

**Comprehensive Annual Financial Report
City of Marietta, Georgia**

For the Fiscal Year Ended June 30, 2014

**DEPARTMENT OF FINANCE
Sam Lady
Finance Director**

MAYOR AND CITY COUNCIL



Stuart Fleming
Councilmember, Ward 1



R. Steve Tumlin, Jr.
Mayor



Griffin "Grif" L. Chalfant, Jr.
Councilmember, Ward 2



Johnny Walker
Councilmember, Ward 3



G.A. (Andy) Morris
Councilmember, Ward 4



Rev. Anthony C. Coleman
Councilmember, Ward 5



Michelle Cooper Kelly
Councilmember, Ward 6



Philip M. Goldstein
Councilmember, Ward 7

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 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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December 30, 2014

THE HONORABLE R. STEVE TUMLIN, JR. MAYOR
MEMBERS OF CITY COUNCIL AND CITIZENS OF THE
CITY OF MARIETTA
MARIETTA, GEORGIA 30060

The Comprehensive Annual Financial Report (CAFR) for the City of Marietta, Georgia, for the fiscal year ended June 30, 2014, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures rests with the City. We believe the report, as presented, is accurate in all material aspects. We also believe it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. Finally, we believe that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

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

Crace Galvis McGrath, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Marietta's financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Incorporated in 1834, the City of Marietta is the county seat for Cobb County, Georgia. Marietta is named for the wife of U.S. Senator Thomas Cobb, for whom the county is named. The surrounding area was part of the Cherokee Indian Territory when the first settlers arrived in the early 1800s. Gold fever brought the first European immigrants, but a stable agricultural community took root in the broken dreams of the “gold rush”.

The City became a center for trade and attracted wealthy visitors to its mild climate and “health giving” mineral springs. During the Civil War, Sherman destroyed much of the City on his “March to the Sea” in 1864. Recovery was slow; however, an economic boom took hold during World War II with the construction of the Bell bomber plant. The Lockheed Aircraft Corporation modernized the plant and has kept it in operation since 1951, now operating it under the Lockheed Martin Aeronautical Systems name. Current production includes the C-130J Hercules, the sustainment of P-3 Orion, modernization upgrade of the C-5.

The construction of Interstate 75 during the 1960s and 1970s opened up the area for increased metro and regional growth. This accessibility has brought hundreds of thousands of new residents to live in Cobb County, which has elevated the City’s role as the county seat and a center for commercial activity.

Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and seven council members, all elected on a non-partisan basis. The Council appoints the government’s manager, which in turn appoints the heads of the various departments. The mayor and council members serve four-year terms; all elected members’ terms run concurrently. The mayor runs at large; the council members are elected by ward.

The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the Mayor and Council. Activities of the general fund, the special revenue funds, the debt service fund and the capital project funds are included in the annual appropriated budget. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control, however, is maintained at an object of expenditure level within the department or function. Administrative transfers of appropriations within a department may be authorized by the City Manager to meet unforeseen needs without Council action. Transfers of appropriations between departments or functions within a fund are reviewed with Council prior to approval. The City’s budget procedures are more fully explained in the accompanying Notes to the Financial Statements. The City maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to the ensuing year’s budget.

The City of Marietta provides a full range of municipal government and utility services to approximately 61,500 citizens and customers. Included in these services are traditional City functions such as police and fire protection, sanitation, road and traffic signal maintenance, parks, recreation, planning, cultural affairs, courts, and utility functions including electric, water, wastewater. Furthermore, the City exercises fiduciary responsibility for the City's General Pension.

Local economy

Marietta is located about 20 miles northwest of downtown Atlanta. The Atlanta Metropolitan area continues to be one of the fastest growing economies in the United States. The region has significantly lower unemployment rates than most places in the U.S. and led the nation in job creation several times in the 1990s. Cobb County has become one of the fastest growing economically robust counties in Georgia. The business environment outlook for Marietta continues to be favorable despite the economic downturn experienced by other regions of the country; in fact there are a number of redevelopment projects in the advanced planning and construction stages. The City of Marietta's primary focus will be given to fostering small business growth and land uses oriented toward office, industrial, and business parks, which will be offering a variety of employment opportunities.

Redevelopment and revitalization of several areas throughout the City have been identified and when completed, will create financially sound development, therefore increasing a stronger tax base. Marietta offers one of the lowest millage rates in the Metro Atlanta region at 31.25 mills per thousand dollars (combined City, County, and School). Marietta will continue to promote a strong tourism program for the 5 historic districts, churches and homes as identified by the National Historic & Georgia Register. Our economic activity centers include multi-million dollar corporations such as YKK Corp of America, Matria Healthcare, Columbian Chemical, and Coloplast Corporation. To assist manufacturing companies in relocating or expanding their facilities, the Marietta Development Authority was created to develop and promote trade, commerce, industry and employment opportunities through issuance of revenue bonds.

Marietta and the Marietta Census Tracts have been and will continue to be a population growth area. The City's population was estimated to be 59,172 on June 30, 2014.

Long-term financial planning

Unassigned fund balance in the general fund exceeds the policy guidelines set by the Council for budgetary and planning purposes (i.e. minimum fund balance calculation is slightly over \$6 million).

Over the past five years the City has devoted its attention to the redevelopment of various areas of the City. This is further discussed in the major initiatives section of this letter.

Major Initiatives

The City of Marietta will continue its makeover efforts by focusing on parks, streets and traffic projects, economic development, redevelopment and creating a friendly, safe and aesthetically pleasing environment for citizens and visitors. A major portion of the City Council's Vision Statement and Comprehensive Plan revolves around these objectives. With these goals in mind, the following major initiatives are planned in the coming year:

The voters approved a 1% Special Purpose Local Sales Tax (SPLOST) in 2011. The SPLOST projects that are slated for FY2015 are intersection improvements which are Cherokee Street and Cherry Street, Cobb Parkway at North Marietta Parkway, Cobb Parkway at Roswell Road, South Marietta Parkway at Atlanta Street, North Marietta Parkway at Wallace Road, Cobb Parkway at White Circle, and the Polk Street and Mountain View Road Roundabout. There will be street improvements on Alexander Street, Franklin Road, and Fairground Street between Roswell Road and Rigby Street. Street and sign marking reflectivity projects, gateway improvements, annual street resurfacing, drainage improvements, sidewalk and multi-use trail construction, and traffic calming devices will be addressed. Along with the renovation of the Public Works Facility which is the oldest operational city-owned building (1968). In addition, federal funding has been secured for some of these transportation projects as well:

The State of Georgia recently awarded \$1.45 million to Marietta in Transportation Enhancement (TE) funding for three projects slated for fall of 2015. Projects will include renovation of the Marietta Welcome Center, repaving with brick or concrete pavers the Mill Street sidewalks, McNeel Alley and Atherton Square, upgrading pedestrian lights, improve landscaping and hardscaping with benches and planters. A ten-foot wide multi-use trail along East Dixie Avenue, Manget Street and Fairground Street will link users to the Cobb County Community Transit (CCT) Transfer Station, Southern Polytechnic University (SPSU) and Life University, and other trails within the city and Cobb County. There will also be a ten-foot wide multi-use trail along Cemetery Street between Powder Springs Street and West Atlanta Street; this will connect the Kennesaw Mountain Chattahoochee River Trail and Kennesaw Mountain National Park to the Silver Comet Trail and the Chattahoochee River National Recreation Area.

Parks bond projects include the completion of Victory Park site improvements of sand volleyball court, parks trails, sidewalks and plaza area, playground equipment and fencing, installation of an additional picnic shelter and handicapped accessibility. Other improvements to be addressed in the coming year include: Birney Park picnic shelter renovations and handicap accessibility; Brown Park construction of 2 additional walls listing more than 250 names of soldiers buried in the adjacent Confederate Cemetery; Custer Park renovation of recreation building; Elizabeth Porter Recreation Center designs finalized for renovations including playground, splash pad, picnic pavilions, facility entryway and landscape improvements; Lawrence Street Recreation Center renovations of building and site for Police Athletic League use.

Major electric utility projects includes designing and constructing a fiber optic network to connect 17 electric distribution substations, 117 automated switches and 6 water sites to Marietta's power control center System Control and Data Acquisition (SCADA) system; Underground cable replacement to replace outdated or failing power supply; Replacement of circuit breakers and regulators at or beyond their 30-year life cycle with new vacuum breakers and electronic control panels; Overall system improvements, secondary system upgrade, service to new customers, and utility relocations for road projects.

Major water and sewer utility projects include: replace or upgrade the deteriorated or overloaded sections of sewer pipes as well as point repairs of pipe defects and manholes; replace older or inadequately sized water pipes that cause problems such as low pressure, low flow, poor water quality and frequent pipe breaks; replace small and medium meters to control unbilled water usage; water and wastewater system improvements, valve maintenance program, infiltration and inflow detection program, and utility relocations for road projects.

Major utility support projects include: implementing the next phase of a system to remotely read all electric and water meters without sending personnel out into the field (Wireless Meter Reading system will provide real time information directly to the BLW customer service and billing office); in-vehicle two-way radio equipment upgrade and computer technology core router upgrade, replace communication and base network connectivity.

Economic Development and Redevelopment continue to be a priority for the coming year as Marietta brings in new businesses, retains existing industries, and revitalizes distressed shopping centers. The following tools have been successful and will continue to be used to assist the City in this effort: The \$68 million Redevelopment Bond approved in 2013 provides funding for the acquisition and demolition of improved property in the Franklin Road area for further development, in addition, funding exists to construct streetscape improvements on Whitlock Avenue, which will get underway this fiscal year. A state sponsored program where any company that creates two or more jobs in certain areas gets a \$3,500 tax credit for each job for each year for the next five years. Marietta's expanded opportunity zone includes portions of Fairground Street, Roswell Street, Powder Springs Street, South Marietta Parkway, Franklin road, and industrial and heavy commercial locations throughout Marietta. Marietta's military zone qualifying area for the \$3,500 tax credit is East of Atlanta Road, West of Cobb Parkway, south of Roswell Street and North of South Cobb Drive. A collaborative program in which government, business, and academia work together to redevelop the Franklin Road corridor. Diverse financial incentives and tax credits are available from federal, state and city governments

Tourism promotion and development continue to be very important for the success of our community. Marietta will partner with local organizations, non-profits and businesses in making every effort to bring tourism dollars into our city during the 150th Anniversary of the battles of Marietta.

Marietta is an open government and user friendly to citizens and visitors. The Marietta E-News is sent out to subscribers on Fridays for the latest news about our government, information on special events for citizens, reports about the community, and general announcements that our citizens, visitors and businesses need to know. MyMarietta is a free mobile application available to residents, business owners, visitors and staff giving access to city information from a mobile device. The ability to pay court citations and parking tickets as well as property taxes using eChecks is available online along with streaming all recorded public meetings.

Awards

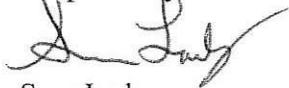
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marietta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This represented the twenty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting from the GFOA a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2013 for fiscal year 2014. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report could not have been accomplished without the efficient and dedicated efforts of the staff of the Accounting Division and the entire staff of the Finance Department and the cooperation of the various elected officials and appointed management. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,



Sam Lady
Finance Director
City of Marietta



Government Finance Officers Association

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

Presented to

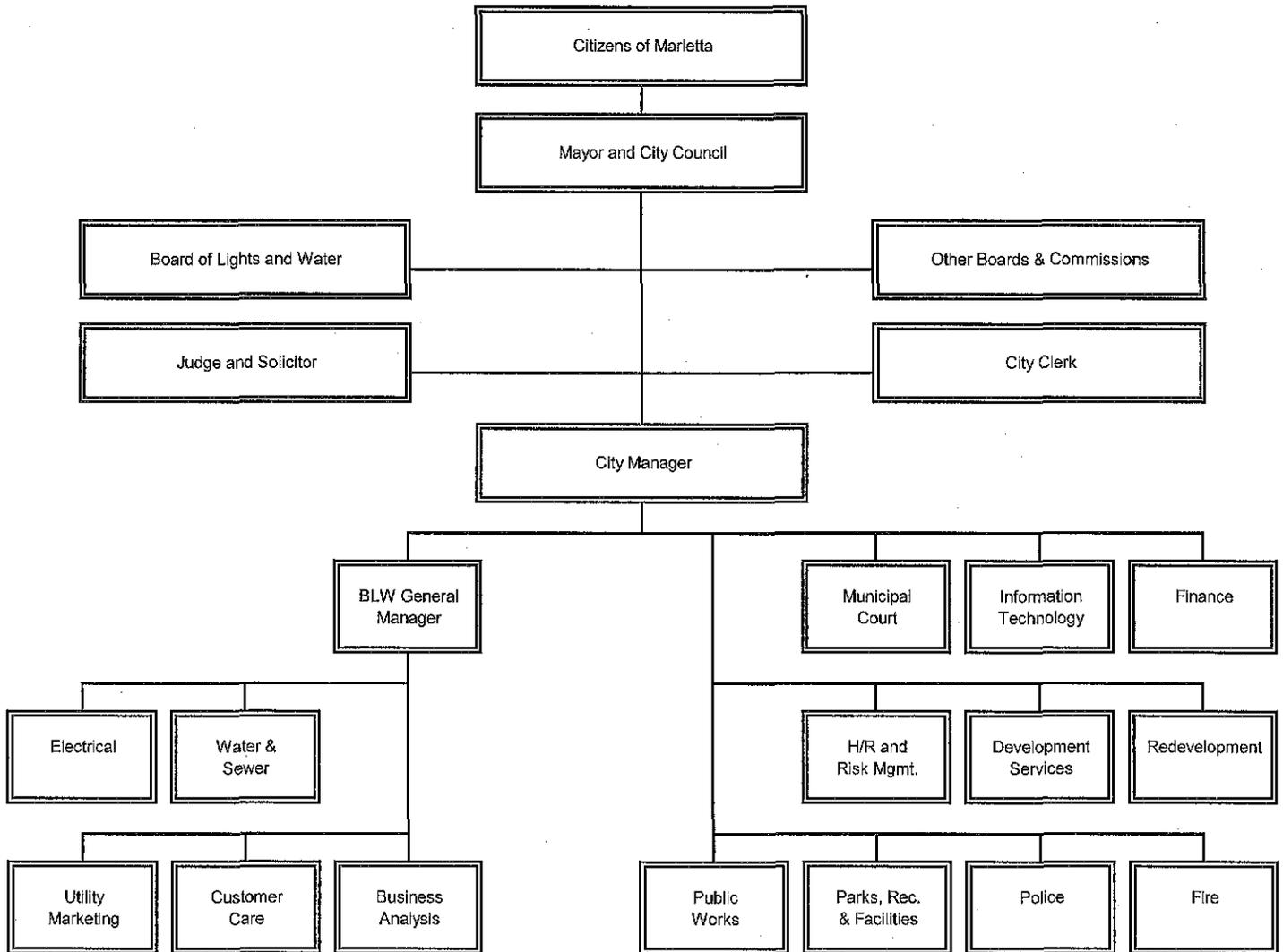
**City of Marietta
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

CITY OF MARIETTA ORGANIZATION CHART



OFFICIALS

Mayor and City Council

R. Steve Tumlin, Jr.
Mayor

Stuart Fleming	Ward 1
Griffin L. Chalfant, Jr.	Ward 2
Johnny Walker	Ward 3
G. A. "Andy" Morris	Ward 4
Anthony C. Coleman	Ward 5
Michelle Cooper Kelly	Ward 6
Philip M. Goldstein	Ward 7

Board of Lights and Water

R. Steve Tumlin, Jr., Mayor
Chairman

Bruce E. Coyle	Board Member
Terry G. Lee	Board Member
G. A. "Andy" Morris, Council Member	Board Member
Alice Summerour	Board Member
J. Brian Torras	Board Member
Mike Wilson	Board Member

City / BLW Administration

William F. Bruton, Jr.
City Manager

Pamela Allen	Municipal Court Administrator
Shannon Barrett	Assistant to the City Manager
Thomas Bell	Electrical Director
Brian Binzer	Development Services Director
William F. Bruton, Jr.	Acting BLW General Manager
Richard Buss	Parks, Recreation and Facilities Director
Daniel Conn	Public Works Director
Ronald Barrett	MIS Director
Shannon Barrett	Acting Human Resources and Risk Management Director
Barry Echols	Utility Marketing Director
Ron Thomas	Business Analysis Director
Daniel Flynn	Police Chief
Jackie Gibbs	Fire Chief
Stephanie Guy	City Clerk
Douglas Haynie	City Attorney
Sam Lady	Finance Director
J. Kevin Moore	BLW Attorney
Ronald Mull	Customer Care Director
Beth Sessoms	Redevelopment Director
Robert Snelson	Water and Sewer Director

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INDEPENDENT AUDITOR'S REPORT

The Honorable R. Steve Tumlin Jr., Mayor
Members of the City Council
City of Marietta
Marietta, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marietta, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marietta, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and schedule of employer contributions on pages 4-16 and 57-59 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 Marietta, Georgia's basic financial statements. The introductory section, combining and individual fund statements and schedules, comparative section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, comparative section 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 30, 2014, on our consideration of the City of Marietta, 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 Marietta, Georgia's internal control over financial reporting and compliance.



Crace Galvis McGrath, LLC
Kennesaw, Georgia

December 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report provides readers with a narrative overview and analysis of the financial activities of the City of Marietta for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- ❖ Marietta's assets exceed liabilities by \$278.1 million at the end of fiscal year 2014. This is an increase of \$19.2 million when compared to the previous year. Of this amount, \$240 million is the city's net investment in capital assets. Total unrestricted assets are a negative \$180 thousand. Unrestricted net position from governmental activities are a negative \$31.3 million. During FY 2014 the City issued \$68 million in Redevelopment Bonds payable through July 1, 2034.
- ❖ The City's total net position increased \$20.3 million over the previous year with a \$4.7 million increase generated from governmental activities and a \$15.5 million increase resulting in the business-type activities.
- ❖ The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2014 are \$185.8 million and \$37 million respectively. \$183.4 million of this total represents long-term liabilities, such as bonds and notes payable, leases payable, and compensated absences. This is an increase of \$66.7 million for the governmental activities and an increase of \$1.4 million for the business-type activities.
- ❖ The City's General Fund's fund balance was \$47.9 million as of June 30, 2014. The General Fund's fund balance decreased by \$700 thousand from June 30, 2013.

Total governmental activities bonds payable, net increased by \$63.7 million in fiscal year 2014. This is due to the City issuing \$68 million in General Obligation Bonds in FY 2014 and the normal annual payments for prior issued bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Marietta's basic financial statements. The basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic statements, this report also contains other supplementary information including combining statements for non-major funds, and a statistical section.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business.

The statement of net position presents information on all 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 City's financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City of Marietta's governmental activities include general government, public safety, streets and highways, and recreation. The City has three business type activities, the Board of Lights & Water that provides electric, water and wastewater services, City Club Golf Course, and the Marietta Conference Center and Resort that is a hotel and conference facility.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen (13) governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, redevelopment bond fund and SPLOST fund which are considered to be major funds. Data from the other ten (10) funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 19 through 21 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three enterprise funds, the Board of Lights and Water, the City Club Golf Course, and the Marietta Conference Center & Resort. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance and motor transport activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Board of Lights and Water, City Club Golf Course, and the Marietta Conference Center and Resort. The Board of Lights and Water and Marietta Conference Center and Resort are considered to be major funds of the City. The internal service funds are presented in the proprietary fund financial statements. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are *not* included in the government-wide financial statements because the resources of these funds are not available to support the City's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 through 28 of this report.

Budgetary comparisons. The City of Marietta adopts an annual budget for its governmental funds and a project length budget for the SPLOST, Redevelopment Bond, and City Parks Bond Funds. Budget to actual comparisons for each of the governmental funds are provided in individual schedules elsewhere in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 56 of this report.

Other information. The combining and individual non major fund statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements and can be found on pages 60 through 122 of this report.

CITY-WIDE FINANCIAL ANALYSIS

A government-wide financial report represents the approach mandated by the Governmental Accounting Standards Board (GASB). GASB set the uniform standards for presenting government financial reports. This report provides comparative financial information to the previous year's actual results in this Management Discussion and Analysis.

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2014, assets exceeded liabilities by \$278.1 million.

The following table provides a summary of the City's governmental and business-type net position for fiscal year 2013 and 2014.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Assets						
Current and other assets	\$109,835,264	\$156,693,460	\$ 51,693,727	\$ 66,536,400	\$161,538,991	\$223,229,860
Capital assets	95,697,206	119,467,903	155,459,918	157,558,120	251,157,124	277,026,023
Total assets	205,532,470	276,161,363	207,163,645	224,094,520	412,696,115	500,255,883
Deferred outflows	-	721,191	-	47,838	-	769,029
Liabilities						
Current and other liabilities	8,495,724	9,625,288	15,141,295	16,714,375	23,637,019	26,339,663
Non-current liabilities	109,864,488	176,241,197	20,451,525	20,313,749	130,316,013	195,554,946
Total liabilities	118,360,212	185,866,485	35,592,820	37,028,124	153,953,032	222,894,609
Net Position						
Net invested in capital assets	85,328,216	84,036,575	153,196,535	156,008,740	238,524,751	240,045,315
Restricted	23,445,586	38,265,536	-	-	23,445,586	38,265,536
Unrestricted	(21,601,544)	(31,286,042)	18,374,290	31,105,994	(3,227,254)	(180,548)
Total net position	\$ 87,172,258	\$ 91,016,069	\$171,570,825	\$187,114,234	\$258,743,083	\$278,130,303

The largest portion of the City's net position, \$240 million, represents investments in capital assets.

The net investment in capital assets included land, buildings, machinery, and equipment, as well as infrastructure acquired and identified that was purchased and installed in previous fiscal years. These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the 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.

Changes in Net Position. Governmental and business-type activities increased the City's net position by \$20.3 million in fiscal year 2014. The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2013 and 2014.

Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2014	2013	2014	2013	2014
Revenues						
Program revenues:						
Charges for services	\$ 13,810,000	\$ 14,349,971	\$148,400,990	\$153,737,370	\$162,210,990	\$168,087,341
Operating grants and contributions	9,522,151	8,986,259	0	0	9,522,151	8,986,259
Capital grants and contributions	13,798,044	14,270,432	0	0	13,798,044	14,270,432
General Revenues:						
Property taxes	10,801,888	12,275,431	0	0	10,801,888	12,275,431
Other taxes	11,814,612	12,323,851	0	0	11,814,612	12,323,851
Investment earnings	181,640	144,116	243,752	355,270	425,392	499,386
Other revenues	150,629	238,632	258,370	172,919	408,999	411,551
Total Revenues	60,079,164	62,588,692	148,903,112	154,265,559	208,982,276	216,854,251
Expenses						
General government	7,559,103	8,188,120	0	0	7,559,103	8,188,120
Judicial	0	0	0	0	0	0
Public works	14,092,327	13,176,934	0	0	14,092,327	13,176,934
Culture and recreation	3,424,375	5,570,252	0	0	3,424,375	5,570,252
Public safety	29,703,965	32,169,792	0	0	29,703,965	32,169,792
Health and welfare	0	0	0	0	0	0
Urban redevelopment and housing	5,736,850	5,327,162	0	0	5,736,850	5,327,162
Interest on long-term debt	3,283,579	5,967,486	0	0	3,283,579	5,961,486
Electric, water & sewer	0	0	123,024,333	123,389,037	123,024,333	123,389,037
Golf	0	0	1,572,110	1,476,978	1,527,110	1,476,978
Conference	0	0	1,396,698	1,312,745	1,396,698	1,312,745
Total expenses	63,800,199	70,399,746	125,948,141	126,178,760	187,512,914	196,578,506
Increase (decrease) in net position before transfers	(3,721,035)	(7,781,654)	22,954,971	28,086,799	19,233,736	20,275,745
Transfers in (out)	12,865,266	12,543,390	(12,865,266)	(12,543,390)	0	0
Increase (decrease) in net position	\$ 9,144,031	\$ 4,732,336	\$ 10,089,705	\$ 15,543,409	\$ 19,233,736	\$ 20,275,745

Governmental Activities. Governmental activities decreased the City's net position by \$7.8 million in fiscal year 2014 before transfers. Key elements of this decrease are as follows:

Total revenues are \$62.6 million, up 4% from the prior year. The revenue increase is attributable to an increase in economic activity, a decrease in operating grants for the police department and a decrease in court fines and forfeits. Business license saw a slight increase and permit revenue increased due to the improving housing market. Investment earnings decreased from the previous year, which is attributable to minimal rates earned on a changing mix of deposits.

Expenses totaled \$70.4 million. This increase from the previous year was due to an increase in debt expense due to Bond issue and increase in Parks Bond expense with the completion of several projects. The City is still involved in several transportation and road improvement projects as a result of the voter approved Special Local Option Sales Tax (SPLOST). Construction, engineering and design work, right-of-way appraisals, and property acquisition are underway. This activity slowed some from the prior year but will increase in future years as the projects work into the construction phase.

Business-Type Activities. The City's business-type activities, which include the Board of Lights and Water, City Club Golf Course, and the Marietta Conference Center & Resort increased net position by \$29 million in fiscal year 2014 before transfers to the governmental activities.

Table 3
Enterprise Funds Net Operating Income
Non-operating revenues (expenses)
and Transfers in (out)

	Fiscal Year	
	2013	2014
Operating income	<u>2013</u>	<u>2014</u>
Board of Lights & Water	\$ 22,836,103	\$ 27,675,636
City Club Golf Course	171,270	208,448
Marietta Conference Center & Resort	<u>838,839</u>	<u>869,399</u>
Total	<u>23,846,212</u>	<u>28,753,483</u>
Non-operating revenues (expenses)	<u>351,741</u>	<u>368,426</u>
Contributed capital from developers	<u>0</u>	<u>0</u>
Income (loss) before operating transfers	<u>24,197,953</u>	<u>29,121,909</u>
Transfers in (out)	(13,659,482)	(13,425,387)
Change in net position	<u>\$ 10,538,471</u>	<u>\$ 15,696,522</u>

The Board of Lights and Water's operating revenues increased 3.7% from the previous year while operating expenses increased by .4% resulting in an operating income increase of 20.1% from 2013.

The City Club golf course operating revenues decreased by .5% from the previous year while operating expenses decreased by 3.3% resulting in operating income of \$208,448.

The City has entered into a long-term lease for The Marietta Conference Center and Resort with a private party and is no longer involved in the daily operations. The Center is leased for a flat monthly fee sufficient to cover the debt service payments.

The City is now reporting lease income, depreciation, and operating costs related to bond trustee expenses, and similar items.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Marietta uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of fiscal 2014, the combined ending fund balances of the City's governmental funds were \$137 million.

The City has three major governmental funds:

General fund. This is the primary operating fund of the City of Marietta government. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, solid waste sanitation, and administration. The general fund balance was \$47.9 million as of June 30, 2014. The fiscal year 2014 fund balance is \$700 thousand lower than the previous year. 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 31% of total fiscal year 2014 expenditures, while total fund balance is 92% of the same amount.

SPLOST fund. The Special Purpose Local Option Sales Tax fund tracks expenditures related to the 1% sales tax used for transportation and communications. Sidewalks, bridge rehabilitation, multi-use trails, road improvements, general street and drainage rehabilitation, street resurfacing and new roads are all construction projects on the Transportation Projects list approved by the voters in 2005 and 2011. In an effort to accelerate project completion, the city also undertakes County projects that are located within the City limits and receives reimbursement by the county for these projects. A county-wide 800 MHz communications system is also funded under this SPLOST. The fund balance as of June 30, 2014 is \$19.4 million which is an increase of \$6.7 million from the last year.

Redevelopment Bond fund. The Redevelopment Bond fund was established in FY2014 after the approval of a \$68 million bond referendum. Funding is provided for land acquisition and improvements to the Franklin-Gateway redevelopment area and the Whitlock Avenue corridor.

Proprietary funds overview. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

The City operates the Board of Lights and Water (BLW) which provides electric, water, and wastewater utilities for residential and commercial customers. Unrestricted net position of this fund at the end of the year amounted to \$55.8 million. The unrestricted net position increased by \$11 million during the year. The BLW continues to show strong operating income. Operating income totaled \$27.6 million and continues to contribute strong financial results for the city. The emphasis on controlling cost and restrained capital expenditures continues to contribute to city investment in the public utility.

The City operates an 18-hole golf course known as the City Club. The total net position of this fund at the end of the fiscal year amounted to \$4.7 million, an 11.1% increase. Revenue generated by the fund helps pay part of the acquisition cost of the property. The General Fund also contributes funds toward debt service. This \$399 thousand dollar payment contributes to the increase in net position. The Revenue Bond will be paid off in FY 2016.

The Marietta Conference Center & Resort is a conference center facility owned by the City. The total net position of this fund at the end of the fiscal year was \$(8.2) million. The total net position increased by \$1.2 million during the year. This facility is under a long term lease to a private operator until 2028. The difference between the lease payment and depreciation of the facility will contribute yearly to increase net position of the fund.

Other factors concerning the finances of these funds were discussed under business-type activities.

The City maintains two internal service funds. Information on these funds is aggregated in the Proprietary Fund financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget is prepared according to the Georgia statutes and the City of Marietta Code. The most significant budgeted fund is the General Fund.

In June 2013, the City Council appropriated \$52.6 million for general fund expenditures. The budget was amended 9 times during the fiscal year.

Table 4
2014 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenue and other financing sources	\$52,581,522	\$ 5,668,188	\$58,249,710	\$55,710,557
Expenditures and other financing uses	52,868,374	9,291,497	62,159,871	58,205,979

Mid-Year budget amendments include:

	General Fund	Grants	Police Asset/Forfeiture	Culture and Recreation	Total
Prior Year encumbrances	1,295,976	841,872	227,248		2,365,096
1 Community Development	571,000				571,000
2 Public Safety	1,305,052	8,000			1,313,052
3 Public Works	307,247	160,638			467,885
4 Facility, Grounds, Parks, Rec & Culture	777,508			12,000	789,508
5 Administration	556,277				556,277
6 Project Rollovers from previous yrs		3,059,615		169,064	3,228,679
	4,813,060	4,070,125	227,248	181,064	9,291,497

- 1 Appropriations for Redevelopment projects.
- 2 Police HEAT Unit and Cyber Specialist position; Appropriation of prior year savings for patrol vehicles, fire truck, fire command vehicles, and fire station bay door replacements. Grants for equipment for Police Dept.
- 3 Appropriation of reimbursement revenue for road signage; Appropriation of surplus funds for refuse truck, staff trucks and powered equipment. Federal and state grants for transportation projects.
- 4 Appropriation of tourism funds; Appropriation of prior year savings for vehicles and powered equipment and parking deck repairs. Purchase of inventory at Museum.
- 5 Appropriation of prior year savings for self-insurance fund.
- 6 Project rollovers are for project budgets adopted in a previous year that are for the life of the project.

The General Fund received several grants during the year that were not in the adopted budget as of July 1st. These are applied for and not awarded until after the budget has been adopted. The City purchased the remainder of a building that was purchased with Cobb Housing Inc. and appropriated excess funds for the purchase of vehicles.

The large budget variance in expenses is due to grant awards for street improvements that are awarded in the Budget year and will take several years to complete. This happens every year and is expected to continue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2014 was a total \$240 million. This investment includes land, buildings, machinery and equipment, as well as infrastructure. To comply with GASB 34, the City researched historical records to determine the value of infrastructure and calculated appropriate depreciation. The City has reported all assets acquired during fiscal years 2002 through 2014, and all assets that could be identified from previous periods. The total investment in capital assets (net of accumulated depreciation and debt) for the current fiscal year decreased from the previous year by .5% after depreciation. Additional capital asset activity and relevant disclosures can be found in note 5 of the Financial Statements. Major capital assets events during the current fiscal year included the following:

Governmental activities:

- Land acquisition for parks and economic development programs \$24.6 million
- Buildings and machinery and equipment \$2.6 million
- Infrastructure \$5.1 million

Business-type activities:

- System improvements \$6.1 million
- Buildings and machinery & equipment \$3.7 million

On-going construction commitments include:

The water department is continuing its water line replacement program. Utility relocations have also begun for the Roswell Street improvement project. The City intends to capitalize the infrastructure assets and depreciate them over the estimated useful life.

Long-term debt. At June 30, 2014, the City of Marietta had the following outstanding long-term debt (principal amount):

- \$2.3 million 2009B Public Safety Refunding Bonds
- \$13.7 million 2009A School Refunding Bonds
- \$21.1 million 2009D General Obligation Parks Bond
- \$7 million 2013A General Obligation Bonds Redevelopment

-
- \$61 million 2013B General Obligation Bonds Redevelopment
 - \$289 thousand note payable for property
 - \$5.1 million Series 2005 Tax Allocation District bonds
 - \$26.4 million notes payable for City Wide Projects
 - \$1.5 million capital lease funded through the City Club for the golf course
 - \$117 thousand capital leases for golf carts
 - The City has received a credit rating of Aa2 from Moody's Investor Services, Inc. and an AA+ rating from Standard & Poor's Corporation along with an AA+ rating from Fitch's Inc. The three agencies upgraded the City's ratings in 2010.

Georgia Revised Statutes provide for a general obligation debt limit of 10% of the assessed valuation. The City has a general obligation debt limit of \$279 million for the fiscal year 2014.

Additional information on the City of Marietta's debt can be found in Note 7.

Other Matters. The following factors are expected to have a significant effect on the City's financial position or results of operations and were taken into account in developing the fiscal year 2015 budget:

- No fee increases were imposed for fiscal year 2015.
- Increasing home ownership will also be a major focus of our redevelopment efforts. Several new mixed-use developments that were slowed or stopped during the economic downturn are now restarting. These large-scale projects along with their surrounding neighborhoods will have a tremendous influence in revitalizing the City.
- The Public Works has budgeted over \$15 million for transportation and road projects. Projects such as new road construction, general street, drainage and intersection improvements, sidewalk and multi-use trail construction, and street resurfacing and repairs are funded by collections from a 1% special purpose local option sales tax (SPLOST) enacted as of January 1, 2006 and January 1, 2011.
- In developing the budget the City was anticipating the budget would slowly recover from the economic slowdown and predicted that revenues would not grow as they have in the past years and therefore cut budgeted operating expenditures to zero growth in fiscal year 2015 for most departments.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Marietta's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 205 Lawrence Street, Marietta, GA 30060.

CITY OF MARIETTA, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 38,267,703	\$ 9,844,567	\$ 48,112,270
Investments	85,184,367	45,776,031	130,960,398
Inventories	138,410	3,398,083	3,536,493
Receivables, net	1,517,587	17,959,560	19,477,147
Internal balances	12,831,444	(12,831,444)	-
Due from other governments	18,722,515	-	18,722,515
Prepaid items	31,434	15,300	46,734
Other assets, net	-	2,374,303	2,374,303
Capital assets, non depreciated	43,857,867	8,752,260	52,610,127
Capital assets, depreciated, net	75,610,036	148,805,860	224,415,896
Total assets	276,161,363	224,094,520	500,255,883
Deferred outflows of resources:			
Deferred loss on refunding	721,191	-	721,191
Liabilities:			
Accounts payable and other current liabilities	6,435,422	14,179,922	20,615,344
Claims and judgements payable	3,020,306	-	3,020,306
Unearned revenue	169,560	2,534,453	2,704,013
Noncurrent liabilities:			
Due within one year	11,915,071	1,198,027	13,113,098
Due in more than one year	164,326,126	19,115,722	183,441,848
Total liabilities	185,866,485	37,028,124	222,894,609
Net Position:			
Net investment in capital assets	84,036,575	156,008,740	240,045,315
Restricted for:			
Debt service	5,613,872	-	5,613,872
Capital projects	28,000,143	-	28,000,143
Culture and recreation	813,492	-	813,492
Urban redevelopment and housing	596,555	-	596,555
Public safety	3,241,474	-	3,241,474
Unrestricted	(31,286,042)	31,105,494	(180,548)
Total net position	\$ 91,016,069	\$ 187,114,234	\$ 278,130,303

See accompanying notes to financial statements.

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

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities:							
General government	\$ 8,188,120	\$ 9,616,173	\$ 18,524	\$ -	\$ 1,446,577	\$ -	\$ 1,446,577
Public works	13,176,934.00	3,637,966	12,560	14,130,853	4,604,445	-	4,604,445
Culture and recreation	5,570,252.00	313,602	18,000	-	(5,238,650)	-	(5,238,650)
Public safety	32,169,792.00	180,143	910,222	136,654	(30,942,773)	-	(30,942,773)
Urban redevelopment and housing	5,327,162.00	602,087	5,721,890	2,925	999,740	-	999,740
Interest & fiscal charges on long-term debt	5,967,486.00	-	-	-	(5,967,486)	-	(5,967,486)
Total governmental activities	70,399,746	14,349,971	6,681,196	14,270,432	(35,098,147)	-	(35,098,147)
Business-type activities:							
Water & Sewer	24,381,449	34,911,219	-	-	-	10,529,770	10,529,770
Electric	99,007,588	115,118,344	-	-	-	16,110,756	16,110,756
Golf	1,476,978	1,555,270	-	-	-	78,292	78,292
Conference Center	1,312,745	2,152,537	-	-	-	839,792	839,792
Total business-type activities	126,178,760	153,737,370	-	-	-	27,558,610	27,558,610
Total Primary Government	\$ 196,578,506	\$ 168,087,341	\$ 6,681,196	\$ 14,270,432	\$ (35,098,147)	\$ 27,558,610	\$ (7,539,537)
General Revenues:							
Property Taxes					12,275,431	-	12,275,431
Insurance premium tax					2,918,570	-	2,918,570
Alcohol taxes					745,204	-	745,204
Hotel, motel tax					2,188,576	-	2,188,576
Franchise taxes					6,022,593	-	6,022,593
Auto rental tax					448,908	-	448,908
Unrestricted investment earnings					144,116	355,270	499,386
Gain on sale of capital assets					238,632	172,919	411,551
Operating grants not restricted to a specific program					2,305,063	-	2,305,063
Transfers					12,543,390	(12,543,390)	-
Total general revenues and transfers					39,830,483	(12,015,201)	27,815,282
Change in net position					4,732,336	15,543,409	20,275,745
Net position - beginning, before restatement					87,172,258	171,570,825	258,743,083
Restatement					(888,525)	-	(888,525)
Net position - beginning, after restatement					86,283,733	171,570,825	257,854,558
Net position - ending					\$ 91,016,069	\$ 187,114,234	\$ 278,130,303

CITY OF MARIETTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	SPLOST Fund	Redevelopment Bond Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 17,865,127	\$ 7,380,644	\$ -	\$ 10,404,406	\$ 35,650,177
Cash with fiscal agent	500	-	-	941,959	942,459
Cash held in escrow	-	541,911	-	-	541,911
Investments	6,900,943	10,288,558	44,727,175	13,872,046	75,788,722
Receivables, net	922,323	10,156	-	375,250	1,307,729
Prepaid items	28,409	-	-	-	28,409
Due from other funds	199,441	-	-	-	199,441
Advances to other funds	22,536,181	-	-	-	22,536,181
Due from other governments	2,821,767	2,053,493	-	117,969	4,993,229
Inventories	34,851	-	-	-	34,851
Total assets	\$ 51,309,542	\$ 20,274,762	\$ 44,727,175	\$ 25,711,630	\$ 142,023,109
Liabilities					
Accounts payable	\$ 1,145,551	\$ 670,020	\$ 44,349	\$ 169,581	\$ 2,029,501
Retainage payable	69,097	214,573	-	27,798	311,468
Accrued liabilities	767,227	-	-	16,408	783,635
Due to other funds	1,138,178	-	112,933	289,592	1,540,703
Due to other governments	860	-	-	-	860
Unearned revenue	169,560	-	-	-	169,560
Total liabilities	3,290,473	884,593	157,282	503,379	4,835,727
Deferred inflows of resources					
Unavailable revenue	128,687	-	-	85,871	214,558
Fund Balances					
Nonspendable	22,599,441	-	-	-	22,599,441
Restricted	4,049,761	19,390,169	44,569,893	25,130,456	93,140,279
Committed	2,487,509	-	-	-	2,487,509
Assigned	3,073,354	-	-	-	3,073,354
Unassigned	15,680,317	-	-	(8,076)	15,672,241
Total fund balances	47,890,382	19,390,169	44,569,893	25,122,380	136,972,824
Total liabilities, deferred inflows of resources, and fund balances	\$ 51,309,542	\$ 20,274,762	\$ 44,727,175	\$ 25,711,630	

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.	118,655,523
Revenues earned but unavailable are not reported in the funds.	214,558
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported or reported as unavailable in the funds: Receivable from other governments	13,730,000
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The assets and liabilities of the internal service funds and a receivable from business type activities are included in governmental activities in the statement of net assets.	(143,105)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Net OPEB obligation	(28,385,879)
Net pension obligation	(1,141,862)
Unmatured bonds	(136,145,489)
Unamortized notes payable premium	(1,653,913)
Unamortized bond premium	(4,407,512)
Accrued compensated absences	(3,752,205)
Accrued interest payable	(2,926,871)
Net position of governmental activities	\$ 91,016,069

See accompanying notes to financial statements.

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

	General	SPLOST Fund	Redevelopment Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$18,837,046	\$ -	\$ -	\$ 5,782,115	\$ 24,619,161
Licenses and permits	5,972,483	-	-	-	5,972,483
Intergovernmental	3,600,807	11,922,593	-	9,641,008	25,164,408
Charges for services	4,275,790	-	-	-	4,275,790
Fines and forfeits	4,241,668	-	-	-	4,241,668
Investment earnings	92,088	14,580	2,075	58,396	167,139
Other	817,339	-	-	5,894	823,233
Total revenues	37,837,221	11,937,173	2,075	15,487,413	65,263,882
Expenditures:					
Current:					
General government	7,395,479	-	-	-	7,395,479
Public works	9,351,184	269,162	-	253,090	9,873,436
Culture and recreation	6,111,246	-	93,530	247,405	6,452,181
Public safety	26,405,370	-	-	-	26,405,370
Urban redevelopment and housing	-	-	-	5,333,941	5,333,941
Debt service:					
Principal retirement	1,593,762	-	-	5,757,915	7,351,677
Interest & fiscal charges	1,247,024	-	-	2,216,591	3,463,615
Bond issuance cost	-	-	1,771,188	-	1,771,188
Capital projects	-	4,990,588	20,126,094	1,716,491	26,833,173
Total expenditures	52,104,065	5,259,750	21,990,812	15,525,433	94,880,060
Excess (deficiency) of revenues over expenditures	(14,266,844)	6,677,423	(21,988,737)	(38,020)	(29,616,178)
Other financing sources (uses):					
Bonds issued	-	-	68,000,000	-	68,000,000
Premium on bonds issued	-	-	1,814,364	-	1,814,364
Sale of capital assets	238,632	-	-	-	238,632
Transfers in	17,634,704	-	-	3,255,734	20,890,438
Transfers out	(4,343,832)	-	(3,255,734)	(2,703,995)	(10,303,561)
Total other financing sources (uses)	13,529,504	-	66,558,630	551,739	80,639,873
Net change in fund balance	(737,340)	6,677,423	44,569,893	513,719	51,023,695
Fund balances at beginning of year	48,627,722	12,712,746	-	24,608,661	85,949,129
Fund balances at end of year	\$47,890,382	\$19,390,169	\$ 44,569,893	\$ 25,122,380	\$136,972,824

See accompanying notes to financial statements.

CITY OF MARIETTA, 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

Net change in fund balances - total governmental funds \$ 51,023,695

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss.

Depreciation expense	(5,853,305)	
Capital outlays	<u>29,746,483</u>	23,893,178

Receipts of long-term receivables are reported as revenues in the governmental funds but entering into a long-term receivable agreement is included in the Statement of Net Assets:

Receipts of long-term receivables	(2,865,000)
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The issuance of long-term debt provides current financial resources and the repayment of principal on long-term debt consumes current financial resources in the governmental funds.

Bond proceeds	(68,000,000)
Bond issuance premium	(1,814,363)
Matured principal on bonds payable	5,757,914
Matured principal on note payable	1,593,762

The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(19,879)
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Internal service funds are used by management to charge the costs of fleet management and self-insurance to individual funds.	(383,615)
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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 the governmental funds.

Amortization of bond premium and loss on bond refunding	524,293	
Actuarial pension costs in excess of contributions	(2,504)	
Actuarial costs in excess of OPEB contributions	(3,116,035)	
Accrued interest expense	(1,262,870)	
Accrued compensated absences	<u>(596,240)</u>	<u>(4,453,356)</u>

Change in net position of governmental activities	<u>\$ 4,732,336</u>
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**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2014**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 9,837,761	\$ -	\$ 6,806	\$ 9,844,567	\$ 1,133,156
Investments	33,940,797	59	-	33,940,856	9,395,645
Restricted assets:					
Receivables, net	17,958,013	-	1,547	17,959,560	209,858
Due from other funds	11,750,388	186,366	-	11,936,754	-
Due from other governments	-	-	-	-	146
Inventories, at cost	3,398,083	-	-	3,398,083	103,559
Prepaid expense	15,300	-	-	15,300	3,025
Total current assets	76,900,342	186,425	8,353	77,095,120	10,845,389
Noncurrent assets:					
Restricted assets:					
Investments	11,835,175	-	-	11,835,175	-
Total noncurrent assets	11,835,175	-	-	11,835,175	-
Property, plant and equipment:					
Land and land improvements	1,382,976	769,284	6,600,000	8,752,260	-
Buildings and improvements	16,408,699	23,326,210	2,058,509	41,793,418	502,346
Electrical plant in service	118,228,256	-	-	118,228,256	-
Water and sewer system	86,251,600	-	-	86,251,600	-
Machinery and equipment	61,169,008	12,354,692	3,786,802	77,310,502	1,459,924
	283,440,539	36,450,186	12,445,311	332,336,036	1,962,270
Less: accumulated depreciation	(147,744,330)	(22,308,593)	(4,724,993)	(174,777,916)	(1,149,890)
Net property, plant and equipment	135,696,209	14,141,593	7,720,318	157,558,120	812,380
Other assets:					
Investment	2,374,303	-	-	2,374,303	-
Total other assets	2,374,303	-	-	2,374,303	-
Total noncurrent assets	149,905,687	14,141,593	7,720,318	171,767,598	812,380
Total assets	226,806,029	14,328,018	7,728,671	248,862,718	11,657,769
Deferred outflows of resources:					
Deferred loss on refunding	-	-	47,838	47,838	-

See accompanying notes to financial statements.
 Continued on next page.

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION (CONT'D)
 JUNE 30, 2014**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	13,130,550	-	70,114	13,200,664	364,296
Accrued salaries	324,985	-	-	324,985	19,651
Accrued sales tax	634,099	-	-	634,099	-
Accrued compensated absences	355,809	-	-	355,809	13,824
Due to other funds	-	-	1,379,116	1,379,116	9,216,376
Capital lease obligations	-	-	842,218	842,218	-
Accrued interest payable	-	-	20,174	20,174	-
Claims and judgements payable	-	-	-	-	3,020,306
Total current liabilities:	<u>14,445,443</u>	<u>-</u>	<u>2,311,622</u>	<u>16,757,065</u>	<u>12,634,453</u>
Long-term liabilities (net of current portion):					
Accrued compensated absences	584,882	-	-	584,882	19,322
Unearned revenue	2,534,453	-	-	2,534,453	-
Net pension obligation	468,844	-	-	468,844	-
Net OPEB obligation	8,006,274	-	-	8,006,274	-
Customer deposits	9,300,722	-	-	9,300,722	-
Advances from other funds	-	22,536,181	-	22,536,181	-
Capital lease obligations	-	-	755,000	755,000	-
Total long-term liabilities	<u>20,895,175</u>	<u>22,536,181</u>	<u>755,000</u>	<u>44,186,356</u>	<u>19,322</u>
Total liabilities	<u>35,340,618</u>	<u>22,536,181</u>	<u>3,066,622</u>	<u>60,943,421</u>	<u>12,653,775</u>
<u>NET POSITION</u>					
Net investment in capital assets	135,696,209	14,141,593	6,170,938	156,008,740	812,380
Unrestricted	<u>55,769,202</u>	<u>(22,349,756)</u>	<u>(1,461,051)</u>	<u>31,958,395</u>	<u>(1,808,386)</u>
Total net position	<u>\$ 191,465,411</u>	<u>\$ (8,208,163)</u>	<u>\$ 4,709,887</u>	<u>187,967,135</u>	<u>\$ (996,006)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(852,901)</u>	
Net position of business-type activities				<u>\$ 187,114,234</u>	

See accompanying notes to financial statements.
 Continued from previous page.

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Operating revenues:					
Charges for services	\$ 148,851,310	\$ -	\$ 1,555,270	\$ 150,406,580	\$ 3,259,692
Lease income	-	2,152,537	-	2,152,537	-
Other	1,178,253	-	-	1,178,253	80,283
Contributions	-	-	-	-	10,283,865
Total operating revenues	150,029,563	2,152,537	1,555,270	153,737,370	13,623,840
Operating expenses:					
Personal services	14,942,416	-	-	14,942,416	733,382
Operating	100,710,871	429,676	1,136,394	102,276,941	3,546,454
Depreciation	6,700,640	853,462	210,428	7,764,530	122,484
Benefits and claims	-	-	-	-	12,626,363
Total operating expenses	122,353,927	1,283,138	1,346,822	124,983,887	17,028,683
Operating income (loss)	27,675,636	869,399	208,448	28,753,483	(3,404,843)
Nonoperating revenues (expenses):					
Investment earnings	355,270	-	-	355,270	29,605
Interest and fiscal charges	-	(29,607)	(129,553)	(159,160)	-
Gain (loss) on sale of capital assets	172,919	-	-	172,919	-
Other	-	-	(603)	(603)	-
Total nonoperating revenues (expenses)	528,189	(29,607)	(130,156)	368,426	29,605
Income (loss) before transfers	28,203,825	839,792	78,292	29,121,909	(3,375,238)
Transfers					
Transfers in	921,631	1,004,740	399,845	2,326,216	2,909,710
Transfers out	(15,076,961)	(649,621)	(25,021)	(15,751,603)	(71,200)
Total transfers	(14,155,330)	355,119	374,824	(13,425,387)	2,838,510
Change in net position	14,048,495	1,194,911	453,116	15,696,522	(536,728)
Net position at beginning of year	177,416,916	(9,403,074)	4,256,771		(459,278)
Net position at end of year	\$ 191,465,411	\$ (8,208,163)	\$ 4,709,887		\$ (996,006)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds:				(153,113)	
Change in net position of business-type activities				\$ 15,543,409	

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Cash flows from operating activities:					
Cash received from customers	\$ 146,589,964	\$ -	\$ 1,554,653	\$ 148,144,617	\$ 13,522,573
Cash received from other operating activities	1,178,253	-	-	1,178,253	-
Cash payments goods and services	(99,283,749)	(429,676)	(1,082,476)	(100,795,901)	(3,544,173)
Cash payments for benefits and claims and fringe benefits	(14,695,360)	-	-	(14,695,360)	(13,295,227)
Cash payments for other operating activities	-	-	-	-	76,147
Cash received from lease	-	2,152,537	-	2,152,537	-
Cash received from (payments to) other funds	-	-	-	-	1,419,002
Net cash from (to) operating activities	33,789,108	1,722,861	472,177	35,984,146	(1,821,678)
Cash flows from noncapital financing activities:					
Transfers in	921,631	1,004,740	399,845	2,326,216	2,909,710
Transfers out	(15,076,961)	(649,621)	(25,021)	(15,751,603)	(71,200)
Net cash from (to) noncapital financing	(14,155,330)	355,119	374,824	(13,425,387)	2,838,510
Cash flows from capital and related financing activities:					
Payments for capital acquisitions	(9,837,697)	-	(25,033)	(9,862,730)	-
Advances from (to) other funds	-	(2,122,929)	-	(2,122,929)	-
Proceeds from asset sales	172,919	-	-	172,919	-
Payments on capital leases	-	-	(49,512)	(49,512)	-
Payments on notes payable	-	-	(690,000)	(690,000)	-
Interest and fiscal charges	-	(29,607)	(82,630)	(112,237)	-
Net cash from (to) capital and related financing activities	(9,664,778)	(2,152,536)	(847,175)	(12,664,489)	-
Cash flows from investing activities:					
Investment income received (paid)	386,460	-	-	386,460	33,271
Investment (purchases) sales	(7,433,731)	-	-	(7,433,731)	(2,173,156)
Net cash from (to) investing activities	(7,047,271)	-	-	(7,047,271)	(2,139,885)
Net increase (decrease) in cash and cash equivalents	2,921,729	(74,556)	(174)	2,846,999	(1,123,053)
Cash and cash equivalents at beginning of year:					
Cash	6,916,032	74,556	6,980	6,997,568	2,256,209
Total cash and cash equivalents, beginning of year	6,916,032	74,556	6,980	6,997,568	2,256,209
Cash and cash equivalents at end of year:					
Cash	9,837,761	-	6,806	9,844,567	1,133,156
Total cash and cash equivalents, end of year	\$ 9,837,761	\$ -	\$ 6,806	\$ 9,844,567	\$ 1,133,156

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2014**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 27,675,636	\$ 869,399	\$ 208,448	\$ 28,753,483	\$ (3,404,843)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	6,775,239	853,462	210,428	7,839,129	122,484
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	(617)	(617)	(1,111)
(Increase) decrease in contributions receivable	-	-	-	-	(23,189)
(Increase) decrease in utility accounts receivable	(733,791)	-	-	(733,791)	-
(Increase) decrease in due from other funds	(1,874,478)	-	-	(1,874,478)	-
Advances from (to) other funds	-	-	-	-	-
(Increase) decrease in inventories	(143,136)	-	-	(143,136)	(18,906)
(Increase) decrease in prepaid expense	(15,300)	-	-	(15,300)	(3,025)
(Increase) decrease in due from other governments	-	-	-	-	2,205
Increase (decrease) in accounts payable	1,460,835	-	-	1,460,835	(5,997)
Increase (decrease) in accrued salaries	37,866	-	-	37,866	5,578
Increase (decrease) in accrued sales tax	50,124	-	6,207	56,331	-
Increase (decrease) in accrued compensated absences	87,831	-	-	87,831	2,345
Increase (decrease) in net pension asset/obligation	3,496	-	-	3,496	-
Increase (decrease) in net OPEB obligation	117,863	-	47,711	165,574	-
Increase (decrease) in due to other funds	-	-	-	-	1,446,186
Increase (decrease) in unearned revenue	27,724	-	-	27,724	-
Increase (decrease) in customer deposits	319,199	-	-	319,199	-
Increase (decrease) in claims and judgments payable	-	-	-	-	56,595
Net cash from (to) operating activities	<u>\$ 33,789,108</u>	<u>\$ 1,722,861</u>	<u>\$ 472,177</u>	<u>\$ 35,984,146</u>	<u>\$ (1,821,678)</u>

See accompanying notes to financial statements.
 Continued from previous page.

CITY OF MARIETTA, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	OPEB Trust Fund	Pension Trust Fund	City Schools Agency Fund
<u>Assets</u>			
Cash and cash equivalents	\$ 963,313	\$ 7,583,524	\$ 398,361
Receivables:			
Accrued interest	25	224,228	-
Tax receivable	-	-	1,114,603
Due from other government	-	-	271,508
Contributions:			
Employer	-	140,524	-
Total receivables	25	364,752	1,386,111
Investments, at fair value:			
United States government securities	-	5,971,852	-
Corporate notes and debentures	-	23,391,468	-
Common stock	-	58,686,304	-
Preferred stock	-	1,683,589	-
Total investments	-	89,733,213	-
Total assets	963,338	97,681,489	1,784,472
<u>Liabilities</u>			
Accrued expenses	1,680	152,564	-
Due to others	-	204,823	1,784,472
Total liabilities	1,680	357,387	1,784,472
Net position:			
Restricted for:			
OPEB benefits (See required supplementary information)	961,658	-	-
Pension benefits (See required supplementary information)	-	97,324,102	-
Total Net Position	\$ 961,658	\$ 97,324,102	\$ -

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	OPEB Trust Fund	Pension Trust Fund
Additions:		
Employer contributions	\$ -	\$ 5,669,307
Employee contributions	-	1,260,264
Contributions from others	140,463	-
	<u>140,463</u>	<u>6,929,571</u>
Investment income (expenses):		
Net appreciation (depreciation) of fair value of investments	-	14,019,050
Interest and dividends	353	1,231,759
Total investment income	353	15,250,809
Less investment expenses	-	(588,168)
Net investment income (expenses)	<u>353</u>	<u>14,662,641</u>
Total additions	<u>140,816</u>	<u>21,592,212</u>
Deductions:		
Pension benefits paid	-	9,118,269
Administrative costs	6,300	144,049
Total deductions	<u>6,300</u>	<u>9,262,318</u>
Change in net position	<u>134,516</u>	<u>12,329,894</u>
Net position - beginning of year	<u>827,142</u>	<u>84,994,208</u>
Net position - end of year	<u>\$ 961,658</u>	<u>\$ 97,324,102</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

The accounting methods and procedures adopted by the City of Marietta, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The reporting entity which consists only of the primary government, the City of Marietta (City), was created in 1852 and operates under an elected Mayor/Council form of government. The City's major operations include social services, public safety, fire protection, culture-recreation, regulation and control of the water, light, and sewer systems, highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

Related Organization: The Marietta Housing Authority is a related organization which has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Board consists of five members appointed by the City Council; however, the City does not have the ability to impose its will or have a financial benefit or burden relationship. The Department of Housing and Urban Development subsidizes Housing Authority operations and sets rates charged for housing. The debts of the Housing Authority are not secured by the City and deficits are not financed by the City. No budgetary or financial relationship exists between the City of Marietta and the Marietta Housing Authority.

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The City's net position is reported in three parts- net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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 properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus. 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 year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues except intergovernmental revenue to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue is considered available if it is collected within 9 months after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when a payment is due.

Property taxes, franchise taxes, licenses, 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 government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

SPLOST Fund - The SPLOST fund accounts for the proceeds received from Cobb County Special Purpose Local Option Sales Tax collections to be used for transportation, sidewalks, park projects, public safety projects, and public safety radio system improvements within the City that were approved by voter referendum.

Redevelopment Bond Fund - Redevelopment Bond Fund accounts for the proceeds of the Series 2013B General Obligation Bond that are restricted for redevelopment of the Franklin Road corridor.

The government reports the following major proprietary funds:

The Board of Lights and Waterworks Fund accounts for the operations of the electric and water distribution, and sewer collection services.

CITY OF MARIETTA, GEORGIA
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FOR THE FISCAL YEAR ENDED June 30, 2014

The Marietta Conference Center and Resort Fund accounts for the assets of the City's conference center.

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources that are restricted for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Enterprise Funds - Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business.

Internal Service Funds - Internal Service Funds account for services performed by a central service department for other departments or agencies of the governmental unit. The City has a Self-Insurance internal service fund which is used for the purpose of providing self-funding for casualty, liability, workers' compensation and medical claims. The City also has a Motor Transport internal service fund which is used to provide repair and maintenance services for vehicles owned by various City departments.

Trust Funds - Trust Funds account for the accumulation of resources to be used for retirement annuity payments and employer portion of retiree health insurance, at appropriate amounts and times in the future. Resources are contributed by the government at rates determined by actuarial computations.

Agency Fund - Agency Fund is used to account for the collection and remittance of property taxes which are billed and collected on behalf of the City of Marietta Board of Education.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds with the exception of the SPLOST, Redevelopment Bond Fund, and City Parks Bond Funds which adopt project length budgets.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase and the SPLOST, Redevelopment Bond Fund and City Parks Bond Funds adopt project length budgets. Certain intergovernmental revenues are budgeted as tax revenues in the Tax Allocation District Fund. Actual GAAP expenditures and revenues in the General, Special Revenue, Debt Service, and Capital Projects Funds have been adjusted to the budgetary basis for comparison within this report.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

General Fund; Special Revenue Funds; Debt Service Fund; Capital Project Funds:

1. Prior to May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts among divisions within departments within any fund; however, any revisions that alter the total expenditures of any department must be approved by the City Council. During fiscal year 2014, approximately \$8.77 million in appropriations for expenditures were made in the governmental type funds.

The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above legally adopted budgets is at the department level.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the City Council. For budgetary comparison purposes presented in this report, actual amounts have been adjusted to the non-GAAP budgetary basis when necessary.

Unencumbered appropriations lapse at year end.

CITY OF MARIETTA, GEORGIA
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Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end are treated as expenditures on the budgetary basis of accounting.

E. Cash and Investments

Cash and cash equivalents include amounts in demand deposits and all highly liquid investments with a maturity of three months or less when purchased. For purposes of the statement of cash flows, cash and cash equivalents includes both of these categories.

Investments are stated at fair value. Fair value of the external investment pool, Georgia Fund I, is equal to the value of the pool shares. The Office of the State Treasurer is the oversight agency for Georgia Fund I.

Statutes authorize the City to invest in U.S. Government obligations, U.S. Government Agency obligations, State of Georgia obligations, obligations of other municipalities, and repurchase agreements. The Pension Trust is authorized to invest in corporate bonds, domestic common stocks, and equity real estate through pooled investment accounts.

The City invests in an external investment pool, the Municipal Competitive Trust, which is administered by the Municipal Electric Authority of Georgia ("MEAG"), a governmental entity. The City is a beneficiary of this trust. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia. The fair value of the City's position in the pool changes with market conditions, and is calculated based on the fair market value of net assets held in the pool at the close of each business day.

The City is also invested in a money market treasury portfolio through Fidelity. The portfolio is made up primarily of U.S. Treasury securities and repurchase agreements for those securities and per GASB No.31, should be recorded as an investment in the financial statements. Investments in money market funds are not insured or guaranteed by the FDIC and not collateral is required.

See Note 2 for additional information regarding Cash and Investments.

F. Short-Term / Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables (i.e., the current portion of interfund loans) or

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014

advances to/from other funds (i.e., the non-current portion of interfund loans). Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method. Inventory in the Enterprise Funds consist of expendable supplies held for guest room supplies and items needed for repairs or improvements to the utility system. The cost is recorded as an asset at the time individual inventory items are purchased. The consumption method is used to account for inventories within the City's Funds.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014 are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's Funds.

I. 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 columns in the government-wide financial statements.

GASBS No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The City fully implemented the retroactive infrastructure provisions in the fiscal year ended June 30, 2006.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalization threshold for capital assets is \$1,000.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on a percentage basis or estimated useful life as follows:

	<u>Board of Lights & Waterworks</u>	<u>Marietta City Golf Course</u>	<u>Conference Center and Resort</u>	<u>Motor Transport</u>	<u>Governmental Activities</u>
Buildings	50 years	40 years	40 years	40 years	40 Years
Electric utility system	32 years	--	--	--	--
Machinery and equipment	3-10 years	15 years	5-7 years	5-25 years	5 years
Water and sewer utility system	90 years	--	--	--	--
Streets/Sidewalks/Storm sewers	--	--	--	--	20 years
Bridges	--	--	--	--	30 years

J. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

K. Long-Term Obligations

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for

**CITY OF MARIETTA, GEORGIA
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reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City does not have any items that qualify for reporting in this category.

M. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance are classified as committed fund balances. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (adoption of another ordinance) to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. The City Council has by ordinance authorized the City's Finance Director to assigned fund balance. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

N. Use of Estimates

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

(2) DEPOSITS AND INVESTMENTS

Custodial Credit Risk –Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City limits its exposure to custodial credit risk by

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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requiring deposits to be collateralized 110% in accordance with State law. As of June 30, 2014, the City's deposits were properly issued and collateralized.

As of June 30, 2014, the City's reporting entity had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Fair Value
		Less than 1	1 - 5	6 - 10	More than 10	
PRIMARY GOVERNMENT						
Georgia Fund 1	AAAm	\$ 20,471,213	\$ -	\$ -	\$ -	\$ 20,471,213
Municipal Competitive Trust	not rated	4,785,254	9,924,213	-	-	14,709,467
US Agencies	AAA	-	845,642	-	-	845,642
	AA	12,683,036	28,065,315	-	-	40,748,351
Treasury Money Market	not rated	44,727,175	-	-	-	44,727,175
Total Primary Government (non-fiduciary)		82,666,678	38,835,170	-	-	121,501,848
FIDUCIARY FUNDS						
Common Stocks	n/a	n/a	n/a	n/a	n/a	\$ 58,686,305
Equity Mutual Fund	N/A	-	-	-	-	-
Money Market Mutual Fund	AAA	5,337,671	-	-	-	5,337,671
Corporate Bonds	A+	-	408,419	173,879	125,192	707,490
	A	-	1,415,130	1,851,529	472,580	3,739,239
	AA	-	-	71,453	-	71,453
	AA+	-	842,480	-	112,129	954,609
	AAA	-	847,784	577,032	827,794	2,252,610
	A-	-	2,838,778	488,784	1,122,421	4,449,983
	AA-	-	76,081	67,595	-	143,676
	BBB+	-	1,619,443	2,134,258	292,709	4,046,410
	BBB	-	2,331,559	1,617,600	1,035,268	4,984,427
	BBB-	-	829,207	360,496	129,747	1,319,450
	BB+	-	225,071	-	74,288	299,359
	N/R	-	1,416,811	-	689,539	2,106,350
Government Bonds	AA+	-	158,632	-	-	158,632
	N/R	-	1,316,608	142,121	4,264,090	5,722,819
Municipal Bonds	A	-	-	90,401	-	90,401
Total Fiduciary Fund		\$ 5,337,671	\$ 14,326,003	\$ 7,575,148	\$ 9,145,757	\$ 95,070,884

Investments of the primary government includes \$9,458,550 of certificates of deposits.

Investments of the fiduciary fund include \$5,337,671 grouped with cash and cash equivalents.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the maximum maturity or average life by investment type of the investments of the primary government to 3 years. The City's investment policy limits the weighted average maturity of the fiduciary fund's fixed income portfolio to 10 years.

Credit Risk. The City does not have a formal policy addressing credit risk.

Custodial Credit Risk. This is the risk that in the event of failure by a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Per the City's investment policy, the City manages its exposure to custodial credit risk by requiring all investment securities be secured through third-party custody and safekeeping procedures.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

(3) RECEIVABLES

Receivables at June 30, 2014 for the government's individual major funds, and nonmajor and internal service funds in the aggregate consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 173,399	\$ 13,565	\$ 145,793	\$ 617,827	\$ (28,261)	\$ 922,323
Board of Lights and Waterworks Fund	-	20,126	18,394,887	-	(457,000)	17,958,013
SPLOST Fund	-	10,156	-	-	-	10,156
Nonmajor and Other Funds	569,892	6,885	-	17,053	(7,175)	586,655
Total	<u>\$ 743,291</u>	<u>\$ 50,732</u>	<u>\$ 18,540,680</u>	<u>\$ 634,880</u>	<u>\$ (492,436)</u>	<u>\$ 19,477,147</u>

(4) INTERFUND RECEIVABLES, ADVANCES AND TRANSFERS

Interfund receivable and payable balances for the fiscal year ended June 30, 2014 are summarized as follows:

PAYABLE FUND	RECEIVABLE FUND			
	General Fund	BLW	MCCR	Total
General Fund	\$ -	\$ 1,010,210	\$ 127,968	\$ 1,138,178
Redevelopment Bond Fund	-	112,933	-	112,933
Nonmajor Governmental	199,441	31,753	58,398	289,592
Golf Course	-	1,379,116	-	1,379,116
Internal Service	-	9,216,376	-	9,216,376
Total	<u>\$ 199,441</u>	<u>\$ 11,750,388</u>	<u>\$ 186,366</u>	<u>\$ 12,136,195</u>

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. These balances are expected to be repaid within one year.

**CITY OF MARIETTA, GEORGIA
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FOR THE FISCAL YEAR ENDED June 30, 2014**

Advances from/to other funds for the current year were as follows:

<u>ADVANCES FROM</u>	<u>ADVANCES TO</u> <u>MCCR</u>
General Fund	<u>\$ 22,536,181</u>

The amounts payable to the general fund relate to long-term receivables issued in the prior year. None of the balance is specifically scheduled to be collected in the subsequent year.

Interfund transfers for the current year were as follows:

Transfer in Fund	Transfer out Fund							Total
	General Fund	Redevelopment Bond Fund	Nonmajor Governmental	MCCR	BLW	Internal Services	Golf Course	
General Fund	\$ -	\$ -	\$ 2,700,833	\$ 649,621	\$ 14,191,951	\$ 68,336	\$ 23,963	\$ 17,634,704
Nonmajor Governmental	-	3,255,734	-	-	-	-	-	3,255,734
Internal Services	2,024,700	-	-	-	885,010	-	-	2,909,710
BLW	914,547	-	3,162	-	-	2,864	1,058	921,631
Golf Course	399,845	-	-	-	-	-	-	399,845
MCCR	1,004,740	-	-	-	-	-	-	1,004,740
Total	<u>\$ 4,343,832</u>	<u>\$ 3,255,734</u>	<u>\$ 2,703,995</u>	<u>\$ 649,621</u>	<u>\$ 15,076,961</u>	<u>\$ 71,200</u>	<u>\$ 25,021</u>	<u>\$ 26,126,364</u>

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, 2) move unrestricted BLW funds to the general fund to generate revenue to forestall the need for property tax increases, 3) to transfer revenues between various funds to the general fund and BLW fund for the indirect cost allocations to pay for services provided by either the general fund or BLW fund, 4) reimburse the BLW for bond project costs.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

(5) CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 17,966,316	\$ 21,531,976	\$ -	\$ 3,133,644	\$ 42,631,936
Construction in progress	1,225,931	840,716	(840,716)	-	1,225,931
Total capital assets, not being depreciated:	<u>19,192,247</u>	<u>22,372,692</u>	<u>(840,716)</u>	<u>3,133,644</u>	<u>43,857,867</u>
Capital assets, being depreciated:					
Buildings	41,851,877	161,299	(122,090)	(3,133,644)	38,757,442
Improvements other than buildings	5,512,530	1,425,265	-	-	6,937,795
Machinery and equipment	36,707,116	1,006,400	(293,034)	-	37,420,482
Infrastructure	207,231,489	5,621,543	-	-	212,853,032
Total capital assets being depreciated	<u>291,303,012</u>	<u>8,214,507</u>	<u>(415,124)</u>	<u>(3,133,644)</u>	<u>295,968,751</u>
Less accumulated depreciation for:					
Buildings	(18,655,352)	(777,293)	122,090	-	(19,310,555)
Improvements other than buildings	(4,008,719)	(554,358)	-	-	(4,563,077)
Machinery and equipment	(33,506,137)	(1,572,722)	293,034	-	(34,785,825)
Infrastructure	(158,627,842)	(3,071,416)	-	-	(161,699,258)
Total accumulated depreciation	<u>(214,798,050)</u>	<u>(5,975,789)</u>	<u>415,124</u>	<u>-</u>	<u>(220,358,715)</u>
Total capital assets, being depreciated, net	<u>76,504,962</u>	<u>2,238,718</u>	<u>-</u>	<u>(3,133,644)</u>	<u>75,610,036</u>
Governmental activities capital assets, net	<u>\$ 95,697,209</u>	<u>\$ 24,611,410</u>	<u>\$ (840,716)</u>	<u>\$ -</u>	<u>\$ 119,467,903</u>
	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 8,752,260	\$ -	\$ -	\$ -	\$ 8,752,260
Total capital assets, not being depreciated:	<u>8,752,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,752,260</u>
Capital assets, being depreciated:					
Buildings and improvements	41,681,323	112,095	-	-	41,793,418
Plant in service and water/sewer system	198,484,894	5,994,962	-	-	204,479,856
Machinery and equipment	73,554,827	3,768,597	(12,922)	-	77,310,502
Total capital assets being depreciated	<u>313,721,044</u>	<u>9,875,654</u>	<u>(12,922)</u>	<u>-</u>	<u>323,583,776</u>
Less accumulated depreciation for:					
Buildings and improvements	(29,411,793)	(1,211,230)	-	-	(30,623,023)
Plant in service and water/sewer system	(89,736,445)	(3,198,432)	-	-	(92,934,877)
Machinery and equipment	(47,865,148)	(3,354,868)	-	-	(51,220,016)
Total accumulated depreciation	<u>(167,013,386)</u>	<u>(7,764,530)</u>	<u>-</u>	<u>-</u>	<u>(174,777,916)</u>
Total capital assets, being depreciated, net	<u>146,707,658</u>	<u>2,111,124</u>	<u>(12,922)</u>	<u>-</u>	<u>148,805,860</u>
Business-type activities capital assets, net	<u>\$ 155,459,918</u>	<u>\$ 2,111,124</u>	<u>\$ (12,922)</u>	<u>\$ -</u>	<u>\$ 157,558,120</u>

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The beginning balances have been adjusted to correctly classify certain costs and accumulated depreciation amounts.

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

Governmental activities:	
General government	\$ 386,541
Public safety	1,739,425
Public Works, including depreciation of general infrastructure assets	3,042,010
Culture and recreation	685,329
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>122,484</u>
Total depreciation expense – governmental activities	<u>\$ 5,975,789</u>
Business-type activities:	
Water & Sewer	\$ 2,258,245
Electric	4,442,395
Conference Center	853,462
Golf	<u>210,428</u>
Total depreciation expense – business-type activities	<u>\$ 7,764,530</u>

(6) LONG-TERM OBLIGATIONS

Operating Leases

The City has several operating leases for equipment that are not material.

Governmental Activities:

General Obligation Bonds:

General obligation bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2014:

\$25,270,000 Series 2009A General Obligation School Refunding serial bonds due in annual installments commencing February 1, 2010 of \$520,000 to \$710,000 through February 1, 2019; interest at 2.0 to 5.0 percent (\$13,730,000 outstanding at June 30, 2014). The bonds were issued to current refund the 2008 General Obligation School Refunding bond issue.

\$7,115,000 Series 2009B General Obligation Refunding serial bonds due in annual installments commencing July 1, 2010 of \$1,125,000 to \$950,000 through July 1, 2016; interest at 2.0 to 4.0 percent (\$2,300,000 outstanding at June 30, 2014). The bonds were issued to current refund the 2007 General Obligation Refunding bond issue.

\$25,000,000 Series 2009D General Obligation Parks and Recreational Facilities serial bonds due in annual installments commencing July 1, 2010 of \$955,000 to \$1,415,000 through July 1, 2025; interest at 2.5 to 5.0 percent (\$21,110,000 outstanding at June 30, 2014). The issue includes a term bond due January 1, 2030, interest at 5.0 percent (\$8,030,000 outstanding). The bonds were issued to acquire, construct, and install park and recreational facilities.

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\$7,000,000 Series 2013A General Obligation Redevelopment serial bonds due in annual installments commencing January 1, 2020 of \$940,000 to \$3,075,000 through January 1, 2023; interest at 3.0 percent (\$7,000,000 outstanding at June 30, 2014). The bonds were issued to fund demolition, acquisition, and improvements of property for present and future redevelopments.

\$61,000,000 Series 2013B General Obligation Redevelopment serial bonds due in annual installments commencing January 1, 2015 of \$2,615,000 to \$4,775,000 through January 1, 2034; interest at 3.0 to 5.0 percent (\$61,000,000 outstanding at June 30, 2014). The issue includes a term bond due January 1, 2025, interest at 4.0 percent (\$6,460,000 outstanding). The bonds were issued to fund demolition, acquisition, and improvements of property for present and future redevelopments.

A receivable from the Marietta School Board is reflected in the Statement of Net Position. Payments will be received from the School Board to offset principal and interest payments on the Series 2009A bonds.

Annual debt service requirements to maturity for general obligation bonds are as follows:

GO Bonds Year Ending June 30,	Principal	Interest	Total
2015	\$ 7,985,000	\$ 4,578,442	\$ 12,563,442
2016	7,800,000	4,262,540	12,062,540
2017	7,085,000	3,953,240	11,038,240
2018	7,350,000	3,636,490	10,986,490
2019	4,625,000	3,316,915	7,941,915
2020-2024	21,285,000	13,840,900	35,125,900
2025-2029	25,420,000	9,119,945	34,539,945
2030-2034	<u>23,590,000</u>	<u>3,332,595</u>	<u>26,922,595</u>
Total	<u>\$ 105,140,000</u>	<u>\$ 46,041,067</u>	<u>\$ 151,181,067</u>

\$5,613,872 is available in the Debt Service Fund to service the general obligation bonds.

Tax Allocation District Bonds:

During fiscal year 2006, the City issued \$8,400,000 in limited obligations bonds to undertake certain redevelopment projects within a tax allocation district established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Marietta City Schools Board of Education. The property tax increments are pledged until the payment in full of the bonds. The bonds are due in annual installments commencing December 15, 2008 of \$499,195 to \$816,926 through December 15, 2020; the bonds bear interest at a rate of 4.19%. For the current year, principal and interest paid and total tax allocation incremental revenues were \$851,155 and \$485,178 respectively.

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Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 638,596	\$ 212,559	\$ 851,155
2016	665,353	185,801	851,154
2017	693,232	157,923	851,155
2018	722,278	128,877	851,155
2019	752,541	98,613	851,154
2020-2021	1,600,999	101,312	1,702,311
Total	<u>\$ 5,072,999</u>	<u>\$ 885,085</u>	<u>\$ 5,958,084</u>

Note Payable

During fiscal year 2010, the Downtown Marietta Development Authority issued \$31,660,000 series 2009 Revenue Bonds (City of Marietta Project) for the purpose of financing the cost of certain replacements, additions, extensions and improvements to the electric and water and sewerage system which are operated by the City of Marietta. The debt service payments on the bonds are secured by the full faith and credit and taxing power of the City. The bonds are due in annual installments commencing July 1, 2010 of \$865,000 to \$1,900,000 through July 1, 2027; interest rates at 3.00% to 5.125%.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 1,610,000	\$ 1,159,444	\$ 2,769,444
2016	1,675,000	1,084,322	2,759,322
2017	1,760,000	1,006,200	2,766,200
2018	1,830,000	934,400	2,764,400
2019	1,905,000	869,225	2,774,225
2020-2024	10,750,000	2,998,200	13,748,200
2025-2027	6,835,000	436,125	7,271,125
Total	<u>\$ 26,365,000</u>	<u>\$ 8,487,916</u>	<u>\$ 34,852,916</u>

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The City entered into a note agreement with a third party for \$800,000 during the fiscal year 2005 for the purchase of property. The note is payable in equal monthly installments of \$6,661 beginning August 2004 through June 2018. Interest on the note is at 5%. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 67,024	\$ 12,911	\$ 79,935
2016	70,455	9,485	79,940
2017	74,055	5,879	79,934
2018	77,147	2,086	79,233
Total	<u>\$ 288,681</u>	<u>\$ 30,361</u>	<u>\$ 319,042</u>

Business-Type Activities:

Note Payable

A contract dated July 1, 1990 was supplemented and amended as of September 1, 1995 between the City and the Downtown Marietta Development Authority. This agreement obligates the City to make lease payments directly to the bond sinking fund custodian by December 15 and June 15 of each year for the purpose of paying the principal and interest on the unrefunded outstanding balance of the 1990 Golf Course Redevelopment and Acquisition Bonds and the 1995 Public Golf Course Refunding Revenue Bonds issued by the Authority, and subsequently, as refunded by the Series 2008 Golf Course Refunding Revenue Bonds. This contract enables the City to lease from the Authority the former Marietta Country Club facilities purchased by the Authority with the bond proceeds. The lease has been recorded as a direct financing lease in accordance with generally accepted accounting principles in the City Golf Course Enterprise Fund. This contract qualifies as a conduit debt obligation in accordance with Governmental Accounting Standards Board Interpretation - 2 Disclosure of Conduit Debt Obligations and therefore the obligation for the bonds is not reported on the financial statements of the Downtown Marietta Development Authority. The contract will not expire until full payment of the bonds on July 1, 2015, at which time ownership of the facilities will transfer to the City. The City will be responsible for all operations and maintenance cost of the facilities and will be entitled to all revenues generated by the facilities.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 725,000	\$ 30,463	\$ 755,463
2016	755,000	10,291	765,291
Total	<u>\$ 1,480,000</u>	<u>\$ 40,754</u>	<u>\$ 1,520,754</u>

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Capital Leases

On March 1, 2008, a lease agreement was entered into with Yamaha Motor Corporation for golf carts. The lease agreement is for 48 months and requires a balloon payment at the end of the lease. The lease qualifies as a capital lease and has been recorded in the Golf Course Operating Enterprise Fund. The amount capitalized for the carts is \$262,000. The depreciation expense and accumulated depreciation associated with the golf carts for the fiscal year ended June 30, 2014 were \$87,333 and \$254,723 respectively.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2014:

<u>Year ending June 30</u>	<u>City Club Golf Course & Carts</u>
2015	<u>\$ 117,664</u>
Total minimum lease payments	117,664
Less amounts representing interest	(446)
Present value of future minimum lease payments	<u>\$ 117,218</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 42,285,000	\$ 68,000,000	\$ (5,145,000)	\$ 105,140,000	\$ 7,985,000
Tax Allocation District Bonds	5,685,914	-	(612,915)	5,072,999	638,596
Unamortized bond premium	3,133,618	-	1,273,894	4,407,512	-
Note payable					
Note payable	28,247,443	-	(1,593,762)	26,653,681	1,677,024
Unamortized premium	1,798,001	-	(144,088)	1,653,913	-
Compensated absences	3,186,766	1,695,515	(1,096,930)	3,785,351	1,614,451
Pension obligation	1,139,358	4,021,590	(4,019,086)	1,141,862	-
OPEB obligation	25,269,844	5,599,464	(2,483,429)	28,385,879	-
Governmental activity Long-term liabilities	<u>\$ 110,745,944</u>	<u>\$ 79,316,569</u>	<u>\$ (13,821,316)</u>	<u>\$ 176,241,197</u>	<u>\$ 11,915,071</u>
Business-type activities:					
Note payable					
Note payable	\$ 2,190,000	\$ -	\$ (710,000)	\$ 1,480,000	\$ 725,000
Capital leases	169,057	-	(51,839)	117,218	117,218
Compensated absences	852,860	392,747	(304,916)	940,691	355,809
Pension obligation	465,348	1,653,717	(1,650,221)	468,844	-
OPEB obligation	7,888,411	683,951	(566,088)	8,006,274	-
Customer Deposits	8,981,523	319,199	-	9,300,722	-
Business-type activity Long-term liabilities	<u>\$ 20,547,199</u>	<u>\$ 3,049,614</u>	<u>\$ (3,283,064)</u>	<u>\$ 20,313,749</u>	<u>\$ 1,198,027</u>

For Governmental Activities, compensated absences, pension and OPEB liabilities are typically liquidated in the general fund.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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(7) COMMITMENTS AND CONTINGENCIES

A. Litigation

The City of Marietta is a defendant in other various lawsuits at June 30, 2014. However, no additional accrual or disclosure of these lawsuits is required.

B. Commitments

Marietta Conference Center

On April 1, 1995, the City executed a Conference Center Funding Agreement with the Downtown Marietta Development Authority (the Authority). Under this agreement, the City pledged 30.25% of its hotel/motel tax collections to the Downtown Marietta Development Authority to be used solely for the principal and interest payments on the Downtown Marietta Development Authority Revenue Bond (the Marietta Conference Center Project), Series 1996A and 1996B, totaling \$25,810,000 which was issued by the Authority for the purpose of obtaining funds to pay the costs of acquiring, constructing, furnishing, and equipping the Marietta Conference Center, and the costs of issuing the bonds. The City, as an agent for the Authority, and Remington Hotel Corporation had entered into an agreement effective July 1, 2006 to lease the facilities of Marietta Conference Center and Resort. The lease was set to terminate on May 31, 2008 with three optional extensions through 2023. On March 1, 2008, the City, as agent for the Authority, entered into a new management agreement with Marietta Leasehold, L.P., a partnership including the former lessee, Remington Hotel Corporation, for the management of the renovation and operations of the conference center. The lease is effective January 1, 2008 and expires June 30, 2028. On March 6, 2008, additional bonds were issued and were referred to as The Marietta Conference Center Project Revenue Bonds, Series 2008 in the amount of \$7,000,000, for the improvement and renovation of the Conference Center and to implement the Hilton Hotels Corporation's Property Improvement Plan. Future minimum rentals total \$2,803,800 for fiscal years 2014. Hotel/motel taxes, from which the appropriations are made, have averaged \$2.3 million per year over the last 10 years. The agreement also provides for the City to receive additional rent payments equal to 3% of the amount, if any, that gross revenues exceed \$14 million. The agreement also provides for Marietta Leasehold, L.P to receive 30.25% of Hotel/Motel Taxes collected, up to a maximum of \$900,000. All property, plant, and equipment in the Marietta Conference Center and Resort fund are included in the lease. In fiscal year 2010, the 1996A, 1996B, 2003, and 2008 Bonds totaling \$29,375,000 were cancelled and discharged and the City's obligations under the related contracts with the Downtown Marietta Development Authority were terminated. The Marietta Conference Center operations are reported in an enterprise fund within the financial statements.

Municipal Electric Authority of Georgia

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (the "Authority"). The contracts require the City to purchase from the Authority all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment

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obligations, which extend approximately through the year 2056, are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$84,287,620 from the Authority during the year ended June 30, 2014. The City's future minimum payment obligations to the Authority will be based on the Authority's costs.

Encumbrances

Encumbrances outstanding as of June 30, 2014 are as follows:

General Fund	\$ 1,758,082
SPLOST	2,690,042
City Parks Bond	2,603,884
Redevelopment Bond Fund	304,949
NonMajor Funds	29,045
	<u>\$ 7,081,053</u>

The City also has active construction projects at June 30, 2014.

Marietta Redevelopment Corporation

In December 2013, the City entered into a forbearance agreement with Marietta Redevelopment Corporation ("Corporation") and the Corporation's lender whereby the City agrees to loan the Corporation sufficient funds to pay the last 17 months of interest only payments on the Corporation's 36 month loan. The loan amount is \$3,990,656 and interest is payable monthly at 4%. The collateral for the City's loan to the Corporation will be a second mortgage on all the Corporations property. The City has no direct liability to the lender for principal or interest.

(8) PROPERTY TAX

The City bills and collects its own real and personal property taxes. Ad valorem tax on motor vehicles and mobile homes is collected by the Cobb County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in August or September of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Taxes levied on August 24, 2013 were due on October 24, 2013.

Liens were attached to property for unpaid taxes on March 10, 2014.

Assessed values are established by the Cobb County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed value of property at January 1, 2013 was \$2,712,254,800.

Based on the 2013 City General, Debt Service, and Cemetery Maintenance millage levy of 4.05, a property owner would pay \$4.05 per \$1,000 of assessed valuation.

Current tax collections of \$8,896,794 for the fiscal year ended June 30, 2014 were 98.94 percent of the tax levy.

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(9) FUND BALANCE

The composition of the City's fund balances is as follows:

	General Fund	SPLOST Fund	Redevelopment Bond Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 28,409	\$ -	\$ -	\$ -	\$ 28,409
Inventory	34,851	-	-	-	34,851
Advances	22,536,181	-	-	-	22,536,181
Restricted for:					
Capital projects	-	19,390,169	44,569,893	17,003,118	80,963,180
Culture & recreation	644,912	-	-	3,431	648,343
Debt service	-	-	-	5,613,872	5,613,872
Urban redevelopment & housing	168,581	-	-	2,504,827	2,673,408
Public safety	3,236,268	-	-	5,208	3,241,476
Committed for:					
Capital projects	-	-	-	-	-
Culture & recreation	492,642	-	-	-	492,642
Public works	949,932	-	-	-	949,932
Public safety	1,031,155	-	-	-	1,031,155
Urban redevelopment & housing	13,780	-	-	-	13,780
Assigned for:					
General government	2,072,313	-	-	-	2,072,313
Public works	375,248	-	-	-	375,248
Culture & recreation	351,334	-	-	-	351,334
Judicial	27,416	-	-	-	27,416
Urban redevelopment and housing	31,380	-	-	-	31,380
Public safety	215,663	-	-	-	215,663
Unassigned	15,680,317	-	-	(8,076)	15,672,241
	<u>\$ 47,890,382</u>	<u>\$ 19,390,169</u>	<u>\$ 44,569,893</u>	<u>\$ 25,122,380</u>	<u>\$ 136,972,824</u>

In the nonmajor government funds, HUD CDBG Fund has a deficit fund balance of \$8,076 at June 30, 2014.

(10) PENSION PLANS

The City withdrew from the Social Security system on December 31, 1980. The City of Marietta, Georgia Supplemental Pension plan was adopted in lieu of Social Security. A professional pension management company was selected as the providers of a money-

**CITY OF MARIETTA, GEORGIA
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purchase (defined contribution) pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Monthly contributions to the plan are equivalent to 6.13% of regular full-time employees' pay and are 100% contributed by the City.

All regular full-time employees may be eligible for participation upon completing one continuous year of service. Amounts paid in to the plan become 100% vested in each employee's behalf. Funds accumulated in this plan shall be paid to employees only upon retirement, death, disability or termination of employment. Benefit provisions and contribution requirements are established and amended by the authority of the City's governing body.

On July 1, 2000, fiduciary responsibility and custody of Trust assets for the defined contribution pension plan (Supplemental Pension Plan) was transferred to a professional pension management company. An annual certified financial report for this plan will be prepared by the professional pension management company. The Pension Board serves as Plan Administrators of this plan. Total employer and employee contributions to the supplemental pension plan for the fiscal year ended June 30, 2014 were \$1,986,948 and \$180,712 respectively.

The City of Marietta Public Employee Retirement System (PERS) administers a defined benefit pension plan (General Pension Plan).

The City maintains a single-employer defined benefit pension plan covering full-time, part-time, seasonal, and temporary employees on the first day of the month coinciding with or following their employment date. Pension costs are recorded in the amount of the City's and employee's contribution to the Pension Trust Fund. Management of the assets of the Pension Trust Fund is handled by the City's Pension Board. Benefit provisions and contribution requirements are established and amended by the authority of the City's governing body.

The plan was amended initially on March 1, 1987. Each employee that was employed with the City of Marietta, Georgia on March 1, 1987 had the right to either retain coverage under the original plan provisions or to participate under the amended provisions of the plan. Each employee hired after March 1, 1987 participates under the amended plan provisions. On November 11, 1998, employees participating under the original plan provisions were given the opportunity to elect to participate under the amended plan provisions.

Effective Prior to March 1, 1987

Normal Form of Pension

The benefit formula provides for a life annuity benefit with a guaranteed death benefit equal to the present value of the remaining benefits. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount for a 50% continuation to a surviving spouse

Effective March 1, 1987

Single life annuity benefit

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Summary of Significant Accounting Policies and Plan Asset Matters:

The City of Marietta Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the pension plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net position.

There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are financed through investment earnings.

Schedule of Employer Contributions:

Fiscal Year Ended	Annual Pension Cost	Annual Actual Contributions	Percentage Contributed	Net Pension Obligation
6/30/2012	\$ 5,503,242	\$ 5,447,350	99%	\$ 1,597,387
6/30/2013	5,592,518	5,585,199	100%	1,604,706
6/30/2014	5,675,307	5,669,307	100%	1,610,706

Annual Pension Cost and Net Pension (Asset) Obligation - The City's annual pension cost and net pension (asset) obligation for the current year were as follows:

Annual required contribution	\$ 5,642,840
Interest on net pension obligation	120,353
Adjustment to annual required contribution	<u>(87,886)</u>
Annual pension cost (expense)	5,675,307
Contributions made	<u>(5,669,307)</u>
Increase (decrease) in net pension obligation	6,000
Net pension obligation-beginning of year	<u>1,604,706</u>
Net pension obligation-end of year	<u>\$ 1,610,706</u>

Entry age normal actuarial cost method is used to establish the actuarial position of the plan and to determine an appropriate level of contributions for all benefits except death and disability. Employer contributions represented 17.8 percent of the current year covered payroll. Employees are required to contribute 4% of gross wages. The actuarially determined contribution recommendation of 17.7 percent was based on the 2014 fiscal year projected payroll determined through an actuarial valuation performed at July 1, 2013. Total employer and employee contributions to the general pension plan for the fiscal year ended June 30, 2014 were \$5,669,307 and \$1,260,264 respectively.

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As of July 1, 2013, the date of the most recent actuarial valuation, employee membership data relevant to the pension plan was as follows:

Number of retirees and beneficiaries currently receiving benefits	443
Number of terminated employees entitled to benefits but not yet receiving them	331
Active employees	<u>686</u>
Total plan participants	<u>1,460</u>

Actuarial assumptions used in the valuation at July 1, 2013 include the following:

Amortization Method	Level percent of payroll, assuming 3.5% per year increase.
Actuarial Value of Assets	Ten-year smoothed market value
Remaining Amortization Period	Amortization period is closed - 29 years
Investment Rate of Return	7.5%
Projected Salary Increase	3.5%
Inflation	3.5%
Cost of Living	3.0%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Ten-year historical trend information presenting the General Pension Plan progress in accumulating sufficient assets to pay benefits when due is presented in The City of Marietta, Georgia Public Employees Retirement System Annual Financial Report for the fiscal year ended June 30, 2014, which may be obtained from the City of Marietta Finance Department.

The following is the funding status of the Plan as of the most recent valuation date:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2013	\$ 87,436,880	\$ 156,757,528	55.8%	\$ 69,320,648	\$ 31,881,509	217%

The following retirement plans have not been included within this report because the City has no responsibility as prescribed by the Governmental Accounting Standards Board: Peace Officers' Annuity and Benefit Fund and Georgia Firemen's Pension Fund - Police officers and firefighters are also members of the Peace Officers' Annuity and Benefit Fund

**CITY OF MARIETTA, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED June 30, 2014**

and the Georgia Firemen's Pension Fund, respectively. Police officers and firefighters contribute twenty and fifteen dollars, respectively, each month to these state administered plans. The City of Marietta contributed \$125,338 to the Peace Officers' Annuity and Benefit Fund for the year ended June 30, 2014. Contributions to this fund are based on the number and amounts of fines and bond forfeiture cases each month as prescribed by State Law. The Georgia Firemen's Pension Fund is funded by the state-levied fire insurance premium tax.

(11) POSTEMPLOYMENT HEALTHCARE PLAN

The City implemented GASB 45 prospectively during the fiscal year ended June 30, 2008.

Plan Description - The City of Marietta OPEB Trust is a single-employer defined benefit healthcare plan administered by the City of Marietta. The City provides medical, dental, and life insurance benefits to retirees and spouses. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. As of July 1, 2013 there were 361 retirees and spouses receiving benefits, and 679 current and active employees. The City has the authority to establish and amend benefit provisions.

Summary of significant accounting policies - The plan financial statements are prepared on the accrual basis of accounting. Contributions from the City are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefit payments and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment income is recognized as earned by the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. The net appreciation (depreciation) in the fair value of investments held by the plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of plan net position.

There are no investments in, loans to, or leases with parties related to the plan. Administrative costs are financed through investment earnings.

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. For fiscal year 2014, the City contributed \$3,049,517 to the plan. If hired before August 14, 1991, 100% of the cost of employee health insurance premiums will be paid by the City. Amounts paid by the City for employees hired subsequent to August 14, 1991 are based on years of service and the date of hire and are as follow:

<u>Years of Service</u>	<u>Date of Hire</u>		
	<u>08/14/91 thru 11/14/96</u>	<u>11/15/96 thru 10/31/06</u>	<u>After 11/01/06</u>
20	100% HMO & PPO	100% HMO only	85% HMO only
15-19	80% HMO & PPO	80% HMO only	0%
10-14	50% HMO & PPO	50% HMO only	0%
Less than 10	0%	0%	0%

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Annual Actual Contributions	Percentage Contributed	Net OPEB Obligation
6/30/2012	\$ 4,707,933	\$ 3,062,489	65%	\$ 30,387,844
6/30/2013	5,041,501	2,271,090	45%	33,158,255
6/30/2014	6,283,415	3,049,517	49%	36,392,153

Annual OPEB Cost and Net OPEB Obligation - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

Annual required contribution	\$ 6,908,371
Interest on net OPEB obligation	1,466,145
Adjustment to annual required contribution	(2,091,101)
Annual OPEB cost (expense)	6,283,415
Contributions made	(3,049,517)
Increase in net OPEB obligation	3,233,898
Net OPEB obligation-beginning of year	33,158,255
Net OPEB obligation-end of year	\$ 36,392,153

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The following is the funding status of the Plan as of the most recent valuation date:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2)-(1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
7/1/2013	\$ 678,223	\$ 99,287,804	0.68%	\$ 98,609,581	\$ 34,403,775	286.6%

**CITY OF MARIETTA, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED June 30, 2014**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Valuation date	7/1/2013
Actuarial cost method	Projected unit credit with benefits attributed From date of hire to date of decrement
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	4%
Healthcare cost trend rate	5%

Actuarial Methods and Assumption - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The plan does not issue separate financial statements.

(12) RISK MANAGEMENT

The City has established a limited risk management program for group health and medical, property and casualty, and workers' compensation coverage for exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Excess coverage policies are maintained by the City to limit the potential liability of the City for extremely large claims. Premiums are paid by other funds into the Self-Insurance Internal Service Fund and are available to pay claims, excess coverage premiums to third party insurers, and administrative expenses. There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceeded the City's insurance coverage during the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are estimated based on reports available subsequent to year end from carriers that provide information regarding estimates of claims incurred but not reported at year end. Nonincremental claims adjustment expenses have not been included as part of the liability for claims and judgments.

Excess workers compensation coverage is insured under a retrospectively rated policy whereby the initial premium is adjusted based on actual calendar year payroll totals.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

Changes in the balances of claim liabilities during the past two years are as follows:

	<u>Year Ending June 30, 2014</u>	<u>Year Ending June 30, 2013</u>
Claims and judgments payable, beginning of fiscal year	\$ 2,963,711	\$ 2,334,853
Incurred claims	12,626,363	11,646,272
Claim payments	(12,569,768)	(11,017,414)
Claims and judgments payable, end of fiscal year	<u>\$ 3,020,306</u>	<u>\$ 2,963,711</u>

(13) MUNICIPAL TRUSTS

In 1999, the City, along with other participating municipalities, entered into an agreement with the Municipal Electric Authority of Georgia ("MEAG") which created a trust referred to as the Municipal Competitive Trust (MCT). The purpose of the MCT was to provide a means for MEAG and the participating municipalities to accumulate funds for the purpose of mitigating the effect of anticipated changes in the electric industry involving completions for retail electric power supply. Subsequent amendments to the agreement called for drawdowns from the MCT, which commenced in January 2009, and extend through approximately December 2018. The withdrawals of \$12,033,171 for the fiscal year ending June 30, 2014 have been applied as a reduction of the utility expense in these financial statements. Future withdrawals under this agreement are not certain and thus have not been included as a receivable on the City's books.

In 2010, the City, along with other participating municipalities, entered into revised agreements with MEAG which provide for voluntary deposits into a New Generation and Capacity Funding Account. These account deposits help offset the cost of power to the City in future years through current MEAG power generation expansion projects. Through 2014, the City has deposited \$2,534,453 into this Funding Account. These funds have been collected from customers and are reflected as unearned revenues on the balance sheet.

(14) JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the ten county Atlanta region is a member of the Atlanta Regional Commission (ARC). Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the officials of political subdivisions and private citizens representing districts with the Atlanta region. OCGA 50-8-3.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE, Atlanta, Georgia 30303.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED June 30, 2014**

(15) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2014:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HUD Housing Assistance Payments Program	\$ 101,817	\$ 107,428	\$ (5,611)
HUD Community Development Block Grant	21,550	283,999	(262,449)

(16) RESTATEMENT

The City implemented GASB 65 Items Previously Reported as Assets and Liabilities during fiscal year ending June 30, 2014. Previously, bond costs were amortized over the life of the bond but now should be expensed when the bond transaction takes place with the exception of insurance costs. The effects of the restatement to the City's financial statements are listed below:

	<u>Governmental Activities</u>
Net Position as previously reported	\$ 87,172,258
Restatements	<u>(888,525)</u>
Net Position as restated	<u><u>\$ 86,283,733</u></u>
Change in net position as previously reported	\$ 9,144,031
Effect of restatements	<u>104,008</u>
Change in net position as restated	<u><u>\$ 9,248,039</u></u>

**CITY OF MARIETTA, GEORGIA
DEFINED BENEFIT PLANS
REQUIRED SUPPLEMENTARY INFORMATION**

A) PUBLIC EMPLOYEE RETIREMENT SYSTEM

The funding status of the pension plan as of the most recent actuarial valuation date is as follows:

	(2)	(3)	(4)	(5)	(6)	
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ 75,215,141	\$ 131,770,821	57.1%	\$ 56,555,680	\$ 31,580,119	179%
7/1/2009	73,351,836	138,251,505	53.1%	64,899,669	33,079,296	196%
7/1/2010	73,973,652	152,018,875	48.7%	78,045,223	32,890,116	237%
7/1/2011	81,425,774	147,636,222	55.2%	66,210,448	33,653,835	197%
7/1/2012	84,501,429	152,018,875	55.6%	67,517,446	32,890,116	205%
7/1/2013	87,436,880	156,757,528	55.8%	69,320,648	31,881,509	217%

Note: See assumptions used for the above schedule in Note 10 to the financial statements.

B) POST EMPLOYMENT HEALTHCARE PLAN

The funding status of the OPEB plan as of the most recent actuarial valuation date is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2007	\$ -	\$ 90,530,000	0.00%	\$ 90,530,000	\$ 30,170,894	300.1%
7/1/2009	52,000	155,919,000	0.03%	155,867,000	31,580,119	493.6%
7/1/2011	436,501	75,113,688	0.58%	74,677,187	34,831,719	214.4%
7/1/2013	678,223	99,287,804	0.68%	98,609,581	34,403,775	286.6%

Note: See assumptions used for the above schedule in Note 11 to the financial statements.

**CITY OF MARIETTA, GEORGIA
DEFINED BENEFIT PLANS
REQUIRED SUPPLEMENTARY INFORMATION**

The schedule of employer contributions for the OPEB plan is as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Actual Contributions</u>	<u>Percentage Contributed</u>
6/30/2009	\$ 6,571,000	\$ 2,451,000	37%
6/30/2010	12,350,000	2,408,844	20%
6/30/2011	12,713,000	2,261,335	18%
6/30/2012	5,085,836	3,062,489	60%
6/30/2013	5,202,882	2,271,090	44%
6/30/2014	6,908,371	3,049,517	44%

CITY OF MARIETTA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Fiscal Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget-Actual Positive (Negative)
Revenues:				
Taxes	\$ 16,819,800	\$ 18,808,277	\$ 18,837,046	\$ (28,769)
Licenses and permits	5,729,054	5,929,054	5,972,483	(43,429)
Intergovernmental	1,425,684	4,290,702	3,600,807	689,895
Charges for services	4,163,239	4,250,239	4,275,790	(25,551)
Fines and forfeits	4,117,000	4,242,318	4,241,668	650
Investment earnings	130,000	130,000	92,088	37,912
Other	555,636	672,649	817,339	(144,690)
Total revenues	32,940,413	38,323,239	37,837,221	486,018
Expenditures:				
Current:				
General government:				
General administration:				
Legislative	455,735	458,300	439,303	18,997
Judicial	1,161,855	1,160,166	1,158,884	1,282
Executive	889,422	901,694	858,449	43,245
Law	525,000	564,526	567,105	(2,579)
Financial administration	1,889,602	1,819,768	1,681,339	138,429
Human resources	835,881	849,437	838,904	10,533
Planning and zoning	1,864,007	2,380,674	2,000,288	380,386
Public works	7,429,727	11,486,988	10,054,422	1,432,566
Culture and recreation	5,930,271	7,052,408	6,462,690	589,718
Public safety:				
Police	14,309,686	15,657,560	15,347,786	309,774
Fire	11,380,384	12,377,185	11,612,191	764,994
Debt Service:				
Principal retirement	1,593,762	1,593,762	1,593,762	-
Interest and fiscal charges	1,247,024	1,247,024	1,247,024	-
Total expenditures	49,512,356	57,549,492	53,862,147	3,687,345
Excess (deficiency) of revenues over expenditures	(16,571,943)	(19,226,253)	(16,024,926)	(3,201,327)
Other financing sources (uses):				
Sales of capital assets	135,000	135,000	238,632	103,632
Transfers in	19,506,109	19,791,471	17,634,704	(2,156,767)
Transfers out	(3,356,018)	(4,610,379)	(4,343,832)	266,547
Total other financing sources (uses)	16,285,091	15,316,092	13,529,504	(1,786,588)
Net change in fund balance	\$ (286,852)	\$ (3,910,161)	(2,495,422)	(4,987,915)
Reconciliation to GAAP basis:				
Encumbrances outstanding at end of year			1,758,082	
Fund balances at beginning of year - GAAP basis			48,627,722	
Fund balances at end of year - GAAP basis			<u>\$ 47,890,382</u>	

**CITY OF MARIETTA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 1,552,382	\$ 4,403,731	\$4,448,293	\$ 10,404,406
Cash with fiscal agent	941,959	-	-	941,959
Investments	-	12,747,824	1,124,222	13,872,046
Receivables, net	273,337	15,942	85,971	375,250
Due from other governments	90,304	-	27,665	117,969
Total assets	<u>\$ 2,857,982</u>	<u>\$17,167,497</u>	<u>\$5,686,151</u>	<u>\$25,711,630</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 32,937	\$ 136,581	\$ 63	\$ 169,581
Retainage payable	-	27,798	-	27,798
Accrued liabilities	16,408	-	-	16,408
Due to other funds	289,592	-	-	289,592
Total liabilities	<u>338,937</u>	<u>164,379</u>	<u>63</u>	<u>503,379</u>
Deferred inflows of resources:				
Unavailable revenue	13,655	-	72,216	85,871
Fund balances:				
Restricted	2,513,466	17,003,118	5,613,872	25,130,456
Unassigned	(8,076)	-	-	(8,076)
Total fund balances	<u>2,505,390</u>	<u>17,003,118</u>	<u>5,613,872</u>	<u>25,122,380</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,857,982</u>	<u>\$17,167,497</u>	<u>\$5,686,151</u>	<u>\$25,711,630</u>

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

	Special Revenue	Capital Projects	Debt Service	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 2,861,761	\$ -	\$ 2,920,354	\$ 5,782,115
Intergovernmental	5,946,258	-	3,694,750	9,641,008
Investment earnings	2,195	45,800	10,401	58,396
Other	-	5,894	-	5,894
Total revenues	<u>8,810,214</u>	<u>51,694</u>	<u>6,625,505</u>	<u>15,487,413</u>
Expenditures:				
Current:				
Public works	253,090	-	-	253,090
Culture and recreation	-	247,405	-	247,405
Urban redevelopment and housing	5,333,941	-	-	5,333,941
Capital projects	-	1,716,491	-	1,716,491
Debt service:				
Principal retirement	612,915	-	5,145,000	5,757,915
Interest and fiscal charges	238,240	-	1,978,351	2,216,591
Total expenditures	<u>6,438,186</u>	<u>1,963,896</u>	<u>7,123,351</u>	<u>15,525,433</u>
Excess (deficiency) of revenues over expenditures	<u>2,372,028</u>	<u>(1,912,202)</u>	<u>(497,846)</u>	<u>(38,020)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets				
Transfers in	-	3,255,734	-	3,255,734
Transfers out	(2,678,759)	-	(25,236)	(2,703,995)
Total other financing sources (uses)	<u>(2,678,759)</u>	<u>3,255,734</u>	<u>(25,236)</u>	<u>551,739</u>
Net change in fund balance	<u>(306,731)</u>	<u>1,343,532</u>	<u>(523,082)</u>	<u>513,719</u>
Fund balances at beginning of year	<u>2,812,121</u>	<u>15,659,586</u>	<u>6,136,954</u>	<u>24,608,661</u>
Fund balances at end of year	<u>\$ 2,505,390</u>	<u>\$17,003,118</u>	<u>\$ 5,613,872</u>	<u>\$25,122,380</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	Nonmajor Funds			
	HUD Housing Assistance	HUD CDBG	Tax Allocation District	Cemetery Maintenance
<u>ASSETS</u>				
Cash and cash equivalents	\$ 577,943	\$ 929	\$ 959,127	\$ 9,175
Cash with fiscal agent	-	-	941,959	-
Receivables, net	-	-	11,104	4,393
Due from other governments	52,657	27,094	9,629	924
Total assets	<u>\$ 630,600</u>	<u>\$28,023</u>	<u>\$1,921,819</u>	<u>\$ 14,492</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 26,914	\$ -	\$ -	\$ 6,023
Accrued salaries and employee benefits	10,562	4,347	-	1,499
Due to other funds	-	31,752	-	-
Total liabilities	<u>37,476</u>	<u>36,099</u>	<u>-</u>	<u>7,522</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	10,116	3,539
Fund balance:				
Restricted	593,124	-	1,911,703	3,431
Unassigned	-	(8,076)	-	-
Total fund balance	<u>593,124</u>	<u>(8,076)</u>	<u>1,911,703</u>	<u>3,431</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 630,600</u>	<u>\$28,023</u>	<u>\$1,921,819</u>	<u>\$ 14,492</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONT'D)
JUNE 30, 2014**

Nonmajor Funds			
LLEBG Fund	Hotel Motel Tax	Auto Rental Tax	Total
\$ 5,208	\$ -	\$ -	\$ 1,552,382
-	-	-	941,959
-	216,913	40,927	273,337
-	-	-	90,304
<u>\$ 5,208</u>	<u>\$216,913</u>	<u>\$ 40,927</u>	<u>\$ 2,857,982</u>
\$ -	\$ -	\$ -	\$ 32,937
-	-	-	16,408
-	216,913	40,927	289,592
-	216,913	40,927	338,937
-	-	-	13,655
5,208	-	-	2,513,466
-	-	-	(8,076)
<u>5,208</u>	<u>-</u>	<u>-</u>	<u>2,505,390</u>
<u>\$ 5,208</u>	<u>\$216,913</u>	<u>\$ 40,927</u>	<u>\$ 2,857,982</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Nonmajor Funds			
	HUD Housing Assistance	HUD CDBG	Tax Allocation District	Cemetery Maintenance
Revenues:				
Taxes	\$ -	\$ -	\$ 35,001	\$ 194,870
Intergovernmental	5,011,183	484,898	450,177	-
Investment earnings	-	-	1,877	318
Total revenues	<u>5,011,183</u>	<u>484,898</u>	<u>487,055</u>	<u>195,188</u>
Expenditures:				
Current:				
Public works	-	-	-	253,090
Urban redevelopment and housing	4,842,598	491,343	-	-
Debt service:				
Principal retirement	-	-	612,915	-
Interest & fiscal charges	-	-	238,240	-
Total expenditures	<u>4,842,598</u>	<u>491,343</u>	<u>851,155</u>	<u>253,090</u>
Excess (deficiency) of revenues over expenditures	<u>168,585</u>	<u>(6,445)</u>	<u>(364,100)</u>	<u>(57,902)</u>
Other financing sources (uses):				
Transfers out	<u>(46,368)</u>	<u>(501)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(46,368)</u>	<u>(501)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>122,217</u>	<u>(6,946)</u>	<u>(364,100)</u>	<u>(57,902)</u>
Fund balances at beginning of year	<u>470,907</u>	<u>(1,130)</u>	<u>2,275,803</u>	<u>61,333</u>
Fund balances at end of year	<u>\$ 593,124</u>	<u>\$ (8,076)</u>	<u>\$ 1,911,703</u>	<u>\$ 3,431</u>

See accompanying notes to the financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Nonmajor Funds			
LLEBG Fund	Hotel Motel Tax	Auto Rental Tax	Total
\$ -	\$2,184,357	\$ 447,533	\$ 2,861,761
-	-	-	5,946,258
-	-	-	2,195
-	2,184,357	447,533	8,810,214
-	-	-	253,090
-	-	-	-
-	-	-	5,333,941
-	-	-	612,915
-	-	-	238,240
-	-	-	6,438,186
-	2,184,357	447,533	2,372,028
-	(2,184,357)	(447,533)	(2,678,759)
-	(2,184,357)	(447,533)	(2,678,759)
-	-	-	(306,731)
5,208	-	-	2,812,121
\$ 5,208	\$ -	\$ -	\$ 2,505,390

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	Local Option Sales Tax	City Parks Bond Fund	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 4,403,731	\$ 4,403,731
Investments	-	12,747,824	\$ 12,747,824
Receivables, net	-	15,942	\$ 15,942
Total assets	<u>\$ -</u>	<u>\$ 17,167,497</u>	<u>\$ 17,167,497</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 136,581	\$ 136,581
Retainage payable	-	27,798	\$ 27,798
Total liabilities	<u>-</u>	<u>164,379</u>	<u>164,379</u>
Fund balances:			
Restricted	<u>-</u>	<u>17,003,118</u>	<u>17,003,118</u>
Total fund balances	<u>-</u>	<u>17,003,118</u>	<u>17,003,118</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 17,167,497</u>	<u>\$ 17,167,497</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Local Option Sales Tax	City Parks Bond Fund	Total
Revenues:			
Investment earnings	\$ -	\$ 45,800	\$ 45,800
Miscellaneous revenue	-	5,894	5,894
Total revenues	<u>-</u>	<u>51,694</u>	<u>51,694</u>
Expenditures:			
Current:			
Culture and recreation	-	247,405	247,405
Capital projects	383,688	1,332,803	1,716,491
Total expenditures	<u>383,688</u>	<u>1,580,208</u>	<u>1,963,896</u>
Excess (deficiency) of revenues over expenditures	<u>(383,688)</u>	<u>(1,528,514)</u>	<u>(1,912,202)</u>
Other financing sources (uses):			
Transfers in	-	3,255,734	3,255,734
Total Other financing sources (uses):	<u>-</u>	<u>3,255,734</u>	<u>3,255,734</u>
Net change in fund balance	<u>(383,688)</u>	<u>1,727,220</u>	<u>1,343,532</u>
Fund balances at beginning of year	<u>383,688</u>	<u>15,275,898</u>	<u>15,659,586</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 17,003,118</u>	<u>17,003,118</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 17,865,127	\$ 9,066,879
Cash with fiscal agent	500	500
Investments	6,900,943	15,698,820
Receivables (net of allowance for estimated uncollectibles):		
Taxes	161,163	158,154
Sanitation	145,793	157,416
Other	615,367	559,593
Prepaid items	28,409	31,229
Due from other funds	199,441	168,582
Due from other governments	2,821,767	1,722,291
Inventories	34,851	31,169
Advances to other funds	22,536,181	24,659,110
	<u>51,309,542</u>	<u>52,253,743</u>
Total assets	<u>\$ 51,309,542</u>	<u>\$ 52,253,743</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,145,551	\$ 1,469,243
Retainage payable	69,097	36,020
Accrued salaries and employee benefits	767,227	618,975
Due to other funds	1,138,178	870,045
Due to other governments	860	620
Deferred revenue	169,560	496,260
	<u>3,290,473</u>	<u>3,491,163</u>
Total liabilities	<u>3,290,473</u>	<u>3,491,163</u>
Deferred inflows of resources:		
Unavailable revenue	128,687	134,858
	<u>128,687</u>	<u>134,858</u>
Fund balance:		
Nonspendable	22,599,441	24,721,508
Restricted	4,049,761	3,674,750
Committed	2,487,509	9,220
Assigned	3,073,354	5,037,697
Unassigned	15,680,317	15,184,547
	<u>47,890,382</u>	<u>48,627,722</u>
Total fund balance	<u>47,890,382</u>	<u>48,627,722</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,309,542</u>	<u>\$ 52,253,743</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
Revenues:		
Taxes	\$ 18,837,046	\$ 16,984,386
Licenses and permits	5,972,483	5,608,232
Intergovernmental	3,600,807	4,194,023
Charges for services	4,275,790	4,193,859
Fines and forfeits	4,241,668	4,074,134
Investment earnings	92,088	126,961
Other	817,339	670,793
Total revenues	<u>37,837,221</u>	<u>35,852,388</u>
Expenditures:		
Current:		
General government	7,395,479	7,258,123
Public works	9,351,184	10,235,807
Culture and recreation	6,111,246	5,864,289
Public safety	26,405,370	24,847,955
Debt service:		
Principal retirement	1,593,762	1,530,660
Interest and fiscal charges	1,247,024	1,318,731
Total expenditures	<u>52,104,065</u>	<u>51,055,565</u>
Excess (deficiency) of revenues over expenditures	<u>(14,266,844)</u>	<u>(15,203,177)</u>
Other financing sources (uses):		
Sale of capital assets	238,632	150,629
Transfers in	17,634,704	17,202,964
Transfers out	(4,343,832)	(3,368,788)
Total other financing sources (uses)	<u>13,529,504</u>	<u>13,984,805</u>
Net change in fund balance	(737,340)	(1,218,372)
Fund balance at beginning of year	<u>48,627,722</u>	<u>49,846,094</u>
Fund balance at end of year	<u>\$ 47,890,382</u>	<u>\$ 48,627,722</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 577,943	\$ 524,996
Due from other governments	<u>52,657</u>	<u>8,475</u>
Total assets	<u>\$ 630,600</u>	<u>\$ 533,471</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 26,914	\$ 52,634
Accrued salaries and employee benefits	<u>10,562</u>	<u>9,930</u>
Total liabilities	<u>37,476</u>	<u>62,564</u>
Fund balance:		
Restricted	<u>593,124</u>	<u>470,907</u>
Total fund balance	<u>593,124</u>	<u>470,907</u>
Total liabilities and fund balance	<u>\$ 630,600</u>	<u>\$ 533,471</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Intergovernmental	<u>\$5,011,183</u>	<u>\$4,801,680</u>
Total revenues	<u>5,011,183</u>	<u>4,801,680</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	489,415	573,313
Operating	121,485	106,789
Capital outlay	-	20,590
Housing assistance payments	<u>4,231,698</u>	<u>4,670,555</u>
Total expenditures	<u>4,842,598</u>	<u>5,371,247</u>
Excess (deficiency) of revenues over expenditures	<u>168,585</u>	<u>(569,567)</u>
Other financing sources (uses):		
Transfers out	<u>(46,368)</u>	<u>(46,369)</u>
Total other financing sources (uses)	<u>(46,368)</u>	<u>(46,369)</u>
Net change in fund balance	<u>122,217</u>	<u>(615,936)</u>
Fund balance at beginning of year	<u>470,907</u>	<u>1,086,843</u>
Fund balance at end of year	<u><u>\$ 593,124</u></u>	<u><u>\$ 470,907</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 HUD- HOUSING ASSISTANCE PAYMENTS PROGRAM
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,765,404	\$ 5,011,183	\$ 245,779
Total revenues	<u>4,765,404</u>	<u>5,011,183</u>	<u>245,779</u>
Expenditures- urban redevelopment and housing:			
Current:			
Personal services	570,881	489,415	81,466
Operating	126,926	121,485	5,441
Housing assistance payments	4,244,760	4,231,698	13,062
Total expenditures	<u>4,942,567</u>	<u>4,842,598</u>	<u>99,969</u>
Excess (deficiency) of revenues over expenditures	<u>(177,163)</u>	<u>168,585</u>	<u>345,748</u>
Other financing sources (uses):			
Transfers out	<u>(46,369)</u>	<u>(46,368)</u>	<u>1</u>
Net change in fund balance	<u>\$ (223,532)</u>	122,217	<u>\$ 345,749</u>
Reconciliation to GAAP basis:			
Fund balance at beginning of year - GAAP basis		<u>470,907</u>	
Fund balance at end of year - GAAP basis		<u>\$ 593,124</u>	

**CITY OF MARIETTA, GEORGIA
 HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 929	\$ -
Due from other governments	<u>27,094</u>	<u>34,639</u>
Total assets	<u>\$ 28,023</u>	<u>\$ 34,639</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accrued salaries and employee benefits	\$ 4,347	\$ 3,531
Due to other funds	<u>31,752</u>	<u>32,238</u>
Total liabilities	<u>36,099</u>	<u>35,769</u>
Fund balance:		
Unassigned	<u>(8,076)</u>	<u>(1,130)</u>
Total fund balance	<u>(8,076)</u>	<u>(1,130)</u>
Total liabilities and fund balance	<u>\$ 28,023</u>	<u>\$ 34,639</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
 SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Intergovernmental	<u>\$ 484,898</u>	<u>\$ 372,037</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	179,981	172,455
Operating services	283,999	198,650
Capital outlay	<u>27,363</u>	<u>-</u>
Total expenditures	<u>491,343</u>	<u>371,105</u>
Excess (deficiency) of revenues over expenditures	<u>(6,445)</u>	<u>932</u>
Other financing sources (uses)		
Transfers out	<u>(501)</u>	<u>(501)</u>
Total other financing sources (uses)	<u>(501)</u>	<u>(501)</u>
Net change in fund balance	(6,946)	431
Fund balance at beginning of year	<u>(1,130)</u>	<u>(1,561)</u>
Fund balance at end of year	<u><u>\$ (8,076)</u></u>	<u><u>\$ (1,130)</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 237,060	\$484,898	\$ 247,838
Total revenues	<u>237,060</u>	<u>484,898</u>	<u>247,838</u>
Expenditures - urban redevelopment and housing:			
Current:			
Personal services	187,646	179,981	7,665
Operating services	21,550	283,999	(262,449)
Capital outlay	<u>27,363</u>	<u>27,363</u>	<u>-</u>
Total expenditures	<u>236,559</u>	<u>491,343</u>	<u>(254,784)</u>
Excess (deficiency) of revenues over expenditures	<u>501</u>	<u>(6,445)</u>	<u>(6,946)</u>
Other financing sources (uses)			
Transfers out	<u>(501)</u>	<u>(501)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(6,946)</u>	<u>\$ (6,946)</u>
Fund balance at beginning of year - GAAP basis		<u>(1,130)</u>	
Fund balance at end of year - GAAP basis		<u>\$ (8,076)</u>	

**CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash with fiscal agent	\$ 941,959	\$ 940,783
Cash and cash equivalents	959,127	1,320,775
Receivables (net of allowance for estimated uncollectibles):		
Taxes receivable, net	11,104	16,304
Due from other governments	<u>9,629</u>	<u>13,019</u>
Total assets	<u>\$1,921,819</u>	<u>\$2,290,881</u>
<u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Deferred inflows of resources:		
Unavailable revenue	<u>\$ 10,116</u>	<u>\$ 15,078</u>
Fund balance:		
Restricted	<u>1,911,703</u>	<u>2,275,803</u>
Total fund balance	<u>1,911,703</u>	<u>2,275,803</u>
Total deferred inflows of resources, and fund balances	<u>\$1,921,819</u>	<u>\$2,290,881</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	\$ 35,001	\$ 54,025
Intergovernmental	450,177	475,698
Investment earnings	<u>1,877</u>	<u>1,872</u>
Total revenues	<u>487,055</u>	<u>531,595</u>
Expenditures - urban redevelopment and housing:		
Debt service:		
Principal retirement	612,915	588,266
Interest & fiscal charges	<u>238,240</u>	<u>262,889</u>
Total expenditures	<u>851,155</u>	<u>851,155</u>
Excess (deficiency) of revenues over expenditures	<u>(364,100)</u>	<u>(319,560)</u>
Net change in fund balance	(364,100)	(319,560)
Fund balance at beginning of year	<u>2,275,803</u>	<u>2,595,363</u>
Fund balance at end of year	<u><u>\$1,911,703</u></u>	<u><u>\$2,275,803</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$ 76,000	\$ 35,001	\$ (40,999)
Intergovernmental	560,000	450,177	(109,823)
Investment earnings	1,500	1,877	377
Total revenues	<u>637,500</u>	<u>487,055</u>	<u>(150,445)</u>
Expenditures- urban redevelopment and housing:			
Current:			
Operating services	75,694	-	75,694
Capital outlay	242,888	-	242,888
Debt service:			
Principal retirement	612,915	612,915	-
Interest & fiscal charges	238,240	238,240	-
Total expenditures	<u>1,169,737</u>	<u>851,155</u>	<u>318,582</u>
Net change in fund balance	<u>\$ (532,237)</u>	(364,100)	<u>\$ 168,137</u>
Fund balance at beginning of year		<u>2,275,803</u>	
Fund balance at end of year		<u>\$ 1,911,703</u>	

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 9,175	\$ 31,939
Investments	-	68,334
Receivables, net:		
Taxes	4,393	4,274
Interest	-	190
Due from other governments	924	929
	<u>\$ 14,492</u>	<u>\$ 105,666</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 6,023	\$ 39,747
Accrued salaries and employee benefits	1,499	952
	<u>7,522</u>	<u>40,699</u>
Deferred inflows of resources:		
Unavailable revenue	3,539	3,634
Fund balance:		
Restricted	3,431	61,333
	<u>3,431</u>	<u>61,333</u>
Total fund balance	<u>3,431</u>	<u>61,333</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,492</u>	<u>\$ 105,666</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	\$ 194,870	\$ 197,096
Investment earnings	<u>318</u>	<u>1,902</u>
Total revenues	<u>195,188</u>	<u>198,998</u>
Expenditures - public works:		
Current:		
Personal services	56,787	77,043
Operating services	<u>196,303</u>	<u>255,019</u>
Total expenditures	<u>253,090</u>	<u>332,062</u>
Excess (deficiency) of revenues over expenditures	(57,902)	(133,064)
Fund balance at beginning of year	<u>61,333</u>	<u>194,397</u>
Fund balance at end of year	<u><u>\$ 3,431</u></u>	<u><u>\$ 61,333</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 188,500	\$ 194,870	\$ 6,370
Investment earnings	2,000	318	(1,682)
Total revenues	<u>190,500</u>	<u>195,188</u>	<u>4,688</u>
Expenditures - public works:			
Current:			
Personal services	79,209	56,787	22,422
Operating services	<u>231,745</u>	<u>225,348</u>	<u>6,397</u>
Total expenditures	<u>310,954</u>	<u>282,135</u>	<u>28,819</u>
Excess (deficiency) of revenues over expenditures	<u><u>\$(120,454)</u></u>	(86,947)	<u><u>\$ 33,507</u></u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		29,045	
Fund balances at beginning of year - GAAP basis		<u>61,333</u>	
Fund balance at end of year - GAAP basis		<u><u>\$ 3,431</u></u>	

**CITY OF MARIETTA, GEORGIA
 LOCAL LAW ENFORCEMENT BLOCK GRANT
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	<u>\$ 5,208</u>	<u>\$ 5,208</u>
Total assets	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>
<u>FUND BALANCE</u>		
Fund balance:		
Restricted	<u>\$ 5,208</u>	<u>\$ 5,208</u>
Total fund balance	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Intergovernmental	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>
Expenditures - public safety:		
Current:		
Capital outlay	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>5,208</u>	<u>5,208</u>
Fund balance at end of year	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	<u>\$ 216,913</u>	<u>\$ 193,050</u>
Total assets	<u>\$ 216,913</u>	<u>\$ 193,050</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	<u>\$ 216,913</u>	<u>\$ 193,050</u>
Total liabilities	<u>216,913</u>	<u>193,050</u>
Fund balance:		
Restricted	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 216,913</u>	<u>\$ 193,050</u>

CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	<u>\$2,184,357</u>	<u>\$2,049,274</u>
Total revenues	<u>2,184,357</u>	<u>2,049,274</u>
Other financing sources (uses)		
Transfers out	<u>(2,184,357)</u>	<u>(2,049,274)</u>
Total other financing sources (uses)	<u>(2,184,357)</u>	<u>(2,049,274)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$2,166,654	\$2,184,357	\$ 17,703
Total revenues	<u>2,166,654</u>	<u>2,184,357</u>	<u>17,703</u>
Other financing sources (uses)			
Transfer out	<u>(2,166,654)</u>	<u>(2,184,357)</u>	<u>(17,703)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit) at beginning of year		<u>-</u>	
Fund balance (deficit) at end of year		<u>\$ -</u>	

**CITY OF MARIETTA, GEORGIA
 AUTO RENTAL TAX FUND
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	<u>\$ 40,927</u>	<u>\$ 33,930</u>
Total assets	<u>\$ 40,927</u>	<u>\$ 33,930</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	<u>\$ 40,927</u>	<u>\$ 33,930</u>
Total liabilities	<u>40,927</u>	<u>33,930</u>
Fund balance:		
Restricted	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 40,927</u>	<u>\$ 33,930</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 AUTO RENTAL TAX FUND
 SPECIAL REVENUE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	<u>\$ 447,533</u>	<u>\$ 379,446</u>
Total revenues	<u>447,533</u>	<u>379,446</u>
Excess (deficiency) of revenues over expenditures	<u>447,533</u>	<u>379,446</u>
Other financing sources (uses)		
Transfers out	<u>(447,533)</u>	<u>(379,446)</u>
Total other financing sources (uses)	<u>(447,533)</u>	<u>(379,446)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 AUTO RENTAL TAX FUND
 SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE- BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	<u>\$443,708</u>	<u>\$447,533</u>	<u>\$ 3,825</u>
Total revenues	<u>443,708</u>	<u>447,533</u>	<u>3,825</u>
Other financing sources (uses)			
Transfer out	<u>(443,708)</u>	<u>(447,533)</u>	<u>(3,825)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit) at beginning of year		<u>-</u>	
Fund balance (deficit) at end of year		<u>\$ -</u>	

**CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 7,380,644	\$ 8,464,895
Cash held in escrow	541,911	-
Investments	10,288,558	3,979,962
Receivables:		
Accrued interest	10,156	6,735
Due from other governments	<u>2,053,493</u>	<u>988,451</u>
Total assets	<u><u>\$ 20,274,762</u></u>	<u><u>\$ 13,440,043</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 670,020	\$ 639,059
Retainage payable	<u>214,573</u>	<u>88,238</u>
Total liabilities	<u>884,593</u>	<u>727,297</u>
Fund balance:		
Restricted	<u>19,390,169</u>	<u>12,712,746</u>
Total fund balance	<u>19,390,169</u>	<u>12,712,746</u>
Total liabilities and fund balance	<u><u>\$ 20,274,762</u></u>	<u><u>\$ 13,440,043</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ 14,580	\$ -
Intergovernmental	<u>11,922,593</u>	<u>11,840,060</u>
Total revenues	<u>11,937,173</u>	<u>11,840,060</u>
Expenditures:		
Current:		
Personal services	269,162	254,050
Capital projects	<u>4,990,588</u>	<u>7,822,026</u>
Total expenditures	<u>5,259,750</u>	<u>8,076,076</u>
Excess (deficiency) of revenues over expenditures	<u>6,677,423</u>	<u>3,763,984</u>
Other financing sources (uses):		
Transfers in	<u>-</u>	<u>7,360</u>
Total other financing sources (uses)	<u>-</u>	<u>7,360</u>
Net change in fund balance	<u>6,677,423</u>	<u>3,771,344</u>
Fund balance at beginning of year	<u>12,712,746</u>	<u>8,941,402</u>
Fund balance at end of year	<u>\$ 19,390,169</u>	<u>\$ 12,712,746</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 LOCAL OPTION SALES TAX
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ -	\$ 383,694
Total assets	<u>\$ -</u>	<u>\$ 383,694</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ -	\$ 6
Total liabilities	<u>-</u>	<u>6</u>
Fund balance:		
Restricted	<u>-</u>	<u>383,688</u>
Total fund balance	<u>-</u>	<u>383,688</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 383,694</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ -	\$ 54
Total revenues	<u>-</u>	<u>54</u>
Expenditures:		
Capital projects	<u>383,688</u>	<u>-</u>
Total expenditures	<u>383,688</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(383,688)</u>	<u>54</u>
Net change in fund balance	<u>(383,688)</u>	<u>54</u>
Fund balance at beginning of year	<u>383,688</u>	<u>383,634</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 383,688</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Expenditures:			
Capital projects	\$ 383,662	\$ 383,688	\$ (26)
Total expenditures	<u>383,662</u>	<u>383,688</u>	<u>26</u>
Net change in fund balance	<u>\$ (383,662)</u>	(383,688)	<u>\$ (26)</u>
Fund balance at beginning of year - GAAP basis		<u>383,688</u>	
Fund balance at end of year - GAAP basis		<u>\$ -</u>	

**CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,403,731	\$ 2,003,657
Investments	12,747,824	13,280,098
Receivables:		
Accrued interest	<u>15,942</u>	<u>21,175</u>
Total assets	<u>\$ 17,167,497</u>	<u>\$ 15,304,930</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 136,581	\$ 13,513
Retainage payable	<u>27,798</u>	<u>15,519</u>
Total liabilities	<u>164,379</u>	<u>29,032</u>
Fund balance:		
Restricted	<u>17,003,118</u>	<u>15,275,898</u>
Total fund balance	<u>17,003,118</u>	<u>15,275,898</u>
Total liabilities and fund balance	<u>\$ 17,167,497</u>	<u>\$ 15,304,930</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ 45,800	\$ 48,760
Miscellaneous revenue	<u>5,894</u>	<u>8,050</u>
Total revenues	<u>51,694</u>	<u>56,810</u>
Expenditures:		
Current:		
Personal services	95,158	93,318
Operating services	152,247	71,722
Capital projects	<u>1,332,803</u>	<u>2,997,307</u>
Total expenditures	<u>1,580,208</u>	<u>3,162,347</u>
Excess (deficiency) of revenues over expenditures	<u>(1,528,514)</u>	<u>(3,105,537)</u>
Other financing sources (uses):		
Transfers in	<u>(3,255,734)</u>	<u>-</u>
Net change in fund balance	1,727,220	(3,105,537)
Fund balance at beginning of year	<u>15,275,898</u>	<u>18,381,435</u>
Fund balance at end of year	<u>\$ 17,003,118</u>	<u>\$ 15,275,898</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
REDEVELOPMENT BOND
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 2014**

	<u>2014</u>
<u>ASSETS</u>	
Investments	<u>\$44,727,175</u>
Total assets	<u><u>\$44,727,175</u></u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ 44,349
Due to other funds	<u>112,933</u>
Total liabilities	<u>157,282</u>
Fund balance:	
Restricted	<u>44,569,893</u>
Total fund balance	<u>44,569,893</u>
Total liabilities and fund balance	<u><u>\$44,727,175</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
REDEVELOPMENT BOND
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014**

	<u>2014</u>
Revenues:	
Investment earnings	\$ 2,075
Total revenues	<u>2,075</u>
Expenditures:	
Current:	
Operating services	93,530
Capital projects	20,126,094
Debt Service	
Bond issuance costs	<u>1,771,188</u>
Total expenditures	<u>21,990,812</u>
Excess (deficiency) of revenues over expenditures	<u>(21,988,737)</u>
Other financing sources (uses):	
Bonds issued	68,000,000
Premium on bonds issued	1,814,364
Transfers out	<u>(3,255,734)</u>
Total other financing sources (uses)	<u>66,558,630</u>
Net change in fund balance	<u>44,569,893</u>
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u><u>\$44,569,893</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,448,293	\$ 2,358,955
Investments	1,124,222	3,733,528
Receivables, net of estimated uncollectibles:		
Taxes	85,899	91,856
Accrued interest	72	5,694
Due from other governments	<u>27,665</u>	<u>27,807</u>
Total assets	<u>\$ 5,686,151</u>	<u>\$ 6,217,840</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 63</u>	<u>\$ 19</u>
Deferred inflows of resources:		
Unavailable revenue	<u>72,216</u>	<u>80,867</u>
Fund balance:		
Restricted	<u>5,613,872</u>	<u>6,136,954</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,686,151</u>	<u>\$ 6,217,840</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	\$ 2,920,354	\$ 3,100,333
Intergovernmental revenue	3,694,750	3,694,625
Investment earnings	<u>10,401</u>	<u>18,580</u>
Total revenue	<u>6,625,505</u>	<u>6,813,538</u>
Expenditures:		
Debt service:		
Principal retirement	5,145,000	5,005,000
Interest on bonds	<u>1,978,351</u>	<u>2,097,175</u>
Total expenditures	<u>7,123,351</u>	<u>7,102,175</u>
Excess (deficiency) of revenues over expenditures	<u>(497,846)</u>	<u>(288,637)</u>
Other financing sources (uses):		
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>(25,236)</u>
Net change in fund balance	<u>(523,082)</u>	<u>(313,873)</u>
Fund balance at beginning of year	<u>6,136,954</u>	<u>6,450,827</u>
Fund balance at end of year	<u><u>\$ 5,613,872</u></u>	<u><u>\$ 6,136,954</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:			
Taxes	\$ 3,159,250	\$ 2,920,354	\$ (238,896)
Intergovernmental	3,694,750	3,694,750	-
Investment earnings	20,000	10,401	(9,599)
Total revenues	<u>6,874,000</u>	<u>6,625,505</u>	<u>(248,495)</u>
Expenditures:			
Debt Service:			
Principal retirement	5145000	5,145,000	-
Interest and fiscal charges	<u>1,978,350</u>	<u>1,978,351</u>	<u>(1)</u>
Total expenditures	<u>7,123,350</u>	<u>7,123,351</u>	<u>(1)</u>
Excess (deficiency) of revenues over expenditures	<u>(249,350)</u>	<u>(497,846)</u>	<u>(248,496)</u>
Other financing sources (uses):			
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Net change in fund balance	<u>\$ (274,586)</u>	(523,082)	<u>\$ (248,496)</u>
Fund balance at beginning of year		<u>6,136,954</u>	
Fund balance at end of year		<u>\$ 5,613,872</u>	

**CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 9,837,761	\$ 6,916,032
Investments	33,940,797	26,853,989
Receivables:		
Utility accounts (net of allowance for estimated uncollectibles of \$457,000 and \$457,000)	17,937,887	17,204,096
Other	20,126	51,317
Due from other funds	11,750,388	9,875,910
Inventories	3,398,083	3,254,947
Prepaid expenses	15,300	-
Total current assets	<u>76,900,342</u>	<u>64,156,291</u>
Noncurrent assets:		
Restricted assets:		
Investments	<u>11,835,175</u>	<u>11,488,252</u>
Property, plant and equipment:		
Land	1,382,976	1,382,976
Buildings and improvements	16,408,699	16,296,604
Electrical plant in service	118,228,256	114,951,701
Water and sewer system	86,251,600	83,533,193
Machinery and equipment	61,169,008	57,438,366
	<u>283,440,539</u>	<u>273,602,840</u>
Less: accumulated depreciation	<u>(147,744,330)</u>	<u>(141,043,689)</u>
Net property, plant and equipment	<u>135,696,209</u>	<u>132,559,151</u>
Other assets:		
Investment in Project	<u>2,374,303</u>	<u>2,448,902</u>
Total other assets	<u>2,374,303</u>	<u>2,448,902</u>
Total noncurrent assets	<u>149,905,687</u>	<u>146,496,305</u>
Total assets	<u>\$ 226,806,029</u>	<u>\$ 210,652,596</u>

See accompanying notes to financial statements.
Continued on next page.

**CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2014 AND 2013**

<u>LIABILITIES</u>	<u>2014</u>	<u>2013</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 13,130,550	\$ 11,669,715
Accrued salaries and employee benefits	324,985	287,119
Accrued sales tax	634,099	583,975
Accrued compensated absences	355,809	304,916
Total current liabilities	<u>14,445,443</u>	<u>12,845,725</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	584,882	547,944
Unearned revenue	2,534,453	2,506,729
Net pension obligation	468,844	465,348
Net OPEB obligation	8,006,274	7,888,411
Customer deposits	9,300,722	8,981,523
Total long-term liabilities (net of current portion)	<u>20,895,175</u>	<u>20,389,955</u>
Total liabilities	<u>35,340,618</u>	<u>33,235,680</u>
<u>NET POSITION</u>		
Net investment in capital assets	135,696,209	132,559,151
Unrestricted	55,769,202	44,857,765
Total net position	<u>\$ 191,465,411</u>	<u>\$ 177,416,916</u>

See accompanying notes to financial statements.
Continued from previous page.

**CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014 AND 2013**

	2014	2013
Operating revenues:		
Charges for services	\$148,851,310	\$ 143,165,035
Other	1,178,253	1,452,419
Total operating revenues	<u>150,029,563</u>	<u>144,617,454</u>
Operating expenses:		
Personal services	14,942,416	14,900,339
Operating	100,710,871	100,355,994
Depreciation	6,700,640	6,525,018
Total operating expenses	<u>122,353,927</u>	<u>121,781,351</u>
Operating income	<u>27,675,636</u>	<u>22,836,103</u>
Nonoperating revenues (expenses):		
Investment earnings	355,270	243,752
Gain (loss) on sale of assets	172,919	258,370
Other	-	14,867
Total nonoperating revenues (expenses)	<u>528,189</u>	<u>516,989</u>
Income before transfers	<u>28,203,825</u>	<u>23,353,092</u>
Transfers:		
Transfers in	921,631	762,095
Transfers out	<u>(15,076,961)</u>	<u>(14,795,598)</u>
Total transfers in (out)	<u>(14,155,330)</u>	<u>(14,033,503)</u>
Change in net position	14,048,495	9,319,589
Net position at beginning of year	<u>177,416,916</u>	<u>168,097,327</u>
Net position at end of year	<u><u>\$191,465,411</u></u>	<u><u>\$ 177,416,916</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers	\$ 146,589,964	\$ 133,311,419
Cash received from other operating activities	1,178,253	1,452,419
Cash payments for goods and services	(99,283,749)	(99,860,799)
Cash payments for employee services and fringe benefits	(14,695,360)	(14,200,672)
Net cash from (to) operating activities	<u>33,789,108</u>	<u>20,702,367</u>
Cash flows from noncapital financing activities:		
Transfers in	921,631	762,095
Transfers out	(15,076,961)	(14,795,598)
Net cash from (to) noncapital financing activities	<u>(14,155,330)</u>	<u>(14,033,503)</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(9,837,697)	(11,588,188)
Proceeds from sale of assets	172,919	258,370
Net cash from (to) capital and related financing activities	<u>(9,664,778)</u>	<u>(11,329,818)</u>
Cash flows from investing activities:		
Rental income received	-	14,867
Interest received	386,460	269,773
Investment (purchases) sales	(7,433,731)	(7,845,706)
Net cash from (to) investing activities	<u>(7,047,271)</u>	<u>(7,561,066)</u>
Net increase (decrease) in cash and cash equivalents	2,921,729	(12,222,020)
Cash and cash equivalents at beginning of year:		
Cash	<u>6,916,032</u>	<u>19,138,052</u>
Total cash and cash equivalents, beginning of year	<u>6,916,032</u>	<u>19,138,052</u>
Cash and cash equivalents at end of year:		
Cash	<u>9,837,761</u>	<u>6,916,032</u>
Total cash and cash equivalents, end of year	<u>\$ 9,837,761</u>	<u>\$ 6,916,032</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 27,675,636	\$ 22,836,103
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	6,775,239	6,599,617
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(733,791)	(1,163,083)
(Increase) decrease in due from other funds	(1,874,478)	(9,300,899)
(Increase) decrease in inventories	(143,136)	73,031
(Increase) decrease in prepaid expenses	(15,300)	250
Increase (decrease) in net pension asset/obligation	3,496	13,976
Increase (decrease) in accounts payable	1,460,835	331,776
Increase (decrease) in accrued salaries	37,866	18,667
Increase (decrease) in accrued sales tax	50,124	15,539
Increase (decrease) in accrued compensated absences	87,831	7,938
Increase (decrease) in net OPEB obligation	117,863	659,086
Increase (decrease) in unearned revenue	27,724	4,673
Increase (decrease) in customer deposits	319,199	605,693
Net cash from operating activities	<u>\$ 33,789,108</u>	<u>\$ 20,702,367</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ -	\$ 74,556
Unrestricted investments	59	59
Due from other funds	<u>186,366</u>	<u>186,366</u>
Total current assets	<u>186,425</u>	<u>260,981</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	769,284	769,284
Buildings and improvements	23,326,210	23,326,210
Machinery and equipment	<u>12,354,692</u>	<u>12,354,692</u>
	36,450,186	36,450,186
Less: accumulated depreciation	<u>(22,308,593)</u>	<u>(21,455,131)</u>
Net property, plant and equipment	<u>14,141,593</u>	<u>14,995,055</u>
Total noncurrent assets	<u>14,141,593</u>	<u>14,995,055</u>
Total assets	<u>\$14,328,018</u>	<u>\$ 15,256,036</u>

See accompanying notes to financial statements.
Continued on next page.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2014 AND 2013

<u>LIABILITIES</u>	<u>2014</u>	<u>2013</u>
Liabilities:		
Long-term liabilities:		
Advances from other funds	<u>\$ 22,536,181</u>	<u>\$ 24,659,110</u>
Total long-term liabilities	<u>22,536,181</u>	<u>24,659,110</u>
Total liabilities	<u>22,536,181</u>	<u>24,659,110</u>
 <u>NET POSITION</u>		
Net investment in capital assets	14,141,593	14,995,055
Unrestricted	<u>(22,349,756)</u>	<u>(24,398,129)</u>
Total net position	<u>\$ (8,208,163)</u>	<u>\$ (9,403,074)</u>

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Operating revenues:		
Lease income	\$ 2,152,537	\$ 2,204,531
Total operating revenues	<u>2,152,537</u>	<u>2,204,531</u>
Operating expenses:		
Operating	429,676	500
Depreciation	853,462	1,365,192
Total operating expenses	<u>1,283,138</u>	<u>1,365,692</u>
Operating income (loss)	<u>869,399</u>	<u>838,839</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	<u>(29,607)</u>	<u>(31,006)</u>
Total nonoperating revenues (expense)	<u>(29,607)</u>	<u>(31,006)</u>
Income (loss) before operating transfers	<u>839,792</u>	<u>807,833</u>
Transfers:		
Transfers in	1,004,740	618,207
Transfers out	<u>(649,621)</u>	<u>(618,207)</u>
Total transfers	<u>355,119</u>	<u>-</u>
Change in net position	1,194,911	807,833
Net position at beginning of year	<u>(9,403,074)</u>	<u>(10,210,907)</u>
Net position at end of year	<u>\$ (8,208,163)</u>	<u>\$ (9,403,074)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flows from operating activities:		
Cash received from lease	\$ 2,152,537	\$ 2,204,531
Cash payments for goods and services	(429,676)	(500)
Net cash from (to) operating activities	<u>1,722,861</u>	<u>2,204,031</u>
Cash flows from noncapital financing activities:		
Transfers in	1,004,740	618,207
Transfers out	(649,621)	(618,207)
Net cash from (to) noncapital financing	<u>355,119</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Advances from other funds	(2,122,929)	(2,173,525)
Interest and fiscal charges	(29,607)	(31,065)
Net cash from (to) capital and related financing activities	<u>(2,152,536)</u>	<u>(2,204,590)</u>
Net increase (decrease) in cash and cash equivalents	(74,556)	(559)
Cash and cash equivalents at beginning of year	<u>74,556</u>	<u>75,115</u>
Total cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 74,556</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 869,399	\$ 838,839
Adjustments to reconcile operating income to net cash from operating activities:		
Noncash transactions		
Depreciation	853,462	1,365,192
Net cash from (to) operating activities	<u>\$ 1,722,861</u>	<u>\$ 2,204,031</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013

<u>ASSETS</u>	2014	2013
Current assets:		
Cash	\$ 6,806	\$ 6,980
Accounts receivable	1,547	930
Total current assets	<u>8,353</u>	<u>7,910</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	6,600,000	6,600,000
Buildings and improvements	2,058,509	2,058,509
Machinery and equipment	3,786,802	3,761,769
	<u>12,445,311</u>	<u>12,420,278</u>
Less: accumulated depreciation	<u>(4,724,993)</u>	<u>(4,514,566)</u>
Net property, plant and equipment	<u>7,720,318</u>	<u>7,905,712</u>
Other assets	<u>-</u>	<u>31,694</u>
Total noncurrent assets	<u>7,720,318</u>	<u>7,937,406</u>
Total assets	<u>7,728,671</u>	<u>7,945,316</u>
Deferred outflows of resources		
Deferred loss on refunding:	<u>47,838</u>	<u>95,674</u>
<u>LIABILITIES</u>		
Liabilities:		
Current liabilities:		
Accounts payable	70,114	63,907
Due to other funds	1,379,116	1,331,405
Capital lease obligations	842,218	761,839
Accrued interest payable	20,174	29,850
Total current liabilities	<u>2,311,622</u>	<u>2,187,001</u>
Long-term liabilities (net of current portion):		
Capital lease obligations	<u>755,000</u>	<u>1,597,218</u>
Total long-term liabilities	<u>755,000</u>	<u>1,597,218</u>
Total liabilities	<u>3,066,622</u>	<u>3,784,219</u>
<u>NET POSITION</u>		
Net investment in capital assets	6,170,938	5,642,329
Unrestricted	<u>(1,461,051)</u>	<u>(1,385,558)</u>
Total net position	<u>\$ 4,709,887</u>	<u>\$ 4,256,771</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	<u>\$ 1,555,270</u>	<u>\$ 1,564,138</u>
Operating expenses:		
Operating	1,136,394	1,177,091
Depreciation	<u>210,428</u>	<u>215,777</u>
Total operating expenses	<u>1,346,822</u>	<u>1,392,868</u>
Operating income (loss)	<u>208,448</u>	<u>171,270</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	(129,553)	(133,477)
Other	<u>(603)</u>	<u>(765)</u>
Total nonoperating revenues (expenses)	<u>(130,156)</u>	<u>(134,242)</u>
Income (loss) before operating transfers	<u>78,292</u>	<u>37,028</u>
Transfers:		
Transfers in	399,845	399,042
Transfers out	<u>(25,021)</u>	<u>(25,021)</u>
Total transfers	<u>374,824</u>	<u>374,021</u>
Change in net position	453,116	411,049
Net position at beginning of year	<u>4,256,771</u>	<u>3,845,722</u>
Net position at end of year	<u><u>\$ 4,709,887</u></u>	<u><u>\$ 4,256,771</u></u>

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,554,653	\$ 1,571,503
Cash payments for goods and services	(1,082,476)	(1,064,417)
Net cash from (to) operating activities	<u>472,177</u>	<u>507,086</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	399,845	399,042
Transfers out	(25,021)	(25,021)
Net cash from (to) noncapital financing activities	<u>374,824</u>	<u>374,021</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(25,033)	(62,376)
Payments on capital leases	(49,512)	(49,511)
Payments on notes payable	(690,000)	(690,000)
Interest and fiscal charges	(82,630)	(79,273)
Net cash from (to) capital related financing activities	<u>(847,175)</u>	<u>(881,160)</u>
Net increase (decrease) in cash and cash equivalents	(174)	(53)
Cash and cash equivalents at beginning of year	<u>6,980</u>	<u>7,033</u>
Cash and cash equivalents at end of year	<u>\$ 6,806</u>	<u>\$ 6,980</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 208,448	\$ 171,270
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	210,428	215,777
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(617)	7,365
Increase (decrease) in due to other funds	47,711	105,667
Increase (decrease) in accounts payable	6,207	7,007
Net cash from (to) operating activities	<u>\$ 472,177</u>	<u>\$ 507,086</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Self- Insurance	Motor Transport	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 1,133,156	\$ -	\$ 1,133,156
Equity in pooled cash	-	-	-
Investments	9,395,645	-	9,395,645
Receivables, net	209,858	-	209,858
Due from other governments	-	146	146
Due from other funds	-	-	-
Prepays	3,025	-	3,025
Inventories	-	103,559	103,559
	<u>10,741,684</u>	<u>103,705</u>	<u>10,845,389</u>
Total current assets			
Property, plant and equipment:			
Buildings and improvements	-	502,346	502,346
Machinery and equipment	-	1,459,924	1,459,924
Less: accumulated depreciation	-	(1,149,890)	(1,149,890)
	<u>-</u>	<u>812,380</u>	<u>812,380</u>
Net property, plant and equipment			
Total assets	<u>\$ 10,741,684</u>	<u>\$ 916,085</u>	<u>\$ 11,657,769</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 291,423	\$ 72,873	\$ 364,296
Claims and judgements payable	3,020,306	-	3,020,306
Accrued salaries	-	19,651	19,651
Accrued compensated absences	-	13,824	13,824
Due to other funds	8,291,555	924,821	9,216,376
	<u>11,603,284</u>	<u>1,031,169</u>	<u>12,634,453</u>
Total current liabilities			
Long-term liabilities (net of current portion):			
Accrued compensated absences	-	19,322	19,322
	<u>-</u>	<u>19,322</u>	<u>19,322</u>
Total liabilities	<u>11,603,284</u>	<u>1,050,491</u>	<u>12,653,775</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	812,380	812,380
Unrestricted	(861,600)	(946,786)	(1,808,386)
	<u>(861,600)</u>	<u>(134,406)</u>	<u>(996,006)</u>
Total net position	<u>\$ (861,600)</u>	<u>\$ (134,406)</u>	<u>\$ (996,006)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Self- Insurance	Motor Transport	Total
Operating revenues:			
Charges for services	\$ -	\$ 3,259,692	\$ 3,259,692
Contributions	10,283,865	-	10,283,865
Other	80,283	-	80,283
Total operating revenues	<u>10,364,148</u>	<u>3,259,692</u>	<u>13,623,840</u>
Operating expenses:			
Personal services	-	733,382	733,382
Operating services	1,036,563	2,509,891	3,546,454
Depreciation	-	122,484	122,484
Benefits and claims	12,626,363	-	12,626,363
Total operating expenses	<u>13,662,926</u>	<u>3,365,757</u>	<u>17,028,683</u>
Operating income (loss)	<u>(3,298,778)</u>	<u>(106,065)</u>	<u>(3,404,843)</u>
Nonoperating revenues (expenses) :			
Investment earnings	<u>29,605</u>	<u>-</u>	<u>29,605</u>
Total nonoperating revenues (expenses)	<u>29,605</u>	<u>-</u>	<u>29,605</u>
Transfers:			
Transfers in	2,909,710	-	2,909,710
Transfers out	<u>(51,397)</u>	<u>(19,803)</u>	<u>(71,200)</u>
Total transfers	<u>2,858,313</u>	<u>(19,803)</u>	<u>2,838,510</u>
Change in net position	(410,860)	(125,868)	(536,728)
Net position at beginning of year	<u>(450,740)</u>	<u>(8,538)</u>	<u>(459,278)</u>
Net position at end of year	<u>\$ (861,600)</u>	<u>\$ (134,406)</u>	<u>\$ (996,006)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Self- Insurance	Motor Transport	Total
Cash flow from operating activities:			
Cash received from contributions and services provided	\$10,260,676	\$ 3,261,897	\$ 13,522,573
Cash payments for goods and services	(1,027,538)	(2,516,635)	(3,544,173)
Cash payments for employee services and fringes	-	(725,459)	(725,459)
Cash payments for benefits and claims	(12,569,768)	-	(12,569,768)
Cash received (payments) for other operating activities	76,147	-	76,147
Cash received from (payments to) other funds	1,419,002	-	1,419,002
Net Cash from (to) operating activities	<u>(1,841,481)</u>	<u>19,803</u>	<u>(1,821,678)</u>
Cash flows from noncapital financing activities:			
Transfers in	2,909,710	-	2,909,710
Transfers out	(51,397)	(19,803)	(71,200)
Net transfers in (out) from noncapital financing activities	<u>2,858,313</u>	<u>(19,803)</u>	<u>2,838,510</u>
Cash flows from investing activities:			
Interest received	33,271	-	33,271
Investments (purchased) sold	(2,173,156)	-	(2,173,156)
Net cash from (to) investing activities	<u>(2,139,885)</u>	<u>-</u>	<u>(2,139,885)</u>
Net increase (decrease) in cash and cash equivalents	(1,123,053)	-	(1,123,053)
Cash and cash equivalents at beginning of year	2,256,209	-	2,256,209
Cash and cash equivalents at end of year	<u>\$ 1,133,156</u>	<u>\$ -</u>	<u>\$ 1,133,156</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (3,298,778)	\$ (106,065)	\$ (3,404,843)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	-	122,484	122,484
Changes in assets and liabilities:			
(Increase) decrease in other receivables	(1,111)	-	(1,111)
(Increase) decrease in contributions receivable	(23,189)	-	(23,189)
(Increase) decrease in due from other governments	-	2,205	2,205
(Increase) decrease in prepaids	(3,025)	-	(3,025)
(Increase) decrease in inventories	-	(18,906)	(18,906)
Increase (decrease) in accounts payable	9,025	(15,022)	(5,997)
Increase (decrease) in accrued salaries	-	5,578	5,578
Increase (decrease) in accrued compensated absences	-	2,345	2,345
Increase (decrease) in due to other funds	1,419,002	27,184	1,446,186
Increase (decrease) in claims and judgements payable	56,595	-	56,595
Net cash from (to) operating activities	<u>\$ (1,841,481)</u>	<u>\$ 19,803</u>	<u>\$ (1,821,678)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 SELF - INSURANCE
 INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF NET POSITION
 JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,133,156	\$ 2,256,209
Investments	9,395,645	7,222,489
Receivables:		
Accrued interest	6,813	10,479
Contributions	201,934	178,745
Other	1,111	-
Prepays	<u>3,025</u>	<u>-</u>
 Total assets	 <u>10,741,684</u>	 <u>9,667,922</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	291,423	282,398
Claims and judgements payable	3,020,306	2,963,711
Due to other funds	<u>8,291,555</u>	<u>6,872,553</u>
 Total liabilities	 <u>11,603,284</u>	 <u>10,118,662</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ (861,600)</u>	<u>\$ (450,740)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SELF - INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Contributions	\$10,283,865	\$ 9,331,414
Other	80,283	113,030
Total operating revenues	<u>10,364,148</u>	<u>9,444,444</u>
Operating expenses:		
Operating services	1,036,563	1,076,743
Benefits and claims	12,626,363	11,646,272
Total operating expenses	<u>13,662,926</u>	<u>12,723,015</u>
Operating income (loss)	<u>(3,298,778)</u>	<u>(3,278,571)</u>
Nonoperating revenues:		
Investment earnings	29,605	33,716
Income before transfers	<u>(3,269,173)</u>	<u>(3,244,855)</u>
Transfers:		
Transfers in	2,909,710	2,393,826
Transfers out	(51,397)	(55,251)
Total transfers	<u>2,858,313</u>	<u>2,338,575</u>
Change in net position	(410,860)	(906,280)
Net position at beginning of year	<u>(450,740)</u>	455,540
Net position at end of year	<u>\$ (861,600)</u>	<u>\$ (450,740)</u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
SELF-INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flow from operating activities:		
Cash received from contributions	\$ 10,260,676	\$ 9,324,692
Cash received from other operating activities	76,147	113,030
Cash payments for operating services	(1,027,538)	(1,111,079)
Cash received from (payments to) other funds	1,419,002	1,015,876
Cash payments for benefits and claims	(12,569,768)	(11,017,414)
Net cash from (to) operating activities	<u>(1,841,481)</u>	<u>(1,674,895)</u>
Cash flows from noncapital financing activities:		
Transfers in	2,909,710	2,393,826
Transfers out	(51,397)	(55,251)
Net transfers in (out) from noncapital financing activities	<u>2,858,313</u>	<u>2,338,575</u>
Cash flows from investing activities:		
Interest received	33,271	12,437
Investments (purchased) sold	(2,173,156)	1,520,976
Net cash from (to) investing activities	<u>(2,139,885)</u>	<u>1,533,413</u>
Net increase (decrease) in cash and cash equivalents	(1,123,053)	2,197,093
Cash and cash equivalents at beginning of year	<u>2,256,209</u>	<u>59,116</u>
Cash and cash equivalents at end of year	<u>\$ 1,133,156</u>	<u>\$ 2,256,209</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (3,298,778)	\$ (3,278,571)
Adjustments to reconcile operating income to net cash from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	(23,189)	(6,722)
(Increase) decrease in other receivables	(1,111)	-
(Increase) decrease in prepaids	(3,025)	-
Increase (decrease) in accounts payable	9,025	(34,336)
Increase (decrease) in due to other funds	1,419,002	1,015,876
Increase (decrease) in claims and judgements payable	56,595	628,858
Net cash from (to) operating activities	<u>\$ (1,841,481)</u>	<u>\$ (1,674,895)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Due from other governments	\$ 146	\$ 2,351
Inventories	<u>103,559</u>	<u>84,653</u>
Total current assets	<u>103,705</u>	<u>87,004</u>
Property, plant and equipment:		
Buildings and improvements	502,346	502,346
Machinery and equipment	1,459,924	1,459,924
Less: accumulated depreciation	<u>(1,149,890)</u>	<u>(1,027,406)</u>
Net property, plant and equipment	<u>812,380</u>	<u>934,864</u>
Total assets	<u>916,085</u>	<u>1,021,868</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	72,873	87,895
Accrued salaries and employee benefits	19,651	14,073
Due to other funds	924,821	897,637
Accrued compensated absences	<u>13,824</u>	<u>10,887</u>
Total current liabilities	<u>1,031,169</u>	<u>1,010,492</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	<u>19,322</u>	<u>19,914</u>
Total liabilities	<u>1,050,491</u>	<u>1,030,406</u>
<u>NET POSITION</u>		
Net investment in capital assets	812,380	934,864
Unrestricted	<u>(946,786)</u>	<u>(943,402)</u>
Total net position	<u>\$ (134,406)</u>	<u>\$ (8,538)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$3,259,692	\$ 3,233,648
Total operating revenues	<u>3,259,692</u>	<u>3,233,648</u>
Operating expenses:		
Personal services	733,382	726,436
Operating services	2,509,891	2,530,433
Depreciation	<u>122,484</u>	<u>124,494</u>
Total operating expenses	<u>3,365,757</u>	<u>3,381,363</u>
Operating income (loss)	<u>(106,065)</u>	<u>(147,715)</u>
Transfers:		
Transfers out	<u>(19,803)</u>	<u>(19,803)</u>
Total transfers	<u>(19,803)</u>	<u>(19,803)</u>
Change in net position	(125,868)	(167,518)
Net position at beginning of year	<u>(8,538)</u>	<u>158,980</u>
Net position at end of year	<u><u>\$ (134,406)</u></u>	<u><u>\$ (8,538)</u></u>

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flow from operating activities:		
Cash received for services provided	\$ 3,261,897	\$ 3,236,833
Cash payments for goods and services	(2,516,635)	(2,336,727)
Cash payments for employee services and fringes	(725,459)	(725,262)
Net cash from (to) operating activities	<u>19,803</u>	<u>174,844</u>
Cash flows from noncapital financing activities:		
Transfers out	(19,803)	(19,803)
Net transfers in (out) from noncapital financing activities	<u>(19,803)</u>	<u>(19,803)</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	-	(155,041)
Net cash from (to) capital and related financing activities	<u>-</u>	<u>(155,041)</u>
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (106,065)	\$ (147,715)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	122,484	124,494
Changes in assets and liabilities:		
(Increase) decrease in due from other governments	2,205	3,185
(Increase) decrease in inventories	(18,906)	26,232
Increase (decrease) in accounts payable	(15,022)	21,614
Increase (decrease) in accrued salaries	5,578	512
Increase (decrease) in accrued compensated absences	2,345	662
Increase (decrease) in due to other funds	27,184	145,860
Net cash from (to) operating activities	<u>\$ 19,803</u>	<u>\$ 174,844</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CITY SCHOOLS AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>July 01, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Assets				
Cash	\$ 433,103	\$ 52,679,225	\$ (52,713,967)	\$ 398,361
Receivable from other governments	389,527	5,245,674	(5,363,693)	271,508
Uncollected taxes	<u>1,166,351</u>	<u>44,595,263</u>	<u>(44,647,011)</u>	<u>1,114,603</u>
Total assets	<u>\$ 1,988,981</u>	<u>\$ 102,520,162</u>	<u>\$ (102,724,671)</u>	<u>\$ 1,784,472</u>
Liabilities - due to others	<u>\$ 1,988,981</u>	<u>\$ 102,520,162</u>	<u>\$ (102,724,671)</u>	<u>\$ 1,784,472</u>

CITY OF MARIETTA, GEORGIA
Net Position by Component (Unaudited)
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010 (1)	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 52,779,866	\$ 41,105,789	\$ 38,400,310	\$ 40,361,421	\$ 40,647,949	\$ 50,033,057	\$ 58,835,173	\$ 71,920,680	\$ 85,328,216	\$ 84,036,575
Restricted	3,723,545	7,429,356	12,993,338	25,355,346	22,613,208	22,973,206	26,661,694	19,595,692	23,445,586	38,265,536
Unrestricted	(39,010,992)	(30,637,360)	(26,135,944)	(37,973,169)	1,702,675	(8,560,854)	(19,502,801)	(13,488,145)	(21,601,544)	(31,286,042)
Total governmental activities net position	\$ 17,492,419	\$ 17,897,785	\$ 25,257,704	\$ 27,743,598	\$ 64,963,832	\$ 64,445,409	\$ 65,994,066	\$ 78,028,227	\$ 87,172,258	\$ 91,016,069
Business-type activities										
Net investment in capital assets	\$ 73,676,327	\$ 77,610,606	\$ 90,727,135	97,486,153	105,531,822	134,507,898	145,968,231	148,960,282	153,196,535	156,008,740
Restricted	977,957	777,996	1,349,186	2,377,157	2,287,694	-	-	-	-	-
Unrestricted	33,144,321	41,251,724	35,394,422	34,111,843	27,216,106	1,668,171	8,968,617	12,520,838	18,374,290	31,105,494
Total business-type activities net position	\$ 107,798,605	\$ 119,640,326	\$ 127,470,743	\$ 133,975,153	\$ 135,035,622	\$ 136,176,069	\$ 154,936,848	\$ 161,481,120	\$ 171,570,825	\$ 187,114,234
Primary government										
Net investment in capital assets	\$ 126,456,193	\$ 118,716,395	\$ 129,127,445	\$ 137,847,574	\$ 146,179,771	\$ 184,540,955	\$ 204,803,404	\$ 220,880,962	\$ 238,524,751	\$ 240,045,315
Restricted	4,701,502	8,207,352	14,342,524	27,732,503	24,900,902	22,973,206	26,661,694	19,595,692	23,445,586	38,265,536
Unrestricted	(5,866,671)	10,614,364	9,258,478	(3,861,326)	28,918,781	(6,892,683)	(10,534,184)	(967,307)	(3,227,254)	(180,548)
Total Primary government net position, before restatements	125,291,024	137,538,111	152,728,447	161,718,751	199,999,454	200,621,478	220,930,914	239,509,347	258,743,083	278,130,303
Restatement for capital assets and related accumulated depreciation	585,611	-	1,391,888	415,317	-	8,100,224	-	-	-	-
Total Primary government net position, as restated	\$ 125,876,635	\$ 137,538,111	\$ 154,120,335	\$ 162,134,068	\$ 199,999,454	\$ 208,721,702	\$ 220,930,914	\$ 239,509,347	\$ 258,743,083	\$ 278,130,303

(1) Balances have been revised to correctly classify net position categories.

CITY OF MARIETTA, GEORGIA
Changes in Net Position (Unaudited)
Last ten fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 4,894,998	\$ 7,270,290	\$ 7,490,659	\$ 6,759,380	\$ 5,918,941	\$ 8,652,513	\$ 8,679,032	\$ 6,233,958	\$ 7,559,103	\$ 8,188,120
Public works	9,130,758	10,845,886	14,888,258	20,427,013	13,760,889	14,065,683	14,222,761	11,474,849	14,092,327	13,176,934
Culture and recreation	4,859,976	5,279,105	5,346,638	6,443,698	5,124,263	2,083,996	2,934,820	4,880,741	3,424,375	5,570,252
Public safety	22,871,162	25,171,969	24,791,734	29,165,513	30,378,175	31,887,909	33,226,781	28,223,036	29,703,965	32,169,792
Urban redevelopment and housing	7,301,650	11,234,909	8,261,612	5,862,864	6,046,710	6,353,078	5,879,557	8,479,642	5,736,850	5,327,162
Interest and fiscal charges on long-term debt	3,109,268	3,018,190	3,125,438	3,449,537	2,526,939	3,341,989	4,857,635	3,044,218	3,283,579	5,967,486
Total governmental activities expenses	52,167,812	62,820,349	63,904,339	72,108,005	63,755,917	66,385,168	69,800,586	62,336,444	63,800,199	70,399,746
Business-type activities:										
Water & sewer	21,073,686	21,738,497	22,294,414	21,209,559	24,501,021	25,731,472	25,841,087	26,522,197	24,818,835	24,381,449
Electric	74,257,492	78,307,081	85,240,996	85,707,753	84,808,669	85,525,058	90,902,721	95,208,435	98,205,498	99,007,588
Golf	2,066,878	2,302,256	1,912,942	1,890,486	1,725,593	1,599,511	1,577,086	1,497,289	1,527,110	1,476,978
Fiber optic	(1) 1,460,454	-	-	-	-	-	-	-	-	-
Conference center	11,317,032	2,759,624	2,267,261	2,368,951	3,496,708	7,689,002	1,551,818	1,948,549	1,396,698	1,312,745
Total business-type activities expenses	110,175,542	105,107,458	111,715,613	111,176,749	114,531,991	120,545,043	119,872,712	125,176,470	125,948,141	126,178,760
Total Primary Government expenses	\$ 162,343,354	\$ 167,927,807	\$ 175,619,952	\$ 183,284,754	\$ 178,287,908	\$ 186,930,211	\$ 189,673,298	\$ 187,512,914	\$ 189,748,340	\$ 196,578,506
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 9,354,010	\$ 9,907,005	\$ 10,606,915	\$ 9,906,438	\$ 9,346,589	\$ 8,619,196	\$ 8,801,103	\$ 5,031,599	\$ 9,281,622	\$ 9,616,173
Judicial	(2) -	-	-	-	-	-	-	3,435,418.81	-	-
Public works	3,275,190	3,284,627	3,338,944	3,533,668	3,518,257	3,505,071	3,486,058	3,516,174	3,597,329	3,637,966
Culture and recreation	258,192	248,506	260,442	250,876	264,132	319,375	280,347	272,514	270,208	313,602
Public safety	(3) 96,975	121,250	42,390	110,651	348,310	102,531	176,931	98,642	70,063	180,143
Urban redevelopment and housing	1,090,320	1,070,269	965,210	703,452	692,429	575,640	632,081	801,496	590,778	602,087
Operating grants and contributions	8,795,814	7,555,223	9,597,840	8,478,562	39,392,897	5,216,433	9,344,286	10,455,573	8,022,932	6,681,196
Capital grants and contributions	5,833,603	7,281,401	9,735,992	13,865,101	10,016,452	10,752,277	10,204,436	11,705,387	13,798,044	14,270,432
Total governmental activities program revenues	28,704,104	29,468,281	34,547,733	36,848,748	63,579,066	29,090,523	32,925,242	36,204,803	35,630,976	35,301,599
Business-type activities:										
Charges for services:										
Water & sewer	25,090,551	26,766,387	28,115,388	28,207,449	29,694,453	31,488,553	33,710,588	36,214,650	35,199,471	34,911,219
Electric	86,896,085	89,317,524	90,011,504	92,093,318	90,377,637	95,689,883	102,199,136	104,830,132	109,432,850	115,118,344
Golf	1,799,114	1,857,203	1,973,016	1,801,341	1,705,843	1,516,966	1,629,928	1,660,505	1,564,138	1,555,270
Fiber optic	(1) 1,135,129	-	-	-	-	-	-	-	-	-
Conference center	9,343,330	1,677,432	1,681,074	1,644,720	1,726,505	1,942,774	2,240,303	2,247,086	2,204,531	2,152,537
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	709,276	3,282,679	4,536,972	777,567	661,994	237,175	77,154	0	-	-
Total business-type activities program revenues	124,973,485	122,901,225	126,317,954	124,524,395	124,166,432	130,875,351	139,857,109	144,952,373	148,400,990	153,737,370
Total Primary Government program revenues	\$ 153,677,589	\$ 152,369,506	\$ 160,865,687	\$ 161,373,143	\$ 187,745,498	\$ 159,965,874	\$ 172,782,351	\$ 181,157,176	\$ 184,031,966	\$ 189,038,969
Net (expense)/revenue										
Governmental activities	\$ (23,463,708)	\$ (33,352,059)	\$ (29,356,606)	\$ (35,259,257)	\$ (176,851)	\$ (37,294,645)	\$ (36,875,344)	\$ (26,131,641)	\$ (28,169,223)	\$ (35,098,147)
Business-type activities	14,797,943	17,793,767	14,602,341	13,347,646	9,634,441	10,330,308	19,984,397	19,775,903	22,452,849	27,558,610
Total Primary Government net expense	\$ (8,665,765)	\$ (15,558,292)	\$ (14,754,265)	\$ (21,911,611)	\$ 9,457,590	\$ (26,964,337)	\$ (16,890,947)	\$ (6,355,738)	\$ (5,716,374)	\$ (7,539,537)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 10,559,446	\$ 11,398,799	\$ 12,293,579	\$ 11,965,381	\$ 13,492,266	\$ 13,356,484	\$ 13,806,851	\$ 12,952,016	\$ 10,801,888	\$ 12,275,431
Insurance premium tax	2,734,817	2,942,305	3,078,387	3,211,100	3,288,021	3,257,172	3,162,511	2,653,793	2,818,772	2,918,570
Alcohol taxes	842,738	861,353	884,674	812,476	803,261	790,828	743,152	1,500,683	762,326	745,204
Hotel, motel tax	2,067,734	2,150,995	2,182,657	2,224,497	1,893,459	1,738,399	1,906,431	1,823,699	2,050,859	2,188,576
Franchise taxes	5,069,809	5,182,993	5,176,430	5,159,179	5,290,662	5,455,136	5,813,654	5,807,338	5,803,118	6,022,593
Auto rental tax	579,170	551,863	494,156	457,952	412,431	355,788	374,996	359,340	379,537	448,908
Unrestricted investment earnings	436,137	1,010,915	1,881,843	1,590,204	536,713	356,084	205,966	171,150	181,640	144,116
Gains on sale of capital assets	47,179	-	134,434	420,929.00	143,752.00	70,215	64,599	140,437	150,629	238,632
Miscellaneous	-	-	-	-	-	-	-	19,802.00	-	-
Operating grants not restricted	-	1,176,819.00	1,275,916.00	1,555,432.00	1,669,199	1,701,947	2,038,348	-	1,499,219	2,305,063.00
Contributions not restricted	-	152,314.00	-	-	-	-	-	-	-	-
Transfers	8,234,913	7,743,458	9,314,449	8,956,113	9,185,750	9,694,169	10,307,493	12,686,587	12,865,266	12,543,390
Total governmental activities	30,571,943	33,171,814	36,716,525	36,353,263	36,715,514	36,776,222	38,424,001	38,114,845	37,313,254	39,830,483
Business-type activities										
Unrestricted investment earnings	756,524	1,736,225	2,509,636	1,973,077	712,646	223,404	539,567	420,170	243,752	355,270
Gain on extinguishment of debt	-	-	-	-	-	168,042.00	-	-	-	-
Gain on sale of capital assets	(15,842,246.00)	55,187	32,889	139,800	165,386	112,862	444,084	66,295	258,370	172,919
Miscellaneous	-	-	-	-	-	-	-	182,252.00	-	-
Transfers	(8,230,411)	(7,743,458)	(9,314,449)	(8,956,113)	(9,185,750)	(9,694,169)	(10,307,493)	(12,686,587)	(12,865,266)	(12,543,390)
Total business-type activities	(23,316,133)	(5,952,046)	(6,771,924)	(6,843,236)	(8,307,718)	(9,189,861)	(9,323,842)	(12,017,870)	(12,363,144)	(12,015,201)
Total primary government	\$ 7,255,810	\$ 27,219,768	\$ 29,944,601	\$ 29,510,027	\$ 28,407,796	\$ 27,586,361	\$ 29,100,159	\$ 26,096,975	\$ 24,950,110	\$ 27,815,282
Changes in Net Position										
Governmental activities	\$ 7,108,235	\$ (180,245)	\$ 7,359,919	\$ 1,094,006	\$ 36,538,663	\$ (518,423)	\$ 1,548,657	\$ 11,983,204	\$ 9,144,031	\$ 4,732,336
Business type activities	(8,518,190)	11,841,721	7,830,417	6,504,410	1,326,723	1,140,447	10,660,555	7,758,033	10,089,705	15,543,409
Total primary government	\$ (1,409,955)	\$ 11,661,476	\$ 15,190,336	\$ 7,598,416	\$ 37,865,386	\$ 622,024	\$ 12,209,212	\$ 19,741,237	\$ 19,233,736	\$ 20,275,745

(1) The City sold the FiberNet operations on August 31, 2004, Fiscal year 2005 includes two months operations.

(2) Judicial line reported only in fiscal year 2012, all other fiscal years the expenses reported in General Government

(3) Forfeitures and Seizures added to Charges for Services in Public Safety and taken out of Operating grants and contributions in fiscal year 2012 only, all other years it is reported in Operating Grants

CITY OF MARIETTA, GEORGIA
Fund Balances of Governmental Funds (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 (4)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund										
Reserved	\$ 2,926,287	\$ 1,418,139	\$ 1,951,995	\$ 2,335,327	\$ 1,645,272	\$ 18,104,875	\$ -	\$ -	\$ -	\$ -
Unrestricted	8,824,684	14,240,675	(1) 14,570,802	14,374,838	14,810,512	12,168,488	-	-	-	-
Nonspendable	-	-	-	-	-	-	20,447,186	30,427,927	24,721,508	22,599,441
Restricted	-	-	-	-	-	-	2,661,721	-	3,674,750	4,049,761
Committed	-	-	-	-	-	-	9,388	-	9,220	2,487,509
Assigned	-	-	-	-	-	-	1,579,824	2,639,573	5,037,697	3,073,354
Unassigned	-	-	-	-	-	-	16,587,222	16,778,594	15,184,547	15,680,317
Total general fund	\$ 11,750,971	\$ 15,658,814	\$ 16,522,797	\$ 16,710,165	\$ 16,455,784	\$ 30,273,363	\$ 41,285,341	\$ 49,846,094	\$ 48,627,722	\$ 47,890,382
All other governmental funds										
Reserved	\$ 2,782,569	\$ 2,880,403	\$ 5,493,472	\$ 7,725,291	\$ 11,650,875	\$ 10,966,247	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-	-	-	598,338	-	-
Unreserved, reported in:										
Special revenue funds	2,084,380	6,592,067	(2) 7,444,398	6,708,071	6,728,922	4,976,070	-	-	-	-
Capital projects funds	(2,906)	3,732,152	(3) 6,026,841	16,867,435	10,249,776	54,792,285	-	-	-	-
Restricted reported in:										
Debt Service fund	-	-	-	-	-	-	5,492,241	8,447,852	6,136,954	5,613,872
Culture & Recreation	-	-	-	-	-	-	-	-	-	3,431
Public safety	-	-	-	-	-	-	-	5,208	-	5,208
Public works	-	-	-	-	-	-	-	194,397	-	-
Special revenue funds	-	-	-	-	-	-	4,960,313	1,086,843	2,813,251	2,504,827
Capital projects funds	-	-	-	-	-	-	44,356,460	27,322,837	28,372,332	80,963,180
Assigned for	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	383,634	-	-
Unassigned	-	-	-	-	-	-	-	(1,561)	(1,130)	(8,076)
Total all other governmental funds	\$ 4,864,043	\$ 13,204,622	\$ 18,964,711	\$ 31,300,797	\$ 28,629,573	\$ 70,734,602	\$ 54,809,014	\$ 38,037,548	\$ 37,321,407	\$ 89,082,442

(1) The unrestricted fund balance of the general fund increased due to sale of property City had acquired for redevelopment projects.

(2) Includes 2005 TAD bond proceeds

(3) Includes the 2005 SPLOST tax revenues

(4) The City adopted GASB 54 Reporting for Fund Balance in fiscal year 2011. Reflects restatement of General Fund Unassigned in fiscal year 2012

CITY OF MARIETTA, GEORGIA
Changes in Fund Balances of Governmental Funds (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 24,891,288	\$ 23,052,547	\$ 24,054,243	\$ 24,680,800	\$ 25,097,088	\$ 24,825,094	\$ 25,789,789	\$ 25,526,909	\$ 22,764,560	\$ 24,619,161
Licenses and permits	6,314,395	6,306,258	6,621,273	6,227,731	5,799,547	5,297,444	5,410,991	4,947,171	5,608,232	5,972,483
Intergovernmental	12,993,072	17,845,244	21,850,301	25,074,095	22,251,684	22,487,098	24,354,587	24,834,702	25,378,123	25,164,408
Charges for services	3,918,537	3,914,149	3,932,451	4,053,167	4,164,491	4,192,418	4,096,531	4,027,807	4,193,859	4,275,790
Fines and forfeits	3,789,735	4,127,362	4,353,147	3,797,209	3,538,722	3,255,124	3,257,284	4,326,335	4,074,134	4,241,668
Contributions	-	-	-	-	-	-	-	27,998	-	-
Investment earnings	375,582	964,352	1,802,151	2,018,377	697,609	263,223	160,027	195,184	198,129	167,139
Other	1,340,973	551,064	453,539	616,345	800,914	482,496	710,401	750,933	678,843	823,233
Total revenues	<u>53,623,582</u>	<u>56,760,976</u>	<u>63,067,105</u>	<u>66,467,724</u>	<u>62,350,055</u>	<u>60,802,897</u>	<u>63,779,610</u>	<u>64,637,039</u>	<u>62,895,880</u>	<u>65,263,882</u>
Expenditures										
General government	5,418,240	11,715,968	7,370,697	7,435,676	7,633,637	7,450,955	7,416,234	6,103,201	7,171,903	7,381,699
Public works	6,712,946	7,284,494	7,594,840	8,027,775	8,153,184	7,363,184	7,241,032	8,082,753	10,821,919	9,873,436
Culture and recreation	4,807,994	5,150,388	5,566,985	4,931,066	4,707,715	4,298,902	3,976,597	5,168,657	5,956,253	6,452,181
Urban redevelopment and housing	7,181,872	7,071,247	8,261,612	6,665,677	25,439,147	24,645,422	26,079,452	8,410,219	5,742,352	5,333,941
Public safety	20,858,758	23,916,347	23,537,979	25,901,142	6,046,710	6,353,078	5,879,557	25,575,436	24,934,175	26,419,150
Capital (2)	5,869,298	-	-	7,778,531	-	-	-	552,046	-	-
Debt service										
Principal	4,657,380	4,852,776	5,059,965	5,287,265	6,189,683	7,547,336	12,521,801	13,682,316	7,123,926	7,351,677
Interest	3,107,466	2,935,530	3,101,300	4,789,241	2,824,304	3,316,004	4,574,266	4,145,343	3,678,795	3,463,615
Fiscal agent fees and bond issuance costs	1,802	119,830	-	186,933	-	-	-	-	-	1,771,188
Capital projects (2)	3,646,725	2,358,450	4,243,722	2,780,066	12,863,322	14,363,860	9,225,953	12,489,605	10,892,409	26,833,173
Total expenditures	<u>62,262,481</u>	<u>65,405,030</u>	<u>64,737,100</u>	<u>73,783,372</u>	<u>73,857,702</u>	<u>75,338,741</u>	<u>76,914,892</u>	<u>84,209,576</u>	<u>76,321,732</u>	<u>94,880,060</u>
Excess of revenues over (under) expenditures	(8,638,899)	(8,644,054)	(1,669,995)	(7,315,648)	(11,507,647)	(14,535,844)	(13,135,282)	(19,572,537)	(13,425,852)	(29,616,178)
Other financing sources (uses)										
Transfers in	12,815,707	15,793,259	15,515,433	15,729,197	15,845,087	28,461,017	28,990,961	25,518,231	17,210,324	20,890,438
Transfers out	(4,170,090)	(8,335,765)	(6,940,497)	(7,750,252)	(7,406,797)	(19,480,109)	(21,422,751)	(14,270,528)	(5,869,614)	(10,303,561)
Sale of capital assets	239,437	5,034,982	139,123	425,157	143,752	70,215	64,599	140,437	150,629	238,632
Bond proceeds/refunding bonds issued	-	8,400,000	-	49,985,000	-	102,108,385	-	-	-	68,000,000
Premium on bonds issued	-	-	-	-	-	-	-	-	-	1,814,364
Payment to refunded bond escrow agent	-	-	-	(38,550,000)	-	(40,701,056)	-	-	-	-
Total other financing sources (uses)	<u>8,885,054</u>	<u>20,892,476</u>	<u>8,714,059</u>	<u>19,839,102</u>	<u>8,582,042</u>	<u>70,458,452</u>	<u>7,632,809</u>	<u>11,388,140</u>	<u>11,491,339</u>	<u>80,639,873</u>
Net change in fund balances	<u>\$ 246,155</u>	<u>\$ 12,248,422</u>	<u>\$ 7,044,064</u>	<u>\$ 12,523,454</u>	<u>\$ (2,925,605)</u>	<u>\$ 55,922,608</u>	<u>\$ (5,502,473)</u>	<u>\$ (8,184,397)</u>	<u>\$ (1,934,513)</u>	<u>\$ 51,023,695</u>
Debt service as a percentage of noncapital expenditures (1)	13.51%	14.07%	14.52%	15.16%	13.12%	17.89%	27.82%	24.46%	17.57%	16.01%

(1) Percentage restated to reflect governmental funds capital outlay and not capital projects.

(2) Restated amounts from capital that are reflected in prior year financials as capital projects.

CITY OF MARIETTA, GEORGIA
General Governmental Tax Revenues by Sources (Unaudited)
Last ten fiscal years
(modified accrual basis of accounting)

Year Ended (1) <u>June 30</u>	<u>Property Tax</u>	<u>Intangible Tax</u>	<u>Alcoholic Beverage Excise Tax</u>	<u>Hotel Motel Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Other</u>	<u>Total</u>
2005 (2)	15,306,659	230,896	842,738	2,067,734	136,880	3,313,987	21,898,894
2006	16,546,032	257,488	861,353	2,150,995	149,332	3,087,347	23,052,547
2007	17,416,798	285,132	884,674	2,180,519	110,783	3,176,337	24,054,243
2008	17,590,571	224,801	812,476	2,217,011	106,428	3,729,513	24,680,800
2009	18,417,461	141,422	803,261	1,891,608	37,937	3,805,399	25,097,088
2010	18,412,382	116,367	790,828	1,720,725	22,427	3,762,365	24,825,094
2011	19,350,867	116,922	743,122	1,891,999	35,454	3,651,425	25,789,789
2012	18,961,810	137,004	756,815	1,822,802	42,185	3,120,229	24,840,847
2013	15,643,152	193,495	762,326	2,049,274	71,303	4,045,010	22,764,560
2014	18,030,895	153,285	745,203	2,166,654	81,026	3,420,567	24,597,631

(1) 2005: Includes General, Special Revenue, Debt Service Funds and discretely presented component unit:
Marietta Welcome Center and Visitor's Bureau, Inc.

2006 - 2014: Includes all governmental funds

(2) Beginning in fiscal year 2005, franchise taxes are included in Property Tax revenue and insurance premium taxes are included in Other revenue, which was previously reported in Licenses & Permits revenue in prior years.

CITY OF MARIETTA, GEORGIA
Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)
Last ten fiscal years

Digest Year	Real Property (1)	Personal Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Motor Vehicles/Homes	Personal Property	Public Utilities					
2004	1,860,715,202	151,204,522	289,628,328	33,045,200	117,344,645	2,217,248,607	4.686	5,543,121,518	40.00%
2005	2,024,460,648	163,927,353	294,707,607	32,891,832	130,666,229	2,385,321,211	4.686	5,963,303,028	40.00%
2006	2,185,623,440	172,340,767	293,856,544	35,121,972	161,562,650	2,525,380,073	4.686	6,313,450,183	40.00%
2007	2,328,581,761	170,498,321	316,625,189	30,026,547	192,084,113	2,653,647,705	4.683	6,634,119,263	40.00%
2008	2,493,024,336	185,424,419	306,446,750	34,126,529	181,334,175	2,837,687,859	4.683	7,094,219,648	40.00%
2009	2,481,302,362	177,214,999	294,658,364	33,478,129	172,043,250	2,814,610,604	4.683	7,036,526,510	40.00%
2010	2,514,106,019	177,150,379	266,358,668	32,647,169	110,462,282	2,879,799,953	5.233	7,199,499,883	40.00%
2011	2,382,880,079	174,072,376	266,374,603	30,006,662	95,033,562	2,758,300,158	5.233	6,895,750,395	40.00%
2012	2,304,821,004	167,735,826	279,564,794	32,539,251	82,990,822	2,701,670,053	4.046	6,754,175,133	40.00%
2013	2,268,069,930	196,822,740	292,858,612	34,799,729	80,296,211	2,712,254,800	4.046	6,780,637,000	40.00%

(1) City tax system combines all real property, residential, commercial and industrial parcels.

CITY OF MARIETTA, GEORGIA
Property Tax Rates
Direct and Overlapping Governments
Last ten fiscal years

Fiscal Year	City of Marietta				Cobb County			Marietta City Schools	Total Direct & Overlapping Rates	Downtown Marietta Development Authority (1)
	Operating Millage	Debt Service Millage	Cemetery Maintenance Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage		Operating Millage
2005	2.788	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.38
2006	2.788	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2007	2.788	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2008	2.788	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2009	2.788	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2010	2.788	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.09
2011	2.788	2.37	0.08	5.23	6.82	0.22	7.04	17.97	30.24	2.09
2012	2.788	2.37	0.08	5.23	7.72	0.33	8.05	17.97	31.25	2.09
2013	2.788	1.18	0.08	4.05	7.72	0.33	8.05	19.16	31.25	2.09
2014	2.788	1.18	0.08	4.05	7.32	0.33	7.65	17.97	31.67	2.07

Source: City of Marietta tax department

(1) The Downtown Marietta Development Authority is a special purpose district in the downtown business area that assesses an additional tax levy

CITY OF MARIETTA, GEORGIA
Principal Taxpayers (Unaudited)
June 30, 2014

Taxpayer (1)	Type of Business	2014			2005		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Laurel Hills Apartment LLC	Real Estate	\$ 13,577,740	1	0.50%			
Sterling Town Center Apartments	Real Estate	\$ 12,750,520	2	0.47%			
C W Matthews Contracting Co.	Commercial	\$ 12,001,334	3	0.44%	\$6,979,967	8	0.26%
Bellsouth Telecom./ AT&T	Telephone	\$ 11,727,261	4	0.43%	\$20,211,373	1	0.75%
Kennestone Physicians Center I	Hospital	\$ 8,560,988	5	0.32%			
Rauls Frank P & Tyler J Rauls	Retirement Home	\$ 7,744,898	6	0.29%			
Marietta Center LLC	Real Estate	\$ 6,990,904	7	0.26%			
Kemira Chemicals, Inc.	Commercial	\$ 7,293,428	8	0.27%			
DPR Marietta Ridge LLC	Real Estate	\$ 7,267,500	9	0.27%			
Atlanta Gas Light	Utility	\$ 7,206,758	10	0.27%			
Tyco International US Inc.	Manufacturing				\$14,740,702	2	0.55%
Bells Ferry Corp.	Real Estate				\$13,270,212	3	0.49%
Atlanta Parkway Investment Group I	Real Estate				\$10,613,796	4	0.39%
Atlanta Parkway Investment Group II	Real Estate				\$10,601,965	5	0.39%
Caswyck Town Center LLC	Commercial				\$9,995,026	6	0.37%
Bel EQR IV LP	Attorney				\$8,181,195	7	0.30%
Sope Creek LLC	Real Estate				\$6,978,294	9	0.26%
FPL/Flagstone Apartments LP	Real Estate				\$6,253,340	10	0.23%
Totals		<u>\$95,121,331</u>		<u>3.52%</u>	<u>\$107,825,870</u>		<u>3.99%</u>

Source: City of Marietta tax department

CITY OF MARIETTA, GEORGIA
Property Tax Levies and Collections (Unaudited)
Last ten fiscal years

Tax Digest Year	Total Tax Levy for Fiscal Year	Subsequent Years Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections of Prior Years Levy	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2004	9,430,498	(26,900)	9,403,598	9,348,551	99.13%	54,327	9,402,878	99.99%
2005	10,136,294	24,525	10,160,819	10,036,324	99.01%	123,067	10,159,391	99.99%
2006	10,761,609	(59,773)	10,701,836	10,615,645	98.64%	85,068	10,700,713	99.99%
2007	11,407,894	8,910	11,416,804	11,273,654	98.82%	131,936	11,405,590	99.90%
2008	12,147,888	(92)	12,147,796	11,853,331	97.58%	276,555	12,129,886	99.85%
2009	11,987,687	(44,607)	11,943,080	11,660,045	97.27%	246,622	11,906,667	99.70%
2010	12,416,512	(37,931)	12,378,581	12,111,605	97.54%	239,504	12,351,109	99.78%
2011	11,708,773	(2,066)	11,706,707	11,512,240	98.32%	169,958	11,682,198	99.79%
2012	9,051,308	(6,452)	9,044,856	8,955,792	98.94%	50,463	9,006,255	99.57%
2013	8,991,753	-	8,991,753	8,896,794	98.94%	-	8,896,794	98.94%

CITY OF MARIETTA, GEORGIA
Water and Wastewater Rate History
Last Ten Fiscal Years

Fiscal Year	Gallons of Water Consumed (millions)	Total Direct Rate							
		Water					Wastewater		
		Base Rate (1)	Tier 1 (2)	Tier 2 (2)	Tier 3 (2)	Tier 4 (2)	Base Rate (1)	Tier 1 (2)	Tier 2 (2)
2005	3,158	9.45	2.25	2.02	1.80		9.58	5.09	4.61
2006	3,357	9.92	2.36	*	*		10.77	5.38	*
2007	3,353	10.61	2.53	2.91	3.29		11.52	5.76	*
2008	3,001	12.10	2.88	3.60	5.76		12.21	6.11	*
2009	2,627	15.00	3.57	4.46	7.14		13.06	6.54	*
2010	2,613	16.20	3.86	4.83	7.72		14.10	7.06	*
2011	2,644	17.50	4.17	5.22	8.34		14.95	7.48	*
2012	2,658	13.00	2.65	4.40	5.50	8.80	15.10	7.55	*
2013	2,569	13.00	2.79	4.54	5.68	9.08	15.10	7.55	*
2014	2,483	13.00	2.89	4.64	5.80	9.28	15.10	7.55	*

Source: City of Marietta utility department

* No rate for that Tier during that time

(1) 0 - 2,000 gallons

	Water Tier Definition (in thousand gallons)				Wastewater Tier Definition (in thousand gallons)	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 1	Tier 2
2002 - 2005	>2-20	>20-1000	>1000		>2 - 1,000	>1,000
2006 - 2008	>2	*	*		>2	*
2009 - 2011	>2-7	>7 -12	>12		>2	*
2012-2014	0-2	>2-7	>7 -12	>12	>2	*

CITY OF MARIETTA, GEORGIA
Electric Residential Rate History per Season
Last Ten Fiscal Years

Fiscal Year	Kilowatt Hours Sold (millions)	Summer (June through September)				Total Direct Rate Winter (October through May)			
		Base Rate	Tier 1 (1)	Tier 2 (2)	Tier 3 (3)	Base Rate	Tier 1 (1)	Tier 2 (2)	Tier 3 (3)
2005	1,036	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2006	1,075	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2007	1,073	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2008	1,094	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2009	1,031	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2010	1,046	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2011	1,083	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2012	1,027	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2013	998	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2014	1,009	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054

Source: City of Marietta utility department

- (1) Cost per first 650 kilowatt hours
- (2) Cost per 651 - 1,000 kilowatt hours
- (3) Cost per each addition kilowatt hours over 1,000 hours

CITY OF MARIETTA, GEORGIA
Principal Electric Revenue Customers (Unaudited)
June 30, 2014

Customer Name	Type of Business	2014			2005		
		Kilowatt Hours Billed	Rank	Percentage of Total Kwt Billable Hours Value	Kilowatt Hours Billed	Rank	Percentage of Total Kwt Billable Hours Value
Wellstar Hospital	Hospital	62,501,410	1	6.20%	45,223,563	1	4.36%
Cobb County Government	Government	51,856,720	2	5.14%	43,087,174	2	4.16%
Southern Polytechnic	School	34,993,735	3	3.47%	26,184,076	4	2.53%
Tip Top Poultry	Commercial	31,880,757	4	3.16%	18,854,422	5	1.82%
Talenti	Commercial	24,097,032	5	1.65%			0.00%
Kroger	Commercial	18,046,400	6	1.79%			0.00%
Nypro of Atlanta	Commercial	17,570,400	7	1.73%			0.00%
Life College	Commercial	17,493,929	8	1.65%			0.00%
Marietta City Schools	School	16,657,383	9	1.74%	12,865,669	10	1.24%
Kemira Chemicals	Commercial	14,538,000	10	1.44%			0.00%
Lockheed Martin Aeronautics	Commercial				26,461,288	3	2.55%
Tyco	Commercial				15,394,000	6	1.49%
Solvay	Commercial				15,248,600	7	1.47%
Southern Ice Cream	Commercial				15,222,126	8	1.47%
Kemira	Commercial				13,883,400	9	1.34%
Totals		<u>289,635,766</u>		<u>27.97%</u>	<u>172,676,192</u>		<u>13.37%</u>

CITY OF MARIETTA, GEORGIA
Ratios of Outstanding Debt by Type (Unaudited)
Last ten fiscal years

Fiscal Year	Governmental Activities					Business Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SPLOST Revenue Bonds	Tax Allocation Bonds	Citywide Project Bonds	Note Payable	Marietta Conference Center Revenue Bonds	Golf Course Revenue Bonds	Capital Leases			
2005	\$64,705,000	--	--	--	762,620	\$26,255,000	\$4,044,323	\$217,265	\$95,984,208	6.48%	\$1,595
2006	59,895,000	--	8,400,000	--	719,844	25,815,000	3,536,585	176,269	98,542,698	6.48%	1,637
2007	54,880,000	--	8,400,000	--	674,879	25,350,000	3,059,064	133,632	92,497,575	5.90%	1,522
2008	51,255,000	9,820,000	8,400,000	--	627,614	31,410,000	4,835,000	253,450	106,601,064	6.80%	1,724
2009	45,115,000	9,820,000	7,900,805	--	577,930	30,420,000	4,835,000	206,592	98,875,327	6.24%	1,591
2010	60,835,000	9,145,000	7,380,694	31,660,000	525,706	-- *	4,205,000	157,303	113,908,703	6.85%	1,753
2011	53,550,000	5,370,000	6,838,790	30,795,000	470,808	-- *	3,550,000	105,459	100,680,057	6.95%	1,779
2012	46,248,279	-- **	6,274,180	29,365,000	413,103	-- *	2,736,490	105,779	86,328,062	5.96%	1,482
2013	41,403,544	-- **	5,685,914	27,895,000	352,443	-- *	2,094,326	169,057	77,487,495	5.15%	1,319
2014	104,418,809	-- **	5,072,999	26,365,000	288,681	-- *	1,432,162	117,218	137,694,869	9.09%	2,327

* In FY2010 Conference Center bonds were cancelled.

** In FY2012 SPLOST Bonds paid in full

CITY OF MARIETTA, GEORGIA
Ratios of General Bonded Debt Outstanding (Unaudited)
Last ten fiscal years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property	Per Capita
2005	\$69,325,000	1,898,186	67,426,814	1.23%	1,043
2006	64,705,000	2,206,406	62,498,594	1.13%	958
2007	54,880,000	2,836,778	52,043,222	0.97%	797
2008	51,255,000	3,658,389	47,596,611	0.66%	671
2009	45,115,000	4,701,507	40,413,493	0.57%	650
2010	60,835,000	3,366,151	57,468,849	0.81%	876
2011	53,550,000	5,492,241	48,057,759	0.67%	849
2012	47,290,000	6,456,153	40,833,847	0.59%	701
2013	41,403,544	6,136,954	35,266,590	0.52%	600
2014	104,418,809	5,613,872	98,804,937	1.47%	1,670

CITY OF MARIETTA, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

<u>Governmental Unit</u>	<u>Net Governmental Debt Outstanding</u>	<u>Percentage Applicable to City of Marietta (1)</u>	<u>Amount Applicable to City of Marietta (1)</u>
Debt repaid with Property Taxes			
Cobb County including TAX Anticipation Notes	52,000,000	9.42%	4,897,867
Cobb County General Obligation Bonds	<u>26,065,000</u>	9.42%	<u>2,455,056</u>
Total Overlapping General Obligation Debt	78,065,000		7,352,923
Overlapping Guaranteed Revenue Debt:			
Cobb County Parking Deck Certificates	9,670,000	9.42%	910,815
Cobb-Marietta Coliseum and Exhibit Hall Authority	45,190,000	9.42%	4,256,435
Cobb County Solid Waste Management	<u>2,000,000</u>	9.42%	<u>188,379</u>
Total Overlapping Guaranteed Revenue Debt	56,860,000		5,355,629
Total Overlapping Debt	134,925,000	9.42%	12,708,552
Total Direct Debt	<u>137,288,970</u>	100.00%	<u>137,288,970</u>
Total Direct and Overlapping Debt	<u>\$ 272,213,970</u>		<u>\$ 149,997,522</u>
Debt Per Capita:			
Direct City Debt			\$ 2,320
Overlapping General Obligation Debt			124
Overlapping Guaranteed Revenue Debt			<u>91</u>
Total Debt Per Capita			<u>\$ 2,535</u>

Source: Assessed value data used to estimate applicable percentages provided by Cobb County Board of Equalization and Assessment. Outstanding debt data provided by Cobb County.

Note: Overlapping governments are those that coincide, at least in part, within 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 Marietta, Georgia. This process recognized 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) Calculation for the Overlapping debt was determined by allocating the percentage of Net M & O for the city versus the total for the county. The source was the State's Department of Revenue website.

CITY OF MARIETTA, GEORGIA
Legal Debt Margin Information (Unaudited)
Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit: 10 percent of assessed value	\$233,459,325	\$251,598,744	\$268,694,272	\$284,573,182	\$301,902,203	\$298,565,385	\$299,026,224	\$285,333,372	\$278,466,088	\$279,255,101
Total net debt applicable to limit	<u>64,705,000</u>	<u>59,895,000</u>	<u>54,880,000</u>	<u>51,255,000</u>	<u>45,115,000</u>	<u>60,835,000</u>	<u>53,550,000</u>	<u>47,290,000</u>	<u>42,285,000</u>	<u>105,140,000</u>
Legal Debt margin	<u>\$168,754,325</u>	<u>\$191,703,744</u>	<u>\$213,814,272</u>	<u>\$233,318,182</u>	<u>\$256,787,203</u>	<u>\$237,730,385</u>	<u>\$245,476,224</u>	<u>\$238,043,372</u>	<u>\$236,181,088</u>	<u>\$174,115,101</u>
Total net debt applicable to the limit as a percentage of debt limit	27.72%	23.81%	20.42%	18.01%	14.94%	20.38%	17.91%	16.57%	15.18%	37.65%

Legal Debt Margin Calculation for Fiscal Year 2014

Total taxable assessed value	\$2,712,254,800
Add back: exempt real property	80,296,211
Total assessed value	\$2,792,551,011
Debt limit (10% of total assessed value)	279,255,101
Debt applicable to limit:	
General obligation bonds	<u>105,140,000</u>
Legal debt margin	<u>\$174,115,101</u>

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

CITY OF MARIETTA, GEORGIA
Pledged-Revenue Coverage (Unaudited)
Last ten fiscal years

Fiscal Year	Marietta Conference Center Bonds, Series 1996 A, 1996 B, and 2003 (1)				Tax Allocation District CCSR Series 2005 (2)				Citywide Projects Bonds, Series 2010 (4)			
	Operating Revenues	Principal	Interest	Coverage	TAD Revenues	Principal	Interest	Coverage	Operating Revenues	Principal	Interest	Coverage
2005	9,343,330	415,000	1,841,606	4.25	-	-	-	-	-	-	-	-
2006	1,677,432	440,000	1,798,563	0.75	172,486.00	-	-	-	-	-	-	-
2007	1,681,074	465,000	1,328,549	0.94	472,140	*	353,997	1.33	-	-	-	-
2008	1,644,720	940,000	1,355,580	0.72	725,895	*	351,960	2.06	-	-	-	-
2009	1,726,505	990,000	1,921,319	0.59	857,583	499,195	351,960	1.01	-	-	-	-
2010	0	0	0	0.00 (3)	907,858	520,111	331,044	1.07	1,942,774	-	-	-
2011	0	0	0	0.00 (3)	1,019,761	541,904	309,251	1.20	2,240,303	865,000	1,384,731.00	1.00
2012	0	0	0	0.00 (3)	686,479	564,610	286,545	0.81	9,251,322	1,430,000	1,350,306	3.33
2013	0	0	0	0.00 (3)	531,595	588,266	262,889	0.62	2,204,531	1,470,000	1,299,456	0.79
2014	0	0	0	0.00 (3)	486,732	612,915	238,240	0.57	2,152,537	1,530,000	1,230,850	0.77

(1) Conference Center bonds coverage is calculated upon gross revenues.

(2) Tax allocation bond coverage is calculated upon gross TAD revenues.

(3) Bonds cancelled in Fiscal year 2010

(4) Citywide projects bond coverage is calculated upon gross Leased Income Fund revenues from Conference Center.

* First Tax allocation bond principal payment was due in FY2009

CITY OF MARIETTA, GEORGIA
Demographic and Economic Statistics
Last ten fiscal years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2005	60,197	1,481,328	24,608	31.0	7,558	4.6
2006	60,189	1,520,795	25,267	32.3	7,818	3.9
2007	60,758	1,566,949	25,790	32.8	7,517	3.9
2008	61,829	1,567,303	25,349	33.7	7,638	5.2
2009	62,150	1,585,265	25,507	32.2	7869	9.5
2010	64,988	1,663,692	25,600	34.6	7,504	9.7
2011	56,579	1,489,329	26,323	32.6	7,908	9.9
2012	58,238	1,529,272	26,259	32.8	8,279	9.7
2013	58,738	1,555,911	26,489	33.7	8,262	9.2
2014	59,172	1,507,868	24,376	34	8,694	7.8

(1) Population and age demographic sources: Claritas estimates for years 2006 - 2007, 2009 - 2010 and 2013; ESRI for 2012; U.S. Census Bureau Decennial counts for 2011; U.S. Census Bureau American Community Survey estimates for year 2008, City of Marietta estimates for years 2004 - 2005.

(2) Income sources: Claritas estimates for years 2006 - 2007, 2009 - 2010 and 2013; ESRI for 2012; U.S. Census Bureau American Community Survey estimates for years 2008 and 2011, City of Marietta estimates for years 2004 - 2005.

(3) Student enrollment provided by the Marietta City Schools.

(4) Unemployment rate source: Georgia Department of Labor, Workforce Statistics and Economic Research

CITY OF MARIETTA, GEORGIA
Principal Employers
Last ten fiscal years

Employer	2014			2005		
	Employees ¹	Rank	Percentage of Total City Employment ²	Employees ³	Rank	Percentage of Total City Employment ²
Lockheed Martin Aeronautical Systems	8,200	1	28%	7,000	1	21%
Wellstar Kennestone Hospital	3,500	2	12%	4,400	2	13%
Cobb County Public Safety	2,525	3	9%			
Tip Top Poultry	1,400	4	5%	1,300	7	4%
C.W. Matthews Contracting, Inc.	1,150	5	4%			
Marietta City Schools	1,124	6	4%	1,281	8	4%
Cobb County Board of Education	1,108	7	4%			
Brickman Group	1,000	8	3%			
Cobb County Government	820	9	3%	1,100	9	3%
Dobbins Air Reserve Base	801	10	3%			
Matria Healthcare				2,000	4	6%
Solvay Pharmaceuticals				1,660	5	5%
YKK Corp of America				2,500	3	8%
Power Industry Consultants				1,060	10	3%
Columbian Chemical Company				1,400	6	4%

¹ Dun & Bradstreet's Directory of American Leading Public and Private Companies.

² Georgia Department of Labor

³ Meag Power

Source:

CITY OF MARIETTA, GEORGIA
Full-time City Government Employees by Function (Unaudited)
Last ten fiscal years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Elected officials	8	8	8	8	8	8	8	7	7	8
City clerk	3	3	3	3	3	3	3	3	3	3
Municipal court	15	16	16	16	14	14	16	14	14	18
City manager	5	6	7	7	7	6	6	6	6	7
Mayor staff	1	1	1	1	1	1	1	1	1	1
Finance	21	25	24	23	26	26	26	26	26	25
Human Resources	8	9	9	8	8	9	9	9	9	10
Develop. servs and Sect 8	24	30	29	31	32	30	31	30	30	27
Public works										
Admin. & Engineering	7	7	7	7	8	9	10	10	10	9
Building Inspection	6	8	8	8	8	7	7	7	7	7
Environmental Services	42	41	42	42	39	38	38	36	33	36
Streets & Traffic	39	41	41	39	38	38	37	37	37	36
Public safety										
Police										
Officers	136	134	133	132	124	129	134	127	127	128
Civilians	17	31	31	33	30	31	31	34	34	36
Fire										
Firefighters & officers	122	134	128	131	132	132	129	127	127	127
Civilians	3	4	4	4	3	3	3	3	3	3
Parks, Recreation & Facilities										
Recreation	10	9	11	11	11	11	11	9	9	11
Property maintenance	19	16	17	17	16	16	14	14	14	15
Cemetery maintenance	3	3	2	1	1	1	2	2	2	2
BLW Board										
Electric	6	6	6	6	6	6	6	5	5	5
Information Technology ²	127	130	137	127	131	126	129	129	129	130
Water/sewer	19	21	21	20	20	20	20	19	19	21
	38	38	37	41	41	42	42	40	40	41
FiberNet ¹	0	0	0	0	0	0	0	0	0	0
Fleet maintenance	14	14	13	13	14	14	14	14	14	15
Total	693	735	735	729	721	720	727	709	706	721

¹ Fibernet division was sold to a private company in August 2004.

² Formerly MIS/GIS

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function										
Police:										
Murder	1	6	4	4	3	4	4	3	5	6
Robbery	201	197	276	268	231	192	147	125	137	121
Aggravated assault	141	131	189	189	120	172	156	150	120	107
Motor vehicle theft	439	405	467	393	254	210	193	194	173	201
Burglary	483	419	614	636	604	690	715	622	460	428
Larceny	1,803	1,929	1,820	1,858	1,802	1,922	1,961	1,934	1793	2,092
Fire:										
Calls for service	12,266	12,633	12,514	10,496	10,076	10,880	10,362	10,006	10,592	10,676
Fires	227	220	296	297	220	301	236	285	234	224
Structure fires	80	75	79	75	77	77	70	60	96	77
EMS calls	3,487	3,500	3,715	3,803	4,135	4,605	5,217	5,415	6,330	6,878
Fire investigations	45	42	86	77	76	67	77	67	71	68
Plan reviews of commercial property	624	640	984	416	482	414	418	431	348	467
Public Works/Engineering/Inspections:										
Highways and streets										
Street resurfacing (miles)	3	2.8	3.1	12.1	13.5	6.4	2.5	6.9	8.8	8
Pedestrian signals installed	9	9	19	10	1	16	13	6	4	3
Signalized intersections installed/upgraded	7	10	13	6	27	8	7	57	122	19
Engineering/building inspections										
Site plans reviewed	47	52	130	118	95	68	65	52	105	118
Grading permits issued	312	318	317	173	84	119	148	150	154	244
Permits issued (building and trade)	4,456	4,725	6,536	4,767	4,814	3,811	4,776	4,315	3,568	4,449
Inspections	11,295	11,525	17,180	12,039	11,913	10,347	12,418	10,803	8,991	10,983
Sanitation										
Tons of residential waste landfilled	14,983	15,300	19,785	18,955	17,124	15,579	16,061	15,967	13,303	15,184
Tons of residential waste recycled	6,527	6,825	5,786	6,391	7,445	7,440	8,060	7,852	6,096	6,362

(Continued)

* revised

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Parks, recreation, and facilities:										
Parks and recreation										
Senior games participants	309	320	275	222	250	300	254	0	0	0
Summer day camp participants	517	790	356	1,018	814	640	702	80	120	720
Youth basketball participants	480	490	321	380	340	360	335	299	303	291
Youth track participants	112	108	92	100	0	0	0	0	0	0
Adult basketball teams	14	11	10	11	12	12	8	4	0	0
Concerts on the Square	17	17	17	17	19	16	19	18	17	16
Festivals on the Square	4	4	4	4	7	8	6	9	10	8
Facilities										
Inspections	3,470	3,571	3,613	3,659	400	400	427	400	413	408
Work orders	2,598	2,870	2,971	3,121	1,580	1,450	1,520	1,510	1,515	1,520
Vandalism incidents	173	189	264	210	39	32	7	10	8	9
Development Services:										
Code enforcement cases	3,564	3,600	4,925	5,167	6,431	6,409	6,007	5,800	3,106	6,000
Citations issued	22	40	53	36	47	62	42	28	121	30
Sign permits issued	250	330	350	282	393	451	383	383	362	385
Rezoning applications processed	36	30	29	19	20	14	13	12	27	23
Variance applications processed	68	80	54	32	37	31	37	42	58	38
Plats reviewed	119	140	78	51	45	20	29	33	33	37
Building permits reviewed	768	800	1,677	1,511	1,118	1,168	1,271	1,271	1,358	3,531
Human Resources:										
Number of open positions	235	210	204	121	74	73	61	66	75	98
Number of applications received	5,043	4,500	5,584	5,733	3,342	4,649	3,581	3,885	2,964	2,955
Pension applications received and approved	39	40	37	25	32	20	20	28	30	34
Finance:										
Tax payments processed	20,000	19,225	19,802	20,460	20,775	20,703	20,642	20,579	20,540	20,507
Value of tax payments (millions)	46.9	51.5	54.9	58.8	62.5	61.6	57.9	54.0	53.3	51.7
Property tax exemption forms	7,799	8,000	8,204	8,418	8,455	8,631	8,502	8,340	8,288	8,165
Purchase orders processed	2,500	2,375	2,351	2,107	2,113	1,974	1,964	1,961	2,128	2,059
Active vendors	6,300	6,375	6,425	6,439	6,687	6,996	7,400	7,400	7,930	3,146
Business licenses issued	8,854	8,558	9,020	8,098	7,276	8,379	8,399	8,340	8,434	8,762

(Continued)

* revised

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last ten fiscal years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Municipal Court:										
Traffic citations issued	14,056	16,922	20,655	17,114	14,146	15,698	18,524	15,617	14,968	16,837
Red light citations issued	35,010	37,001	35,873	26,882	21,641	20,197	17,364	14,746	17,101	18,103
Parking citations issued	4,628	4,768	3,927	4,160	4,255	4,687	4,317	4,743	4,412	4,399
Cases filed	13,297	14,228	16,051	13,321	11,755	12,594	14,237	12,691	12,732	13,724
Non-jury trials	923	997	906	957	1,011	990	1,256	1,022	1,068	829
New probationers	578	528	489	631	673	722	712	829	721	777
Electric:										
New customer work orders	429	415	677	551	150	144	121	20	100	100
Lighting repair work orders	1,970	1,769	1,771	1,847	1,800	1,733	1,517	1,538	1,700	1,600
Line clearance (miles)	68	75	104	100	110	98	94	135	175	196
Trees removed on system	208	250	209	225	315	298	594	587	465	550
Meter site audits	335	384	527	350	400	463	460	513	450	450
Transformer infrared scanning	130	218	289	220	250	407	503	503	500	525
Electric customers	45,543	44,338	45,593	46,032	46,477	46,525	46,309 *	46,437	46,287	46,887
Kilowatt hours sold (millions)	1,036	1,075	1,073	1,094	1,038	1,046	1,083	1,027	998	1,008
Water & sewer:										
New meter installs	146	150	204	78	33	38	42	104	63	175
Large water main replacements (feet)	3,250	3,150	3,150	5,000	6,660	9,515	6,694	3,918	3,542	0
Water line replacements (feet)	11,920	17,455	4,600	6,100	6,257	6,082	3,563	4,753	8,986	0
Sewer main rehabilitation (feet)	3,087	15,100	4,500	2,800	12,774	6,589	5,102	0	4,354	216
Major sanitary sewer overflows	2	0	1	0	0	0	0	1	0	0
Backflow device inspections	186	274	454	469	457	760	616	809	853	751
Utility locates	3,510	4,000	3,495	3,625	3,536	3,662	2,252	2,718	4,359	4,282
Gallons of grease removed from traps	640,951	500,000	762,226	715,234	658,174	597,253	703,394	716,167	675,935	637,727
Valves exercised	140	600	189	0	0	284	253	279	0	409
Plan reviews	62	70	46	35	64	95	18	30	17	35
Work orders completed	11,857	12,000	3,142	5,812	5,613	5,361	4,707	4,883	5,055	5,138
Water accounts	18,276	18,249	18,661	18,073	18,441	17,710	17,684	17,718	17,918	17,953
Water gallons sold (million)	3,158	3,357	3,353	3,001	2,626	2,533	2,644	2,658	2,565	2,483
Sewer accounts	16,728	16,654	16,710	16,782	16,569	16,437	16,381	15,039	16,602	16,680
Sewer gallons (millions)	2,962	3,044	2,998	2,708	2,430	2,567	2,381	2,177	2,325	2,298

* revised

CITY OF MARIETTA, GEORGIA
Capital Asset Statistics by Function
Last ten fiscal years

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	87	98	103	99	108	104	116	131	101	104
Fire Stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	15	15	15	15	15	15	15	15	17	19
Highways and streets										
Streets(miles)	219.6	220.2	223.2	223.7	222.1	216.8	216.6	220	218.1	218.03
Streetlights	**	6,787	6,817	7,824	7,748	7,665	7,660	7,741	7,736	8,190
Traffic signals	106	108	108	104	105	104	104	104	105	109
Culture and recreation										
Parks acreage	288	288	298.8	310	310	310	310	373	402.7	406.3
Parks	19	19	20	20	22	22	22	32	37	37
Swimming pools ***	1	1	1	1	1	1	1	1	1	0
Tennis courts	27	27	27	23	19	19	19	21	21	21
Community centers	2	2	2	2	2	2	2	2	3	3
Water										
Water mains (miles) *	305	314.4	314.4	318.8	326.9	328.0	331.6	334	338.2	339
Fire hydrants *	2,250	2,315	2,322	2,385	2,594	2,619	2,626	2,660	2,712	2,736
Water pump stations	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewer mains (miles) *	265	275.5	278.3	285.2	293.8	298.0	300.9	303	303.2	295
Storm sewers(miles)	225.0	225.6	225.6	230.0	232.2	232.2	232.2	232	230	230
Wastewater pump stations	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	20	20	20	21	21	20	21	21	21	21
Miles of service lines	569	572	579	585	588	590	590	590	590	591
Conference Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: City departments

Note: * Fiscal Years 2005 estimates

** not readily available

*** swimming pool closed during FY09 and demolished in FY14