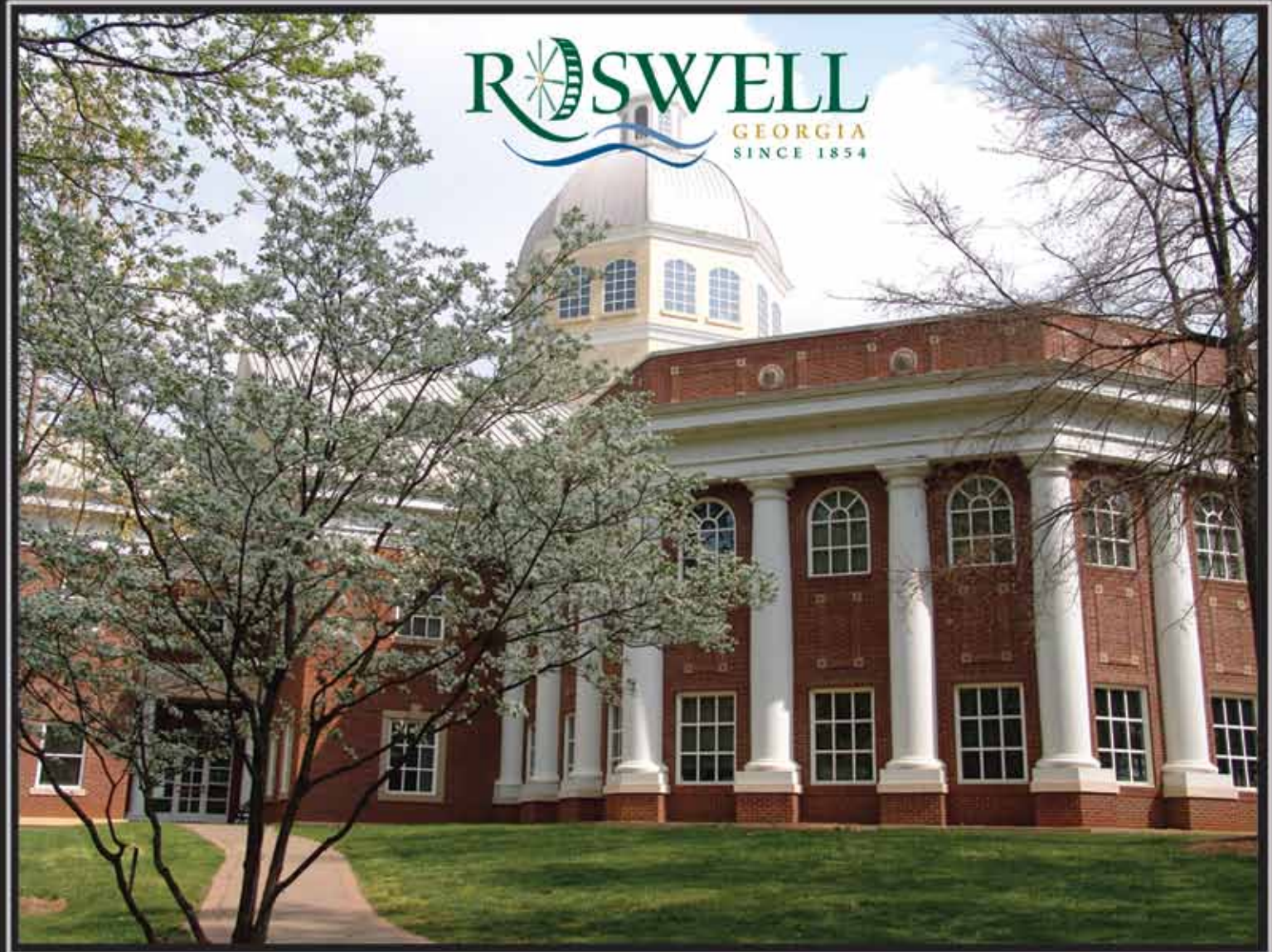


# 2011

## CITY OF ROSWELL, GEORGIA Comprehensive Annual Financial Report 2011



Fiscal Year Ended June 30, 2011

## Table of Contents

### Introductory Section

Letter of Transmittal .....	ii
GFOA Certificate of Achievement .....	xiii
Organizational Chart .....	xiv
List of Principal Officials .....	xv

### Financial Section

Independent Auditor's Report .....	1
Management's Discussion and Analysis .....	4

### Basic Financial Statements

#### Government-wide Financial Statements:

Statement of Net Assets .....	20
Statement of Activities .....	21

#### Fund Financial Statements:

##### Governmental Funds:

Balance Sheet .....	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances .....	24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities .....	25

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund .....	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) - Federal Grants Fund .....	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – American Stimulus Recovery Fund .....	28

**Proprietary Funds:**

Statement of Net Assets .....	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	30
Statement of Cash Flows .....	31

**Component Units:**

Combining Statement of Net Assets .....	33
Combining Statement of Activities .....	34

**Notes to the Financial Statements .....35**

**Required Supplementary Information**

Schedule of Funding Progress- City of Roswell Retirement Plan.....	66
--	----

**Supplementary Information**

**Combining and Individual Fund Statements and Schedules:**

**Governmental Funds**

**Non-major Governmental Funds:**

Combining Balance Sheet- By Fund Type .....	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances by Fund Type.....	68

**Special Revenue Funds and Permanent Fund**

**Non-major Special Revenue Funds and Permanent Fund**

Combining Balance Sheet ..... 69  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... 71

*Hotel/Motel Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 73

*Soil Erosion Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 74

*Confiscated Assets Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 75

*Emergency E911 Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 76

*State Grant Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 77

*County/Local Grant Fund*

Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual (Budgetary Basis)..... 78

<i>Leita Thompson Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis).....	79
<b>Capital Project Funds</b>	
Combining Balance Sheet .....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	81
<i>2000 Bond Fund (Non-Major Fund)</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis).....	82
<i>Impact Fee Fund (Major Fund)</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis).....	83
<i>Capital Projects Fund (Major Fund)</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis).....	84
<i>Debt Service Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis).....	85
<b>Proprietary Funds</b>	
<b>Major Enterprise Funds</b>	
<i>Water and Sewer Fund</i>	
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual (Budgetary Basis).....	86
<i>Solid Waste Fund</i>	
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual (Budgetary Basis).....	87

*Participant Recreation Fund*

Schedule of Revenues, Expenses and Changes in Net Assets –  
Budget and Actual (Budgetary Basis)..... 88

**Internal Service Funds**

Combining Statement of Net Assets..... 89  
Combining Statement of Revenues, Expenses and Changes in Net Assets ..... 90  
Combining Statement of Cash Flows ..... 91

**Statistical Section**

**Financial Trends**

Net Assets by Component ..... 93  
Changes in Net Assets..... 94  
Fund Balances, Governmental Funds ..... 96  
Changes in Fund Balances, Governmental Funds ..... 97

**Revenue Capacity**

Tax Revenues by Source, Governmental Funds..... 98  
Assessed Value and Estimated Actual Value of Taxable Property..... 99  
Direct and Overlapping Property Tax Rates..... 100  
Principal Property Tax Payers ..... 101  
Property Tax Levies and Collections ..... 102

**Debt Capacity**

Ratios of Outstanding Debt by Type ..... 103  
Ratios of General Bonded Debt Outstanding ..... 104  
Direct and Overlapping Governmental Activities Debt ..... 105

Legal Debt Margin Information..... 106

**Demographics and Economic Information**

Demographic and Economic Statistics..... 107

Principal Employers..... 108

**Operating Information**

Full-Time Equivalent City Government Employees by Function/Program ..... 109

Operating Indicators by Function/Program..... 111

Capital Asset Statistics by Function/Program..... 112

**Single Audit Section**

Schedule of Expenditures of Federal Awards ..... 113

Note to the Schedule of Expenditures of Federal Awards..... 115

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..... 116

Independent Auditor’s Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133..... 119

Schedule of Findings and Questioned Costs..... 122

Schedule of Prior Year Findings ..... 132

**CITY OF ROSWELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2011**

**Prepared by Authority  
of City Council, City of Roswell**



## **Mayor and City Council**



**Pictured from left: Councilwoman Dr. Betty Price, Councilwoman Nancy Diamond, Councilman Jerry Orlans, Mayor Jere Wood, Councilman Rich Dippolito, Councilwoman Becky Wynn, and Councilman Kent Igleheart**



March 16, 2012

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



We are pleased to present the Comprehensive Annual Financial Report of the City of Roswell, Georgia (the "City") for the fiscal year ended June 30, 2011. This report consists of management's representations concerning the finances of the City of Roswell. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. We believe, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the City. All disclosures necessary to enable the reader to gain a full understanding of the City's financial activities have been included.

The management of the City of Roswell is responsible for establishing and maintaining an effective internal control structure. In developing and evaluating the City of Roswell's accounting system, consideration is given to the adequacy of its system of internal control. We believe the City of Roswell's internal controls adequately safeguard assets and provide reasonable assurance for proper recording of financial transactions.

Georgia Code requires an annual audit by independent certified public accountants. The City selected the accounting firm of Mauldin & Jenkins, LLC to complete the audit of the 2011 fiscal year and the auditor's unqualified opinion has been included in this report.



The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roswell for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors have concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Roswell and its component units' financial statements for the fiscal year ended June 30, 2011 are fairly presented and conform with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

CITY OF ROSWELL 38 HILL STREET ROSWELL, GEORGIA 30075 TELEPHONE 770-641-3727 [www.roswellgov.com](http://www.roswellgov.com)

## profile of the government



**DID YOU KNOW:** Roswell is located 20 miles north of the City of Atlanta?

The City of Roswell receives federal financial assistance through various federal grant programs. An audit in accordance with the Single Audit Act, P.L. 98-502, and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations", and "Government Auditing Standards" issued by the Comptroller General of the United States has been performed for the fiscal year ended June 30, 2011. The required reports are included in the Single Audit section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Roswell's MD&A can be found immediately following the auditor's report in the financial section of this report.

### Reporting Entity

The financial reporting entity (the government) includes all the funds of the primary government (i.e., City of Roswell Georgia, as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units (although legally separate entities) are, in substance, part of the primary government's operations and are included as part of the primary government. There are no potential blended component units that met these criteria. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Development Authority of the City of Roswell, Archibald Smith Plantation Home Preservationists, Inc., Historic Roswell Convention & Visitors Bureau, Inc. and Friends of Bulloch, Inc. is reported as discretely presented component units at June 30, 2011.

The City operates under a charter adopted in 1854 and revised on April 19, 2000, which provides for a Mayor-Council form of government with a city administrator. The Mayor and six council members are elected at large and are part-time employees.

The City of Roswell, Georgia was incorporated over 150 years ago in 1854, and is located in northern Fulton County, 20 miles north of the City of Atlanta. Fulton County is the central and most populous county in Georgia. The City of Roswell has a land area of 39.26 square miles and has an unparalleled quality of life for its 88,346 residents.

The City of Roswell provides a full range of services to its citizens. These services include police and fire protection; public works; court system; detention facility; the construction and maintenance of recreational pathways; streets and infrastructure; solid waste collection and recycling; planning and zoning; building inspections; recreation activities and cultural events; water and storm water management; and inherent administrative and support activities. The City also operates a web site, citizen newsletter and broadcasts a government access channel. Wastewater treatment is provided to the city residents by a regional sewage treatment plant operated under the provisions of Fulton County.

**DID YOU KNOW:** Roswell has earned a “AAA” bond rating, the highest possible rating, consistently each year since 2000?



Roswell residents enjoy a family-oriented, safe and attractive community that respects the natural environment, protects its historic character, and celebrates its culture. Roswell has been named twice by *Atlanta Magazine* as the best place to live in metro Atlanta, beating out 52 other locations in 12 counties. *Money* magazine ranked the City of Roswell as one of the top 20 cities to live in the eastern United States.

The proof of our family friendly atmosphere, Roswell has been ranked 3<sup>rd</sup> in the Frommer’s publication, *Best Places to Raise Your Family; The Top 100 Affordable Communities in the U.S.* for 2006. The City of Roswell enhances its family focus with free annual events open to the public. These include the 4<sup>th</sup> of July Fireworks Extravaganza, Memorial Day Celebration, Egg Hunt Extravaganza, Tree Lighting at Town Square, the Historic Roswell Criterium Bike Race, a Youth Day Parade and Festival, Arts Festival at Town Square, Magnolia Storytelling Festival, End of Summer Celebration with Fireworks, and Back to the Chattahoochee Canoe and Kayak Race.

Roswell is part of the award-winning Fulton County School system, and has plenty of educational opportunities for adults too. Roswell has one of the most educated populations of any city of significant size in the state, with 92.9 percent having a high school education, 52.9 percent with a bachelor’s degree or higher in 2011. Additionally, the city has superb access to higher education. In a 2005 study of institutions of higher learning in 50 U.S. metropolitan areas, the Atlanta-Sandy Springs-Marietta MSA, of which Roswell is a part, ranked seventh in total enrollment and in number of college graduates.

Consistently pointed as a well-run city, Roswell is the nation’s 76<sup>th</sup> best place to live according to “MONEY Magazine’s Best Places to Live 2010” list. In ranking cities for the top 100, MONEY Magazine used data on income, housing, education, quality of life, crime statistics, leisure and culture, the tax rate, and weather. The list focused on cities with populations between 50,000 and 300,000. No other Georgia city was on the list. According to the Congressional Quarterly’s City Crime Rankings for 2010, Roswell’s crime ranking is the lowest in the state and 92<sup>nd</sup> of all cities in the U.S. Rankings are based on index crimes reported in the FBI Uniform Crime Report. The City’s Recreation and Parks Department has once again been named “Best in the State” for system of over 80,000 residents by the Georgia Recreation and Parks Association in 2011. The Georgia Planning Association (GPA) honored the City’s planning efforts by naming Canton Street as the “2011 Great Places in Georgia – Great Street.” Canton Street was described as “the hottest scene OTP” (OTP-outside the perimeter). The GPA award acknowledges that good planning has been crucial to preserving Canton Street and making it the vibrant “Great Street” it is today.

Recreational opportunities for active living abound in Roswell. Many neighbors say that Roswell’s award-winning parks and recreational facilities are one of the reasons they moved here. The City’s nationally accredited Recreation and Park’s Department has received the Georgia Recreation and Parks Association Agency of the Year designation for seven years.



City recreational programs include an exhaustive list of activities including tennis, gymnastics, disc golf, skateboarding, swimming, soccer, lacrosse, baseball, basketball, and football. Many of these activities are supported by various booster organizations. Several sporting clubs call Roswell home including rowing teams, hiking groups, mountain biking and road cycling clubs. The city is also Georgia's only Bicycle Friendly Community, awarded by the League of American Bicyclists. Bike races, disc golf tournaments, tennis tournaments, and road races are held here each year.

For a community the size of Roswell, there are a significant collection of cultural organizations of which the community can be very proud. The historic downtown includes professional galleries, theaters and music venues. The Georgia Ensemble Theatre, Kudzu Playhouse, Rosewater Theatre, North Fulton Drama Club, and Michael O'Neal Singers all call Roswell home. Our City recreation programs include two visual arts centers that offer classroom studios, darkrooms, ceramic studios, galleries, and sculpture gardens. The City also offers instruction in performing arts including a variety of dramatics and dance classes.

Roswell preserves its rich past and heritage within a vibrant contemporary culture with a 640-acre Historic District. People are encouraged to get out of their cars to stroll along brick-paved, tree-lined sidewalks. Tourists and day visitors, drawn to Roswell's many historic homes and sites, often stay to dine and shop in a number of popular restaurants, trendy art galleries, shops and offices. Sponsored by the Merchants Association, "Alive after five" entices neighbors and visitors to downtown each third Thursday from May through October to shop while they sample refreshments and listen to outdoor music.

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

### **City Organization**

An election for one-half the council occurs every two years. While all six Council Members are elected at large, all must reside within the City of Roswell. The Mayor is elected to a term of four years to serve on a part-time basis. It is the duty of the Council members, in general, to set policy, set millage rates, to approve budgets, to pass ordinances and to hear and act on requests for rezoning and annexation.

The Chief Administrative and Operational Officer of the City is the City Administrator, who is appointed by the City of Roswell Mayor and Council to: implement Council policies; oversee the daily activities of the City; and supervise the City's department heads. An organizational chart, depicting the current structure associated with the management of the City of Roswell is included in this introductory section.



**Pictured from left:  
Councilwoman Dr. Betty Price, Councilwoman Nancy Diamond, Councilman Jerry Orlans, Mayor Jere Wood, Councilman Rich Dippolito, Councilwoman Becky Wynn, and Councilman Kent Igleheart**

## LOCAL ECONOMIC CONDITIONS AND OUTLOOK



### **Budgetary Controls**

The annual budget currently serves as the foundation for the City of Roswell's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Council. Annual Budget and Program for Services are legally adopted for the General Fund, Special Revenue Funds, Debt Service, Capital Projects and Proprietary Funds. All budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP); instead revenues and expenditures for budgetary purposes are recognized on the encumbrance basis. The City's integrated accounting and budget system is equipped to perform encumbrance accounting.

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

### **Local Economy**

The City of Roswell was designated as an Opportunity Zone by the Georgia Department of Community Affairs. This designation is a very important tool for the City and its redevelopment goals. The Opportunity Zone Job Tax Credit Program offers the highest and most user-friendly job tax credit in the state! Designation carries dramatic tax advantages for businesses that create jobs in the City's Opportunity Zone.

Within designated Opportunity Zones, local businesses undertaking redevelopment efforts in certain older commercial and industrial areas qualify for a tax credit of \$3,500 per job. New or existing businesses located within the designated Opportunity Zone are eligible for the tax credit, as long as two or more jobs are created within a tax year. Jobs must be full-time permanent jobs with at least 35-hours per week and the new jobs must offer health insurance upon employment. Businesses are eligible for the tax credit for five (5) years. Several businesses are taking advantage of this exciting business location incentive.

The City has also embraced the need to extend opportunities to the local business community through offering free business marketing workshops. These monthly workshops are held on a variety of topics- from using social media as a business tool to revving up a website. These informative sessions help local retailers and service providers with information that need to market their business.

**DID YOU KNOW:**

Companies such as Logic Trends, Inc., Test and Balance Corporation and Plastic Solutions, Inc. are among a list of firms that chose to call Roswell home for their corporate offices in fiscal year

High-tech firms are attracted to the city's superior quality of life, making it easy to recruit and retain a well-educated workforce. The high quality of education available in Roswell, both public and private, provides a skilled labor force. Roswell is part of the award-winning Fulton County School System where educational opportunities for adults are plentiful.

Roswell is fortunate to have a stable list of large employers such as Kimberly Clark, Verint Systems, Johnsons Controls, and Verizon Wireless. Companies such as Logic Trends, Inc., Test and Balance Corporation, and Plastic Solutions, Inc. are among the list of firms that have chosen to call Roswell home for their corporate offices in fiscal year 2011.

The GA 400 corridor remains one of the fastest growing areas in metro-Atlanta. Between Atlanta and Roswell, a section of Route 400 is known as the GA 400 high tech corridor because many businesses in the advanced technology industry are located there. A significant number of people who work at a business within the GA 400 high tech corridor also live within 10 miles of their jobs and are able to enjoy Roswell's suburban lifestyle or commute to Atlanta's downtown business center. Given Roswell's access to GA 400 and proximity to Perimeter Center, Buckhead, Midtown and Downtown Atlanta, the City is well situated to capitalize on future expansion and relocation.

North Fulton County's business climate is characterized by available, affordable buildings and developable sites, a well-educated workforce, and a comprehensive array of business services and benefits. Fully-prepared and beautifully landscaped business parks are located here, providing a range of spaces at competitive leasing rates. Office development continues to expand throughout Roswell, but at a slower rate. Also, the availability of affordable land offers opportunities for new construction, with a wide variety of sites available for office, warehouse/distribution and manufacturing facilities.

## Long-term Financial Planning



## Financial Planning

Prudent decision-making and good business actions have resulted in the City of Roswell's maintaining customer expectation for government services while continuing to sustain a level of three (3) months of operating expenditures in the general fund, rolling back of property tax millage rates in 2005 and maintaining this roll-back through 2011. Communication is the key to success as it has proven with the City's finances. The City uses various methods to monitor the City's finances. The Budget Office focuses on maintaining the financial health and integrity of the City through the development of fiscally prudent budgets, forecasting models, and other planning efforts along with an effort to promote best management, planning and financial practices throughout the City's departments. The city government has earned a "AAA" bond rating, the highest possible rating, consistently each year since 2000.

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

**DID YOU KNOW:** The City of Roswell maintains three (3) months of operating reserves?

## Major Initiatives



The City's Strategic Planning and Budgeting Office works with the City Administrator, departments and elected officials each year to develop the City of Roswell's annual budget, keeping communication forth coming on the City's current financial condition to Mayor and Council, Roswell citizens, City Administrator and city employees.

The Budget Office's development of the FY 2011 budget took into consideration that constraints were greater than in prior years and necessitated difficult decisions. More input was critical at the beginning of the process to help establish priorities. The process focused on responding to the current economy while maintaining the City's assets. The City added monthly work sessions to keep the Mayor and Council informed and to solicit guidance regarding budget priorities. The City's Management Team participated in all phases of the budget and the preparation of the staff's working budget document. The departments were also asked to identify any services that could be streamlined or stopped.

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

### Major Initiatives

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

The City began planning for the next 20 years in 2010 with Imagine Roswell 2030. Roswell is required by the State of Georgia to draft a Comprehensive Plan and submit it to the Georgia Department of Community Affairs. This plan is the City's road map for the future. It provides the City with long-range policy direction for land use, transportation, economic development, housing, public facilities and intergovernmental agreements along with its natural and cultural resources. It also serves as a guide for elected and public officials by providing framework for evaluating development proposals. Included in the Comprehensive Plan are also strategies on how to fund your City government so that we may continue to provide our residents with the highest quality services.

As the City always does, Roswell included the community in the development of the plan. The City held a series of community input meetings giving residents the chance to roll up their sleeves and dive into planning Roswell's future.

Roswell has grown from a sleepy little town on the outskirts of Atlanta into a vibrant bustling community in the last 25 years. To keep pace with our growth the City has begun to streamline its business processes into one citywide program. Roswell's business software was antiquated and in many cases could not communicate information across the organization. The new software will allow all department business processes to communicate through a centralized database streamlining our efforts and promoting efficiency. What this means for our residents is enhanced customer service, less chance for error and





**DID YOU KNOW:** Roswell is developing a Strategic Economic Development Plan (SEDP)?

more online services provided on the website 24-hours-a-day, seven-days-a-week. The project will take 18 to 20 months to complete.

The City is in the midst of its first ever Strategic Economic Development Plan (SEDP). The plan will include an economic and demographic profile, competitive assessment, organizational and structural analysis, community input, target cluster analysis, marketing assessment, economic development strategy, workforce development strategy, and implementation plan guidelines. A steering committee made up of Roswell residents is guiding the process. These stakeholders have formed committees to study specific economic development topics that will be included in the plan. The SEDP will coordinate with the 2030 Comprehensive Plan.

The stage is being set for great improvements to Roswell's historic gateway on Atlanta Street and the surrounding area. First in these efforts is the Historic Gateway Transportation Improvement Project. The stated goals of this project are to:

- Improve safety for all modes in the corridor
- Promote economic sustainability and business development in the corridor
- Provide a balanced transportation network and mobility for all users
- Replace the structurally deficient Riverside Road bridge over Vickery Creek

The City is combining this effort with the Gateway Master Plan for land uses surrounding the Gateway Transportation Project. Using the preferred alternative resulting from a the Historic Gateway Transportation Project, the master plan will present the community's vision for a connected mixed-use district for all ages that brings together comprehensive and sustainable planning principles and highlights the historic, cultural environmental assets in the area.

The Atlanta Regional Commission (ARC) assisted the City of Roswell with their respective quality-growth vision around the Grove Way area. Each year, through the Community Choices program, ARC provides cities and counties with the tools, resources and staff assistance required for them to implement their unique plans. ARC facilitated a charrette in September 2009 which helped the local residents and business owners develop a unique and individual vision for the area. The Community Choices program provides a broad range of tools, resources and technical assistance to help local governments design communities that work for them. During 2011, the City worked with the community to develop recommendations for form-based zoning in the Grove Way Community.

Two streetscape projects are close to completion. The Midtown Roswell Streetscape is the priority project in the City's plan to invest in improvements along the corridor to create a more attractive, pedestrian friendly environment to revive the area. The Midtown Roswell Redevelopment Plan (Alpharetta Street Streetscape Project) was approved in 2003. The City of Roswell was awarded a \$2.2 million Livable Centers Initiative (LCI) implementation grant by the Atlanta Regional Commission. Coupled with approximately \$750,000 in City matching funds, close to \$3 million is earmarked for the Alpharetta Highway corridor from Norcross Street to Mansell Circle. Also near completion, the Oak Street Streetscape project is funded with City and Community Development Block Grant (CDBG) funds. The project has already enhanced the look of the corridor with decorative sidewalks, burial of most overhead utilities, and the addition of pedestrian lighting. All

that remains in this project is landscaping and amenities such as decorative benches and trash receptacles. A 10-foot multi-purpose path accommodates cycling, strollers, and wheelchairs more effectively.

In addition to the implementation of several major initiatives the City also began and completed a number of endeavors designed to meet the needs for services, improve the overall quality of life, and adhere to the Mayor and Council's vision and mission for the City. Fabrication and installation of wayfinding signage in the historic district is complete. This system is designed to enhance tourism and business development within historic downtown Roswell. Using CDBG funds, the city has purchased and will soon demolish a blighted and boarded up apartment building to make way for improved street connectivity in the neighborhood. Also with CDBG and other funding, the City will expand the Adult Recreation Center to add much needed fitness space. City staff continues working on the ADA transition plan to foster compliance of ADA standards for all public buildings.

## FINANCIAL INFORMATION

### Financial Policies

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

The practice of these policies has enabled the City to maintain an AAA unsecured bond rating with Moody's and Standard and Poor's. These policies cover 1) Budget Amendments for Expenditures; 2) Budget Amendments for Revenues; 3) Budget Transfers for Expenditures; 4) Budget Transfers for Revenues; and 5) Investment Policy. The City of Roswell also has established a variety of procedures for 1) Deposits; 2) Deferred Revenue; 3) Disposal of Assets; 4) Purchasing; 5) Petty Cash; 6) Acceptance of Checks; 7) Change Drawer Fund; 8) Purchasing Card; 9) Returned Checks; 11) Grants Manual; 12) Unclaimed Property; 13) Accrued Payables; 14) Travel; 15) Prepaids; (16) Fund Equity; and (17) Signing Authority.

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

The City Administrator and the Office of Strategic Planning and Budgeting work throughout the year to monitor the City's financial activity. Each month a report is submitted to the Administration and Finance committee as an update on the financial situation of the City. The Office of Strategic Planning and Budgeting also review and approve all check requests and requisitions for accuracy. Departments are not allowed to exceed expenditures at the account level.



## **AWARDS AND ACKNOWLEDGEMENTS**



Investments are made in accordance with applicable state laws and the City's investment policy. The focus of the investment policy is to minimize credit and market risks while maintaining a competitive yield on the portfolio. Accordingly, demand deposit bank accounts must be collateralized by a pledge of State of Georgia or United States Treasury or Agency obligations equal in market value to 110% of the uninsured amount of the deposit. All collateral on deposits are to be held by the City, its agent or a financial institution's trust department in the City's name.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roswell for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Roswell has received a Certificate of Achievement for the last twenty-two consecutive years, since June 30, 1989. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The City of Roswell Department of Finance, Purchasing Division was recognized in 2011 by the National Purchasing Institute and received their 7th Annual Achievement of Excellence in Procurement Award.

In 1995, the National Purchasing Institute established a program designed to recognize the achievement of organizational excellence in public procurement. The award is achieved by those organizations that demonstrate excellence in procurement by obtaining a high score on a rating of standardized criteria. The criteria are designed to measure innovation, professionalism, productivity and leadership attributes of the procurement organization.

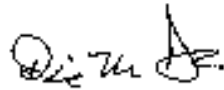
The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Roswell, Georgia for its annual budget for fiscal year 2011. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. This award has been received by the City for past eight (8) fiscal years.

**Acknowledgments:**

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated services of the entire staff of the Finance Department. I want to especially thank Wendy Johnson, Accounting Manager, and the accounting staff, Georgette McCray, Jackie Wolo and Kasey Wiggins for their dedication in preparing the financial records to be reviewed by the auditors. They have my sincere appreciation for the contributions made in the preparation of this report. Without their able assistance the job would have been much more difficult. Appreciation is also expressed to the Mayor and Council for their cooperation and all City department heads for their positive attitudes toward budgetary responsibility. Finally, I would like to thank Kay Love, City Administrator, for her leadership and support in steering the financial affairs of the City of Roswell in a responsible manner.

Sincerely,

David M. Delac  
Interim Finance Director

A handwritten signature in black ink, appearing to read "David M. Delac". The signature is written in a cursive style with a large initial "D" and "M".

**GFOA  
“Certificate of  
Achievement in  
Financial  
Reporting”  
award for fiscal  
year ended  
June 30, 2010**

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Roswell  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in governmental accounting and financial reporting.



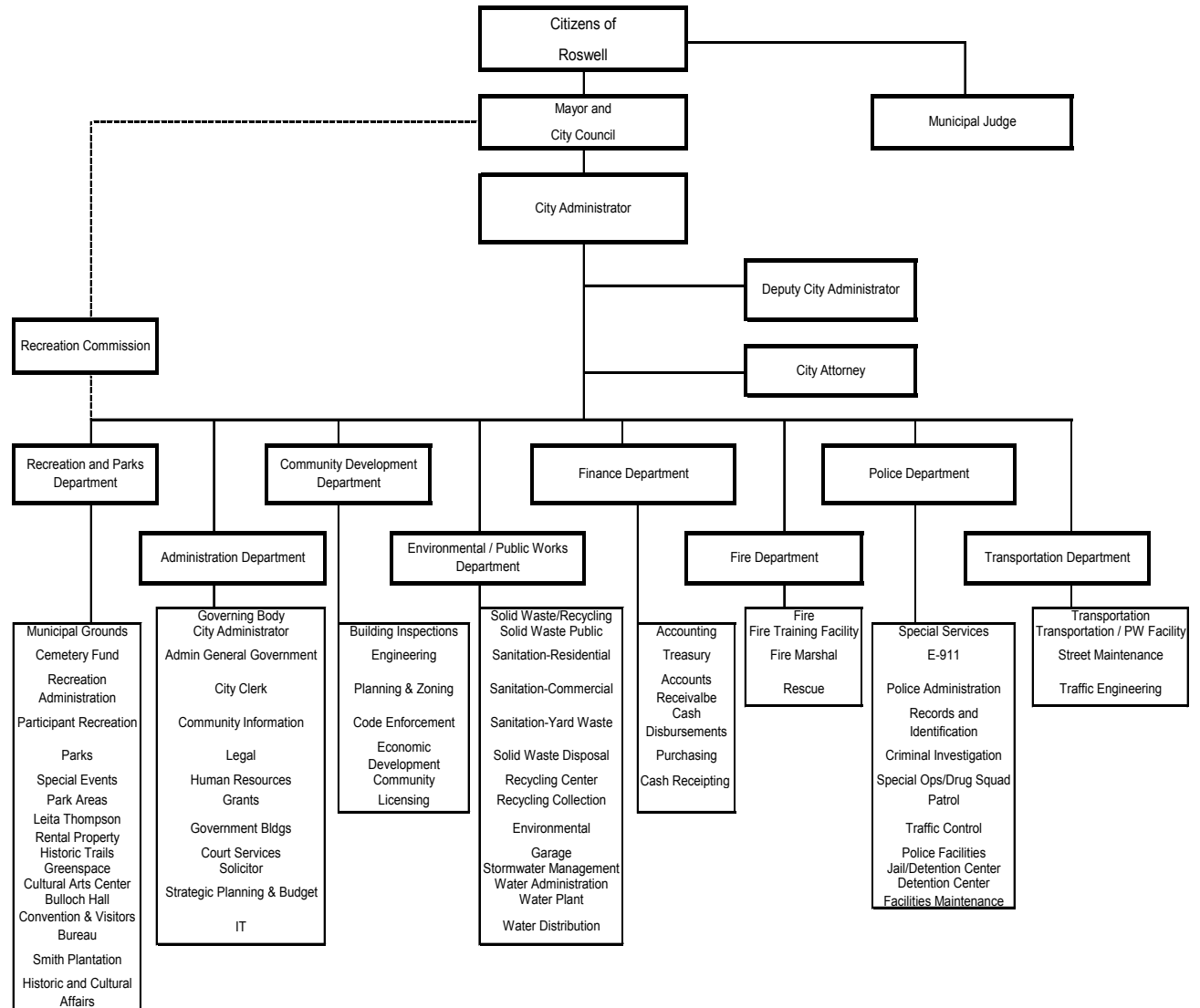
*Linda C. Davidson*

President

*Jeffrey R. Egan*

Executive Director

# Organizational chart



**list of principal officials  
June 30, 2011**

City Administrator

Kay **Love**

Human Resources Director

Dan **Roach**

Deputy City Administrator

Michael **Fisher**

Police Chief

Dwayne **Orrick**

Community Development Director

Alice **Wakefield**

Public Works/Environmental Director

Stuart **Moring**

Finance Director

Julia H. **Luke**

Recreation and Parks Director

Joe **Glover**

Fire Chief

Ricky **Spencer**

Transportation Director

Steve **Acenbrak**



## INDEPENDENT AUDITOR'S REPORT

---

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Roswell, Georgia** (the "City"), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Roswell, Georgia, as of June 30, 2011, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the General Fund, Federal Grants Fund, and American Stimulus Recovery Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.



---

As discussed in Note 1, the City of Roswell, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress (on pages 4 through 19, and page 66, respectively) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

---

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and Schedule of Expenditures of Federal Awards, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Mauldin & Jenkins, LLC*

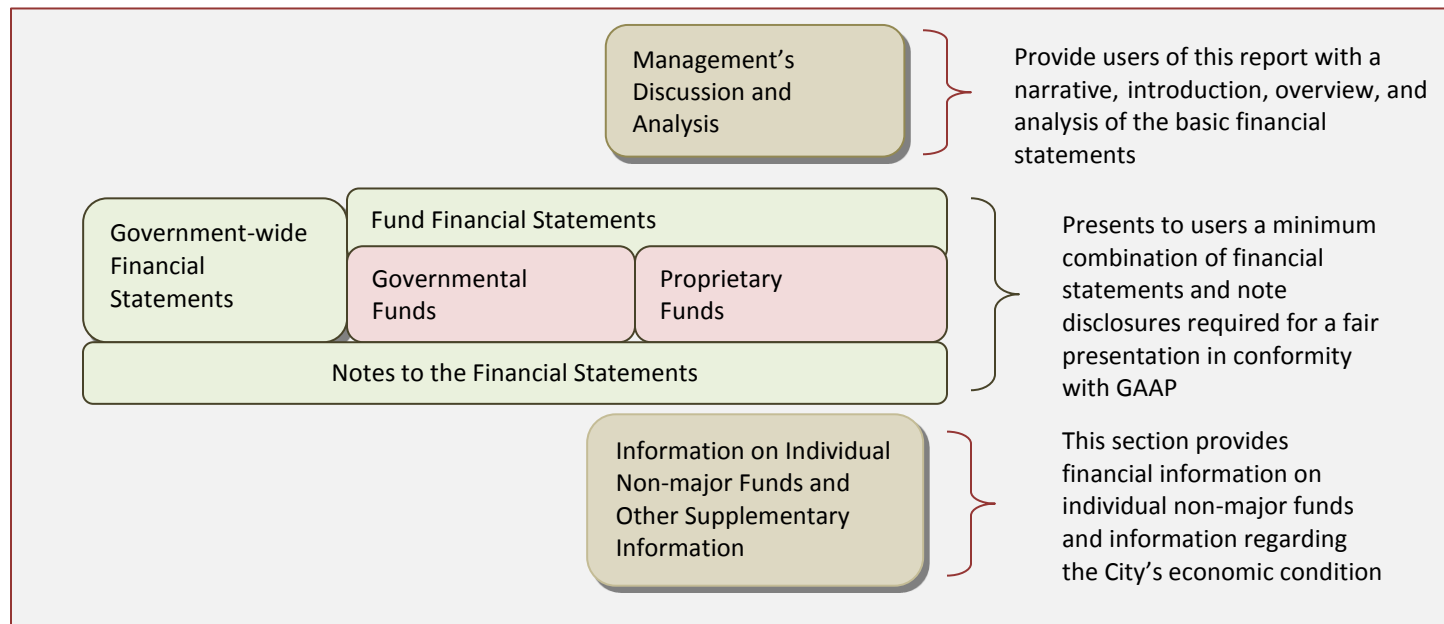
Atlanta, Georgia  
March 15, 2012

**management's discussion and analysis**

As management of Roswell, Georgia, we offer readers of Roswell's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. This discussion is intended to: 1) assist the reader in understanding significant financial issues; 2) provide an overview of the City's financial activities; 3) identify changes in the City's financial position; 4) identify material deviations from the original budget; and 5) identify individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

**overview of the financial statements**

This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with Generally Accepted Accounting Principles (GAAP and under the guiding principle of the Governmental Accounting Standards Board (GASB)). To help facilitate the understanding of the organization of this report we are providing the following illustration:



Management's Discussion and Analysis document is intended to serve as an introduction to the City of Roswell's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

## *Government-wide Financial Statements*

The City's basic financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business reporting. All governmental and business-type activities are combined to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net assets and the statement of activities, which are described below.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The *Statement of Activities*, reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system, environmental waste systems and participant recreation activities are reported here.
- Component units – The City includes three additional separate legal entities in its report – the Historic Roswell Convention & Visitors Bureau, Inc., Archibald Smith Plantation Home Preservationists, Inc., Development Authority of the City of Roswell, Georgia and The Friends of Bulloch, Inc. Although legally separate, these “component units” are important because the City is financially accountable for them.

The government-wide financial statements are presented on pages 20 & 21 of this report.

## ***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The City has two kinds of funds:

- *Governmental funds* – The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City maintains six major and nine non-major governmental funds. The City's major governmental funds are: General, Impact Fees, Debt Service, Federal Grant, American Stimulus and Recovery Grant and Capital Projects. The City's non-major governmental funds are: 2000 Bond, Emergency 911, Hotel/Motel Tax, Confiscated Assets, Soil Erosion, State Grants, Leita Thompson, County/Local Grants, and Scholarship.

The basic governmental fund financial statements are presented on pages 22-28 of this report.

- *Proprietary funds* – The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary

funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as cash flows. These are reported in the fund financial statements and generally report services for which the City charges customers a fee.

The City maintains three enterprise funds: Water and Sewer, Solid Waste and Participant Recreation.

Also included within the proprietary fund are the internal service funds. These funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

The City has three of the fund types: Workman's Compensation, Risk Management and Group Health.

The proprietary fund financial statements are presented on pages 29-32 of this report.

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 35 of this report.

Budgetary comparison statements are included as “basic financial statements” for the general fund, American stimulus recovery fund, and the federal grants fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City’s adopted and final revised budget.

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented as supplementary financial information beginning on page 67.

Within this section of the City of Roswell, Georgia’s (the City) annual financial report, the City’s management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. The City’s financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

***Notes to the Basic  
Financial Statements***

**Budgetary  
Presentations**

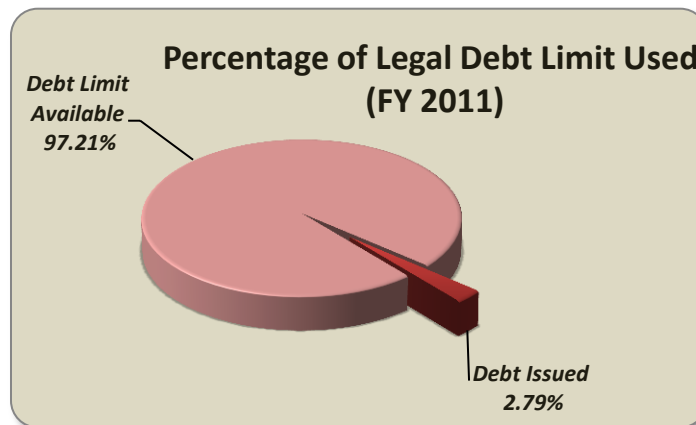
**Supplementary  
Financial  
Information**

## financial highlights

- The City's assets exceeded its liabilities at June 30, 2011 by \$242,509,000 (net assets) for the fiscal year reported. Of this amount, \$66,134,000 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
  - (1) Capital assets, net of related debt, of \$155,360,000 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Net assets of \$21,015,000 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - (3) At the end of the current fiscal year, unrestricted net assets decreased from \$79,888,000 in fiscal year 2010 to \$66,134,000.

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

The City's total long-term bonds decreased by \$5,165,000 during the current fiscal year. The decrease was caused by current year debt service payments.



## Financial Analysis of the City as a Whole

The financial highlights are explained in more detail in the “financial analysis” section of this document. The City’s net assets at fiscal year-end 2011 increased 6.32% from \$228,083,000 at June 30, 2010 to \$242,509,000 at June 30, 2011 (See Table 1).

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

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Assets:</b>								
Current and other assets	\$ 80,489	\$ 82,906	\$ 18,659	\$ 16,982	\$ 99,148	\$ 99,888	35.66%	37.40%
Capital assets	162,876	154,171	16,021	13,044	178,897	167,215	64.34%	62.60%
Total assets	243,365	237,077	34,680	30,026	278,045	267,103	100.00%	100.00%
<b>Liabilities:</b>								
Current liabilities	13,018	13,110	3,246	2,546	16,264	15,656	45.77%	40.12%
Long-term liabilities	17,733	23,277	1,539	87	19,272	23,364	54.23%	59.88%
Total liabilities	30,751	36,387	4,785	2,633	35,536	39,020	100.00%	100.00%
<b>Net assets:</b>								
Invested in capital assets, net of debt	140,779	126,837	14,581	13,044	155,360	139,881	64.06%	61.33%
Restricted	21,015	8,314	-	-	21,015	8,314	8.67%	3.65%
Unrestricted	50,820	65,539	15,314	14,349	66,134	79,888	27.27%	35.02%
Total net assets	\$ 212,614	\$ 200,690	\$ 29,895	\$ 27,393	\$ 242,509	\$ 228,083	100.00%	100.00%

The largest portion of the City’s net assets (64.06%) at June 30, 2011, reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City’s net assets (8.67%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$66,134,000 or 27.27%) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. Growth in net assets is an indication the City’s financial position has improved over fiscal year 2011.

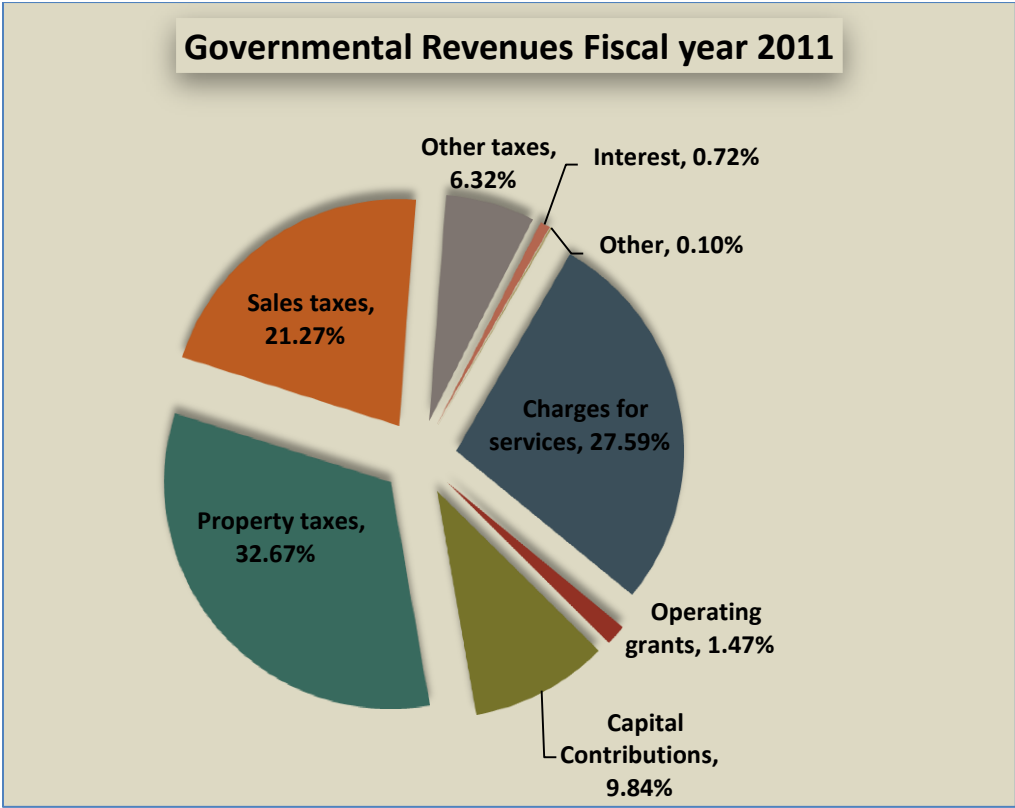


## CITY OF ROSWELL'S CHANGES IN NET ASSETS

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

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<i>Revenues:</i>								
<i>Program:</i>								
Charges for services	\$ 8,999	\$ 8,798	\$ 17,470	\$ 17,404	\$ 26,469	\$ 26,202	27.59%	29.27%
Operating grants	1,406	2,368	-	-	1,406	2,368	1.47%	2.65%
Capital Contributions	9,443	2,222	-	844	9,443	3,066	9.84%	3.43%
<i>General:</i>								
Property taxes	31,344	31,674	-	-	31,344	31,674	32.67%	35.39%
Sales taxes	20,406	19,562	-	-	20,406	19,562	21.27%	21.85%
Other taxes	6,066	5,850	-	-	6,066	5,850	6.32%	6.54%
Interest	559	593	135	123	694	716	0.72%	0.80%
Other	100	73	-	-	100	73	0.10%	0.08%
<b>Total revenues</b>	<b>78,323</b>	<b>71,140</b>	<b>17,605</b>	<b>18,371</b>	<b>95,928</b>	<b>89,511</b>	<b>100.00%</b>	<b>100.00%</b>
<i>Program Expenses:</i>								
General government	8,049	7,309	-	-	8,049	7,309	9.88%	8.96%
Judicial	1,442	1,502	-	-	1,442	1,502	1.77%	1.84%
Financial services	1,528	2,335	-	-	1,528	2,335	1.87%	2.86%
Planning and zoning	3,978	3,650	-	-	3,978	3,650	4.88%	4.47%
Public safety	24,346	24,880	-	-	24,346	24,880	29.87%	30.50%
Public works	12,670	12,380	-	-	12,670	12,380	15.55%	15.18%
Culture and recreation	11,445	12,340	-	-	11,445	12,340	14.04%	15.13%
Interest	1,193	1,278	-	-	1,193	1,278	1.46%	1.57%
Water and sewer	-	-	2,936	3,057	2,936	3,057	3.60%	3.75%
Solid waste	-	-	8,951	8,985	8,951	8,985	10.98%	11.01%
Participant Rec	-	-	4,964	3,855	4,964	3,855	6.10%	4.73%
<b>Total expenses</b>	<b>64,651</b>	<b>65,674</b>	<b>16,851</b>	<b>15,897</b>	<b>81,502</b>	<b>81,571</b>	<b>100%</b>	<b>100%</b>
Excess (deficiency)	13,672	5,466	754	2,474	14,426	7,940		
Sale of assets	-	-	-	89	-	89		
Transfers	(1,748)	-	1,748	-	-	-		
<b>Change in net assets</b>	<b>11,924</b>	<b>5,466</b>	<b>2,502</b>	<b>2,563</b>	<b>14,426</b>	<b>8,029</b>		
<b>Beginning net assets</b>	<b>200,690</b>	<b>195,224</b>	<b>27,393</b>	<b>24,830</b>	<b>228,083</b>	<b>220,054</b>		
<b>Ending net assets</b>	<b>\$ 212,614</b>	<b>\$ 200,690</b>	<b>\$ 29,895</b>	<b>\$ 27,393</b>	<b>\$ 242,509</b>	<b>\$ 228,083</b>		



**GOVERNMENTAL REVENUES**

The City’s governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 32.67% and sales taxes provided 21.27% of the City’s total governmental revenues. Also, note that program revenues cover 38.90% of governmental expenses. This means that the government’s taxpayers and the City’s other general revenues fund 61.10% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City’s revenue streams.

**GOVERNMENTAL ACTIVITIES EXPENSES**

Table 3 presents the cost of each of the City’s programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City’s taxpayers by each of these functions.

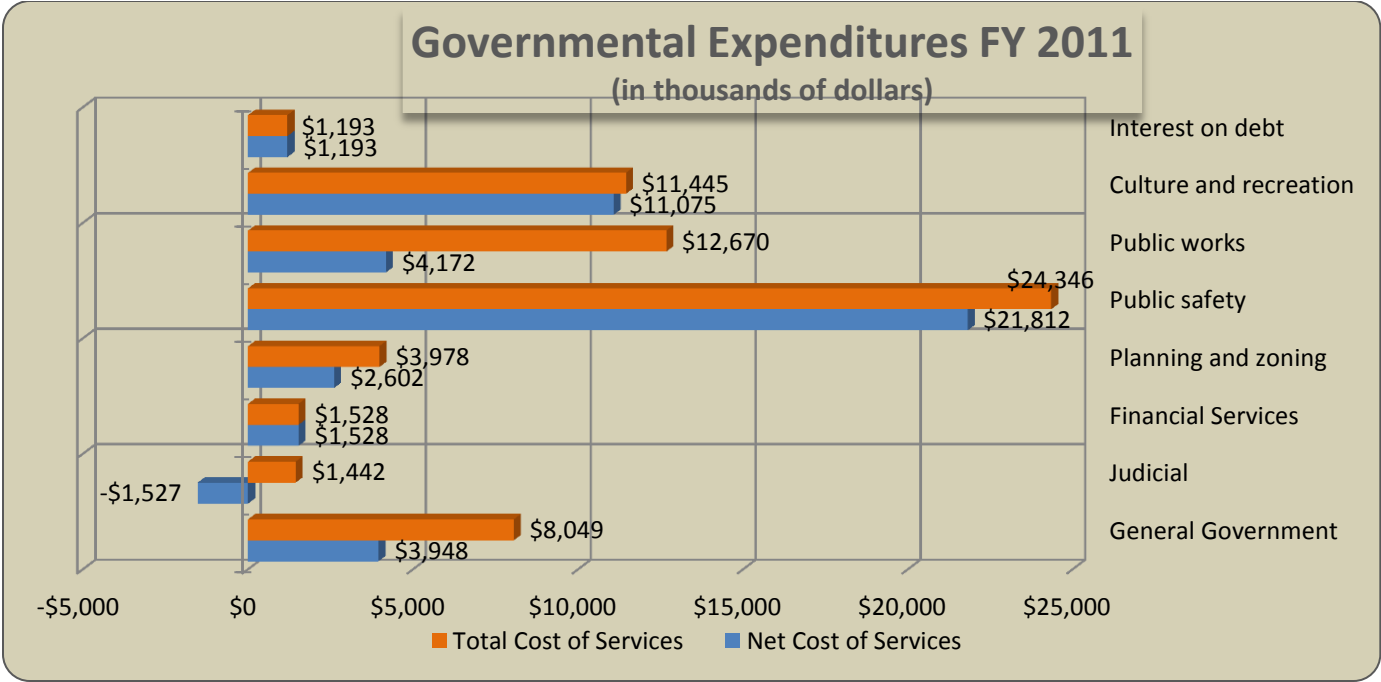
The most significant governmental expense for the City is providing Public Safety services such as Fire and Police protection. This comprises 37.66% of the total governmental expenses. Revenues collected from a variety of sources offset public safety expenses, with the largest being fines and forfeitures, which was \$3,345,000 for fiscal year ended June 30, 2011. The second largest City cost for government is public works, totaling over \$12.670 million or 19.60% of governmental expenses.

- The cost of all governmental activities this fiscal year was \$64,651,000 compared to \$65,674,000 in FY 2010.
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax and business taxes (\$58,475,000).
- Some of the costs were paid by those who benefited directly from the programs (\$8,999,000) and subsidies from other governments and organizations through grants and/or contributions (\$10,849,000).

**CITY OF ROSWELL GOVERNMENTAL ACTIVITIES (TABLE 3)**

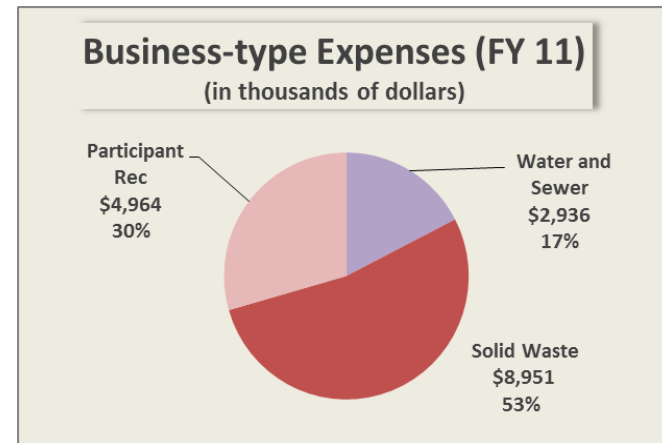
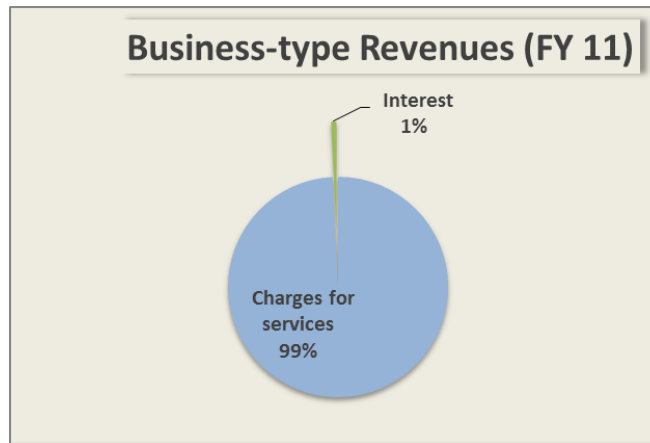
(IN THOUSANDS OF DOLLARS)

	<b>Total Cost of Services</b>		<b>Percentage of Total</b>		<b>Net Cost of Services</b>		<b>Percentage of Total</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<i>General government</i>	\$ 8,049	\$ 7,309	12.45%	11.13%	\$ 3,948	\$ 4,554	8.81%	8.95%
<i>Judicial</i>	1,442	1,502	2.23%	2.29%	(1,527)	900	-3.41%	1.77%
<i>Financial services</i>	1,528	2,335	2.36%	3.56%	1,528	2,387	3.41%	4.69%
<i>Planning and zoning</i>	3,978	3,650	6.15%	5.56%	2,602	2,819	5.81%	5.54%
<i>Public safety</i>	24,346	24,880	37.66%	37.88%	21,812	19,114	48.68%	37.55%
<i>Public works</i>	12,670	12,380	19.60%	18.85%	4,172	7,836	9.31%	15.39%
<i>Culture and recreation</i>	11,445	12,340	17.70%	18.79%	11,075	11,785	24.72%	23.15%
<i>Interest</i>	1,193	1,278	1.85%	1.95%	1,193	1,506	2.66%	2.96%
<b>Total</b>	<b>\$ 64,651</b>	<b>\$ 65,674</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$ 44,803</b>	<b>\$ 50,901</b>	<b>100.00%</b>	<b>100.00%</b>



**BUSINESS-TYPE ACTIVITIES**  
**Revenues vs. Costs**

The cost of all Proprietary (Business Type) activities this fiscal year was \$16,851,000 as shown in Table 2 (Summary of Changes in Net Assets), the amounts paid by the users of the systems were \$17,470,000 and additionally the business-type activities earned \$135,000 from idle cash. Within the total business-type activities of the City, these activities reported an increase in net assets of \$2,502,000.



## Financial Analysis of the City's Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

### Governmental Funds

Governmental funds reported ending fund balances of \$65,998,000. Of this year-end total, \$6,230,000 is unassigned indicating availability for continuing City service requirements. The City has adopted a 25 percent stabilization policy to retain in reserve an equivalent of 25% of the next years budgeting general fund expenditures less the budgeted general fund capital expenditures. Therefore, \$15,856,000 is committed in accordance with the fund balance reserve policy.

### Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$31,035,000. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.52% of total general fund expenditures.

Total General Fund revenues were \$57,481,000, or a .25% decrease from fiscal year 2011. A revenue that decreased was property taxes, which was \$25,434,000 in fiscal year 2010 but only \$24,963,000 in fiscal year 2011. The reason for this \$471,000 decrease in property taxes is a result of lowered property values.

There were revenues in the General Fund that increased in fiscal year 2011 compared to fiscal year 2010. One such revenue was business tax. Business tax revenues in fiscal year 2010 were \$5,248,000 while in fiscal year 2011 the revenue collection was \$5,345,000, which is an increase of \$97,000. Another increase in revenues was in licenses and permits. Licenses and permit revenues in fiscal year 2010 were \$1,187,000, while in fiscal year 2011 the revenue collection was \$1,268,000. Revenue budget projections did not require adjustments during the fiscal year.

The Federal Grant Fund's ending fund balance reflects a deficit of \$618,000 at the end of fiscal year 2011. This deficit is due to reimbursements in transit.

The American Stimulus Recovery Fund's ending fund balance reflects a deficit of \$384,000 at the end of fiscal year 2011. This deficit is due to reimbursements in transit.

The Impact Fees Fund's ending fund balance reflects a decrease of \$816,000 from prior year while the Debt Service Fund's ending fund balance reflects an increase of \$205,000. The major reason for a decrease in the Impact Fee Fund's ending fund balance is utilization of funds for eligible capital projects.

The Capital Projects Fund reflects an ending fund balance increase of \$626,000 or 8.71% of expenditures. The increase in fund balance is due to project monies that were appropriated for specific projects not being spent within the fiscal year due to a variety of reasons such as inclement weather, right-of-way purchases taking longer than expected, etc.

### *Proprietary Funds*

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues were 0.38% over those in fiscal year 2010 and operating expenses were 6.07% more than the prior year.

The Water and Sewer Fund's operating revenues are 0.21% over those in fiscal year 2010 and operating expenses were 3.64% lower than prior year. The reduction in expenses is \$111,000 and is related to completed water projects.

The Solid Waste Fund's operating revenues are 1.60% less than those in fiscal year 2010 and operating expenses were 0.38% lower than the prior year.

The Participant Recreation Fund's operating revenues were 5.30% higher when compared to the same time in fiscal year 2010. Operating expenses were 28.77% more than prior year. The increase in the revenues was due to development of new programs at East Roswell Park.

## Budgetary Highlights

**The General Fund** – The General Fund's final approved revenue budget for FY 2011 was \$56,444,000. The original approved revenue budget was \$55,919,000. The City collected \$1,037,000 above the approved revenue budget. The increase in collection compared to budget projection consists of \$637,000 in sales taxes.

The General Funds' final approved expenditure budget for FY 2011 was \$54,399,000. The original approved expenditure budget was \$54,658,000. The City expended 95.09% of the Amended Budget amount. The General Fund actual expenditures were \$2,671,000 less than budgeted.

## capital asset and debt administration

### Capital Assets and Debt Administration

#### Capital Assets

The City's investment in capital assets, net of accumulated depreciation and related debt, for governmental and business-type activities as of June 30, 2011, was \$140,779,000 and \$14,581,000 respectively. The major changes to capital for FY11 were:

- Capital additions associated with governmental activities infrastructure (road improvements, sidewalks, etc.) were \$5,207,000. Primary capital related expenditures in this category went for road improvements.
- Capital additions associated with the purchase of vehicles were \$333,000 in governmental activities.
- Construction in progress added \$6,329,000 in additions. Some of the major projects in CIP were:
  - Marta transportation improvements
  - Oak Street Streetscape
  - Stormwater Utility
  - Sidewalks and trails
  - Parks and recreation additions
  - Financial software
- Machinery & Equipment added \$650,000 in additions.
- Donations were valued at \$5,900,000

For more information on the changes in capital assets, see Note 3-D.

**City of Roswell's Capital Assets (Table4)**  
*(in thousands of dollars)*

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Non-depreciable assets:</b>						
Land	\$ 41,673	\$ 39,665	\$ -	\$ -	\$ 41,673	\$ 39,665
Construction in Progress	11,233	9,950	3,722	1,184	14,955	11,134
Total non-depreciable assets	52,906	49,615	3,722	1,184	56,628	50,799
<b>Depreciable assets:</b>						
Land improvements	22,844	20,790	-	-	22,844	20,790
Buildings and plant	70,595	69,503	2,252	1,899	72,847	71,402
Machinery and equipment	11,326	10,041	2,037	3,731	13,363	13,772
Vehicles	13,742	13,396	4,171	1,737	17,913	15,133
Infrastructure	111,460	103,980	10,238	10,211	121,698	114,191
Total depreciable assets	229,967	217,710	18,698	17,578	248,665	235,288
Less accumulated depreciation:	119,997	113,154	6,399	5,718	126,396	118,872
<b>Net book value-depreciated assets</b>	109,970	104,556	12,299	11,860	122,269	116,416
Percentage depreciated	52.18%	51.97%	34.22%	32.53%	50.83%	47.90%
<b>Total Capital Assets</b>	\$ 162,876	\$ 154,171	\$ 16,021	\$ 13,044	\$ 178,897	\$ 167,215

At June 30, 2011, the depreciable capital assets for governmental activities were 52.18% depreciated. Note that the business-type activities are 34.22% depreciated.



**Long-term Debt**

At the end of the fiscal year, the City had total bonded debt outstanding of \$22,180,000, all of which is backed by the full faith and credit of the City (general obligation bonds).

**City of Roswell Outstanding Borrowings as of June 30, 2011 and 2010**

*(in thousands of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
General obligation bonds	\$ 22,180	\$ 27,345	\$ -	\$ -	\$ 22,180	\$ 27,345
Plus Premium	412	619	-	-	412	619
Less: Deferred Charges	(495)	(630)	-	-	(495)	(630)
Claims payable	652	968	-	-	652	968
Compensated absences	1,845	1,913	227	182	2,072	2,095
Notes Payable	-	-	1,440	-	1,440	-
<b>Total</b>	<b>\$ 24,594</b>	<b>\$ 30,215</b>	<b>\$ 1,667</b>	<b>\$ 182</b>	<b>\$ 26,261</b>	<b>\$ 30,397</b>

For more information on long-term obligations, see Note 3-G to the financial statements.

**Economic Conditions  
Affecting the City**

The City's elected and appointed officials considered many factors when adopting the fiscal year 2011 budget, tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The economic trends for the City of Roswell have shown a decline in the economy. However, the City continues to have a steady flow of newcomers and industry. The average household size is 3.23 persons with a majority of households having a mean average income of \$102,500. Based on per capita income, Roswell's populace is the most affluent of any city of significant size in the state. Roswell has the most educated populace of any city of significant size in the state, with 97.40% having a high school education, 59.7% with a bachelor's degree or higher.

Since a primary revenue stream for the City is property taxes, the City's property tax revenues are subject to changes based on reassessments and development.

**Contacting the City's  
Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City at 770-641-3727 or visit the City's website at [www.roswellgov.com](http://www.roswellgov.com).

This page intentionally left blank.



statement of net assets June 30, 2011 (in thousands of dollars)	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 23,644	\$ 7,119	\$ 30,763	\$ 186
Investments	49,284	8,008	57,292	41
Receivables:				
Interest	85	6	91	-
Accounts	3,686	2,059	5,745	6
Other	65	890	955	-
Taxes	2,443	-	2,443	-
Internal balances	667	(667)	-	-
Unbilled services receivable	-	1,227	1,227	-
Inventory	52	-	52	14
Prepaid items	477	17	494	2
Issuance costs	86	-	86	-
<b>Total Current Assets</b>	<b>80,489</b>	<b>18,659</b>	<b>99,148</b>	<b>249</b>
<b>Capital Assets</b>				
Nondepreciable capital assets	52,906	3,722	56,628	-
Depreciable capital assets, net	109,970	12,299	122,269	33
<b>Total Capital Assets</b>	<b>162,876</b>	<b>16,021</b>	<b>178,897</b>	<b>33</b>
<b>Total Assets</b>	<b>243,365</b>	<b>34,680</b>	<b>278,045</b>	<b>282</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	2,500	1,758	4,258	4
Salaries and wages payable	1,483	303	1,786	6
Payroll deductions payable	77	23	100	-
Retainage payable	336	-	336	-
Accrued interest	425	-	425	-
Other current liabilities	72	-	72	-
Customer deposits payable	936	548	1,484	-
Unearned revenue	328	486	814	-
Compensated absences due within one year	1,161	128	1,289	-
Claims payable due within one year	25	-	25	-
Bonds payable due within one year	5,675	-	5,675	-
<b>Total Current Liabilities</b>	<b>13,018</b>	<b>3,246</b>	<b>16,264</b>	<b>10</b>
<b>Long-Term Liabilities</b>				
Bonds payable due in more than one year	16,422	-	16,422	-
Notes payable due in more than one year	-	1,440	-	-
Compensated absences due in more than one year	684	99	783	-
Claims payable due in more than one year	627	-	627	-
<b>Total Long-Term Liabilities</b>	<b>17,733</b>	<b>1,539</b>	<b>17,832</b>	<b>-</b>
<b>Total Liabilities</b>	<b>30,751</b>	<b>4,785</b>	<b>34,096</b>	<b>10</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	140,779	14,581	155,360	33
Restricted for:				
Debt service	8,669	-	8,669	-
Grant programs	1,019	-	1,019	-
Impact Fee projects	642	-	642	-
Environmental	135	-	135	-
Culture and Recreation	3,400	-	3,400	-
Transportation	1,263	-	1,263	-
Public Safety	4,518	-	4,518	-
Capital Projects	1,230	-	1,230	-
Cemetery Maintenance	104	-	104	-
Scholarship-nonexpendable	25	-	25	-
Scholarship-expendable	10	-	10	-
Unrestricted	50,820	15,314	66,134	239
<b>Total Net Assets</b>	<b>\$ 212,614</b>	<b>\$ 29,895</b>	<b>\$ 242,509</b>	<b>\$ 272</b>

See accompanying notes to the basic financial statements

statement of activities year ended June 30, 2011 (in thousands of dollars)	Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Units
						Governmental Activities	Business-Type Activities		
	<b>Primary Government</b>								
	General government	\$ 8,049	\$ 3,420	\$ 681	\$ -	\$ (3,948)	\$ -	\$ (3,948)	\$ -
	Judicial	1,442	2,969	-	-	1,527	-	1,527	-
	Financial services	1,528	-	-	-	(1,528)	-	(1,528)	-
	Planning and zoning	3,978	17	124	1,235	(2,602)	-	(2,602)	-
	Public safety	24,346	2,176	233	125	(21,812)	-	(21,812)	-
	Public works	12,670	67	348	8,083	(4,172)	-	(4,172)	-
	Culture and recreation	11,445	350	20	-	(11,075)	-	(11,075)	-
	Interest on long-term debt	1,193	-	-	-	(1,193)	-	(1,193)	-
	<b>Total Governmental Activities</b>	<b>64,651</b>	<b>8,999</b>	<b>1,406</b>	<b>9,443</b>	<b>(44,803)</b>	<b>-</b>	<b>(44,803)</b>	<b>-</b>
	<b>Business-Type Activities:</b>								
	Water & Sewer	2,936	3,304	-	-	-	368	368	-
	Solid Waste	8,951	9,821	-	-	-	870	870	-
	Participant Recreation	4,964	4,345	-	-	-	(619)	(619)	-
	<b>Total Business-Type Activities</b>	<b>16,851</b>	<b>17,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619</b>	<b>619</b>	<b>-</b>
	<b>Total Primary Government</b>	<b>\$ 81,502</b>	<b>\$ 26,469</b>	<b>\$ 1,406</b>	<b>\$ 9,443</b>	<b>(44,803)</b>	<b>619</b>	<b>(44,184)</b>	<b>-</b>
	<b>Component Units</b>								
	Friends of Bulloch, Inc.	\$ 282	\$ 180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (102)
	Historic Roswell Convention & Visitors Bureau, Inc.	519	94	-	-	-	-	-	(425)
	Archibald Smith Plantation Home Preservationists, Inc.	21	-	-	-	-	-	-	(21)
	Development Authority of the City of Roswell, Georgia	-	-	-	-	-	-	-	-
	<b>Total - Component Units</b>	<b>\$ 822</b>	<b>\$ 274</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(548)</b>
	<b>General Revenues</b>								
	Property taxes levied for:								
	General purposes					24,886	-	24,886	-
	Debt service					6,458	-	6,458	-
	Sales Taxes					20,406	-	20,406	-
	Hotel/motel taxes					721	-	721	431
	Business taxes					5,345	-	5,345	-
	Gain on sale of capital assets					-	-	-	-
	Investment earnings					559	135	694	5
	Miscellaneous					100	-	100	-
	<b>Total General Revenues</b>					<b>58,475</b>	<b>135</b>	<b>58,610</b>	<b>436</b>
	Transfers					(1,748)	1,748	-	
	<b>Change in Net Assets</b>					<b>11,924</b>	<b>2,502</b>	<b>14,426</b>	<b>(112)</b>
	<b>Net Assets Beginning of Year</b>					<b>200,690</b>	<b>27,393</b>	<b>228,083</b>	<b>384</b>
	<b>Net Assets End of Year</b>					<b>\$ 212,614</b>	<b>\$ 29,895</b>	<b>\$ 242,509</b>	<b>\$ 272</b>

See accompanying notes to the basic financial statements

governmental funds balance sheet June 30, 2011 (in thousands of dollars)	Assets							Other	Total
		General	Federal Grants	American Stimulus Recovery	Impact Fees	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
	Cash and cash equivalents	\$ 5,972	\$ 1,097	\$ 505	\$ 3,777	\$ 565	\$ 2,829	\$ 4,517	\$ 19,262
	Investments	26,288	-	-	2,012	11,837	5,359	1,784	47,280
	Receivables:								
	Interest	59	-	-	-	10	-	11	80
	Accounts	944	807	1,379	-	-	31	496	3,657
	Taxes	2,196	-	-	-	-	247	-	2,443
	Other	65	-	-	-	-	-	-	65
	Due from other funds	6,205	-	-	6	5,366	203	659	12,439
	Inventories	52	-	-	-	-	-	-	52
	Prepaid items	239	-	-	-	85	-	20	344
	<b>Total Assets</b>	<b>\$ 42,020</b>	<b>\$ 1,904</b>	<b>\$ 1,884</b>	<b>\$ 5,795</b>	<b>\$ 17,863</b>	<b>\$ 8,669</b>	<b>\$ 7,487</b>	<b>\$ 85,622</b>
	<b>Liabilities and Fund Balances</b>								
	<b>Liabilities</b>								
	Accounts payable	\$ 983	\$ 445	\$ 101	\$ 102	\$ 426	\$ -	\$ 171	\$ 2,228
	Salaries and wages payable	1,442	-	1	-	-	-	40	1,483
	Payroll deductions payable	73	-	-	-	-	-	-	73
	Retainage payable	-	85	-	19	193	-	39	336
	Due to other funds	6,700	1,423	1,705	1,694	-	-	818	12,340
	Deferred revenue	863	569	461	-	-	174	89	2,156
	Customer deposits payable	852	-	-	-	-	-	84	936
	Other current liabilities	72	-	-	-	-	-	-	72
	<b>Total Liabilities</b>	<b>10,985</b>	<b>2,522</b>	<b>2,268</b>	<b>1,815</b>	<b>619</b>	<b>174</b>	<b>1,241</b>	<b>19,624</b>
	<b>Fund Balances</b>								
	Nonspendable for:								
	Inventories	52	-	-	-	-	-	-	52
	Prepaid items	239	-	-	-	85	-	20	344
	Permanent Fund corpus	-	-	-	-	-	-	25	25
	Restricted for:								
	Debt Service	-	-	-	-	-	8,495	-	8,495
	Impact Fee projects	-	-	-	642	-	-	-	642
	Environmental	-	-	-	-	-	-	135	135
	Cultural and Recreation	-	-	-	530	-	-	2,870	3,400
	Transportation	-	-	-	1,230	-	-	33	1,263
	Public Safety	-	24	72	1,578	-	-	2,844	4,518
	Capital Projects	-	-	-	-	1,230	-	-	1,230
	Scholarship	-	-	-	-	-	-	10	10
	Cemetery Maintenance	104	-	-	-	-	-	-	104
	Committed for:								
	Cultural and Recreation	-	-	-	-	-	-	164	164
	Environmental	473	-	-	-	-	-	235	708
	Stabilization funds	15,856	-	-	-	-	-	-	15,856
	Assigned for:								
	Capital Projects	-	-	-	-	15,929	-	-	15,929
	2012 FY Expenditures	6,248	-	-	-	-	-	-	6,248
	General government	81	-	-	-	-	-	-	81
	Judicial	1	-	-	-	-	-	-	1
	Financial services	57	-	-	-	-	-	-	57
	Planning and zoning	137	-	-	-	-	-	-	137
	Public Safety	136	-	-	-	-	-	-	136
	Public works	128	-	-	-	-	-	-	128
	Cultural and Recreation	105	-	-	-	-	-	-	105
	Unassigned	7,418	(642)	(456)	-	-	-	(90)	6,230
	<b>Total Fund Balances</b>	<b>31,035</b>	<b>(618)</b>	<b>(384)</b>	<b>3,980</b>	<b>17,244</b>	<b>8,495</b>	<b>6,246</b>	<b>65,998</b>
	<b>Total Liabilities and Fund Balances</b>	<b>\$ 42,020</b>	<b>\$ 1,904</b>	<b>\$ 1,884</b>	<b>\$ 5,795</b>	<b>\$ 17,863</b>	<b>\$ 8,669</b>	<b>\$ 7,487</b>	<b>\$ 85,622</b>

See accompanying notes to the basic financial statements

reconciliation of the  
governmental funds balance  
sheet to the statement of net  
assets  
June 30, 2011  
(in thousands of dollars)

<b>Total Governmental Fund Balances</b>		\$	65,998
<b>Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because:</b>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Cost	\$	282,873	
Less accumulated depreciation		<u>(119,997)</u>	162,876
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:			
Property taxes		657	
Intergovernmental		1,119	
Charges for services		<u>52</u>	1,828
Accrued interest on long-term debt is not reported at the fund financial reporting level, but is reported at the government-wide statement of net assets			(425)
Long term liabilities, including bonds, capital lease payables and compensated absences are not due and payable in the current period and therefore are not reported in the funds but are reported on the statement of net assets:			
Bonds payable		(22,097)	
Claims payable		(652)	
Compensated absences		(1,845)	
Bond issuance costs		<u>86</u>	(24,508)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal funds are included in governmental activities.			<u>6,845</u>
<b>Net Assets Of Governmental Activities</b>		\$	<u><u>212,614</u></u>

See accompanying notes to the basic financial statements

								Total Governmental Funds
	General	Federal Grants	American Stimulus Recovery	Impact Fees	Capital Projects	Debt Service	Other Governmental Funds	
<b>governmental funds statement of revenues, expenditures, and changes in fund balances year ended June 30, 2011 (in thousands of dollars)</b>								
<b>Revenues</b>								
Taxes	\$ 50,325	\$ -	\$ -	\$ -	\$ -	\$ 6,595	\$ 721	\$ 57,641
Licenses and permits	1,268	-	-	-	-	-	-	1,268
Intergovernmental	69	2,195	2,105	-	-	-	310	4,679
Charges for services	2,443	-	-	-	-	-	1,684	4,127
Impact fees	-	-	-	276	-	-	-	276
Fines and forfeitures	2,969	-	-	-	-	-	376	3,345
Investment earnings	331	-	-	32	108	15	41	527
Miscellaneous	76	-	-	-	24	-	-	100
<b>Total Revenues</b>	<b>57,481</b>	<b>2,195</b>	<b>2,105</b>	<b>308</b>	<b>132</b>	<b>6,610</b>	<b>3,132</b>	<b>71,963</b>
<b>Expenditures</b>								
<b>Current:</b>								
General government	6,928	-	437	-	73	-	41	7,479
Judicial	1,439	-	-	-	-	-	-	1,439
Financial services	1,456	-	-	-	-	-	-	1,456
Planning and zoning	3,238	10	678	-	19	-	-	3,945
Public safety	21,479	20	-	-	28	-	1,691	23,218
Public works	7,729	93	62	2	1,787	-	-	9,673
Culture and recreation	8,812	-	-	-	67	-	535	9,414
<b>Capital Outlay</b>	-	2,122	511	1,122	5,212	-	625	9,592
<b>Debt Service:</b>								
Principal retirement	-	-	-	-	-	5,165	-	5,165
Interest	-	-	-	-	-	1,240	-	1,240
<b>Total Expenditures</b>	<b>51,081</b>	<b>2,245</b>	<b>1,688</b>	<b>1,124</b>	<b>7,186</b>	<b>6,405</b>	<b>2,892</b>	<b>72,621</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,400</b>	<b>(50)</b>	<b>417</b>	<b>(816)</b>	<b>(7,054)</b>	<b>205</b>	<b>240</b>	<b>(658)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	-	141	-	-	7,680	-	-	7,821
Transfers out	(8,427)	-	(686)	-	-	-	(456)	(9,569)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,427)</b>	<b>141</b>	<b>(686)</b>	<b>-</b>	<b>7,680</b>	<b>-</b>	<b>(456)</b>	<b>(1,748)</b>
<b>Net Change in Fund Balances</b>	<b>(2,027)</b>	<b>91</b>	<b>(269)</b>	<b>(816)</b>	<b>626</b>	<b>205</b>	<b>(216)</b>	<b>(2,406)</b>
<b>Fund Balances (Deficit) Beginning of Year</b>	<b>33,062</b>	<b>(709)</b>	<b>(115)</b>	<b>4,796</b>	<b>16,618</b>	<b>8,290</b>	<b>6,462</b>	<b>68,404</b>
<b>Fund Balances (Deficit) End of Year</b>	<b>\$ 31,035</b>	<b>\$ (618)</b>	<b>\$ (384)</b>	<b>\$ 3,980</b>	<b>\$ 17,244</b>	<b>\$ 8,495</b>	<b>\$ 6,246</b>	<b>\$ 65,998</b>

See accompanying notes to the basic financial statements



<b>reconciliation of the governmental funds statement of revenues, expenditures, and changes in fund balances to the statement of activities year ended June 30, 2011 (in thousands of dollars)</b>	<b>Net Changes In Fund Balances - Total Governmental Funds</b>	<b>\$ (2,406)</b>
	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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	
	Depreciation expense	\$ (6,843)
	Capital outlay	9,648
		2,805
	The net effect of the donation and disposal of capital assets is to decrease net assets.	
	Donation	5,900
	Disposal	-
		5,900
	Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	Deferred @ 6/30/11	1,828
	Deferred @ 6/30/10	(1,924)
		(96)
	Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.	
	Liability @ 6/30/11	(425)
	Liability @ 6/30/10	515
		90
	The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	
	Claims payable	316
	Repayment on long-term debt	5,165
		5,481
	Governmental funds report the effect of bond issuance costs, and deferred refunding charges when debt is first issued, whereas these amounts are deferred and amortized for governmental activities.	
	Amortization of issuance costs	(43)
	Amortization of premiums	207
	Amortization of deferred charges	(135)
		29
	Compensated absences reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	Liability @ 6/30/11	(1,845)
	Liability @ 6/30/10	1,913
		68
	Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal funds are included in governmental activities.	
		53
		53
	<b>Change In Net Assets of Governmental Activities</b>	<b>\$ 11,924</b>
	See accompanying notes to the basic financial statements	

<b>general fund statement of revenues, expenditures, and changes in fund balance - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on a Budgetary Basis</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes:				
Property	\$ 24,730	\$ 25,245	\$ 24,963	\$ (282)
Sales and use	19,380	19,380	20,017	637
Business	5,200	5,200	5,345	145
Licenses and permits	1,037	1,037	1,268	231
Intergovernmental	85	85	69	(16)
Charges for services	2,320	2,320	2,443	123
Fines and forfeitures	2,715	2,715	2,969	254
Investment earnings	401	401	331	(70)
Miscellaneous	51	61	76	15
<b>Total revenues</b>	<u>55,919</u>	<u>56,444</u>	<u>57,481</u>	<u>1,037</u>
<b>Expenditures</b>				
<b>Current:</b>				
Administration	7,341	7,859	7,012	847
Courts	1,550	1,467	1,439	28
Finance	2,454	1,574	1,513	61
Planning and zoning	3,519	3,531	3,375	156
Fire	6,194	6,179	5,877	302
Police	16,407	16,471	15,738	733
Environmental	1,966	1,912	1,774	138
Transportation	6,113	6,267	6,083	184
Recreation and parks	9,114	9,139	8,917	222
<b>Total expenditures</b>	<u>54,658</u>	<u>54,399</u>	<u>51,728</u>	<u>2,671</u>
<b>Excess of revenues over expenditures</b>	<u>1,261</u>	<u>2,045</u>	<u>5,753</u>	<u>3,708</u>
<b>Other Financing uses</b>				
Transfers out	(9,731)	(9,933)	(8,427)	1,506
<b>Total other financing uses</b>	<u>(9,731)</u>	<u>(9,933)</u>	<u>(8,427)</u>	<u>1,506</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (8,470)</u>	<u>\$ (7,888)</u>	<u>(2,674)</u>	<u>\$ 5,214</u>
<b>Less outstanding encumbrances, June 30</b>			<u>647</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (2,027)</u>	

See accompanying notes to the basic financial statements.

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
federal grants fund statement of revenues, expenditures and changes in fund balance - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)	<b>Revenues</b>				
	Intergovernmental	\$ 4,347	\$ 6,421	\$ 2,195	\$ (4,226)
	<b>Expenditures</b>				
	<b>Current:</b>				
	Police	65	73	23	50
	Planning and zoning	7	11	189	(178)
	Public works	-	400	370	30
	<b>Capital Outlay:</b>				
	Planning and zoning	3	302	304	(2)
	Public safety	48	97	87	10
	Public works	3,866	3,829	2,694	1,135
	Culture and recreation	1,960	1,960	-	1,960
	<b>Total expenditures</b>	<u>5,949</u>	<u>6,672</u>	<u>3,667</u>	<u>3,005</u>
	<b>Excess (Deficiency) of revenues over expenditures</b>	<u>(1,602)</u>	<u>(251)</u>	<u>(1,472)</u>	<u>(1,221)</u>
	<b>Other Financing sources</b>				
	Transfers in	21	141	141	-
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (1,581)</u>	<u>\$ (110)</u>	<u>(1,331)</u>	<u>\$ (1,221)</u>
	<b>Less outstanding encumbrances, June 30</b>			<u>1,422</u>	
	<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 91</u>	

See accompanying notes to the basic financial statements.

american stimulus recovery fund  
statement of revenues,  
expenditures and changes  
in fund balances - budget  
and actual (budgetary basis)  
year ended June 30, 2011  
(in thousands of dollars)

	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 2,600	\$ 2,105	\$ (495)
<b>Expenditures</b>				
<b>Current:</b>				
General government	365	817	597	220
Public safety	-	72	-	72
Public works	-	130	112	18
Planning and zoning	678	678	678	-
<b>Capital Outlay:</b>				
Public works	757	773	511	262
<b>Total expenditures</b>	<u>1,800</u>	<u>2,470</u>	<u>1,898</u>	<u>572</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,800)</u>	<u>130</u>	<u>207</u>	<u>77</u>
<b>Other Financing (uses)</b>				
Transfer out	-	(686)	(686)	-
<b>Total other financing (uses)</b>	<u>-</u>	<u>(686)</u>	<u>(686)</u>	<u>-</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (1,800)</u>	<u>\$ (556)</u>	<u>(479)</u>	<u>\$ 77</u>
<b>Add-back outstanding encumbrances, June 30</b>			<u>210</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (269)</u>	

See accompanying notes to the basic financial statements.

proprietary funds statement of net assets June 30, 2011 (in thousands of dollars)					Governmental Activities- Internal
	Water and Sewer	Solid Waste	Participant Recreation	Total	Service Funds
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 502	\$ 4,971	\$ 1,646	\$ 7,119	\$ 4,382
Investments	2,510	4,498	1,000	8,008	2,004
Receivables:					
Interest	3	2	1	6	5
Accounts (net of allowances)	617	1,442	-	2,059	29
Other	890	-	-	890	-
Due from other funds	5	4	-	9	829
Unbilled services receivable	788	439	-	1,227	-
Prepays	1	-	16	17	133
<b>Total Current Assets</b>	<b>5,316</b>	<b>11,356</b>	<b>2,663</b>	<b>19,335</b>	<b>7,382</b>
<b>Noncurrent Assets</b>					
<b>Capital Assets:</b>					
Non-depreciable capital assets	3,485	110	127	3,722	-
Depreciable capital assets, net	8,927	3,133	239	12,299	-
<b>Total Assets</b>	<b>17,728</b>	<b>14,599</b>	<b>3,029</b>	<b>35,356</b>	<b>7,382</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	1,156	515	87	1,758	272
Salaries and wages payable	41	102	160	303	-
Payroll deductions payable	3	8	12	23	4
Compensated absences	29	65	34	128	-
Due to other funds	-	-	676	676	261
Unearned revenue	-	-	486	486	-
Customer deposits	502	-	46	548	-
<b>Total Current Liabilities</b>	<b>1,731</b>	<b>690</b>	<b>1,501</b>	<b>3,922</b>	<b>537</b>
<b>Long-term Liabilities</b>					
Notes Payable- GEFA Loan	1,440	-	-	1,440	-
Compensated absences (net of current portion)	22	53	24	99	-
<b>Total Liabilities</b>	<b>3,193</b>	<b>743</b>	<b>1,525</b>	<b>5,461</b>	<b>537</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	10,972	3,243	366	14,581	-
Unrestricted	3,563	10,613	1,138	15,314	6,845
<b>Total Net Assets</b>	<b>\$ 14,535</b>	<b>\$ 13,856</b>	<b>\$ 1,504</b>	<b>\$ 29,895</b>	<b>\$ 6,845</b>

See accompanying notes to the basic financial statements

proprietary funds statement of revenues, expenses, and changes in fund net assets year ended June 30, 2011 (in thousands of dollars)					Governmental
	Water and Sewer	Solid Waste	Participant Recreation	Total	Activities- Internal Service Funds
<b>Operating Revenues</b>					
Charges for services - water	\$ 3,038	\$ -	\$ -	\$ 3,038	\$ -
Charges for services - sewer	154	-	-	154	-
Charges for services - sanitation	-	9,594	-	9,594	-
Charges for services - internal services	-	-	-	-	8,757
Other fees	112	227	4,345	4,684	-
<b>Total Operating Revenues</b>	<b>3,304</b>	<b>9,821</b>	<b>4,345</b>	<b>17,470</b>	<b>8,757</b>
<b>Operating Expenses</b>					
Personnel services and benefits	1,241	3,539	3,295	8,075	-
Purchased contract services	434	3,758	254	4,446	8,736
Supplies	797	1,370	1,383	3,550	-
Utilities	86	13	-	99	-
Depreciation	378	271	32	681	-
<b>Total Operating Expenses</b>	<b>2,936</b>	<b>8,951</b>	<b>4,964</b>	<b>16,851</b>	<b>8,736</b>
<b>Operating Income (Loss)</b>	<b>368</b>	<b>870</b>	<b>(619)</b>	<b>619</b>	<b>21</b>
<b>Non-Operating Revenues (Expenses)</b>					
Investment earnings	53	79	3	135	32
<b>Total Non-Operating Revenues (Expenses)</b>	<b>53</b>	<b>79</b>	<b>3</b>	<b>135</b>	<b>32</b>
<b>Income (Loss) before transfers</b>	<b>421</b>	<b>949</b>	<b>(616)</b>	<b>754</b>	<b>53</b>
Transfers in	686	-	1,062	1,748	-
<b>Change in Net Assets</b>	<b>1,107</b>	<b>949</b>	<b>446</b>	<b>2,502</b>	<b>53</b>
<b>Net Assets Beginning of Year</b>	<b>13,428</b>	<b>12,907</b>	<b>1,058</b>	<b>27,393</b>	<b>6,792</b>
<b>Net Assets End of Year</b>	<b>\$ 14,535</b>	<b>\$ 13,856</b>	<b>\$ 1,504</b>	<b>\$ 29,895</b>	<b>\$ 6,845</b>

See accompanying notes to the basic financial statements

proprietary funds statement of cash flows year ended June 30, 2011 (in thousands of dollars)		Water and	Solid	Participant	Total	Governmental
		Sewer	Waste	Recreation		Activities- Internal Service Funds
	<b>Cash Flows From Operating Activities</b>					
	Cash received from customers	\$ 3,205	\$ 9,790	\$ 4,368	\$ 17,363	\$ 7,983
	Cash payments for personnel services	(1,244)	(3,540)	(3,181)	(7,965)	-
	Cash payments for goods and services	(899)	(4,970)	(2,537)	(8,406)	(8,572)
	<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,062</u>	<u>1,280</u>	<u>(1,350)</u>	<u>992</u>	<u>(589)</u>
	<b>Cash Flows from Noncapital Financing Activities</b>					
	Transfers in	686	-	1,062	1,748	-
	<b>Net Cash provided by Noncapital Financing Activities</b>	<u>686</u>	<u>-</u>	<u>1,062</u>	<u>1,748</u>	<u>-</u>
	<b>Cash Flows from Capital and Related Financing Activities</b>					
	Payments for capital acquisitions	(2,901)	(630)	(127)	(3,658)	-
	Proceeds from capital debt	560	-	-	560	-
	<b>Net Cash (Used In) Capital and Related Financing Activities</b>	<u>(2,341)</u>	<u>(630)</u>	<u>(127)</u>	<u>(3,098)</u>	<u>-</u>
	<b>Cash Flows from Investing Activities</b>					
	Investment sales (purchases)	(1,508)	3,011	3	1,506	(2,004)
	Investment earnings	52	88	4	144	27
	<b>Net Cash provided by (used in) Investing Activities</b>	<u>(1,456)</u>	<u>3,099</u>	<u>7</u>	<u>1,650</u>	<u>(1,977)</u>
	<b>Net Increase (decrease) in Cash and Cash Equivalents</b>	<u>(2,049)</u>	<u>3,749</u>	<u>(408)</u>	<u>1,292</u>	<u>(2,566)</u>
	<b>Cash and Cash Equivalents Beginning of Year</b>	<u>2,551</u>	<u>1,222</u>	<u>2,054</u>	<u>5,827</u>	<u>6,948</u>
	<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 502</u>	<u>\$ 4,971</u>	<u>\$ 1,646</u>	<u>\$ 7,119</u>	<u>\$ 4,382</u>

(This page continues on subsequent page)

		Water and Sewer	Solid Waste	Participant Recreation	Total	Governmental Activities- Internal Service Fund
<b>proprietary funds statement of cash flows year ended June 30, 2011 (in thousands of dollars)</b>	<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
	<b>Operating Income (Loss)</b>	\$ 368	\$ 870	\$ (619)	\$ 619	\$ 21
	<b>Adjustments:</b>					
	Depreciation	378	271	32	681	-
	<b>(Increase) Decrease in Assets:</b>					
	Receivables	(94)	(29)	1	(122)	-
	Prepays	3	-	(10)	(7)	1
	Other receivables	-	-	-	-	45
	Due from other funds	(5)	(2)	-	(7)	(829)
	<b>Increase (Decrease) in Liabilities:</b>					
	Accounts payable	328	173	(10)	491	(6)
	Salaries and wages payable	3	5	44	52	-
	Payroll deductions payable	-	1	12	13	(68)
	Due to other funds	(2)	(2)	217	213	247
	Intergovernmental	-	-	(1,097)	(1,097)	-
	Compensated absences	(6)	(7)	58	45	-
	Deferred revenue	-	-	8	8	-
	Customer deposits payable	89	-	14	103	-
	<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 1,062</u>	<u>\$ 1,280</u>	<u>\$ (1,350)</u>	<u>\$ 992</u>	<u>\$ (589)</u>
	<b>Non cash capital and related financing activities</b>					
	Receivable related to capital debt	<u>\$ 880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	See accompanying notes to the basic financial statements					



combining statement  
of net assets component units  
component units  
June 30, 2011  
(in thousands of dollars)

	Friends of Bulloch, Inc.	Historic Roswell Convention & Visitors Bureau, Inc	Archibald Smith Plantation Home Preservationists, Inc.	Development Authority of the City of Roswell, Georgia	Total
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 53	\$ 114	\$ -	\$ 19	\$ 186
Investments	41	-	-	-	41
Inventory	14	-	-	-	14
Accounts receivable	-	6	-	-	6
Prepaid items	-	2	-	-	2
<b>Total Current Assets</b>	<b>108</b>	<b>122</b>	<b>-</b>	<b>19</b>	<b>249</b>
<b>Non-current Assets:</b>					
Depreciable capital assets, net	-	33	-	-	33
<b>Total Assets</b>	<b>108</b>	<b>155</b>	<b>-</b>	<b>19</b>	<b>282</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	4	-	-	-	4
Accrued expenses	2	4	-	-	6
<b>Total Current Liabilities</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>10</b>
<b>Net Assets</b>					
Invested in capital assets	-	33	-	-	33
Unrestricted	102	118	-	19	239
<b>Total Net Assets</b>	<b>\$ 102</b>	<b>\$ 151</b>	<b>\$ -</b>	<b>\$ 19</b>	<b>\$ 272</b>

See accompanying notes to the basic financial statements

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets					Total	
		Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Component Units				
							Friends of Bulloch, Inc.	Historic Roswell Convention & Visitors Bureau, Inc.	Archibald Smith Plantation Home Preservationists, Inc.		Development Authority of the City of Roswell, Georgia
<b>Component Units</b>											
Friends of Bulloch, Inc.		\$ 282	\$ 180	\$ -	\$ -	(102)	\$ -	\$ -	\$ -	(102)	
Historic Roswell Convention & Visitors Bureau, Inc.		519	94	-	-	-	(425)	-	-	(425)	
Archibald Smith Plantation Home Preservationists, Inc.		21	-	-	-	-	-	(21)	-	(21)	
Development Authority of the City of Roswell, Georgia		-	-	-	-	-	-	-	-	-	
<b>Total - Component Units</b>		<u>\$ 822</u>	<u>\$ 274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(102)</u>	<u>(425)</u>	<u>(21)</u>	<u>-</u>	<u>(548)</u>	
<b>General Revenues</b>											
Hotel/Motel tax						-	431	-	-	431	
Investment earnings						4	-	1	-	5	
Change in Net Assets						(98)	6	(20)	-	(112)	
<b>Net Assets Beginning of Year</b>						200	145	20	19	384	
<b>Net Assets End of Year</b>						<u>\$ 102</u>	<u>\$ 151</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 272</u>	

See accompanying notes to the basic financial statements

This page intentionally left blank.



The City of Roswell, Georgia (the "City"), which was founded in 1854, has a population of 88,346 living within an area of 39.26 square miles. The City is a Georgia municipal corporation and operates under a charter adopted April 19, 2000, and a Mayor/Council form of government.

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The most significant of the City's accounting policies are described below.

**Note 1-A. Reporting Entity**

**A. Reporting Entity**

The reporting entity is comprised of the primary government and component units are included to ensure that the financial statements are not misleading.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component units. The financial results of the component units are reported separately to emphasize that they are legally separate from the City. Separate financial statements and information for each component unit can be obtained from the City of Roswell Finance Department, with the exception of the Development Authority of the City of Roswell, Georgia and Archibald Smith Plantation Home Preservationists, Inc. for which separate financial statements are not prepared. There are no differences in the fund level and government-wide level reporting for the Development Authority of the City of Roswell, Georgia and Archibald Smith Plantation Home Preservationists, Inc., therefore, fund level financial statements have not been prepared.

The following component units are discretely presented in the reporting entity:

**Friends of Bulloch, Inc.** (the Society) – The Society was incorporated under the laws of the State of Georgia on May 13, 1993 for the purpose of promoting the preservation of the historic landmark *Bulloch Hall*. There is a “Memorandum of Understanding” that spells out the agreed upon relationship between the City and the Friends of Bulloch, Inc. Volunteers and non-paid workers within the Society perform the duties at the historic site, Bulloch Hall, and any revenues generated from tours, festivals, etc. become the Society’s funds. The generated revenues are ultimately spent on the historic site and any expense must be made in support of the City’s long-range strategic plan. The site is owned by the City and the Society is fiscally dependent on the City for the use of that site.

**Historic Roswell Convention & Visitors Bureau, Inc.** (the Bureau) – The Bureau was incorporated under the laws of the State of Georgia on April 23, 1993 for the purpose of promoting the preservation of the Historic District of Roswell and encouraging tourism and improving the quality of life in the Historic District. Due to the significant portion of hotel/motel tax received by the Bureau, management feels it would be misleading not to include the Bureau as a component unit.

**Archibald Smith Plantation Home Preservationists, Inc. (the ASPHP)** – was established in December 1993 as a not-for-profit organization to promote the preservation of the Archibald Smith Plantation Home. ASPHP works to collect and preserve books, charts, maps and other material, and to stimulate and foster an interest in the Archibald Smith Plantation Home and their role in the history of the City of Roswell, Georgia. The generated revenues are ultimately spent on the historic site and any expenses must be made in support of the City’s long-range strategic plan. The site is owned by the City and the ASPHP is fiscally dependent on the City for the use of the site. As a result of this relationship, the City has determined that the ASPHP is a component unit of the City.

**Development Authority of the City of Roswell, Georgia (the Authority)** – The Authority is a public body corporate and politic created on August 20, 1979 under the “Development Authorities Laws”, O.C.G.A. 36-62-1. One of the main purposes of the Authority is centered on the revitalization and redevelopment of the City through land acquisition. This purpose includes acquiring land for the City and other third parties such as the private sector. The Authority consists of a board of not less than seven and no more than nine directors who serve six year terms appointed by City Council. Upon dissolution, the assets of the Authority would revert to the City.

The following is a related organization of the City:

**Housing Authority of the City of Roswell** -The Housing Authority of the City of Roswell is not considered a component unit of the City of Roswell and accordingly no financial information is presented for the Authority. The Housing Authority was created under O.C.G.A. 8-3-1 and is an instrumentality of the State of Georgia, whose purpose is to provide safe and sanitary housing to low and moderate income families. The Authority operates a housing development in the City of Roswell which is federally financed and under the control of the United States Department of Housing and Urban Development (HUD). The Board of Commissioners consists of five commissioners appointed by the Mayor for five year staggered terms and cannot be removed except for cause. The chairman, vice chairman and other officers are elected by the commissioners themselves. No commissioner may be an officer or employee of the City. This prohibition includes the Mayor and all Councilpersons.

**Note 1-B. Basis of  
Presentation**

**B. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information for the City as a whole. All funds are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

**Fund Accounting** – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

**Governmental Funds** – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

**General Fund** – The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

**Impact Fees Fund** – This fund is used to collect impact fees to pay for system improvements for fire, recreation and parks and transportation facilities as projected in the Roswell *Comprehensive Land Use Plan*.

**American Stimulus Recovery Fund** – This fund is used to account for the grant monies received from various federal agencies that are mandated to adhere to the American Stimulus Recovery laws.

**Debt Service Fund** – This fund is used to account for the accumulation of resources and payment of principal and interest on the City's general obligation debt.

**Capital Projects Fund** – This fund is used to account for the acquisition and construction of major capital projects.

**Federal Grants Fund** – This fund is used to account for the grant monies received from various federal agencies.

**Proprietary Funds** – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. The City has the following major enterprise funds:

**Water and Sewer Fund** – This fund is used for the operation of the City's water system and for the billing on behalf of Fulton County's sewer system as it applies to City residents, which renders those services to the residents and businesses located within the City.

**Solid Waste Fund** – This fund is used to account for the operations of the City's solid waste and sanitation program.

**Participant Recreation Fund** – This fund is used to account for the operations of activities held at the City’s parks for which user fees are charged.

**Internal Service Funds** – The internal service funds are used to account for the operations of self-sustaining agencies rendering services to other agencies of the City on a cost reimbursement basis. These services are for workman’s compensation insurance, risk management and group health.

**Note 1-C.  
Measurement Focus**

**C. Measurement Focus**

**Government-wide Financial Statements** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports all revenues and expenses, including depreciation, regardless of the related cash flows.

**Fund Financial Statements** - All governmental funds are accounted for using a flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

**Note 1-D. Basis of  
Accounting**

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.



**Revenues - Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Revenues - Non-exchange Transactions** - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis when the taxable sale takes place and revenue is considered available (i.e., collected within 60 days after year-end). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, interest, and federal and state grants.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue. Property taxes receivable not collected within 60 days of year-end have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue. Grants accounts receivable not collected within 60 days of year-end have also been recorded as deferred revenue.

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due for payment, if measurable.

**Note 1-E. Assets, Liabilities and Fund Equity**

**Cash Equivalents, and Investments**

**Note 1-E-2. Receivables**

**Note 1-E-3. Interfund Balances**

**Assets, Liabilities and Fund Equity**

***Cash, Cash Equivalents, and Investments***

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the U.S. government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

**Receivables**

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable.

**Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

**Note 1-E-4. Consumable Inventories**

**Consumable Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

**Note 1-E-5. Prepaid Items**

**Prepaid Items**

Prepaid items in government funds recognize the associated expenditure in the period that receives the benefit of that expenditure.

**Note 1-E-6. Capital Assets**

**Capital Assets**

General capital assets are those assets with a useful life of more than two years with a value of five thousand dollars or greater and not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of roads, bridges, drainage systems and water lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. The costs of betterments must exceed one year's depreciation in order to be capitalized. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
<i>Land improvements</i>	20 years	20 years
<i>Buildings and plant</i>	40 years	40 years
<i>Machinery and equipment</i>	5 – 10 years	5- 30 years
<i>Vehicles</i>	8 years	8 years
<i>Infrastructure</i>	10 – 65 years	10 – 65 years

**Note 1-E-7.  
Compensated Absences**

**Compensated Absences**

Vacation and sick benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only *“when due for payment.”*

**Note 1-E-8. Accrued Liabilities and Long-term Obligations**

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

**Note 1-E-9. Bond Premiums, Discounts and Issuance Costs**

**Bond Premiums, Discounts and Issuance Costs**

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method.

At the governmental fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

**Note 1-E-10. Fund Equity**

**Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The City has adopted a 25 percent Stabilization policy to retain in reserve at minimum an equivalent of 25 percent of next years budgeted expenditures less one-time budgeted capital from the unassigned fund balance. This stabilization reserve can only be used for unplanned expenditures the City would face as the result of a natural disaster or terrorist attack.

The City implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions as of July 1, 2010. The new standard changed the overall definitions and classifications of governmental fund balances. In the governmental fund financial statements fund balance is reported in five classifications:

**Non-spendable** – Non-spendable fund balance includes the value of the City’s assets that will never be converted to cash. These include but are not limited to prepaid items and inventories. This will also include assets that will not convert to cash soon enough to affect the current period such as long-term receivables and the non-cash assets held for resale such as land.

**Restricted** – Restricted fund balance includes the value of resources that are limited in how they may be used by external enforceable legal restrictions. This may be the result of other governments through laws and regulations, grantors or contributions through agreements, creditors through debt covenants or other contracts, and enabling legislation that limits how revenue can be used.

**Committed** – Committed fund balance includes the value of resources that are limited by the Mayor and Council. Further the limitation that has been placed on the resources can only be removed by similar action that committed these resources in the fund balance.

**Assigned** – Assigned fund balance includes resources that the government has intentions for use but are not externally restricted or committed through formal action by the Mayor and Council. The Mayor and Council approve who has the authority to assign these resources values. Examples would be purchasing buyers issuing purchase orders for goods or services which are under the dollar threshold for Mayor and Councils approval.

**Unassigned** – Unassigned fund balance includes the remaining resources that have not been classified in the above categories. Only the General Fund may have a positive fund balance in this category. All other governmental funds will only have this classification if the remaining resources are negative to balance the fund.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. The Mayor and Council will make every effort to use the unassigned funds for the following purposes: to provide pay-as-you go financing for capital projects, and to provide revenue shortfalls resulting from unexpected economic changes or recessionary periods. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

(This page continues on subsequent page.)

**Net Assets** - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Note 1-E-11. Operating Revenues and Expenses**

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, solid waste and participant recreation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program. All other activity is considered non-operating.

**Note 1-E-12. Contributions of Capital**

**Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Note 1-E-13. Interfund Activity**

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and are after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported after general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

**Note 1-E-14. Estimates**

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Note 2.**

(in thousands of dollars)

**Note 2-A. Budgetary Information**

**Stewardship, Compliance and Accountability**

**Budgetary Information** – The City adopts an annual operating budget for the general fund, each special revenue fund, the debt service fund, and each enterprise fund. A project budget is adopted for each capital projects fund. The budget resolution reflects the total of each department’s appropriation in each fund. Budgets for internal service funds are for planning and control purposes only and are not included within the City’s financial statements.

The governmental funds budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

All unexpended, unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically (i.e., no action is required by the City Council).

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The City Administrator may transfer funds from one object or purpose to another within the same department.
- The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

**Note 2-B. Deficit Fund Balance**

***Deficit Fund Balance***

At June 30, 2011, the Federal Grant Fund had a fund balance deficit of \$618, the American Stimulus Recovery fund had a fund balance deficit of \$384, and the State Grant Fund had a fund balance deficit of \$90, all of which are a result of the fact that the majority of the City’s grants are reimbursement style grants which were outstanding and for which the availability criteria for revenue recognition had not been met at year end.



**Note 3.**  
(in thousands of dollars)  
**Note 3-A. Deposits  
and Investments**

Detailed Notes on All Funds

**Deposits and Investments**

As of June 30, 2011, the City of Roswell had the following investments:

Investment Type	Agency	Rating	Fair Value	Maturity (Years)
Deposits reported as investments	N/A	N/A	\$ 25	0.33
Certificates of Deposit	N/A	N/A	1,011	2.13
Federal Farm Credit Bank	N/A	N/A	1,000	3.38
Federal Home Loan Bank (FHLB)	N/A	AAA	24,543	2.65
Federal Home Loan Mortgage Corp (FHLMC)	N/A	AAA	6,505	2.39
Federal National Mortgage Association (FNMA)	N/A	AAA	6,012	2.47
Georgia Fund 1	S & P	AAAm	18,196	0.17
Total fair value			57,292	
Portfolio weighted average maturity				1.82

The City of Roswell's Mayor and Council approved by Resolution an Investment Policy with the intent to enable the City to receive the highest interest rate available while reducing the credit and interest rate risk to its principal investments. The Resolution is intended to prevent the purchase of speculative or potentially uncreditworthy investments whose value is interest rate driven and have a potential of diminishing the original amount paid.

*Interest rate risk.* Interest rate risk is the possibility that an investment will be sold at a time when the interest rate is higher than it was when the investment was purchased. There is an inverse relationship between a security's market price and the interest rate. Selling when the rates are higher than they were when the security was purchased would usually result in a decrease in the market value of the investment. An investment held to maturity will be paid at par (face) value. To reduce interest rate risk, the City limits the maturity of any investment to three years. The current weighted average maturity is 1.82 years. The City intends to hold all investments to maturity, when the investment would be valued at par.

*Credit risk.* Credit risk is the risk that the issuer of the security may become insolvent and be unable to pay the principal or the principal and interest of an investment. The city reduces this risk by investing in only:

1. U. S. Treasury Obligations
2. Obligations of approved U. S. government agencies
3. Repurchase agreements collateralized by U. S. government securities
4. Certificates of deposits not exceeding the FDIC insurance amount or the amount collateralized by U. S. Government securities
5. Money market bank accounts
6. State sponsored local government investment pools (e.g. the Georgia Fund 1)

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Georgia law requires that any amount of a local government's deposits that are not covered by FDIC insurance must be collateralized by 110% the value of the deposits by obligations of the U.S. government or bonds of public authorities, counties, or municipalities. As of June 30, 2011, the City had approximately \$1,745 of cash as unsecured and uncollateralized.

*Custodial credit risk – investment.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the securities that are in the possession of the outside party. The City's securities are held in a safekeeping account. The securities are held in the City's name.

Georgia Fund I, created by O.C.G.A. 36-83-8, is a stable net asset value investment pool that follows Standard and Poor's criteria for AAA rated money market funds and is regulated by the Office of the State Treasurer of the State of Georgia. However, Georgia Fund I operates in a manner consistent with Rule 2a-7 the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversation while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

Under Georgia State law, the state director, fiscal division, is responsible for control and safekeeping of instruments of title of the Georgia Fund I.

### **Receivables**

#### **Note 3-B. Receivables**

Receivables at June 30, 2011, consisted of taxes, interest, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

At June 30, 2011, the allowance for uncollectible taxes was \$281 in the General Fund and \$105 in the Debt Service Fund for a total of \$386. Allowance for uncollectible accounts was \$98 for Water and Sewer accounts and \$229 for Sanitation accounts. Allowance for Red Light Camera fees was \$704.

	<b>Governmental Funds</b>					
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Federal Grant</b>	<b>American Stimulus Recovery</b>	<b>Other Governmental Funds</b>
<b>Receivables:</b>						
Taxes	\$ 2,477	\$ 352	\$ -	\$ -	\$ -	\$ -
Accounts	1,648	31	-	807	1,379	496
Interest	59	-	10	-	-	11
Other	65	-	-	-	-	-
<b>Gross Receivables</b>	<b>4,249</b>	<b>383</b>	<b>10</b>	<b>807</b>	<b>1,379</b>	<b>507</b>
Less allowance of uncollectibles	(985)	(105)	-	-	-	-
<b>Net Total Receivables</b>	<b>\$ 3,264</b>	<b>\$ 278</b>	<b>\$ 10</b>	<b>\$ 807</b>	<b>\$ 1,379</b>	<b>\$ 507</b>
	<b>Proprietary Funds</b>					
	<b>Water</b>	<b>Solid Waste</b>	<b>Participant Recreation</b>	<b>Internal Service Funds</b>		
<b>Receivables:</b>						
Accounts	1,503	2,110	-	29		
Interest	3	2	1	5		
Other	890	-	-	-		
<b>Gross Receivables</b>	<b>2,396</b>	<b>2,112</b>	<b>1</b>	<b>34</b>		
Less allowance of uncollectibles	(98)	(229)	-	-		
<b>Net Total Receivables</b>	<b>\$ 2,298</b>	<b>\$ 1,883</b>	<b>\$ 1</b>	<b>\$ 34</b>		

**Note 3-C. Property Taxes**

**C. Property Taxes**

Normally, property tax levies are set by the City Council in June of each year for collection in the following fiscal year beginning July 1. Fulton County spreads all levies over assessable property. Taxes are levied annually by the City and for the year ended June 30, 2011, the levy occurred in September, 2010. Real and personal property taxes are due in the month of December. Property taxes receivable become a lien on January 1 and are recorded in the General and Debt Service Funds on June 30 of each fiscal year. At fiscal year-end, the receivables represent delinquent taxes. At the fund reporting level, if delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue since they are not available to finance current expenditures.

(This page continues on subsequent page.)

Note 3-D. Capital Assets

**Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>7/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/2011</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 39,665	\$ 2,004	\$ -	\$ 4	\$ 41,673
Construction in Progress	9,950	6,329	-	(5,046)	11,233
	<u>49,615</u>	<u>8,333</u>	<u>-</u>	<u>(5,042)</u>	<u>52,906</u>
Other capital assets:					
Land improvements	20,790	98	-	1,956	22,844
Buildings	69,503	927	-	165	70,595
Machinery and equipment	10,041	650	-	635	11,326
Vehicles	13,396	333	-	13	13,742
Infrastructure	<u>103,980</u>	<u>5,207</u>	<u>-</u>	<u>2,273</u>	<u>111,460</u>
Total other capital assets	217,710	7,215	-	5,042	229,967
Accumulated depreciation:					
Land improvements	(7,586)	(976)	-	-	(8,562)
Buildings	(28,889)	(1,779)	-	-	(30,668)
Machinery and equipment	(3,544)	(828)	-	-	(4,372)
Vehicles	(8,309)	(749)	-	-	(9,058)
Infrastructure	<u>(64,826)</u>	<u>(2,511)</u>	<u>-</u>	<u>-</u>	<u>(67,337)</u>
Total accumulated depreciation	<u>(113,154)</u>	<u>(6,843)</u>	<u>-</u>	<u>-</u>	<u>(119,997)</u>
Governmental activities capital assets, net	<u>\$ 154,171</u>	<u>\$ 8,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,876</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

**Governmental activities**

General government	\$ 631
Judicial	6
Financial	75
Planning and zoning	90
Public safety	1,166
Public works	2,829
Culture and recreation	<u>2,046</u>
<b>Total governmental activities depreciation expense</b>	<b><u>\$ 6,843</u></b>

(This page continues on subsequent page.)

	<u>Balance</u> <u>7/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance</u> <u>6/30/2011</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Construction in Progress	\$ 1,184	\$ 2,906	\$ -	\$ (368)	\$ 3,722
Depreciable capital assets:					
Buildings	1,899	148	-	205	2,252
Vehicles	3,731	440	-	-	4,171
Machinery and equipment	1,737	161	-	139	2,037
Infrastructure	10,211	3	-	24	10,238
Total other capital assets	<u>17,578</u>	<u>752</u>	<u>-</u>	<u>368</u>	<u>18,698</u>
Accumulated depreciation:					
Buildings	(178)	(44)	-	-	(222)
Vehicles	(1,986)	(255)	-	-	(2,241)
Machinery and equipment	(538)	(98)	-	-	(636)
Infrastructure	(3,016)	(284)	-	-	(3,300)
Total accumulated depreciation	<u>(5,718)</u>	<u>(681)</u>	<u>-</u>	<u>-</u>	<u>(6,399)</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 13,044</u>	<u>\$ 2,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,021</u>
<hr/>					
	<u>Balance</u> <u>7/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>6/30/2011</u>	
<b>Component Units:</b>					
Historic Roswell Convention and Visitor's Bureau:					
Equipment	\$ 83	\$ -	\$ -	\$ 83	
Less accumulated depreciation	(42)	(8)	-	(50)	
Component unit capital assets, net	<u>\$ 41</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ 33</u>	

**Note 3-E. Interfund Balances and Transfers**

**Interfund Balances and Transfers**

Interfund balances at June 30, 2011, 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.

Payable to:	Payable from:							Total
	General fund	Federal grant fund	American Stimulus fund	Non-Major gov't fund	Internal service fund(s)	Impact fee fund	Participant recreation fund	
General fund	\$ -	\$ 1,423	\$ 1,705	\$ 670	\$ 258	\$ 1,694	\$ 455	\$ 6,205
Debt service fund	203	-	-	-	-	-	-	203
Capital projects Fund	5,253	-	-	113	-	-	-	5,366
Impact fee fund	-	-	-	-	-	-	6	6
Non-Major gov't funds	659	-	-	-	-	-	-	659
Internal service fund(s)	576	-	-	35	3	-	215	829
Water & Sewer fund	5	-	-	-	-	-	-	5
Solid Waste Fund	4	-	-	-	-	-	-	4
<b>Total</b>	<u>\$ 6,700</u>	<u>\$ 1,423</u>	<u>\$ 1,705</u>	<u>\$ 818</u>	<u>\$ 261</u>	<u>\$ 1,694</u>	<u>\$ 676</u>	<u>\$ 13,277</u>

Interfund transfers for the year ended June 30, 2011, consisted of the following:

Transfers From	Water & Sewer Fund	Federal	Capital Projects Fund	Participant Recreation Fund	Total
General fund	\$ -	\$ 141	\$ 7,224	\$ 1,062	\$ 8,427
Non-major gov't funds	-	-	456	-	456
American Stimulus Recovery fund	686	-	-	-	686
<b>Total</b>	<u>\$ 686</u>	<u>\$ 141</u>	<u>\$ 7,680</u>	<u>\$ 1,062</u>	<u>\$ 9,569</u>



Transfers are used to collect revenues from a fund that statute or budget requires. It also records expenses that statute or budget requires in the appropriate fund. Transfers can also record unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and to return money to the fund from which it was originally provided, once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

**Note 3-F. Compensated Absences**

**Compensated Absences**

Employees earn annual leave (PTO) paid time off at the rate of 12 days per year for the first year of service up to a maximum of 22 days per year after ten years of service. A maximum of 10 days may be carried over into an employee’s next service year. Any unused, accrued leave in excess of 10 days from service year to service year will be forfeited. Upon termination, employees are paid for any accrued annual leave. The amount of accrued leave carried forward is recorded as a liability in the government-wide statements and proprietary fund statements.

Employees accrue sick leave at the rate of 96 hours per year. There is a maximum accumulation of 240 days. Upon retirement, employees with ten or more years of service may be paid for accumulated unused sick leave up to 30 days. An amount is accrued in the government-wide statements and proprietary fund statements for an estimate of the amount currently earned that will be paid.

**Note 3-G. Long-Term Debt**

**Long-Term Debt**

**Primary Government - Summary of General Obligation Bonds** - The following is a summary of the outstanding general obligation long-term bond issues at June 30, 2011:

<u>Year Issued</u>	<u>Purpose</u>	<u>Interest Rate (%)</u>	<u>Interest Dates</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Retired</u>	<u>Outstanding</u>
2002	Refunding	4.2415 avg.	2/1, 8/1	2/1/2014	\$ 28,905	\$ 22,110	\$ 6,795
2008	Refunding	3.0595 avg.	2/1, 8/1	2/1/2015	15,975	590	15,385
<b>Total</b>					<u>\$ 44,880</u>	<u>\$ 22,700</u>	<u>\$ 22,180</u>

Annual debt service requirements to amortize all general obligation long-term bonds outstanding, as of June 30, 2011 follow:

<b>Total - Governmental Activities</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	5,675	1,021	6,696
2013	6,155	737	6,892
2014	6,345	432	6,777
2015	<u>4,005</u>	<u>140</u>	<u>4,145</u>
<b>Total</b>	<u>\$ 22,180</u>	<u>\$ 2,330</u>	<u>\$ 24,510</u>

(This page continues on subsequent page.)

**Changes in Long-term Debt** - Changes in the City's long-term obligations consisted of the following for the year ended June 30, 2011:

<b>Governmental Activities</b>	<b>Outstanding 7/1/2010</b>	<b>Additions</b>	<b>Reductions</b>	<b>Outstanding 6/30/2011</b>	<b>Amounts Due in one year</b>
General Obligation Bonds	\$ 27,345	\$ -	\$ 5,165	\$ 22,180	\$ 5,675
Plus: Premium	619	-	207	412	-
Less: Deferred Charges	(630)	-	(135)	(495)	-
Claims payable-Impact Fees	444	183	-	627	-
Claims payable-Sales Tax Audit	524	-	524	-	-
Claims and Judgements	-	25	-	25	25
Compensated Absences	1,913	2,967	3,035	1,845	1,161
<b>Total Governmental Activities</b>	<b>\$ 30,215</b>	<b>\$ 3,175</b>	<b>\$ 8,796</b>	<b>\$ 24,594</b>	<b>\$ 6,861</b>
<b>Business-Type Activities</b>					
Notes Payable	\$ -	\$ 1,440	\$ -	\$ 1,440	\$ -
Compensated Absences	182	160	115	227	128
<b>Total Business-Type Activities</b>	<b>\$ 182</b>	<b>\$ 1,600</b>	<b>\$ 115</b>	<b>\$ 1,667</b>	<b>\$ 128</b>

All long-term general obligation bonds of the City will be financed from property taxes in the debt service fund.

Claims payable-Impact Fees consists of Impact Fee Credit Certificates in the Impact Fee Fund. Impact Fee Certificates are nonrefundable and do not have an expiration date. They will be used as developers' begin construction projects and submit them to the City instead of paying for new impact fees.

Claims payable-Sales Tax Audit consists of sales tax paid that was considered refundable by a State of Georgia audit, and was withheld from FY 11 sales tax distributions.

Claims and judgments are the settlement of a lawsuit paid from the Risk Management Fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, which include the General Fund, E-911 Fund, Hotel/Motel Fund, Water and Sewer Fund, Solid Waste Fund and Participant Recreation Fund.

The City has two loans with the Georgia Environmental Facilities Authority (GEFA). GEFA loan #2008-L41WS is used to fund the City's South Atlanta Street Waterline, Jones Drive Waterline, and the Water Quality Sampling project. The loan provisions specify that the City can borrow up to \$1.2 million at 3.89% annual interest. As of June 30, 2011, the outstanding balance was \$754, and there was \$5

in accrued construction interest. GEFA loan #DWSRF 10-011 is used to fund the Automated Metering Infrastructure project. The loan agreement specifies that the City can borrow up to \$1.5 million at 3% interest, with 50% principal forgiveness. As of June 30, 2011, the outstanding balance was \$686. Also, as of June 30, 2011, neither of the loans had reached repayment status.

In addition to, the total amount of general obligation bonds payable reported on the statement of net assets, the City also has the following defeased bonds:

**Refunded Bonds Outstanding** - In prior years, the City defeased certain general obligation bonds by placing the refunding bond proceeds in an irrevocable trust to provide resources for all future debt service payments on the refunded bonds. Accordingly, the trust accounts and related debt for the defeased bonds are not presented in the City's financial statements. At June 30, 2011, the following represents the outstanding amount of bonds considered defeased:

1995 and 2000 Series General Obligation Bonds	\$25,575
---	----------

**Arbitrage Calculations** - Each year the City of Roswell engages an independent third party to calculate the arbitrage rebate liability. For the period ended June 2011, the City did not have an arbitrage liability for the 2002 bond series.

**Note 3-H. Pensions**

**Pensions**

**GMEBS PLAN**

**Plan Description** - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Association  
Risk Management and Employee Benefit Services  
PO Box 105377  
Atlanta, Georgia 30348

Pension benefits are established by and may be amended by the City Council.

**Funding Policy** - City employees are not required to contribute to GMEBS. The City is required to contribute 100% of the amounts necessary to fund the Plan using the actuarial basis specified by statute. The current contribution rate is 12.77% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the GMEBS Board of Trustees. The City's contributions to GMEBS for the years ended June 30, 2011, 2010, and 2009 were \$3,500, \$2,953, and \$2,814, respectively. The required contributions for each year, 2011, 2010, and 2009, were \$3,500, \$2,953, and \$2,814 respectively.

**Annual Pension Cost** - For June 30, 2011, the City's annual pension cost of \$3,500 for GMEBS was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2010, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases of 3.50 % (inflation rate). There is no post retirement benefit increase assumption. The actuarial value of GMEBS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period. GMEBS' unfunded actuarial accrued liability is being amortized as a closed level dollar amortization of the unfunded actuarial accrued liability (initial unfunded accrued liability over 30 years from 1981 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year which such changes arise). The remaining amortization period at June 30, 2011 was 10 years.

<u>Year Ended</u> <u>6/30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>	<u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Contributed</u>
2009	\$ 2,814	100%	\$ 2,814	100%
2010	2,953	100%	2,953	100%
2011	3,500	100%	3,500	100%

The following is a schedule of funding progress using the actuarial cost method:

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>(1)</u> <u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>(2)</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>(4)</u> <u>Unfunded</u> <u>AAL/(UAA</u> <u>L) (2)-(1)</u>	<u>(3)</u> <u>Funded</u> <u>Ratio</u> <u>(1)/(2)</u>	<u>(5)</u> <u>Annual</u> <u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage</u> <u>of Covered</u> <u>Payroll</u> <u>(4)/(5)</u>
1/1/2011	\$ 47,499	\$ 57,579	\$ 10,080	82.49%	\$ 26,005	38.76%

The above schedule of funding progress serves as a surrogate for the funded status and the progress of the Plan. See required supplementary information for a history of funding progress. The schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

### **Deferred Compensation Plan**

The City of Roswell's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. On June 30, 2011, there were 319 active plan members.

Employees and the City are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Mayor and Council have approved discretionary employer contributions for 282 employees. Total employer and employee contributions for the year ended June 30, 2011, was \$147 and \$1,062 respectively.

### **Other Notes**

#### **Risk Management**

The Risk Management function is overseen by the Risk Manager who reports to the Director of Human Resources. Risk Management's primary objective is to concentrate on risk avoidance and implement various risk transfer programs and methods that will minimize the City's exposure to litigation. Risk Management's mission is to manage, control, minimize or eliminate risk, to the extent that its citizens and personnel can be reasonably protected from hazards, while insuring that the financial solvency of the City will not be jeopardized and that appropriate City resources can be conserved for other uses. The Risk Management division oversees all areas of loss including property, liability, automobile and workers' compensation. In addition; the Risk Management division has further responsibility for risk identification, risk transfer, risk analysis and insurance coverage procurement.

## **Note 4.**

(in thousands of dollars)

### **Note 4-A. Risk Management**

**Property Casualty & Liability** - The City of Roswell purchases property and liability insurance through an insurance broker. The City carries deductibles that range between \$10,000 and \$25,000. Each year city staff evaluates the amount of risk with past history and projected premiums to determine the most prudent and cost effective policy.

**Workers' Compensation** - The City of Roswell is self-insured for workers' compensation with a policy in place for stop-loss (excess) coverage to protect the City in the event of a large claim.

The Georgia State Board of Workers' Compensation verified on April 25, 1992, that the City of Roswell met all of their requirements for the privilege of maintaining a self-insured workers' compensation plan.

On May 5, 1992, after receiving notification from the Georgia State Board of Workers' Compensation, the City established a workers' compensation fund to finance and defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis or employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City of Roswell utilizes a third party administrator to handle all claim activity in accordance with state regulation. The City of Roswell has single claim exposure up to \$500 per employee for non-emergency personnel and \$500 per emergency classified personnel. Stop-Loss coverage up to a maximum of \$1,000 over those amounts is provided by Midwest Employers Casualty Company.

All funds with salary expenditures or expenses of the City participate in the program and make payments to the risk management account based on estimates of amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The claims liability decreased in the Workers' Compensation Fund from \$210 in FY 2010 to \$158 in FY 2011. Claims are reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The City of Roswell's Stop-Loss insurance is provided on a reimbursement basis. The City is responsible for payment of all losses under a self-funded plan. With the purchase of Stop-Loss coverage, the City is still responsible for all losses including those that exceed the deductible. After the losses have been paid, the employer will be reimbursed for the amount of the loss that exceeds the deductible. All reimbursements are paid directly to the City, never to an employee or to a provider of services or supplies.

The following represents the changes in approximated liabilities for each of the last two years:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in</u>	<u>Worker's Comp Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2010	\$226	\$465	\$481	\$210
2011	210	240	292	158

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

**Note 4-B. Contingent Liabilities**

**Contingent Liabilities**

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at June 30, 2011. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

**Note 4-C. Joint Venture**

**Joint Venture**

Under Georgia law, the City, in conjunction with other municipalities and counties in the Greater Atlanta Metropolitan area, is a member of the Atlanta Regional Commission (ARC). The ARC is comprised of 63 municipalities and 10 counties in the Greater Atlanta Metropolitan area. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. Dues for the year ending 2011 were paid by Fulton County government. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an ARC. Separate financial statements for the ARC are available from:

Atlanta Regional Commission  
 40 Courtland Street, NE  
 Atlanta, Georgia 30303



**Note 4-D. Hotel/Motel Lodging Tax**

**D. Hotel/Motel Lodging Tax**

The City of Roswell has levied a 6% lodging tax.

The City of Roswell’s Hotel/Motel fund for fiscal year 2011 had expenditures in the amount of \$520, of this amount, \$431 or 82.88% was for the promotion of tourism as required by the Official Code of Georgia Annotated (OCGA) 48-13-51. The City of Roswell has received audit reports from the Historic Roswell Convention & Visitors Bureau, Inc. (Component Unit) covering the \$431 of lodging tax monies. This entity used the revenue for promotion of tourism as required by the Official Code of Georgia Annotated (OCGA) 48-13-51.

**Note 4-E. Contract Commitments**

**E. Contract Commitments**

The City has entered into contracts to provide services to the City at June 30, 2011. A contract between two parties does not result immediately in the recognition of a liability. Instead, a liability is incurred when performance has occurred under the contract. Until such time as performance takes place, these contracts represent a commitment rather than a liability. Beginning May 1, 2009 the City signed Trident/Argonaut as its Property, Casualty and Liability carrier.

Contract commitments for general government services at June 30, 2011, are as follows:

**City of Roswell Contract Commitments for General Government Services at June 30, 2011**

<u>Description of Services</u>	<u>Vendor</u>	<u>Remaining Commitment</u>
Employee Health Insurance	United Health Care	\$1,159
Employee Dental Insurance	Untied Health Care	92
Property, Casualty and Liability	Trident/Argonaut	515
Life and Disability Insurance	The Standard	62
<b>Totals</b>		<u><u>\$1,828</u></u>

**Note 5.**  
**(In thousands of dollars)**

**Changes in Accounting Principle**

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, management of the City has made changes to the governmental funds it reports in its basic financial statements. The changes made during the current reporting period affect beginning fund balance reported in the Statement of Revenues, Expenditures and Changes in Fund Balance. These changes are described further below.

Previously the Cemetery Care Fund and the Tree bank Fund were separate funds used to account for amounts received and expended for cemetery and tree bank acquisitions. With the implementation of GASB Statement No. 54, the Cemetery Care Fund and the Tree Bank Fund no longer met the definition of a special revenue fund and thus the activities of the fund were consolidated into the General Fund. As a result, the following restatement to beginning fund balance was noted for the General Fund:

Fund Balance, General Fund, as previously reported	\$32,478
Restatement for consolidation of Cemetery Care Fund	118
Restatement for consolidation of Tree Bank Fund	466
Beginning fund balance, General Fund , restated	<u>\$ 33,062</u>

**Subsequent Event**

**Note 6.**  
**(In thousands of dollars)**

In December 2011, the City defeased the entire amount of the Series 2002 General Obligation bonds, which had an outstanding balance of 6,795,000 at June 30, 2011.

**required  
supplementary  
information-  
retirement plan  
schedule of  
funding progress  
(in thousands of dollars)**

<b>Actuarial Valuation Date</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL)</b>	<b>(4) Unfunded AAL/(UAAL) (2)-(1)</b>	<b>(3) Funded Ratio (1)/(2)</b>	<b>(5) Annual Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4)/(5)</b>
11/1/2008	\$ 40,019	\$ 46,570	\$ 6,551	85.9%	\$ 25,412	25.8%
10/1/2009	40,234	51,710	11,476	77.8%	26,716	43.0%
1/1/2010	43,541	52,263	8,722	83.3%	26,935	32.4%
1/1/2011	47,499	57,579	10,080	82.5%	26,005	38.8%

See note 3H for actuarial assumptions related to this schedule.

		Nonmajor Special	Nonmajor	Total
		Revenue and Permanent Funds	Capital Projects Funds	Nonmajor Governmental Funds
<b>nonmajor governmental funds combining balance sheet June 30, 2011 (in thousands of dollars)</b>	<b>Assets</b>			
	Cash and cash equivalents	\$ 2,651	\$ 1,866	\$ 4,517
	Investments	1,784	-	1,784
	Receivables:			
	Interest	11	-	11
	Accounts	496	-	496
	Prepaid items	20	-	20
	Due from other funds	659	-	659
	<b>Total Assets</b>	<b>\$ 5,621</b>	<b>\$ 1,866</b>	<b>\$ 7,487</b>
	<b>Liabilities and Fund Balances</b>			
	<b>Liabilities</b>			
	Accounts payable	\$ 170	\$ 1	\$ 171
	Salaries and wages payable	40	-	40
	Due to other funds	635	183	818
	Retainage	-	39	39
	Deferred revenue	89	-	89
	Customer deposits	84	-	84
	<b>Total Liabilities</b>	<b>1,018</b>	<b>223</b>	<b>1,241</b>
	<b>Fund Balances</b>			
	Nonspendable:			
	Prepays	20	-	20
	Permanent fund corpus	25	-	25
	Restricted:			
	Public Safety	2,844	-	2,844
	Cultural and Recreation	1,260	1,610	2,870
	Transportation	-	33	33
	Environmental	135	-	135
Scholarship	10	-	10	
Committed:				
Environmental	235	-	235	
Cultural and Recreation	164	-	164	
Unassigned	(90)	-	(90)	
<b>Total Fund Balances</b>	<b>4,603</b>	<b>1,643</b>	<b>6,246</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,621</b>	<b>\$ 1,866</b>	<b>\$ 7,487</b>	

<b>nonmajor governmental funds combining statement of revenues, expenditures, and changes in fund balances year ended June 30, 2011 (in thousands of dollars)</b>	<b>Nonmajor Special Revenue and Permanent Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Taxes	\$ 721	\$ -	\$ 721
Intergovernmental	310	-	310
Charges for services	1,684	-	1,684
Fines and forfeitures	376	-	376
Investment earnings	39	2	41
<b>Total Revenues</b>	<u>3,130</u>	<u>2</u>	<u>3,132</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	41	-	41
Public safety	1,691	-	1,691
Cultural and recreation	530	5	535
<b>Capital Outlay</b>	<u>397</u>	<u>228</u>	<u>625</u>
<b>Total Expenditures</b>	<u>2,659</u>	<u>233</u>	<u>2,892</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>471</u>	<u>(231)</u>	<u>240</u>
<b>Other Financing (Uses)</b>			
Transfers out	<u>(456)</u>	<u>-</u>	<u>(456)</u>
<b>Total Other Financing (Uses)</b>	<u>(456)</u>	<u>-</u>	<u>(456)</u>
<b>Net Change in Fund Balances</b>	15	(231)	(216)
<b>Fund Balances, beginning of year</b>	<u>4,588</u>	<u>1,874</u>	<u>6,462</u>
<b>Fund Balances, end of year</b>	<u>\$ 4,603</u>	<u>\$ 1,643</u>	<u>\$ 6,246</u>

**nonmajor special revenue  
and permanent funds  
combining balance sheet  
June 30, 2011  
(in thousands of dollars)**

		<b>Special Revenue</b>						
		<b>Hotel/Motel Tax</b>	<b>Soil Erosion</b>	<b>Confiscated Assets</b>	<b>Emergency 911</b>			
<b>Assets</b>								
Cash and cash equivalents	\$	844	\$	196	\$	822	\$	480
Investments		500		253		506		500
Receivables:								
Interest		3		2		3		3
Accounts		69		-		11		209
Prepaid items		-		-		20		-
Due from other funds		-		-		-		659
<b>Total Assets</b>	<b>\$</b>	<b>1,416</b>	<b>\$</b>	<b>451</b>	<b>\$</b>	<b>1,362</b>	<b>\$</b>	<b>1,851</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$	6	\$	-	\$	95	\$	45
Salaries and wages payable		-		-		4		36
Due to other funds		150		-		141		33
Deferred revenue		-		-		-		-
Customer deposits		-		81		-		-
<b>Total Liabilities</b>		<b>156</b>		<b>81</b>		<b>240</b>		<b>114</b>
<b>Fund Balances</b>								
Nonspendable:								
Prepays		-		-		20		-
Permanent fund corpus		-		-		-		-
Restricted:								
Public Safety		-		-		1,102		1,737
Cultural and Recreation		1,260		-		-		-
Environmental		-		135		-		-
Scholarship		-		-		-		-
Committed:								
Environmental		-		235		-		-
Cultural and Recreation		-		-		-		-
Unassigned		-		-		-		-
<b>Total Fund Balances</b>		<b>1,260</b>		<b>370</b>		<b>1,122</b>		<b>1,737</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>1,416</b>	<b>\$</b>	<b>451</b>	<b>\$</b>	<b>1,362</b>	<b>\$</b>	<b>1,851</b>

	Special Revenue			Permanent Fund	Total Nonmajor Special Revenue and Permanent Funds
	State Grants	County/Local Grants	Leita Thompson	Scholarship Fund	
<b>Continued from previous page nonmajor special revenue and permanent funds combining balance sheet June 30, 2011 (in thousands of dollars)</b>					
<b>Assets</b>					
Cash and cash equivalents	\$ 113	\$ 10	\$ 176	\$ 10	\$ 2,651
Investments	-	-	-	25	1,784
Receivables:					
Interest	-	-	-	-	11
Accounts	207	-	-	-	496
Prepaid items	-	-	-	-	20
Due from other funds	-	-	-	-	659
<b>Total Assets</b>	<b>\$ 320</b>	<b>\$ 10</b>	<b>\$ 176</b>	<b>\$ 35</b>	<b>\$ 5,621</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 15	\$ -	\$ 9	\$ -	\$ 170
Salaries and wages payable	-	-	-	-	40
Due to other funds	306	5	-	-	635
Deferred revenue	89	-	-	-	89
Customer deposits	-	-	3	-	84
<b>Total Liabilities</b>	<b>410</b>	<b>5</b>	<b>12</b>	<b>-</b>	<b>1,018</b>
<b>Fund Balances</b>					
Nonspendable:					
Prepays	-	-	-	-	20
Permanent fund corpus	-	-	-	25	25
Restricted:					
Public Safety	-	5	-	-	2,844
Cultural and Recreation	-	-	-	-	1,260
Environmental	-	-	-	-	135
Scholarship	-	-	-	10	10
Committed:					
Environmental	-	-	-	-	235
Cultural and Recreation	-	-	164	-	164
Unassigned	(90)	-	-	-	(90)
<b>Total Fund Balances</b>	<b>(90)</b>	<b>5</b>	<b>164</b>	<b>35</b>	<b>4,603</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 320</b>	<b>\$ 10</b>	<b>\$ 176</b>	<b>\$ 35</b>	<b>\$ 5,621</b>

		Special Revenue			
		Hotel/Motel Tax	Soil Erosion	Confiscated Assets	Emergency 911
<b>nonmajor special revenue and permanent funds combining statement of revenues, expenditures, and changes in fund balances year ended June 30, 2011 (in thousands of dollars)</b>	<b>Revenues</b>				
	Taxes	\$ 721	\$ -	\$ -	\$ -
	Intergovernmental	-	-	-	-
	Charges for services	-	5	-	1,595
	Fines and forfeitures	-	-	376	-
	Investment earnings	8	8	14	9
	<b>Total Revenues</b>	<b>729</b>	<b>13</b>	<b>390</b>	<b>1,604</b>
	<b>Expenditures</b>				
	<b>Current:</b>				
	General government	-	41	-	-
	Public safety	-	-	194	1,497
	Cultural and recreation	442	-	-	-
	<b>Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Expenditures</b>	<b>442</b>	<b>41</b>	<b>194</b>	<b>1,497</b>
	<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>287</b>	<b>(28)</b>	<b>196</b>	<b>107</b>
	<b>Other Financing (Uses)</b>				
	Transfers out	(78)	-	(378)	-
	<b>Total Other Financing (Uses)</b>	<b>(78)</b>	<b>-</b>	<b>(378)</b>	<b>-</b>
	<b>Net change in Fund Balances</b>	<b>209</b>	<b>(28)</b>	<b>(182)</b>	<b>107</b>
	<b>Fund Balances -Beginning of Year</b>	<b>1,051</b>	<b>398</b>	<b>1,304</b>	<b>1,630</b>
	<b>Fund Balances - End of Year</b>	<b>\$ 1,260</b>	<b>\$ 370</b>	<b>\$ 1,122</b>	<b>\$ 1,737</b>



Continued from  
previous page  
nonmajor special revenue  
and permanent funds  
combining statement of  
revenues, expenditures,  
and changes in fund  
balances  
year ended June 30, 2011  
(in thousands of dollars)

	Special Revenue			Permanent Fund	Total Nonmajor Special Revenue and Permanent Funds
	State Grants	County/Local Grants	Leita Thompson	Scholarship Fund	
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 721
Intergovernmental	304	6	-	-	310
Charges for services	-	-	84	-	1,684
Fines and forfeitures	-	-	-	-	376
Investment earnings	-	-	-	-	39
<b>Total Revenues</b>	<b>304</b>	<b>6</b>	<b>84</b>	<b>-</b>	<b>3,130</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	-	-	-	-	41
Public safety	-	-	-	-	1,691
Cultural and recreation	-	5	83	-	530
<b>Capital Outlay</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397</b>
<b>Total Expenditures</b>	<b>397</b>	<b>5</b>	<b>83</b>	<b>-</b>	<b>2,659</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(93)</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>471</b>
<b>Other Financing (Uses)</b>					
Transfers out	-	-	-	-	(456)
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(456)</b>
<b>Net change in Fund Balances</b>	<b>(93)</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>15</b>
<b>Fund Balances -Beginning of Year</b>	<b>3</b>	<b>4</b>	<b>163</b>	<b>35</b>	<b>4,588</b>
<b>Fund Balances - End of Year</b>	<b>\$ (90)</b>	<b>\$ 5</b>	<b>\$ 164</b>	<b>\$ 35</b>	<b>\$ 4,603</b>

<b>hotel/motel tax fund schedule of revenues, expenditures and changes in fund balance - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on a Budgetary Basis</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Taxes	\$ 500	\$ 500	\$ 721	\$ 221
Investment earnings	3	3	8	5
<b>Total revenues</b>	<u>503</u>	<u>503</u>	<u>729</u>	<u>226</u>
<b>Expenditures</b>				
<b>Current:</b>				
Culture and recreation	442	442	442	-
<b>Total expenditures</b>	<u>442</u>	<u>442</u>	<u>442</u>	<u>-</u>
<b>Excess of revenues over expenditures</b>	<u>61</u>	<u>61</u>	<u>287</u>	<u>226</u>
<b>Other Financing Uses</b>				
Transfers out	-	(78)	(78)	-
<b>Total other financing uses</b>	<u>-</u>	<u>(78)</u>	<u>(78)</u>	<u>-</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 61</u>	<u>\$ (17)</u>	<u>209</u>	<u>\$ 226</u>
<b>Add-back outstanding encumbrances, June 30</b>			<u>-</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 209</u>	

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>soil erosion fund</b>					
<b>schedule of revenues,</b>					
<b>expenditures and changes</b>					
<b>in fund balances - budget</b>					
<b>and actual (budgetary basis)</b>					
<b>year ended June 30, 2011</b>					
<b>(in thousands of dollars)</b>					
<b>Revenues</b>					
	Charges for services	\$ 3	\$ 3	\$ 5	\$ 2
	Investment earnings	1	1	8	7
	<b>Total revenues</b>	<u>4</u>	<u>4</u>	<u>13</u>	<u>9</u>
<b>Expenditures</b>					
<b>Capital outlay:</b>					
	General government	100	141	141	-
	<b>Total expenditures</b>	<u>100</u>	<u>141</u>	<u>141</u>	<u>-</u>
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (96)</u>	<u>\$ (137)</u>	<u>(128)</u>	<u>\$ 9</u>
	<b>Add-back outstanding encumbrances, June 30</b>			<u>100</u>	
	<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (28)</u>	

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>confiscated assets fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Revenues</b>				
	Fines and forfeitures	\$ 30	\$ 30	\$ 376	\$ 346
	Investment earnings	-	-	14	14
	<b>Total revenues</b>	<u>30</u>	<u>30</u>	<u>390</u>	<u>360</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
	Police	<u>223</u>	<u>223</u>	<u>203</u>	<u>20</u>
	<b>Total expenditures</b>	<u>223</u>	<u>223</u>	<u>203</u>	<u>20</u>
	<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(193)</u>	<u>(193)</u>	<u>187</u>	<u>380</u>
	<b>Other Financing (uses)</b>				
	Transfer out	<u>(343)</u>	<u>(378)</u>	<u>(378)</u>	<u>-</u>
	<b>Total other financing (uses)</b>	<u>(343)</u>	<u>(378)</u>	<u>(378)</u>	<u>-</u>
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (536)</u>	<u>\$ (571)</u>	<u>(191)</u>	<u>\$ 380</u>
	<b>Add-back outstanding encumbrances, June 30</b>			<u>9</u>	
	<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (182)</u>	

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>emergency 911 fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Revenues</b>				
	Charges for services	\$ 1,675	\$ 1,675	\$ 1,595	\$ (80)
	Investment earnings	-	-	9	9
	<b>Total revenues</b>	<u>1,675</u>	<u>1,675</u>	<u>1,604</u>	<u>(71)</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
	Police	<u>1,712</u>	<u>1,712</u>	<u>1,499</u>	<u>213</u>
	<b>Total expenditures</b>	<u>1,712</u>	<u>1,712</u>	<u>1,499</u>	<u>213</u>
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (37)</u>	<u>\$ (37)</u>	105	<u>\$ 142</u>
	<b>Add-back outstanding encumbrances, June 30</b>			<u>2</u>	
	<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 107</u>	

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>state grant fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Revenues</b>				
	Intergovernmental	\$ 1,675	\$ 1,675	\$ 304	\$ (1,371)
	<b>Expenditures</b>				
	<b>Capital Outlay:</b>				
	Public works	1675	1675	905	770
	<b>Total expenditures</b>	1675	1675	905	770
	<b>Net change in fund balances (budgetary basis)</b>	\$ -	\$ -	(601)	\$ (601)
	<b>Add-back outstanding encumbrances, June 30</b>			508	
	<b>Net change in fund balances (GAAP basis)</b>			\$ (93)	

<b>county/local grants schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual on a Budgetary Basis</b>	<b>Variance with Final Budget</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 5	\$ 6	\$ 1
<b>Expenditures</b>				
<b>Current:</b>				
Culture and recreation	5	5	5	-
<b>Total expenditures</b>	5	5	5	-
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (5)</u>	<u>\$ -</u>	1	<u>\$ 1</u>
<b>Add-back outstanding encumbrances, June 30</b>			-	
<b>Net change in fund balances (GAAP Basis)</b>			<u>\$ 1</u>	

leita thompson fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)	Original	Final	Actual	Variance
	Budget	Budget	on a Budgetary Basis	with Final Budget
<b>Revenues</b>				
Rental income	\$ 76	\$ 76	\$ 84	\$ 8
<b>Total revenues</b>	<u>76</u>	<u>76</u>	<u>84</u>	<u>8</u>
<b>Expenditures</b>				
<b>Current:</b>				
Cultural and recreation	<u>63</u>	<u>108</u>	<u>106</u>	<u>2</u>
<b>Excess of revenues over expenditures</b>	<u>13</u>	<u>(32)</u>	<u>(22)</u>	<u>10</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ 13</u>	<u>\$ (32)</u>	<u>(22)</u>	<u>\$ 10</u>
<b>Add-back outstanding encumbrances, June 30</b>			<u>23</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 1</u>	



This page intentionally left blank.



<b>nonmajor capital projects funds combining balance sheet June 30, 2011 (in thousands of dollars)</b>	<b>2000 Bond</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,866
<b>Total Assets</b>	<u>\$ 1,866</u>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 1
Retainage payable	39
Due to other funds	<u>183</u>
<b>Total Liabilities</b>	<u>223</u>
<b>Fund Balances</b>	
Restricted for:	
Transportation	33
Capital Projects	<u>1,610</u>
<b>Total Fund Balances</b>	<u>1,643</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,866</u>

<b>nonmajor capital projects funds combining statement of revenues, expenditures, and changes in fund balance year ended June 30, 2011 (in thousands of dollars)</b>	<b>2000 Bond</b>
<b>Revenues</b>	
Investment earnings	\$ 2
<b>Total Revenues</b>	<u>2</u>
<b>Expenditures</b>	
<b>Current:</b>	
Cultural and recreation	5
<b>Capital Outlay:</b>	
Cultural and recreation	26
Public works	<u>202</u>
<b>Total Expenditures</b>	<u>233</u>
<b>Net changes in fund balances</b>	(231)
<b>Fund Balances, beginning of year</b>	<u>1,874</u>
<b>Fund Balances, end of year</b>	<u><u>\$ 1,643</u></u>

2000 bond fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
	<b>Revenues</b>				
	Investment earnings	\$ -	\$ -	\$ 2	\$ 2
	<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
	Cultural and recreation	-	5	5	-
	<b>Capital Outlay:</b>				
	Cultural and recreation	13	1,211	31	1,180
	Public works	8	232	202	30
	<b>Total expenditures</b>	<u>21</u>	<u>1,448</u>	<u>238</u>	<u>1,210</u>
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (21)</u>	<u>\$ (1,448)</u>	<u>(236)</u>	<u>\$ 1,212</u>
	<b>Less outstanding encumbrances, June 30</b>			<u>5</u>	
	<b>Net change in fund balances (GAAP Basis)</b>			<u>\$ (231)</u>	

		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>impact fees fund</b>					
<b>schedule of revenues,</b>					
<b>expenditures and changes</b>					
<b>in fund balances - budget</b>					
<b>and actual (budgetary basis)</b>					
<b>year ended June 30, 2011</b>					
<b>(in thousands of dollars)</b>					
<b>Revenues</b>					
Impact Fees:					
	Recreation	\$ 50	\$ 50	\$ 143	\$ 93
	Transportation	25	25	67	42
	Public Safety	25	25	66	41
	Investment earnings	-	-	32	32
	<b>Total revenues</b>	<u>100</u>	<u>100</u>	<u>308</u>	<u>208</u>
<b>Expenditures</b>					
<b>Current:</b>					
	Public works	-	2	2	-
<b>Capital Outlay:</b>					
	Public works	328	2,146	1,424	722
	Culture and recreation	140	440	319	121
	<b>Total expenditures</b>	<u>468</u>	<u>2,588</u>	<u>1,745</u>	<u>843</u>
	<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (368)</u>	<u>\$ (2,488)</u>	<u>(1,437)</u>	<u>\$ 1,051</u>
	<b>Less outstanding encumbrances, June 30</b>			<u>621</u>	
	<b>Net change in fund balances (GAAP basis)</b>			<u>\$ (816)</u>	

**capital projects fund  
schedule of revenues,  
expenditures and changes  
in fund balances - budget  
and actual (budgetary basis)  
year ended June 30, 2011  
(in thousands of dollars)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 50	\$ -	\$ (50)
Investment earnings	-	-	108	108
Miscellaneous	-	20	24	4
<b>Total revenues</b>	<u>-</u>	<u>70</u>	<u>132</u>	<u>62</u>
<b>Expenditures</b>				
<b>Current:</b>				
Cultural and recreational	121	176	67	109
Planning and zoning	40	40	25	15
Public safety	-	28	28	-
Public works	3,796	4,257	2,219	2,038
General government	59	443	107	336
<b>Capital Outlay:</b>				
Cultural and recreational	320	1,603	593	1,010
Public safety	658	912	674	238
Public works	1,833	6,956	4,155	2,801
General government	4,910	7,003	4,164	2,839
Planning and zoning	860	1,958	889	1,069
<b>Total expenditures</b>	<u>12,597</u>	<u>23,376</u>	<u>12,921</u>	<u>10,455</u>
<b>Deficiency of revenues under expenditures</b>	<u>(12,597)</u>	<u>(23,306)</u>	<u>(12,789)</u>	<u>10,517</u>
<b>Other Financing Sources</b>				
Transfers in	9,012	9,186	7,680	(1,506)
<b>Total other financing sources</b>	<u>9,012</u>	<u>9,186</u>	<u>7,680</u>	<u>(1,506)</u>
<b>Net change in fund balances (budgetary basis)</b>	<u>\$ (3,585)</u>	<u>\$ (14,120)</u>	<u>(5,109)</u>	<u>\$ 9,011</u>
<b>Less outstanding encumbrances, June 30</b>			<u>5,735</u>	
<b>Net change in fund balances (GAAP basis)</b>			<u>\$ 626</u>	

This page intentionally left blank.



		Original	Final	Actual	Variance
		Budget	Budget	on a Budgetary Basis	with Final Budget
<b>debt service fund schedule of revenues, expenditures and changes in fund balances - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>	<b>Revenues</b>				
	Taxes:				
	Property	\$ 6,000	\$ 6,000	\$ 6,175	\$ 175
	Motor vehicle	380	380	420	40
	Investment earnings	25	25	15	(10)
	<b>Total revenues</b>	<b>6,405</b>	<b>6,405</b>	<b>6,610</b>	<b>205</b>
	<b>Expenditures</b>				
	<b>Debt Service:</b>				
	Principal	5,166	5,166	5,165	1
	Interest	1,236	1,236	1,237	(1)
	Fiscal agent fees	5	5	3	2
	<b>Total expenditures</b>	<b>6,407</b>	<b>6,407</b>	<b>6,405</b>	<b>2</b>
	<b>Excess of revenues over (under) expenditures</b>	<b>(2)</b>	<b>(2)</b>	<b>205</b>	<b>207</b>
	<b>Net change in fund balances (budgetary basis)</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>205</b>	<b>\$ 207</b>
<b>Less outstanding encumbrances, June 30</b>			<b>-</b>		
<b>Net change in fund balances (GAAP basis)</b>			<b>\$ 205</b>		



This page intentionally left blank.



	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>water and sewer fund schedule of revenues, expenses and changes in fund net assets - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>				
<b>Operating revenues</b>				
Charges for services - water	\$ 3,000	\$ 3,000	\$ 3,038	\$ 38
Charges for services - sewer	275	275	154	(121)
Other fees	45	45	112	67
<b>Total operating revenues</b>	<u>3,320</u>	<u>3,320</u>	<u>3,304</u>	<u>(16)</u>
<b>Operating expenses</b>				
Personnel services and benefits	1,304	1,267	1,241	26
Purchased contract services	700	676	434	242
Supplies	2,379	3,297	1,136	2,161
Utilities	70	94	86	8
Depreciation	-	-	378	(378)
<b>Total operating expenses</b>	<u>4,453</u>	<u>5,334</u>	<u>3,275</u>	<u>2,059</u>
<b>Operating Income (loss)</b>	<u>(1,133)</u>	<u>(2,014)</u>	<u>29</u>	<u>2,043</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings	25	25	53	28
<b>Total nonoperating revenues (expenses)</b>	<u>25</u>	<u>25</u>	<u>53</u>	<u>28</u>
<b>Other Financing (sources)</b>				
Transfer in	-	-	686	686
<b>Total other financing (sources)</b>	<u>-</u>	<u>-</u>	<u>686</u>	<u>686</u>
<b>Net change in net assets (budgetary basis)</b>	<u>\$ (1,108)</u>	<u>\$ (1,989)</u>	<u>768</u>	<u>\$ 2,757</u>
<b>Add back outstanding encumbrances, June 30</b>			<u>339</u>	
<b>Net change in net assets (GAAP basis)</b>			<u>\$ 1,107</u>	

	Original	Final	Actual	Variance
	Budget	Budget	on a Budgetary Basis	with Final Budget
<b>solid waste fund</b>				
<b>schedule of revenues,</b>				
<b>expenses and changes</b>				
<b>in fund net assets - budget</b>				
<b>and actual (budgetary basis)</b>				
<b>year ended June 30, 2011</b>				
<b>(in thousands of dollars)</b>				
<b>Operating revenues</b>				
Charges for services	\$ 9,480	\$ 9,480	\$ 9,594	\$ 114
Other fees	28	28	227	199
<b>Total operating revenues</b>	<u>9,508</u>	<u>9,508</u>	<u>9,821</u>	<u>313</u>
<b>Operating expenses</b>				
Personnel services and benefits	3,541	3,541	3,539	2
Purchased contract services	4,473	4,471	3,758	713
Supplies	1,921	2,222	1,372	850
Utilities	12	14	13	1
Depreciation	-	-	271	(271)
<b>Total operating expenses</b>	<u>9,947</u>	<u>10,248</u>	<u>8,953</u>	<u>1,295</u>
<b>Operating Income (loss)</b>	<u>(439)</u>	<u>(740)</u>	<u>868</u>	<u>1,608</u>
<b>Nonoperating revenues</b>				
Investment earnings	30	30	79	49
<b>Total nonoperating revenues</b>	<u>30</u>	<u>30</u>	<u>79</u>	<u>49</u>
<b>Net change in net assets (budgetary basis)</b>	<u>\$ (409)</u>	<u>\$ (710)</u>	<u>947</u>	<u>\$ 1,657</u>
<b>Add back outstanding encumbrances, June 30</b>			<u>2</u>	
<b>Net change in net assets (GAAP basis)</b>			<u>\$ 949</u>	

	Original Budget	Final Budget	Acutal on a Budgetary Basis	Variance with Final Budget
<b>participant recreation fund schedule of revenues, expenses and changes in fund net assets - budget and actual (budgetary basis) year ended June 30, 2011 (in thousands of dollars)</b>				
<b>Operating Revenues</b>				
Charges for services	\$ 3,966	\$ 4,166	\$ 4,345	\$ 179
<b>Total operating revenues</b>	<u>3,966</u>	<u>4,166</u>	<u>4,345</u>	<u>179</u>
<b>Operating Expenses</b>				
Personnel services and benefits	3,286	3,286	3,295	(9)
Purchased contract services	405	610	280	330
Supplies	1,264	1,465	1,393	72
Depreciation	-	-	32	(32)
<b>Total operating expenses</b>	<u>4,955</u>	<u>5,361</u>	<u>5,000</u>	<u>361</u>
<b>Operating income(loss)</b>	<u>(989)</u>	<u>(1,195)</u>	<u>(655)</u>	<u>540</u>
<b>Nonoperating revenues</b>				
Investment earnings	-	-	3	3
<b>Total nonoperating revenues</b>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<b>Other Financing (sources)</b>				
Transfer in	1,062	1,062	1,062	-
<b>Total other financing (sources)</b>	<u>1,062</u>	<u>1,062</u>	<u>1,065</u>	<u>543</u>
<b>Net change in net assets (budgetary basis)</b>	<u>\$ 73</u>	<u>\$ (133)</u>	410	<u>\$ 543</u>
<b>Add-back outstanding encumbrances, June 30</b>			<u>36</u>	
<b>Net change in net assets (GAAP basis)</b>			<u>\$ 446</u>	

This page intentionally left blank.



		Total			
		Group Health Fund	Risk Management Fund	Workman's Compensation Fund	Internal Service Funds
<b>internal service funds combining statement of net assets June 30, 2011 (in thousands of dollars)</b>					
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 2,127	\$ 1,185	\$ 1,070	\$ 4,382	
Investments	-	-	2,004	2,004	
Receivables:					
Interest	-	-	5	5	
Other	29	-	-	29	
Prepays	3	130	-	133	
Due from other funds	219	594	16	829	
<b>Total current assets</b>	<b>2,378</b>	<b>1,909</b>	<b>3,095</b>	<b>7,382</b>	
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	37	57	178	272	
Payroll deductions payable	-	4	-	4	
Due to other funds	88	27	146	261	
<b>Total liabilities</b>	<b>125</b>	<b>88</b>	<b>324</b>	<b>537</b>	
<b>Net Assets</b>					
Unrestricted	2,253	1,821	2,771	6,845	
<b>Total net assets</b>	<b>\$ 2,253</b>	<b>\$ 1,821</b>	<b>\$ 2,771</b>	<b>\$ 6,845</b>	

internal service funds combining statement of revenues, expenses and changes in net assets year ended June 30, 2011 (in thousands of dollars)	Group Health Fund	Risk Management Fund	Workman's Compensation Fund	Total Internal Service Funds
<b>Operating Revenues</b>				
Charges for services	\$ 7,592	\$ 838	\$ 327	\$ 8,757
<b>Total operating revenues</b>	<u>7,592</u>	<u>838</u>	<u>327</u>	<u>8,757</u>
<b>Operating Expenses</b>				
Administrative expenses	2,478	86	144	2,708
Claims expenses	4,984	716	328	6,028
<b>Total operating expenses</b>	<u>7,462</u>	<u>802</u>	<u>472</u>	<u>8,736</u>
<b>Operating income (Loss)</b>	<u>130</u>	<u>36</u>	<u>(145)</u>	<u>21</u>
<b>Non-Operating Revenues</b>				
Investment earnings	1	3	28	32
<b>Total non-operating revenues</b>	<u>1</u>	<u>3</u>	<u>28</u>	<u>32</u>
<b>Change in net assets</b>	131	39	(117)	53
<b>Net assets - beginning of year</b>	<u>2,122</u>	<u>1,782</u>	<u>2,888</u>	<u>6,792</u>
<b>Net assets - end of year</b>	<u>\$ 2,253</u>	<u>\$ 1,821</u>	<u>\$ 2,771</u>	<u>\$ 6,845</u>

	<u>Group Health Fund</u>	<u>Risk Management Fund</u>	<u>Workman's Compensation Fund</u>	<u>Total Internal Service Funds</u>
<b>internal service funds combining statement of cash flows year ended June 30, 2011 (in thousands of dollars)</b>				
<b>Cash Flows from Operating Activities</b>				
Receipts from interfund services provided	\$ 7,416	\$ 246	\$ 321	\$ 7,983
Payments to suppliers	(7,416)	(734)	(422)	(8,572)
Net cash used in operating activities	-	(488)	(101)	(589)
<b>Cash Flows from Investing Activities</b>				
Interest received	1	3	23	27
Investment purchases	-	-	(2,004)	(2,004)
Net cash provided by investing activities	1	3	(1,981)	(1,977)
Net increase (decrease) in cash and cash equivalents	1	(485)	(2,082)	(2,566)
Cash and cash equivalents beginning of year	2,126	1,670	3,152	6,948
Cash and cash equivalents end of year	<u>\$ 2,127</u>	<u>\$ 1,185</u>	<u>\$ 1,070</u>	<u>\$ 4,382</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>				
Operating income (Loss)	\$ 130	\$ 36	\$ (145)	\$ 21
<b>(Increase) Decrease in Assets:</b>				
Prepays	(3)	4	-	1
Other receivables	43	2	-	45
Due from other funds	(219)	(594)	(16)	(829)
<b>Increase (Decrease) in Liabilities:</b>				
Accounts payable	36	33	(75)	(6)
Payroll deductions payable	(72)	4	-	(68)
Due to other funds	85	27	135	247
Net Cash Used in Operating Activities	<u>\$ -</u>	<u>\$ (488)</u>	<u>\$ (101)</u>	<u>\$ (589)</u>



This page intentionally left blank.



**statistical section  
(unaudited)**

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

**Contents**

**Page Number**

**Financial Trends**

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

93

**Revenue Capacity**

These schedules contain information to help the reader assess the City's property taxes.

98

**Debt Capacity**

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

103

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

107

**Operating Information**

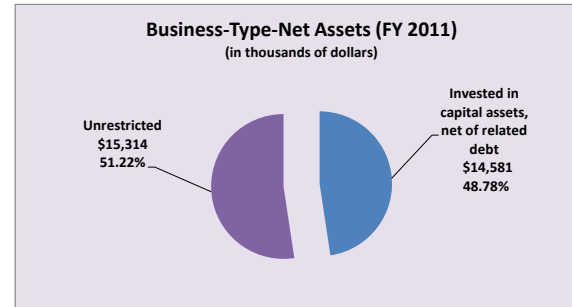
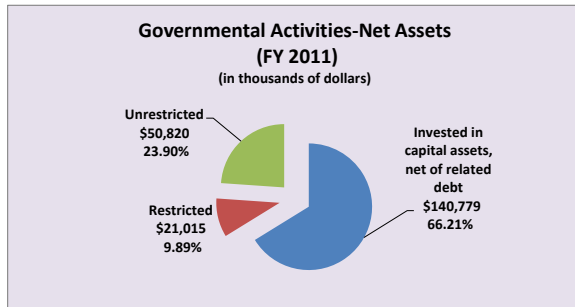
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.

109

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

**schedule 1**  
**net assets by components-last nine years (in thousands of dollars)**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 68,688	\$ 79,283	\$ 87,002	\$ 88,960	\$ 92,979	\$ 107,136	\$ 117,562	\$ 126,837	\$ 140,779
Restricted	24,625	22,371	9,351	7,836	9,679	7,496	7,845	8,314	21,015
Unrestricted	26,334	23,018	37,397	54,935	66,635	72,291	69,817	65,539	50,820
<b>Total governmental activities net assets</b>	<b>\$ 119,647</b>	<b>\$ 124,672</b>	<b>\$ 133,750</b>	<b>\$ 151,731</b>	<b>\$ 169,293</b>	<b>\$ 186,923</b>	<b>\$ 195,224</b>	<b>\$ 200,690</b>	<b>\$ 212,614</b>
<b>Business-type activities</b>									
Invested in capital assets, net of related debt	\$ 9,791	\$ 8,990	\$ 8,818	\$ 8,576	\$ 9,235	\$ 9,506	\$ 10,963	\$ 13,044	\$ 14,581
Unrestricted	932	2,105	5,102	8,723	10,846	12,893	13,867	14,349	15,314
<b>Total business-type activities net assets</b>	<b>\$ 10,723</b>	<b>\$ 11,095</b>	<b>\$ 13,920</b>	<b>\$ 17,299</b>	<b>\$ 20,081</b>	<b>\$ 22,399</b>	<b>\$ 24,830</b>	<b>\$ 27,393</b>	<b>\$ 29,895</b>
<b>Primary government</b>									
Invested in capital assets, net of related debt	\$ 78,479	\$ 88,273	\$ 95,820	\$ 97,536	\$ 102,214	\$ 116,642	\$ 128,525	\$ 139,881	\$ 155,360
Restricted	24,625	22,371	9,351	7,836	9,679	7,496	7,845	8,314	21,015
Unrestricted	27,266	25,123	42,499	63,658	77,481	85,184	83,684	79,888	66,134
<b>Total primary government net assets</b>	<b>\$ 130,370</b>	<b>\$ 135,767</b>	<b>\$ 147,670</b>	<b>\$ 169,030</b>	<b>\$ 189,374</b>	<b>\$ 209,322</b>	<b>\$ 220,054</b>	<b>\$ 228,083</b>	<b>\$ 242,509</b>



**schedule 2**  
**changes in net assets**  
**last nine fiscal years**  
**(in thousands of dollars)**  
**(accrual basis of accounting)**

Expenses	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
General government	\$ 6,462	\$ 7,007	\$ 5,312	\$ 3,948	\$ 4,311	\$ 5,398	\$ 7,130	\$ 7,309	\$ 8,049
Judicial	1,261	1,355	1,373	1,384	1,387	1,496	1,484	1,502	1,442
Financial services	1,727	1,875	3,290	4,057	3,987	3,964	2,387	2,335	1,528
Planning and zoning	4,365	3,467	3,462	3,553	3,653	3,932	3,675	3,650	3,978
Public Safety	15,387	17,295	17,952	19,466	20,708	22,486	23,764	24,880	24,346
Public works	6,821	8,854	8,789	8,961	10,009	8,847	9,402	12,380	12,670
Culture and recreation	10,584	9,961	10,349	10,996	11,369	12,634	12,198	12,340	11,445
Interest on long-term debt	3,333	2,764	2,583	2,353	2,208	1,831	1,506	1,278	1,193
<b>Total governmental activities expenses</b>	<b>49,940</b>	<b>52,578</b>	<b>53,110</b>	<b>54,718</b>	<b>57,632</b>	<b>60,588</b>	<b>61,546</b>	<b>65,674</b>	<b>64,651</b>
<b>Business-type activities:</b>									
Water and Sewer	2,026	2,377	2,214	2,204	2,625	2,662	2,680	3,057	2,936
Solid Waste	6,036	6,085	6,403	6,806	8,166	8,655	8,607	8,985	8,951
Participant Recreation	-	2,987	3,112	3,399	3,452	3,845	3,859	3,855	4,964
<b>Total business-type activities expenses</b>	<b>8,062</b>	<b>11,449</b>	<b>11,729</b>	<b>12,409</b>	<b>14,243</b>	<b>15,162</b>	<b>15,146</b>	<b>15,897</b>	<b>16,851</b>
<b>Total primary government expenses</b>	<b>\$ 58,002</b>	<b>\$ 64,027</b>	<b>\$ 64,839</b>	<b>\$ 67,127</b>	<b>\$ 71,875</b>	<b>\$ 75,750</b>	<b>\$ 76,692</b>	<b>\$ 81,571</b>	<b>\$ 81,502</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	\$ 23	\$ 1,470	\$ 298	\$ 1,012	\$ 1,802	\$ 2,376	\$ 1,899	\$ 1,256	\$ 3,420
Judicial (3)	-	-	-	2,968	3,106	3,154	584	2,259	2,969
P&Z	2,190	2,235	1,172	1,349	1,611	604	698	373	17
Public Safety	3,617	3,394	4,407	1,861	3,312	3,843	4,650	2,918	2,176
Public works	254	27	229	961	734	435	481	1,480	67
Culture and recreation	3,284	199	640	233	435	476	273	512	350
Operating grants and contributions (1)	2,870	3,478	1,439	25	378	1,300	737	2,368	1,406
Capital grants and contributions (1)	-	643	-	3,880	901	1,662	1,323	2,222	9,443
<b>Total governmental activities program revenues</b>	<b>12,238</b>	<b>11,446</b>	<b>8,185</b>	<b>12,289</b>	<b>12,279</b>	<b>13,850</b>	<b>10,645</b>	<b>13,388</b>	<b>19,848</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Water and Sewer (2)	2,038	1,685	2,804	3,314	3,335	3,183	3,257	3,297	3,304
Solid Waste	5,944	7,221	9,187	9,716	9,090	9,763	9,681	9,981	9,821
Participant Recreation	-	3,501	3,230	3,401	3,642	4,077	3,910	4,126	4,345
Capital grants and contributions (1)	-	-	-	-	621	107	-	844	-
<b>Total business-type activities program revenues</b>	<b>7,982</b>	<b>12,407</b>	<b>15,221</b>	<b>16,431</b>	<b>16,688</b>	<b>17,130</b>	<b>16,848</b>	<b>18,248</b>	<b>17,470</b>
<b>Total primary government program revenues</b>	<b>\$ 20,220</b>	<b>\$ 23,853</b>	<b>\$ 23,406</b>	<b>\$ 28,720</b>	<b>\$ 28,967</b>	<b>\$ 30,980</b>	<b>\$ 27,493</b>	<b>\$ 31,636</b>	<b>\$ 37,318</b>

(1) Operating grants and contributions and capital grants and contributions vary widely depending on the grants available from federal ,state and local sources. Variances from 2003 to 2011 reflect the changes in grants awarded to the City.

(2) The increase in water and sewer charges from 2004 to 2005 is attributable to a rate increase.

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

(Continued on next page)

**schedule 2 (continued)  
changes in net assets  
last nine fiscal years  
(in thousands of dollars)  
(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (37,702)	\$ (41,132)	\$ (44,925)	\$ (42,429)	\$ (45,353)	\$ (46,738)	\$ (50,901)	\$ (52,286)	\$ (44,803)
Business-type activities	(80)	958	3,492	4,022	2,445	1,968	1,702	2,351	619
Total primary government net expense	<u>\$ (37,782)</u>	<u>\$ (40,174)</u>	<u>\$ (41,433)</u>	<u>\$ (38,407)</u>	<u>\$ (42,908)</u>	<u>\$ (44,770)</u>	<u>\$ (49,199)</u>	<u>\$ (49,935)</u>	<u>\$ (44,184)</u>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes (4)	\$ 16,716	\$ 18,273	\$ 27,543	\$ 28,806	\$ 30,628	\$ 31,635	\$ 31,890	\$ 31,674	\$ 31,344
Business taxes (4)	8,548	9,119	4,689	5,026	5,151	5,307	5,378	5,248	5,345
Sales taxes	14,317	16,728	18,780	21,284	22,443	22,689	19,720	19,562	20,406
Hotel/Motel taxes	554	464	619	730	795	853	686	602	721
Investment earnings	795	581	1,078	2,071	3,784	3,395	1,751	593	559
Miscellaneous (4)	925	801	519	69	122	479	202	73	100
Transfers	(582)	(145)	775	962	(8)	10	(425)	-	(1,748)
Total governmental activities	<u>41,273</u>	<u>45,821</u>	<u>54,003</u>	<u>58,948</u>	<u>62,915</u>	<u>64,368</u>	<u>59,202</u>	<u>57,752</u>	<u>56,727</u>
Business-type activities:									
Investment earnings	18	10	80	266	314	348	280	123	135
Gain on sale of capital assets	-	-	-	53	15	12	24	89	-
Miscellaneous	-	21	28	-	-	-	-	-	-
Transfers	582	145	(775)	(962)	8	(10)	425	-	1,748
Total business-type activities	<u>600</u>	<u>176</u>	<u>(667)</u>	<u>(643)</u>	<u>337</u>	<u>350</u>	<u>729</u>	<u>212</u>	<u>1,883</u>
Total primary government	<u>\$ 41,873</u>	<u>\$ 45,997</u>	<u>\$ 53,336</u>	<u>\$ 58,305</u>	<u>\$ 63,252</u>	<u>\$ 64,718</u>	<u>\$ 59,931</u>	<u>\$ 57,964</u>	<u>\$ 58,610</u>
<b>Change in Net Assets</b>									
Governmental activities	\$ 3,571	\$ 4,689	\$ 9,078	\$ 16,519	\$ 17,562	\$ 17,630	\$ 8,301	\$ 5,466	\$ 11,924
Business-type activities	520	1,134	2,825	3,379	2,782	2,318	2,431	2,563	2,502
Total primary government	<u>\$ 4,091</u>	<u>\$ 5,823</u>	<u>\$ 11,903</u>	<u>\$ 19,898</u>	<u>\$ 20,344</u>	<u>\$ 19,948</u>	<u>\$ 10,732</u>	<u>\$ 8,029</u>	<u>\$ 14,426</u>

(4) The variations on property tax, business tax and miscellaneous collections reflects a change in the chart of accounts and definitions of accounts mandated by State of Georgia.

**schedule 3**  
**fund balances, governmental funds-last ten years ( in thousands of dollars)**  
**(modified accrual basis of accounting)**

	<u>2002(1)</u>	<u>2003(1)</u>	<u>2004</u>	<u>2005</u>	<u>2006(1)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011(2)</u>
General Fund										
Reserved	\$ 7,997	\$ 2,240	\$ 1,300	\$ 1,916	\$ 1,710	\$ 668	\$ 865	\$ 714	\$ 620	\$ -
Unreserved	20,550	26,774	29,123	28,995	33,383	40,251	40,843	35,224	31,858	-
Nonspendable	-	-	-	-	-	-	-	-	-	291
Restricted	-	-	-	-	-	-	-	-	-	104
Committed	-	-	-	-	-	-	-	-	-	16,329
Assigned	-	-	-	-	-	-	-	-	-	6,893
Unassigned	-	-	-	-	-	-	-	-	-	7,418
Total general fund	<u>\$ 28,547</u>	<u>\$ 29,014</u>	<u>\$ 30,423</u>	<u>\$ 30,911</u>	<u>\$ 35,093</u>	<u>\$ 40,919</u>	<u>\$ 41,708</u>	<u>\$ 35,938</u>	<u>\$ 32,478</u>	<u>\$ 31,035</u>
All Other Governmental Funds										
Reserved	\$ 14,088	\$ 26,806	\$ 26,244	\$ 23,652	\$ 14,472	\$ 14,769	\$ 13,399	\$ 12,377	\$ 15,400	\$ -
Unreserved, reported in:										
Special revenue funds	3,072	(2,402)	(1,310)	(3,416)	(1,136)	3,836	3,365	4,289	1,307	-
Capital projects funds	625	-	-	2,306	14,773	16,297	18,494	20,602	19,219	-
Debt service funds	6,119	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	130
Restricted	-	-	-	-	-	-	-	-	-	19,693
Committed	-	-	-	-	-	-	-	-	-	399
Assigned	-	-	-	-	-	-	-	-	-	15,929
Unassigned	-	-	-	-	-	-	-	-	-	(1,188)
Total all other governmental funds	<u>\$ 23,904</u>	<u>\$ 24,404</u>	<u>\$ 24,934</u>	<u>\$ 22,542</u>	<u>\$ 28,109</u>	<u>\$ 34,902</u>	<u>\$ 35,258</u>	<u>\$ 37,268</u>	<u>\$ 35,926</u>	<u>\$ 34,963</u>

Note: The negative balances reported in the Special revenue funds for 2003, 2004, and 2005 reflect a special situation in which the City of Roswell contributed land as grant match. Approval of this match was not approved until 2006. Monies for this specific grant were distributed to the City in fiscal year 2006 after grant match was approved.

(1) Monies for capital projects were reflected in the General Fund reserves for 2002 through 2003. As of fiscal year 2004 a capital projects fund was established. In addition the difference in fund balance reserve from fiscal year 2005 to fiscal year 2006 in all other governmental funds is a result of increased expenditures in capital project related areas.

(2) During 2011, the City implemented GASB Statement No. 54 which changed the reporting of the fund balance.

**schedule 4**  
**changes in fund balances, governmental funds - last ten years (in thousands of dollars)**  
**(modified accrual basis of accounting)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes (see Schedule 5)	\$ 37,823	\$ 39,517	\$ 44,626	\$ 50,440	\$ 55,474	\$ 58,320	\$ 59,821	\$ 57,198	\$ 57,967	\$ 57,641
Licenses and permits (2)	2,301	2,122	2,539	1,661	1,813	2,117	2,428	1,295	1,187	1,268
Fines and forfeitures	1,995	1,861	1,618	2,050	3,066	4,218	4,811	3,476	3,392	3,345
Charges for services (3)	4,228	4,629	1,849	2,239	2,495	3,850	3,549	3,683	4,115	4,127
Impact fees	-	-	-	-	-	-	-	-	95	276
Intergovernmental	4,953	2,869	3,478	3,245	4,475	1,943	2,589	3,058	1,801	4,679
Investment earnings (4)	1,665	795	581	1,012	2,020	3,696	3,321	1,707	569	527
Other revenues	2,379	1,682	2,120	1,336	1,041	1,094	554	119	73	100
<b>Total revenues</b>	<b>55,344</b>	<b>53,475</b>	<b>56,811</b>	<b>61,983</b>	<b>70,384</b>	<b>75,238</b>	<b>77,073</b>	<b>70,536</b>	<b>69,199</b>	<b>71,963</b>
<b>Expenditures</b>										
General government	6,153	5,827	4,983	3,974	4,090	4,663	5,124	6,356	6,565	7,479
Judicial	2,544	1,156	1,138	1,274	1,289	1,326	1,460	1,532	1,501	1,439
Financial services	1,973	1,799	1,852	3,263	3,333	3,565	3,587	2,425	2,323	1,456
Planning & zoning	1,621	4,520	3,140	3,223	3,317	3,469	3,786	3,749	3,660	3,945
Public Safety	15,724	14,974	16,202	17,240	18,405	20,054	22,171	23,205	24,108	23,218
Public works	10,182	8,307	6,547	6,377	6,525	6,779	7,203	7,531	9,862	9,673
Culture and recreation	12,051	9,804	7,974	8,497	9,102	9,578	11,070	10,639	10,522	9,414
Capital outlay	5,464	4,395	7,275	11,737	10,334	7,121	11,227	12,774	9,303	9,592
Debt service										
Principal	4,475	4,070	4,545	4,935	4,757	4,205	8,140	4,705	4,755	5,165
Interest	3,852	3,225	2,579	2,505	2,358	2,247	2,329	1,484	1,432	1,240
<b>Total expenditures</b>	<b>64,039</b>	<b>58,077</b>	<b>56,235</b>	<b>63,025</b>	<b>63,510</b>	<b>63,007</b>	<b>76,097</b>	<b>74,400</b>	<b>74,031</b>	<b>72,621</b>
Excess of revenues over (under) expenditures	(8,695)	(4,602)	576	(1,042)	6,874	12,231	976	(3,864)	(4,832)	(658)
<b>Other Financing Sources (Uses)</b>										
Refunding bonds issued	-	10,790	-	-	-	-	15,975	-	-	-
Premium on Bonds issued	-	77	-	-	-	-	997	-	-	-
Payment to escrow agent	-	(11,079)	-	-	-	-	(16,920)	-	-	-
Proceeds from capital leases	-	-	-	-	417	175	-	94	-	-
Sale of Assets	-	-	-	6	1,496	221	107	11,090	30	-
Transfers in	497	627	6,304	9,550	9,448	7,853	10,516	(11,080)	8,539	7,821
Transfers out	-	(1,209)	(7,600)	(8,775)	(8,486)	(7,861)	(10,506)	-	(8,539)	(9,569)
<b>Total other financing sources (uses)</b>	<b>497</b>	<b>(794)</b>	<b>(1,296)</b>	<b>781</b>	<b>2,875</b>	<b>388</b>	<b>169</b>	<b>104</b>	<b>30</b>	<b>(1,748)</b>
		(1)	(1)	(1)						
<b>Net change in fund balances</b>	<b>\$ (9,192)</b>	<b>\$ (5,396)</b>	<b>\$ (720)</b>	<b>\$ (261)</b>	<b>\$ 9,749</b>	<b>\$ 12,619</b>	<b>\$ 1,145</b>	<b>\$ (3,760)</b>	<b>\$ (4,802)</b>	<b>\$ (2,406)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>14.22%</b>	<b>13.59%</b>	<b>14.55%</b>	<b>14.51%</b>	<b>13.38%</b>	<b>11.54%</b>	<b>12.51%</b>	<b>9.84%</b>	<b>9.56%</b>	<b>10.17%</b>

(1) Beginning in fiscal year 2004 the City established a Capital Projects Fund. The changes in fund balance from fiscal year 2003 through 2005 is a result of the utilization of this new fund.

(2) The variations on licenses and permits reflect a change in the chart of accounts and definitions of accounts as mandated by State of Georgia.

(3) The difference in monies from fiscal year 2003 to fiscal year 2004 in charges for services represent the creation of a proprietary fund, Participant Recreation.

(4) The differences in interest earnings from fiscal year 2001 through to fiscal year 2005 began with the event on September 11, 2001. Uncertainties lead to declines in interest rates. Interest rates increased during fiscal year 2005, 2006, and 2007. In addition, more funds were invested for longer time periods

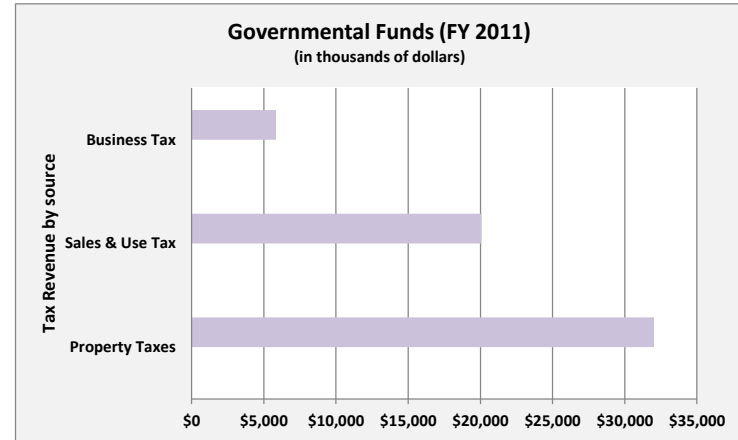
**schedule 5**

**tax revenues by source, governmental funds, last ten fiscal years (in thousands of dollars)  
(modified accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales & use Taxes	Business Tax	Total
2002	15,532	12,028	10,263	37,823
2003	16,804	13,611	9,102	39,517
2004 (1)	18,357	16,584	9,685	44,626
2005 (1)	26,184	18,780	5,476	50,440
2006	28,434	20,117	6,923	55,474
2007	29,931	23,238	5,151	58,320
2008	30,971	23,543	5,307	59,821
2009 (2)	25,599	18,706	12,893	57,198
2010	32,031	20,086	5,850	57,967
2011	32,279	20,017	5,345	57,641

(1) The variations between property taxes from fiscal year 2004 to 2005 and the business taxes for the same fiscal years reflect a change in the chart of accounts and definitions of accounts as mandated by State of Georgia.

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





**schedule 6**

**Assessed Value and Estimated Actual Value of Taxable Property - last ten fiscal years  
(in thousands of dollars)**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Privately Owned Public Utilities</b>	<b>Personal and Business <sup>(2)</sup></b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
<b>2002</b>	\$ 1,926,601	\$ 30,786	\$ 1,216,756	\$ 118,560	\$ 3,055,583	5.43	\$ 7,638,958	40%
<b>2003</b>	2,135,161	30,471	1,285,798	124,776	3,326,654	5.43	8,316,635	40%
<b>2004</b>	2,343,765	32,191	1,356,140	126,129	3,605,967	5.17	9,014,918	40%
<b>2005</b>	2,488,316	36,622	1,346,710	127,014	3,744,634	6.09	9,361,585	40%
<b>2006</b>	2,573,445	45,290	1,340,669	123,357	3,836,047	6.09	9,590,118	40%
<b>2007</b>	2,771,967	51,896	1,435,251	131,024	4,128,090	6.09	10,320,225	40%
<b>2008</b>	3,105,857	53,966	1,541,096 <sup>(4)</sup>	140,597 <sup>(3)</sup>	4,614,288	6.09	11,535,720	40%
<b>2009</b>	3,226,197	49,179	1,824,638 <sup>(4)</sup>	249,837 <sup>(3)</sup>	4,850,177	5.46	12,125,443	40%
<b>2010</b>	3,209,102	44,830	1,863,224	253,501	4,863,655	5.46	12,159,138	40%
<b>2011</b>	3,049,069	38,015	1,815,995	264,506	4,638,573	5.46	11,596,433	40%

(1) Assessed values are established by the County Assessment Board on January 1, of each year at 40% of actual value, as required by State law.

(2) Personal and business property included commerical, industrial and non profit real property, and motor vehicles.

(3) The number of exempt properties increased from 431 in 2008 to 449 in 2009.

(4) Commerical real estate value increased from 2008 to 2009.

Source: Fulton County certified tax digest

**schedule 7**  
**direct and overlapping property tax rates - last ten fiscal years**  
**(rate per \$1,000 of assessed value)**

Fiscal Year	Tax Year	City of Roswell Millage Rates					Overlapping Rates (1)							Direct & Overlapping Rate
		General Millage	(Less) Local Option Sales Tax	Total M&O	Debt Service Millage Rate	Total City of Roswell Millage Rate	Fulton County			School District			State	
							Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2002	2001	7.708	(4.282)	3.426	2.006	5.432	13.040	0.300	13.340	18.260	0.760	19.020	0.250	41.480
2003	2002	7.144	(3.718)	3.426	2.006	5.432	12.527	0.280	12.807	18.460	0.310	18.770	0.250	41.480
2004	2003	6.876	(3.617)	3.259	1.908	5.167	12.052	0.270	12.322	17.758	0.298	18.056	0.250	39.160
2005	2004	8.442	(4.233)	4.209	1.878	6.087	11.581	0.066	11.647	17.315	0.291	17.606	0.250	43.120
2006	2005	8.606	(4.397)	4.209	1.878	6.087	11.581	0.064	11.645	17.825	0.282	18.107	0.250	47.202
2007	2006	8.497	(4.288)	4.209	1.878	6.087	11.407	0.063	11.470	17.825	0.282	18.107	0.250	46.852
2008	2007	8.173	(4.262)	3.911	1.746	5.657	10.281	0.000	10.281	16.904	1.189	18.093	0.250	43.123
2009	2008	7.978	(3.919)	4.059	1.396	5.455	10.281	0.000	10.281	16.403	1.099	17.502	0.250	42.420
2010	2009	7.679	(3.620)	4.059	1.396	5.455	10.281	0.000	10.281	17.502	0.000	17.502	0.250	43.519
2011	2010	7.898	(3.839)	4.059	1.396	5.455	10.281	0.000	10.281	18.502	0.000	18.502	0.250	44.519

Source: Georgia Department of Revenue, Property Tax Division

Notes: The city's basic property tax rate may be increased by a majority vote of the city's Mayor and Council. Rates for debt service are set based on yearly requirements.

<sup>(1)</sup> Overlapping rates are those local and county governments that apply to property owners within the City of Roswell.

**schedule 8**  
**principal property tax payers - current year and nine years ago**  
**(in thousands of dollars)**

Taxpayer	FY 2011			FY 2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Northmeadow Investors, LLC	\$ 32,122	1	0.69%			
Kimberly-Clark Corp	23,356	2	0.50%	\$ 29,972	1	0.98%
A Colonial Three Hundred	22,993	3	0.50%			
WLI IV Roswell LLC	20,187	4	0.44%			
AMIREIT	19,181	5	0.41%	6,462	6	0.21%
Orion Roswell Associates	18,312	6	0.39%			
Sanctuary Park Realty Holdiongs	16,700	7	0.36%			
BRH Landing LLC	11,363	8	0.24%			
Jefferson at Champions Pkwy	11,329	9	0.24%			
DRA Grande Oaks LLC	10,627	10	0.23%			
Weeks Realty				22,481	2	0.74%
Phoenix Realty Special Acct				9,009	3	0.29%
Prudential Ins Company of America				7,896	4	0.26%
Tahoe North				7,191	5	0.24%
Mansell Road Tract One Land				6,171	7	0.20%
Mrs. Edith W. Spruill				4,913	8	0.16%
Mansell Road Land Trust				4,886	9	0.16%
Home Depot USA				4,084	10	0.13%
<b>Total</b>	<b>\$ 186,170</b>		<b>4.01%</b>	<b>\$ 103,065</b>		<b>3.37%</b>

Source: Financial Services Division within the Finance Department

**schedule 9**  
**property tax levies and collections - last ten fiscal years**  
**(in thousands of dollars)**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 14,973	\$ 14,761	98.58%	\$ 7	\$ 14,963	99.93%
2003	15,757	15,452	98.06%	12	15,464	98.14%
2004	16,329	15,751	96.46%	17	15,768	96.56%
2005	20,196	19,337	95.75%	23	19,360	95.86%
2006	21,146	20,776	98.25%	27	20,803	98.38%
2007	22,557	22,119	98.06%	46	22,165	98.26%
2008	23,372	22,892	97.95%	96	22,988	98.36%
2009	24,278	23,279	95.89%	239	23,518	96.87%
2010	24,449	23,737	97.09%	317	24,054	98.38%
2011	23,814	22,868	96.03%	-	22,868	96.03%

**Sources: Financial Services Division within the Finance Department**

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

**schedule 10**  
**ratios of outstanding debt by type - last ten fiscal years**  
**(in thousands of dollars)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Lease	Revenue Bonds	Notes Payable			
2002	\$ 66,350	\$ -	\$ 150	\$ -	\$ 66,500	2.28%	\$ 838
2003	62,380	-	-	-	62,380	1.97%	743
2004	57,835	-	-	-	57,835	1.81%	680
2005	53,315	-	-	-	53,315	1.65%	621
2006	48,580	395	-	-	48,975	1.51%	558
2007	44,570	375	-	-	44,945	1.27%	508
2008	36,625	180	-	-	36,805	1.12%	422
2009	32,100	-	-	-	32,100	0.96%	380
2010	27,345	-	-	-	27,345	0.78%	312
2011	22,180	-	-	1,440	23,620	0.62%	267

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**schedule 11**  
**ratios of general bonded debt outstanding - last ten fiscal years**  
**(in thousands of dollars)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Debt Per Capita (2)</b>
<b>2002</b>	\$ 66,350	\$ 8,019	\$ 58,331	0.76%	\$ 735
<b>2003</b>	62,380	6,119	56,261	0.68%	670
<b>2004</b>	57,835	5,136	52,699	0.58%	620
<b>2005</b>	53,315	5,074	48,241	0.52%	561
<b>2006</b>	48,580	7,237	41,343	0.43%	481
<b>2007</b>	44,570	9,097	35,473	0.34%	401
<b>2008</b>	36,625	6,996	29,629	0.26%	339
<b>2009</b>	32,100	7,845	24,255	0.20%	287
<b>2010</b>	27,345	8,290	19,055	0.16%	217
<b>2011</b>	22,180	8,495	13,685	0.12%	155

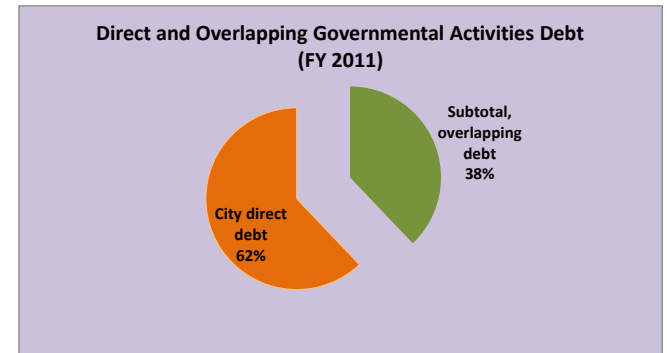
Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

**schedule 12**  
**direct and overlapping governmental activities debt**  
(in thousands of dollars)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Fulton County Board of Education	\$ 167,000	8.10%	\$ 13,527
<b>Subtotal, overlapping debt</b>			<u>13,527</u>
<b>City direct debt</b>			22,180
<b>Total direct and overlapping debt</b>			<u>\$ 35,707</u>



Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County 2007 CAFR and City of Roswell Finance Department records. Debt outstanding data provided by each government unit.

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

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

**schedule 13**

**legal debt margin information - last ten years  
(amount expressed in thousands)**

<b>Legal Debt Margin Calculation for Fiscal Year 2011</b>	
Assessed value	\$ 4,638,573
Add back tax exempt property	264,506
Total assessed value	<u>4,903,079</u>
Debt limit (10% of assessed value)	490,308
Debt applicable to limit:	
General obligation bonds	22,180
Less: Amount set aside for repayment of general obligation debt	<u>(8,495)</u>
Total net debt applicable to limit	<u>13,685</u>
Legal debt margin	<u>\$ 476,623</u>

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Debt limit</b>	\$ 317,414	\$ 345,143	\$ 373,210	\$ 387,165	\$ 395,940	\$ 425,911	\$ 475,489	\$ 518,848	\$ 511,716	\$ 490,308
<b>Total net debt applicable to limit</b>	58,331	56,261	52,699	48,241	41,343	35,473	29,629	24,255	19,055	13,685
<b>Legal debt margin</b>	259,083	288,882	320,511	338,924	354,597	390,438	445,860	494,593	492,661	476,623
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	18.38%	16.30%	14.12%	12.46%	10.44%	8.33%	6.23%	4.90%	3.72%	2.79%

The State of Georgia limits debt to 10% of assessed property value.



**schedule 14**  
**demographic and economic statistics - last ten calendar years**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b> (thousands of dollars)	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment (1)</b>	<b>Unemployment Rate</b>
<b>2002</b>	79,316	\$ 2,922,398	\$ 36,845	35.20	71,245	2.60
<b>2003</b>	83,911	3,160,676	37,667	35.20	73,138	2.50
<b>2004</b>	85,044	3,203,352	37,667	35.20	75,672	2.40
<b>2005</b>	85,920	3,236,349	37,667	35.20	81,022	4.00
<b>2006</b>	87,802	3,236,349	37,667	35.55	83,772	3.50
<b>2007</b>	88,465	3,547,977	40,106	37.20	23,309 (2)	3.40
<b>2008</b>	87,312	3,283,804	37,610	35.20	23,309	4.60
<b>2009</b>	84,595	3,358,841	38,318	36.60	13,294	7.61
<b>2010</b>	87,719	3,490,778	39,795	37.00	13,336	8.70
<b>2011</b>	88,346	3,824,145	43,286	36.30	13,563	10.20

**Sources:** U.S. Census Bureau for the population, personal income, median age, per capita income, and unemployment rate. Statistics for 2011 are for the City of Roswell except for the unemployment rate which for the state of Georgia.

(1) The school enrollment was provided by the Fulton County Board of Education.

(2) The school enrollment was given for the City of Roswell for 2007 whereas in previous years it has been given for all of Fulton County, Georgia.

**schedule 15**  
**principal employers - current year and nine years ago**

Employer	FY2011			FY2002		
	Employees	Rank	Percentage of Total City of Roswell Employment	Employees	Rank	Percentage of Total City of Roswell Employment
Fulton County School System	1,658	1	2.59%			
Kimberly-Clark Corporation	1,397	2	2.18%			
Verizon Wireless	1,214	3	1.90%			
North Fulton Regional Hospital	688	4	1.07%	875	2	2.45%
City of Roswell	604	5	0.94%	620	3	
Kroger Co.	501	6	0.78%	279	7	0.78%
Target	387	7	0.60%			
Johnson Controls	345	8	0.54%			
Asbury Automotive Group	324	9	0.51%			
Prommis Solutions	300	10	0.47%			
Walmart				620	4	1.74%
Nalley Auto Dealership	-		-	436	5	1.22%
The Home Depot	-		-	419	6	1.17%
The United Parcel Service	-		-	273	8	0.77%
Kaplan Higher Education	-		-	159	9	0.45%
St. Francis Day School	-		-	150	10	0.42%
	-		-			
<b>Total</b>	<b>7,418</b>		<b>11.58%</b>	<b>5,737</b>		<b>14.35%</b>

Source: City of Roswell Economic & Community Development Department

schedule 16

full-time-equivalent city government employees by function/program - last ten fiscal years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government</b>	55									
City Administrator	-	3	3	3	3	3	3	2	3	3
City Hall	-	6	6	6	6	6	8	8	8	9
Community Information	-	4	4	4	4	4	4	3	4	4
Court Services	-	18	18	18	18	18	20	20	20	16
General Administration	-	9	8	8	8	8	8	6	6	5
Governing Body	-	3	3	3	3	3	3	2	2	2
Human Resources	-	5	5	5	5	5	5	4	3	3
Legal	-	3	3	3	3	3	3	3	3	3
Risk Management	-	-	-	1	1	1	1	2	-	1
Worker's Compensation	-	-	-	-	-	-	-	-	-	1
Benefits Manager	-	-	-	-	-	-	-	-	-	1
Strat. Planning and Budgeting	-	2	3	3	3	3	3	3	3	3
IT (formerly MIS)	-	0	0	0	0	0	0	8	8	9
<b>Finance</b>	28									
Accounting	-	9	8	8	8	9	8	8	5	4
Finance - Administration	-	3	3	3	3	2	2	2	2	3
Treasury	-	-	-	-	-	-	-	-	-	1
Accounts Payable	-	-	-	-	-	-	-	-	3	-
Cash Disbursement	-	-	-	-	-	-	-	-	-	3
Accounts Receivable	-	-	-	-	-	-	-	-	-	6
Cash Receipting	-	-	-	-	-	-	-	-	-	3
Purchasing	-	5	5	5	5	5	4	4	4	3
IT (formerly MIS)	-	3	5	5	6	8	8	-	-	-
Tax Administration	-	4	4	4	4	4	4	5	5	-
Utility Billing	-	3	3	4	4	4	6	5	5	-
<b>Police</b>	160									
Criminal Investigations	-	21	21	21	21	18	19	21	21	23
Jail/Detention	-	27	27	27	27	28	31	33	34	34
Patrol	-	74	76	81	81	80	84	90	86	79
Police-Admin Services	-	14	14	16	16	2	2	2	2	3
Police - Bldg Maintenance	-	1	1	1	1	-	-	-	-	-
Police - Support Services	-	7	7	7	7	23	25	23	24	25
Special Operations	-	12	12	10	10	11	8	10	13	11
Traffic Control	-	16	16	13	13	13	12	9	10	13
E-911	18	18	19	19	19	19	19	18	19	19
COPS Grant	10	-	-	-	-	-	-	-	-	-
<b>Fire</b>	14									
Administration	-	-	-	-	-	2	2	2	2	2
Fire	-	3	4	4	4	3	4	4	6	6
Fire Training	-	1	1	1	1	1	1	1	1	1
Fire Marshal	-	10	10	10	10	9	9	9	9	9
<b>Cultural &amp; recreation</b>	95									
Municipal Complex	-	2	2	2	2	2	2	2	2	2
Administration	-	-	-	-	-	2	2	2	2	2
Support Services	-	46	45	45	45	43	43	43	22	22
Parks	-	47	47	47	49	49	54	54	51	51
Barrington Hall	-	-	-	-	1	1	1	1	1	1
Bulloch Hall	1	1	1	1	1	1	1	1	1	1
Smith Plantation	1	1	1	1	1	1	1	1	1	1
Cultural Arts	-	2	2	2	2	2	2	2	2	2
Historic & Cultural Affairs	-	1	1	1	1	1	1	1	1	1

(Continued on next page)

**schedule 16 (continued)**

**full-time-equivalent city government employees by function/program - last ten fiscal years**

Function/Program	Full-time-Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Environmental</b>	18									
Administration	-	-	-	-	-	2	2	2	2.15	2.15
Environmental	-	6	4	4	5	3	3	3	3	3
Water Resources	-	-	-	-	3	3.5	4.5	4.5	1.5	1.5
Garage	-	7	7	7	7	7	7	7	7	7
Stormwater Mgmt	-	3	3	2	5	4	4	4	6.75	6.75
Grant	1	-	-	-	-	-	-	-	-	-
<b>Community Development</b>	45									
Administration	-	-	-	-	-	3	3	3	3	3
Building Inspections	-	6	6	5	5	5	5	4	-	4
Code Enforcement	-	5	5	4	4	5	5	6	-	6
Support Services	-	11	11	11	11	7	7	6	2	2
Economic Development	-	1	2	1	1	2	2	2	4	4
Engineering	-	12	12	10	10	10	9	6	-	1
GIS	-	-	-	3	3	3	3	3	3	3
Licensing	-	1	1	2	2	2	2	2	1	1
Planning & Zoning	-	10	11	11	11	11	11	9	13	13
<b>Transportation</b>	73									
Transportation	-	10	16	9	10	7	7	11	8	8
Trans/PW Facility	-	-	1	7	8	8	0	0	-	-
Administration	-	-	-	-	-	3	3	3	3	4
Street Maintenance	-	43	35	34	31	31	31	31	31	31
Traffic Engineering	-	20	20	19	15	15	22	16	20	18
<b>Water</b>	17									
Administration	-	1	2	1	1	1.9	1.9	0.9	1.3	1.3
Distribution	-	10	10	10	10	9.25	9.25	9	10	9
Water Plant	-	6	6	6	6	5.75	5.75	6	7	7
<b>Solid Waste</b>	71									
Administration	-	4	5	5	5	4.85	4.85	4.85	4.5	4.5
Public Education	-	1	1	1	1	0.75	0.75	0.75	0.55	0.55
Residential Collection	-	41	41	39	39	33	34	35	34	34
Commercial Collection	-	8	8	8	8	8	8	7	8	8
Yard Trimmings Collection	-	13	13	12	12	-	-	-	-	-
Recycling Center	-	6	6	6	6	6	5	6	6.25	6.25
<b>Total</b>	<b>607</b>	<b>609</b>	<b>614</b>	<b>609</b>	<b>615</b>	<b>598</b>	<b>613</b>	<b>606</b>	<b>555</b>	<b>604</b>

Source: City Budget Office

The full time equivalent information for fiscal years 2002 was kept by department. Full time equivalent for 2003 through 2011 were kept by program within each department. Future presentation will be by program within each department.

**schedule 17**  
**operating indicators by function/program - last ten fiscal years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police</b>										
Calls for service	80,086	90,087	87,945	91,717	99,692	108,947	106,948	93,651	108,864	102,864
Traffic stops	28,376	32,686	26,348	26,399	33,433	36,896	34,139	33,320	43,457	43,090
Part 1 Crimes Index Rate	30.2	32.1	31.2	28.6	31.7	26.6	31.6	31.9	26.2	23.7
<b>Fire</b>										
Fire Calls	1,649	1,461	1,917	1,905	1,914	2,142	2,030	1,965	2,103	7,104
Fires extinguished	275	357	257	258	310	288	242	191	197	203
EMS Calls	3,868	3,862	3,420	3,656	4,384	4,082	4,102	4,100	4,364	5,101
<b>Community development</b>										
Building permits issued (1)	1,066	1,299	5,834	4,484	4,491	4,694	4,155	3,423	3,912	3,798
<b>Refuse collection</b>										
Household garbage collected-tons per year	18,066	18,545	18,461	18,519	18,256	22,045	21,803	21,164	18,872	19,080
Curbside recycling collected-tons per year	3,945	4,639	5,121	5,602	5,931	5,913	6,404	6,398	8,251	7,086
Yard waste collected-tons per year	7,421	7,845	8,085	9,825	8,074	7,225	7,997	8,024	7,386	8,712
Recycling from recycle center-tons per year	3,582	3,975	5,401	3,617	3,228	3,617	3,022	2,639	2,438	2,056
<b>Parks and recreation</b>										
Registered participants (2)	188,002	191,613	183,677	186,263	187,200	191,244	189,104	196,716	191,448	33,694
Park acres maintained	800	800	800	850	890	907	890	917	917	917
Participant Visits	641,454	722,543	740,847	725,909	668,517	697,189	691,501	712,321	719,012	0
Spectator Visits	393,853	463,469	503,514	456,151	412,921	430,914	362,627	408,360	409,840	0
Facility Visits	835,092	817,982	772,840	755,521	836,736	848,103	916,733	906,812	952,368	0
Total Point of Sale Participants (2)					0	0	0	0	0	102,971
Total Facility Rentals (2)					0	0	0	0	0	1,725
<b>Water</b>										
Water production in MGD	378.13	412.91	419.78	387.31	350.32	416.92	417	328	373	371
<b>Sanitation</b>										
Number of residential customers	21,120	21,120	22,885	22,885	23,221	23,840	24,309	23,807	25,080	25,146
Number of commercial customers	1,107	1,107	1,115	1,115	1,216	1,285	1,115	1,203	1,201	836

Sources: Various city departments.

(1) In fiscal year 2002 Fulton County implemented a sewer moratorium. This moratorium allowed for a limited amount of development during fiscal years 2002 and 2003. In fiscal year 2004 the moratorium was lifted resulting in increased development and therefore explains the increase in building permits from fiscal year 2003 to fiscal year 2004.

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

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

**schedule 18**

**capital asset statistics by function/program - last ten fiscal years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General government (1)</b>										
Vehicles (2)	6	31	31	31	31	53	53	54	54	54
Buildings	15	30	30	30	30	30	30	30	30	30
<b>Police</b>										
Vehicles (3)	112	112	138	138	138	150	150	157	157	157
Stations	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4285	4285	4443	4443	4443	4452	4452	4452	4452	4452
<b>Parks and recreation</b>										
Acreage	868	868	890	890	890	901	901	901	917	917
Parks and playgrounds	17	17	19	19	19	19	19	19	19	19
Athletic fields	38	38	42	43	43	43	43	43	44	44
Recreational buildings	8	8	9	9	9	9	9	9	9	9
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	34	34	34	34	34	34	34	34	34	34
<b>Transportation</b>										
Paved roads in miles	342	342	360	360	360	373	373	373	373	373
Traffic signals	139	139	145	144	145	145	145	145	145	145
<b>Water</b>										
Water mains (miles)	200	200	200	200	200	201	201	201	201	201
Water plant	1	1	1	1	1	1	1	1	1	1

Sources: City of Roswell capital asset inventory system.

(1) Variations in capital assets from fiscal year 2002 to fiscal year 2003 in general government vehicles and buildings is the result of an inventory performed in accordance with GASB Statement 34 by an independent vendor.

(2) The difference in the number of vehicles from fiscal year 2006 to fiscal year 2007 is the result of an increase in the overall fleet of vehicles owned by the City.

(3) The difference in the number of vehicles from fiscal year 2006 to fiscal year 2007 is the result of an increase in the fleet of police vehicles owned by the City.

This page intentionally left blank.



**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass- Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Number	Federal Expenditures	ARRA Expenditures	Total
<u>US Department of HUD</u>					
Pass-through program from Fulton County					
Community Development Block Grant					
Waterline	14.218	CD08-ROSV146/Warsaw	\$ 153,392	\$ -	\$ 153,392
Waterline	14.218	CD09-ROSV149/Opal-Thomas	196,703	-	196,703
Oak Street Streetscape	14.218	1-CD05-ROS Oak Street	252,719	-	252,719
Swaybranch Infrastructure Project	14.218	10GRA010	114,816	-	114,816
Arts Village Infrastructure	14.218	11GRA004	502,282	-	502,282
Swaybranch Road Waterline	14.253	09ENV022	-	41,869	41,869
Drainage Improvement Project	14.253	10GRA005	-	19,990	19,990
Total Community Development Block Grant					<u>1,281,771</u>
Neighborhood Stabilization Project	14.228	10GRA011	677,157	-	<u>677,157</u>
Total US Department of HUD					<u>1,958,928</u>
<u>US Department of the Interior</u>					
Direct program					
Preserve America Signage	15.904	13-08-AP-4112	2,000	-	2,000
Preserve America Cemeteries	15.904	13-10-21917	3,438	-	<u>3,438</u>
Total US Department of the Interior					<u>5,438</u>
<u>US Department of Justice</u>					
Pass through from Criminal Justice Coordinating Council					
Bulletproof Vest Partnership Program	16.607	04GRA010	7,005	-	7,005
State Criminal Alien Assistance Program	16.606	2010-H3660-GA-AP	38,944	-	38,944
Direct program					
2007 JAG	16.738	2007-DJ-BX-0758	5,711	-	<u>5,711</u>
Total US Department of Justice					<u>51,660</u>

Continued



**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>Federal Grantor/Pass- Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Grant Number</b>	<b>Federal Expenditures</b>	<b>ARRA Expenditures</b>	<b>Total</b>
<u>US Department of Transportation</u>					
Pass through from Georgia DOT					
Highway Planning and Construction	20.205	0009-00(9640)	\$ 7,166	\$ -	\$ 7,166
Highway Planning and Construction	20.205	STP-0006-00(274)	584,239	-	584,239
Highway Planning and Construction	20.205	0010197	74,508	-	74,508
Direct program					
Highway Planning and Construction	20.205	CM000-00SW-00(004)	-	451,883	451,883
Total US Department of Transportation					<u>1,117,796</u>
<u>US Environmental Protection Agency</u>					
Direct program					
EPA SPAP Foe Killer Creek	66.202	XP97441102-4	11,000	-	11,000
Pass through from Georgia Environmental Facilities Authority					
Capitalization Grant for Drinking Water State Revolving Funds	66.468	DWSRT 10-011	-	685,645	685,645
Total US Environmental Protection Agency					<u>696,645</u>
<u>US Department of Energy</u>					
Direct program					
Energy Efficiency and Conservation Block Grant	81.128	DE-SC0003441	-	437,528	437,528
Local Energy Assurance Planning Grant	81.122	DE-OE0000411	-	62,463	62,463
Total US Department of Energy					<u>499,991</u>
<u>US Department of Homeland Security</u>					
Direct program					
Homeland Security Grant	97.067	2010-SS-T0-0034	48,469	-	48,469
Total US Department of Homeland Security					<u>48,469</u>
Total Expenditures of Federal Awards					<u><u>\$ 4,378,927</u></u>

See accompanying note to schedule of expenditures of federal awards.

## CITY OF ROSWELL, GEORGIA

### NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2011

---

#### (1) Summary of Significant Accounting Policies

##### *Basis of Presentation and Accounting*

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related Fund liability is incurred.

In instances where the grant agreement requires the City to match grant awards with City funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.



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

---

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roswell, Georgia (the "City") as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 15, 2012. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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.

**Internal Control Over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

---

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2011-1, 2011-2, 2011-3, and 2011-4 to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 item 2011-5 and 2011-6.

---

We noted certain matters that we reported to management of the City in a separate letter dated March 15, 2012.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Mayor and City Council of the City of Roswell, Georgia, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
March 15, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

---

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

**Compliance**

We have audited the City of Roswell, Georgia's (the "City's") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City'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. Our audit does not provide a legal determination of the City's compliance with those requirements.

---

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

---

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Mayor and City Council of the City of Roswell, Georgia, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
March 15, 2012



# CITY OF ROSWELL, GEORGIA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2011

---

### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### **Federal Awards**

Internal Control over major programs:  
Material weaknesses identified?  yes  no

Significant deficiencies identified not considered  
to be material weaknesses?  yes  none reported

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

Any audit findings disclosed that are required to  
be reported in accordance with OMB Circular  
A-133, Section 510(a)?  yes  no

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

**SECTION I**  
**SUMMARY OF AUDIT RESULTS (CONTINUED)**

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction Grant
14.228	Neighborhood Stabilization Project
66.468	Capitalization Grant for Drinking Water State Revolving Funds – ARRA
81.128	Energy Efficiency and Conservation Block Grant - ARRA

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes      X   no

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2011-1 Timely and Accurate Cash Reporting**

**Criteria:** Timely and accurate cash reporting of all funds included in the financial statements of the City is imperative to facilitate informed financial decisions by the City's management and those with oversight over management. Additionally, accounting principles generally accepted in the United States of America (GAAP) require a proper cutoff of cash for reporting in the City's financial statements.

**Condition:** Internal controls and cash reporting procedures were not sufficient to facilitate the accurate and timely reporting of the City's overall cash position and results of operations for several months throughout the year ended June 30, 2011. Additionally, we noted during our audit procedures that management had not accurately posted general ledger adjustments associated with reconciling bank statements to the City's general ledger accounts prior to providing us with the detailed information for our testing.

**Context/Cause:** The primary and most significant cash reporting internal control procedure pertains to the cash bank reconciliation process. The bank reconciliation process was assigned to personnel within the Finance Department that did not have the experience to properly prepare these reconciliations, along with a lack of oversight and supervision by the Finance Director. This did not allow for the cash bank reconciliation process for the General Fund and Participant Recreation Funds' main operating accounts to be completed correctly and in a timely manner for several months throughout the year ended June 30, 2011. The City cash bank reconciliations for June 2011 were not provided to us until November 2011. The delay in cash reporting procedures caused the City's year-end closing process, and, therefore, the audit, to be significantly delayed. Additionally, once the bank reconciliations and related general ledgers for the affected funds were provided for auditing, we noted certain audit adjustments that were required to correct current year amounts. Several transactions were not properly reported on the general ledger causing the General Fund's cash balance to be understated and the Participant Recreation's cash balance to be overstated.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-1 Timely and Accurate Cash Reporting (Continued)**

**Effects:** The City was unable to report timely, accurate financial information for several months throughout the year. Additionally, audit adjustments totaling approximately \$670,000 were needed to correctly report the City's cash balances as of June 30, 2011.

**Recommendation:** Proper general ledger and bank reconciliation maintenance for cash is imperative to ensure that the City's financial transactions are reported correctly, and that accurate financial information is provided to management and the City Council. The City should take the necessary steps to ensure that bank reconciliations are properly reconciled to the general ledger balances, on a monthly basis, and that cash transactions are timely posted to the City's general ledger. Additionally, proper review and approval of each month's bank reconciliations should be conducted by independent personnel with adequate skill and knowledge to ensure accuracy.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure that all bank reconciliations are prepared timely and correctly, and that all financial data and information is properly recorded in the general ledger.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-2 Capital Assets Reporting**

**Criteria:** Internal controls should be in place to ensure that the subsidiary ledgers of the City are properly maintained to correctly account for capital assets in accordance with GAAP for governmental entities.

**Condition:** Internal controls were not sufficient to detect misstatements in the reporting of the City's capital assets as of June 30, 2011.

**Context/Cause:** During our testing, an audit adjustment was required to correct current year amounts. An adjustment for approximately \$686,000 was required to properly record a transfer of a construction project from governmental activities' capital assets to the Water and Sewer Fund.

**Effects:** The misstatement caused by the lack of adequate subsidiary ledger maintenance was approximately \$686,000 for the year ended June 30, 2011.

**Recommendation:** We recommend the City carefully review all subsidiary ledgers related to capital assets to ensure they are properly accounting for and reporting the transactions in accordance with governmental accounting standards.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure the subsidiary ledgers are properly maintained and capital assets are properly recorded.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-3      Accrued Liability Reporting**

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

**Condition:** Internal controls were not sufficient to detect certain misstatements in the reporting of the City's proprietary fund accrued liabilities.

**Context/Cause:** As part of an intergovernmental agreement with Fulton County, Georgia, the City bills citizens for sewer treatment and remits ninety percent of the billings to Fulton County, Georgia for waste treatment. During our testing of accrued liabilities, an audit adjustment was required to correct the accrued sewer fee liability account in the Water & Sewer Fund. The year-end calculation of the accrued sewer fee liability as calculated by the City did not include June 2011 collections which were unremitted as of June 30, 2011.

**Effects:** An audit adjustment for approximately \$87,000 was needed to correctly report accrued liabilities.

**Recommendation:** We recommend the City carefully review all sewer billings and collections to ensure that the accrued sewer liability is reported at the proper amount in accordance with the related intergovernmental agreement with Fulton County, Georgia.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure that the sewer accrued liability is properly recorded.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-4 Revenue Recognition**

**Criteria:** Internal controls should be in place to ensure that the amounts reported as revenues and deferred revenues are appropriate and properly valued.

**Condition:** Internal controls were not sufficient to detect misstatements in the reporting of the City's revenues and deferred revenues.

**Context/Cause:** During our testing, an audit adjustment was required to correct current year grant revenue and deferred revenue amounts. Revenue and deferred revenue in the American Stimulus Recovery Fund required an adjustment of approximately \$72,000 to properly report balances relating to grant funds received in advance.

**Effects:** An adjustment for approximately \$72,000 was needed to correctly report revenues and deferred revenues in the American Stimulus Recovery Fund.

**Recommendation:** We recommend the City carefully review all revenues and deferred revenues to ensure they are reported in the proper reporting period, properly valued, and in accordance with generally accepted accounting principles.

**Auditee's Response:** We concur with the finding. We will take necessary steps in the future to ensure that revenues and deferred revenues are properly recorded.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-5 Collateralization of Deposits**

**Criteria:** Policies should be in place to ensure all financial institutions holding cash deposits of City funds properly insure and/or collateralize those deposits in accordance with state law, at all times of the fiscal year.

**Condition:** As of June 30, 2011, the City had approximately \$1,745,000 in deposits that were not properly collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c).

**Context/Cause:** The deposits with a financial institution exceeded the limit for federal depository insurance coverage and were not sufficiently collateralized in accordance with State of Georgia law. This was caused by several of the City's accounts not being coded as public funds, and thus not having adequate pledging of collateral.

**Effects:** The failure of a financial institution to fully insure or collateralize the deposits could result in a financial loss to the City, should the financial institution fail.

**Recommendation:** The City should ensure that all deposits with its financial institutions are properly coded as public funds. The City should also monitor its deposits on an on-going basis to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with State statutes.

**Auditee's Response:** We concur. The balances in question will be properly reflected as public funds and will be fully collateralized within State requirements. The City will ensure all deposits are properly coded as public funds and will monitor deposits on a monthly basis to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with State statutes.



**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-6 Governmental Fund Budgets**

**Criteria:** State of Georgia law (OCGA 36-81-3) states:

- a) Each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article;
- b) a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

**Condition:** State law requires local governments to adopt annual appropriated balanced budgets for all governmental funds. Management did not operate under a balanced budget for the Federal Grants Fund and American Stimulus Recovery Fund, which are reported as special revenue funds for the fiscal year ended June 30, 2011.

**Context/Cause:** The beginning fund balances in the Federal Grants Fund and American Stimulus Recovery Fund were deficits of \$709,000 and 115,000, respectively. The City adopted budgets to utilize fund balance reserves to fund current period expenditures in the amount of \$1,581,000 in the Federal Grants Fund and \$1,800,000 in the American Stimulus Recovery Fund. Additionally, the City did not amend the original budget in either fund in amounts sufficient to ensure the City was operating under an annual balanced budget.

**Effects:** The City failed to operate under an annual balanced budget, which has resulted in a compliance violation with State law.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

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

**2011-6      Governmental Fund Budgets (Continued)**

***Recommendation:*** We recommend the City timely adopt and operate under balanced budgets for all governmental funds reported in the financial statements.

***Auditee's Response:*** We concur with the finding. We will take necessary steps in the future to ensure that all governmental funds have budgets appropriately adopted.

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

None Reported.

**CITY OF ROSWELL, GEORGIA**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

---

None Reported.