



# City of Austell, Georgia



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016

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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, 2016**

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**CITY OF AUSTELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**INTRODUCTORY SECTION**  
**(Unaudited)**



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

June 22, 2017

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

The Comprehensive Annual Financial Report of the City of Austell, Georgia (“City”), for the fiscal year ended June 30, 2016 is submitted herewith. The accuracy of the presented data; as well as, the completeness and fairness of the presentation, including all disclosures, is the sole responsibility of the management of the Finance Department.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. These are measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activity has been included.

The financial report for the City of Austell includes all the funds of the primary government, the City of Austell, as well as its component unit, the Austell Natural Gas System. Since this component unit is a legally separate entity for which the primary government is financially accountable, the Gas System’s financial statements are reported in a separate column. This emphasizes that the Austell Natural Gas System is legally a separate entity from the City and differentiates its financial position, results of operations and cash flow from those of the City.

### **Government Structure**

The City of Austell is governed by a Mayor and six (6) Council Members who are elected to four (4) year terms in office. Under a Mayor type of government, there are six (6) departments that oversee the management of the City: General Administration, Finance Department, Community Affairs, Parks and Recreation, Streets and Maintenance, Fire and Police Department. Each department has a director who is responsible to the Mayor and Council for the day-to-day management of his/her respective departments.

The Council operates within a committee framework. The Mayor appoints each of the Council Members to chair one committee and serve as a member of the other committees. These committees serve in an oversight capacity for each of the departments and work closely with individual directors. Although authorization for expenditures of all funds is the ultimate responsibility of the entire Council, requests and recommendations for projects and funding are first discussed by the Committee for approval prior to being presented to the Council for official action.

### **Economic Condition and Overlook**

The City is recovering from a substantial economic decline over the previous years. Increases in franchise fees, cost control measures and new downtown developments have given the City a positive overall outlook for the future.

### **Major Initiatives**

The City is continuously upgrading and improving its road and water/sewer systems to meet the needs of its current population. Continuing projects include sidewalks and street improvements funded by SPLOST money through Cobb County. With the passage of the 2016 SPLOST, the City has been able to complete park renovations and purchase new public safety equipment. These funds will be used for transportation, parks and public safety projects. These improvements will greatly enhance the City's ability to meet the needs of its citizens well into the twenty-first century. The City is striving to provide an infrastructure and public safety technology that will pave the way for the next generation. Conservation efforts are underway to ensure that the youth in the community will be able to enjoy local parks with their children and grandchildren. Austell is on the right track due to its leaders, high moral standards and willingness to get involved.

The City has prepared a Capital Improvements Program, which summarizes the City's long-term capital needs. These are capital requests that will enable the City to continue its commitments to improving both the quality and quantity of services offered to its citizens. The plan addresses proposed facility improvements, computer enhancements, road improvements, sidewalk connectivity improvements, parks improvements and operating equipment needs.

### **Sanitation**

As of October 1, 2014, the City provides residential sanitation service to its citizens for which customers are billed through the water and sewer bills. The City has contracted with Republic Services to collect garbage at a rate of \$9.15 per month. This contract is for three years. In addition to this, the City sponsors a city-wide clean-up twice a year for the months of April and October. The City provides recycling services, also contracted through Republic Services.

## **Financial Highlights**

The estimated total value of the 2015 City's tax digest was virtually unchanged from the 2014 digest. The 2016 digest is expected to increase due to changes in the economic conditions. Also, property tax millage rates have remained at 3.06 mils. Franchise revenues have decreased dramatically causing a substantial loss in the General Fund. These revenues are anticipated to increase beginning August, 2016 due to a franchise fee rate increase.

## **Financial Information Accounting System and Budgetary Control**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with Generally Accepted Accounting Principles. The internal control structure is designed to provide a reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Emergency Telephone System Fund, Confiscated Assets Fund, Hotel/Motel Tax Fund, Multiple Grants Fund, Austell Area Community Improvement Council, and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by department within an individual fund.

## **Cash Management and Investment**

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated cash requirements during the period.

The overall strategy of holding deposits and making investments is to limit exposure of the City to a minimum amount of credit risk and market risk. For the 2016 Fiscal year the City's deposits were fully collateralized.

## **Risk Management**

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses.

Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a \$2,500 deductible reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City.

### **Long-Term Planning**

The City is continually looking toward the future to accommodate maintenance and expansion of its infrastructure, as well as upgrading technical services to provide more effective services. For example, over the next 10 years, the City hopes to eliminate all pump stations connected to its sewer system, which will be funded by operating fees and fund balance. Secondly, the City is continuing to use SPLOST funds to improve its parks and public works infrastructure as well as enhance public safety technology with new vehicles and equipment. Finally, during fiscal year 2016 the City has renovated and enhanced parks and public safety 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.

#### **Independent Audit**

State statute requires an annual audit by independent certified public accountants. The firm of *James L. Whitaker, P.C.* was selected by the City's audit committee. Accounting principles generally accepted in the United States of America and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. As a recipient of federal and state financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation for weaknesses by management and internal staff.

#### **Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a "Certificate of Achievement" for Excellence in Financial Report" to the City of Austell for its comprehensive financial report for fiscal year ended June 30, 2015. This represents the eighteenth 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

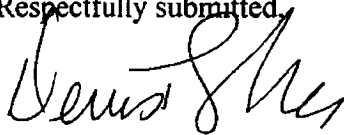


applicable legal requirements.

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 preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the City and all its departments. 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 Governing Council for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Denise Soesbee".

Denise Soesbee  
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, 2015**

Executive Director/CEO



# City of Austell, Georgia

## Principal Officials

### MAYOR

*Joe Jerkins*

### CITY COUNCIL

**Kirsten Anderson**  
*Ward 1*

**Randy Green**  
*Ward 3*

**Scott S. Thomas**  
*Ward 2*

**Sandra Leverette**  
*Ward 4*

**Ollie Clemons, Jr.**  
*At-Large, Post 1*

**Valerie Anderson**  
*At-Large, Post 2*

### DEPARTMENT DIRECTORS

**Carolyn Duncan**  
*General Administration*  
*Court Clerk*

**Denise Soesbee**  
*Finance Director*

**Randy L. Bowens**  
*Public Works Director*

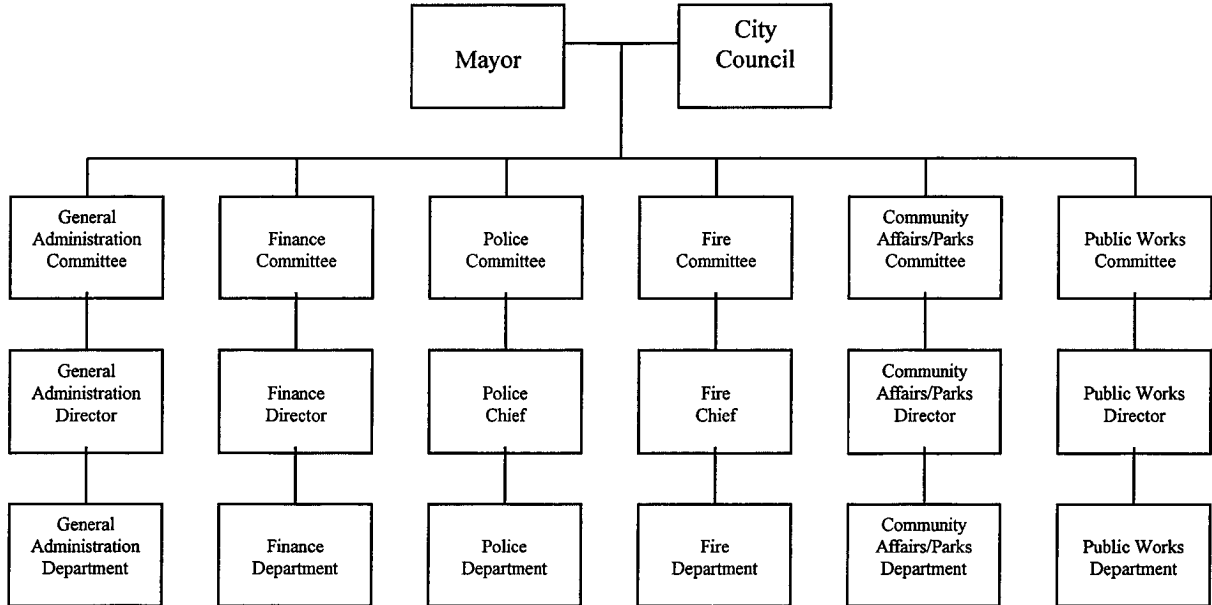
**Jimmy R. Graham**  
*Community Development/  
Parks Director*

**Robert G. Starrett**  
*Police Chief*

**Patrick Maxwell**  
*Fire Chief*

**CITY OF AUSTELL, GEORGIA**

**Organizational Structure**



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## **FINANCIAL SECTION**

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# **JAMES L. WHITAKER, P.C.**

Certified Public Accountant  
2295 Henry Clower Blvd., Suite 205  
Snellville, Georgia 30078  
Telephone: 678-205-4438  
Fax: 678-205-4449

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2016 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.

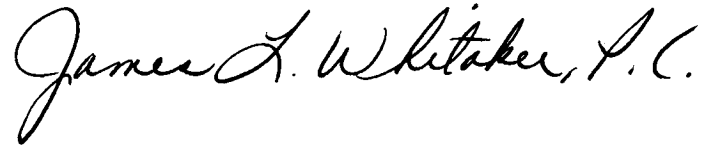
The combining nonmajor fund financial statements and the individual fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 June 22, 2017 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.

A handwritten signature in black ink that reads "James L. Whitaker, P.C." The signature is written in a cursive style with a large initial 'J' and 'W'.

Snellville, Georgia  
June 22, 2017

## City of Austell, Georgia Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

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 \$26,626,912 (net position). Of this amount, \$738,743 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City had a decrease in net positions of (\$284,402) compared to an increase of \$703,298 in the prior fiscal year. Decreases in franchise revenues and court fines had the greatest impact on this change.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,447,887. This represents a decrease from the prior fiscal year of approximately (\$1,833,448) due primarily to the decrease in franchise fees.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,897,217 or 56% of total current fiscal year General Fund expenditures. In the prior year, unassigned fund balance was \$5,156,013 or 80% of General Fund expenditures.

### 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 of 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. The majority of these activities are financed by property taxes, occupational taxes, intergovernmental revenue (SPLOST), franchise taxes, and ownership fees.

# City of Austell, Georgia

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2016

- 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 five (5) 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: 2005 Cobb County SPLOST, 2011 Cobb County SPLOST, 2016 Cobb County SPLOST, AACIC and Douglas County SPLOST. Of these funds, the General Fund, Multiple Grants Fund, 2005 Cobb County SPLOST Fund, 2011 Cobb County SPLOST Fund, 2016 Cobb County SPLOST, and the Austell Area Community Council 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.

## **City of Austell, Georgia Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016**

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

### **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 \$26,626,912 at the close of the most recent fiscal year.

A portion of the City's net position (69%) 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 \$7,434,064 which is restricted for capital construction, law enforcement activities, public safety activities, tourism and development, and community enhancements as compared to \$7,861,341 of restricted net position of the prior fiscal year. The remaining balance of unrestricted net position \$738,743 may be used to meet the City's ongoing obligations to citizens and creditors.

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

### **Net Position**

As noted earlier the City's combined net position totals \$26,626,912 (excluding the City's component unit).

**City of Austell, Georgia  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

The following table provides a summary of the City's governmental and business-type activities' net assets for the fiscal years ended 2016 and 2015:

**Condensed Statement of Net Position  
June 30, 2016 and 2015**

	2016	2015	2016	2015	2016	2015	2016	2015
	Governmental Activities	Business-Type Activities	Total		Governmental Activities	Business-Type Activities	Total	
<b>Assets &amp; Deferred items:</b>								
Current assets	\$ 9,637,919	\$ 505,132	\$ 10,366,247		\$ 11,518,188	\$ 728,328	\$ 12,023,320	
Capital assets	10,757,475	8,163,991	18,747,293		9,811,317	7,989,818	17,975,308	
Other noncurrent assets & deferred items	2,754,000	(3,213,000)	-		3,213,000	(2,754,000)	-	
Deferred Outflows	589,210	44,819	737,434		178,156	148,224	222,975	
Total Assets & deferred items	23,738,604	5,500,942	29,850,974		24,720,661	6,112,370	30,221,603	
<b>Liabilities &amp; Deferred items:</b>								
Current liabilities	659,246	291,613	1,021,700		1,557,080	362,454	1,848,693	
Long-term liabilities & deferred items	1,491,293	184,737	1,821,467		768,999	330,174	953,736	
Deferred Inflows	304,335	102,080	380,895		405,780	76,560	507,860	
Total Liabilities & deferred items	2,454,874	578,430	3,224,062		2,731,859	769,188	3,310,289	
<b>Net Assets:</b>								
Invested in capital assets, net of related debt	10,464,287	8,163,991	18,454,105		9,609,100	7,989,818	17,773,091	
Restricted	7,434,064	-	7,434,064		7,861,341	-	7,861,341	
Unrestricted	3,385,379	(3,241,479)	738,743		4,518,361	(2,646,636)	1,276,882	
Total Net Assets	\$ 21,283,730	\$ 4,922,512	\$ 26,626,912		\$ 21,988,802	\$ 5,343,182	\$ 26,911,314	

**City of Austell, Georgia  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2016**

**Changes in Net Position**  
Governmental and business-type activities decreased the City's net assets by (\$284,402). The following table provides a summary of the City's changes in net assets:

**Condensed Changes in Net Position  
June 30, 2016 and 2015**

	2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 696,528	\$ 824,619	\$ 5,074,967	\$ 4,770,286	\$ 5,771,495	\$ 5,594,905
Operating grants and contributions	265,947	10,509	-	-	265,947	10,509
Capital grants and contributions	1,466,100	3,164,220	76,725	26,995	1,542,825	3,191,215
General revenues:						
Property taxes	632,335	547,923	-	-	632,335	547,923
Other taxes/ownership fees	5,008,858	5,903,739	-	-	5,008,858	5,903,739
Penalties & Interest	10,490	1,536	-	-	10,490	1,536
Intergovernmental	107,624	103,665	-	-	107,624	103,665
Unrestricted investment earnings	110,209	116,931	-	117	110,209	117,048
Miscellaneous	73,241	81,830	-	-	73,241	81,830
Total Revenues	8,371,332	10,754,972	5,151,692	4,797,398	13,523,024	15,552,370
<b>Expenses</b>						
General government	940,163	1,027,466	-	-	940,163	1,027,466
Public Safety and Courts	4,755,040	4,398,624	-	-	4,755,040	4,398,624
Public works	1,380,310	3,172,065	-	-	1,380,310	3,172,065
Culture and recreation	847,871	844,926	-	-	847,871	844,926
Housing and development	200,804	87,523	-	-	200,804	87,523
Tourism and economic development	1,804	4,448	-	-	1,804	4,448
Interest on long-term debt	9,117	14,995	-	-	9,117	14,995
Threadmill Complex	-	-	1,259,062	1,324,380	1,259,062	1,324,380
Water and sewer	-	-	3,508,458	3,180,705	3,508,458	3,180,705
Stormwater	-	-	449,715	412,974	449,715	412,974
Solid waste	-	-	449,715	380,966	449,715	380,966
Total Expenses	8,135,109	9,550,047	5,672,317	5,299,025	13,807,426	14,849,072
Change in net assets before transfers	236,223	1,204,925	(520,625)	(501,627)	(284,402)	703,298
Transfers	(941,295)	(661,569)	941,295	661,569	-	-
Change in Net Assets	(705,072)	543,356	420,670	159,942	(284,402)	703,298
Net Assets, beginning of fiscal year, adjusted	21,988,802	21,445,446	4,922,512	4,762,570	26,911,314	26,208,016
Net Assets, end of fiscal year	\$ 21,283,730	\$ 21,988,802	\$ 5,343,182	\$ 4,922,512	\$ 26,626,912	\$ 26,911,314

**City of Austell, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Governmental Activities**

Governmental activities decreased the City's net assets by (\$705,072). This can be attributed to overall franchise revenue decreasing substantially.

Revenues for Governmental Activities decreased by 22% compared to 2015.

**Governmental Activities**  
**Program Revenues and Expenses**  
**For the Fiscal Years Ended June 30, 2016 and June 30, 2015**

	2016	2016	2015	2015
	Revenues	Expenses	Revenues	Expenses
General government	\$ 264,137	\$ 940,163	\$ -	\$ 1,027,466
Public safety & courts	763,969	4,755,040	964,219	4,398,624
Public works	927,530	1,380,310	2,585,651	3,172,065
Culture and recreation	432,665	847,871	413,217	,844,926
Housing and development	40,274	200,804	36,261	87,523
Tourism and economic development	-	1,804	-	4,448
Interest on long-term debt	-	9,117	-	14,995
Totals	<u>\$ 2,428,575</u>	<u>\$ 8,135,109</u>	<u>\$ 3,999,348</u>	<u>\$ 9,550,047</u>

**Governmental Activities**  
**Revenues by Source**  
**For the Fiscal Years Ended June 30, 2016 and June 30, 2015**

	2016		2015	
Charges for Service	\$ 696,528	8%	\$ 824,619	8%
Operating grants and contributions	265,947	3%	10,509	0%
Capital grants and contributions	1,466,100	18%	3,164,220	29%
Property taxes	632,335	8%	547,923	5%
Other taxes and ownership fees	5,008,858	60%	5,993,739	56%
Unrestricted investment earnings	110,209	1%	116,931	1%
Miscellaneous	73,241	1%	81,830	1%
Penalties & Interest	10,490	0%	1,536	0%
Intergovernmental	107,624	1%	103,665	0%
Totals	<u>\$ 8,371,332</u>	<u>100%</u>	<u>\$ 10,754,972</u>	<u>100%</u>

**Business-Type Activities**

Major revenue sources for the proprietary funds were charges for services of \$5,074,967. This is a 7% increase from the previous fiscal year. Expenses for the proprietary funds are \$5,672,317 which is a 7% increase from the previous fiscal year. This increase is mostly the result of water usage for the fiscal year 2016, as well as the addition of garbage services provided to all citizens within the City limits.

**City of Austell, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Business-type Activities**  
**Program Revenues and Expenses**  
**For the Fiscal Years Ended June 30, 2016 and June 30, 2015**

	2016		2015	
	Revenues	Expenses	Revenues	Expenses
Threadmill Complex	\$ 1,208,874	\$ 1,259,062	\$ 1,234,876	\$ 1,324,380
Water and Sewer	3,191,148	3,508,458	2,861,531	3,180,705
Stormwater	399,486	455,082	399,617	412,974
Solid Waste	352,184	449,715	301,257	380,966
Totals	<u>\$ 5,151,692</u>	<u>\$ 5,672,317</u>	<u>\$ 4,797,281</u>	<u>\$ 5,299,025</u>

**Business-type Activities**  
**Revenues by Source**  
**For the Fiscal Years Ended June 30, 2016 and June 30, 2015**

	2016		2015	
	Amount	Percentage	Amount	Percentage
Charges for Service	\$5,074,967	99%	\$ 4,770,286	99%
Capital Grants and Contributions	76,725	1%	26,995	1%
Unrestricted investment earnings	0	0%	117	0%
Totals	<u>\$5,151,692</u>	<u>100%</u>	<u>\$ 4,797,398</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, 2016, the City's governmental funds reported a combined ending fund balance of approximately \$11.4 million. Of this total, approximately 3.7 million or 32% 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.

The General Fund is the primary operating fund of the City. For the fiscal year ended June 30, 2016, unassigned fund balance was approximately \$3.8 million, while total fund balance was approximately \$4.1 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 56% of total General Fund expenditures, while total fund balance represents 59% of that same amount.



**City of Austell, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The fund balance of the General Fund decreased dramatically by (\$1,406,273) during the fiscal year due to franchise taxes decreasing substantially as a result of a decline in gas sales for Austell Gas system.

The fund balance of the 2005 Cobb County SPLOST Fund decreased (\$324,311) during the fiscal year. Key factors in this decrease is that the City completed resurfacing projects. The fund is 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 2011 Cobb County SPLOST Fund decreased (\$344,438) during the fiscal year. Key factors in this decrease is that the City purchased additional public safety equipment. The fund received revenue for the first six months of the fiscal year. Fund balance will continue to decrease until all funds are spent.

The fund balance of the 2016 Cobb County SPLOST Fund increased by \$486,957 during the fiscal year. This is new SPLOST referendum that passed in March, 2015 beginning January 2016. Six months of revenue have been collected in the 2016 fiscal year.

The fund balance of the Multiple Grants Fund decreased (\$14,395) during the fiscal year as a result of the matching funds for LCI Streetscapes grants.

**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 assets for the Water and Sewer fund increased by \$309,190 due to increases in capital contributions. The Threadmill, Stormwater, and Solid Waste Funds change in net assets was a combined increase of \$111,480, resulting in total net asset increase of \$420,670.

**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. The amendments to total expenditures were offset by amendments to total revenues and did not affect the overall budget.

**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, 2016, was \$10,757,475 and \$7,989,818 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.

At June 30, 2016, the depreciable capital assets for governmental activities were 47% depreciated. The business-type activities are 53% 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 \$212,918 of outstanding capital lease obligations. At the end of the current fiscal year, the City of Austell had total debt outstanding of \$1,922,814 in which the majority of the debt included \$1,453,987 in pension liability.

Additional information on the City's long-term debt can be found in Note 7 of the Basic Financial Statements section of this report.

**City of Austell, Georgia**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

**Economic Conditions Affecting the City**

Key assumptions for fiscal year 2017 are summarized as follows:

- The Gas System ownership fees were budgeted to be approximately \$3.7 million. Anticipated revenue at the current rate of 9% gross sales is expected to be slightly less for 2017.
- On September 18, 2009, the City of Austell, Georgia was flooded and almost 700 of its approximately 2,500 homes were severely affected. The HMGP Grant program continues impacting the City as it prepares to maintain and repair the properties of the land that was purchased.
- 2016 SPLOST referendum was passed allowing the City to continue to improve transportation, enhance parks and purchase needed public safety equipment.

**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 Soesbee, 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 ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 940,163	\$ -	\$ 264,137	\$ -
Public safety and courts	4,755,040	554,763	-	209,206
Public works	1,380,310	-	-	927,530
Culture and recreation	847,871	101,491	1,810	329,364
Housing and development	200,804	40,274	-	-
Tourism and economic development	1,804	-	-	-
Interest on long-term debt	9,117	-	-	-
Total governmental activities	<u>8,135,109</u>	<u>696,528</u>	<u>265,947</u>	<u>1,466,100</u>
Business-type activities:				
Threadmill	1,259,062	1,208,874	-	-
Water and sewer	3,508,458	3,114,423	-	76,725
Stormwater	455,082	399,486	-	-
Solid waste	449,715	352,184	-	-
Total business-type activities	<u>5,672,317</u>	<u>5,074,967</u>	<u>-</u>	<u>76,725</u>
Total primary government	<u>\$ 13,807,426</u>	<u>\$ 5,771,495</u>	<u>\$ 265,947</u>	<u>\$ 1,542,825</u>
<b>Component unit:</b>				
Austell Natural Gas System	<u>\$ 39,483,836</u>	<u>\$ 42,310,274</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Taxes:

Property  
Franchise  
Occupational  
Insurance Premium  
Sales and excise  
Other

Penalties & interest

Intergovernmental

Unrestricted investment earnings

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, adjusted

Net position - end of year

See accompanying notes to the basic financial statements.



**CITY OF AUSTELL, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	General Fund	2005 Cobb County SPLOST Fund	2011 Cobb County SPLOST Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 100,658	\$ 600,000	\$ 1,751,858
Investments	-	-	-
Receivables (net of allowance for uncollectibles)			
Taxes	187,225	-	-
Accounts	18,188	-	-
Other	250,000	-	-
Due from other governments	-	-	-
Due from other funds	1,468,385	44,165	485,569
Due from component unit	3,067,585	-	-
Prepaid items	206,603	-	-
Advances to other funds	-	-	-
Total assets	<u>5,298,644</u>	<u>644,165</u>	<u>2,237,427</u>
<b>Liabilities</b>			
Accounts payable	358,149	-	21,300
Accrued liabilities			
Salaries and wages	90,746	-	-
Customer Deposits	1,900	-	-
Due to other funds	368,221	-	1,429,618
Due to other governments	-	-	-
Unearned revenues	-	-	-
Total liabilities	<u>819,016</u>	<u>-</u>	<u>1,450,918</u>
<b>Deferred Inflows</b>			
Unavailable revenues	375,808	-	-
Total liabilities and deferred inflows	<u>1,194,824</u>	<u>-</u>	<u>1,450,918</u>
<b>Fund balances</b>			
Nonsepdable -			
Prepaid items	206,603	-	-
Resticted -			
Capital projects	-	644,165	786,509
Law enforcement activities	-	-	-
Public safety activities	-	-	-
Tourism and economic development	-	-	-
Community enhancements	-	-	-
Unassigned	3,897,217	-	-
Total fund balances	<u>4,103,820</u>	<u>644,165</u>	<u>786,509</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 5,298,644</u>	<u>\$ 644,165</u>	<u>\$ 2,237,427</u>

See accompanying notes to the basic financial statements.





**CITY OF AUSTELL, GEORGIA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

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

Total fund balances -- total governmental funds	\$ 11,447,887
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	10,757,475
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Unavailable revenues	375,808
Deferred inflows and outflows related to the net pension obligation is not a current asset or liability:	
Deferred outflows	589,210
Deferred inflows	(304,335)
Long-term liabilities are not due in the current period and therefore are not reported in the funds:	
Capital leases	(293,187)
Accrued interest	(2,315)
Compensated absences	(125,077)
Net pension obligation	<u>(1,161,736)</u>
 Net position of governmental activities	 <u><u>\$ 21,283,730</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, 2016**

	General Fund	2005 Cobb County SPLOST Fund	2011 Cobb County SPLOST Fund
<b>Revenues:</b>			
Taxes	\$ 5,631,325	\$ -	\$ -
Licenses and permits	40,274	-	-
Intergovernmental	107,624	-	678,668
Charges for services	17,616	-	-
Fines and Forfeitures	399,999	-	-
Contributions and donations	14,137	-	-
Investment income	40	-	-
Miscellaneous	103,301	-	-
Total revenues	<u>6,314,316</u>	<u>-</u>	<u>678,668</u>
<b>Expenditures:</b>			
Current			
General government	721,551	-	-
Judicial	203,573	-	-
Public safety	3,834,617	-	-
Public works	854,184	-	-
Culture and recreation	681,730	-	-
Housing and development	199,035	-	-
Tourism and economic development	-	-	-
Capital outlay	415,247	324,311	815,351
Debt service			
Principal	-	-	202,226
Interest	-	-	5,529
Total expenditures	<u>6,909,937</u>	<u>324,311</u>	<u>1,023,106</u>
Excess (deficiency) of revenues over (under) expenditures	(595,621)	(324,311)	(344,438)
<b>Other Financing Sources (Uses):</b>			
Transfers	(882,741)	-	-
Capital lease proceeds	-	-	-
Sale of capital assets	72,089	-	-
Total other financing sources (uses)	<u>(810,652)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,406,273)	(324,311)	(344,438)
Fund balance - beginning of the year	<u>5,510,093</u>	<u>968,476</u>	<u>1,130,947</u>
Fund balance - end of year	<u>\$ 4,103,820</u>	<u>\$ 644,165</u>	<u>\$ 786,509</u>

See accompanying notes to the basic financial statements.

2016 Cobb County SPLOST Fund	Austell Area Community Council Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 470,812	\$ 5,442,388	\$ (130,213)	\$ 130,406	\$ 11,447,887
(16,145)	5,462,674	(115,818)	341,108	13,281,335
486,957	(20,286)	(14,395)	(210,702)	(1,833,448)
303,888	-	-	190,942	(315,822)
-	-	-	-	72,089
303,888	-	-	-	303,888
-	-	-	190,942	(691,799)
183,069	(20,286)	(14,395)	(401,644)	(1,517,626)
424,323	130,297	212,015	542,458	9,566,447
1,271	-	-	-	6,800
10,692	-	-	-	212,918
412,360	-	66,573	2,977	2,036,819
-	-	-	1,804	1,804
-	-	-	-	199,035
-	-	-	5	681,735
-	-	145,442	-	999,626
-	-	-	537,672	4,372,289
-	-	-	-	203,573
-	130,297	-	-	851,848
607,392	110,011	197,620	140,814	8,048,821
-	-	2,482	991	106,774
50	110,011	-	158	110,259
-	-	-	-	14,137
-	-	-	4,559	404,558
-	-	-	132,590	150,206
607,342	-	195,138	-	1,588,772
-	-	-	-	40,274
\$ -	\$ -	\$ -	\$ 2,516	\$ 5,633,841

**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, 2016**

Net change in fund balances - total governmental funds \$ (1,833,448)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Capital outlay	1,931,624
Depreciation expense	(735,876)

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 sold during the current period. (249,590)

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. 249,271

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.

Repayment of long term debt	212,918
Debt issuance	(303,888)

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.

Change in net pension obligation and related deferred items	25,120
Change in accrued interest payable	(2,316)
Change in compensated absences	1,113
	1,113

Change in net position of governmental activities \$ (705,072)

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, 2016**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
General property taxes	553,500	553,500	617,152	\$ 63,652
Sales and excise taxes	54,000	54,000	54,032	32
Franchise and other taxes	5,663,300	5,663,300	4,460,135	(1,203,165)
Occupational and premium taxes	420,000	420,000	491,815	71,815
Penalties and interest	4,300	4,300	8,191	3,891
Licenses and permits	19,575	19,575	40,274	20,699
Intergovernmental	100,000	100,000	107,624	7,624
Charges for services	25,300	25,300	17,616	(7,684)
Fines and forfeitures	719,521	719,521	399,999	(319,522)
Interest income	-	-	40	40
Contributions and donations	-	-	14,137	14,137
Miscellaneous	79,000	79,000	103,301	24,301
Total Revenues	7,638,496	7,638,496	6,314,316	(1,324,180)
General government -				
Legislative	284,000	234,000	233,745	255
General administrative	536,996	546,996	487,806	59,190
Total general government	820,996	780,996	721,551	59,445
Municipal court	200,055	208,055	203,573	4,482
Public safety -				
Police administration	1,837,471	1,837,471	1,771,069	66,402
Custody of prisoners	378,890	337,390	319,527	17,863
Fire administration	1,838,376	1,838,376	1,802,223	36,153
Total public safety	4,054,737	4,013,237	3,892,819	120,418
Public works -				
Highways and streets	717,270	732,270	711,100	21,170
Inmate detail	60,500	60,500	21,988	38,512
Maintenance and shop	145,684	145,684	125,348	20,336
Total public works	923,454	938,454	858,436	80,018
Culture and recreation -				
Community center	74,400	74,400	38,070	36,330
Community garden	-	-	-	-
Playgrounds	6,000	6,000	3,821	2,179
Special activities	120,695	120,695	90,985	29,710
Parks administration	610,400	590,400	586,429	3,971
Total culture and recreation	811,495	791,495	719,305	72,190
Housing and development -				
Protective inspection	21,540	21,540	14,356	7,184
Planning and zoning	16,000	76,000	76,567	(567)
Other facilities	392,000	410,500	384,080	26,420
Code enforcement	50,824	50,824	39,250	11,574
Total housing and development	480,364	558,864	514,253	44,611
Total expenditures	7,291,101	7,291,101	6,909,937	381,164
Excess (Deficiency) of Revenues	347,395	347,395	(595,621)	(943,016)
Other Financing Sources (Uses):				
Transfers	(508,695)	(508,695)	(882,741)	(374,046)
Proceeds from sale of capital assets	-	-	72,089	72,089
Debt issue	-	-	-	-
Total Other Financing	(508,695)	(508,695)	(810,652)	(301,957)
Net Change in Fund Balances	(161,300)	(161,300)	(1,406,273)	(1,244,973)
Fund balance - beginning of year	5,510,093	5,510,093	5,510,093	-
Fund balance - end of year	\$ 5,348,793	\$ 5,348,793	\$ 4,103,820	\$ (1,244,973)

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, 2016**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>				
Intergovernmental Contributions	\$ 1,895,000	\$ 1,895,000	\$ 195,138	\$ (1,699,862)
	<u>-</u>	<u>-</u>	<u>2,482</u>	<u>2,482</u>
Total Revenues	<u>1,895,000</u>	<u>1,895,000</u>	<u>197,620</u>	<u>(1,697,380)</u>
<b>EXPENDITURES</b>				
Public Works	1,875,000	1,875,000	212,015	1,662,985
Culture and Recreation	20,000	20,000	-	20,000
	<u>1,895,000</u>	<u>1,895,000</u>	<u>212,015</u>	<u>1,682,985</u>
Total Expenditures	<u>1,895,000</u>	<u>1,895,000</u>	<u>212,015</u>	<u>1,682,985</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(14,395)</u>	<u>(14,395)</u>
Other Financing Sources (Uses):				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(14,395)</u>	<u>(14,395)</u>
Fund balance - beginning of year	<u>(115,818)</u>	<u>(115,818)</u>	<u>(115,818)</u>	<u>-</u>
Fund balance- end of year	<u>\$ (115,818)</u>	<u>\$ (115,818)</u>	<u>\$ (130,213)</u>	<u>\$ (14,395)</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, 2016**

<b>BUSINESS ACTIVITIES - ENTERPRISE FUNDS</b>				
	<b>Nonmajor</b>	<b>Stormwater</b>	<b>Water and Sewer</b>	<b>Thredmill Complex</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
	<b>Solid Waste</b>			
	<b>Fund</b>			
	<b>Total</b>			
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
Current assets				
Cash	\$ 220,798	\$ -	\$ 160,205	\$ 60,593
Investments	-	-	-	-
Receivables	-	-	-	-
Accounts	31,510	347,599	387,055	238
Due from other funds	-	138,489	-	2,724
Prepaid items	139	19,786	180,307	12,265
Inventory	-	-	13,547	-
Total current assets	31,649	505,874	741,114	75,820
Non-current assets				
Capital assets				
Nondepreciable	-	-	57,500	488,140
Depreciable	-	4,911,156	2,677,137	8,393,990
Accumulated depreciation	-	(4,911,156)	(2,734,637)	(8,882,130)
Total capital assets	-	2,940,816	499,131	4,549,871
Total assets	31,649	3,446,690	1,240,245	4,625,691
Deferred pension outflows	-	14,011	97,341	36,872
Total assets and deferred outflows	31,649	3,460,701	1,337,586	4,662,563
<b>LIABILITIES AND DEFERRED INFLOWS</b>				
Current liabilities				
Accounts payable	54	-	70,483	3,124
Customer deposits	-	-	194,073	20,558
Accrued liabilities	826	2,308	17,456	5,674
Due to other funds	-	4,000	21,628	141,501
Advance from other funds	-	-	-	459,000
Compensated absences	-	1,484	7,185	3,971
Unearned revenue	-	-	-	35,258
Total current liabilities	880	7,792	310,825	669,086
Non-current liabilities				
Advances from other funds	-	-	-	2,754,000
Compensated absences	-	4,453	21,556	11,914
Net pension liability	-	27,626	191,926	72,699
Total non-current liabilities	-	32,079	213,482	2,838,613
Total liabilities	880	39,871	524,307	3,507,699
Deferred pension inflows	-	7,237	50,278	19,045
Total liabilities and deferred inflows	880	47,108	574,585	3,526,744
<b>NET POSITION</b>				
Invested in capital assets	-	2,940,816	499,131	4,549,871
Unrestricted	30,769	472,777	263,870	(3,414,052)
Total net position	\$ 30,769	\$ 3,413,593	\$ 763,001	\$ 1,135,819

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, 2016**

<b>BUSINESS ACTIVITIES - ENTERPRISE FUNDS</b>				
Threadmill Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,023,295
-	-	-	352,184	352,184
-	-	397,446	-	397,446
1,207,874	-	-	-	1,207,874
1,000	91,128	2,040	-	94,168
1,208,874	3,114,423	399,486	352,184	5,074,967
<b>OPERATING REVENUES</b>				
Charges for services				
Water and sewer charges				
Sanitation fees				
Stormwater fees				
Rents and royalties				
Miscellaneous				
Total operating revenues				
<b>OPERATING EXPENSES</b>				
Personal services and benefits				
Contractual services				
Supplies				
Depreciation and amortization				
Other				
Total operating expenses				
48,497	(394,035)	(55,596)	(97,531)	(498,665)
<b>NON-OPERATING INCOME (EXPENSES)</b>				
Interest income				
Interest expense				
Total non-operating revenues (expenses)				
<b>Income before transfers and capital contributions</b>				
Income before transfers and capital contributions				
Capital contributions				
Transfers				
Change in net position				
Net position - beginning of year, adjusted				
Net position - end of year				

See accompanying notes to the basic financial statements.

CITY OF AUSTELL, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

BUSINESS ACTIVITIES - ENTERPRISE FUNDS

	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	Total
Cash flows from operating activities					
Cash received from customers and user	\$ 1,210,592	\$ 3,044,239	\$ 309,558	\$ 349,198	\$ 4,913,587
Cash paid to suppliers for goods	(694,588)	(2,894,305)	(110,842)	(423,934)	(4,123,669)
Cash paid to employees	(218,440)	(666,508)	(75,817)	(23,325)	(984,090)
Net cash flows from operating activities	297,564	(516,574)	122,899	(98,061)	(194,172)
Cash flows from investing activities					
Interest received	-	-	-	-	-
(Purchase) / redemption of investments	-	-	-	-	-
Net cash flows from investing activities	-	-	-	-	-
Cash flows from non-capital financing activities					
Transfers	241,061	352,677	-	98,061	691,799
Change in due to/from other funds	(470,475)	8,952	(134,489)	-	(596,012)
Net cash flows from non-capital financing activities	(229,414)	361,629	(134,489)	98,061	95,787
Cash flows from capital financing activities					
Purchases / construction of capital assets	-	(2,303)	-	-	(2,303)
Capital contributions	-	76,725	-	-	76,725
Principal payments on long-term debt	-	-	-	-	-
Change in net pension liability	30,499	80,518	11,590	-	122,607
Proceeds from disposition of capital assets	-	-	-	-	-
Interest paid	(98,684)	-	-	-	(98,684)
Net cash flows from capital financing activities	(68,185)	154,940	11,590	-	98,345
Net change in cash and cash equivalents	(35)	(5)	-	-	(40)
Cash and cash equivalents at beginning of year	60,628	160,210	-	-	220,838
Cash and cash equivalents at end of year	\$ 60,593	\$ 160,205	\$ -	\$ -	\$ 220,798

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**

	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Fund	Total
<b>Operating income (loss)</b>	\$ 48,497	\$ (394,035)	\$ (55,596)	\$ (97,531)	\$ (498,665)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	260,697	65,426	99,848	-	425,971
(Increase) decrease in receivables	2,765	(83,653)	86,983	14	6,109
(Increase) decrease in prepaid items	11,838	(109,737)	3,948	1,618	(92,333)
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in deferred pension outflows	(25,723)	(67,908)	(9,774)	-	(103,405)
Increase (decrease) in accounts payable	3,124	69,343	(1,080)	-	71,387
Increase (decrease) in customer deposits	15	13,469	-	-	13,484
Increase (decrease) in deferred pension inflows	(6,348)	(16,760)	(2,412)	-	(25,520)
Increase (decrease) in accrued liabilities	3,761	7,281	982	(2,162)	9,862
Increase (decrease) in unearned revenues	(1,062)	-	-	-	(1,062)
Total adjustments	249,067	(122,539)	178,495	(530)	304,493
<b>Net cash from operating activities</b>	\$ 297,564	\$ (516,574)	\$ 122,899	\$ (98,061)	\$ (194,172)
<b>Non-Cash Transactions -</b>					
Contributions of capital assets from other funds	\$ -	\$ 273,823	\$ -	\$ -	\$ 273,823

See accompanying notes to the basic financial statements.

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## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF AUSTELL, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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 2005, 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 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 as approved by the Austell Area Community Council Board for the betterment of the community which may include 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 fund. 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 with 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, 2016, 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 are recorded at estimated fair market value at the date of donation. 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 \$7,434,064 of restricted net position of which \$1,991,676 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, 2016 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 not significantly amend the budgets for any of its funds during the fiscal year ended June 30, 2016.
6. Budgets are prepared on the GAAP basis.

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2016:

General Fund -		
Housing and Development -		
Planning & Zoning	\$	567
Austell Area Council Capital Projects Fund -		
General Government	\$	297

These over expenditures were funded by available fund balance.

(See Independent Auditor's Report)

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

**3. DEPOSITS**

Total reported cash and cash equivalents as of June 30, 2016 are summarized as follows:

<u>Cash and cash equivalents</u>	<u>Amount</u>
Cash and Cash Equivalents	\$ 4,832,329
Certificates of Deposit	<u>490,000</u>
	<u>\$ 5,322,329</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.

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, 2016, \$4,655,079 of the City’s bank balance of \$5,322,329 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution or its agent	<u>4,655,079</u>
Total	<u>\$ 4,655,079</u>

**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 31<sup>st</sup>. 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, residential stormwater fees are billed annually on the same date as the property tax bill as noted above and is attached to the property tax bill.

(See Independent Auditor’s Report)

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

**4. RECEIVABLES – (Continued)**

Receivables at June 30, 2016, for the City’s individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	2016 Cobb County SPLOST Fund	Multiple Grants Fund	Other Nonmajor Funds
Receivables				
Taxes	\$ 229,488	\$ -	\$ -	\$ 442
Accounts	20,663	-	-	18,461
Due from other governments	-	211,883	75,395	-
Other	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross Receivables	500,151	211,883	75,395	18,903
Less: Allowance for Uncollectibles	<u>(44,738)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 455,413</u>	<u>\$ 211,883</u>	<u>\$ 75,395</u>	<u>\$ 18,903</u>
 <b>Proprietary Funds</b>				
	Threadmill Complex	Water and Sewer	Stormwater Management	Solid Waste
Accounts	\$ 238	\$ 637,055	\$ 347,599	\$ 50,510
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross Receivable	238	637,055	347,599	50,510
Less: Allowance for Uncollectibles	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>(19,000)</u>
Net Total Receivable	<u>\$ 238</u>	<u>\$ 387,055</u>	<u>\$ 347,599</u>	<u>\$ 31,510</u>

(See Independent Auditor’s Report)



**5. PROPERTY, PLANT AND EQUIPMENT**

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

Ending Balance	Decreases	Increases	Beginning Balance	Governmental Activities:
2,263,423	-	219,062	2,044,361	Total
279,812	-	219,062	60,750	Construction in progress
\$ 1,983,611	\$ -	\$ -	\$ 1,983,611	Capital assets, not being depreciated:
				Land
				Construction in progress
				Total
				Capital assets being depreciated:
				Buildings and improvements
				Infrastructure
				Furniture and fixtures
				Machinery and equipment
				Computer equipment
				Vehicles
				Total capital assets being depreciated
				Less accumulated depreciation for:
				Buildings and improvements
				Infrastructure
				Furniture and fixtures
				Machinery and equipment
				Computer equipment
				Vehicles
				Total accumulated depreciation
				Total capital assets being depreciated, net
				Governmental capital assets, net

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

General Government	\$ 90,625
Public Safety	206,189
Public Works	245,303
Culture and recreation	193,759
<b>Total depreciation expense</b>	<b>\$ 735,876</b>

(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
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 545,640	\$ -	\$ -	\$ 545,640
Construction in progress	24,327	-	(24,327)	-
Total	<u>569,967</u>	<u>-</u>	<u>(24,327)</u>	<u>545,640</u>
Capital assets being depreciated:				
Infrastructure	6,689,992	273,823	-	6,963,815
Buildings and improvements	8,223,268	-	-	8,223,268
Machinery and equipment	428,065	-	-	428,065
Vehicles	333,047	-	-	333,047
Computer equipment	31,785	2,303	-	34,088
Total capital assets being depreciated	<u>15,706,157</u>	<u>276,126</u>	<u>-</u>	<u>15,982,283</u>
Less accumulated depreciation for:				
Infrastructure	3,505,084	147,609	-	3,652,693
Buildings and improvements	3,910,388	236,540	-	4,146,928
Machinery and equipment	344,160	34,003	-	378,163
Vehicles	333,047	-	-	333,047
Computer equipment	19,454	7,820	-	27,274
Total capital assets being depreciated	<u>8,112,133</u>	<u>425,972</u>	<u>-</u>	<u>8,538,105</u>
Total capital assets being depreciated, net	<u>7,594,024</u>	<u>(149,846)</u>	<u>-</u>	<u>7,444,178</u>
Business-Type Activities capital assets, net	<u>\$ 8,163,991</u>	<u>\$ (149,846)</u>	<u>\$ (24,327)</u>	<u>\$ 7,989,818</u>

Depreciation expense was charged to functions/programs as follows:

Threadmill complex	\$ 260,697
Water and sewer	65,427
Stormwater	<u>99,848</u>
Total depreciation expense	<u>\$ 425,972</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
<b>Austell Natural Gas System</b>				
Capital assets, not being depreciated:				
Land	\$ 422,463	\$ -	\$ -	\$ 422,463
Construction in progress	279,175	458,075	-	737,250
Total	<u>701,638</u>	<u>458,075</u>	<u>-</u>	<u>1,159,713</u>
Capital assets being depreciated:				
Infrastructure	77,661,865	3,507,598	(313,864)	80,855,599
Furniture, fixtures, and equipment	2,756,054	573,454	(415,618)	2,913,890
Vehicles	1,182,118	202,390	(115,333)	1,269,175
Total capital assets being depreciated	<u>81,600,037</u>	<u>4,283,442</u>	<u>(844,815)</u>	<u>85,038,664</u>
Less accumulated depreciation:	<u>61,525,138</u>	<u>3,169,162</u>	<u>(687,766)</u>	<u>64,006,534</u>
Total capital assets being depreciated, net	<u>20,074,899</u>	<u>1,114,280</u>	<u>(157,049)</u>	<u>21,032,130</u>
Austell Natural Gas System capital assets, net	<u>\$ 20,776,537</u>	<u>\$ 1,572,355</u>	<u>\$ (157,049)</u>	<u>\$ 22,191,843</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 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 2016, the City received \$1,208,874 in operating lease revenue. The carrying value of the building and improvements of \$4,541,864 (cost of \$8,868,165 less accumulated depreciation of \$4,326,301, which includes \$260,326 depreciation expense in fiscal year 2016) 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 three (3) leases with terms extending beyond the end of the next fiscal year.

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

<u>Fiscal year ending</u>	<u>Total Revenues</u>
2017	\$ 773,507
2018	780,000
2019	588,000
2020	12,000
2021	12,000
2022-2026	60,000
2027-2028	21,000

**7. LONG-TERM DEBT**

**Changes in Long-Term Debt**

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental Activities</b>					
Capital leases	\$ 202,217	\$ 303,888	\$ (212,918)	\$ 293,187	\$ 53,707
Compensated Absences	126,190	106,427	(107,540)	125,077	35,000
Net pension liability	674,357	487,379	-	1,161,736	-
Total Governmental-Type Activity Long-Term Debt	<u>\$ 1,002,764</u>	<u>\$ 410,315</u>	<u>\$ (320,458)</u>	<u>\$ 1,580,000</u>	<u>\$ 88,707</u>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 48,797	\$ 31,287	\$ (29,521)	\$ 50,563	\$ 12,640
Net pension liability	169,641	122,610	-	292,251	-
Total Business-Type Activity Long-Term Debt	<u>\$ 218,438</u>	<u>\$ 153,897</u>	<u>\$ (29,521)</u>	<u>\$ 342,814</u>	<u>\$ 12,640</u>

For governmental funds, compensated absences are liquidated by the General Fund from which employees' salaries are paid. For business-type activities, compensated absences 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.

(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 safety and public works vehicles. 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, 2016, the City had assets with a net book value of \$176,307 (asset value of \$179,272 less accumulated depreciation of \$2,965) under capital leases. Annual depreciation (\$2,965) 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>
2017	\$ 53,706	\$ 4,839	\$ 58,545
2018	62,656	7,852	70,508
2019	64,770	5,738	70,508
2020	66,964	3,544	70,508
2021	<u>45,091</u>	<u>1,491</u>	<u>46,582</u>
Total	<u>\$ 293,187</u>	<u>\$ 23,464</u>	<u>\$ 316,651</u>

Interest rates associated with the capital leases range from 3.1% to 3.3%.

**Austell Natural Gas System**

Long-term liability activity for the fiscal year ended July 31, 2016 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Austell Natural Gas System</b>					
Net pension liability	\$ 2,939,879	\$ 1,650,768	\$ (2,346,602)	\$ 2,244,045	\$ -
Net OPEB obligation	178,304	77,615	(14,388)	241,531	-
Compensated absences	<u>403,107</u>	<u>402,526</u>	<u>(403,107)</u>	<u>402,526</u>	<u>402,526</u>
Total Governmental-Type Activity Long-Term Debt	<u>\$ 3,521,290</u>	<u>\$ 2,130,909</u>	<u>\$ (2,764,097)</u>	<u>\$ 2,888,102</u>	<u>\$ 402,526</u>

(See Independent Auditor's Report)

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

**8. INTER-FUND TRANSACTIONS**

The composition of interfund receivable and payable balances at June 30, 2016 were as follows:

Payable To	Payable From								Total
	General	Nonmajor Funds	Water & Sewer Fund	Multiple Grants Fund	Threadmill Complex Fund	Cobb County SPLOST Funds	Stormwater Fund	Austell Area Community Council Fund	
General	\$ -	\$ 38,829	\$ -	\$ -	\$ -	\$ 1,382,729	\$ -	\$ 46,827	\$ 1,468,385
Nonmajor	4,367	-	-	-	-	-	-	-	4,367
Austell Area Community Council	-	-	-	-	141,501	-	-	-	141,501
Multiple Grants Fund	121,945	-	-	-	-	-	-	-	121,945
Stormwater Fund	138,489	-	-	-	-	-	-	-	138,489
Threadmill Complex	-	-	-	-	-	2,724	-	-	2,724
Cobb County SPLOST	103,420	-	21,628	286,757	-	217,349	4,000	-	633,154
<b>Total</b>	<b>\$ 368,221</b>	<b>\$ 38,829</b>	<b>\$ 21,628</b>	<b>\$ 286,757</b>	<b>\$ 141,501</b>	<b>\$ 1,602,802</b>	<b>\$ 4,000</b>	<b>\$ 46,827</b>	<b>\$ 2,510,565</b>

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. Note that the \$633,154 interfund receivable to the Cobb County SPLOST Funds consist mainly from the separation of monies in one bank account to three separate bank accounts. However, \$312,385 is due to the various SPLOST Funds for expenditures out of the SPLOST Funds that should have been paid out of other non-SPLOST funds.

Advances from/to other funds are as follows:

Payable To	Payable From Threadmill Complex Fund
Austell Area Community Council	\$ 3,213,000

(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%. As of June 30, 2016, \$459,000 (which represents principal due on September 1, 2016) has been re-classed as a current liability.

Due to/from primary government and component units:

Payable To	<u>Payable From</u> Austell Natural Gas System
General	<u>\$ 3,067,585</u>

At June 30, 2016, Austell Natural Gas System owed the primary government \$3,067,585. However, the Gas System reported a payable of \$3,212,519. The difference is a result of the Gas System's fiscal year-end being July 31, 2016 and reporting \$144,934 of additional fees due to the primary government.

Interfund transfers for the year ended June 30, 2016 were as follow:

Transfer To	<u>Transfer From</u>				
	General	Threadmill	Stormwater	Multiple Grants	Total
General	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor	190,942	-	-	-	190,942
Threadmill	241,061	-	-	-	241,061
Stormwater	-	-	-	-	-
Solid waste	98,061	-	-	-	98,061
Water and Sewer	352,677	24,327	-	-	377,004
Multiple grants	-	-	-	-	-
Total	<u>\$ 882,741</u>	<u>\$ 24,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 907,068</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.

In the Statement of Changes in Activities, additional transfers were recognized in the amount of \$249,496 as a result of the 2011 SPLOST Fund financing of a waterline. Governmental Funds transferred the water line to the Water and Sewer Fund in which it was recognized as a capital improvement. This increased the total transfers in the Statement of Activities to \$941,295. These transactions were recognized as capital outlay expenditures in the governmental funds and as capital contributions in the proprietary funds.

(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 2.25% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$41 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. Death benefits are calculated using an actuarial reserve.

At January 1, 2016, the date of the most recent actuarial valuation, there were 151 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	35
Terminated vested participants not yet receiving benefits	34
Active employees - vested	69
Active employees - nonvested	<u>9</u>
 Total	 <u>147</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 2016, the actuarially determined contribution rate was 8.23% of covered payroll.

For fiscal year ended June 30, 2016, the City’s recommended and actual contribution was \$278,851 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 contributions recognized in the actuarial report dated January 1, 2016 and included in the government-wide statement of activities amounted to \$247,414.

(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, 2016, the City reported a liability of \$1,453,986 for its net pension liability. The net pension liability was measured as of September 30, 2015 and was determined by an actuarial valuation as of January 1, 2016. The changes in the Net Pension Liability for the year ended September 30, 2015 (the measurement date) were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2014	\$ 8,911,083	\$ 8,067,085	\$ 843,998
Changes for the year-			
Service cost	167,487	-	167,487
Interest	681,983	-	681,983
Differences between expected and actual experience	121,886	-	121,886
Contributions - Employer	-	292,687	(292,687)
Net investment income	-	88,656	(88,656)
Benefit payments, including refunds of employee contributions	(222,611)	(222,611)	-
Administrative expense	-	(19,975)	19,975
Other	-	-	-
Net Changes	<u>748,745</u>	<u>138,757</u>	<u>609,988</u>
Balance at September 30, 2015	<u>\$ 9,659,828</u>	<u>\$ 8,205,842</u>	<u>\$ 1,453,986</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.

(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, 2016, the City recognized pension expense and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Service cost	\$ 167,487
Interest on The Pension Liability (TPL)	681,983
Administrative expenses	19,975
Expected return on assets	(627,141)
Deferred Inflows -	
Expensed portion of current year period differences between expected and actual experience in TPL	24,378
Current year recognition of deferred inflows and outflows established in prior years	(126,965)
Expensed portion of current year period differences between projected and actual investment earnings	<u>107,697</u>
 Total expense	 <u>\$ 247,414</u>

\$209,138 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

F/Y/E June 30,	Deferred Outflows	Deferred Inflows
2017	\$ 132,074	\$ (126,965)
2018	132,074	(126,965)
2019	132,074	(126,965)
2020	<u>132,074</u>	<u>-</u>
	<u>\$ 528,296</u>	<u>\$ (380,895)</u>

Outstanding balances of deferred outflows/inflows of resources related to pensions as of June 30, 2016 are as follows:

	<u>Outflows</u>	<u>Inflows</u>
Contributions subsequent to the measurement date	\$ 209,138	\$ -
Demographic	97,508	(71,880)
Investment	430,788	(156,357)
Assumption change	<u>-</u>	<u>(152,658)</u>
 Total	 <u>\$ 737,434</u>	 <u>\$ (380,895)</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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Actuarial Assumptions:**

Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	3.25%
Mortality Rates -	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females
Disabled	RP-2000 Disabled Retiree Mortality Table - unisex rates
Plan Termination Basis	1994 Group Annuity Reserving Unisex Table

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

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 September 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Nominal Real Rate of Return</u>
Domestic equity	50.00%	5.95%	9.20%
International equity	15.00%	6.45%	9.70%
Fixed income	25.00%	1.55%	4.80%
Real estate	10.00%	3.75%	7.00%
Cash	0.00%		
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 7.75 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 7.75 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b><u>6.75%</u></b>	<b><u>7.75%</u></b>	<b><u>8.75%</u></b>
Net Pension Liability	\$ 2,899,771	\$ 1,453,986	\$ 264,691

**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, The Hartford. 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, 2016, there were 22 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, 2016 were \$82,655.

(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:**

Subsequent to June 30, 2016 the City became a defendant in a law suit 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.

**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 \$2,516 for the fiscal year ended June 30, 2016. Of this amount, 62.5%, or \$1,572, 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 \$1,804, 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, 2016, the Multiple Grant Fund had a negative fund balance of \$130,213. 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 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  
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
 LAST 10 FISCAL YEARS

	Fiscal Year End									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Total Pension Liability</b>										
Service cost	\$ 167,487	\$ 186,539								
Interest	681,983	661,660								
Differences between expected and actual experience	121,886	(119,799)								
Changes of assumptions	-	(254,428)								
Benefit payments	(222,611)	(200,875)								
Net changes in total pension liability	748,745	273,097								
Total pension liability - beginning	8,911,083	8,637,986								
Total pension liability - ending	<u>\$ 9,659,828</u>	<u>\$ 8,911,083</u>								
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 292,687	\$ 345,081								
Net investment income	88,656	817,473								
Benefit payments	(222,611)	(200,875)								
Administrative expense	(19,975)	(16,055)								
Other	-	-								
Net change in fiduciary net position	138,757	945,624								
Plan fiduciary net position - beginning	8,067,085	7,121,461								
Plan fiduciary net position - ending	<u>\$ 8,205,842</u>	<u>\$ 8,067,085</u>								
<b>Net Pension Liability</b>										
Net pension liability	\$ 1,453,986	\$ 843,998								
Plan's fiduciary net position as a percentage of the total pension liability	84.95%	90.53%								
Covered-employee payroll	\$ 3,458,027	\$ 3,336,441								
Net pension liability as a percentage of covered payroll	42.05%	25.30%								

(Historical information prior to implementation of GASB 67/68 is not required)

(Historical information prior to implementation of GASB 67/68 is not required)

(Historical information prior to implementation of GASB 67/68 is not required)

**CITY OF AUSTELL, GEORGIA  
 SCHEDULE OF CONTRIBUTIONS  
 LAST 10 FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contributions	278,851	297,299							
Contributions in relation to the actuarially determined contribution	(278,851)	(297,299)							
Contribution deficiency (excess)	-	-							
Covered-employee payroll	3,336,441	3,418,357							
Contributions as a percentage of covered- employee payroll	8.23%	8.55%							

(Historical information prior to implementation of GASB 67/68 is not required)



**CITY OF AUSTELL, GEORGIA**  
**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Note 1**

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

**Methods and assumptions used to determine contribution rates:**

<p>Actuarial Cost Method          Amortization Method          Remaining Amortization Period          Asset Valuation Method</p>	<p>Projected Unit Credit          Closed level dollar for remaining unfunded liability          N/A          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.</p>
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**Actuarial Assumptions:**

<p>Net Investment Rate of Return          Projected Salary Increases          Cost of Living Adjustments          Mortality Rates -            Healthy            Disabled          Plan Termination Basis</p>	<p>7.75%          3.25% plus service based merit increases          3.25%          RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females          RP-2000 Disabled Retiree Mortality Table - unisex rates          1994 Group Annuity Reserving Unisex Table</p>
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No significant factors changed that significantly affected trends in the amounts reported such as changes in benefit terms, the size or composition of the population covered by the benefit terms, or assumptions used.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**

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**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 SPLOST Fund** – 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.

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**CITY OF AUSTELL, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<b>Special Revenue Funds</b>		
	<b>Confiscated Asset Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Hotel / Motel Tax Fund</b>
<b>Assets</b>			
Cash	\$ 58,343	\$ 66,324	\$ 171
Investments	-	-	-
Receivables -			
Taxes	-	-	442
Accounts	-	18,461	-
Due from other governments	-	-	-
Due from other funds	-	-	4,367
Prepaid items	-	25,276	-
<b>Total assets</b>	<u>58,343</u>	<u>110,061</u>	<u>4,980</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	-	1,881	-
Accrued liabilities	-	7,554	-
Due to other governments	-	-	-
Due to other funds	36,406	-	-
Due to others	-	-	-
Unearned revenues	-	-	-
<b>Total liabilities</b>	<u>36,406</u>	<u>9,435</u>	<u>-</u>
<b>Fund balances</b>			
Nonspendable -			
Prepaid items	-	25,276	-
Restricted -			
Capital projects	-	-	-
Law enforcement activities	21,937	-	-
Public safety activities	-	75,350	-
Tourism and economic development	-	-	4,980
Unassigned	-	-	-
<b>Total fund balances</b>	<u>21,937</u>	<u>100,626</u>	<u>4,980</u>
<b>Total liabilities and fund balances</b>	<u>\$ 58,343</u>	<u>\$ 110,061</u>	<u>\$ 4,980</u>

Capital Project Fund	Douglas County SPLOST Fund	Total Nonmajor Governmental Funds
\$ 5,286	\$ 5,286	\$ 130,124
-	-	-
-	-	442
-	-	18,461
-	-	4,367
-	-	25,276
5,286	5,286	178,670
-	-	-
2,423	2,423	38,829
-	-	-
-	-	7,554
-	-	1,881
2,863	2,863	25,276
-	-	-
-	-	4,980
-	-	21,937
-	-	75,350
2,863	2,863	130,406
\$ 5,286	\$ 5,286	\$ 178,670

**CITY OF AUSTELL, GEORGIA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>SPECIAL REVENUE FUND</b>		
	<b>Confiscated Asset Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Hotel / Motel Tax Fund</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 2,516
Charges for services	-	132,590	-
Fine and forfeitures	4,559	-	-
Interest income	-	-	-
Miscellaneous	-	-	991
	<u>4,559</u>	<u>132,590</u>	<u>3,507</u>
<b>Total revenues</b>			
	<u>4,559</u>	<u>132,590</u>	<u>3,507</u>
<b>Expenditures:</b>			
<b>Current</b>			
Public safety	25	537,647	-
Public works	-	-	-
Culture and recreation	-	-	-
Tourism and economic development	-	-	1,804
<b>Capital outlay</b>			
Administrative	-	-	-
Public safety	-	555	-
Culture and recreation	-	-	-
Tourism and economic development	-	-	-
	<u>25</u>	<u>538,202</u>	<u>1,804</u>
<b>Total expenditures</b>			
	<u>25</u>	<u>538,202</u>	<u>1,804</u>
Excess (deficiency) of revenues over expenditures	4,534	(405,612)	1,703
<b>Other Financing Sources (Uses):</b>			
Transfers	-	190,942	-
Capital lease proceeds	-	-	-
	<u>-</u>	<u>190,942</u>	<u>-</u>
<b>Total other financing sources (uses)</b>			
	<u>-</u>	<u>190,942</u>	<u>-</u>
<b>Net change in fund balances</b>	4,534	(214,670)	1,703
<b>Fund balance - beginning of year</b>	17,403	315,296	3,277
	<u>17,403</u>	<u>315,296</u>	<u>3,277</u>
<b>Fund balance - end of year</b>	<u>\$ 21,937</u>	<u>\$ 100,626</u>	<u>\$ 4,980</u>

Douglas County SPLÖST Fund	Total Nonmajor Governmental Funds
\$ 2,516	\$ 2,516
-	132,590
-	4,559
158	158
-	991
158	140,814
-	537,672
5	-
-	5
-	1,804
-	-
-	555
2,422	2,422
-	-
2,427	542,458
(2,269)	(401,644)
-	190,942
-	-
-	190,942
(2,269)	(210,702)
5,132	341,108
\$ 2,863	\$ 130,406



**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, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Fines and forfeitures	\$ 28,000	\$ 28,000	\$ 4,559	\$ (23,441)
Miscellaneous revenue	-	-	-	-
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>4,559</u>	<u>(23,441)</u>
<b>Expenditures</b>				
Public safety	<u>28,000</u>	<u>28,000</u>	<u>25</u>	<u>27,975</u>
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>25</u>	<u>27,975</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4,534</u>	<u>4,534</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>4,534</u>	<u>4,534</u>
Fund balance - beginning of year	<u>17,403</u>	<u>17,403</u>	<u>17,403</u>	<u>-</u>
Fund balance - end of year	<u>\$ 17,403</u>	<u>\$ 17,403</u>	<u>\$ 21,937</u>	<u>\$ 4,534</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, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Charges for services	\$ 129,000	\$ 129,000	\$ 132,590	\$ 3,590
Miscellaneous revenue	200	200	-	(200)
Total revenues	<u>129,200</u>	<u>129,200</u>	<u>132,590</u>	<u>3,390</u>
<b>Expenditures</b>				
Public safety	<u>635,959</u>	<u>635,959</u>	<u>538,202</u>	<u>97,757</u>
Total expenditures	<u>635,959</u>	<u>635,959</u>	<u>538,202</u>	<u>97,757</u>
Excess of revenues over (under) expenditures	<u>(506,759)</u>	<u>(506,759)</u>	<u>(405,612)</u>	<u>101,147</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	<u>506,759</u>	<u>506,759</u>	<u>190,942</u>	<u>(315,817)</u>
Total other financing sources (uses)	<u>506,759</u>	<u>506,759</u>	<u>190,942</u>	<u>(315,817)</u>
Net change in fund balance	-	-	(214,670)	(214,670)
Fund balance - beginning of year	<u>315,296</u>	<u>315,296</u>	<u>315,296</u>	<u>-</u>
Fund balance - end of year	<u>\$ 315,296</u>	<u>\$ 315,296</u>	<u>\$ 100,626</u>	<u>\$ (214,670)</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, 2016**

	Budget		Acutal	Variance
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 3,200	\$ 3,200	\$ 2,516	\$ (684)
Miscellaneous revenue	-	-	991	991
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>3,507</u>	<u>307</u>
<b>Expenditures</b>				
Current				
Tourism and economic development	3,200	4,700	1,804	2,896
Total expenditures	<u>3,200</u>	<u>4,700</u>	<u>1,804</u>	<u>2,896</u>
Excess of revenues over (under) expenditures	-	(1,500)	1,703	3,203
<b>Other Financing Sources (Uses)</b>				
Transfers	-	4,700	-	(4,700)
Total other financing sources (uses)	<u>-</u>	<u>4,700</u>	<u>-</u>	<u>(4,700)</u>
Net change in fund balance	-	3,200	1,703	(1,497)
Fund balance - beginning of year	<u>3,277</u>	<u>3,277</u>	<u>3,277</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,277</u>	<u>\$ 6,477</u>	<u>\$ 4,980</u>	<u>\$ (1,497)</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, 2016**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 110,011	\$ 110,011
Miscellaneous revenue	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>110,011</u>	<u>110,011</u>
<b>Expenditures</b>				
General government	130,000	130,000	130,297	(297)
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Total expenditures	<u>130,000</u>	<u>130,000</u>	<u>130,297</u>	<u>(297)</u>
Excess of revenues over (under) expenditures	<u>(130,000)</u>	<u>(130,000)</u>	<u>(20,286)</u>	<u>109,714</u>
<b>Other Financing Sources (Uses)</b>				
Transfers	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(130,000)	(130,000)	(20,286)	109,714
Fund balance - beginning of year	<u>5,462,674</u>	<u>5,462,674</u>	<u>5,462,674</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,332,674</u>	<u>\$ 5,332,674</u>	<u>\$ 5,442,388</u>	<u>\$ 109,714</u>

**CITY OF AUSTELL, GEORGIA  
SCHEDULE OF PROJECTS FINANCED  
WITH COBB COUNTY SPECIAL PURPOSE SALES TAX 2005  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>PROJECT</b>	<b>ORIGINAL ESTIMATED COST</b>	<b>EXPENDITURES</b>			<b>ESTIMATED PERCENT COMPLETE</b>
		<b>BEGINNING OF YEAR</b>	<b>CURRENT YEAR</b>	<b>TO DATE</b>	
<b>STREETS:</b>					
Roads, streets, curbs gutters and sidewalks	\$ 2,042,132	\$ 1,124,157	\$ 324,311	\$ 1,448,468	71%
<b>PUBLIC SAFETY:</b>					
Radio system	<u>160,334</u>	<u>156,742</u>	<u>-</u>	<u>156,742</u>	98%
	<u>\$ 2,202,466</u>	<u>\$ 1,280,899</u>	<u>\$ 324,311</u>	<u>\$ 1,605,210</u>	



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

PROJECT	ORIGINAL ESTIMATED COST	EXPENDITURES			ESTIMATED PERCENT COMPLETE
		BEGINNING OF YEAR	CURRENT YEAR	TO DATE	
<b>STREETS:</b>					
Resurfacing	\$ 1,113,486	\$ -	\$ -	\$ -	0%
Roadway striping	211,032	-	-	-	0%
Curb and gutters	42,693	-	-	-	0%
Sidewalks	844,128	-	-	-	0%
Roadway drainage systems	193,309	-	-	-	0%
Sign replacement and upgrades	126,619	-	-	-	0%
Maintenance equipment	801,922	-	90,574	90,574	11%
Public works facility improvements	84,413	-	-	-	0%
Information technology upgrades	168,826	16,145	12,054	28,199	17%
<b>PARKS PROJECTS:</b>					
Threadmill Complex -					
Roof replacement	450,000	-	-	-	0%
Other improvements	300,000	-	-	-	0%
Parks maintenance facility improvements	200,000	-	124,717	124,717	62%
Upgrades to all city parks	431,345	-	-	-	0%
Park equipment	300,000	-	-	-	0%
<b>PUBLIC SAFETY:</b>					
2 positrons	125,000	-	-	-	0%
3 equipped patrol vehicles	222,175	-	-	-	0%
Fire engine	420,000	-	-	-	0%
Public safety radios	250,000	-	17,797	17,797	7%
Public safety training facility upgrade	56,912	-	-	-	0%
	<u>\$ 6,341,860</u>	<u>\$ 16,145</u>	<u>\$ 245,142</u>	<u>\$ 261,287</u>	

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

PROJECT	ORIGINAL ESTIMATED COST	EXPENDITURES BEGINNING OF YEAR	CURRENT YEAR	TO DATE	ESTIMATED PERCENT COMPLETE
<b>PARK PROJECTS:</b>					
Park improvements	\$ 522,094	\$ 522,094	\$ 2,427	\$ 524,521	100%
	<u>\$ 522,094</u>	<u>\$ 522,094</u>	<u>\$ 2,427</u>	<u>\$ 524,521</u>	



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**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>
<b>Financial Trends .....</b>	<b>63</b>
<b>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</b>	
<b>Revenue Capacity .....</b>	<b>70</b>
<b>These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and franchise fees.</b>	
<b>Debt Capacity .....</b>	<b>76</b>
<b>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.</b>	
<b>Demographic and Economic Information .....</b>	<b>81</b>
<b>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</b>	
<b>Operating Information .....</b>	<b>84</b>
<b>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.</b>	

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 7,178,213	\$ 7,688,533	\$ 8,053,182	\$ 8,005,695	\$ 8,262,097	\$ 8,110,670	\$ 8,604,518	\$ 9,356,493	\$ 9,609,100	\$ 10,464,287
Restricted	551,645	749,840	678,812	845,779	7,051,332	7,290,614	7,561,988	6,867,033	7,861,341	7,434,064
Unrestricted	9,338,626	10,459,475	10,227,220	10,566,154	3,971,920	3,325,569	4,567,337	6,217,288	4,518,361	3,385,379
Total Governmental Activities Net Position	\$ 17,068,484	\$ 18,897,848	\$ 18,959,214	\$ 19,417,628	\$ 19,285,349	\$ 18,726,853	\$ 20,733,843	\$ 22,440,814	\$ 21,988,802	\$ 21,283,730
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 4,635,570	\$ 4,619,036	\$ 4,782,570	\$ 4,640,975	\$ 4,460,100	\$ 4,263,346	\$ 8,690,937	\$ 8,267,872	\$ 8,163,991	\$ 7,989,818
Restricted	265,848	276,348	-	-	-	-	-	-	-	-
Unrestricted	265,675	207,603	628,521	612,618	645,141	808,893	(4,074,253)	(3,254,903)	(3,241,479)	(2,646,636)
Total Business-Type Activities Net Position	\$ 5,167,093	\$ 5,102,987	\$ 5,411,091	\$ 5,253,593	\$ 5,105,241	\$ 5,072,239	\$ 4,616,684	\$ 5,012,969	\$ 4,922,512	\$ 5,343,182
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 11,813,783	\$ 12,307,569	\$ 12,835,752	\$ 12,646,670	\$ 12,722,197	\$ 12,374,016	\$ 17,295,455	\$ 17,624,365	\$ 17,773,091	\$ 18,454,105
Restricted	817,493	1,026,188	678,812	845,779	7,051,332	7,290,614	7,561,988	6,867,033	7,861,341	7,434,064
Unrestricted	9,604,301	10,667,078	10,855,741	11,178,772	4,617,061	4,134,462	493,084	2,962,385	1,276,882	738,743
Total Primary Government Net Position	\$ 22,235,577	\$ 24,000,835	\$ 24,370,305	\$ 24,671,221	\$ 24,390,590	\$ 23,799,092	\$ 25,350,527	\$ 27,453,783	\$ 26,911,314	\$ 26,626,912

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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Program Expenses</b>										
Business-type activities	\$ 6,303,184	\$ 6,636,983	\$ 7,131,280	\$ 7,901,982	\$ 8,119,091	\$ 7,314,897	\$ 8,579,080	\$ 9,709,174	\$ 9,550,047	\$ 8,135,109
Total primary government program expenses	\$ 10,505,098	\$ 10,567,444	\$ 11,616,835	\$ 12,962,273	\$ 13,064,742	\$ 12,635,925	\$ 13,746,796	\$ 14,848,799	\$ 14,849,072	\$ 13,807,426
<b>Program Revenues</b>										
Governmental activities	\$ 1,599,148	\$ 1,399,687	\$ 1,277,092	\$ 1,764,613	\$ 2,719,112	\$ 2,243,764	\$ 4,369,053	\$ 4,918,117	\$ 3,999,348	\$ 2,428,575
Business-type activities	3,986,181	3,945,604	4,109,301	4,755,501	4,600,647	5,221,338	4,980,031	5,167,434	4,797,281	5,151,692
Total primary government program revenues	\$ 5,585,329	\$ 5,345,291	\$ 5,386,393	\$ 6,520,114	\$ 7,319,759	\$ 7,465,102	\$ 9,349,084	\$ 10,085,551	\$ 8,796,629	\$ 7,580,267
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (4,704,036)	\$ (5,237,296)	\$ (5,854,188)	\$ (6,137,369)	\$ (5,399,979)	\$ (5,071,133)	\$ (4,210,027)	\$ (4,791,057)	\$ (5,550,699)	\$ (5,706,534)
Business-type activities	(215,733)	15,143	(376,254)	(304,790)	(345,004)	(99,690)	(187,685)	27,809	(501,744)	(520,625)
Total primary government net expense	\$ (4,919,769)	\$ (5,222,153)	\$ (6,230,442)	\$ (6,442,159)	\$ (5,744,983)	\$ (5,170,823)	\$ (4,397,712)	\$ (4,763,248)	\$ (6,052,443)	\$ (6,227,159)
<b>General Revenues and Transfers</b>										
Governmental activities	\$ 4,685,350	\$ 7,066,660	\$ 5,915,554	\$ 6,595,783	\$ 5,267,700	\$ 4,512,637	\$ 6,217,017	\$ 6,483,453	\$ 6,094,055	\$ 5,001,462
Business-type activities	1,708,589	(79,249)	684,358	147,292	196,652	140,438	(267,870)	383,051	661,686	941,295
Total primary government	\$ 6,393,939	\$ 6,987,411	\$ 6,599,912	\$ 6,743,075	\$ 5,464,352	\$ 4,653,075	\$ 5,949,147	\$ 6,866,504	\$ 6,755,741	\$ 5,942,757
<b>Change in Net Position</b>										
Governmental activities	\$ (18,686)	\$ 1,829,364	\$ 61,366	\$ 458,414	\$ (132,279)	\$ (558,496)	\$ 2,006,990	\$ 1,692,396	\$ 543,356	\$ (705,072)
Business-type activities	1,492,856	(64,106)	308,104	(157,498)	(148,352)	40,748	(455,555)	410,860	159,942	420,670
Total primary government	\$ 1,474,170	\$ 1,765,258	\$ 369,470	\$ 300,916	\$ (280,631)	\$ (517,748)	\$ 1,551,435	\$ 2,103,256	\$ 703,298	\$ (284,402)

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)**

	2007	2008 (1)(2)(3)	2009	2010	2011	FISCAL YEAR			2016
	2007	2008 (1)(2)(3)	2009	2010	2011	2012	2013	2014	2015
General Government Activities	\$ 647,899	\$ 744,984	\$ 888,240	\$ 1,525,256	\$ 1,718,896	\$ 807,178	\$ 773,771	\$ 800,543	\$ 1,027,466
Judicial	-	-	-	-	-	-	-	-	-
Public Safety	4,101,953	4,271,174	4,385,022	4,295,540	4,411,166	4,087,061	4,162,807	4,288,329	4,398,624
Public Works	795,335	844,996	962,216	1,272,445	1,806,147	1,763,851	2,890,186	3,856,149	3,172,065
Solid Waste Management	-	110,040	99,908	6,754	1,706	72	-	-	-
Health and welfare	43,097	-	-	-	-	-	-	-	-
Culture and recreation	538,052	600,635	693,455	713,925	89,615	600,637	680,191	673,860	844,926
Tourism and economic development	-	3,398	2,934	3,090	4,888	4,673	4,521	4,161	4,448
Housing and development	165,942	38,607	88,779	78,286	79,340	49,761	48,896	64,277	87,523
Interest on Long-Term Debt	10,906	23,149	10,726	6,686	7,333	1,664	18,708	21,855	14,995
Total Governmental Activities	\$ 6,303,184	\$ 6,636,983	\$ 7,131,280	\$ 7,901,982	\$ 8,119,091	\$ 7,314,897	\$ 8,579,080	\$ 9,709,174	\$ 9,550,047
Business-Type Activities	\$ 1,459,273	\$ 1,385,098	\$ 1,431,768	\$ 1,386,394	\$ 1,373,794	\$ 1,408,770	\$ 1,323,467	\$ 1,314,778	\$ 1,324,380
Threadmill complex	\$ 1,259,062	\$ 1,385,098	\$ 1,431,768	\$ 1,386,394	\$ 1,373,794	\$ 1,408,770	\$ 1,323,467	\$ 1,314,778	\$ 1,324,380
Water and Sewer	\$ 2,742,641	\$ 2,545,363	\$ 3,053,787	\$ 3,177,074	\$ 3,125,881	\$ 3,472,137	\$ 3,308,126	\$ 3,256,714	\$ 3,180,705
Storm Water Utilities	\$ 455,082	\$ 412,974	\$ 378,725	\$ 304,530	\$ 290,936	\$ 401,950	\$ 422,208	\$ 412,974	\$ 455,082
Solid Waste	-	-	-	118,098	141,446	149,185	134,173	145,925	380,966
Total Business-Type Activities	\$ 4,201,914	\$ 3,930,461	\$ 4,485,555	\$ 5,060,291	\$ 4,945,651	\$ 5,321,028	\$ 5,167,716	\$ 5,139,625	\$ 5,299,025
Total Governmental-Wide Expenses	10,505,098	10,567,444	11,616,835	12,962,273	13,064,742	12,635,925	13,746,796	14,848,799	14,849,072
	13,807,426								

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

(1) During fiscal year 2008, the City began reporting its solid waste management activities separate from its public works activities.

(2) During fiscal year 2008, the City also began recording expenditures previously recorded under health and welfare as

General government expenditures.

(3) During fiscal year 2008, the City began reporting its tourism and economic development activities separate from its general government activities.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Charges for Service	\$ 62,986	\$ -	\$ -	\$ 55,821	\$ 3,675	\$ 5,938	\$ 7,969	\$ 7,037	\$ -	\$ -
Judicial	-	-	-	660,810	437,067	526,675	596,609	515,859	-	-
Public Safety	832,195	727,633	733,632	117,046	136,493	123,571	130,805	136,735	742,034	554,763
Public Works	78,202	-	-	64,381	21,513	18,942	19,419	63,144	-	-
Solid Waste Management	-	80,009	89,693	2,898	4,056	3,758	3,910	3,773	-	-
Culture and recreation	-	50,917	64,892	-	-	-	-	-	46,324	101,491
Housing and development	57,634	24,455	14,335	-	-	-	-	-	36,261	40,274
Operating Grants and Contributions	76,054	89,830	81,138	293,258	548,637	16,222	310	590	10,509	265,947
Capital Grants and Contributions	492,077	426,843	293,402	570,399	1,567,671	1,548,658	3,610,031	4,190,979	3,164,220	1,466,100
<b>Total Governmental Activities</b>	<b>\$ 1,599,148</b>	<b>\$ 1,399,687</b>	<b>\$ 1,277,092</b>	<b>\$ 1,764,613</b>	<b>\$ 2,719,112</b>	<b>\$ 2,243,764</b>	<b>\$ 4,369,053</b>	<b>\$ 4,918,117</b>	<b>\$ 3,999,348</b>	<b>\$ 2,428,575</b>
<b>Business-Type Activities</b>										
Charges for Service	\$ 1,022,369	\$ 1,120,973	\$ 1,116,053	\$ 1,045,701	\$ 1,078,585	\$ 1,120,537	\$ 1,118,192	\$ 1,197,590	\$ 1,234,876	\$ 1,208,874
Threadmill Complex	2,906,312	2,824,631	2,993,248	3,592,244	3,268,623	3,679,283	3,417,558	3,478,282	2,834,536	3,114,423
Water and Sewer	-	-	-	34,719	171,224	337,877	360,387	406,280	399,617	399,486
Stormwater	-	-	-	-	-	-	-	-	-	-
Solid Waste	-	-	-	82,837	82,215	83,641	83,894	85,282	301,257	352,184
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	57,500	-	-	-	-	-	-	-	26,995	76,725
<b>Business-Type Activities</b>	<b>\$ 3,986,181</b>	<b>\$ 3,945,604</b>	<b>\$ 4,109,301</b>	<b>\$ 4,755,501</b>	<b>\$ 4,600,647</b>	<b>\$ 5,221,338</b>	<b>\$ 4,980,031</b>	<b>\$ 5,167,434</b>	<b>\$ 4,797,281</b>	<b>\$ 5,151,692</b>
<b>Total Business-Type Activities</b>	<b>\$ 3,986,181</b>	<b>\$ 3,945,604</b>	<b>\$ 4,109,301</b>	<b>\$ 4,755,501</b>	<b>\$ 4,600,647</b>	<b>\$ 5,221,338</b>	<b>\$ 4,980,031</b>	<b>\$ 5,167,434</b>	<b>\$ 4,797,281</b>	<b>\$ 5,151,692</b>
<b>Total Government-Wide Program Revenues</b>	<b>\$ 5,585,329</b>	<b>\$ 5,345,291</b>	<b>\$ 5,386,393</b>	<b>\$ 6,520,114</b>	<b>\$ 7,319,759</b>	<b>\$ 7,465,102</b>	<b>\$ 9,349,084</b>	<b>\$ 10,085,551</b>	<b>\$ 8,796,629</b>	<b>\$ 7,580,267</b>

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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Taxes										
Property	\$ 618,953	\$ 688,309	\$ 709,691	\$ 706,063	\$ 588,691	\$ 585,391	\$ 651,736	\$ 576,380	\$ 547,923	\$ 632,335
Sales and Use	486,437	544,844	400,115	48,270	49,723	55,388	19,013	64,639	54,000	54,002
Franchise taxes and ownership fees	4,423,436	4,896,159	4,700,934	5,033,139	4,002,266	3,780,532	5,022,783	5,598,620	5,268,203	4,297,921
Other	530,417	543,263	555,630	543,458	523,631	137,457	144,820	552,349	581,536	656,935
Penalties and Interest	6,926	3,439	11,927	3,770	16,446	2,321	13,871	18,782	1,536	10,490
Intergovernmental	-	-	-	-	-	-	-	-	103,665	107,624
Unrestricted Investment Earnings	282,358	304,526	213,824	127,806	12,060	4,253	3	-	116,931	110,209
Miscellaneous	33,848	-	630	161,309	264,452	73,275	96,921	55,734	81,830	73,241
Gain on sale of capital assets	-	-	-	116,243	-	14,103	-	-	-	-
Transfers	(1,697,025)	86,120	(677,197)	(144,275)	(189,569)	(140,083)	267,870	(383,051)	(661,569)	(941,295)
Total Governmental Activities	\$ 4,685,350	\$ 7,066,660	\$ 5,915,554	\$ 6,595,783	\$ 5,267,700	\$ 4,512,637	\$ 6,217,017	\$ 6,483,453	\$ 6,094,055	\$ 5,001,462
<b>Business-Type Activities</b>										
Unrestricted Investment Income	\$ 11,564	\$ 6,871	\$ 7,161	\$ 3,017	\$ 7,083	\$ 355	\$ -	\$ -	\$ -	\$ 117
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	1,697,025	(86,120)	677,197	144,275	189,569	140,083	(267,870)	383,051	661,569	941,295
Total Business-Type Activities	\$ 1,708,589	\$ (79,249)	\$ 684,358	\$ 147,292	\$ 196,652	\$ 140,438	\$ (267,870)	\$ 383,051	\$ 661,686	\$ 941,295
<b>Total Government-Wide General and Other Revenue</b>	<b>\$ 6,393,939</b>	<b>\$ 6,987,411</b>	<b>\$ 6,599,912</b>	<b>\$ 6,743,075</b>	<b>\$ 5,464,352</b>	<b>\$ 4,653,075</b>	<b>\$ 5,949,147</b>	<b>\$ 6,866,504</b>	<b>\$ 6,755,741</b>	<b>\$ 5,942,757</b>

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund										
Reserved							\$ 232,944	\$ 364,276	\$ 256,249	\$ 241,367
Unreserved							\$ 4,383,560	\$ 3,967,587	\$ 4,117,783	\$ 3,357,429
Total General Fund							\$ 4,616,504	\$ 4,331,863	\$ 4,374,032	\$ 3,598,796
All Other Governmental Funds										
Reserved										
Unreserved							\$ 14,903	\$ 712,924	\$ 760,094	\$ 555,307
Special revenue funds							\$ 190,472	\$ 107,249	\$ 182,184	\$ 35,225
Capital projects funds							\$ 6,528,570	\$ 5,731,118	\$ 5,727,406	\$ 5,635,206
Total all other governmental funds							\$ 6,733,945	\$ 6,551,291	\$ 6,669,684	\$ 6,226,038
General Fund										
Nonspendable:										
Prepays Items	\$ 206,603	\$ 354,080	\$ 368,413	\$ 191,654	\$ 133,649	\$ 89,245	\$ 133,649	\$ 133,649	\$ 133,649	\$ 89,245
Inventory	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	\$ 4,103,820	\$ 5,156,013	\$ 5,057,467	\$ 4,163,355	\$ 3,170,763	\$ 3,906,885	\$ 3,170,763	\$ 3,304,412	\$ 4,033,619	\$ 4,033,619
All Other Governmental Funds										
Nonspendable for:										
Prepaid items	\$ 40,216	\$ 41,864	\$ 47,270	\$ 21,466	\$ 20,664	\$ 13,097	\$ 20,664	\$ 20,664	\$ 20,664	\$ 13,097
Advances to other funds	-	-	3,672,000	4,131,000	-	-	-	-	-	-
Restricted										
Capital Projects	1,889,409	2,104,555	3,045,772	3,385,900	7,223,817	6,745,122	7,223,817	7,223,817	7,223,817	6,745,122
Law enforcement activities	21,937	17,403	36,510	8,112	7,595	6,312	7,595	7,595	6,312	6,312
Public safety activities	75,350	273,432	108,719	32,102	53,240	292,961	53,240	53,240	292,961	292,961
Tourism and Promotion	4,980	3,277	4,032	4,874	5,962	6,937	5,962	5,962	6,937	6,937
Community enhancements	5,442,388	5,462,674	688,500	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(130,213)	(131,963)	-	-	(63,060)	(114,255)	(63,060)	(114,255)	(114,255)	(114,255)
Total All Other Governmental Funds	\$ 7,344,067	\$ 7,771,242	\$ 7,602,803	\$ 7,583,454	\$ 7,248,218	\$ 6,950,174	\$ 7,248,218	\$ 7,248,218	\$ 7,248,218	\$ 6,950,174

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

(Modified Accrual Basis of Accounting)

LAST TEN FISCAL YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues:</b>										
Taxes	\$ 5,633,841	\$ 6,510,245	\$ 6,936,519	\$ 5,858,320	\$ 4,529,825	\$ 5,184,197	\$ 6,297,590	\$ 6,392,321	\$ 6,630,481	\$ 7,996,861
Licenses and Permits	40,274	36,261	67,808	24,583	22,550	23,344	66,212	14,335	24,455	44,045
Fines and forfeitures	404,558	593,532	515,859	596,609	526,675	437,067	660,810	567,212	573,250	716,700
Charges for Services	150,206	148,502	142,881	137,520	129,659	142,393	173,934	255,588	225,598	207,774
Intergovernmental	1,588,772	3,065,865	4,058,452	3,360,811	2,026,232	1,517,312	861,803	244,025	438,042	568,922
Investment Earnings	110,259	116,731	132,527	118,685	51,245	96,358	129,056	216,014	304,525	282,919
Fenalties and interest	-	-	-	-	-	-	-	11,927	3,436	-
Contributions and donations	14,137	194,851	590	310	576	2,018	604	550	1,070	3,460
Miscellaneous	106,774	129,299	55,734	96,921	73,275	161,309	68,637	59,712	85,853	85,853
Total All Governmental Funds	8,048,821	10,795,286	11,910,370	10,193,759	6,851,117	8,176,061	8,351,318	7,770,609	8,260,569	10,307,534
<b>Expenditures</b>										
General Government	851,848	938,690	862,705	719,992	783,171	1,423,125	1,521,556	796,164	669,486	598,144
Public Safety	4,372,289	4,047,226	3,974,904	3,823,207	3,797,004	4,056,127	3,989,979	3,956,609	3,891,797	3,724,608
Judicial	203,573	198,709	176,700	176,421	166,459	174,265	137,645	149,780	151,108	150,763
Public Works	854,184	2,959,247	3,649,359	2,721,570	2,018,153	1,812,906	1,243,849	791,490	713,133	784,028
Solid waste management	-	-	-	-	72	1,706	6,754	102,674	110,040	-
Health and welfare	-	-	-	-	-	-	-	-	-	43,097
Tourism and economic development	1,804	4,448	4,161	4,521	4,673	4,888	3,090	2,934	5,044	-
Culture and recreation	681,735	694,264	617,025	557,912	843,309	660,151	676,223	583,853	523,705	465,344
Housing and development	344,477	124,041	64,277	48,896	49,761	79,340	78,286	93,977	42,006	107,068
Debt Service	212,918	314,452	265,919	280,966	19,989	123,135	144,309	175,550	149,121	238,836
Principal	6,800	14,995	21,855	18,708	1,664	7,333	11,690	20,320	13,457	11,014
Interest	2,036,819	872,646	814,769	1,237,135	1,942	60,172	245,472	580,624	1,156,909	1,153,925
Capital Outlay	9,566,447	10,168,718	10,451,674	9,589,328	7,686,197	8,403,148	8,058,853	7,253,975	7,425,806	7,276,827
Total Expenditures	9,566,447	10,168,718	10,451,674	9,589,328	7,686,197	8,403,148	8,058,853	7,253,975	7,425,806	7,276,827
Excess (Deficit) of Revenue Over Expenditure:	(1,517,626)	626,568	1,458,696	604,431	(835,080)	(227,087)	292,465	516,634	834,763	3,030,707
Other Financing Sources (Uses)	303,888	-	-	513,532	529,217	-	60,000	-	298,000	242,434
Proceeds from long-term debt	72,089	-	-	14,783	50,000	-	259,105	-	12,225	-
Proceeds from sale of capital assets	190,942	519,526	611,803	1,210,930	1,043,978	1,045,577	-	86,120	-	-
Transfer in	(882,741)	(893,442)	(994,854)	(943,060)	(811,595)	(1,233,547)	(1,189,852)	(677,197)	(1,697,026)	(1,697,026)
Transfer out	(315,822)	(373,916)	(383,051)	781,402	403,917	(139,569)	174,830	(677,197)	384,120	(1,442,367)
Total Other Financing Sources (Uses)	(1,833,448)	252,652	1,075,645	1,385,833	(431,163)	(366,656)	467,295	(160,563)	1,218,883	1,588,340
Net Change in Fund Balance	\$ (1,833,448)	\$ 252,652	\$ 1,075,645	\$ 1,385,833	\$ (431,163)	\$ (366,656)	\$ 467,295	\$ (160,563)	\$ 1,218,883	\$ 1,588,340
Debt service expenditures to noncapital expenditures	2.88%	3.45%	2.89%	3.72%	28.00%	1.59%	2.04%	3.02%	2.66%	4.29%

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**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes (2)</u>	<u>Licenses and Permits</u>	<u>Inter- Governmental</u>	<u>Charges for Service</u>	<u>Fines and Forfeitures</u>	<u>Interest Income</u>	<u>Contributions and Donations from Private</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	8,383,903	58,003	568,922	207,774	716,700	282,919	3,460	85,853	10,307,534
2008	6,633,917	24,455	438,042	225,598	573,250	304,525	1,070	59,712	8,260,569
2009	6,404,248	14,335	244,025	255,588	567,212	216,014	550	68,637	7,770,609
2010	6,297,590	66,212	861,803	173,934	660,810	129,056	604	161,309	8,351,318
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

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 Value	Total Direct Tax Rate
2006/2007	107,663,473	52,345,181	16,296,254	295,254	11,778,650	3,419,843	184,958,969	3.12
2007/2008	123,962,544	54,102,378	16,344,483	311,040	13,514,780	4,848,014	203,387,211	3.12
2008/2009	131,719,176	54,773,866	19,245,151	288,062	14,330,130	5,144,278	215,212,107	3.12
2009/2010	92,574,253	55,725,122	34,500,679	256,036	12,103,030	4,172,299	190,986,821	3.12
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

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>Tax Year/Fiscal Year</u>	<u>City</u>	<u>County</u>	<u>Board of Education Cobb County (1)</u>	<u>State</u>	<u>Total</u>
2005/2006	3.12	10.50	19.00	0.25	32.87
2006/2007	3.12	9.60	18.90	0.25	31.87
2007/2008	3.12	9.60	18.90	0.25	31.87
2008/2009	3.12	9.60	18.90	0.25	31.87
2009/2010	3.12	9.60	18.90	0.25	31.87
2010/2011	3.12	10.61	18.90	0.25	32.88
2011/2012	4.00	11.11	18.90	0.20	34.21
2012/2013	4.00	10.91	18.90	0.15	33.96
2013/2014	4.00	10.91	18.90	0.15	33.96
2014/2015	3.06	7.65	18.90	0.10	29.71
2015/2016	3.06	7.45	18.90	0.05	29.46

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 TAX PAYERS  
CURRENT CALENDAR YEAR AND NINE YEARS AGO**

2006				2015				Taxpayer			
Percentage of Total City Taxable Assessed Value	Rank	Value Assessed Taxable	Value Assessed	Percentage of Total City Taxable Assessed Value	Rank	Value Assessed Taxable	Value Assessed				
6.3%	1	9,605,598	9,500,689	8.3%	1	11,831,023	9,857,491	Norfolk Southern	Austell Box Board Corp		
6.2%	2	5,514,324	5,399,378	7.0%	2	7,336,313	1,982,099	Sweetwater Paper Board Co.	Sweetwater Lumber & Land Inc		
3.6%	3	2,097,083	1,991,683	5.2%	3	1,062,916	753,192	Star Paper Tube Inc	2989 Humphries Rd LLC		
3.5%	4	1,332,342	1,122,397	1.4%	4	672,680	621,327	Efficiency Lodge Inc	Reserve Alloys LLC		
1.4%	5	1,089,137	1,087,248	0.5%	5	573,177	555,720	ICPG - Austell Tube Plant	Pointe Eagle Properties LLC		
1.3%	6	1,122,397	1,089,137	0.5%	6	672,680	621,327	2989 Humphries Rd LLC	Star Paper Tube Inc		
0.9%	7	1,332,342	1,122,397	0.7%	7	753,192	672,680	Star Paper Tube Inc	Efficiency Lodge Inc		
0.7%	8	1,122,397	1,089,137	0.7%	8	621,327	573,177	Sweetwater Lumber & Land Inc	Reserve Alloys LLC		
0.7%	9	1,089,137	1,087,248	0.4%	9	573,177	555,720	ICPG - Austell Tube Plant	Pointe Eagle Properties LLC		
0.7%	10	1,087,248	1,089,137	0.4%	10	555,720	573,177	Pointe Eagle Properties LLC	ICPG - Austell Tube Plant		
<b>25%</b>		<b>\$ 38,739,879</b>		<b>25%</b>		<b>\$ 35,245,938</b>					

Source: Cobb County Tax Assessor

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Amount</u>	<u>Percent of Total Collections to Date Levy</u>
2007	533,359		0.0%	-	-	0.0%
2008	557,756		0.0%	-	-	0.0%
2009	598,818		0.0%	-	-	0.0%
2010	605,950		0.0%	-	-	0.0%
2011	489,816	478,933	97.8%	5,892	484,825	99.0%
2012	436,547	423,921	97.1%	9,897	433,818	99.4%
2013	490,784	442,742	90.2%	23,458	466,200	95.0%
2014	474,939	450,465	94.8%	22,649	473,114	99.6%
2015	372,269	347,807	93.4%	7,332	355,139	95.4%
2016	415,855	388,533	93.4%	-	388,533	93.4%

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**

<u>Franchise Tax &amp; Ownership Fees</u>	<u>Current Year Percentage of Gross Sales</u>	<u>2016 Revenue</u>	<u>2011 Revenue</u>
Austell Gas System (ownership)	9%	\$ 3,597,272	\$ 3,345,674
Georgia Power	5%	521,380	510,049
Greystone Power	5%	72,374	44,819
Comcast Cable TV	5%	51,568	42,415
AT&T	3%	39,528	59,309
<b>Total</b>		<u>\$ 4,282,122</u>	<u>\$ 4,002,266</u>

Source: City's finance department

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

FISCAL YEAR ENDED JUNE 30,	Governmental		Business-Type Activities		Total Government	Percentage of Personal Income	Debt Per Capita (1)
	Activities	Capital Leases	Water and Sewer Revenue Bonds	Revenue Complex Capital Lease Bonds			
2007	274,909	380,000	6,300,000	54,075	7,008,984	2.98%	1,163
2008	423,787	195,000	6,045,000	27,672	6,691,459	2.78%	1,096
2009	248,238	-	5,780,000	-	6,028,238	2.45%	975
2010	163,929	-	5,500,000	-	5,663,929	2.46%	923
2011	40,794	-	5,205,000	-	5,245,794	2.28%	740
2012	550,022	-	4,905,000	-	5,455,022	1.94%	829
2013	782,588	-	-	-	782,588	0.29%	115
2014	516,669	-	-	-	516,669	0.29%	76
2015	314,452	-	-	-	314,452	0.29%	46
2016	293,187	-	-	-	293,187	0.00%	42

Data Source: Woods & Poole Economics pamphlet 2011, www.city-data.com



**SCHEDULE 15  
CITY OF AUSTELL, GEORGIA  
DIRECT AND OVERLAPPING DEBT  
AS OF JUNE 30, 2016**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct General Obligation Debt:</b>	-	-	-
<b>Overlapping General Obligation Debt:</b>			
Cobb County General Obligation Debt	\$ 10,514,647	1%	\$ 105,146
Total, General Obligation Debt			<u>105,146</u>
<b>Overlapping Guaranteed Revenue Debt:</b>			
Cobb County Parking Deck Certificates	8,850,000	1%	88,500
Cobb County Revenue Anticipation Certificates	6,142,637	1%	61,426
Cobb-Marietta Coliseum and Exhibit Hall Authority	40,055,000	1%	400,550
Cobb County Solid Waste Management Authority	-	1%	-
Total, overlapping revenue debt	<u>\$ 65,562,284</u>	1%	<u>\$ 655,623</u>
<b>City Direct Debt:</b>			
Capital Lease			\$ 293,187
			<u>\$ 293,187</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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 20,338,721	\$ 20,688,495	\$ 21,521,211	\$ 19,402,828	\$ 17,555,554	\$ 15,523,142	\$ 15,507,491	\$ 15,554,807	\$ 14,665,217	\$ 14,999,065
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 20,338,721	\$ 20,688,495	\$ 21,521,211	\$ 19,402,828	\$ 17,555,554	\$ 15,523,142	\$ 15,507,491	\$ 15,554,807	\$ 14,665,217	\$ 14,999,065
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2007	2,906,312	2,539,265	367,047	175,000	24,975	1.84
2008	2,824,631	2,322,800	501,831	185,000	17,100	2.48
2009	2,993,248	2,847,700	145,548	195,000	8,775	0.71
2010	3,591,952	3,106,552	485,400	-	-	-
2011	3,268,623	3,059,004	209,619	-	-	-
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)	-	-	-

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**

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>Lease Charges</u>	<u>Less: Operating Expenses</u>	<u>Net Revenue Available</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service (1)</u>	<u>Coverage</u>
2007	1,022,369	820,003	202,366	255,000	284,000	0.38	
2008	1,120,973	758,818	362,155	255,000	277,866	0.68	
2009	1,116,053	766,532	349,521	265,000	295,515	0.62	
2010	1,045,701	753,371	292,330	280,000	304,332	0.50	
2011	1,078,585	759,691	318,894	295,000	288,147	0.55	
2012	1,120,537	784,067	336,470	300,000	270,978	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	-	-	-	

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**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>City Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2007	6,026	270,015,410	39,077	3.8%
2008	6,107	268,646,380	39,348	3.9%
2009	6,184	264,825,980	39,721	9.6%
2010	6,136	246,440,168	40,163	9.5%
2011	7,085	276,860,545	39,077	9.1%
2012	6,581	257,165,737	39,077	9.1%
2013	6,782	257,695,654	37,997	7.7%
2014	6,782	264,043,606	38,933	6.9%
2015	6,810	312,899,070	45,947	6.9%
2016	6,985	320,939,795	45,947	0.0%

Source: Woods & Poole Economics 2012 Data Pamphlet

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

Employer	2016		2007	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Austell Boxboard	355	36.9%	355	32.0%
National Envelope	-	--	230	20.7%
Carustar Industries	120	12.5%	120	10.8%
Carustar Fashion Foods	95	9.9%	95	8.6%
Carustar Corp	87	9.0%	87	7.8%
Sweetwater Paper Company	87	9.0%	87	7.8%
Wade Heating & Air	--	--	49	4.4%
Parsec, Inc	65	6.8%	--	--
Wallace Barbeque	--	--	32	2.9%
RSR Partners, LLC	50	5.2%	7	--
Vitas Healthcare of Georgia	50	5.2%	28	2.5%
Wheeler Building Material	32	3.3%	27	2.4%
Better Optics	22	2.3%	--	--
Total Employees	963		1,110	

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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	4	4	4	4	4	4	4	4	2	4
Management services										
Finance	3	3	1	1	1	1	1	1	2	2
Planning	-	-	-	-	-	-	-	-	-	1
Building	-	-	-	-	-	-	-	1	-	-
Public Safety	50	50	54	53	55	55	55	55	52	52
Municipal court	2	3	3	3	3	3	3	3	3	3
Highways and streets	2	2	3	3	3	3	4	4	8	8
Parks and recreation	3	3	3	3	3	3	3	5	7	6
Water	2	2	4	4	4	4	4	4	12	12
Public Works	14	14	14	14	15	16	16	17	6	6
Threadmill	10	10	10	10	10	10	10	6	7	7
<b>Total</b>	<b>90</b>	<b>91</b>	<b>96</b>	<b>95</b>	<b>98</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>99</b>	<b>101</b>

Source: Human resource department of the City.

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

Function / Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Municipal Court										
Citations issued	6,869	6,243	5,540	4,660	3,726	4,561	4,997	5,686	4,300	3,440
Traffic violations	6,940	5,304	5,046	4,657	3,301	4,367	4,773	5,675	4,300	3,440
Shoplifting violations	3	2	10	3	9	-	-	11	-	-
Refuse collections										
Refuse collected (tons per day)	1.85	1.90	1.90	1.90	1.90	2.25	2.25	2.25	-	-
Public Works										
Streets resurfaced (miles)	2	2	2	2	2	-	-	3	3	5
Water										
New connections	2	-	-	-	-	-	-	-	-	-
Average daily consumption	996,861	988,620	900,219	942,472	881,298	890,000	910,000	918,989	551,951	752,800
Stormwater										
Miles of streets swept	6	8	8	8	8	50	102	325	325	325
Storm drains cleaned	410	450	450	450	450	450	582	184	184	184

Sources: Various City Departments



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

Function / Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public works										
Paved roads (miles)	54.0	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3	55.3
Streelights	759.0	777.0	780.0	780.0	780.0	780.0	780.0	805.0	805.0	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	7.0	7.0	8.0	10.0	11.0	11.0	11.0	12.0	12.0	12.0
Number of parks	36.7	36.7	36.7	38.7	39.0	39.0	39.0	39.0	40.0	40.0
Average	50.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	1.0	3.0
Playgrounds	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community centers	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Storage capacity	1	1	1	1	1	1	1	1	1	1
Water tanks										
Wastewater										
Sanitary sewers (miles)	26.6	41.0	36.1	36.1	36.1	36.1	36.1	36.1	36.1	36.1
Number of service connections	2,495	2,551	2,551	2,592	2,464	2,464	2,464	2,464	3,022	3,062
Solid Waste Management	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	2,504.0	2,815.0
Customers	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Compactor trucks	30.6	50.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Storm sewers (miles)										

Source: City of Austell Public Works Department