

CITY OF ROSWELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2015

Prepared By:
The City of Roswell Finance Department

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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



December 18, 2015

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, 2015. 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 Mauldin & Jenkins, LLC to complete the audit of the 2015 fiscal year, and the auditor’s unmodified opinion has been included in this report.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Roswell for the fiscal year ended June 30, 2015, 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 unmodified opinion that the City of Roswell and its component units’ financial statements for the fiscal year ended June 30, 2015 are fairly presented and conform to accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

The City 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, 2015. 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, the Downtown Development Authority, Historic Roswell Convention & Visitors Bureau, Inc., and Friends of Bulloch, Inc. are reported as discretely presented component units at June 30, 2015.

The City operates under a charter adopted in 1854 and revised on April 19, 2000, which provides for a Mayor-Council form of government with a city administrator. Roswell's City Council is comprised of six dedicated individuals who, elected at large, work together to make Roswell a better place to live, work and play. Overseeing policy making decisions, the City Council approves the annual budget, determines the millage rate, acts on rezoning and annexation and approves various ordinances. Council members also serve on City committees that give them the opportunity to learn critical details of projects and services that they will eventually vote upon in Regular and Zoning Council meetings.

The City of Roswell, Georgia is located in northern Fulton County, 20 miles north of the City of Atlanta. Fulton County is the central and most populous county in Georgia. The City of Roswell has a land area of 42 square miles and has an unparalleled quality of life for its 94,089 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.

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

Roswell's recreation and parks services are second to none in the State of Georgia. From the hundreds of programs offered to residents to the City's beautiful trail system, no other park system in the state matches Roswell's. Roswell has 912 acres of parkland, 10 acres per 1,000 residents. This exceeds the national recommendation of 7 acres per 1,000 residents. Roswell Recreation and Parks Department is nationally accredited. For five consecutive years, the City of Roswell's Recreation, Parks, Historic & Cultural Affairs Department has been named as a finalist for the National Gold Medal Award for Excellence in Park and Recreation Management by The American Academy for Park and Recreation Administration, in partnership with the National Recreation and Park Association. It has received the Georgia Recreation and Parks Association Agency of the Year designation for nine years. They have also received the USA Track and Field Georgia Association Green Space Award and were named "Community Wildlife Habitat" by the National Wildlife Federation in 2013.

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

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

DID YOU KNOW:

Roswell has earned a “AAA” bond rating, the highest possible rating, consistently each year since 2000?

Quality of life for a community begins with a feeling of safety in our homes and in our streets. The City of Roswell has one of the lowest crime rates in the state and is consistently ranked as one of the safest cities in the entire Southeast. In 2006, Roswell was named the 18th Safest City in the United States and the safest city in Georgia. This is not the first time our City has received this accolade. We achieve this milestone each year through a well-trained and dedicated police force, and innovative technology.

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

Roswell continues to be a leader in the metro Atlanta area in managing the current and future growth of our wonderful city. We are fortunate to have leaders who concentrate their policy making into solid guidelines for smart growth and development. The Community Development Department is responsible for carrying out those guidelines. The City has implemented a number of projects that will enhance our community. These projects include receiving a \$2.3 million LCI Grant from the Atlanta Regional Commission to fund the redevelopment of the Roswell Midtown from Norcross Street to Commerce Parkway, completion of the Transportation Master Plan, and the Town Square area Design Charettes. The Community Development Department also oversees building inspections and code enforcement. Roswell’s enforcement of building codes with respect to apartments is the model for metro Atlanta.

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

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

Roswell preserves its rich past and heritage within a vibrant contemporary culture with a 640-acre Historic District. People are encouraged to get out of their cars to stroll along brick-paved, tree-lined sidewalks. Tourists and day visitors, drawn to Roswell’s many historic homes and sites, often stay to dine and shop in a number of popular restaurants, trendy art galleries, shops and offices. Sponsored by the Merchants Association, “Alive after Five” entices neighbors and visitors 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 of the Council occurs every two years. While all six Council Members are elected at large, all must reside within the City of Roswell. The Mayor is elected to a term of four years to serve on a part-time basis. It is the duty of the Council members, in general, to set policy and millage rates, approve budgets, pass ordinances, and to hear and act on requests for rezoning and annexation.

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

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

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

Local Economy

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

Roswell is fortunate to have a stable list of large employers such as Verizon Wireless, Kimberly-Clark, and General Motors IT Innovation Center. Actually, there are a number of companies announcing relocations and expansions to North Fulton, which increase job opportunities and secure an economic vitality. One such new company is Fiserv, a financial services technology company, and Halyard Health. Fiserv is moving 2,000 jobs from Gwinnett to North Fulton and adding an additional 500 positions over the next few years. Halyard Health moved its headquarters this year and brought 200 positions.

Additionally, Comcast is growing in North Fulton adding 150 to 200 new tech support staffers. Gwinnett Tech opened a campus in North Fulton, while Ebix, Inc., an international supplier of on-demand software and E-commerce services, moved its global headquarters bringing 450 new jobs over the next five years.

Roswell's City Walk by Lennar Multi-Family Corporation is finalizing construction a large piece of residential aspect of the new Groveway multi-use community. This includes 320 luxury units with one, two and three bedrooms. This urban style living is expected to attract primarily young professionals and empty nesters. It will increase the diversity of housing options and improve walkability in the downtown area. Lennar has seen the potential of Roswell's future and has made a sizable investment in order to become part of the ever growing community.

North Fulton County's business climate is characterized by available, affordable buildings and developable sites, a well-educated workforce, and a comprehensive array of business services and benefits. Fully-prepared and beautifully landscaped business parks are located here, providing a range of spaces at competitive leasing rates.

In the past, large population growth would likely result in further sprawl with the expansion of residential neighborhoods and chain-filled shopping centers. Now, however, local municipalities are looking inward and taking stock of their resources. They are reinvesting in current properties and implementing creative new zoning practices that will improve the quality of life within the cities. Roswell's new and updated UDC, or Unified Development Code, is an invaluable tool in the redevelopment efforts. It allows for mixed-use zoning and simplifies the processes that have

**LOCAL
ECONOMIC
CONDITIONS
AND
OUTLOOK**

**DID YOU
KNOW:**

Companies such as Verint Americas, GM IT Innovation Center and Prommis Solutions are among a list of firms that chose to call Roswell home for their corporate offices?

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

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

Another planned mixed use project is Peridot, which would sit on a 47-acre tract at the corner of Morrison Parkway and Haynes Bridge road, abutting Ga. 400 on the south. It would contain restaurants, retail, a hotel, almost half a million square feet of office space, and 470 townhomes and condos. When built, nearly 2,000 jobs are expected to come with it.

Furthermore, the Georgia 400 Corridor is attracting major businesses to the area in larger numbers and diversity that ever before, particularly in the IT and medical industries. These corporations bring thousands of jobs to the area and provide opportunity for the highly skilled, highly educated workforce to thrive. This promotes affluence within the communities and further drives the local economics forward. Given Roswell's access to GA 400 and proximity to Perimeter Center, Buckhead, Midtown and Downtown Atlanta, the city is well situated to capitalize on future expansion and relocation.

Financial Planning

Prudent decision-making and good business actions have resulted in the City of Roswell's maintaining customer expectation for government services, sustaining a level of three (3) months of operating expenditures in the general fund, rolling back M&O property tax millage rates in 2005, and maintaining this roll-back through 2015. Communication is the key to success as it has proven with the City's finances. The City uses various methods to monitor the City's finances. The Budget Office focuses on maintaining the financial health and integrity of the City through the development of fiscally prudent budgets, forecasting models, and other planning efforts, along with an effort to promote the best management, planning and financial practices throughout the City's departments. The City government has earned a "AAA" bond rating, the highest possible rating, consistently each year since 2000.

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

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

The Budget Office's development of the FY 2015 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.

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.

Long-term
Financial
Planning



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

Major Initiatives

During Fiscal year 2015, the City of Roswell planned and implemented several major initiatives designed to meet the needs for services, improve the overall quality of life and adhere to the Mayor and Council's vision and mission for the City.

Over 100 businesses are taking advantage of an exciting business location incentive available in Roswell's expanded Opportunity Zone with new businesses signing up each month. The program offers the highest and most user-friendly job tax credit in the state. Designation carries dramatic tax advantages. First, businesses in the designated area, or zone, are eligible for the maximum state job tax credit of \$3,500 per employee for five years starting the year of the hire. Second, any legal business is eligible; there are no restrictions on the type of jobs created. Third, only two or more jobs need to be created in any one year to be eligible (other programs require ten), and there is no upper limit on eligible jobs. Fourth, and most significantly, if the company's state income tax liability is insufficient to absorb all of the credits the balance may be taken by retaining employee withholding taxes that would otherwise be paid to the state. This allows the credit to be "cashed out" quickly and easily. The amounts retained by the company from employee withholding are exempt by law from Georgia income tax and may not be subject to federal income tax, so the company gets the full value of the credited dollars. Note that there are flow-through opportunities to pass the credit to partners, shareholders, etc.

The City is implementing its first ever Strategic Economic Development Plan (SEDP) under a partnership with Roswell Inc., which provides economic development services to the City. The plan includes an economic and demographic profile, competitive assessment, organizational and structural analysis, community input, target cluster analysis, marketing assessment, economic development strategy, workforce development strategy, and implementation plan guidelines. Led by an Executive Committee, Roswell Inc. used the plan's guidelines to craft an action plan that is being implemented. The Roswell Downtown Development Authority was reactivated in January 2012, and is at work designing a public space to entice new development around City Hall. The City also added a business start-up incentive program to its economic development incentive program for larger companies.

The Grove Way community behind City Hall continues to experience exciting changes in which the City Community Development Department has been involved. A new luxury apartment complex with concierge-level amenities is completing construction. Also in Groveway, property is currently being developed into cottage and townhouse units.

The rewrite implements 2030 Comprehensive Plan recommendations calling for revitalizing areas in decline, providing additional housing options, and reconciling conflicting rules to attract quality projects. Planning and zoning ordinance issues needed addressing to help make the City's vision a reality. The Unified Development Code (UDC) speaks to contemporary development and zoning practices consistently in a way that is easily understood by administrators, developers, and community members.

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

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

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

Downtown Roswell is a thriving historic center anchored by natural and historic resources. The area centered on Canton Street is home to many local restaurants and boutique retailers in historic buildings. As the downtown has become more active and busy, attention has turned to the area's alleyways which were used irregularly and haphazardly for

parking, vehicular and pedestrian circulation and garbage dumpsters. Businesses increasingly saw these typically unused spaces as useful assets that should be capitalized upon, which motivated the city to create a master plan for these irregular and precious spaces. Based on public and city inputs, the plan created a unique and context-sensitive vision for each of the seven corridors identified. These recommendations included widened sidewalks with space for outdoor dining, branded gateways, infrastructure to support temporary road closures, use of consistent materials and textures, and various parking and circulation modifications all aimed at creating a friendlier, accessible Downtown Roswell. The master plan was adopted by the City in May 2015, along with a first phase implementation plan for improvements to East Alley including permeable pavers for the roadway, brick pavers for expanded sidewalks, removable bollards, tree plantings on Canton Street, and a trash compactor enclosure, among other improvements.

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

Roswell's UDC provides the specific design standards that shape development throughout the city, such as permitted land uses and maximum height. The design guidelines build on UDC standards to address the design quality of new development and changes in the historic district. Considerations include building massing, materials, public amenities, historic rehabilitation and storm water management.

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


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

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



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, 2014. 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-six 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 2015 by the National Purchasing Institute and received their 11th 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 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device. This award is valid for a period of one year only. This award has been received by the City for past twelve (12) fiscal years.

City Recognition

- **Named a Gold Certified Green Community** by the Atlanta Regional Commission for leadership in its environmental and sustainability efforts
- **Named One of the Top Three Cities in the Nation to Raise Your Family:** Roswell was listed third in the book, "Best Places to Raise Your Family," released by Frommer's
- Roswell is ranked as the **18th Safest City in the United States** according to City Crime Rankings
- **Named the 6th Best Place to Retire in the United States** by Black Enterprise Magazine
- **City of Excellence:** Only 50 cities in the state have been honored with the designation by the Georgia Municipal Association
- Designated as a **Bicycle Friendly Community in 2006** by the League of American Bicyclists
- "Money Magazine's" **19th Best Eastern U.S. City to Live:** Roswell was ranked 19th for cities with populations under 100,000
- "Atlanta Magazine's" **Best Place to Live in Metro Atlanta:** Roswell was honored twice by "Atlanta Magazine" as the best place to live in the metro area
- **Internationally Accredited Police Department:** Commission on Accreditation of Law Enforcement Agencies (CALEA)
- **State of Georgia Law Enforcement Certification:** Roswell Police Department
- **Nationally Accredited Recreation and Parks Department:** Commission for Accreditation of Park and Recreation Agencies
- **Preserve America Community Designation:** Honored for its efforts in preserving our historic, cultural, and natural heritage

Awards

- **Trendsetter Award 2006:** Roswell received the award for the Big Creek Wetlands demonstration project from the [Georgia Municipal Association](#)
- **Create Community Award 2005:** The Atlanta Regional Commission's most prestigious award. Roswell was honored for its efforts in environmental sustainability
- **Georgia Recreation and Parks Agency of the Year:** 1974, 1979, 1984, 1988, 1990, 2000, 2005
- **Tree City USA Award:** The National Arbor Day Foundation

Acknowledgments:

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



Keith Lee
Finance Director



Government Finance Officers Association

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

Presented to

**City of Roswell
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

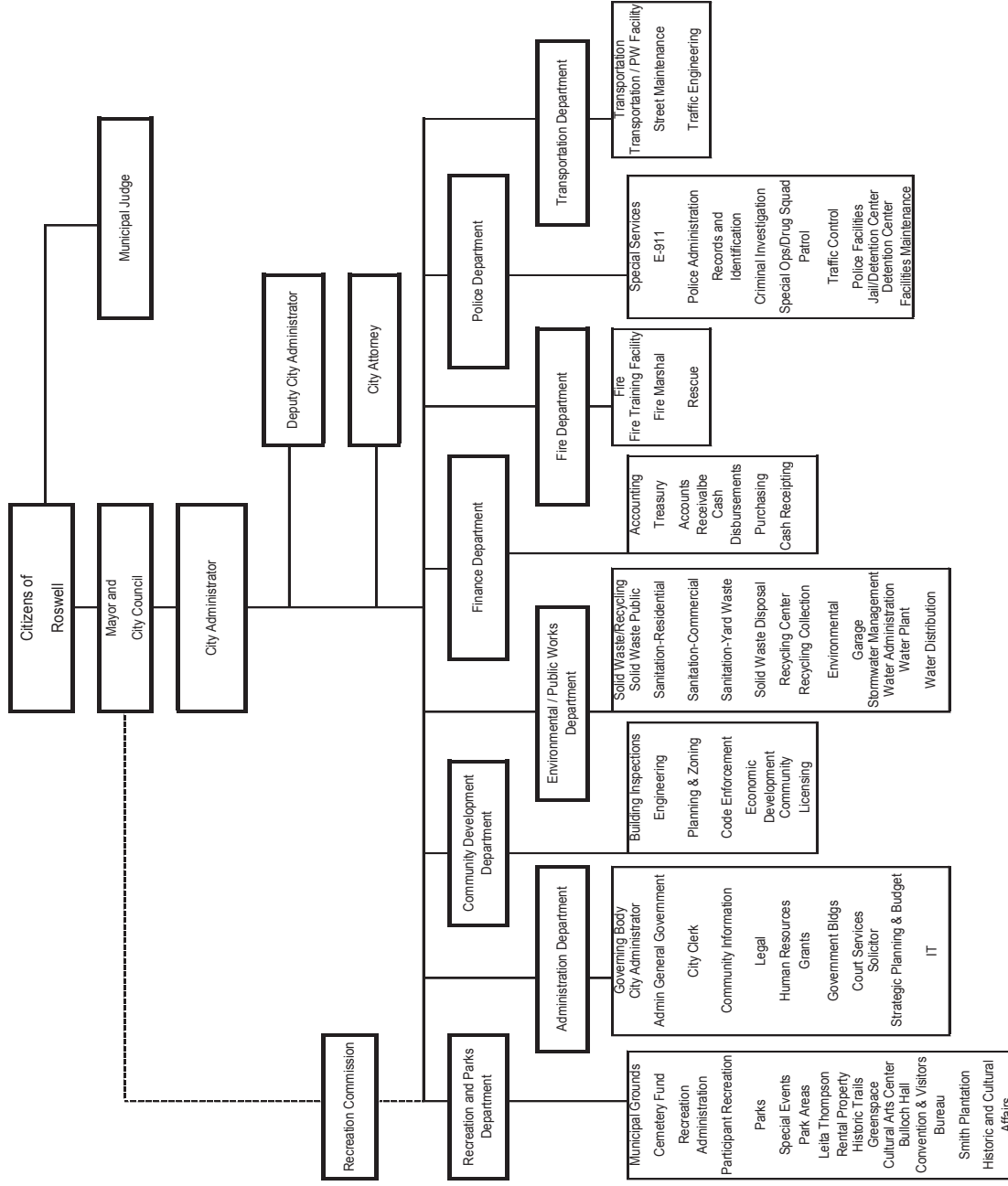
CITY OF ROSWELL, GEORGIA

PRINCIPAL OFFICIALS

June 30, 2015

Kay Love	City Administrator
Michael Fischer	Deputy City Administrator
Alice Wakefield	Community Development Director
Keith Lee	Finance Director
Rick Burnette	Fire Chief
Jim Harner	Human Resources Director
Rusty Grant	Police Chief
Dan Skalsky	Public Works/Environmental Director
Morgan Rodgers	Recreation and Parks Director
Steve Acenbrak	Transportation Director

Organizational chart



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Roswell, Georgia (the "City")**, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roswell, Georgia, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 9 and 15, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the City’s net pension liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the Schedule of Changes in the City’s Net Pension Liability, the Schedule of City Contributions and the Budgetary comparisons for the General Fund and Federal Grants Fund on pages 4 through 14, 59, 60, and 61 and 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Roswell, Georgia's basic financial statements. The combining and individual fund statements and schedules, and the 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. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the City of Roswell, Georgia'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* in considering the City of Roswell, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2015

Management's Discussion and Analysis

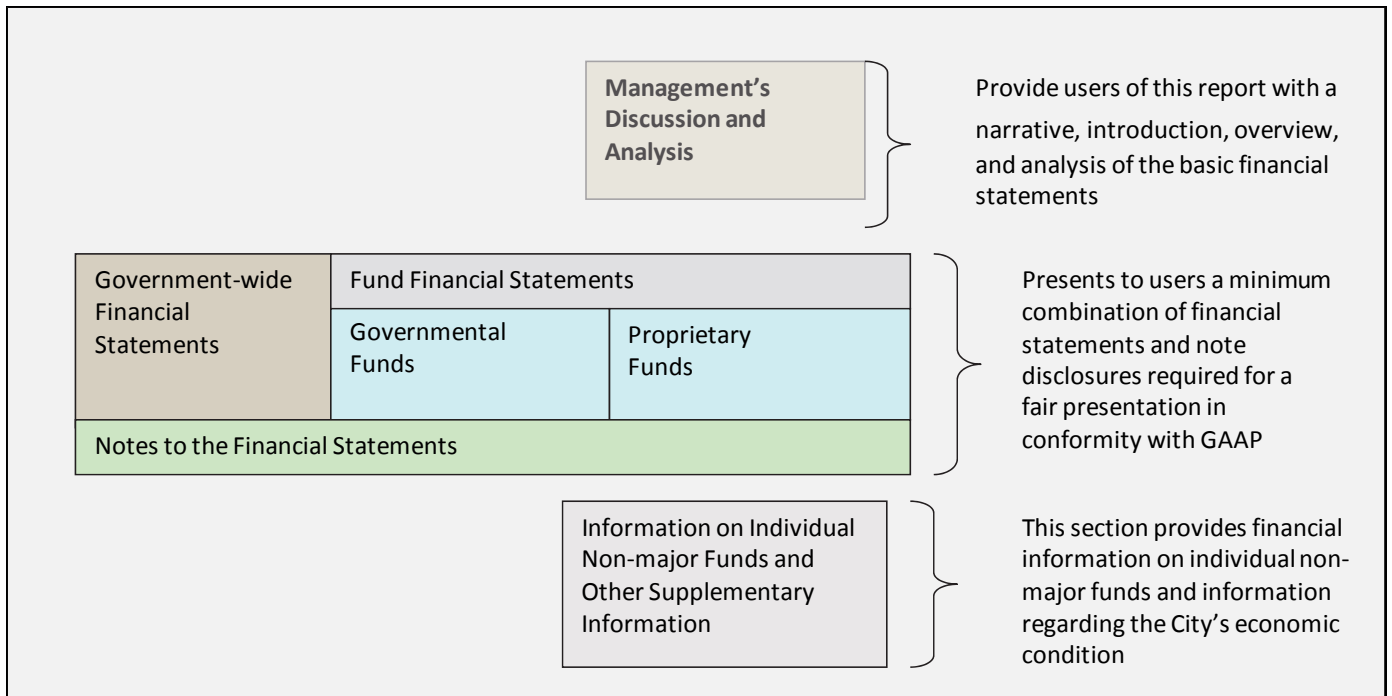
As management of Roswell, Georgia, we offer readers of Roswell's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. This discussion is intended to:

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

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

Overview of the Financial Statements

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



Management's Discussion and Analysis document is intended to serve as an introduction to the City of Roswell's basic financial statements. The basic financial statements include:

- 1) government-wide financial statements;
- 2) fund financial statements; and
- 3) notes to the basic financial statements.

Government-wide Financial Statements

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

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

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

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

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- **Business-type activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water system, environmental waste systems, storm water and participant recreation activities are reported here.
- **Component units** - The City includes four additional separate legal entities in its report – the Historic Roswell Convention & Visitors Bureau, Inc., Development Authority, Inc., Downtown 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 15 and 16 of this report.

Fund Financial Statements

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

The City has two kinds of funds:

- **Governmental funds** – The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements. The City maintains five major and 13 non-major governmental funds. The City's major governmental funds are:
 - General,
 - Federal Grants,
 - Impact Fees,
 - Capital Projects, and
 - Debt Service.

The City's non-major governmental funds are:

- Confiscated Assets,
- Emergency 911,
- State Grants,
- County and Local Grants,
- American Stimulus Recovery Grants,
- CDBG Grants,
- Soil Erosion,
- Hotel/Motel Tax,
- Leita Thompson,
- 2000 Bond,
- 2013 Bond Fund,
- 2014 Bond Fund, and
- Scholarship.

The basic governmental fund financial statements are presented on pages 17 through 19 of this report.

- **Proprietary funds** – The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as cash flows. These are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City maintains four enterprise funds:
 - Water and Sewer,
 - Solid Waste,
 - Storm Water, and
 - Participant Recreation.
- **Internal service funds** – These funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis. The City has four of the fund types: Workman's Compensation, Risk Management, Group Health and Fleet Services.

The proprietary fund financial statements are presented on pages 20 through 22 of this report.

Notes to the Basic Financial Statements

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Budgetary Presentations

Budgetary comparison statements are included as "required supplementary information" for the general fund and 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.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented as supplementary financial information beginning on page 59.

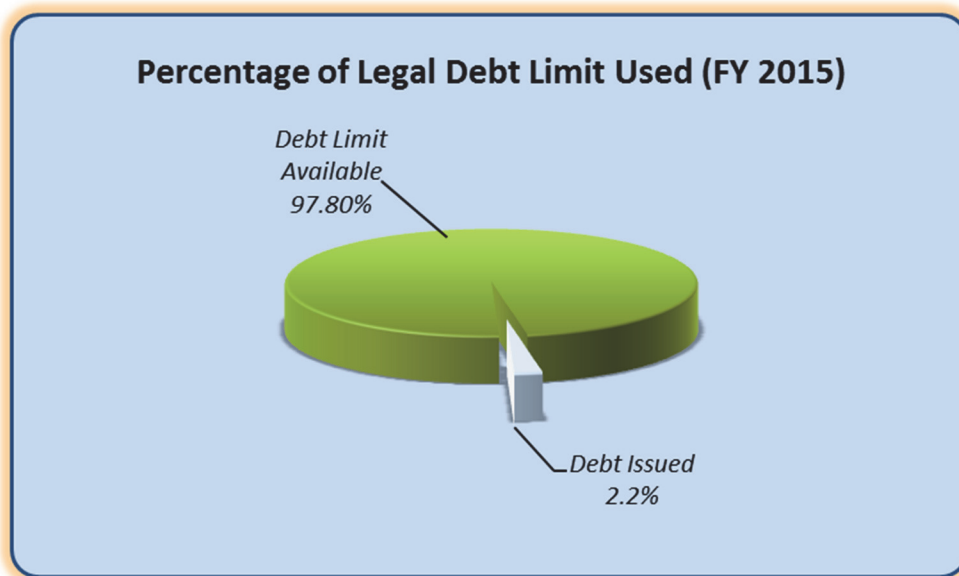
Within this section of the City of Roswell, Georgia's (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$250,230,041 (net position) for the fiscal year reported. Of this amount, \$34,016,253 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- Total net assets are comprised of the following:
 - 1) Capital assets, net of related debt, of \$196,139,553 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets,
 - 2) Net position of \$ 20,074,235 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations, and
 - 3) At the end of the current fiscal year, unrestricted net position decreased from \$50,469,231 in fiscal year 2014 to \$34,016,253.

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

The City's total long-term bonds decreased by \$5,365,000 during the current fiscal year. The decrease in the net long-term debt was caused by the payment of principal on General Obligation bonds in FY 2015.



Financial Analysis of the City as a Whole

The financial highlights are explained in more detail in the "financial analysis" section of this document. The City's net position at fiscal year-end 2015 increased 1.45% from \$246,660,750 at June 30, 2014 to \$250,230,041 at June 30, 2015 (See Table 1).

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

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Percentage of Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Assets:								
Current and other assets	\$ 76,737	\$ 82,694	\$ 19,927	\$ 18,754	\$ 96,664	\$ 101,448	31.60%	34.21%
Capital assets	179,128	174,741	30,113	20,321	209,241	195,062	68.40%	65.79%
Total assets	255,865	257,435	50,040	39,075	305,905	296,510	100.00%	100.00%
Deferred outflows of resources	2,329	2,570	441	470	2,770	3,040	100.00%	100.00%
Liabilities:								
Current liabilities	8,824	6,605	5,215	3,179	14,039	9,784	24.82%	18.50%
Long-term liabilities	31,585	39,341	10,931	3,764	42,516	43,105	75.18%	81.50%
Total liabilities	40,409	45,946	16,146	6,943	56,555	52,889	100.00%	100.00%
Deferred inflows of resources	1,589	-	301	-	1,890	-	100.00%	100.00%
Net position:								
Net Investment in capital assets	173,845	166,282	22,295	20,108	196,140	186,390	78.38%	75.57%
Restricted	20,074	27,264	-	-	20,074	27,264	8.02%	11.05%
Unrestricted	22,277	20,513	11,739	12,494	34,016	33,007	13.59%	13.38%
Total net position	\$ 216,196	\$ 214,059	\$ 34,034	\$ 32,602	\$ 250,230	\$ 246,661	100.00%	100.00%

The largest portion of the City's net position (78.38%) at June 30, 2015, reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are not planned to be used to liquidate these liabilities.

An additional portion of the City's net position (8.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$33,007,000 or 13.59%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

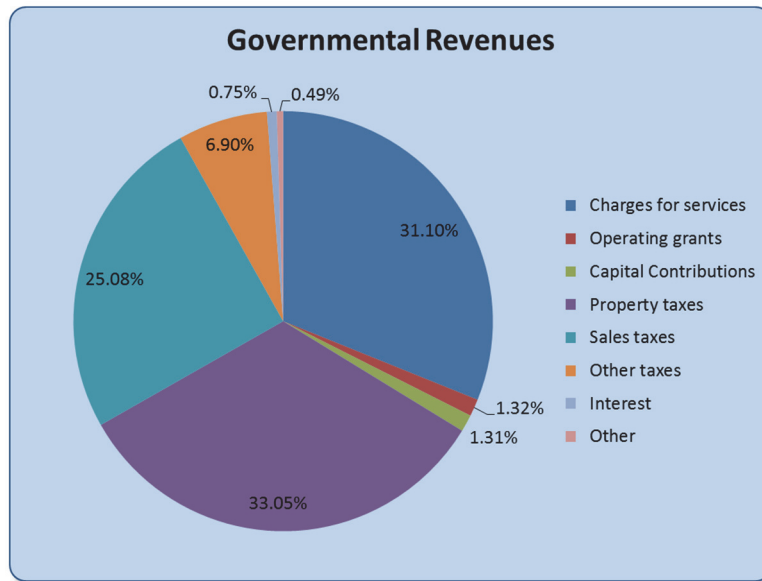
CITY OF ROSWELL'S CHANGES IN NET POSITION

Summary of Changes in Net Position (Table 2)

(in thousands of dollars)

	Governmental Activities		Business Activities		Total		Percentage of Total	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>Revenues:</i>								
<i>Program:</i>								
Charges for services	\$ 9,499	\$ 9,054	\$ 20,220	\$ 19,509	\$ 29,719	\$ 28,563	31.10%	30.88%
Operating grants	1,266	811	-	-	1,266	811	1.32%	0.88%
Capital Contributions	1,248	1,709	-	-	1,248	1,709	1.31%	1.85%
<i>General:</i>								
Property taxes	31,578	31,239	-	-	31,578	31,239	33.05%	33.77%
Sales taxes	23,965	22,835	-	-	23,965	22,835	25.08%	24.68%
Other taxes	6,596	6,453	-	-	6,596	6,453	6.90%	6.98%
Interest	651	587	62	160	713	747	0.75%	0.81%
Other	467	119	-	28	467	147	0.49%	0.15%
Total revenues	75,270	72,807	20,282	19,697	95,552	92,504	100.00%	100.00%
<i>Program Expenses:</i>								
General government	9,033	9,448	-	-	9,033	9,448	9.81%	11.10%
Judicial	1,155	1,265	-	-	1,155	1,265	1.25%	1.49%
Financial services	3,079	1,994	-	-	3,079	1,994	3.35%	2.34%
Planning and zoning	3,625	3,260	-	-	3,625	3,260	3.94%	3.83%
Public safety	26,043	25,881	-	-	26,043	25,881	28.29%	28.00%
Public works	16,115	11,433	-	-	16,115	11,433	17.51%	15.76%
Culture and recreation	13,732	12,767	-	-	13,732	12,767	14.92%	14.99%
Interest	363	525	-	-	363	525	0.39%	0.62%
Water and sewer	-	-	3,122	3,091	3,122	3,091	3.39%	3.63%
Solid waste	-	-	8,868	9,064	8,868	9,064	9.63%	10.65%
Stormwater	-	-	1,631	1,628	1,631	1,628	1.77%	1.91%
Participant Recreation	-	-	5,277	4,788	5,277	4,788	5.73%	5.68%
Total expenses	73,145	66,573	18,898	18,571	92,043	85,144	100%	100%
Excess (deficiency)	2,125	6,234	1,384	1,126	3,509	7,360		
Sale of assets	60	-	-	-	60	-		
Transfers	(48)	(362)	48	362	-	-		
Change in net position	2,137	5,872	1,432	1,488	3,569	7,360		
Beginning net position, restated	214,059	208,187	32,602	31,114	246,661	239,301		
Ending net position	\$ 216,196	\$ 214,059	\$ 34,034	\$ 32,602	\$ 250,230	\$ 246,661		

GOVERNMENTAL REVENUES



The City's governmental activities are heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided 33.05% and sales taxes provided 25.08% of the City's total governmental revenues. Also, note that program revenues cover 17.29% of governmental expenses. This means that the government's taxpayers and the City's other general revenues fund 82.71% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

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

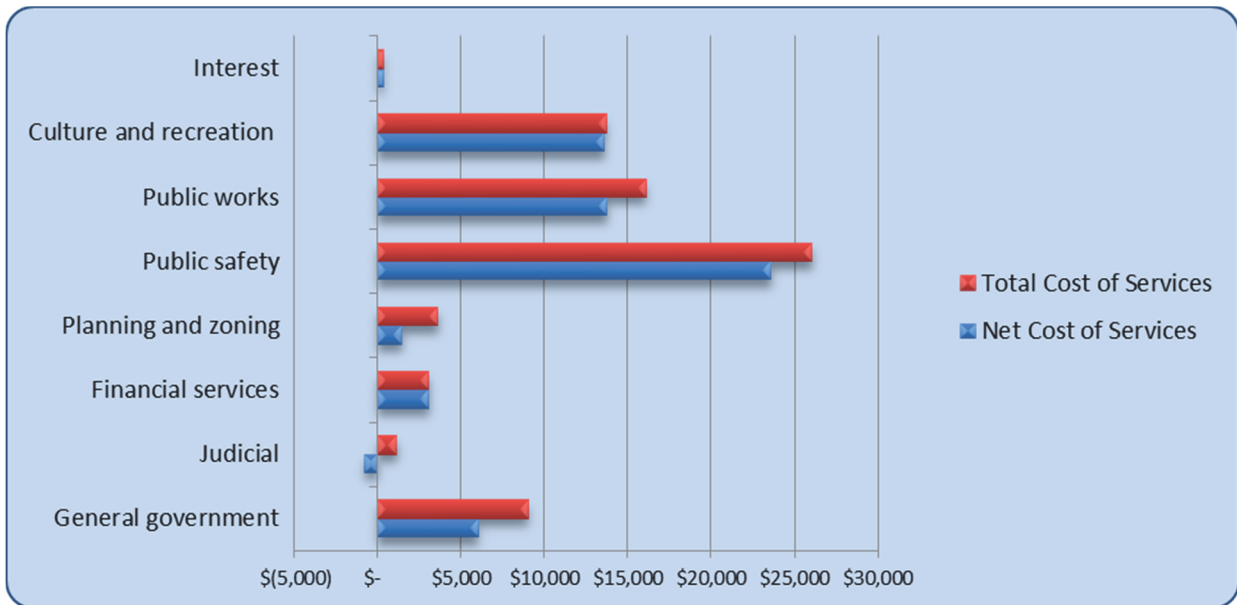
(IN THOUSANDS OF DOLLARS)

	Total Cost of Services		Percentage of Total		Net Cost of Services		Percentage of Total	
	2015	2014	2015	2014	2015	2014	2015	2014
<i>General government</i>	\$ 9,033	\$ 9,448	12.35%	14.19%	\$ 6,033	\$ 6,359	9.87%	11.56%
<i>Judicial</i>	1,155	1,265	1.58%	1.90%	(767)	(437)	-1.25%	-0.79%
<i>Financial services</i>	3,079	1,994	4.21%	2.99%	3,078	1,994	5.04%	3.63%
<i>Planning and zoning</i>	3,625	3,260	4.96%	4.90%	1,466	1,687	2.40%	3.07%
<i>Public safety</i>	26,043	25,881	35.60%	38.88%	23,594	23,735	38.60%	43.16%
<i>Public works</i>	16,115	11,433	22.03%	17.17%	13,754	8,501	22.50%	15.46%
<i>Culture and recreation</i>	13,732	12,767	18.77%	19.18%	13,611	12,635	22.26%	22.97%
<i>Interest</i>	363	525	0.50%	0.79%	363	525	0.59%	0.94%
Total	\$ 73,145	\$ 66,573	100.00%	100.00%	\$ 61,132	\$ 54,999	100.00%	100.00%

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 35.6% of the total governmental expenses. Revenues collected from a variety of sources offset public safety expenses, with the largest being fines and forfeitures. The second largest City cost for government is culture and recreation, totaling over \$13,732 million or 18.77% of governmental expenses.

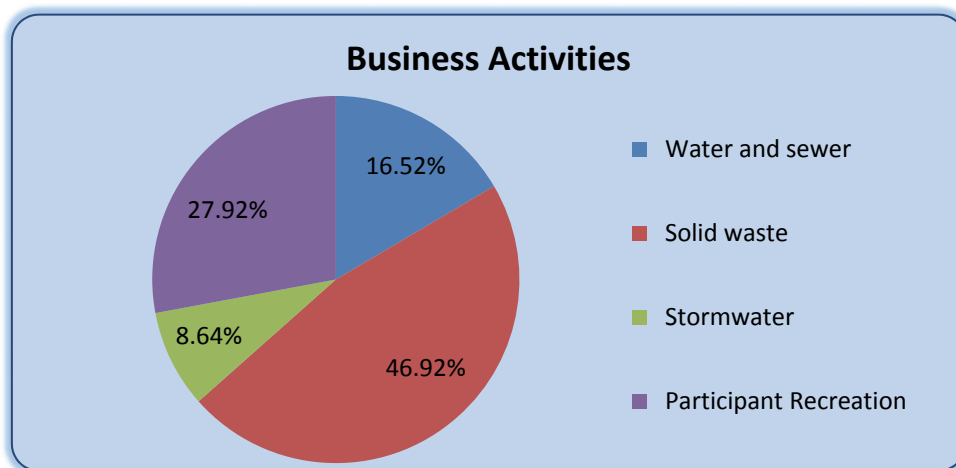
- The cost of all governmental activities this fiscal year was \$73,145,000 compared to \$66,573,000 in fiscal year 2014,
- The revenue amount that paid for most of these activities came from general revenues of the City such as property taxes, sales tax and business taxes (\$62,139,000), and
- Some of the costs were paid by those who benefited directly from the programs (\$9,499,000) and subsidies from other governments and organizations through grants and/or contributions (\$2,514,000).



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The cost of all Proprietary (Business Type) activities this fiscal year was \$18,898,000 as shown in Table 2 (Summary of Changes in Net Position), the amounts paid by the users of the systems were \$20,220,000 and additionally the business-type activities earned \$62,000 from idle cash. Within the total business-type activities of the City, these activities reported an increase in net position of \$1,384,000.



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 \$60,776,000. Of this year-end total, \$4,892,050 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, \$14,636,000 is committed in accordance with the fund balance reserve policy.

Major Governmental Funds

The General Fund is the City's primary operating funds and the largest source of day-to-day service delivery. At the end of the current fiscal year, fund balance of the general fund was \$24,549,816. 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 10% of total general fund expenditures.

Total General Fund revenues were \$64,366,000, or a 3.38% increase from fiscal year 2014. Sales tax revenues increased in fiscal year 2015 by \$1,131,000. Revenue budget projections did not require significant adjustments during the fiscal year.

The Impact Fees Fund's ending fund balance reflects an increase of \$80,634 from prior year while the Debt Service Fund's ending fund balance reflects a decrease of \$1,601,482. The major reason for an increase in the Impact Fee Fund's ending fund balance is increased development activity. The major reason for a decrease in the Debt Service Fund is due to the final payment of the 2008 bonds.

The Capital Projects Fund reflects an ending fund balance decrease of \$3,007,260. The decrease in fund balance is due to project monies that were appropriated, in prior years, for specific projects being spent within the fiscal year.

The Federal Grant Fund has a deficit fund balance of \$443,643. This fund's expenditures were primarily capital expenditures for road and sidewalk construction from federally reimbursable contracts.

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 3.658% above those in fiscal year 2014.

The Water and Sewer Fund's operating revenues are 12.95% above those in fiscal year 2014 and operating expenses were 4.33% less than prior year. The decrease in expenses is \$134,000 and is related to the salary and contract savings.

The Solid Waste Fund's operating revenues are 0.04% more than those in fiscal year 2014 and operating expenses were 3.99% more than the prior year. The decrease in expenses is \$363,000 and is related to salary and contract savings.

The Participant Recreation Fund's operating revenues were 5.13% more when compared to the same time in fiscal year 2014. Operating expenses were 9.297% more than prior year. Both revenue and expense increases are related to demand for services.

The Storm Water Fund's operating revenues were 0.06% higher when compared to the same time in fiscal year 2014. Operating expenses were 0.15% less than prior year.

Budgetary Highlights

The General Fund - The General Fund's final approved revenue budget for FY 2015 was \$61,584,000. The original approved revenue budget was \$61,439,000. The City collected \$2,782,000 above the approved revenue budget. The increase in collection compared to budget projection can be attributed to sales tax collection and Vehicle Title Tax.

The General Funds' final approved expenditure budget for FY 2015 was \$58,096,000. The original approved expenditure budget was \$55,753,000. The City expended 94.32% of the Amended Budget amount. The General Fund actual expenditures were \$3,301,000 less than budgeted. The difference in actual expenditures vs. budgeted is mainly a result of vacant positions.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets, net of accumulated depreciation for governmental and business-type activities as of June 30, 2015, was \$179,128,000 and \$30,113,000 respectively. The major changes to capital assets for FY15 were:

- Capital additions associated with governmental activities were \$4,387,000. Primary capital related expenditures in this category went for construction in progress which was mainly road improvements,
- Capital additions associated with the purchase of vehicles were \$2,045,000 in governmental activities,
- Construction in progress for governmental and business-type activities added \$20,469,000 in additions. Some of the major projects in CIP were:
 - Water Plant,
 - Parks and recreation, additions, and
 - Stormwater Utility.
- Machinery & Equipment added \$1,554,000 in additions.

City of Roswell's Capital Assets (Table4)

(in thousands of dollars)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	\$ 42,102	\$ 42,103	\$ -	\$ -	\$ 42,102	\$ 42,103
Construction in Progress	23,459	13,281	12,921	2,630	36,380	15,911
Total non-depreciable assets	65,561	55,384	12,921	2,630	78,482	58,014
Depreciable assets:						
Land improvements	29,441	29,326	-	-	29,441	29,326
Buildings and plant	74,091	74,026	2,955	2,905	77,046	76,931
Machinery and equipment	14,409	13,823	2,309	2,281	16,718	16,104
Vehicles	19,697	18,433	4,899	4,479	24,596	22,912
Infrastructure	124,854	124,853	16,170	16,170	141,024	141,023
Total depreciable assets	262,492	260,461	26,333	25,835	288,825	286,296
Less accumulated depreciation:	148,925	140,104	9,141	8,144	158,066	148,248
Net book value-depreciated assets	113,567	120,357	17,192	17,691	130,759	138,048
Percentage depreciated	56.74%	53.79%	34.71%	31.52%	54.73%	51.78%
Total Capital Assets	\$ 179,128	\$ 175,741	\$ 30,113	\$ 20,321	\$ 209,241	\$ 196,062

For more information for governmental and business-type activities on the changes in capital assets, see Note 6-A.

At June 30, 2015, the depreciable capital assets for governmental activities were 56.74% depreciated. Note that the business-type activities are 34.71% depreciated.

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$12,872,000, 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, 2015 and 2014
(in thousands of dollars)

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 12,395	\$ 17,760	\$ -	\$ -	\$ 12,395	\$ 17,760
Plus Premium	477	599	-	-	477	599
Claims payable	569	532	-	-	569	532
Compensated absences	2,433	1,846	378	298	2,811	2,144
Net pension liability	14,428	17,159	2,735	3,253	17,163	20,412
Notes Payable	1,283	1,445	7,818	213	9,101	1,658
Total	\$ 31,585	\$ 39,341	\$ 10,931	\$ 3,764	\$ 42,516	\$ 43,105

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

Economic Conditions Affecting the City

The City’s elected and appointed officials considered many factors when adopting the fiscal year 2015 budget, tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The City has supported the activities of “Roswell Inc.”. This endeavor is an expansion of the Historic Roswell’s Convention and Visitors Bureau program of work to promote economic development for the area and promote public interest in the general improvement of business concerns and public perception in the area. The Bureau, through Roswell Inc, is to investigate, develop and make recommendations for improvement to economic development in the area.

The City continues to have a steady flow of newcomers and industry. The average household size is 2.64 persons with a median income of \$79,579. 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 92.20% having a high school education, 55.4% 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.

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CITY OF ROSWELL, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2015**

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 17,478,766	\$ 5,239,509	\$ 22,718,275
Investments	53,151,296	10,242,588	63,393,884
Receivables (net of allowance for uncollectibles)	1,395,015	4,160,165	5,555,180
Taxes receivable	2,495,351	-	2,495,351
Intergovernmental receivables	1,772,855	-	1,772,855
Internal balances	(263,266)	263,266	-
Inventories	114,188	-	114,188
Prepaid items	592,610	21,573	614,183
Capital assets, nondepreciable	65,561,681	12,921,071	78,482,752
Capital assets, depreciable, net of accumulated depreciation	113,566,715	17,191,479	130,758,194
Total assets	255,865,211	50,039,651	305,904,862
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan contributions	2,275,176	431,344	2,706,520
Pension plan experience differences	53,482	10,139	63,621
Total deferred outflows of resources	2,328,658	441,483	2,770,141
LIABILITIES			
Accounts payable	5,484,483	3,544,422	9,028,905
Accrued liabilities	2,820,708	257,180	3,077,888
Retainage payable	518,772	-	518,772
Customer deposits payable	-	942,429	942,429
Unearned revenue	-	470,976	470,976
Noncurrent liabilities due within one year			
Compensated absences payable	1,771,854	267,147	2,039,001
Capital leases	166,568	-	166,568
Bonds payable	1,375,000	-	1,375,000
Noncurrent liabilities due in more than one year			
Compensated absences payable	660,697	110,481	771,178
Capital leases	1,115,699	-	1,115,699
Note payable	-	7,817,818	7,817,818
Claims payable	569,381	-	569,381
Bonds payable	11,497,462	-	11,497,462
Net pension liability	14,428,373	2,735,431	17,163,804
Total liabilities	40,408,997	16,145,884	56,554,881
DEFERRED INFLOWS OF RESOURCES			
Net difference between projected and actual pension plan investment earnings	1,419,458	269,110	1,688,568
Pension plan assumption changes	169,397	32,116	201,513
Total deferred inflows of resources	1,588,855	301,226	1,890,081
NET POSITION			
Net investment in capital assets	173,844,821	22,294,732	196,139,553
Restricted for:			
Debt service	2,602,875	-	2,602,875
Environmental	38,604	-	38,604
Culture and recreation	1,648,995	-	1,648,995
Transportation	1,764,789	-	1,764,789
Public safety	4,537,235	-	4,537,235
Capital projects	9,426,561	-	9,426,561
Cemetery maintenance	19,944	-	19,944
Scholarship - nonexpendable	25,000	-	25,000
Scholarship - expendable	10,232	-	10,232
Unrestricted	22,276,961	11,739,292	34,016,253
Total net position	\$ 216,196,017	\$ 34,034,024	\$ 250,230,041

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

Component Units			
Friends of Bulloch, Inc.	Historic Roswell Convention & Visitors Bureau, Inc.	Development Authority	Downtown Development Authority
\$ 74,239	\$ 457,094	\$ 13,533	\$ 117,334
14,967	-	-	-
-	2,341	-	-
-	-	-	-
-	-	-	-
25,088	-	-	-
6,072	2,555	-	-
-	-	-	-
-	23,562	-	-
<u>120,366</u>	<u>485,552</u>	<u>13,533</u>	<u>117,334</u>
-	-	-	-
-	-	-	-
-	-	-	-
8,744	19,008	-	23,858
1,325	6,341	-	-
-	-	-	-
56,266	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>66,335</u>	<u>25,349</u>	<u>-</u>	<u>23,858</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	23,562	-	-
-	-	-	-
-	436,641	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
54,031	-	13,533	93,476
<u>\$ 54,031</u>	<u>\$ 460,203</u>	<u>\$ 13,533</u>	<u>\$ 93,476</u>

CITY OF ROSWELL, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 9,033,174	\$ 2,967,699	\$ 32,643	\$ -
Judicial	1,154,570	1,921,393	-	-
Financial services	3,078,496	-	-	-
Public safety	26,043,486	2,304,913	144,750	-
Public works	16,114,601	488,263	624,068	1,247,866
Planning and zoning	3,625,467	1,720,972	438,961	-
Culture and recreation	13,732,122	95,508	25,875	-
Interest on long-term debt	363,187	-	-	-
Total governmental activities	73,145,103	9,498,748	1,266,297	1,247,866
Business-type activities:				
Water and sewer	3,121,843	3,670,869	-	-
Solid waste	8,867,607	8,673,227	-	-
Participant recreation	5,277,249	4,812,441	-	-
Stormwater	1,631,528	3,063,860	-	-
Total business-type activities	18,898,227	20,220,397	-	-
Total primary government	\$ 92,043,330	\$ 29,719,145	\$ 1,266,297	\$ 1,247,866
Component units:				
Friends of Bulloch, Inc.	\$ 195,337	\$ 207,963	\$ 1,442	\$ -
Historic Roswell Convention & Visitors Bureau	1,394,300	190,134	515,000	-
Development Authority	-	-	-	-
Downtown Development Authority	48,410	-	-	-
Total component units	\$ 1,638,047	\$ 398,097	\$ 516,442	\$ -
General revenues:				
Property taxes				
Sales and use taxes				
Hotel/motel taxes				
Business taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-type Activities	Total	Friends of Bulloch, Inc.	Historic Roswell Convention & Visitors Bureau, Inc.	Development Authority	Downtown Development Authority
\$ (6,032,832)	\$ -	\$ (6,032,832)	\$ -	\$ -	\$ -	\$ -
766,823	-	766,823	-	-	-	-
(3,078,496)	-	(3,078,496)	-	-	-	-
(23,593,823)	-	(23,593,823)	-	-	-	-
(13,754,404)	-	(13,754,404)	-	-	-	-
(1,465,534)	-	(1,465,534)	-	-	-	-
(13,610,739)	-	(13,610,739)	-	-	-	-
(363,187)	-	(363,187)	-	-	-	-
<u>(61,132,192)</u>	<u>-</u>	<u>(61,132,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	549,026	549,026	-	-	-	-
-	(194,380)	(194,380)	-	-	-	-
-	(464,808)	(464,808)	-	-	-	-
-	1,432,332	1,432,332	-	-	-	-
-	1,322,170	1,322,170	-	-	-	-
<u>(61,132,192)</u>	<u>1,322,170</u>	<u>(59,810,022)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	14,068	-	-	-
-	-	-	-	(689,166)	-	-
-	-	-	-	-	-	(48,410)
-	-	-	14,068	(689,166)	-	(48,410)
-	-	-	-	-	-	-
31,578,426	-	31,578,426	-	-	-	-
23,964,866	-	23,964,866	-	-	-	-
993,229	-	993,229	-	542,782	-	-
5,602,776	-	5,602,776	-	-	-	-
651,055	62,016	713,071	-	-	10	62
60,113	-	60,113	-	-	-	-
466,832	-	466,832	5,627	-	-	-
(47,973)	47,973	-	-	-	-	-
<u>63,269,324</u>	<u>109,989</u>	<u>63,379,313</u>	<u>5,627</u>	<u>542,782</u>	<u>10</u>	<u>62</u>
2,137,132	1,432,159	3,569,291	19,695	(146,384)	10	(48,348)
214,058,885	32,601,865	246,660,750	34,336	606,587	13,523	141,824
<u>\$ 216,196,017</u>	<u>\$ 34,034,024</u>	<u>\$ 250,230,041</u>	<u>\$ 54,031</u>	<u>\$ 460,203</u>	<u>\$ 13,533</u>	<u>\$ 93,476</u>

CITY OF ROSWELL, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS	General	Federal Grants	Impact Fees	Capital Projects
Cash and cash equivalents	\$ 3,169,934	\$ -	\$ 687,581	\$ 2,314,443
Investments	20,025,106	-	3,997,143	15,093,020
Receivables (net of allowance for uncollectibles)	990,914	-	6,770	35,075
Taxes receivable	2,394,699	-	-	-
Intergovernmental receivables	-	1,542,221	-	-
Due from other funds	3,254,747	-	-	-
Inventories	114,188	-	-	-
Prepaid items	263,346	1,440	-	70,698
Total assets	\$ 30,212,934	\$ 1,543,661	\$ 4,691,494	\$ 17,513,236
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,619,017	\$ 140,356	\$ 24,499	\$ 999,058
Accrued liabilities	1,848,018	511	-	-
Retainage payable	-	170,021	4,795	39,208
Due to other funds	-	1,232,772	-	-
Advances from other funds	1,218,564	-	-	-
Total liabilities	4,685,599	1,543,660	29,294	1,038,266
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	624,432	-	-	-
Unavailable revenue - other	353,087	-	-	-
Unavailable revenue - intergovernmental	-	443,644	-	-
Total deferred inflows of resources	977,519	443,644	-	-
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepays	263,346	1,440	-	70,698
Inventories	114,188	-	-	-
Permanent fund corpus	-	-	-	-
Restricted:				
Public safety	-	-	2,072,960	-
Culture and recreation	-	-	1,088,699	-
Environmental	-	-	-	-
Transportation	-	-	1,500,541	-
Cemetery maintenance	19,944	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Scholarship	-	-	-	-
Committed:				
Culture and recreation	-	-	-	-
Environmental	587,165	-	-	-
Stabilization	14,635,507	-	-	-
Promotion of tourism	213,000	-	-	-
Assigned:				
Capital projects	-	-	-	16,404,272
FY 2016 expenditures	2,811,189	-	-	-
General government	88,563	-	-	-
Financial services	-	-	-	-
Judicial	2,595	-	-	-
Planning and zoning	80,447	-	-	-
Public safety	108,057	-	-	-
Public works	63,373	-	-	-
Culture and recreation	117,083	-	-	-
Unassigned	5,445,359	(445,083)	-	-
Total fund balances	24,549,816	(443,643)	4,662,200	16,474,970
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,212,934	\$ 1,543,661	\$ 4,691,494	\$ 17,513,236

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.

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

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

The deferred outflows of resources, deferred inflows of resources, and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.

Net position of governmental activities

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

Debt Service	Nonmajor Governmental Funds	Total
\$ 2,493,476	\$ 6,858,101	\$ 15,523,535
-	9,301,747	48,417,016
9,296	322,659	1,364,714
100,652	-	2,495,351
-	230,634	1,772,855
-	27	3,254,774
-	-	114,188
-	16,813	352,297
<u>\$ 2,603,424</u>	<u>\$ 16,729,981</u>	<u>\$ 73,294,730</u>

\$ 549	\$ 2,455,354	\$ 5,238,833
-	30,167	1,878,696
-	304,748	518,772
-	716,489	1,949,261
-	-	1,218,564
<u>549</u>	<u>3,506,758</u>	<u>10,804,126</u>

82,879	-	707,311
-	8,317	361,404
-	202,532	646,176
<u>82,879</u>	<u>210,849</u>	<u>1,714,891</u>

-	16,813	352,297
-	-	114,188
-	25,000	25,000
-	2,464,275	4,537,235
-	560,296	1,648,995
-	38,604	38,604
-	156,643	1,657,184
-	-	19,944
2,519,996	-	2,519,996
-	9,426,561	9,426,561
-	10,232	10,232
-	158,127	158,127
-	264,049	851,214
-	-	14,635,507
-	-	213,000
-	-	16,404,272
-	-	2,811,189
-	-	88,563
-	-	-
-	-	2,595
-	-	80,447
-	-	108,057
-	-	63,373
-	-	117,083
-	(108,226)	4,892,050
<u>2,519,996</u>	<u>13,012,374</u>	<u>60,775,713</u>

<u>\$ 2,603,424</u>	<u>\$ 16,729,981</u>
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179,128,396
5,212,311
1,714,891
(17,239,999)
(13,395,295)
\$ 216,196,017

CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Federal Grants</u>	<u>Impact Fees</u>	<u>Capital Projects</u>
Revenues:				
Taxes	\$ 56,835,833	\$ -	\$ -	\$ -
Licenses and permits	2,464,529	-	-	-
Intergovernmental	131,062	1,496,843	-	624,068
Fines and forfeitures	1,921,393	-	-	-
Charges for services	2,258,944	-	-	-
Impact fees	-	-	454,941	-
Investment earnings	326,563	-	88,876	110,426
Contributions	25,875	-	-	-
Miscellaneous	401,655	-	-	15,691
Total revenues	<u>64,365,854</u>	<u>1,496,843</u>	<u>543,817</u>	<u>750,185</u>
Expenditures:				
Current:				
General government	8,631,079	3,467	-	394,998
Judicial	976,429	-	-	-
Financial services	2,186,596	-	-	-
Public safety	22,485,566	25,984	-	-
Public works	7,361,648	182,458	7,107	962,481
Planning and zoning	2,784,895	-	-	45,600
Culture and recreation	9,693,553	14,736	-	2,039
Capital outlay	-	1,787,629	456,076	10,729,245
Debt service:				
Principal	163,112	-	-	-
Interest and fiscal charges	31,131	-	-	-
Total expenditures	<u>54,314,009</u>	<u>2,014,274</u>	<u>463,183</u>	<u>12,134,363</u>
Excess (deficiency) of revenues over expenditures	10,051,845	(517,431)	80,634	(11,384,178)
Other financing sources (uses):				
Proceeds from sale of capital assets	109,599	-	-	-
Transfers in	116,284	748,954	-	8,376,918
Transfers out	(8,729,129)	-	-	-
Total other financing sources (uses)	<u>(8,503,246)</u>	<u>748,954</u>	<u>-</u>	<u>8,376,918</u>
Net change in fund balances	1,548,599	231,523	80,634	(3,007,260)
Fund balances (deficit), beginning of year	<u>23,001,217</u>	<u>(675,166)</u>	<u>4,581,566</u>	<u>19,482,230</u>
Fund balances (deficit), end of year	<u>\$ 24,549,816</u>	<u>\$ (443,643)</u>	<u>\$ 4,662,200</u>	<u>\$ 16,474,970</u>

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

<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 4,141,260	\$ 993,229	\$ 61,970,322
-	-	2,464,529
-	455,461	2,707,434
-	305,549	2,226,942
-	1,882,300	4,141,244
-	-	454,941
(1,224)	126,414	651,055
-	-	25,875
-	95,508	512,854
<u>4,140,036</u>	<u>3,858,461</u>	<u>75,155,196</u>
-	-	9,029,544
-	-	976,429
-	-	2,186,596
-	1,680,061	24,191,611
-	-	8,513,694
-	257,442	3,087,937
-	1,189,036	10,899,364
-	4,667,085	17,640,035
5,365,000	-	5,528,112
376,518	1,059	408,708
<u>5,741,518</u>	<u>7,794,683</u>	<u>82,462,030</u>
(1,601,482)	(3,936,222)	(7,306,834)
-	-	109,599
-	-	9,242,156
-	(221,000)	(8,950,129)
-	(221,000)	401,626
(1,601,482)	(4,157,222)	(6,905,208)
<u>4,121,478</u>	<u>17,169,596</u>	<u>67,680,921</u>
<u>\$ 2,519,996</u>	<u>\$ 13,012,374</u>	<u>\$ 60,775,713</u>

CITY OF ROSWELL, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

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

Net change in fund balances - total governmental funds	\$ (6,905,208)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	4,386,821
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	65,413
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,490,265
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	433,005
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	<u>(1,333,164)</u>
Change in net position - governmental activities	<u>\$ 2,137,132</u>

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

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CITY OF ROSWELL, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2015

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
ASSETS				
Current assets:				
Cash	\$ 1,123,399	\$ 1,589,924	\$ 2,078,340	\$ 447,846
Investments	26,910	7,279,575	1,438,108	1,497,995
Receivables (net of allowance for uncollectibles)	2,093,925	1,711,340	5,682	349,218
Prepaid items	12,348	1,233	7,871	121
Total current assets	<u>3,256,582</u>	<u>10,582,072</u>	<u>3,530,001</u>	<u>2,295,180</u>
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	11,721,676	-	108,291	1,091,104
Capital assets, being depreciated	17,388,662	5,871,316	865,455	2,207,153
Less accumulated depreciation	(5,950,085)	(2,745,465)	(249,356)	(196,201)
Advances to other funds	-	1,218,564	-	-
Total noncurrent assets	<u>23,160,253</u>	<u>4,344,415</u>	<u>724,390</u>	<u>3,102,056</u>
Total assets	<u>26,416,835</u>	<u>14,926,487</u>	<u>4,254,391</u>	<u>5,397,236</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan contributions	79,013	179,327	120,304	52,700
Pension plan experience differences	1,857	4,215	2,828	1,239
Total deferred outflows of resources	<u>80,870</u>	<u>183,542</u>	<u>123,132</u>	<u>53,939</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,424,821	804,106	177,901	137,594
Accrued expenses	33,109	57,297	149,568	17,206
Customer deposits payable	209,091	673,913	59,425	-
Due to other funds	27	-	833,626	-
Unearned revenue	-	-	470,976	-
Compensated absences, current	56,586	106,156	66,378	38,027
Total current liabilities	<u>2,723,634</u>	<u>1,641,472</u>	<u>1,757,874</u>	<u>192,827</u>
Long-term liabilities:				
Compensated absences	22,456	50,040	26,461	11,524
Notes payable, long term	7,817,818	-	-	-
Net pension liability	501,070	1,137,229	762,926	334,206
Total long-term liabilities	<u>8,341,344</u>	<u>1,187,269</u>	<u>789,387</u>	<u>345,730</u>
Total liabilities	<u>11,064,978</u>	<u>2,828,741</u>	<u>2,547,261</u>	<u>538,557</u>
DEFERRED INFLOWS OF RESOURCES				
Net difference between projected and actual pension plan investment earnings	49,295	111,880	75,056	32,879
Pension plan assumption changes	5,883	13,352	8,957	3,924
Total deferred inflows of resources	<u>55,178</u>	<u>125,232</u>	<u>84,013</u>	<u>36,803</u>
NET POSITION				
Net investment in capital assets	15,342,435	3,125,851	724,390	3,102,056
Unrestricted	35,114	9,030,205	1,021,859	1,773,759
Total net position	<u>\$ 15,377,549</u>	<u>\$ 12,156,056</u>	<u>\$ 1,746,249</u>	<u>\$ 4,875,815</u>

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds
Net position of business-type activities

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 5,239,509	\$ 1,955,231
10,242,588	4,734,280
4,160,165	30,301
21,573	240,313
<u>19,663,835</u>	<u>6,960,125</u>
12,921,071	-
26,332,586	-
(9,141,107)	-
1,218,564	-
<u>31,331,114</u>	<u>-</u>
50,994,949	6,960,125
431,344	48,744
10,139	1,146
<u>441,483</u>	<u>49,890</u>
3,544,422	245,650
257,180	817,546
942,429	-
833,653	471,860
470,976	-
267,147	29,053
<u>6,315,807</u>	<u>1,564,109</u>
110,481	12,075
7,817,818	-
2,735,431	309,125
<u>10,663,730</u>	<u>321,200</u>
16,979,537	1,885,309
269,110	30,411
32,116	3,629
<u>301,226</u>	<u>34,040</u>
22,294,732	-
11,860,937	5,090,666
34,155,669	<u>\$ 5,090,666</u>
(121,645)	
<u>\$ 34,034,024</u>	

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CITY OF ROSWELL, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
OPERATING REVENUES				
Charges for services				
Water sales	\$ 2,965,664	\$ -	\$ -	\$ -
Sewer sales	174,395	-	-	-
Sanitation sales	-	8,474,831	-	-
Stormwater sales	-	-	-	3,063,860
Other fees	227,792	26,585	4,812,441	-
Other operating income	303,018	171,811	-	-
Total operating revenues	<u>3,670,869</u>	<u>8,673,227</u>	<u>4,812,441</u>	<u>3,063,860</u>
OPERATING EXPENSES				
Personnel services and benefits	1,213,048	3,043,937	3,471,907	818,311
Purchased contract services	283,452	3,752,614	798,897	-
Supplies and maintenance	869,885	1,592,001	925,184	694,676
Utilities	76,996	10,472	-	-
Claims paid	-	-	-	-
Depreciation	511,292	335,268	51,135	99,119
Total operating expenses	<u>2,954,673</u>	<u>8,734,292</u>	<u>5,247,123</u>	<u>1,612,106</u>
Operating income (loss)	716,196	(61,065)	(434,682)	1,451,754
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	835	43,732	12,806	4,643
Interest expense	(137,500)	-	-	-
Total nonoperating revenues (expenses)	<u>(136,665)</u>	<u>43,732</u>	<u>12,806</u>	<u>4,643</u>
INCOME (LOSS) BEFORE TRANSFERS	579,531	(17,333)	(421,876)	1,456,397
Transfers in	-	13,389	321,391	-
Transfers out	(53,142)	-	-	(233,665)
Total transfers	<u>(53,142)</u>	<u>13,389</u>	<u>321,391</u>	<u>(233,665)</u>
Change in net position	526,389	(3,944)	(100,485)	1,222,732
NET POSITION, beginning of year, restated	<u>14,851,160</u>	<u>12,160,000</u>	<u>1,846,734</u>	<u>3,653,083</u>
NET POSITION, end of year	<u>\$ 15,377,549</u>	<u>\$ 12,156,056</u>	<u>\$ 1,746,249</u>	<u>\$ 4,875,815</u>

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds
Change in net position of business-type activities

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

<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 2,965,664	\$ -
174,395	-
8,474,831	-
3,063,860	-
5,066,818	9,563,631
474,829	377
<u>20,220,397</u>	<u>9,564,008</u>
8,547,203	3,977,819
4,834,963	-
4,081,746	-
87,468	-
-	6,877,446
996,814	-
<u>18,548,194</u>	<u>10,855,265</u>
1,672,203	(1,291,257)
62,016	85,560
<u>(137,500)</u>	<u>-</u>
<u>(75,484)</u>	<u>85,560</u>
1,596,719	(1,205,697)
334,780	-
<u>(286,807)</u>	<u>(340,000)</u>
<u>47,973</u>	<u>(340,000)</u>
1,644,692	(1,545,697)
	<u>6,636,363</u>
	<u>\$ 5,090,666</u>
\$ (212,533)	
<u>\$ 1,432,159</u>	

CITY OF ROSWELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Water and Sewer	Solid Waste	Participant Recreation	Stormwater
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,895,543	\$ 8,546,690	\$ 4,797,730	\$ 3,091,928
Payments to suppliers and service providers	(489,774)	(4,908,644)	(1,002,701)	(606,677)
Payments to employees	(1,224,390)	(3,082,334)	(3,375,236)	(819,399)
Net cash provided by (used in) operating activities	1,181,379	555,712	419,793	1,665,852
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	-	(5,488,000)	(998,500)	(743,266)
Proceeds from sale of investments	699,014	6,947,159	-	-
Interest received	718	33,950	4,693	4,643
Net cash provided by (used in) investing activities	699,732	1,493,109	(993,807)	(738,623)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(9,156,302)	(472,286)	(62,467)	(1,097,356)
Proceeds from issuance of note payable	7,604,722	-	-	-
Interest and fiscal charges paid	(130,117)	-	-	-
Net cash used in capital and related financing activities	(1,681,697)	(472,286)	(62,467)	(1,097,356)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	13,389	321,391	-
Transfers out	(53,142)	-	-	(233,665)
Net cash provided by (used in) noncapital financing activities	(53,142)	13,389	321,391	(233,665)
Increase (decrease) in cash	146,272	1,589,924	(315,090)	(403,792)
Cash:				
Beginning of year	977,127	-	2,393,430	851,638
End of year	\$ 1,123,399	\$ 1,589,924	\$ 2,078,340	\$ 447,846
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 716,196	\$ (61,065)	\$ (434,682)	\$ 1,451,754
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	511,292	335,268	51,135	99,119
(Increase) decrease in accounts receivable	(775,335)	(126,537)	497	28,068
(Increase) decrease in due from other funds	9	(99,551)	-	-
(Increase) decrease in prepaid expenses	(8,807)	(761)	(3,400)	89
Decrease in pension related deferred outflows of resources	5,264	11,948	8,015	3,511
Increase in accounts payable	1,255,225	425,143	30,072	87,910
Increase in accrued expenses	4,886	14,641	129,509	4,785
Increase (decrease) in customer deposits payable	(505,886)	597,788	(14,621)	-
Decrease in unearned revenue	-	-	(587)	-
Increase (decrease) in due to other funds	27	(476,176)	694,708	-
Increase in pension related deferred inflows of resources	55,178	125,232	84,013	36,803
Increase in compensated absences	18,184	25,062	19,558	17,080
Decrease in net pension liability	(94,854)	(215,280)	(144,424)	(63,267)
Net cash provided by (used in) operating activities	\$ 1,181,379	\$ 555,712	\$ 419,793	\$ 1,665,852
NONCASH INVESTING ACTIVITIES				
Increase (decrease) in fair value of investments	\$ -	\$ (4,571)	\$ 6,097	\$ (5,467)

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

	Governmental Activities Internal Service Funds
Total	
\$ 19,331,891	\$ 9,538,788
(7,007,796)	(9,724,528)
<u>(8,501,359)</u>	<u>-</u>
3,822,736	(185,740)
(7,229,766)	(986,872)
7,646,173	1,724,846
<u>44,004</u>	<u>93,234</u>
460,411	831,208
(10,788,411)	-
7,604,722	-
<u>(130,117)</u>	<u>-</u>
(3,313,806)	-
334,780	-
<u>(286,807)</u>	<u>(340,000)</u>
47,973	(340,000)
1,017,314	305,468
4,222,195	1,649,763
<u>\$ 5,239,509</u>	<u>\$ 1,955,231</u>
\$ 1,672,203	\$ (1,291,257)
996,814	-
(873,307)	(25,220)
(99,542)	-
(12,879)	(8,374)
28,738	3,249
1,798,350	147,287
153,821	536,847
77,281	-
(587)	-
218,559	471,860
301,226	34,040
79,884	4,345
<u>(517,825)</u>	<u>(58,517)</u>
<u>\$ 3,822,736</u>	<u>\$ (185,740)</u>
<u>\$ (3,941)</u>	<u>\$ -</u>

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CITY OF ROSWELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Roswell, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Roswell operates under a mayor/council form of government and provides the following services to its citizens: public safety, judicial, public works, planning and zoning, culture and recreation, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

Friends of Bulloch, Inc. (the "Society") has been included as a discretely presented component unit in the accompanying financial statements. 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. Separate financial statements are prepared for Friends of Bulloch, Inc.

The financial statements for the Society can be obtained by writing to Friends of Bulloch, Inc., 180 Bulloch Avenue, Roswell, Georgia 30075.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Historic Roswell Convention & Visitors Bureau, Inc. (the "Bureau") has been included as a discretely presented component unit in the accompanying financial statements. The Bureau was incorporated under the laws of the State of Georgia on April 23, 1993 for the purposes of promoting the preservation of the Historic District of Roswell and encouraging tourism and improving the quality of life in the Historic District. Due to the significant portion of hotel/motel tax received by the Bureau, management feels it would be misleading not to include the Bureau as a component unit. Separate financial statements are prepared for the Historic Roswell Convention & Visitors Bureau, Inc.

The financial statements for the Bureau can be obtained by writing to Historic Roswell Convention & Visitors Bureau, Inc., 617 Atlanta Street, Roswell, Georgia 30075.

The Development Authority of the City of Roswell, Georgia (the "Authority") has been included as a discretely presented component unit in the accompanying financial statements. 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 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. Separate financial statements for the Development Authority of the City of Roswell, Georgia are not prepared. There are no differences between the fund level and government-wide reporting for the Authority, therefore fund level statements have not been presented.

The Roswell Downtown Development Authority (the "DDA") has been included as a discretely presented component unit in the accompanying financial statements. The DDA is a public body, corporate and politic, reactivated on January 9, 2012 under the "Downtown Development Authorities Laws," O.C.G.A 36-42-4. The DDA was formed to improve the economy of Roswell by coordinating public and private programs that promote the redevelopment and growth of Roswell's central business district. Seven positions are available on the DDA's Board of Directors, and members are appointed by the City of Roswell's Mayor and Council. A mix of professions and interests will be taken into consideration when appointing the DDA Board members. Upon dissolution, the assets of the DDA would revert to the City. Separate financial statements for the Roswell Downtown Development Authority are not prepared. There are no differences between the fund level and government-wide reporting for the DDA; therefore fund level statements have not been presented.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, charges for services, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Federal Grants Fund** accounts for the expenditures and restricted resources of federally funded grants of the City.

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

The **Capital Projects Fund** accounts for financial resources to be used for the acquisition and construction of major capital projects.

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

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities of the City's water system and the billing on behalf of Fulton County's sewer system as it applies to City residents, which renders those services to the residents and businesses located within the City.

The **Solid Waste Fund** accounts for the operations of the City's solid waste and sanitation program.

The **Participant Recreation Fund** accounts for the operations of activities held at the City's parks.

The **Stormwater Fund** accounts for the operations of the City's stormwater program.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are restricted or committed to expenditure for specific purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The **Capital Project Funds** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets.

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

The **Internal Service Funds** account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City uses internal service funds to account for group health, risk management and workman's compensation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budget

Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets. The governmental fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenditures. Enterprise fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenses and the inflows from the issuance of debt as financing sources and related outflows as capital expenses. All appropriations lapse at fiscal year end. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the City Council. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is employed by the City.

The following encumbrances were outstanding as of June 30, 2015:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 480,430
Federal Grants Fund	1,755,408
Impact Fees Fund	1,738,350
Capital Projects Fund	6,892,431
Water & Sewer Fund	4,576,630
Solid Waste Fund	1,284,662
Participation Recreation Fund	1,553,335
Stormwater Fund	58,445
Nonmajor Governmental Funds	2,869,252
	<u>\$ 21,208,943</u>

E. Deposits and Investments

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

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of investment earnings.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables

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

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

G. Inventories and Prepaid Items

All inventories are valued at the lower of cost or market using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. The cost is recorded as an expenditure in the governmental funds when consumed. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute “available, spendable resources” even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The City has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets of the primary government are depreciated or amortized using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	40
Machinery and equipment	5 - 30
Vehicles	8
Infrastructure	10 - 65

I. Deferred Outflows / Inflows of Resources

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

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

K. Long-Term Obligations

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

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

L. Fund Equity

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

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

Fund balances are classified as follows:

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

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

N. Management Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$17,239,999 difference are as follows:

Bonds payable	\$ (12,395,000)
Unamortized premiums	(477,462)
Capital leases payable	(1,282,267)
Claims payable	(569,381)
Accrued interest	(124,466)
Compensated absences	<u>(2,391,423)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (17,239,999)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources and the net pension liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds.” The details of this \$13,395,295 difference are as follows:

Net pension liability	\$ (14,119,248)
Deferred outflows of resources:	
Pension plan contributions	2,226,432
Pension plan experience differences	52,336
Deferred inflows of resources	
Net difference between projected and actual investment earnings	(1,389,047)
Pension plan assumption changes	(165,768)
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (13,395,295)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$4,386,821 difference are as follows:

Capital outlay	\$ 13,988,525
Depreciation expense	(9,601,704)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ 4,386,821</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of the reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.” The details of this \$5,490,265 difference are as follows:

Principal payment on bonds	\$ 5,365,000
Additional claims payable	(37,847)
Principal payment on capital lease	163,112
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ 5,490,265

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$433,005 difference are as follows:

Compensated absences	\$ (582,171)
Amortization	31,497
Accrued interest	14,024
Pension expense	969,655
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	\$ 433,005

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

1. Prior to July 1, the City Manager submits the proposed budget to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the City.
3. The budget is then legally enacted through passage of a resolution by the City Council at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the City Council in a regular meeting.

Budgeted amounts are as originally adopted, or as amended by the City Council. The supplementary budgetary appropriations made are reflected in the final budget amounts.

Deficit Fund Equity

The following funds had deficit fund balances at June 30, 2015. The fund deficits will be reduced through anticipated revenues, recognition of unavailable revenues, and General Fund appropriations, as needed.

Fund	Deficit
Federal Grants	\$ 443,643
American Stimulus Recovery Grants	37,671
CDBG Grants	66,412

Excess Expenditures Over Appropriations

For the year ended June 30, 2015 expenditures exceeded the budget in the funds and General Fund departments as follows:

Fund/Department	Excess
General Fund:	
Recreation and parks	\$ 160,943
State Grants Fund	142,589
County/Local Grants Fund	4,865

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

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Budgeted Deficits

The following special revenue funds had original and/or final amended budgets for the year ended June 30, 2015 that anticipated using more fund balance than was available, thereby creating an unbalanced budget, which is in violation of state law. The table below shows the original and final amended anticipated use of fund balance which was budgeted in the affected funds, as well as the fund balance (deficit) as of July 1, 2014.

Fund	Original Budget	Final Budget	Available Fund Balance (Deficit)
State Grants	\$ (1,515,307)	\$ (1,008,997)	\$ 986,537
CDBG Grants	18,825	(20,804)	(158,073)

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

The investment in the Georgia Fund 1 represents the City's portion of a pooled investment account operated by the Office of the State Treasurer. The pool consists of U.S. treasury obligations, securities issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, banker's acceptances, overnight and term repurchase agreements with highly rated counterparties, and collateralized bank accounts. The investment in the Georgia Fund 1 is valued at fair market value.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy require all deposits to be collateralized 110% by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, the City's bank balances were collateralized as defined by State statutes.

At June 30, 2015, the City had the following investments that are included in the custodial credit risk discussion above related to deposits:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Weighted Average Maturity (years)</u>
Money market mutual fund	\$ 25,142	N/A	N/A	0.25
Certificates of deposit	7,760,952	N/A	N/A	1.47
Federal Home Loan Bank	15,010,026	AAA	N/A	1.3
Federal Home Loan Mortgage Corp.	6,961,119	AAA	N/A	1.47
Federal National Mortgage Assn.	10,425,169	AAA	N/A	1.45
Federal Farm Credit Bank	11,390,650	AAA	N/A	1.72
Georgia Fund 1	11,820,826	AAAf	S&P	0.17
	<u>\$ 63,393,884</u>			

Interest rate risk. Interest rate risk is the risk that a government may face should changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the City limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The City intends to hold all investments to maturity.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

A. Primary Government

Receivables at June 30, 2015, for the City's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General Fund</u>	<u>Federal Grants Fund</u>	<u>Impact Fees Fund</u>	<u>Capital Pojects Fund</u>	<u>Debt Service Fund</u>
Receivables:					
Taxes	\$ 2,676,876	\$ -	\$ -	\$ -	\$ 184,052
Other governments	-	1,542,221	-	-	-
Accounts	1,086,876	-	6,770	35,075	9,296
Gross receivables	<u>3,763,752</u>	<u>1,542,221</u>	<u>6,770</u>	<u>35,075</u>	<u>193,348</u>
Less allowance for uncollectibles	(378,139)	-	-	-	(83,400)
Net receivables	<u>\$ 3,385,613</u>	<u>\$ 1,542,221</u>	<u>\$ 6,770</u>	<u>\$ 35,075</u>	<u>\$ 109,948</u>
	<u>Water & Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Participant Recreation Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Governmental Funds</u>
Receivables:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other governments	-	-	-	-	230,634
Accounts	2,242,196	2,014,204	5,682	426,162	322,659
Gross receivables	<u>2,242,196</u>	<u>2,014,204</u>	<u>5,682</u>	<u>426,162</u>	<u>553,293</u>
Less allowance for uncollectibles	(148,271)	(302,864)	-	(76,944)	-
Net receivables	<u>\$ 2,093,925</u>	<u>\$ 1,711,340</u>	<u>\$ 5,682</u>	<u>\$ 349,218</u>	<u>\$ 553,293</u>

Property taxes for the 2015 fiscal year were levied in September 2014, with property values assessed as of January 1, 2014. Bills are payable on or before December 5, 2014, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of January 1.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

A. Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 42,102,663	\$ -	\$ -	\$ -	\$ 42,102,663
Construction in progress	13,280,778	10,178,240	-	-	23,459,018
Total capital assets, not being depreciated	<u>55,383,441</u>	<u>10,178,240</u>	<u>-</u>	<u>-</u>	<u>65,561,681</u>
Capital assets, being depreciated:					
Land improvements	29,326,267	114,646	-	-	29,440,913
Buildings and improvements	74,026,267	64,462	-	-	74,090,729
Machinery and equipment	12,823,447	1,586,195	-	-	14,409,642
Vehicles	18,432,489	2,044,982	(780,673)	-	19,696,798
Infrastructure	124,853,565	-	-	-	124,853,565
Total capital assets, being depreciated	<u>259,462,035</u>	<u>3,810,285</u>	<u>(780,673)</u>	<u>-</u>	<u>262,491,647</u>
Less accumulated depreciation for:					
Land improvements	11,602,180	837,599	-	-	12,439,779
Buildings and improvements	36,206,898	2,014,027	-	-	38,220,925
Machinery and equipment	7,185,475	1,526,727	-	-	8,712,202
Vehicles	9,988,569	2,155,966	(780,673)	-	11,363,862
Infrastructure	75,120,779	3,067,385	-	-	78,188,164
Total accumulated depreciation	<u>140,103,901</u>	<u>9,601,704</u>	<u>(780,673)</u>	<u>-</u>	<u>148,924,932</u>
Total capital assets, being depreciated, net	<u>119,358,134</u>	<u>(5,791,419)</u>	<u>-</u>	<u>-</u>	<u>113,566,715</u>
Governmental activities capital assets, net	<u>\$ 174,741,575</u>	<u>\$ 4,386,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,128,396</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Construction in progress	\$ 2,630,050	\$ 10,291,021	\$ -	\$ -	\$ 12,921,071
Total capital assets, not being depreciated	<u>2,630,050</u>	<u>10,291,021</u>	<u>-</u>	<u>-</u>	<u>12,921,071</u>
Capital assets, being depreciated:					
Buildings and improvements	2,904,811	49,940	-	-	2,954,751
Machinery and equipment	2,281,220	27,595	-	-	2,308,815
Vehicles	4,479,196	419,855	-	-	4,899,051
Infrastructure	16,169,969	-	-	-	16,169,969
Total capital assets, being depreciated	<u>25,835,196</u>	<u>497,390</u>	<u>-</u>	<u>-</u>	<u>26,332,586</u>
Less accumulated depreciation for:					
Buildings and improvements	403,159	93,255	-	-	496,414
Machinery and equipment	914,392	105,971	-	-	1,020,363
Vehicles	2,458,347	347,288	-	-	2,805,635
Infrastructure	4,368,395	450,300	-	-	4,818,695
Total accumulated depreciation	<u>8,144,293</u>	<u>996,814</u>	<u>-</u>	<u>-</u>	<u>9,141,107</u>
Total capital assets, being depreciated, net	<u>17,690,903</u>	<u>(499,424)</u>	<u>-</u>	<u>-</u>	<u>17,191,479</u>
Business-type activities capital assets, net	<u>\$ 20,320,953</u>	<u>\$ 9,791,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,112,550</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:

General government	\$ 3,405
Judicial	129,484
Financial Services	346,526
Public safety	2,026,143
Public works	3,972,191
Planning and zoning	364,426
Culture and recreation	<u>2,759,529</u>
Total depreciation expense - governmental activities	<u><u>\$ 9,601,704</u></u>

Business-type activities:

Water and Sewer Fund	\$ 511,292
Solid Waste Fund	335,268
Participant Recreation Fund	51,135
Stormwater Fund	<u>99,119</u>
Total depreciation expense - business-type activities	<u><u>\$ 996,814</u></u>

B. Discretely Presented Component Unit – Historic Roswell Convention & Visitors Bureau, Inc.

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 108,342	\$ 3,103	\$ -	\$ 111,445
Total	<u>108,342</u>	<u>3,103</u>	<u>-</u>	<u>111,445</u>
Less accumulated depreciation for:				
Machinery and equipment	<u>(76,061)</u>	<u>(11,822)</u>	<u>-</u>	<u>(87,883)</u>
Total	<u>(76,061)</u>	<u>(11,822)</u>	<u>-</u>	<u>(87,883)</u>
Total capital assets, being depreciated, net	<u><u>\$ 32,281</u></u>	<u><u>\$ (8,719)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,562</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Federal Grant Fund	\$ 1,232,772
General Fund	Internal Service Funds	471,860
General Fund	Participation Recreation Fund	833,626
General Fund	Nonmajor Governmental Funds	716,489
Nonmajor Governmental	Water and Sewer Fund	27
		\$ 3,254,774

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

Advances to/from other funds:

Receivable fund	Payable fund	Amount
Solid Waste Fund	General Fund	\$ 1,218,564

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

Interfund transfers for the year ended June 30, 2015 were as follows:

Transfers In	Transfers Out	Amount
General Fund	Internal Service Funds	\$ 10,000
General Fund	Stormwater Fund	53,142
General Fund	Water and Sewer Fund	53,142
Capital Projects Fund	General Fund	7,825,918
Capital Projects Fund	Nonmajor Governmental Funds	221,000
Capital Projects Fund	Internal Service Funds	330,000
Federal Grants Fund	General Fund	568,431
Federal Grants Fund	Stormwater Fund	180,523
Solid Waste Fund	General Fund	13,389
Participant Recreation Fund	General Fund	321,391

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable	\$ 17,760,000	\$ -	\$ (5,365,000)	\$ 12,395,000	\$ 1,375,000
Plus: Premiums	598,975	-	(121,513)	477,462	-
Total bonds payable	18,358,975	-	(5,486,513)	12,872,462	1,375,000
Capital lease payable	1,445,379	-	(163,112)	1,282,267	166,568
Compensated absences	1,846,035	2,631,621	(2,045,105)	2,432,551	1,771,854
Claims payable	531,534	37,847	-	569,381	-
Net pension liability	17,159,702	2,042,683	(4,774,012)	14,428,373	-
Governmental activities long-term liabilities	<u>\$ 39,341,625</u>	<u>\$ 4,712,151</u>	<u>\$ (12,468,742)</u>	<u>\$ 31,585,034</u>	<u>\$ 3,313,422</u>
Business-type Activities:					
Note payable	\$ 213,096	\$ 7,604,722	\$ -	\$ 7,817,818	\$ -
Compensated absences	297,744	304,049	(224,165)	377,628	267,147
Net pension liability	3,253,256	387,266	(905,091)	2,735,431	-
Business-type activities long-term liabilities	<u>\$ 3,764,096</u>	<u>\$ 8,296,037</u>	<u>\$ (1,129,256)</u>	<u>\$ 10,930,877</u>	<u>\$ 267,147</u>

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

The amount of interest expense incurred and capitalized for business-type activities was \$30,873 for the year ended June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds, Series 2013. During fiscal year 2013, the City issued \$9,760,000 of general obligation bonds for the purpose of (i) funding infrastructure improvement projects, (ii) financing the acquisition, design and development of real and personal property for recreational fields and park facilities, (iii) financing the acquisition, design and development of a fire station, and (iv) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 1.0%-2.0% per annum and mature February 1, 2023.

The City's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2016	\$ 940,000	\$ 126,662	\$ 1,066,662
2017	950,000	117,262	1,067,262
2018	960,000	105,388	1,065,388
2019	975,000	93,388	1,068,388
2020	985,000	81,200	1,066,200
2021 - 2023	3,075,000	123,800	3,198,800
Total	<u>\$ 7,885,000</u>	<u>\$ 647,700</u>	<u>\$ 8,532,700</u>

General Obligation Bonds, Series 2014. During fiscal year 2014, the City issued \$4,940,000 of general obligation bonds for the purpose of (i) funding infrastructure improvement projects, (ii) financing the acquisition, design and development of real and personal property for recreational fields and park facilities, (iii) financing the acquisition, design and development of a fire station, and (iv) paying the costs of issuance incident thereto. The bonds carry a rate of interest ranging from 2.0%-3.0% per annum and mature February 1, 2024.

The City's debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2016	\$ 435,000	\$ 121,850	\$ 556,850
2017	445,000	113,150	558,150
2018	465,000	104,250	569,250
2019	475,000	94,950	569,950
2020	500,000	80,700	580,700
2021 - 2024	2,190,000	166,800	2,356,800
Total	<u>\$ 4,510,000</u>	<u>\$ 681,700</u>	<u>\$ 5,191,700</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Refunded Bonds. In fiscal year 2008, the City issued \$15,975,000 of 2008 General Obligation Refunding Bonds to refund the 2000 General Obligation Bonds. The City defeased the 2000 bonds by placing the proceeds of the new bonds in an irrevocable trust to provide resources for all future debt service payments on the old bonds. Accordingly, the trust account and related debt for the defeased bonds are not included in the City's financial statements. At June 30, 2015, \$3,000,000 of bonds outstanding are considered defeased.

Notes Payable. The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. As of June 30, 2015, the loan has a balance of \$7,817,818 and is still in the drawdown phase, therefore a future payment schedule has not been established.

Capital Leases Payable. The City has entered into a lease-purchase agreement to finance the acquisition of two public safety vehicles. The leases are for periods of seven to ten years, at interest rates ranging from 1.8% to 2.4% annually. As of June 30, 2015, the City had \$1,708,105 of vehicles, with associated accumulated depreciation of \$196,009 financed under the capital leases. The annual amortization of the leased assets is included in depreciation expense for capital assets.

As of June 30, 2015 the future lease payments for the capital leases are as follows:

Year Ending June 30,		
2016	\$	194,243
2017		194,243
2018		194,243
2019		194,243
2020		194,243
2021-2023		<u>432,032</u>
Total minimum lease payments		1,403,247
Less amount representing interest		120,980
Present value of future minimum lease payments	\$	<u><u>1,282,267</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Roswell Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$30 for each year of service after reaching normal retirement age.

Plan Membership. At January 1, 2015, the date of the most recent actuarial valuation, there were 924 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	204
Terminated vested participants not yet receiving benefits	273
Active employees - vested	423
Active employees - nonvested	24
Total	<u>924</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2015, the actuarially determined contribution rate was 14.94% of covered payroll. The City makes all contributions to the plan. For 2015, the City's contribution to the Plan was \$3,608,694.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2014.

Actuarial assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2013.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the table below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45
Fixed income	25%	1.55
Real estate	10%	3.75
Cash	—%	
Total	100%	

* Rates shown are net of the 3.25% assumed rate of inflation

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2015 were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/14	\$ 78,061,574	\$ 57,648,616	\$ 20,412,958
Changes for the year:			
Service cost	1,386,893	-	1,386,893
Interest	5,934,816	-	5,934,816
Differences between expected and actual experience	84,829	-	84,829
Assumption Changes	-	-	-
Contributions—employer	-	3,852,643	(3,852,643)
Contributions—employee	-	-	-
Net investment income	-	6,609,886	(6,609,886)
Benefit payments, including refunds of employee contributions	(2,966,601)	(2,966,601)	-
Administrative expense	-	(75,519)	75,519
Other changes	(268,682)	-	(268,682)
Net changes	<u>4,171,255</u>	<u>7,420,409</u>	<u>(3,249,154)</u>
Balances at 6/30/15	<u>\$ 82,232,829</u>	<u>\$ 65,069,025</u>	<u>\$ 17,163,804</u>

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's net pension liability	\$ 28,409,609	\$ 17,163,804	\$ 7,894,893

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2014 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2015, the City recognized pension expense of \$2,429,949. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,621	\$ -
Changes in assumptions	-	201,513
Net difference between projected and actual earnings on pension plan investments	-	1,688,568
City contributions subsequent to the measurement date	2,706,520	-
Total	\$ 2,770,141	\$ 1,890,081

City contributions subsequent to the measurement date of \$2,706,520 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2016	\$ (468,106)
2017	(468,106)
2018	(468,106)
2019	(422,142)
Total	\$ (1,826,460)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED CONTRIBUTION 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 pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At June 30, 2015, there were 280 plan members.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary up to the maximum amount allowed by the IRS. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City's Mayor and Council have approved discretionary employer contributions for 333 employees. Total employer and employee contributions for the year ended June 30, 2015 were \$153,960 and \$938,245 respectively.

During the year ended June 30, 2014, the City adopted a second deferred compensation plan for employees hired after March 1, 2011. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees. The Plan is funded through employer and employee contributions. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At June 30, 2015, there were 172 plan members.

Employees are not required to contribute to the Plan. The City contributes 10% of each employee's compensation each pay period and will match up to an additional 5% of contributions made by the employee. Total employer and employee contributions for the year ended June 30, 2015 were \$731,874 and \$189,520 respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Health Insurance. Beginning in fiscal year 2015, the City established a self-funded trust for the administration and funding of the City's health insurance and medical expenses. This trust is the source of funding for claims or expense reimbursement of employees for losses due to death, disability, dental or medical expenses and other expenses relating to maintenance of the fund by the appointed trustee.

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

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2015	\$ -	\$ 5,574,661	\$ 5,275,541	\$ 516,616

Workers' Compensation

The City is self-insured for workers' compensation claims. Individual limits for City payments are \$600,000 per claim. After these limits are met, private insurance covers the claims. The City has entered into a contract with a third party administrator to administer the claims. The City has established the Workers' Compensation Fund to record this activity. The following describes the activity related to these claims based on actual claims presented after year-end and historical experience. The following describes the activity for the past two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2015	\$ 268,368	\$ 694,788	\$ 700,121	\$ 263,035
2014	291,125	389,074	411,831	268,368

General Liability

The City participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

General Liability (Continued)

As part of the risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded coverage in the past three years and there have been no significant reductions in coverage.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions arising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Grant Contingencies

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

NOTES TO FINANCIAL STATEMENTS

NOTE 13. JOINT VENTURES

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

In July 2013 the cities of Alpharetta, Milton, Roswell, and Sandy Springs created the North Fulton Regional Radio System Authority (the "Authority"), which was established by Georgia House Bill 526. The Authority will provide an interoperable, high quality, and reliable and uninterrupted communication signal for public safety and public services within the area in which the Authority has operational capability. The Authority's Board membership includes the City Manager or City Administrator, or his or her designee, from each participating city. The Authority was created by the cities contributing a pre-determined capital amount necessary to fund the construction and equipping of the radio system. In accordance with GASB 14: The Financial Reporting Entity, the Authority was determined to be a joint venture; however, the City does not have an equity interest in the joint venture. Of the estimated \$16 million required to initially capitalize the Authority, the City of Roswell is responsible for approximately \$5.1 million pursuant to the intergovernmental agreement between the cities. For the fiscal year ended June 30, 2015, the City of Roswell contributed \$3,659,981 to the Authority. Separate financial statements may be obtained from the City of Sandy Springs, who has been contracted by the Authority to serve as the accountants, at 7840 Roswell Road, Building 500, Sandy Springs, Georgia 30350.

NOTE 14. HOTEL/MOTEL TAX

The City has levied a 6% lodging tax. During the year ended June 30, 2015, the City collected \$993,229 in revenues. The current year expenditures of \$1,064,553 or 107% of current year revenues, including the utilization of fund balance, were expended on the promotion of tourism in accordance with the provisions of O.C.G.A. 48-13-51.

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

As discussed in Note 9 above, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective July 1, 2014. The new standards significantly changed the City's accounting for pension amounts. As a result of this change in accounting principle, the City was required to restate beginning net position for the following:

Net position, governmental activities, as previously reported	\$ 228,738,338
City's net pension liability, beginning balance	(17,159,702)
Deferred outflows of resources, pension related items, beginning balance	2,480,249
Beginning net position, governmental activities, restated	<u>\$ 214,058,885</u>
Net position, business-type activities, as previously reported	\$ 35,384,900
City's net pension liability, beginning balance	(3,253,256)
Deferred outflows of resources, pension related items, beginning balance	470,221
Beginning net position, business-type activities, restated	<u>\$ 32,601,865</u>
Net position, water & sewer fund, as previously reported	\$ 15,360,950
City's net pension liability, beginning balance	(595,924)
Deferred outflows of resources, pension related items, beginning balance	86,134
Beginning net position, water & sewer fund, restated	<u>\$ 14,851,160</u>
Net position, stormwater fund, as previously reported	\$ 3,993,106
City's net pension liability, beginning balance	(397,473)
Deferred outflows of resources, pension related items, beginning balance	57,450
Beginning net position, stormwater fund, restated	<u>\$ 3,653,083</u>
Net position, participant recreation fund, as previously reported	\$ 2,622,937
City's net pension liability, beginning balance	(907,350)
Deferred outflows of resources, pension related items, beginning balance	131,147
Beginning net position, participant recreation fund, restated	<u>\$ 1,846,734</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

Net position, solid waste fund, as previously reported	\$ 13,317,019
City's net pension liability, beginning balance	(1,352,509)
Deferred outflows of resources, pension related items, beginning balance	195,490
Beginning net position, solid waste fund, restated	<u>\$ 12,160,000</u>
Net position, group health fund, as previously reported	\$ 2,230,864
City's net pension liability, beginning balance	(55,565)
Deferred outflows of resources, pension related items, beginning balance	8,031
Beginning net position, group health fund, restated	<u>\$ 2,183,330</u>
Net position, risk management fund, as previously reported	\$ 2,164,235
City's net pension liability, beginning balance	(53,122)
Deferred outflows of resources, pension related items, beginning balance	7,678
Beginning net position, risk management fund, restated	<u>\$ 2,118,791</u>
Net position, fleet services fund, as previously reported	\$ 50,049
City's net pension liability, beginning balance	(258,955)
Deferred outflows of resources, pension related items, beginning balance	37,430
Beginning net position, fleet services fund, restated	<u>\$ (171,476)</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSWELL, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2015
Total pension liability	
Service cost	\$ 1,386,893
Interest on total pension liability	5,934,816
Differences between expected and actual experience	84,829
Changes of assumptions	(268,682)
Benefit payments, including refunds of employee contributions	(2,966,601)
Net change in total pension liability	4,171,255
Total pension liability - beginning	78,061,574
Total pension liability - ending (a)	\$ 82,232,829
 Plan fiduciary net position	
Contributions - employer	\$ 3,852,643
Net investment income	6,609,886
Benefit payments, including refunds of member contributions	(2,966,601)
Administrative expenses	(75,519)
Net change in plan fiduciary net position	7,420,409
Plan fiduciary net position - beginning	57,648,616
Plan fiduciary net position - ending (b)	\$ 65,069,025
 City's net pension liability - ending (a) - (b)	\$ 17,163,804
 Plan fiduciary net position as a percentage of the total pension liability	79.13%
 Covered-employee payroll	\$ 21,870,148
 City's net pension liability as a percentage of covered-employee payroll	78.48%

Notes to the Schedule:

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

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

	2015
Actuarially determined contribution	\$ 3,608,694
Contributions in relation to the actuarially determined contribution	3,608,694
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 21,870,148
Contributions as a percentage of covered-employee payroll	16.50%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2015
Cost Method	Projected Unit Credit
Actuarial Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed Rate of Return on Investments	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost-of-living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

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

**CITY OF ROSWELL, GEORGIA
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 54,552,543	\$ 54,552,543	\$ 56,835,833	\$ 2,283,290
Licenses and permits	2,195,500	2,195,500	2,464,529	269,029
Intergovernmental	139,126	139,126	131,062	(8,064)
Fines and forfeitures	2,057,000	2,057,000	1,921,393	(135,607)
Charges for services	2,284,559	2,284,559	2,258,944	(25,615)
Investment earnings	100,000	100,000	326,563	226,563
Contributions	20,500	22,800	25,875	3,075
Miscellaneous	89,663	232,663	401,655	168,992
Total revenues	61,438,891	61,584,191	64,365,854	2,781,663
Expenditures:				
Current:				
Administration	9,938,340	11,310,975	8,719,642	2,591,333
Courts	1,042,660	1,045,304	979,024	66,280
Finance	2,263,398	2,284,366	2,186,596	97,770
Police	16,119,119	16,304,557	15,991,679	312,878
Fire	6,677,497	6,695,624	6,601,944	93,680
Transportation	7,347,974	7,449,211	7,425,021	24,190
Planning and zoning	2,760,553	3,111,563	2,885,654	225,909
Recreation and parks	9,360,096	9,649,693	9,810,636	(160,943)
Debt service:				
Principal	244,243	244,243	163,112	81,131
Interest	-	-	31,131	(31,131)
Total expenditures	55,753,880	58,095,536	54,794,439	3,301,097
Excess of revenues over expenditures	5,685,011	3,488,655	9,571,415	6,082,760
Other financing sources (uses):				
Proceeds from sale of capital assets	62,000	62,000	109,599	47,599
Issuance of capital lease	-	500,400	-	(500,400)
Transfers in	106,284	116,284	116,284	-
Transfers out	(7,510,747)	(8,337,573)	(8,729,129)	(391,556)
Total other financing sources (uses)	(7,342,463)	(7,658,889)	(8,503,246)	(844,357)
Net change in fund balances (budgetary basis)	\$ (1,657,452)	\$ (4,170,234)	1,068,169	\$ 5,238,403
Less outstanding encumbrances, June 30			480,430	
Net change in fund balances (GAAP basis)			1,548,599	
Fund balance, beginning			23,001,217	
Fund balance, ending			\$ 24,549,816	

**CITY OF ROSWELL, GEORGIA
FEDERAL GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,978,617	\$ 6,211,026	\$ 1,496,843	\$ (4,714,183)
Total revenues	<u>7,978,617</u>	<u>6,211,026</u>	<u>1,496,843</u>	<u>(4,714,183)</u>
Expenditures:				
Current:				
General government	23,045	3,455	3,467	(12)
Public safety	24,846	30,741	29,178	1,563
Public works	508,043	534,210	182,458	351,752
Culture and recreation	20,000	23,260	15,567	7,693
Capital outlay	4,352,350	4,861,163	3,539,012	1,322,151
Total expenditures	<u>4,928,284</u>	<u>5,452,829</u>	<u>3,769,682</u>	<u>1,683,147</u>
Excess (deficiency) of revenues over expenditures	3,050,333	758,197	(2,272,839)	(3,031,036)
Other financing sources (uses):				
Transfers in	32,004	35,264	748,954	713,690
Transfers out	(479,810)	-	-	-
Total other financing sources (uses)	<u>(447,806)</u>	<u>35,264</u>	<u>748,954</u>	<u>713,690</u>
Net change in fund balances (budgetary basis)	<u>\$ 2,602,527</u>	<u>\$ 793,461</u>	(1,523,885)	<u>\$ (2,317,346)</u>
Less outstanding encumbrances, June 30			<u>1,755,408</u>	
Net change in fund balances (GAAP basis)			231,523	
Fund balance (deficit), beginning			(675,166)	
Fund balance (deficit), ending			<u>\$ (443,643)</u>	

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Confiscated Assets - to account for monies forfeited by criminals that are prosecuted for narcotics or vice activity.

Emergency 911 Telephone System - to account for the monthly 911 charge to help fund the cost of providing emergency 911 services. The E911 charges are restricted in purpose by state law.

State Grants - to account for grant monies received from various state agencies.

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

American Stimulus Recovery Grants - to account for American Stimulus Recovery grant monies received from various federal agencies.

CDBG Grants - to account for CDBG grant monies received from various federal agencies.

Soil Erosion - to account for fees received from developers for the promotion of soil erosion prevention.

Hotel/Motel Tax - to account for the collection of hotel/motel taxes within the City which are restricted for the promotion of tourism and development of trails. These funds support the Historic Roswell Convention & Visitors Bureau and Roswell's trail system.

Leita Thompson - to account for revenues collected in association with the Leitalift Foundation agreement for donated park land and its assets.

Capital Projects Funds

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

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

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

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

Permanent Fund

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

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

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CITY OF ROSWELL, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds					
	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	American Stimulus Recovery Grants	CDBG Grants
ASSETS						
Cash and cash equivalents	\$ 596,106	\$ 341,528	\$ 786,975	\$ 1,199	\$ 725,189	\$ -
Investments	-	1,508,350	-	-	-	-
Receivables, net of allowance for uncollectibles	-	203,401	-	-	-	-
Intergovernmental receivable	-	-	107,605	-	-	123,029
Due from other funds	-	-	-	-	-	-
Prepaid items	3,050	7,756	-	-	-	4,143
Total assets	\$ 599,156	\$ 2,061,035	\$ 894,580	\$ 1,199	\$ 725,189	\$ 127,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 148,696	\$ 13,520	\$ 630,332	\$ -	\$ 78,416	\$ 65,988
Accrued liabilities	-	24,093	-	-	-	624
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	684,444	32,045
Total liabilities	148,696	37,613	630,332	-	762,860	98,657
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - intergovernmental	-	-	107,605	-	-	94,927
Unavailable revenue - other	-	-	-	-	-	-
Total deferred inflows of resources	-	-	107,605	-	-	94,927
FUND BALANCES						
Nonspendable:						
Prepays	3,050	7,756	-	-	-	4,143
Permanent fund corpus	-	-	-	-	-	-
Restricted:						
Public safety	447,410	2,015,666	-	1,199	-	-
Culture and recreation	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Transportation	-	-	156,643	-	-	-
Capital projects	-	-	-	-	-	-
Scholarship	-	-	-	-	-	-
Committed:						
Culture and recreation	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Unassigned	-	-	-	-	(37,671)	(70,555)
Total fund balances	450,460	2,023,422	156,643	1,199	(37,671)	(66,412)
Total liabilities, deferred inflows of resources, and fund balances	\$ 599,156	\$ 2,061,035	\$ 894,580	\$ 1,199	\$ 725,189	\$ 127,172

Special Revenue Funds			Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Soil Erosion	Hotel/Motel Tax	Leita Thompson	2000 Bond	2013 Bond	2014 Bond	Scholarship Fund	
\$ 119,764	\$ 213,408	\$ 169,614	\$ 521,753	\$ 2,323,157	\$ 1,049,318	\$ 10,090	\$ 6,858,101
497,781	250,348	-	1,002,675	2,007,103	4,010,348	25,142	9,301,747
719	96,513	8,317	-	5,313	8,396	-	322,659
-	-	-	-	-	-	-	230,634
-	27	-	-	-	-	-	27
-	-	1,065	-	799	-	-	16,813
<u>\$ 618,264</u>	<u>\$ 560,296</u>	<u>\$ 178,996</u>	<u>\$ 1,524,428</u>	<u>\$ 4,336,372</u>	<u>\$ 5,068,062</u>	<u>\$ 35,232</u>	<u>\$ 16,729,981</u>
\$ 315,611	\$ -	\$ 6,037	\$ -	\$ 1,144,651	\$ 52,103	\$ -	\$ 2,455,354
-	-	5,450	-	-	-	-	30,167
-	-	-	-	295,347	9,401	-	304,748
-	-	-	-	-	-	-	716,489
<u>315,611</u>	<u>-</u>	<u>11,487</u>	<u>-</u>	<u>1,439,998</u>	<u>61,504</u>	<u>-</u>	<u>3,506,758</u>
-	-	-	-	-	-	-	202,532
-	-	8,317	-	-	-	-	8,317
-	-	8,317	-	-	-	-	210,849
-	-	1,065	-	799	-	-	16,813
-	-	-	-	-	-	25,000	25,000
-	-	-	-	-	-	-	2,464,275
-	560,296	-	-	-	-	-	560,296
38,604	-	-	-	-	-	-	38,604
-	-	-	-	-	-	-	156,643
-	-	-	1,524,428	2,895,575	5,006,558	-	9,426,561
-	-	-	-	-	-	10,232	10,232
-	-	158,127	-	-	-	-	158,127
264,049	-	-	-	-	-	-	264,049
-	-	-	-	-	-	-	(108,226)
<u>302,653</u>	<u>560,296</u>	<u>159,192</u>	<u>1,524,428</u>	<u>2,896,374</u>	<u>5,006,558</u>	<u>35,232</u>	<u>13,012,374</u>
<u>\$ 618,264</u>	<u>\$ 560,296</u>	<u>\$ 178,996</u>	<u>\$ 1,524,428</u>	<u>\$ 4,336,372</u>	<u>\$ 5,068,062</u>	<u>\$ 35,232</u>	<u>\$ 16,729,981</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Confiscated Assets	Emergency 911 Telephone System	State Grants	County/Local Grants	American Stimulus Recovery Grants	CDBG Grants
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	16,500	-	438,961
Fines and forfeitures	305,549	-	-	-	-	-
Charges for services	-	1,862,555	-	-	-	-
Investment earnings	11,890	5,055	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>317,439</u>	<u>1,867,610</u>	<u>-</u>	<u>16,500</u>	<u>-</u>	<u>438,961</u>
Expenditures:						
Current:						
Public safety	184,914	1,491,847	-	3,300	-	-
Culture and recreation	-	-	-	-	-	-
Planning and zoning	-	-	-	5,069	-	252,373
Capital outlay	-	131,322	829,894	12,000	-	94,927
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>184,914</u>	<u>1,623,169</u>	<u>829,894</u>	<u>20,369</u>	<u>-</u>	<u>347,300</u>
Excess (deficiency) of revenues over expenditures	132,525	244,441	(829,894)	(3,869)	-	91,661
Other financing uses:						
Transfers out	(172,000)	-	-	-	-	-
Total other financing uses:	<u>(172,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(39,475)	244,441	(829,894)	(3,869)	-	91,661
Fund balances (deficits), beginning of year	<u>489,935</u>	<u>1,778,981</u>	<u>986,537</u>	<u>5,068</u>	<u>(37,671)</u>	<u>(158,073)</u>
Fund balances (deficits), end of year	<u>\$ 450,460</u>	<u>\$ 2,023,422</u>	<u>\$ 156,643</u>	<u>\$ 1,199</u>	<u>\$ (37,671)</u>	<u>\$ (66,412)</u>

Special Revenue Funds			Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Soil Erosion	Hotel/Motel Tax	Leita Thompson	2000 Bond	2013 Bond	2014 Bond	Scholarship Fund	
\$ -	\$ 993,229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 993,229
-	-	-	-	-	-	-	455,461
-	-	-	-	-	-	-	305,549
19,745	-	-	-	-	-	-	1,882,300
1,086	5,656	-	1,568	35,655	65,462	42	126,414
-	-	95,508	-	-	-	-	95,508
<u>20,831</u>	<u>998,885</u>	<u>95,508</u>	<u>1,568</u>	<u>35,655</u>	<u>65,462</u>	<u>42</u>	<u>3,858,461</u>
-	-	-	-	-	-	-	1,680,061
-	1,064,553	124,483	-	-	-	-	1,189,036
-	-	-	-	-	-	-	257,442
3,542	-	-	-	3,397,395	198,005	-	4,667,085
-	-	-	-	1,059	-	-	1,059
<u>3,542</u>	<u>1,064,553</u>	<u>124,483</u>	<u>-</u>	<u>3,398,454</u>	<u>198,005</u>	<u>-</u>	<u>7,794,683</u>
17,289	(65,668)	(28,975)	1,568	(3,362,799)	(132,543)	42	(3,936,222)
-	(49,000)	-	-	-	-	-	(221,000)
-	(49,000)	-	-	-	-	-	(221,000)
17,289	(114,668)	(28,975)	1,568	(3,362,799)	(132,543)	42	(4,157,222)
<u>285,364</u>	<u>674,964</u>	<u>188,167</u>	<u>1,522,860</u>	<u>6,259,173</u>	<u>5,139,101</u>	<u>35,190</u>	<u>17,169,596</u>
<u>\$ 302,653</u>	<u>\$ 560,296</u>	<u>\$ 159,192</u>	<u>\$ 1,524,428</u>	<u>\$ 2,896,374</u>	<u>\$ 5,006,558</u>	<u>\$ 35,232</u>	<u>\$ 13,012,374</u>

**CITY OF ROSWELL, GEORGIA
CONFISCATED ASSETS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 80,000	\$ 80,000	\$ 305,549	\$ 225,549
Investment earnings	5,000	5,000	11,890	6,890
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>317,439</u>	<u>232,439</u>
Expenditures:				
Current:				
Public safety	<u>208,002</u>	<u>213,802</u>	<u>184,914</u>	<u>28,888</u>
Total expenditures	<u>208,002</u>	<u>213,802</u>	<u>184,914</u>	<u>28,888</u>
Excess (deficiency) of revenues over expenditures	(123,002)	(128,802)	132,525	261,327
Other financing uses:				
Transfers out	<u>(122,000)</u>	<u>(172,000)</u>	<u>(172,000)</u>	<u>-</u>
Total other financing uses	<u>(122,000)</u>	<u>(172,000)</u>	<u>(172,000)</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ (245,002)</u>	<u>\$ (300,802)</u>	(39,475)	<u>\$ 261,327</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (39,475)</u>	

**CITY OF ROSWELL, GEORGIA
EMERGENCY 911 TELEPHONE SYSTEM**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 1,845,000	\$ 1,845,000	\$ 1,862,555	\$ 17,555
Investment earnings	4,000	4,000	5,055	1,055
Total revenues	<u>1,849,000</u>	<u>1,849,000</u>	<u>1,867,610</u>	<u>18,610</u>
Expenditures:				
Current:				
Public safety	1,930,049	1,936,649	1,496,120	440,529
Capital outlay	-	365,510	131,322	234,188
Total expenditures	<u>1,930,049</u>	<u>2,302,159</u>	<u>1,627,442</u>	<u>674,717</u>
Net change in fund balances (budgetary basis)	<u>\$ (81,049)</u>	<u>\$ (453,159)</u>	240,168	<u>\$ 693,327</u>
Less outstanding encumbrances, June 30			<u>4,273</u>	
Net change in fund balances (GAAP basis)			<u>\$ 244,441</u>	

**CITY OF ROSWELL, GEORGIA
STATE GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 25,230	\$ 17,230	\$ -	\$ (17,230)
Total revenues	<u>25,230</u>	<u>17,230</u>	<u>-</u>	<u>(17,230)</u>
Expenditures:				
Current:				
Public works	40	40	-	40
Capital outlay	1,540,497	1,026,187	1,168,816	(142,629)
Total expenditures	<u>1,540,537</u>	<u>1,026,227</u>	<u>1,168,816</u>	<u>(142,589)</u>
Net change in fund balances (budgetary basis)	<u>\$ (1,515,307)</u>	<u>\$ (1,008,997)</u>	(1,168,816)	<u>\$ (159,819)</u>
Less outstanding encumbrances, June 30			<u>338,922</u>	
Net change in fund balances (GAAP basis)			<u>\$ (829,894)</u>	

**CITY OF ROSWELL, GEORGIA
COUNTY/LOCAL GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,000	\$ 15,500	\$ 16,500	\$ 1,000
Total revenues	<u>12,000</u>	<u>15,500</u>	<u>16,500</u>	<u>1,000</u>
Expenditures:				
Current:				
Public safety	8	3,504	3,300	204
Planning and zoning	-	-	5,069	(5,069)
Capital outlay	12,000	12,000	12,000	-
Total expenditures	<u>12,008</u>	<u>15,504</u>	<u>20,369</u>	<u>(4,865)</u>
Net change in fund balances (budgetary basis)	<u>\$ (8)</u>	<u>\$ (4)</u>	(3,869)	<u>\$ (3,865)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (3,869)</u>	

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 686,531	\$ -	\$ -	\$ -
Total revenues	<u>686,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 686,531</u>	<u>\$ -</u>	-	<u>\$ -</u>
Less outstanding encumbrances, June 30			<u>-</u>	
Net change in fund balances (GAAP basis)			<u>\$ -</u>	

**CITY OF ROSWELL, GEORGIA
CDBG GRANTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 20,270	\$ 1,200,610	\$ 438,961	\$ (761,649)
Total revenues	<u>20,270</u>	<u>1,200,610</u>	<u>438,961</u>	<u>(761,649)</u>
Expenditures:				
Current:				
Planning and zoning	1,445	753,536	252,373	501,163
Capital outlay	-	467,878	98,365	369,513
Total expenditures	<u>1,445</u>	<u>1,221,414</u>	<u>350,738</u>	<u>870,676</u>
Net change in fund balances (budgetary basis)	<u>\$ 18,825</u>	<u>\$ (20,804)</u>	88,223	<u>\$ 109,027</u>
Less outstanding encumbrances, June 30			<u>3,438</u>	
Net change in fund balances (GAAP basis)			<u>\$ 91,661</u>	

**CITY OF ROSWELL, GEORGIA
SOIL EROSION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 8,000	\$ 8,000	\$ 19,745	\$ 11,745
Investment earnings	-	-	1,086	1,086
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>20,831</u>	<u>12,831</u>
Expenditures:				
Capital outlay	-	106,384	106,384	-
Total expenditures	<u>-</u>	<u>106,384</u>	<u>106,384</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ 8,000</u>	<u>\$ (98,384)</u>	(85,553)	<u>\$ 12,831</u>
Less outstanding encumbrances, June 30			<u>102,842</u>	
Net change in fund balances (GAAP basis)			<u>\$ 17,289</u>	

**CITY OF ROSWELL, GEORGIA
HOTEL/MOTEL TAX**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 850,000	\$ 850,000	\$ 993,229	\$ 143,229
Investment earnings	4,000	4,000	5,656	1,656
Total revenues	<u>854,000</u>	<u>854,000</u>	<u>998,885</u>	<u>144,885</u>
Expenditures:				
Current:				
Culture and recreation	1,038,331	1,073,331	1,064,553	8,778
Total expenditures	<u>1,038,331</u>	<u>1,073,331</u>	<u>1,064,553</u>	<u>8,778</u>
Deficiency of revenues over expenditures	(184,331)	(219,331)	(65,668)	153,663
Other financing uses:				
Transfers out	-	(49,000)	(49,000)	-
Total other financing uses	<u>-</u>	<u>(49,000)</u>	<u>(49,000)</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ (184,331)</u>	<u>\$ (268,331)</u>	(114,668)	<u>\$ 153,663</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (114,668)</u>	

**CITY OF ROSWELL, GEORGIA
LEITA THOMPSON**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Miscellaneous	\$ 104,000	\$ 104,000	\$ 95,508	\$ (8,492)
Total revenues	<u>104,000</u>	<u>104,000</u>	<u>95,508</u>	<u>(8,492)</u>
Expenditures:				
Current:				
Culture and recreation	124,328	128,122	124,483	3,639
Total expenditures	<u>124,328</u>	<u>128,122</u>	<u>124,483</u>	<u>3,639</u>
Net change in fund balances (budgetary basis)	<u>\$ (20,328)</u>	<u>\$ (24,122)</u>	(28,975)	<u>\$ (4,853)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (28,975)</u>	

**CITY OF ROSWELL, GEORGIA
2000 BOND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 2,500	\$ 2,500	\$ 1,568	\$ (932)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>1,568</u>	<u>(932)</u>
Expenditures:				
Capital outlay	<u>1,109,372</u>	<u>1,109,372</u>	<u>43,800</u>	<u>1,065,572</u>
Total expenditures	<u>1,109,372</u>	<u>1,109,372</u>	<u>43,800</u>	<u>1,065,572</u>
Net change in fund balances (budgetary basis)	<u>\$ (1,106,872)</u>	<u>\$ (1,106,872)</u>	(42,232)	<u>\$ 1,064,640</u>
Less outstanding encumbrances, June 30			<u>43,800</u>	
Net change in fund balances (GAAP basis)			<u>\$ 1,568</u>	

**CITY OF ROSWELL, GEORGIA
2013 BOND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 68,500	\$ 68,500	\$ -	\$ (68,500)
Investment earnings	-	-	35,655	35,655
Total revenues	<u>68,500</u>	<u>68,500</u>	<u>35,655</u>	<u>(32,845)</u>
Expenditures:				
Capital outlay	6,134,134	6,214,634	3,640,230	2,574,404
Debt service				
Interest and fiscal charges	764	764	1,059	(295)
Total expenditures	<u>6,134,898</u>	<u>6,215,398</u>	<u>3,641,289</u>	<u>2,574,109</u>
Deficiency of revenues over expenditures	(6,066,398)	(6,146,898)	(3,605,634)	2,541,264
Other financing sources:				
Issuance of long term debt	9,999,277	9,999,277	-	(9,999,277)
Total other financing sources	<u>9,999,277</u>	<u>9,999,277</u>	<u>-</u>	<u>(9,999,277)</u>
Net change in fund balances (budgetary basis)	<u>\$ 3,932,879</u>	<u>\$ 3,852,379</u>	(3,605,634)	<u>\$ (7,458,013)</u>
Less outstanding encumbrances, June 30			<u>242,835</u>	
Net change in fund balances (GAAP basis)			<u>\$ (3,362,799)</u>	

CITY OF ROSWELL, GEORGIA
2014 BOND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 65,462	\$ 65,462
Total revenues	-	-	65,462	65,462
Expenditures:				
Capital outlay	4,940,000	4,940,000	2,331,147	2,608,853
Total expenditures	4,940,000	4,940,000	2,331,147	2,608,853
Net change in fund balances (budgetary basis)	<u>\$ (4,940,000)</u>	<u>\$ (4,940,000)</u>	(2,265,685)	<u>\$ 2,674,315</u>
Less outstanding encumbrances, June 30			2,133,142	
Net change in fund balances (GAAP basis)			<u>\$ (132,543)</u>	

**CITY OF ROSWELL, GEORGIA
SCHOLARSHIP FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 50	\$ 50	\$ 42	\$ (8)
Total revenues	<u>50</u>	<u>50</u>	<u>42</u>	<u>(8)</u>
Net change in fund balances (budgetary basis)	<u>\$ 50</u>	<u>\$ 50</u>	42	<u>\$ (8)</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ 42</u>	

**CITY OF ROSWELL, GEORGIA
IMPACT FEES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Impact fees	\$ 1,561	\$ 1,561	\$ 454,941	\$ 453,380
Investment earnings	15,108	20,108	88,876	68,768
Total revenues	<u>16,669</u>	<u>21,669</u>	<u>543,817</u>	<u>522,148</u>
Expenditures:				
Current:				
Public works	1,138	-	7,107	(7,107)
Capital outlay	4,294,008	3,608,282	2,194,426	1,413,856
Total expenditures	<u>4,295,146</u>	<u>3,608,282</u>	<u>2,201,533</u>	<u>1,406,749</u>
Net change in fund balances (budgetary basis)	<u>\$ (4,278,477)</u>	<u>\$ (3,586,613)</u>	(1,657,716)	<u>\$ 1,928,897</u>
Less outstanding encumbrances, June 30			<u>1,738,350</u>	
Net change in fund balances (GAAP basis)			<u>\$ 80,634</u>	

**CITY OF ROSWELL, GEORGIA
CAPITAL PROJECTS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,287,770	\$ 1,158,479	\$ 624,068	\$ (534,411)
Investment earnings	-	-	110,426	110,426
Contributions	70,000	70,000	-	(70,000)
Miscellaneous	15,691	15,691	15,691	-
Total revenues	<u>1,373,461</u>	<u>1,244,170</u>	<u>750,185</u>	<u>(493,985)</u>
Expenditures:				
Current:				
General government	-	-	501,367	(501,367)
Public safety	4,766	721	-	721
Public works	2,401,944	2,160,865	1,688,271	472,594
Planning and zoning	49,800	49,800	46,500	3,300
Culture and recreation	45,000	45,000	2,039	42,961
Capital outlay	19,573,984	24,868,624	16,788,617	8,080,007
Total expenditures	<u>22,075,494</u>	<u>27,125,010</u>	<u>19,026,794</u>	<u>8,098,216</u>
Deficiency of revenues over expenditures	(20,702,033)	(25,880,840)	(18,276,609)	7,604,231
Other financing sources:				
Transfers in	1,827,162	8,376,918	8,376,918	-
Total other financing sources	<u>1,827,162</u>	<u>8,376,918</u>	<u>8,376,918</u>	<u>-</u>
Net change in fund balances (budgetary basis)	<u>\$ (18,874,871)</u>	<u>\$ (17,503,922)</u>	(9,899,691)	<u>\$ 7,604,231</u>
Less outstanding encumbrances, June 30			<u>6,892,431</u>	
Net change in fund balances (GAAP basis)			<u>\$ (3,007,260)</u>	

**CITY OF ROSWELL, GEORGIA
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,078,132	\$ 4,078,132	\$ 4,141,260	\$ 63,128
Investment earnings (loss)	-	-	(1,224)	(1,224)
Total revenues	<u>4,078,132</u>	<u>4,078,132</u>	<u>4,140,036</u>	<u>61,904</u>
Expenditures:				
Debt service:				
Principal	5,385,000	5,385,000	5,365,000	20,000
Interest	376,513	376,513	376,518	(5)
Total expenditures	<u>5,761,513</u>	<u>5,761,513</u>	<u>5,741,518</u>	<u>19,995</u>
Net change in fund balances (budgetary basis)	<u>\$ (1,683,381)</u>	<u>\$ (1,683,381)</u>	(1,601,482)	<u>\$ 81,899</u>
Less outstanding encumbrances, June 30			-	
Net change in fund balances (GAAP basis)			<u>\$ (1,601,482)</u>	

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ENTERPRISE FUNDS

Enterprise funds account for external activities that are usually self-sustaining, primarily through user charges for services rendered.

Water and Sewer – to account for the costs of providing water services to a portion of the community.

Solid Waste – to account for the costs associated with providing refuse collection and disposal services to the community.

Participant Recreation – to account for the costs associated with providing recreational programs and services to the community.

Stormwater – to account for the City's stormwater operations.

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**CITY OF ROSWELL, GEORGIA
WATER AND SEWER**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating revenues:				
Charges for services:				
Water sales	\$ 2,800,000	\$ 2,800,000	\$ 2,965,664	\$ 165,664
Sewer sales	250,000	250,000	174,395	(75,605)
Other fees	86,500	86,500	227,792	141,292
Other operating income	6,900	6,900	303,018	296,118
Total operating revenues	<u>3,143,400</u>	<u>3,143,400</u>	<u>3,670,869</u>	<u>527,469</u>
Operating expenses:				
Personnel services and benefits	1,293,445	1,339,640	1,213,048	126,592
Purchased contract services	450,000	422,000	283,452	138,548
Supplies and maintenance	1,080,383	1,113,030	893,936	219,094
Utilities	83,897	87,897	76,996	10,901
Capital expenses	339,000	16,079,858	4,552,579	11,527,279
Depreciation	-	-	511,292	(511,292)
Total operating expenses	<u>3,246,725</u>	<u>19,042,425</u>	<u>7,531,303</u>	<u>11,511,122</u>
Operating loss	(103,325)	(15,899,025)	(3,860,434)	12,038,591
Non-operating revenues (expenses):				
Investment earnings	6,000	6,000	835	(5,165)
Interest expense	(77,000)	(214,500)	(137,500)	77,000
Total non-operating revenues (expenses)	<u>(71,000)</u>	<u>(208,500)</u>	<u>(136,665)</u>	<u>71,835</u>
Loss before transfers	(174,325)	(16,107,525)	(3,997,099)	12,110,426
Transfers:				
Transfers out	(53,142)	(53,142)	(53,142)	-
Total transfers	<u>(53,142)</u>	<u>(53,142)</u>	<u>(53,142)</u>	<u>-</u>
Change in net position (budgetary basis)	<u>\$ (227,467)</u>	<u>\$ (16,160,667)</u>	(4,050,241)	<u>\$ 12,110,426</u>
Less outstanding encumbrances, June 30			<u>4,576,630</u>	
Change in net position (GAAP basis)			<u>\$ 526,389</u>	

**CITY OF ROSWELL, GEORGIA
SOLID WASTE**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating revenues:				
Charges for services:				
Sanitation sales	\$ 8,571,500	\$ 8,571,500	\$ 8,474,831	\$ (96,669)
Other fees	25,000	25,000	26,585	1,585
Other operating income	252,500	252,500	171,811	(80,689)
Total operating revenues	<u>8,849,000</u>	<u>8,849,000</u>	<u>8,673,227</u>	<u>(175,773)</u>
Operating expenses:				
Personnel services and benefits	3,241,203	3,241,203	3,043,937	197,266
Purchased contract services	4,144,532	4,502,060	3,752,614	749,446
Supplies and maintenance	2,435,333	2,829,898	2,876,663	(46,765)
Utilities	12,569	12,569	10,472	2,097
Other operating expense	235,600	235,600	-	235,600
Depreciation	-	-	335,268	(335,268)
Total operating expenses	<u>10,069,237</u>	<u>10,821,330</u>	<u>10,018,954</u>	<u>802,376</u>
Operating loss	(1,220,237)	(1,972,330)	(1,345,727)	626,603
Non-operating revenues:				
Investment earnings	30,000	30,000	43,732	13,732
Total non-operating revenues	<u>30,000</u>	<u>30,000</u>	<u>43,732</u>	<u>13,732</u>
Transfers:				
Transfers in	-	-	13,389	13,389
Total transfers	<u>-</u>	<u>-</u>	<u>13,389</u>	<u>13,389</u>
Change in net position (budgetary basis)	<u>\$ (1,190,237)</u>	<u>\$ (1,942,330)</u>	(1,288,606)	<u>\$ 653,724</u>
Less outstanding encumbrances, June 30			<u>1,284,662</u>	
Change in net position (GAAP basis)			<u>\$ (3,944)</u>	

**CITY OF ROSWELL, GEORGIA
PARTICIPANT RECREATION**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating revenues:				
Charges for services:				
Other fees	\$ 4,511,500	\$ 4,571,500	\$ 4,812,441	\$ 240,941
Total operating revenues	<u>4,511,500</u>	<u>4,571,500</u>	<u>4,812,441</u>	<u>240,941</u>
Operating expenses:				
Personnel services and benefits	3,444,911	3,444,911	3,471,907	(26,996)
Purchased contract services	720,000	808,265	980,234	(171,969)
Supplies and maintenance	1,093,050	1,698,872	2,297,182	(598,310)
Depreciation	-	-	51,135	(51,135)
Total operating expenses	<u>5,257,961</u>	<u>5,952,048</u>	<u>6,800,458</u>	<u>(848,410)</u>
Operating loss	(746,461)	(1,380,548)	(1,988,017)	(607,469)
Non-operating revenues:				
Investment earnings	-	-	12,806	12,806
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>12,806</u>	<u>12,806</u>
Loss before transfers	(746,461)	(1,380,548)	(1,975,211)	(594,663)
Transfers:				
Transfers in	321,391	321,391	321,391	-
Total transfers	<u>321,391</u>	<u>321,391</u>	<u>321,391</u>	<u>-</u>
Change in net position (budgetary basis)	<u>\$ (425,070)</u>	<u>\$ (1,059,157)</u>	(1,653,820)	<u>\$ (594,663)</u>
Less outstanding encumbrances, June 30			<u>1,553,335</u>	
Change in net position (GAAP basis)			<u>\$ (100,485)</u>	

**CITY OF ROSWELL, GEORGIA
STORMWATER**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION - BUDGET AND ACTUAL - BUDGETARY BASIS**

FOR THE YEAR ENDED JUNE 30, 2015

	Budget		Actual on a Budgetary Basis	Variance with Final Budget
	Original	Final		
Operating revenues:				
Charges for services:				
Stormwater sales	\$ 3,110,000	\$ 3,110,000	\$ 3,063,860	\$ (46,140)
Total operating revenues	<u>3,110,000</u>	<u>3,110,000</u>	<u>3,063,860</u>	<u>(46,140)</u>
Operating expenses:				
Personnel services and benefits	877,735	877,735	818,311	59,424
Supplies and maintenance	2,361,378	2,974,387	753,121	2,221,266
Depreciation	-	-	99,119	(99,119)
Total operating expenses	<u>3,239,113</u>	<u>3,852,122</u>	<u>1,670,551</u>	<u>2,181,571</u>
Operating income (loss)	(129,113)	(742,122)	1,393,309	2,135,431
Non-operating revenues:				
Investment income	5,000	5,000	4,643	(357)
Total non-operating revenues	<u>5,000</u>	<u>5,000</u>	<u>4,643</u>	<u>(357)</u>
Income (loss) before transfers	(124,113)	(737,122)	1,397,952	2,135,074
Transfers:				
Transfers out	(53,142)	(233,665)	(233,665)	-
Total transfers	<u>(53,142)</u>	<u>(233,665)</u>	<u>(233,665)</u>	<u>-</u>
Change in net position (budgetary basis)	<u>\$ (177,255)</u>	<u>\$ (970,787)</u>	1,164,287	<u>\$ 2,135,074</u>
Less outstanding encumbrances, June 30			<u>58,445</u>	
Change in net position (GAAP basis)			<u>\$ 1,222,732</u>	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Group Health Fund – to account for charges to other funds and for the payment of employee's health insurance and the payment of claims.

Risk Management Fund – to account for charges to other funds and for the payment of general liability and property insurance and the payment of claims.

Workmans' Compensation Fund – to account for charges to other funds and for the payment of the workers' compensation insurance and claims.

Fleet Services Fund – to account for charges to other funds and to account for the costs of operating the fleet maintenance function.

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CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2015

	Group Health Fund	Risk Management Fund	Workman's Compensation Fund	Fleet Services Fund	Total
ASSETS					
Current assets:					
Cash	\$ 565,592	\$ 436,976	\$ 868,213	\$ 84,450	\$ 1,955,231
Investments	1,987,515	1,251,373	1,495,392	-	4,734,280
Receivables (net of allowance for uncollectibles)	25,663	2,420	2,218	-	30,301
Prepaid items	1,441	178,553	60,258	61	240,313
Total assets	<u>2,580,211</u>	<u>1,869,322</u>	<u>2,426,081</u>	<u>84,511</u>	<u>6,960,125</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan contributions	7,367	7,043	-	34,334	48,744
Pension plan experience differences	173	166	-	807	1,146
Total deferred outflows of resources	<u>7,540</u>	<u>7,209</u>	<u>-</u>	<u>35,141</u>	<u>49,890</u>
LIABILITIES					
Current liabilities:					
Accounts payable	35,961	24,471	172,737	12,481	245,650
Accrued liabilities	539,816	1,867	264,223	11,640	817,546
Due to other funds	471,860	-	-	-	471,860
Compensated absences	6,488	1,821	788	19,956	29,053
Total current liabilities	<u>1,054,125</u>	<u>28,159</u>	<u>437,748</u>	<u>44,077</u>	<u>1,564,109</u>
Long-term liabilities:					
Compensated absences	2,627	827	153	8,468	12,075
Net pension liability	46,721	44,667	-	217,737	309,125
Total long-term liabilities	<u>49,348</u>	<u>45,494</u>	<u>153</u>	<u>226,205</u>	<u>321,200</u>
Total liabilities	<u>1,103,473</u>	<u>73,653</u>	<u>437,901</u>	<u>270,282</u>	<u>1,885,309</u>
DEFERRED INFLOWS OF RESOURCES					
Net difference between projected and actual investment earnings					
	4,596	4,394	-	21,421	30,411
Pension plan assumption changes	549	524	-	2,556	3,629
Total deferred inflows of resources	<u>5,145</u>	<u>4,918</u>	<u>-</u>	<u>23,977</u>	<u>34,040</u>
NET POSITION					
Unrestricted	1,479,133	1,797,960	1,988,180	(174,607)	5,090,666
Total net position	<u>\$ 1,479,133</u>	<u>\$ 1,797,960</u>	<u>\$ 1,988,180</u>	<u>\$ (174,607)</u>	<u>\$ 5,090,666</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Group Health Fund	Risk Management Fund	Workman's Compensation Fund	Fleet Services Fund	Total
OPERATING REVENUES					
Charges for services	\$ 7,557,105	\$ 1,047,855	\$ 310,667	\$ 648,004	\$ 9,563,631
Miscellaneous	325	-	52	-	377
Total operating revenues	<u>7,557,430</u>	<u>1,047,855</u>	<u>310,719</u>	<u>648,004</u>	<u>9,564,008</u>
OPERATING EXPENSES					
General and administrative	2,990,687	149,552	186,445	651,135	3,977,819
Claims paid	5,275,541	907,117	694,788	-	6,877,446
Total operating expenses	<u>8,266,228</u>	<u>1,056,669</u>	<u>881,233</u>	<u>651,135</u>	<u>10,855,265</u>
Operating loss	(708,798)	(8,814)	(570,514)	(3,131)	(1,291,257)
NONOPERATING REVENUES					
Investment earnings	4,601	27,983	52,976	-	85,560
Total nonoperating revenues	<u>4,601</u>	<u>27,983</u>	<u>52,976</u>	<u>-</u>	<u>85,560</u>
Income (loss) before transfers	(704,197)	19,169	(517,538)	(3,131)	(1,205,697)
Transfers out	-	(340,000)	-	-	(340,000)
Total transfers	<u>-</u>	<u>(340,000)</u>	<u>-</u>	<u>-</u>	<u>(340,000)</u>
Change in net position	(704,197)	(320,831)	(517,538)	(3,131)	(1,545,697)
NET POSITION, beginning of year, restated	<u>2,183,330</u>	<u>2,118,791</u>	<u>2,505,718</u>	<u>(171,476)</u>	<u>6,636,363</u>
NET POSITION, end of year	<u>\$ 1,479,133</u>	<u>\$ 1,797,960</u>	<u>\$ 1,988,180</u>	<u>\$ (174,607)</u>	<u>\$ 5,090,666</u>

CITY OF ROSWELL, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Group Health Fund	Risk Management Fund	Workman's Compensation Fund	Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 7,532,210	\$ 1,047,855	\$ 310,719	\$ 648,004	\$ 9,538,788
Payments to suppliers and service providers	(7,250,144)	(1,079,907)	(745,802)	(648,675)	(9,724,528)
Net cash provided by (used in) operating activities	282,066	(32,052)	(435,083)	(671)	(185,740)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(986,872)	-	-	-	(986,872)
Proceeds from sale of investments	-	741,573	983,273	-	1,724,846
Interest received	4,601	29,376	59,257	-	93,234
Net cash provided by (used in) investing activities	(982,271)	770,949	1,042,530	-	831,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers out	-	(340,000)	-	-	(340,000)
Net cash used in noncapital financing activities	-	(340,000)	-	-	(340,000)
Net increase (decrease) in cash	(700,205)	398,897	607,447	(671)	305,468
Cash:					
Beginning of year	1,265,797	38,079	260,766	85,121	1,649,763
End of year	<u>\$ 565,592</u>	<u>\$ 436,976</u>	<u>\$ 868,213</u>	<u>\$ 84,450</u>	<u>\$ 1,955,231</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	\$ (708,798)	\$ (8,814)	\$ (570,514)	\$ (3,131)	\$ (1,291,257)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Increase in receivables	(25,220)	-	-	-	(25,220)
(Increase) decrease in prepaids	1,023	(9,078)	(258)	(61)	(8,374)
Decrease in pension related deferred outflows of resources	491	469	-	2,289	3,249
Increase (decrease) in accounts payable	6,023	(10,923)	141,115	11,072	147,287
Increase (decrease) in accrued liabilities	538,122	324	(5,314)	3,715	536,847
Increase in pension related deferred inflows of resources	5,145	4,918	-	23,977	34,040
Increase (decrease) in compensated absences	2,264	(493)	(112)	2,686	4,345
Decrease in net pension liability	(8,844)	(8,455)	-	(41,218)	(58,517)
Increase in due to other funds	471,860	-	-	-	471,860
Net cash provided by (used in) operating activities	<u>\$ 282,066</u>	<u>\$ (32,052)</u>	<u>\$ (435,083)</u>	<u>\$ (671)</u>	<u>\$ (185,740)</u>

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STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	88-93
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	
Revenue Capacity.....	94-97
These schedules contain information to help the reader assess the government’s most significant local revenue source, property tax.	
Debt Capacity.....	98-101
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	
Demographic and Economic Information	102 and 103
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	
Operating Information.....	104-108
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	

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

CITY OF ROSWELL, GEORGIA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 88,960	\$ 92,979	\$ 107,136	\$ 117,562
Restricted	7,836	9,679	7,496	7,845
Unrestricted	54,935	66,635	72,291	69,817
Total governmental activities net position	<u>\$ 151,731</u>	<u>\$ 169,293</u>	<u>\$ 186,923</u>	<u>\$ 195,224</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 8,576	\$ 9,235	\$ 9,506	\$ 10,963
Restricted	-	-	-	-
Unrestricted	8,723	10,846	12,893	13,867
Total business-type activities net position	<u>\$ 17,299</u>	<u>\$ 20,081</u>	<u>\$ 22,399</u>	<u>\$ 24,830</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 97,536	\$ 102,214	\$ 116,642	\$ 128,525
Restricted	7,836	9,679	7,496	7,845
Unrestricted	63,658	77,481	85,184	83,684
Total primary government net position	<u>\$ 169,030</u>	<u>\$ 189,374</u>	<u>\$ 209,322</u>	<u>\$ 220,054</u>

2010	2011	2012	2013	2014	2015
\$ 126,837	\$ 140,779	\$ 156,690	\$ 154,588	\$ 166,282	\$ 173,845
8,314	21,015	11,443	20,996	27,264	20,074
65,539	50,820	49,347	46,557	35,192	22,277
<u>\$ 200,690</u>	<u>\$ 212,614</u>	<u>\$ 217,480</u>	<u>\$ 222,141</u>	<u>\$ 228,738</u>	<u>\$ 216,196</u>
\$ 13,044	\$ 14,581	\$ 15,146	\$ 17,069	\$ 20,108	\$ 22,295
-	-	1,644	-	-	-
14,349	15,314	15,005	16,828	15,277	11,739
<u>\$ 27,393</u>	<u>\$ 29,895</u>	<u>\$ 31,795</u>	<u>\$ 33,897</u>	<u>\$ 35,385</u>	<u>\$ 34,034</u>
\$ 139,881	\$ 155,360	\$ 171,836	\$ 171,657	\$ 186,390	\$ 196,140
8,314	21,015	13,087	20,996	27,264	20,074
79,888	66,134	64,352	63,385	50,469	34,016
<u>\$ 228,083</u>	<u>\$ 242,509</u>	<u>\$ 249,275</u>	<u>\$ 256,038</u>	<u>\$ 264,123</u>	<u>\$ 250,230</u>

CITY OF ROSWELL, GEORGIA

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

	2006	2007	2008	2009
EXPENSES				
Governmental activities:				
General government	\$ 3,948	\$ 4,311	\$ 5,398	\$ 7,130
Judicial	1,384	1,387	1,496	1,484
Financial services	4,057	3,987	3,964	2,387
Public safety	19,466	20,708	22,486	23,764
Public works	8,961	10,009	8,847	9,402
Planning and zoning	3,553	3,653	3,932	3,675
Culture and recreation	10,996	11,369	12,634	12,198
Interest and paying agent fees	2,353	2,208	1,831	1,506
Total governmental activities expenses	54,718	57,632	60,588	61,546
Business-type activities:				
Water and sewer	2,204	2,625	2,662	2,680
Solid waste	6,806	8,166	8,655	8,607
Participant recreation	3,399	3,452	3,845	3,859
Stormwater	-	-	-	-
Total business-type activities expenses	12,409	14,243	15,162	15,146
Total primary government expenses	\$ 67,127	\$ 71,875	\$ 75,750	\$ 76,692
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 1,012	\$ 1,802	\$ 2,376	\$ 1,899
Judicial (2)	2,968	3,106	3,154	584
Public safety	1,861	3,312	3,843	4,650
Public works	961	734	435	481
Planning and zoning	1,349	1,611	604	698
Culture and recreation	233	435	476	273
Total charges for services	8,384	11,000	10,888	8,585
Operating grants and contributions (1)	25	378	1,300	737
Capital grants and contributions (1)	3,880	901	1,662	1,323
Total governmental activities program revenues	12,289	12,279	13,850	10,645
Business-type activities:				
Charges for services:				
Water and sewer	3,314	3,335	3,183	3,257
Solid waste	9,716	9,090	9,763	9,681
Participant recreation	3,401	3,642	4,077	3,910
Stormwater	-	-	-	-
Total charges for services	16,431	16,067	17,023	16,848
Capital grants and contributions (1)	-	621	107	-
Total business-type activities program revenues	16,431	16,688	17,130	16,848
Total primary government program revenues	\$ 28,720	\$ 28,967	\$ 30,980	\$ 27,493

(continued)

2010	2011	2012	2013	2014	2015
\$ 7,309	\$ 8,049	\$ 8,237	\$ 8,455	\$ 9,448	\$ 9,033
1,502	1,442	1,374	1,371	1,265	1,155
2,335	1,528	2,216	2,159	1,994	3,079
24,880	24,346	26,037	24,622	25,881	26,043
12,380	12,670	13,438	12,355	11,433	16,115
3,650	3,978	2,541	2,844	3,260	3,625
12,340	11,445	12,102	12,258	12,767	13,732
1,278	1,193	823	574	525	363
<u>65,674</u>	<u>64,651</u>	<u>66,768</u>	<u>64,638</u>	<u>66,574</u>	<u>73,145</u>
3,057	2,936	3,330	2,861	3,091	3,122
8,985	8,951	8,887	8,928	9,064	8,868
3,855	4,964	4,844	4,964	4,788	5,277
-	-	1,418	1,522	1,628	1,631
<u>15,897</u>	<u>16,851</u>	<u>18,479</u>	<u>18,275</u>	<u>18,570</u>	<u>18,898</u>
<u>\$ 81,571</u>	<u>\$ 81,502</u>	<u>\$ 85,247</u>	<u>\$ 82,913</u>	<u>\$ 85,144</u>	<u>\$ 92,043</u>
\$ 1,256	\$ 3,420	\$ 3,120	\$ 2,988	\$ 3,066	\$ 2,968
2,259	2,969	2,938	2,246	1,702	1,921
2,918	2,176	2,530	1,844	2,032	2,305
1,480	67	264	570	697	488
373	17	609	766	1,454	1,721
512	350	80	99	103	96
<u>8,798</u>	<u>8,999</u>	<u>9,541</u>	<u>8,513</u>	<u>9,054</u>	<u>9,499</u>
2,368	1,406	983	491	811	1,266
2,222	9,443	2,883	2,101	1,710	1,248
<u>13,388</u>	<u>19,848</u>	<u>13,407</u>	<u>11,105</u>	<u>11,575</u>	<u>12,013</u>
3,297	3,304	3,567	3,219	3,250	3,671
9,981	9,821	8,655	8,857	8,636	8,673
4,126	4,345	4,626	4,672	4,576	4,812
-	-	2,900	3,052	3,046	3,064
<u>17,404</u>	<u>17,470</u>	<u>19,748</u>	<u>19,800</u>	<u>19,508</u>	<u>20,220</u>
844	-	-	-	-	-
<u>18,248</u>	<u>17,470</u>	<u>19,748</u>	<u>19,800</u>	<u>19,508</u>	<u>20,220</u>
<u>\$ 31,636</u>	<u>\$ 37,318</u>	<u>\$ 33,155</u>	<u>\$ 30,905</u>	<u>\$ 31,083</u>	<u>\$ 32,233</u>

CITY OF ROSWELL, GEORGIA

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

	2006	2007	2008	2009
Net (expense)/revenue				
Governmental activities	\$ (42,429)	\$ (45,353)	\$ (46,738)	\$ (50,901)
Business-type activities	4,022	2,445	1,968	1,702
Total primary government net expense	<u>\$ (38,407)</u>	<u>\$ (42,908)</u>	<u>\$ (44,770)</u>	<u>\$ (49,199)</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property taxes	\$ 28,806	\$ 30,628	\$ 31,635	\$ 31,890
Sales taxes	21,284	22,443	22,689	19,720
Hotel/Motel taxes	730	795	853	686
Business taxes	5,026	5,151	5,307	5,378
Total taxes	<u>55,846</u>	<u>59,017</u>	<u>60,484</u>	<u>57,674</u>
Investment earnings	2,071	3,784	3,395	1,751
Gain on sale of capital assets	-	-	-	-
Miscellaneous	69	122	479	202
Transfers	962	(8)	10	(425)
Total governmental activities	<u>58,948</u>	<u>62,915</u>	<u>64,368</u>	<u>59,202</u>
Business-type activities:				
Investment earnings	266	314	348	280
Gain on sale of capital assets	53	15	12	24
Miscellaneous	-	-	-	-
Transfers	(962)	8	(10)	425
Total business-type activities	<u>(643)</u>	<u>337</u>	<u>350</u>	<u>729</u>
Total primary government	<u>\$ 58,305</u>	<u>\$ 63,252</u>	<u>\$ 64,718</u>	<u>\$ 59,931</u>
CHANGE IN NET POSITION				
Governmental activities	\$ 16,519	\$ 17,562	\$ 17,630	\$ 8,301
Business-type activities	3,379	2,782	2,318	2,431
Total primary government	<u>\$ 19,898</u>	<u>\$ 20,344</u>	<u>\$ 19,948</u>	<u>\$ 10,732</u>

(1) Operating grants and contributions and capital grants and contributions vary widely depending on the grants available from federal, state and local sources. Variances from 2006 to 2015 reflect the changes in grants awarded to the City.

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

2010	2011	2012	2013	2014	2015
\$ (52,286)	\$ (44,803)	\$ (53,361)	\$ (53,533)	\$ (54,999)	\$ (61,132)
2,351	619	1,269	1,525	938	1,322
<u>\$ (49,935)</u>	<u>\$ (44,184)</u>	<u>\$ (52,092)</u>	<u>\$ (52,008)</u>	<u>\$ (54,061)</u>	<u>\$ (59,810)</u>
\$ 31,674	\$ 31,344	\$ 30,227	\$ 30,398	\$ 31,239	\$ 31,578
19,562	20,406	21,863	21,816	22,835	23,965
602	721	788	797	875	993
5,248	5,345	5,028	5,351	5,578	5,603
<u>57,086</u>	<u>57,816</u>	<u>57,906</u>	<u>58,362</u>	<u>60,527</u>	<u>62,139</u>
593	559	411	229	587	651
-	-	148	-	-	60
73	100	179	217	119	467
-	(1,748)	(418)	(571)	(362)	(48)
<u>57,752</u>	<u>56,727</u>	<u>58,226</u>	<u>58,237</u>	<u>60,871</u>	<u>63,269</u>
123	135	70	5	160	62
89	-	144	-	28	-
-	-	-	-	-	-
-	1,748	418	571	362	48
<u>212</u>	<u>1,883</u>	<u>632</u>	<u>576</u>	<u>550</u>	<u>110</u>
<u>\$ 57,964</u>	<u>\$ 58,610</u>	<u>\$ 58,858</u>	<u>\$ 58,813</u>	<u>\$ 61,421</u>	<u>\$ 63,379</u>
\$ 5,466	\$ 11,924	\$ 4,865	\$ 4,704	\$ 5,872	\$ 2,137
2,563	2,502	1,901	2,101	1,488	1,432
<u>\$ 8,029</u>	<u>\$ 14,426</u>	<u>\$ 6,766</u>	<u>\$ 6,805</u>	<u>\$ 7,360</u>	<u>\$ 3,569</u>

CITY OF ROSWELL, GEORGIA

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund				
Reserved	\$ 1,710	\$ 668	\$ 865	\$ 714
Unreserved	33,383	40,251	40,843	35,224
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>35,093</u>	<u>40,919</u>	<u>41,708</u>	<u>35,938</u>
All other governmental funds				
Reserved	14,472	14,769	13,399	12,377
Unreserved, reported in:				
Special revenue funds	(1,136)	3,836	3,365	4,289
Debt service funds	14,773	16,297	18,494	20,602
Capital projects funds	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>28,109</u>	<u>34,902</u>	<u>35,258</u>	<u>37,268</u>
Total all funds	<u>\$ 63,202</u>	<u>\$ 75,821</u>	<u>\$ 76,966</u>	<u>\$ 73,206</u>

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 620	\$ -	\$ -	\$ -	\$ -	\$ -
31,858	-	-	-	-	-
-	291	188	570	812	377
-	104	88	66	52	20
-	16,329	14,007	14,398	16,596	15,436
-	6,893	3,299	2,826	2,507	3,271
-	7,418	8,882	3,408	3,034	5,445
<u>32,478</u>	<u>31,035</u>	<u>26,464</u>	<u>21,268</u>	<u>23,001</u>	<u>24,549</u>
15,400	-	-	-	-	-
1,307	-	-	-	-	-
19,219	-	-	-	-	-
-	-	-	-	-	-
-	130	63	297	343	114
-	19,693	11,116	20,452	27,029	19,839
-	399	494	531	434	422
-	15,929	17,519	19,187	17,748	16,405
-	(1,188)	(1,699)	(420)	(874)	(553)
<u>35,926</u>	<u>34,963</u>	<u>27,493</u>	<u>40,047</u>	<u>44,680</u>	<u>36,227</u>
<u>\$ 68,404</u>	<u>\$ 65,998</u>	<u>\$ 53,957</u>	<u>\$ 61,315</u>	<u>\$ 67,681</u>	<u>\$ 60,776</u>

CITY OF ROSWELL, GEORGIA

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

	2006	2007	2008	2009
REVENUES				
Taxes	\$ 55,474	\$ 58,320	\$ 59,821	\$ 57,198
Licenses and permits	1,813	2,117	2,428	1,295
Intergovernmental	4,475	1,943	2,589	3,058
Fines and forfeitures	3,066	4,218	4,811	3,476
Charges for services	2,495	3,850	3,549	3,683
Impact fees	-	-	-	-
Investment earnings (1)	2,020	3,696	3,321	1,707
Contributions	-	-	-	-
Miscellaneous	1,041	1,094	554	119
Total revenues	70,384	75,238	77,073	70,536
EXPENDITURES				
General government	4,090	4,663	5,124	6,356
Judicial	1,289	1,326	1,460	1,532
Financial services	3,333	3,565	3,587	2,425
Public safety	18,405	20,054	22,171	23,205
Public works	6,525	6,779	7,203	7,531
Planning and zoning	3,317	3,469	3,786	3,749
Culture and recreation	9,102	9,578	11,070	10,639
Capital outlay	10,334	7,121	11,227	12,774
Principal on long-term debt	4,757	4,205	8,140	4,705
Interest and paying agent fees	2,358	2,247	2,329	1,484
Total expenditures	63,510	63,007	76,097	74,400
Excess (deficiency) of revenues over expenditures	6,874	12,231	976	(3,864)
OTHER FINANCING SOURCES (USES)				
Sale of Assets	1,496	221	107	11,090
Transfers in	9,448	7,853	10,516	(11,080)
Transfers out	(8,486)	(7,861)	(10,506)	-
Proceeds from bond issuance	-	-	15,975	-
Premium on bonds issued	-	-	997	-
Payments to refunded bond escrow agent	-	-	(16,920)	-
Capital leases	417	175	-	94
Total other financing sources (uses)	2,875	388	169	104
Net change in fund balances	\$ 9,749	\$ 12,619	\$ 1,145	\$ (3,760)
Debt service as a percentage of noncapital expenditures	13.4%	11.5%	12.5%	9.8%

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

	2010	2011	2012	2013	2014	2015
\$	57,967	\$ 57,641	\$ 58,008	\$ 58,077	\$ 60,544	\$ 61,970
	1,187	1,268	1,430	1,521	2,201	2,465
	1,801	4,679	3,788	3,022	2,293	2,707
	3,392	3,345	3,303	2,478	1,840	2,227
	4,115	4,127	4,159	4,163	4,357	4,141
	95	276	245	543	669	455
	569	527	391	229	587	651
	-	-	25	53	59	26
	73	100	260	317	223	513
	<u>69,199</u>	<u>71,963</u>	<u>71,609</u>	<u>70,403</u>	<u>72,773</u>	<u>75,155</u>
	6,565	7,479	7,672	7,794	8,609	9,030
	1,501	1,439	1,377	1,368	1,167	976
	2,323	1,456	2,087	1,918	2,156	2,187
	24,108	23,218	24,742	23,056	24,224	24,192
	9,862	9,673	10,584	9,484	8,235	8,514
	3,660	3,945	2,459	2,729	3,129	3,088
	10,522	9,414	10,021	10,178	10,514	10,899
	9,303	9,592	11,099	9,570	14,609	17,640
	4,755	5,165	12,250	5,925	1,139	5,528
	1,432	1,240	1,093	648	422	409
	<u>74,031</u>	<u>72,621</u>	<u>83,384</u>	<u>72,670</u>	<u>74,204</u>	<u>82,462</u>
	<u>(4,832)</u>	<u>(658)</u>	<u>(11,775)</u>	<u>(2,267)</u>	<u>(1,431)</u>	<u>(7,307)</u>
	30	-	153	-	94	110
	8,539	7,821	11,908	13,075	9,044	9,242
	(8,539)	(9,569)	(13,327)	(13,446)	(8,998)	(8,950)
	-	-	-	9,760	4,940	-
	-	-	-	239	351	-
	-	-	-	-	-	-
	-	-	-	-	1,640	-
	<u>30</u>	<u>(1,748)</u>	<u>(1,266)</u>	<u>9,628</u>	<u>7,071</u>	<u>402</u>
\$	<u>(4,802)</u>	<u>(2,406)</u>	<u>(13,041)</u>	<u>7,361</u>	<u>5,640</u>	<u>(6,905)</u>
	9.6%	10.1%	18.3%	10.3%	2.6%	8.7%

CITY OF ROSWELL, GEORGIA

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Taxes</u>	<u>Business Tax</u>	<u>Total</u>
2006	\$ 28,434	\$ 2,117	\$ 6,923	\$ 37,474
2007	29,931	23,238	5,151	58,320
2008	30,971	23,543	5,307	59,821
2009 (1)	25,599	18,706	12,893	57,198
2010	32,031	20,086	5,850	57,967
2011	32,279	20,017	5,345	57,641
2012	30,328	22,652	5,028	58,008
2013	30,113	22,613	5,351	58,077
2014	31,257	23,709	5,578	60,544
2015	31,409	24,958	5,603	61,970

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

CITY OF ROSWELL, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Real Property	Privately Owned Public Utilities	Personal and Business (2)	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (1)
2006	\$ 2,573,445	\$ 45,290	\$ 1,340,669	\$ 123,357	\$ 3,836,047	6.087	\$ 9,590,118	40.00%
2007	2,771,967	51,896	1,435,251	131,024	4,128,090	6.087	10,320,225	40.00%
2008	3,105,857	53,966	1,541,096	140,597	4,560,322	5.657	11,535,720	40.00%
2009	3,226,197	49,179	1,824,638	249,837	4,850,177	5.455	12,125,443	40.00%
2010	3,209,102	44,830	1,863,224	253,501	4,863,655	5.455	12,159,138	40.00%
2011	3,049,069	38,015	1,815,995	264,506	4,638,573	5.455	11,596,433	40.00%
2012	2,900,791	38,015	1,850,126	264,119	4,524,813	5.455	11,312,033	40.00%
2013	2,848,200	41,486	1,820,604	282,840	4,427,450	5.455	11,068,625	40.00%
2014	2,815,902	36,208	1,884,403	301,037	4,435,476	5.455	11,088,690	40.00%
2015	2,896,326	36,838	1,804,506	307,403	4,430,267	5.455	11,075,668	40.00%

Source: Georgia Department of Revenue and Fulton County Tax Assessor's Department

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

(2) Personal and business property includes commercial, industrial and non profit real property, and motor vehicles.

CITY OF ROSWELL, GEORGIA

PROPERTY TAX RATES (DIRECT AND OVERLAPPING GOVERNMENTS) Last Ten Fiscal Years (Mills - rate per \$1,000 of taxable assessed value)

Fiscal Year	Tax Year	City of Roswell					Overlapping Rates Fulton County		
		(Less) Local Option					Operating Millage	Debt Service Millage	Total County Millage
		General Millage	Sales Tax	Total M&O	Debt Service Millage	Total City Millage			
2006	2005	8.606	(4.397)	4.209	1.878	6.087	11.581	0.064	11.645
2007	2006	8.497	(4.288)	4.209	1.878	6.087	11.407	0.063	11.470
2008	2007	8.173	(4.262)	3.911	1.746	5.657	10.281	0.000	10.281
2009	2008	7.978	(3.919)	4.059	1.396	5.455	10.281	0.000	10.281
2010	2009	7.679	(3.620)	4.059	1.396	5.455	10.281	0.000	10.281
2011	2010	7.898	(3.839)	4.059	1.396	5.455	10.281	0.000	10.281
2012	2011	8.003	(3.944)	4.059	1.396	5.455	10.281	0.000	10.281
2013	2012	8.788	(4.729)	4.059	1.396	5.455	10.281	0.000	10.281
2014	2013	9.153	(4.689)	4.464	0.991	5.455	10.211	0.000	10.211
2015	2014	9.292	(4.828)	4.464	0.991	5.455	11.781	0.000	11.781

Source: State Department of Revenue

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

Overlapping rates are those of local and county governments that apply to property owners within the City.

Overlapping Rates				
School District			State	Total
Operating Millage	Debt Service Millage	Total School Millage	Total State Millage	Direct & Overlapping Rates
17.315	0.291	17.606	0.250	35.588
17.825	0.282	18.107	0.250	35.914
17.825	0.282	18.107	0.250	34.295
16.904	1.189	18.093	0.250	34.079
16.403	1.099	17.502	0.250	33.488
17.502	0.000	17.502	0.250	33.488
18.502	0.000	18.502	0.250	34.488
18.502	0.000	18.502	0.200	34.438
18.502	0.000	18.502	0.150	34.318
18.502	0.000	18.502	0.100	35.838

CITY OF ROSWELL, GEORGIA

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

Taxpayer	2015			2006		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
Fulton County Board of Education	\$ 84,275	1	1.90%			
City of Roswell	56,515	2	1.28%			
Calibre Creek Apartment Partners	35,328	3	0.80%			
Strata Roswell LLC	33,503	4	0.76%			
Northmeadow Investors LLC	23,720	5	0.54%			
Kimberly Clark Corp	23,356	6	0.53%	\$ 33,506	2	0.87%
Amireit	17,023	7	0.38%			
Mansell Office, LLC	16,000	8	0.36%			
Fulton County	15,986	9	0.36%			
Catholic Continuing Care	14,893	10	0.34%			
Firstcal Industrial Two				39,816	1	1.04%
Colonial Properties				16,854	3	0.44%
Walmart/Sam's Club/K-Mart Place				9,644	4	0.25%
Prudential Ins Company of America				7,755	5	0.20%
North Fulton Hospital				6,632	6	0.17%
Phoenix Realty Special Acct				6,159	7	0.16%
Home Depot				4,918	8	0.13%
Mrs. Edith W. Spruill				4,681	9	0.12%
Tahoe North (Park Bridge)				3,370	10	0.09%
Totals	<u>\$ 320,599</u>		<u>7.24%</u>	<u>\$ 133,335</u>		<u>3.48%</u>

Source: Financial Services Division within the City Finance Department.

CITY OF ROSWELL, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2006	\$ 21,146	\$ 20,776	98.25%	\$ 359	\$ 21,135	99.95%
2007	22,557	22,119	98.06%	422	22,541	99.93%
2008	23,372	22,892	97.95%	451	23,343	99.88%
2009	24,278	23,279	95.89%	955	24,234	99.82%
2010	24,449	23,737	97.09%	664	24,401	99.80%
2011	23,814	22,868	96.03%	885	23,753	99.74%
2012	22,335	21,761	97.43%	495	22,256	99.65%
2013	21,635	21,294	98.42%	244	21,538	99.55%
2014	22,245	21,849	98.22%	121	21,970	98.76%
2015	22,323	21,868	97.96%	-	21,868	97.96%

Source: Financial Services Division within the City Finance Department.

Note:

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

CITY OF ROSWELL, GEORGIA

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

Fiscal Year	Governmental Activities			Business-Type	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds	Capital Leases	Total	Notes Payable			
2006	\$ 48,580	\$ 395	\$ 48,975	\$ -	\$ 48,975	1.51%	\$ 558
2007	44,570	375	44,945	-	44,945	1.27%	508
2008	36,625	180	36,805	-	36,805	1.12%	422
2009	32,100	-	32,100	-	32,100	0.96%	379
2010	27,345	-	27,345	-	27,345	0.78%	312
2011	22,180	-	22,180	1,440	23,620	0.62%	267
2012	9,930	-	9,930	1,644	11,574	0.34%	127
2013	14,085	-	14,085	1,499	15,584	0.42%	166
2014	18,359	1,445	19,804	213	20,017	0.52%	213
2015	12,872	1,282	14,154	7,818	21,972	0.54%	234

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

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

CITY OF ROSWELL, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2006	\$ 48,580	\$ 7,237	\$ 41,343	0.43%	\$ 481
2007	44,570	9,097	35,473	0.34%	401
2008	36,625	6,996	29,629	0.26%	339
2009	32,100	7,845	24,255	0.20%	287
2010	27,345	8,290	19,055	0.16%	217
2011	22,180	8,495	13,685	0.12%	155
2012	9,930	1,329	8,601	0.08%	94
2013	14,085	955	13,130	0.12%	140
2014	18,359	4,121	14,237	0.13%	151
2015	12,872	2,520	10,352	0.09%	110

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

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

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

CITY OF ROSWELL, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2015 (amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Debt repaid with property taxes			
Fulton County Board of Education	\$ 87,460	8.10%	\$ 7,084
City of Roswell direct debt	14,154	100.00%	14,154
Total direct and overlapping debt	\$ 101,614		\$ 21,238

Sources: Assessed value data used to establish estimate applicable percentages are located in the Fulton County Board of Education's 2014 CAFR and City of Roswell Finance Department records. Debt outstanding data provided by each governmental 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.

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CITY OF ROSWELL, GEORGIA

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

	2006	2007	2008	2009
Debt limit (10% of total assessed value)	\$ 395,940	\$ 425,911	\$ 475,489	\$ 518,848
Total net debt applicable to limit	41,343	35,473	29,629	24,255
Legal debt margin	\$ 354,597	\$ 390,438	\$ 445,860	\$ 494,593
Total net debt applicable to the limit as a percentage of debt limit	10.44%	8.33%	6.23%	4.67%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

	2010	2011	2012	2013	2014	2015
	\$ 511,716	\$ 490,308	\$ 478,893	\$ 471,029	\$ 473,651	\$ 473,767
	19,055	13,685	8,601	9,786	14,238	10,380
	\$ 492,661	\$ 476,623	\$ 470,292	\$ 461,243	\$ 459,413	\$ 463,387
	3.72%	2.79%	1.80%	2.08%	3.01%	2.19%
Assessed Value						\$ 4,430,267
Add back: exempt real property						307,403
Total assessed value						4,737,670
Debt limit (10% of total assessed value)						473,767
Debt applicable to limit:						
General obligation bonds						12,872
Less: Amount set aside for repayment of general obligation debt						(2,493)
Total net debt applicable to limit						10,380
Legal debt margin						\$ 463,388

CITY OF ROSWELL, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment (1)	Unemployment Rate
2006	87,802	\$ 3,236,349	\$ 37,667	35.55	83,772	3.50
2007	88,465	3,547,977	40,106	37.20	23,309 (2)	3.40
2008	87,312	3,283,804	37,610	35.20	23,309	4.60
2009	84,595	3,358,841	38,318	36.60	13,294	7.61
2010	87,719	3,490,778	39,795	37.00	13,336	8.70
2011	88,346	3,824,145	43,286	36.30	13,563	10.20
2012	91,168	3,453,535	37,881	36.20	14,848	9.90
2013	93,692	3,731,565	39,828	40.20	15,081	9.00
2014	94,034	3,846,273	40,903	36.80	14,869	8.16
2015	94,089	4,036,418	42,900	37.90	14,791	8.30

Sources: U.S. Census Bureau for the population, personal income, median age, per capita income, and unemployment rate. Statistics for 2015 are for the City of Roswell except for the unemployment rate which is for the state of Georgia.

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

(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.

CITY OF ROSWELL, GEORGIA

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Kimberly-Clark Corporation	1,312	1	2.54%	1,311	1	2.88%
Verizon Wireless	1,164	2	1.73%			
North Fulton Regional Hospital	841	3	1.63%	645	2	1.64%
GM IT Innovation Center	700	4	1.35%			
Roswell Nursing & Rehabilitation	277	5	0.54%	225	9	0.57%
Wal-mart Supercenter # 1578	266	6	0.52%	438	4	1.11%
Colibrium Direct LLC	223	7	0.51%	430	5	1.09%
Target Store T-1761	215	8	0.43%			
Promethean Inc	207	9	0.42%	231	8	0.59%
Yardi Systems Inc.	203	10	0.40%			
City of Roswell				612	3	1.55%
Witness Systems Inc.				411	6	1.04%
Mr. Default Services LLC				255	7	0.65%
Ryland Homes				200	10	0.51%
Total	5,408		10.07%	4,758		11.63%

Source: City of Roswell Economic & Community Development Department

CITY OF ROSWELL, GEORGIA

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
City Administrator	3	3	3	2	3	3	3	3	3	3
City Hall	6	6	8	8	8	9	9	9	9	9
Community Information	4	4	4	3	4	4	4	4	5	5
Court Services	18	18	20	20	20	16	17	16	3	3
General Administration	8	8	8	6	6	5	6	5	5	6
Governing Body	3	3	3	2	2	2	2	2	1	2
Human Resources	5	5	5	4	3	3	3	4	4	5
Legal	3	3	3	3	3	3	3	3	3	3
Risk Management	1	1	1	2	-	1	1	1	1	1
Worker's Compensation	-	-	-	-	-	1	1	1	1	1
Benefits Manager	-	-	-	-	-	1	1	1	1	1
Strat. Planning and Budgeting	3	3	3	3	3	3	-	-	-	-
IT (formerly MIS)	-	-	-	8	8	9	9	7	7	9
Finance										
Accounting	8	9	8	8	5	4	4	4	3	4
Finance - Administration	3	2	2	2	2	3	3	3	3	3
Treasury	-	-	-	-	-	1	1	-	-	-
Accounts Payable	-	-	-	-	3	-	-	-	-	-
Cash Disbursement	-	-	-	-	-	3	3	3	3	3
Accounts Receivable	-	-	-	-	-	6	6	6	7	8
Cash Receipting	-	-	-	-	-	3	3	3	2	2
Purchasing	5	5	4	4	4	3	3	3	2	3
IT (formerly MIS)	6	8	8	-	-	-	-	-	-	-
Tax Administration	4	4	4	5	5	-	-	-	-	-
Utility Billing	4	4	6	5	5	-	-	-	-	-
Strat. Planning and Budgeting	-	-	-	-	-	-	3	3	2	3

Source: City Budget Office

Continued

CITY OF ROSWELL, GEORGIA

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Criminal Investigations	21	18	19	21	21	23	23	20	22	23
Jail/Detention	27	28	31	33	34	34	33	18	16	15
Patrol	81	80	84	90	86	79	77	78	78	78
Police-Admin Services	16	2	2	2	2	3	3	2	3	3
Police - Bldg Maintenance	1	-	-	-	-	-	-	-	-	-
Police - Support Services	7	23	25	23	24	25	27	35	26	26
Special Operations	10	11	8	10	13	11	12	5	15	14
Traffic Control	13	13	12	9	10	13	12	16	13	12
E-911	19	19	19	18	19	19	22	20	18	19
Fire										
Administration	-	2	2	2	2	2	2	2	2	2
Fire	4	3	4	4	6	6	6	6	7	7
Fire Training	1	1	1	1	1	1	1	1	1	1
Fire Marshal	10	9	9	9	9	9	9	9	9	9
Cultural & recreation										
Municipal Complex	2	2	2	2	2	2	2	2	2	2
Administration	-	2	2	2	2	2	2	2	2	2
Support Services	45	43	43	43	22	22	38	38	38	35
Parks	49	49	54	54	51	51	56	56	58	55
Barrington Hall	1	1	1	1	1	1	1	1	1	1
Bulloch Hall	1	1	1	1	1	1	1	1	1	1
Smith Plantation	1	1	1	1	1	1	1	1	1	1
Cultural Arts	2	2	2	2	2	2	2	2	2	2
Historic & Cultural Affairs	1	1	1	1	1	1	1	1	1	-
Environmental										
Administration	-	2	2	2	2	2	2	2	2	-
Environmental	5	3	3	3	3	3	3	3	3	-
Water Resources	3	4	5	5	2	2	-	-	-	-
Garage	7	7	7	7	7	7	7	7	7	7
Stormwater Mgmt	5	4	4	4	7	7	9	12	11	13

Continued

CITY OF ROSWELL, GEORGIA

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community Development										
Administration	-	3	3	3	3	3	3	4	1	3
Building Inspections	5	5	5	4	-	4	5	-	-	-
Code Enforcement	4	5	5	6	-	6	6	-	-	-
Support Services	11	7	7	6	2	2	2	2	3	4
Economic Development	1	2	2	2	4	4	2	-	-	-
Engineering	10	10	9	6	-	1	6	7	7	7
GIS	3	3	3	3	3	3	4	4	4	3
Licensing	2	2	2	2	1	1	1	1	1	1
Planning & Zoning	11	11	11	9	13	13	7	7	7	7
Transportation										
Transportation	10	7	7	11	8	8	8	8	7	7
Trans/PW Facility	8	8	-	-	-	-	-	-	-	-
Administration	-	3	3	3	3	4	4	4	4	4
Street Maintenance	31	31	31	31	31	31	31	28	29	30
Land Acq. & Development	-	-	-	-	-	-	3	3	3	2
Traffic Engineering	15	15	22	16	20	18	18	18	17	16
Water										
Administration	1	1.9	1.9	0.9	1.3	1.3	2.05	2.05	2.05	1.65
Distribution	10	9.25	9.25	9	10	9	8.50	8.50	8.50	8.50
Water Plant	6	5.75	5.75	6	7	7	7	7	7	7
Solid Waste										
Administration	5	4.85	4.85	4.85	4.5	4.5	4.5	4.35	4.35	6.95
Public Education	1	0.75	0.75	0.75	0.55	0.55	0.55	0.55	0.55	-
Residential Collection	39	33	34	35	34	34	34	34	33	34
Commercial Collection	8	8	8	7	8	8	8	8	7	8
Yard Trimmings Collection	12	-	-	-	-	-	-	-	-	-
Recycling Center	6	6	5	6	6.25	6.25	6.25	6.25	6.25	5
	615	598	613	606	574	580	605	578	556	557

CITY OF ROSWELL, GEORGIA

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Calls for service	99,692	108,947	106,948	93,651	108,864	102,864	85,216	67,386	69,939	67,563
Traffic stops	33,433	36,896	34,139	33,320	43,457	43,090	28,885	17,867	19,964	24,340
Part 1 Crimes Index Rate	31.7	26.6	31.6	31.9	26.2	23.7	23.6	24.9	22.9	24.4
Fire										
Fire Calls	1,914	2,142	2,030	1,965	2,103	2,104	2,301	2,802	3,121	3,126
Fires extinguished	310	288	242	191	197	203	198	185	162	174
EMS Calls	4,384	4,082	4,102	4,100	4,364	5,101	4,795	5,251	5,225	5,060
Community development										
Building permits issued	4,491	4,694	4,155	3,423	3,912	3,798	4,068	3,382	2,351	2,108
Refuse collection										
Household garbage collected-tons per year	18,256	22,045	21,803	21,164	18,872	19,080	18,645	19,128	18,964	13,078
Curbside recycling collected-tons per year	5,931	5,913	6,404	6,398	8,251	7,086	6,766	6,726	6,893	7,597
Yard waste collected-tons per year	8,074	7,225	7,997	8,024	7,386	8,712	8,140	7,872	8,376	7,527
Recycling from recycle center-tons per year	3,228	3,617	3,022	2,639	2,438	2,056	1,586	1,811	1,695	1,698
Parks and recreation										
Registered participants (1)	187,200	191,244	189,104	196,716	191,448	33,694	34,722	33,843	33,567	32,767
Park acres maintained	890	907	890	917	917	917	918	918	912	912
Participant Visits	668,517	697,189	691,501	712,321	719,012	-	-	-	-	-
Spectator Visits	412,921	430,914	362,627	408,360	409,840	-	-	-	-	-
Facility Visits	836,736	848,103	916,733	906,812	952,368	-	-	-	-	-
Total Point of Sale Participants (1)	-	-	-	-	-	102,971	122,170	111,624	98,111	100,263
Total Facility Rentals (1)	-	-	-	-	-	1,725	1,707	1,642	2,236	2,373
Water										
Water production in MGD	350.32	416.92	417	328	373	371	351	368	388	397
Sanitation										
Number of residential customers	23,221	23,840	24,309	23,807	25,080	25,146	25,230	25,232	25,360	26,120
Number of commercial customers	1,216	1,285	1,115	1,203	1,201	836	892	1,002	892	972

Sources: Various city departments.

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

(1) 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.

CITY OF ROSWELL, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Vehicles (1)	31	53	53	54	54	54	54	54	54	55
Buildings	30	30	30	30	30	30	30	30	30	30
Police										
Vehicles (2)	138	150	150	157	157	157	157	158	158	208
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Fire hydrants	4443	4452	4452	4452	4452	4452	4452	4530	4530	4530
Parks and recreation										
Acreage	890	901	901	901	917	917	917	917	917	917
Parks and playgrounds	19	19	19	19	19	19	19	19	19	22
Athletic fields	43	43	43	43	44	44	44	44	44	44
Recreational buildings	9	9	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
Transportation										
Paved roads in miles	360	373	373	373	373	373	373	385	385	385
Traffic signals	145	145	145	145	145	145	145	152	152	154
Water										
Water mains (miles)	200	201	201	201	201	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) 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.

(2) 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.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Roswell, Georgia (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2015. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters that have been reported in the separately issued financial statements and reports of the discretely presented component units, the Historic Roswell Convention & Visitors Bureau and the Friends of Bulloch.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in items 2015-002 through 2015-004 in the accompanying schedule of findings and questioned costs, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2015-001.

City's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 18, 2015

CITY OF ROSWELL, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant	14.218	B-12-MC-13-0018	\$ 100,187
Community Development Block Grant	14.218	B-13-MC-13-0018	242,610
Community Development Block Grant	14.218	B-14-MC-13-0018	3,720
Total Community Development Block Grant			<u>346,517</u>
Passed through Cobb County, Georgia: Home Investment Partnerships Program	14.239	H13-RM-WM-R9-RA-RC	3,455
Total U.S. Department of Housing and Urban Development			<u>349,972</u>
U.S. DEPARTMENT OF JUSTICE			
Bullet Proof Vest Partnership Program	16.607	OMB # 1121-0235	4,245
Edward Byrne Memorial Justice Assistance Grant	16.738	2014-DJ-BX-0127	10,449
Equitable Sharing Program	16.922	GA0600500	356,914
Total U.S. Department of Justice			<u>371,608</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction	20.205	PI#0010419	178,819
Highway Planning and Construction	20.205	PI#0010866	138,385
Highway Planning and Construction	20.205	PI#0010880	76,278
Highway Planning and Construction	20.205	009-00(9640); PI#0009640	55,908
Highway Planning and Construction	20.205	PI#0012630	133,510
Highway Planning and Construction	20.205	CSCMQ-0006-00(820); PI#0006820	638,212
Highway Planning and Construction	20.205	CSCMQ-0006-00(821); PI#0006821	256,944
Total Highway Planning and Construction Grant			<u>1,478,056</u>
Total U.S. Department of Transportation			<u>1,478,056</u>
NATIONAL ENDOWMENT FOR THE ARTS			
Arts Engagement in American Communities	45.024	14-5900-7097	10,000
Total U.S. Department of Homeland Security			<u>10,000</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Congressionally Mandated Projects	66.202	00D15213	43,650
Passed through the Georgia Department of Natural Resources: Green Infrastructure Implementation	66.460	751-1500113	10,049
Total U.S. Environmental Protection Agency			<u>53,699</u>
Total Expenditures of Federal Awards			<u>\$ 2,263,335</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, 2015

(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.

Subrecipient Disbursements

During the fiscal year ended June 30, 2015, disbursements were made to subrecipients of the following grant programs:

Program	CFDA Number	Subrecipient	Amount
Community Development Block Grant	14.218	Child Development Association	\$ 247
Community Development Block Grant	14.218	Drake House	20,685
Community Development Block Grant	14.218	HomeStretch Housing Initiative	31,040
Community Development Block Grant	14.218	North Fulton Community Charities	58,450
Community Development Block Grant	14.218	Senior Services	7,742
Community Development Block Grant	14.218	YMCA of Metropolitan Atlanta	6,285
Community Development Block Grant	14.218	Roswell Housing Authority	68,166
Community Development Block Grant	14.218	Families First	5,318
Total Community Development Block Grant			<u><u>\$ 197,933</u></u>

CITY OF ROSWELL, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued Unmodified

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

Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

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

Significant deficiencies identified? yes none reported

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

Any audit findings disclosed that are required to
be reported in accordance with 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, 2015**

**SECTION I
SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

Identification of major programs/clusters:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee? yes no

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-001 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 adopt a balanced budget for the State Grants Fund and CDBG Grant Fund.

Context/Cause: The City was not adopting and operating under balanced budgets as follows:

- The City's final State Grants Fund's budget was set to utilize fund balance of approximately \$1,009,000 to fund current period expenditures. At the time the budget was amended, the State Grants Fund's fund balance was approximately \$987,000.
- The City's final adopted CDBG Grants Fund's budget was set to utilize fund balance of approximately \$21,000 to fund current period expenditures. At the time the budget was amended, CDBG Grants Fund's fund balance was an approximate \$158,000 deficit.

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

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

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-001 Governmental Fund Budgets (Continued)

Auditee's Response: We concur with the finding. Specific grants agreements were approved in prior fiscal years. The expenditure budgets rolled into fiscal year ended June 30, 2015 based on the program length budget. However, the revenue budgets did not roll forward as expected. The City is working internally to better utilize our software to help alleviate this problem in the future. In addition, all budget adjustments will be evaluated for both revenues and expenditures to ensure complete compliance with State law. The City will more closely monitor fund balances in the Grant Funds. As part of the process the City will move to a zero Fund Balance for all of the Grant Funds.

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-002 Revenues and Related Receivables

Criteria: Internal controls should be in place to ensure that revenues are appropriately recognized, including any related receivables.

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

Context/Cause: During our testing of revenues and related receivables, certain audit adjustments were required to correct current year amounts. The nature of these adjustments is as follows:

- The CDBG Fund required an audit adjustment of approximately \$95,000 to record the receivable and related deferred inflows of resources related to grant revenues which were due but not available under the modified accrual basis of accounting. The underlying grant expenditures were incurred prior to year end but the receivable was not accrued.
- The Water & Sewer Fund, Stormwater Fund, and Solid Waste Fund required audit adjustments of approximately \$42,000, \$13,000, and \$97,000, respectively. The entries were required to adjust the allowance for doubtful accounts on the accrued service revenues to the amounts calculated on the subsidiary schedules. Balances were calculated on accrued service revenues after the write-off of uncollectible accounts. However the write-off of the allowance occurred after the allowance was recorded on the general ledger.
- The Capital Projects Fund required an audit adjustment of approximately \$624,000 to remove the accrual and unavailable revenue for the City's LMIG funding that was received prior to year end.
- The General Fund required an audit adjustment of approximately \$533,000 to remove a portion of the interfund receivable balance that is not expected to be repaid by the Federal Grants Fund. The interfund payable balance in the Grants Fund was reduced by the same amount.

Effects: Audit adjustments totaling approximately \$1,937,000 were needed to correctly report revenues and related receivables.

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-002 Revenues and Related Receivables (Continued)

Recommendation: We recommend the City carefully review all revenue and related receivable accounts to ensure all necessary transactions are reported in the proper period 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 related receivables are properly recorded.

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015 - 003 Capital Assets and Related Items

Criteria: Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued in accordance with GAAP.

Condition: The City improperly accounted for interest expense paid on a construction project in the Water & Sewer Fund which is currently being funded by a loan from the Georgia Environmental Facilities Authority (GEFA). In accordance with GAAP, the interest paid by the City during the construction period should be capitalized as part of the overall cost of the project. Also, internal controls were not sufficient to detect certain misstatements in the reporting of the Governmental Activities capital assets and related accumulated depreciation.

Context/Cause: During our audit for the fiscal year ended June 30, 2015, an adjustment totaling approximately \$31,000 was required to properly report construction in progress and expenses of the Water & Sewer Fund. When the City was making the monthly interest payments to GEFA, the amounts were improperly recorded as expenses when in fact they should have been capitalized. During our audit for the year ended June 30, 2015, we noted the Governmental Activities incorrectly calculated depreciation on capital assets which were purchased during the fiscal year. It was determined that an error in the City's capital asset software incorrectly calculated depreciation expense during the annual update and rollforward procedures, resulting in errors totaling approximately \$1,786,000. Also, during our audit for the year ended June 30, 2015, we noted the Governmental Activities improperly reported capital assets that were determined to be assets of North Fulton Regional Radio System Authority in the amount of approximately \$4,696,000.

Effects: Audit adjustments totaling approximately \$6,513,000 were needed to correctly report current year expenses and capital assets of the Water & Sewer Fund and Governmental Activities as of and for the fiscal year ended June 30, 2015.

Recommendation: We recommend the City carefully review all capital assets accounts and related items to ensure transactions are reported in accordance with GAAP.

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015 - 003 Capital Assets and Related Items (Continued)

Auditee's Response: We concur with the finding. We will take necessary steps in the future to ensure that balances in the City's financial statements are properly recorded and reported in accordance with GAAP.

CITY OF ROSWELL, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2015

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-004 Expenditure/Expense Recognition

Criteria: Generally, expenditures/expenses 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: Misstatements were detected in the reporting of the City's expenditures/expenses and the related liabilities.

Context/Cause: During our testing, an audit adjustment was required in the Downtown Development Authority to accrue approximately \$24,000 of expenditures for goods or services which were provided prior to June 30, 2015 but were not paid by year end. Also, during our testing an audit adjustment was required in the Capital Projects Fund to remove approximately \$1,036,000 of expenditures for the City's share of the North Fulton Regional Radio System Authority which were not incurred prior to June 30, 2015.

Effects: Misstatements related to expenditures/expenses and related liability recognition were approximately \$1,060,000 for the year ended June 30, 2015.

Recommendations: We recommend the City carefully review all expenditures/expenses to ensure they are reported in the proper reporting period and in accordance with generally accepted accounting principles.

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

CITY OF ROSWELL, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015

None reported