,644,000. At June 30, 2015, the City has a balance of \$571,359 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included with other leases above. These amounts are presented as capital leases in the governmental activities and business-type activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate, and is not considered legal debt of the City.

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

10. Long-Term Debt

Revenue Bonds

Revenue bonds have been issued for business-type activities and are comprised of the following individual issues at June 30, 2015:

Water and Sewerage Revenue Bond Series 1997: In November 1997, the City issued Water and Sewerage Revenue Bonds Series 1997 totaling \$2,600,000 to pay the costs of certain improvements to the City's water and sewer system. The bonds are secured by a pledge of the net revenues derived from the operation of the water system. The bonds are payable over a period of twenty years at 5.35% interest. Quarterly payments of principal and interest are due January 1, April 1, July 1, and October 1. Bond issuance costs of \$53,300 were incurred relative to the sale which includes surety bond insurance expense of \$11,000. The bonds were paid in full during the current fiscal year with proceeds from the Water and Sewer Bond, Series 2014.

Water and Sewerage Revenue Bond Series 2014: In December 2014, the City issued Water and Sewerage Revenue Refunding and Improvement Bonds Series 2014 totaling \$6,705,000 to refinance the Water and Sewerage Revenue Bond Series 1997 and the GEFA Note 2008-LO3WJ, and to pay the costs of certain improvements to the City's water and sewer system. The bonds are secured by a pledge of the net revenues derived from the operation of the water

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

10. Long-Term Debt (continued)

Revenue Bonds, continued

system. The bonds are payable over a period of fifteen years at 2.67% interest. Semi-annual payments of principal and interest are due January 1 and July 1. Bond issuance costs of \$145,011 were incurred relative to the sale.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 194,000	\$ 86,976	\$ 280,976
2017	395,000	166,154	561,154
2018	405,000	155,541	560,541
2019	416,000	144,647	560,647
2020	427,000	133,473	560,473
2021-2025	2,315,000	488,810	2,803,810
2026-2030	2,363,000	160,467	2,523,467
Totals	\$ 6,515,000	\$ 1,336,068	\$ 7,851,068

Notes Payable

Georgia Environmental Facilities Authority Note Payable - Water Fund - SRF 93-015WS: On October 26, 1993, the City signed an agreement with the Georgia Environmental Facilities Authority to obtain a promissory note for \$2,000,000 of which \$1,973,340 was used to finance another phase of the City's environmental facilities project. The interest rate on this permanent financing is 4.8%. Principal and interest will be repaid in 78 quarterly payments of \$38,555 which commenced February, 1997. The payment period changed from quarterly to monthly during the fiscal year ended June 30, 2005. The balance at June 30, 2015 was \$137,402.

Georgia Environmental Facilities Authority Note Payable - Water Fund - 2008-LO3WJ: On May 19, 2008, the City signed an agreement with the Georgia Environmental Facilities Authority to obtain a promissory note to be disbursed in periodic advances to finance a portion of the environmental facilities project which includes water plant rehabilitation and expansion and the construction of sewers in the Lake Carroll area. The amount advanced at June 30, 2010, was \$5,202,144. The interest rate is 4.1% compounded monthly with principal and interest payable in 239 monthly installments. Interest of \$288,691 was capitalized to the construction projects

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

10. Long-Term Debt (continued)

Notes Payable, continued

and added to the loan for a final loan. This loan paid in full during the current fiscal year with proceeds from the Water and Sewer Bond, Series 2014.

Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 08-001 and DW 08-001: On November 4, 2009, the City signed an agreement with the Georgia Environmental Facilities Authority to obtain a promissory note for \$500,000, to procure four membrane filtration units. The note will be repaid in 240 monthly installments of \$2,083 with an interest rate of 0.0%, beginning March 2010. Closing cost of \$10,000 was financed through a second note with 0.0% interest to be paid in twelve installment payments of \$833 beginning January 1, 2010 and paid off December 1, 2010. The balance at June 30, 2015 was \$366,667.

The City's debt service requirements to maturity for GEFA notes payable is as follows:

Ending June 30,	Principal	Interest	Total
2016	\$ 162,402	\$ 3,325	\$ 165,727
2017	25,000	0	25,000
2018	25,000	0	25,000
2019	25,000	0	25,000
2020	25,000	0	25,000
2021-2025	125,000	0	125,000
2026-2029	116,667	0	116,667
Totals	<u>\$ 504,069</u>	<u>\$ 3,325</u>	<u>\$ 507,394</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

10. Long-Term Debt (continued)

Contracts Payable

Intergovernmental Debt, Carroll County, Georgia, 2009: During the year ended June 30, 2009, Carroll County, Georgia issued \$40,500,000 of General Obligation Sales Tax Bonds, Series 2008.

The proceeds from the bonds are to be used to fund a portion of the 2009 SPLOST Carroll County projects and City of Carrollton projects.

The City of Carrollton received \$10,619,420 from the bond proceeds. This amount is reflected as a payable to Carroll County because the bonds issued are a general obligation of the County. Therefore, the full amount of bonds payable is reflected in the County's liabilities. The City of Carrollton will pay 26% of the bond interest and principal each year. Interest paid by the City will be recognized as interest expense on the payable, and the County will recognize the full amount of interest expense on the bonds. The City's portion of bond principal paid will decrease the payable to the County, while the County will use the proceeds to pay down its bonds payable balance.

Interest varied from 3.5% to 5.0% and the City of Carrollton had paid Carroll County in full as of June 30, 2015.

Intergovernmental Debt, Carroll County, Georgia, 2013: During the year ended June 30, 2014, Carroll County, Georgia issued \$40,000,000 of General Obligation Sales Tax Bonds, Series 2013. The proceeds from the bonds are to be used to fund a portion of the 2015 SPLOST Carroll County projects and City of Carrollton projects.

The City of Carrollton received \$10,485,000 from the bond proceeds, (including \$485,000 in bond premiums). The \$10,000,000 is reflected as a payable to Carroll County because the bonds issued are a general obligation of the County. Therefore, the full amount of bonds payable is reflected in the County's liabilities. The City of Carrollton will pay 25% of the bond interest and principal each year. Interest paid by the City will be recognized as interest expense on the payable, and the County will recognize the full amount of interest expense on the bonds. The City's portion of bond principal paid will decrease the payable to the County, while the County will use the proceeds to pay down its bonds payable balance.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

10. Long-Term Debt (continued)

Contracts Payable, continued

The City's debt service requirements to maturity, including interest varying from 2.37% to 5.0%, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 1,583,750	\$ 374,900	\$ 1,958,650
2017	1,610,000	337,387	1,947,387
2018	1,640,000	289,088	1,929,088
2019	1,677,500	236,287	1,913,787
2020	1,720,000	169,188	1,889,188
2021	1,768,750	83,188	1,851,938
Totals	\$ 10,000,000	\$ 1,490,038	\$ 11,490,038

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for fiscal year ended June 30, 2015:

	Balance 6/30/2014	Additions	Deductions	Balance 6/30/2015	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 257,808	\$ 0	\$ (83,968)	\$ 173,840	\$ 83,697
Contracts payable	12,043,374	0	(2,043,374)	10,000,000	1,583,750
Compensated absences	246,240	72,672	(84,923)	233,989	233,989
Total Governmental activities	\$ 12,547,422	\$ 72,672	\$ (2,212,265)	\$ 10,407,829	\$ 1,901,436
Business-type activities					
Revenue bonds	\$ 630,819	\$ 6,705,000	\$ (820,819)	\$ 6,515,000	\$ 194,000
Notes payable	5,286,799	0	(4,782,730)	504,069	162,402
Capital lease obligations	557,618	0	(128,325)	429,293	128,325
Compensated absences	92,029	33,457	(31,739)	93,747	93,747
Total business-type activities	\$ 6,567,265	\$ 6,738,457	\$ (5,763,613)	\$ 7,542,109	\$ 578,474

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

10. Long-Term Debt (continued)

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

Total interest incurred and expensed in the governmental activities and the business-type activities for the fiscal ended June 30, 2015 was \$32,387 and \$231,777, respectively.

11. Bond Refunding

On December 29, 2014, the City issued a \$6,705,000 in Water and Sewerage Revenue Refunding and Improvement Bond, Series 2014, with an average interest rate of 2.67%. The Series 2014 bonds were issued to advance refund outstanding Series 1997 Bonds with an average interest rate of 5.35% and a water and sewerage note payable in the amount of \$4,522,315 with an average interest rate of 4.1%. The City received \$1,440,821 of the proceeds to be used for the City's radio read meters project and paid \$145,012 in issuance costs. Proceeds of \$596,852 plus an additional \$50,922 of Series 1997 sinking fund monies were applied to the \$647,774 deposited into an irrevocable trust with an escrow agent for future payments of the Series 1997 Bonds portion. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the balance sheet.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$61,518. This difference, reported in the financial statements as deferred outflows of resources-deferred charges on refunding, is being charged to operations through the year 2018 using the effective interest method. The City obtained an economic gain (the difference between the present value of the old debt and new debt service payments) of \$329,375.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

12. Conduit Debt

Carrollton Redevelopment Authority

In April 2009, Carrollton Redevelopment Authority authorized the receipt of a loan of \$150,000 from the Georgia Department of Community Affairs under the Georgia Appalachian Region Business Development Revolving Loan Fund Program. The Authority simultaneously re-loaned the proceeds to the Little Hawaiian, for the purpose of renovating its restaurant building located at 206 Rome Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 3% interest with monthly payments of \$1,035.87 and a balloon payment of \$58,538.60 on May 1, 2019. The outstanding loan balance at June 30, 2015 was \$97,146.

In August 2010, Carrollton Redevelopment Authority issued \$8,000,000 in Series 2010 Federally Taxable Qualified School Construction Bonds – Direct Pay for the Carrollton Independent School

System Project for the construction, renovation, modernization and revitalization of the Carrollton Independent School System facilities. These bonds are payable solely from the Trust Estate (bank) and the Authority has no obligation for these debts; therefore, debts are not reflected on the Authority's financial statements. The balance owed on these bonds was \$8,000,000 at June 30, 2015.

On July 7, 2014, Carrollton Redevelopment Authority authorized the receipt of a loan of \$217,235 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Chad P. Properties, LLC, for the purpose of renovating a building located at 310 Adamson Square. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 2% interest with monthly payments of \$1,406.03 beginning September 1, 2014, and a balloon payment of \$58,538.60 on August 1, 2024. The outstanding loan balance at June 30, 2015 was \$206,717.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

13. Deficit Fund Balances

At June 30, 2015, the 2009 SPLOST Fund had a negative fund balance of \$537,979. The City intends to fund this deficit through forgiveness of amounts due to other funds and through transfers from the City's General Fund.

14. Nonspendable, Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2015:

	<u>General</u>	<u>2015 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepaid items	\$ 263,166	\$ 0	\$ 25,625	\$ 288,791
Property held for resale	0	0	219,242	219,242
	<u>\$ 263,166</u>	<u>\$ 0</u>	<u>\$ 244,867</u>	<u>\$ 508,033</u>
Restricted for:				
Public Safety				
Police facilities and equipment	\$ 0	\$ 0	\$ 1,091,731	\$ 1,091,731
Hazardous material team	0	0	37,542	37,542
Culture and Recreation				
Recreation facilities and equipment	275,525	0	0	275,525
Housing and Development				
Neighborhood improvements	0	0	1,010,587	1,010,587
Economic development	144,952	0	56,248	201,200
Capital projects	0	6,407,280	171,867	6,579,147
	<u>\$ 420,477</u>	<u>\$ 6,407,280</u>	<u>\$ 2,367,975</u>	<u>\$ 9,195,732</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

15. Changes in Beginning Balances

Prior period adjustments have been made to record net pension liabilities and related deferred outflows/inflows of resources at June 30, 2014. These adjustments were required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Prior period adjustments have also been made to correct previously reported amounts at June 30, 2014. These adjustments increased (decreased) beginning net position and fund balances as follows:

Governmental Activities

To correct accumulated depreciation for a prior year calculation error	\$ (56,024)
To record a net pension liability and related deferred outflows/inflows of resources	(4,049,448)
To allocate a portion of prior OPEB cost to Business-Type Activities	365,595
To adjust receivable for police fines for which collectibility is indeterminable	(245,914)
To correct accrued liabilities for retirement and insurance payable	78,569
To correct receivable for franchise taxes	(624,577)
To adjust unearned revenues for LMIG	382,414
	<u>\$ (4,149,385)</u>

General Fund

To adjust receivable for police fines for which collectibility is indeterminable	\$ (245,914)
To remove compensated absences incorrectly reported at the fund level	246,238
To correct accrued liabilities for retirement and insurance payable	78,569
To correct receivable for franchise taxes	(624,577)
	<u>\$ (545,684)</u>

Nonmajor Governmental

To correct the beginning balance of unearned revenue	\$ 382,414
To record inventory of houses held for resale at the fund level	242,826
	<u>\$ 625,240</u>

Business Type Activities

Water and Sewerage

To correct accrued liabilities for retirement and insurance payable	\$ 26,991
To record a net pension liability and related deferred outflows/inflows of resources	(1,404,656)
To allocate a portion of prior OPEB cost to Water and Sewerage Fund	(261,733)
	<u>(1,639,398)</u>

Sanitation

To correct accrued liabilities for retirement and insurance payable	10,841
To record a net pension liability and related deferred outflows/inflows of resources	(519,474)
To allocate a portion of prior OPEB cost to Sanitation Fund	(103,862)
	<u>(612,495)</u>

Total Business Type Activities	<u>\$ (2,251,893)</u>
--------------------------------	-----------------------

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

16. Pension Plans

Defined Benefit Pension Plans

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder.

At January 1, 2015, the date of the most recent actuarial valuation, there were 482 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	132
Terminated vested participants entitled to but not yet receiving benefits	60
Active participants	<u>290</u>
Total number of participants	<u><u>482</u></u>

Benefits Provided. Regular full-time employees who are non-civil service and who are not eligible to participate in any other retirement program of the City may participate when they have completed one year of service. Employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement at age 55 with ten years of total service. The benefit formula is 1.25% - 2.00% with a five year vesting schedule.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

16. Pension Plans (continued)

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, the City reported a net pension liability of \$6,034,095. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. For the fiscal year ended June 30, 2015, the City recognized pension expense of \$738,356.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2013	\$ 25,300,517	\$ 18,281,161	\$ 7,019,356
Changes for the year:			
Service cost	334,167	0	334,167
Interest	1,911,478	0	1,911,478
Differences between expected and actual experience	356,908	0	356,908
Contributions-employer	0	1,248,419	(1,248,419)
Net investment income	0	2,085,904	(2,085,904)
Benefit payments, including refunds of employee contribution	(1,272,573)	(1,272,573)	0
Administrative expense	0	(29,317)	29,317
Other changes	(282,808)	0	(282,808)
Net changes	<u>1,047,172</u>	<u>2,032,433</u>	<u>(985,261)</u>
Balances at 9/30/2014	\$ 26,347,689	\$ 20,313,594	\$ 6,034,095
Plan fiduciary net position as a percentage of the total pension liability		77.10%	
Covered employee payroll		\$ 11,901,447	
Net pension liability as a percentage of covered employee payroll		50.70%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

16. Pension Plans (continued)

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 297,425	\$ 0
Changes of assumptions	0	(235,676)
Net difference between projected and actual earnings on pension plan investments	0	(536,948)
Contributions subsequent to the measurement date	1,010,357	0
Totals	<u>\$ 1,307,782</u>	<u>\$ (772,624)</u>

The \$1,010,357 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2016	\$ (121,887)
2017	(121,887)
2018	(121,887)
2019	(121,887)
2020	12,349
Totals	<u>\$ (475,199)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustments	N/A
Net investment rate of return	7.75%
Actuarial cost method	Projected unit credit method
Amortization method	Closed level dollar
Remaining amortization period	30 years

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

16. Pension Plans (continued)

Healthy mortality rates 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. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

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 weighing 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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

16. Pension Plans (continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.75%	\$ 9,503,242
Current discount rate	7.75%	6,034,095
1% increase	8.75%	3,147,566

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans

In addition to the plan above, various City employees are also covered under the pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

17. Post-Employment Health Care Benefits

Plan Description

The City of Carrollton provides post-employment health care benefits as a participating member in the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit other post employment benefit (OPEB) plan ("Plan"), which is a service of Georgia Municipal Association (GMA). GMEBS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipalities in Georgia. The City elected to participate in GMEBS as of May 1, 2008, as a result of City Ordinance and a contract between the City and GMA. The Plan's assets may be used only for the payment of benefits to the members of the Plan, in accordance with the terms of the Plan. See Note 2 – Summary of Significant Accounting Policies for reporting of investments.

City employees may become eligible if they retire on or after age 62 (age 60 if a public safety employee (police or fire)) with 20 years of service and receiving a pension from the Georgia Municipal Employee Benefit System. The City pays 100 percent of the retiree's portion of medical insurance premiums until the employee qualifies for Medicare.

GMA issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Association at 21 Pryor Street, SW, Atlanta, Georgia 30303.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	36
Active participants	<u>288</u>
Total number of participants	<u><u>324</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

17. Post-Employment Health Care Benefits (continued)

Funding Policy

The funding policy for the plan is to contribute an amount equal to the benefit and administrative costs paid on behalf of retirees and their dependents (ie, pay-as-you-go basis). The recommended contribution meets the guidelines for calculating an annual required contribution set forth in GASB Statement No. 45. These contributions are determined under the projected unit credit actuarial cost method and the market value of assets for developing the actuarial value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2014 is 19 years. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

17. Post-Employment Health Care Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

For fiscal year 2015, the City's annual OPEB cost of \$197,892 was equal to the City's recommended contribution, as calculated on the pay-as-you go basis. The recommended contribution was computed as part of an actuarial valuation as of July 1, 2014. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 4.0 percent per year compounded annually, (b) a rate of inflation of 3.0 percent, (c) no post-retirement benefit increases, and (d) a medical and drug cost trend rate of 6.5 percent, then 8.5 percent graded to 5 percent over 7 years.

The City's annual OPEB cost and net OPEB obligations for the current year were as follows:

Annual required contribution	\$ 237,214
Interest on net OPEB obligation	47,361
Adjustment to ARC	<u>(86,683)</u>
Annual OPEB cost	197,892
Contributions made	<u>(23,927)</u>
Increase (decrease) in net OPEB obligation	173,965
Net OPEB obligation - beginning of year	<u>1,184,030</u>
Net OPEB obligation - end of year	<u><u>\$ 1,357,995</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

17. Post-Employment Health Care Benefits (continued)

Historical Trend Information

Historical trend information for annual OPEB cost and funding progress is as follows:

OPEB Trend Information			
Fiscal Year ended June 30,	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2013	\$ 338,163	4%	\$ 858,935
2014	338,163	4%	1,184,030
2015	197,892	12%	1,357,995

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability* (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
5/1/2008	\$ 0	\$ 1,448,245	\$ 1,448,245	0.00%	\$ 11,187,895	13%
1/1/2011	0	1,465,181	1,465,181	0.00%	10,805,482	14%
1/1/2013	0	2,893,368	2,893,368	0.00%	10,455,975	28%
1/1/2015	0	1,996,346	1,996,346	0.00%	11,586,973	17%

* AAL based on a pay-as-you-go plan

18. Hotel/Motel Lodging Tax

The City has levied a 5% lodging tax in accordance with OCGA 48-13-51. Forty percent and twenty percent of the tax received is paid to the Carrollton Convention and Visitors Bureau (a component unit of the City) and the Carroll County Chamber of Commerce, respectively to promote tourism within the City. A summary of the transactions for the year ended June 30, 2015, follows:

Lodging Tax Receipts	\$330,230	
Disbursements for tourism and visitor programs	\$198,138	60% of tax receipts

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

19. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Three Rivers Regional Commission (TRRC). The membership dues are paid annually by the City of Carrollton. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the TRCC financial statements can be obtained from TRRC, P.O. Box 818, Griffin, Georgia 30224.

20. Related Organizations

The City of Carrollton Housing Authority is considered a related organization to the City of Carrollton. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Carrollton. The City collects revenue in lieu of taxes for City services provided to Housing Authority residents.

21. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City purchased commercial insurance to cover property and professional liability claims. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risks, 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 funds.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

21. Risk Management (continued)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost 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 in the last three years have not exceeded insurance coverage.

22. Commitments and Contingencies

Commitments

The State revolving loan agreement requires that in the event the loan cannot be repaid from water fund revenues, the City has a general obligation to collect and apply sufficient tax to repay the principal and interest on the loan as required in the loan agreement.

The City has active construction projects as of June 30, 2015. At fiscal year end, the City's commitments with contractors are as follows:

Project	<u>to Date</u>	<u>Commitment</u>
Lakeshore Park Gym Renovations	\$ 1,865,490	\$ 484,510
Police Department Evidence/Exercise Building	386,661	1,115,832
Greenbelt Project	655,218	600,844

Utility Repair: The City has budgeted \$1,000,000 for utility repair for the next fiscal year.

Greenbelt Project: In 2002, the City partnered with a small group of citizens to create a greenspace program for the community. The Mayor and City Council adopted the Carrollton Greenbelt plan to build a 17 miles, multi-use, hard surface trail system encircling the City, which will serve as a recreation and alternative transportation site connecting schools, neighborhoods and parks with business and shopping venues. In 2011, Friends of the Carrollton Greenbelt Committee was formed to help push the project forward. The project is divided into multiple phases with twelve miles completed to date.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

22. Commitments and Contingencies (continued)

Contingencies

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

23. Material Budget Violations

The following General Fund department's expenditures exceeded its budgeted appropriations by more than three percent.

General Administration	\$	106,398
Finance and Purchasing		6,751
Human Resources Administration		14,676
Recreation Programs		331,386
Planning Administration		4,119
Main Street Division		74,744

The following Special Revenue Funds had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2015.

Drug Seizure	\$	70,175
Regional Hazardous Material Team		19,241
West Metro Regional Drug Enforcement		179,685

In the future, actual expenditures will be compared to budgeted expenditures and budget amendments will be made when appropriate.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2015
(Unaudited)

	Fiscal Year End
	2015
Total pension liability	
Service cost	\$ 334,167
Interest	1,911,478
Differences between expected and actual experience	356,908
Benefit payments, including refunds of employee contributions	(1,272,573)
Other changes	(282,808)
Net change in total pension liability	1,047,172
Total pension liability - beginning	25,300,517
Total pension liability - ending (a)	\$ 26,347,689
 Plan fiduciary net position	
Contributions - employer	\$ 1,248,419
Net investment income	2,085,904
Benefit payments, including refunds of employee contributions	(1,272,573)
Administrative expense	(29,317)
Net change in total pension liability	2,032,433
Plan fiduciary net position - beginning	18,281,161
Plan fiduciary net position - ending (b)	\$ 20,313,594
 Net pension liability (asset) - ending : (a) - (b)	\$ 6,034,095
 Plan's fiduciary net position as a percentage of the total pension liability	77.10%
 Covered-employee payroll	\$ 11,901,447
 Net pension liability as a percentage of covered-employee payroll	50.70%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only one year is reported.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2015
(Unaudited)

	<u>Fiscal Year End</u>
	<u>2015</u>
Actuarially determined contribution	\$ 1,215,838
Contributions in relation to the actuarially determined contribution	<u>(1,215,838)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Covered-employee payroll	\$ 11,901,447
Contributions as a percentage of covered-employee payroll	10.22%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only one year is reported.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

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 amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.75%

Projected salary increases = 3.25% plus service based merit increases

2. Methods and Assumptions Used to Determine Contribution Rates

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and on year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

3. Changes in Benefits

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2016 and later reflect the following assumption changes based on the results of an actuarial experience study covering the period of January 1, 2010 to June 30, 2014:

The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.

The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.

The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

The inflation and cost-of-living adjustment assumptions were decreased from 3.50% to 3.25%.

The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases range from 4.00% to 11.00% and include an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	West Metro Regional Drug Enforcement
ASSETS				
Cash and cash equivalents	\$ 49,806	\$ 160,437	\$ 37,542	\$ 1,016,011
Receivables				
Intergovernmental	0	4,121	0	104,648
Taxes	27,708	0	0	0
Prepays	25,625	0	0	0
Due from other funds	0	0	0	0
Property held for resale	0	0	0	0
Total assets	<u>\$ 103,139</u>	<u>\$ 164,558</u>	<u>\$ 37,542</u>	<u>\$ 1,120,659</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 6,794	\$ 0	\$ 0	\$ 8,202
Unearned revenue	0	0	0	19,000
Due to other funds	14,472	0	0	18,008
Due to others	0	23,239	0	125,037
Total liabilities	<u>21,266</u>	<u>23,239</u>	<u>0</u>	<u>170,247</u>
Fund balances				
Nonspendable:				
Prepays	25,625	0	0	0
Property held for resale	0	0	0	0
Restricted for:				
Public Safety	0	141,319	37,542	950,412
Housing and Development	56,248	0	0	0
Capital outlay	0	0	0	0
Total fund balances	<u>81,873</u>	<u>141,319</u>	<u>37,542</u>	<u>950,412</u>
Total liabilities and fund balances	<u>\$ 103,139</u>	<u>\$ 164,558</u>	<u>\$ 37,542</u>	<u>\$ 1,120,659</u>

Neighborhood Stabilization Program	Capital Projects		Total Nonmajor Governmental Funds
	2004 SPLOST	Capital Projects Fund for Public Roads	
\$ 964,544	\$ 638	\$ 93,304	\$ 2,322,282
27,369	0	0	136,138
0	0	0	27,708
0	0	0	25,625
25,821	100,000	359,815	485,636
219,242	0	0	219,242
<u>\$ 1,236,976</u>	<u>\$ 100,638</u>	<u>\$ 453,119</u>	<u>\$ 3,216,631</u>
\$ 7,147	\$ 0	\$ 0	\$ 22,143
0	0	0	19,000
0	0	381,890	414,370
0	0	0	148,276
<u>7,147</u>	<u>0</u>	<u>381,890</u>	<u>603,789</u>
0	0	0	25,625
219,242	0	0	219,242
0	0	0	1,129,273
1,010,587	0	0	1,066,835
0	100,638	71,229	171,867
<u>1,229,829</u>	<u>100,638</u>	<u>71,229</u>	<u>2,612,842</u>
<u>\$ 1,236,976</u>	<u>\$ 100,638</u>	<u>\$ 453,119</u>	<u>\$ 3,216,631</u>

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2015

	Special Revenue			
			Regional	
	Hotel/Motel	Drug	Hazardous	West Metro
	Tax	Seizure	Material	Regional Drug
			Team	Enforcement
REVENUES				
Taxes	\$ 330,230	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	107,598	0	649,786
Charges for services	0	0	4,554	0
Intergovernmental	0	0	13,962	602,486
Contributions	54,536	0	0	0
Interest	58	64	38	756
Other	81	0	0	129
Total revenues	384,905	107,662	18,554	1,253,157
EXPENDITURES				
Current				
Public Safety	0	90,675	22,741	774,674
Housing and Development	271,353	0	0	0
Capital Outlay	0	0	0	0
Total expenditures	271,353	90,675	22,741	774,674
Excess (deficiency) of revenues over (under) expenditures	113,552	16,987	(4,187)	478,483
Other financing sources (uses)				
Transfers out	(132,092)	0	0	0
Sale of capital assets	0	10,420	0	0
Total other financing sources (uses)	(132,092)	10,420	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(18,540)	27,407	(4,187)	478,483
Fund balances, July 1 (original)	100,413	113,912	41,729	471,929
Prior period adjustments	0	0	0	0
Fund balances, July 1 (restated)	100,413	113,912	41,729	471,929
Fund balances, June 30	\$ 81,873	\$ 141,319	\$ 37,542	\$ 950,412

Neighborhood Stabilization Program	Capital Projects		Total Nonmajor Governmental Funds
	2004 SPLOST	Capital Projects Fund for Public Roads	
\$ 0	\$ 0	\$ 0	\$ 330,230
0	0	0	757,384
0	0	0	4,554
591,862	0	205,325	1,413,635
0	0	0	54,536
697	25	7	1,645
17,278	0	65	17,553
609,837	25	205,397	2,579,537
0	0	0	888,090
604,700	0	0	876,053
0	60,048	516,582	576,630
604,700	60,048	516,582	2,340,773
5,137	(60,023)	(311,185)	238,764
0	0	0	(132,092)
0	0	0	10,420
0	0	0	(121,672)
5,137	(60,023)	(311,185)	117,092
981,866	160,661	0	1,870,510
242,826	0	382,414	625,240
1,224,692	160,661	382,414	2,495,750
<u>\$ 1,229,829</u>	<u>\$ 100,638</u>	<u>\$ 71,229</u>	<u>\$ 2,612,842</u>

This page intentionally left blank.

GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 11,403,821
Receivables (net)	
Accounts	182,124
Intergovernmental	16,213
Taxes	631,297
Prepaid items	263,166
Due from other funds	482,368
Restricted assets	
Cash and cash equivalents	371,079
Certificates of deposit	49,398
	<hr/>
Total assets	\$ 13,399,466
	<hr/>

LIABILITIES

Accounts payable	\$ 535,333
Accrued salaries and payroll liabilities	350,604
Unearned revenue	214,169
Due to other funds	51,176
	<hr/>
Total liabilities	1,151,282
	<hr/>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	57,803
	<hr/>

FUND BALANCES

Nonspendable	
Prepaid items	263,166
Restricted for Culture and Recreation	275,525
Restricted for Housing and Development	144,952
Unassigned	11,506,738
	<hr/>
Total fund balances	12,190,381
	<hr/>

Total liabilities, deferred inflows of resources and fund balances	\$ 13,399,466
	<hr/>

**CITY OF CARROLLTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015**

REVENUES

Taxes	\$ 13,435,830
Licenses and permits	312,501
Fines, fees and forfeitures	813,077
Charges for services	2,261,904
Intergovernmental	1,204,208
Interest	10,007
Other	212,092
Total revenues	<u>18,249,619</u>

EXPENDITURES

Current	
General Government	1,392,673
Public Safety	10,593,836
Public Works	1,733,405
Culture and Recreation	5,466,900
Housing and Development	543,279
Total current	<u>19,730,093</u>
Debt Service	
Public Safety	86,672
Total expenditures	<u>19,816,765</u>

Excess (deficiency) of revenues over (under) expenditures	<u>(1,567,146)</u>
---	--------------------

Other financing sources (uses)

Transfers in (out)	
Hotel/Motel Tax Fund	132,092
Water and Sewerage Fund	1,003,000
Sanitation Enterprise Fund	697,000
Total other financing sources (uses)	<u>1,832,092</u>

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>264,946</u>
---	----------------

Fund balances, July 1 (original)	12,471,119
----------------------------------	------------

Prior period adjustments	<u>(545,684)</u>
--------------------------	------------------

Fund balances, July 1 (restated)	<u>11,925,435</u>
----------------------------------	-------------------

Fund balances, June 30	<u><u>\$ 12,190,381</u></u>
-------------------------------	-----------------------------

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Taxes			
General property taxes			
Real and personal tax	\$ 3,200,000	\$ 3,095,760	\$ (104,240)
Motor vehicle tax	650,000	728,911	78,911
Cost, penalties and interest	50,000	19,641	(30,359)
Total general property taxes	3,900,000	3,844,312	(55,688)
Local option sales tax	3,800,000	3,881,847	81,847
Insurance premium tax	1,275,000	1,315,577	40,577
Intangibles tax	20,000	29,420	9,420
Franchise tax	2,300,000	2,437,647	137,647
Alcohol excise tax	650,000	711,759	61,759
Occupational tax	975,000	1,047,489	72,489
Energy excise tax	60,000	167,779	107,779
Total taxes	12,980,000	13,435,830	455,830
Licenses and permits			
Alcohol licenses	200,000	192,909	(7,091)
Building permits	100,000	119,592	19,592
Total licenses and permits	300,000	312,501	12,501
Fines, fees and forfeitures	850,000	813,077	(36,923)
Charges for Services			
Reimbursement of joint expenses	953,940	953,940	0
Recreation fees	858,500	1,159,166	300,666
Main Street events	0	123,073	123,073
Cemetery charges	13,000	25,725	12,725
Total charges for services	1,825,440	2,261,904	436,464
Intergovernmental	1,236,237	1,204,208	(32,029)
Interest	10,000	10,007	7
Other			
Rental Income	160,000	135,055	(24,945)
Miscellaneous	257,019	77,037	(179,982)
Total other	417,019	212,092	(204,927)
Total revenues	\$ 17,618,696	\$ 18,249,619	\$ 630,923

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
EXPENDITURES			
Current			
General Government			
Mayor and Council			
Personal services	\$ 89,482	\$ 64,118	\$ 25,364
Contract services	8,300	14,262	(5,962)
Materials and supplies	500	0	500
Total Mayor and Council	98,282	78,380	19,902
City Manager			
Personal services	99,350	90,155	9,195
Contract services	5,529	5,494	35
Materials and supplies	250	0	250
Total City Manager	105,129	95,649	9,480
General Administration			
Personal services	5,000	1,356	3,644
Contract services	521,202	642,365	(121,163)
Materials and supplies	215,800	196,765	19,035
Capital outlay	10,000	0	10,000
Payments to others	15,000	18,350	(3,350)
Total General Administration	767,002	858,836	(91,834)
Finance and Purchasing			
Personal services	43,632	40,506	3,126
Contract services	5,029	5,746	(717)
Materials and supplies	0	9,160	(9,160)
Total Finance and Purchasing	48,661	55,412	(6,751)
Human Resources			
Personal services	88,275	104,119	(15,844)
Contract services	6,104	3,510	2,594
Materials and supplies	2,500	3,627	(1,127)
Capital outlay	0	299	(299)
Total Human Resources	96,879	111,555	(14,676)
General Maintenance			
Personal services	81,439	83,096	(1,657)
Contract services	5,029	3,235	1,794
Materials and supplies	4,700	2,653	2,047
Total General Maintenance	91,168	88,984	2,184
Legal			
Contract services	115,000	103,857	11,143
Total General Government	1,322,121	1,392,673	(70,552)

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
Public Safety			
Police Department			
Personal services	\$ 5,336,907	\$ 5,193,619	\$ 143,288
Contract services	427,184	449,093	(21,909)
Materials and supplies	338,500	284,384	54,116
Capital outlay	73,000	73,632	(632)
Total Police Department	6,175,591	6,000,728	174,863
Fire Department			
Personal services	4,468,391	4,259,592	208,799
Contract services	175,891	180,694	(4,803)
Materials and supplies	160,873	152,822	8,051
Total Fire Department	4,805,155	4,593,108	212,047
Total Public Safety	10,980,746	10,593,836	386,910
Public Works			
Street Department			
Contract services	125,058	131,954	(6,896)
Materials and supplies	117,500	66,276	51,224
Capital outlay	1,000,000	810,146	189,854
Total Street Department	1,242,558	1,008,376	234,182
Engineering			
Personal services	119,888	122,532	(2,644)
Contract services	17,529	10,845	6,684
Materials and supplies	373,500	382,080	(8,580)
Capital outlay	0	2,520	(2,520)
Total Engineering	510,917	517,977	(7,060)
Landfill			
Personal services	75,271	73,144	2,127
Garage			
Personal services	117,494	109,249	8,245
Contract services	6,929	3,465	3,464
Materials and supplies	13,400	21,194	(7,794)
Capital outlay	4,000	0	4,000
Total Garage	141,823	133,908	7,915
Total Public Works	1,970,569	1,733,405	237,164
Culture and Recreation			
Library			
Payments to others	297,646	297,648	(2)
Recreation Administration			
Personal services	427,582	422,628	4,954
Contract services	109,550	107,642	1,908
Materials and supplies	483,770	428,834	54,936
Total Recreation Administration	1,020,902	959,104	61,798

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
Culture and Recreation, continued			
Recreation Parks			
Personal services	\$ 994,037	\$ 903,952	\$ 90,085
Contract services	324,582	331,267	(6,685)
Materials and supplies	108,635	88,088	20,547
Capital outlay	0	27,475	(27,475)
Total Recreation Parks	<u>1,427,254</u>	<u>1,350,782</u>	<u>76,472</u>
Recreation Programs			
Personal services	762,722	756,466	6,256
Contract services	63,049	159,057	(96,008)
Materials and supplies	174,584	416,218	(241,634)
Total Recreation Programs	<u>1,000,355</u>	<u>1,331,741</u>	<u>(331,386)</u>
Recreation Arts			
Personal services	310,338	307,718	2,620
Contract services	81,801	54,416	27,385
Materials and supplies	96,221	117,186	(20,965)
Capital outlay	0	3,798	(3,798)
Total Recreation Arts	<u>488,360</u>	<u>483,118</u>	<u>5,242</u>
Recreation Athletics			
Personal services	872,764	839,219	33,545
Contract services	76,139	60,644	15,495
Materials and supplies	126,094	115,144	10,950
Capital outlay	0	29,500	(29,500)
Total Recreation Athletics	<u>1,074,997</u>	<u>1,044,507</u>	<u>30,490</u>
Total Culture & Recreation	<u>5,309,514</u>	<u>5,466,900</u>	<u>(157,386)</u>
Housing and Development			
Planning Administration			
Personal services	106,507	109,199	(2,692)
Contract services	3,029	5,237	(2,208)
Materials and supplies	1,500	719	781
Total Planning Administration	<u>111,036</u>	<u>115,155</u>	<u>(4,119)</u>
Code Enforcement			
Personal services	68,291	67,493	798
Contract services	9,729	6,186	3,543
Materials and supplies	5,150	2,356	2,794
Total Code Enforcement	<u>83,170</u>	<u>76,035</u>	<u>7,135</u>
Convention and Visitor's Bureau			
Personal services	85,314	82,160	3,154
Contract services	55,310	61,616	(6,306)
Materials and supplies	16,395	11,456	4,939
Total Convention and Visitor's Bureau	<u>157,019</u>	<u>155,232</u>	<u>1,787</u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Housing and Development, continued			
Main Street Division			
Personal services	\$ 106,644	\$ 110,786	\$ (4,142)
Contract services	8,669	19,614	(10,945)
Materials and supplies	6,800	66,457	(59,657)
Total Main Street Division	<u>122,113</u>	<u>196,857</u>	<u>(74,744)</u>
Total Housing and Development	<u>473,338</u>	<u>543,279</u>	<u>(69,941)</u>
Total Current	<u>20,056,288</u>	<u>19,730,093</u>	<u>326,195</u>
Debt Service			
General Administration	0	14,564	(14,564)
Police Department	53,274	54,081	(807)
Fire Department	17,758	18,027	(269)
Total Debt Service	<u>71,032</u>	<u>86,672</u>	<u>(15,640)</u>
Total Expenditures	<u><u>\$ 20,127,320</u></u>	<u><u>\$ 19,816,765</u></u>	<u><u>\$ 310,555</u></u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Hotel/Motel Tax Fund - Used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Carrollton.

Drug Seizure Fund - Used to account for the assets received from a drug confiscation.

Regional Hazardous Material Team Fund - Used to account for revenues and expenditures restricted for use by the Hazardous Material Team.

West Metro Regional Drug Enforcement Fund - Used to account for local and federal monies restricted for the West Metro Drug Enforcement Unit.

Neighborhood Stabilization Program Fund - Used to account for intergovernmental revenue and contributions received for impoverished housing and development projects in the City of Carrollton.

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 49,806
Taxes receivable	27,708
Prepaid items	<u>25,625</u>
Total assets	<u><u>\$ 103,139</u></u>

LIABILITIES

Accounts payable	\$ 6,794
Due to other funds	<u>14,472</u>
Total liabilities	<u>21,266</u>

FUND BALANCES

Nonspendable	
Prepaid items	25,625
Restricted for Housing and Development	<u>56,248</u>
Total fund balances	<u>81,873</u>
Total liabilities and fund balances	<u><u>\$ 103,139</u></u>

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 275,000	\$ 330,230	\$ 55,230
Contributions	0	54,536	54,536
Interest	500	58	(442)
Other	0	81	81
	<u>275,500</u>	<u>384,905</u>	<u>109,405</u>
Total revenues	<u>275,500</u>	<u>384,905</u>	<u>109,405</u>
EXPENDITURES			
Current			
Housing and Development			
Contract services	0	130,307	(130,307)
Payments to other agencies	275,500	141,046	134,454
	<u>275,500</u>	<u>271,353</u>	<u>4,147</u>
Total expenditures	<u>275,500</u>	<u>271,353</u>	<u>4,147</u>
Excess (deficiency) of revenues over (under) expenditures	0	113,552	113,552
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(132,092)	(132,092)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(18,540)	(18,540)
Fund balance, July 1	0	100,413	100,413
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 81,873</u>	<u>\$ 81,873</u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 160,437
Intergovernmental receivable	<u>4,121</u>
Total assets	<u>\$ 164,558</u>

LIABILITIES

Due to others	\$ 23,239
---------------	-----------

FUND BALANCES

Restricted for Public Safety	<u>141,319</u>
Total liabilities and fund balances	<u>\$ 164,558</u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 20,000	\$ 107,598	\$ 87,598
Interest	500	64	(436)
	<u>20,500</u>	<u>107,662</u>	<u>87,162</u>
Total revenues	<u>20,500</u>	<u>107,662</u>	<u>87,162</u>
EXPENDITURES			
Current			
Public Safety			
Contract services	0	4,443	(4,443)
Materials and supplies	20,500	7,566	12,934
Capital Outlay	0	72,800	(72,800)
Payment to others	0	5,866	(5,866)
	<u>20,500</u>	<u>90,675</u>	<u>(70,175)</u>
Total expenditures	<u>20,500</u>	<u>90,675</u>	<u>(70,175)</u>
Excess (deficiency) of revenues over (under) expenditures	0	16,987	16,987
Other financing sources (uses)			
Proceeds from sale of assets	0	10,420	10,420
	<u>0</u>	<u>10,420</u>	<u>10,420</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	27,407	27,407
Fund balance, July 1	0	113,912	113,912
	<u>0</u>	<u>113,912</u>	<u>113,912</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 141,319</u></u>	<u><u>\$ 141,319</u></u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	<u>\$ 37,542</u>
---------------------------	------------------

FUND BALANCES

Restricted for Public Safety	<u>\$ 37,542</u>
------------------------------	------------------

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 3,000	\$ 4,554	\$ 1,554
Intergovernmental	0	13,962	13,962
Interest	500	38	(462)
	<u>3,500</u>	<u>18,554</u>	<u>(15,054)</u>
Total revenues	<u>3,500</u>	<u>18,554</u>	<u>15,054</u>
EXPENDITURES			
Current			
Public Safety			
Contract services	3,500	22,741	(19,241)
	<u>3,500</u>	<u>22,741</u>	<u>(19,241)</u>
Excess (deficiency) of revenues over (under) expenditures	0	(4,187)	(4,187)
Fund balance, July 1	0	41,729	41,729
	<u>0</u>	<u>41,729</u>	<u>41,729</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 37,542</u></u>	<u><u>\$ 37,542</u></u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 1,016,011
Intergovernmental receivable	<u>104,648</u>
Total assets	<u>\$ 1,120,659</u>

LIABILITIES

Accounts payable	\$ 8,202
Due to other funds	18,008
Unearned revenue	19,000
Due to others	<u>125,037</u>
Total liabilities	170,247

FUND BALANCES

Restricted for Public Safety	<u>950,412</u>
Total liabilities and fund balances	<u>\$ 1,120,659</u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	\$ 87,000	\$ 649,786	\$ 562,786
Intergovernmental	507,989	602,486	94,497
Interest	0	756	756
Other	0	129	129
	<hr/>	<hr/>	<hr/>
Total revenues	594,989	1,253,157	658,168
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Public Safety			
Personal services	371,279	430,456	(59,177)
Contract services	90,678	68,357	22,321
Materials and supplies	93,032	77,896	15,136
Capital outlay	40,000	115,443	(75,443)
Payments to others	0	82,522	(82,522)
	<hr/>	<hr/>	<hr/>
Total expenditures	594,989	774,674	(179,685)
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	0	478,483	478,483
	<hr/>	<hr/>	<hr/>
Fund balance, July 1	0	471,929	471,929
	<hr/>	<hr/>	<hr/>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 950,412</u>	<u>\$ 950,412</u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 964,544
Intergovernmental Receivable	27,369
Due from other funds	25,821
Property held for resale	<u>219,242</u>
Total assets	<u><u>\$ 1,236,976</u></u>

LIABILITIES

Accounts payable	<u>\$ 7,147</u>
------------------	-----------------

FUND BALANCES

Nonspendable	
Property held for resale	219,242
Restricted for Housing and Development	<u>1,010,587</u>
Total fund balances	<u>1,229,829</u>
Total liabilities and fund balances	<u><u>\$ 1,236,976</u></u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2015

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 978,995	\$ 591,862	\$ (387,133)
Interest	0	697	697
Other	0	17,278	17,278
	<hr/>	<hr/>	<hr/>
Total revenues	978,995	609,837	(369,158)
EXPENDITURES			
Current			
Housing and Development	978,995	604,700	374,295
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	0	5,137	5,137
	<hr/>	<hr/>	<hr/>
Fund balance, July 1 (original)	0	981,866	981,866
	<hr/>	<hr/>	<hr/>
Prior period adjustment	0	242,826	242,826
	<hr/>	<hr/>	<hr/>
Fund balance, July 1 (restated)	0	1,224,692	1,224,692
	<hr/>	<hr/>	<hr/>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 1,229,829</u></u>	<u><u>\$ 1,229,829</u></u>

This page intentionally left blank.

CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects

2004 SPLOST Fund – Used to account for long-term projects financed by the passage of the Carroll County, Georgia 2004 special purpose local option sales tax.

2009 SPLOST Fund – Used to account for long-term projects financed by the passage of the Carroll County, Georgia 2009 special purpose local option sales tax.

2015 SPLOST Fund – Used to account for long-term projects financed by the passage of the Carroll County, Georgia 2015 special purpose local option sales tax.

Capital Projects Fund for Public Roads – Used to account for road construction projects financed by LMIG and other resources.

CITY OF CARROLLTON, GEORGIA
2004 SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 638
Due from other funds	<u>100,000</u>
Total assets	<u><u>\$ 100,638</u></u>

FUND BALANCES

Restricted for capital outlay	<u><u>\$ 100,638</u></u>
-------------------------------	---------------------------------

CITY OF CARROLLTON, GEORGIA
2004 SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015

REVENUES

Interest	\$ 25
----------	-------

EXPENDITURES

Capital outlay	
Housing and Development	<u>60,048</u>

Excess (deficiency) of revenues over (under) expenditures	(60,023)
---	----------

Fund balances, July 1	<u>160,661</u>
-----------------------	----------------

Fund balances, June 30	<u><u>\$ 100,638</u></u>
-------------------------------	---------------------------------

CITY OF CARROLLTON, GEORGIA
2009 SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 53,403
Due from other funds	<u>21,884</u>
Total assets	<u>\$ 75,287</u>

LIABILITIES

Accounts payable	\$ 36,567
Unearned revenue	110,000
Due to other funds	<u>466,699</u>
Total liabilities	613,266

FUND BALANCES

Unassigned	<u>(537,979)</u>
Total liabilities and fund balances	<u>\$ 75,287</u>

CITY OF CARROLLTON, GEORGIA
2009 SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015

REVENUES

Intergovernmental	\$ 2,576,613
Contributions	<u>85,479</u>
Total revenues	<u>2,662,092</u>

EXPENDITURES

Capital outlay	
Public Safety	102,455
Public Works	1,085,468
Culture and Recreation	1,033,725
Housing and Development	166,305
Debt service	<u>2,041,817</u>
Total expenditures	<u>4,429,770</u>

Excess (deficiency) of revenues over (under) expenditures	(1,767,678)
---	-------------

Other financing sources (uses)

Transfers in (out)	
Water and Sewerage Fund	<u>(80,422)</u>

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,848,100)
---	-------------

Fund balances, July 1	<u>1,310,121</u>
-----------------------	------------------

Fund balances, June 30	<u><u>\$ (537,979)</u></u>
-------------------------------	----------------------------

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 5,898,299
Intergovernmental Receivable	583,123
Due from other funds	<u>381,890</u>
Total assets	<u>\$ 6,863,312</u>

LIABILITIES

Accounts payable	\$ 377,924
Retainages payable	<u>78,108</u>
Total liabilities	456,032

FUND BALANCES

Restricted for capital outlay	<u>6,407,280</u>
Total liabilities and fund balances	<u>\$ 6,863,312</u>

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015

REVENUES

Intergovernmental	\$ 896,470
Contributions	212,636
Interest	8,589

Total revenues	<u>1,117,695</u>
-----------------------	------------------

EXPENDITURES

Capital outlay	
General Government	8,886
Public Safety	2,344,996
Public Works	659,475
Culture and Recreation	1,866,356
Housing and Development	270,971

Total expenditures	<u>5,150,684</u>
---------------------------	------------------

Excess (deficiency) of revenues over (under) expenditures	(4,032,989)
---	-------------

Other financing sources (uses)

Transfers in (out)	
Water and Sewerage Fund	<u>(37,483)</u>

Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,070,472)
---	-------------

Fund balances, July 1	<u>10,477,752</u>
-----------------------	-------------------

Fund balances, June 30	<u><u>\$ 6,407,280</u></u>
-------------------------------	----------------------------

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 93,304
Due from other funds	<u>359,815</u>
Total assets	<u>\$ 453,119</u>

LIABILITIES

Due to other funds	\$ 381,890
--------------------	------------

FUND BALANCES

Restricted for capital outlay	<u>71,229</u>
Total liabilities and fund balances	<u>\$ 453,119</u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015

REVENUES

Intergovernmental	\$ 205,325
Interest	7
Other	<u>65</u>

Total revenues	<u>205,397</u>
-----------------------	----------------

EXPENDITURES

Capital Outlay	
Street Department	<u>516,582</u>

Total expenditures	<u>516,582</u>
---------------------------	----------------

Excess (deficiency) of revenues over (under) expenditures	<u>(311,185)</u>
---	------------------

Fund balances, July 1 (original)	0
----------------------------------	---

Prior period adjustment	<u>382,414</u>
-------------------------	----------------

Fund balances, July 1 (restated)	<u>382,414</u>
----------------------------------	----------------

Fund balances, June 30	<u><u>\$ 71,229</u></u>
-------------------------------	-------------------------

This page intentionally left blank.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewerage Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Carrollton.

Sanitation Fund - Used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Carrollton.

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENT OF NET POSITION
June 30, 2015

ASSETS

Current assets

Cash and cash equivalents	\$ 2,280,821
Accounts receivable, net	1,956,702
Inventories	271,376
Prepaid items	138,190

Total current assets	<u>4,647,089</u>
----------------------	------------------

Restricted assets

Extension and Renewal	
Cash and cash equivalents	258,847
Debt Redemption	
Cash and cash equivalents	20,080
Construction Projects	
Cash and cash equivalents	392,704
Customer Deposits	
Cash and cash equivalents	<u>354,540</u>

Total restricted assets	<u>1,026,171</u>
-------------------------	------------------

Capital assets

Land	8,933,204
Construction in progress	402,427
Buildings	5,767,543
Infrastructure	109,053
Distribution system	90,768,562
Vehicles and equipment	3,931,273
Accumulated depreciation	<u>(35,712,510)</u>

Total capital assets (net of accumulated depreciation)	<u>74,199,552</u>
--	-------------------

Total assets	<u>79,872,812</u>
---------------------	--------------------------

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges on debt refunding	50,333
Pension contributions subsequent to measurement date	237,580
Pension experience differences	<u>69,938</u>

Total deferred outflows of resources	<u>357,851</u>
---	-----------------------

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENT OF NET POSITION
June 30, 2015

LIABILITIES

Current liabilities

Accounts payable	\$ 777,911
Accrued salaries and payroll liabilities	90,545
Compensated absences	62,172
Due to other funds	295,768
Capital leases	54,534
Current liabilities payable from restricted assets	
Customer deposits payable	354,540
Notes payable	162,402
Bonds payable	194,000
	<hr/>
Total current liabilities	1,991,872

Long-term liabilities

Net pension liability	1,418,887
Net OPEB obligation	300,189
Capital leases	109,069
Notes payable	341,667
Bonds payable	6,321,000
	<hr/>
Total long-term liabilities	8,490,812

Total liabilities	<hr/> 10,482,684 <hr/>
--------------------------	------------------------

DEFERRED INFLOWS OF RESOURCES

Pension investment return differences	126,261
Pension assumption changes	55,418
	<hr/>
Total deferred inflows of resources	181,679

NET POSITION

Net investment in capital assets	67,399,828
Restricted for Debt Service	20,080
Restricted for Capital Outlay	258,847
Unrestricted	1,887,545
	<hr/>
Total net position	<hr/> \$ 69,566,300 <hr/>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal year ended June 30, 2015

OPERATING REVENUES

Charges for sales and services	
Water sales	\$ 7,036,322
Sewer sales	4,353,094
Tap fees	192,505
Other	107,624
Total operating revenues	11,689,545

OPERATING EXPENSES

Costs of sales and services	4,557,046
Personal services	4,310,864
Depreciation	1,973,782
Total operating expenses	10,841,692

Operating income (loss)	847,853
-------------------------	---------

Non-operating revenues (expenses)

Interest and investment earnings	5,121
Interest expense	(229,547)
Debt issue costs	(141,235)
Total non-operating revenues (expenses)	(365,661)

Net income (loss) before capital contributions and transfers	482,192
--	---------

Capital contributions	191,134
-----------------------	---------

Net income before transfers	673,326
-----------------------------	---------

Transfers in (out)

2009 SPLOST Fund	80,422
2015 SPLOST Fund	37,483
General Fund	(1,003,000)
Total transfers in (out)	(885,095)

Change in net position	(211,769)
------------------------	-----------

Net position, July 1 (original)	71,417,467
---------------------------------	------------

Prior period adjustments	(1,639,398)
--------------------------	-------------

Net position, July 1 (restated)	69,778,069
---------------------------------	------------

Net position, June 30	\$ 69,566,300
------------------------------	----------------------

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2015

Cash flows from operating activities:

Receipts from customers	\$ 11,148,516
Payments to suppliers	(4,258,779)
Payments to employees	(4,349,249)
Other receipts	<u>107,624</u>

Net cash provided (used) by operating activities	<u>2,648,112</u>
--	------------------

Cash flows from non-capital financing activities:

Payments to other funds	<u>(1,003,000)</u>
-------------------------	--------------------

Cash flows from capital and related financing activities:

Receipts from other funds	117,905
Receipts from other governments	191,134
Payments for acquisitions of capital assets	(3,995,087)
Principal payments - capital leases	(54,534)
Principal payments - promissory notes	(4,782,730)
Proceeds - bonds payable	6,705,000
Principal payments - bonds payable	(820,819)
Debt issue and deferred costs	(202,752)
Interest paid	<u>(218,362)</u>

Net cash provided (used) by capital and related financing activities	<u>(3,060,245)</u>
--	--------------------

Cash flows from investing activities:

Interest and investment earnings received	<u>5,121</u>
---	--------------

Net increase (decrease) in cash and cash equivalents	(1,410,012)
--	-------------

Cash and cash equivalents, July 1	<u>4,717,004</u>
-----------------------------------	------------------

Cash and cash equivalents, June 30	<u><u>\$ 3,306,992</u></u>
---	----------------------------

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2015

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:**

Operating income (loss)	\$ 847,853
-------------------------	------------

Adjustments to reconcile operating income (loss) to net cash
provided (used) by operating activities:

Depreciation expense	1,973,782
(Increase) decrease in accounts receivable	(576,673)
(Increase) decrease in intergovernmental receivable	144,063
(Increase) decrease in inventories	31,745
(Increase) decrease in prepaid items	(6,232)
(Increase) decrease in pension contributions subsequent to measurement date	8,329
(Increase) decrease in pension experience differences	(69,938)
Increase (decrease) in accounts payable	272,754
Increase (decrease) in accrued salaries and payroll liabilities	22,542
Increase (decrease) in compensated absences	12,225
Increase (decrease) in customer deposits	(795)
Increase (decrease) in net pension liability	(231,678)
Increase (decrease) in net OPEB Obligation	38,456
Increase (decrease) in pension assumption differences	55,418
Increase (decrease) in pension investment return differences	126,261

Total adjustments	1,800,259
-------------------	-----------

Net cash provided (used) by operating activities	\$ 2,648,112
--	--------------

Cash and cash equivalents reconciliation:

Cash and cash equivalents	\$ 2,280,821
Extension and Renewal	
Cash and cash equivalents	258,847
Debt Redemption	
Cash and cash equivalents	20,080
Construction Projects	
Cash and cash equivalents	392,704
Customer Deposits	
Cash and cash equivalents	354,540

Total cash and cash equivalents	\$ 3,306,992
---------------------------------	--------------

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF NET POSITION
June 30, 2015

ASSETS

Current assets

Cash and cash equivalents	\$ 3,092,262
Accounts receivable, net	573,119
Prepaid items	49,942
Due from other funds	67,987
	<hr/>
Total current assets	3,783,310

Capital assets

Vehicles and equipment	2,224,477
Accumulated depreciation	(1,391,194)
	<hr/>
Total capital assets (net of accumulated depreciation)	833,283

Total assets	<hr/> 4,616,593
---------------------	------------------------

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions subsequent to measurement date	87,863
Pension experience differences	25,865
	<hr/>
Total deferred outflows of resources	113,728

LIABILITIES

Current liabilities

Accounts payable	52,752
Accrued salaries and payroll liabilities	21,732
Compensated absences	31,575
Due to other funds	211,752
Capital leases	73,791
	<hr/>
Total current liabilities	391,602

Long-term liabilities

Net pension liability	524,736
Net OPEB obligation	119,122
Capital leases	191,899
	<hr/>
Total long-term liabilities	835,757

Total liabilities	<hr/> 1,227,359
--------------------------	------------------------

DEFERRED INFLOWS OF RESOURCES

Pension investment return differences	46,694
Pension assumption changes	20,495
	<hr/>
Total deferred inflows of resources	67,189

NET POSITION

Net investment in capital assets	567,593
Unrestricted	2,868,180
	<hr/>
Total net position	<hr/> \$ 3,435,773

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal year ended June 30, 2015

OPERATING REVENUES

Charges for sales and services	
Sanitation Fees	\$ 4,096,512

OPERATING EXPENSES

Costs of sales and services	1,561,090
Personal services	1,778,778
Depreciation	120,335

Total operating expenses	3,460,203
---------------------------------	------------------

Operating income (loss)	636,309
-------------------------	---------

Non-operating revenues (expenses)

Interest and investment earnings	3,912
Interest expense	(2,230)

Total non-operating revenues (expenses)	1,682
---	-------

Net income (loss) before transfers	637,991
------------------------------------	---------

Transfers in (out)

General Fund	(697,000)
--------------	-----------

Change in net position	(59,009)
------------------------	----------

Net position, July 1 (original)	4,107,277
---------------------------------	-----------

Prior period adjustments	(612,495)
--------------------------	-----------

Net position, July 1 (restated)	3,494,782
---------------------------------	-----------

Net position, June 30	\$ 3,435,773
------------------------------	---------------------

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the fiscal year ended June 30, 2015

Cash flows from operating activities:

Receipts from customers	\$ 4,050,172
Payments to suppliers	(1,642,827)
Payments to employees	(1,812,294)
	<hr/>
Net cash provided (used) by operating activities	595,051
	<hr/>

Cash flows from non-capital financing activities:

Receipts from other funds	25,355
Payments to other funds	(722,355)
	<hr/>
Net cash provided (used) by non-capital financing activities	(697,000)
	<hr/>

Cash flows from capital and related financing activities:

Payments for acquisitions of capital assets	(232,107)
Principal payments - capital leases	(73,791)
Interest paid	(2,230)
	<hr/>
Net cash provided (used) by capital and related financing activities	(308,128)
	<hr/>

Cash flows from investing activities:

Interest and investment earnings received	3,912
	<hr/>

Net increase (decrease) in cash and cash equivalents	(406,165)
--	-----------

Cash and cash equivalents, July 1	3,498,427
	<hr/>

Cash and cash equivalents, June 30	\$ 3,092,262
	<hr/> <hr/>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ 636,309
	<hr/>

Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation expense	120,335
(Increase) decrease in accounts receivable	(46,340)
(Increase) decrease in prepaid items	(2,730)
(Increase) decrease in pension contributions subsequent to measurement date	3,080
(Increase) decrease in pension experience differences	(25,865)
Increase (decrease) in accounts payable	(79,007)
Increase (decrease) in accrued salaries and payroll liabilities	4,284
Increase (decrease) in compensated absences	(11,783)
Increase (decrease) in net pension liability	(85,681)
Increase (decrease) in net OPEB Obligation	15,260
Increase (decrease) in pension assumption differences	20,495
Increase (decrease) in pension investment return differences	46,694
	<hr/>
Total adjustments	(41,258)
	<hr/>

Net cash provided (used) by operating activities	\$ 595,051
	<hr/> <hr/>

This page intentionally left blank.

COMPONENT UNIT

Main Street Carrollton – Used to account for governmental revenues and contributions reserved for City business development.

CITY OF CARROLLTON, GEORGIA
MAIN STREET CARROLLTON (A COMPONENT UNIT)
BALANCE SHEET
June 30, 2015

ASSETS

Cash and cash equivalents	\$ 3,862
---------------------------	----------

FUND BALANCES

Assigned for Housing and Development	\$ 3,862
--------------------------------------	----------

CITY OF CARROLLTON, GEORGIA
MAIN STREET CARROLLTON (A COMPONENT UNIT)
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2015

REVENUES

Charges for services	\$ 12,652
Interest	3
Other	72

Total revenues	<u>12,727</u>
-----------------------	---------------

EXPENDITURES

Current

Housing and Development	
Contract services	2,246
Materials and supplies	15,162
Payments to other agencies	46,000

Total expenditures	<u>63,408</u>
---------------------------	---------------

Excess (deficiency) of revenues over (under) expenditures	(50,681)
--	----------

Fund balance, July 1	<u>54,543</u>
----------------------	---------------

Fund balances, June 30	<u><u>\$ 3,862</u></u>
-------------------------------	------------------------

This page intentionally left blank.

OTHER REPORTING SECTION

This page intentionally left blank.

SINGLE AUDIT SECTION

This section contains reports required by OMB A-133 and grantor agencies.

This page intentionally left blank.

**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***

Honorable Mayor and
Members of the City Council
City of Carrollton, 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 City of Carrollton, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Carrollton, Georgia's basic financial statements and have issued our report thereon dated January 14, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Carrollton, Georgia'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 of Carrollton, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Carrollton, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were identified. However, as described below, we identified 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 questioned costs as comment 15-1 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 deficiencies described in the accompanying schedule of findings and questioned costs as comments 15-2 and 15-3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carrollton, Georgia's financial statements are free of 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 instances of noncompliance or other matters that are

required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as comment 15-4.

City of Carrollton, Georgia's Responses to Findings

The City of Carrollton, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Carrollton, Georgia'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

This report is intended 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 City of Carrollton, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
January 14, 2016

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

Honorable Mayor and
Members of the City Council
City of Carrollton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Carrollton, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Carrollton's major federal programs for the year ended June 30, 2015. The City of Carrollton, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Carrollton, Georgia's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Carrollton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Carrollton, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of the City of Carrollton, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Carrollton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on

internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Carrollton's internal control over compliance.

Report on Internal Control over Compliance

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
January 14, 2016

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2015

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Number	Expenditures
Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs:			
Community Development Block Grants/Entitlement Grants	14.218	11-ns-6012	\$ 262,943
Community Development Block Grants/State's Program	14.228	08-ns-5050	283,502
Total Department of Housing and Urban Development			546,445
Department of Justice			
Equitable Sharing for State and Local Law Enforcement Agencies	16.000	N/A	141,729
Bulletproof Vest Partnership Program	16.607	N/A	5,693
Passed through the Criminal Justice Coordinating Council: Edward Byrne Memorial Formula Grant Program	16.738	B14-8-009	376,879
Total Department of Justice			524,301
Department of Transportation			
Passed through the Georgia Department of Natural Resources: Recreation Trails Program	20.219	NRT-12(9)	27,000
Department of Health and Human Services			
<u>Aging Cluster of Programs</u>			
Passed through Three Rivers Regional Commission:			
Title III, Part C, Nutrition Services	93.045	SFY2015	100,571
Nutrition Services Incentive Program	93.053	SFY2015	31,828
Total Aging Cluster of Programs			132,399
Passed through Three Rivers Regional Commission: Social Services Block Grant	93.667	SFY2015	5,337
Total Department of Health and Human Services			137,736
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency: Homeland Security Grant Program	97.067	EMW-2014-SS-00092	23,219
Total Federal Awards			\$ 1,258,701

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings

CITY OF CARROLLTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Carrollton, Georgia, under programs for the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2015

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiencies identified
not considered material weaknesses? Yes

Noncompliance material to
financial statements noted? Yes

B. Federal Awards

Internal control over major programs:

Material weakness(es) identified? None reported

Significant deficiencies identified
not considered material weaknesses? None reported

Type of auditor's report issued on
compliance for major programs: Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with Circular A-133, Section .510(a)? None reported

Identification of major programs:

14.218 Community Development Block Grants/Entitlement Grants

14.228 Community Development Block Grants/State's Program

Aging Cluster

93.045 Special Programs for the Aging_Title III, Part C_Nutrition Services

93.053 Nutrition Services Incentive Program

Dollar threshold used to distinguish
Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2015

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 15-1

Condition: The 2014 financial statements were restated for errors and incorrectly reported amounts.

Criteria: Generally accepted accounting principles require that assets and liabilities be properly calculated and recorded.

Effect: Failure to properly calculate and record certain assets and liabilities led to financial statements that were materially misstated.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

Management Response: Management concurs with this finding. City staff will review all year-end balances to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

Comment 15-2

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component units of the City.

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the City to a greater risk of loss due to fraud.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management concurs with this finding. City management will work to continually improve and implement as many procedures as possible to improve internal controls in this area. This action was taken immediately upon receipt of the comment from our auditors.

Comment 15-3

Condition: While performing audit procedures at the Water Department cashier's office, we noted that there is no approval or review process for voided transactions.

Criteria: Proper internal controls require that the duties of authorizing and recording voided transactions be performed by different employees.

Effect: Since the same employees are receipting and voiding transactions, failure by management to review and approve voided transactions exposes the City to a greater risk of loss due to fraud.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2015

2. Financial Statement Findings, continued

A. Current Year Audit Findings, continued

Comment 15-3, continued

Recommendation: Supporting documentation with evidence of review and approval should be retained for all voided transactions.

Management Response: Management concurs with this finding. Management has already taken steps to implement a daily review of voided transactions. This action was taken immediately upon receipt of the comment from our auditors.

Comment 15-4

Condition: The City experienced a material excess of expenditures over appropriations in the General Fund, Drug Seizure Special Revenue Fund, Regional Hazardous Material Team Special Revenue Fund, and West Metro Regional Drug Enforcement Special Revenue Fund.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to maintain expenditures within the balanced budget for the General Fund and Special Revenue Funds as required by OCGA Code Section 36-81-3 will place the City in violation of state law.

Recommendation: Budget to actual comparisons should be periodically reviewed by City management and budgets amended as needed to ensure that the City remains in compliance with state law. The budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

Management Response: Management concurs with this finding. City management will review the budget to actual comparisons and recommend any necessary budget revisions to the Mayor and City Council. This action was implemented immediately upon receipt of the comment from our auditors.

B. Prior Year Audit Findings Follow-Ups

2014-1 Segregation of Duties

Not corrected

2014-2 Deposit Collateral

Corrected

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Section 510(a) of OMB A-133.

This page intentionally left blank.

STATE REPORTING SECTION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2015

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2004 SPLOST</u>					
Downtown Development Improvements	\$ 6,400,000	\$ 6,400,000	\$ 9,524,650	\$ 60,048	\$ 9,584,698
New Northeaset Fire Substation	1,025,000	1,025,000	1,945,735	0	1,945,735
Recreation/Cultural Arts Improvements	4,275,000	4,275,000	3,349,228	0	3,349,228
Greenspace Acquisition	535,000	535,000	359,994	0	359,994
Lake Carroll Improvements/Reservior	2,150,000	2,150,000	1,466,735	0	1,466,735
West Carrollton Revitalization	800,000	800,000	359,276	0	359,276
Economic Development	3,200,000	3,200,000	1,656,361	0	1,656,361
Sidewalk & Street Improvements	2,150,000	2,150,000	1,015,297	0	1,015,297
Public Utiliites Improvements	800,000	800,000	483,080	0	483,080
Debt Service- Redevelopment Authority	0	0	2,327,600	0	2,327,600
	<u>\$ 21,335,000</u>	<u>\$ 21,335,000</u>	<u>\$ 22,487,956</u>	<u>\$ 60,048</u>	<u>\$ 22,548,004</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2015

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2009 SPLOST</u>					
Sidewalk & Street Improvements	\$ 5,485,197	\$ 5,485,197	\$ 5,256,045	\$ 1,034,128	\$ 6,290,173
Water Impoundment Development and Improvements	4,570,997	4,570,997	106,562	80,422	186,984
Recreation/Cultural Arts Improvements	2,742,599	2,742,599	1,112,123	914,065	2,026,188
Economic Development	2,285,498	2,285,498	3,004,665	166,305	3,170,970
Greenspace Acquisition and Improvements	2,285,498	2,285,498	2,741,415	41,329	2,782,744
Public Safety-Equipment	1,828,398	1,828,398	2,428,679	102,456	2,531,135
Historic Train Depot Restoration	1,371,299	1,371,299	1,165,960	7,851	1,173,811
Telecommunications Facilities Improvements	457,099	457,099	124,810	36,340	161,150
Debt Service-Carroll County, Georgia	0	0	10,216,681	0	10,216,681
	<u>\$ 21,026,585</u>	<u>\$ 21,026,585</u>	<u>\$ 26,156,940</u>	<u>\$ 2,382,896</u>	<u>\$ 28,539,836</u>
Current year expenditures				\$ 2,382,896	
Expenditures financed through other revenues				85,479	
Debt service expenditures				2,041,817	
Total expenditures and transfers out of the 2009 SPLOST Capital Projects Fund				<u>\$ 4,510,192</u>	

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2015

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2015 SPLOST</u>					
City of Carrollton Projects	\$ 21,187,200	\$ 21,187,200			
Sidewalk & Street Improvement Projects			\$ 1,786	\$ 423,506	\$ 425,292
Public Safety Projects			1,786	2,344,996	2,346,782
Water Impoundment Improvements			1,785	37,483	39,268
Recreation/Cultural Arts Improvements			1,786	862,680	864,466
Economic Development			1,786	395,356	397,142
Greenspace Projects			1,786	641,655	643,441
Public Utilities (Telecommunications) Improvements			1,785	244,855	246,640
Debt Service-Carroll County, Georgia			0	0	0
	<u>\$ 21,187,200</u>	<u>\$ 21,187,200</u>	<u>\$ 12,500</u>	<u>\$ 4,950,531</u>	<u>\$ 4,963,031</u>

Current year expenditures	\$ 4,950,531
Expenditures financed through other revenues	237,636
Total expenditures and transfers out of the 2015 SPLOST Capital Projects Fund	<u>\$ 5,188,167</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.