



City of Austell, Georgia



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020

Prepared by

**Department of Finance
2716 Broad Street, SW
Austell, Georgia 30106**

CITY OF AUSTELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	i-iv
GFOA Certificate of Achievement	v
Principal Officials	vi
Organizational Structure	vii
 FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13-14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	20
Multiple Grants Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	21
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24-25
Notes to Financial Statements	26-50
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios	51
Schedule of Contributions	52
Notes to Required Supplementary Pension Information	53
Combining and Individual Fund Statements and Schedules:	
Combining and Individual Nonmajor Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Confiscated Assets Fund	56

CITY OF AUSTELL, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED)

Combining and Individual Fund Statements and Schedules (Continued):	
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Emergency Telephone System Fund	57
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Hotel / Motel Tax Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance - Budget and Actual - Austell Area Community Council Fund	59
Schedule of Projects Financed with Cobb County	
Special Purpose Local Option Sales Tax 2011	60
Schedule of Projects Financed with Cobb County	
Special Purpose Local Option Sales Tax 2016	61
Schedule of Projects Financed with Douglas County	
2017 Special Purpose Local Option Sales Tax	62

STATISTICAL SECTION (Unaudited)

Schedule 1 - Net Position by Component	63
Schedule 2 - Change in Net Position	64
Schedule 3 - Government - wide Expenses	65
Schedule 4 - Government - wide Program Revenues	66
Schedule 5 - General Revenue and Other Revenues	67
Schedule 6 - Fund Balance of Governmental Funds	68
Schedule 7 - Changes in Fund Balances of Governmental Funds	69
Schedule 8 - General Governmental Revenues by Source	70
Schedule 9 - Assessed Value and Estimated Actual Value - All Taxable Property	71
Schedule 10 - Property Tax Rates - All Overlapping Governments	72
Schedule 11 - Principal Property Tax Payers	73
Schedule 12 - Property Tax Levies and Collections	74
Schedule 13 - General Governmental Franchise Tax and Ownership Fee Percentages	75
Schedule 14 - Ratio of Outstanding Debt by Type	76
Schedule 15 - Direct and Overlapping Debt	77
Schedule 16 - Legal Debt Margin	78
Schedule 17 - Pledged Revenue Coverage - Water & Sewer Fund	79
Schedule 18 - Pledged Revenue Coverage - Threadmill Complex Fund	80
Schedule 19 - Demographic and Economic Statistics	81
Schedule 20 - Principal Employers	82
Schedule 21 - Full-Time Equivalent City Government Employees by Function/Program	83
Schedule 22 - Operating Indicators by Function/Program	84
Schedule 23 - Capital Asset Statistics by Function/Program	85

INTRODUCTORY SECTION

(Unaudited)



2716 BROAD STREET, SW • AUSTELL, GEORGIA 30106-3206 • (770) 944-4300 • FAX (770) 944-2282

December 21, 2020

To the Honorable Mayor and City Council
of the City of Austell, Georgia

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

James L. Whitaker, P.C., has issued an unmodified ("clean") opinion on the City of Austell's financial statements for the year ended June 30, 2020.

Profile of the government

The City of Austell, incorporated in 1885, is located in the central part of the state, near metro Atlanta. It currently occupies 7.0 square miles and serves a population of 7,213. The City of Austell is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Austell is governed by a mayor-council form of government. Policy-making and legislative authority are vested in the governing council (Council) consisting of the mayor and six other members, three who are elected at large. Council members serve four-year terms, with three elected every two years. The

mayor is elected for a four-year term. The Mayor, with Council approval, appoints the City of Austell's six department heads.

The City of Austell provides a full range of services, including police and fire protection; leaf removal; traffic control; building inspections; licenses and permits; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Water and sewer services are also provided by the City, as well as stormwater; recycling and refuse collection. The City has a third-party provider to pick up all recycling and refuse for its customers.

This report includes all funds of the City, as well as a component unit, Austell Gas System. This component unit is reported in a separate column in the financial statements to emphasize they are a legally separate entity and to differentiate their financial position from the City's.

The annual budget serves as the foundation for the City of Austell's financial planning and control. All departments are required to submit requests for appropriation to the Finance Director. The Finance Director uses these requests as the starting point for developing a proposed budget. This budget is then presented to the City Council for review. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the City of Austell's fiscal year. The appropriated budget is prepared by fund and department. Transfers of appropriations between departments and the appropriation of additional funds, however, require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and multiple grants fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds, this comparison is presented in the Individual Fund Statements subsection of this report.

Local Economy

The City of Austell is a growing community that sits in a prime location near the metro Atlanta area and consists of a collaboration of small business owners with one large manufacturing facility.

The City is currently revitalizing their downtown area with new restaurants and retail stores. Even though the City has tried to promote additional concerts and festivals for its citizens during the 2019-20 fiscal year, the Coronavirus pandemic has canceled many of them. As of June 30, 2020, the City has yet to realize the full economic effect the pandemic has had on its economy.

Another sign for our local economic health can be seen in our City Tax Digest. We have had growth in our assessed property values for the sixth year in a row. The City's property tax rate is roughly one third of the surrounding areas at 3.250 mils.

This has made Austell an attractive place for businesses and investors to annex over the past few years.

Major Initiatives

Downtown revitalization – The City continues investment in building up the downtown area with improvements to its infrastructure. Also, the City is playing a leading role working along side it’s business owners to help prioritize planned objectives through an LCI grant awarded in 2020.

New residential development – The City has laid the groundwork for new development and annexations by keeping property taxes manageable, while playing a proactive role in advertising the benefits of living in the City of Austell.

Long-Term Financial Planning and Capital Equipment

The City continues to look toward the future to accommodate maintenance and expansion of its infrastructure, as well as upgrading technical services to provide more effective public safety services. Currently, there are two more pump stations connected to our sewer system that need to be eliminated. Funding for these items will be through reserves. The City continues to use SPLOST funds to improve its parks and public works infrastructure as well as enhance public safety technology and equipment.

Other Information

Management Discussion and Analysis

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 the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditor.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a “Certificate of Achievement for Excellence in Financial Reporting” to the City of Austell for its comprehensive financial report for fiscal year ended June 30, 2019. This represents the twenty-third year the City has received this prestigious award. In order to be awarded a Certificate of Achievement in Financial Reporting from the Government

Finance Officers Association (GFOA), a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current comprehensive financial report continues to meet the Certificate of Achievement Program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

The active involvement and professional support of James L. Whitaker, P.C. has been instrumental to the prompt completion of the associated audit of this report. The cooperation of various elected officials and appointed management has been invaluable.

We would like to express our appreciation to all members of the City who assisted and contributed to the preparation of this report. Due credit should also be given to the Mayor and Council for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



Denise Lowe
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Austell
Georgia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO



City of Austell, Georgia

Principal Officials

MAYOR

Ollie B. Clemons, Jr.

CITY COUNCIL

Marlin Lamar
Ward 1

Randy Green
Ward 3

Devon Myrik
Ward 2

Sandra Leverette
Ward 4

Melanie Elders
At-Large, Post 1

Valerie Anderson
At-Large, Post 2

DEPARTMENT DIRECTORS

Elizabeth Young
General Administration
Court Clerk

Denise Lowe
Finance Director

Tommy "Bo" Garrison
Public Works Director

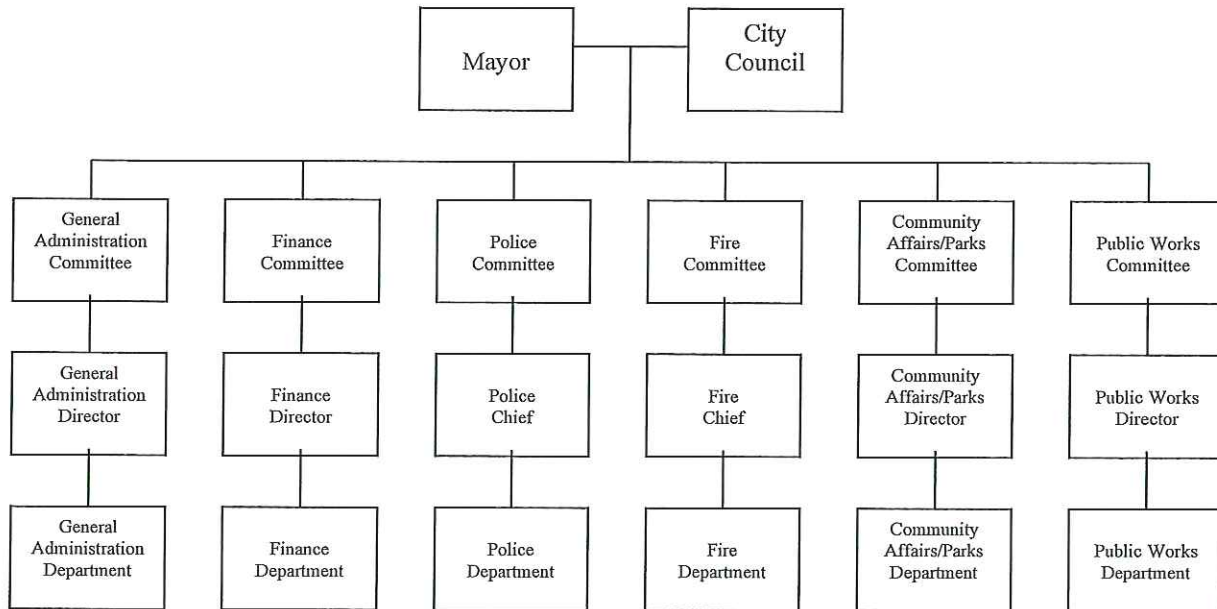
Jimmy R. Graham
*Community Development/
Parks Director*

Robert G. Starrett
Police Chief

Brandon Merritt
Fire Chief

CITY OF AUSTELL, GEORGIA

Organizational Structure



FINANCIAL SECTION

JAMES L. WHITAKER, P.C.

Certified Public Accountant
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Snellville, Georgia 30078
Telephone: 678-205-4438
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Member of
The American Institute of
Certified Public Accountants

Member of
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of City of Austell, Georgia (the City) as of and for the year ended June 30, 2020, 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 did not audit the financial statements of the Austell Natural Gas System, which statements reflect 100% of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, net position, revenues and expenses of the aggregate discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Austell Natural Gas System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Austell, Georgia, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparisons for the General Fund and the Multiple Grants Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 12 and the Schedule of Changes in The Net Pension Liability and Related Ratios on pages 51 through 53 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 Austell, Georgia's basic financial statements. The introductory section, combining nonmajor and individual fund financial statements and budget schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the individual fund financial statements and budgetary schedules 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 statement 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 nonmajor fund financial statements and the individual fund financial statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements taken 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 a report dated December 21, 2020 on our consideration of City of Austell, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Austell, Georgia's internal control over financial reporting and compliance.

James L. Whitaker, P.C.

Snellville, Georgia
December 21, 2020

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Management's discussion and analysis provides an objective and easily readable analysis of the City of Austell, Georgia's (the City) financial activities based on currently known facts, decisions or conditions. The analysis provides current fiscal year summary financial information for the City of Austell, Georgia and should be read in conjunction with the City's financial statements and transmittal letter.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$30,285,035 (net position). Of this amount, \$5,036,965 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City had an increase in net positions of \$3,076,880 compared to a decrease of (\$430,203) in the prior fiscal year. Increases in gain on sale of capital assets resulting from the sale of city owned land substantially attributed to the positive change in net position for the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,512,190. This represents an increase from the prior fiscal year of approximately \$2,234,584 due primarily to the net effect of the sale of previously mentioned, land along with payment of all interfund advances.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,054,727 or 79% of total current fiscal year General Fund expenditures. In the prior year, unassigned fund balance was \$5,388,064 or 66% of General Fund expenditures. An additional \$1,000,000 appropriated for the removal of two pump stations is still allocated for next year.

Overview of the Financial Statements

The City's basic financial statements include three components; 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements and fund financial statements provide different pictures of the City of Austell, Georgia. The government-wide financial statements provide an overall picture of the government's financial standing, split between governmental activities and proprietary fund activities.

The *Statement of Net Position* presents information on all the City's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two 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 is improving or deteriorating.

The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current fiscal year revenues and expenses are included regardless of when the 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, and general administration. Many of these activities are financed by property taxes, occupational taxes, intergovernmental revenue (SPLOST), fines & forfeitures, franchise taxes, and ownership fees.

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer system, stormwater system, solid waste, and the Threadmill Complex are reported here.
- Component units - The City has one legally separate entity, Austell Natural Gas System. Although legally separate, this "component unit" is important because the City is financially accountable for it.

The government-wide financial statements are presented on pages 13-15 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. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City of Austell 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 fiscal 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 into cash. Governmental fund information assists in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The basic governmental fund financials are presented on pages 16-21 of this report.

The City maintains one (1) General Fund, four (4) special revenue funds and four (4) capital projects funds. The City's General Fund is used for normal recurring activities of the City (i.e., police, fire, recreation, public works, and general government). The City's special revenue funds are: Confiscated Assets, Emergency Telephone System, Multiple Grants, and Hotel/Motel Tax funds. The capital projects funds are: 2011 Cobb County SPLOST, 2016 Cobb County SPLOST, Austell Area Community Improvement Council (AACIC), and 2017 Douglas County SPLOST. Of these funds, the General Fund, Multiple Grants Fund, 2011 Cobb County SPLOST Fund, 2016 Cobb County SPLOST, and the AACIC Fund are considered major funds and are presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the remaining governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- **Proprietary Funds** – The City of Austell, Georgia charges customers for the 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, for proprietary funds. These are reported in the fund financial statements and generally report services for which the City charges a fee. The City of Austell reports four proprietary funds which are classified as enterprise funds. The enterprise funds are Water and Sewer, Stormwater, Solid Waste, and the Threadmill Complex funds. Of these funds, the Water and Sewer Fund, Stormwater and Threadmill Complex Fund are considered major funds.

The basic enterprise fund financial statements are presented on pages 22-25 of this report.

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Notes to the Basic Financial Statements

The financial statements include notes that explain some of the information in the financial statements and provide information that is more detailed. The notes are essential for a better understanding of the government-wide and fund financial statements.

The notes are presented on pages 26-49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning an analysis of pension plan funding progress. Required supplemental information can be found following the basic financial statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information, along with other individual fund budgetary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$30,285,035 at the close of the most recent fiscal year.

A portion of the City's net position (62%) reflects its investment in capital assets such as land, buildings, infrastructure, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. 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 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 cannot be used to liquidate these liabilities.

The City has restricted net position of \$6,478,212 which is restricted for capital construction, law enforcement activities, tourism and development, and community enhancements as compared to \$5,894,589 of restricted net position of the prior fiscal year. The remaining balance of unrestricted net position \$5,036,965 may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City can report positive balances in all three categories of net position, governmental activities, business-type activities, and the City's discretely presented component unit.

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Net Position

As noted earlier, the City's combined net position totals \$30,285,035 (excluding the City's component unit).

The following table provides a summary of the City's governmental and business-type activities' net position for the fiscal years ended 2020 and 2019:

Condensed Statement of Net Position
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 15,231,757	\$ 11,828,942	\$ 598,255	\$ 344,206	\$ 15,830,012	\$ 12,173,148
Capital assets	11,255,622	11,571,743	7,559,328	7,594,245	18,814,950	19,165,988
Other noncurrent assets	-	1,377,000	-	(1,377,000)	-	-
Total Assets	26,487,379	24,777,685	8,157,583	6,561,451	34,644,962	31,339,136
Deferred Outflows						
Deferred pension outflows	992,569	584,464	249,695	174,124	1,242,264	758,588
Total Assets and Deferred Outflows	27,479,948	25,362,149	8,407,278	6,735,575	35,887,226	32,097,724
Liabilities						
Current liabilities	514,625	572,660	570,594	701,011	1,085,219	1,273,671
Long-term liabilities	3,114,958	2,148,781	747,677	516,241	3,862,635	2,665,022
Total Liabilities	3,629,583	2,721,441	1,318,271	1,217,252	4,947,854	3,938,693
Deferred Inflows						
Deferred Inflows	522,815	738,102	131,522	212,774	654,337	950,876
Total Liabilities and Deferred Inflows	4,152,398	3,459,543	1,449,793	1,430,026	5,602,191	4,889,569
Net Position:						
Net investment in capital assets	11,210,530	11,571,743	7,559,328	7,594,245	18,769,858	19,165,988
Restricted	6,478,212	5,894,589	-	-	6,478,212	5,894,589
Unrestricted	5,638,808	4,436,274	(601,843)	(2,288,696)	5,036,965	2,147,578
Total Net Assets	\$ 23,327,550	\$ 21,902,606	\$ 6,957,485	\$ 5,305,549	\$ 30,285,035	\$ 27,208,155

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Changes in Net Position

Governmental and business-type activities increased the City's net position by \$3,076,880.

The following table provides a summary of the City's changes in net position:

Condensed Changes in Net Position
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 700,294	\$ 731,524	\$ 6,167,701	\$ 5,832,938	\$ 6,867,995	\$ 6,564,462
Operating grants and contributions	125,979	115,392	-	-	125,979	115,392
Capital grants and contributions	1,546,817	1,920,335	111,604	70,700	1,658,421	1,991,035
General revenues:						
Property taxes	895,655	878,889	-	-	895,655	878,889
Other taxes/ownership fees	7,019,883	7,622,412	-	-	7,019,883	7,622,412
Penalties & Interest	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Unrestricted investment earnings	130,682	124,249	3	-	130,685	124,249
Gain on sale of capital asset	4,508,843	-	-	-	4,508,843	-
Miscellaneous	33,539	110,314	-	-	33,539	110,314
Total Revenues	14,961,692	11,503,115	6,279,308	5,903,638	21,241,000	17,406,753
Expenses						
General government	1,411,996	1,427,364	-	-	1,411,996	1,427,364
Public Safety and Courts	6,597,564	6,904,142	-	-	6,597,564	6,904,142
Public works	1,826,149	1,305,644	-	-	1,826,149	1,305,644
Culture and recreation	1,150,694	1,131,991	-	-	1,150,694	1,131,991
Housing and development	405,661	345,128	-	-	405,661	345,128
Tourism and economic development	3,951	3,788	-	-	3,951	3,788
Interest on long-term debt	2,098	5,987	-	-	2,098	5,987
Threadmill Complex	-	-	1,393,291	1,468,116	1,393,291	1,468,116
Water and sewer	-	-	4,538,146	4,225,992	4,538,146	4,225,992
Stormwater	-	-	432,874	547,018	432,874	547,018
Solid waste	-	-	401,696	471,786	401,696	471,786
Total Expenses	11,398,113	11,124,044	6,766,007	6,712,912	18,164,120	17,836,956
Change in net position before transfers	3,563,579	379,071	(486,699)	(809,274)	3,076,880	(430,203)
Transfers	(2,138,635)	(867,875)	2,138,635	867,875	-	-
Change in Net Position	1,424,944	(488,804)	1,651,936	58,601	3,076,880	(430,203)
Net Position, beginning of fiscal year, adjusted	21,902,606	22,391,410	5,305,549	5,246,948	27,208,155	27,638,358
Net Position, end of fiscal year	\$ 23,327,550	\$ 21,902,606	\$ 6,957,485	\$ 5,305,549	\$ 30,285,035	\$ 27,208,155

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Governmental Activities

Governmental activities increased the City's net position by \$1,424,944. This can be attributed to a combination of proceeds from the sale of land and payment of interfund advances.

Revenues for Governmental Activities increased by 30% compared to 2019.

Governmental Activities
Program Revenues and Expenses
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

	2020	2020	2019	2019
	Revenues	Expenses	Revenues	Expenses
General government	\$ 125,979	\$ 1,411,996	\$ 115,392	\$ 1,427,364
Public safety & courts	678,508	6,597,564	733,371	6,904,142
Public works	975,755	1,826,149	1,204,810	1,305,644
Culture and recreation	465,704	1,150,694	631,770	1,131,991
Housing and development	127,144	405,661	81,908	345,128
Tourism and economic development	-	3,951	-	3,788
Interest on long-term debt	-	2,098	-	5,987
Totals	<u>\$ 2,373,090</u>	<u>\$11,398,113</u>	<u>\$ 2,767,251</u>	<u>\$11,124,044</u>

Governmental Activities
Revenues by Source
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

	2020		2019	
	Amount	%	Amount	%
Charges for Service	\$ 700,294	5%	\$ 731,524	6%
Operating grants and contributions	125,979	1%	115,392	1%
Capital grants and contributions	1,546,817	10%	1,920,335	17%
Property taxes	895,655	6%	878,889	8%
Other taxes and ownership fees	7,019,883	47%	7,622,412	66%
Unrestricted investment earnings	130,682	1%	124,249	1%
Gain on sale of capital asset	4,508,843	30%	-	0%
Miscellaneous	33,539	0%	110,314	1%
Penalties & Interest	-	0%	-	0%
Totals	<u>\$14,961,692</u>	<u>100%</u>	<u>\$ 11,503,115</u>	<u>100%</u>

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Business-Type Activities

Major revenue sources for the proprietary funds were charges for services of \$6,167,701. This is a 6% increase from the previous fiscal year. Expenses for the proprietary funds were \$6,766,007 which is a 1% increase from the previous fiscal year. This increase is mostly the result of water usage, changes to pension benefits, and repair and maintenance expenses for Threadmill Complex for the fiscal year 2020.

Business-type Activities
Program Revenues and Expenses
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

	2020		2019	
	Revenues	Expenses	Revenues	Expenses
Threadmill Complex	\$ 1,287,218	\$ 1,393,291	\$ 1,284,035	\$ 1,468,116
Water and Sewer	4,295,323	4,538,146	3,874,208	4,225,992
Stormwater	324,727	432,874	321,301	547,018
Solid Waste	372,037	401,696	424,094	471,786
Totals	<u>\$ 6,279,305</u>	<u>\$ 6,766,007</u>	<u>\$ 5,903,638</u>	<u>\$ 6,712,912</u>

Business-type Activities
Revenues by Source
For the Fiscal Years Ended June 30, 2020 and June 30, 2019

	2020		2019	
	Amount	Percentage	Amount	Percentage
Charges for Service	\$ 6,167,701	99%	\$5,832,938	99%
Capital Grants and Contributions	111,604	1%	70,700	1%
Totals	<u>\$ 6,279,305</u>	<u>100%</u>	<u>\$5,903,638</u>	<u>100%</u>

Financial Analysis of the City's Individual Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the City's governmental funds reported a combined ending fund balance of approximately \$14.5 million. Of this total, approximately \$6.9 million or 48% constitutes unassigned fund balance, which is available for spending in the next fiscal year. The remainder of fund balance is either nonspendable, restricted, committed, or assigned as to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes.

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

The General Fund is the primary operating fund of the City. For the fiscal year ended June 30, 2020, unassigned fund balance of this fund was approximately \$7.0 million, while total fund balance was approximately \$8.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 79% of total General Fund expenditures, while total fund balance represents 90% of that same amount.

The fund balance of the General Fund increased by \$1,707,049 during the fiscal year. Gain on sale of assets, net of paying interfund advances explains much of the increase.

The fund balance of the 2011 Cobb County SPLOST Fund decreased (\$99,914) during the fiscal year. The key factors in this decrease is that the City purchased additional public safety equipment and computer upgrades. This fund is also no longer receiving revenue as this tax has expired. Fund balance will continue to decrease until all funds are spent.

The fund balance of the 2016 Cobb County SPLOST Fund increased by \$702,227 during the fiscal year. The key factors are the completion of transportation projects in prior years and delays in starting new projects due to the Coronavirus pandemic.

The fund balance of the AACIC fund increased \$17,909 due to interest revenue on certificates of deposit.

The fund balance of the Multiple Grants Fund decreased (\$71,009) during the fiscal year as a result of spending funds received from prior years.

Enterprise Funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position for the Water and Sewer fund decreased by (\$242,820) due to expenditures for overall operations increasing substantially. The Threadmill, Stormwater, and Solid Waste Funds change in net position was a net increase of \$1,894,756, resulting in total net asset increase of \$1,651,936 because of the transfer in to pay off interfund debt.

Budgetary Highlights

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. The most significant budgeted fund is the General Fund. The City Council amended the General Fund budget at various times throughout the fiscal year.

During the year there were significant budget amendments increasing transfers to cover repairs and maintenance of the Threadmill Complex. Another factor was additional positions in the parks and planning and zoning departments. However, the movement of the appropriations between departments was not significant.

The most significant differences between estimated revenues and actual revenues were in Franchise and Other Taxes of (\$285,544), which is due to decreases in ownership fees from Austell Gas System and a (\$454,031) shortfall in Fines and Forfeitures.

Franchise and Other Taxes are expected to level off over the next few years with modest increases from property tax revenues and ownership fees. Fines and forfeitures may continue to fall due to the impact of the coronavirus pandemic.

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities for the current fiscal year ended June 30, 2020, was \$11,255,622 and \$7,559,328 respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The major additions and deletions to capital for the fiscal year were:

- Added new vehicles and equipment for public safety.
- Added new infrastructure and equipment purchased with SPLOST funds.
- Upgrades to existing computer network

At June 30, 2020, the depreciable capital assets for governmental activities were 52% depreciated. The business-type activities are 58% depreciated.

Additional information on the City's capital assets can be found in Note 5 of the Basic Financial Statements of this report.

Long-Term Debt

During the current fiscal year, the City retired \$55,406 of outstanding capital lease obligations. At the end of the current fiscal year, the City of Austell had total debt outstanding of \$3,979,235 in which the majority of the debt included \$3,464,646 in pension liability due to changes in the retirement plan.

Additional information on the City's long-term debt can be found in the Notes of the Basic Financial Statements section of this report.

Economic Conditions Affecting the City

Key assumptions for fiscal year 2020 are summarized as follows:

- Beginning March 1st, the coronavirus pandemic response locked the City down for approximately 2 weeks, with no public access for almost 6 weeks. Although the affects have not been fully realized as of June 30, 2020, the impact on fines and forfeitures was substantial. Other impacts are the collection process for utility accounts and the implementation of hazard pay for public safety employees exposed to the general public. All these factors combined will continue to impact the City until fiscal year 2021.
- 2022 SPLOST referendum was passed allowing the City to continue to improve transportation, enhance parks and purchase needed public safety equipment. A full year of revenue and expenses were received and are expected to continue.
- In 2020, the City sold a portion of it's land at a price of \$4,565,000. The City also paid off all interfund advances leaving the City virtually debt free going in to 2021.
- The City is eligible to receive CARES Act funding to help offset costs associated with supplies, salaries, and technology equipment to mitigate the spread of the virus within the workplace and promote social distancing with the public.

Request for Information

This financial report is designed to provide a general overview of the City's finances, compliance with finance-related laws, and regulations and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to Denise Lowe, Finance Director, City of Austell, 2716 Broad Street, SW, Austell, Georgia 30106.

A complete set of financial statements for the City's component unit, Austell Natural Gas System, may be obtained at the entity's administrative offices at 2838 Joe Jerkins Blvd; P.O. Box 685, Austell, Georgia 30106.

CITY OF AUSTELL, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Austell Natural Gas System
<u>Assets and Deferred Outflows</u>				
Assets				
Cash and cash equivalents	\$ 740,317	\$ 180	\$ 740,497	\$ 42,859,318
Investments	3,137,276	-	3,137,276	-
Receivables (net of allowance for uncollectibles)				
Taxes	157,833	-	157,833	-
Accounts	14,746	888,866	903,612	3,211,624
Other	176,519	-	176,519	-
Due from component unit	4,731,104	-	4,731,104	-
Due from other governments	283,639	-	283,639	-
Internal balances	322,954	(322,954)	-	-
Inventory	-	13,547	13,547	2,705,190
Prepaid items	61,384	18,616	80,000	363,988
Restricted assets -				
Cash	932,307	-	932,307	-
Investments	4,673,678	-	4,673,678	-
Non-depreciable assets	1,959,385	833,563	2,792,948	864,928
Depreciable assets, net	9,296,237	6,725,765	16,022,002	25,884,477
Total assets	26,487,379	8,157,583	34,644,962	75,889,525
Deferred Outflows				
Deferred pension outflows	992,569	249,695	1,242,264	5,842,469
Deferred OPEB outflows	-	-	-	151,521
Total Assets and Deferred Outflows	27,479,948	8,407,278	35,887,226	81,883,515

See accompanying notes to the basic financial statements.

CITY OF AUSTELL, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Austell Natural Gas System
<u>Liabilities and Deferred Inflows</u>				
Liabilities				
Accounts payable	\$ 292,305	\$ 241,225	\$ 533,530	\$ 2,213,999
Accrued liabilities				
Salaries and wages	107,959	20,158	128,117	-
Customer Deposits	1,893	253,652	255,545	1,887,286
Interest	1,243	-	1,243	-
Other	-	-	-	885,229
Due to primary government	-	-	-	4,925,616
Unearned revenue	16,133	34,051	50,184	1,327,001
Deposits payable	-	-	-	-
Long-term liabilities				
Debt due within one year	95,092	21,508	116,600	38,400
Debt due in more than one year	346,705	51,284	397,989	147,670
Net pension liability	2,768,253	696,393	3,464,646	6,682,731
Total OPEB liability	-	-	-	808,986
Total liabilities	3,629,583	1,318,271	4,947,854	18,916,918
Deferred Inflows				
Deferred pension inflows	522,815	131,522	654,337	418,249
Deferred OPEB inflows	-	-	-	96,136
Total Liabilities and Deferred Inflows	4,152,398	1,449,793	5,602,191	19,431,303
Net Position				
Net investment in capital assets	11,210,530	7,559,328	18,769,858	26,563,335
Restricted for:				
Capital projects	1,178,240	-	1,178,240	-
Law enforcement activities	4,774	-	4,774	-
Tourism and economic development	-	-	-	-
Community enhancements	5,295,198	-	5,295,198	-
Unrestricted	5,638,808	(601,843)	5,036,965	35,888,877
Total net position	\$ 23,327,550	\$ 6,957,485	\$ 30,285,035	\$ 62,452,212

See accompanying notes to the basic financial statements.

**CITY OF AUSTELL, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,411,996	\$ -	\$ 125,979	\$ -
Public safety and courts	6,597,564	460,239	-	218,269
Public works	1,826,149	-	-	975,755
Culture and recreation	1,150,694	112,911	-	352,793
Housing and development	405,661	127,144	-	-
Tourism and economic development	3,951	-	-	-
Interest on long-term debt	2,098	-	-	-
Total governmental activities	<u>11,398,113</u>	<u>700,294</u>	<u>125,979</u>	<u>1,546,817</u>
Business-type activities:				
Threadmill	1,393,291	1,287,218	-	-
Water and sewer	4,538,146	4,183,719	-	111,604
Stormwater	432,874	324,727	-	-
Solid waste	401,696	372,037	-	-
Total business-type activities	<u>6,766,007</u>	<u>6,167,701</u>	<u>-</u>	<u>111,604</u>
Total primary government	<u>\$ 18,164,120</u>	<u>\$ 6,867,995</u>	<u>\$ 125,979</u>	<u>\$ 1,658,421</u>
Component unit:				
Austell Natural Gas System	<u>\$ 47,453,398</u>	<u>\$ 49,080,518</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property
Franchise
Occupational
Insurance Premium
Sales and excise
Other

Unrestricted investment earnings

Gain on sale of capital assets

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to the basic financial statements.

Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Austell Natural Gas System
\$ (1,286,017)	\$ -	\$ (1,286,017)	\$ -
(5,919,056)	-	(5,919,056)	-
(850,394)	-	(850,394)	-
(684,990)	-	(684,990)	-
(278,517)	-	(278,517)	-
(3,951)	-	(3,951)	-
(2,098)	-	(2,098)	-
<u>(9,025,023)</u>	<u>-</u>	<u>(9,025,023)</u>	<u>-</u>
-	(106,073)	(106,073)	-
-	(242,823)	(242,823)	-
-	(108,147)	(108,147)	-
-	(29,659)	(29,659)	-
<u>-</u>	<u>(486,702)</u>	<u>(486,702)</u>	<u>-</u>
<u>(9,025,023)</u>	<u>(486,702)</u>	<u>(9,511,725)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627,120</u>
895,655	-	895,655	-
6,051,456	-	6,051,456	-
135,410	-	135,410	-
505,256	-	505,256	-
54,000	-	54,000	-
273,761	-	273,761	-
130,682	3	130,685	164,817
4,508,843	-	4,508,843	-
33,539	-	33,539	29,269
<u>12,588,602</u>	<u>3</u>	<u>12,588,605</u>	<u>194,086</u>
<u>(2,138,635)</u>	<u>2,138,635</u>	<u>-</u>	<u>-</u>
<u>10,449,967</u>	<u>2,138,638</u>	<u>12,588,605</u>	<u>194,086</u>
1,424,944	1,651,936	3,076,880	1,821,206
<u>21,902,606</u>	<u>5,305,549</u>	<u>27,208,155</u>	<u>60,631,006</u>
<u>\$ 23,327,550</u>	<u>\$ 6,957,485</u>	<u>\$ 30,285,035</u>	<u>\$ 62,452,212</u>

CITY OF AUSTELL, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	2011 Cobb County SPLOST Fund	2016 Cobb County SPLOST Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 740,317	\$ 232,483	\$ 502,870
Investments	3,137,276	-	-
Receivables (net of allowance for uncollectibles)			
Taxes	157,674	-	-
Accounts	350	-	-
Other	175,000	-	-
Due from other governments	-	-	234,660
Due from other funds	413,089	113,670	102,031
Due from component unit	4,731,104	-	-
Prepaid items	53,152	-	-
Total assets	<u>9,407,962</u>	<u>346,153</u>	<u>839,561</u>
Liabilities			
Accounts payable	277,906	-	7,474
Accrued liabilities			
Salaries and wages	102,285	-	-
Customer deposits	1,893	-	-
Unearned revenues	-	-	-
Due to other funds	665,701	-	-
Total liabilities	<u>1,047,785</u>	<u>-</u>	<u>7,474</u>
Deferred Inflows			
Unavailable revenues	252,298	-	-
Total liabilities and deferred inflows	<u>1,300,083</u>	<u>-</u>	<u>7,474</u>
Fund balances			
Nonsendable -			
Prepaid items	53,152	-	-
Restricted -			
Capital projects	-	346,153	832,087
Law enforcement activities	-	-	-
Community enhancements	-	-	-
Assigned -			
Appropriated for next year's budget	1,000,000	-	-
Unassigned	7,054,727	-	-
Total fund balances	<u>8,107,879</u>	<u>346,153</u>	<u>832,087</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 9,407,962</u>	<u>\$ 346,153</u>	<u>\$ 839,561</u>

See accompanying notes to the basic financial statements.

Austell Area Community Council Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 170,001	\$ 873	\$ 26,080	\$ 1,672,624
4,673,678	-	-	7,810,954
-	-	159	157,833
-	-	14,396	14,746
1,519	-	-	176,519
-	48,979	-	283,639
450,000	-	-	1,078,790
-	-	-	4,731,104
-	-	8,232	61,384
<u>5,295,198</u>	<u>49,852</u>	<u>48,867</u>	<u>15,987,593</u>
-	-	6,925	292,305
-	-	5,674	107,959
-	-	-	1,893
-	-	16,133	16,133
-	71,010	19,125	755,836
-	<u>71,010</u>	<u>47,857</u>	<u>1,174,126</u>
-	48,979	-	301,277
-	<u>119,989</u>	<u>47,857</u>	<u>1,475,403</u>
-	-	8,232	61,384
-	-	-	1,178,240
-	-	4,774	4,774
5,295,198	-	-	5,295,198
-	-	-	1,000,000
-	(70,137)	(11,996)	6,972,594
<u>5,295,198</u>	<u>(70,137)</u>	<u>1,010</u>	<u>14,512,190</u>
\$ 5,295,198	\$ 49,852	\$ 48,867	\$ 15,987,593

CITY OF AUSTELL, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

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

Total fund balances -- total governmental funds	\$ 14,512,190
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,255,622
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	301,277
Deferred inflows and outflows related to the net pension obligation is not a current asset or liability:	
Deferred outflows	992,569
Deferred inflows	(522,815)
Long-term liabilities are not due in the current period and therefore are not reported in the funds:	
Capital leases	(45,092)
Accrued interest	(1,243)
Compensated absences	(396,705)
Net pension obligation	<u>(2,768,253)</u>
Net position of governmental activities	<u><u>\$ 23,327,550</u></u>

See accompanying notes to the basic financial statements

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CITY OF AUSTELL, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	2011 Cobb County SPLOST Fund	2016 Cobb County SPLOST Fund
Revenues:			
Taxes	\$ 7,927,039	\$ -	\$ -
Licenses and permits	112,942	-	-
Intergovernmental	119,529	-	1,674,463
Charges for services	34,122	-	-
Fines and Forfeitures	274,042	-	-
Contributions and donations	6,450	-	-
Investment income	45,322	3,580	902
Miscellaneous	145,097	-	-
Total revenues	<u>8,664,543</u>	<u>3,580</u>	<u>1,675,365</u>
Expenditures:			
Current			
General government	1,147,687	-	-
Judicial	241,239	-	-
Public safety	5,182,585	-	-
Public works	1,014,064	-	-
Culture and recreation	855,317	-	-
Housing and development	394,586	-	-
Tourism and economic development	-	-	-
Capital outlay	143,489	103,494	914,593
Debt service			
Principal	-	-	55,406
Interest	-	-	3,139
Total expenditures	<u>8,978,967</u>	<u>103,494</u>	<u>973,138</u>
Excess (deficiency) of revenues over (under) expenditures	(314,424)	(99,914)	702,227
Other Financing Sources (Uses):			
Transfers	(2,566,306)	-	-
Disposition of capital assets	4,587,779	-	-
Total other financing sources (uses)	<u>2,021,473</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,707,049	(99,914)	702,227
Fund balance - beginning of the year	<u>6,400,830</u>	<u>446,067</u>	<u>129,860</u>
Fund balance - end of year	<u>\$ 8,107,879</u>	<u>\$ 346,153</u>	<u>\$ 832,087</u>

See accompanying notes to the basic financial statements.

Austell Area Community Council Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,966	\$ 7,929,005
-	-	-	112,942
-	7,856	8,011	1,809,859
-	-	167,628	201,750
-	-	-	274,042
-	-	-	6,450
85,359	-	-	135,163
-	-	629	145,726
<u>85,359</u>	<u>7,856</u>	<u>178,234</u>	<u>10,614,937</u>
58,150	-	-	1,205,837
-	-	-	241,239
-	-	621,133	5,803,718
9,300	78,865	-	1,102,229
-	-	-	855,317
-	-	-	394,586
-	-	3,951	3,951
-	-	2,500	1,164,076
-	-	-	55,406
-	-	-	3,139
<u>67,450</u>	<u>78,865</u>	<u>627,584</u>	<u>10,829,498</u>
17,909	(71,009)	(449,350)	(214,561)
-	-	427,672	(2,138,634)
-	-	-	4,587,779
-	-	427,672	2,449,145
17,909	(71,009)	(21,678)	2,234,584
<u>5,277,289</u>	<u>872</u>	<u>22,688</u>	<u>12,277,606</u>
<u>\$ 5,295,198</u>	<u>\$ (70,137)</u>	<u>\$ 1,010</u>	<u>\$ 14,512,190</u>

CITY OF AUSTELL, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds	\$ 2,234,584
<p>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</p>	
Capital outlay	740,611
Depreciation expense	(977,796)
<p>The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. This is the amount of net book value of assets disposed of during the current period.</p>	
Net book value of assets disposed of	(78,936)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending unavailable revenue balances in the current period.</p>	
	(162,091)
<p>The issuance of long-term debt (e.g., bonds, leases) 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. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Repayment of long term debt	55,406
Debt issuance	-
<p>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.</p>	
Change in net pension obligation and related deferred items	(203,955)
Change in accrued interest payable	1,042
Change in compensated absences	(183,921)
Change in net position of governmental activities	\$ 1,424,944

See accompanying notes to the basic financial statements

CITY OF AUSTELL, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Revenues				
General property taxes	\$ 880,500	\$ 880,500	\$ 909,966	\$ 29,466
Sales and excise taxes	54,000	54,000	53,785	(215)
Franchise taxes	6,337,000	6,337,000	6,051,456	(285,544)
Occupational and premium taxes	572,000	572,000	640,666	68,666
Other taxes	210,000	210,000	259,311	49,311
Penalties and interest	4,300	4,300	11,855	7,555
Licenses and permits	76,672	76,672	112,942	36,270
Intergovernmental	115,000	115,000	119,529	4,529
Charges for services	67,300	67,300	34,122	(33,178)
Fines and forfeitures	728,073	728,073	274,042	(454,031)
Interest income	15,000	15,000	45,322	30,322
Contributions and donations	-	-	6,450	6,450
Miscellaneous	147,000	147,000	145,097	(1,903)
Total Revenues	<u>9,206,845</u>	<u>9,206,845</u>	<u>8,664,543</u>	<u>(542,302)</u>
Expenditures				
General government -				
Legislative	481,899	422,899	410,482	12,417
General administrative	699,979	800,979	783,569	17,410
Total general government	<u>1,181,878</u>	<u>1,223,878</u>	<u>1,194,051</u>	<u>29,827</u>
Municipal court	228,814	241,814	241,239	575
Public safety -				
Police administration	2,391,258	2,281,258	2,277,150	4,108
Custody of prisoners	468,545	468,545	468,163	382
Fire administration	2,312,214	2,452,214	2,451,665	549
Total public safety	<u>5,172,017</u>	<u>5,202,017</u>	<u>5,196,978</u>	<u>5,039</u>
Public works -				
Highways and streets	745,571	733,571	698,972	34,599
Street lighting	142,000	189,000	188,078	922
Inmate detail	60,700	30,700	26,769	3,931
Maintenance and shop	151,293	146,293	131,430	14,863
Total public works	<u>1,099,564</u>	<u>1,099,564</u>	<u>1,045,249</u>	<u>54,315</u>
Culture and recreation -				
Community center	67,000	67,000	25,283	41,717
Other facilities	6,500	10,500	8,659	1,841
Playgrounds	5,200	5,200	4,757	443
Special activities	87,500	87,500	45,913	41,587
Employee gym	55,320	55,320	36,917	18,403
Parks administration	870,478	829,978	759,098	70,880
Total culture and recreation	<u>1,091,998</u>	<u>1,055,498</u>	<u>880,627</u>	<u>174,871</u>
Housing and development -				
Protective inspection	56,800	31,800	27,170	4,630
Planning and zoning	219,800	239,800	238,450	1,350
City owned property	117,000	72,000	43,360	28,640
Code enforcement	110,583	112,083	111,843	240
Total housing and development	<u>504,183</u>	<u>455,683</u>	<u>420,823</u>	<u>34,860</u>
Total Expenditures	<u>9,278,454</u>	<u>9,278,454</u>	<u>8,978,967</u>	<u>299,487</u>
Excess (Deficiency) of Revenues				
Over Expenditures	(71,609)	(71,609)	(314,424)	(242,815)
Other Financing Sources (Uses):				
Transfers	(968,391)	(968,391)	(2,566,306)	(1,597,915)
Disposition of capital assets	40,000	40,000	4,587,779	4,547,779
Total Other Financing	<u>(928,391)</u>	<u>(928,391)</u>	<u>2,021,473</u>	<u>2,949,864</u>
Sources (Uses)	(928,391)	(928,391)	2,021,473	2,949,864
Net Change in Fund Balances	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>1,707,049</u>	<u>2,707,049</u>
Fund balance - beginning of year				
	6,400,830	6,400,830	6,400,830	-
Fund balance - end of year	<u>\$ 5,400,830</u>	<u>\$ 5,400,830</u>	<u>\$ 8,107,879</u>	<u>\$ 2,707,049</u>

See accompanying notes to the basic financial statements.

**CITY OF AUSTELL, GEORGIA
 MULTIPLE GRANTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 7,856	\$ (142,144)
Miscellaneous	-	-	-	-
	<u>150,000</u>	<u>150,000</u>	<u>7,856</u>	<u>(142,144)</u>
EXPENDITURES				
Public Works	150,000	150,000	78,865	71,135
Culture and Recreation	-	-	-	-
	<u>150,000</u>	<u>150,000</u>	<u>78,865</u>	<u>71,135</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	(71,009)	(71,009)
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	(71,009)	(71,009)
Fund balance - beginning of year	<u>872</u>	<u>872</u>	<u>872</u>	<u>-</u>
Fund balance- end of year	<u>\$ 872</u>	<u>\$ 872</u>	<u>\$ (70,137)</u>	<u>\$ (71,009)</u>

See accompanying notes to the basic financial statements.

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CITY OF AUSTELL, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	BUSINESS ACTIVITIES - ENTERPRISE FUNDS				Total
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	
<u>ASSETS AND DEFERRED OUTFLOWS</u>					
Current assets					
Cash	\$ 180	\$ -	\$ -	\$ -	\$ 180
Investments	-	-	-	-	-
Receivables					
Accounts	8,598	646,218	204,794	29,256	888,866
Due from other funds	-	-	-	-	-
Prepaid items	3,656	12,192	2,768	-	18,616
Inventory	-	13,547	-	-	13,547
Total current assets	<u>12,434</u>	<u>671,957</u>	<u>207,562</u>	<u>29,256</u>	<u>921,209</u>
Non-current assets					
Capital assets					
Nondepreciable	694,323	139,240	-	-	833,563
Depreciable	8,254,093	2,635,927	4,992,953	-	15,882,973
	8,948,416	2,775,167	4,992,953	-	16,716,536
Accumulated depreciation	(4,446,731)	(2,342,205)	(2,368,272)	-	(9,157,208)
Total capital assets	<u>4,501,685</u>	<u>432,962</u>	<u>2,624,681</u>	<u>-</u>	<u>7,559,328</u>
Total assets	<u>4,514,119</u>	<u>1,104,919</u>	<u>2,832,243</u>	<u>29,256</u>	<u>8,480,537</u>
DEFERRED OUTFLOWS					
Deferred pension outflows	62,113	163,979	23,603	-	249,695
Total assets and deferred outflows	<u>4,576,232</u>	<u>1,268,898</u>	<u>2,855,846</u>	<u>29,256</u>	<u>8,730,232</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>					
Current liabilities					
Accounts payable	54,174	143,711	13,084	30,256	241,225
Customer deposits	28,805	224,847	-	-	253,652
Accrued liabilities	4,725	13,605	1,828	-	20,158
Due to other funds	-	322,954	-	-	322,954
Compensated absences	4,165	12,378	4,965	-	21,508
Unearned revenue	34,051	-	-	-	34,051
Total current liabilities	<u>125,920</u>	<u>717,495</u>	<u>19,877</u>	<u>30,256</u>	<u>893,548</u>
Non-current liabilities					
Advances from other funds	-	-	-	-	-
Compensated absences	12,496	37,133	1,655	-	51,284
Net pension liability	173,232	457,333	65,828	-	696,393
Total non-current liabilities	<u>185,728</u>	<u>494,466</u>	<u>67,483</u>	<u>-</u>	<u>747,677</u>
Total liabilities	<u>311,648</u>	<u>1,211,961</u>	<u>87,360</u>	<u>30,256</u>	<u>1,641,225</u>
DEFERRED INFLOWS					
Deferred pension inflows	32,717	86,373	12,432	-	131,522
Total liabilities and deferred inflows	<u>344,365</u>	<u>1,298,334</u>	<u>99,792</u>	<u>30,256</u>	<u>1,772,747</u>
<u>NET POSITION</u>					
Invested in capital assets	4,501,685	432,962	2,624,681	-	7,559,328
Unrestricted	(269,818)	(462,398)	131,373	(1,000)	(601,843)
Total net position	<u>\$ 4,231,867</u>	<u>\$ (29,436)</u>	<u>\$ 2,756,054</u>	<u>\$ (1,000)</u>	<u>\$ 6,957,485</u>

See accompanying notes to the basic financial statements.

CITY OF AUSTELL, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	BUSINESS ACTIVITIES - ENTERPRISE FUNDS				Total
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	
OPERATING REVENUES					
Charges for services					
Water and sewer charges	\$ -	\$ 4,072,573	\$ -	\$ -	\$ 4,072,573
Sanitation fees	-	-	-	372,037	372,037
Stormwater fees	-	-	323,522	-	323,522
Rents and royalties	1,287,218	-	-	-	1,287,218
Miscellaneous	-	111,146	1,205	-	112,351
Total operating revenues	<u>1,287,218</u>	<u>4,183,719</u>	<u>324,727</u>	<u>372,037</u>	<u>6,167,701</u>
OPERATING EXPENSES					
Personal services and benefits	375,052	1,079,904	180,548	-	1,635,504
Contractual services	298,922	178,911	115,120	379,399	972,352
Supplies	381,429	3,108,733	15,887	-	3,506,049
Depreciation and amortization	288,928	84,474	101,319	-	474,721
Other	-	86,124	20,000	22,297	128,421
Total operating expenses	<u>1,344,331</u>	<u>4,538,146</u>	<u>432,874</u>	<u>401,696</u>	<u>6,717,047</u>
Operating income (loss)	<u>(57,113)</u>	<u>(354,427)</u>	<u>(108,147)</u>	<u>(29,659)</u>	<u>(549,346)</u>
NON-OPERATING INCOME (EXPENSES)					
Interest revenue	-	3	-	-	3
Interest expense	(48,960)	-	-	-	(48,960)
Total non-operating revenues (expenses)	<u>(48,960)</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>(48,957)</u>
Income before transfers and capital contributions	(106,073)	(354,424)	(108,147)	(29,659)	(598,303)
Capital contributions	-	111,604	-	-	111,604
Transfers	2,118,333	-	4,699	15,603	2,138,635
Change in net position	2,012,260	(242,820)	(103,448)	(14,056)	1,651,936
Net position - beginning of year	<u>2,219,607</u>	<u>213,384</u>	<u>2,859,502</u>	<u>13,056</u>	<u>5,305,549</u>
Net position - end of year	<u>\$ 4,231,867</u>	<u>\$ (29,436)</u>	<u>\$ 2,756,054</u>	<u>\$ (1,000)</u>	<u>\$ 6,957,485</u>

See accompanying notes to the basic financial statements.

**CITY OF AUSTELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	BUSINESS ACTIVITIES - ENTERPRISE FUNDS				Total
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	
Cash flows from operating activities					
Cash received from customers and user	\$ 1,289,036	\$ 4,150,188	\$ 354,873	\$ 392,685	\$ 6,186,782
Cash paid to suppliers for goods	(882,757)	(3,948,612)	(236,349)	(408,288)	(5,476,006)
Cash paid to employees	(250,283)	(699,563)	(103,247)	-	(1,053,093)
Net cash flows from operating activities	<u>155,996</u>	<u>(497,987)</u>	<u>15,277</u>	<u>(15,603)</u>	<u>(342,317)</u>
Cash flows from investing activities					
Interest received	-	3	-	-	3
(Purchase) / redemption of investments	-	-	-	-	-
Net cash flows from investing activities	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
Cash flows from non-capital financing activities					
Transfers	2,118,333	-	4,699	15,603	2,138,635
Interest paid	(122,400)	-	-	-	(122,400)
Change in net pension liability	51,774	136,683	19,674	-	208,131
Change in due to/from other funds	(1,884,936)	322,954	-	-	(1,561,982)
Net cash flows from non-capital financing activities	<u>162,771</u>	<u>459,637</u>	<u>24,373</u>	<u>15,603</u>	<u>662,384</u>
Cash flows from capital financing activities					
Purchases / construction of capital assets	(326,854)	(73,300)	(39,650)	-	(439,804)
Capital contributions	-	111,604	-	-	111,604
Principal payments on long-term debt	-	-	-	-	-
Proceeds from disposition of capital assets	-	-	-	-	-
Interest paid	-	-	-	-	-
Net cash flows from capital financing activities	<u>(326,854)</u>	<u>38,304</u>	<u>(39,650)</u>	<u>-</u>	<u>(328,200)</u>
Net change in cash and cash equivalents	(8,087)	(43)	-	-	(8,130)
Cash and cash equivalents at beginning of year	<u>8,267</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>8,310</u>
Cash and cash equivalents at end of year	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180</u>

See accompanying notes to the basic financial statements.

**CITY OF AUSTELL, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

**Reconciliation of Net Income to Net Cash Provided
By Operating Activities**

	<u>Threadmill Complex Fund</u>	<u>Water and Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Solid Waste Fund</u>	<u>Total</u>
Operating income (loss)	\$ (57,113)	\$ (354,427)	\$ (108,147)	\$ (29,659)	\$ (549,346)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	288,928	84,474	101,319	-	474,721
(Increase) decrease in receivables	(435)	(39,976)	30,146	20,648	10,383
(Increase) decrease in prepaid items	(2,777)	(9,261)	(2,102)	-	(14,140)
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in deferred pension outflows	(18,799)	(49,629)	(7,143)	-	(75,571)
Increase (decrease) in accounts payable	(43,142)	(115,158)	5,798	(6,592)	(159,094)
Increase (decrease) in customer deposits	4,046	6,445	-	-	10,491
Increase (decrease) in deferred pension inflows	(20,212)	(53,359)	(7,681)	-	(81,252)
Increase (decrease) in accrued liabilities	7,293	32,904	3,087	-	43,284
Increase (decrease) in unearned revenues	(1,793)	-	-	-	(1,793)
Total adjustments	<u>213,109</u>	<u>(143,560)</u>	<u>123,424</u>	<u>14,056</u>	<u>207,029</u>
Net cash from operating activities	\$ 155,996	\$ (497,987)	\$ 15,277	\$ (15,603)	\$ (342,317)
Non-Cash Transactions -					
Contributions of capital assets from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Presentation

The financial statements of the City of Austell, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental 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.

B. The Reporting Entity

The City of Austell, which was founded in 1885, operates under the mayor-Council form of government and provides the following services to its citizens: public safety (police and fire); highways and streets; water, sewer, stormwater, and sanitation; public improvements; planning and zoning; and general administrative services.

Based upon criteria set forth by Governmental Accounting Standards Board (GASB) 61 "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34," the accompanying financial statements present the City and its component unit, for which the City is considered to be financially accountable. The 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 City.

Discretely Presented Component Unit

The Austell Natural Gas System (the "System") is shown as a discretely presented component unit in the accompanying financial statements. The purpose of the System is to provide natural gas and related services throughout the City of Austell. The System currently serves customers in the City of Austell and residents of Cobb County and Douglas County, Georgia. The Mayor appoints all members to the System's Board and the City is financially responsible for the payment of the debt issued by the System. The System has a July 31 fiscal year-end. Amounts shown as due from component unit and due to primary government may differ due to the City having a June 30 fiscal year-end, whereas the System has a July 31 fiscal year-end. Complete financial statements for the System can be obtained at the System's administrative offices at 2838 Joe Jerkins Boulevard, Austell, Georgia 30106.

C. Government-Wide Statements 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 of the activities of the primary government and its component unit. (For the most part, the effect of interfund activity has been removed from the government-wide financial statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally 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 the legally separate component unit 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 considered program revenues are reported instead as general revenues.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

C. Government-Wide Statements and Fund Financial Statements – (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.

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

The government-wide financial statements are reported using the economic resource 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 related cash flows. Property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally 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 judgements, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

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 2011 and 2016 Cobb County SPLOST Capital Projects Funds accounts for the acquisition and construction of major capital facilities and improvements that were approved by the voters of Cobb County, Georgia through the special purpose local option sales tax referendum. The amounts collected in these funds are restricted to be spent on capital projects throughout the City.

The Austell Area Community Improvement Council Capital Projects accounts for monies contributed by the Norfolk Southern Company for the purpose of constructing public facilities throughout the City or for other betterments of the community. The amounts collected in this fund, including interest revenue earned, are committed for certain items that lead to the betterment of the community. All expenditures from this fund are approved by the Austell Area Community Council Board and may include expenditures for supplies, services as well as capital projects.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Measurement Focus, Basis of Accounting, and Basis of Presentation – (Continued):

The Multiple Grants Special Revenue Fund accounts for grant monies received from a variety of Federal and State agencies. These specific revenue sources are either restricted or committed to expenditures for specified purposes other than debt services or capital projects.

Additionally, the City reports the following fund types within the nonmajor governmental funds:

The special revenue funds account for revenue sources that are legally restricted and committed to expenditures for specific purposes.

The capital projects fund account for acquisition and construction of major capital facilities other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The Threadmill Complex Fund accounts for the operations of the Threadmill Complex which is used for City offices and spaces rented to private businesses and other governmental agencies.

The Water and Sewer Fund accounts for the activity of the City's utility system.

The Stormwater Fund accounts for the activity of the City's stormwater system.

Additionally, the City reports the following fund as a nonmajor proprietary fund:

The Solid Waste Fund is used to account for the City's solid waste collection, recycling, and disposal activities. The City does contract with a private corporation for these services.

In accounting and reporting for its proprietary operations, the City applies all Governmental Accounting Standards Board (GASB) pronouncements. The City applies GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgets

Annual appropriated budgets are adopted for all funds. Capital Projects Funds have a project length budget. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal yearend. 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 not employed by the City.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

F. Deposits and Investments

Georgia Statutes authorize the City to invest in the following: (1) obligations of Georgia or any other States; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime banker's acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivision of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by securities equal to at least 110% of the excess deposits.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

G. Short-Term and Long-Term Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds is reported as "due to/from other funds and advances 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." Customer accounts receivable include billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) methods. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories (if any) reported in the governmental funds are equally offset by a nonspendable fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items reported in the governmental funds are equally offset by a nonspendable fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets. The city uses the consumption method to account for prepaid items.

J. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants, if applicable. Other restricted assets exist due to enabling legislation, grant agreements or other contractual requirement.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Infrastructure (e.g. roads, bridges, sidewalks, and similar items) prior to July 1, 2003 have not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight line methods over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	25-50
Buildings and improvements	30
Vehicles	5-7
Furniture and fixtures	7-10
Machinery and equipment	3-10
Computer equipment	3-5

L. Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. 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 term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are expensed in the period in which they are incurred.

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

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

N. Fund Equity and Net Position

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

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.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote and passage of an ordinance of the City Council. Only the City Council may modify or rescind the commitment by passage of a subsequent ordinance.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. The fund balance policy approved by an Ordinance of the City Council expressly delegates the authority to assign fund balance to the City’s Finance Director.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Only deficits in fund balances may be reported as unassigned fund balance in other governmental 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, and (3) Unassigned.

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources in reporting, which utilizes the economic resources measurement focus. Amounts shown as net investment in capital assets are made up of capital asset costs, 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 for 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. The City’s government-wide statement of net position reports \$6,478,212 of restricted net position of which \$1,183,014 is restricted by enabling legislation.

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

O. 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

P. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

Q. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has one item that qualifies for reporting in this category as of June 30, 2020 which is deferred pension outflows recognized in the Statements of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City recognizes deferred pension inflows in its Statements of Net Position and also recognizes unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants.

R. Pensions

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

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

2. LEGAL COMPLIANCE - BUDGETS

The City of Austell, Georgia employs the following procedures in establishing its annual budget:

1. The administration of the City submits a proposed operating budget to the Mayor and City Council. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Mayor and City Council, the City publishes the proposed budget and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the Mayor and City council.
5. Budgetary control is exercised at the department level. The City administration is authorized to transfer budget amounts within a department; any revisions that alter the total expenditures of a department require a budget amendment by the Mayor and City Council. The City did amend the budgets for various funds in December 2020.
6. Budgets are prepared on the GAAP basis.

None of the City's funds or departments had material excesses (if over 5 percent and greater than \$5,000) of actual expenditures over appropriations for the fiscal year ended June 30, 2020.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

3. DEPOSITS and INVESTMENTS

Total reported cash and investments as of June 30, 2020 are summarized as follows:

<u>Cash and investments</u>	<u>Amount</u>
Cash and Cash Equivalents	\$ 1,672,804
Investments -	
Georgia Fund 1	7,314,954
Certificates of Deposit	<u>496,000</u>
	<u>\$ 9,483,758</u>

Interest rate risk – The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

“Georgia Fund 1”, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standards and Poor’s criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool’s primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants’ shares sold and redeemed on \$1.00 per share. The fund is managed by the Georgia Office of State Treasurer (OST). OST is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

<u>Investment</u>	<u>Fair Value</u>	<u>Average Maturities</u>	<u>Rating</u>	<u>Organization</u>
All Funds With Investments -				
Georgia Fund 1	\$ 7,314,954	38 days	AAAf	S & P

Custodial Credit Risk – Deposits: 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 and investments (other than Federal or State government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, \$1,636,761 of the City’s bank balance of \$2,535,787 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution or its agent	<u>1,636,761</u>
Total	<u>\$ 1,636,761</u>

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

4. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The tax bills are levied on July 1. Tax billings are mailed in the month of November and considered due upon receipt by the taxpayer, however, the actual due date is December 31st. After this date, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred inflows of resources when levied. Revenues are recognized when available.

For the City’s Stormwater Enterprise Fund, stormwater fees are billed annually on the property tax bill.

Receivables at June 30, 2020, for the City’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	General Fund	2016 Cobb County SPLOST Fund	Austell Area Community Council Fund	Multiple Grants Fund	Other Nonmajor Funds
Receivables					
Taxes	\$ 295,844	\$ -	\$ -	\$ -	\$ 159
Accounts	350	-	-	-	14,396
Due from other governments	-	234,660	-	48,979	-
Other	175,000	-	1,519	-	-
Gross Receivables	471,194	234,660	1,519	48,979	14,555
Less: Allowance for Uncollectibles	(138,170)	-	-	-	-
Net Total Receivables	<u>\$ 333,024</u>	<u>\$ 234,660</u>	<u>\$ 1,519</u>	<u>\$ 48,979</u>	<u>\$ 14,555</u>

Proprietary Funds

	Threadmill Complex	Water and Sewer	Stormwater Management	Solid Waste
Accounts	\$ 8,598	\$ 1,008,218	\$ 264,794	\$ 67,256
Intergovernmental	-	-	-	-
Gross Receivable	8,598	1,008,218	264,794	67,256
Less: Allowance for Uncollectibles	-	(362,000)	(60,000)	(38,000)
Net Total Receivable	<u>\$ 8,598</u>	<u>\$ 646,218</u>	<u>\$ 204,794</u>	<u>\$ 29,256</u>

(See Independent Auditor’s Report)

5. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,983,611	\$ -	\$ (78,936)	\$ 1,904,675
Construction in progress	<u>69,911</u>	<u>6,627</u>	<u>(21,828)</u>	<u>54,710</u>
Total	<u>2,053,522</u>	<u>6,627</u>	<u>(100,764)</u>	<u>1,959,385</u>
Capital assets being depreciated:				
Buildings and improvements	7,012,712	49,304	-	7,062,016
Infrastructure	5,353,161	119,990	-	5,473,151
Furniture and fixtures	129,252	41,334	-	170,586
Machinery and equipment	2,417,425	311,845	-	2,729,270
Computer equipment	154,957	59,064	-	214,021
Vehicles	<u>3,581,666</u>	<u>174,275</u>	<u>-</u>	<u>3,755,941</u>
Total capital assets being depreciated	<u>18,649,173</u>	<u>755,812</u>	<u>-</u>	<u>19,404,985</u>
Less accumulated depreciation for:				
Buildings and improvements	3,740,705	241,162	-	3,981,867
Infrastructure	994,534	133,708	-	1,128,242
Furniture and fixtures	82,869	12,184	-	95,053
Machinery and equipment	1,795,603	318,601	-	2,114,204
Computer equipment	115,904	22,060	-	137,964
Vehicles	<u>2,401,337</u>	<u>250,081</u>	<u>-</u>	<u>2,651,418</u>
Total accumulated depreciation	<u>9,130,952</u>	<u>977,796</u>	<u>-</u>	<u>10,108,748</u>
Total capital assets being depreciated, net	<u>9,518,221</u>	<u>(221,984)</u>	<u>-</u>	<u>9,296,237</u>
Governmental capital assets, net	<u>\$ 11,571,743</u>	<u>\$ (215,357)</u>	<u>\$ (100,764)</u>	<u>\$ 11,255,622</u>

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

General Government	\$ 129,546
Public Safety	350,698
Public Works	252,896
Culture and recreation	<u>244,656</u>
Total depreciation expense	<u>\$ 977,796</u>

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. PROPERTY, PLANT AND EQUIPMENT – (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated:				
Land	\$ 545,640	\$ -	\$ -	\$ 545,640
Construction in progress	10,758	277,165	-	287,923
Total	<u>556,398</u>	<u>277,165</u>	<u>-</u>	<u>833,563</u>
Capital assets being depreciated:				
Infrastructure	6,972,001	39,650	-	7,011,651
Buildings and improvements	8,096,466	107,346	-	8,203,812
Machinery and equipment	293,030	15,643	-	308,673
Vehicles	340,412	-	-	340,412
Computer equipment	24,425	-	(6,000)	18,425
Total capital assets being depreciated	<u>15,726,334</u>	<u>162,639</u>	<u>(6,000)</u>	<u>15,882,973</u>
Less accumulated depreciation for:				
Infrastructure	4,077,014	158,136	-	4,235,150
Buildings and improvements	4,082,753	285,530	-	4,368,283
Machinery and equipment	251,081	8,126	-	259,207
Vehicles	256,212	21,872	-	278,084
Computer equipment	21,427	1,057	(6,000)	16,484
Total capital assets being depreciated	<u>8,688,487</u>	<u>474,721</u>	<u>(6,000)</u>	<u>9,157,208</u>
Total capital assets being depreciated, net	<u>7,037,847</u>	<u>(312,082)</u>	<u>-</u>	<u>6,725,765</u>
Business-Type Activities capital assets, net	<u>\$ 7,594,245</u>	<u>\$ (34,917)</u>	<u>\$ -</u>	<u>\$ 7,559,328</u>

Depreciation expense was charged to functions/programs as follows:

Threadmill complex	\$ 288,928
Water and sewer	84,474
Stormwater	<u>101,319</u>
Total depreciation expense	<u>\$ 474,721</u>

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. PROPERTY, PLANT AND EQUIPMENT – (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Austell Natural Gas System				
Capital assets, not being depreciated:				
Land	\$ 752,675	\$ -	\$ -	\$ 752,675
Construction in progress	<u>75,953</u>	<u>36,300</u>	<u>-</u>	<u>112,253</u>
Total	<u>828,628</u>	<u>36,300</u>	<u>-</u>	<u>864,928</u>
Capital assets being depreciated:				
Infrastructure	95,398,786	2,150,285	(104,865)	97,444,206
Furniture, fixtures, and equipment	3,180,258	372,078	(431,500)	3,120,836
Vehicles	<u>1,588,091</u>	<u>127,361</u>	<u>(132,366)</u>	<u>1,583,086</u>
Total capital assets being depreciated	<u>100,167,135</u>	<u>2,649,724</u>	<u>(668,731)</u>	<u>102,148,128</u>
Less accumulated depreciation:	<u>73,092,104</u>	<u>3,840,278</u>	<u>(668,731)</u>	<u>76,263,651</u>
Total capital assets being depreciated, net	<u>27,075,031</u>	<u>(1,190,554)</u>	<u>-</u>	<u>25,884,477</u>
Austell Natural Gas System capital assets, net	<u>\$ 27,903,659</u>	<u>\$ (1,154,254)</u>	<u>\$ -</u>	<u>\$ 26,749,405</u>

Depreciation of the original cost of depreciable assets is calculated using the composite straight-line method at the following rates:

Gas utility system	3.25%
Furniture, fixtures, and equipment	10.00
Electronic data procession equipment	16.67
Transportation vehicles	25.00

This composite method of depreciation as allowed by GASB No. 34 refers to the depreciation of a grouping of dissimilar assets of the same class using a uniform rate of depreciation as noted above. GASB No. 34 allows the rate of depreciation to be calculated in different ways. The method chosen by the Gas System is to base the rate of depreciation on its assessment of the life of the group of assets as a whole.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

6. OPERATING LEASES

The City is the lessor of office space at the Threadmill Complex. During fiscal year 2020, the City received \$1,287,218 in operating lease revenue. The carrying value of the land, building and improvements and machinery & equipment of \$4,294,276 (cost of \$8,733,667 less accumulated depreciation of \$4,439,391, which includes \$288,578 depreciation expense in fiscal year 2020) is included in capital assets in the Threadmill Complex Fund. Most leases are year-to-year and expire at various times throughout the year. However, there are two (2) leases with terms extending beyond the end of the next fiscal year and one large tenant whose lease will expire in 2021 and has stated that they will not renew.

Expected lease revenues from these tenants in future fiscal years are as follows:

<u>Fiscal year ending</u>	<u>Total Revenues</u>
2021	\$ 307,756
2022	19,540
2023	12,000
2024	12,000
2025-2029	48,000

7. LONG-TERM DEBT

Changes in Long-Term Debt

The following is a summary of changes in long-term debt reported in the government-wide financial statements for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities					
Capital leases	\$ 100,498	\$ -	\$ (55,406)	\$ 45,092	\$ 45,092
Compensated Absences	212,784	406,657	(222,736)	396,705	50,000
Total Governmental-Type Activity Long-Term Debt	<u>\$ 313,282</u>	<u>\$ 406,657</u>	<u>\$ (278,142)</u>	<u>\$ 441,797</u>	<u>\$ 95,092</u>
Business-Type Activities					
Compensated Absences	\$ 38,640	\$ 69,936	\$ (35,784)	\$ 72,792	\$ 21,508

For governmental funds, compensated absences and net pension liabilities are liquidated by the General Fund from which employees' salaries are paid. For business-type activities, compensated absences and net pension liabilities are liquidated by the Threadmill Complex Fund, the Water and Sewer Fund, the Stormwater Fund, and the Solid Waste Fund from which employees' salaries are paid. Capital leases are currently being liquidated by the Cobb County SPLOST 2016 Fund.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. LONG-TERM DEBT – (Continued)

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of various public works equipment and buildings. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of June 30, 2020, the City had one capital lease in effect which had assets with a net book value of \$68,930 (asset value of \$215,000 less accumulated depreciation of \$146,070) under capital leases. Annual depreciation (\$43,000) of these assets under capital leases is included in depreciation expense.

The City's total capital lease debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 45,092	\$ 1,491	\$ 46,583
Total	<u>\$ 45,092</u>	<u>\$ 1,491</u>	<u>\$ 46,583</u>

Interest rate associated with the capital lease is 3.3%.

Austell Natural Gas System

Long-term debt activity for the fiscal year ended July 31, 2020 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Austell Natural Gas System					
Compensated absences	\$ 447,897	\$ 565,480	\$ (404,637)	\$ 608,740	\$ 608,740
Financed purchases from direct borrowings	<u>-</u>	<u>207,548</u>	<u>(21,478)</u>	<u>186,070</u>	<u>38,400</u>
Total	<u>\$ 447,897</u>	<u>\$ 773,028</u>	<u>\$ (426,115)</u>	<u>\$ 794,810</u>	<u>\$ 647,140</u>

Financed purchases from direct borrowings – Equipment. The Gas System has entered into a lease agreement as lessee for financing the acquisition of customer database hardware. The lease agreement qualifies as a capital lease for accounting purposes (ownership transfers to the Gas System at the inception of the lease), and therefore have been recorded at the present value of the future minimum lease payments as of the date of their inception. The original cost of the City's assets under a capital lease arrangement at July 31, 2020 is \$207,548 and there has been \$22,176 of accumulated depreciation as of fiscal year-end. Annual depreciation of \$22,176 is included in depreciation expense.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. LONG-TERM DEBT – (Continued)

Austell Natural Gas System

The Gas System’s total financed purchase payable debt service requirements to maturity are as follows:

Fiscal Year Ending July 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 38,400	\$ 12,521	\$ 50,921
2022	40,489	9,600	50,089
2023	42,693	6,519	49,212
2024	45,016	3,271	48,287
2025	<u>19,472</u>	<u>363</u>	<u>19,835</u>
Total	<u>\$ 186,070</u>	<u>\$ 32,274</u>	<u>\$ 218,344</u>

8. INTER-FUND TRANSACTIONS

The composition of interfund receivable and payable balances at June 30, 2020 were as follows:

Payable To	Payable From					Total
	General	Multiple Grants Fund	Hotel / Motel Tax Fund	Douglas County SPLOST Fund	Water and Sewer Fund	
General	\$ -	\$ 71,010	\$ 392	\$ 18,733	\$ 322,954	\$ 413,089
Austell Area						-
Community Council	450,000	-	-	-	-	450,000
Cobb Co Splost 2011	113,670	-	-	-	-	113,670
Cobb Co Splost 2016	<u>102,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,031</u>
Total	<u>\$ 665,701</u>	<u>\$ 71,010</u>	<u>\$ 392</u>	<u>\$ 18,733</u>	<u>\$ 322,954</u>	<u>\$1,078,790</u>

All interfund 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. Amounts will be repaid in fiscal year 2021.

Advances from/to other funds are as follows:

Payable To	Payable From Threadmill Coimplex Fund
Austell Area Community Council	<u>\$ -</u>

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. INTER-FUND TRANSACTIONS – (Continued)

During fiscal year 2013, the City authorized an interfund agreement between the Austell Area Community Council Fund (AACC) and its Threadmill Complex Fund in which the AACC Fund advanced \$4,590,000 to the Threadmill Complex Fund in order to pay off its outstanding revenue bonds. The Threadmill Complex Fund began repaying the balance (plus interest) over nine (9) years commencing on September 1, 2013 and ending on September 1, 2022. Interest rates range from 3% to 4%.

During fiscal year ended June 30, 2020, the City’s General Fund transferred approximately \$1,900,000 to the Threadmill Fund to finance the pay-off of the Threadmill Fund’s advance from the Austell Area Community Council Fund.

Due to/from primary government and component units:

Payable To	<u>Payable From</u> Austell Natural Gas System
General	<u>\$ 4,731,104</u>

At June 30, 2020, Austell Natural Gas System owed the primary government \$4,731,104. However, the Gas System reported a payable of \$4,925,616. The difference is a result of the Gas System’s fiscal year-end being July 31, 2020 and reporting \$194,512 of additional fees due to the primary government.

Interfund transfers for the year ended June 30, 2020 were as follow:

<u>Transfer To</u>	<u>Transfer From</u> General
Nonmajor	\$ 427,672
Stormwater	4,699
Threadmill	2,118,332
Solid waste	<u>15,603</u>
Total	<u>\$2,566,306</u>

Transfer are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) use unrestricted revenues of the General Fund to cover the operational shortfalls of the other funds. As previously mentioned, the General Fund transferred approximately \$1,900,000 to the Threadmill Fund to finance the pay-off of the Threadmill Fund’s advance from the Austell Community Council Fund.

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. EMPLOYEE BENEFIT PLANS

Defined Benefit Plan – GMA Administered

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Austell 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 the City Council, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate immediately upon hiring. 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 2.0% of final average earnings in excess of covered compensation. Early retirement may be elected by an employee who has reached age 55 and has 10 years of service for reduced benefits. Elected officials are entitled to \$52 for each year of service after reaching normal retirement age. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary if they have at least 10 years of service. Death benefits are calculated using an actuarial reserve.

At January 1, 2020, the date of the most recent actuarial valuation, there were 198 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	48
Terminated vested participants not yet receiving benefits	42
Active employees - vested	65
Active employees - nonvested	<u>43</u>
Total	<u>198</u>

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard 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 fiscal year 2020, the actuarially determined contribution rate was 6.4% of covered payroll.

For fiscal year ended June 30, 2020, the City's recommended and actual contribution was \$338,928 which was actuarially determined and is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The amount of employer pension related expense recognized in the actuarial report dated January 1, 2020 and included in the government-wide statement of activities amounted to \$594,189.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. EMPLOYEE BENEFIT PLANS – (Continued)

Defined Benefit Plan – GMA Administered, continued

**Pension Liabilities, Pension Expense, and Deferred Outflows and
Deferred Outflows of Resources Related to Pensions**

At June 30, 2020, the City reported a liability of \$3,464,646 for its net pension liability. The net pension liability was measured as of September 30, 2019 and was determined by an actuarial valuation as of January 1, 2020. The changes in the Net Pension Liability for the year ended September 30, 2019 (the measurement date) were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at beginning of year	\$13,794,386	\$11,365,218	\$ 2,429,168
Changes for the year-			
Service cost	273,319	-	273,319
Interest	1,039,689	-	1,039,689
Differences between expected and actual experience	794,344	-	794,344
Contributions - Employer	-	312,665	(312,665)
Net investment income	-	340,666	(340,666)
Benefit payments, including refunds of employee contributions	(410,366)	(410,366)	-
Administrative expense	-	(26,864)	26,864
Other	(445,407)	-	(445,407)
Net Changes	<u>1,251,579</u>	<u>216,101</u>	<u>1,035,478</u>
Balance at end of year	<u>\$15,045,965</u>	<u>\$11,581,319</u>	<u>\$ 3,464,646</u>

Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits. As a result of this change, all Employees are now included in the valuation. This change has minimal impact on the Plan's liability.

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December 2019:

- The investment return assumption was decreased from 7.75% to 7.375%.
- The inflation assumption was decreased from 3.25% to 2.25%.
- The cost-of-living assumption was decreased from 3.25% to 2.25%.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. EMPLOYEE BENEFIT PLANS – (Continued)

Defined Benefit Plan – GMA Administered, continued

**Pension Liabilities, Pension Expense, and Deferred Outflows and
Deferred Outflows of Resources Related to Pensions, continued**

For the year ended June 30, 2020, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	\$ 273,317
Interest on The Pension Liability (TPL)	1,039,689
Administrative expenses	26,864
Expected return on assets	(847,720)
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	158,868
Expensed portion of current year period assumption changes	(89,083)
Expensed portion of current year period differences between projected and actual investment earnings	101,410
Current year recognition of deferred inflows and outflows established in prior years.	<u>(69,156)</u>
 Total expense	 <u>\$ 594,189</u>

\$254,197 reported as deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E June 30,	Deferred Outflows	Deferred Inflows	Net
2021	\$ 312,554	\$ (342,585)	\$ (30,031)
2022	258,322	(285,746)	(27,424)
2023	258,322	(38,336)	219,986
2024	<u>158,869</u>	<u>12,330</u>	<u>171,199</u>
	<u>\$ 988,067</u>	<u>\$ (654,337)</u>	<u>\$ 333,730</u>

Outstanding balances of deferred outflows/inflows of resources related to pensions as of June 30, 2020 are as follows:

	Outflows	Inflows
Contributions subsequent to the measurement date	\$ 254,197	\$ -
Demographic	988,067	(141,724)
Investment	-	(67,907)
Assumption change	-	(444,706)
Total	<u>\$ 1,242,264</u>	<u>\$ (654,337)</u>

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. EMPLOYEE BENEFIT PLANS – (Continued)

Defined Benefit Plan – GMA Administered, continued

Actuarial Assumptions

The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	2.25%
Mortality Rates -	
Healthy retirees and beneficiaries	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled participants	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 conducted in November and December 2019.

The long-term 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 March 31, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.00%	6.41%
International equity	20.00%	6.96%
Global fixed income	5.00%	3.06%
Real estate	10.00%	4.76%
Domestic fixed income	20.00%	1.96%
Total	100.00%	

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. EMPLOYEE BENEFIT PLANS – (Continued)

Defined Benefit Plan – GMA Administered, continued

Discount Rate

The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at the actuarially determined contribution 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability
 To Changes in the Discount Rate*

The following presents the City’s net pension liability calculated using the discount rate of 7.375 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 or 1-percentage-point higher than the current rate:

	1% Decrease	Current Rate	1% Increase
	<u>6.375%</u>	<u>7.375%</u>	<u>8.375%</u>
Net Pension Liability	\$ 5,617,373	\$ 3,464,646	\$ 1,687,529

Pension Plan Net Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued City of Austell Retirement Plan financial report.

10. DEFERRED COMPENSATION PLAN

The City of Austell, Georgia offers its employees an Internal Revenue Code Section 457 Plan (the “Plan”) which is a deferred compensation plan that qualifies as a defined contribution pension plan. The Plan is administered by a third party administrator, Mass Mutual. The City has no fiduciary relationship with the Trust. Accordingly, the Plan assets are not reported in the City’s financial statements. Plan provisions and contribution requirements are established and may be amended by the City’s Mayor and Council. At June 30, 2020, there were 42 plan members in the plan.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plans. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the fiscal year ended June 30, 2020 were \$178,700.

(See Independent Auditor’s Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

11. JOINT VENTURE

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 Cobb 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.

12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the State as part of the Georgia Interlock Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgement, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverages in the past three (3) fiscal years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three (3) fiscal years.

13. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is currently a defendant in a lawsuit in which the plaintiff claimed that the City had terminated his employment in violation of the Georgia Whistleblower Act. The plaintiff is asking the Court to award damages and attorney fees and cost of litigation. After conducting a thorough analysis of the claims, management and legal counsel concluded that the City did not violate the Whistleblower Act. 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, management of the City believes such disallowances, if any, will not be significant.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

13. COMMITMENTS AND CONTINGENCIES, (Continued)

Stormwater Fees:

At June 30, 2015 the City was in negotiations with a private corporation regarding the propriety of charging the Company stormwater fees. The Company maintained that they have a federal license to maintain their own stormwater run-off system and that the City does not participate in any activity related to the Company's system and therefore the Company should not be charged a fee. Unpaid stormwater fees assessed to the Company for the calendar years 2013 and 2014 amounted to \$176,900 and were reported in the City's Stormwater Fund Balance Sheet as of June 30, 2015. During fiscal year ended June 30, 2016 the Company and the City reached an agreement to solve the issue. Amounts owed as of June 30, 2015 were written off by the City and a settlement of \$110,000 was recorded by the City as a stormwater receivable. The Company also agreed to contribute to the City \$25,000 a year for the next ten years, which was recorded as a receivable in the City's General Fund. The amount due from the Company as of June 30, 2020 was \$175,000.

14. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$1,966 for the fiscal year ended June 30, 2020. Of this amount, 62.5%, or \$1,229, was remitted to the Cobb-Marietta Coliseum and Exhibit Hall Authority as is contractually obligated. The receipts from the City, less 37.5% are pledged as a revenue source for debt service requirements of the Authority. Of the amount remitted to the Authority, the City will obtain a reimbursement of 40%

The City expended \$3,951, including the amount remitted to the Cobb-Marietta Coliseum and Exhibit Hall Authority, during the current fiscal year to promote tourism as required by O.C.G.A. 48-13-51.

15. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

General accepted accounting principles require disclosures, as a part of the basic financial statements – overview, of certain information concerning individual funds including –

A. Deficit fund balances or net position balances of individual funds – As of June 30, 2020, the following funds had a negative fund balance:

Multiple Grant Fund	\$ 70,137
Non-Major Governmental Funds -	
Hotel / Motel Tax Fund	214
2017 Douglas Co Splost Fund	11,782
Water & Sewer Fund	29,436
Solid Waste Fund	1,000

Management expects the deficit to be funded through future revenues and transfers from the General Fund, if necessary.

B. Excess expenditures over budget – None of the City's funds or departments incurred material excesses (if over 5 percent and greater than \$5,000) of expenditures over appropriations at the department level (the legal level of control) as reported in Note 2 to these financial statements.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

16. SUBSEQUENT EVENTS

In August 2020 the City entered into a intergovernmental agreement with the Cobb County, Georgia under the Cares Act Coronavirus Relief Fund. Under the agreement the City will be able to receive reimbursement for eligible expenditures incurred between the dates beginning March 1, 2020 and ending December 30, 2020. Although the City believes it incurred eligible expenditures through June 30, 2020, no revenues have been recognized under the agreement as of June 30, 2020 since the agreement was not in effect until August 2020. The City is eligible to receive a total of \$375,873 under the agreement.

In July, 2020 the City entered into a contract with the Georgia Power Company to obtain system-wide water meters and related meter reading equipment under a capital lease agreement. The agreement is for fifteen years with a monthly payment under the lease terms of \$8,404.54 which totals annually to \$100,854 and for the total fifteen year period to \$1,512,817. Under the agreement, the City will also pay a monthly data fee and administrative fee of \$1,488 which totals annually to \$17,856 and for the total fifteen year period to \$267,854. The data and administrative fees are also subject to a 3% annual increase.

In October, 2020 the City was notified that a major tenant of the Threadmill Complex would not be renewing its lease in March, 2021. This will reduce the City's future rental income from the Threadmill Complex by approximately \$775,000 a year or 60%. Management is currently striving to find a replacement for this major customer.

(See Independent Auditor's Report)

CITY OF AUSTELL, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 LAST 10 FISCAL YEARS

	Fiscal Year End									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	338,928	303,911	311,874	289,231	278,851	297,299				
Contributions in relation to the actuarially determined contribution	(338,928)	(303,911)	(311,874)	(289,231)	(278,851)	(297,299)				
Contribution deficiency (excess)	-	-	-	-	-	-				(297,299) (Historical information prior to implementation of GASB 67/68 is not required)
Covered payroll	5,236,265	4,097,511	3,492,336	4,085,172	3,458,027	3,418,357				
Contributions as a percentage of covered payroll	6.47%	7.42%	8.93%	8.23%	8.35%	8.55%				

CITY OF AUSTELL, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Note 1

Significant methods and assumptions used in calculating the actuarially determined calculations are as follow:

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:

Net Investment Rate of Return	7.375%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	2.25%
Mortality Rates -	
Healthy retirees and beneficiaries	Sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25
Disabled participants	Sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

The methods and assumptions used in the January 1, 2020 valuation were approved by the Board in December 2019 based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2019 conducted in November and December 2019.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**

CITY OF AUSTELL, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt services or capital projects.

Confiscated Assets Fund – To account for the City’s share of excess funds received from confiscated capital and equipment. Georgia law allows police agencies to file for seizure of property related to illegal substances or activities. These funds must be used to purchase police equipment.

Emergency Telephone System Fund – Established in compliance with State Law to account for the receipt of the “911” Emergency Telephone System charges by communication firms. This revenue is used to offset the costs of operating the “911” system.

Hotel/Motel Tax Fund – Established to account for the collection of an 8% excise tax on charges for hotel/motel accommodations in the City. This levy is required by State law to promote tourism, conventions, trade shows, and other related purposes. 62.5% is remitted to the Cobb-Marietta Coliseum and Exhibit Hall Authority as is contractually obligated. The receipts from the City, less 37.5% are pledged as a revenue source for the debt service requirements of the Authority. Of the amount remitted to the Authority, the City will obtain a reimbursement of 40%.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets.

Douglas County 2017 SPLOST Funds – To account for the acquisition and construction of major park improvements that were approved by the voters of Douglas County, Georgia through the special purpose local option tax referendum.

**CITY OF AUSTELL, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Special Revenue Funds		
	Confiscated Asset Fund	Emergency Telephone System Fund	Hotel / Motel Tax Fund
Assets			
Cash	\$ 18,851	\$ 105	\$ 173
Receivables -			
Taxes	-	-	159
Accounts	-	14,396	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid items	-	8,232	-
Total assets	<u>18,851</u>	<u>22,733</u>	<u>332</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	-	6,771	154
Accrued liabilities	-	5,674	-
Unearned revenues	16,133	-	-
Due to other funds	-	-	392
Total liabilities	<u>16,133</u>	<u>12,445</u>	<u>546</u>
Fund balances			
Nonspendable -			
Prepaid items	-	8,232	-
Restricted -			
Capital projects	-	-	-
Law enforcement activities	2,718	2,056	-
Tourism and economic development	-	-	-
Unassigned	-	-	(214)
Total fund balances	<u>2,718</u>	<u>10,288</u>	<u>(214)</u>
Total liabilities and fund balances	<u>\$ 18,851</u>	<u>\$ 22,733</u>	<u>\$ 332</u>

<u>Capital Project Fund</u>	<u>2017 Douglas County SPLOST Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	\$ 6,951	\$ 26,080
	-	159
	-	14,396
	-	-
	-	-
	-	8,232
	<u>6,951</u>	<u>48,867</u>
	-	6,925
	-	5,674
	-	16,133
	<u>18,733</u>	<u>19,125</u>
	<u>18,733</u>	<u>47,857</u>
	-	8,232
	-	-
	-	4,774
	-	-
	<u>(11,782)</u>	<u>(11,996)</u>
	<u>(11,782)</u>	<u>1,010</u>
	<u>\$ 6,951</u>	<u>\$ 48,867</u>

**CITY OF AUSTELL, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>SPECIAL REVENUE FUND</u>		
	<u>Confiscated Asset Fund</u>	<u>Emergency Telephone System Fund</u>	<u>Hotel / Motel Tax Fund</u>
Revenues:			
Taxes	\$ -	\$ -	\$ 1,966
Charges for services	-	167,628	-
Intergovernmental	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	629
	<u>-</u>	<u>-</u>	<u>629</u>
Total revenues	<u>-</u>	<u>167,628</u>	<u>2,595</u>
Expenditures:			
Current			
Public safety	4,583	616,550	-
Public works	-	-	-
Culture and recreation	-	-	-
Tourism and economic development	-	-	3,951
Capital outlay			
Administrative	-	-	-
Public safety	2,500	-	-
Culture and recreation	-	-	-
Tourism and economic development	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>7,083</u>	<u>616,550</u>	<u>3,951</u>
Excess (deficiency) of revenues over expenditures	(7,083)	(448,922)	(1,356)
Other Financing Sources (Uses):			
Transfers	-	427,672	-
Capital lease proceeds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	427,672	-
Net change in fund balances	(7,083)	(21,250)	(1,356)
Fund balance - beginning of year	<u>9,801</u>	<u>31,538</u>	<u>1,142</u>
Fund balance - end of year	<u>\$ 2,718</u>	<u>\$ 10,288</u>	<u>\$ (214)</u>

CAPITAL PROJECTS FUND	Total Nonmajor Governmental Funds
2017 Douglas County SPLOST Fund	
\$ -	\$ 1,966
-	167,628
8,011	8,011
-	-
-	629
<u>8,011</u>	<u>178,234</u>
-	621,133
-	-
-	-
-	3,951
-	-
-	-
-	2,500
-	-
-	-
<u>-</u>	<u>627,584</u>
8,011	(449,350)
-	427,672
<u>-</u>	<u>-</u>
-	427,672
8,011	(21,678)
<u>(19,793)</u>	<u>22,688</u>
<u>\$ (11,782)</u>	<u>\$ 1,010</u>

**CITY OF AUSTELL, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Budget		Actual	Variance
	Original	Final		
Revenues				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Miscellaneous revenue	-	-	-	-
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Expenditures				
Public safety	5,000	7,500	7,083	417
Total expenditures	<u>5,000</u>	<u>7,500</u>	<u>7,083</u>	<u>417</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(2,500)</u>	<u>(7,083)</u>	<u>(4,583)</u>
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(2,500)	(7,083)	(4,583)
Fund balance - beginning of year	<u>9,801</u>	<u>9,801</u>	<u>9,801</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,801</u>	<u>\$ 7,301</u>	<u>\$ 2,718</u>	<u>\$ (4,583)</u>

CITY OF AUSTELL, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance
	Original	Final		
Revenues				
Charges for services	\$ 184,000	\$ 184,000	\$ 167,628	\$ (16,372)
Miscellaneous revenue	200	200	-	(200)
Total revenues	<u>184,200</u>	<u>184,200</u>	<u>167,628</u>	<u>(16,572)</u>
Expenditures				
Public safety	<u>629,892</u>	<u>629,892</u>	<u>616,550</u>	<u>13,342</u>
Total expenditures	<u>629,892</u>	<u>629,892</u>	<u>616,550</u>	<u>13,342</u>
Excess of revenues over (under) expenditures	<u>(445,692)</u>	<u>(445,692)</u>	<u>(448,922)</u>	<u>(3,230)</u>
Other Financing Sources (Uses)				
Transfers	<u>445,692</u>	<u>445,692</u>	<u>427,672</u>	<u>(18,020)</u>
Total other financing sources (uses)	<u>445,692</u>	<u>445,692</u>	<u>427,672</u>	<u>(18,020)</u>
Net change in fund balance	-	-	(21,250)	(21,250)
Fund balance - beginning of year	<u>31,538</u>	<u>31,538</u>	<u>31,538</u>	<u>-</u>
Fund balance - end of year	<u>\$ 31,538</u>	<u>\$ 31,538</u>	<u>\$ 10,288</u>	<u>\$ (21,250)</u>

CITY OF AUSTELL, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 3,200	\$ 3,200	\$ 1,966	\$ (1,234)
Miscellaneous revenue	-	-	629	629
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>2,595</u>	<u>(605)</u>
Expenditures				
Current				
Tourism and economic development	3,200	3,200	3,951	(751)
Total expenditures	<u>3,200</u>	<u>3,200</u>	<u>3,951</u>	<u>(751)</u>
Excess of revenues over (under) expenditures	-	-	(1,356)	(1,356)
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(1,356)	(1,356)
Fund balance - beginning of year	<u>1,142</u>	<u>1,142</u>	<u>1,142</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,142</u>	<u>\$ 1,142</u>	<u>\$ (214)</u>	<u>\$ (1,356)</u>

CITY OF AUSTELL, GEORGIA
AUSTELL AREA COMMUNITY COUNCIL CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budget		Actual	Variance
	Original	Final		
Revenues				
Interest income	\$ 100,000	\$ 100,000	\$ 85,359	\$ (14,641)
Miscellaneous revenue	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>85,359</u>	<u>(14,641)</u>
Expenditures				
General government	100,000	100,000	58,150	41,850
Public works	-	-	9,300	(9,300)
Public safety	-	-	-	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>67,450</u>	<u>32,550</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>17,909</u>	<u>17,909</u>
Other Financing Sources (Uses)				
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	17,909	17,909
Fund balance - beginning of year	<u>5,277,289</u>	<u>5,277,289</u>	<u>5,277,289</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,277,289</u>	<u>\$ 5,277,289</u>	<u>\$ 5,295,198</u>	<u>\$ 17,909</u>

**CITY OF AUSTELL, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH COBB COUNTY SPECIAL PURPOSE SALES TAX 2011
FOR THE YEAR ENDED JUNE 30, 2020**

	ORIGINAL ESTIMATED COST	EXPENDITURES			ESTIMATED PERCENT COMPLETE
		BEGINNING OF YEAR	CURRENT YEAR	TO DATE	
TIER 1 PROJECTS					
TRANSPORTATION -					
Improvements	\$ 2,137,355	\$ 1,497,166	\$ -	\$ 1,497,166	70.05%
Equipment	665,957	888,285	-	888,285	133.38%
PARKS -					
Improvements	968,046	837,674	-	837,674	86.53%
Equipment	200,000	375,078	-	375,078	187.54%
PUBLIC SAFETY -					
Improvements	5,828	-	-	-	0.00%
Equipment	695,000	1,294,281	103,494	1,397,775	201.12%
TOTAL TIER 1 PROJECTS	<u>4,672,186</u>	<u>4,892,484</u>	<u>103,494</u>	<u>4,995,978</u>	
TIER 2 PROJECTS					
TRANSPORTATION -					
Improvements	1,740,000				0.00%
PARKS -					
Other projects	725,000				0.00%
PUBLIC SAFETY -					
Other projects	435,000				0.00%
Fire equipment	60,000	-	-	-	0.00%
TOTAL TIER 2 PROJECTS	<u>2,960,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
TOTAL PROJECTS	<u>\$ 7,632,186</u>	<u>\$ 4,892,484</u>	<u>\$ 103,494</u>	<u>\$ 4,995,978</u>	

CITY OF AUSTELL, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH COBB COUNTY SPECIAL PURPOSE SALES TAX 2016
FOR THE YEAR ENDED JUNE 30, 2020

PROJECT	ORIGINAL	EXPENDITURES			ESTIMATED
	ESTIMATED COST	BEGINNING OF YEAR	CURRENT YEAR	TO DATE	PERCENT COMPLETE
STREETS:					
Resurfacing	\$ 1,113,486	\$ 1,133,785	\$ 204,178	\$ 1,337,963	120%
Roadway striping	211,032	32,935	2,366	35,301	17%
Curb and gutters	426,093	343,573	(164,974)	178,599	42%
Sidewalks	844,128	218,230	62,540	280,770	33%
Roadway drainage systems	193,309	53,550	25,612	79,162	41%
Sign replacement and upgrades	126,619	3,255	4,862	8,117	6%
Maintenance equipment	801,922	316,156	220,829	536,985	67%
Public works facility improvements	84,413	70,325	4,560	74,885	89%
Information technology upgrades	168,826	118,050	55,759	173,809	103%
PARKS PROJECTS:					
Threadmill Complex -					
Roof replacement	450,000	383,074	-	383,074	85%
Other improvements	300,000	348,114	-	348,114	116%
Parks maintenance facility improvements	200,000	120,322	11,963	132,285	66%
Upgrades to all city parks	431,345	118,737	8,150	126,887	29%
Park equipment	300,000	268,539	46,583	315,122	105%
PUBLIC SAFETY:					
2 positrons	125,000	126,141	-	126,141	101%
3 equipped patrol vehicles	222,175	36,494	112,340	148,834	67%
Fire engine	420,000	599,035	-	599,035	143%
Public safety radios	250,000	216,710	4,510	221,220	88%
Public safety training facility upgrade	56,912	59,614	-	59,614	105%
	<u>\$ 6,725,260</u>	<u>\$ 4,566,639</u>	<u>\$ 599,278</u>	<u>\$ 5,165,917</u>	
OTHER FINANCING SOURCES' EXPENDITURES:					
LMIG		83,658	176,886	260,544	
OTHER DOT GRANT PROJECTS		<u>113,942</u>	<u>196,974</u>	<u>310,916</u>	
TOTAL EXPENDITURES		<u>\$ 4,764,239</u>	<u>\$ 973,138</u>	<u>\$ 5,737,377</u>	

Note -

Beginning of the year balances were adjusted to properly categorize expenditures in the SPLOST Fund.

CITY OF AUSTELL, GEORGIA
 SCHEDULE OF PROJECTS FINANCED
 WITH DOUGLAS COUNTY 2017 SPECIAL PURPOSE SALES TAX
 FOR THE YEAR ENDED JUNE 30, 2020

PROJECT	ORIGINAL ESTIMATED COST	EXPENDITURES BEGINNING OF YEAR	CURRENT YEAR	TO DATE	ESTIMATED PERCENT COMPLETE
PARK PROJECTS:					
Suggs Park improvements	\$ 48,000	\$ 33,929	\$ -	\$ 33,929	71%
	<u>\$ 48,000</u>	<u>\$ 33,929</u>	<u>\$ -</u>	<u>\$ 33,929</u>	

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends	63
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	70
These schedules contain information to help the reader assess the City's most significant local revenue sources, property taxes and franchise fees.	
Debt Capacity	76
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	81
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	84
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City 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 fiscal year. GASB Statement number 54 established a hierarchy of fund balance classifications based primarily on the extent to which governments are bound by constraints placed on resources. The effective date for implementation of GASB 54 was for periods beginning after June 15, 2010. Presentation for fiscal years 2006-2010 are prior to the implementation of GASB Statement No. 54. Fiscal year 2011 was the first fiscal year of implementation for GASB Statement No. 54. Fiscal year 2013 was the first fiscal year of implementation of GASB 63 and 65 and 2015 was the first fiscal year of implementation of GASB 68.

SCHEDULE 1
CITY OF AUSTELL, GEORGIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 8,262,097	\$ 8,110,670	\$ 8,604,518	\$ 9,356,493	\$ 9,609,100	\$ 10,464,287	\$ 10,846,029	\$ 11,163,437	\$ 11,571,743	\$ 11,210,330
Restricted	7,051,332	7,290,614	7,561,988	6,867,033	7,861,341	7,434,064	6,641,258	5,850,560	5,894,589	6,478,212
Unrestricted	3,971,920	3,323,569	4,567,337	6,217,288	4,518,361	3,385,379	3,744,011	5,377,413	4,436,274	5,638,808
Total Governmental Activities Net Position	\$ 19,285,349	\$ 18,726,853	\$ 20,733,843	\$ 22,440,814	\$ 21,988,802	\$ 21,283,730	\$ 21,231,298	\$ 22,391,410	\$ 21,902,606	\$ 23,327,550
Business-Type Activities										
Net Investment in Capital Assets	\$ 4,460,100	\$ 4,263,346	\$ 8,690,937	\$ 8,267,872	\$ 8,163,991	\$ 7,989,818	\$ 7,952,136	\$ 7,603,255	\$ 7,594,245	\$ 7,559,328
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	645,141	808,893	(4,074,253)	(3,254,903)	(3,241,479)	(2,646,636)	(2,236,570)	(2,356,307)	(2,288,696)	(601,843)
Total Business-Type Activities Net Position	\$ 5,105,241	\$ 5,072,239	\$ 4,616,684	\$ 5,012,969	\$ 4,922,512	\$ 5,343,182	\$ 5,715,566	\$ 5,246,948	\$ 5,305,549	\$ 6,957,485
Primary Government										
Net Investment in Capital Assets	\$ 12,722,197	\$ 12,374,016	\$ 17,295,455	\$ 17,624,365	\$ 17,773,091	\$ 18,454,105	\$ 18,798,165	\$ 18,766,692	\$ 19,165,988	\$ 18,769,858
Restricted	7,051,332	7,290,614	7,561,988	6,867,033	7,861,341	7,434,064	6,641,258	5,850,560	5,894,589	6,478,212
Unrestricted	4,617,061	4,134,462	493,084	2,962,385	1,276,882	738,743	1,507,441	3,021,106	2,147,578	5,036,965
Total Primary Government Net Position	\$ 24,390,590	\$ 23,799,092	\$ 25,350,527	\$ 27,453,783	\$ 26,911,314	\$ 26,626,912	\$ 26,946,864	\$ 27,638,358	\$ 27,208,155	\$ 30,285,035

Source: City's comprehensive annual financial reports for each applicable fiscal year.

SCHEDULE 2
CITY OF AUSTELL, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
Accrual Basis of Accounting

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Expenses										
Governmental activities	\$ 8,119,091	\$ 7,314,897	\$ 8,579,080	\$ 9,709,174	\$ 9,550,047	\$ 8,135,109	\$ 8,745,191	\$ 9,828,998	\$ 11,124,044	\$ 11,398,113
Business-type activities	4,945,651	5,321,028	5,167,716	5,139,625	5,299,025	5,672,317	5,771,413	5,953,089	6,712,912	6,766,007
Total primary government program expenses	\$ 13,064,742	\$ 12,635,925	\$ 13,746,796	\$ 14,848,799	\$ 14,849,072	\$ 13,807,426	\$ 14,516,604	\$ 15,782,087	\$ 17,836,956	\$ 18,164,120
Program Revenues										
Governmental activities	\$ 2,719,112	\$ 2,243,764	\$ 4,369,053	\$ 4,918,117	\$ 3,999,348	\$ 2,428,575	\$ 2,845,807	\$ 2,392,779	\$ 2,767,251	\$ 2,373,090
Business-type activities	4,600,647	5,221,338	4,980,031	5,167,434	4,797,281	5,151,692	5,299,120	5,960,747	5,903,638	6,279,305
Total primary government program revenues	\$ 7,319,759	\$ 7,465,102	\$ 9,349,084	\$ 10,085,551	\$ 8,796,629	\$ 7,580,267	\$ 8,144,927	\$ 8,353,526	\$ 8,670,889	\$ 8,652,395
Net (Expense) Revenue										
Governmental activities	\$ (5,399,979)	\$ (5,071,133)	\$ (4,210,027)	\$ (4,791,057)	\$ (5,550,699)	\$ (5,706,534)	\$ (5,899,384)	\$ (7,436,219)	\$ (8,356,793)	\$ (9,025,023)
Business-type activities	(345,004)	(99,690)	(187,685)	27,809	(501,744)	(520,625)	(472,293)	7,658	(809,274)	(486,702)
Total primary government net expense	\$ (5,744,983)	\$ (5,170,823)	\$ (4,397,712)	\$ (4,763,248)	\$ (6,052,443)	\$ (6,227,159)	\$ (6,371,677)	\$ (7,428,561)	\$ (9,166,067)	\$ (9,511,725)
General Revenues and Transfers										
Governmental activities	\$ 5,267,700	\$ 4,512,637	\$ 6,217,017	\$ 6,483,453	\$ 6,094,055	\$ 5,001,462	\$ 5,846,952	\$ 8,596,331	\$ 7,867,989	\$ 10,449,967
Business-type activities	196,652	140,438	(267,870)	383,051	661,686	941,295	844,677	(476,276)	867,875	2,138,638
Total primary government	\$ 5,464,352	\$ 4,653,075	\$ 5,949,147	\$ 6,866,504	\$ 6,755,741	\$ 5,942,757	\$ 6,691,629	\$ 8,120,055	\$ 8,735,864	\$ 12,588,605
Change in Net Position										
Governmental activities	\$ (132,279)	\$ (558,496)	\$ 2,006,990	\$ 1,692,396	\$ 543,356	\$ (705,072)	\$ (52,432)	\$ 1,160,112	\$ (488,804)	\$ 1,424,944
Business-type activities	(148,352)	40,748	(455,555)	410,860	159,942	420,670	372,384	(468,618)	58,601	1,651,936
Total primary government	\$ (280,631)	\$ (517,748)	\$ 1,551,435	\$ 2,103,256	\$ 703,298	\$ (284,402)	\$ 319,952	\$ 691,494	\$ (430,203)	\$ 3,076,880

Source: City's comprehensive annual financial reports for each applicable fiscal year.

SCHEDULE 3
CITY OF AUSTELL, GEORGIA
GOVERNMENT-WIDE EXPENSES
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
General Government	\$ 1,718,896	\$ 807,178	\$ 773,771	\$ 800,543	\$ 1,027,466	\$ 940,163	\$ 1,076,352	\$ 1,129,171	\$ 1,427,364	\$ 1,411,996
Public Safety	4,411,166	4,087,061	4,162,807	4,288,329	4,398,624	4,755,040	4,568,337	5,027,628	6,904,142	6,597,564
Public Works	1,806,147	1,763,851	2,890,186	3,856,149	3,172,065	1,380,310	2,032,376	2,551,110	1,305,644	1,826,149
Solid Waste Management	1,706	72	-	-	-	-	-	-	-	-
Culture and recreation	89,615	600,637	680,191	673,860	844,926	847,871	818,838	842,291	1,131,991	1,150,694
Tourism and economic development	4,888	4,673	4,521	4,161	4,448	1,804	4,530	4,204	3,788	3,951
Housing and development	79,340	49,761	48,896	64,277	87,523	200,804	238,740	267,797	345,128	405,661
Interest on Long-Term Debt	7,333	1,664	18,708	21,855	14,995	9,117	6,018	6,797	5,987	2,098
Total Governmental Activities	\$ 8,119,091	\$ 7,314,897	\$ 8,579,080	\$ 9,709,174	\$ 9,550,047	\$ 8,135,109	\$ 8,745,191	\$ 9,828,998	\$ 11,124,044	\$ 11,398,113
Business-Type Activities										
Threadmill complex	\$ 1,373,794	\$ 1,408,770	\$ 1,323,467	\$ 1,314,778	\$ 1,324,380	\$ 1,259,062	\$ 1,330,940	\$ 1,180,150	\$ 1,468,116	\$ 1,393,291
Water and Sewer	3,125,881	3,472,137	3,308,126	3,256,714	3,180,705	3,508,458	3,682,465	3,928,471	4,225,992	4,538,146
Storm Water Utilities	304,530	290,936	401,950	422,208	412,974	455,082	297,631	348,047	547,018	432,874
Solid Waste	141,446	149,185	134,173	145,925	380,966	449,715	460,377	496,421	471,786	401,696
Total Business-Type Activities	\$ 4,945,651	\$ 5,321,028	\$ 5,167,716	\$ 5,139,625	\$ 5,299,025	\$ 5,672,317	\$ 5,771,413	\$ 5,953,089	\$ 6,712,912	\$ 6,766,007
Total Governmental-Wide Expenses	\$ 13,064,742	\$ 12,635,925	\$ 13,746,796	\$ 14,848,799	\$ 14,849,072	\$ 13,807,426	\$ 14,516,604	\$ 15,782,087	\$ 17,836,956	\$ 18,164,120

Source: City's comprehensive annual financial reports for each applicable fiscal year

SCHEDULE 4
CITY OF AUSTELL, GEORGIA
GOVERNMENT-WIDE PROGRAM REVENUES
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Charges for Service	\$ 3,675	\$ 5,938	\$ 7,969	\$ 7,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Government	437,067	526,675	596,609	515,859	-	-	-	-	-	-
Judicial	136,493	123,571	130,805	136,735	742,034	554,763	604,183	600,942	523,685	460,239
Public Safety	21,513	18,942	19,419	63,144	-	-	-	-	-	-
Public Works	4,056	3,758	3,910	3,773	-	-	-	-	-	-
Solid Waste Management	-	-	-	-	46,324	101,491	127,370	122,669	125,931	112,911
Culture and recreation	-	-	-	-	36,261	40,274	49,151	69,254	81,908	127,144
Housing and development	548,637	16,222	310	590	10,509	265,947	119,960	120,262	115,392	125,979
Operating Grants and Contributions	1,567,671	1,548,658	3,610,031	4,190,979	3,164,220	1,466,100	1,945,143	1,479,652	1,920,335	1,546,817
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 2,719,112	\$ 2,243,764	\$ 4,369,053	\$ 4,918,117	\$ 3,999,348	\$ 2,428,575	\$ 2,845,807	\$ 2,392,779	\$ 2,767,251	\$ 2,373,090
Business-Type Activities										
Charges for Service	\$ 1,078,585	\$ 1,120,537	\$ 1,118,192	\$ 1,197,590	\$ 1,234,876	\$ 1,208,874	\$ 1,239,607	\$ 1,281,453	\$ 1,284,035	\$ 1,287,218
Threadmill Complex	3,268,623	3,679,283	3,417,558	3,478,282	2,834,536	3,114,423	3,310,074	3,764,746	3,803,508	4,183,719
Water and Sewer	171,224	337,877	360,387	406,280	399,617	399,486	309,709	320,634	321,301	324,727
Stormwater	82,215	83,641	83,894	85,282	301,257	352,184	381,530	403,165	424,094	372,037
Solid Waste	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	26,995	76,725	58,200	190,749	70,700	111,604
Total Business-Type Activities	\$ 4,600,647	\$ 5,221,338	\$ 4,980,031	\$ 5,167,434	\$ 4,797,281	\$ 5,151,692	\$ 5,299,120	\$ 5,960,747	\$ 5,903,638	\$ 6,279,305
Total Government-Wide Program Revenues	7,319,759	7,465,102	9,349,084	10,085,551	8,796,629	7,580,267	8,144,927	8,353,526	8,670,889	8,652,395

Source: City's comprehensive annual financial reports for each applicable fiscal year.

SCHEDULE 5
CITY OF AUSTELL, GEORGIA
GENERAL AND OTHER REVENUES
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Taxes										
Property	\$ 588,691	\$ 585,391	\$ 651,736	\$ 576,380	\$ 547,923	\$ 632,335	\$ 628,527	\$ 719,486	\$ 878,889	\$ 895,655
Sales and Use	49,723	55,388	19,013	64,639	54,000	54,002	54,000	54,000	54,000	54,000
Franchise taxes and ownership fees	4,002,266	3,780,532	5,022,783	5,598,620	5,268,203	4,297,921	5,144,315	6,290,340	6,713,242	6,051,456
Other	523,631	137,457	144,820	552,349	581,536	656,935	695,835	800,753	855,170	914,427
Penalties and Interest	16,446	2,321	13,871	18,782	1,536	10,490	13,665	-	-	-
Intergovernmental	-	-	-	-	103,665	107,624	-	-	-	-
Unrestricted Investment Earnings	12,060	4,253	3	-	116,931	110,209	105,448	138,214	124,249	130,682
Miscellaneous	264,452	73,275	96,921	55,734	81,830	73,241	49,839	117,262	110,314	33,539
Gain on sale of capital assets	-	14,103	-	-	-	-	-	-	-	4,508,843
Transfers	(189,569)	(140,083)	267,870	(383,051)	(661,569)	(941,295)	(844,677)	476,276	(867,875)	(2,138,635)
Total Governmental Activities	\$ 5,267,700	\$ 4,512,637	\$ 6,217,017	\$ 6,483,453	\$ 6,094,055	\$ 5,001,462	\$ 5,846,952	\$ 8,396,331	\$ 7,867,989	\$ 10,449,967
Business-Type Activities										
Unrestricted Investment Income	\$ 7,083	\$ 355	\$ -	\$ -	\$ 117	\$ -	\$ -	\$ -	\$ -	\$ 3
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	189,569	140,083	(267,870)	383,051	661,569	941,295	844,677	(476,276)	867,875	2,138,635
Total Business-Type Activities	\$ 196,652	\$ 140,438	\$ (267,870)	\$ 383,051	\$ 661,686	\$ 941,295	\$ 844,677	\$ (476,276)	\$ 867,875	\$ 2,138,638
Total Government-Wide General and Other Revenue	\$ 5,464,352	\$ 4,653,075	\$ 5,949,147	\$ 6,866,504	\$ 6,755,741	\$ 5,942,757	\$ 6,691,629	\$ 8,120,055	\$ 8,735,864	\$ 12,588,605

Source: City's comprehensive annual financial reports for each applicable fiscal year.

SCHEDULE 6
CITY OF AUSTELL, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable:										
Prepays Items	\$ 89,245	\$ 133,649	\$ 191,654	\$ 368,413	\$ 354,080	\$ 206,603	\$ 105,160	\$ 184,089	\$ 12,766	\$ 53,152
Inventory	5,187	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	32,302	-	-	-	-	-	-	-	1,000,000	1,000,000
Unassigned	3,906,885	3,170,763	4,163,355	5,057,467	5,156,013	3,897,217	4,134,921	5,971,615	5,388,064	7,054,727
Total General Fund	\$ 4,033,619	\$ 3,304,412	\$ 4,355,009	\$ 5,425,880	\$ 5,510,093	\$ 4,103,820	\$ 4,240,081	\$ 6,155,704	\$ 6,400,830	\$ 8,107,879
All Other Governmental Funds										
Nonspendable for:										
Prepaid items	\$ 13,097	\$ 20,664	\$ 21,466	\$ 47,270	\$ 41,864	\$ 40,216	\$ 259,798	\$ 24,463	\$ 1,980	\$ 8,232
Advances to other funds	-	-	4,131,000	3,672,000	-	-	-	-	-	-
Restricted										
Capital Projects	6,745,122	7,223,817	3,385,900	3,045,772	2,104,555	1,889,409	1,286,422	555,121	576,799	1,178,240
Law enforcement activities	299,273	60,835	40,214	145,229	290,835	97,287	118,894	38,572	39,359	4,774
Tourism and Promotion	6,937	5,962	4,874	4,032	3,277	4,980	3,689	2,659	1,142	-
Community enhancements	-	-	-	688,500	5,462,674	5,442,388	5,232,253	5,254,208	5,277,289	5,295,198
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(114,255)	(63,060)	-	-	(131,963)	(130,213)	(136,408)	(245,330)	(19,793)	(82,133)
Total All Other Governmental Funds	\$ 6,950,174	\$ 7,248,218	\$ 7,583,454	\$ 7,602,803	\$ 7,771,242	\$ 7,344,067	\$ 6,764,648	\$ 5,629,693	\$ 5,876,776	\$ 6,404,311

Source: City's comprehensive annual financial report for each applicable fiscal year.

Note: Beginning for fiscal year 2011, fund balance is reported under categories using the classifications provided by GASB No. 54

SCHEDULE 7
CITY OF AUSTELL, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 5,184,197	\$ 4,529,825	\$ 5,858,320	\$ 6,936,519	\$ 6,510,245	\$ 5,633,841	\$ 6,526,477	\$ 7,873,766	\$ 8,506,291	\$ 7,929,005
Licenses and Permits	23,344	22,550	24,583	67,808	36,261	40,274	49,151	68,954	81,908	112,942
Fines and forfeitures	437,067	526,675	596,609	515,859	593,532	404,558	451,287	450,502	346,308	274,042
Charges for Services	142,393	129,659	137,520	142,881	148,502	150,206	152,896	150,740	171,441	201,750
Intergovernmental	2,026,232	1,517,312	3,360,811	4,058,452	3,065,865	1,588,772	1,962,922	1,577,783	1,868,771	1,809,859
Investment Earnings	96,358	51,245	118,685	132,527	116,731	110,259	105,448	138,441	124,250	135,163
Contributions and donations	2,018	576	310	590	194,851	14,137	39,701	6,761	52,018	6,450
Miscellaneous	264,452	73,275	96,921	55,734	129,299	106,774	200,446	210,487	162,334	145,726
Total All Governmental Funds	8,176,061	6,851,117	10,193,759	11,910,370	10,795,286	8,048,821	9,488,328	10,477,434	11,313,321	10,614,937
Expenditures										
General Government	1,423,125	783,171	719,992	862,705	938,690	851,848	949,533	980,611	1,093,664	1,205,837
Public Safety	4,056,127	3,797,004	3,823,207	3,974,904	4,047,226	4,372,289	4,111,375	4,564,347	5,283,178	5,803,718
Judicial	174,265	166,459	176,421	176,700	198,709	203,573	193,973	208,051	223,917	241,239
Public Works	1,812,906	2,018,153	2,721,570	3,649,359	2,959,247	854,184	1,369,883	883,311	940,151	1,102,229
Health waste management	1,706	72	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Tourism and economic development	4,888	4,673	4,521	4,161	4,448	1,804	4,530	4,204	3,788	3,951
Culture and recreation	660,151	843,309	557,912	617,025	694,264	681,735	629,503	710,179	807,585	855,317
Housing and development	79,340	49,761	48,896	64,277	124,041	344,477	201,016	234,911	312,207	394,586
Debt Service										
Principal	123,135	19,989	280,966	265,919	314,452	212,918	64,490	63,036	65,167	55,406
Interest	7,333	1,664	18,708	21,855	14,995	6,800	6,018	7,473	5,342	3,139
Capital Outlay	60,172	1,942	1,237,135	814,769	872,646	2,036,819	2,025,449	2,538,895	1,691,254	1,164,076
Total Expenditures	8,403,148	7,686,197	9,589,328	10,451,674	10,168,718	9,566,447	9,555,770	10,215,018	10,426,253	10,829,498
Excess (Deficit) of Revenue Over Expenditures	(227,087)	(835,080)	604,431	1,458,696	626,568	(1,517,626)	(67,442)	262,416	887,068	(214,561)
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	529,217	513,532	-	-	303,888	-	-	-	-
Proceeds from sale of capital assets	50,000	14,783	-	-	-	72,089	57,703	29,051	92,842	4,587,779
Transfer in	1,043,978	671,512	1,210,930	611,803	519,526	190,942	345,063	489,201	(487,701)	427,672
Transfer out	(1,233,547)	(811,595)	(943,060)	(994,854)	(893,442)	(882,741)	(778,482)	-	-	(2,566,306)
Total Other Financing Sources (Uses)	(139,569)	403,917	781,402	(383,051)	(373,916)	(315,822)	(375,716)	518,252	(394,859)	2,449,145
Net Change in Fund Balance	\$ (366,656)	\$ (431,163)	\$ 1,385,833	\$ 1,075,645	\$ 252,652	\$ (1,833,448)	\$ (443,158)	\$ 780,668	\$ 492,209	\$ 2,234,584
Debt service expenditures to noncapital expenditures	1.59%	28.00%	3.72%	2.89%	3.45%	2.88%	0.89%	0.78%	0.80%	0.58%

Source: City's comprehensive annual financial reports for each applicable fiscal year.

SCHEDULE 8
CITY OF AUSTELL, GEORGIA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
Modified Accrual Basis

Fiscal Year Ended June 30,	Taxes (2)	Licenses and Permits	Inter- Governmental	Charges for Service	Fines and Forfeitures	Interest Income	Contributions and Donations from		Miscellaneous	Total
							Private			
2011	5,184,197	23,344	2,026,232	142,393	437,067	96,358	2,018		264,452	8,176,061
2012	4,529,825	22,550	1,517,312	129,659	526,675	51,245	576		73,275	6,851,117
2013	5,858,320	24,583	3,360,811	137,520	596,609	118,685	310		96,921	10,193,759
2014	6,936,519	67,808	4,058,452	142,881	515,859	132,527	590		55,734	11,910,370
2015	6,510,245	36,261	3,065,865	148,502	593,532	116,731	194,851		129,299	10,795,286
2016	5,633,841	40,274	1,588,772	150,206	404,558	110,259	14,137		106,774	8,048,821
2017	6,526,477	49,151	1,962,922	152,896	451,287	105,448	39,701		200,446	9,488,328
2018	7,873,766	68,954	1,577,783	150,740	450,502	138,441	6,761		210,487	10,477,434
2019	8,506,291	81,908	1,868,771	171,441	346,308	124,250	52,018		162,334	11,313,321
2020	7,929,005	112,942	1,809,859	201,750	274,042	135,163	6,450		145,726	10,614,937

Source: City's comprehensive annual financial reports for each applicable fiscal year.

(1) General Fund, Special Revenue Funds, and Capital Projects Funds.

(2) Includes ownership fees received from Austell Natural Gas System. Increase from 2013 to 2014 due to Franchise tax rate increase from 8% to 9% which is paid by the Austell Natural Gas System.

SCHEDULE 9
CITY OF AUSTELL, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Tax Year/Fiscal Year	Residential Property	Commercial Property	Industrial Property	Mobile Home	Motor Vehicle Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010/2011	78,992,107	50,992,334	37,464,575	231,216	11,479,580	3,604,271	175,555,541	3.12
2011/2012	69,018,830	43,699,336	33,365,118	221,181	11,719,690	2,792,738	155,231,417	4.00
2012/2013	67,459,717	43,204,843	33,676,562	213,288	12,998,120	2,477,617	155,074,913	4.00
2013/2014	71,739,299	41,768,814	34,197,475	208,014	11,131,680	3,497,206	155,548,076	4.00
2014/2015	84,431,889	42,706,606	14,533,006	205,404	8,053,150	3,277,880	146,652,175	3.06
2015/2016	89,432,769	42,558,103	14,433,030	204,009	6,044,990	2,682,248	149,990,653	3.06
2016/2017	106,926,444	44,250,188	25,517,319	194,698	4,415,100	3,661,253	177,642,496	3.25
2017/2018	122,359,415	49,059,115	25,438,729	189,426	3,233,800	2,562,544	197,710,941	3.25
2018/2019	139,532,847	49,296,899	25,162,890	184,816	2,481,830	2,693,940	213,965,342	3.25
2019/2020	157,925,152	52,236,312	25,397,540	179,582	1,923,890	5,542,041	232,120,435	3.25

Source: Cobb County Tax Assessor

Note: Property is assessed at 40% of its fair market value.

SCHEDULE 10
CITY OF AUSTELL, GEORGIA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS
 (Rate per \$1,000 of assessed value)

<u>tion / Pro</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Cobb County Direct Rates										
General	7.72	7.72	7.52	7.32	7.12	6.66	6.76	8.46	8.46	8.46
Debt Service	0.33	0.33	0.33	0.33	0.33	0.23	0.13	0.13	0.13	0.13
Total Direct Rates	8.05	8.05	7.85	7.65	7.45	6.89	6.89	8.59	8.59	8.59
School District										
Cobb County Board of Education	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90	18.90
Austell	3.12	4.00	4.00	3.06	3.06	3.06	3.25	3.25	3.25	3.25
State of Georgia	0.25	0.20	0.15	0.10	0.05	-	-	-	-	-
Total	30.32	31.15	30.90	29.71	29.46	28.85	29.04	30.74	30.74	30.74

Source: Cobb County Tax Assessor. Overlapping rates are those of local and county governments that apply to property owners within the City of Austell.

SCHEDULE 11
CITY OF AUSTELL, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT CALENDAR YEAR AND TEN YEARS AGO

	2020		2010	
	Taxable	Percentage of Total City	Taxable	Percentage of Total City
Sweetwater Paper Board Co.	14,810,212	44.7%		
Greif	8,108,720	24.5%		
Greif	2,060,676	6.2%		
Sweetwater Paper Board Co.	1,825,984	5.5%		
Star Paper Tube, Inc	1,292,476	3.9%		
Sweetwater Lumber & Land, Inc.	1,287,894	3.9%		
Efficiency Lodge	1,017,384	3.1%		
OB Leasing	979,040	3.0%		
Comcast Cable Communications, LLC	931,935	2.8%		
2989 Humphries Rd, LLC	833,075	2.5%		
<hr/>				
Austell Boxboard			8,458,603	25.7%
Sweetwater Paper Board Co.			8,369,782	25.4%
Shea Traylor JV			7,539,911	22.9%
National Envelope			2,278,032	6.9%
Star Paper Tube			1,258,040	3.8%
William & Jerry Ungar			1,231,700	3.7%
Andersen Clay			1,033,008	3.1%
Efficiency Lodge			997,144	3.0%
Sweetwater Lumber & Land Inc.			949,679	2.9%
K & A Development LLC			780,824	2.4%
Total	\$ 33,147,396	100%	\$ 32,896,723	100%

Source: Cobb County Tax Assessor

SCHEDULE 12
CITY OF AUSTELL, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Levy
2012	436,547	423,921	97.1%	1,463	425,384	97.4%
2013	490,784	442,742	90.2%	1,708	444,450	90.6%
2014	474,939	450,465	94.8%	2,463	452,928	95.4%
2015	414,329	408,029	98.5%	4,095	412,124	99.5%
2016	431,906	388,533	90.0%	6,309	394,842	91.4%
2017	486,460	424,002	87.2%	16,843	440,845	90.6%
2018	616,390	523,737	85.0%	90,631	614,368	99.7%
2019	641,628	596,422	93.0%	35,928	632,350	98.6%
2020	743,157	29,628	4.0%	-	29,628	4.0%

Source: Cobb County Tax Commissioners Office

SCHEDULE 13
CITY OF AUSTELL, GEORGIA
GENERAL GOVERNMENTAL FRANCHISE TAX AND OWNERSHIP FEES PERCENTAGES
CURRENT FISCAL YEAR AND FIVE YEARS AGO

Franchise Tax & Ownership Fees	Current Year Percentage of Gross Sales	Revenue	
		2020	2015
Austell Gas System (ownership)	11%	\$ 6,032,168	\$ 4,638,904
Comcast Cable TV	5%	61,550	47,848
Bellsouth/AT&T	3%	52,237	49,656
Total		\$ 6,145,955	\$ 4,736,408

Source: City's finance department

SCHEDULE 14
CITY OF AUSTELL, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	Governmental	Business-Type Activities			Total	Debt
	Activities	Water and Sewer	Threadmill	Complex		
	Capital	Revenue	Revenue	Capital	Primary	Per
2011	40,794	-	5,205,000	-	5,245,794	797
2012	550,022	-	4,905,000	-	5,455,022	829
2013	782,588	-	-	-	782,588	115
2014	516,669	-	-	-	516,669	76
2015	314,452	-	-	-	314,452	46
2016	293,187	-	-	-	293,187	42
2017	228,697	-	-	-	228,697	32
2018	165,666	-	-	-	165,666	23
2019	100,498	-	-	-	100,498	14
2020	45,092	-	-	-	45,092	6

Data Source: <http://worldpopulationreview.com/us-cities/austell-ga-population/>

SCHEDULE 15
CITY OF AUSTELL, GEORGIA
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2020

	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Overlapping General Obligation Debt:			
2017 Parks	23,250,565	1%	\$ -
Total, General Obligation Debt		1%	232,506
			<u>232,506</u>
Overlapping Guaranteed Revenue Debt:			
Revenue Bonds	441,739,197	1%	4,417,392
Cobb County Parking Deck Certificates	7,490,000	1%	74,900
Cobb County Revenue Anticipation Notes	5,366,741	1%	53,667
Total, overlapping revenue debt	\$ 454,595,938	1%	\$ 4,545,959
			<u>\$ 4,778,465</u>
City Direct Debt:			
Capital Lease			\$ 45,092
			<u>\$ 45,092</u>
Total Direct and Overlapping Debt:	<u>477,846,503</u>		<u>5,056,063</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Cobb County Finance Department. Debt outstanding data provided by Cobb County Finance Department and Cobb County School District.

Note: Overlapping governments 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 Austell, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by 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) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the Cobb County's total taxable assessed value.

SCHEDULE 16
CITY OF AUSTELL, GEORGIA
LEGAL DEBT MARGIN
LAST TEN CALENDAR YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 17,555,554	\$ 15,523,142	\$ 15,507,491	\$ 15,554,808	\$ 14,665,218	\$ 14,999,065	\$ 17,764,250	\$ 19,771,094	\$ 21,396,534	\$ 23,212,044
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 17,555,554	\$ 15,523,142	\$ 15,507,491	\$ 15,554,808	\$ 14,665,218	\$ 14,999,065	\$ 17,764,250	\$ 19,771,094	\$ 21,396,534	\$ 23,212,044

Source: City's finance department
Note: Legal debt limit is in accordance with the State laws governing bond issuances.
Note 2: The City has no outstanding general obligation debt as of June 30, 2012.

SCHEDULE 17
CITY OF AUSTELL, GEORGIA
PLEDGED REVENUE COVERAGE-WATER & SEWER FUND
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	3,679,283	3,405,721	273,562	-	-	-
2013	3,415,860	3,245,302	170,558	-	-	-
2014	3,478,282	3,256,714	221,568	-	-	-
2015	3,732,283	3,974,645	(242,362)	-	-	-
2016	4,341,158	4,413,255	(72,097)	-	-	-
2017	3,310,074	3,682,465	(372,391)	-	-	-
2018	3,764,746	3,928,471	(163,725)	-	-	-
2019	3,798,132	4,144,510	(346,378)	-	-	-
2020	4,880,483	5,372,716	(492,233)	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses. All revenue bonds matured February, 2009; therefore, no bond payments were paid subsequent to Fiscal Year 2009.

SCHEDULE 18
CITY OF AUSTELL, GEORGIA
PLEDGED REVENUE COVERAGE - THREADMILL COMPLEX FUND
LAST TEN FISCAL YEARS

FISCAL YEAR	Lease	Less: Operating	Net Available	Debt Service (1)	
2011	1,078,585	759,691	318,894	295,000	0.55
2012	1,120,537	784,067	336,470	300,000	0.59
2013	1,116,721	784,405	332,316	-	-
2014	1,197,590	1,185,274	12,316	-	-
2015	1,411,919	1,211,925	199,994	-	-
2016	1,425,608	1,160,377	265,231	-	-
2017	1,239,607	1,246,025	(6,418)	-	-
2018	1,281,453	1,089,880	191,573	-	-
2019	1,284,035	1,120,441	163,594	-	-
2020	1,287,218	1,344,331	(57,113)	-	-
				288,147	
				270,978	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

(1) Bonds issued during Fiscal Year 2004 and paid off in Fiscal Year 2013.

SCHEDULE 19
CITY OF AUSTELL, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u> <u>ENDED JUNE 30,</u>	<u>City</u> <u>Population</u>	<u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate</u>
2012	6,581	257,165,737	39,077	9.1%
2013	6,782	257,695,654	37,997	7.7%
2014	6,782	217,620,816	32,088	6.9%
2015	6,810	312,899,070	45,947	6.9%
2016	6,985	320,939,795	45,947	6.9%
2017	7,139	327,901,409	45,931	4.7%
2018	7,215	359,667,750	49,850	3.1%
2019	7,213	374,260,931	51,887	3.3%
2020	7,170	357,661,110	49,883	3.1%

Source: Website city-data.com

SCHEDULE 20
CITY OF AUSTELL, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

	2020		2010	
	Number of	% of Total	Number of	% of Total
Carustar Industries/Greif	120	19.7%	207	20.2%
Old Fashion Foods	95	15.6%	95	9.3%
Sweetwater Paper Company	87	14.3%	87	8.5%
Caurastar Corp	87	14.3%	87	8.5%
Parsec, Inc	65	10.7%		
RSR Partners, LLC	50	8.2%		
Vitas Healthcare of Georgia	50	8.2%		
Wheeler Building Material	32	5.3%		
Better Optics	22	3.6%		
National Envelope			230	22.4%
Austell Gas System			126	12.3%
Garda CL Southeast Inc.			83	8.1%
Wade Heating & Air			50	4.9%
Wallace Barbeque			32	3.1%
Gloves, Inc			28	2.7%
Total Employees	608		1,025	

Source: City's Occupational Tax database

SCHEDULE 21
CITY OF AUSTELL, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Management services	4	4	4	4	2	4	4	2	2	4
Building	-	-	-	1	-	-	-	-	-	2
Public Safety	55	55	55	55	52	52	52	51	49	47
Municipal court	3	3	3	3	3	3	3	3	3	3
Highways and streets	3	3	4	4	8	8	9	9	10	12
Parks and recreation	3	3	3	5	7	6	6	10	12	10
Water	4	4	4	4	12	12	12	12	13	12
Public Works	15	16	16	17	6	6	6	8	7	7
Threadmill	10	10	10	6	7	7	7	6	6	6
Total	97	98	99	99	97	98	99	101	102	103

SCHEDULE 22
CITY OF AUSTELL, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Municipal Court										
Citations issued	3,726	4,561	4,997	5,686	4,300	3,440	3,825	3,491	2,697	1,666
Traffic violations	3,301	4,367	4,773	5,675	4,300	3,440	3,608	3,194	2,407	1,488
Shoplifting violations	9	-	-	11	-	-	2	4	4	4
Refuse collections										
Refuse collected (tons per day)	1.90	2.25	2.25	2.25	3.00	5.00	2.25	2.25	2.25	7.31
Public Works										
Streets resurfaced (miles)	2	-	-	3	-	-	3	3	4	4
Water										
New connections	-	-	-	-	-	-	-	-	-	58
Average daily consumption	881,298	890,000	910,000	918,989	551,951	752,800	918,989	866,667	887,671	780,900
Stormwater										
Miles of streets swept	8	50	102	325	325	325	325	325	325	242
Storm drains cleaned	450	450	582	184	184	184	184	184	184	3,024

Sources: Various City Departments

SCHEDULE 23
CITY OF AUSTELL, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public works										
Paved roads (miles)	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3
Streetlights	780.0	780.0	780.0	805.0	805.0	806.0	806.0	806.0	806.0	806.0
Traffic signals	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Parks and recreation										
Number of parks	11.0	11.0	11.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Acres	39.0	39.0	39.0	39.0	39.0	40.0	40.0	40.0	40.0	40.0
Playgrounds	7.0	7.0	7.0	7.0	7.0	1.0	3.0	3.0	3.0	3.0
Community centers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water										
Storage capacity	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Water tanks	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1
Number of service connections	2,464	2,464	2,464	2,464	2,464	3,022	3,062	3,231	3,307	3,265
Solid Waste Management										
Customers	200.0	200.0	200.0	200.0	200.0	2,504.0	2,815.0	2,566.0	2,702.0	3,149.0
Compactor trucks	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Stormwater										
Storm sewers (miles)	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0

Source: City of Austell Public Works Department

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