

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017



Sam Lady

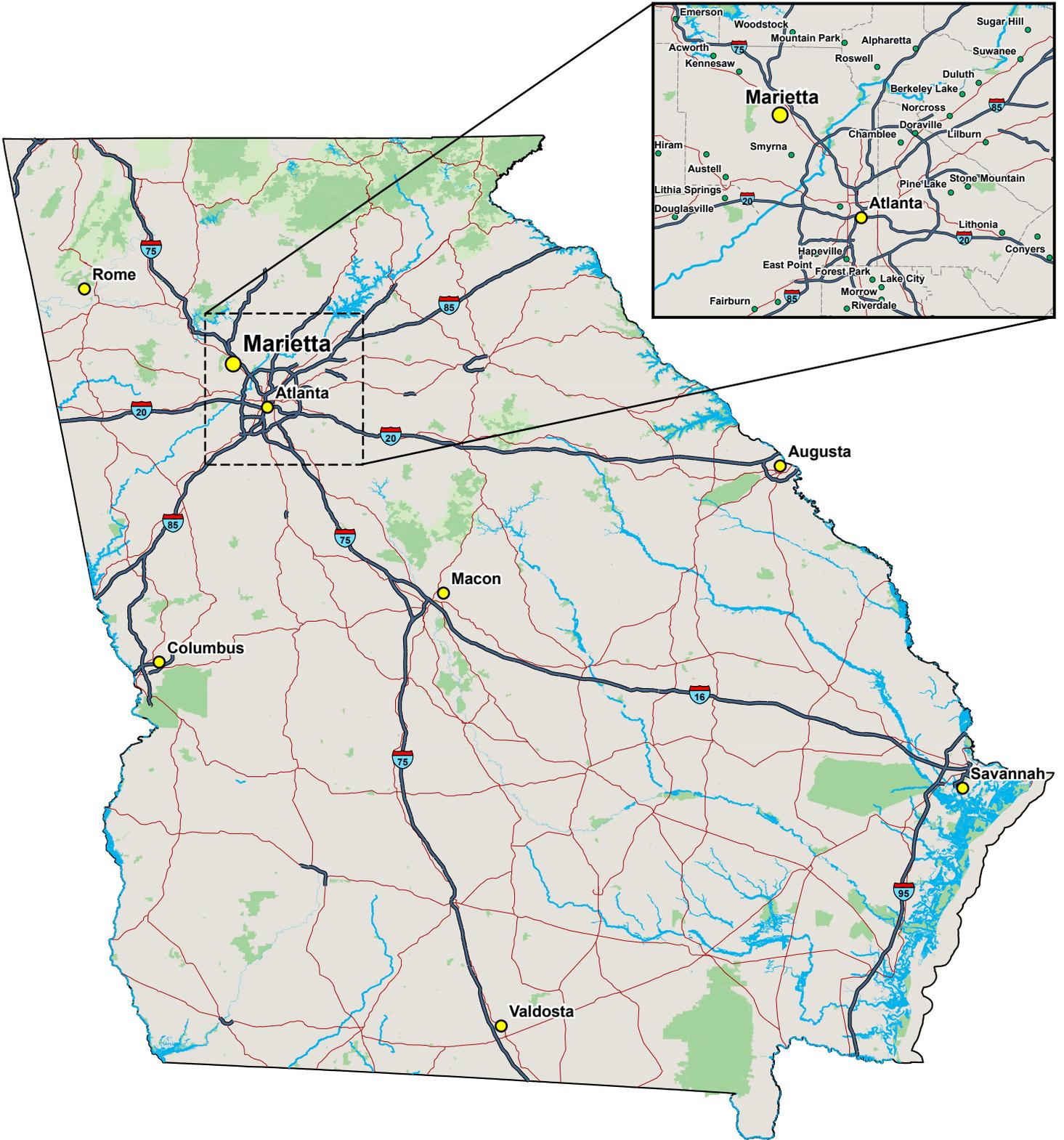
Finance Director

Finance Department, 205 Lawrence Street, Marietta, Georgia 30060

The State of Georgia

&

City of Marietta Location Map



**CITY OF MARIETTA, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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FINANCE DEPARTMENT
205 Lawrence St NE
P. O. Box 609
Marietta, GA 30061-0609
(770) 794-5544
Fax (770) 794-5535

December 15, 2017

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, 2017, 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.

Nichols, Cauley & Associates, 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, 2017. 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 auditor's 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 (U.S.). 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 30.48 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 60,941 on June 30, 2017.

Long-term financial planning

Unassigned fund balance in the general fund (36 percent of total general fund revenues) 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

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), which went into effect in January 2016 after the 2011 SPLOST expired. Intersection improvements, 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. Design has begun on nine intersection improvement projects with more anticipated to be in design by the end of FY2018. The Roswell Road at Cobb Parkway turn lane project is under construction. Projects throughout the city will begin construction during FY2018 including, Cemetery Trail, North Marietta Parkway at Cobb Parkway, Roswell Street Church Street, Manget Street, Canton Road and Allgood Road. The public safety training Center design is underway. The new Traffic Control Center is complete and operational, and the fleet shop expansion and renovation is scheduled this budget year.

Parks bond projects in progress will continue as scheduled. The Elizabeth Porter Park that will break ground in August 2017 will include a splash pad, playground, picnic pavilions and greenspace. In addition, members of the City of Marietta's Elizabeth Porter Historic Committee raised money from community members and organizations to fund monument, art, and murals in the new park. The EP park fund was created for enhancements within Elizabeth Porter Park including a statue to honor park namesake Elizabeth Porter and interpretative signage recounting the history of the African American hospital and the Baptist Town community. The new park is the site of the Elizabeth Porter Park fund will have more than \$80,000 from a fundraising campaign

and donations to tell the story of Marietta, Baptist Town, and Elizabeth Porter. Current plans call for approximately \$50,000 to go towards a statue of Mrs. Porter, signage within the park, and donor recognition. Additional plans for enhancements to the park are to be finalized.

Maintaining, expanding and upgrading the water, sewer and electric utilities will ensure reliable and high-quality services to our customers and citizens. Several large-scale-projects are planned for FY2018 such as Marietta Power's conversion of overhead power lines to underground along Powder Springs Road along with the installation of new lighting as part of the streetscape improvement project the city will construct with SPLOST dollars. Major utility relocation projects will take place over the next two years to move water and sewer lines on Lower Roswell Road from South Marietta Parkway to Old Sewell Road and along Roswell Street where SPLOST projects are planned to get underway. Major sewer replacement projects will also take place in the corridor from Highway 41 to east of I-75.

Economic Development and Redevelopment continue to be a priority for the coming year as Marietta brings in new business, retains existing industries, and revitalizes distressed shopping centers. The voter-approved Redevelopment Bond provides funding for the acquisition and demolition of property in the Franklin Gateway area for further redevelopment. Some additional properties will be purchased and new and existing properties will be marketed for redevelopment. In addition, the construction of streetscape improvements on Whitlock Avenue with dedicated bond funds is nearly complete.

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, 2016. This represented the twenty-sixth 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 programs standard. 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, 2016 for fiscal year 2017. 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,

A handwritten signature in black ink, appearing to read "Sam Lady", with a stylized flourish extending to the right.

Sam Lady

Finance Director

City of Marietta



Government Finance Officers Association

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

Presented to

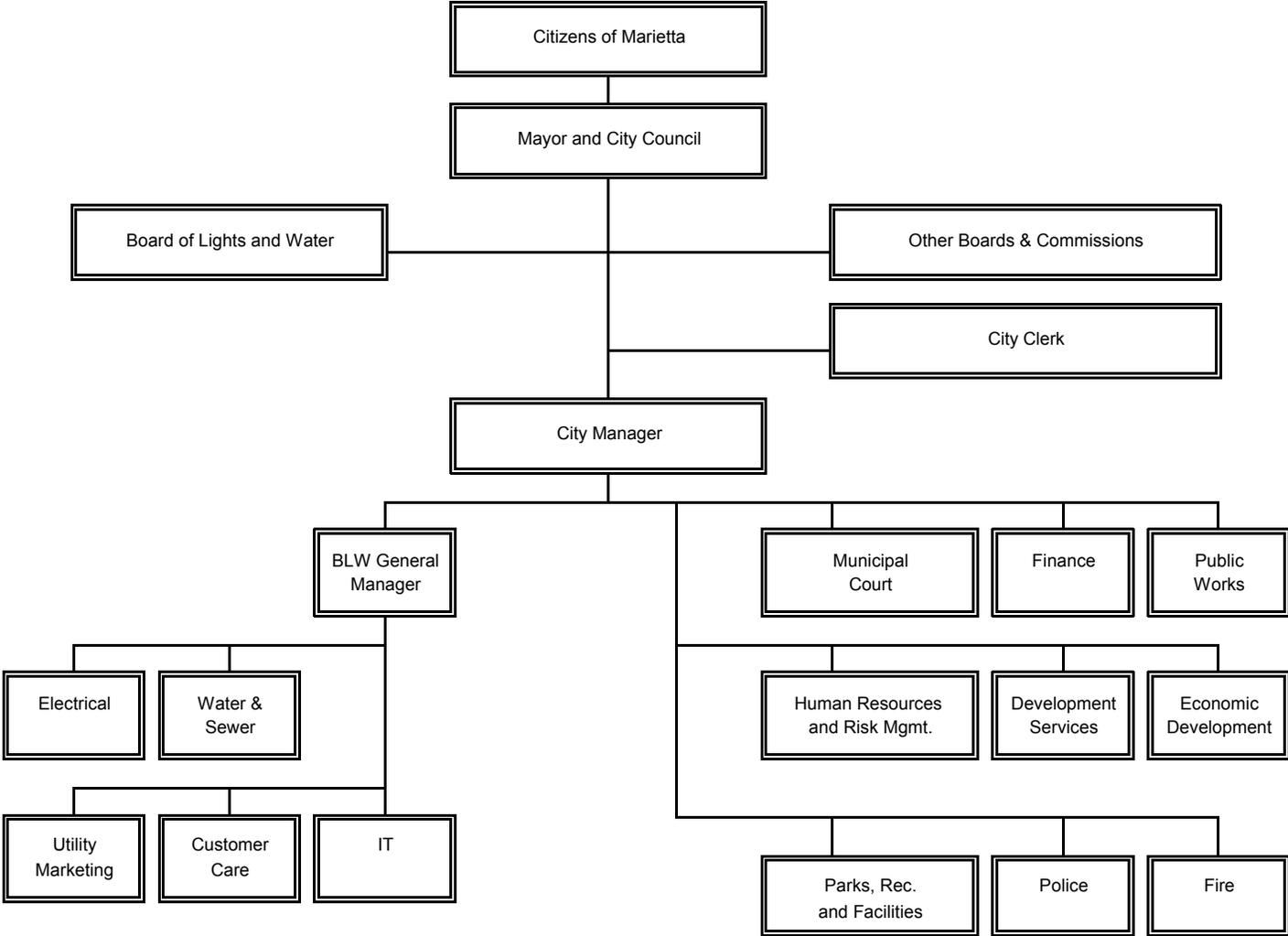
**City of Marietta
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY OF MARIETTA ORGANIZATION CHART



CITY OFFICIALS AND ADMINISTRATIVE PERSONNEL

Mayor and City Council

R. Steve Tumlin, Jr.
Mayor

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

Board of Lights and Waterworks (BLW)

R. Steve Tumlin, Jr., Mayor
Chairman

Bruce E. Coyle	Board Member
James Stuart Fleming, Council Member	Board Member
Terry G. Lee	Board Member
Alice R. Summerour	Board Member
J. Brian Torras	Board Member
Michael G. Wilson	Board Member

City / BLW Administration

William F. Bruton, Jr.
City Manager

Pamela Allen	Court Administration Director
Ronnie Barrett	IT Director
Rich Buss	Parks, Recreation and Facilities Director
Dan Conn	Public Works Director
Daniel Flynn	Police Chief
Ernie Garcia	Electrical Director
Jackie Gibbs	Fire Chief
Davy Godfrey	Human Resources and Risk Management Director
Stephanie Guy	City Clerk
Douglas Haynie	City Attorney
Kim Holland	Water and Sewer Director
Sam Lady	Finance Director
J. Kevin Moore	BLW Attorney
Ronald Mull	BLW General Manager
Sherri Rashad	Customer Care Director
Rusty Roth	Development Services 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



Ruben Sands
Councilmember, Ward 5



Michelle Cooper Kelly
Councilmember, Ward 6



Philip M. Goldstein
Councilmember, Ward 7

FINANCIAL SECTION

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NICHOLS, CAULEY & ASSOCIATES, LLC

1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@nicholscauley.com
www.nicholscauley.com

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, 2017, 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

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Kennesaw | Marietta | Rome | Warner Robins

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, 2017, 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 Changes in the City's Net Pension Liability and Related Ratios, Schedule of Pension Contributions, Schedule of OPEB Plan Funding Progress, Schedule of OPEB Employer Contributions Schedule of Changes in the City's Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions, and Schedule of OPEB Investment Returns on pages 4-16 and 64-71 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, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The special reports section consisting of the Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred, the 3 Percent Car Rental Tax Schedule of Revenue Received and Expenditures Incurred, and the 1 Percent Sales Tax Schedule

of Projects Constructed with Special Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, 48-13-93, and 48-8-121, respectively, and are not a required part of the basic financial statements.

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

The introductory 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 15, 2017, 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.

Richels, Cauley + Associates, LLC

Kennesaw, Georgia
December 15, 2017

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, 2017. 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 net position totaled \$275.4 million at the end of fiscal year 2017. This is an increase of \$22.0 million when compared to the previous year. Of this amount, \$268.0 million is the city's net investment in capital assets. Total unrestricted net position is a negative \$35.6 million. Unrestricted net position from governmental activities are a negative 67.1 million.
- ❖ The City's total net position increased \$22.0 million over the previous year. Net position for governmental activities increased \$13.3 million and business-type activities net position increased \$8.7 million.
- ❖ The total liabilities of the City's governmental and business-type activities outstanding at June 30, 2017 are \$210.1 million and \$56.5 million respectively. \$239.4 million of this total represents long-term liabilities, such as bonds and notes payable and leases payable. This is a decrease of \$11.2 million for the governmental activities and a decrease of \$.6 million for the business-type activities.
- ❖ The City's General Fund's fund balance was \$35.9 million as of June 30, 2017. The General Fund's fund balance decreased by \$4.7 million.

Total governmental activities bonds payable, net decreased by \$8.5 million in fiscal year 2017.

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 required supplementary information including combining statements for non-major funds, a statistical section, and a special reports 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources 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 and Waterworks that provides electric, water and wastewater services, Marietta Conference Center and Resort that is a hotel and conference facility, and the City Club Golf Course.

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 twelve (12) 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, SPLOST, debt service, and redevelopment bond fund which are considered to be major funds. Data from the other eight (8) 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 Waterworks, the Marietta Conference Center and Resort, and the City Club Golf Course. 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 Waterworks, the Marietta Conference Center and Resort, and the City Club Golf Course. 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. Individual fund data for these funds is provided in the form of combining statements elsewhere in this report.

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 all of its governmental 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 63 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, internal service funds, and fiduciary funds are presented immediately following the notes to the financial statements and can be found on pages 72 through 128 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, 2017, net position totaled \$275.4 million.

The following table provides a summary of the City's governmental and business-type net position for fiscal year 2016 and 2017.

	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2017	2016	2017	2016	2017
Assets						
Current and other assets	\$116,652,839	99,284,514	\$80,713,073	85,380,164	\$197,365,912	\$184,664,678
Capital assets	165,668,924	186,705,721	160,475,268	165,007,400	326,144,192	351,713,121
Total assets	282,321,763	285,990,235	241,188,341	250,387,564	523,510,104	536,377,799
Deferred Outflow of Resources						
Deferred loss on refunding	400,661	1,378,469	-	-	400,661	1,378,469
Related to pension	7,325,780	3,568,460	2,992,220	1,457,540	10,318,000	5,026,000
Total deferred outflows of resources	7,726,441	4,946,929	2,992,220	1,457,540	10,718,661	6,404,469
Liabilities						
Current and other liabilities	11,069,134	11,381,449	16,275,197	15,772,599	27,344,331	27,154,048
Non-current liabilities	210,189,607	198,683,645	40,846,830	40,733,355	251,036,437	239,417,000
Total liabilities	221,258,741	210,065,094	57,122,027	56,505,954	278,380,768	266,571,048
Deferred Inflows of Resources						
Deferred gain on refunding	826,410	765,941	-	-	826,410	765,941
Related to pension	1,125,350	-	459,650	-	1,585,000	-
Total deferred inflows of resources	1,951,760	765,941	459,650	-	2,411,410	765,941
Net Position						
Net investment in capital assets	94,656,262	104,018,353	160,277,765	163,936,485	254,934,027	267,954,838
Restricted	35,585,010	43,139,357	-	-	\$35,585,010	43,139,357
Unrestricted	(63,403,569)	(67,051,581)	26,321,119	31,402,665	(37,082,450)	(35,648,916)
Total net position	\$66,837,703	80,106,129	\$186,598,884	195,339,150	\$253,436,587	275,445,279

The largest portion of the City's net position, \$268.0 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 \$22.0 million in fiscal year 2017. The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2016 and 2017.

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2016	2017	2016	2017	2016	2017
Revenues						
Program revenues:						
Charges for services	\$15,237,342	\$14,874,546	\$155,498,275	\$156,252,751	\$170,735,617	\$171,127,297
Operating grants and contributions	1,010,978	670,084	-	-	1,010,978	670,084
Capital grants and contributions	13,242,602	15,049,388	254,845	1,917,109	13,497,447	16,966,497
General Revenues:						
Property taxes	17,864,399	17,138,130	-	-	17,864,399	17,138,130
Other taxes	13,401,451	14,037,969	-	-	13,401,451	14,037,969
Investment earnings	213,369	222,800	381,875	355,623	595,244	578,423
Other revenues	2,841,884	2,794,712	-	-	2,841,884	2,794,712
Total Revenues	63,812,025	64,787,629	156,134,995	158,525,483	219,947,020	223,313,112
Expenses						
General government	9,206,352	8,757,149	-	-	9,206,352	8,757,149
Public works	13,609,959	13,023,548	-	-	13,609,959	13,023,548
Culture and recreation	6,038,731	7,487,539	-	-	6,038,731	7,487,539
Public safety	31,880,793	30,751,899	-	-	31,880,793	30,751,899
Urban redevelopment and housing	566,221	308,498	-	-	566,221	308,498
Interest and fiscal charges on long-term debt	4,497,182	4,289,705	-	-	4,497,182	4,289,705
Electric, water and sewer	-	-	134,479,988	134,518,594	134,479,988	134,518,594
Golf	-	-	1,391,698	1,386,467	1,391,698	1,386,467
Conference Center	-	-	745,165	781,021	745,165	781,021
Total expenses	65,799,238	64,618,338	136,616,851	136,686,082	202,416,089	201,304,420
Increase (decrease) in net position before transfer	(1,987,213)	169,291	19,518,144	21,839,401	17,530,931	22,008,692
Transfers in (out)	13,040,303	13,099,135	(13,040,303)	(13,099,135)	-	-
Increase (decrease) in net position	\$11,053,090	\$13,268,426	\$6,477,841	\$8,740,266	\$17,530,931	\$22,008,692

Governmental Activities. Governmental activities increased the City's net position by \$13.1 million in fiscal year 2017 before transfers. Key elements of this increase are as follows:

Total revenues are \$64.8 million, up 1.5% from the prior year. The revenue increase is attributable to an increase in economic activity, a decrease in operating grants 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 increased from the previous year, which is attributable to the increase in the rates.

Expenses totaled \$64.6 million, a decrease of 1.8% from the prior year. 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 Waterworks, City Club Golf Course, and the Marietta Conference Center and Resort increased net position by \$21.8 million in fiscal year 2017 before transfers to the governmental activities.

Business-type Net Revenue (Expense)

General Revenues and Transfers

	Fiscal Year	
	2016	2017
Net Revenue (Expense):		
Board of Lights and Waterworks	\$17,881,896	\$20,257,280
City Club Golf Course	62,791	156,584
Marietta Conference Center and Resort	1,191,582	1,069,914
Total	19,136,269	21,483,778
General Revenues	381,875	355,623
Change in net position before transfers	19,518,144	21,839,401
Transfers	-13,040,303	-13,099,135
Change in net position	6,477,841	8,740,266
Net position, beginning	180,121,043	186,598,884
Net position, ending	\$186,598,884	\$195,339,150

The Board of Lights and Waterwork's operating revenues increased .5% from the previous year while operating expenses decreased by .02% resulting in an operating income increase of 4.2% from 2016.

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.

The City Club golf course operating revenues increased by 6.08% from the previous year while operating expenses decreased .1% resulting in operating income of \$163,299.

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 2017, the combined ending fund balances of the City's governmental funds were \$83.2 million.

The City has four 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's fund balance was \$35.9 million as of June 30, 2017. The fiscal year 2017's ending fund balance is \$4.7 million lower than the previous year. This is due to the reduction of the non-spendable fund balance resulting from a payment of the principal on the city projects bond for FY2017 in the amount of \$2.6 million. Committed fund balance was reduced by \$700 thousand and assigned fund balance was reduced by \$1.9 million. Committed and assigned fund balances were lower from prior year due to final purchases in FY2017 for large Public Works and Public Safety trucks that take two years to build and deliver resulting in a decrease in fund balance in FY2017. 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 23.9% of total fiscal year 2017 expenditures, while total fund balance is 61.4% 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, 2017 is \$23.3 million which is a decrease of \$1.8 million from 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; 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 Waterworks (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 \$50.8 million. The unrestricted net position increased by \$3.3 million during the year. The BLW continues to show strong operating income. Operating income totaled \$19.4 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 Marietta Conference Center and 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 \$(4.7) million. The total net position increased by \$1.1 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.

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 \$5.7 million, an 1.2% decrease.

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 statues and the City of Marietta Code. The most significant budgeted fund is the General Fund.

In June 2017, the City Council appropriated \$54.4 million for general fund expenditures. The budget was amended 6 times during the fiscal year. The City refunded the Citywide projects bond during the fiscal year which was not part of the planned budget for the fiscal year 2017. This amounted to \$15,894,423 of actual other financing sources and \$15,894,423 of actual expenditures and other financing uses increase of in actuals.

2017 General Fund Budget

	Original Budget	Amendments	Final Budget	Actual
Revenue and other financing sources	\$57,524,417	\$ 3,610,411	\$61,134,828	\$73,492,823
Expenditures and other financing uses	57,791,395	8,109,134	65,900,529	78,827,715

Mid-Year Budget Amendments Include:

	General Fund	Grants	Police Asset/Forfeiture	Culture and Recreation	Total
Prior year encumbrances	\$1,837,390	\$1,405,074	\$15,443	\$9,815	\$3,267,722
1 Community Development	-	-	-	268,345	268,345
2 Public Safety	361,575	-	-	-	361,575
3 Public Works	453,050	538,000	-	-	991,050
4 Facility, Grounds, Parks, Rec & Culture	316,318	-	-	31,454	347,772
5 Administration	454,974	-	-	-	454,974
6 Project Rollovers from previous years	-	2,417,696	-	-	2,417,696
	\$3,423,307	\$4,360,770	\$15,443	\$309,614	\$8,109,134

- 1 Tree preservation and fire museum appropriations.
- 2 Appropriation of prior year savings for school bus safety program, police vehicles, fire station renovations public safety equipment.
- 3 Appropriation of prior year savings for services and equipment.
- 4 Appropriation of tourism funds; Appropriation of prior year savings for powered equipment and facility improvements.
- 5 Appropriation of prior year savings for services and equipment.
- 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, 2017 was a total \$351.7 million (net of accumulated depreciation). 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 2017, and all assets that could be identified from previous periods. The total investment in capital assets (net of accumulated depreciation) for the current fiscal year increased from the previous year by 4.6% 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:

- Construction in progress for parks and economic development programs \$9.2 million
- Buildings and machinery and equipment \$3.1 million, net of disposals
- Infrastructure \$13.9 million

Business-type activities:

- System improvements \$7.3 million
- Buildings and machinery and equipment \$5.2 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, 2017, the City of Marietta had the following outstanding long-term debt (principal amount):

- \$4.2 million 2009A School Refunding Bonds
- \$3.4 million 2009D General Obligation Parks Bond
- \$7.0 million 2013A General Obligation Bonds Redevelopment
- \$53.1 million 2013B General Obligation Bonds Redevelopment
- \$15.5 million 2015 General Obligation Parks Refunding Bond

- \$77.1 thousand note payable for property
- \$3.1 million Series 2005 Tax Allocation District bonds
- \$20.4 million notes payable for City Wide Projects
- \$136.4 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 capacity of \$306 million at the end of fiscal year 2017.

Additional information on the City of Marietta's debt can be found in Note 6.

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 2018 budget:

- No fee increases were imposed for fiscal year 2018.
- 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 \$19.5 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 2017 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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 25,571,809	\$ 19,398,636	\$ 44,970,445
Investments	44,715,524	60,025,631	104,741,155
Receivables, net	1,326,953	16,219,963	17,546,916
Prepaid items	1,056,478	255,598	1,312,076
Internal balances	16,841,280	(16,841,280)	-
Due from other governments	9,695,409	-	9,695,409
Inventories	77,061	4,171,110	4,248,171
Other assets, net	-	2,150,506	2,150,506
Capital assets, non depreciated	80,348,534	8,752,260	89,100,794
Capital assets, depreciated, net	106,357,187	156,255,140	262,612,327
 Total assets	 285,990,235	 250,387,564	 536,377,799
<u>Deferred outflows of resources</u>			
Deferred loss on refunding	1,378,469	-	1,378,469
Deferred outflows related to pension	3,568,460	1,457,540	5,026,000
 Total deferred outflows of resources	 4,946,929	 1,457,540	 6,404,469
<u>Liabilities</u>			
Accounts payable and other current liabilities	8,225,279	13,187,152	21,412,431
Claims and judgements payable	3,017,918	-	3,017,918
Unearned revenue	138,252	2,585,447	2,723,699
Noncurrent liabilities:			
Due within one year	12,066,923	526,163	12,593,086
Due in more than one year	186,616,722	40,207,192	226,823,914
 Total liabilities	 210,065,094	 56,505,954	 266,571,048
<u>Deferred inflows of resources</u>			
Deferred gain on refunding	765,941	-	765,941
 Total deferred inflows of resources	 765,941	 -	 765,941
<u>Net Position</u>			
Net investment in capital assets	104,018,353	163,936,485	267,954,838
Restricted for:			
Debt service	4,098,027	-	4,098,027
Capital projects	37,405,998	-	37,405,998
Culture and recreation	860,312	-	860,312
Urban redevelopment and housing	207,888	-	207,888
Public safety	567,132	-	567,132
Unrestricted	(67,051,581)	31,402,665	(35,648,916)
 Total net position	 \$ 80,106,129	 \$ 195,339,150	 \$ 275,445,279

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ 8,757,149	\$ 9,494,447	\$ 13,500	\$ 378,250	\$ 1,129,048	\$ -	\$ 1,129,048
Public works	13,023,548	3,808,002	-	14,527,389	5,311,843	-	5,311,843
Culture and recreation	7,487,539	460,423	15,000	-	(7,012,116)	-	(7,012,116)
Public safety	30,751,899	95,973	285,712	141,436	(30,228,778)	-	(30,228,778)
Urban redevelopment and housing	308,498	1,015,701	355,872	2,313	1,065,388	-	1,065,388
Interest & fiscal charges on long-term debt	4,289,705	-	-	-	(4,289,705)	-	(4,289,705)
Total governmental activities	64,618,338	14,874,546	670,084	15,049,388	(34,024,320)	-	(34,024,320)
Business-type activities:							
Water & Sewer	26,356,016	35,485,728	-	1,917,109	-	11,046,821	11,046,821
Electric	108,162,578	117,373,037	-	-	-	9,210,459	9,210,459
Golf	1,386,467	1,543,051	-	-	-	156,584	156,584
Conference Center	781,021	1,850,935	-	-	-	1,069,914	1,069,914
Total business-type activities	136,686,082	156,252,751	-	1,917,109	-	21,483,778	21,483,778
Total Primary Government	\$ 201,304,420	\$ 171,127,297	\$ 670,084	\$ 16,966,497	\$ (34,024,320)	\$ 21,483,778	\$ (12,540,542)
General Revenues:							
Property Taxes					17,138,130	-	17,138,130
Insurance premium tax					3,535,199	-	3,535,199
Alcohol taxes					746,083	-	746,083
Hotel, motel tax					3,131,846	-	3,131,846
Franchise taxes					6,161,402	-	6,161,402
Auto rental tax					463,439	-	463,439
Unrestricted investment earnings					222,800	355,623	578,423
Gain on sale of capital assets					61,868	-	61,868
Operating grants not restricted to a specific program					2,732,844	-	2,732,844
Transfers					13,099,135	(13,099,135)	-
Total general revenues and transfers					47,292,746	(12,743,512)	34,549,234
Change in net position					13,268,426	8,740,266	22,008,692
Net position - beginning					66,837,703	186,598,884	253,436,587
Net position - ending					\$ 80,106,129	\$ 195,339,150	\$ 275,445,279

**CITY OF MARIETTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	SPLOST Fund	Redevelopment Bond Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,715,114	\$ 9,228,217	\$ -	\$ 3,236,088	\$ 3,290,294	\$ 22,469,713
Cash with fiscal agent	500	-	-	-	951,142	951,642
Investments	7,436,657	12,837,750	18,159,614	820,917	5,422,283	44,677,221
Receivables, net	846,212	45,071	627	77,953	343,000	1,312,863
Prepaid items	55,913	1,000,565	-	-	-	1,056,478
Due from other funds	7,225,907	-	-	-	-	7,225,907
Due from other governments	3,580,585	1,794,931	-	28,923	36,321	5,440,760
Inventories	27,918	-	-	-	-	27,918
Advances to other funds	16,876,520	-	-	-	-	16,876,520
Total assets	\$ 42,765,326	\$ 24,906,534	\$ 18,160,241	\$ 4,163,881	\$ 10,043,040	\$ 100,039,022
Liabilities						
Accounts payable	\$ 1,817,155	\$ 1,113,788	\$ 451,640	\$ -	\$ 7,899	\$ 3,390,482
Retainage payable	503,690	469,840	559,937	-	-	1,533,467
Accrued liabilities	638,247	-	-	-	4,140	642,387
Due to other funds	127,968	-	6,278,796	-	1,024,649	7,431,413
Due to other governments	682	-	-	-	-	682
Unearned revenue	138,252	-	-	-	-	138,252
Total liabilities	3,225,994	1,583,628	7,290,373	-	1,036,688	13,136,683
Deferred inflows of resources						
Unavailable intergovernmental revenue	3,521,010	-	-	-	-	3,521,010
Unavailable tax revenue	80,432	-	-	65,854	10,011	156,297
Total deferred inflows of resources	3,601,442	-	-	65,854	10,011	3,677,307
Fund Balances						
Nonspendable	16,960,351	1,000,565	-	-	-	17,960,916
Restricted	1,422,236	22,322,341	10,869,868	4,098,027	9,015,102	47,727,574
Committed	38,743	-	-	-	-	38,743
Assigned	3,540,477	-	-	-	-	3,540,477
Unassigned	13,976,083	-	-	-	(18,761)	13,957,322
Total fund balances	35,937,890	23,322,906	10,869,868	4,098,027	8,996,341	83,225,032
Total liabilities, deferred inflows of resources, and fund balances	\$ 42,765,326	\$ 24,906,534	\$ 18,160,241	\$ 4,163,881	\$ 10,043,040	

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.	186,208,364
Other long-term assets and deferred outflows are not available to pay for current-period expenditures and, therefore, are not reported or reported as unavailable in the funds:	
Revenues earned but unavailable	3,677,307
Receivable from other governments	4,230,000
Deferred loss on refunding	1,378,469
Deferred outflows of resources related to pension	3,518,200
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.	(1,189,767)
Long-term liabilities and deferred inflows are not due and payable in the current period and therefore are not reported in the funds:	
Net OPEB obligation	(29,167,652)
Net pension liability	(51,256,800)
Unmatured bonds and notes	(106,757,965)
Unamortized notes payable premium	(3,374,410)
Unamortized bond premium	(3,247,605)
Deferred gain on refunding	(765,941)
Accrued compensated absences	(4,110,991)
Accrued interest payable	(2,260,112)
Net position of governmental activities	\$ 80,106,129

CITY OF MARIETTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	SPLOST Fund	Redevelopment Bond Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 19,561,950	\$ -	\$ -	\$ 7,710,476	\$ 3,925,201	\$ 31,197,627
Licenses and permits	6,747,151	-	-	-	-	6,747,151
Intergovernmental	4,086,852	11,060,365	-	3,713,250	1,208,071	20,068,538
Charges for services	4,643,184	-	-	-	-	4,643,184
Fines and forfeits	3,365,021	-	-	-	-	3,365,021
Investment earnings	154,704	84,951	25,566	4,925	26,265	296,411
Other	453,405	-	-	-	-	453,405
Total revenues	39,012,267	11,145,316	25,566	11,428,651	5,159,537	66,771,337
Expenditures:						
Current:						
General government	8,410,985	-	-	-	-	8,410,985
Public works	11,004,984	580,196	-	-	102,991	11,688,171
Culture and recreation	7,588,993	-	-	-	236,013	7,825,006
Public safety	28,493,773	-	-	-	-	28,493,773
Urban redevelopment and housing	-	-	-	-	308,498	308,498
Debt service:						
Principal retirement	1,834,057	-	-	7,270,000	693,233	9,797,290
Interest and fiscal charges	903,692	-	-	3,771,337	157,923	4,832,952
Refunding bond issuance cost	241,017	-	-	-	-	241,017
Capital projects	-	12,344,509	9,517,583	-	319,097	22,181,189
Total expenditures	58,477,501	12,924,705	9,517,583	11,041,337	1,817,755	93,778,881
Excess (deficiency) of revenues over expenditures	(19,465,234)	(1,779,389)	(9,492,017)	387,314	3,341,782	(27,007,544)
Other financing sources (uses):						
Proceeds of refunding bonds	12,700,000	-	-	-	-	12,700,000
Premium on bonds issued	3,194,423	-	-	-	-	3,194,423
Payment to refunded bond escrow agent	(15,653,406)	-	-	-	-	(15,653,406)
Sale of capital assets	61,868	-	-	-	-	61,868
Transfers in	18,524,265	-	-	-	-	18,524,265
Transfers out	(4,070,227)	-	-	(25,236)	(3,592,119)	(7,687,582)
Total other financing sources (uses)	14,756,923	-	-	(25,236)	(3,592,119)	11,139,568
Net change in fund balance	(4,708,311)	(1,779,389)	(9,492,017)	362,078	(250,337)	(15,867,976)
Fund balances at beginning of year	40,646,201	25,102,295	20,361,885	3,735,949	9,246,678	99,093,008
Fund balances at end of year	\$ 35,937,890	\$ 23,322,906	\$ 10,869,868	\$ 4,098,027	\$ 8,996,341	\$ 83,225,032

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, 2017

Net change in fund balances - total governmental funds \$ (15,867,976)

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	(6,331,069)	
Capital outlays	<u>27,442,574</u>	21,111,505

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 Position:

Receipts of long-term receivables		(3,335,000)
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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.

Note payable issued		(12,700,000)
Premium on note payable issued		(3,194,423)
Matured principal on bonds and notes payable		23,382,289
Deferred amount from refunding		2,068,406

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.		1,278,084
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Internal service funds are used by management to charge the costs of fleet management and self-insurance to individual funds.		52,922
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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	692,895	
Net pension liability	939,400	
Deferred outflows related to pension	(3,704,400)	
Deferred inflows related to pension	1,109,500	
Actuarial costs in excess of OPEB contributions	1,440,075	
Accrued interest expense	91,370	
Accrued compensated absences	<u>(96,221)</u>	<u>472,619</u>

Change in net position of governmental activities		<u>\$ 13,268,426</u>
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CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	City Club Golf Course Fund		
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 19,388,320	\$ -	\$ 10,316	\$ 19,398,636	\$ 2,150,454
Investments	47,758,443	59	-	47,758,502	38,303
Receivables, net	16,217,784	-	2,179	16,219,963	14,090
Due from other funds	2,446,080	205,506	-	2,651,586	-
Due from other governments	-	-	-	-	24,649
Inventories, at cost	4,171,110	-	-	4,171,110	49,143
Prepaid expense	255,598	-	-	255,598	-
Total current assets	<u>90,237,335</u>	<u>205,565</u>	<u>12,495</u>	<u>90,455,395</u>	<u>2,276,639</u>
Noncurrent assets:					
Restricted assets:					
Investments	12,267,129	-	-	12,267,129	-
Total restricted assets	<u>12,267,129</u>	<u>-</u>	<u>-</u>	<u>12,267,129</u>	<u>-</u>
Property, plant and equipment:					
Land and land improvements	1,382,976	769,284	6,600,000	8,752,260	-
Buildings and improvements	17,023,935	23,326,210	2,075,664	42,425,809	502,346
Electrical plant in service	126,668,399	-	-	126,668,399	-
Water and sewer system	99,147,849	-	-	99,147,849	-
Machinery and equipment	70,434,530	12,354,692	4,040,836	86,830,058	1,472,476
	<u>314,657,689</u>	<u>36,450,186</u>	<u>12,716,500</u>	<u>363,824,375</u>	<u>1,974,822</u>
Less: accumulated depreciation	<u>(169,308,880)</u>	<u>(24,445,406)</u>	<u>(5,062,689)</u>	<u>(198,816,975)</u>	<u>(1,477,465)</u>
Net property, plant and equipment	<u>145,348,809</u>	<u>12,004,780</u>	<u>7,653,811</u>	<u>165,007,400</u>	<u>497,357</u>
Other assets:					
Investment in project	2,150,506	-	-	2,150,506	-
Total other assets	<u>2,150,506</u>	<u>-</u>	<u>-</u>	<u>2,150,506</u>	<u>-</u>
Total noncurrent assets	<u>159,766,444</u>	<u>12,004,780</u>	<u>7,653,811</u>	<u>179,425,035</u>	<u>497,357</u>
Total assets	<u>250,003,779</u>	<u>12,210,345</u>	<u>7,666,306</u>	<u>269,880,430</u>	<u>2,773,996</u>
<u>Deferred outflows of resources</u>					
Deferred outflows related to pension	1,457,540	-	-	1,457,540	50,260

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

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2017

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	City Club Golf Course Fund		
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	12,171,506	-	98,912	12,270,418	383,151
Accrued salaries	297,593	-	-	297,593	14,998
Accrued sales tax	619,141	-	-	619,141	-
Accrued compensated absences	389,768	-	-	389,768	19,730
Due to other funds	-	-	1,685,006	1,685,006	761,074
Capital lease obligations	-	-	136,395	136,395	-
Claims and judgements payable	-	-	-	-	3,017,918
Total current liabilities:	13,478,008	-	1,920,313	15,398,321	4,196,871
Long-term liabilities (net of current portion):					
Accrued compensated absences	578,134	-	-	578,134	16,252
Unearned revenue	2,585,447	-	-	2,585,447	-
Net pension liability	21,234,960	-	-	21,234,960	732,240
Net OPEB obligation	8,712,416	-	-	8,712,416	-
Customer deposits	9,681,682	-	-	9,681,682	-
Advances from other funds	-	16,876,520	-	16,876,520	-
Total long-term liabilities	42,792,639	16,876,520	-	59,669,159	748,492
Total liabilities	56,270,647	16,876,520	1,920,313	75,067,480	4,945,363
<u>Net Position</u>					
Net investment in capital assets	144,414,289	12,004,780	7,517,416	163,936,485	497,357
Unrestricted	50,776,383	(16,670,955)	(1,771,423)	32,334,005	(2,618,464)
Total net position	\$ 195,190,672	\$ (4,666,175)	\$ 5,745,993	196,270,490	\$ (2,121,107)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(931,340)	
Net position of business-type activities				\$ 195,339,150	

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, 2017**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	City Club Golf Course Fund		
Operating revenues:					
Charges for services	\$ 151,600,707	\$ -	\$ 1,543,051	\$ 153,143,758	\$ 3,544,268
Lease income	-	1,850,935	-	1,850,935	-
Contributions	-	-	-	-	11,294,970
Other	1,258,058	-	-	1,258,058	148,956
Total operating revenues	<u>152,858,765</u>	<u>1,850,935</u>	<u>1,543,051</u>	<u>156,252,751</u>	<u>14,988,194</u>
Operating expenses:					
Personal services	16,841,604	-	-	16,841,604	788,310
Operating	109,327,406	-	1,170,507	110,497,913	3,428,413
Depreciation and amortization	7,262,910	688,432	209,245	8,160,587	87,260
Benefits and claims	-	-	-	-	14,011,150
Total operating expenses	<u>133,431,920</u>	<u>688,432</u>	<u>1,379,752</u>	<u>135,500,104</u>	<u>18,315,133</u>
Operating income (loss)	<u>19,426,845</u>	<u>1,162,503</u>	<u>163,299</u>	<u>20,752,647</u>	<u>(3,326,939)</u>
Nonoperating revenues (expenses):					
Investment earnings	355,123	500	-	355,623	28,664
Interest and fiscal charges	-	(92,589)	(6,715)	(99,304)	-
Other	-	-	-	-	2,071
Total nonoperating revenues (expenses)	<u>355,123</u>	<u>(92,089)</u>	<u>(6,715)</u>	<u>256,319</u>	<u>30,735</u>
Contributed capital from developers	<u>1,917,109</u>	<u>-</u>	<u>-</u>	<u>1,917,109</u>	<u>-</u>
Income (loss) before transfers	<u>21,699,077</u>	<u>1,070,414</u>	<u>156,584</u>	<u>22,926,075</u>	<u>(3,296,204)</u>
Transfers					
Transfers in	727,374	980,438	-	1,707,812	3,503,903
Transfers out	(14,758,286)	(961,297)	(225,021)	(15,944,604)	(103,794)
Total transfers	<u>(14,030,912)</u>	<u>19,141</u>	<u>(225,021)</u>	<u>(14,236,792)</u>	<u>3,400,109</u>
Change in net position	7,668,165	1,089,555	(68,437)	8,689,283	103,905
Net position at beginning of year	<u>187,522,507</u>	<u>(5,755,730)</u>	<u>5,814,430</u>		<u>(2,225,012)</u>
Net position at end of year	<u>\$ 195,190,672</u>	<u>\$ (4,666,175)</u>	<u>\$ 5,745,993</u>		<u>\$ (2,121,107)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>50,983</u>	
Change in net position of business-type activities				<u>\$ 8,740,266</u>	

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	City Club Golf Course Fund		
Cash flows from operating activities:					
Cash received from customers	\$ 153,403,006	\$ -	\$ 1,541,235	\$ 154,944,241	\$ 14,933,849
Cash payments goods and services	(110,067,880)	-	(1,133,342)	(111,201,222)	(3,916,608)
Cash payments for employee services and fringe benefits	(15,990,661)	-	-	(15,990,661)	(15,000,397)
Cash received from lease	-	1,831,295	-	1,831,295	-
Cash received from other operating activities	1,258,058	-	-	1,258,058	148,956
Net cash from (to) operating activities	<u>28,602,523</u>	<u>1,831,295</u>	<u>407,893</u>	<u>30,841,711</u>	<u>(3,834,200)</u>
Cash flows from noncapital financing activities:					
Transfers in	727,374	980,438	-	1,707,812	3,503,903
Transfers out	(14,758,286)	(961,297)	(225,021)	(15,944,604)	(103,794)
Net cash from (to) noncapital financing	<u>(14,030,912)</u>	<u>19,141</u>	<u>(225,021)</u>	<u>(14,236,792)</u>	<u>3,400,109</u>
Cash flows from capital and related financing activities:					
Payments for capital acquisitions	(10,607,943)	-	(113,013)	(10,720,956)	(12,552)
Advances from (to) other funds	-	(1,758,347)	-	(1,758,347)	-
Other nonoperating receipts	-	-	-	-	2,071
Capital contributions	19,946	-	-	19,946	-
Payments on capital leases	-	-	(61,108)	(61,108)	-
Interest and fiscal charges	-	(92,589)	(6,715)	(99,304)	-
Net cash from (to) capital and related financing activities	<u>(10,587,997)</u>	<u>(1,850,936)</u>	<u>(180,836)</u>	<u>(12,619,769)</u>	<u>(10,481)</u>
Cash flows from investing activities:					
Investment income received (paid)	391,229	500	-	391,729	28,643
Investment (purchases) sales	(8,373,810)	-	-	(8,373,810)	(22,759)
Net cash from (to) investing activities	<u>(7,982,581)</u>	<u>500</u>	<u>-</u>	<u>(7,982,081)</u>	<u>5,884</u>
Net increase (decrease) in cash and cash equivalents	(3,998,967)	-	2,036	(3,996,931)	(438,688)
Cash and cash equivalents at beginning of year	<u>23,387,287</u>	<u>-</u>	<u>8,280</u>	<u>23,395,567</u>	<u>2,589,142</u>
Cash and cash equivalents at end of year	<u>\$ 19,388,320</u>	<u>\$ -</u>	<u>\$ 10,316</u>	<u>\$ 19,398,636</u>	<u>\$ 2,150,454</u>

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

**CITY OF MARIETTA, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDING JUNE 30, 2017**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	City Club Golf Course Fund		
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 19,426,845	\$ 1,162,503	\$ 163,299	\$ 20,752,647	\$ (3,326,939)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	7,262,910	688,432	209,245	8,160,587	87,260
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	(1,816)	(1,816)	-
(Increase) decrease in contributions receivable	-	-	-	-	119,260
(Increase) decrease in utility accounts receivable	1,564,166	-	-	1,564,166	-
(Increase) decrease in due from other funds	674,120	(19,140)	-	654,980	-
(Increase) decrease in due from other governments	-	-	-	-	(24,649)
(Increase) decrease in inventories	(542,096)	-	-	(542,096)	(27,136)
(Increase) decrease in prepaids	(255,598)	-	-	(255,598)	-
(Increase) decrease in deferred outflows related to pension	1,534,680	-	-	1,534,680	52,920
Increase (decrease) in accounts payable	(554,646)	-	47,889	(506,757)	(330,024)
Increase (decrease) in accrued salaries	62,181	-	-	62,181	2,574
Increase (decrease) in accrued sales tax	(62,254)	-	-	(62,254)	-
Increase (decrease) in due to other funds	-	(500)	(10,724)	(11,224)	(131,035)
Increase (decrease) in accrued compensated absences	23,444	-	-	23,444	1,602
Increase (decrease) in net pension liability	(389,180)	-	-	(389,180)	(13,420)
Increase (decrease) in net OPEB obligation	79,468	-	-	79,468	-
Increase (decrease) in unearned revenue	4,232	-	-	4,232	-
Increase (decrease) in customer deposits	233,901	-	-	233,901	-
Increase (decrease) in claims and judgments payable	-	-	-	-	(228,763)
Increase (decrease) in deferred inflows related to pension	(459,650)	-	-	(459,650)	(15,850)
Net cash from (to) operating activities	<u>\$ 28,602,523</u>	<u>\$ 1,831,295</u>	<u>\$ 407,893</u>	<u>\$ 30,841,711</u>	<u>\$ (3,834,200)</u>
Schedule of non-cash capital and related financing activities:					
Contributions of capital assets	<u>\$ 1,897,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,163</u>	<u>\$ -</u>

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

CITY OF MARIETTA, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Trust Funds</u>	<u>City Schools Agency Fund</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 5,081,997	\$ 240,299
Receivables:		
Accrued interest	281,758	-
Tax receivable	-	622,890
Due from other government	-	246,810
Contributions:		
Employee	26,838	-
Other	249	-
Total receivables	<u>308,845</u>	<u>869,700</u>
Investments, at fair value:		
Common stock	56,598,256	-
Mutual funds	1,139,640	-
Corporate notes and debentures	27,081,515	-
Preferred stock	3,385,166	-
United States government securities	10,805,315	-
Municipal bonds	113,220	-
Total investments	<u>99,123,112</u>	<u>-</u>
Total assets	<u>104,513,954</u>	<u>1,109,999</u>
<u>Liabilities</u>		
Accrued expenses	145,143	-
Due to others	320,948	1,109,999
Total liabilities	<u>466,091</u>	<u>1,109,999</u>
<u>Net position</u>		
Restricted for:		
OPEB benefits (See required supplementary information)	1,139,220	-
Pension benefits (See required supplementary information)	102,908,643	-
Total Net Position	<u>\$ 104,047,863</u>	<u>\$ -</u>

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, 2017

	Trust Funds
Additions:	
Employer contributions	\$ 10,923,916
Employee contributions	1,914,101
	12,838,017
Investment income (expense):	
Net appreciation (depreciation) of fair value of investments	13,139,710
Interest and dividends	2,102,077
	15,241,787
Less investment expenses	575,303
Net investment income	14,666,484
Total additions	27,504,501
Deductions:	
Benefits paid	15,506,260
Administrative costs	393,527
	15,899,787
Total deductions	15,899,787
Change in net position	11,604,714
Net position - beginning of year	92,443,149
Net position - end of year	\$ 104,047,863

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The accounting methods and procedures adopted by the City of Marietta, Georgia, conform to generally accepted accounting principles in the United States of America 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*.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

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 4 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.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources restricted for, and the payment of, general long-term debt principal, interest and related costs.

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.

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.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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, and Debt Service Funds. Project length budgets are adopted for the Capital Projects Funds.

Budgets for the General Fund, Special Revenue Funds, and Debt Service 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. Actual GAAP expenditures and revenues in the General, Debt Service, and Special Revenue 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:

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

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

any department must be approved by the City Council. During fiscal year 2017, approximately \$8.1 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.

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.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The City is also invested in a money market treasury portfolio. 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 Federal Deposit Insurance Corporation (FDIC) and no 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 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."

See Note 4 for additional information regarding Interfund Receivables/Payables.

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, 2017 are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's Funds.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 reported at acquisition 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.

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:

	Governmental Activities	Board of Lights and Waterworks	Marietta Conference Center and Resort	City Club Golf Course	Motor Transport
Buildings and improvements	40 years	50 years	40 years	15-40 years	50 years
Machinery and equipment	5 years	3-10 years	5-20 years	5 years	5-25 years
Infrastructure	20-40 years	-	-	-	-
Electric utility system	-	32 years	-	-	-
Water and sewer utility system	-	90 years	-	-	-

See Note 5 for additional information regarding Capital Assets.

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.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

See Note 6 for additional information regarding Long-Term Obligations.

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 has two items that qualify for reporting in this category, deferred loss on refunding of debt and deferred outflows related to pension reported in the government wide statement of net position and the proprietary funds statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. They are the deferred gain on refunding of debt reported in the government wide statement of net position and the proprietary funds statement of net position and the unavailable intergovernmental revenue and the unavailable tax revenue reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

See Note 8 for additional information regarding Fund Balance.

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 requiring deposits to be collateralized at 110% in accordance with State law. As of June 30, 2017, the City was not exposed to custodial credit risk.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

As of June 30, 2017, 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						
Municipal Competitive Trust	N/R	\$ 29,471,918	\$ 5,778,480	\$ 2,209,795	\$ 722,858	\$ 38,183,051
Georgia Fund I	AAAm	7,555,142	-	-	-	7,555,142
US Agencies	AAA	25,429,471	8,975,862	-	-	34,405,333
Treasury Money Market	N/R	18,159,614	-	-	-	18,159,614
Total Primary Government (non-fiduciary)		\$ 80,616,145	\$ 14,754,342	\$ 2,209,795	\$ 722,858	\$ 98,303,140
Fiduciary Funds						
Common Stocks	n/a	n/a	n/a	n/a	n/a	\$ 56,598,256
Mutual Fund	n/a	1,139,640	-	-	-	1,139,640
Money Market Mutual Fund	AAA	3,608,616	-	-	-	3,608,616
Corporate Bonds	A+	-	401,088	269,754	55,850	726,692
	A	90,152	1,072,799	642,404	1,345,368	3,150,723
	AA+	398,552	-	-	69,980	468,532
	AAA	-	1,549,752	372,896	98,152	2,020,800
	A-	-	819,319	1,935,345	619,415	3,374,079
	AA-	-	-	492,264	491,621	983,885
	BBB+	1,435,039	1,057,564	1,200,505	1,003,287	4,696,395
	BBB	749,160	2,343,153	1,910,263	1,475,347	6,477,923
	BBB-	234,600	1,827,571	660,113	729,251	3,451,535
	BB+	-	-	-	328,178	328,178
	N/R	-	599,727	279,222	523,824	1,402,773
Preferred Stock	BBB	-	-	-	1,418,822	1,418,822
	BBB-	-	-	-	411,681	411,681
	BB-	-	-	-	308,794	308,794
	N/R	-	-	-	1,245,869	1,245,869
Government Bonds	AA+	134,538	-	-	-	134,538
	N/R	-	1,102,086	579,774	8,988,917	10,670,777
Municipal Bonds	A	-	82,076	-	31,144	113,220
Total Fiduciary Fund		\$ 7,790,297	\$ 10,855,135	\$ 8,342,540	\$ 19,145,500	\$ 102,731,728

Investments of the primary government exclude \$6,438,015 of certificates of deposits.

Investments of the fiduciary fund include \$3,608,616 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

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the City has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the City’s own assumptions, as there is little, if any, related market activity.

The City’s recurring fair value measurements as of June 30, 2017 are as follows:

	6/30/2017	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
PRIMARY GOVERNMENT				
Municipal Competitive Trust	\$ 38,183,051	\$ 132,850	\$ 38,050,201	\$ -
Georgia Fund 1	7,555,142	7,555,142	-	-
US Agencies	34,405,333	-	34,405,333	-
Treasury Money Market	18,159,614	18,159,614	-	-
Total Primary Government (non-fiduciary)	\$ 98,303,140	\$ 25,847,606	\$ 72,455,534	\$ -
FIDUCIARY FUNDS				
Common Stocks	\$ 56,598,256	\$ 56,598,256	\$ -	\$ -
Mutual Fund	1,139,640	1,139,640	-	-
Money Market Mutual Fund	3,608,616	3,608,616	-	-
Corporate Bonds	27,081,515	-	27,081,515	-
Preferred Stock	3,385,166	3,385,166	-	-
Government Bonds	10,805,315	-	10,805,315	-
Municipal Bonds	113,220	-	113,220	-
Total Fiduciary Fund	\$ 102,731,728	\$ 64,731,678	\$ 38,000,050	\$ -

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(3) RECEIVABLES

Receivables at June 30, 2017 for the government's individual major funds and the nonmajor and other funds in the aggregate consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 108,638	\$ 9,614	\$ 131,972	\$ 631,130	\$ (35,142)	\$ 846,212
SPLOST Fund	-	45,071	-	-	-	45,071
Redevelopment Bond Fund	-	-	-	627	-	627
Debt Service Fund	90,375	1,084	-	-	(13,506)	77,953
Board of Lights and Waterworks Fund	-	10,172	16,528,508	-	(320,896)	16,217,784
Nonmajor and Other Funds	325,174	18,386	-	16,229	(520)	359,269
Total	\$ 524,187	\$ 84,327	\$16,660,480	\$ 647,986	\$ (370,064)	\$17,546,916

(4) INTERFUND RECEIVABLES, ADVANCES AND TRANSFERS

Interfund receivable and payable balances for the fiscal year ended June 30, 2017 are summarized as follows:

Payable Fund	Receivable Fund			Total
	General Fund	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	
General Fund	\$ -	\$ -	\$ 127,968	\$ 127,968
Redevelopment Bond Fund	6,278,796	-	-	6,278,796
Nonmajor and Other Funds	947,111	2,446,080	77,538	3,470,729
Total	\$ 7,225,907	\$ 2,446,080	\$ 205,506	\$ 9,877,493

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.

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	Advances to
	Marietta Conference
Advances from	Center and Resort
General Fund	\$ 16,876,520

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:

Transfers In Fund	Transfers Out Fund					Total
	General Fund	Debt Service Fund	Nonmajor and Other Funds	Board of Lights and Waterworks Fund	Marietta Conference Center and Resort Fund	
General Fund	\$ -	\$ 24,724	\$ 3,918,988	\$ 13,619,256	\$ 961,297	\$ 18,524,265
Board of Lights and Waterworks Fund	724,916	512	1,946	-	-	727,374
Marietta Conference Center and Resort Fund	980,438	-	-	-	-	980,438
Nonmajor and Other Funds	2,364,873	-	-	1,139,030	-	3,503,903
Total	\$ 4,070,227	\$ 25,236	\$ 3,920,934	\$ 14,758,286	\$ 961,297	\$ 23,735,980

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 Board of Lights and Waterworks funds to the general fund to generate revenue to forestall the need for property tax increases and use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations, 3) to transfer revenues between various funds to the general fund and Board of Lights and Waterworks fund for the indirect cost allocations to pay for services provided by either the general fund or Board of Lights and Waterworks fund.

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(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 61,563,182	\$ -	\$ -	\$ 10,413,547	\$ 71,976,729
Construction in progress	9,571,324	9,214,028	-	(10,413,547)	8,371,805
Total capital assets, not being depreciated:	<u>71,134,506</u>	<u>9,214,028</u>	<u>-</u>	<u>-</u>	<u>80,348,534</u>
Capital assets, being depreciated:					
Buildings	41,870,509	567,608	-	-	42,438,117
Improvements other than buildings	11,772,350	106,679	-	-	11,879,029
Machinery and equipment	41,410,604	3,625,265	(553,790)	-	44,482,079
Infrastructure	229,329,994	13,941,546	-	-	243,271,540
Total capital assets being depreciated	<u>324,383,457</u>	<u>18,241,098</u>	<u>(553,790)</u>	<u>-</u>	<u>342,070,765</u>
Less accumulated depreciation for:					
Buildings	(20,821,282)	(888,309)	-	-	(21,709,591)
Improvements other than buildings	(5,792,127)	(616,121)	-	-	(6,408,248)
Machinery and equipment	(35,935,711)	(1,955,767)	553,790	-	(37,337,688)
Infrastructure	(167,299,919)	(2,958,132)	-	-	(170,258,051)
Total accumulated depreciation	<u>(229,849,039)</u>	<u>(6,418,329)</u>	<u>553,790</u>	<u>-</u>	<u>(235,713,578)</u>
Total capital assets, being depreciated, net	<u>94,534,418</u>	<u>11,822,769</u>	<u>-</u>	<u>-</u>	<u>106,357,187</u>
Governmental activities capital assets, net	<u>\$ 165,668,924</u>	<u>\$ 21,036,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,705,721</u>
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	42,246,208	179,601	-	-	42,425,809
Plant in service and electric/water/sewer system	218,536,739	7,279,509	-	-	225,816,248
Machinery and equipment	81,671,049	5,159,009	-	-	86,830,058
Total capital assets being depreciated	<u>342,453,996</u>	<u>12,618,119</u>	<u>-</u>	<u>-</u>	<u>355,072,115</u>
Less accumulated depreciation for:					
Buildings and improvements	(32,800,016)	(1,045,306)	-	-	(33,845,322)
Plant in service and electric/water/sewer system	(99,726,024)	(3,605,477)	-	-	(103,331,501)
Machinery and equipment	(58,204,948)	(3,435,204)	-	-	(61,640,152)
Total accumulated depreciation	<u>(190,730,988)</u>	<u>(8,085,987)</u>	<u>-</u>	<u>-</u>	<u>(198,816,975)</u>
Total capital assets, being depreciated, net	<u>151,723,008</u>	<u>4,532,132</u>	<u>-</u>	<u>-</u>	<u>156,255,140</u>
Business-type activities capital assets, net	<u>\$ 160,475,268</u>	<u>\$ 4,532,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,007,400</u>

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

Governmental activities:	
General government	\$ 309,382
Public safety	3,100,620
Public Works, including depreciation of general infrastructure assets	2,340,067
Culture and recreation	581,000
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>87,260</u>
Total depreciation expense – governmental activities	<u>\$ 6,418,329</u>
Business-type activities:	
Water & Sewer	\$ 1,635,342
Electric	5,552,968
Conference Center	688,432
Golf	<u>209,245</u>
Total depreciation expense – business-type activities	<u>\$ 8,085,987</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, 2017:

\$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 2.00 to 5.00 percent (\$4,230,000 outstanding at June 30, 2017). The bonds were issued to current refund the 2008 General Obligation School 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 \$1,170,000 through July 1, 2020; interest at 2.50 to 5.00 percent (\$3,405,000 outstanding at June 30, 2017). The bonds were issued to acquire, construct, and install park and recreational facilities.

\$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,

**CITY OF MARIETTA, GEORGIA
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2023; interest at 3.00 percent (\$7,000,000 outstanding at June 30, 2017). 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 3.00 to 5.00 percent (\$53,050,000 outstanding at June 30, 2017). The issue includes a term bond due January 1, 2025, interest at 4.00 percent (\$6,460,000 outstanding). The bonds were issued to fund demolition, acquisition, and improvements of property for present and future redevelopments.

\$15,970,000 Series 2015 General Obligation Parks and Recreational Facilities serial bonds due in annual installments commencing January 1, 2016 of \$300,000 to \$1,775,000 through January 1, 2030; interest at 2.00 to 5.00 percent (\$15,485,000 outstanding at June 30, 2017). The bonds were issued to advance refund a portion of the 2009D General Obligation Parks and Recreational Facilities serial bonds. The City deposited the net proceeds in an irrevocable trust to provide for future debt service on the refunded portion of the 2009D series bonds. As a result, that portion of the 2009D series bonds is considered defeased, and the City has removed the liability from its accounts. The advance refunding reduced total debt service payments by nearly \$1.3 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$0.9 million.

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:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 7,535,000	\$ 2,913,540	\$ 10,448,540
2019	4,815,000	2,593,965	7,408,965
2020	4,200,000	2,390,515	6,590,515
2021	4,320,000	2,204,440	6,524,440
2022	4,425,000	2,087,815	6,512,815
2023-2027	24,455,000	8,838,920	33,293,920
2028-2032	24,090,000	5,110,010	29,200,010
2033-2034	9,330,000	696,140	10,026,140
Total	<u>\$ 83,170,000</u>	<u>\$ 26,835,345</u>	<u>\$ 110,005,345</u>

\$4,098,027 is available in the Debt Service Fund to service the general obligation bonds.

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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 a 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 \$920,797 respectively.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 722,278	\$ 128,877	\$ 851,155
2019	752,541	98,613	851,154
2020	784,073	67,082	851,155
2021	816,926	34,230	851,156
Total	<u>\$ 3,075,818</u>	<u>\$ 328,802</u>	<u>\$ 3,404,620</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. A portion of this note was refunded in fiscal year 2017. The bonds are due in annual installments commencing July 1, 2010 of \$865,000 to \$2,040,000 through July 1, 2021; interest rates at 3.00% to 5.125%.

During fiscal year 2017, the Downtown Marietta Development Authority issued \$12,700,000 Series 2016 Refunding Revenue Bonds (City of Marietta Project) to provide funds to advance refund a portion of the Downtown Marietta Development Authority Series 2009 Revenue Bonds. 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 on annual installments commencing July 1, 2017 of \$30,000 to \$2,520,000 through July 1, 2026; interest rates at 2.00% to 5.00%. The advance refunding reduced total debt service payments over the next 9 years by \$1,356,337. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,178,945.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Annual debt service requirements on the Downtown Marietta Development Authority bonds to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,950,000	\$ 1,470,413	\$ 3,420,413
2019	1,935,000	1,495,375	3,430,375
2020	1,990,000	1,427,000	3,417,000
2021	2,075,000	1,336,200	3,411,200
2022	2,175,000	624,250	2,799,250
2023-2027	10,310,000	1,384,500	11,694,500
Total	<u>\$ 20,435,000</u>	<u>\$ 7,737,738</u>	<u>\$ 28,172,738</u>

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 5.00%. Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 77,147	\$ 2,086	\$ 79,233
Total	<u>\$ 77,147</u>	<u>\$ 2,086</u>	<u>\$ 79,233</u>

The amount of defeased debt outstanding but removed from the City's records totaled \$28,170,000 at June 30, 2017.

Business-Type Activities:

Capital Leases

During fiscal year 2015, 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 \$302,329. The depreciation expense and accumulated depreciation associated with the golf carts for the fiscal year ended June 30, 2017 were \$90,227 and \$263,162 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, 2017:

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June 30	City Club Golf Course Carts
2018	\$ 139,296
Total minimum lease payments	139,296
Less amounts representing interest	(2,901)
Present value of future minimum lease payments	\$ 136,395

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds					
General obligation bonds	\$ 90,440,000	\$ -	\$ (7,270,000)	\$ 83,170,000	\$ 7,535,000
Tax Allocation District Bonds	3,769,050	-	(693,232)	3,075,818	722,278
Unamortized bond premium	3,784,878	-	(537,273)	3,247,605	-
Note payable					
Note payable	23,231,204	12,700,000	(15,419,057)	20,512,147	2,027,147
Unamortized premium	1,365,738	3,194,423	(1,185,751)	3,374,410	-
Compensated absences	4,049,150	1,810,370	(1,712,547)	4,146,973	1,782,498
Net pension liability	52,941,860	15,259,320	(16,212,140)	51,989,040	-
OPEB obligation	30,607,727	1,609,085	(3,049,160)	29,167,652	-
Governmental activity					
Long-term liabilities	\$ 210,189,607	\$ 34,573,198	\$ (46,079,160)	\$ 198,683,645	\$ 12,066,923
Business-type activities:					
Capital leases	\$ 197,503	\$ -	\$ (61,108)	\$ 136,395	\$ 136,395
Compensated absences	944,458	391,807	(368,363)	967,902	389,768
Net pension liability	21,624,140	6,232,680	(6,621,860)	21,234,960	-
OPEB obligation	8,632,948	1,095,855	(1,016,387)	8,712,416	-
Customer deposits	9,447,781	233,901	-	9,681,682	-
Business-type activity					
Long-term liabilities	\$ 40,846,830	\$ 7,954,243	\$ (8,067,718)	\$ 40,733,355	\$ 526,163

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

(7) COMMITMENTS AND CONTINGENCIES

A. Litigation

The City of Marietta is a defendant in various lawsuits at June 30, 2017. The outcome of these lawsuits is not presently determinable. In the opinion of the City's attorney, the resolution of these matters may be in the range of \$50,000 to \$150,000.

**CITY OF MARIETTA, GEORGIA
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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 year 2017. Hotel/motel taxes, from which the appropriations are made, have averaged \$2.1 million per year over the last 10 years. The agreement also provides for the City to receive additional rent payments equal to 3.00% 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 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 \$86,522,658 from the Authority during the year

**CITY OF MARIETTA, GEORGIA
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ended June 30, 2017. 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, 2017 are as follows:

General Fund	\$	626,581
SPLOST Fund		9,497,759
Redevelopment Bond Fund		879,970
NonMajor Governmental Funds		3,470,528
	<u>\$</u>	<u>14,474,838</u>

The City also has active construction projects at June 30, 2017.

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 4.00%. 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. In December 2016, the Corporation conveyed ownership of the property to Smith-Inline Partners via Hedges Street Holdings LLC. This released the Corporation from any debt associated with the property. The Corporation voted to dissolve on March 22, 2017 and was formally dissolved on April 27, 2017.

**CITY OF MARIETTA, GEORGIA
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(8) FUND BALANCE

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

	General Fund	SPLOST Fund	Redevelopment Bond Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Nonspendable:						
Inventory	\$ 27,918	\$ -	\$ -	\$ -	\$ -	\$ 27,918
Advances	16,876,520	-	-	-	-	16,876,520
Prepays	55,913	1,000,565				1,056,478
Restricted for:						
Capital projects	-	22,322,341	10,869,868	-	7,398,091	40,590,300
Culture & recreation	694,638	-	-	-	207,888	902,526
Debt service	-	-	-	4,098,027	-	4,098,027
Urban redevelopment & housing	165,674	-	-	-	1,403,915	1,569,589
Public safety	7,667	-	-	-	5,208	12,875
Police - asset forfeitures	554,257					554,257
Committed for:						
Culture & recreation	38,743	-	-	-	-	38,743
Assigned for:						
General government	32,783	-	-	-	-	32,783
Debt service	2,229,758					2,229,758
Public works - construction	592,124	-	-	-	-	592,124
Culture & recreation	189,897	-	-	-	-	189,897
Urban redevelopment and housing	44,160	-	-	-	-	44,160
Public safety	451,755	-	-	-	-	451,755
Unassigned	13,976,083	-	-	-	(18,761)	13,957,322
	<u>\$ 35,937,890</u>	<u>\$ 23,322,906</u>	<u>\$ 10,869,868</u>	<u>\$ 4,098,027</u>	<u>\$ 8,996,341</u>	<u>\$ 83,225,032</u>

In the nonmajor government funds, HUD CDBG Fund has a deficit fund balance of \$18,761 at June 30, 2017.

(9) 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 31, 2016 were due on October 31, 2016.

Liens were attached to property for unpaid taxes on February 15, 2017.

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, 2016 was \$2,907,773,823.

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Based on the 2016 City General, Debt Service, and Cemetery Maintenance millage levy of 5.617, a property owner would pay \$5.62 per \$1,000 of assessed valuation.

Current tax collections of \$14,226,427 for the fiscal year ended June 30, 2017 were 97.66% of the tax levy.

(10) TAX ABATEMENTS

The City’s property tax revenue was reduced by \$141,798 for the year ended June 30, 2017 under an agreement entered into by the Development Authority of the City of Marietta.

(11) LEASE

During the fiscal year ended June 30, 2017, the City entered into to an agreement to lease land held at a total cost of \$4,164,362. The lease expires on January 31, 2036 and may be extended for two additional five year terms. The tenant made substantial improvements to the property during the fiscal year ended June 30, 2017.

Minimum future rentals on the lease as of June 30, 2017 are as follows:

Year Ending June 30,		
2018	\$	1
2019		1
2020		1
2021		1
2022		1
2023-2027		453,336
2028-2032		1,600,000
2033-2036		<u>1,146,667</u>
Total	\$	<u><u>3,200,008</u></u>

Beginning on February 1, 2027, the rent payment is adjusted annually by the Consumer Price Index however the annual adjustment cannot exceed 4.00%.

In addition to lease payments, the tenant has agreed to pay to the City beginning in fiscal year 2019 a payment in lieu of taxes based on the current ad valorem tax rate and the current fair market value of the improvements multiplied by a percentage. In fiscal year fiscal year 2019, the percentage is 10% and increases by 10% annually until fee is equal to 100% of the current ad valorem tax rate and the current fair market value of the improvements.

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(12) PENSION PLANS

General Information about the Pension Plans

Defined Contribution Plan

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-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. Total employer contributions to the supplemental pension plan for the fiscal year ended June 30, 2017 were \$2,095,513.

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. For the year ended June 30, 2017, the plan incurred administrative expense of \$5,167. The balance in the forfeiture account as of June 30, 2017 was \$0.

Defined Benefit Plan

The City of Marietta Public Employee Retirement System (PERS) administers a defined benefit pension plan (General Pension Plan). Effective July 1, 2013, the Plan implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, which significantly changed the disclosures required related to the Plan. The City issues a publicly available financial report that includes the applicable financial statements and required supplementary information. That report may be obtained by writing to: Finance Director, 205 Lawrence Street, Marietta, GA 30060.

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

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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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

Effective 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

Single life annuity benefit

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	574
Inactive members entitled to but not yet receiving benefits	308
Active employees	<u>696</u>
Total	<u><u>1,578</u></u>

Contributions. 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 16.90% of the current year covered payroll. Employees are required to contribute 4.00% of gross wages. Total employer and employee contributions to the general pension plan for the fiscal year ended June 30, 2017 were \$6,858,369 and \$1,343,343 respectively.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	3.50% to 12.62%, including inflation
Investment rate of return	7.50%, including inflation
Post-retirement benefit increases	Not applicable

Mortality rates were based on the RP-2000 Combined Healthy Retiree Mortality Table set forward four years. Post-disability mortality rates were based on the RP 2000 Disabled Retiree Mortality Table multiplied by 75%.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2004– July 1, 2009.

The long-term expected rate of return on pension plan investments was determined using a long normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.20%
Domestic equity	57.00%	6.00%
Fixed income	28.00%	2.30%
Alternative	15.00%	5.00%
Total	100.00%	

Discount rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate of 4.00% and the Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Projected future benefit payments for all current plan members were projected through the year 2112. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Changes in the Net Pension Liability (\$ in thousands)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 6/30/2016	\$ 165,904	\$ 91,338	\$ 74,566
Changes for the year:			
Service cost	2,782	-	2,782
Interest	12,035	-	12,035
Differences between expected and actual experience	6,282	-	6,282
Contributions - employer	-	6,858	(6,858)
Contributions - employee	-	1,343	(1,343)
Net investment income	-	14,633	(14,633)
Benefit payments, including refunds of employee contributions	(10,870)	(10,870)	-
Administrative expense	-	(393)	393
Net changes	<u>10,229</u>	<u>11,571</u>	<u>(1,342)</u>
Balances at 6/30/2017	<u>\$ 176,133</u>	<u>\$ 102,909</u>	<u>\$ 73,224</u>

There have been no changes in actuarial assumptions and methods used in the measurement of the total pension liability since the prior measurement date.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate (\$ in thousands):

	Current		
	1% Decrease (6.50%)	Discount (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 91,292	\$73,224	\$ 57,759

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Public Employees Retirement System financial report. The City issues a publicly available financial report that includes the applicable financial statements and required supplementary information. That report may be obtained by writing to: Finance Director, 205 Lawrence Street, Marietta, GA 30060. The plan's fiduciary net position has been determined on the same basis as that used by the plan.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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The System's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized as revenues in the period in which employee services are performed. Investment income is recognized as earned by the General Plan. The net appreciation (depreciation) in the fair value of investments held by the General Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of net position. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Investments are reported at fair value as of the statement of net position date. Investments of the General Plan consist of United States government securities, corporate notes and debentures, common stock, mutual funds, and preferred stock. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. There are no investments in any one organization other than the securities guaranteed by the U.S. government that represent five percent or more of plan net position.

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

For the year ended June 30, 2017, the City recognized pension expense of \$9,223,000. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (\$ in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,828	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>1,198</u>	<u>-</u>
Total	<u>\$ 5,026</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (\$ in thousands):

Year ended June 30:	
2018	\$ 3,676
2019	2,596
2020	332
2021	<u>(1,578)</u>
	<u>\$ 5,026</u>

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 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 \$133,215 to the Peace Officers' Annuity and Benefit Fund for the year ended June 30, 2017. 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.

(13) 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, 2015 there were 411 retirees and spouses receiving benefits, and 688 current and active employees. The City has the authority to establish and amend benefit provisions. Management of the plan is vested in the City Council.

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.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2017, the City contributed \$4,065,547 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%

Schedule of Employer Contributions:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Actual Contributions</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$ 6,167,247	\$ 3,838,211	62.24%	\$ 38,721,188
6/30/2016	2,566,292	2,046,805	79.76%	39,240,675
6/30/2017	2,704,940	4,065,547	150.30%	37,880,068

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	\$ 3,707,554
Interest on net OPEB obligation	1,942,913
Adjustment to annual required contribution	<u>(2,945,527)</u>
Annual OPEB cost (expense)	2,704,940
Contributions made	<u>(4,065,547)</u>
Decrease in net OPEB obligation	(1,360,607)
Net OPEB obligation-beginning of year	<u>39,240,675</u>
Net OPEB obligation-end of year	<u><u>\$ 37,880,068</u></u>

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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	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
7/1/2015	\$ 1,075,057	\$ 67,341,121	1.60%	\$ 66,266,064	\$ 32,996,000	200.83%

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. 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.

Valuation date	7/1/2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	5.00%
Healthcare cost trend rate	5.00%

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was (4.84)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Net OPEB Liability of the City

The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Total OPEB liability	\$ 66,119,382
Plan fiduciary net position	(1,139,220)
City's net OPEB liability	\$ 64,980,162

Plan fiduciary net position as a percentage of the total OPEB liability	1.72%
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Total OPEB Liability Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.40%, plus merit incree
Investment rate of return	5.00%
Healthcare cost trend rates	5.00%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010–June 30, 2015.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Alternative	100.00%	2.50%
	100.00%	

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Discount rate

The discount rate used to measure the total OPEB liability was 5.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.00%) or 1-percentage-point higher (6.00%) than the current discount rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Net OPEB liability	\$ 73,983,370	\$ 64,980,162	\$ 59,235,362

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentagepoint lower (4.00%) or 1-percentage-point higher (6.00%) than the current discount rate:

	1% Decrease (4.00%)	Current Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Net OPEB liability	\$ 58,560,079	\$ 64,980,162	\$ 74,739,415

The plan does not issue separate financial statements.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(14) RISK MANAGEMENT

The City's insurance coverage is summarized below:

	Limits of Liability	
	Each Occurrence	Aggregate
Public Officials Liability	\$ 1,000,000	\$2,000,000
Fiduciary Liability	1,000,000	None
Automobile Liability	1,000,000	None
Law Enforcement Professional Liability	1,000,000	2,000,000
Workers' Compensation	Statutory Limits	None
Public Officials Bond (City Administrator)	25,000	None
Public Officials Bond (City Clerk)	25,000	None
Commercial Crime	250,000	None
General Liability	1,000,000	3,000,000
Employment Practice Liability	1,000,000	2,000,000

The City is self insured on a limited basis 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.

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

	June 30, 2017	June 30, 2016
Claims and judgments payable, beginning of fiscal year	\$ 3,246,681	\$ 3,310,695
Incurred claims	14,011,150	13,107,208
Claim payments	(14,239,913)	(13,171,222)
Claims and judgments payable, end of fiscal year	\$ 3,017,918	\$ 3,246,681

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

(15) 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 \$6,758,178 for the fiscal year ending June 30, 2017 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 2017, the City has deposited \$2,585,447 into this Funding Account. These funds have been collected from customers and are reflected as unearned revenues on the balance sheet.

(16) 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.

(17) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year June 30, 2017:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund			
Debt service - Refunding bond issuance cost	\$ -	\$ 241,017	\$ (241,017)

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2014	2015	2016	2017
(In thousands)				
Total Pension Liability				
Service cost	\$ 2,652	\$ 2,851	\$ 2,696	\$ 2,782
Interest	11,415	11,766	11,747	12,035
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(4,887)	-	6,282
Change of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(9,118)	(9,655)	(10,321)	(10,870)
Net Change in Total Pension Liability	4,949	75	4,122	10,229
Total Pension Liability – Beginning	156,758	161,707	161,782	165,904
Total Pension Liability – Ending (a)	<u>\$ 161,707</u>	<u>\$ 161,782</u>	<u>\$ 165,904</u>	<u>\$ 176,133</u>
 Plan Fiduciary Net Position				
Contributions – employer	\$ 5,669	\$ 5,731	\$ 5,583	\$ 6,858
Contributions – employees	1,260	1,280	1,318	1,343
Net investment income	14,663	2,746	(2,395)	14,633
Benefit payments, including refunds of employee contributions	(9,118)	(9,655)	(10,321)	(10,870)
Administrative expense	(144)	(111)	(162)	(393)
Other	-	-	-	-
Net Changes in Plan Fiduciary Net Position	\$ 12,330	\$ (9)	\$ (5,977)	\$ 11,571
Plan Fiduciary Net Position – Beginning	84,994	97,324	97,315	91,338
Plan Fiduciary Net Position – Ending (b)	<u>\$ 97,324</u>	<u>\$ 97,315</u>	<u>\$ 91,338</u>	<u>\$ 102,909</u>
 Net Pension Liability – Ending (a)–(b)	\$ 64,383	\$ 64,467	\$ 74,566	\$ 73,224
 Plan Fiduciary Net Position as a percentage of the Total Pension Liability	60.19%	60.15%	55.05%	58.43%
 Covered payroll	\$ 32,997	\$ 32,481	\$ 32,996	\$ 34,093
 Net Pension Liability as a percentage of covered payroll	195.12%	198.48%	225.98%	214.78%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS**

	2014	2015	2016	2017
(In thousands)				
Actuarially determined contribution	\$ 5,154	\$ 5,394	\$ 5,583	\$ 5,398
Contributions in relation to the actuarially determined contribution	5,669	5,731	5,583	6,858
Contribution deficiency (excess)	<u>\$ (515)</u>	<u>\$ (337)</u>	<u>\$ -</u>	<u>\$ (1,460)</u>
 Covered payroll	 \$32,997	 \$32,481	 \$32,996	 \$34,093
Contributions as a percentage of covered payroll	17.18%	17.64%	16.92%	20.12%

Notes to Schedule:

Valuation Date:

June 30, 2015

The actuarially determined contribution rates in the schedule of contributions are calculated as of the June 30th, two or three years prior to the fiscal year end in which contributions are reported.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of the pay, closed
Remaining amortization period	27 years
Asset valuation method	Ten-year smoothed market value
Inflation	3.50%
Salary increases	3.50 - 12.62%
Investment rate of return	7.50%, net of pension plan investment expense, and including inflation

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB PLAN FUNDING PROGRESS**

The schedule of funding progress for the OPEB plan 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
7/1/2006	\$ -	\$ 90,530,000	0.00%	\$ 90,530,000	\$ 30,170,894	300.06%
7/1/2009	52,000	155,919,000	0.03%	155,867,000	31,580,119	493.56%
7/1/2011	436,501	75,113,688	0.58%	74,677,187	34,831,719	214.39%
7/1/2013	678,223	99,287,804	0.68%	98,609,581	34,403,775	286.62%
7/1/2015	1,075,057	67,341,121	1.60%	66,266,064	32,996,000	200.83%

Note: See assumptions used for the above schedule in Note 13 to the financial statements.

**CITY OF MARIETTA, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF OPEB EMPLOYER CONTRIBUTIONS**

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>
6/30/2012	\$ 5,085,836	\$ 3,062,489	60.22%
6/30/2013	5,202,882	2,271,090	43.65%
6/30/2014	6,908,371	3,049,517	44.14%
6/30/2015	7,018,998	3,838,211	54.68%
6/30/2016	3,432,006	2,046,805	59.64%
6/30/2017	3,707,554	4,065,547	109.66%

**CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

	2017
Total OPEB liability	
Service cost	\$ 874,140
Interest	3,154,176
Changes of benefit terms	-
Differences between expected and actual experience	2,176,066
Changes of assumptions	-
Benefit payments	(4,533,448)
Net change in total OPEB liability	1,670,934
Total OPEB liability - beginning	64,448,448
Total OPEB liability - ending (a)	\$ 66,119,382
Plan fiduciary net position	
Contributions - employer	\$ 4,065,547
Contributions - employer	570,758
Net investment income	35,316
Benefit payments	(4,636,305)
Administrative expense	(1,366)
Net change in plan fiduciary net position	33,950
Plan fiduciary net position - beginning	1,105,270
Plan fiduciary net position - ending (b)	\$ 1,139,220
Net OPEB liability - ending (a) - (b)	\$ 64,980,162
Plan fiduciary net position as a percentage of the total OPEB liability	1.72%
Covered payroll	\$ 32,224,076
Net OPEB liability as a percentage of covered payroll	201.65%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS**

	2017
Actuarially determined contribution	\$ 9,522,200
Contributions in relation to the actuarially determined contribution	4,065,547
Contribution deficiency (excess)	\$ 5,456,653
Covered-employee payroll	\$ 32,224,076
Contributions as a percentage of covered-employee payroll	12.62%

Notes to Schedule:

Valuation Date: July 1, 2015

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	15 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	5.00%
Salary increases	4.40%, plus merit increases
Investment rate of return	5.00%
Retirement age	Normal retirement date is age 65, early retirement date is age 50 and 10 years of service
Mortality	RP-2000 Healthy Mortality Table

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

**CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB INVESTMENT RETURNS**

2017

Annual money-weighted rate of return, net of investment expense	-4.84%
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Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget-Actual Positive (Negative)
Revenues:				
Taxes	\$ 19,593,600	\$ 19,593,600	\$ 19,561,950	\$ (31,650)
Licenses and permits	6,616,300	6,746,300	6,747,151	851
Intergovernmental	3,137,336	6,065,472	4,086,852	(1,978,620)
Charges for services	4,514,500	4,565,500	4,643,184	77,684
Fines and forfeits	2,944,000	3,089,000	3,365,021	276,021
Investment earnings	30,000	30,000	154,704	124,704
Other	531,446	626,804	453,405	(173,399)
	<u>37,367,182</u>	<u>40,716,676</u>	<u>39,012,267</u>	<u>(1,704,409)</u>
Total revenues				
Expenditures:				
Current:				
General government:				
General administration:				
Legislative	757,648	1,503,062	1,491,636	11,426
Judicial	1,298,599	1,246,997	1,235,158	11,839
Executive	875,575	809,205	784,072	25,133
Law	525,000	495,000	484,133	10,867
Financial administration	2,334,519	2,066,847	2,066,847	-
Human resources	812,293	776,463	772,582	3,881
Planning and zoning	2,024,555	1,865,511	1,631,720	233,791
Public works	7,596,076	13,081,432	11,337,058	1,744,374
Culture and recreation	6,966,267	7,893,060	7,690,310	202,750
Public safety:				
Police	16,209,427	16,619,364	16,400,883	218,481
Fire	12,268,057	12,633,104	12,230,917	402,187
Debt Service:				
Principal retirement	1,760,000	1,834,057	1,834,057	-
Interest and fiscal charges	1,006,200	1,006,200	903,692	102,508
Refunding bond issuance cost	-	-	241,017	(241,017)
	<u>54,434,216</u>	<u>61,830,302</u>	<u>59,104,082</u>	<u>2,726,220</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(17,067,034)</u>	<u>(21,113,626)</u>	<u>(20,091,815)</u>	<u>1,021,811</u>
Other financing sources (uses):				
Proceeds of refunding bonds	-	-	12,700,000	12,700,000
Premium on bonds issued	-	-	3,194,423	3,194,423
Payment to refunded bond escrow agent	-	-	(15,653,406)	(15,653,406)
Sales of capital assets	71,000	71,000	61,868	(9,132)
Transfers in	20,086,235	20,347,152	18,524,265	(1,822,887)
Transfers out	(3,357,179)	(4,070,227)	(4,070,227)	-
	<u>16,800,056</u>	<u>16,347,925</u>	<u>14,756,923</u>	<u>(1,591,002)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (266,978)</u>	<u>\$ (4,765,701)</u>	<u>(5,334,892)</u>	<u>\$ (569,191)</u>
Reconciliation to GAAP basis:				
Encumbrances outstanding at end of year			626,581	
Fund balances at beginning of year - GAAP basis			<u>40,646,201</u>	
Fund balances at end of year - GAAP basis			<u>\$ 35,937,890</u>	

OTHER SUPPLEMENTARY INFORMATION

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**CITY OF MARIETTA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,328,929	\$ 1,961,365	\$ 3,290,294
Cash with fiscal agent	951,142	-	951,142
Investments		5,422,283	5,422,283
Receivables, net	324,654	18,346	343,000
Due from other governments	36,321	-	36,321
	<u>\$ 2,641,046</u>	<u>\$ 7,401,994</u>	<u>\$ 10,043,040</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 3,996	\$ 3,903	\$ 7,899
Accrued salaries	4,140	-	4,140
Due to other funds	1,024,649	-	1,024,649
	<u>1,032,785</u>	<u>3,903</u>	<u>1,036,688</u>
Deferred inflows of resources:			
Unavailable revenue	10,011	-	10,011
	<u>10,011</u>	<u>-</u>	<u>10,011</u>
Fund balances:			
Restricted	1,617,011	7,398,091	9,015,102
Unassigned	(18,761)	-	(18,761)
	<u>1,598,250</u>	<u>7,398,091</u>	<u>8,996,341</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,641,046</u>	<u>\$ 7,401,994</u>	<u>\$ 10,043,040</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, 2017

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Taxes	\$ 3,925,201	\$ -	\$ 3,925,201
Intergovernmental	1,208,071	-	1,208,071
Investment earnings	8,941	17,324	26,265
	<u>5,142,213</u>	<u>17,324</u>	<u>5,159,537</u>
Expenditures:			
Current:			
Public works	102,991	-	102,991
Culture and recreation		236,013	236,013
Urban redevelopment and housing	308,498	-	308,498
Debt service:			
Principal retirement	693,233	-	693,233
Interest and fiscal charges	157,923	-	157,923
Capital projects	-	319,097	319,097
	<u>1,262,645</u>	<u>555,110</u>	<u>1,817,755</u>
Excess (deficiency) of revenues over expenditures	<u>3,879,568</u>	<u>(537,786)</u>	<u>3,341,782</u>
Other financing sources (uses):			
Transfers out	<u>(3,592,119)</u>	<u>-</u>	<u>(3,592,119)</u>
Total other financing sources (uses)	<u>(3,592,119)</u>	<u>-</u>	<u>(3,592,119)</u>
Net change in fund balance	287,449	(537,786)	(250,337)
Fund balances at beginning of year	<u>1,310,801</u>	<u>7,935,877</u>	<u>9,246,678</u>
Fund balances at end of year	<u><u>\$ 1,598,250</u></u>	<u><u>\$ 7,398,091</u></u>	<u><u>\$ 8,996,341</u></u>

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	Nonmajor Funds		
	HUD CDBG	Tax Allocation District	Cemetery Maintenance
<u>ASSETS</u>			
Cash and cash equivalents	\$ 307	\$ 1,113,099	\$ 210,315
Cash with fiscal agent	-	951,142	-
Receivables, net	-	11,287	2,398
Due from other governments	25,565	9,790	966
	<u>25,565</u>	<u>9,790</u>	<u>966</u>
 Total assets	<u>\$ 25,872</u>	<u>\$ 2,085,318</u>	<u>\$ 213,679</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 951	\$ -	\$ 3,045
Accrued salaries	3,460	-	680
Due to other funds	40,222	673,458	-
	<u>40,222</u>	<u>673,458</u>	<u>-</u>
 Total liabilities	<u>44,633</u>	<u>673,458</u>	<u>3,725</u>
 Deferred inflows of resources:			
Unavailable tax revenue	-	7,945	2,066
	<u>-</u>	<u>7,945</u>	<u>2,066</u>
 Fund balance:			
Restricted	-	1,403,915	207,888
Unassigned	(18,761)	-	-
	<u>(18,761)</u>	<u>-</u>	<u>-</u>
 Total fund balance	<u>(18,761)</u>	<u>1,403,915</u>	<u>207,888</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,872</u>	<u>\$ 2,085,318</u>	<u>\$ 213,679</u>

**CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONT'D)
JUNE 30, 2017**

<u>Nonmajor Funds</u>			
<u>LLEBG Fund</u>	<u>Hotel Motel Tax</u>	<u>Auto Rental Tax</u>	<u>Total</u>
\$ 5,208	\$ -	\$ -	\$ 1,328,929
-	-	-	951,142
-	264,595	46,374	324,654
-	-	-	36,321
<u>\$ 5,208</u>	<u>\$ 264,595</u>	<u>\$ 46,374</u>	<u>\$ 2,641,046</u>
\$ -	\$ -	\$ -	\$ 3,996
-	-	-	4,140
-	264,595	46,374	1,024,649
-	264,595	46,374	1,032,785
-	-	-	10,011
5,208	-	-	1,617,011
-	-	-	(18,761)
<u>5,208</u>	<u>-</u>	<u>-</u>	<u>1,598,250</u>
<u>\$ 5,208</u>	<u>\$ 264,595</u>	<u>\$ 46,374</u>	<u>\$ 2,641,046</u>

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, 2017

	Nonmajor Funds		
	HUD CDBG	Tax Allocation District	Cemetery Maintenance
Revenues:			
Taxes	\$ -	\$ 112,957	\$ 220,626
Intergovernmental	297,795	910,276	-
Investment earnings	-	8,847	94
Total revenues	<u>297,795</u>	<u>1,032,080</u>	<u>220,720</u>
Expenditures:			
Current:			
Public works	-	-	102,991
Urban redevelopment and housing	308,498	-	-
Debt service:			
Principal retirement	-	693,233	-
Interest & fiscal charges	-	157,923	-
Total expenditures	<u>308,498</u>	<u>851,156</u>	<u>102,991</u>
Excess (deficiency) of revenues over expenditures	<u>(10,703)</u>	<u>180,924</u>	<u>117,729</u>
Other financing sources (uses):			
Transfers out	<u>(501)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,204)	180,924	117,729
Fund balances at beginning of year	<u>(7,557)</u>	<u>1,222,991</u>	<u>90,159</u>
Fund balances at end of year	<u>\$ (18,761)</u>	<u>\$ 1,403,915</u>	<u>\$ 207,888</u>

**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, 2017**

Nonmajor Funds			
LLEBG Fund	Hotel Motel Tax	Auto Rental Tax	Total
\$ -	\$ 3,128,429	\$ 463,189	\$ 3,925,201
-	-	-	1,208,071
-	-	-	8,941
-	3,128,429	463,189	5,142,213
-	-	-	102,991
-	-	-	308,498
-	-	-	693,233
-	-	-	157,923
-	-	-	1,262,645
-	3,128,429	463,189	3,879,568
-	(3,128,429)	(463,189)	(3,592,119)
-	-	-	287,449
5,208	-	-	1,310,801
<u>\$ 5,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,598,250</u>

**CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 6,715,114	\$ 10,626,092
Cash with fiscal agent	500	500
Investments	7,436,657	7,468,874
Receivables (net of allowance for estimated uncollectibles):		
Taxes	89,521	100,369
Sanitation	131,972	142,730
Other	624,719	559,428
Prepaid items	55,913	44,386
Due from other funds	7,225,907	6,169,313
Due from other governments	3,580,585	2,402,894
Inventories	27,918	28,545
Advances to other funds	16,876,520	18,634,867
	<u>16,876,520</u>	<u>18,634,867</u>
Total assets	<u>\$ 42,765,326</u>	<u>\$ 46,177,998</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,817,155	\$ 1,864,518
Retainage payable	503,690	110,891
Accrued salaries	638,247	469,551
Due to other funds	127,968	583,804
Due to other governments	682	826
Unearned revenue	138,252	188,500
	<u>138,252</u>	<u>188,500</u>
Total liabilities	<u>3,225,994</u>	<u>3,218,090</u>
Deferred inflows of resources:		
Unavailable ingovernmental revenue	3,521,010	2,221,398
Unavailable tax revenue	80,432	92,309
	<u>80,432</u>	<u>92,309</u>
Total deferred inflows of resources	<u>3,601,442</u>	<u>2,313,707</u>
Fund balance:		
Nonspendable	16,960,351	18,707,797
Restricted	1,422,236	1,853,575
Committed	38,743	756,194
Assigned	3,540,477	5,474,788
Unassigned	13,976,083	13,853,847
	<u>13,976,083</u>	<u>13,853,847</u>
Total fund balance	<u>35,937,890</u>	<u>40,646,201</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,765,326</u>	<u>\$ 46,177,998</u>

CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Revenues:		
Taxes	\$ 19,561,950	\$ 19,323,885
Licenses and permits	6,747,151	6,638,511
Intergovernmental	4,086,852	2,017,938
Charges for services	4,643,184	4,550,188
Fines and forfeits	3,365,021	3,933,335
Investment earnings	154,704	97,233
Other	453,405	575,682
Total revenues	39,012,267	37,136,772
Expenditures:		
Current:		
General government	8,410,985	7,428,774
Public works	11,004,984	8,099,295
Culture and recreation	7,588,993	7,777,084
Public safety	28,493,773	30,469,200
Debt service:		
Principal retirement	1,834,057	1,745,453
Interest and fiscal charges	903,692	1,093,805
Refunding bond issuance cost	241,017	-
Total expenditures	58,477,501	56,613,611
Excess (deficiency) of revenues over expenditures	(19,465,234)	(19,476,839)
Other financing sources (uses):		
Proceeds of refunding bonds	12,700,000	-
Premium on bonds issued	3,194,423	-
Payment to refunded bond escrow agent	(15,653,406)	-
Sale of capital assets	61,868	149,950
Transfers in	18,524,265	17,899,018
Transfers out	(4,070,227)	(3,427,145)
Total other financing sources (uses)	14,756,923	14,621,823
Net change in fund balance	(4,708,311)	(4,855,016)
Fund balance at beginning of year	40,646,201	45,501,217
Fund balance at end of year	\$ 35,937,890	\$ 40,646,201

**CITY OF MARIETTA, GEORGIA
 HUD-COMMUNITY DEVELOPMENT BLOCK GRANT
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 307	\$ 540
Accounts receivable	-	319
Due from other governments	25,565	71,387
 Total assets	 \$ 25,872	 \$ 72,246
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 951	\$ 640
Accrued salaries	3,460	2,639
Due to other funds	40,222	76,524
 Total liabilities	 44,633	 79,803
Fund balance:		
Unassigned	(18,761)	(7,557)
 Total fund balance	 (18,761)	 (7,557)
 Total liabilities and fund balance	 \$ 25,872	 \$ 72,246

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental	<u>\$ 297,795</u>	<u>\$ 456,720</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	178,667	166,619
Operating services	129,670	290,761
Capital outlay	<u>161</u>	<u>-</u>
Total expenditures	<u>308,498</u>	<u>457,380</u>
Excess (deficiency) of revenues over expenditures	<u>(10,703)</u>	<u>(660)</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	(11,204)	(1,161)
Fund balance (deficit) at beginning of year	<u>(7,557)</u>	<u>(6,396)</u>
Fund balance (deficit) at end of year	<u><u>\$ (18,761)</u></u>	<u><u>\$ (7,557)</u></u>

CITY OF MARIETTA, GEORGIA
HUD-COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 365,408	\$ 297,795	\$ (67,613)
Total revenues	<u>365,408</u>	<u>297,795</u>	<u>(67,613)</u>
Expenditures - urban redevelopment and housing:			
Current:			
Personal services	178,668	178,667	1
Operating services	129,671	129,670	1
Capital outlay	<u>56,568</u>	<u>56,568</u>	<u>-</u>
Total expenditures	<u>364,907</u>	<u>364,905</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>501</u>	<u>(67,110)</u>	<u>(67,611)</u>
Other financing sources (uses)			
Transfers out	<u>(501)</u>	<u>(501)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(67,611)</u>	<u>\$ (67,611)</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		56,407	
Fund balance (deficit) at beginning of year		<u>(7,557)</u>	
Fund balance (deficit) at end of year		<u>\$ (18,761)</u>	

**CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,113,099	\$ 998,372
Cash with fiscal agent	951,142	945,597
Receivables (net of allowance for estimated uncollectibles):		
Taxes	11,287	11,791
Due from other governments	9,790	10,215
Total assets	\$ 2,085,318	\$ 1,965,975
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 673,458	\$ 734,273
Total liabilities	673,458	734,273
Deferred inflows of resources:		
Unavailable revenue	7,945	8,711
Fund balance:		
Restricted	1,403,915	1,222,991
Total fund balance	1,403,915	1,222,991
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,085,318	\$ 1,965,975

**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, 2017 AND 2016**

	2017	2016
Revenues:		
Taxes	\$ 112,957	\$ 75,324
Intergovernmental	910,276	548,356
Investment earnings	8,847	3,924
Total revenues	1,032,080	627,604
Expenditures - urban redevelopment and housing:		
Debt service:		
Principal retirement	693,233	665,353
Interest & fiscal charges	157,923	185,804
Total expenditures	851,156	851,157
Excess (deficiency) of revenues over expenditures	180,924	(223,553)
Net change in fund balance	180,924	(223,553)
Fund balance at beginning of year	1,222,991	1,446,544
Fund balance at end of year	\$ 1,403,915	\$ 1,222,991

**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, 2017**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$ 94,000	\$ 112,957	\$ 18,957
Intergovernmental	635,000	910,276	275,276
Investment earnings	2,002	8,847	6,845
Total revenues	<u>731,002</u>	<u>1,032,080</u>	<u>301,078</u>
Expenditures:			
Debt service:			
Principal retirement	693,234	693,233	1
Interest & fiscal charges	<u>157,923</u>	<u>157,923</u>	<u>-</u>
Total expenditures	<u>851,157</u>	<u>851,156</u>	<u>1</u>
Net change in fund balance	<u>\$ (120,155)</u>	180,924	<u>\$ 301,079</u>
Fund balance at beginning of year		<u>1,222,991</u>	
Fund balance at end of year		<u>\$ 1,403,915</u>	

**CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 210,315	\$ 107,018
Receivables (net of allowance for estimated uncollectibles):		
Taxes	2,398	2,627
Due from other governments	966	933
Total assets	\$ 213,679	\$ 110,578
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3,045	\$ 17,500
Accrued salaries	680	538
Total liabilities	3,725	18,038
Deferred inflows of resources:		
Unavailable revenue	2,066	2,381
Fund balance:		
Restricted	207,888	90,159
Total fund balance	207,888	90,159
Total liabilities, deferred inflows of resources, and fund balances	\$ 213,679	\$ 110,578

**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, 2017 AND 2016**

	2017	2016
Revenues:		
Taxes	\$ 220,626	\$ 210,370
Investment earnings	94	84
Total revenues	220,720	210,454
Expenditures - public works:		
Current:		
Personal services	12,545	44,932
Operating services	90,446	121,782
Capital outlay	-	15,096
Total expenditures	102,991	181,810
Excess (deficiency) of revenues over expenditures	117,729	28,644
Fund balance at beginning of year	90,159	61,515
Fund balance at end of year	\$ 207,888	\$ 90,159

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes	\$ 212,000	\$ 220,626	\$ 8,626
Investment earnings	-	94	94
	<u>212,000</u>	<u>220,720</u>	<u>8,720</u>
Total revenues			
Expenditures - public works:			
Current:			
Personal services	88,347	12,545	75,802
Operating services	143,639	97,096	46,543
	<u>231,986</u>	<u>109,641</u>	<u>122,345</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>\$ (19,986)</u>	111,079	<u>\$ 131,065</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		6,650	
Fund balances at beginning of year - GAAP basis		<u>90,159</u>	
Fund balance at end of year - GAAP basis		<u>\$ 207,888</u>	

**CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 5,208	\$ 5,208
Total assets	\$ 5,208	\$ 5,208
<u>FUND BALANCE</u>		
Fund balance:		
Restricted	\$ 5,208	\$ 5,208
Total fund balance	\$ 5,208	\$ 5,208

**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, 2017 AND 2016**

	2017	2016
Revenues:		
Intergovernmental	\$ -	\$ -
Total revenues	-	-
Expenditures - public safety:		
Current:		
Capital outlay	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over expenditures	-	-
Net change in fund balance	-	-
Fund balance at beginning of year	5,208	5,208
Fund balance at end of year	\$ 5,208	\$ 5,208

**CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	\$ 264,595	\$ 281,946
Total assets	\$ 264,595	\$ 281,946
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 264,595	\$ 281,946
Total liabilities	264,595	281,946
Fund balance:		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 264,595	\$ 281,946

**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, 2017 AND 2016**

	2017	2016
Revenues:		
Taxes	\$ 3,128,429	\$ 2,885,136
Total revenues	3,128,429	2,885,136
Other financing sources (uses):		
Transfers out	(3,128,429)	(2,885,136)
Total other financing sources (uses)	(3,128,429)	(2,885,136)
Net change in fund balance	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	\$ -	\$ -

**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, 2017**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$ 3,128,429	\$ 3,128,429	\$ -
Total revenues	3,128,429	3,128,429	-
Other financing sources (uses):			
Transfer out	(3,128,429)	(3,128,429)	-
Net change in fund balance	\$ -	-	\$ -
Fund balance (deficit) at beginning of year		-	
Fund balance (deficit) at end of year		\$ -	

**CITY OF MARIETTA, GEORGIA
 AUTO RENTAL TAX FUND
 SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	\$ 46,374	\$ 33,093
Total assets	\$ 46,374	\$ 33,093
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ 46,374	\$ 33,093
Total liabilities	46,374	33,093
Fund balance:		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 46,374	\$ 33,093

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Taxes	\$ 463,189	\$ 398,675
Total revenues	<u>463,189</u>	<u>398,675</u>
Excess (deficiency) of revenues over expenditures	<u>463,189</u>	<u>398,675</u>
Other financing sources (uses):		
Transfers out	<u>(463,189)</u>	<u>(398,675)</u>
Total other financing sources (uses)	<u>(463,189)</u>	<u>(398,675)</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>

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive(Negative)</u>
Revenues:			
Taxes	<u>\$ 476,388</u>	<u>\$ 463,189</u>	<u>\$ (13,199)</u>
Total revenues	<u>476,388</u>	<u>463,189</u>	<u>(13,199)</u>
Other financing sources (uses):			
Transfer out	<u>(476,388)</u>	<u>(463,189)</u>	<u>13,199</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund balance (deficit) at beginning of year		<u>-</u>	
Fund balance (deficit) at end of year		<u><u>\$ -</u></u>	

**CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 9,228,217	\$ 11,278,257
Investments	12,837,750	12,851,541
Receivables:		
Accrued interest	45,071	42,785
Prepaid items	1,000,565	333,899
Due from other governments	1,794,931	1,727,355
 Total assets	 \$ 24,906,534	 \$ 26,233,837
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,113,788	\$ 926,211
Retainage payable	469,840	205,331
 Total liabilities	 1,583,628	 1,131,542
Fund balance:		
Nonspendable	1,000,565	333,899
Restricted	22,322,341	24,768,396
 Total fund balance	 23,322,906	 25,102,295
 Total liabilities and fund balance	 \$ 24,906,534	 \$ 26,233,837

CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTIONS SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Revenues:		
Intergovernmental	\$ 11,060,365	\$ 11,777,211
Investment earnings	84,951	80,372
Total revenues	11,145,316	11,857,583
Expenditures:		
Current:		
Personal services	580,196	207,580
Capital projects	12,344,509	9,963,607
Total expenditures	12,924,705	10,171,187
Excess (deficiency) of revenues over expenditures	(1,779,389)	1,686,396
Net change in fund balance	(1,779,389)	1,686,396
Fund balance at beginning of year	25,102,295	23,415,899
Fund balance at end of year	\$ 23,322,906	\$ 25,102,295

**CITY OF MARIETTA, GEORGIA
REDEVELOPMENT BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ -	\$ 7,419,632
Investments	18,159,614	18,842,895
Receivables:		
Other	627	265
Total assets	\$ 18,160,241	\$ 26,262,792
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 451,640	\$ 540,611
Retainage payable	559,937	182,396
Due to other funds	6,278,796	5,177,900
Total liabilities	7,290,373	5,900,907
Fund balance:		
Restricted	10,869,868	20,361,885
Total fund balance	10,869,868	20,361,885
Total liabilities and fund balance	\$ 18,160,241	\$ 26,262,792

**CITY OF MARIETTA, GEORGIA
REDEVELOPMENT BOND
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Revenues:		
Investment earnings	\$ 25,566	\$ 12,736
Total revenues	25,566	12,736
Expenditures:		
Capital projects	9,517,583	24,024,052
Total expenditures	9,517,583	24,024,052
Excess (deficiency) of revenues over expenditures	(9,492,017)	(24,011,316)
Other financing sources (uses):		
Transfers in	-	2,000,000
Total other financing sources (uses)	-	2,000,000
Net change in fund balance	(9,492,017)	(22,011,316)
Fund balance at beginning of year	20,361,885	42,373,201
Fund balance at end of year	\$ 10,869,868	\$ 20,361,885

**CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,961,365	\$ 2,106,036
Investments	5,422,283	6,027,487
Receivables:		
Accrued interest	18,346	22,524
Total assets	<u>\$ 7,401,994</u>	<u>\$ 8,156,047</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3,903	\$ 167,027
Retainage payable	-	53,143
Total liabilities	3,903	220,170
Fund balance:		
Restricted	7,398,091	7,935,877
Total fund balance	7,398,091	7,935,877
Total liabilities and fund balance	<u>\$ 7,401,994</u>	<u>\$ 8,156,047</u>

**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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues:		
Investment earnings	\$ 17,324	\$ 30,538
Other	-	276,700
	<u>17,324</u>	<u>307,238</u>
Total revenues	<u>17,324</u>	<u>307,238</u>
Expenditures:		
Current:		
Personal services	54,286	51,466
Operating services	181,727	231,529
Capital projects	319,097	1,975,086
	<u>555,110</u>	<u>2,258,081</u>
Total expenditures	<u>555,110</u>	<u>2,258,081</u>
Excess (deficiency) of revenues over expenditures	<u>(537,786)</u>	<u>(1,950,843)</u>
Other financing sources (uses):		
Transfers out	-	(2,000,000)
	<u>-</u>	<u>(2,000,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(2,000,000)</u>
Net change in fund balance	(537,786)	(3,950,843)
Fund balance at beginning of year	<u>7,935,877</u>	<u>11,886,720</u>
Fund balance at end of year	<u><u>\$ 7,398,091</u></u>	<u><u>\$ 7,935,877</u></u>

**CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,236,088	\$ 2,872,294
Investments	820,917	825,746
Receivables, net of estimated uncollectibles:		
Taxes	76,869	83,312
Accrued interest	1,084	1,088
Due from other governments	28,923	27,933
 Total assets	 \$ 4,163,881	 \$ 3,810,373
<u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Deferred inflows of resources:		
Unavailable tax revenue	\$ 65,854	\$ 74,424
Fund balance:		
Restricted	4,098,027	3,735,949
 Total deferred inflows of resources and fund balances	 \$ 4,163,881	 \$ 3,810,373

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Revenues:		
Taxes	\$ 7,710,476	\$ 8,439,674
Intergovernmental revenue	3,713,250	3,696,250
Investment earnings	4,925	6,308
	11,428,651	12,142,232
Expenditures:		
Debt service:		
Principal retirement	7,270,000	8,100,000
Interest and fiscal charges	3,771,337	3,957,898
Refunding bond issuance costs	-	3,000
	11,041,337	12,060,898
Total expenditures	11,041,337	12,060,898
Excess (deficiency) of revenues over expenditures	387,314	81,334
Other financing sources (uses):		
Transfers out	(25,236)	(25,236)
Total other financing sources (uses)	(25,236)	(25,236)
Net change in fund balance	362,078	56,098
Fund balance at beginning of year	3,735,949	3,679,851
Fund balance at end of year	\$ 4,098,027	\$ 3,735,949

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, 2017

	Final Budget	Actual	Budget- Positive (Negative)
Revenues:			
Taxes	\$ 7,347,176	\$ 7,710,476	\$ 363,300
Intergovernmental	3,713,250	3,713,250	-
Investment earnings	5,000	4,925	(75)
	<u>11,065,426</u>	<u>11,428,651</u>	<u>363,225</u>
Total revenues			
Expenditures:			
Debt Service:			
Principal retirement	7,270,000	7,270,000	-
Interest and fiscal charges	3,771,337	3,771,337	-
	<u>11,041,337</u>	<u>11,041,337</u>	<u>-</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>24,089</u>	<u>387,314</u>	<u>363,225</u>
Other financing sources (uses):			
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,147)</u>	362,078	<u>\$ 363,225</u>
Fund balance at beginning of year		<u>3,735,949</u>	
Fund balance at end of year		<u>\$ 4,098,027</u>	

**CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 19,388,320	\$ 23,387,287
Investments	47,758,443	39,622,766
Receivables:		
Utility accounts (net of allowance for estimated uncollectibles of \$320,896 and \$319,278)	16,207,612	17,771,778
Other	10,172	46,279
Prepaid expenses	255,598	-
Due from other funds	2,446,080	3,120,200
Inventories	4,171,110	3,629,014
Total current assets	<u>90,237,335</u>	<u>87,577,324</u>
Noncurrent assets:		
Restricted assets:		
Investments	<u>12,267,129</u>	<u>12,028,996</u>
Total restricted assets	<u>12,267,129</u>	<u>12,028,996</u>
Property, plant and equipment:		
Land	1,382,976	1,382,976
Buildings and improvements	17,023,935	16,844,334
Electrical plant in service	126,668,399	123,665,188
Water and sewer system	99,147,849	94,871,551
Machinery and equipment	70,434,530	65,388,534
	<u>314,657,689</u>	<u>302,152,583</u>
Less: accumulated depreciation	<u>(169,308,880)</u>	<u>(162,120,570)</u>
Net property, plant and equipment	<u>145,348,809</u>	<u>140,032,013</u>
Other assets:		
Investment in project	<u>2,150,506</u>	<u>2,225,105</u>
Total other assets	<u>2,150,506</u>	<u>2,225,105</u>
Total noncurrent assets	<u>159,766,444</u>	<u>154,286,114</u>
Total assets	<u>250,003,779</u>	<u>241,863,438</u>
Deferred outflows of resources:		
Deferred outflows related to pension	<u>1,457,540</u>	<u>2,992,220</u>

Continued on next page.

**CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2017 AND 2016**

	2017	2016
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	12,171,506	12,726,152
Accrued salaries	297,593	235,412
Accrued sales tax	619,141	681,395
Accrued compensated absences	389,768	368,363
	13,478,008	14,011,322
Long-term liabilities (net of current portion):		
Accrued compensated absences	578,134	576,095
Unearned revenue	2,585,447	2,581,215
Net pension liability	21,234,960	21,624,140
Net OPEB obligation	8,712,416	8,632,948
Customer deposits	9,681,682	9,447,781
	42,792,639	42,862,179
Total long-term liabilities (net of current portion)	42,792,639	42,862,179
Total liabilities	56,270,647	56,873,501
Deferred inflows of resources:		
Deferred inflows related to pension	-	459,650
	-	459,650
<u>NET POSITION</u>		
Net investment in capital assets	144,414,289	140,032,013
Unrestricted	50,776,383	47,490,494
	\$ 195,190,672	\$ 187,522,507
Total net position	\$ 195,190,672	\$ 187,522,507

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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 151,600,707	\$ 150,982,899
Other	1,258,058	1,124,140
	<u>152,858,765</u>	<u>152,107,039</u>
Total operating revenues		
Operating expenses:		
Personal services	16,841,604	15,910,642
Operating	109,327,406	110,197,874
Depreciation and amortization	7,262,910	7,351,592
	<u>133,431,920</u>	<u>133,460,108</u>
Total operating expenses		
Operating income	<u>19,426,845</u>	<u>18,646,931</u>
Nonoperating revenues (expenses):		
Investment earnings	355,123	381,875
Other	-	104,130
	<u>355,123</u>	<u>486,005</u>
Total nonoperating revenues (expenses)		
Capital contributions from developers	<u>1,917,109</u>	<u>150,705</u>
Income before transfers	<u>21,699,077</u>	<u>19,283,641</u>
Transfers:		
Transfers in	727,374	152,237
Transfers out	(14,758,286)	(14,574,129)
	<u>(14,030,912)</u>	<u>(14,421,892)</u>
Total transfers in (out)		
Change in net position	7,668,165	4,861,749
Net position at beginning of year	<u>187,522,507</u>	<u>182,660,758</u>
Net position at end of year	<u>\$ 195,190,672</u>	<u>\$ 187,522,507</u>

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash flows from (to) operating activities:		
Cash received from customers	\$ 153,403,006	\$ 151,309,783
Cash payments for goods and services	(110,067,880)	(100,080,839)
Cash payments for employee services and fringe benefits	(15,990,661)	(15,459,540)
Cash received from other operating activities	1,258,058	1,124,140
Net cash from (to) operating activities	28,602,523	36,893,544
Cash flows from (to) noncapital financing activities:		
Transfers in	727,374	152,237
Transfers out	(14,758,286)	(14,574,129)
Net cash from (to) noncapital financing activities	(14,030,912)	(14,421,892)
Cash flows from (to) capital and related financing activities:		
Payments for capital acquisitions	(10,607,943)	(9,223,868)
Other nonoperating receipts	-	104,130
Capital contributions	19,946	-
Net cash from (to) capital and related financing activities	(10,587,997)	(9,119,738)
Cash flows from (to) investing activities:		
Interest received	391,229	359,731
Investment (purchases) sales	(8,373,810)	(11,192,395)
Net cash from (to) investing activities	(7,982,581)	(10,832,664)
Net increase (decrease) in cash and cash equivalents	(3,998,967)	2,519,250
Cash and cash equivalents at beginning of year	23,387,287	20,868,037
Cash and cash equivalents at end of year	\$ 19,388,320	\$ 23,387,287
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 19,426,845	\$ 18,646,931
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation and amortization	7,262,910	7,351,592
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	1,564,166	274,098
(Increase) decrease in due from other funds	674,120	9,322,373
(Increase) decrease in inventories	(542,096)	(47,957)
(Increase) decrease in prepaid expenses	(255,598)	35
(Increase) decrease in deferred outflows of resources	1,534,680	(1,959,820)
Increase (decrease) in accounts payable	(554,646)	476,906
Increase (decrease) in accrued salaries	62,181	(172,445)
Increase (decrease) in accrued sales tax	(62,254)	365,678
Increase (decrease) in accrued compensated absences	23,444	19,160
Increase (decrease) in net pension liability	(389,180)	2,928,710
Increase (decrease) in net OPEB obligation	79,468	114,287
Increase (decrease) in unearned revenue	4,232	26,157
Increase (decrease) in customer deposits	233,901	26,629
Increase (decrease) in deferred inflows of resources	(459,650)	(478,790)
Net cash from operating activities	\$ 28,602,523	\$ 36,893,544
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets	\$ 1,897,163	\$ 150,705

**CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016**

ASSETS

	2017	2016
Current assets:		
Unrestricted investments	\$ 59	\$ 59
Due from other funds	205,506	186,366
	205,565	186,425
Noncurrent assets:		
Land	769,284	769,284
Buildings and improvements	23,326,210	23,326,210
Machinery and equipment	12,354,692	12,354,692
	36,450,186	36,450,186
Less: accumulated depreciation	(24,445,406)	(23,756,974)
Net property, plant and equipment	12,004,780	12,693,212
Total noncurrent assets	12,004,780	12,693,212
Total assets	12,210,345	12,879,637

Continued on next page.

**CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2017 AND 2016**

<u>LIABILITIES</u>	<u>2017</u>	<u>2016</u>
Liabilities:		
Current liabilities:		
Due to other funds	-	500
Total current liabilities	-	500
Long-term liabilities:		
Advances from other funds	16,876,520	18,634,867
Total long-term liabilities	16,876,520	18,634,867
Total liabilities	16,876,520	18,635,367
 <u>NET POSITION</u>		
Net investment in capital assets	12,004,780	12,693,212
Unrestricted	(16,670,955)	(18,448,942)
Total net position	<u>\$ (4,666,175)</u>	<u>\$ (5,755,730)</u>

Continued from previous page.

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Lease income	<u>\$ 1,850,935</u>	<u>\$ 1,936,747</u>
Total operating revenues	<u>1,850,935</u>	<u>1,936,747</u>
Operating expenses:		
Depreciation	<u>688,432</u>	<u>694,926</u>
Total operating expenses	<u>688,432</u>	<u>694,926</u>
Operating income (loss)	<u>1,162,503</u>	<u>1,241,821</u>
Nonoperating revenues (expenses) :		
Investment earnings	500	-
Interest and fiscal charges	<u>(92,589)</u>	<u>(50,239)</u>
Total nonoperating revenues (expense)	<u>(92,089)</u>	<u>(50,239)</u>
Income (loss) before operating transfers	<u>1,070,414</u>	<u>1,191,582</u>
Transfers:		
Transfers in	980,438	865,272
Transfers out	<u>(961,297)</u>	<u>(865,272)</u>
Total transfers	<u>19,141</u>	<u>-</u>
Change in net position	1,089,555	1,191,582
Net position at beginning of year	<u>(5,755,730)</u>	<u>(6,947,312)</u>
Net position at end of year	<u><u>\$ (4,666,175)</u></u>	<u><u>\$ (5,755,730)</u></u>

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from (to) operating activities:		
Cash received from lease	\$ 1,831,295	\$ 1,936,747
Net cash from (to) operating activities	<u>1,831,295</u>	<u>1,936,747</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	980,438	865,272
Transfers out	<u>(961,297)</u>	<u>(865,272)</u>
Net cash from (to) noncapital financing	<u>19,141</u>	<u>-</u>
Cash flows from (to) capital and related financing activities:		
Payments on advances from other funds	(1,758,347)	(1,886,508)
Interest and fiscal charges	<u>(92,589)</u>	<u>(50,239)</u>
Net cash from (to) capital and related financing activities	<u>(1,850,936)</u>	<u>(1,936,747)</u>
Cash flows from investing activities:		
Investment income received	<u>500</u>	<u>-</u>
Net cash from (to) investing activities	<u>500</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 1,162,503	\$ 1,241,821
Depreciation	688,432	694,926
Change in assets and liabilities:		
(Increase) decrease in due from other funds	(19,140)	-
Increase (decrease) in due to other funds	<u>(500)</u>	<u>-</u>
Net cash from (to) operating activities	<u>\$ 1,831,295</u>	<u>\$ 1,936,747</u>

**CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 10,316	\$ 8,280
Accounts receivable	2,179	363
Total current assets	<u>12,495</u>	<u>8,643</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	6,600,000	6,600,000
Buildings and improvements	2,075,664	2,075,664
Machinery and equipment	4,040,836	3,927,823
	<u>12,716,500</u>	<u>12,603,487</u>
Less: accumulated depreciation	<u>(5,062,689)</u>	<u>(4,853,444)</u>
Net property, plant and equipment	<u>7,653,811</u>	<u>7,750,043</u>
Total noncurrent assets	<u>7,653,811</u>	<u>7,750,043</u>
Total assets	<u>7,666,306</u>	<u>7,758,686</u>
 <u>LIABILITIES</u>		
Liabilities:		
Current liabilities:		
Accounts payable	98,912	51,023
Due to other funds	1,685,006	1,695,730
Capital lease obligations	136,395	61,109
Total current liabilities	<u>1,920,313</u>	<u>1,807,862</u>
Long-term liabilities (net of current portion):		
Capital lease obligations	<u>-</u>	<u>136,394</u>
Total long-term liabilities	<u>-</u>	<u>136,394</u>
Total liabilities	<u>1,920,313</u>	<u>1,944,256</u>
 <u>NET POSITION</u>		
Net investment in capital assets	7,517,416	7,552,540
Unrestricted	<u>(1,771,423)</u>	<u>(1,738,110)</u>
Total net position	<u>\$ 5,745,993</u>	<u>\$ 5,814,430</u>

**CITY OF MARIETTA, GEORGIA
CITY CLUB GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 1,543,051	\$ 1,454,489
Operating expenses:		
Operating	1,170,507	1,169,282
Depreciation	<u>209,245</u>	<u>212,125</u>
Total operating expenses	<u>1,379,752</u>	<u>1,381,407</u>
Operating income (loss)	<u>163,299</u>	<u>73,082</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	(6,715)	(10,291)
Other	<u>-</u>	<u>10</u>
Total nonoperating revenues (expenses)	<u>(6,715)</u>	<u>(10,281)</u>
Income (loss) before operating transfers	<u>156,584</u>	<u>62,801</u>
Transfers:		
Transfers in	-	399,786
Transfers out	<u>(225,021)</u>	<u>(21,462)</u>
Total transfers	<u>(225,021)</u>	<u>378,324</u>
Change in net position	(68,437)	441,125
Net position at beginning of year	<u>5,814,430</u>	<u>5,373,305</u>
Net position at end of year	<u><u>\$ 5,745,993</u></u>	<u><u>\$ 5,814,430</u></u>

**CITY OF MARIETTA, GEORGIA
CITY CLUB GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,541,235	\$ 1,455,276
Cash payments for goods and services	<u>(1,133,342)</u>	<u>(912,948)</u>
Net cash from (to) operating activities	<u>407,893</u>	<u>542,328</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	-	399,786
Transfers out	<u>(225,021)</u>	<u>(21,462)</u>
Net cash from (to) noncapital financing activities	<u>(225,021)</u>	<u>378,324</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(113,013)	(89,377)
Other nonoperating receipts	-	10
Payments on capital leases	(61,108)	(810,704)
Interest and fiscal charges	<u>(6,715)</u>	<u>(20,582)</u>
Net cash from (to) capital related financing activities	<u>(180,836)</u>	<u>(920,653)</u>
Net increase (decrease) in cash and cash equivalents	2,036	(1)
Cash and cash equivalents at beginning of year	<u>8,280</u>	<u>8,281</u>
Cash and cash equivalents at end of year	<u>\$ 10,316</u>	<u>\$ 8,280</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 163,299	\$ 73,082
Depreciation	209,245	212,125
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,816)	787
Increase (decrease) in accounts payable	47,889	(14,356)
Increase (decrease) in due to other funds	<u>(10,724)</u>	<u>270,690</u>
Net cash from (to) operating activities	<u>\$ 407,893</u>	<u>\$ 542,328</u>

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Self- Insurance	Motor Transport	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,150,454	\$ -	\$ 2,150,454
Investments	38,303	-	38,303
Receivables, net	14,090	-	14,090
Due from other governments	-	24,649	24,649
Inventories	-	49,143	49,143
	<u>2,202,847</u>	<u>73,792</u>	<u>2,276,639</u>
Property, plant and equipment:			
Buildings and improvements	-	502,346	502,346
Machinery and equipment	-	1,472,476	1,472,476
Less: accumulated depreciation	-	(1,477,465)	(1,477,465)
	<u>-</u>	<u>497,357</u>	<u>497,357</u>
Net property, plant and equipment	<u>-</u>	<u>497,357</u>	<u>497,357</u>
Total assets	<u>2,202,847</u>	<u>571,149</u>	<u>2,773,996</u>
Deferred outflows of resources:			
Deferred outflows related to pension	<u>-</u>	<u>50,260</u>	<u>50,260</u>
Liabilities:			
Current liabilities:			
Accounts payable	291,367	91,784	383,151
Accrued salaries	-	14,998	14,998
Accrued compensated absences	-	19,730	19,730
Due to other funds	-	761,074	761,074
Claims and judgements payable	3,017,918	-	3,017,918
	<u>3,309,285</u>	<u>887,586</u>	<u>4,196,871</u>
Total current liabilities	<u>3,309,285</u>	<u>887,586</u>	<u>4,196,871</u>
Long-term liabilities (net of current portion):			
Accrued compensated absences	-	16,252	16,252
Net pension liability	-	732,240	732,240
	<u>-</u>	<u>748,492</u>	<u>748,492</u>
Total noncurrent liabilities	<u>-</u>	<u>748,492</u>	<u>748,492</u>
Total liabilities	<u>3,309,285</u>	<u>1,636,078</u>	<u>4,945,363</u>
Net Position:			
Net investment in capital assets	-	497,357	497,357
Unrestricted	(1,106,438)	(1,512,026)	(2,618,464)
	<u>(1,106,438)</u>	<u>(1,512,026)</u>	<u>(2,618,464)</u>
Total net position	<u>\$ (1,106,438)</u>	<u>\$ (1,014,669)</u>	<u>\$ (2,121,107)</u>

**CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Self- Insurance	Motor Transport	Total
Operating revenues:			
Charges for services	\$ -	\$ 3,544,268	\$ 3,544,268
Contributions	11,294,970	-	11,294,970
Other	148,956	-	148,956
Total operating revenues	<u>11,443,926</u>	<u>3,544,268</u>	<u>14,988,194</u>
Operating expenses:			
Personal services	-	788,310	788,310
Operating services	861,117	2,567,296	3,428,413
Depreciation	-	87,260	87,260
Benefits and claims	14,011,150	-	14,011,150
Total operating expenses	<u>14,872,267</u>	<u>3,442,866</u>	<u>18,315,133</u>
Operating income (loss)	<u>(3,428,341)</u>	<u>101,402</u>	<u>(3,326,939)</u>
Nonoperating revenues (expenses) :			
Investment earnings	28,664	-	28,664
Other	-	2,071	2,071
Total nonoperating revenues (expenses)	<u>28,664</u>	<u>2,071</u>	<u>30,735</u>
Transfers:			
Transfers in	3,503,903	-	3,503,903
Transfers out	(83,991)	(19,803)	(103,794)
Total transfers	<u>3,419,912</u>	<u>(19,803)</u>	<u>3,400,109</u>
Change in net position	20,235	83,670	103,905
Net position at beginning of year	<u>(1,126,673)</u>	<u>(1,098,339)</u>	<u>(2,225,012)</u>
Net position at end of year	<u>\$ (1,106,438)</u>	<u>\$ (1,014,669)</u>	<u>\$ (2,121,107)</u>

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Self- Insurance	Motor Transport	Total
Cash flow from operating activities:			
Cash received from contributions and services provided	\$ 11,414,230	\$ 3,519,619	\$ 14,933,849
Cash payments for goods and services	(1,187,757)	(2,728,851)	(3,916,608)
Cash payments for employee services and fringes	-	(760,484)	(760,484)
Cash payments for benefits and claims	(14,239,913)	-	(14,239,913)
Cash received for other operating activities	148,956	-	148,956
Net cash from (to) operating activities	<u>(3,864,484)</u>	<u>30,284</u>	<u>(3,834,200)</u>
Cash flows from noncapital financing activities:			
Transfers in	3,503,903	-	3,503,903
Transfers out	(83,991)	(19,803)	(103,794)
Net transfers in (out) from noncapital financing activities	<u>3,419,912</u>	<u>(19,803)</u>	<u>3,400,109</u>
Cash flows from capital and related financing activities:			
Payments for capital acquisitions	-	(12,552)	(12,552)
Other nonoperating receipts	-	2,071	2,071
Net cash from (to) capital and related financing activities	<u>-</u>	<u>(10,481)</u>	<u>(10,481)</u>
Cash flows from investing activities:			
Interest received	28,643	-	28,643
Investments (purchased) sold	(22,759)	-	(22,759)
Net cash from (to) investing activities	<u>5,884</u>	<u>-</u>	<u>5,884</u>
Net increase (decrease) in cash and cash equivalents	(438,688)	-	(438,688)
Cash and cash equivalents at beginning of year	<u>2,589,142</u>	<u>-</u>	<u>2,589,142</u>
Cash and cash equivalents at end of year	<u>\$ 2,150,454</u>	<u>\$ -</u>	<u>\$ 2,150,454</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (3,428,341)	\$ 101,402	\$ (3,326,939)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	-	87,260	87,260
Changes in assets and liabilities:			
(Increase) decrease in contributions receivable	119,260	-	119,260
(Increase) decrease in due from other governments	-	(24,649)	(24,649)
(Increase) decrease in inventories	-	(27,136)	(27,136)
(Increase) decrease in deferred outflows related to pension	-	52,920	52,920
Increase (decrease) in accounts payable	(326,640)	(3,384)	(330,024)
Increase (decrease) in accrued salaries	-	2,574	2,574
Increase (decrease) in due to other funds	-	(131,035)	(131,035)
Increase (decrease) in accrued compensated absences	-	1,602	1,602
Increase (decrease) in net pension liability	-	(13,420)	(13,420)
Increase (decrease) in claims and judgements payable	(228,763)	-	(228,763)
(Increase) decrease in deferred inflows related to pension	-	(15,850)	(15,850)
Net cash from (to) operating activities	<u>\$ (3,864,484)</u>	<u>\$ 30,284</u>	<u>\$ (3,834,200)</u>

**CITY OF MARIETTA, GEORGIA
 SELF - INSURANCE
 INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF NET POSITION
 JUNE 30, 2017 AND 2016**

	2017	2016
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,150,454	\$ 2,589,142
Investments	38,303	15,544
Receivables:		
Accrued interest	40	19
Contributions	14,050	133,310
Total assets	2,202,847	2,738,015
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	291,367	618,007
Claims and judgements payable	3,017,918	3,246,681
Total liabilities	3,309,285	3,864,688
<u>NET POSITION</u>		
Unrestricted	\$ (1,106,438)	\$ (1,126,673)

**CITY OF MARIETTA, GEORGIA
SELF - INSURANCE
INTERNAL SERVICE FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Contributions	\$ 11,294,970	\$ 10,983,450
Other	148,956	148,141
	<u>11,443,926</u>	<u>11,131,591</u>
Operating expenses:		
Operating services	861,117	903,868
Benefits and claims	14,011,150	13,107,208
	<u>14,872,267</u>	<u>14,011,076</u>
Operating income (loss)	<u>(3,428,341)</u>	<u>(2,879,485)</u>
Nonoperating revenues:		
Investment earnings	28,664	13,554
Income before transfers	<u>(3,399,677)</u>	<u>(2,865,931)</u>
Transfers:		
Transfers in	3,503,903	3,016,818
Transfers out	(83,991)	(73,903)
Total transfers	<u>3,419,912</u>	<u>2,942,915</u>
Change in net position	20,235	76,984
Net position at beginning of year	<u>(1,126,673)</u>	<u>(1,203,657)</u>
Net position at end of year	<u><u>\$ (1,106,438)</u></u>	<u><u>\$ (1,126,673)</u></u>

CITY OF MARIETTA, GEORGIA
SELF-INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flow from operating activities:		
Cash received from contributions	\$ 11,414,230	\$ 11,086,055
Cash payments for operating services	(1,187,757)	(1,007,625)
Cash received from (payments to) other funds	-	(6,688,570)
Cash payments for benefits and claims	(14,239,913)	(13,171,222)
Cash received from other operating activities	<u>148,956</u>	<u>148,341</u>
Net cash from (to) operating activities	<u>(3,864,484)</u>	<u>(9,633,021)</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	3,503,903	3,016,818
Transfers out	<u>(83,991)</u>	<u>(73,903)</u>
Net transfers in (out) from noncapital financing activities	<u>3,419,912</u>	<u>2,942,915</u>
Cash flows from investing activities:		
Interest received	28,643	20,322
Investments (purchased) sold	<u>(22,759)</u>	<u>6,737,672</u>
Net cash from (to) investing activities	<u>5,884</u>	<u>6,757,994</u>
Net increase (decrease) in cash and cash equivalents	(438,688)	67,888
Cash and cash equivalents at beginning of year	<u>2,589,142</u>	<u>2,521,254</u>
Cash and cash equivalents at end of year	<u>\$ 2,150,454</u>	<u>\$ 2,589,142</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (3,428,341)	\$ (2,879,485)
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	119,260	102,605
(Increase) decrease in prepaids	-	200
Increase (decrease) in accounts payable	(326,640)	(103,757)
Increase (decrease) in due to other funds	-	(6,688,570)
Increase (decrease) in claims and judgements payable	<u>(228,763)</u>	<u>(64,014)</u>
Net cash from (to) operating activities	<u>\$ (3,864,484)</u>	<u>\$ (9,633,021)</u>

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets:		
Current assets:		
Due from other governments	\$ 24,649	\$ -
Inventories	<u>49,143</u>	<u>22,007</u>
Total current assets	<u>73,792</u>	<u>22,007</u>
Property, plant and equipment:		
Buildings and improvements	502,346	502,346
Machinery and equipment	1,472,476	1,459,924
Less: accumulated depreciation	<u>(1,477,465)</u>	<u>(1,390,205)</u>
Net property, plant and equipment	<u>497,357</u>	<u>572,065</u>
Total assets	<u>571,149</u>	<u>594,072</u>
Deferred outflows of resources:		
Deferred outflows related to pension	<u>50,260</u>	<u>103,180</u>
Liabilities:		
Current liabilities:		
Accounts payable	91,784	95,168
Accrued salaries	14,998	12,424
Due to other funds	761,074	892,109
Accrued compensated absences	<u>19,730</u>	<u>17,671</u>
Total current liabilities	<u>887,586</u>	<u>1,017,372</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	16,252	16,709
Net pension liability	<u>732,240</u>	<u>745,660</u>
Total noncurrent liabilities	<u>748,492</u>	<u>762,369</u>
Total liabilities	<u>1,636,078</u>	<u>1,779,741</u>
Deferred inflows of resources:		
Deferred inflows related to pension	<u>-</u>	<u>15,850</u>
Net Position:		
Net investment in capital assets	497,357	572,065
Unrestricted	<u>(1,512,026)</u>	<u>(1,670,404)</u>
Total net position	<u>\$ (1,014,669)</u>	<u>\$ (1,098,339)</u>

**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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 3,544,268	\$ 3,099,938
Total operating revenues	<u>3,544,268</u>	<u>3,099,938</u>
Operating expenses:		
Personal services	788,310	808,447
Operating services	2,567,296	2,378,078
Depreciation	<u>87,260</u>	<u>119,791</u>
Total operating expenses	<u>3,442,866</u>	<u>3,306,316</u>
Operating income (loss)	<u>101,402</u>	<u>(206,378)</u>
Nonoperating revenues (expenses) :		
Other	<u>2,071</u>	<u>157</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	83,670	(226,024)
Net position at beginning of year	<u>(1,098,339)</u>	<u>(872,315)</u>
Net position at end of year	<u>\$ (1,014,669)</u>	<u>\$ (1,098,339)</u>

**CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash flow from (to) operating activities:		
Cash received for services provided	\$ 3,519,619	\$ 3,103,376
Cash payments for goods and services	(2,728,851)	(2,327,196)
Cash payments for employee services and fringes	<u>(760,484)</u>	<u>(806,534)</u>
Net cash from (to) operating activities	<u>30,284</u>	<u>(30,354)</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	<u>(19,803)</u>	<u>(19,803)</u>
Net transfers in (out) from noncapital financing activities	<u>(19,803)</u>	<u>(19,803)</u>
Cash flows from (to) capital and related financing activities:		
Payments for capital acquisitions	(12,552)	-
Other nonoperating receipts	<u>2,071</u>	<u>157</u>
Net cash from (to) capital and related financing activities	<u>(10,481)</u>	<u>157</u>
Net increase (decrease) in cash and cash equivalents	-	(50,000)
Cash and cash equivalents at beginning of year	<u>-</u>	<u>50,000</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ 101,402	\$ (206,378)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	87,260	119,791
Changes in assets and liabilities:		
(Increase) decrease in due from other governments	(24,649)	3,438
(Increase) decrease in inventories	(27,136)	54,996
(Increase) decrease in deferred outflows related to pension	52,920	(67,580)
Increase (decrease) in accounts payable	(3,384)	16,854
Increase (decrease) in accrued salaries	2,574	(8,983)
Increase (decrease) in due to other funds	(131,035)	(20,968)
Increase (decrease) in accrued compensated absences	1,602	(6,004)
Increase (decrease) in net pension liability	(13,420)	100,990
Increase (decrease) in deferred inflows related to pension	<u>(15,850)</u>	<u>(16,510)</u>
Net cash from (to) operating activities	<u><u>\$ 30,284</u></u>	<u><u>\$ (30,354)</u></u>

CITY OF MARIETTA, GEORGIA
TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	OPEB Trust Fund	Pension Trust Fund	Total
<u>Assets</u>			
Cash and cash equivalents	\$ -	\$ 5,081,997	\$ 5,081,997
Receivables:			
Accrued interest	-	281,758	281,758
Contributions:			
Employee	-	26,838	26,838
Other	-	249	249
Total receivables	-	308,845	308,845
Investments, at fair value:			
Common stock	-	56,598,256	56,598,256
Mutual funds	1,139,640	-	1,139,640
Corporate notes and debentures	-	27,081,515	27,081,515
Preferred stock	-	3,385,166	3,385,166
United States government securities	-	10,805,315	10,805,315
Municipal bonds	-	113,220	113,220
Total investments	1,139,640	97,983,472	99,123,112
Total assets	1,139,640	103,374,314	104,513,954
<u>Liabilities</u>			
Accrued expenses	420	144,723	145,143
Due to others	-	320,948	320,948
Total liabilities	420	465,671	466,091
<u>Net position</u>			
Restricted for:			
OPEB benefits (See required supplementary information)	1,139,220	-	1,139,220
Pension benefits (See required supplementary information)	-	102,908,643	102,908,643
Total Net Position	\$ 1,139,220	\$ 102,908,643	\$ 104,047,863

CITY OF MARIETTA, GEORGIA
TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	OPEB Trust Fund	Pension Trust Fund	Total
Additions:			
Employer contributions	\$ 4,065,547	\$ 6,858,369	\$ 10,923,916
Employee contributions	570,758	1,343,343	1,914,101
	<u>4,636,305</u>	<u>8,201,712</u>	<u>12,838,017</u>
Investment income (expense):			
Net appreciation (depreciation) of fair value of investments	33,950	13,105,760	13,139,710
Interest and dividends	-	2,102,077	2,102,077
	<u>33,950</u>	<u>15,207,837</u>	<u>15,241,787</u>
Less investment expenses	-	575,303	575,303
Net investment income	<u>33,950</u>	<u>14,632,534</u>	<u>14,666,484</u>
Total additions	<u>4,670,255</u>	<u>22,834,246</u>	<u>27,504,501</u>
Deductions:			
Benefits paid	4,636,305	10,869,955	15,506,260
Administrative costs	-	393,527	393,527
Total deductions	<u>4,636,305</u>	<u>11,263,482</u>	<u>15,899,787</u>
Change in net position	<u>33,950</u>	<u>11,570,764</u>	<u>11,604,714</u>
Net position - beginning of year	<u>1,105,270</u>	<u>91,337,879</u>	<u>92,443,149</u>
Net position - end of year	<u>\$ 1,139,220</u>	<u>\$ 102,908,643</u>	<u>\$ 104,047,863</u>

CITY OF MARIETTA, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CITY SCHOOLS AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>July 01, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>
Assets				
Cash	\$ 459,276	\$ 48,718,247	\$ (48,937,224)	\$ 240,299
Receivable from other governments	200,767	3,454,347	(3,408,304)	246,810
Uncollected taxes	661,321	47,960,100	(47,998,531)	622,890
	<u>661,321</u>	<u>47,960,100</u>	<u>(47,998,531)</u>	<u>622,890</u>
Total assets	<u>\$ 1,321,364</u>	<u>\$ 100,132,694</u>	<u>\$ (100,344,059)</u>	<u>\$ 1,109,999</u>
Liabilities - due to others	<u>\$ 1,321,364</u>	<u>\$ 100,132,694</u>	<u>\$ (100,344,059)</u>	<u>\$ 1,109,999</u>

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STATISTICAL SECTION

The Statistical Section includes selected financial and general information presented on a multi-year comparative basis. The statistics are used to provide detailed data on the physical, economic, social and political characteristics of the City government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than is possible from basic financial statements.

CITY OF MARIETTA, GA STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding the financial statements, note disclosures, required supplementary information as well as the overall financial position of the City.

Financial Trends

These schedules contain trend information to help the user understand how the City's financial performance has changed over time.

Revenue Capacity

These schedules contain information to help the user assess the City's major revenue sources.

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

These schedules contain staffing, key operating and capital statistics comparisons to help the user understand how the information in the city's financial report relates to the services the City provides and the activities it performs.

CITY OF MARIETTA, GEORGIA
Net Position by Component (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010 (1)	2011	2012	2013	2014 (2)	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 40,361,421	\$ 40,647,949	\$ 50,033,057	\$ 58,835,173	\$ 71,920,680	\$ 85,328,216	\$ 84,036,575	\$ 91,932,852	\$ 94,656,262	\$ 104,018,353
Restricted	25,355,346	22,613,208	22,973,206	26,661,694	19,595,692	23,445,586	38,265,536	36,359,546	35,585,010	43,139,357
Unrestricted	(37,973,169)	1,702,675	(8,560,854)	(19,502,801)	(13,488,145)	(21,601,544)	(77,701,745)	(72,507,785)	(63,403,569)	(67,051,581)
Total governmental activities net position	\$ 27,743,598	\$ 64,963,832	\$ 64,445,409	\$ 65,994,066	\$ 78,028,227	\$ 87,172,258	\$ 44,600,366	\$ 55,784,613	\$ 66,837,703	\$ 80,106,129
Business-type activities										
Net investment in capital assets	\$ 97,486,153	\$ 105,531,822	134,507,898	145,968,231	148,960,282	153,196,535	156,008,740	158,187,155	160,277,765	163,936,485
Restricted	2,377,157	2,287,694	-	-	-	-	-	-	-	-
Unrestricted	34,111,843	27,216,106	1,668,171	8,968,617	12,520,838	18,374,290	13,015,768	21,933,888	26,321,119	31,402,665
Total business-type activities net position	\$ 133,975,153	\$ 135,035,622	\$ 136,176,069	\$ 154,936,848	\$ 161,481,120	\$ 171,570,825	\$ 169,024,508	\$ 180,121,043	\$ 186,598,884	\$ 195,339,150
Primary government										
Net investment in capital assets	\$ 137,847,574	\$ 146,179,771	\$ 184,540,955	\$ 204,803,404	\$ 220,880,962	\$ 238,524,751	\$ 240,045,315	\$ 250,120,007	\$ 254,934,027	\$ 267,954,838
Restricted	27,732,503	24,900,902	22,973,206	26,661,694	19,595,692	23,445,586	38,265,536	36,359,546	35,585,010	43,139,357
Unrestricted	(3,861,326)	28,918,781	(6,892,683)	(10,534,184)	(967,307)	(3,227,254)	(64,685,977)	(50,573,897)	(37,082,450)	(35,648,916)
Total Primary government net position, before restatements	161,718,751	199,999,454	200,621,478	220,930,914	239,509,347	258,743,083	213,624,874	235,905,656	253,436,587	275,445,279
Restatement for capital assets and related accumulated depreciation	415,317	-	8,100,224	-	-	-	-	-	-	-
Total Primary government net position, as restated	\$ 162,134,068	\$ 199,999,454	\$ 208,721,702	\$ 220,930,914	\$ 239,509,347	\$ 258,743,083	\$ 213,624,874	\$ 235,905,656	\$ 253,436,587	\$ 275,445,279

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

(2) As restated.

CITY OF MARIETTA, GEORGIA
Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014 (3)	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 6,759,380	\$ 5,918,941	\$ 8,652,513	\$ 8,679,032	\$ 6,233,958	\$ 7,559,103	\$ 8,188,120	\$ 7,952,118	\$ 9,206,352	\$ 8,757,149
Public works	20,427,013	13,760,889	14,065,683	14,222,761	11,474,849	14,092,327	13,176,934	16,074,864	13,609,959	13,023,548
Culture and recreation	6,443,698	5,124,263	2,083,996	2,934,820	4,880,741	3,424,375	5,570,252	1,499,487	6,038,731	7,487,539
Public safety	29,165,513	30,378,175	31,887,909	33,226,781	28,223,036	29,703,965	32,169,792	31,630,707	31,880,793	30,751,899
Urban redevelopment and housing	5,862,864	6,046,710	6,353,078	5,879,557	8,479,642	5,736,850	5,327,162	3,223,937	566,221	308,498
Interest and fiscal charges on long-term debt	3,449,537	2,526,939	3,341,989	4,857,635	3,044,218	3,283,579	5,967,486	7,748,256	4,497,182	4,289,705
Total governmental activities expenses	72,108,005	63,755,917	66,385,168	69,800,586	62,336,444	63,800,199	70,399,746	68,129,369	65,799,238	64,618,338
Business-type activities:										
Water & sewer	21,209,559	24,501,021	25,731,472	25,841,087	26,522,197	24,818,835	24,381,449	25,867,064	27,194,492	26,356,016
Electric	85,707,753	84,808,669	85,525,058	90,902,721	95,208,435	98,205,498	99,007,588	105,790,514	107,285,496	108,162,578
Golf	1,890,486	1,725,593	1,599,511	1,577,086	1,497,289	1,527,110	1,476,978	1,431,661	1,391,698	1,386,467
Conference center	2,368,951	3,496,708	7,689,002	1,551,818	1,948,549	1,396,698	1,312,745	786,678	745,165	781,021
Total business-type activities expenses	111,176,749	114,531,991	120,545,043	119,872,712	125,176,470	125,948,141	126,178,760	133,875,917	136,616,851	136,686,082
Total Primary Government expenses	\$ 183,284,754	\$ 178,287,908	\$ 186,930,211	\$ 189,673,298	\$ 187,512,914	\$ 189,748,340	\$ 196,578,506	\$ 202,005,286	\$ 202,416,089	\$ 201,304,420
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 9,906,438	\$ 9,346,589	\$ 8,619,196	\$ 8,801,103	\$ 5,031,599	\$ 9,281,622	\$ 9,616,173	\$ 10,141,316	\$ 10,030,417	\$ 9,494,447
Judicial (1)	-	-	-	-	3,435,419	-	-	-	-	-
Public works	3,533,668	3,518,257	3,505,071	3,486,058	3,516,174	3,597,329	3,637,966	3,682,278	3,751,272	3,808,002
Culture and recreation	250,876	264,132	319,375	280,347	272,514	270,208	313,602	323,473	470,821	460,423
Public safety (2)	110,651	348,310	102,531	176,931	986,641	70,063	180,143	96,208	200,635	95,973
Urban redevelopment and housing	703,452	692,429	575,640	632,081	801,496	590,778	602,087	792,155	784,197	1,015,701
Operating grants and contributions	8,478,562	39,392,897	5,216,433	9,344,286	10,455,573	8,022,932	6,681,196	3,951,926	1,010,978	670,084
Capital grants and contributions	13,865,101	10,016,452	10,752,277	10,204,436	11,705,387	13,798,044	14,270,432	15,148,308	13,242,602	15,049,388
Total governmental activities program revenues	36,848,748	63,579,066	29,090,523	32,925,242	36,204,803	35,630,976	35,301,599	34,135,664	29,490,922	30,594,018
Business-type activities:										
Charges for services:										
Water & sewer	28,207,449	29,694,453	31,488,553	33,710,588	36,214,650	35,199,471	34,911,219	36,121,205	35,396,006	35,485,728
Electric	92,093,318	90,377,637	95,689,883	102,199,136	104,830,132	109,432,850	115,118,344	116,845,811	116,711,033	117,373,037
Golf	1,801,341	1,705,843	1,516,966	1,629,928	1,660,505	1,564,138	1,555,270	1,607,814	1,454,489	1,543,051
Conference center	1,644,720	1,726,505	1,942,774	2,240,303	2,247,086	2,204,531	2,152,537	2,047,529	1,936,747	1,850,935
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	777,567	661,994	237,175	77,154	-	-	-	765,710	254,845	1,917,109
Total business-type activities program revenues	124,524,395	124,166,432	130,875,351	139,857,109	144,952,373	148,400,990	153,737,370	157,388,069	155,753,120	158,169,860
Total Primary Government program revenues	\$ 161,373,143	\$ 187,745,498	\$ 159,965,874	\$ 172,782,351	\$ 181,157,176	\$ 184,031,966	\$ 189,038,969	\$ 191,523,733	\$ 185,244,042	\$ 188,763,878
Net (expense)/revenue										
Governmental activities	\$ (35,259,257)	\$ (176,851)	\$ (37,294,645)	\$ (36,875,344)	\$ (26,131,641)	\$ (28,169,223)	\$ (35,098,147)	\$ (33,993,705)	\$ (36,308,316)	\$ (34,024,320)
Business-type activities	13,347,646	9,634,441	10,330,308	19,984,397	19,775,903	22,452,849	27,558,610	23,512,152	19,136,269	21,483,778
Total Primary Government net expense	\$ (21,911,611)	\$ 9,457,590	\$ (26,964,337)	\$ (16,890,947)	\$ (6,355,738)	\$ (5,716,374)	\$ (7,539,537)	\$ (10,481,553)	\$ (17,172,047)	\$ (12,540,542)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 11,965,381	\$ 13,492,266	\$ 13,356,484	\$ 13,806,851	\$ 12,952,016	\$ 10,801,888	\$ 12,275,431	\$ 17,234,410	\$ 17,864,399	\$ 17,138,130
Insurance premium tax	3,211,100	3,288,021	3,257,172	3,162,511	2,653,793	2,818,772	2,918,570	3,052,816	3,261,605	3,535,199
Alcohol taxes	812,476	803,261	790,828	743,152	1,500,683	762,326	745,204	761,153	747,545	746,083
Hotel, motel tax	2,224,497	1,893,459	1,738,399	1,906,431	1,823,699	2,050,859	2,188,576	2,692,233	2,894,134	3,131,846
Franchise taxes	5,159,179	5,290,662	5,455,136	5,813,654	5,807,338	5,803,118	6,022,593	6,053,656	6,098,112	6,161,402
Auto rental tax	457,952	412,431	355,788	374,996	359,340	379,537	448,908	433,367	400,055	463,439
Unrestricted investment earnings	1,590,204	536,713	356,084	205,966	171,150	181,640	144,116	124,719	213,369	222,800
Gains on sale of capital assets	420,929	143,752	70,215	64,599	140,437	150,629	238,632	80,977	149,950	61,868
Miscellaneous	-	-	-	-	19,802	-	-	-	-	-
Operating grants not restricted	1,555,432	1,669,199	1,701,947	2,038,348	-	1,499,219	2,305,063	1,856,167	2,691,934	2,732,844
Contributions not restricted	-	-	-	-	-	-	-	-	-	-
Transfers	8,956,113	9,185,750	9,694,169	10,307,493	12,686,587	12,865,266	12,543,390	12,888,454	13,040,303	13,099,135
Total governmental activities	36,353,263	36,715,514	36,776,222	38,424,001	38,114,845	37,313,254	39,830,483	45,177,952	47,361,406	47,292,746
Business-type activities										
Unrestricted investment earnings	1,973,077	712,646	223,404	539,567	420,170	243,752	355,270	312,473	381,875	355,623
Gain on extinguishment of debt	-	-	168,042	-	-	-	-	-	-	-
Gain on sale of capital assets	139,800	165,386	112,862	444,084	66,295	258,370	172,919	160,364	-	-
Miscellaneous	-	-	-	-	182,252	-	-	-	-	-
Transfers	(8,956,113)	(9,185,750)	(9,694,169)	(10,307,493)	(12,686,587)	(12,865,266)	(12,543,390)	(12,888,454)	(13,040,303)	(13,099,135)
Total business-type activities	(6,843,236)	(8,307,718)	(9,189,861)	(9,323,842)	(12,017,870)	(12,363,144)	(12,015,201)	(12,415,617)	(12,658,428)	(12,743,512)
Total primary government	\$ 29,510,027	\$ 28,407,796	\$ 27,586,361	\$ 29,100,159	\$ 26,096,975	\$ 24,950,110	\$ 27,815,282	\$ 32,762,335	\$ 34,702,978	\$ 34,549,234
Changes in Net Position										
Governmental activities	\$ 1,094,006	\$ 36,538,663	\$ (518,423)	\$ 1,548,657	\$ 11,983,204	\$ 9,144,031	\$ 4,732,336	\$ 11,184,247	\$ 11,053,090	\$ 13,268,426
Business type activities	6,504,410	1,326,723	1,140,447	10,660,555	7,758,033	10,089,705	15,543,409	11,096,535	6,477,841	8,740,266
Total primary government	\$ 7,598,416	\$ 37,865,386	\$ 622,024	\$ 12,209,212	\$ 19,741,237	\$ 19,233,736	\$ 20,275,745	\$ 22,280,782	\$ 17,530,931	\$ 22,008,692

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

(2) 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

(3) FY2014 has been restated and the effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

CITY OF MARIETTA, GEORGIA
Fund Balances of Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015 (2)	2016	2017
General fund										
Reserved	\$ 2,335,327	\$ 1,645,272	\$ 18,104,875	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	14,374,838	14,810,512	12,168,488	-	-	-	-	-	-	-
Nonspendable	-	-	-	20,447,186	30,427,927	24,721,508	22,599,441	20,584,016	18,707,797	16,960,351
Restricted	-	-	-	2,661,721	-	3,674,750	4,049,761	3,930,085	1,853,575	1,422,236
Committed	-	-	-	9,388	-	9,220	2,487,509	730,439	756,194	38,743
Assigned	-	-	-	1,579,824	2,639,573	5,037,697	3,073,354	5,003,127	5,474,788	3,540,477
Unassigned	-	-	-	16,587,222	16,778,594	15,184,547	15,680,317	15,253,550	13,853,847	13,976,083
Total general fund	<u>\$16,710,165</u>	<u>\$ 16,455,784</u>	<u>\$ 30,273,363</u>	<u>\$ 41,285,341</u>	<u>\$ 49,846,094</u>	<u>\$ 48,627,722</u>	<u>\$ 47,890,382</u>	<u>\$ 45,501,217</u>	<u>\$ 40,646,201</u>	<u>\$ 35,937,890</u>
All other governmental funds										
Reserved	\$ 7,725,291	\$ 11,650,875	\$ 10,966,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	6,708,071	6,728,922	4,976,070	-	-	-	-	-	-	-
Capital projects funds	16,867,435	10,249,776	54,792,285	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	598,338	-	-	-	333,899	1,000,565
Restricted reported in:										
Debt Service fund	-	-	-	5,492,241	8,447,852	6,136,954	5,613,872	3,679,851	3,735,949	4,098,027
Culture & Recreation	-	-	-	-	-	-	3,431	61,515	-	-
Public safety	-	-	-	-	5,208	-	5,208	5,208	-	-
Public works	-	-	-	-	194,397	-	-	1,597,254	-	-
Special revenue funds	-	-	-	4,960,313	1,086,843	2,813,251	2,504,827	77,675,820	1,318,358	1,617,011
Capital projects funds	-	-	-	44,356,460	27,322,837	28,372,332	80,017,545	-	53,066,158	40,590,300
Assigned for:										
Capital projects funds	-	-	-	-	383,634	-	-	-	-	-
Unassigned	-	-	-	-	(1,561)	(1,130)	(8,076)	(6,396)	(7,557)	(18,761)
Total all other governmental funds	<u>\$ 31,300,797</u>	<u>\$ 28,629,573</u>	<u>\$ 70,734,602</u>	<u>\$ 54,809,014</u>	<u>\$ 38,037,548</u>	<u>\$ 37,321,407</u>	<u>\$ 88,136,807</u>	<u>\$ 83,013,252</u>	<u>\$ 58,446,807</u>	<u>\$ 47,287,142</u>
Total for all governmental funds	<u>\$ 48,010,962</u>	<u>\$ 45,085,357</u>	<u>\$ 101,007,965</u>	<u>\$ 96,094,355</u>	<u>\$ 87,883,642</u>	<u>\$ 85,949,129</u>	<u>\$ 136,027,189</u>	<u>\$ 128,514,469</u>	<u>\$ 99,093,008</u>	<u>\$ 83,225,032</u>

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

(2) As restated.

CITY OF MARIETTA, GEORGIA
Changes in Fund Balances of Governmental Funds (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014 (3)	2015 (3)	2016	2017
Revenues										
Taxes	\$ 24,680,800	\$ 25,097,088	\$ 24,825,094	\$ 25,789,789	\$ 25,526,909	\$ 22,764,560	\$ 24,619,161	\$ 30,197,155	\$ 31,333,064	\$ 31,197,627
Licenses and permits	6,227,731	5,799,547	5,297,444	5,410,991	4,947,171	5,608,232	5,972,483	6,481,853	6,638,511	6,747,151
Intergovernmental	25,074,095	22,251,684	22,487,098	24,354,587	24,834,702	25,378,123	25,164,408	20,882,154	18,496,475	20,068,538
Charges for services	4,053,167	4,164,491	4,192,418	4,096,531	4,027,807	4,193,859	4,275,790	4,345,871	4,550,188	4,643,184
Fines and forfeits	3,797,209	3,538,722	3,255,124	3,257,284	4,326,335	4,074,134	4,241,668	4,534,974	3,933,335	3,365,021
Contributions	-	-	-	-	27,998	-	-	-	-	-
Investment earnings	2,018,377	697,609	263,223	160,027	195,184	198,129	167,139	161,333	231,195	296,411
Other	616,345	800,914	482,496	710,401	750,933	678,843	823,233	503,323	852,382	453,405
Total revenues	<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>	<u>67,106,663</u>	<u>66,035,150</u>	<u>66,771,337</u>
Expenditures										
General government	7,435,676	7,633,637	7,450,955	7,416,234	6,103,201	7,171,903	7,381,699	7,607,877	7,428,774	8,410,985
Public works	8,027,775	8,153,184	7,363,184	7,241,032	8,082,753	10,821,919	9,873,436	9,254,237	8,488,685	11,688,171
Culture and recreation	4,931,066	4,707,715	4,298,902	3,976,597	5,168,657	5,956,253	6,452,181	6,708,918	8,060,079	7,825,006
Urban redevelopment and housing	6,665,677	25,439,147	24,645,422	26,079,452	8,410,219	5,742,352	5,333,941	3,229,858	566,221	308,498
Public safety	25,901,142	6,046,710	6,353,078	5,879,557	25,575,436	24,934,175	26,419,150	28,393,032	30,469,200	28,493,773
Capital (2)	7,778,531	-	-	-	552,046	-	-	-	-	-
Debt service										
Principal	5,287,265	6,189,683	7,547,336	12,521,801	13,682,316	7,123,926	7,351,677	10,300,620	10,510,806	9,797,290
Interest	4,789,241	2,824,304	3,316,004	4,574,266	4,145,343	3,678,795	3,463,615	5,967,106	5,237,507	4,832,952
Fiscal agent fees and bond issuance costs	186,933	-	-	-	-	-	1,771,188	299,261	3,000	241,017
Capital projects (2)	<u>2,780,066</u>	<u>12,863,322</u>	<u>14,363,860</u>	<u>9,225,953</u>	<u>12,489,605</u>	<u>10,892,409</u>	<u>27,778,808</u>	<u>14,339,631</u>	<u>35,962,745</u>	<u>22,181,189</u>
Total expenditures	<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>95,825,695</u>	<u>86,100,540</u>	<u>106,727,017</u>	<u>93,778,881</u>
Excess of revenues over (under) expenditures	(7,315,648)	(11,507,647)	(14,535,844)	(13,135,282)	(19,572,537)	(13,425,852)	(30,561,813)	(18,993,877)	(40,691,867)	(27,007,544)
Other financing sources (uses)										
Transfers in	15,729,197	15,845,087	28,461,017	28,990,961	25,518,231	17,210,324	20,890,438	17,908,830	19,899,018	18,524,265
Transfers out	(7,750,252)	(7,406,797)	(19,480,109)	(21,422,751)	(14,270,528)	(5,869,614)	(10,303,561)	(6,918,645)	(8,778,562)	(7,687,582)
Sale of capital assets	425,157	143,752	70,215	64,599	140,437	150,629	238,632	184,500	149,950	61,868
Bond proceeds/refunding bonds issued	49,985,000	-	102,108,385	-	-	-	68,000,000	15,970,000	-	12,700,000
Premium on bonds issued	-	-	-	-	-	-	1,814,364	1,431,052	-	3,194,423
Payment to refunded bond escrow agent	(38,550,000)	-	(40,701,056)	-	-	-	-	(17,094,580)	-	(15,653,406)
Total other financing sources (uses)	<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>	<u>11,481,157</u>	<u>11,270,406</u>	<u>11,139,568</u>
Net change in fund balances	<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>\$ 50,078,060</u>	<u>\$ (7,512,720)</u>	<u>\$ (29,421,461)</u>	<u>\$ (15,867,976)</u>
Debt service as a percentage of noncapital expenditures (1)	15.16%	13.12%	17.89%	27.82%	24.46%	17.57%	16.01%	23.10%	23.30%	22.42%

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

(2) Restated amounts from capital in 2012 that are reflected in prior year financials as capital projects.

(3) As restated.

CITY OF MARIETTA, GEORGIA
General Governmental Tax Revenues by Sources (Unaudited)
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year Ended (1) June 30	Property Tax	Intangible Tax	Alcoholic Beverage Excise Tax	Hotel Motel Tax	Real Estate Transfer Tax	Other	Total
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
2015	22,689,188	195,128	761,153	2,679,751	79,348	3,792,586	30,197,155
2016	23,501,353	296,335	747,545	2,901,727	105,489	3,780,614	31,333,064
2017	22,738,419	402,225	746,083	3,131,846	113,781	4,065,273	31,197,627

(1) 2008 - 2017: Includes all governmental funds

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					
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	32,478,129	172,043,250	2,813,610,604	4.683	7,034,026,510	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%
2014	2,341,850,786	165,637,041	305,177,564	38,595,098	103,053,903	2,748,206,586	6.050	6,870,516,465	40.00%
2015	2,465,892,136	97,002,822	321,842,534	37,213,498	112,780,812	2,809,170,178	6.050	7,022,925,445	40.00%
2016	2,616,257,176	70,018,233	338,987,893	35,136,701	152,626,180	2,907,773,823	5.618	7,269,434,558	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 (Unaudited)
Last Ten Fiscal Years

Fiscal Year	City of Marietta				Cobb County			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	Marietta City Schools	Total Direct & Overlapping Rates	Operating Millage
								Operating Millage		
2008	2.788	1.82	0.08	4.683	6.82	0.22	7.04	17.97	29.70	2.38
2009	2.788	1.82	0.08	4.683	6.82	0.22	7.04	17.97	29.70	2.38
2010	2.788	1.82	0.08	4.683	6.82	0.22	7.04	17.97	29.70	2.09
2011	2.788	2.37	0.08	5.233	6.82	0.22	7.04	17.97	30.24	2.09
2012	2.788	2.37	0.08	5.233	7.72	0.33	8.05	17.97	31.25	2.09
2013	2.788	1.18	0.08	4.046	7.72	0.33	8.05	19.16	31.25	2.09
2014	2.788	1.18	0.08	4.046	7.32	0.33	7.65	17.97	31.67	2.07
2015	2.788	3.18	0.08	6.048	7.12	0.33	7.45	17.97	31.47	2.07
2016	2.788	3.18	0.08	6.048	7.12	0.33	7.45	17.97	31.47	2.07
2017	2.788	2.75	0.08	5.618	6.66	0.23	6.89	17.97	30.48	1.82

(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)
Current Year and Nine Years Ago

Taxpayer	Type of Business	2017			2008		
		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	\$ 15,320,000	1	0.53%			
Kenneston Outpatient Pavillion	Hospital	15,125,680	2	0.52%			
Lakeside 358 LLC	Real Estate	14,516,000	3	0.50%			
Bellsouth Telecom./ AT&T	Telephone	11,921,441	4	0.41%	\$ 18,912,070	1	0.71%
Winterset at East Cobb, LLC	Real Estate	11,629,920	5	0.40%			
C W Matthews Contracting Co.	Commercial	10,502,377	6	0.36%	17,298,510	2	0.65%
Ashford Retreat LLC	Real Estate	9,205,200	7	0.32%			
Kennestone Physicians Center I	Hospital	9,200,000	8	0.32%			
FPA/WC Aylesbury LLC	Real Estate	8,696,520	9	0.30%			
Rauls Property I LLC	Real Estate	8,156,960	10	0.28%			
Bells Ferry Corp.	Real Estate				15,412,320	3	0.58%
Sterling Town Center Apartments	Commercial				12,872,480	4	0.49%
Stewart & Stevenson Tug	Commercial				11,350,630	5	0.43%
Atlanta Parkway Investment Group I	Real Estate				10,779,584	6	0.41%
Atlanta Parkway Investment Group II	Real Estate				10,736,552	7	0.40%
Bel EQR IV LP	Attorney				8,843,800	8	0.33%
Wellstar Health System, Inc.	Hospital				8,662,480	9	0.33%
Jasmiine At Powers Ferry LLC	Commercial				8,189,000	10	0.31%
Totals		<u>\$ 114,274,098</u>		<u>3.93%</u>	<u>\$ 123,057,426</u>		<u>4.33%</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
2007	\$ 11,407,894	\$ (1,515)	\$ 11,406,379	\$ 11,273,654	98.82%	\$ 132,372	\$ 11,406,026	100.00%
2008	12,147,888	(11,349)	12,136,539	11,853,331	97.58%	279,295	12,132,626	99.97%
2009	11,987,687	(60,127)	11,927,560	11,660,045	97.27%	249,083	11,909,128	99.85%
2010	12,416,512	(35,721)	12,380,791	12,111,605	97.54%	247,613	12,359,218	99.83%
2011	11,708,773	7,156	11,715,929	11,512,240	98.32%	192,053	11,704,293	99.90%
2012	9,051,308	30,748	9,082,056	8,955,792	98.94%	118,412	9,074,204	99.91%
2013	9,177,751	(170,308)	9,007,443	8,896,794	96.94%	99,355	8,996,149	99.87%
2014	13,839,758	(8,154)	13,831,604	13,734,435	99.24%	92,491	13,826,926	99.97%
2015	14,622,278	312,361	14,934,639	14,542,338	99.45%	57,681	14,600,019	97.76%
2016	14,566,717	-	14,566,717	14,226,427	97.66%	-	14,226,427	97.66%

CITY OF MARIETTA, GEORGIA
Water and Wastewater Rate History (Residential) (Unaudited)
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)
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	*
2015	2,459	13.00	2.89	4.64	5.80	9.28	15.10	7.55	*
2016	** 2,431	13.00	3.00	4.75	5.91	9.39	15.10	7.55	*
2017	2,415	13.00	3.00	4.75	5.91	9.39	15.10	7.55	*

Source: City of Marietta utility department

* No rate for that Tier during that time

**Water consumption includes irrigation and commercial which are billed at separate rates.

(1) 0 - 2,000 gallons

(2) Water Tier Definition (in thousand gallons)

Wastewater Tier Definition (in thousand gallons)

	Tier 1	Tier 2	Tier 3	Tier 4	Tier 1	Tier 2
2008	>2	*	*	*	>2	*
2009 - 2011	>2-7	>7 -12	>12	*	>2	*
2012 - 2017	0-2	>2-7	>7 -12	>12	>2	*

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

Fiscal Year	Total Kilowatt Hours Sold (millions) (4)	Total Direct Rate							
		Summer (June through September)				Winter (October through May)			
		Base Rate	Tier 1	Tier 2	Tier 3	Base Rate	Tier 1	Tier 2	Tier 3
		(1)	(2)	(3)	(1)	(2)	(3)		
2008	1,094	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2009	1,031	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2010	1,046	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2011	1,083	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2012	1,027	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2013	998	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2014	1,009	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2015	1,014	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2016	1,017	8.000	0.070	0.087	0.102	8.000	0.070	0.054	0.054
2017	1,032	8.000	0.070	0.087	1.102	8.000	0.070	0.054	0.054

Source: City of Marietta utility department

Tiers:

- (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
- (4) Total Kilowatt hours sold for both residential and commercial customers

CITY OF MARIETTA, GEORGIA
Principal Electric Revenue Customers (Unaudited)
Current Year and Nine Years Prior

Customer Name	Type of Business	2017			2008		
		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	64,878,374	1	6.29%	46,865,740	1	4.29%
Cobb County Government	Government	26,573,231	2	2.57%	23,984,630	2	2.19%
Kennesaw State University	School	23,351,022	3	2.26%	12,218,400 *	6	1.12%
Tip Top Poultry	Commercial	15,721,681	4	1.52%	8,168,400	8	0.75%
Lockheed Martin	Commercial	15,453,146	5	1.50%	18,791,867	3	1.72%
Marietta City Schools	Commercial	13,893,886	6	1.35%	15,762,639	4	1.44%
Marietta DC, LLC	Commercial	13,503,880	7	1.31%			
Life University	Commercial	10,070,013	8	0.98%			
Kroger	Commercial	9,375,600	9	0.91%			
Southern Ice Cream	Commercial				13,732,200	5	1.26%
City of Marietta	Government	8,830,027	10	0.86%	11,538,091	7	1.05%
Cobb County Board of Education	Commercial				7,911,004	9	0.72%
Lasalle Partners Management	Commercial				7,074,400	10	0.65%
Totals		<u>201,650,860</u>		<u>19.54%</u>	<u>166,047,371</u>		<u>15.18%</u>

Source: City of Marietta utility department

* Formerly known as Southern Polytechnical University

CITY OF MARIETTA, GEORGIA
Ratios of Outstanding Debt by Type (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business Type Activities			Total Premiums, Discounts, & Adjustments ***	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				
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	6.76%	1,779
2012	47,290,000	- **	6,274,180	29,365,000	413,103	- *	2,736,490	105,779	***	86,184,552	5.64%	1,480
2013	42,285,000	- **	5,685,914	27,895,000	352,443	- *	2,094,326	169,057	***	77,487,495	4.98%	1,319
2014	105,140,000	- **	5,072,999	26,365,000	288,681	- *	1,432,162	117,218	6,061,425	144,477,485	9.58%	2,442
2015	98,540,000	- **	4,434,403	24,755,000	221,657	- *	755,000	253,207	5,837,871	134,797,138	8.97%	2,255
2016	90,440,000	- **	3,769,050	23,080,000	151,204	- *	-	197,503	5,150,616	122,788,373	8.32%	2,079
2017	83,170,000	- **	3,075,818	20,435,000	77,147	- *	-	136,395	6,622,015	113,516,375	7.00%	1,863

* - In FY2010 Conference Center Bonds were cancelled.

** - In FY2012 SPLOST Bonds were paid in full.

*** - Information prior to FY2014 is not readily available.

CITY OF MARIETTA, GEORGIA
Ratios of General Bonded Debt Outstanding (Unaudited)
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds, Net of Related Premiums, Discounts, & Adjustments *	Less: Amounts Available in Debt Service Fund	Net Bonded Debt		
2008	\$ 51,255,000 *	\$ 3,658,389	\$ 47,596,611	0.66%	\$ 770
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%	884
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	42,285,000 *	6,136,954	36,148,046	0.52%	615
2014	111,302,044	5,613,872	105,688,172	1.47%	1,786
2015	102,868,046	3,679,851	99,188,195	1.38%	1,659
2016	94,224,878	3,735,949	90,488,929	1.23%	1,532
2017	86,417,605	4,098,027	82,319,578	1.13%	1,351

* - Information prior to FY2014 is not readily available for premiums, discounts, & adjustments

CITY OF MARIETTA, GEORGIA
Direct and Overlapping Governmental Activities Debt (Unaudited)
As of June 30, 2017

<u>Governmental Unit</u>	<u>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 General Obligation Bonds	\$ 26,885,000	11.42%	\$ 3,069,357
Total Overlapping General Obligation Debt	26,885,000		3,069,357
Overlapping Guaranteed Revenue Debt:			
Cobb County Revenue Bonds	466,860,000	11.42%	53,299,612
Cobb County Parking Deck Certificates	8,415,000	11.42%	960,708
Cobb County Anticipation Bonds	5,820,000	11.42%	664,447
Total Overlapping Guaranteed Revenue Debt	481,095,000		54,924,767
Total Overlapping Debt	507,980,000	11.42%	57,994,124
Total Direct Debt	106,680,818	100.00%	106,680,818
Total Direct and Overlapping Debt	<u>\$ 614,660,818</u>		<u>\$ 164,674,942</u>
Debt Per Capita:			
Direct City Debt			\$ 1,751
Overlapping General Obligation Debt			50
Overlapping Guaranteed Revenue Debt			901
Total Debt Per Capita			<u>\$ 2,702</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit: 10 percent of assessed value	\$284,573,182	\$ 301,902,203	\$ 298,565,385	\$ 299,026,224	\$ 285,333,372	\$ 278,466,088	\$ 279,255,101	\$ 285,126,049	\$ 292,195,099	\$ 306,040,000
Total net debt applicable to limit	<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>	<u>98,540,000</u>	<u>90,440,000</u>	<u>83,170,000</u>
Legal Debt margin	<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>	<u>\$ 186,586,049</u>	<u>\$ 201,755,099</u>	<u>\$ 222,870,000</u>
Total net debt applicable to the limit as a percentage of debt limit	18.01%	14.94%	20.38%	17.91%	16.57%	15.18%	37.65%	34.56%	30.95%	27.18%

Legal Debt Margin Calculation for Fiscal Year 2017

Total taxable assessed value	\$ 2,907,773,823
Add back: exempt real property	<u>152,626,180</u>
Total assessed value	<u>3,060,400,003</u>
Debt limit (10% of total assessed value)	306,040,000
Debt applicable to limit:	
General obligation bonds	<u>83,170,000</u>
Legal debt margin	<u>\$ 222,870,000</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 and 2016 (4)			
	Operating Revenues	Principal	Interest	Coverage	TAD Revenues (5)	Principal	Interest	Coverage	Operating Revenues	Principal	Interest	Coverage
2008	\$ 1,644,720	\$ 940,000	\$ 1,355,580	0.72	\$ 697,441	*	\$ 351,960	1.98	\$ -	\$ -	\$ -	-
2009	1,726,505	990,000	1,921,319	0.59	773,249	499,195	351,960	0.91	-	-	-	-
2010	-	-	-	0.00 (3)	845,920	520,111	331,044	0.99	1,942,774	-	-	-
2011	-	-	-	0.00	930,260	541,904	309,251	1.09	2,240,303	865,000	1,384,731	1.00
2012	-	-	-	0.00	670,249	564,610	286,545	0.79	9,251,322	1,430,000	1,350,306	3.33
2013	-	-	-	0.00	510,627	588,266	262,889	0.60	2,204,531	1,470,000	1,299,456	0.80
2014	-	-	-	0.00	486,732	612,915	238,240	0.57	2,152,537	1,530,000	1,230,850	0.78
2015	-	-	-	0.00	386,124	638,596	212,559	0.45	2,047,528	1,610,000	1,159,444	0.74
2016	-	-	-	0.00	557,407	665,353	185,804	0.65	1,936,747	1,675,000	1,084,322	0.70
2017	-	-	-	0.00	920,797	693,232	157,923	1.08	2,812,733	1,760,000	897,813	1.06

(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.

(5) Adjusted revenues for prior years to reflect revenues for TAD District CCSR only

* First Tax allocation bond principal payment was due in FY2009

CITY OF MARIETTA, GEORGIA
Demographic and Economic Statistics (Unaudited)
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>
2008	61,829	\$ 1,567,303	\$ 25,349	33.7	7,638	5.2
2009	62,150	1,585,265	25,507	32.2	7,869	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	25,483	34.0	8,694	7.8
2015	59,781	1,503,256	25,146	33.8	8,879	5.7
2016	59,067	1,475,494	24,980	32.9	8,712	5.0
2017	60,941	1,622,067	26,617	32.9	8,752	4.2

(1) Population and age demographic sources: Claritas estimates for years 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. The Neilson Company (estimate) 2014. ESRI (estimates) 2015 and 2016, 2017, US Census Bureau 2016 Population Estimates 2017.

(2) Income sources: Claritas estimates for years 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. the Neilson Company (estimates) 2014. ESRI (estimates) 2015 and 2016, US Census Bureau 2016 Population Estimates 2017.

(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 (Unaudited)
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of Total City Employment²</u>	<u>Employees³</u>	<u>Rank</u>	<u>Percentage of Total City Employment²</u>
Lockheed Martin Aeronautical Systems	8,200	1	23.31%			
Dobbins Air Reserve Base	4,500	2	12.79%			
Wellstar Kennestone Hospital	4,255	3	12.10%	3,720	1	10.58%
Cobb County Public Safety	2,500	4	7.11%			
Cobb County Government	1,630	5	4.63%	1,100	9	3.13%
Tip Top Poultry	1,400	6	3.98%	1,400	5	3.98%
Cobb County Board of Education	1,342	7	3.81%			
Marietta City Schools	1,250	8	3.55%	1,264	8	3.59%
C.W. Matthews Contracting, Inc.	1,022	9	2.91%	1,300	7	3.70%
Marietta Technology Center (HomeDepot)	849	10	2.41%			
Matria Healthcare				2,600	2	7.39%
YKK Corp of America				2,400	3	6.82%
Solvay Pharmaceuticals				1,700	4	4.83%
Columbian Chemical Company				1,350	6	3.84%
Power Industry Consultants				1,000	10	2.84%
	<u>26,948</u>		<u>76.61%</u>	<u>17,834</u>		<u>50.70%</u>

- 1 ReferenceUSA , Businesses
- 2 Georgia Department of Labor
- 3 Meag Power

Source: <http://www.referenceusa.com.ezproxy.cobbcounty.org/UsBusiness>
 2017: Reference USA from infogroup/Reference Division; City of Marietta Personnel; Dobbins Airforce Base Website, Personnel; Cobb County Public Schools

CITY OF MARIETTA, GEORGIA
Full-time City Government Employees by Function (Unaudited)
Last Ten Fiscal Years

Function	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government										
Elected officials	8	8	8	8	7	7	8	8	8	8
City clerk	3	3	3	3	3	3	3	3	3	3
Municipal court	16	14	14	16	14	14	18	13	17	17
City manager	7	7	6	6	6	6	7	7	6	6
Mayor staff	1	1	1	1	1	1	1	1	1	1
Finance	23	26	26	26	26	26	25	26	26	30
Human Resources	8	8	9	9	9	9	10	9	9	9
Develop. servs and Sect. 8 ¹	31	32	30	31	30	30	27	21	20	20
Public works										
Admin. & Engineering	7	8	9	10	10	10	9	12	9	9
Building Inspection	8	8	7	7	7	7	7	8	8	9
Environmental Services	42	39	38	38	36	33	36	32	32	34
Streets & Traffic	39	38	38	37	37	37	36	32	31	34
Public safety										
Police										
Officers	132	124	129	134	127	127	128	132	135	135
Civilians	33	30	31	31	34	34	36	37	38	38
Fire										
Firefighters & officers	131	132	132	129	127	127	127	126	132	125
Civilians	4	3	3	3	3	3	3	3	3	3
Parks, Recreation & Facilities										
Recreation	11	11	11	11	9	9	11	11	10	22
Property maintenance	17	16	16	14	14	14	15	15	16	18
Cemetery maintenance	1	1	1	2	2	2	2	2	2	2
BLW Board										
Electric	6	6	6	6	5	5	5	5	5	5
Information Technology	127	131	126	129	129	129	130	126	129	131
Water/sewer	20	20	20	20	19	19	21	20	22	21
Fleet maintenance	41	41	42	42	40	40	41	41	42	39
Fleet maintenance	13	14	14	14	14	14	15	14	13	12
Total	729	721	720	727	709	706	721	704	717	731

¹ Section 8 division closed in FY2015
Source: City of Marietta.

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Police:										
Murder	4	3	4	4	3	5	6	10	2	3
Robbery	268	231	192	147	125	137	121	149	128	111
Aggravated assault	189	120	172	156	150	120	107	103	84	93
Motor vehicle theft	393	254	210	193	194	173	201	154	157	170
Burglary	636	604	690	715	622	460	428	323	349	319
Larceny	1,858	1,802	1,922	1,961	1,934	1793	2,092	1,939	1,892	1,686
Fire:										
Calls for service	10,496	10,076	10,880	10,362	10,006	10,592	10,676	11,811	12,768	13,550
Fires	297	220	301	236	285	234	224	248	258	269
Structure fires	75	77	77	70	60	96	77	53	54	44
EMS calls	3,803	4,135	4,605	5,217	5,415	6,330	6,878	3,455	4,298	7,392
Fire investigations	77	76	67	77	67	71	68	58	36	23
Plan reviews of commercial property	416	482	414	418	431	348	467	432	714	948
Public Works/Engineering/Inspections:										
Highways and streets										
Street resurfacing (miles)	12.1	13.5	6.4	2.5	6.9	8.8	8	8	7	12.9
Pedestrian signals installed	10	1	16	13	6	4	3	11	3	6
Signalized intersections installed/upgraded	6	27	8	7	57	122	19	10	3	116
Engineering/building inspections										
Site plans reviewed	118	95	68	65	52	105	118	95	161	274
Grading permits issued	173	84	119	148	150	154	244	238	285	309
Permits issued (building and trade)	4,767	4,814	3,811	4,776	4,315	3,568	4,449	4,745	4,167	4,024
Inspections	12,039	11,913	10,347	12,418	10,803	8,991	10,983	12,489	12,713	12,113
Sanitation										
Tons of residential waste landfilled	18,955	17,124	15,579	16,061	15,967	13,303	15,184	15,358	18,884	17,219
Tons of residential waste recycled	6,391	7,445	7,440	8,060	7,852	6,096	6,362	6,444	11,884	6,212

(Continued)

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Parks, recreation, and facilities:										
Parks and recreation										
Senior games participants	222	250	300	254	0	0	0	0	0	0
Summer day camp participants	1,018	814	640	702	80	120	720	315	347	210
Youth basketball participants	380	340	360	335	299	303	291	330	342	296
Youth track participants	100	0	0	0	0	0	0	0	0	0
Adult basketball teams	11	12	12	8	4	0	0	0	0	0
Concerts on the Square	17	19	16	19	18	17	16	16	16	15
Festivals on the Square	4	7	8	6	9	10	8	9	9	9
Facilities										
Inspections	3,659	400	400	427	400	413	408	410	413	415
Work orders	3,121	1,580	1,450	1,520	1,510	1,515	1,520	1,525	1,550	1,625
Vandalism incidents	210	39	32	7	10	8	9	8	10	11
Development Services:										
Code enforcement cases	5,167	6,431	6,409	6,007	5,800	3,106	6,000	5,640	6,000	5,130
Citations issued	36	47	62	42	28	121	30	30	45	23
Sign permits issued	282	393	451	383	383	362	385	374	388	422
Rezoning applications processed	19	20	14	13	12	27	23	37	33	35
Variance applications processed	32	37	31	37	42	58	38	63	46	46
Plats reviewed	51	45	20	29	33	33	37	54	74	67
Building permits reviewed	1,511	1,118	1,168	1,271	1,271	1,358	3,531	1,839	4,280	1,896
Human Resources:										
Number of open positions	121	74	73	61	66	75	98	92	123	166
Number of applications received	5,733	3,342	4,649	3,581	3,885	2,964	2,955	2,447	2,730	3,336
Pension applications received and approved	25	32	20	20	28	30	34	34	44	70
Finance:										
Tax payments processed	20,460	20,775	20,703	20,642	20,579	20,540	20,507	20,616	19,317	20,792
Value of tax payments (millions)	58.8	62.5	61.6	57.9	54.0	53.3	51.7	56.8	54.5	56.4
Property tax exemption forms	8,418	8,455	8,631	8,502	8,340	8,288	8,165	8,105	8,130	8,112
Purchase orders processed	2,107	2,113	1,974	1,964	1,961	2,128	2,059	1,720	1,732	1,805
Active vendors	6,439	6,687	6,996	7,400	7,400	7,930	3,146	3,617	4,472	4,810
Business licenses issued	8,098	7,276	8,379	8,399	8,340	8,434	8,762	8,643	8,948	8,944

(Continued)

CITY OF MARIETTA, GEORGIA
Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Municipal Court:										
Traffic citations filed	17,114	14,146	15,698	18,524	15,617	14,968	16,837	17,974	19,537	18,489
Red light citations filed	26,882	21,641	20,197	17,364	14,746	17,101	18,103	18,663	18,503	8,598
Parking citations filed	4,160	4,255	4,687	4,317	4,743	4,412	4,399	4,355	3,639	4,056
Cases filed	13,321	11,755	12,594	14,237	12,691	12,732	13,724	14,673	13,390	12,700
Non-jury trials	957	1,011	990	1,256	1,022	1,068	829	800	676	652
New probationers	631	673	722	712	829	721	777	719	567	490
Electric:										
New customer work orders	551	150	144	121	20	100	100	250	269	258
Lighting repair work orders	1,847	1,800	1,733	1,517	1,538	1,700	1,600	1,497	1,666	1,592
Line clearance (miles)	100	110	98	94	135	175	196	182	162	157
Trees removed on system	225	315	298	594	587	465	550	428	491	848
Meter site audits	350	400	463	460	513	450	450	361	348	334
Transformer infrared scanning	220	250	407	503	503	500	525	618	549	607
Electric customers	46,032	46,477	46,525	46,309 *	46,437	46,287	46,887	46,621	46,443	46,736
Kilowatt hours sold (millions)	1,094	1,038	1,046	1,083	1,027	998	1,008	1,014	1,017	1,032
Water & sewer:										
New meter installs	78	33	38	42	104	63	175	119	149	142
Large water main replacements (feet)	5,000	6,660	9,515	6,694	3,918	3,542	0	5,438	1,882	5,699
Water line replacements (feet)	6,100	6,257	6,082	3,563	4,753	8,986	0	766	5691	4380
Sewer main rehabilitation (feet)	2,800	12,774	6,589	5,102	0	4,354	216	0	6080	625
Major sanitary sewer overflows	0	0	0	0	1	0	0	0	0	0
Backflow device inspections	469	457	760	616	809	853	751	822	816	737
Utility locates	3,625	3,536	3,662	2,252	2,718	4,359	4,282	4,594	4,739	4,428
Gallons of grease removed from traps	715,234	658,174	597,253	703,394	716,167	675,935	637,727	591,108	498,050	479,272
Valves exercised	0	0	284	253	279	0	409	576	107	19
Plan reviews	35	64	95	18	30	17	35	35	33	29
Work orders completed	5,812	5,613	5,361	4,707	4,883	5,055	5,138	4,583	4,576	4,690
Water accounts	18,073	18,441	17,710	17,684	17,718	17,918	17,953	18,086	18,124	18,260
Water gallons sold (million)	3,001	2,626	2,533	2,644	2,658	2,565	2,483	2,459	2,517	2,523
Sewer accounts	16,782	16,569	16,437	16,381	15,039	16,602	16,680	16,808	16,835	16,962
Sewer gallons (millions)	2,708	2,430	2,567	2,381	2,177	2,325	2,298	2,334	2,276	2,277

* - revised

Source: Various City of Marietta departments

CITY OF MARIETTA, GEORGIA
Capital Asset Statistics by Function (Unaudited)
Last Ten Fiscal Years

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	99	108	104	116	131	101	104	116	128	154
Fire Stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	15	15	15	15	15	17	19	19	22	18
Highways and streets										
Streets(miles)	223.7	222.1	216.8	216.6	220	218.1	218.03	218.3	217.16	218.52
Streetlights	7,824	7,748	7,665	7,660	7,741	7,736	8,190	8,359	8,410	7,834
Traffic signals	104	105	104	104	104	105	109	110	110	116
Culture and recreation										
Parks acreage	310	310	310	310	373	402.7	406.3	405.2	408.8	385.28
Parks & Greenspace	20	22	22	22	32	37	37	37	38	39
Swimming pools *	1	1	1	1	1	1	0	0	0	0
Tennis courts	23	19	19	19	21	21	21	22	20	20
Community centers	2	2	2	2	2	3	3	3	2	2
Water										
Water mains (miles)	318.8	326.9	328.0	331.6	334	338.2	339	338.4	339.1	341.7
Fire hydrants	2,385	2,594	2,619	2,626	2,660	2,712	2,736	2908	2865	2893
Water pump stations	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewer mains (miles)	285.2	293.8	298.0	300.9	303	303.2	295	295.3	302.8	299
Storm sewers(miles)	230.0	232.2	232.2	232.2	232	230	230	230	230	230
Wastewater pump stations	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	21	21	20	21	21	21	21	21	21	21
Miles of service lines	585	588	590	590	590	590	591	592	593	590
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

* - Swimming pool closed during FY09 and demolished in FY14

SPECIAL REPORTS SECTION

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**CITY OF MARIETTA, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues	Expenditures *	Percentage Expended
\$ 3,128,429	\$ 3,128,429	100.00%

* Expended in General Fund

**CITY OF MARIETTA, GEORGIA
 3 PERCENT CAR RENTAL TAX
 SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Revenues	Expenditures *	Percentage Expended
\$ 463,189	\$ 463,189	100.00%

* Expended in General Fund

CITY OF MARIETTA, GEORGIA
1 PERCENT SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
1994:						
Road Improvement Program	\$ 24,239,000	\$ 23,311,166	\$ 23,257,720	\$ -	\$ 23,257,720	99.77%
2005:						
800 MHz Radios	\$ 2,519,952	\$ 1,409,151	\$ 1,240,152	\$ -	\$ 1,240,152	88.01%
Road Improvement Program	62,201,305	66,255,580 *	66,003,892	254,280	66,258,172	100.00%
Subtotal	\$ 64,721,257	\$ 67,664,731	\$ 67,244,044	\$ 254,280	\$ 67,498,324	99.75%
2011:						
Tier 1 Projects						
Capital Improvements	\$ 6,880,000	\$ 6,880,000	\$ 5,000,240	\$ 42,373	\$ 5,042,613	73.29%
Congestion Relief & Mobility Improvement	5,546,000	5,546,000	2,881,186	606,144	3,487,330	62.88%
Infrastructure Preservation	16,500,000	16,500,000	11,790,043	1,502,046	13,292,089	80.56%
Safety & Operational Improvement	15,873,421	15,873,421	6,001,722	2,222,884	8,224,606	51.81%
Subtotal	\$ 44,799,421	\$ 44,799,421	\$ 25,673,191	\$ 4,373,447	\$ 30,046,638	67.07%
2016:						
Facilities & Technology	\$ 3,000,000	\$ 3,000,000	\$ 142,120	\$ 1,924,113	\$ 2,066,233	68.87%
Public Safety Improvements	7,654,000	7,654,000	845,214	2,110,711	2,955,925	38.62%
Transportation Improvements	47,699,902	47,699,902	1,091,384	4,262,154	5,353,538	11.22%
	\$ 58,353,902	\$ 58,353,902	\$ 2,078,718	\$ 8,296,978	\$ 10,375,696	17.78%
Grand Total for SPLOST Expenditures				\$ 12,924,705		

* Includes Bond expenditures