

CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2017

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2017

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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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of June 30, 2017, 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 4 through 11 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, 2016, which are not presented with the accompanying financial statements. In our report dated December 22, 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 2016 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 2016 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 2016 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 2016 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 26, 2017 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 26, 2017

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CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Carrollton's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2017. 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 the condition of the City's infrastructure, to assess the overall health of the City.

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

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

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

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 \$168,093,585 in 2016 to \$188,085,235 in 2017, an increase of \$19,991,650 (11.9%). 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 \$94,295,960 in 2016 to \$111,548,770 in 2017, an increase of \$17,252,810 (18.3%). Unrestricted net position for governmental activities increased from \$7,217,146 in 2016 to \$7,462,162 in 2017, an increase of \$245,016 (3.4%).

Total net position for business-type activities increased from \$73,797,625 in 2016 to \$76,536,465 in 2017, an increase of \$2,738,840 (3.7%). Unrestricted net position for business-type activities increased from \$5,384,003 in 2016, to \$6,816,883 in 2017, an increase of \$1,432,880 (26.6%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 18,292,003	\$ 18,865,276	\$ 9,983,753	8,290,212	\$ 28,275,756	\$ 27,155,488
Restricted assets	383,729	326,410	964,132	1,060,814	1,347,861	1,387,224
Capital assets, net	106,481,578	91,013,027	75,524,975	74,825,466	182,006,553	165,838,493
Total assets	125,157,310	110,204,713	86,472,860	84,176,492	211,630,170	194,381,205
 Total deferred outflows	 2,367,917	 1,900,695	 1,065,160	 918,620	 3,433,077	 2,819,315
 Current liabilities	 3,565,324	 4,339,305	 1,803,786	 1,761,406	 5,369,110	 6,100,711
Noncurrent liabilities	11,736,278	13,070,372	8,906,840	9,344,600	20,643,118	22,414,972
Total liabilities	15,301,602	17,409,677	10,710,626	11,106,006	26,012,228	28,515,683
 Total deferred inflows	 674,855	 399,771	 290,929	 191,481	 965,784	 591,252
 Net position:						
Net investment in capital assets	99,306,088	82,171,713	69,439,908	68,134,292	168,745,996	150,306,005
Restricted					0	0
Capital projects	1,886,601	2,088,001	259,343	259,107	2,145,944	2,347,108
Debt service	0	0	20,331	20,223	20,331	20,223
Other purposes	2,893,919	2,819,100	0	0	2,893,919	2,819,100
Unrestricted	7,462,162	7,217,146	6,816,883	5,384,003	14,279,045	12,601,149
 Total net position	 \$ 111,548,770	 \$ 94,295,960	 \$ 76,536,465	 \$ 73,797,625	 \$ 188,085,235	 \$ 168,093,585

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Changes in Net Position

The City's combined change in net position increased from \$1,518,318 in 2016 to \$19,991,650 in 2017. Our analysis below focuses on the changes in net assets (Table 2) of the City's governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities totaled \$40,691,609 (excluding transfers and special items). This total represents an increase of \$17,106,866 (72.6%) over the FY 2016 total of \$23,584,743. The majority of this increase is due to capital grants and contributions in the amount of \$20,173,073 of which \$14,115,279 is the result of the completion and capitalization of the City's GreenBelt Trail System.

Expenditures for the City's governmental activities totaled \$26,876,239 (excluding transfers and special items). This total represents an increase of \$1,637,913 (6.1%) over the 2016 total of \$25,238,326.

Business-Type Activities

Revenues for the City's business-type activities totaled \$18,495,722 (excluding capital grants and contributions, interest, and other). This represents an increase of \$1,083,798 (6.2%) over the FY 2016 total of \$17,411,924. Operating expenses for the City's business-type activities totaled \$13,209,012 (excluding transfers), a decrease of \$932,991 (6.6%) over the FY 2016 total of \$14,142,003.

The operating revenues are as follows:

	<u>2017</u>	<u>2016</u>
Charges for services:		
Water and sewer fees & charges	\$ 14,383,855	\$ 13,444,168
Garbage and landfill fees	<u>4,270,758</u>	<u>4,131,698</u>
Total	<u>\$ 18,654,613</u>	<u>\$ 17,575,866</u>

The non-operating revenues (expenses) consist of the following material changes from FY 2016 to FY 2017:

- Water and sewer intergovernmental revenue in the amount of \$719,913.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	\$ 3,438,490	\$ 2,898,442	\$ 18,495,722	\$ 17,411,924	\$ 21,934,212	\$ 20,310,366
Operating grants and contributions	1,617,858	1,758,533	0	0	1,617,858	1,758,533
Capital grants and contributions	20,173,037	4,673,158	719,913	15,725	20,892,950	4,688,883
General revenues						
Property taxes	4,021,695	3,859,889	0	0	4,021,695	3,859,889
Franchise & public service taxes	4,008,777	3,904,189	0	0	4,008,777	3,904,189
Sales taxes	3,910,453	3,880,956	0	0	3,910,453	3,880,956
Other taxes	2,679,754	2,469,298	0	0	2,679,754	2,469,298
Interest and investment earnings	11,933	12,867	10,766	7,612	22,699	20,479
Miscellaneous	829,612	127,411	158,891	163,942	988,503	291,353
Total revenues	40,691,609	23,584,743	19,385,292	17,599,203	60,076,901	41,183,946
Expenses						
Program Expenses						
General government	2,686,696	1,783,295	0	0	2,686,696	1,783,295
Public safety	12,967,177	12,569,069	0	0	12,967,177	12,569,069
Public works	3,240,157	2,837,530	0	0	3,240,157	2,837,530
Culture and recreation	6,532,722	6,544,579	0	0	6,532,722	6,544,579
Housing and development	1,120,898	1,125,676	0	0	1,120,898	1,125,676
Water and sewer	0	0	9,715,112	10,506,727	9,715,112	10,506,727
Sanitation	0	0	3,493,900	3,635,276	3,493,900	3,635,276
Interest on long-term debt	328,589	378,177	0	0	328,589	378,177
Total expenses	26,876,239	25,238,326	13,209,012	14,142,003	40,085,251	39,380,329
Indirect costs	(2,298,624)	(1,028,976)	2,298,624	1,028,976	0	0
Excess (deficiency) before transfers and special items	16,113,994	(624,607)	3,877,656	2,428,224	19,991,650	1,803,617
Special item	0	(223,614)	0	(61,685)	0	0
Transfers	1,138,816	1,527,313	(1,138,816)	(1,527,313)	0	0
Change in net position	17,252,810	679,092	2,738,840	839,226	19,991,650	1,518,318
Net position, beginning of year	94,295,960	93,811,739	73,797,625	73,002,073	168,093,585	166,813,812
Prior period adjustments	0	(194,871)	0	(43,674)	0	(238,545)
Net position, end of year	\$ 111,548,770	\$ 94,295,960	\$ 76,536,465	\$ 73,797,625	\$ 188,085,235	\$ 168,093,585

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

The City's Funds

As the City completed FY2017, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$17,002,781. This total represents an increase of \$244,887 (1.4%) over the FY2016 combined fund balance of \$16,757,894. 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 \$6,816,883.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

General Fund budgetary highlights discussed below are shown in Table 3. Total actual revenue was under total budgeted revenue in the amount of \$14,376. Of this amount, tax revenue realized on property was under budget in the amount of \$48,906. Local option sales tax revenue exceeded budgeted revenue in the amount of \$10,453. Insurance premium tax revenue exceeded budgeted revenue in the amount of \$47,406. Franchise Tax revenue was under total budgeted revenue in the amount of \$114,629. Alcohol excise tax revenue exceeded budgeted revenue in the amount of \$46,384. Occupation tax revenue exceeded budgeted revenue in the amount of \$122,504. Energy excise tax revenue exceeded budgeted revenue in the amount of \$1,487.

Recreation Department program fee revenue was realized at an amount of \$5,280 under budgeted amounts.

Main Street event revenue was realized in the amount of \$26,495 under budgeted amounts.

Fines and forfeitures revenue was realized in the amount of \$166,332 over budgeted amounts. This is a result of an extensive reorganization and revision of the City's fines and forfeitures schedule.

Rental revenue was realized in the amount of \$8,900 over budgeted amounts.

Miscellaneous revenue was realized in the amount of \$457,840 under budgeted amounts.

In summary, the City's overall negative revenue variance of \$14,376 indicates a growing economy after several years of stagnant and/or negative growth.

Table 3 - General Fund Revenues

	2017			2016		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 14,114,377	\$ 14,177,826	\$ 63,449	\$ 13,612,000	\$ 13,718,103	\$ 106,103
Licenses and permits	300,000	376,022	76,022	300,000	376,478	76,478
Intergovernmental	996,580	1,038,986	42,406	1,137,870	1,225,363	87,493
Charges for services	3,809,099	3,825,468	16,369	2,454,085	2,583,574	129,489
Contributions	0	70,348	70,348	0	0	-
Fines and forfeitures	850,000	1,016,332	166,332	850,000	798,214	(51,786)
Interest on invested funds	10,000	9,638	(362)	10,000	10,887	887
Other	1,120,000	671,060	(448,940)	323,700	105,821	(217,879)
Total	\$ 21,200,056	\$ 21,185,680	\$ (14,376)	\$ 18,687,655	\$ 18,818,440	\$ 130,785

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

Expenditures

General Fund expenditure highlights are discussed below in Table 4. The City completed FY 2017 with a total of \$22,168,716 in General Fund operating expenditures. The operating budget for these expenditures totaled \$23,755,752 resulting in expenditures being realized at an amount of \$1,587,036 under budget. The City experienced two catastrophic losses during the fiscal year ending June 30, 2017. The City lost a Recreation maintenance facility due to a fire in October 2016, and a fire station due to a tornado in April 2017. These events required budget amendments in the amounts of \$400,000 and \$300,000 respectively. Also, the City cemetery suffered extensive damage due to a motor vehicle accident in April 2017 requiring a budget amendment in the amount of \$90,000. The replacement/restoration of these facilities had not yet materially begun by June 30, 2017, which contributed in part to expenditures being realized under budget. As these replacement/restoration projects are completed during FY 2018, we anticipate additional budget amendments will be required to fund these projects and account for their completion.

After taking into account the above facts, expenditures for Public Safety were under budget by \$516,513. Expenditures for General Government were under budget by \$114,253. Expenditures for Cultural and Recreation were under budget by \$354,392. Expenditures for the City's Main Street program were under budget by \$55,102. Expenditures for Public Works were under budget by \$497,519 and are due to the budget for Infrastructure/Roads being expended at approximately 60% of the budgeted amount.

Table 4 - General Fund Operating Expenditures

	2017			2016		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 2,628,644	\$ 2,514,391	\$ 114,253	\$ 1,610,048	\$ 1,560,095	\$ 49,953
Public safety	11,937,114	11,420,601	516,513	11,264,166	11,032,707	231,459
Public works	2,289,930	1,792,411	497,519	2,015,890	1,535,811	480,079
Cultural and recreation	6,077,322	5,722,930	354,392	5,640,667	5,755,348	(114,681)
Housing and development	748,159	652,123	96,036	597,102	567,437	29,665
Debt service	74,583	66,260	8,323	74,406	89,849	(15,443)
Total operating expenditures	<u>\$ 23,755,752</u>	<u>\$ 22,168,716</u>	<u>\$ 1,587,036</u>	<u>\$ 21,202,279</u>	<u>\$ 20,541,247</u>	<u>\$ 661,032</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2017, the City had \$182,006,553 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 the notes to the financial statements for more information.

Table 5 - Capital Assets at June 30, 2017, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	\$ 11,257,603	\$ 11,255,552	\$ 8,933,204	\$ 8,933,204	\$ 20,190,807	\$ 20,188,756
Land improvements	22,203,482	6,574,180	0	0	22,203,482	6,574,180
Buildings and improvement	29,545,082	25,779,080	1,906,393	1,894,548	31,451,475	27,673,628
Equipment	4,942,315	5,196,241	1,533,254	1,736,894	6,475,569	6,933,135
Infrastructure	38,077,935	36,406,744	61,506,004	61,858,393	99,583,939	98,265,137
Construction in progress	455,161	5,801,230	1,646,120	402,427	2,101,281	6,203,657
Totals	<u>\$ 106,481,578</u>	<u>\$ 91,013,027</u>	<u>\$ 75,524,975</u>	<u>\$ 74,825,466</u>	<u>\$ 182,006,553</u>	<u>\$ 165,838,493</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2017

DEBT

The total long-term debt of the City outstanding at June 30, 2017 was \$13,026,746. The City had \$5,725,000 in revenue bond debt outstanding. Amounts reported as intergovernmental debt of \$6,806,250 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	
	2017	2016	2017	2016	2017	2016
Revenue bonds \$	0	\$ 0	\$ 5,725,000	\$ 6,125,000	\$ 5,725,000	\$ 6,125,000
Capital leases	6,188	90,394	172,641	300,966	178,829	391,360
Notes payable	0	0	316,667	341,667	316,667	341,667
Contracts payable	6,806,250	8,416,250	0	0	6,806,250	8,416,250
Totals	\$ 6,812,438	\$ 8,506,644	\$ 6,214,308	\$ 6,767,633	\$ 13,026,746	\$ 15,274,277

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2018 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 2018. The fiscal year 2018 General Fund budget totals \$24,930,321 an increase of \$2,062,946 over the FY 2017 budget.

The City's property tax digest is projected to increase by 9%. This is a result of continued economic growth combined with the completion of a state mandated property reassessment conducted by the Carroll County Board of Assessors.

If these estimates are realized, the City's General Fund balance is expected to remain unchanged for FY 2018. 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 2018 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 15,875,658	\$ 6,367,527	\$ 22,243,185	\$ 519
Restricted assets				
Cash and cash equivalents	334,130	964,132	1,298,262	0
Certificates of deposit	49,599	0	49,599	0
Receivables (net)				
Accounts	129,541	2,345,813	2,475,354	0
Intergovernmental	1,083,553	719,913	1,803,466	0
Note	50,000	0	50,000	0
Taxes	731,577	0	731,577	0
Internal balances	22,745	(22,745)	0	0
Inventories	0	366,240	366,240	0
Prepaid items	398,929	207,005	605,934	0
Total current assets	18,675,732	10,947,885	29,623,617	519
Noncurrent assets				
Capital assets				
Non-depreciable	11,712,764	10,579,324	22,292,088	0
Depreciable (net)	94,768,814	64,945,651	159,714,465	0
Total noncurrent assets	106,481,578	75,524,975	182,006,553	0
Total assets	125,157,310	86,472,860	211,630,170	519
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on debt refunding	0	5,593	5,593	0
Pension contributions subsequent to measurement date	674,705	320,299	995,004	0
Pension experience differences	1,160,280	472,764	1,633,044	0
Pension investment return differences	532,932	266,504	799,436	0
Total deferred outflows of resources	2,367,917	1,065,160	3,433,077	0
LIABILITIES				
Current liabilities				
Accounts payable	980,757	573,018	1,553,775	0
Accrued liabilities	65,141	19,127	84,268	
Retainages payable	7,500	8,800	16,300	0
Accrued salaries and payroll liabilities	222,279	73,448	295,727	0
Compensated absences	235,707	72,071	307,778	0
Accrued interest payable	24,091	0	24,091	0
Unearned revenue	269,346	357,725	627,071	0
Due to others	114,315	0	114,315	519
Capital leases payable	6,188	128,325	134,513	0
Contracts payable	1,640,000	0	1,640,000	0
Liabilities payable from restricted assets				
Customer deposits payable	0	342,272	342,272	0
Notes payable	0	25,000	25,000	0
Bonds payable	0	204,000	204,000	0
Total current liabilities	3,565,324	1,803,786	5,369,110	519

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Net pension liability	\$ 5,380,542	\$ 2,517,925	\$ 7,898,467	\$ 0
Net OPEB obligation	1,189,486	531,932	1,721,418	0
Capital leases payable	0	44,316	44,316	0
Notes payable	0	291,667	291,667	0
Bonds payable	0	5,521,000	5,521,000	0
Contracts payable	5,166,250	0	5,166,250	0
Total noncurrent liabilities	11,736,278	8,906,840	20,643,118	0
Total liabilities	15,301,602	10,710,626	26,012,228	519
DEFERRED INFLOWS OF RESOURCES				
Pension investment return differences	581,933	242,445	824,378	0
Pension assumption changes	92,922	48,484	141,406	0
Total deferred inflows of resources	674,855	290,929	965,784	0
NET POSITION				
Net investment in capital assets	99,306,088	69,439,908	168,745,996	0
Restricted for:				
Public Safety	1,283,354	0	1,283,354	0
Culture and Recreation	223,957	0	223,957	0
Housing and Development	1,386,608	0	1,386,608	0
Capital outlay	1,886,601	259,343	2,145,944	0
Debt service	0	20,331	20,331	0
Unrestricted	7,462,162	6,816,883	14,279,045	0
Total net position	<u>\$ 111,548,770</u>	<u>\$ 76,536,465</u>	<u>\$ 188,085,235</u>	<u>\$ 0</u>

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 2,686,696	\$ (2,298,624)	\$ 239,944	\$ 0	\$ 113,829	\$ (34,299)
Public Safety	12,967,177	0	1,631,536	1,273,820	1,271,492	(8,790,329)
Public Works	3,240,157	0	42,730	0	2,375,988	(821,439)
Culture and Recreation	6,532,722	0	1,290,800	306,583	16,275,129	11,339,790
Housing and Development	1,120,898	0	233,480	37,455	136,599	(713,364)
Interest on long-term debt	328,589	0	0	0	0	(328,589)
Total governmental activities	26,876,239	(2,298,624)	3,438,490	1,617,858	20,173,037	651,770
Business-type activities						
Water and Sewerage	9,715,112	1,522,896	14,224,964	0	719,913	3,706,869
Sanitation	3,493,900	775,728	4,270,758	0	0	1,130
Total business-type activities	13,209,012	2,298,624	18,495,722	0	719,913	3,707,999
Total primary government	40,085,251	0	21,934,212	1,617,858	20,892,950	4,359,769
Component Units						
Carrollton Redevelopment Authority	0	0	0	0	0	0
Main Street Carrollton	0	0	0	0	0	0
Total Component Units	0	0	0	0	0	0
Primary Government						
			Governmental Activities	Business-Type Activities	Total	Component Units
Change in net position						
Net (expense) revenue			\$ 651,770	\$ 3,707,999	\$ 4,359,769	\$ 0
General revenues						
Taxes						
Property			4,021,695	0	4,021,695	0
Sales			3,910,453	0	3,910,453	0
Insurance premium			1,522,406	0	1,522,406	0
Alcohol excise			771,384	0	771,384	0
Franchise			2,486,371	0	2,486,371	0
Occupational			1,197,504	0	1,197,504	0
Other			710,866	0	710,866	0
Interest and investment earnings			11,933	10,766	22,699	0
Gain on sale of assets			362,806	0	362,806	0
Other			466,806	158,891	625,697	0
Transfers			1,138,816	(1,138,816)	0	0
Total general revenues and transfers			16,601,040	(969,159)	15,631,881	0
Change in net position			17,252,810	2,738,840	19,991,650	0
Net position - beginning			94,295,960	73,797,625	168,093,585	0
Net position - ending			\$ 111,548,770	\$ 76,536,465	\$ 188,085,235	\$ 0

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	\$ 12,039,750	\$ 1,265,141	\$ 2,570,767	\$ 15,875,658
Restricted assets				
Cash and cash equivalents	334,130	0	0	334,130
Certificates of deposit	49,599	0	0	49,599
Receivables (net)				
Accounts	117,396	12,145	0	129,541
Intergovernmental	41,006	896,999	145,548	1,083,553
Note	0	50,000	0	50,000
Taxes	679,250	0	52,327	731,577
Prepaid items	375,929	0	23,000	398,929
Due from other funds	64,862	26,431	22,822	114,115
Total assets	<u><u>\$ 13,701,922</u></u>	<u><u>\$ 2,250,716</u></u>	<u><u>\$ 2,814,464</u></u>	<u><u>\$ 18,767,102</u></u>
LIABILITIES				
Accounts payable	\$ 587,782	\$ 309,763	\$ 83,212	\$ 980,757
Accrued liabilities	65,141	0	0	65,141
Retainage payable	0	7,500	0	7,500
Accrued salaries and payroll liabilities	222,279	0	0	222,279
Unearned revenue	203,922	41,424	24,000	269,346
Due to other funds	25,220	5,478	60,672	91,370
Due to others	0	0	114,315	114,315
Total liabilities	<u><u>1,104,344</u></u>	<u><u>364,165</u></u>	<u><u>282,199</u></u>	<u><u>1,750,708</u></u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	13,613	0	0	13,613
FUND BALANCES				
Nonspendable:				
Prepaid items	375,929	0	23,000	398,929
Restricted for:				
Public Safety	0	0	1,283,354	1,283,354
Culture and Recreation	223,957	0	0	223,957
Housing and Development	159,772	0	1,226,836	1,386,608
Capital outlay	0	1,886,551	50	1,886,601
Unassigned	11,824,307	0	(975)	11,823,332
Total fund balances	<u><u>12,583,965</u></u>	<u><u>1,886,551</u></u>	<u><u>2,532,265</u></u>	<u><u>17,002,781</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 13,701,922</u></u>	<u><u>\$ 2,250,716</u></u>	<u><u>\$ 2,814,464</u></u>	<u><u>\$ 18,767,102</u></u>

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2017

Total fund balances - total governmental funds \$ 17,002,781

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 106,481,578

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 13,613

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 674,705

Pension experience differences 1,160,280

Pension investment return differences 532,932

Deferred inflows of resources:

Pension investment return differences (581,933)

Pension assumption changes (92,922)

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

Compensated absences	\$	(235,707)	
Capital leases payable		(6,188)	
Contracts payable		(6,806,250)	
Accrued interest payable		(24,091)	
Net pension liability		(5,380,542)	
Net OPEB obligation		(1,189,486)	
		(13,642,264)	

Net position of governmental activities	\$	111,548,770	111,548,770
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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, 2017

	General	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	\$ 14,177,826	\$ 0	\$ 470,629	\$ 14,648,455
Licenses and permits	376,022	0	0	376,022
Fines, fees and forfeitures	1,016,332	0	495,893	1,512,225
Charges for services	3,825,468	0	3,000	3,828,468
Intergovernmental	1,038,986	4,110,390	1,179,811	6,329,187
Contributions	70,348	1,285,945	14,500	1,370,793
Interest	9,638	897	2,298	12,833
Other	671,060	0	11,183	682,243
Total revenues	21,185,680	5,397,232	2,177,314	28,760,226
EXPENDITURES				
Current				
General Government	2,514,391	0	0	2,514,391
Public Safety	11,420,601	0	1,069,701	12,490,302
Public Works	1,792,411	0	0	1,792,411
Culture and Recreation	5,722,930	0	0	5,722,930
Housing and Development	652,123	0	385,107	1,037,230
Debt service	66,260	0	0	66,260
Capital outlay	0	5,609,692	651,574	6,261,266
Total expenditures	22,168,716	5,609,692	2,106,382	29,884,790
Excess (deficiency) of revenues over (under) expenditures	(983,036)	(212,460)	70,932	(1,124,564)
Other financing sources (uses)				
Transfers in	1,326,273	0	0	1,326,273
Transfers out	0	0	(187,457)	(187,457)
Sale of capital assets	84,650	38,954	107,031	230,635
Total other financing sources (uses)	1,410,923	38,954	(80,426)	1,369,451
Net change in fund balance	427,887	(173,506)	(9,494)	244,887
Fund balances, July 1	12,156,078	2,060,057	2,541,759	16,757,894
Fund balances, June 30	\$ 12,583,965	\$ 1,886,551	\$ 2,532,265	\$ 17,002,781

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, 2017

Net change in fund balances - total governmental funds **\$ 244,887**

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	\$	5,414,758	
Depreciation		<u>(3,965,913)</u>	1,448,845

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	(2,188,465)		
Related accumulated depreciation		<u>2,092,892</u>	(95,573)

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. 14,115,279

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	877,406		
Cost of benefits earned, net of employee contributions		<u>(910,405)</u>	(32,999)

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. (86,960)

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	4,026		
Debt principal payments		<u>1,694,206</u>	1,698,232

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

Unavailable deferred revenue			(27,777)
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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>(11,124)</u>
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Change in net position of governmental activities	\$	<u>17,252,810</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, 2017

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 13,956,000	\$ 14,114,377	\$ 14,177,826	\$ 63,449
Licenses and permits	300,000	300,000	376,022	76,022
Fines, fees and forfeitures	850,000	850,000	1,016,332	166,332
Charges for services	3,714,099	3,809,099	3,825,468	16,369
Intergovernmental	1,091,580	996,580	1,038,986	42,406
Contributions	0	0	70,348	70,348
Interest	10,000	10,000	9,638	(362)
Other	330,000	1,120,000	671,060	(448,940)
Total revenues	20,251,679	21,200,056	21,185,680	(14,376)
EXPENDITURES				
Current				
General Government				
Mayor and Council	62,635	77,635	80,316	(2,681)
City Manager	306,620	306,620	311,940	(5,320)
General Administration	944,038	1,037,038	1,020,151	16,887
Finance and Purchasing	192,984	272,566	289,553	(16,987)
Human Resources	416,686	416,686	328,668	88,018
Information Technology	235,796	235,796	200,824	34,972
General Maintenance	117,303	117,303	110,255	7,048
Legal	165,000	165,000	172,684	(7,684)
Public Safety				
Police Department	6,532,851	6,532,851	6,496,614	36,237
Fire Department	5,104,263	5,404,263	4,923,987	480,276
Public Works				
Street Department	1,247,554	1,247,554	775,031	472,523
Engineering	788,054	788,054	783,299	4,755
Landfill	0	0	71	(71)
Garage	254,322	254,322	234,010	20,312
Culture and Recreation				
Library	300,035	300,035	300,036	(1)
Recreation Administration	1,054,965	979,965	947,553	32,412
Recreation Parks	1,516,286	2,006,286	1,652,926	353,360
Recreation Programs	1,089,243	1,135,038	1,191,060	(56,022)
Cultural Arts	522,009	522,009	526,820	(4,811)
Recreation Athletics	1,133,989	1,133,989	1,104,535	29,454
Housing and Development				
Planning Administration	268,016	268,016	259,310	8,706
Code Enforcement	88,024	88,024	74,513	13,511
Convention and Visitor's Bureau	178,522	178,522	159,805	18,717
Main Street Division	213,597	213,597	158,495	55,102
Debt Service				
Police Department	55,937	55,937	49,696	6,241
Fire Department	18,646	18,646	16,564	2,082
Total expenditures	22,807,375	23,755,752	22,168,716	1,587,036
Excess (deficiency) of revenues over expenditures	(2,555,696)	(2,555,696)	(983,036)	1,572,660
Other financing sources (uses)				
Transfers in	2,508,624	2,508,624	1,326,273	(1,182,351)
Proceeds from sale of assets	0	0	84,650	84,650
Total other financing sources (uses)	2,508,624	2,508,624	1,410,923	(1,097,701)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(47,072)	(47,072)	427,887	474,959
Fund balances, July 1	47,072	47,072	12,156,078	12,109,006
Fund balances, June 30	\$ 0	\$ 0	\$ 12,583,965	\$ 12,583,965

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,158,587	\$ 2,208,940	\$ 6,367,527
Restricted assets			
Cash and cash equivalents	964,132	0	964,132
Accounts receivable, net	1,768,443	577,370	2,345,813
Intergovernmental receivable	719,913	0	719,913
Inventories	366,240	0	366,240
Prepaid items	148,800	58,205	207,005
Due from other funds	2,398	0	2,398
Total current assets	8,128,513	2,844,515	10,973,028
Noncurrent assets			
Capital assets			
Non-depreciable	10,579,324	0	10,579,324
Depreciable (net)	64,367,273	578,378	64,945,651
Total noncurrent assets	74,946,597	578,378	75,524,975
Total assets	83,075,110	3,422,893	86,498,003
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on debt refunding	5,593	0	5,593
Pension contributions subsequent to measurement date	233,755	86,544	320,299
Pension experience differences	347,822	124,942	472,764
Pension investment return differences	198,123	68,381	266,504
Total deferred outflows	785,293	279,867	1,065,160
LIABILITIES			
Current liabilities			
Accounts payable	550,322	22,696	573,018
Retainage payable	8,800	0	8,800
Accrued liabilities	18,864	263	19,127
Accrued salaries and payroll liabilities	52,789	20,659	73,448
Compensated absences	54,570	17,501	72,071
Unearned revenue	357,725	0	357,725
Due to other funds	25,143	0	25,143
Capital leases	54,534	73,791	128,325
Liabilities payable from restricted assets			
Customer deposits payable	342,272	0	342,272
Notes payable	25,000	0	25,000
Bonds payable	204,000	0	204,000
Total current liabilities	1,694,019	134,910	1,828,929
Noncurrent liabilities			
Net pension liability	1,844,205	673,720	2,517,925
Net OPEB Obligation	380,632	151,300	531,932
Capital leases	0	44,316	44,316
Notes payable	291,667	0	291,667
Bonds payable	5,521,000	0	5,521,000
Total Noncurrent liabilities	8,037,504	869,336	8,906,840
Total liabilities	9,731,523	1,004,246	10,735,769

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Pension investment return differences	\$ 177,013	\$ 65,432	\$ 242,445
Pension assumption changes	35,164	13,320	48,484
Total deferred inflows of resources	212,177	78,752	290,929
NET POSITION			
Net investment in capital assets	68,979,637	460,271	69,439,908
Restricted for Debt Service	20,331	0	20,331
Restricted for Capital Outlay	259,343	0	259,343
Unrestricted	4,657,392	2,159,491	6,816,883
Total net position	\$ 73,916,703	\$ 2,619,762	\$ 76,536,465

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 14,224,964	\$ 4,270,758	\$ 18,495,722
Other	158,891	0	158,891
Total operating revenues	14,383,855	4,270,758	18,654,613
OPERATING EXPENSES			
Costs of sales and services	4,986,435	2,483,919	7,470,354
Personal services	3,943,558	1,619,501	5,563,059
Depreciation	2,127,013	165,564	2,292,577
Total operating expenses	11,057,006	4,268,984	15,325,990
Operating income (loss)	3,326,849	1,774	3,328,623
Non-operating revenues (expenses)			
Intergovernmental revenue	719,913	0	719,913
Interest and investment earnings	5,222	5,544	10,766
Interest expense	(181,002)	(644)	(181,646)
Total non-operating revenues (expenses)	544,133	4,900	549,033
Net income (loss) before transfers	3,870,982	6,674	3,877,656
Transfers in (out)			
Transfers out	(667,210)	(471,606)	(1,138,816)
Change in net position	3,203,772	(464,932)	2,738,840
Net position, July 1	70,712,931	3,084,694	73,797,625
Net position, June 30	\$ 73,916,703	\$ 2,619,762	\$ 76,536,465

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 14,593,637	\$ 4,290,004	\$ 18,883,641
Payments to suppliers	(5,181,045)	(2,545,307)	(7,726,352)
Payments to employees	(3,944,180)	(1,614,482)	(5,558,662)
Other receipts	158,891	0	158,891
Net cash provided (used) by operating activities	5,627,303	130,215	5,757,518
Cash flows from non-capital financing activities:			
Receipts from other funds	0	67,987	67,987
Payments to other funds	(967,089)	(683,358)	(1,650,447)
Net cash provided (used) by non-capital financing activities	(967,089)	(615,371)	(1,582,460)
Cash flows from capital and related financing activities:			
Payments for acquisitions of capital assets	(2,934,568)	(57,518)	(2,992,086)
Principal payments - capital leases	(54,534)	(73,791)	(128,325)
Principal payments - promissory notes	(25,000)	0	(25,000)
Principal payments - bonds payable	(400,000)	0	(400,000)
Interest paid	(158,632)	(644)	(159,276)
Net cash provided (used) by capital and related financing activities	(3,572,734)	(131,953)	(3,704,687)
Cash flows from investing activities			
Interest and investment earnings received	5,222	5,544	10,766
Net increase (decrease) in cash and cash equivalents	1,092,702	(611,565)	481,137
Cash and cash equivalents, July 1	4,030,017	2,820,505	6,850,522
Cash and cash equivalents, June 30	\$ 5,122,719	\$ 2,208,940	\$ 7,331,659

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 3,326,849	\$ 1,774	\$ 3,328,623
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,127,013	165,564	2,292,577
(Increase) decrease in accounts receivable	108,286	19,246	127,532
(Increase) decrease in inventories	(65,246)	0	(65,246)
(Increase) decrease in prepaid items	(12,111)	(2,340)	(14,451)
(Increase) decrease in pension contributions subsequent to measurement date	(1,096)	(396)	(1,492)
(Increase) decrease in pension experience differences	(174,965)	(63,210)	(238,175)
Increase (decrease) in accounts payable	(97,863)	(59,048)	(156,911)
Increase (decrease) in unearned revenue	261,785	0	261,785
Increase (decrease) in retainage payable	8,800	0	8,800
Increase (decrease) in accrued liabilities	(28,190)	(1,610)	(29,800)
Increase (decrease) in accrued salaries and payroll liabilities	(39,040)	(9,112)	(48,152)
Increase (decrease) in compensated absences	1,673	1,383	3,056
Increase (decrease) in customer deposits	(1,398)	0	(1,398)
Increase (decrease) in net pension liability	59,790	21,600	81,390
Increase (decrease) in net OPEB Obligation	27,982	11,193	39,175
Increase (decrease) in pension assumption differences	(9,194)	(3,321)	(12,515)
Increase (decrease) in pension investment return differences	134,228	48,492	182,720
Total adjustments	2,300,454	128,441	2,428,895
Net cash provided (used) by operating activities	\$ 5,627,303	\$ 130,215	\$ 5,757,518
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 4,158,587	\$ 2,208,940	\$ 6,367,527
Restricted assets			
Cash and cash equivalents	964,132	0	964,132
	\$ 5,122,719	\$ 2,208,940	\$ 7,331,659

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2017

	<u>Carrollton Redevelopment Authority</u>	<u>Main Street Carrollton</u>	<u>Total Component Units</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 0	\$ 519	\$ 519
LIABILITIES			
Current liabilities			
Due to primary government	0	519	519
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, 2017

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017

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 \$147,400.

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 \$160,700 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, 2017

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, 2017

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017

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 to/from 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, 2017

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, 2017

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.

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, 2017

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, 2017

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, 2017, 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, 2017

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 in Years
Buildings	20 to 50
Improvements	10 to 50
Furnishings, vehicles, machinery and equipment	3 to 20
Utility System	20 to 50
Infrastructure	10 to 50

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

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 resources 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.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

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.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

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 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

2. Summary of Significant Accounting Policies (continued)

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 financing 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.

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of the changes in the City's financial position and operations. Certain 2016 amounts have been reclassified to conform with the 2017 presentation.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017 consist of the following:

Primary Government:

Major Funds

General Fund		\$	117,396
2015 SPLOST Capital Projects Fund			12,145
Water and Sewerage Enterprise Fund	\$ 2,081,458		
Less: Allowance for Uncollectibles	<u>(313,015)</u>		1,768,443
Sanitation Enterprise Fund	689,488		
Less: Allowance for Uncollectibles	<u>(112,118)</u>		<u>577,370</u>
Total Primary Government		\$	<u><u>2,475,354</u></u>

At June 30, 2017, the City also has a note receivable totaling \$50,000 resulting from a property transaction. The original amount of \$80,000 is due in eight monthly installments of \$10,000 each and matures on November 22, 2017. No interest accrues.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2017 consist of the following:

Primary Government:			
Major Funds			
General Fund			
Three Rivers Regional Commission	\$ 35,211		
State of Georgia	<u>5,795</u>	\$	41,006
2015 SPLOST Fund			
Carroll County, Georgia	\$ 588,415		
Georgia Emergency Management Agency	20,814		
Federal Emergency Management Agency	<u>287,770</u>		896,999
Water and Sewerage Fund			
Federal Emergency Management Agency			719,913
Nonmajor Funds			
Special Revenue Funds			
West Metro Regional Drug Enforcement			
State of Georgia			119,201
Neighborhood Stabilization Program			
Carrollton Housing Authority			24,370
Drug Seizure			
Carroll County, Georgia			<u>1,977</u>
Total Primary Government		\$	<u><u>1,803,466</u></u>

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2016, based upon the assessments of January 1, 2016, were levied on September 21, 2016, billed on October 14, 2016, and due on December 14, 2016. The Carroll County tax commissioner bills and collects the City's property taxes.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	2015 SPLOST	\$ 5,478
	Nonmajor Governmental	59,384
2015 SPLOST	Water and Sewerage	25,143
	Nonmajor Governmental	1,288
Nonmajor Governmental	General	22,822
Water and Sewerage	General	2,398
		<u>\$ 116,513</u>

Interfund balances at June 30, 2017, 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 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, 2017

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>
Water and Sewerage	General	\$ 667,210
Sanitation	General	471,606
Nonmajor Governmental	General	<u>187,457</u>
		<u>\$ 1,326,273</u>

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

8. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 11,255,552	\$ 40,000	\$ (37,949)	\$ 11,257,603
Construction in progress	5,801,230	976,765	(6,322,834)	455,161
Total non-depreciable assets	17,056,782	1,016,765	(6,360,783)	11,712,764
Depreciable assets				
Land improvements	9,414,593	16,059,255	0	25,473,848
Buildings and improvements	34,877,541	4,476,951	(109,364)	39,245,128
Furnishings, vehicles, machinery and equipment	15,333,487	711,867	(2,041,152)	14,004,202
Infrastructure	67,744,229	3,588,033	0	71,332,262
Total depreciable assets	127,369,850	24,836,106	(2,150,516)	150,055,440
Less accumulated depreciation				
Land improvements	(2,840,413)	(429,953)	0	(3,270,366)
Buildings and improvements	(9,098,461)	(678,450)	76,865	(9,700,046)
Furnishings, vehicles, machinery and equipment	(10,137,246)	(940,668)	2,016,027	(9,061,887)
Infrastructure	(31,337,485)	(1,916,842)	0	(33,254,327)
Total accumulated depreciation	(53,413,605)	(3,965,913)	2,092,892	(55,286,626)
Total depreciable assets, net	73,956,245	20,870,193	(57,624)	94,768,814
Governmental activities capital assets, net	<u>\$ 91,013,027</u>	<u>\$ 21,886,958</u>	<u>\$ (6,418,407)</u>	<u>\$ 106,481,578</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,933,204	\$ 0	\$ 0	\$ 8,933,204
Construction in progress	402,427	1,243,693	0	1,646,120
Total non-depreciable assets	9,335,631	1,243,693	0	10,579,324
Depreciable assets				
Buildings and improvements	6,016,804	122,637	0	6,139,441
Distribution system	92,432,889	1,458,410	0	93,891,299
Vehicles, machinery and equipment	6,116,876	167,346	(244,548)	6,039,674
Total depreciable assets	104,566,569	1,748,393	(244,548)	106,070,414
Less accumulated depreciation				
Buildings and improvements	(4,122,256)	(110,792)	0	(4,233,048)
Distribution system	(30,574,496)	(1,810,799)	0	(32,385,295)
Vehicles and equipment	(4,379,982)	(370,986)	244,548	(4,506,420)
Total accumulated depreciation	(39,076,734)	(2,292,577)	244,548	(41,124,763)
Total depreciable assets, net	65,489,835	(544,184)	0	64,945,651
Business-type activities capital assets, net	<u>\$ 74,825,466</u>	<u>\$ 699,509</u>	<u>\$ 0</u>	<u>\$ 75,524,975</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 179,982
Public Safety	777,520
Public Works	2,037,684
Culture and Recreation	<u>970,727</u>

Total depreciation expense for governmental activities	<u><u>\$ 3,965,913</u></u>
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Business-type activities

Water and Sewerage	\$ 2,127,013
Sanitation	<u>165,564</u>

Total depreciation expense for business-type activities	<u><u>\$ 2,292,577</u></u>
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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, 2017, are \$6,188 and \$172,641 for governmental and business-type activities, respectively.

Total assets leased under capital leases are \$61,103 and \$641,627 for governmental and business-type activities, respectively. Total accumulated depreciation on assets leased under capital leases are \$48,883 and \$285,944 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

9. Capital and Operating Leases Agreements (continued)

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, 2017:

Year Ending June 30,	Governmental Activities	Business-type Activities
2018	\$ 6,254	\$ 132,985
2019	0	45,198
Total minimum lease payments	6,254	178,183
Less amounts representing interest	(66)	(5,542)
Present value of minimum lease payments	<u>\$ 6,188</u>	<u>\$ 172,641</u>

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, 2017, the City has a balance of \$172,641 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 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, 2017:

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

10. Long-Term Debt (continued)

Revenue Bonds, continued

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.

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

Year Ending June 30,	Principal	Interest	Total
2018	\$ 204,000	\$ 155,541	\$ 359,541
2019	416,000	144,647	560,647
2020	427,000	133,473	560,473
2021	439,000	121,992	560,992
2022	450,000	110,204	560,204
2023-2027	2,442,000	362,653	2,804,653
2028-2030	1,347,000	54,428	1,401,428
Totals	\$ 5,725,000	\$ 1,082,938	\$ 6,807,938

Notes Payable

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 annual installment payments of \$833 beginning January 1, 2010 and ending December 1, 2029. The balance at June 30, 2017 was \$316,667.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

10. Long-Term Debt (continued)

Notes Payable, continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	25,000	0	25,000
2023-2027	125,000	0	125,000
2028-2029	66,667	0	66,667
Totals	<u>\$ 316,667</u>	<u>\$0</u>	<u>\$ 316,667</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, 2017 was \$6,806,250.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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
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	\$ 6,806,250	\$ 777,751	\$ 7,584,001

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, 2017:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Capital lease obligations	\$ 90,394	\$ 0	\$ (84,206)	\$ 6,188	\$ 6,188
Contracts payable	8,416,250	0	(1,610,000)	6,806,250	1,640,000
Compensated absences	224,583	121,082	(109,958)	235,707	235,707
Total governmental activities	\$ 8,731,227	\$ 121,082	\$ (1,804,164)	\$ 7,048,145	\$ 1,881,895
Business-type activities					
Revenue bonds	\$ 6,125,000	\$ 0	\$ (400,000)	\$ 5,725,000	\$ 204,000
Notes payable	341,667	0	(25,000)	316,667	25,000
Capital lease obligations	300,966	0	(128,325)	172,641	128,325
Compensated absences	69,015	75,258	(72,202)	72,071	72,071
Total business-type activities	\$ 6,836,648	\$ 75,258	\$ (625,527)	\$ 6,286,379	\$ 429,396

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017 was \$328,589 and \$181,646, 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 was paid in full as of June 30, 2017.

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, 2017.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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, 2017 was \$180,746.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of \$250,000 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of acquiring and renovating a building located at 210 Bradley 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 2% interest with monthly payments of \$1,608.77 beginning December 1, 2016, and a balloon payment of all unpaid principal on November 1, 2026. The outstanding loan balance at June 30, 2017 was \$241,613.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of \$250,000 from the Georgia Cities Foundation Loan Program. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of renovating a building located at 117 Newnan 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 fifteen years at 3% interest with monthly payments of \$1,746.45 beginning December 1, 2016, and a balloon payment of \$97,564.36 on November 1, 2026. The outstanding loan balance at June 30, 2017 was \$242,232.

12. Deficit Fund Balances

At June 30, 2017, the Capital Projects Fund for Public Roads had a negative fund balance of \$975. The City intends to fund this deficit through transfers from the City's General Fund.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

13. 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, 2017:

	<u>General</u>	<u>2015 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Prepays	\$ 375,929	\$ 0	\$ 23,000	\$ 398,929
Restricted for:				
Public Safety				
Police facilities and equipment	\$ 0	\$ 0	\$ 1,245,518	\$ 1,245,518
Hazardous material team	0	0	37,836	37,836
Culture and Recreation				
Recreation facilities and equipment	223,957	0	0	223,957
Housing and Development				
Neighborhood improvements	0	0	1,151,574	1,151,574
Economic Development	159,772	0	75,262	235,034
Capital Projects	0	1,886,551	50	1,886,601
	<u>\$ 383,729</u>	<u>\$ 1,886,551</u>	<u>\$ 2,510,240</u>	<u>\$ 4,780,520</u>

14. Pension Plan

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, 2017

14. Pension Plans (continued)

At January 1, 2017, the date of the most recent actuarial valuation, there were 531 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	153
Terminated vested participants entitled to but not yet receiving benefits	59
Active participants	<u>319</u>
Total number of participants	<u><u>531</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, 2017 was \$1,341,205, or 9.85% of covered payroll. Covered payroll for employees participating in the plan as of January 1, 2017 (the most recent actuarial valuation date) was \$13,618,889 (based on covered earnings for the preceding year). The City Council provides for the benefits and funding policy through City 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, 2017, the City reported a net pension liability of \$7,898,467. The net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. For the fiscal year ended June 30, 2017, the City recognized pension expense of \$1,239,534.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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 9/30/2015	\$ 27,967,861	\$ 20,375,920	\$ 7,591,941
Changes for the year:			
Service cost	362,710	0	362,710
Interest	2,106,841	0	2,106,841
Differences between expected and actual experience	1,267,311	0	1,267,311
Contributions-employer	0	1,188,985	(1,188,985)
Net investment income	0	2,258,136	(2,258,136)
Benefit payments, including refunds of employee contribution	(1,565,620)	(1,565,620)	0
Administrative expense	0	(33,118)	33,118
Other	(16,333)	0	(16,333)
Net changes	<u>2,154,909</u>	<u>1,848,383</u>	<u>306,526</u>
Balances at 9/30/2016	\$ 30,122,770	\$ 22,224,303	\$ 7,898,467

Plan fiduciary net position as a percentage of the total pension liability	73.78%
Covered payroll	\$ 13,618,889
Net pension liability as a percentage of covered payroll	58.00%

At June 30, 2017, 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	\$ 1,633,044	\$ 0
Changes of assumptions	0	(141,406)
Net difference between projected and actual earnings on pension plan investments	799,436	(824,378)
Contributions subsequent to the measurement date	<u>995,004</u>	<u>0</u>
Totals	<u>\$ 3,427,484</u>	<u>\$ (965,784)</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

14. Pension Plans (continued)

The \$995,004 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, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2018	\$ 316,457
2019	316,457
2020	450,694
2021	171,866
2022	<u>211,222</u>
Totals	<u><u>\$ 1,466,696</u></u>

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

Inflation	3.25%
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, 2017 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, 2017

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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
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, 2017

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%	\$ 11,766,466
Current discount rate	7.75%	7,898,467
1% increase	8.75%	4,672,401

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, 2017

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 201 Pryor Street, SW, Atlanta, Georgia 30303.

Current Membership is as follows:

Retirees and beneficiaries currently receiving benefits	44
Active participants	<u>319</u>
Total number of participants	<u><u>363</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 (i.e., 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 January 1, 2017 is 17 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, 2017

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 2017, the City's annual OPEB cost of \$203,045 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, 2016. 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 projected salary increase of 3.25 percent, (c) no post-retirement benefit increases, and (d) a medical and drug cost trend rate of 7.0 percent, graded to 4.5 percent over 5 years.

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

Annual required contribution	\$ 265,320
Interest on net OPEB obligation	63,811
Adjustment to ARC	<u>(126,086)</u>
Annual OPEB cost	203,045
Contributions made	<u>(76,910)</u>
Increase (decrease) in net OPEB obligation	126,135
Net OPEB obligation - beginning of year	<u>1,595,283</u>
Net OPEB obligation - end of year	<u><u>\$ 1,721,418</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

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
2017	203,045	38%	1,721,418

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%
1/1/2017	0	2,168,360	2,168,360	0.00%	13,397,582	16%

* 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, 2017, follows:

Lodging Tax Receipts	\$470,629	
Disbursements for tourism and visitor programs	\$282,377	60% of tax receipts

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

17. Tax Abatements

The City of Carrollton is subject to tax incentives granted by various authorities in the City. These incentives are negotiated on an individual basis as a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing business activity and employment in the City by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government's geographic area and have various requirements regarding job creation and capital investments. Each of the incentive agreements contains a recapture provision that requires repayment of a portion of the abatement for that year if the business fails to meet its jobs and/or investment goals. The City has not made any commitments as part of the agreements other than to reduce taxes.

For the fiscal year ended June 30, 2017, the City of Carrollton property taxes were abated totaling \$316,804 under this program through the Carrollton Payroll Development Authority.

Individual tax abatement agreements that each exceeded ten percent of the total amount abated are as follows:

- Property tax abatement (ranging from 50% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$122,157.
- 100% property tax abatement for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$67,525.

18. 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

19. 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.

20. 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.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

21. 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, 2017. At fiscal year end, the City's commitments with contractors are as follows:

Project	Amount Expended to Date	Remaining Commitment
Ben Scott Blvd. Storm Drain Culvert	\$ 349,547	\$ 544,510
Wastewater Treatment Plant Grit Removal	0	1,435,000
	<u>\$ 349,547</u>	<u>\$ 1,979,510</u>

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. As of June 30, 2017, the City has expended approximately \$75,000 toward this commitment.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2017

22. Material Budget Violations

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

Mayor and Council	\$	2,681
Finance and Purchasing		16,987
Legal		7,684
Landfill		71
Recreation Programs		56,022

The following Special Revenue Funds had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2017.

Drug Seizure	\$	27,256
West Metro Regional Drug Enforcement		330,626

The City did not adopt a budget for its Neighborhood Stabilization Program Special Revenue Fund.

In the future, budgets will be adopted for all funds legally required to adopt budgets, and 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, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
Total pension liability			
Service cost	\$ 362,710	\$ 377,227	\$ 334,167
Interest	2,106,841	1,989,841	1,911,478
Differences between expected and actual experience	1,267,311	597,738	356,908
Benefit payments, including refunds of employee contributions	(1,565,620)	(1,344,634)	(1,272,573)
Other changes	(16,333)	0	(282,808)
Net change in total pension liability	2,154,909	1,620,172	1,047,172
Total pension liability - beginning	27,967,861	26,347,689	25,300,517
Total pension liability - ending (a)	\$ 30,122,770	\$ 27,967,861	\$ 26,347,689
Plan fiduciary net position			
Contributions - employer	\$ 1,188,985	\$ 1,208,604	\$ 1,248,419
Net investment income	2,258,137	235,211	2,085,904
Benefit payments, including refunds of employee contributions	(1,565,620)	(1,344,634)	(1,272,573)
Administrative expense	(33,118)	(36,856)	(29,317)
Net change in fiduciary net position	1,848,384	62,325	2,032,433
Plan fiduciary net position - beginning	20,375,919	20,313,594	18,281,161
Plan fiduciary net position - ending (b)	\$ 22,224,303	\$ 20,375,919	\$ 20,313,594
Net pension liability (asset) - ending : (a) - (b)	\$ 7,898,467	\$ 7,591,942	\$ 6,034,095
Plan's fiduciary net position as a percentage of the total pension liability	73.78%	72.85%	77.10%
Covered payroll	\$ 13,618,889	\$ 12,426,773	\$ 11,901,447
Net pension liability as a percentage of covered payroll	58.00%	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, 2017
(Unaudited)

	Fiscal Year End		
	2017	2016	2015
Actuarially determined contribution	\$ 1,341,205	\$ 1,195,231	\$ 1,186,903
Contributions in relation to the actuarially determined contribution	(1,341,205)	(1,195,231)	(1,186,903)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 13,618,889	\$ 12,426,773	\$ 11,901,447
Contributions as a percentage of covered payroll	9.85%	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, 2017

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2017, 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, 2018.

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 one year for females. Disabled mortality rates were based on the RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

3. Changes in Benefits

Effective February 6, 2016, no new officials can participate in the Plan and all officials no longer accrue benefits.

Exhibit B-3, continued

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

4. Changes of Assumptions

There were no changes in methods or assumptions since the last valuation.

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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, 2017

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	West Metro Regional Drug Enforcement
ASSETS				
Cash and cash equivalents	\$ 117,669	\$ 146,855	\$ 37,836	\$ 1,143,492
Receivables				
Intergovernmental	0	1,977	0	119,201
Taxes	52,327	0	0	0
Prepaid items	23,000	0	0	0
Due from other funds	0	0	0	0
Total assets	\$ 192,996	\$ 148,832	\$ 37,836	\$ 1,262,693
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 52,392	\$ 4,759	\$ 0	\$ 5,891
Unearned revenue	0	0	0	24,000
Due to other funds	42,342	0	0	17,042
Due to others	0	10,667	0	103,648
Total liabilities	94,734	15,426	0	150,581
Fund balances				
Nonspendable:				
Prepaid items	23,000	0	0	0
Restricted for:				
Public Safety	0	133,406	37,836	1,112,112
Housing and Development	75,262	0	0	0
Capital outlay	0	0	0	0
Unassigned	0	0	0	0
Total fund balances	98,262	133,406	37,836	1,112,112
Total liabilities and fund balances	\$ 192,996	\$ 148,832	\$ 37,836	\$ 1,262,693

Neighborhood Stabilization Program	Capital Projects			Total Nonmajor Governmental Funds
	2004 SPLOST	2009 SPLOST	Capital Projects Fund for Public Roads	
\$ 1,124,552	\$ 0	\$ 50	\$ 313	\$ 2,570,767
24,370	0	0	0	145,548
0	0	0	0	52,327
0	0	0	0	23,000
22,822	0	0	0	22,822
<u>\$ 1,171,744</u>	<u>\$ 0</u>	<u>\$ 50</u>	<u>\$ 313</u>	<u>\$ 2,814,464</u>
\$ 20,170	\$ 0	\$ 0	\$ 0	\$ 83,212
0	0	0	0	24,000
0	0	0	1,288	60,672
0	0	0	0	114,315
<u>20,170</u>	<u>0</u>	<u>0</u>	<u>1,288</u>	<u>282,199</u>
0	0	0	0	23,000
0	0	0	0	1,283,354
1,151,574	0	0	0	1,226,836
0	0	50	0	50
0	0	0	(975)	(975)
<u>1,151,574</u>	<u>0</u>	<u>50</u>	<u>(975)</u>	<u>2,532,265</u>
<u>\$ 1,171,744</u>	<u>\$ 0</u>	<u>\$ 50</u>	<u>\$ 313</u>	<u>\$ 2,814,464</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, 2017

	Special Revenue			
			Regional	
	Hotel/Motel	Drug	Hazardous	West Metro
	Tax	Seizure	Material	Regional Drug
			Team	Enforcement
REVENUES				
Taxes	\$ 470,629	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	100,676	0	395,217
Charges for services	0	0	3,000	0
Intergovernmental	0	0	0	557,240
Contributions	14,500	0	0	0
Interest	117	36	15	1,025
Other	0	0	0	1,797
Total revenues	485,246	100,712	3,015	955,279
EXPENDITURES				
Current				
Public Safety	0	127,256	2,893	939,552
Housing and Development	366,140	0	0	0
Capital outlay	0	0	0	0
Total expenditures	366,140	127,256	2,893	939,552
Excess (deficiency) of revenues over (under) expenditures	119,106	(26,544)	122	15,727
Other financing sources (uses)				
Transfers out	(187,457)	0	0	0
Proceeds from sale of assets	0	0	0	107,031
Total other financing sources (uses)	(187,457)	0	0	107,031
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(68,351)	(26,544)	122	122,758
Fund balances, July 1	166,613	159,950	37,714	989,354
Fund balances, June 30	\$ 98,262	\$ 133,406	\$ 37,836	\$ 1,112,112

Neighborhood Stabilization Program	Capital Projects			Total Nonmajor Governmental Funds
	2004 SPLOST	2009 SPLOST	Capital Projects Fund for Public Roads	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 470,629
0	0	0	0	495,893
0	0	0	0	3,000
0	0	0	622,571	1,179,811
0	0	0	0	14,500
971	0	0	134	2,298
9,386	0	0	0	11,183
<u>10,357</u>	<u>0</u>	<u>0</u>	<u>622,705</u>	<u>2,177,314</u>
0	0	0	0	1,069,701
18,967	0	0	0	385,107
0	639	16,233	634,702	651,574
<u>18,967</u>	<u>639</u>	<u>16,233</u>	<u>634,702</u>	<u>2,106,382</u>
<u>(8,610)</u>	<u>(639)</u>	<u>(16,233)</u>	<u>(11,997)</u>	<u>70,932</u>
0	0	0	0	(187,457)
0	0	0	0	107,031
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(80,426)</u>
(8,610)	(639)	(16,233)	(11,997)	(9,494)
<u>1,160,184</u>	<u>639</u>	<u>16,283</u>	<u>11,022</u>	<u>2,541,759</u>
<u>\$ 1,151,574</u>	<u>\$ 0</u>	<u>\$ 50</u>	<u>\$ (975)</u>	<u>\$ 2,532,265</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 12,039,750	\$ 11,737,344
Receivables (net)		
Accounts	117,396	165,014
Intergovernmental	41,006	36,059
Taxes	679,250	605,386
Prepaid items	375,929	265,418
Due from other funds	64,862	523,063
Restricted assets		
Cash and cash equivalents	334,130	276,851
Certificates of deposit	49,599	49,559
	<u> </u>	<u> </u>
Total assets	<u><u>\$ 13,701,922</u></u>	<u><u>\$ 13,658,694</u></u>
LIABILITIES		
Accounts payable	\$ 587,782	\$ 663,255
Accrued liabilities	65,141	105,750
Accrued salaries and payroll liabilities	222,279	444,662
Unearned revenue	203,922	199,383
Due to other funds	25,220	48,176
	<u> </u>	<u> </u>
Total liabilities	<u>1,104,344</u>	<u>1,461,226</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>13,613</u>	<u>41,390</u>
FUND BALANCES		
Nonspendable		
Prepaid items	375,929	265,418
Restricted for Culture and Recreation	223,957	227,032
Restricted for Housing and Development	159,772	99,378
Unassigned	11,824,307	11,564,250
	<u> </u>	<u> </u>
Total fund balances	<u>12,583,965</u>	<u>12,156,078</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 13,701,922</u></u>	<u><u>\$ 13,658,694</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Taxes	\$ 14,177,826	\$ 13,718,103
Licenses and permits	376,022	376,478
Fines, fees and forfeitures	1,016,332	798,214
Charges for services	3,825,468	2,682,178
Intergovernmental	1,038,986	1,126,759
Interest	9,638	10,887
Contributions	70,348	0
Other	671,060	105,821
Total revenues	<u>21,185,680</u>	<u>18,818,440</u>
EXPENDITURES		
Current		
General Government	2,514,391	1,560,095
Public Safety	11,420,601	11,032,707
Public Works	1,792,411	1,535,811
Culture and Recreation	5,722,930	5,755,348
Housing and Development	652,123	567,437
Total current	<u>22,102,456</u>	<u>20,451,398</u>
Debt Service		
Public Safety	66,260	89,849
Total expenditures	<u>22,168,716</u>	<u>20,541,247</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(983,036)</u>	<u>(1,722,807)</u>
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	187,457	165,057
Water and Sewerage Fund	667,210	914,500
Sanitation Fund	471,606	635,500
Proceeds from sale of assets	84,650	6,630
Total other financing sources (uses)	<u>1,410,923</u>	<u>1,721,687</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>427,887</u>	<u>(1,120)</u>
Fund balances, July 1 (original)	12,156,078	12,190,381
Prior period adjustments	<u>0</u>	<u>(33,183)</u>
Fund balances, July 1 (restated)	<u>12,156,078</u>	<u>12,157,198</u>
Fund balances, June 30	<u><u>\$ 12,583,965</u></u>	<u><u>\$ 12,156,078</u></u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 3,408,377	\$ 3,460,987	\$ 52,610	\$ 3,163,610
Motor vehicle tax	640,000	566,505	(73,495)	688,397
Cost, penalties and interest	50,000	21,979	(28,021)	24,296
Total general property taxes	4,098,377	4,049,471	(48,906)	3,876,303
Local option sales tax	3,900,000	3,910,453	10,453	3,880,956
Insurance premium tax	1,475,000	1,522,406	47,406	1,405,478
Intangibles tax	30,000	28,750	(1,250)	28,946
Franchise tax	2,601,000	2,486,371	(114,629)	2,498,711
Alcohol excise tax	725,000	771,384	46,384	743,140
Occupational tax	1,075,000	1,197,504	122,504	1,074,619
Energy excise tax	210,000	211,487	1,487	209,950
Total taxes	14,114,377	14,177,826	63,449	13,718,103
Licenses and permits				
Alcohol licenses	200,000	226,048	26,048	253,999
Building permits	100,000	149,974	49,974	122,479
Total licenses and permits	300,000	376,022	76,022	376,478
Fines, fees and forfeitures	850,000	1,016,332	166,332	798,214
Charges for Services				
Reimbursement of joint expenses	2,298,617	2,298,624	7	1,028,976
Recreation fees	1,122,482	1,117,202	(5,280)	1,302,159
Main Street events	110,000	83,505	(26,495)	95,781
Cemetery charges	0	42,730	42,730	0
Cultural arts fees	183,000	173,598	(9,402)	156,658
Other	95,000	109,809	14,809	98,604
Total charges for services	3,809,099	3,825,468	16,369	2,682,178
Intergovernmental	996,580	1,038,986	42,406	1,126,759
Interest	10,000	9,638	(362)	10,887
Contributions	0	70,348	70,348	0
Other				
Rental Income	70,000	78,900	8,900	60,855
Miscellaneous	1,050,000	592,160	(457,840)	44,966
Total other	1,120,000	671,060	(448,940)	105,821
Total revenues	\$ 21,200,056	\$ 21,185,680	\$ (14,376)	\$ 18,818,440

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 47,635	\$ 48,218	\$ (583)	\$ 51,668
Contract services	30,000	32,098	(2,098)	19,552
Total Mayor and Council	77,635	80,316	(2,681)	71,220
City Manager				
Personal services	300,593	305,734	(5,141)	89,104
Contract services	5,777	6,206	(429)	5,169
Materials and supplies	250	0	250	0
Total City Manager	306,620	311,940	(5,320)	94,273
General Administration				
Personal services	5,000	5,070	(70)	2,004
Contract services	623,438	705,545	(82,107)	654,520
Materials and supplies	308,600	292,236	16,364	220,054
Payments to others	100,000	17,300	82,700	26,500
Total General Administration	1,037,038	1,020,151	16,887	903,078
Finance and Purchasing				
Personal services	266,689	288,258	(21,569)	58,013
Contract services	5,877	1,295	4,582	5,508
Materials and supplies	0	0	0	60,189
Total Finance and Purchasing	272,566	289,553	(16,987)	123,710
Human Resources				
Personal services	367,074	318,283	48,791	109,774
Contract services	47,012	7,538	39,474	5,884
Materials and supplies	2,600	2,847	(247)	141
Total Human Resources	416,686	328,668	88,018	115,799
Information Technology				
Personal services	185,796	178,003	7,793	0
Contract services	50,000	22,821	27,179	0
Total Information Technology	235,796	200,824	34,972	0
General Maintenance				
Personal services	109,626	107,030	2,596	73,087
Contract services	5,277	3,225	2,052	3,720
Materials and supplies	2,400	0	2,400	2,953
Total General Maintenance	117,303	110,255	7,048	79,760
Legal				
Contract services	165,000	172,684	(7,684)	172,255
Total General Government	2,628,644	2,514,391	114,253	1,560,095

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Public Safety				
Police Department				
Personal services	\$ 5,721,498	\$ 5,715,729	\$ 5,769	\$ 5,473,540
Contract services	476,853	497,580	(20,727)	479,854
Materials and supplies	319,500	263,913	55,587	288,193
Capital outlay	15,000	19,392	(4,392)	10,576
Total Police Department	<u>6,532,851</u>	<u>6,496,614</u>	<u>36,237</u>	<u>6,252,163</u>
Fire Department				
Personal services	4,736,002	4,525,923	210,079	4,468,206
Contract services	192,770	151,316	41,454	167,303
Materials and supplies	175,491	150,225	25,266	145,035
Capital outlay	300,000	96,523	203,477	0
Total Fire Department	<u>5,404,263</u>	<u>4,923,987</u>	<u>480,276</u>	<u>4,780,544</u>
Total Public Safety	<u>11,937,114</u>	<u>11,420,601</u>	<u>516,513</u>	<u>11,032,707</u>
Public Works				
Street Department				
Contract services	129,054	84,078	44,976	106,242
Materials and supplies	118,500	96,482	22,018	59,950
Capital outlay	1,000,000	594,471	405,529	618,199
Total Street Department	<u>1,247,554</u>	<u>775,031</u>	<u>472,523</u>	<u>784,391</u>
Engineering				
Personal services	386,277	383,034	3,243	133,103
Contract services	18,777	13,995	4,782	13,316
Materials and supplies	383,000	386,270	(3,270)	370,727
Total Engineering	<u>788,054</u>	<u>783,299</u>	<u>4,755</u>	<u>517,146</u>
Landfill				
Personal services	<u>0</u>	<u>71</u>	<u>(71)</u>	<u>95,287</u>
Garage				
Personal services	213,345	212,496	849	121,844
Contract services	10,277	6,851	3,426	3,788
Materials and supplies	15,500	14,663	837	13,355
Capital outlay	15,200	0	15,200	0
Total Garage	<u>254,322</u>	<u>234,010</u>	<u>20,312</u>	<u>138,987</u>
Total Public Works	<u>2,289,930</u>	<u>1,792,411</u>	<u>497,519</u>	<u>1,535,811</u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	\$ 300,035	\$ 300,036	\$ (1)	\$ 300,036
Recreation Administration				
Personal services	452,613	442,695	9,918	439,506
Contract services	108,582	137,020	(28,438)	134,398
Materials and supplies	418,770	367,838	50,932	447,440
Capital outlay	0	0	0	6,500
Total Recreation Administration	979,965	947,553	32,412	1,027,844
Recreation Parks				
Personal services	1,001,069	929,212	71,857	928,887
Contract services	496,582	465,513	31,069	422,979
Materials and supplies	108,635	74,957	33,678	81,393
Capital outlay	400,000	183,244	216,756	11,900
Total Recreation Parks	2,006,286	1,652,926	353,360	1,445,159
Recreation Programs				
Personal services	848,876	756,900	91,976	786,023
Contract services	118,578	169,377	(50,799)	147,335
Materials and supplies	167,584	264,783	(97,199)	329,449
Total Recreation Programs	1,135,038	1,191,060	(56,022)	1,262,807
Cultural Arts				
Personal services	342,992	293,240	49,752	325,588
Contract services	82,796	102,817	(20,021)	78,359
Materials and supplies	96,221	130,763	(34,542)	218,515
Total Cultural Arts	522,009	526,820	(4,811)	622,462
Recreation Athletics				
Personal services	930,186	935,289	(5,103)	888,330
Contract services	88,249	73,305	14,944	87,029
Materials and supplies	115,554	95,941	19,613	121,681
Total Recreation Athletics	1,133,989	1,104,535	29,454	1,097,040
Total Culture and Recreation	6,077,322	5,722,930	354,392	5,755,348

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	\$ 261,239	\$ 253,078	\$ 8,161	\$ 121,178
Contract services	5,277	5,182	95	4,014
Materials and supplies	1,500	1,050	450	434
Total Planning Administration	268,016	259,310	8,706	125,626
Code Enforcement				
Personal services	73,097	67,055	6,042	69,360
Contract services	9,777	6,290	3,487	6,838
Materials and supplies	5,150	1,168	3,982	2,148
Total Code Enforcement	88,024	74,513	13,511	78,346
Convention and Visitor's Bureau				
Personal services	89,447	88,816	631	85,289
Contract services	66,810	56,175	10,635	62,369
Materials and supplies	22,265	14,814	7,451	6,995
Total Convention and Visitor's Bureau	178,522	159,805	18,717	154,653
Main Street Division				
Personal services	117,680	108,542	9,138	116,607
Contract services	26,117	25,976	141	27,329
Materials and supplies	69,800	23,977	45,823	64,876
Total Main Street Division	213,597	158,495	55,102	208,812
Total Housing and Development	748,159	652,123	96,036	567,437
Total Current	23,681,169	22,102,456	1,578,713	20,451,398
Debt Service				
General Administration	0	0	0	13,920
Police Department	55,937	49,696	6,241	56,969
Fire Department	18,646	16,564	2,082	18,960
Total Debt Service	74,583	66,260	8,323	89,849
Total Expenditures	<u>\$ 23,755,752</u>	<u>\$ 22,168,716</u>	<u>\$ 1,587,036</u>	<u>\$ 20,541,247</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 117,669	\$ 158,059
Taxes receivable	52,327	38,970
Prepaid items	<u>23,000</u>	<u>21,125</u>
Total assets	<u><u>\$ 192,996</u></u>	<u><u>\$ 218,154</u></u>
LIABILITIES		
Accounts payable	\$ 52,392	\$ 18,475
Due to other funds	<u>42,342</u>	<u>33,066</u>
Total liabilities	<u>94,734</u>	<u>51,541</u>
FUND BALANCES		
Nonspendable		
Prepaid items	23,000	21,125
Restricted for Housing and Development	<u>75,262</u>	<u>145,488</u>
Total fund balances	<u>98,262</u>	<u>166,613</u>
Total liabilities and fund balances	<u><u>\$ 192,996</u></u>	<u><u>\$ 218,154</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, 2017

(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 390,000	\$ 470,629	\$ 80,629	\$ 412,643
Contributions	50,000	14,500	(35,500)	30,500
Interest	500	117	(383)	89
Total revenues	<u>440,500</u>	<u>485,246</u>	<u>44,746</u>	<u>443,232</u>
EXPENDITURES				
Current				
Housing and Development				
Contract services	206,500	267,411	(60,911)	110,906
Payments to other agencies	234,000	98,729	135,271	82,529
Total expenditures	<u>440,500</u>	<u>366,140</u>	<u>74,360</u>	<u>193,435</u>
Excess (deficiency) of revenues over (under) expenditures	0	119,106	119,106	249,797
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(187,457)	(187,457)	(165,057)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(68,351)	(68,351)	84,740
Fund balance, July 1	0	166,613	166,613	81,873
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 98,262</u>	<u>\$ 98,262</u>	<u>\$ 166,613</u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 146,855	\$ 174,199
Intergovernmental receivable	<u>1,977</u>	<u>1,711</u>
Total assets	<u><u>\$ 148,832</u></u>	<u><u>\$ 175,910</u></u>
LIABILITIES		
Accounts payable	\$ 4,759	\$ 6,168
Due to others	<u>10,667</u>	<u>9,792</u>
Total liabilities	15,426	15,960
FUND BALANCES		
Restricted for Public Safety	<u>133,406</u>	<u>159,950</u>
Total liabilities and fund balances	<u><u>\$ 148,832</u></u>	<u><u>\$ 175,910</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, 2017**

(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 100,000	\$ 100,676	\$ 676	\$ 86,370
Interest	0	36	36	88
Total revenues	<u>100,000</u>	<u>100,712</u>	<u>712</u>	<u>86,458</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	18,953	(18,953)	2,680
Materials and supplies	100,000	26,164	73,836	10,914
Capital outlay	0	69,761	(69,761)	46,732
Payment to others	0	12,378	(12,378)	8,021
Total expenditures	<u>100,000</u>	<u>127,256</u>	<u>(27,256)</u>	<u>68,347</u>
Excess (deficiency) of revenues over (under) expenditures	0	(26,544)	(26,544)	18,111
Other financing sources (uses)				
Proceeds from sale of assets	0	0	0	520
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(26,544)	(26,544)	18,631
Fund balance, July 1	0	159,950	159,950	141,319
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 133,406</u>	<u>\$ 133,406</u>	<u>\$ 159,950</u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	<u>\$ 37,836</u>	<u>\$ 38,160</u>
 LIABILITIES		
Accounts payable	\$ 0	\$ 446
 FUND BALANCES		
Restricted for Public Safety	<u>37,836</u>	<u>37,714</u>
 Total liabilities and fund balances	<u><u>\$ 37,836</u></u>	<u><u>\$ 38,160</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, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 3,000	\$ 3,000	\$ 0	\$ 3,000
Interest	500	15	(485)	39
Total revenues	<u>3,500</u>	<u>3,015</u>	<u>(485)</u>	<u>3,039</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	1,750	304	1,446	0
Materials and supplies	1,750	2,589	(839)	2,867
Total expenditures	<u>3,500</u>	<u>2,893</u>	<u>607</u>	<u>2,867</u>
Excess (deficiency) of revenues over (under) expenditures	0	122	122	172
Fund balance, July 1	<u>0</u>	<u>37,714</u>	<u>37,714</u>	<u>37,542</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 37,836</u></u>	<u><u>\$ 37,836</u></u>	<u><u>\$ 37,714</u></u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,143,492	\$ 1,029,736
Intergovernmental receivable	<u>119,201</u>	<u>202,084</u>
Total assets	<u><u>\$ 1,262,693</u></u>	<u><u>\$ 1,231,820</u></u>
LIABILITIES		
Accounts payable	\$ 5,891	\$ 6,300
Due to other funds	17,042	32,919
Unearned revenue	24,000	19,000
Due to others	<u>103,648</u>	<u>184,247</u>
Total liabilities	150,581	242,466
FUND BALANCES		
Restricted for Public Safety	<u>1,112,112</u>	<u>989,354</u>
Total liabilities and fund balances	<u><u>\$ 1,262,693</u></u>	<u><u>\$ 1,231,820</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, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 87,000	\$ 395,217	\$ 308,217	\$ 76,338
Intergovernmental	521,926	557,240	35,314	549,319
Interest	0	1,025	1,025	1,027
Other	0	1,797	1,797	2,875
Total revenues	608,926	955,279	346,353	629,559
EXPENDITURES				
Current				
Public Safety				
Personal services	385,216	432,084	(46,868)	399,933
Contract services	90,678	109,710	(19,032)	55,923
Materials and supplies	93,032	88,922	4,110	54,784
Capital outlay	40,000	223,589	(183,589)	70,759
Payments to others	0	85,247	(85,247)	9,218
Total expenditures	608,926	939,552	(330,626)	590,617
Excess (deficiency) of revenues over (under) expenditures	0	15,727	15,727	38,942
Other financing sources (uses)				
Proceeds from sale of assets	0	107,031	107,031	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	122,758	122,758	38,942
Fund balance, July 1	0	989,354	989,354	950,412
Fund balances, June 30	\$ 0	\$ 1,112,112	\$ 1,112,112	\$ 989,354

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,124,552	\$ 1,114,124
Intergovernmental receivable	24,370	27,130
Due from other funds	<u>22,822</u>	<u>22,821</u>
Total assets	<u><u>\$ 1,171,744</u></u>	<u><u>\$ 1,164,075</u></u>
 LIABILITIES		
Accounts payable	\$ 20,170	\$ 3,891
 FUND BALANCES		
Restricted for Housing and Development	<u>1,151,574</u>	<u>1,160,184</u>
Total liabilities and fund balances	<u><u>\$ 1,171,744</u></u>	<u><u>\$ 1,164,075</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, 2017
(With comparative actual amounts for the fiscal year ending June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 279,769
Interest	0	971	971	715
Other	0	9,386	9,386	11,064
Total revenues	0	10,357	10,357	291,548
EXPENDITURES				
Current				
Housing and Development	0	18,967	(18,967)	361,193
Excess (deficiency) of revenues over (under) expenditures	0	(8,610)	(8,610)	(69,645)
Fund balance, July 1	0	1,160,184	1,160,184	1,229,829
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 1,151,574</u>	<u>\$ 1,151,574</u>	<u>\$ 1,160,184</u>

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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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 0	\$ 639
	<u>0</u>	<u>639</u>
 FUND BALANCES		
Restricted for capital outlay	\$ 0	\$ 639
	<u>0</u>	<u>639</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Interest	\$ 0	\$ 1
EXPENDITURES		
Capital outlay		
Public Works	<u>639</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(639)	1
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	<u>0</u>	<u>(100,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(639)	(99,999)
Fund balances, July 1	<u>639</u>	<u>100,638</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 639</u></u>

CITY OF CARROLLTON, GEORGIA
2009 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 50	\$ 1,283
Due from other funds	<u>0</u>	<u>21,884</u>
Total assets	<u><u>\$ 50</u></u>	<u><u>\$ 23,167</u></u>
 LIABILITIES		
Due to other funds	\$ 0	\$ 6,884
 FUND BALANCES		
Restricted for capital outlay	<u>50</u>	<u>16,283</u>
Total liabilities and fund balances	<u><u>\$ 50</u></u>	<u><u>\$ 23,167</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Contributions	\$ 0	\$ 497
EXPENDITURES		
Capital outlay		
Public Works	<u>16,233</u>	<u>16,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,233)</u>	<u>(15,556)</u>
Other financing sources (uses)		
Transfers in (out)		
2004 SPLOST Fund	0	100,000
2015 SPLOST Fund	0	110,000
Capital Projects Fund for Public Roads	<u>0</u>	<u>359,818</u>
Total transfers in (out)	<u>0</u>	<u>569,818</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(16,233)	554,262
Fund balances, July 1	<u>16,283</u>	<u>(537,979)</u>
Fund balances, June 30	<u><u>\$ 50</u></u>	<u><u>\$ 16,283</u></u>

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 1,265,141	\$ 1,893,581
Accounts receivable	12,145	0
Intergovernmental receivable	896,999	590,192
Note receivable	50,000	0
Due from other funds	<u>26,431</u>	<u>26,431</u>
Total assets	<u><u>\$ 2,250,716</u></u>	<u><u>\$ 2,510,204</u></u>
LIABILITIES		
Accounts payable	\$ 309,763	\$ 320,102
Retainages payable	7,500	14,567
Due to other funds	5,478	5,478
Unearned revenue	<u>41,424</u>	<u>110,000</u>
Total liabilities	364,165	450,147
FUND BALANCES		
Restricted for capital outlay	<u>1,886,551</u>	<u>2,060,057</u>
Total liabilities and fund balances	<u><u>\$ 2,250,716</u></u>	<u><u>\$ 2,510,204</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Intergovernmental	\$ 4,110,390	\$ 3,531,198
Contributions	1,285,945	419,243
Interest	897	3,376
	<u>5,397,232</u>	<u>3,953,817</u>
Total revenues		
	<u>5,397,232</u>	<u>3,953,817</u>
EXPENDITURES		
Capital outlay		
General Government	24,440	31,077
Public Safety	220,101	1,981,182
Public Works	2,419,650	1,527,680
Culture and Recreation	821,181	2,254,859
Housing and Development	176,932	33,015
Debt service	1,947,388	1,958,650
	<u>5,609,692</u>	<u>7,786,463</u>
Total expenditures		
	<u>5,609,692</u>	<u>7,786,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212,460)</u>	<u>(3,832,646)</u>
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	0	(110,000)
Capital Projects Fund for Public Roads	0	(381,890)
Water and Sewerage Fund	0	(22,687)
Proceeds from sale of assets	38,954	0
	<u>38,954</u>	<u>(514,577)</u>
Total other financing sources (uses)		
	<u>38,954</u>	<u>(514,577)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(173,506)	(4,347,223)
Fund balances, July 1	<u>2,060,057</u>	<u>6,407,280</u>
Fund balances, June 30	<u><u>\$ 1,886,551</u></u>	<u><u>\$ 2,060,057</u></u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 313	\$ 298,673
	<u> </u>	<u> </u>
 LIABILITIES		
Accounts payable	\$ 0	\$ 286,363
Due to other funds	1,288	1,288
	<u> </u>	<u> </u>
Total liabilities	1,288	287,651
	<u> </u>	<u> </u>
 FUND BALANCES		
Restricted for capital outlay	0	11,022
Unassigned	(975)	0
	<u> </u>	<u> </u>
Total fund balances	(975)	11,022
	<u> </u>	<u> </u>
 Total liabilities and fund balances	<u>\$ 313</u>	<u>\$ 298,673</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES		
Intergovernmental	\$ 622,571	\$ 210,364
Interest	<u>134</u>	<u>24</u>
Total revenues	<u>622,705</u>	<u>210,388</u>
EXPENDITURES		
Capital outlay		
Public Works	<u>634,702</u>	<u>292,670</u>
Total expenditures	<u>634,702</u>	<u>292,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,997)</u>	<u>(82,282)</u>
Other financing sources (uses)		
Transfers in (out)		
2009 SPLOST Fund	0	(359,815)
2015 SPLOST Fund	<u>0</u>	<u>381,890</u>
Total transfers in (out)	<u>0</u>	<u>22,075</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(11,997)	(60,207)
Fund balances, July 1	<u>11,022</u>	<u>71,229</u>
Fund balances, June 30	<u><u>\$ (975)</u></u>	<u><u>\$ 11,022</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,158,587	\$ 3,065,143
Accounts receivable, net	1,768,443	1,876,729
Intergovernmental receivable	719,913	0
Inventories	366,240	300,994
Prepaid items	148,800	136,689
Due from other funds	2,398	0
	<u>7,164,381</u>	<u>5,379,555</u>
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	259,343	259,107
Debt Redemption		
Cash and cash equivalents	20,331	20,223
Construction Projects		
Cash and cash equivalents	342,186	341,874
Customer Deposits		
Cash and cash equivalents	342,272	343,670
	<u>964,132</u>	<u>964,874</u>
Capital assets		
Land	8,933,204	8,933,204
Construction in progress	1,646,120	402,427
Buildings	5,887,236	5,887,236
Infrastructure	186,060	109,053
Distribution system	93,891,298	92,432,888
Vehicles and equipment	3,786,658	3,875,748
Accumulated depreciation	(39,383,979)	(37,501,514)
	<u>74,946,597</u>	<u>74,139,042</u>
Total assets	<u>83,075,110</u>	<u>80,483,471</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on debt refunding	5,593	27,963
Pension contributions subsequent to measurement date	233,755	232,659
Pension experience differences	347,822	172,857
Pension investment return differences	198,123	250,102
	<u>785,293</u>	<u>683,581</u>
Total deferred outflows of resources	<u>785,293</u>	<u>683,581</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 550,322	\$ 648,185
Retainages payable	8,800	0
Accrued liabilities	18,864	47,054
Accrued salaries and payroll liabilities	52,789	91,829
Compensated absences	54,570	52,897
Unearned revenue	357,725	95,940
Due to other funds	25,143	322,624
Capital leases	54,534	54,534
Current liabilities payable from restricted assets		
Customer deposits payable	342,272	343,670
Notes payable	25,000	25,000
Bonds payable	204,000	199,000
	<u>1,694,019</u>	<u>1,880,733</u>
Total current liabilities		
Long-term liabilities		
Net pension liability	1,844,205	1,784,415
Net OPEB obligation	380,632	352,650
Capital leases	0	54,534
Notes payable	291,667	316,667
Bonds payable	5,521,000	5,926,000
	<u>8,037,504</u>	<u>8,434,266</u>
Total long-term liabilities		
Total liabilities	<u>9,731,523</u>	<u>10,314,999</u>
DEFERRED INFLOWS OF RESOURCES		
Pension investment return differences	177,013	94,764
Pension assumption changes	35,164	44,358
	<u>212,177</u>	<u>139,122</u>
Total deferred inflows of resources		
NET POSITION		
Net investment in capital assets	68,979,637	67,639,766
Restricted for Debt Service	20,331	20,223
Restricted for Capital Outlay	259,343	259,107
Unrestricted	4,657,392	2,793,835
	<u>73,916,703</u>	<u>70,712,931</u>
Total net position		

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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 8,179,129	\$ 7,524,536
Sewer sales	5,635,206	5,316,685
Tap fees	410,629	439,005
Other	158,891	163,942
Total operating revenues	<u>14,383,855</u>	<u>13,444,168</u>
OPERATING EXPENSES		
Costs of sales and services	4,986,435	4,380,877
Personal services	3,943,558	4,691,065
Depreciation	2,127,013	2,073,361
Total operating expenses	<u>11,057,006</u>	<u>11,145,303</u>
Operating income (loss)	<u>3,326,849</u>	<u>2,298,865</u>
Non-operating revenues (expenses)		
Intergovernmental revenue	719,913	15,725
Interest and investment earnings	5,222	4,249
Interest expense	(181,002)	(175,036)
Total non-operating revenues (expenses)	<u>544,133</u>	<u>(155,062)</u>
Net income (loss) before transfers and special items	3,870,982	2,143,803
Special item - change in capitalization threshold	<u>0</u>	<u>(61,685)</u>
Net income before transfers	<u>3,870,982</u>	<u>2,082,118</u>
Transfers in (out)		
2015 SPLOST Fund	0	22,687
General Fund	(667,210)	(914,500)
Total transfers in (out)	<u>(667,210)</u>	<u>(891,813)</u>
Change in net position	<u>3,203,772</u>	<u>1,190,305</u>
Net position, July 1 (original)	70,712,931	69,566,300
Prior period adjustments	<u>0</u>	<u>(43,674)</u>
Net position, July 1 (restated)	<u>70,712,931</u>	<u>69,522,626</u>
Net position, June 30	<u><u>\$ 73,916,703</u></u>	<u><u>\$ 70,712,931</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Receipts from customers	\$ 14,593,637	\$ 13,445,269
Payments to suppliers	(5,181,045)	(4,794,380)
Payments to employees	(3,944,180)	(4,668,344)
Other receipts	<u>158,891</u>	<u>163,942</u>
Net cash provided (used) by operating activities	<u>5,627,303</u>	<u>4,146,487</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	0	26,856
Payments to other funds	<u>(967,089)</u>	<u>(914,500)</u>
Net cash provided (used) by operating activities	<u>(967,089)</u>	<u>(887,644)</u>
Cash flows from capital and related financing activities:		
Receipts from other funds	0	22,687
Receipts from other governments	0	15,725
Payments for acquisitions of capital assets	(2,934,568)	(1,818,876)
Principal payments - capital leases	(54,534)	(54,534)
Principal payments - promissory notes	(25,000)	(162,402)
Principal payments - bonds payable	(400,000)	(390,000)
Interest paid	<u>(158,632)</u>	<u>(152,667)</u>
Net cash provided (used) by capital and related financing activities	<u>(3,572,734)</u>	<u>(2,540,067)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>5,222</u>	<u>4,249</u>
Net increase (decrease) in cash and cash equivalents	1,092,702	723,025
Cash and cash equivalents, July 1	<u>4,030,017</u>	<u>3,306,992</u>
Cash and cash equivalents, June 30	<u><u>\$ 5,122,719</u></u>	<u><u>\$ 4,030,017</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 3,326,849	\$ 2,298,865
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,127,013	2,073,361
(Increase) decrease in accounts receivable	108,286	79,973
(Increase) decrease in inventories	(65,246)	(29,618)
(Increase) decrease in prepaid items	(12,111)	1,501
(Increase) decrease in pension contributions subsequent to measurement date	(1,096)	4,921
(Increase) decrease in pension experience differences	(174,965)	(102,919)
Increase (decrease) in accounts payable	(97,863)	(385,386)
Increase (decrease) in unearned revenue	261,785	0
Increase (decrease) in retainage payable	8,800	0
Increase (decrease) in accrued liabilities	(28,190)	3,380
Increase (decrease) in accrued salaries and payroll liabilities	(39,040)	1,284
Increase (decrease) in compensated absences	1,673	(9,275)
Increase (decrease) in customer deposits	(1,398)	85,070
Increase (decrease) in net pension liability	59,790	365,528
Increase (decrease) in net OPEB Obligation	27,982	52,461
Increase (decrease) in pension assumption differences	(9,194)	(11,060)
Increase (decrease) in pension investment return differences	134,228	(281,599)
Total adjustments	<u>2,300,454</u>	<u>1,847,622</u>
Net cash provided (used) by operating activities	<u>\$ 5,627,303</u>	<u>\$ 4,146,487</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 4,158,587	\$ 3,065,143
Extension and Renewal		
Cash and cash equivalents	259,343	259,107
Debt Redemption		
Cash and cash equivalents	20,331	20,223
Construction Projects		
Cash and cash equivalents	342,186	341,874
Customer Deposits		
Cash and cash equivalents	<u>342,272</u>	<u>343,670</u>
Total cash and cash equivalents	<u>\$ 5,122,719</u>	<u>\$ 4,030,017</u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,208,940	\$ 2,820,505
Accounts receivable, net	577,370	596,616
Prepaid items	58,205	55,865
Due from other funds	0	67,987
Total current assets	<u>2,844,515</u>	<u>3,540,973</u>
Capital assets		
Buildings	66,148	20,518
Vehicles and equipment	2,253,015	2,241,127
Accumulated depreciation	<u>(1,740,785)</u>	<u>(1,575,221)</u>
Total capital assets (net of accumulated depreciation)	<u>578,378</u>	<u>686,424</u>
Total assets	<u>3,422,893</u>	<u>4,227,397</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to measurement date	86,544	86,148
Pension experience differences	124,942	61,732
Pension investment return differences	<u>68,381</u>	<u>87,159</u>
Total deferred outflows of resources	<u>279,867</u>	<u>235,039</u>
LIABILITIES		
Current liabilities		
Accounts payable	22,696	81,744
Accrued liabilities	263	1,873
Accrued salaries and payroll liabilities	20,659	29,771
Compensated absences	17,501	16,118
Due to other funds	0	211,752
Capital leases	<u>73,791</u>	<u>73,791</u>
Total current liabilities	<u>134,910</u>	<u>415,049</u>
Long-term liabilities		
Net pension liability	673,720	652,120
Net OPEB obligation	151,300	140,107
Capital leases	<u>44,316</u>	<u>118,107</u>
Total long-term liabilities	<u>869,336</u>	<u>910,334</u>
Total liabilities	<u>1,004,246</u>	<u>1,325,383</u>
DEFERRED INFLOWS OF RESOURCES		
Pension investment return differences	65,432	35,718
Pension assumption changes	<u>13,320</u>	<u>16,641</u>
Total deferred inflows of resources	<u>78,752</u>	<u>52,359</u>
NET POSITION		
Net investment in capital assets	460,271	494,526
Unrestricted	<u>2,159,491</u>	<u>2,590,168</u>
Total net position	<u>\$ 2,619,762</u>	<u>\$ 3,084,694</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 4,270,758	\$ 4,131,698
OPERATING EXPENSES		
Costs of sales and services	2,483,919	1,808,900
Personal services	1,619,501	1,868,160
Depreciation	165,564	167,377
Total operating expenses	<u>4,268,984</u>	<u>3,844,437</u>
Operating income (loss)	<u>1,774</u>	<u>287,261</u>
Non-operating revenues (expenses)		
Interest and investment earnings	5,544	3,363
Interest expense	(644)	(6,203)
Total non-operating revenues (expenses)	<u>4,900</u>	<u>(2,840)</u>
Net income (loss) before transfers	6,674	284,421
Transfers in (out)		
General Fund	(471,606)	(635,500)
Change in net position	(464,932)	(351,079)
Net position, July 1	<u>3,084,694</u>	<u>3,435,773</u>
Net position, June 30	<u><u>\$ 2,619,762</u></u>	<u><u>\$ 3,084,694</u></u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	\$ 4,290,004	\$ 4,108,201
Payments to suppliers	(2,545,307)	(1,785,831)
Payments to employees	(1,614,482)	(1,861,477)
Net cash provided (used) by operating activities	<u>130,215</u>	<u>460,893</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	67,987	0
Payments to other funds	(683,358)	(635,500)
Net cash provided (used) by non-capital financing activities	<u>(615,371)</u>	<u>(635,500)</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(57,518)	(20,518)
Principal payments - capital leases	(73,791)	(73,792)
Interest paid	(644)	(6,203)
Net cash provided (used) by capital and related financing activities	<u>(131,953)</u>	<u>(100,513)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>5,544</u>	<u>3,363</u>
Net increase (decrease) in cash and cash equivalents	(611,565)	(271,757)
Cash and cash equivalents, July 1	<u>2,820,505</u>	<u>3,092,262</u>
Cash and cash equivalents, June 30	<u><u>\$ 2,208,940</u></u>	<u><u>\$ 2,820,505</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 1,774</u>	<u>\$ 287,261</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	165,564	167,377
(Increase) decrease in accounts receivable	19,246	(23,497)
(Increase) decrease in prepaid items	(2,340)	(5,923)
(Increase) decrease in pension contributions subsequent to measurement date	(396)	1,715
(Increase) decrease in pension experience differences	(63,210)	(35,867)
Increase (decrease) in accounts payable	(59,048)	28,992
Increase (decrease) in accrued salaries and payroll liabilities	(9,112)	8,039
Increase (decrease) in accrued liabilities	(1,610)	1,873
Increase (decrease) in compensated absences	1,383	(15,457)
Increase (decrease) in net pension liability	21,600	127,384
Increase (decrease) in net OPEB Obligation	11,193	20,985
Increase (decrease) in pension assumption differences	(3,321)	(3,854)
Increase (decrease) in pension investment return differences	48,492	(98,135)
Total adjustments	<u>128,441</u>	<u>173,632</u>
Net cash provided (used) by operating activities	<u><u>\$ 130,215</u></u>	<u><u>\$ 460,893</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 519	\$ 780
	<u>519</u>	<u>780</u>
LIABILITIES		
Due to primary government	\$ 519	780
FUND BALANCES		
Assigned for Housing and Development	<u>0</u>	<u>0</u>
Total liabilities and fund balance	<u>\$ 519</u>	<u>\$ 780</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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
REVENUES	<u>\$ 0</u>	<u>\$ 0</u>
EXPENDITURES		
Current		
Housing and Development		
Payments to other agencies	<u>0</u>	<u>3,862</u>
Total expenditures	<u>0</u>	<u>3,862</u>
Excess (deficiency) of revenues over (under) expenditures	0	(3,862)
Fund balance, July 1	<u>0</u>	<u>3,862</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</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, 2017, 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 26, 2017.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control that we consider to be a significant deficiency, which is described in the accompanying schedule of findings and questioned costs as comment 2017-001.

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 2017-002.

City of Carrollton, Georgia's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Carrollton, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 26, 2017

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, Georgia's major federal programs for the year ended June 30, 2017. 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, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City 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, Georgia'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, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Carrollton, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the

purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Carrollton, Georgia'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.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 26, 2017

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2017

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Number	Expenditures
Department of Justice			
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	\$ 204,076
Bulletproof Vest Partnership Program	16.607	N/A	3,969
Passed through the Criminal Justice Coordinating Council: Edward Byrne Memorial Formula Grant Program	16.738	B15-8-009 B16-8-004 B13-8-033	136,252 113,223 96,252
			345,727
Total Department of Justice			553,772
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	SFY2017	78,261
Nutrition Services Incentive Program	93.053	SFY2017	34,643
Total Aging Cluster of Programs			112,904
Passed through Three Rivers Regional Commission: Social Services Block Grant	93.667	SFY2017	9,439
Total Department of Health and Human Services			122,343
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-DR-4259-DR-GA PA-04-GA-4259 FEMA-1761-DR-GA	1,875 224,309 18,365
			244,549
Hazard Mitigation Grant	97.039	HMGP-4165-0013	635,217
Total Department of Health and Human Services			879,766
Total Federal Awards			\$ 1,555,881

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, 2017

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, 2017. 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, 2017

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? No

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:

97.039 Hazard Mitigation Grant

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, 2017

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2017-001

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.

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 2017-002

Condition: The City experienced a material excess of expenditures over appropriations in the General Fund, Drug Seizure Special Revenue Fund, and West Metro Regional Drug Enforcement Special Revenue Fund. In addition, the City did not adopt a budget for the Neighborhood Stabilization Program 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, and failure to properly adopt an annual budget for the Neighborhood Stabilization Program Special Revenue Fund, as required by OCGA Code Section 36-81-3 will place the City in violation of state law.

Recommendation: Budget to actual comparisons should be periodically reviewed by City management and budgets amended as needed to ensure that the City remains in compliance with state law. City management should also ensure that annual budgets are adopted for all funds legally required to operate under an approved annual budget. 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. City management will also ensure that an annual budget is adopted for all funds legally required to operate under an approved annual budget. This action was implemented immediately upon receipt of the comment from our auditors.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2017

2. Financial Statement Findings

B. Prior Year Audit Findings Follow-Ups

Comment 2016-001

Condition: The 2015 financial statements were restated for errors and incorrectly reported amounts.

Corrected

Comment 2016-002

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. These include Water and Sewerage and Sanitation receipting, Payroll, Accounts Payable, Municipal Court reporting to Finance Department, Recreation Department, Cultural Arts Center, West Metro Regional Drug Enforcement and Main Street Carrollton.

Not corrected

Comment 2016-003

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, 2017

Project	Estimated Cost *		Prior Years	Expenditures	
	Original	Current		Current Year	Total
<u>2004 SPLOST</u>					
Downtown Development					
Improvements	\$ 6,400,000	\$ 6,400,000	\$ 9,584,698	\$ 0	\$ 9,584,698
New Northeaset Fire					
Substation	1,025,000	1,025,000	1,945,735	0	1,945,735
Recreation/Cultural Arts					
Improvements	4,275,000	4,275,000	3,349,228	0	3,349,228
Greenspace Acquisition	535,000	535,000	359,994	0	359,994
Lake Carroll					
Improvements/Reservior	2,150,000	2,150,000	1,466,735	0	1,466,735
West Carrollton					
Revitalization	800,000	800,000	359,276	0	359,276
Economic Development	3,200,000	3,200,000	1,656,361	0	1,656,361
Sidewalk & Street					
Improvements	2,150,000	2,150,000	1,015,297	639	1,015,936
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>\$ 639</u>	<u>\$ 22,548,643</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, 2017

Project	Estimated Cost *		Prior Years	Expenditures	
	Original	Current		Current Year	Total
2009 SPLOST					
Sidewalk & Street Improvements	\$ 5,485,197	\$ 5,485,197	\$ 6,306,226	\$ 16,233	\$ 6,322,459
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
Telecommunciations 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>\$ 28,555,889</u>	<u>\$ 16,233</u>	<u>\$ 28,572,122</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, 2017

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			\$ 2,303,061	\$ 1,788,273	\$ 4,091,334
Public Safety Projects			4,327,964	220,101	4,548,065
Water Impoundment Improvements			61,955	0	61,955
Recreation/Cultural Arts Improvements			2,182,218	146,170	2,328,388
Economic Development			430,157	75,480	505,637
Greenspace Projects			1,161,305	0	1,161,305
Public Utilities (Telecommunications) Improvements			295,459	125,892	421,351
Debt Service-Carroll County, Georgia			1,958,650	1,947,388	3,906,038
	<u>\$ 21,187,200</u>	<u>\$ 21,187,200</u>	<u>\$ 12,720,769</u>	<u>\$ 4,303,304</u>	<u>\$ 17,024,073</u>
Current year expenditures				\$ 4,303,304	
Expenditures financed through other revenues				<u>1,306,388</u>	
Total expenditures and transfers out				<u>\$ 5,609,692</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.