City of Austell, Georgia



Comprehensive Annual Financial Report
For the
Fiscal Year Ended
June 30, 2014

Prepared by

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

CITY OF AUSTELL, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

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CITY OF AUSTELL, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
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INTRODUCTORY SECTION
(Unaudited)

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

December 17, 2014

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, 2014 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.

The City is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

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

Over the past years, the City has experienced a substantial economic decline due to factors including, but not limited to an increase in foreclosures, decrease in business activity and increases in unemployment. To mitigate these factors, the City has increased franchise fees from 8% to 9% during 2014.

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 existing SPLOST, the City will complete park renovations and purchase new public safety equipment. 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, road and sidewalk improvements, recreational improvements and operating equipment needs. The Downtown Development project completed Phase II of the LCI Streetscapes grant program and is moving toward Phase III.

Sanitation

The City provides residential sanitation service to it's 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 cleanup twice a year for the months of April and October. The City also provides recycling services also contracted through Republic Services.

Financial Highlights

The estimated total value of the 2013 City's tax digest decreased 2% from the 2012 digest. This is primarily due to reassessments of property by Cobb County in January, 2013. The 2014 digest is expected to decrease approximately $5 million in personal property due to a large commercial property selling off some assets. Also, property tax millage rates decreased from 4.0 mils to 3.06 mils subsequent to fiscal year ended June 30, 2014.

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 accordinance 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, Public Assistance Grant Fund, Austell Area Community Improvement Council, Cobb County SPLOST Capital Projects Fund, Douglas County SPLOST Capital Projects Fund, 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. The City has an agreement with our financial institution to maintain sufficient collateralization, however at various times these funds fell below acceptable levels. In response, the City has diversified those funds into other secure investments with other institutions.

Risk Management

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

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 public safety 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 cameras. Finally, during fiscal year 2014, the City completed a park dedicated to those who have served our country through the military. The Veterans Memorial Park was completed in May, 2014. The City has added a new disc golf course with 9 holes and will be adding 9 more during the 2015 fiscal year.

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 compliment 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 *Mauldin & Jenkins LLC* was selected by the City's audit committee. Accounting principles generally accepted in the United States of America 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.

As part of the City's annual single audit as required in conformity with provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget circular A-133, *Audits of State and Local Governments and Nonprofit Organizations,* tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs as well as to determine that the City has complied with applicable laws and regulations.

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, 2013. This represents the sixteenth 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,

Denise Soesbee
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

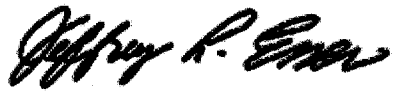
Presented to

City of Austell

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



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

Virginia A. Reagan
Ward 4

Olliee Clemons, Jr.
At-Large, Post 1

Suzanne Thomason
At-Large, Post 2

DEPARTMENT DIRECTORS

Carolyn Duncan
General Administration
Court Clerk

Denise Soesbee
Finance Director

Randy L. Bowens
Public Works Director

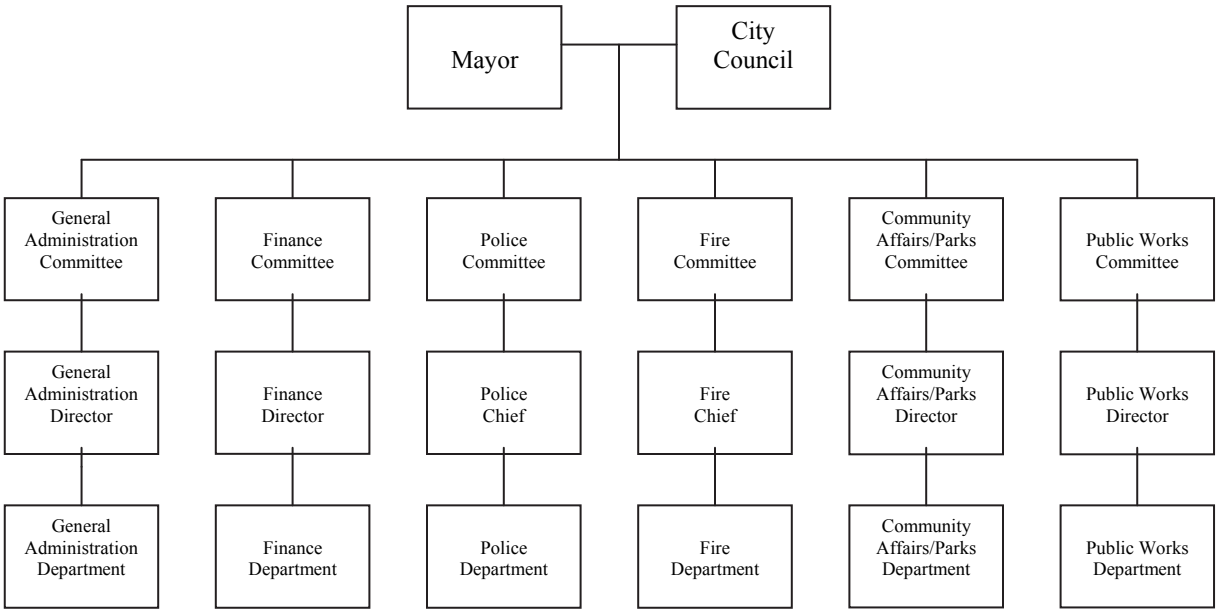
Jimmy R. Graham
Community Development/
Parks Director

Robert G. Starrett
Police Chief

Timothy J. Williams
Fire Chief

CITY OF AUSTELL, GEORGIA

Organizational Structure



FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the 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 the **City of Austell, Georgia** (the "City") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Austell, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and the Multiple Grants Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedule of Funding Progress (on pages 4 through 12 and page 49, respectively) 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 combining and individual statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the introductory and the statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014 on our consideration of the City of Austell, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Austell, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 17, 2014

City of Austell, Georgia
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014

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 position of the City exceeded its liabilities at the close of the most recent fiscal year by $27,453,783 (net position). Of this amount, $2,962,385 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.

- The City had an increase in net position of $2,103,256 compared to an increase of $1,551,435 in the prior fiscal year. Overall, gas usage combined with franchise fee rate increases from 8% to 9% were major contributing factors.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $13,028,683. This represents an increase from the prior fiscal year of $1,075,645 due primarily to the increase in franchise fees.

- At the end of the current fiscal year, unassigned fund balance of the General Fund was $5,057,467 or 88% of total current fiscal year General Fund expenditures. In the prior fiscal year, unassigned fund balance was $4,177,930 or 78% 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 City's financial standing, split between governmental activities and business-type activities.

The *statement of net position* presents information on all of the City's assets and liabilities, 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.

- 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 13-14 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 15-19 of this report.

The City maintains one (1) General Fund, five (5) special revenue funds and three (3) 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, Public Assistance Grant, Multiple Grants, and Hotel/Motel Tax funds. The capital projects funds are: Cobb County SPLOST, Austell Area Community Council "AACIC" Fund, and Douglas County SPLOST. Of these funds, the General Fund, Multiple Grants Fund, Cobb County SPLOST Fund, 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.

The basic enterprise fund financial statements are presented on pages 20-22 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 23-48 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 exceeded liabilities by $27,453,783 at the close of the most recent fiscal year.

A portion of the City's net position (64%) reflects its investment in capital assets such as land, buildings, infrastructure, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has restricted net position of $6,867,033 which is restricted for capital construction, law enforcement activities, public safety activities, and tourism and development, as compared to $7,561,988 of restricted net position of the prior fiscal year. The remaining balance of unrestricted net position $2,962,385 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 except for unrestricted net position of its business-type activities.

Net Position
As noted earlier the City's combined net position totals $27,453,783 (excluding the City's component unit).

The following table provides a summary of the City's governmental and business-type activities' net position for the fiscal years ended 2014 and 2013:

Condensed Statement of Net Position
June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current assets	$ 10,317,904	$ 8,883,344	$ 709,632	$ 313,185	$ 11,027,536	$ 9,196,529
Capital assets	9,873,162	9,387,106	8,267,872	8,690,937	18,141,034	18,078,043
Other noncurrent assets	3,672,000	4,131,000	(3,672,000)	(4,130,982)	-	18
Total Assets	23,863,066	22,401,450	5,305,504	4,873,140	29,168,570	27,274,590
Liabilities:						
Current liabilities	1,095,658	1,060,057	283,584	244,723	1,379,242	1,304,780
Long-term liabilities	326,594	592,975	8,951	26,308	335,545	619,283
Total Liabilities	1,422,252	1,653,032	292,535	271,031	1,714,787	1,924,063
Net Position:						
Net investment in capital assets	9,356,493	8,604,518	8,267,872	8,690,937	17,624,365	17,295,455
Restricted	6,867,033	7,561,988	-	-	6,867,033	7,561,988
Unrestricted	6,217,288	4,581,912	(3,254,903)	(4,088,828)	2,962,385	493,084
Total Net Position	$ 22,440,814	$ 20,748,418	$ 5,012,969	$ 4,602,109	$ 27,453,783	$ 25,350,527

Changes in Net Position

Governmental and business-type activities increased the City's net position by $2,103,256. The following table provides a summary of the City's changes in net position:

Condensed Changes in Net Position
June 30, 2014 and 2013

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 726,548	$ 758,712	$ 5,167,434	$ 4,980,031	$ 5,893,982	$ 5,738,743
Operating grants and contributions	590	310	-	-	590	310
Capital grants and contributions	4,190,979	3,610,031	-	-	4,190,979	3,610,031
General revenues:						
Property taxes	576,380	651,736	-	-	576,380	651,736
Other taxes/ownership fees	6,234,390	5,200,487	-	-	6,234,390	5,200,487
Unrestricted investment earnings	-	3	-	-	-	3
Miscellaneous	55,734	96,921	-	-	55,734	96,921
Total Revenues	11,784,621	10,318,200	5,167,434	4,980,031	16,952,055	15,298,231
Expenses						
General government	800,543	773,771	-	-	800,543	773,771
Public safety	4,111,629	3,986,386	-	-	4,111,629	3,986,386
Judicial	176,700	176,421	-	-	176,700	176,421
Public works	3,856,149	2,890,186	-	-	3,856,149	2,890,186
Culture and recreation	673,860	680,191	-	-	673,860	680,191
Housing and development	64,277	48,896	-	-	64,277	48,896
Tourism and economic development	4,161	4,521	-	-	4,161	4,521
Interest on long-term debt	21,855	18,708	-	-	21,855	18,708
Threadmill Complex	-	-	1,314,778	1,323,467	1,314,778	1,323,467
Water and sewer	-	-	3,256,714	3,308,126	3,256,714	3,308,126
Stormwater	-	-	422,208	401,950	422,208	401,950
Solid waste	-	-	145,925	134,173	145,925	134,173
Total Expenses	9,709,174	8,579,080	5,139,625	5,167,716	14,848,799	13,746,796
Change in net position before transfers	2,075,447	1,739,120	27,809	(187,685)	2,103,256	1,551,435
Transfers	(383,051)	282,445	383,051	(282,445)	-	-
Change in Net Position	1,692,396	2,021,565	410,860	(470,130)	2,103,256	1,551,435
Net Position, beginning of fiscal year	20,748,418	18,726,853	4,602,109	5,072,239	25,350,527	23,799,092
Net Position, end of fiscal year	$ 22,440,814	$ 20,748,418	$ 5,012,969	$ 4,602,109	$ 27,453,783	$ 25,350,527

Governmental Activities

Governmental activities increased the City's net position by $1,692,396. This can be explained by revenue increases in franchise fees $1,008,059 and capital grants $580,948.

Total revenues for Governmental Activities increased overall by 14.2% which is primarily attributed to SPLOST and grant revenue.

Governmental Activities
Program Revenues and Expenses
For the Fiscal Years Ended June 30, 2014 and June 30, 2013

	2014 Revenues	2014 Expenses	2013 Revenues	2013 Expenses
General government	$ 7,627	$ 800,543	$ 8,279	$ 773,771
Public safety	323,248	4,111,629	321,187	3,986,386
Judicial	515,859	176,700	596,609	176,421
Public works	3,624,227	3,856,149	3,003,107	2,890,186
Solid waste management	3,773	-	3,910	-
Culture and recreation	443,383	673,860	435,961	680,191
Housing and development	-	64,277	-	48,896
Tourism and economic development	-	4,161	-	4,521
Interest on long-term debt	-	21,855	-	18,708
Totals	$ 4,918,117	$ 9,709,174	$ 4,369,053	$ 8,579,080

Governmental Activities
Revenues by Source
For the Fiscal Years Ended June 30, 2014 and June 30, 2013

	2014		2013	
Charges for Service	$ 726,548	6%	$ 758,712	7%
Operating grants and contributions	590	0%	310	0%
Capital grants and contributions	4,190,979	36%	3,610,031	35%
Property taxes	576,380	5%	651,736	7%
Other taxes and ownership fees	6,234,390	53%	5,200,487	50%
Unrestricted investment earnings	-	0%	3	0%
Miscellaneous	55,734	0%	96,921	1%
Totals	$11,784,621	100%	$ 10,318,200	100%

Business-Type Activities

Major revenue sources for the proprietary funds were charges for services of $5,167,434 which is a 3.8% increase from the previous fiscal year. Expenses for the proprietary funds are $5,139,625 which is a slight decrease from the previous fiscal year. This decrease is mostly the result of water usage activity for the fiscal year 2014.

Business-type Activities
Program Revenues and Expenses
For the Fiscal Years Ended June 30, 2014 and June 30, 2013

	2014 Revenues	2014 Expenses	2013 Revenues	2013 Expenses
Threadmill Complex	$ 1,197,590	$ 1,314,778	$ 1,118,192	$ 1,323,467
Water and Sewer	3,478,282	3,256,714	3,417,558	3,308,126
Stormwater	406,280	422,208	360,387	401,950
Solid Waste	85,282	145,925	83,894	134,173
Totals	$ 5,167,434	$ 5,139,625	$ 4,980,031	$ 5,167,716

Business-type Activities
Revenues by Source
For the Fiscal Years Ended June 30, 2014 and June 30, 2013

		2014		2013	
Charges for Service		$5,167,434	100%	$4,980,031	100%
	Totals	$5,167,434	100%	$4,980,031	100%

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, 2014, the City's governmental funds reported a combined ending fund balance of approximately $13 million. Of this total, approximately 5 million or 38% 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, 2014, unassigned fund balance was approximately $5 million, while total fund balance was $5.4 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 88.1% of total General Fund expenditures, while total fund balance represents 94.5% of that same amount.

The fund balance of the General Fund increased $1,056,296 during the fiscal year. Key factors in this increase are as follows:

- Substantial increases in Franchise and Ownership fees due to the Austell Gas system overall usage and rate increase from 8% to 9%.
- Total expenditures, however, remained relatively unchanged.
- Transfers out decreased substantially.

The fund balance of the Cobb County SPLOST Fund decreased ($70,091) during the fiscal year. Key factors in this decrease is that the City completed scheduled resurfacing projects, as well as purchased needed equipment.

The fund balance of the Austell Area Community, Council Fund decreased ($40,537) during the fiscal year as a result of the AACIC Board allocating interest revenues to be spent in the community as well as the completion of a new Veterans Memorial Park.

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

- The Threadmill and Stormwater Fund change in net position was a combined increase of $417,753. The increase is due to expense controls and transfers in from the General Fund to cover debt service for Threadmill.
- Change in net position of the Stormwater Fund amount to an increase of $125,205, resulting in total net position of $3,381,124. This increase is primarily due to a reduction in expenses for the current fiscal year.
- Water and Sewer Fund and the Solid Waste Fund change in net position were very minimal.

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, 2014, was $9,873,162 and $8,267,872, 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 park improvements from the AACIC Funds.
- Added new infrastructure and equipment purchased with SPLOST funds.

At June 30, 2014, the depreciable capital assets for governmental activities were 45% depreciated. The business-type activities are 50% depreciated.

Additional information on the City's capital assets can be found in Note 6 of the Basic Financial Statements of this report.

Long-Term Debt
During the current fiscal year, the City retired $265,919 of outstanding capital lease obligations. At the end of the current fiscal year, the City of Austell had total debt outstanding of $672,639 in which the majority of the debt included $516,669 of capital leases secured for the purchase of vehicles, trucks, and other equipment.

Additional information on the City's long-term debt can be found in Note 8 of the Basic Financial Statements section of this report.

Economic Conditions Affecting the City
Key assumptions for fiscal year 2015 are summarized as follows:

- The Gas System ownership fees were budgeted to be approximately $4.3 million. Anticipated revenue at the current rate of 9% gross sales is expected to be slightly less for 2015.
- Increases in healthcare costs are anticipated to increase again by roughly 15% in 2016.
- On September 18, 2009, the City of Austell, Georgia was flooded and almost 700 of its approximately 2,500 homes were severely affected. The City completed all projects funded by the Public Assistance Grant Fund on May 15, 2011. The HMGP Grant program continues impacting the City as it prepares to maintain and repair the properties of the land that was purchased.
- Additional purchases of substantially damaged properties through the HMGP Grant program have been approved by FEMA and are currently in the process of being purchased and demolished.

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 NET POSITION
JUNE 30, 2014

	Primary Government			Component Unit
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Austell Natural Gas System**
Cash and cash equivalents	$ 4,438,999	$ 220,868	$ 4,659,867	$ 29,094,360
Investments	-	167,728	167,728	-
Taxes receivable, net of allowances	148,494	-	148,494	-
Other receivables	23,794	-	23,794	-
Accounts receivable, net of allowances	43,161	736,198	779,359	3,128,843
Due from component unit	4,377,458	-	4,377,458	-
Due from other governments	315,432	-	315,432	111,225
Internal balances	4,226,883	(4,226,883)	-	-
Inventory	-	21,155	21,155	2,877,636
Prepaid items	415,683	118,566	534,249	317,732
Restricted cash and cash equivalents	-	-	-	12,450,742
Net pension asset	-	-	-	1,574,382
Capital assets:				
Non-depreciable	2,029,700	545,640	2,575,340	452,523
Depreciable, net of accumulated depreciation	7,843,462	7,722,232	15,565,694	19,361,141
Total assets	23,863,066	5,305,504	29,168,570	69,368,584
LIABILITIES				
Accounts payable	599,752	-	599,752	3,101,177
Accrued interest payable	-	-	-	21,264
Accrued liabilities	46,258	15,883	62,141	99,890
Due to others	21,888	-	21,888	-
Unearned revenue	-	33,504	33,504	678,557
Customer deposits payable	1,500	198,390	199,890	1,602,149
Due to primary government	-	-	-	4,522,061
Due to other governments	124,973	-	124,973	-
Compensated absences due within one fiscal year	27,803	35,807	63,610	406,359
Compensated absences due in more than one fiscal year	83,409	8,951	92,360	-
Capital leases due within one fiscal year	273,484	-	273,484	-
Capital leases due in more than one fiscal year	243,185	-	243,185	-
Bonds payable due within one fiscal year	-	-	-	1,600,000
Bonds payable due in more than one fiscal year	-	-	-	1,725,000
Net OPEB obligation	-	-	-	147,037
Total liabilities	1,422,252	292,535	1,714,787	13,903,494
NET POSITION				
Net investment in capital assets	9,356,493	8,267,872	17,624,365	16,488,664
Restricted for capital construction	6,717,772	-	6,717,772	-
Restricted for law enforcement activities	36,510	-	36,510	-
Restricted for public safety activities	108,719	-	108,719	-
Restricted for tourism and economic development	4,032	-	4,032	-
Restricted for renewal and extension	-	-	-	10,906,696
Restricted for debt service	-	-	-	1,522,782
Unrestricted (deficit)	6,217,288	(3,254,903)	2,962,385	26,546,948
Total net position	$ 22,440,814	$ 5,012,969	$ 27,453,783	$ 55,465,090

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

CITY OF AUSTELL, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Austell Natural Gas System
Primary government:								
Governmental activities:								
General government	$ 800,543	$ 7,037	$ 590	$ -	$ (792,916)	$ -	$ (792,916)	$ -
Judicial	176,700	515,859	-	-	339,159	-	339,159	-
Public safety	4,111,629	136,735	-	186,513	(3,788,381)	-	(3,788,381)	-
Public works	3,856,149	63,144	-	3,561,083	(231,922)	-	(231,922)	-
Solid waste management	-	3,773	-	-	3,773	-	3,773	-
Culture and recreation	673,860	-	-	443,383	(230,477)	-	(230,477)	-
Housing and development	64,277	-	-	-	(64,277)	-	(64,277)	-
Tourism and economic development	4,161	-	-	-	(4,161)	-	(4,161)	-
Interest on long-term debt	21,855	-	-	-	(21,855)	-	(21,855)	-
Total governmental activities	9,709,174	726,548	590	4,190,979	(4,791,057)	-	(4,791,057)	-
Business-type activities:								
Threadmill Complex	1,314,778	1,197,590	-	-	-	(117,188)	(117,188)	-
Water and Sewer	3,256,714	3,478,282	-	-	-	221,568	221,568	-
Stormwater	422,208	406,280	-	-	-	(15,928)	(15,928)	-
Solid Waste	145,925	85,282	-	-	-	(60,643)	(60,643)	-
Total business-type activities	5,139,625	5,167,434	-	-	-	27,809	27,809	-
Total primary government	$ 14,848,799	$ 5,893,982	$ 590	$ 4,190,979	(4,791,057)	27,809	(4,763,248)	-
Component unit:								
Austell Natural Gas System	$ 52,820,357	$ 56,924,778	$ -	$ -	-	-	-	4,104,421
General revenues:								
Property taxes					$ 576,380	$ -	$ 576,380	$ -
Franchise taxes					5,598,620	-	5,598,620	-
Insurance premium taxes					339,474	-	339,474	-
Business occupation taxes					86,482	-	86,482	-
Sales and use taxes					64,639	-	64,639	-
Other taxes					126,393	-	126,393	-
Penalties and interest					18,782	-	18,782	-
Unrestricted investment earnings					-	-	-	29,324
Miscellaneous					55,734	-	55,734	27,675
Transfers					(383,051)	383,051	-	-
Total general revenues and transfers					6,483,453	383,051	6,866,504	56,999
Change in net position					1,692,396	410,860	2,103,256	4,161,420
Net position, beginning of fiscal year					20,748,418	4,602,109	25,350,527	51,303,670
Net position, end of fiscal year					$ 22,440,814	$ 5,012,969	$ 27,453,783	$ 55,465,090

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

CITY OF AUSTELL, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	General Fund	Cobb County SPLOST Fund	Austell Area Community Council Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 888,866	$ 1,587,900	$ 1,419,939	$ 320,934	$ 221,360	$ 4,438,999
Accounts receivable	27,020	-	-	-	16,141	43,161
Taxes receivable, net of allowances	148,238	-	-	-	256	148,494
Due from other governments	-	233,793	-	31,408	50,231	315,432
Other receivables	23,794	-	-	-	-	23,794
Due from other funds	516,265	134,204	623,451	-	3,841	1,277,761
Due from component unit	4,377,458	-	-	-	-	4,377,458
Prepaid items	368,413	-	-	-	47,270	415,683
Advances to other funds	-	-	3,672,000	-	-	3,672,000
Total assets	$ 6,350,054	$ 1,955,897	$ 5,715,390	$ 352,342	$ 339,099	$ 14,712,782
LIABILITIES						
Accounts payable	$ 599,455	$ -	$ -	$ -	$ 297	$ 599,752
Customer deposits	1,500	-	-	-	-	1,500
Accrued liabilities	42,533	-	-	-	3,725	46,258
Due to other funds	90,859	-	270,147	265,650	96,222	722,878
Due to other governments	22,977	-	-	86,692	15,304	124,973
Due to others	-	-	-	-	21,888	21,888
Total liabilities	757,324	-	270,147	352,342	137,436	1,517,249
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	142,634	-	-	-	-	142,634
Unavailable revenue - sales taxes	24,216	-	-	-	-	24,216
Total deferred inflows of resources	166,850	-	-	-	-	166,850
FUND BALANCES						
Fund balances:						
Nonspendable for:						
Prepaid items	368,413	-	-	-	47,270	415,683
Advances to other funds	-	-	3,672,000	-	-	3,672,000
Restricted for:						
Capital construction	-	1,955,897	1,084,743	-	5,132	3,045,772
Law enforcement activities	-	-	-	-	36,510	36,510
Public safety activities	-	-	-	-	108,719	108,719
Tourism and economic development	-	-	-	-	4,032	4,032
Committed for:						
Community enhancements	-	-	688,500	-	-	688,500
Unassigned	5,057,467	-	-	-	-	5,057,467
Total fund balances	5,425,880	1,955,897	5,445,243	-	201,663	13,028,683
Total liabilities, deferred inflows of resources, and fund balances	$ 6,350,054	$ 1,955,897	$ 5,715,390	$ 352,342	$ 339,099	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,873,162
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	166,850
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.	(627,881)
Net position of governmental activities	$ 22,440,814

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

CITY OF AUSTELL, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Cobb County SPLOST Fund	Austell Area Community Council Fund	Multiple Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 6,934,014	$ -	$ -	$ -	$ 2,505	$ 6,936,519
Licenses and permits	67,808	-	-	-	-	67,808
Intergovernmental	58,493	1,367,199	-	2,632,760	-	4,058,452
Charges for services	18,639	-	-	-	124,242	142,881
Fines and forfeitures	487,461	-	-	-	28,398	515,859
Interest income	-	-	132,527	-	-	132,527
Contributions and donations	590	-	-	-	-	590
Miscellaneous	54,920	-	-	-	814	55,734
Total revenues	7,621,925	1,367,199	132,527	2,632,760	155,959	11,910,370
Expenditures						
Current:						
General government	797,649	-	65,056	-	-	862,705
Judicial	176,700	-	-	-	-	176,700
Public safety	3,472,505	92,624	-	-	409,775	3,974,904
Public works	638,738	323,895	-	2,686,726	-	3,649,359
Culture and recreation	590,789	4,285	21,951	-	-	617,025
Housing and development	64,277	-	-	-	-	64,277
Tourism and economic development	-	-	-	-	4,161	4,161
Capital outlay	-	728,712	86,057	-	-	814,769
Debt service:						
Principal retirements	-	265,919	-	-	-	265,919
Interest expenditures	-	21,855	-	-	-	21,855
Total expenditures	5,740,658	1,437,290	173,064	2,686,726	413,936	10,451,674
Excess (deficiency) of revenues over (under) expenditures	1,881,267	(70,091)	(40,537)	(53,966)	(257,977)	1,458,696
Other financing sources (uses):						
Transfers in	143,032	-	-	80,817	387,954	611,803
Transfers out	(968,003)	-	-	(26,851)	-	(994,854)
Total other financing sources (uses)	(824,971)	-	-	53,966	387,954	(383,051)
Net change in fund balances	1,056,296	(70,091)	(40,537)	-	129,977	1,075,645
Fund balances, beginning of fiscal year	4,369,584	2,025,988	5,485,780	-	71,686	11,953,038
Fund balances, end of fiscal year	$ 5,425,880	$ 1,955,897	$ 5,445,243	$ -	$ 201,663	$ 13,028,683

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

CITY OF AUSTELL, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,075,645
Governmenta funds report capital outlays as expenditures However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		486,056
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(125,749)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Principal payments on capital leases		265,919
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 (net change in compensated absences).		(9,475)
Change in net position - governmental activities	$	1,692,396

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

CITY OF AUSTELL, GEORGIA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
General property taxes	$ 624,900	$ 737,900	$ 702,129	$ (35,771)
Sales and excise taxes	50,000	50,000	64,639	14,639
Franchise and other taxes	4,354,000	4,354,000	5,722,508	1,368,508
Occupational and premium taxes	385,000	385,000	425,956	40,956
Penalties and interest	2,500	2,500	18,782	16,282
Licenses and permits	26,289	26,289	67,808	41,519
Intergovernmental	70,000	70,000	58,493	(11,507)
Charges for services	53,200	53,200	18,639	(34,561)
Fines and forfeitures	710,000	710,000	487,461	(222,539)
Interest income	5,000	5,000	-	(5,000)
Contributions and donations	-	-	590	590
Miscellaneous	68,000	69,974	54,920	(15,054)
Total revenues	6,348,889	6,463,863	7,621,925	1,158,062
Expenditures				
Current:				
General government:				
Legislative	235,659	235,659	231,207	4,452
General administration	442,889	612,889	566,442	46,447
Total general government	678,548	848,548	797,649	50,899
Judicial:				
Municipal court	182,790	182,790	176,700	6,090
Public safety:				
Police administration	1,682,402	1,622,402	1,589,336	33,066
Custody of prisoners	350,728	315,728	285,041	30,687
Fire administration	1,636,957	1,624,831	1,598,128	26,703
Total public safety	3,670,087	3,562,961	3,472,505	90,456
Public works:				
Highways and streets	489,217	518,217	526,994	(8,777)
Maintenance and shop	108,139	111,139	111,744	(605)
Total public works	597,356	629,356	638,738	(9,382)
Culture and recreation:				
Community center	48,400	48,400	34,677	13,723
Community garden	-	7,500	6,454	1,046
Special activities	30,315	42,315	42,638	(323)
Parks administration	524,900	524,900	507,020	17,880
Total culture and recreation	603,615	623,115	590,789	32,326
Housing and development:				
Protective inspection	19,722	19,722	17,893	1,829
Planning and zoning	9,300	9,300	8,312	988
Code enforcement	37,567	38,167	38,072	95
Total housing and development	66,589	67,189	64,277	2,912
Total expenditures	5,798,985	5,913,959	5,740,658	173,301
Excess of revenues over expenditures	549,904	549,904	1,881,267	1,331,363
Other financing sources (uses)				
Transfers in	-	-	143,032	143,032
Transfers out	(549,904)	(549,904)	(968,003)	(418,099)
Total other financing sources (uses)	(549,904)	(549,904)	(824,971)	(275,067)
Net change in fund balances	-	-	1,056,296	1,056,296
Fund balances, beginning of fiscal year	4,369,584	4,369,584	4,369,584	-
Fund balances, end of fiscal year	$ 4,369,584	$ 4,369,584	$ 5,425,880	$ 1,056,296

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

CITY OF AUSTELL, GEORGIA
MULTIPLE GRANTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 3,020,000	$ 3,052,000	$ 2,632,760	$ (419,240)
Total revenue	3,020,000	3,052,000	2,632,760	(419,240)
Expenditures				
Public safety	20,000	29,000	-	29,000
Public works	3,000,000	3,040,000	2,686,726	353,274
Total expenditures	3,020,000	3,069,000	2,686,726	382,274
Deficiency of revenues under expenditures	-	(17,000)	(53,966)	(36,966)
Other financing sources (uses)				
Transfers in	-	17,000	80,817	63,817
Transfers out	-	-	(26,851)	(26,851)
Total other financing sources (uses)	-	17,000	53,966	36,966
Net change in fund balances	-	-	-	-
Fund balances, beginning of fiscal year	-	-	-	-
Fund balances, end of fiscal year	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements

CITY OF AUSTELL, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
ASSETS	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	Totals
CURRENT ASSETS					
Cash	$ 60,628	$ 160,240	$ -	$ -	$ 220,868
Investments	-	167,728	-	-	167,728
Accounts receivable, net of allowance	4,901	302,534	412,371	16,392	736,198
Prepaid items	25,420	72,363	19,007	1,776	118,566
Inventory	-	21,155	-	-	21,155
Due from other funds	112,721	-	87,018	-	199,739
Total current assets	203,670	724,020	518,396	18,168	1,464,254
NONCURRENT ASSETS					
Capital Assets					
Nondepreciable	488,140	57,500	-	-	545,640
Depreciable	8,378,336	2,352,596	4,647,830	-	15,378,762
	8,866,476	2,410,096	4,647,830	-	15,924,402
Accumulated depreciation	(3,772,969)	(2,110,469)	(1,773,092)	-	(7,656,530)
Total capital assets	5,093,507	299,627	2,874,738	-	8,267,872
Total assets	5,297,177	1,023,647	3,393,134	18,168	9,732,126
LIABILITIES					
CURRENT LIABILITIES					
Accrued liabilities	2,951	8,819	3,667	446	15,883
Due to other funds	641,699	112,923	-	-	754,622
Customer deposits payable	16,660	181,730	-	-	198,390
Unearned revenue - advance rents	33,504	-	-	-	33,504
Compensated absences	8,535	18,763	6,675	1,834	35,807
Total current liabilities	703,349	322,235	10,342	2,280	1,038,206
NONCURRENT LIABILITIES					
Compensated absences	2,134	4,691	1,668	458	8,951
Advances from other funds	3,672,000	-	-	-	3,672,000
Total noncurrent liabilities	3,674,134	4,691	1,668	458	3,680,951
Total liabilities	4,377,483	326,926	12,010	2,738	4,719,157
NET POSITION					
Investment in capital assets	5,093,507	299,627	2,874,738	-	8,267,872
Unrestricted (deficit)	(4,173,813)	397,094	506,386	15,430	(3,254,903)
Total net position	$ 919,694	$ 696,721	$ 3,381,124	$ 15,430	$ 5,012,969

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

CITY OF AUSTELL, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	Totals
OPERATING REVENUE					
Sales and charges for services	$ -	$ 3,476,998	$ 405,375	$ 85,282	$ 3,967,655
Rent and royalties	1,197,590	-	-	-	1,197,590
Miscellaneous	-	1,284	905	-	2,189
Total operating revenues	1,197,590	3,478,282	406,280	85,282	5,167,434
OPERATING EXPENSES					
Personal services and employee benefits	275,260	785,844	260,090	44,072	1,365,266
Contractual services	235,167	255,021	42,534	96,205	628,927
Supplies	363,250	2,151,308	25,459	5,648	2,545,665
Depreciation	311,597	64,541	94,125	-	470,263
Total operating expenses	1,185,274	3,256,714	422,208	145,925	5,010,121
Operating income (loss)	12,316	221,568	(15,928)	(60,643)	157,313
NON-OPERATING EXPENSES					
Interest expense	(129,504)	-	-	-	(129,504)
Total non-operating expenses	(129,504)	-	-	-	(129,504)
Income (loss) before transfers	(117,188)	221,568	(15,928)	(60,643)	27,809
Transfers in	409,736	567	141,133	60,517	611,953
Transfers out	-	(228,902)	-	-	(228,902)
	409,736	(228,335)	141,133	60,517	383,051
Change in net position	292,548	(6,767)	125,205	(126)	410,860
Total net position, beginning of fiscal year	627,146	703,488	3,255,919	15,556	4,602,109
Total net position, end of fiscal year	$ 919,694	$ 696,721	$ 3,381,124	$ 15,430	$ 5,012,969

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

CITY OF AUSTELL, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds				
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 1,087,011	$ 3,544,094	$ 243,376	$ 84,635	$ 4,959,116
Payments to suppliers	(607,918)	(2,507,419)	(127,396)	(101,917)	(3,344,650)
Payments to employees	(271,518)	(781,682)	(257,113)	(43,235)	(1,353,548)
Net cash provided by (used in) operating activities	207,575	254,993	(141,133)	(60,517)	260,918
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	409,736	567	141,133	60,517	611,953
Repayment of advances	(467,267)	-	-	-	(467,267)
Transfers out to other funds	-	(228,902)	-	-	(228,902)
Net cash provided by (used in) non-capital financing activities	(57,531)	(228,335)	141,133	60,517	(84,216)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Interest paid	(129,504)	-	-	-	(129,504)
Purchases of capital assets	(20,540)	(26,658)	-	-	(47,198)
Net cash used in capital and related financing activities	(150,044)	(26,658)	-	-	(176,702)
Net increase (decrease) in cash	-	-	-	-	-
Cash, beginning of fiscal year	60,628	160,240	-	-	220,868
Cash, end of fiscal year	$ 60,628	$ 160,240	$ -	$ -	$ 220,868
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 12,316	$ 221,568	$ (15,928)	$ (60,643)	$ 157,313
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	311,597	64,541	94,125	-	470,263
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	1,708	56,460	(162,904)	(647)	(105,383)
(Increase) decrease in due from other funds	(112,721)	-	(55,660)	84	(168,297)
Increase in prepaid items	(9,501)	(29,210)	(3,743)	(148)	(42,602)
Increase in accrued liabilities	870	2,345	1,200	128	4,543
Decrease in due to other funds	-	(71,880)	-	-	(71,880)
Increase in compensated absences payable	2,872	1,817	1,777	709	7,175
Increase in customer deposits payable	1,749	9,352	-	-	11,101
Decrease in unearned revenue	(1,315)	-	-	-	(1,315)
Net cash provided by (used in) operating activities	$ 207,575	$ 254,993	$ (141,133)	$ (60,517)	$ 260,918

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

A. Reporting Entity

The City of Austell, Georgia which was founded in 1885, operates under a 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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.

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.

C. 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 revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 judgments, 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 **Cobb County SPLOST Capital Projects Fund** 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 this fund are restricted to be spent on capital projects throughout the City.

The **Austell Area Community Council Capital Projects Fund** 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 or committed to expenditures for specific purposes.

The **capital projects funds** 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets

Annual appropriated budgets are adopted for all funds, except the Douglas County SPLOST Capital Projects Fund which has 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 year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

E. 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 bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of State or U.S. obligations.

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.

F. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. 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.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, 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 asset. The City uses the consumption method to account for prepaid items.

I. 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.

J. 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 government-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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

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 method over the following estimated useful lives:

Assets	Years
Infrastructure	25-50
Buildings and improvements	30
Vehicles	5-7
Furniture and fixtures	7-10
Machinery and equipment	3-10
Computer equipment	3-5

K. 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.

L. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations (Continued)

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 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.

M. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Equity and Net Position (Continued)

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. Restrictions on the government-wide statement of net position represent amounts segregated to meet debt covenants and Federal and State laws.

N. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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.

O. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Inflows of Resources

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $627,881 difference are as follows:

Capital leases payable	$	(516,669)
Compensated absences		(111,212)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(627,881)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $486,056 difference are as follows:

Capital outlay	$ 1,136,616
Depreciation expense	(650,560)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 486,056

NOTE 3. 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.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (Continued)

5. Budgetary control is exercised at the department level. The City administration is authorized to transfer budget amounts within a department; however, 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, 2014. The City did not adopt or amend an annual budget for the Public Assistance Grant Special Revenue Fund since there was no anticipated or actual activity for the current fiscal year.

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2014:

Multiple Grants Fund:	
Transfers Out	26,851
Hotel/Motel Tax Fund - Tourism and Economic Development	961
Cobb County SPLOST Fund - Public Works	108,895
Cobb County SPLOST Debt Service:	
Principal	15,214
Interest	4,883
General Fund departments:	
Highways and Streets (Public Works)	8,777
Maintenance and Shop (Public Works)	605
Special Activities (Culture and Recreation)	323
Transfers Out	418,099

These over expenditures were funded by greater than anticipated revenues and by available fund balance.

NOTE 4. DEPOSITS

Total deposits as of June 30, 2014 are summarized as follows:

Cash and cash equivalents	Amount
Cash and cash equivalents	$ 4,659,867
Certificates of Deposit	167,728
	$ 4,827,595

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, 2014, the City had $772,293 deposited at a financial institution that was not insured or properly collateralized in accordance with state statutes.

NOTE 5. RECEIVABLES

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

For the City's Stormwater Enterprise Fund, 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.

Receivables at June 30, 2014, 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	Cobb County SPLOST Fund	Multiple Grants Fund	Threadmill Complex Fund	Water & Sewer Fund	Stormwater Fund	Other Nonmajor Funds
Receivables:							
Taxes	$ 197,235	$ -	$ -	$ -	$ -	$ -	$ 256
Accounts	27,020	-	-	5,901	550,330	412,371	32,533
Due from other governments	-	233,793	31,408	-	-	-	50,231
Other	23,794	-	-	-	-	-	-
Less allowance for uncollectible receivables	(48,997)	-	-	(1,000)	(247,796)	-	-
Net total receivable	$ 199,052	$ 233,793	$ 31,408	$ 4,901	$ 302,534	$ 412,371	$ 83,020

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended June 30, 2014, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,961,661	$ 21,950	$ -	$ -	$ 1,983,611
Construction in progress	-	46,089	-	-	46,089
Total	1,961,661	68,039	-	-	2,029,700
Capital assets, being depreciated:					
Buildings and improvements	5,423,829	447,291	-	-	5,871,120
Infrastructure	3,586,806	290,771	-	-	3,877,577
Furniture and fixtures	61,970	-	(979)	-	60,991
Machinery and equipment	1,390,716	210,009	(111,401)	-	1,489,324
Computer equipment	139,387	10,975	(12,643)	-	137,719
Vehicles	2,778,166	109,531	-	-	2,887,697
Total	13,380,874	1,068,577	(125,023)	-	14,324,428
Less accumulated depreciation for:					
Buildings and improvements	(2,629,518)	(159,412)	-	-	(2,788,930)
Infrastructure	(364,314)	(77,962)	-	-	(442,276)
Furniture and fixtures	(47,845)	(5,869)	979	-	(52,735)
Machinery and equipment	(1,001,569)	(157,337)	111,401	-	(1,047,505)
Computer equipment	(128,673)	(5,777)	12,643	-	(121,807)
Vehicles	(1,783,510)	(244,203)	-	-	(2,027,713)
Total	(5,955,429)	(650,560)	125,023	-	(6,480,966)
Total capital assets, being depreciated, net	7,425,445	418,017	-	-	7,843,462
Governmental activities capital assets, net	$ 9,387,106	$ 486,056	$ -	$ -	$ 9,873,162

NOTE 6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 545,640	$ -	$ -	$ 545,640
Total	545,640	-	-	545,640
Capital assets, being depreciated:				
Infrastructure	6,383,220	1,570	-	6,384,790
Buildings and improvements	8,223,268	-	-	8,223,268
Machinery and equipment	362,389	35,908	-	398,297
Vehicles	348,879	-	-	348,879
Computer equipment	13,808	9,720	-	23,528
Total	15,331,564	47,198	-	15,378,762
Less accumulated depreciation for:				
Infrastructure	(3,208,977)	(143,428)	-	(3,352,405)
Buildings and improvements	(3,300,319)	(305,594)	-	(3,605,913)
Machinery and equipment	(314,284)	(20,402)	-	(334,686)
Vehicles	(348,879)	-	-	(348,879)
Computer equipment	(13,808)	(839)	-	(14,647)
Total	(7,186,267)	(470,263)	-	(7,656,530)
Total capital assets, being depreciated, net	8,145,297	(423,065)	-	7,722,232
Business-type activities capital assets, net	$ 8,690,937	$ (423,065)	$ -	$ 8,267,872

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

Governmental activities:	
General government	$ 61,734
Public safety	226,896
Public works	208,790
Culture and recreation	153,140
Total depreciation expense - governmental activities	$ 650,560
Business-type activities:	
Threadmill complex	$ 311,597
Water and sewer	64,541
Stormwater	94,125
Total depreciation expense - business-type activities	$ 470,263

NOTE 6. CAPITAL ASSETS (Continued)

Austell Natural Gas System

	Beginning Balance	Increases	Deletions and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 417,968	$ 4,195	$ -	$ 422,163
Construction in progress	27,150	3,210	-	30,360
Total	445,118	7,405	-	452,523
Capital assets, being depreciated:				
Infrastructure	73,475,200	1,011,734	(43,468)	74,443,466
Furniture, fixtures, and equipment	2,566,998	141,984	(58,793)	2,650,189
Vehicles	1,126,685	164,807	(116,617)	1,174,875
Total	77,168,883	1,318,525	(218,878)	78,268,530
Less accumulated depreciation:	56,191,885	2,934,382	(218,878)	58,907,389
Total capital assets, being depreciated, net	20,976,998	(1,615,857)	-	19,361,141
Total capital assets, net	$ 21,422,116	$ (1,608,452)	$ -	$ 19,813,664

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

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

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

NOTE 7. OPERATING LEASES

The City is the lessor of office space at the Threadmill Complex. During fiscal year 2014, the City received $1,197,590 in operating lease revenue. The carrying value of the building and improvements of $5,093,507 (cost of $8,866,476 less accumulated depreciation of $3,772,969, which includes $311,597 depreciation expense in fiscal year 2014) is included in capital assets in the Threadmill Complex Fund. Most leases are year-to-year and expire at various times throughout the fiscal year. However, there are two (2) leases with terms extending beyond the end of the next fiscal year.

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

Fiscal Year Ending	Total Revenues
2015	760,019
2016	769,992
2017	789,939
2018	789,939
2019	530,626
2020-2024	60,000
2025-2029	60,000
2030	8,000

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Governmental activities:					
Capital leases	$ 782,588	$ -	$ (265,919)	$ 516,669	$ 273,484
Compensated absences	101,737	85,794	(76,319)	111,212	27,803
Governmental activities:					
Long-term liabilities	$ 884,325	$ 85,794	$ (342,238)	$ 627,881	$ 301,287

NOTE 8. LONG-TERM DEBT (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Business-type activities:					
Compensated absences	$ 37,583	$ 32,452	$ (25,277)	$ 44,758	$ 35,807
Business-type activities:					
Long-term liabilities	$ 37,583	$ 32,452	$ (25,277)	$ 44,758	$ 35,807

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.

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 inceptions. As of June 30, 2014, the City had assets with a net book value of $731,459 (asset value of $1,086,224 less accumulated depreciation of $346,765). Annual depreciation ($157,204) 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:

	Governmental Activities
Fiscal Year Ending June 30,	
2015	$ 287,771
2016	249,807
Total minimum lease payments	537,578
Less amount representing interest	20,909
Total value of capital leases payable at fiscal year-end.	$ 516,669

NOTE 8. LONG-TERM DEBT (Continued)

Austell Natural Gas System

Long-term liability activity for the fiscal year ended July 31, 2014, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Fiscal Year
Revenue bonds	$ 5,120,000	$ -	$ (1,795,000)	$ 3,325,000	$ 1,600,000
Net OPEB obligation	113,560	56,931	(23,454)	147,037	-
Compensated absences	374,016	507,722	(475,379)	406,359	406,359
Total long-term liabilities	$ 5,607,576	$ 564,653	$ (2,293,833)	$ 3,878,396	$ 2,006,359

Revenue Bonds. The Austell Natural Gas System ("the System") has issued various revenue bonds to finance the expansion and improvement of the gas utility plant. The outstanding issues are as follows:

Issuance	Interest Rate	Term	Due Date	Original Amount	Amount Outstanding
Series 2004	3.50%	11 years	2015	$ 5,000,000	$ 1,170,000
Series 2006	4.02%	15 years	2021	6,000,000	2,155,000
				$ 11,000,000	$ 3,325,000

The debt service requirements to maturity on the bonds payable are as follows:

Fiscal Year Ending July 31,	Principal	Interest	Total
2015	$ 1,600,000	127,581	$ 1,727,581
2016	450,000	69,345	519,345
2017	465,000	51,255	516,255
2018	485,000	32,562	517,562
2019	325,000	13,065	338,065
Total	$ 3,325,000	$ 293,808	$ 3,618,808

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances of the City as of June 30, 2014, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Multiple Grants Fund	$ 3,615
General Fund	Austell Area Community Council Fund	270,147
General Fund	Threadmill Complex Fund	18,248
General Fund	Water and Sewer Fund	202
General Fund	Multiple Grants Fund	127,831
General Fund	Nonmajor governmental funds	96,222
Nonmajor Governmental Funds	General Fund	3,841
Stormwater Fund	General Fund	87,018
Austell Area Community Council Fund	Threadmill Complex Fund	623,451
Threadmill Complex Fund	Water and Sewer Fund	112,721
Cobb County SPLOST Fund	Multiple Grants Fund	134,204
		$ 1,477,500

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 $134,204 interfund payable due to the Cobb County SPLOST Fund from the Multiple Grants Fund is a result of the Multiple Grants Fund owing the SPLOST Fund for a portion of an invoice in which LMIG money and SPLOST money is dedicated to. The City recorded this project in the SPLOST Fund (which is an approved SPLOST Referendum Project) and is supplementing with other funding which has created the interfund receivable.

Advances from/to other funds are as follows:

Receivable Fund	Payable Fund	Amount
Austell Area Community Council Fund	Threadmill Complex Fund	$ 3,672,000

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, 2014, $459,000 (which represents principal due on September 1, 2014) has been reclassed as a due to/from other funds for these two funds.

NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

Due to/from primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Component Unit - Austell Natural Gas System	$ 4,377,458

At June 30, 2014, Austell Natural Gas System owed the primary government $4,377,458. However, the Gas System reported a payable of $4,522,061. The difference is a result of the Gas System's fiscal year-end being July 31, 2014 and reporting $144,603 of July 2014 fees due to the primary government.

Interfund transfers:

Transfers In	Transfers Out	Amount
Multiple Grants Fund	General Fund	$ 80,817
Nonmajor governmental funds	General Fund	387,954
Threadmill Complex Fund	General Fund	297,015
Threadmill Complex Fund	Water and Sewer Fund	112,721
General Fund	Water and Sewer Fund	116,181
Stormwater Fund	General Fund	141,133
Solid Waste	General Fund	60,517
General Fund	Multiple Grants Fund	26,851
Water and Sewer Fund	General Fund	567
		$ 1,223,756

Transfers 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.

NOTE 10. PENSION PLANS

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 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 after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.25% 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.

At January 1, 2014, the date of the most recent actuarial valuation, there were 151 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	30
Terminated vested participants not yet receiving benefits	31
Active employees - vested	68
Active employees - nonvested	22
Total	151

Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets State minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2014, the actuarially determined contribution rate was 8.55% of covered payroll.

NOTE 10. PENSION PLANS (Continued)

Funding Policy (Continued)

For fiscal year 2014, the City's recommended contribution was $361,008. Actual contributions totaled $361,008. The recommended contribution was determined as part of the January 1, 2013 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include a 7.75% rate of return on investments, a 3.5% inflation rate and projected salary increases of 3.5% based on age and years of service. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this Plan year. The actuarial value of the Plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten year period.

The following is a schedule of funding progress:

Most Recent Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
1/1/2014	$ 7,423,976	$ 7,543,802	$ 119,826	98.41 %	$ 3,418,357	3.51 %

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013 (actuarial evaluation date applicable for fiscal year June 30, 2014).

NOTE 10. PENSION PLANS (Continued)

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
2014	$ 361,008	$ 361,008	100 %	$
2013	342,726	342,726	100	-
2012	320,778	320,778	100	-

NOTE 11. 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, 2014, there were 16 plan members, in the respective plans.

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, 2014 were $48,857.

NOTE 12. 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.

NOTE 13. 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 Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

NOTE 13. RISK MANAGEMENT (CONTINUED)

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 judgment, 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.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

NOTE 15. 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 $2,505 for the fiscal year ended June 30, 2014. Of this amount, 62.5%, or $1,566, 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%.

NOTE 15. HOTEL/MOTEL LODGING TAX (CONTINUED)

The City expended $4,161, including the amount remitted to the Cobb-Marietta Coliseum and Exhibit Hall Authority, during the current fiscal year to promote tourism, conventions, and trade shows to operate, maintain, and market a community auditorium or theater as required by O.C.G.A. 48-13-51.

CITY OF AUSTELL, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
1/1/2014	$ 7,423,976	$ 7,543,802	$ 119,826	98.4%	$ 3,418,357	3.51%
1/1/2013	6,793,975	7,252,168	458,193	93.7%	3,577,136	12.81%
1/1/2012	6,237,216	6,622,961	385,745	94.2%	3,423,593	11.27%
1/1/2011	5,756,311	6,065,523	309,212	94.9%	3,204,441	9.65%
1/1/2010	5,191,310	5,717,037	525,727	90.8%	3,470,671	15.15%
7/1/2009	4,007,363	6,419,208	2,411,845	62.4%	3,470,671	69.49%

See assumptions used and disclosed in Note 10 to the financial statements.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF AUSTELL, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account 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 collected by communication firms. This revenue is used to offset the costs of operating the "911" system.

Public Assistance Grant Fund – To account for restricted grant monies received from various Federal and State agencies as a result of substantial flood damage to the City.

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 FUND

The Capital Projects Fund is 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.

CITY OF AUSTELL, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

ASSETS	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Emergency Telephone System Fund	Public Assistance Grant Fund	Hotel/Motel Tax Fund	Douglas County SPLOST Fund	
Cash and cash equivalents	$ 58,398	$ 157,598	$ -	$ 232	$ 5,132	$ 221,360
Accounts receivable	-	16,141	-	-	-	16,141
Taxes receivable	-	-	-	256	-	256
Due from other governments	-	-	50,231	-	-	50,231
Due from other funds	-	-	-	3,841	-	3,841
Prepaid items	-	47,270	-	-	-	47,270
Total assets	$ 58,398	$ 221,009	$ 50,231	$ 4,329	$ 5,132	$ 339,099
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ 297	$ -	$ 297
Accrued liabilities	-	3,725	-	-	-	3,725
Due to other funds	-	61,295	34,927	-	-	96,222
Due to other governments	-	-	15,304	-	-	15,304
Due to others	21,888	-	-	-	-	21,888
Total liabilities	21,888	65,020	50,231	297	-	137,436
FUND BALANCES						
Nonspendable for:						
Prepaid items	-	47,270	-	-	-	47,270
Restricted for:						
Capital construction	-	-	-	-	5,132	5,132
Law enforcement activities	36,510	-	-	-	-	36,510
Public safety activities	-	108,719	-	-	-	108,719
Tourism and economic development	-	-	-	4,032	-	4,032
Total fund balances	36,510	155,989	-	4,032	5,132	201,663
Total liabilities and fund balances	$ 58,398	$ 221,009	$ 50,231	$ 4,329	$ 5,132	$ 339,099

CITY OF AUSTELL, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue Funds				Capital Projects Fund	
	Confiscated Assets Fund	Emergency Telephone System Fund	Public Assistance Grant Fund	Hotel/Motel Tax Fund	Douglas County SPLOST Fund	Total Nonmajor Governmental Funds
Revenues						
Taxes	$ -	$ -	$ -	$ 2,505	$ -	$ 2,505
Charges for services	-	124,242	-	-	-	124,242
Fines and forfeitures	28,398	-	-	-	-	28,398
Miscellaneous	-	-	-	814	-	814
Total revenues	28,398	124,242	-	3,319	-	155,959
Expenditures						
Current						
Public safety	-	409,775	-	-	-	409,775
Tourism and economic development	-	-	-	4,161	-	4,161
Total expenditures	-	409,775	-	4,161	-	413,936
Excess (deficiency) of revenues over (under) expenditures	28,398	(285,533)	-	(842)	-	(257,977)
Other financing sources						
Transfers in	-	387,954	-	-	-	387,954
Total other financing sources	-	387,954	-	-	-	387,954
Net change in fund balances	28,398	102,421	-	(842)	-	129,977
Fund balances, beginning of fiscal year	8,112	53,568	-	4,874	5,132	71,686
Fund balance, end of fiscal year	$ 36,510	$ 155,989	$ -	$ 4,032	$ 5,132	$ 201,663

CITY OF AUSTELL, GEORGIA
CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	$ 5,000	$ 5,000	$ 28,398	$ 23,398
Total revenue	5,000	5,000	28,398	23,398
Expenditures				
Public safety	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
Net change in fund balances	-	-	28,398	28,398
Fund balances, beginning of fiscal year	8,112	8,112	8,112	-
Fund balances, end of fiscal year	$ 8,112	$ 8,112	$ 36,510	$ 28,398

CITY OF AUSTELL, GEORGIA
EMERGENCY TELEPHONE SYSTEM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 124,000	$ 124,000	$ 124,242	$ 242
Interest income	200	200	-	(200)
Total revenue	124,200	124,200	124,242	42
Expenditures				
Public safety	512,154	512,154	409,775	102,379
Total expenditures	512,154	512,154	409,775	102,379
Deficiency of revenues under expenditures	(387,954)	(387,954)	(285,533)	102,421
Other financing sources				
Transfers in	387,954	387,954	387,954	-
Total other financing sources	387,954	387,954	387,954	-
Net change in fund balances	-	-	102,421	102,421
Fund balances, beginning of fiscal year	53,568	53,568	53,568	-
Fund balances, end of fiscal year	$ 53,568	$ 53,568	$ 155,989	$ 102,421

CITY OF AUSTELL, GEORGIA
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 3,200	$ 3,200	$ 2,505	$ (695)
Miscellaneous	-	-	814	814
Total revenue	3,200	3,200	3,319	119
Expenditures				
Tourism and economic development	3,200	3,200	4,161	(961)
Total expenditures	3,200	3,200	4,161	(961)
Net change in fund balances	-	-	(842)	(842)
Fund balances, beginning of fiscal year	4,874	4,874	4,874	-
Fund balances, end of fiscal year	$ 4,874	$ 4,874	$ 4,032	$ (842)

CITY OF AUSTELL, GEORGIA

COBB COUNTY SPLOST CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Sales and excise taxes	$ 1,618,276	$ 1,618,276	$ 1,367,199	$ (251,077)
Total revenue	1,618,276	1,618,276	1,367,199	(251,077)
Expenditures				
Current:				
Public safety	500,000	590,000	92,624	497,376
Public works	-	215,000	323,895	(108,895)
Culture and recreation	235,159	235,159	4,285	230,874
Capital outlays	1,155,440	810,440	728,712	81,728
Debt service:				
Principal	210,705	250,705	265,919	(15,214)
Interest	16,972	16,972	21,855	(4,883)
Total expenditures	2,118,276	2,118,276	1,437,290	680,986
Net change in fund balances	(500,000)	(500,000)	(70,091)	429,909
Fund balances, beginning of fiscal year	2,025,988	2,025,988	2,025,988	-
Fund balances, end of fiscal year	$ 1,525,988	$ 1,525,988	$ 1,955,897	$ 429,909

CITY OF AUSTELL, GEORGIA

AUSTELL AREA COMMUNITY COUNCIL CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Interest income	$ 174,000	$ 174,000	$ 132,527	$ (41,473)
Total revenue	174,000	174,000	132,527	(41,473)
Expenditures				
Current:				
General government	65,060	65,060	65,056	4
Culture and recreation	22,000	22,000	21,951	49
Capital outlays	86,940	86,940	86,057	883
Total expenditures	174,000	174,000	173,064	936
Net change in fund balances	-	-	(40,537)	(40,537)
Fund balances, beginning of fiscal year	5,485,780	5,485,780	5,485,780	-
Fund balances, end of fiscal year	$ 5,485,780	$ 5,485,780	$ 5,445,243	$ (40,537)

CITY OF AUSTELL, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Douglas County Special Purpose Local Option Sales Tax	Estimated Cost		Expenditures		
Project	Original	Revised	Prior Fiscal Years	Current Fiscal Year	Total
Park improvements	$ 522,094	$ 527,226	$ 522,094	$ -	$ 522,094
	$ 522,094	$ 527,226	$ 522,094	$ -	$ 522,094

CITY OF AUSTELL, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Cobb County Special Purpose Local Option Sales Tax	Estimated Cost		Expenditures		
Project (3)	Original (1)	Revised (1)	Prior Fiscal Years (2)	Current Fiscal Year	Total
STREETS:					
Resurfacing	$ 1,100,000	$ 1,100,000	$ 724,051	$ 212,695	$ 936,746
DOT Projects	535,000	535,000	548,692	-	548,692
Sidewalks	502,355	502,355	218,958	401,974	620,932
Equipment (including debt service on equipment under capital leases)	665,957	665,957	235,427	273,143	508,570
PARKS PROJECTS:					
Improvements	846,000	846,000	389,253	269,207	658,460
Equipment (including debt service on equipment under capital leases)	322,046	322,046	151,599	42,448	194,047
Public Safety:					
Equipment (including debt service on equipment under capital leases)	700,828	700,828	882,104	237,823	1,119,927
	$ 4,672,186	$ 4,672,186	$ 3,150,084	$ 1,437,290	$ 4,587,374

Notes:

(1) Modified from prior year to show costs per the 2011 SPLOST Referendum only. There have been no revisions for the 2011 SPLOST.

(2) Corrected to properly show SPLOST expenditures not properly reported in the prior fiscal year CAFR

(3) Presentation of this schedule has changed from the prior fiscal year to provide more of a detail of projects as listed in the 2011 Referendum.

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.

Page

Financial Trends **59**

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

Revenue Capacity **66**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **72**

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

Demographic and Economic Information **77**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **80**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant fiscal year. GASB Statement number 54 established a hierarchy of fund balance classifications based primarily on the extent to which governments are bound by constraints placed on resources. The effective date for implementation of GASB 54 was for periods beginning after June 15, 2010, presentation for fiscal years 2002-2010 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.

SCHEDULE 1
CITY OF AUSTELL, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental activities										
Net investment in capital assets	$ 4,800,935	$ 6,466,051	$ 7,178,213	$ 7,688,533	$ 8,053,182	$ 8,005,695	$ 8,262,097	$ 8,110,670	$ 8,604,518	$ 9,356,493
Restricted	102,741	280,049	551,645	749,840	678,812	845,779	7,051,332	7,290,614	7,561,988	6,867,033
Unrestricted	8,976,714	10,341,070	9,338,626	10,459,475	10,227,220	10,566,154	3,971,920	3,325,569	4,567,337	6,217,288
Total governmental activities net position	$ 13,880,390	$ 17,087,170	$ 17,068,484	$ 18,897,848	$ 18,959,214	$ 19,417,628	$ 19,285,349	$ 18,726,853	$ 20,733,843	$ 22,440,814
Business-type activities										
Net investment in capital assets	3,252,552	3,998,010	4,635,570	4,619,036	4,782,570	4,640,975	4,460,100	4,263,346	8,690,937	8,267,872
Restricted	254,841	257,873	265,848	276,348	-	-	-	-	-	-
Unrestricted (deficit)	628,080	(581,646)	265,675	207,603	628,521	612,618	645,141	808,893	(4,074,253)	(3,254,903)
Total business-type activities net position	4,135,473	3,674,237	5,167,093	5,102,987	5,411,091	5,253,593	5,105,241	5,072,239	4,616,684	5,012,969
Primary government										
Net investment in capital assets	8,053,487	10,464,061	11,813,783	12,307,569	12,835,752	12,646,670	12,722,197	12,374,016	17,295,455	17,624,365
Restricted for capital projects	5,723,392	537,922	817,493	1,026,188	678,812	845,779	7,051,332	7,290,614	7,561,988	6,867,033
Unrestricted	4,238,984	9,759,424	9,604,301	10,667,078	10,855,741	11,178,772	4,617,061	4,134,462	493,084	2,962,385
Total primary government net position	$ 18,015,863	$ 20,761,407	$ 22,235,577	$ 24,000,835	$ 24,370,305	$ 24,671,221	$ 24,390,590	$ 23,799,092	$ 25,350,527	$ 27,453,783

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

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

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Program Expenses										
Governmental activities	$ 6,058,290	$ 5,863,327	$ 6,303,184	$ 6,636,983	$ 7,131,280	$ 7,901,982	$ 8,119,091	$ 7,314,897	$ 8,579,080	$ 9,709,174
Business-type activities	3,825,671	4,257,452	4,201,914	3,930,461	4,485,555	5,060,291	4,945,651	5,321,028	5,167,716	5,139,625
Total primary government program expenses	9,883,961	10,120,779	10,505,098	10,567,444	11,616,835	12,962,273	13,064,742	12,635,925	13,746,796	14,848,799
Program Revenues										
Governmental activities	1,379,245	2,357,017	1,599,148	1,399,687	1,277,092	1,764,613	2,719,112	2,243,764	4,369,053	4,918,117
Business-type activities	3,932,723	3,687,520	3,986,181	3,945,604	4,109,301	4,755,501	4,600,647	5,221,338	4,980,031	5,167,434
Total primary government program revenues	5,311,968	6,044,537	5,585,329	5,345,291	5,386,393	6,520,114	7,319,759	7,465,102	9,349,084	10,085,551
Net (Expense) Revenue										
Governmental activities	(4,679,045)	(3,506,310)	(4,704,036)	(5,237,296)	(5,854,188)	(6,137,369)	(5,399,979)	(5,071,133)	(4,210,027)	(4,791,057)
Business-type activities	107,052	(569,932)	(215,733)	15,143	(376,254)	(304,790)	(345,004)	(99,690)	(187,685)	27,809
Total primary government net expense	(4,571,993)	(4,076,242)	(4,919,769)	(5,222,153)	(6,230,442)	(6,442,159)	(5,744,983)	(5,170,823)	(4,397,712)	(4,763,248)
General Reveneus										
Governmental activities	5,950,455	6,713,090	4,685,350	7,066,660	5,915,554	6,595,783	5,267,700	4,512,637	6,217,017	6,483,453
Business-type activities	(481,733)	108,696	1,708,589	(79,249)	684,358	147,292	196,652	140,438	(267,870)	383,051
Total primary government	5,468,722	6,821,786	6,393,939	6,987,411	6,599,912	6,743,075	5,464,352	4,653,075	5,949,147	6,866,504
Change in Net Position										
Governmental activities	1,271,410	3,206,780	(18,686)	1,829,364	61,366	458,414	(132,279)	(558,496)	2,006,990	1,692,396
Business-type activities	(374,681)	(461,236)	1,492,856	(64,106)	308,104	(157,498)	(148,352)	40,748	(455,555)	410,860
Total primary government	$ 896,729	$ 2,745,544	$ 1,474,170	$ 1,765,258	$ 369,470	$ 300,916	$ (280,631)	$ (517,748)	$ 1,551,435	$ 2,103,256

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

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

	Fiscal Year									
	2005	2006	2007	2008 (1) (2) (3)	2009	2010	2011	2012	2013	2014
Governmental Activities:										
General government	$ 633,071	$ 671,671	$ 647,899	$ 744,984	$ 888,240	$ 1,525,256	$ 1,718,896	$ 807,178	$ 773,771	$ 800,543
Judicial	-	-	-	-	-	137,650	174,291	166,459	176,421	176,700
Public safety	3,646,926	3,797,687	4,101,953	4,271,174	4,385,022	4,157,890	4,236,875	3,920,602	3,986,386	4,111,629
Public works	1,088,348	641,166	795,335	844,996	962,216	1,272,445	1,806,147	1,763,851	2,890,186	3,856,149
Solid Waste Management	-	-	-	110,040	99,908	6,754	1,706	72	-	-
Health and welfare	49,489	42,276	43,097	-	-	-	-	-	-	-
Culture and recreation	448,334	559,716	538,052	600,635	693,455	713,925	89,615	600,637	680,191	673,860
Tourism and economic development	-	-	-	3,398	2,934	3,090	4,888	4,673	4,521	4,161
Housing and development	189,905	132,379	165,942	38,607	88,779	78,286	79,340	49,761	48,896	64,277
Interest on long-term debt	2,217	18,432	10,906	23,149	10,726	6,686	7,333	1,664	18,708	21,855
Total Governmental Activities	6,058,290	5,863,327	6,303,184	6,636,983	7,131,280	7,901,982	8,119,091	7,314,897	8,579,080	9,709,174
Business-Type Activities:										
Threadmill Complex	1,240,884	1,601,017	1,459,273	1,385,098	1,431,768	1,386,394	1,373,794	1,408,770	1,323,467	1,314,778
Water and sewer	2,584,787	2,656,435	2,742,641	2,545,363	3,053,787	3,177,074	3,125,881	3,472,137	3,308,126	3,256,714
Stormwater	-	-	-	-	-	378,725	304,530	290,936	401,950	422,208
Solid waste	-	-	-	-	-	118,098	141,446	149,185	134,173	145,925
Total Business-Type Activities	3,825,671	4,257,452	4,201,914	3,930,461	4,485,555	5,060,291	4,945,651	5,321,028	5,167,716	5,139,625
Total Government-Wide Expenses	$ 9,883,961	$ 10,120,779	$ 10,505,098	$ 10,567,444	$ 11,616,835	$ 12,962,273	$ 13,064,742	$ 12,635,925	$ 13,746,796	$ 14,848,799

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)

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental Activities:										
Charges for services:										
General government	$ 23,767	$ 53,789	$ 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	722,435	697,378	832,195	727,633	733,632	117,046	136,493	123,571	130,805	136,735
Public works	78,794	79,510	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	-	-	-	-	-
Housing and development	51,943	43,175	57,634	24,455	14,335	-	-	-	-	-
Operating grants and contributions	48,781	78,437	76,054	89,830	81,138	293,258	548,637	16,222	310	590
Capital grants and contributions	453,525	1,404,728	492,077	426,843	293,402	570,399	1,567,671	1,548,658	3,610,031	4,190,979
Total Governmental Activities	1,379,245	2,357,017	1,599,148	1,399,687	1,277,092	1,764,613	2,719,112	2,243,764	4,369,053	4,918,117
Business-Type Activities:										
Charges for services:										
Threadmill Complex	1,017,659	980,040	1,022,369	1,120,973	1,116,053	1,045,701	1,078,585	1,120,537	1,118,192	1,197,590
Water and Sewer	2,715,064	2,707,480	2,906,312	2,824,631	2,993,248	3,592,244	3,268,623	3,679,283	3,417,558	3,478,282
Stormwater	-	-	-	-	-	34,719	171,224	337,877	360,387	406,280
Solid Waste	-	-	-	-	-	82,837	82,215	83,641	83,894	85,282
Capital grants and contributions	200,000	-	57,500	-	-	-	-	-	-	-
Total Business-Type Activities	3,932,723	3,687,520	3,986,181	3,945,604	4,109,301	4,755,501	4,600,647	5,221,338	4,980,031	5,167,434
Total Government-Wide Program Revenues	$ 5,311,968	$ 6,044,537	$ 5,585,329	$ 5,345,291	$ 5,386,393	$ 6,520,114	$ 7,319,759	$ 7,465,102	$ 9,349,084	$ 10,085,551

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

SCHEDULE 5
CITY OF AUSTELL, GEORGIA
GENERAL AND OTHER REVENUES
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year									
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Governmental activities:										
Taxes										
Property Taxes	$ 540,875	$ 673,147	$ 618,953	$ 688,309	$ 709,691	$ 706,063	$ 588,691	$ 585,391	$ 651,736	$ 576,380
Sales and Use Taxes	202,629	267,070	486,437	544,844	400,115	48,270	49,723	55,388	19,013	64,639
Franchise taxes and ownership fees	3,826,347	5,083,536	4,423,436	4,896,159	4,700,934	5,033,139	4,002,266	3,780,532	5,022,783	5,598,620
Other Taxes	328,916	538,957	530,417	543,263	555,630	543,458	523,631	137,457	144,820	552,349
Penalties and Interest	1,867	762	6,926	3,439	11,927	3,770	16,446	2,321	13,871	18,782
Unrestricted investment earnings	205,282	234,663	282,358	304,526	213,824	127,806	12,060	4,253	3	-
Miscellaneous	352,955	12,209	33,848	-	630	161,309	264,452	73,275	96,921	55,734
Gain on sale of capital assets	-	-	-	-	-	116,243	-	14,103	-	-
Transfers	-	(97,254)	(1,697,025)	86,120	(677,197)	(144,275)	(189,569)	(140,083)	267,870	(383,051)
Total Governmental Activities	5,458,871	6,713,090	4,685,350	7,066,660	5,915,554	6,595,783	5,267,700	4,512,637	6,217,017	6,483,453
Business-type activities:										
Unrestricted investment earnings	9,851	11,442	11,564	6,871	7,161	3,017	7,083	355	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	97,254	1,697,025	(86,120)	677,197	144,275	189,569	140,083	(267,870)	383,051
Total Business-type Activities	9,851	108,696	1,708,589	(79,249)	684,358	147,292	196,652	140,438	(267,870)	383,051
Total Government-Wide General and Other Revenues	$ 5,468,722	$ 6,821,786	$ 6,393,939	$ 6,987,411	$ 6,599,912	$ 6,743,075	$ 5,464,352	$ 4,653,075	$ 5,949,147	$ 6,866,504

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 40,981	$ 55,747	$ 241,367	$ 256,249	$ 364,276	$ 232,944				
Unreserved	3,618,450	3,081,035	3,357,429	4,117,783	3,967,587	4,383,560				
Total General Fund	$ 3,659,431	$ 3,136,782	$ 3,598,796	$ 4,374,032	$ 4,331,863	$ 4,616,504				
All Other Governmental Funds										
Reserved	$ 102,741	$ 280,049	$ 555,307	$ 760,094	$ 712,924	$ 14,903				
Unreserved, reported in:										
Special revenue funds	(57,408)	(180,669)	35,525	182,184	107,249	190,472				
Capital projects funds	5,298,280	5,000,332	5,635,206	5,727,406	5,731,118	6,528,570				
Total all other governmental funds	$ 5,343,613	$ 5,099,712	$ 6,226,038	$ 6,669,684	$ 6,551,291	$ 6,733,945				
General Fund										
Nonspendable for:										
Prepaid items							$ 89,245	$ 133,649	$ 191,654	$ 368,413
Inventory							5,187	-	-	-
Assigned							32,302	-	-	-
Unassigned							3,906,885	3,170,763	4,163,355	5,057,467
Total General Fund							$ 4,033,619	$ 3,304,412	$ 4,355,009	$ 5,425,880
All Other Governmental Funds										
Nonspendable for:										
Prepaid items							$ 13,097	$ 20,664	$ 21,466	$ 47,270
Advances to other funds							-	-	4,131,000	3,672,000
Restricted for:										
Capital construction							6,745,122	7,223,817	3,385,900	3,045,772
Law enforcement activities							6,312	7,595	8,112	36,510
Public safety activities							292,961	53,240	32,102	108,719
Tourism and economic development							6,937	5,962	4,874	4,032
Committed for:										
Community enhancements							-	-	-	688,500
Unassigned (deficit)							(114,255)	(63,060)	-	-
Total all other governmental funds							$ 6,950,174	$ 7,248,218	$ 7,583,454	$ 7,602,803

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

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	$ 4,571,191	$ 3,936,139	$ 7,996,861	$ 6,630,481	$ 6,392,321	$ 6,297,590	$ 5,184,197	$ 4,529,825	$ 5,858,320	$ 6,936,519
Licenses and permits	395,745	411,117	445,045	24,455	14,335	66,212	23,344	22,550	24,583	67,808
Fines and forfeitures	603,044	591,432	716,700	573,250	567,212	660,810	437,067	526,675	596,609	515,859
Charges for services	204,052	192,149	207,774	225,598	255,588	173,934	142,393	129,659	137,520	142,881
Intergovernmental	173,506	1,445,749	568,922	438,042	244,025	861,803	2,026,232	1,517,312	3,360,811	4,058,452
Investment earnings	205,282	234,665	282,919	304,525	216,014	129,056	96,358	51,245	118,685	132,527
Penalties and interest	1,867	762	-	3,436	11,927	-	-	-	-	-
Contributions and donations	360,000	1,538	3,460	1,070	550	604	2,018	576	310	590
Miscellaneous	60,157	57,764	85,853	59,712	68,637	161,309	264,452	73,275	96,921	55,734
Total Revenues	6,574,844	6,871,315	10,307,534	8,260,569	7,770,609	8,351,318	8,176,061	6,851,117	10,193,759	11,910,370
Expenditures										
Current -										
General government	605,935	649,922	598,144	669,486	796,164	1,521,556	1,423,125	783,171	719,992	862,705
Public safety	3,856,184	3,456,995	3,724,608	3,891,797	3,956,609	3,989,979	4,056,127	3,797,004	3,823,207	3,974,904
Judicial	126,724	138,145	150,763	151,108	149,780	137,645	174,265	166,459	176,421	176,700
Public works	1,066,161	772,453	784,028	713,133	791,490	1,243,849	1,812,906	2,018,153	2,721,570	3,649,359
Solid waste management	-	-	-	110,040	102,674	6,754	1,706	72	-	-
Health and welfare	53,014	42,276	43,097	-	-	-	-	-	-	-
Tourism and economic development	-	-	-	5,044	2,934	3,090	4,888	4,673	4,521	4,161
Culture and recreation	526,761	625,733	465,344	523,705	583,853	676,223	660,151	843,309	557,912	617,025
Housing and development	131,033	73,505	107,068	42,006	93,977	78,286	79,340	49,761	48,896	64,277
Capital Outlay	461,697	1,782,049	1,153,925	1,156,909	580,624	245,472	60,172	1,942	1,237,135	814,769
Debt Service -										-
Principal	206,523	196,818	238,836	149,121	175,550	144,309	123,135	19,989	280,966	265,919
Interest	2,217	13,419	11,014	13,457	20,320	11,690	7,333	1,664	18,708	21,855
Total Expenditures	7,036,249	7,751,315	7,276,827	7,425,806	7,253,975	8,058,853	8,403,148	7,686,197	9,589,328	10,451,674
Excess (deficiency) of revenues over (under) expenditures	(461,405)	(880,000)	3,030,707	834,763	516,634	292,465	(227,087)	(835,080)	604,431	1,458,696
Other financing sources (uses)										
Proceeds from long-term debt	513,030	113,450	242,434	298,000	-	60,000	-	529,217	513,532	-
Proceeds from sale of capital assets	567,615	-	12,225	-	-	259,105	50,000	14,783	-	-
Transfers in	2,938,247	-		86,120	-	1,045,577	1,043,978	671,512	1,210,930	611,803
Transfers out	(2,446,663)	-	(1,697,026)	-	(677,197)	(1,189,852)	(1,233,547)	(811,595)	(943,060)	(994,854)
Total other financing sources (uses)	1,572,229	113,450	(1,442,367)	384,120	(677,197)	174,830	(139,569)	403,917	781,402	(383,051)
Net Change in Fund Balance	$ 1,110,824	$ (766,550)	$ 1,588,340	$ 1,218,883	$ (160,563)	$ 467,295	$ (366,656)	$ (431,163)	$ 1,385,833	$ 1,075,645
Debt Service as a Percentage of Noncapital Expenditures	3.31%	3.68%	4.29%	2.66%	3.02%	2.04%	1.59%	0.28%	3.72%	2.89%

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

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

FISCAL YEAR ENDED JUNE 30,	Taxes (2)	Licenses and Permits	Inter-Governmental	Charges for Service	Fines and Forfeitures	Interest Income	Contributions and Donations from Private	Miscellaneous	Total
2005	$ 4,897,093	$ 69,843	$ 173,506	$ 204,052	$ 604,911	$ 205,282	$ 360,000	$ 60,157	$ 6,574,844
2006	3,936,139	411,117	1,445,749	192,149	591,432	234,665	1,538	58,526	6,871,315
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

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

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

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

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

Tax Year/Fiscal Year	Residential Property	Commercial Property	Industrial Property	Mobile Home	Motor Vehicle Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2004/2005	$ 69,908,322	$ 46,768,671	$ 16,164,691	$ 309,570	$ 12,889,060	$ 3,022,474	$ 143,017,840	3.12
2005/2006	74,863,412	52,715,227	16,816,372	302,853	12,299,290	3,370,683	153,626,471	3.12
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

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)

Tax Year/Fiscal Year	City	Cobb County (1)		State	Total
		County	Board of Education		
2003/2004	3.12	9.72	19.90	0.25	32.99
2004/2005	3.12	10.53	19.00	0.25	32.90
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

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

	2014			2005		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Austell Box Board Corp	$ 9,188,694	1	5.91%			
Sweetwater Paper Board Co.	6,760,852	2	4.35%			
Sweetwater Lumber & Land Inc.	1,797,317	3	1.16%			
Star Paper Tub, Inc	942,360	4	0.61%			
Efficiency Lodge, Inc	815,294	5	0.52%			
K & A Development LLC	660,048	6	0.42%			
2989 Humphries Rd LLC	650,000	7	0.42%			
Reserve Alloys LLC	634,348	8	0.41%			
IH2 Property Georgia	559,324	9	0.36%			
Freo Georgia LLc	551,436	10	0.35%			
National Envelope Corp				$ 3,808,488	1	2.66%
Zamarron Graciela A & Samuel N				254,108	2	0.18%
Morris, John				133,355	3	0.09%
Mitchell, Donald				97,500	4	0.07%
Ladipo Joi Wright & Adedeji				95,860	5	0.07%
Henderson Adam & Brooks Daniel				91,132	6	0.06%
Thai Hiep H				90,788	7	0.06%
Barnes Land & Investments LLC				80,257	8	0.06%
Davis, Kevin D & Barbara				80,012	9	0.06%
EE Beavers Family Partnership				75,576	10	0.05%
Total	$ 22,559,673		14.50%	$ 4,807,076		3.36%

Source: Cobb County Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percent of Levy
2005	$ 436,652	$ 384,402	88.0%	$ 46,846	$ 431,248	98.8%
2006	531,551	394,214	74.2%	128,145	522,359	98.3%
2007	533,359	474,783	89.0%	50,393	525,176	98.5%
2008	557,756	460,620	82.6%	84,235	544,855	97.7%
2009	598,818	494,220	82.5%	102,012	596,232	99.6%
2010	605,950	530,242	87.5%	73,691	603,933	99.7%
2011	489,816	458,294	93.6%	24,131	482,425	98.5%
2012	436,547	411,358	94.2%	-	411,358	94.2%
2013	490,784	453,683	92.4%	-	453,683	92.4%
2014	474,939	450,465	94.8%	-	450,465	94.8%

Source: Cobb County Tax Commissioners Office

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

Franchise Tax & Ownership Fees	Current Year Percentage of Gross Sales	2014 Revenue	2005 Revenue
Austell Gas System (ownership)	9%	$ 5,015,725	$ 3,364,916
Georgia Power	5%	467,728	327,491
Greystone Power	5%	28,841	43,300
Comcast Cable TV	5%	44,271	36,605
AT&T	3%	39,628	52,618
Total		$ 5,596,193	$ 3,824,930

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 Activities	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita (1)
		Water and Sewer	Threadmill Complex				
	Capital Leases	Revenue Bonds	Revenue Bonds	Capital Lease			
2005	$ 354,679	$ 725,000	$ 6,780,000	$ -	$ 7,859,679	3.46%	1,359
2006	271,311	550,000	6,545,000	79,269	7,445,580	3.22%	1,255
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	0.18%	76

Data Source: Woods & Poole Economics pamphlet 2011.
(1) Data based on .857% of Cobb County population (2000 census City of Austell population 5,359)

SCHEDULE 15
CITY OF AUSTELL, GEORGIA
DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2014

	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Direct General Obligation Debt:	-	-	-
Overlapping General Obligation Debt:			
Cobb County General Obligation Debt	$ 26,065,000	1%	$ 260,650
Cobb County School District	52,000,000	1%	520,000
Total, General Obligation Debt			780,650
Overlapping Guaranteed Revenue Debt:			
Cobb County Administration Building Project	9,670,000	1%	96,700
Downtown Marietta Development Authority	45,190,000	1%	451,900
Cobb County Solid Waste Management Authority	2,000,000	1%	20,000
Total, overlapping revenue debt	$ 134,925,000	1%	$ 1,349,250
City Direct Debt:			
Capital Lease			$ 516,669
			$ 516,669

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 assesses value that is within the government's boundaries and dividing it by the Cobb County's total taxable assesses value.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 15,362,647	$ 18,495,897	$ 20,338,721	$ 20,688,495	$ 21,521,211	$ 19,402,828	$ 17,555,554	$ 15,523,142	$ 15,507,491	$ 15,554,807
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 15,362,647	$ 18,495,897	$ 20,338,721	$ 20,688,495	$ 21,521,211	$ 19,402,828	$ 17,555,554	$ 15,523,142	$ 15,507,491	$ 15,554,807
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

FISCAL YEAR ENDED JUNE 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	$ 2,724,037	$ 2,363,512	$ 360,525	$ 170,000	$ 32,625	0.80
2006	2,718,683	2,445,933	272,750	175,000	32,625	1.80
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	-	-	-

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

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

FISCAL YEAR ENDED JUNE 30,	Lease Charges	Less: Operating Expenses	Net Available Revenue	Debt Service (1) Principal	Debt Service (1) Interest	Coverage
2005	$ 1,017,659	$ 666,912	$ 350,747	$ 235,000	$ 289,491	0.70
2006	980,040	961,328	18,712	245,000	299,666	0.03
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	-	-	-

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

FISCAL YEAR ENDED JUNE 30,	City Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2005	5,783	$ 260,122,080	$ 39,232	4.7%
2006	5,933	266,271,340	38,967	4.1%
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	282,382,134	41,637	6.9%

Source: Woods & Poole Economics 2012 Data Pamphlet

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

	2014			2005		
Employer	**Number of Employees**	**% of Total Employment**	**Rank**	**Number of Employees**	**% of Total Employment**	**Rank**
Austell Boxboard	355	17.5%	1	355	13.9%	1
National Envelope	--	--	--	230	9.0%	2
Carustar Industries	120	5.9%	2	120	4.7%	3
Old Fashion Foods	95	4.7%	3	95	3.7%	4
Sweetwater Paper Company	87	4.3%	5	87	3.4%	5
Garda CL Southeast, Inc.	83	4.1%	6	--	--	--
Wade Heating & Air	--	--	--	49	1.9%	6
Parsec, Inc	65	3.2%	7	--	--	--
Austell Supermarket	--	--	--	45	1.8%	7
Mayo Compay	--	--	--	39	1.5%	8
Wallace Barbeque	32	1.6%	8	32	1.3%	9
Gloves, Inc.	--	--	--	28	1.1%	10
Better Optics	22	1.1%	9	--	--	--
Cash Transactions	21	1.0%	10	--	--	--
Total Employees	880			1,080		

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Management services	5	4	4	4	4	4	4	4	4	4
Finance	5	3	3	3	1	1	1	1	1	1
Building	-	-	-	-	-	-	-	-	-	1
Public Safety	48	52	50	50	54	53	55	55	55	55
Municipal court	2	2	2	3	3	3	3	3	3	3
Highways and streets	2	2	2	2	3	3	3	3	4	4
Parks and recreation	3	3	3	3	3	3	3	3	3	5
Water	2	2	2	2	4	4	4	4	4	4
Public Works	14	14	14	14	14	14	15	16	16	17
Threadmill	10	10	10	10	10	10	10	10	10	6
Total	91	92	90	91	96	95	98	99	100	100

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

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Municipal Court										
Citations issued	5,553	7,082	6,869	6,243	5,540	4,660	3,726	4,561	4,997	5,686
Traffic violations	5,209	6,704	6,940	5,304	5,046	4,657	3,301	4,367	4,773	5,675
Shoplifting violations	5	1	3	2	10	3	9	-	-	11
Refuse collections										
Refuse collected (tons per day)	2.61	2.61	1.85	1.90	1.90	1.90	1.90	2.25	2.25	2.25
Public Works										
Streets resurfaced (miles)	1	-	2	2	2	2	2	-	-	3
Water										
New connections	2	2	2	-	-	-	-	-	-	-
Average daily consumption	1,129,799	1,238,601	996,861	988,620	900,219	942,472	881,298	890,000	910,000	918,989
Stormwater										
Miles of streets swept	5	5	6	8	8	8	8	50	102	184
Storm drains cleaned	398	398	410	450	450	450	450	450	582	325

Sources: Various City Departments

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

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public works										
Paved roads (miles)	50.0	52.0	54.0	55.3	55.3	55.3	55.3	55.3	55.3	55.3
Streetlights	758.0	759.0	759.0	777.0	780.0	780.0	780.0	780.0	780.0	805.0
Traffic signals	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Parks and recreation										
Number of parks	7.0	7.0	7.0	7.0	8.0	10.0	11.0	11.0	11.0	12.0
Acreage	36.7	36.7	36.7	36.7	36.7	38.7	39.0	39.0	39.0	39.0
Playgrounds	54.0	50.0	50.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Community centers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water										
Storage capacity	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Water tanks	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	24.0	26.6	26.6	41.0	36.1	36.1	36.1	36.1	36.1	36.1
Number of service connections	2,215	2,418	2,495	2,551	2,551	2,592	2,464	2,464	2,464	2,464
Solid Waste Management										
Customers	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Compactor trucks	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Stormwater										
Storm sewers (miles)	28.0	30.6	30.6	50.0	52.0	52.0	52.0	52.0	52.0	52.0

Source: City of Austell Public Works Department