

CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2016

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of June 30, 2016, 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 67 through 70 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Carrollton, Georgia's basic financial statements for the year ended June 30, 2015, which are not presented with the accompanying financial statements. In our report dated January 14, 2016, we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2015 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2015 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2015 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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

December 22, 2016

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CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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 of the fiscal year that ended June 20, 2016. Please read it in conjunction with the City's financial statements, which begin on page 12.

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 12 and 14) 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 15. 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 12. 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 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, 2016

Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 15 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 increased from \$166,813,812 in 2015 to \$168,093,585, an increase of .77%. 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 increased from \$93,811,739 in 2015 to \$94,295,960, an increase of \$484,221 (.52%). Unrestricted net position for governmental activities increased from \$1,240,765 in 2015 to \$7,217,146 in 2016, an increase of \$5,976,381.

Total net position for business-type activities increased from \$73,002,073 in 2015 to \$73,797,625, an increase of \$795,552 (1.09%). Unrestricted net position for business-type activities increased from \$4,755,725 in 2015 to \$5,384,003, an increase of \$628,278 (13.2%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 18,865,276	\$ 22,201,974	\$ 8,290,212	7,922,879	\$ 27,155,488	\$ 30,124,853
Restricted assets	326,410	420,477	1,060,814	1,026,171	1,387,224	1,446,648
Capital assets, net	<u>91,013,027</u>	<u>88,186,859</u>	<u>74,825,466</u>	<u>75,032,835</u>	<u>165,838,493</u>	<u>163,219,694</u>
Total assets	<u>110,204,713</u>	<u>110,809,310</u>	<u>84,176,492</u>	<u>83,981,885</u>	<u>194,381,205</u>	<u>194,791,195</u>
Total deferred outflows	<u>1,900,695</u>	<u>886,536</u>	<u>918,620</u>	<u>471,579</u>	<u>2,819,315</u>	<u>1,358,115</u>
Current liabilities	4,339,305	3,824,802	1,761,406	1,875,954	6,100,711	5,700,756
Noncurrent liabilities	<u>13,070,372</u>	<u>13,535,549</u>	<u>9,344,600</u>	<u>9,326,569</u>	<u>22,414,972</u>	<u>22,862,118</u>
Total liabilities	<u>17,409,677</u>	<u>17,360,351</u>	<u>11,106,006</u>	<u>11,202,523</u>	<u>28,515,683</u>	<u>28,562,874</u>
Total deferred inflows	<u>399,771</u>	<u>523,756</u>	<u>191,481</u>	<u>248,868</u>	<u>591,252</u>	<u>772,624</u>
Net position:						
Net investment in capital assets	82,171,713	83,130,375	68,134,292	67,967,421	150,306,005	151,097,796
Restricted					0	0
Capital projects	2,088,001	6,579,147	259,107	258,847	2,347,108	6,837,994
Debt service	0	0	20,223	20,080	20,223	20,080
Other purposes	2,819,100	2,861,452	0	0	2,819,100	2,861,452
Unrestricted	<u>7,217,146</u>	<u>1,240,765</u>	<u>5,384,003</u>	<u>4,755,725</u>	<u>12,601,149</u>	<u>5,996,490</u>
Total net position	<u>\$ 94,295,960</u>	<u>\$ 93,811,739</u>	<u>\$ 73,797,625</u>	<u>\$ 73,002,073</u>	<u>\$ 168,093,585</u>	<u>\$ 166,813,812</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Changes in Net Position

The City's combined change in net position decreased from \$3,750,486 in 2015 to \$1,518,318 in 2016, a decrease of \$2,232,168 (59.5%). Our analysis below focuses on the changes in net position (Table 2) of the City's governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities totaled \$23,584,743 (excluding transfers). This total represents a decrease of \$166,524 (.70%) from the 2015 total of \$23,751,267.

Expenditures for the City's governmental activities totaled \$25,238,326 (excluding transfers). This total represents an increase of \$1,660,971 (7.04%) over the 2015 total of \$23,577,355.

Business-Type Activities

Revenues for the City's business-type activities totaled \$17,599,203 (excluding capital grants, contributions, interest, and other). This total represents an increase of \$1,612,979 (10%) over the 2015 total of \$15,986,224. Operating expenses for the City's business-type activities totaled \$14,142,003 (excluding transfers), an increase of \$421,036 (3.06%) over the 2015 total of \$13,720,967.

The operating revenues are as follows:

	<u>2016</u>	<u>2015</u>
Charges for services:		
Water and sewer fees & charges	\$ 13,444,168	\$ 11,581,921
Garbage and landfill fees	<u>4,131,698</u>	<u>4,096,512</u>
Total	<u>\$ 17,575,866</u>	<u>\$ 15,678,433</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	\$ 2,898,442	\$ 3,198,296	\$ 17,411,924	\$ 15,678,433	\$ 20,310,366	\$ 18,876,729
Operating grants and contributions	1,758,533	1,974,869	0	0	1,758,533	1,974,869
Capital grants and contributions	4,673,158	4,570,823	15,725	191,134	4,688,883	4,761,957
General revenues						
Property taxes	3,859,889	3,833,845	0	0	3,859,889	3,833,845
Franchise & public service taxes	3,904,189	3,753,224	0	0	3,904,189	3,753,224
Sales taxes	3,880,956	3,881,847	0	0	3,880,956	3,881,847
Other taxes	2,469,298	2,286,677	0	0	2,469,298	2,286,677
Interest and investment earnings	12,867	11,627	7,612	9,033	20,479	20,660
Miscellaneous	127,411	240,059	163,942	107,624	291,353	347,683
Total revenues	<u>23,584,743</u>	<u>23,751,267</u>	<u>17,599,203</u>	<u>15,986,224</u>	<u>41,183,946</u>	<u>39,737,491</u>
Expenses						
Program Expenses						
General government	1,783,295	1,583,365	0	0	1,783,295	1,583,365
Public safety	12,569,069	11,690,366	0	0	12,569,069	11,690,366
Public works	2,837,530	2,641,475	0	0	2,837,530	2,641,475
Culture and recreation	6,544,579	6,204,870	0	0	6,544,579	6,204,870
Housing and development	1,125,676	1,424,892	0	0	1,125,676	1,424,892
Water and sewer	0	0	10,506,727	10,453,654	10,506,727	10,453,654
Sanitation	0	0	3,635,276	3,267,313	3,635,276	3,267,313
Interest on long-term debt	378,177	32,387	0	0	378,177	32,387
Total expenses	<u>25,238,326</u>	<u>23,577,355</u>	<u>14,142,003</u>	<u>13,720,967</u>	<u>39,380,329</u>	<u>37,298,322</u>
Indirect costs	<u>(1,028,976)</u>	<u>(953,940)</u>	<u>1,028,976</u>	<u>953,940</u>	<u>0</u>	<u>0</u>
Excess (deficiency) before transfers and special items	(624,607)	1,127,852	2,428,224	1,311,317	1,803,617	2,439,169
Special item	(223,614)	0	(61,685)	0	(285,299)	0
Transfers	<u>1,527,313</u>	<u>1,582,095</u>	<u>(1,527,313)</u>	<u>(1,582,095)</u>	<u>0</u>	<u>0</u>
Change in net position	679,092	2,709,947	839,226	(270,778)	1,518,318	2,439,169
Net position, beginning of year	93,811,739	95,251,177	73,002,073	75,524,744	166,813,812	170,775,921
Prior period adjustments	<u>(194,871)</u>	<u>(4,149,385)</u>	<u>(43,674)</u>	<u>(2,251,893)</u>	<u>(238,545)</u>	<u>(6,401,278)</u>
Net position, end of year	<u>\$ 94,295,960</u>	<u>\$ 93,811,739</u>	<u>\$ 73,797,625</u>	<u>\$ 73,002,073</u>	<u>\$ 168,093,585</u>	<u>\$ 166,813,812</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The City's Funds

As the City completed 2016, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$16,757,894. This total represents a decrease of \$3,914,630 (18.9%) from the 2015 total of \$20,672,524, 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 20) reported combined unrestricted net position available for appropriation in the amount of \$5,384,003.

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 \$130,785. Of this amount, tax revenue realized on property was under budget in the amount of \$148,197. Local option sales tax revenue exceeded budgeted revenue in the amount of \$30,956. Insurance premium tax revenue exceeded budgeted revenue in the amount of \$12,978. Franchise tax revenue was under budget in the amount of \$26,289. Alcohol excise tax revenue exceeded budgeted revenue in the amount of \$43,140. Occupation tax revenue exceeded budgeted revenue in the amount of \$99,619. Energy excise tax revenue exceeded budgeted revenue in the amount of \$84,950.

Recreation Department program fee revenue was realized at an amount of \$183,714 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 under budget in the amount of \$54,219.

Fines and forfeitures revenue was under budget in the amount of \$51,786.

Miscellaneous revenue was under budget in the amount of \$218,734.

In summary, the City's overall positive revenue variance of \$130,785 indicates a local economy that continues to stabilize and grow after several years of stagnant and/or negative growth.

Table 3 - General Fund Revenues

	2016			2015		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 13,612,000	\$ 13,718,103	\$ 106,103	\$ 12,980,000	\$ 13,435,830	\$ 455,830
Licenses and permits	300,000	376,478	76,478	300,000	312,501	12,501
Fines and forfeitures	850,000	798,214	(51,786)	850,000	813,077	(36,923)
Charges for services	2,454,085	2,583,574	129,489	1,825,440	2,261,904	436,464
Intergovernmental	1,137,870	1,225,363	87,493	1,236,237	1,204,208	(32,029)
Interest on invested funds	10,000	10,887	887	10,000	10,007	7
Other	323,700	105,821	(217,879)	417,019	212,092	(204,927)
Total	\$ 18,687,655	\$ 18,818,440	\$ 130,785	\$ 17,618,696	\$ 18,249,619	\$ 630,923

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

Expenditures

General Fund expenditure highlights are discussed below in Table 4. The City completed 2016 with a total of \$20,541,247 in General Fund operating expenditures. The final operating budget for these expenditures totaled \$21,202,279 resulting in expenditures being realized at an amount of \$661,032 under budget. Expenditures for Public Safety were under budget by \$231,459. Expenditures for General Government were under budget by \$49,953. Expenditures for Public Works were under budget by \$480,079. Expenditures for Cultural and Recreation exceeded budgeted amounts by \$114,681. This budget overage was due to increased utilization of Cultural and Recreation Programs and services by citizens. As discussed earlier, this expenditure variance is offset by Cultural and Recreation revenues exceeding budgeted amounts by \$183,714. Expenditures for Housing and Development were under budget by \$29,665. City departments are to be commended for the responsible manner in which they executed their budgets during the fiscal year.

Table 4 - General Fund Operating Expenditures

	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 1,610,048	\$ 1,560,095	\$ 49,953	\$ 1,322,121	\$ 1,407,237	\$ (85,116)
Public safety	11,264,166	11,032,707	231,459	11,051,778	10,665,944	385,834
Public works	2,015,890	1,535,811	480,079	1,970,569	1,733,405	237,164
Cultural and recreation	5,640,667	5,755,348	(114,681)	5,309,514	5,466,900	(157,386)
Housing and developmen	597,102	567,437	29,665	473,338	543,279	(69,941)
Debt service	74,406	89,849	(15,443)	0	0	0
Total operating expenditures	\$ 21,202,279	\$ 20,541,247	\$ 661,032	\$ 20,127,320	\$ 19,816,765	\$ 310,555

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2016, the City had \$165,838,493 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	
	2016	2015	2016	2015	2016	2015
Land	\$ 11,255,552	\$ 11,060,741	\$ 8,933,204	\$ 8,933,204	\$ 20,188,756	\$ 19,993,945
Land improvements	6,574,180	6,658,200	0	0	6,574,180	6,658,200
Buildings and improvemeni	25,779,080	25,887,448	1,894,548	1,858,371	27,673,628	27,745,819
Equipment	5,196,241	5,689,044	1,736,894	1,883,608	6,933,135	7,572,652
Infrastructure	36,406,744	35,854,852	61,858,393	61,955,225	98,265,137	97,810,077
Construction in progress	5,801,230	3,036,574	402,427	402,427	6,203,657	3,439,001
Totals	\$ 91,013,027	\$ 88,186,859	\$ 74,825,466	\$ 75,032,835	\$ 165,838,493	\$ 163,219,694

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

DEBT

The total long-term debt of the City outstanding at June 30, 2016 was \$15,274,277. The City had \$6,125,000 in revenue bond debt outstanding. Amounts reported as intergovernmental debt of \$8,416,250 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	
	2016	2015	2016	2015	2016	2015
Revenue bonds \$	0 \$	0 \$	6,125,000 \$	6,515,000 \$	6,125,000 \$	6,515,000
Capital leases	90,394	173,840	300,966	429,293	391,360	603,133
Notes payable	0	0	341,667	504,069	341,667	504,069
Contracts payable	8,416,250	10,000,000	0	0	8,416,250	10,000,000
Totals	\$ 8,506,644	\$ 10,173,840	\$ 6,767,633	\$ 7,448,362	\$ 15,274,277	\$ 17,622,202

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2017 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 2017. The fiscal year 2017 General Fund budget totals \$22,898,303 an increase of \$1,903,024 over the FY 2016 budget.

After declining approximately 12% from 2010 to 2012 the City's property tax digest has stabilized. The property tax digest has increased approximately 15% due to property reassessments conducted by Carroll County. Other revenue categories are expected to remain at or near current levels.

If these are realized, the City's General Fund balance is expected to remain unchanged for FY 2017. 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 2017 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, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 16,445,798	\$ 5,789,708	\$ 22,235,506	\$ 780
Restricted assets				
Cash and cash equivalents	276,851	1,060,814	1,337,665	0
Certificates of deposit	49,559	0	49,559	0
Receivables (net)				
Accounts	165,014	2,473,345	2,638,359	0
Intergovernmental	857,176	0	857,176	0
Taxes	644,356	0	644,356	0
Internal balances	466,389	(466,389)	0	0
Inventories	0	300,994	300,994	0
Prepays	286,543	192,554	479,097	0
Total current assets	19,191,686	9,351,026	28,542,712	780
Noncurrent assets				
Capital assets				
Non-depreciable	17,056,782	9,335,631	26,392,413	0
Depreciable (net)	73,956,245	65,489,835	139,446,080	0
Total noncurrent assets	91,013,027	74,825,466	165,838,493	0
Total assets	110,204,713	84,176,492	194,381,205	780
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	0	27,963	27,963	0
Pension contributions subsequent to measurement date	670,577	318,807	989,384	0
Pension experience differences	501,467	234,589	736,056	0
Pension investment return differences	728,651	337,261	1,065,912	0
Total deferred outflows	1,900,695	918,620	2,819,315	0
LIABILITIES				
Current liabilities				
Accounts payable	1,305,000	729,929	2,034,929	0
Accrued liabilities	105,750	48,927	154,677	
Retainages payable	14,567	0	14,567	0
Accrued salaries and payroll liabilities	444,662	121,600	566,262	0
Compensated absences	224,583	69,015	293,598	0
Accrued interest payable	28,116	0	28,116	0
Unearned revenue	328,383	0	328,383	0
Due to others	194,039	0	194,039	780
Capital leases payable	84,205	128,325	212,530	0
Contracts payable	1,610,000	0	1,610,000	0
Liabilities payable from restricted assets				
Customer deposits payable	0	439,610	439,610	0
Notes payable	0	25,000	25,000	0
Bonds payable	0	199,000	199,000	0
Total current liabilities	4,339,305	1,761,406	6,100,711	780

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Net pension liability	\$ 5,155,407	\$ 2,436,535	\$ 7,591,942	\$ 0
Net OPEB obligation	1,102,526	492,757	1,595,283	0
Capital leases payable	6,189	172,641	178,830	0
Notes payable	0	316,667	316,667	0
Bonds payable	0	5,926,000	5,926,000	0
Contracts payable	6,806,250	0	6,806,250	0
Total noncurrent liabilities	13,070,372	9,344,600	22,414,972	0
Total liabilities	17,409,677	11,106,006	28,515,683	780
DEFERRED INFLOWS OF RESOURCES				
Pension investment return differences	272,230	130,482	402,712	0
Pension assumption changes	127,541	60,999	188,540	0
Total deferred inflows of resources	399,771	191,481	591,252	0
NET POSITION				
Net investment in capital assets	82,171,713	68,134,292	150,306,005	0
Restricted for:				
Public Safety	1,187,018	0	1,187,018	0
Culture and Recreation	227,032	0	227,032	0
Housing and Development	1,405,050	0	1,405,050	0
Capital outlay	2,088,001	259,107	2,347,108	0
Debt service	0	20,223	20,223	0
Unrestricted	7,217,146	5,384,003	12,601,149	0
Total net position	<u>\$ 94,295,960</u>	<u>\$ 73,797,625</u>	<u>\$ 168,093,585</u>	<u>\$ 0</u>

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	2009 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 11,737,344	\$ 1,283	\$ 1,893,581	\$ 2,813,590	\$ 16,445,798
Restricted assets					
Cash and cash equivalents	276,851	0	0	0	276,851
Certificates of deposit	49,559	0	0	0	49,559
Receivables (net)					
Accounts	165,014	0	0	0	165,014
Intergovernmental	36,059	0	590,192	230,925	857,176
Taxes	605,386	0	0	38,970	644,356
Prepaid items	265,418	0	0	21,125	286,543
Due from other funds	523,063	21,884	26,431	22,821	594,199
Total assets	\$ 13,658,694	\$ 23,167	\$ 2,510,204	\$ 3,127,431	\$ 19,319,496
LIABILITIES					
Accounts payable	\$ 663,255	\$ 0	\$ 320,102	\$ 321,643	\$ 1,305,000
Accrued liabilities	105,750	0	0	0	105,750
Retainage payable	0	0	14,567	0	14,567
Accrued salaries and payroll liabilities	444,662	0	0	0	444,662
Unearned revenue	199,383	0	110,000	19,000	328,383
Due to other funds	48,176	6,884	5,478	67,273	127,811
Due to others	0	0	0	194,039	194,039
Total liabilities	1,461,226	6,884	450,147	601,955	2,520,212
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	41,390	0	0	0	41,390
FUND BALANCES					
Nonspendable:					
Prepays	265,418	0	0	21,125	286,543
Restricted for:					
Public Safety	0	0	0	1,187,018	1,187,018
Culture and Recreation	227,032	0	0	0	227,032
Housing and Development	99,378	0	0	1,305,672	1,405,050
Capital outlay	0	16,283	2,060,057	11,661	2,088,001
Unassigned	11,564,250	0	0	0	11,564,250
Total fund balances	12,156,078	16,283	2,060,057	2,525,476	16,757,894
Total liabilities, deferred inflows of resources, and fund balances	\$ 13,658,694	\$ 23,167	\$ 2,510,204	\$ 3,127,431	\$ 19,319,496

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2016

Total fund balances - total governmental funds **\$ 16,757,894**

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 91,013,027

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 41,391

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 670,577

Pension experience differences 501,467

Pension investment return differences 728,651

Deferred inflows of resources:

Pension investment return differences (272,230)

Pension experience differences (127,541)

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

Compensated absences	\$	(224,583)	
Capital leases payable		(90,394)	
Contracts payable		(8,416,250)	
Accrued interest payable		(28,116)	
Net pension liability		(5,155,407)	
Net OPEB obligation		(1,102,526)	
		(15,017,276)	

Net position of governmental activities	\$	94,295,960	94,295,960
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CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2016

	General	2009 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 13,718,103	\$ 0	\$ 0	\$ 412,643	\$ 14,130,746
Licenses and permits	376,478	0	0	0	376,478
Fines, fees and forfeitures	798,214	0	0	162,708	960,922
Charges for services	2,583,574	0	0	3,000	2,586,574
Intergovernmental	1,225,363	0	3,531,198	1,039,452	5,796,013
Contributions	0	497	419,243	30,500	450,240
Interest	10,887	0	3,376	1,983	16,246
Other	105,821	0	0	13,939	119,760
Total revenues	18,818,440	497	3,953,817	1,664,225	24,436,979
EXPENDITURES					
Current					
General Government	1,560,095	0	0	0	1,560,095
Public Safety	11,032,707	0	0	661,831	11,694,538
Public Works	1,535,811	0	0	0	1,535,811
Culture and Recreation	5,755,348	0	0	0	5,755,348
Housing and Development	567,437	0	0	554,628	1,122,065
Debt service	89,849	0	0	0	89,849
Capital outlay	0	16,053	7,786,463	292,670	8,095,186
Total expenditures	20,541,247	16,053	7,786,463	1,509,129	29,852,892
Excess (deficiency) of revenues over (under) expenditures	(1,722,807)	(15,556)	(3,832,646)	155,096	(5,415,913)
Other financing sources (uses)					
Transfers in	1,715,057	569,818	0	381,890	2,666,765
Transfers out	0	0	(514,577)	(624,872)	(1,139,449)
Sale of capital assets	6,630	0	0	520	7,150
Total other financing sources (uses)	1,721,687	569,818	(514,577)	(242,462)	1,534,466
Net change in fund balance	(1,120)	554,262	(4,347,223)	(87,366)	(3,881,447)
Fund balances, July 1 (original)	12,190,381	(537,979)	6,407,280	2,612,842	20,672,524
Prior period adjustments	(33,183)	0	0	0	(33,183)
Fund balances, July 1 (restated)	12,157,198	(537,979)	6,407,280	2,612,842	20,639,341
Fund balances, June 30	\$ 12,156,078	\$ 16,283	\$ 2,060,057	\$ 2,525,476	\$ 16,757,894

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, 2016

Net change in fund balances - total governmental funds **\$ (3,881,447)**

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	\$ 6,898,305	
Depreciation	<u>(3,872,835)</u>	3,025,470

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	(329,867)	
Related accumulated depreciation	<u>329,867</u>	0

Governmental funds report capital outlays as expenditures, therefore the removal of capital assets resulting from a change in capitalization threshold is not reported in governmental funds.

Net cost of assets disposed resulting from change in capitalization threshold	(223,614)
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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.	186,000
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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	811,857	
Cost of benefits earned, net of employee contributions	<u>(738,648)</u>	73,209

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.	(163,841)
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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	3,126	
Debt principal payments	<u>1,667,196</u>	1,670,322

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

Unavailable deferred revenue	(16,413)
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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>9,406</u>
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Change in net position of governmental activities	<u><u>\$ 679,092</u></u>
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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, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 13,475,000	\$ 13,612,000	\$ 13,718,103	\$ 106,103
Licenses and permits	300,000	300,000	376,478	76,478
Fines, fees and forfeitures	850,000	850,000	798,214	(51,786)
Charges for services	2,354,085	2,454,085	2,583,574	129,489
Intergovernmental	1,127,870	1,137,870	1,225,363	87,493
Interest	10,000	10,000	10,887	887
Other	319,700	323,700	105,821	(217,879)
Total revenues	18,436,655	18,687,655	18,818,440	130,785
EXPENDITURES				
Current				
General Government				
Mayor and Council	76,687	86,687	71,220	15,467
City Manager	102,499	102,499	94,273	8,226
General Administration	964,903	964,903	903,078	61,825
Finance and Purchasing	63,449	63,449	123,710	(60,261)
Human Resources	127,691	135,691	115,799	19,892
General Maintenance	91,819	91,819	79,760	12,059
Legal	115,000	165,000	172,255	(7,255)
Public Safety				
Police Department	6,319,225	6,339,225	6,252,163	87,062
Fire Department	4,924,941	4,924,941	4,780,544	144,397
Public Works				
Street Department	1,252,301	1,252,301	784,391	467,910
Engineering	528,560	528,560	517,146	11,414
Landfill	76,290	76,290	95,287	(18,997)
Garage	158,739	158,739	138,987	19,752
Culture and Recreation				
Library	300,035	300,035	300,036	(1)
Recreation Administration	1,061,878	1,061,878	1,027,844	34,034
Recreation Parks	1,437,558	1,462,558	1,445,159	17,399
Recreation Programs	1,121,221	1,221,221	1,262,807	(41,586)
Recreation Arts	498,953	513,953	622,462	(108,509)
Recreation Athletics	1,081,022	1,081,022	1,097,040	(16,018)
Housing and Development				
Planning Administration	128,054	128,054	125,626	2,428
Code Enforcement	85,581	85,581	78,346	7,235
Convention and Visitor's Bureau	159,700	159,700	154,653	5,047
Main Street Division	194,767	223,767	208,812	14,955
Debt Service				
General Administration	0	0	13,920	(13,920)
Police Department	55,804	55,804	56,969	(1,165)
Fire Department	18,602	18,602	18,960	(358)
Total expenditures	20,945,279	21,202,279	20,541,247	661,032
Excess (deficiency) of revenues over expenditures	(2,508,624)	(2,514,624)	(1,722,807)	791,817
Other financing sources (uses)				
Transfers in	2,508,624	2,508,624	1,715,057	(793,567)
Proceeds from sale of assets	0	6,000	6,630	630
Total other financing sources (uses)	2,508,624	2,514,624	1,721,687	(792,937)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(1,120)	(1,120)
Fund balances, July 1 (original)	0	0	12,190,381	12,190,381
Prior period adjustments	0	0	(33,183)	(33,183)
Fund balances, July 1 (restated)	0	0	12,157,198	12,157,198
Fund balances, June 30	\$ 0	\$ 0	\$ 12,156,078	\$ 12,156,078

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,969,203	\$ 2,820,505	\$ 5,789,708
Restricted assets			
Cash and cash equivalents	1,060,814	0	1,060,814
Accounts receivable, net	1,876,729	596,616	2,473,345
Inventories	300,994	0	300,994
Prepaid items	136,689	55,865	192,554
Due from other funds	0	67,987	67,987
Total current assets	6,344,429	3,540,973	9,885,402
Noncurrent assets			
Capital assets			
Non-depreciable	9,335,631	0	9,335,631
Depreciable (net)	64,803,411	686,424	65,489,835
Total noncurrent assets	74,139,042	686,424	74,825,466
Total assets	80,483,471	4,227,397	84,710,868
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on debt refunding	27,963	0	27,963
Pension contributions subsequent to measurement date	232,659	86,148	318,807
Pension experience differences	172,857	61,732	234,589
Pension investment return differences	250,102	87,159	337,261
Total deferred outflows	683,581	235,039	918,620
LIABILITIES			
Current liabilities			
Accounts payable	648,185	81,744	729,929
Accrued liabilities	47,054	1,873	48,927
Accrued salaries and payroll liabilities	91,829	29,771	121,600
Compensated absences	52,897	16,118	69,015
Due to other funds	322,624	211,752	534,376
Capital leases	54,534	73,791	128,325
Liabilities payable from restricted assets			
Customer deposits payable	439,610	0	439,610
Notes payable	25,000	0	25,000
Bonds payable	199,000	0	199,000
Total current liabilities	1,880,733	415,049	2,295,782
Noncurrent liabilities			
Net pension liability	1,784,415	652,120	2,436,535
Net OPEB Obligation	352,650	140,107	492,757
Capital leases	54,534	118,107	172,641
Notes payable	316,667	0	316,667
Bonds payable	5,926,000	0	5,926,000
Total Noncurrent liabilities	8,434,266	910,334	9,344,600
Total liabilities	10,314,999	1,325,383	11,640,382

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension investment return differences	\$ 94,764	\$ 35,718	\$ 130,482
Pension assumption changes	44,358	16,641	60,999
Total deferred inflows of resources	139,122	52,359	191,481
NET POSITION			
Net investment in capital assets	67,639,766	494,526	68,134,292
Restricted for Debt Service	20,223	0	20,223
Restricted for Capital Outlay	259,107	0	259,107
Unrestricted	2,793,835	2,590,168	5,384,003
Total net position	\$ 70,712,931	\$ 3,084,694	\$ 73,797,625

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2016

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 13,280,226	\$ 4,131,698	\$ 17,411,924
Other	163,942	0	163,942
Total operating revenues	13,444,168	4,131,698	17,575,866
OPERATING EXPENSES			
Costs of sales and services	4,380,877	1,808,900	6,189,777
Personal services	4,691,065	1,868,160	6,559,225
Depreciation	2,073,361	167,377	2,240,738
Total operating expenses	11,145,303	3,844,437	14,989,740
Operating income (loss)	2,298,865	287,261	2,586,126
Non-operating revenues (expenses)			
Interest and investment earnings	4,249	3,363	7,612
Interest expense	(175,036)	(6,203)	(181,239)
Total non-operating revenues (expenses)	(170,787)	(2,840)	(173,627)
Net income (loss) before capital contributions, special items and transfers	2,128,078	284,421	2,412,499
Capital contributions	15,725	0	15,725
Special item - change in capitalization threshold	(61,685)	0	(61,685)
Net income before transfers	2,082,118	284,421	2,366,539
Transfers in (out)			
Transfers in	22,687	0	22,687
Transfers out	(914,500)	(635,500)	(1,550,000)
Total transfers in (out)	(891,813)	(635,500)	(1,527,313)
Change in net position	1,190,305	(351,079)	839,226
Net position, July 1 (original)	69,566,300	3,435,773	73,002,073
Prior period adjustments	(43,674)	0	(43,674)
Net position, July 1 (restated)	69,522,626	3,435,773	72,958,399
Net position, June 30	\$ 70,712,931	\$ 3,084,694	\$ 73,797,625

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2016

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 13,445,269	\$ 4,108,201	\$ 17,553,470
Payments to suppliers	(4,794,380)	(1,785,831)	(6,580,211)
Payments to employees	(4,668,344)	(1,861,477)	(6,529,821)
Other receipts	163,942	0	163,942
Net cash provided (used) by operating activities	4,146,487	460,893	4,607,380
Cash flows from non-capital financing activities:			
Receipts from other funds	26,856	0	26,856
Payments to other funds	(914,500)	(635,500)	(1,550,000)
Net cash provided (used) by non-capital financing activities	(887,644)	(635,500)	(1,523,144)
Cash flows from capital and related financing activities:			
Receipts from other funds	22,687	0	22,687
Receipts from other governments	15,725	0	15,725
Payments for acquisitions of capital assets	(1,818,876)	(20,518)	(1,839,394)
Principal payments - capital leases	(54,535)	(73,792)	(128,327)
Principal payments - promissory notes	(162,402)	0	(162,402)
Principal payments - bonds payable	(390,000)	0	(390,000)
Interest paid	(152,666)	(6,203)	(158,869)
Net cash provided (used) by capital and related financing activities	(2,540,067)	(100,513)	(2,640,580)
Cash flows from investing activities			
Interest and investment earnings received	4,249	3,363	7,612
Net increase (decrease) in cash and cash equivalents	723,025	(271,757)	451,268
Cash and cash equivalents, July 1	3,306,992	3,092,262	6,399,254
Cash and cash equivalents, June 30	\$ 4,030,017	\$ 2,820,505	\$ 6,850,522

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2016

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 2,298,865	\$ 287,261	\$ 2,586,126
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,073,361	167,377	2,240,738
(Increase) decrease in accounts receivable	79,973	(23,497)	56,476
(Increase) decrease in inventories	(29,618)	0	(29,618)
(Increase) decrease in prepaid items	1,501	(5,923)	(4,422)
(Increase) decrease in pension contributions subsequent to measurement date	4,921	1,715	6,636
(Increase) decrease in pension experience differences	(102,919)	(35,867)	(138,786)
Increase (decrease) in accounts payable	(385,386)	28,992	(356,394)
Increase (decrease) in accrued liabilities	3,380	1,873	5,253
Increase (decrease) in accrued salaries and payroll liabilities	1,284	8,039	9,323
Increase (decrease) in compensated absences	(9,275)	(15,457)	(24,732)
Increase (decrease) in customer deposits	85,070	0	85,070
Increase (decrease) in net pension liability	365,528	127,384	492,912
Increase (decrease) in net OPEB Obligation	52,461	20,985	73,446
Increase (decrease) in pension assumption differences	(11,060)	(3,854)	(14,914)
Increase (decrease) in pension investment return differences	(281,599)	(98,135)	(379,734)
Total adjustments	1,847,622	173,632	2,021,254
Net cash provided (used) by operating activities	\$ 4,146,487	\$ 460,893	\$ 4,607,380
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 2,969,203	\$ 2,820,505	\$ 5,789,708
Restricted assets			
Cash and cash equivalents	1,060,814	0	1,060,814
	\$ 4,030,017	\$ 2,820,505	\$ 6,850,522

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	<u>Carrollton Redevelopment Authority</u>	<u>Main Street Carrollton</u>	<u>Total Component Units</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 0	\$ 780	\$ 780
LIABILITIES			
Current liabilities			
Due to primary government	0	780	780
NET POSITION			
Unrestricted	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
COMPONENT UNITS
For the fiscal year ended June 30, 2016

	<u>Carrollton Redevelopment Authority</u>	<u>Main Street Carrollton</u>	<u>Total Component Units</u>
Expenses			
Housing and Development	\$ 0	\$ 3,862	\$ 3,862
Program revenues			
Charges for services	<u>0</u>	<u>0</u>	<u>0</u>
Change in net position	0	(3,862)	(3,862)
Net position, July 1	<u>0</u>	<u>3,862</u>	<u>3,862</u>
Net position, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016

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 \$122,300.

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 \$153,800 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, 2016

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. Main Street was reorganized by the Mayor and City Council to account for Main Street operations within the City's General Fund beginning October 2015.

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, 2016

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, 2016

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 Sewerage 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, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016, 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, 2016

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 \$5,000. 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 acquisition 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, 2016

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 outflows 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, 2016

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, 2016

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, 2016

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, 2016

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, 2016 consist of the following:

Primary Government:

Major Funds

General Fund		\$ 165,014
Water and Sewerage Enterprise Fund	\$ 2,056,705	
Less: Allowance for Uncollectibles	<u>(179,976)</u>	1,876,729
Sanitation Enterprise Fund	660,957	
Less: Allowance for Uncollectibles	<u>(64,341)</u>	<u>596,616</u>
Total Primary Government		<u><u>\$ 2,638,359</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2016 consist of the following:

Primary Government:

Major Funds

General Fund

Three Rivers Regional Commission	\$	36,059
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2015 SPLOST Fund

Carroll County, Georgia	\$	576,133	
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Georgia Emergency Management Agency	<u>14,059</u>	590,192
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Nonmajor Funds

Special Revenue Funds

West Metro Regional Drug Enforcement

State of Georgia	202,084
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Neighborhood Stabilization Program

Carrollton Housing Authority	27,130
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Drug Seizure

Due from others	<u>1,711</u>
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Total Primary Government	<u><u>\$ 857,176</u></u>
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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 2015, based upon the assessments of January 1, 2015, were levied on July 6, 2015 billed on September 23, 2015 and due on December 1, 2015. The Carroll County tax commissioner bills and collects the City's property taxes.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 232,964
	Sanitation	211,752
	2009 SPLOST	6,884
	2015 SPLOST	5,478
	Nonmajor Governmental	65,985
2009 SPLOST	Water and Sewerage	21,884
2015 SPLOST	Water and Sewerage	25,144
	Nonmajor Governmental	1,287
Nonmajor Governmental	General	22,821
Sanitation	Water and Sewerage	42,632
	General	25,355
		<u>\$ 662,186</u>

Interfund balances at June 30, 2016, 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".

The interfund receivables in the 2009 SPLOST Fund and the 2015 SPLOST Fund are for non-SPLOST revenues needed to supplement SPLOST capital projects. These amounts will be moved from these funds in subsequent periods.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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>
2015 SPLOST	Water and Sewerage	\$ 22,687
	2009 SPLOST	110,000
	Nonmajor Governmental	381,890
Water and Sewerage	General	914,500
Sanitation	General	635,500
Nonmajor Governmental	General	165,057
	2009 SPLOST	459,815
		<u>\$ 2,689,449</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.

The \$110,000 transfer from the 2015 SPLOST Fund to the 2009 SPLOST Fund was to move previous unearned non-SPLOST revenue to the appropriate fund where the project was expended.

The \$381,890 transfer from the 2015 SPLOST Fund to the Capital Projects Fund for Public Roads was to move previously deposited non-SPLOST revenue to the proper fund where the project was expended.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2016 was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 11,060,741	\$ 194,811	\$ 0	\$ 11,255,552
Construction in progress	3,036,574	3,122,831	(358,175)	5,801,230
Total non-depreciable assets	14,097,315	3,317,642	(358,175)	17,056,782
Depreciable assets				
Land improvements	9,123,039	358,175	(66,621)	9,414,593
Buildings and improvements	34,119,948	826,794	(69,201)	34,877,541
Furnishings, vehicles, machinery and equipment	15,893,359	561,284	(1,121,156)	15,333,487
Infrastructure	65,387,668	2,378,585	(22,024)	67,744,229
Total depreciable assets	124,524,014	4,124,838	(1,279,002)	127,369,850
Less accumulated depreciation				
Land improvements	(2,464,839)	(414,884)	39,310	(2,840,413)
Buildings and improvements	(8,436,063)	(685,196)	22,798	(9,098,461)
Furnishings, vehicles, machinery and equipment	(10,162,441)	(965,610)	990,805	(10,137,246)
Infrastructure	(29,532,815)	(1,807,145)	2,475	(31,337,485)
Total accumulated depreciation	(50,596,158)	(3,872,835)	1,055,388	(53,413,605)
Total depreciable assets, net	73,927,856	252,003	(223,614)	73,956,245
Governmental activities capital assets, net	<u>\$ 88,025,171</u>	<u>\$ 3,569,645</u>	<u>\$ (581,789)</u>	<u>\$ 91,013,027</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,933,204	\$ 0	\$ 0	\$ 8,933,204
Construction in progress	402,427	0	0	402,427
Total non-depreciable assets	9,335,631	0	0	9,335,631
Depreciable assets				
Buildings and improvements	5,876,595	157,098	(16,889)	6,016,804
Distribution system	90,768,562	1,732,025	(67,698)	92,432,889
Vehicles, machinery and equipment	6,155,751	224,272	(263,147)	6,116,876
Total depreciable assets	102,800,908	2,113,395	(347,734)	104,566,569
Less accumulated depreciation				
Buildings and improvements	(4,018,224)	(110,714)	6,682	(4,122,256)
Distribution system	(28,813,337)	(1,777,893)	16,734	(30,574,496)
Vehicles and equipment	(4,272,143)	(370,472)	262,633	(4,379,982)
Total accumulated depreciation	(37,103,704)	(2,259,079)	286,049	(39,076,734)
Total depreciable assets, net	65,697,204	(145,684)	(61,685)	65,489,835
Business-type activities capital assets, net	<u>\$ 75,032,835</u>	<u>\$ (145,684)</u>	<u>\$ (61,685)</u>	<u>\$ 74,825,466</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

8. Capital Assets (continued)

Beginning balances of capital assets for the governmental activities have been restated for a prior period adjustment. See note 13 for details.

During the fiscal year ended June 30, 2016, the City increased its capitalization threshold from \$1,000 to \$5,000. All items with an initial, individual cost between these two thresholds have been removed and are reflected above as decreases. The net difference between cost and accumulated depreciation is reported in the Statement of Activities as a special item.

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 203,876
Public Safety	951,348
Public Works	1,931,354
Culture and Recreation	<u>786,257</u>

Total depreciation expense for governmental activities	<u><u>\$ 3,872,835</u></u>
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Business-type activities

Water and Sewerage	\$ 2,073,361
Sanitation	<u>167,377</u>

Total depreciation expense for business-type activities	<u><u>\$ 2,240,738</u></u>
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	<u>Primary Government</u>	
	<u>Governmental</u>	<u>Business-type</u>
	<u>Activities</u>	<u>Activities</u>
Current year depreciation expense	\$ 3,872,835	\$ 2,240,738
Prior accumulated depreciation on assets transferred between governmental, business-type activities, and component unit	<u>0</u>	<u>18,341</u>
Additions to accumulated depreciation	<u><u>\$ 3,872,835</u></u>	<u><u>\$ 2,259,079</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016, are \$90,394 and \$300,966 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 \$121,902 and \$188,758 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, 2016:

Year Ending June 30,	Governmental Activities	Business-type Activities
2017	\$ 86,144	\$ 139,081
2018	5,981	132,985
2019	0	45,198
Total minimum lease payments	92,125	317,264
Less amounts representing interest	(1,731)	(16,298)
Present value of minimum lease payments	<u>\$ 90,394</u>	<u>\$ 300,966</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016, the City has a balance of \$372,000 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, 2016:

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 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

10. Long-Term Debt (continued)

Revenue Bonds, continued

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 199,000	\$ 166,154	\$ 365,154
2018	405,000	155,541	560,541
2019	416,000	144,647	560,647
2020	427,000	133,473	560,473
2021	439,000	121,992	560,992
2022-2026	2,378,000	426,573	2,804,573
2027-2030	1,861,000	100,712	1,961,712
Totals	\$ 6,125,000	\$ 1,249,092	\$ 7,374,092

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 note was paid in full during the current fiscal year.

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, 2029. The balance at June 30, 2016 was \$341,667.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

10. Long-Term Debt (continued)

Notes Payable, continued

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

Ending June 30,	Principal	Interest	Total
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	25,000	0	25,000
2022-2026	125,000	0	125,000
2027-2029	91,667	0	91,667
Totals	<u>\$ 341,667</u>	<u>\$0</u>	<u>\$ 341,667</u>

Contracts Payable

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). This debt 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. The balance at June 30, 2016 was \$8,416,250.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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
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	\$ 8,416,250	\$ 1,115,138	\$ 9,531,388

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, 2016:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 173,840	\$ 0	\$ (83,446)	\$ 90,394	\$ 84,205
Contracts payable	10,000,000	0	(1,583,750)	8,416,250	1,610,000
Compensated absences	233,989	81,123	(90,529)	224,583	224,583
Total Governmental activities	\$ 10,407,829	\$ 81,123	\$ (1,757,725)	\$ 8,731,227	\$ 1,918,788
Business-type activities					
Revenue bonds	\$ 6,515,000	\$ 0	\$ (390,000)	\$ 6,125,000	\$ 199,000
Notes payable	504,069	0	(162,402)	341,667	25,000
Capital lease obligations	429,293	0	(128,327)	300,966	128,325
Compensated absences	93,747	11,538	(36,270)	69,015	69,015
Total business-type activities	\$ 7,542,109	\$ 11,538	\$ (716,999)	\$ 6,836,648	\$ 421,340

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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, 2016 was \$378,177 and \$181,239, respectively.

11. 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, 2016 was \$87,498.

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, 2016.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

11. Conduit Debt (continued)

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, 2016 was \$193,861.

12. 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, 2016:

	<u>General</u>	<u>2009 SPLOST</u>	<u>2015 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Prepays	<u>\$ 265,418</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,125</u>	<u>\$ 286,543</u>
Restricted for:					
Public Safety					
Police facilities and equipment	\$ 0	\$ 0	\$ 0	\$ 1,149,304	\$ 1,149,304
Hazardous material team	0	0	0	37,714	37,714
Culture and Recreation					
Recreation facilities and equipment	227,032	0	0	0	227,032
Housing and Development					
Neighborhood improvements	0	0	0	1,160,185	1,160,185
Economic development	99,378	0	0	145,487	244,865
Capital projects	0	16,283	2,060,057	11,661	2,088,001
	<u>\$ 326,410</u>	<u>\$ 16,283</u>	<u>\$ 2,060,057</u>	<u>\$ 2,504,351</u>	<u>\$ 4,907,101</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

13. Changes in Beginning Balances

Prior period adjustments have been made to correct previously reported amounts at June 30, 2015. These adjustments increased (decreased) beginning net position and fund balances as follows:

Governmental Activities

To record the net effect of capital asset additions and disposals previously unrecorded	\$ (161,688)
To correct accrued liabilities for workers' compensation claims payable	<u>(33,183)</u>
	<u>\$ (194,871)</u>

General Fund

To correct accrued liabilities for workers' compensation claims payable	<u>\$ (33,183)</u>
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Business Type Activities

Water and Sewerage

To correct accrued liabilities for workers' compensation claims payable	<u>\$ (43,674)</u>
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14. 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plans (continued)

At January 1, 2016, the date of the most recent actuarial valuation, there were 482 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	139
Terminated vested participants entitled to but not yet receiving benefits	60
Active participants	<u>300</u>
Total number of participants	<u><u>499</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 immediately. Employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten 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.

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. The City's actuarially determined contribution rate for the fiscal year ended June 30, 2016 was \$1,195,231, or 9.62% of covered payroll. Covered payroll for employees participating in the plan as of January 1, 2016 (the most recent actuarial valuation date) was \$12,426,773 (based on covered earnings for the preceding year). The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the City reported a net pension liability of \$7,591,942. The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. For the fiscal year ended June 30, 2016, the City recognized pension expense of \$1,080,536.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plans (continued)

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 9/30/2014	\$ 26,347,689	\$ 20,313,594	\$ 6,034,095
Changes for the year:			
Service cost	377,227	0	377,227
Interest	1,989,841	0	1,989,841
Differences between expected and actual experience	597,738	0	597,738
Contributions-employer	0	1,208,604	(1,208,604)
Net investment income	0	235,211	(235,211)
Benefit payments, including refunds of employee contribution	(1,344,634)	(1,344,634)	0
Administrative expense	0	(36,856)	36,856
Net changes	<u>1,620,172</u>	<u>62,325</u>	<u>1,557,847</u>
Balances at 9/30/2015	\$ 27,967,861	\$ 20,375,919	\$ 7,591,942

Plan fiduciary net position as a percentage of the total pension liability	72.85%
Covered employee payroll	\$ 12,426,773
Net pension liability as a percentage of covered employee payroll	61.09%

At June 30, 2016, 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	\$ 736,056	\$ 0
Changes of assumptions	0	(188,540)
Net difference between projected and actual earnings on pension plan investments	1,065,912	(402,712)
Contributions subsequent to the measurement date	<u>989,384</u>	<u>0</u>
Totals	<u><u>\$ 2,791,352</u></u>	<u><u>\$ (591,252)</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plans (continued)

The \$989,384 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	
2017	\$ (244,214)
2018	(244,214)
2019	(244,214)
2020	(378,451)
2021	(99,623)
Totals	<u><u>\$ (1,210,716)</u></u>

Actuarial Assumptions. The total pension liability in the January 1, 2016 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	0.00%
Net investment rate of return	7.75%
Actuarial cost method	Projected unit credit method
Amortization method	Closed level dollar
Remaining amortization period	10 years

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, 2016 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plans (continued)

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%		

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

14. Pension Plans (continued)

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%	\$ 11,249,585
Current discount rate	7.75%	7,591,942
1% increase	8.75%	4,545,644

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.

15. 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 OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

15. Post-Employment Health Care Benefits (continued)

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>

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

15. Post-Employment Health Care Benefits (continued)

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.

Annual OPEB Cost and Net OPEB Obligation

For fiscal year 2016, the City's annual OPEB cost of \$291,534 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	\$ 340,361
Interest on net OPEB obligation	54,320
Adjustment to ARC	<u>(103,147)</u>
Annual OPEB cost	291,534
Contributions made	<u>(54,246)</u>
Increase (decrease) in net OPEB obligation	237,288
Net OPEB obligation - beginning of year	<u>1,357,995</u>
Net OPEB obligation - end of year	<u><u>\$ 1,595,283</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

15. 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
2016	291,534	19%	1,595,283

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

16. 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, 2016, follows:

Lodging Tax Receipts	\$412,643	
Disbursements for tourism and visitor programs	\$247,586	60% of tax receipts

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

17. 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.

18. 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.

19. 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, 2016

19. 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.

20. 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, 2016. At fiscal year end, the City's commitments with contractors are as follows:

Project	<u>Amount Expended to Date</u>	<u>Remaining Commitment</u>
Greenbelt Project	\$ 994,245	\$ 807,413

Utility Repair: The City has budgeted \$1,500,000 for utility repair for the next fiscal year.

Library Expansion Project: The City has committed \$1,500,000 to West Georgia Regional Library to assist with major renovations to its Carrollton facility. The City intends to fund this commitment with 2015 SPLOST funds.

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 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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

20. Commitments and Contingencies (continued)

Committee was formed to help push the project forward. The project is divided into multiple phases with 15.5 miles completed to date.

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.

21. Material Budget Violations

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

Finance and Purchasing	\$	60,261
Legal		7,255
Landfill		18,997
Recreation Programs		41,586
Recreation Arts		108,509

The following Special Revenue Funds had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2016.

Drug Seizure	\$	47,847
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In the future, actual expenditures will be compared to budgeted expenditures and budget amendments will be made when appropriate.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	2015
Total pension liability		
Service cost	\$ 377,227	\$ 334,167
Interest	1,989,841	1,911,478
Differences between expected and actual experience	597,738	356,908
Benefit payments, including refunds of employee contributions	(1,344,634)	(1,272,573)
Other changes	0	(282,808)
Net change in total pension liability	1,620,172	1,047,172
Total pension liability - beginning	26,347,689	25,300,517
Total pension liability - ending (a)	\$ 27,967,861	\$ 26,347,689
Plan fiduciary net position		
Contributions - employer	\$ 1,208,604	\$ 1,248,419
Net investment income	235,211	2,085,904
Benefit payments, including refunds of employee contributions	(1,344,634)	(1,272,573)
Administrative expense	(36,856)	(29,317)
Net change in total pension liability	62,325	2,032,433
Plan fiduciary net position - beginning	20,313,594	18,281,161
Plan fiduciary net position - ending (b)	\$ 20,375,919	\$ 20,313,594
Net pension liability (asset) - ending : (a) - (b)	\$ 7,591,942	\$ 6,034,095
Plan's fiduciary net position as a percentage of the total pension liability	72.85%	77.10%
Covered-employee payroll	\$ 12,426,773	\$ 11,901,447
Net pension liability as a percentage of covered-employee payroll	61.09%	50.70%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2016
(Unaudited)

	Fiscal Year End	
	2016	2015
Actuarially determined contribution	\$ 1,195,231	\$ 1,186,903
Contributions in relation to the actuarially determined contribution	(1,195,231)	(1,186,903)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered-employee payroll	\$ 12,426,773	\$ 11,901,447
Contributions as a percentage of covered-employee payroll	9.62%	9.97%

Note: Fiscal year 2015 was the first year of implementation. Therefore, years prior are not reported.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2016, 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

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, 2016

3. Changes in Benefits

Effective January 1, 2014, severance payments and car allowances are included in the earning definition.

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 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%

Exhibit B-3, continued

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SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	West Metro Regional Drug Enforcement
ASSETS				
Cash and cash equivalents	\$ 158,059	\$ 174,199	\$ 38,160	\$ 1,029,736
Receivables				
Intergovernmental	0	1,711	0	202,084
Taxes	38,970	0	0	0
Prepays	21,125	0	0	0
Due from other funds	0	0	0	0
Total assets	<u>\$ 218,154</u>	<u>\$ 175,910</u>	<u>\$ 38,160</u>	<u>\$ 1,231,820</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 18,475	\$ 6,168	\$ 446	\$ 6,300
Unearned revenue	0	0	0	19,000
Due to other funds	33,066	0	0	32,919
Due to others	0	9,792	0	184,247
Total liabilities	<u>51,541</u>	<u>15,960</u>	<u>446</u>	<u>242,466</u>
Fund balances				
Nonspendable:				
Prepays	21,125	0	0	0
Restricted for:				
Public Safety	0	159,950	37,714	989,354
Housing and Development	145,488	0	0	0
Capital outlay	0	0	0	0
Total fund balances	<u>166,613</u>	<u>159,950</u>	<u>37,714</u>	<u>989,354</u>
Total liabilities and fund balances	<u>\$ 218,154</u>	<u>\$ 175,910</u>	<u>\$ 38,160</u>	<u>\$ 1,231,820</u>

Neighborhood Stabilization Program	Capital Projects		Total Nonmajor Governmental Funds
	2004 SPLOST	Capital Projects Fund for Public Roads	
\$ 1,114,124	\$ 639	\$ 298,673	\$ 2,813,590
27,130	0	0	230,925
0	0	0	38,970
0	0	0	21,125
22,821	0	0	22,821
<u>\$ 1,164,075</u>	<u>\$ 639</u>	<u>\$ 298,673</u>	<u>\$ 3,127,431</u>
\$ 3,891	\$ 0	\$ 286,363	\$ 321,643
0	0	0	19,000
0	0	1,288	67,273
0	0	0	194,039
<u>3,891</u>	<u>0</u>	<u>287,651</u>	<u>601,955</u>
0	0	0	21,125
0	0	0	1,187,018
1,160,184	0	0	1,305,672
0	639	11,022	11,661
<u>1,160,184</u>	<u>639</u>	<u>11,022</u>	<u>2,525,476</u>
<u>\$ 1,164,075</u>	<u>\$ 639</u>	<u>\$ 298,673</u>	<u>\$ 3,127,431</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, 2016

	Special Revenue			
			Regional	
	Hotel/Motel	Drug	Hazardous	West Metro
	Tax	Seizure	Material	Regional Drug
			Team	Enforcement
REVENUES				
Taxes	\$ 412,643	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	86,370	0	76,338
Charges for services	0	0	3,000	0
Intergovernmental	0	0	0	549,319
Contributions	30,500	0	0	0
Interest	89	88	39	1,027
Other	0	0	0	2,875
Total revenues	443,232	86,458	3,039	629,559
EXPENDITURES				
Current				
Public Safety	0	68,347	2,867	590,617
Housing and Development	193,435	0	0	0
Capital Outlay	0	0	0	0
Total expenditures	193,435	68,347	2,867	590,617
Excess (deficiency) of revenues over (under) expenditures	249,797	18,111	172	38,942
Other financing sources (uses)				
Transfers in	0	0	0	0
Transfers out	(165,057)	0	0	0
Sale of capital assets	0	520	0	0
Total other financing sources (uses)	(165,057)	520	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	84,740	18,631	172	38,942
Fund balances, July 1	81,873	141,319	37,542	950,412
Fund balances, June 30	\$ 166,613	\$ 159,950	\$ 37,714	\$ 989,354

Neighborhood Stabilization Program	Capital Projects		Total Nonmajor Governmental Funds
	2004 SPLOST	Capital Projects Fund for Public Roads	
\$ 0	\$ 0	\$ 0	\$ 412,643
0	0	0	162,708
0	0	0	3,000
279,769	0	210,364	1,039,452
0	0	0	30,500
715	1	24	1,983
11,064	0	0	13,939
291,548	1	210,388	1,664,225
0	0	0	661,831
361,193	0	0	554,628
0	0	292,670	292,670
361,193	0	292,670	1,509,129
(69,645)	1	(82,282)	155,096
0	0	381,890	381,890
0	(100,000)	(359,815)	(624,872)
0	0	0	520
0	(100,000)	22,075	(242,462)
(69,645)	(99,999)	(60,207)	(87,366)
1,229,829	100,638	71,229	2,612,842
<u>\$ 1,160,184</u>	<u>\$ 639</u>	<u>\$ 11,022</u>	<u>\$ 2,525,476</u>

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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
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 11,737,344	\$ 11,403,821
Receivables (net)		
Accounts	165,014	182,124
Intergovernmental	36,059	16,213
Taxes	605,386	631,297
Prepaid items	265,418	263,166
Due from other funds	523,063	482,368
Restricted assets		
Cash and cash equivalents	276,851	371,079
Certificates of deposit	49,559	49,398
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 13,658,694</u></u>	<u><u>\$ 13,399,466</u></u>
LIABILITIES		
Accounts payable	\$ 663,255	\$ 535,333
Accrued liabilities	105,750	0
Accrued salaries and payroll liabilities	444,662	350,604
Unearned revenue	199,383	214,169
Due to other funds	48,176	51,176
	<u> </u>	<u> </u>
Total liabilities	<u>1,461,226</u>	<u>1,151,282</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	41,390	57,803
	<u> </u>	<u> </u>
FUND BALANCES		
Nonspendable		
Prepaid items	265,418	263,166
Restricted for Culture and Recreation	227,032	275,525
Restricted for Housing and Development	99,378	144,952
Unassigned	11,564,250	11,506,738
	<u> </u>	<u> </u>
Total fund balances	<u>12,156,078</u>	<u>12,190,381</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 13,658,694</u></u>	<u><u>\$ 13,399,466</u></u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes	\$ 13,718,103	\$ 13,435,830
Licenses and permits	376,478	312,501
Fines, fees and forfeitures	798,214	813,077
Charges for services	2,583,574	2,261,904
Intergovernmental	1,225,363	1,204,208
Interest	10,887	10,007
Other	105,821	212,092
Total revenues	<u>18,818,440</u>	<u>18,249,619</u>
EXPENDITURES		
Current		
General Government	1,560,095	1,392,673
Public Safety	11,032,707	10,593,836
Public Works	1,535,811	1,733,405
Culture and Recreation	5,755,348	5,466,900
Housing and Development	567,437	543,279
Total current	<u>20,451,398</u>	<u>19,730,093</u>
Debt Service		
Public Safety	89,849	86,672
Total expenditures	<u>20,541,247</u>	<u>19,816,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,722,807)</u>	<u>(1,567,146)</u>
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	165,057	132,092
Water and Sewerage Fund	914,500	1,003,000
Sanitation Enterprise Fund	635,500	697,000
Proceeds from sale of assets	6,630	0
Total other financing sources (uses)	<u>1,721,687</u>	<u>1,832,092</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,120)</u>	<u>264,946</u>
Fund balances, July 1 (original)	12,190,381	12,471,119
Prior period adjustments	<u>(33,183)</u>	<u>(545,684)</u>
Fund balances, July 1 (restated)	<u>12,157,198</u>	<u>11,925,435</u>
Fund balances, June 30	<u><u>\$ 12,156,078</u></u>	<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, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 3,250,000	\$ 3,163,610	\$ (86,390)	\$ 3,095,760
Motor vehicle tax	724,500	688,397	(36,103)	728,911
Cost, penalties and interest	50,000	24,296	(25,704)	19,641
Total general property taxes	4,024,500	3,876,303	(148,197)	3,844,312
Local option sales tax	3,850,000	3,880,956	30,956	3,881,847
Insurance premium tax	1,392,500	1,405,478	12,978	1,315,577
Intangibles tax	20,000	28,946	8,946	29,420
Franchise tax	2,525,000	2,498,711	(26,289)	2,437,647
Alcohol excise tax	700,000	743,140	43,140	711,759
Occupational tax	975,000	1,074,619	99,619	1,047,489
Energy excise tax	125,000	209,950	84,950	167,779
Total taxes	13,612,000	13,718,103	106,103	13,435,830
Licenses and permits				
Alcohol licenses	200,000	253,999	53,999	192,909
Building permits	100,000	122,479	22,479	119,592
Total licenses and permits	300,000	376,478	76,478	312,501
Fines, fees and forfeitures	850,000	798,214	(51,786)	813,077
Charges for Services				
Reimbursement of joint expenses	1,028,982	1,028,976	(6)	953,940
Recreation fees	1,275,103	1,458,817	183,714	1,159,166
Main Street events	150,000	95,781	(54,219)	123,073
Cemetery charges	0	0	0	25,725
Total charges for services	2,454,085	2,583,574	129,489	2,261,904
Intergovernmental	1,137,870	1,225,363	87,493	1,204,208
Interest	10,000	10,887	887	10,007
Other				
Rental income	60,000	60,855	855	135,055
Miscellaneous	263,700	44,966	(218,734)	77,037
Total other	323,700	105,821	(217,879)	212,092
Total revenues	\$ 18,687,655	\$ 18,818,440	\$ 130,785	\$ 18,249,619

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 62,887	\$ 51,668	\$ 11,219	\$ 64,118
Contract services	23,300	19,552	3,748	14,262
Materials and supplies	500	0	500	0
Total Mayor and Council	86,687	71,220	15,467	78,380
City Manager				
Personal services	96,449	89,104	7,345	90,155
Contract services	5,800	5,169	631	5,494
Materials and supplies	250	0	250	0
Total City Manager	102,499	94,273	8,226	95,649
General Administration				
Personal services	5,000	2,004	2,996	1,356
Contract services	634,103	654,520	(20,417)	642,365
Materials and supplies	215,800	220,054	(4,254)	196,765
Capital outlay	10,000	0	10,000	0
Payments to others	100,000	26,500	73,500	18,350
Total General Administration	964,903	903,078	61,825	858,836
Finance and Purchasing				
Personal services	58,149	58,013	136	40,506
Contract services	5,300	5,508	(208)	5,746
Materials and supplies	0	60,189	(60,189)	9,160
Total Finance and Purchasing	63,449	123,710	(60,261)	55,412
Human Resources				
Personal services	122,181	109,774	12,407	104,119
Contract services	11,510	5,884	5,626	3,510
Materials and supplies	2,000	141	1,859	3,627
Capital outlay	0	0	0	299
Total Human Resources	135,691	115,799	19,892	111,555
General Maintenance				
Personal services	81,819	73,087	8,732	83,096
Contract services	5,300	3,720	1,580	3,235
Materials and supplies	4,700	2,953	1,747	2,653
Total General Maintenance	91,819	79,760	12,059	88,984
Legal				
Contract services	165,000	172,255	(7,255)	103,857
Total General Government	1,610,048	1,560,095	49,953	1,392,673

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Public Safety				
Police Department				
Personal services	\$ 5,520,919	\$ 5,473,540	\$ 47,379	\$ 5,193,619
Contract services	464,356	479,854	(15,498)	449,093
Materials and supplies	314,550	288,193	26,357	284,384
Capital outlay	39,400	10,576	28,824	73,632
Total Police Department	<u>6,339,225</u>	<u>6,252,163</u>	<u>87,062</u>	<u>6,000,728</u>
Fire Department				
Personal services	4,559,344	4,468,206	91,138	4,259,592
Contract services	190,106	167,303	22,803	180,694
Materials and supplies	175,491	145,035	30,456	152,822
Total Fire Department	<u>4,924,941</u>	<u>4,780,544</u>	<u>144,397</u>	<u>4,593,108</u>
Total Public Safety	<u>11,264,166</u>	<u>11,032,707</u>	<u>231,459</u>	<u>10,593,836</u>
Public Works				
Street Department				
Contract services	129,101	106,242	22,859	131,954
Materials and supplies	123,200	59,950	63,250	66,276
Capital outlay	1,000,000	618,199	381,801	810,146
Total Street Department	<u>1,252,301</u>	<u>784,391</u>	<u>467,910</u>	<u>1,008,376</u>
Engineering				
Personal services	121,260	133,103	(11,843)	122,532
Contract services	18,800	13,316	5,484	10,845
Materials and supplies	388,500	370,727	17,773	382,080
Capital outlay	0	0	0	2,520
Total Engineering	<u>528,560</u>	<u>517,146</u>	<u>11,414</u>	<u>517,977</u>
Landfill				
Personal services	<u>76,290</u>	<u>95,287</u>	<u>(18,997)</u>	<u>73,144</u>
Garage				
Personal services	120,239	121,844	(1,605)	109,249
Contract services	9,200	3,788	5,412	3,465
Materials and supplies	19,300	13,355	5,945	21,194
Capital outlay	10,000	0	10,000	0
Total Garage	<u>158,739</u>	<u>138,987</u>	<u>19,752</u>	<u>133,908</u>
Total Public Works	<u>2,015,890</u>	<u>1,535,811</u>	<u>480,079</u>	<u>1,733,405</u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	\$ 300,035	\$ 300,036	\$ (1)	\$ 297,648
Recreation Administration				
Personal services	460,514	439,506	21,008	422,628
Contract services	110,594	134,398	(23,804)	107,642
Materials and supplies	490,770	447,440	43,330	428,834
Capital outlay	0	6,500	(6,500)	0
Total Recreation Administration	1,061,878	1,027,844	34,034	959,104
Recreation Parks				
Personal services	999,341	928,887	70,454	903,952
Contract services	354,582	422,979	(68,397)	331,267
Materials and supplies	108,635	81,393	27,242	88,088
Capital outlay	0	11,900	(11,900)	27,475
Total Recreation Parks	1,462,558	1,445,159	17,399	1,350,782
Recreation Programs				
Personal services	835,217	786,023	49,194	756,466
Contract services	111,420	147,335	(35,915)	159,057
Materials and supplies	274,584	329,449	(54,865)	416,218
Total Recreation Programs	1,221,221	1,262,807	(41,586)	1,331,741
Recreation Arts				
Personal services	320,931	325,588	(4,657)	307,718
Contract services	81,801	78,359	3,442	54,416
Materials and supplies	111,221	218,515	(107,294)	117,186
Capital outlay	0	0	0	3,798
Total Recreation Arts	513,953	622,462	(108,509)	483,118
Recreation Athletics				
Personal services	878,694	888,330	(9,636)	839,219
Contract services	81,234	87,029	(5,795)	60,644
Materials and supplies	121,094	121,681	(587)	115,144
Capital outlay	0	0	0	29,500
Total Recreation Athletics	1,081,022	1,097,040	(16,018)	1,044,507
Total Culture & Recreation	5,640,667	5,755,348	(114,681)	5,466,900

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	\$ 121,254	\$ 121,178	\$ 76	\$ 109,199
Contract services	5,300	4,014	1,286	5,237
Materials and supplies	1,500	434	1,066	719
Total Planning Administration	128,054	125,626	2,428	115,155
Code Enforcement				
Personal services	70,231	69,360	871	67,493
Contract services	10,200	6,838	3,362	6,186
Materials and supplies	5,150	2,148	3,002	2,356
Total Code Enforcement	85,581	78,346	7,235	76,035
Convention and Visitor's Bureau				
Personal services	73,175	85,289	(12,114)	82,160
Contract services	67,310	62,369	4,941	61,616
Materials and supplies	19,215	6,995	12,220	11,456
Total Convention and Visitor's Bureau	159,700	154,653	5,047	155,232
Main Street Division				
Personal services	119,627	116,607	3,020	110,786
Contract services	31,640	27,329	4,311	19,614
Materials and supplies	72,500	64,876	7,624	66,457
Total Main Street Division	223,767	208,812	14,955	196,857
Total Housing and Development	597,102	567,437	29,665	543,279
Total Current	21,127,873	20,451,398	676,475	19,730,093
Debt Service				
General Administration	0	13,920	(13,920)	14,564
Police Department	55,804	56,969	(1,165)	54,081
Fire Department	18,602	18,960	(358)	18,027
Total Debt Service	74,406	89,849	(15,443)	86,672
Total Expenditures	\$ 21,202,279	\$ 20,541,247	\$ 661,032	\$ 19,816,765

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
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 158,059	\$ 49,806
Taxes receivable	38,970	27,708
Prepaid items	<u>21,125</u>	<u>25,625</u>
Total assets	<u><u>\$ 218,154</u></u>	<u><u>\$ 103,139</u></u>
 LIABILITIES		
Accounts payable	\$ 18,475	\$ 6,794
Due to other funds	<u>33,066</u>	<u>14,472</u>
 Total liabilities	<u>51,541</u>	<u>21,266</u>
 FUND BALANCES		
Nonspendable		
Prepaid items	21,125	25,625
Restricted for Housing and Development	<u>145,488</u>	<u>56,248</u>
 Total fund balances	<u>166,613</u>	<u>81,873</u>
 Total liabilities and fund balances	<u><u>\$ 218,154</u></u>	<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, 2016

(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 325,000	\$ 412,643	\$ 87,643	\$ 330,230
Contributions	40,000	30,500	(9,500)	54,536
Interest	500	89	(411)	58
Other	0	0	0	81
Total revenues	365,500	443,232	77,732	384,905
EXPENDITURES				
Current				
Housing and Development				
Contract services	40,000	110,906	(70,906)	130,307
Payments to other agencies	325,500	82,529	242,971	141,046
Total expenditures	365,500	193,435	172,065	271,353
Excess (deficiency) of revenues over (under) expenditures	0	249,797	249,797	113,552
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(165,057)	(165,057)	(132,092)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	84,740	84,740	(18,540)
Fund balance, July 1	0	81,873	81,873	100,413
Fund balances, June 30	\$ 0	\$ 166,613	\$ 166,613	\$ 81,873

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 174,199	\$ 160,437
Intergovernmental receivable	<u>1,711</u>	<u>4,121</u>
Total assets	<u><u>\$ 175,910</u></u>	<u><u>\$ 164,558</u></u>
LIABILITIES		
Accounts payable	\$ 6,168	\$ 0
Due to others	<u>9,792</u>	<u>23,239</u>
Total liabilities	15,960	23,239
FUND BALANCES		
Restricted for Public Safety	<u>159,950</u>	<u>141,319</u>
Total liabilities and fund balances	<u><u>\$ 175,910</u></u>	<u><u>\$ 164,558</u></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, 2016**

(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 20,000	\$ 86,370	\$ 66,370	\$ 107,598
Interest	500	88	(412)	64
Total revenues	<u>20,500</u>	<u>86,458</u>	<u>65,958</u>	<u>107,662</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	2,680	(2,680)	4,443
Materials and supplies	20,500	10,914	9,586	7,566
Capital Outlay	0	46,732	(46,732)	72,800
Payment to others	0	8,021	(8,021)	5,866
Total expenditures	<u>20,500</u>	<u>68,347</u>	<u>(47,847)</u>	<u>90,675</u>
Excess (deficiency) of revenues over (under) expenditures	0	18,111	18,111	16,987
Other financing sources (uses)				
Proceeds from sale of assets	0	520	520	10,420
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	18,631	18,631	27,407
Fund balance, July 1	0	141,319	141,319	113,912
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 159,950</u>	<u>\$ 159,950</u>	<u>\$ 141,319</u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	<u>\$ 38,160</u>	<u>\$ 37,542</u>
 LIABILITIES		
Accounts payable	\$ 446	\$ 0
 FUND BALANCES		
Restricted for Public Safety	<u> 37,714</u>	<u> 37,542</u>
 Total liabilities and fund balances	<u><u>\$ 38,160</u></u>	<u><u>\$ 37,542</u></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, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 3,000	\$ 3,000	\$ 0	\$ 4,554
Intergovernmental	0	0	0	13,962
Interest	500	39	(461)	38
Total revenues	3,500	3,039	(461)	18,554
EXPENDITURES				
Current				
Public Safety				
Contract services	0	0	0	22,741
Materials and supplies	3,500	2,867	633	0
Total expenditures	3,500	2,867	633	22,741
Excess (deficiency) of revenues over (under) expenditures	0	172	172	(4,187)
Fund balance, July 1	0	37,542	37,542	41,729
Fund balances, June 30	\$ 0	\$ 37,714	\$ 37,714	\$ 37,542

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,029,736	\$ 1,016,011
Intergovernmental receivable	<u>202,084</u>	<u>104,648</u>
Total assets	<u><u>\$ 1,231,820</u></u>	<u><u>\$ 1,120,659</u></u>
LIABILITIES		
Accounts payable	\$ 6,300	\$ 8,202
Due to other funds	32,919	18,008
Unearned revenue	19,000	19,000
Due to others	<u>184,247</u>	<u>125,037</u>
Total liabilities	242,466	170,247
FUND BALANCES		
Restricted for Public Safety	<u>989,354</u>	<u>950,412</u>
Total liabilities and fund balances	<u><u>\$ 1,231,820</u></u>	<u><u>\$ 1,120,659</u></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, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 87,000	\$ 76,338	\$ (10,662)	\$ 649,786
Intergovernmental	636,443	549,319	(87,124)	602,486
Interest	0	1,027	1,027	756
Other	0	2,875	2,875	129
Total revenues	723,443	629,559	(93,884)	1,253,157
EXPENDITURES				
Current				
Public Safety				
Personal services	499,733	399,933	99,800	430,456
Contract services	90,678	55,923	34,755	68,357
Materials and supplies	93,032	54,784	38,248	77,896
Capital outlay	40,000	70,759	(30,759)	115,443
Payments to others	0	9,218	(9,218)	82,522
Total expenditures	723,443	590,617	132,826	774,674
Excess (deficiency) of revenues over (under) expenditures	0	38,942	38,942	478,483
Fund balance, July 1	0	950,412	950,412	471,929
Fund balances, June 30	\$ 0	\$ 989,354	\$ 989,354	\$ 950,412

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,114,124	\$ 964,544
Intergovernmental Receivable	27,130	27,369
Due from other funds	22,821	25,821
Property held for resale	<u>0</u>	<u>219,242</u>
Total assets	<u><u>\$ 1,164,075</u></u>	<u><u>\$ 1,236,976</u></u>
LIABILITIES		
Accounts payable	<u>\$ 3,891</u>	<u>\$ 7,147</u>
FUND BALANCES		
Nonspendable		
Property held for resale	0	219,242
Restricted for Housing and Development	<u>1,160,184</u>	<u>1,010,587</u>
Total fund balances	<u>1,160,184</u>	<u>1,229,829</u>
Total liabilities and fund balances	<u><u>\$ 1,164,075</u></u>	<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, 2016
(With comparative actual amounts for the fiscal year ending June 30, 2015)

	2016			2015
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 978,995	\$ 279,769	\$ (699,226)	\$ 591,862
Interest	0	715	715	697
Other	0	11,064	11,064	17,278
Total revenues	978,995	291,548	(687,447)	609,837
EXPENDITURES				
Current				
Housing and Development	978,995	361,193	617,802	604,700
Excess (deficiency) of revenues over (under) expenditures	0	(69,645)	(69,645)	5,137
Fund balance, July 1 (original)	0	1,229,829	1,229,829	981,866
Prior period adjustment	0	0	0	242,826
Fund balance, July 1 (restated)	0	1,229,829	1,229,829	1,224,692
Fund balances, June 30	\$ 0	\$ 1,160,184	\$ 1,160,184	\$ 1,229,829

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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
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 639	\$ 638
Due from other funds	<u>0</u>	<u>100,000</u>
Total assets	<u><u>\$ 639</u></u>	<u><u>\$ 100,638</u></u>
 FUND BALANCES		
Restricted for capital outlay	<u><u>\$ 639</u></u>	<u><u>\$ 100,638</u></u>

CITY OF CARROLLTON, GEORGIA
2004 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Interest	\$ 1	\$ 25
EXPENDITURES		
Capital outlay		
Housing and Development	<u>0</u>	<u>60,048</u>
Excess (deficiency) of revenues over (under) expenditures	1	(60,023)
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	<u>(100,000)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(99,999)	(60,023)
Fund balances, July 1	<u>100,638</u>	<u>160,661</u>
Fund balances, June 30	<u><u>\$ 639</u></u>	<u><u>\$ 100,638</u></u>

CITY OF CARROLLTON, GEORGIA
2009 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,283	\$ 53,403
Due from other funds	<u>21,884</u>	<u>21,884</u>
Total assets	<u><u>\$ 23,167</u></u>	<u><u>\$ 75,287</u></u>
LIABILITIES		
Accounts payable	\$ 0	\$ 36,564
Unearned revenue	0	110,000
Due to other funds	<u>6,884</u>	<u>466,702</u>
Total liabilities	<u>6,884</u>	<u>613,266</u>
FUND BALANCES		
Restricted for capital outlay	16,283	0
Unassigned	<u>0</u>	<u>(537,979)</u>
Total fund balances	<u>16,283</u>	<u>(537,979)</u>
Total liabilities and fund balances	<u><u>\$ 23,167</u></u>	<u><u>\$ 75,287</u></u>

CITY OF CARROLLTON, GEORGIA
2009 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Intergovernmental	\$ 0	\$ 2,576,613
Contributions	497	85,479
	<u>497</u>	<u>2,662,092</u>
Total revenues	<u>497</u>	<u>2,662,092</u>
EXPENDITURES		
Capital outlay		
Public Safety	0	102,455
Public Works	16,053	1,085,468
Culture and Recreation	0	1,033,725
Housing and Development	0	166,305
Debt service	0	2,041,817
	<u>16,053</u>	<u>4,429,770</u>
Total expenditures	<u>16,053</u>	<u>4,429,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,556)</u>	<u>(1,767,678)</u>
Other financing sources (uses)		
Transfers in (out)		
2004 SPLOST Fund	100,000	0
2015 SPLOST Fund	110,000	0
Capital Projects Fund for Public Roads	359,818	0
Water and Sewerage Fund	0	(80,422)
	<u>569,818</u>	<u>(80,422)</u>
Total transfers in (out)	<u>569,818</u>	<u>(80,422)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	554,262	(1,848,100)
Fund balances, July 1	<u>(537,979)</u>	<u>1,310,121</u>
Fund balances, June 30	<u><u>\$ 16,283</u></u>	<u><u>\$ (537,979)</u></u>

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,893,581	\$ 5,898,299
Intergovernmental Receivable	590,192	583,123
Due from other funds	<u>26,431</u>	<u>381,890</u>
Total assets	<u><u>\$ 2,510,204</u></u>	<u><u>\$ 6,863,312</u></u>
 LIABILITIES		
Accounts payable	\$ 320,102	\$ 377,924
Retainages payable	14,567	78,108
Due to other funds	5,478	0
Unearned revenue	<u>110,000</u>	<u>0</u>
 Total liabilities	450,147	456,032
 FUND BALANCES		
Restricted for capital outlay	<u>2,060,057</u>	<u>6,407,280</u>
 Total liabilities and fund balances	<u><u>\$ 2,510,204</u></u>	<u><u>\$ 6,863,312</u></u>

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Intergovernmental	\$ 3,531,198	\$ 896,470
Contributions	419,243	212,636
Interest	<u>3,376</u>	<u>8,589</u>
Total revenues	<u>3,953,817</u>	<u>1,117,695</u>
EXPENDITURES		
Capital outlay		
General Government	31,077	8,886
Public Safety	1,981,182	2,344,996
Public Works	1,527,680	659,475
Culture and Recreation	2,254,859	1,866,356
Housing and Development	33,015	270,971
Debt service	<u>1,958,650</u>	<u>0</u>
Total expenditures	<u>7,786,463</u>	<u>5,150,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,832,646)</u>	<u>(4,032,989)</u>
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	(110,000)	0
Capital Projects Fund for Public Roads	(381,890)	0
Water and Sewerage Fund	<u>(22,687)</u>	<u>(37,483)</u>
Total transfers in (out)	<u>(514,577)</u>	<u>(37,483)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,347,223)	(4,070,472)
Fund balances, July 1	<u>6,407,280</u>	<u>10,477,752</u>
Fund balances, June 30	<u><u>\$ 2,060,057</u></u>	<u><u>\$ 6,407,280</u></u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 298,673	\$ 93,304
Due from other funds	<u>0</u>	<u>359,815</u>
Total assets	<u><u>\$ 298,673</u></u>	<u><u>\$ 453,119</u></u>
 LIABILITIES		
Accounts payable	\$ 286,363	\$ 0
Due to other funds	<u>1,288</u>	<u>381,890</u>
 Total liabilities	286,363	0
 FUND BALANCES		
Restricted for capital outlay	<u>11,022</u>	<u>71,229</u>
 Total liabilities and fund balances	<u><u>\$ 298,673</u></u>	<u><u>\$ 453,119</u></u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Intergovernmental	\$ 210,364	\$ 205,325
Interest	24	7
Other	<u>0</u>	<u>65</u>
Total revenues	<u>210,388</u>	<u>205,397</u>
EXPENDITURES		
Capital Outlay		
Street Department	<u>292,670</u>	<u>516,582</u>
Total expenditures	<u>292,670</u>	<u>516,582</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(82,282)</u>	<u>(311,185)</u>
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	(359,815)	0
2015 SPLOST Fund	<u>381,890</u>	<u>0</u>
Total transfers in (out)	<u>22,075</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(60,207)</u>	<u>(311,185)</u>
Fund balances, July 1 (original)	71,229	0
Prior period adjustment	<u>0</u>	<u>382,414</u>
Fund balances, July 1 (restated)	<u>71,229</u>	<u>382,414</u>
Fund balances, June 30	<u><u>\$ 11,022</u></u>	<u><u>\$ 71,229</u></u>

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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
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,969,203	\$ 2,280,821
Accounts receivable, net	1,876,729	1,956,702
Inventories	300,994	271,376
Prepaid items	136,689	138,190
	<u>5,283,615</u>	<u>4,647,089</u>
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	259,107	258,847
Debt Redemption		
Cash and cash equivalents	20,223	20,080
Construction Projects		
Cash and cash equivalents	341,874	392,704
Customer Deposits		
Cash and cash equivalents	439,610	354,540
	<u>1,060,814</u>	<u>1,026,171</u>
Capital assets		
Land	8,933,204	8,933,204
Construction in progress	402,427	402,427
Buildings	5,887,236	5,767,543
Infrastructure	109,053	109,053
Distribution system	92,432,888	90,768,562
Vehicles and equipment	3,875,748	3,931,273
Accumulated depreciation	(37,501,514)	(35,712,510)
	<u>74,139,042</u>	<u>74,199,552</u>
Total assets	<u>80,483,471</u>	<u>79,872,812</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on debt refunding	27,963	50,333
Pension contributions subsequent to measurement date	232,659	237,580
Pension experience differences	172,857	69,938
Pension investment return differences	250,102	0
	<u>683,581</u>	<u>357,851</u>
Total deferred outflows of resources	<u>683,581</u>	<u>357,851</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 648,185	\$ 777,911
Accrued liabilities	47,054	0
Accrued salaries and payroll liabilities	91,829	90,545
Compensated absences	52,897	62,172
Due to other funds	322,624	295,768
Capital leases	54,534	54,534
Current liabilities payable from restricted assets		
Customer deposits payable	439,610	354,540
Notes payable	25,000	162,402
Bonds payable	199,000	194,000
	<u>1,880,733</u>	<u>1,991,872</u>
Total current liabilities		
Long-term liabilities		
Net pension liability	1,784,415	1,418,887
Net OPEB obligation	352,650	300,189
Capital leases	54,534	109,069
Notes payable	316,667	341,667
Bonds payable	5,926,000	6,321,000
	<u>8,434,266</u>	<u>8,490,812</u>
Total long-term liabilities		
Total liabilities	<u>10,314,999</u>	<u>10,482,684</u>
DEFERRED INFLOWS OF RESOURCES		
Pension investment return differences	94,764	126,261
Pension assumption changes	44,358	55,418
	<u>139,122</u>	<u>181,679</u>
Total deferred inflows of resources		
NET POSITION		
Net investment in capital assets	67,639,766	67,399,828
Restricted for Debt Service	20,223	20,080
Restricted for Capital Outlay	259,107	258,847
Unrestricted	2,793,835	1,887,545
	<u>70,712,931</u>	<u>69,566,300</u>
Total net position	<u>\$ 70,712,931</u>	<u>\$ 69,566,300</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 7,524,536	\$ 7,036,322
Sewer sales	5,316,685	4,353,094
Tap fees	439,005	192,505
Other	163,942	107,624
Total operating revenues	<u>13,444,168</u>	<u>11,689,545</u>
OPERATING EXPENSES		
Costs of sales and services	4,380,877	4,557,046
Personal services	4,691,065	4,310,864
Depreciation	2,073,361	1,973,782
Total operating expenses	<u>11,145,303</u>	<u>10,841,692</u>
Operating income (loss)	<u>2,298,865</u>	<u>847,853</u>
Non-operating revenues (expenses)		
Interest and investment earnings	4,249	5,121
Interest expense	(175,036)	(229,547)
Debt issue costs	0	(141,235)
Total non-operating revenues (expenses)	<u>(170,787)</u>	<u>(365,661)</u>
Net income (loss) before capital contributions, transfers and special items	2,128,078	482,192
Capital contributions	15,725	191,134
Special item - change in capitalization threshold	<u>(61,685)</u>	<u>0</u>
Net income before transfers	<u>2,082,118</u>	<u>673,326</u>
Transfers in (out)		
2009 SPLOST Fund	0	80,422
2015 SPLOST Fund	22,687	37,483
General Fund	(914,500)	(1,003,000)
Total transfers in (out)	<u>(891,813)</u>	<u>(885,095)</u>
Change in net position	<u>1,190,305</u>	<u>(211,769)</u>
Net position, July 1 (original)	69,566,300	71,417,467
Prior period adjustments	<u>(43,674)</u>	<u>(1,639,398)</u>
Net position, July 1 (restated)	<u>69,522,626</u>	<u>69,778,069</u>
Net position, June 30	<u><u>\$ 70,712,931</u></u>	<u><u>\$ 69,566,300</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 13,445,269	\$ 11,148,516
Payments to suppliers	(4,794,380)	(4,258,779)
Payments to employees	(4,668,344)	(4,349,249)
Other receipts	<u>163,942</u>	<u>107,624</u>
Net cash provided (used) by operating activities	<u>4,146,487</u>	<u>2,648,112</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	26,856	0
Payments to other funds	<u>(914,500)</u>	<u>(1,003,000)</u>
Net cash provided (used) by operating activities	<u>(887,644)</u>	<u>(1,003,000)</u>
Cash flows from capital and related financing activities:		
Receipts from other funds	22,687	117,905
Receipts from other governments	15,725	191,134
Payments for acquisitions of capital assets	(1,818,876)	(3,995,087)
Principal payments - capital leases	(54,534)	(54,534)
Principal payments - promissory notes	(162,402)	(4,782,730)
Proceeds - bonds payable	0	6,705,000
Principal payments - bonds payable	(390,000)	(820,819)
Debt issue and deferred costs	0	(202,752)
Interest paid	<u>(152,667)</u>	<u>(218,362)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,540,067)</u>	<u>(3,060,245)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>4,249</u>	<u>5,121</u>
Net increase (decrease) in cash and cash equivalents	723,025	(1,410,012)
Cash and cash equivalents, July 1	<u>3,306,992</u>	<u>4,717,004</u>
Cash and cash equivalents, June 30	<u><u>\$ 4,030,017</u></u>	<u><u>\$ 3,306,992</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 2,298,865	\$ 847,853
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,073,361	1,973,782
(Increase) decrease in accounts receivable	79,973	(576,673)
(Increase) decrease in intergovernmental receivable	0	144,063
(Increase) decrease in inventories	(29,618)	31,745
(Increase) decrease in prepaid items	1,501	(6,232)
(Increase) decrease in pension contributions subsequent to measurement date	4,921	8,329
(Increase) decrease in pension experience differences	(102,919)	(69,938)
Increase (decrease) in accounts payable	(385,386)	272,754
Increase (decrease) in accrued liabilities	3,380	0
Increase (decrease) in accrued salaries and payroll liabilities	1,284	22,542
Increase (decrease) in compensated absences	(9,275)	12,225
Increase (decrease) in customer deposits	85,070	(795)
Increase (decrease) in net pension liability	365,528	(231,678)
Increase (decrease) in net OPEB Obligation	52,461	38,456
Increase (decrease) in pension assumption differences	(11,060)	55,418
Increase (decrease) in pension investment return differences	(281,599)	126,261
Total adjustments	<u>1,847,622</u>	<u>1,800,259</u>
Net cash provided (used) by operating activities	<u>\$ 4,146,487</u>	<u>\$ 2,648,112</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 2,969,203	\$ 2,280,821
Extension and Renewal		
Cash and cash equivalents	259,107	258,847
Debt Redemption		
Cash and cash equivalents	20,223	20,080
Construction Projects		
Cash and cash equivalents	341,874	392,704
Customer Deposits		
Cash and cash equivalents	<u>439,610</u>	<u>354,540</u>
Total cash and cash equivalents	<u>\$ 4,030,017</u>	<u>\$ 3,306,992</u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,820,505	\$ 3,092,262
Accounts receivable, net	596,616	573,119
Prepaid items	55,865	49,942
Due from other funds	67,987	67,987
Total current assets	<u>3,540,973</u>	<u>3,783,310</u>
Capital assets		
Buildings	20,518	0
Vehicles and equipment	2,241,127	2,224,477
Accumulated depreciation	<u>(1,575,221)</u>	<u>(1,391,194)</u>
Total capital assets (net of accumulated depreciation)	<u>686,424</u>	<u>833,283</u>
Total assets	<u>4,227,397</u>	<u>4,616,593</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	86,148	87,863
Pension experience differences	61,732	25,865
Pension investment return differences	<u>87,159</u>	<u>0</u>
Total deferred outflows of resources	<u>235,039</u>	<u>113,728</u>
LIABILITIES		
Current liabilities		
Accounts payable	81,744	52,752
Accrued liabilities	1,873	0
Accrued salaries and payroll liabilities	29,771	21,732
Compensated absences	16,118	31,575
Due to other funds	211,752	211,752
Capital leases	<u>73,791</u>	<u>73,791</u>
Total current liabilities	<u>415,049</u>	<u>391,602</u>
Long-term liabilities		
Net pension liability	652,120	524,736
Net OPEB obligation	140,107	119,122
Capital leases	<u>118,107</u>	<u>191,899</u>
Total long-term liabilities	<u>910,334</u>	<u>835,757</u>
Total liabilities	<u>1,325,383</u>	<u>1,227,359</u>
DEFERRED INFLOWS OF RESOURCES		
Pension investment return differences	35,718	46,694
Pension assumption changes	<u>16,641</u>	<u>20,495</u>
Total deferred inflows of resources	<u>52,359</u>	<u>67,189</u>
NET POSITION		
Net investment in capital assets	494,526	567,593
Unrestricted	<u>2,590,168</u>	<u>2,868,180</u>
Total net position	<u>\$ 3,084,694</u>	<u>\$ 3,435,773</u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation Fees	\$ 4,131,698	\$ 4,096,512
OPERATING EXPENSES		
Costs of sales and services	1,808,900	1,561,090
Personal services	1,868,160	1,778,778
Depreciation	167,377	120,335
Total operating expenses	<u>3,844,437</u>	<u>3,460,203</u>
Operating income (loss)	<u>287,261</u>	<u>636,309</u>
Non-operating revenues (expenses)		
Interest and investment earnings	3,363	3,912
Interest expense	<u>(6,203)</u>	<u>(2,230)</u>
Total non-operating revenues (expenses)	<u>(2,840)</u>	<u>1,682</u>
Net income (loss) before transfers	284,421	637,991
Transfers in (out)		
General Fund	<u>(635,500)</u>	<u>(697,000)</u>
Change in net position	<u>(351,079)</u>	<u>(59,009)</u>
Net position, July 1 (original)	3,435,773	4,107,277
Prior period adjustments	<u>0</u>	<u>(612,495)</u>
Net position, July 1 (restated)	<u>3,435,773</u>	<u>3,494,782</u>
Net position, June 30	<u><u>\$ 3,084,694</u></u>	<u><u>\$ 3,435,773</u></u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 4,108,201	\$ 4,050,172
Payments to suppliers	(1,785,831)	(1,642,827)
Payments to employees	(1,861,477)	(1,812,294)
Net cash provided (used) by operating activities	<u>460,893</u>	<u>595,051</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	0	25,355
Payments to other funds	(635,500)	(722,355)
Net cash provided (used) by non-capital financing activities	<u>(635,500)</u>	<u>(697,000)</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(20,518)	(232,107)
Principal payments - capital leases	(73,792)	(73,791)
Interest paid	(6,203)	(2,230)
Net cash provided (used) by capital and related financing activities	<u>(100,513)</u>	<u>(308,128)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>3,363</u>	<u>3,912</u>
Net increase (decrease) in cash and cash equivalents	(271,757)	(406,165)
Cash and cash equivalents, July 1	<u>3,092,262</u>	<u>3,498,427</u>
Cash and cash equivalents, June 30	<u><u>\$ 2,820,505</u></u>	<u><u>\$ 3,092,262</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 287,261</u>	<u>\$ 636,309</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	167,377	120,335
(Increase) decrease in accounts receivable	(23,497)	(46,340)
(Increase) decrease in prepaid items	(5,923)	(2,730)
(Increase) decrease in pension contributions subsequent to measurement date	1,715	3,080
(Increase) decrease in pension experience differences	(35,867)	(25,865)
Increase (decrease) in accounts payable	28,992	(79,007)
Increase (decrease) in accrued salaries and payroll liabilities	8,039	4,284
Increase (decrease) in accrued liabilities	1,873	0
Increase (decrease) in compensated absences	(15,457)	(11,783)
Increase (decrease) in net pension liability	127,384	(85,681)
Increase (decrease) in net OPEB Obligation	20,985	15,260
Increase (decrease) in pension assumption differences	(3,854)	20,495
Increase (decrease) in pension investment return differences	(98,135)	46,694
Total adjustments	<u>173,632</u>	<u>(41,258)</u>
Net cash provided (used) by operating activities	<u><u>\$ 460,893</u></u>	<u><u>\$ 595,051</u></u>

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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)
COMPARATIVE BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	<u>\$ 780</u>	<u>\$ 3,862</u>
LIABILITIES		
Due to primary government	\$ 780	0
FUND BALANCES		
Assigned for Housing and Development	<u>0</u>	<u>3,862</u>
Total liabilities and fund balance	<u><u>\$ 780</u></u>	<u><u>\$ 3,862</u></u>

CITY OF CARROLLTON, GEORGIA
MAIN STREET CARROLLTON (A COMPONENT UNIT)
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Charges for services	\$ 0	\$ 12,652
Interest	0	3
Other	<u>0</u>	<u>72</u>
Total revenues	<u>0</u>	<u>12,727</u>
EXPENDITURES		
Current		
Housing and Development		
Contract services	0	2,246
Materials and supplies	0	15,162
Payments to other agencies	<u>3,862</u>	<u>46,000</u>
Total expenditures	<u>3,862</u>	<u>63,408</u>
Excess (deficiency) of revenues over (under) expenditures	(3,862)	(50,681)
Fund balance, July 1	<u>3,862</u>	<u>54,543</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 3,862</u></u>

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OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

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**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, 2016, 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 December 22, 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 2016-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as comment 2016-002 to be a significant deficiency.

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 2016-003.

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
December 22, 2016

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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 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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushion & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 22, 2016

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2016

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	\$ 98,513
Community Development Block Grants/State's Program	14.228	08-ns-5050	40,988
Total Department of Housing and Urban Development			139,501
Department of Justice			
Equitable Sharing for State and Local			
Law Enforcement Agencies	16.922	N/A	73,175
Bulletproof Vest Partnership Program	16.607	N/A	3,669
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Formula Grant Program	16.738	B14-8-009	153,240
		B15-8-009	202,084
		2014-DJ-BX-0391	18,152
		2015-DJ-BX-0391	10,877
			384,353
Total Department of Justice			461,197
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	SFY2016	122,640
Nutrition Services Incentive Program	93.053	SFY2016	38,118
Total Aging Cluster of Programs			160,758
Passed through Three Rivers Regional Commission:			
Social Services Block Grant	93.667	SFY2016	4,972
Total Department of Health and Human Services			165,730
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Federal Disaster Assistance to individuals and			
Households in Presidential Declared Disaster Areas	97.048	HHM165038	46,962
Total Federal Awards			\$ 813,390

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, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Carrollton, Georgia, under programs for the federal government for the fiscal year ended June 30, 2016. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

The City of Carrollton, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2016

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 the Uniform Guidance?	None reported
Identification of major programs:	
16.738 Edward Byrne Memorial Formula Grant Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2016

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2016-001

Condition: The 2015 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 2016-002

Condition: There is not adequate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component units of the City. These include Water and Sewerage and Sanitation receipting, Payroll, Accounts Payable, Municipal Court reporting to Finance Department, Recreation Department, Culture Arts Center, West Metro Regional Drug Enforcement and Main Street Carrollton.

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 2016-003

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

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2016

2. Financial Statement Findings, continued

A. Current Year Audit Findings, continued

Comment 2016-003, continued

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

Comment 15-1

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

Not corrected

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.

Not corrected

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.

Corrected

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.

Not 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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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, 2016

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2004 SPLOST</u>					
Downtown Development Improvements	\$ 6,400,000	\$ 6,400,000	\$ 9,584,698	\$ 0	\$ 9,584,698
New Northeast 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>\$ 22,548,004</u>	<u>\$ 0</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, 2016

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2009 SPLOST</u>					
Sidewalk & Street Improvements	\$ 5,485,197	\$ 5,485,197	\$ 6,290,173	\$ 16,053	\$ 6,306,226
Water Impoundment Development and Improvements	4,570,997	4,570,997	186,984	0	186,984
Recreation/Cultural Arts Improvements	2,742,599	2,742,599	2,026,188	0	2,026,188
Economic Development	2,285,498	2,285,498	3,170,970	0	3,170,970
Greenspace Acquisition and Improvements	2,285,498	2,285,498	2,782,744	0	2,782,744
Public Safety-Equipment	1,828,398	1,828,398	2,531,135	0	2,531,135
Historic Train Depot Restoration	1,371,299	1,371,299	1,173,811	0	1,173,811
Telecommunications Facilities Improvements	457,099	457,099	161,150	0	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>\$ 28,539,836</u>	<u>\$ 16,053</u>	<u>\$ 28,555,889</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, 2016

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 SPLOST					
City of Carrollton Projects	\$ 21,187,200	\$ 21,187,200			
Sidewalk & Street					
Improvement Projects			\$ 425,292	\$ 1,877,769	\$ 2,303,061
Public Safety Projects			2,346,782	1,981,182	4,327,964
Water Impoundment					
Improvements			39,268	22,687	61,955
Recreation/Cultural Arts					
Improvements			864,466	1,317,752	2,182,218
Economic Development			397,142	33,015	430,157
Greenspace Projects			643,441	517,864	1,161,305
Public Utilities					
(Telecommunications)					
Improvements			246,640	48,819	295,459
Debt Service-Carroll					
County, Georgia			0	1,958,650	1,958,650
	<u>\$ 21,187,200</u>	<u>\$ 21,187,200</u>	<u>\$ 4,963,031</u>	<u>\$ 7,757,738</u>	<u>\$ 12,720,769</u>
Current year expenditures				\$ 7,757,738	
Expenditures financed through other revenues				<u>433,302</u>	
Total expenditures and transfers out				<u>\$ 8,191,040</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.