

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

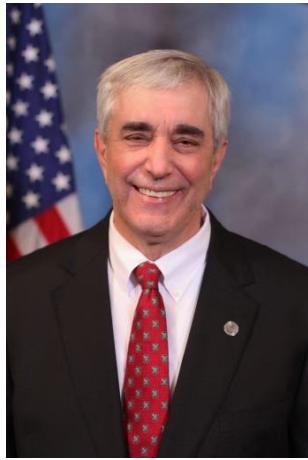
For the Fiscal Year Ended June 30, 2016

**DEPARTMENT OF FINANCE
Sam Lady
Finance Director**

MAYOR AND CITY COUNCIL



Stuart Fleming
Councilmember, Ward 1



R. Steve Tumlin, Jr.
Mayor



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



Johnny Walker
Councilmember, Ward 3



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



Vacant
Councilmember, Ward 5



Michelle Cooper Kelly
Councilmember, Ward 6



Philip M. Goldstein
Councilmember, Ward 7

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <u>INTRODUCTORY SECTION</u> | |
| Letter of Transmittal | i-vi |
| GFOA Certificate of Achievement | vii |
| Organizational Chart..... | viii |
| City Officials and Administrative Personnel | ix |
| <u>FINANCIAL SECTION</u> | |
| Independent Auditor's Report | 1-3 |
| Management's Discussion and Analysis | 4-16 |
| BASIC FINANCIAL STATEMENTS: | |
| Government-wide Financial Statements: | |
| Statement of Net Position..... | 17 |
| Statement of Activities | 18 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 19 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | 20 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 21 |
| Statement of Net Position - Proprietary Funds..... | 22, 23 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds..... | 24 |
| Statement of Cash Flows - Proprietary Funds..... | 25, 26 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|--------------------------------------------------------------------------------------------------------------------|----------------|
| Statement of Fiduciary Net Position - Fiduciary Funds | 27 |
| Statement of Changes in Fiduciary Net Position - Pension and OPEB Trust Funds..... | 28 |
| Notes to Financial Statements | 29-61 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Schedule of Changes in Net Pension Liability and Related Ratios..... | 62 |
| Schedule of Contributions..... | 63 |
| Schedule of Funding Progress. | 64 |
| Schedule of Employer Contributions..... | 65 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund | 66 |
| COMBINING AND INDIVIDUAL FUND STATEMENTS AND SUPPLEMENTARY INFORMATION: | |
| Nonmajor Funds: | |
| Combining Balance Sheet - Nonmajor Governmental Funds | 67 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds | 68 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 69 - 70 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds | 71 - 72 |
| General Fund: | |
| Comparative Balance Sheet..... | 73 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|----------------------------------------------------------------------------------------------------------------|----------------|
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 74 |
| Special Revenue Funds: | |
| HUD - Housing Assistance Payments Program: | |
| Comparative Balance Sheet..... | 75 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 76 |
| Schedule of Revenues, Expenditures and Changes In Fund Balance-Budget and Actual (Budgetary Basis) | 77 |
| HUD - Community Development Block Grant: | |
| Comparative Balance Sheet..... | 78 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 79 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | 80 |
| Tax Allocation District: | |
| Comparative Balance Sheet | 81 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 82 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) | 83 |
| Cemetery Maintenance Fund: | |
| Comparative Balance Sheet | 84 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---------------------------------------------------------------------------------------------------------|----------------|
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 85 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis) | 86 |
| Local Law Enforcement Block Grant Fund: | |
| Comparative Balance Sheet..... | 87 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 88 |
| Hotel Motel Tax Fund: | |
| Comparative Balance Sheet..... | 89 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 90 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual..... | 91 |
| Auto Rental Tax Fund: | |
| Comparative Balance Sheet..... | 92 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 93 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual..... | 94 |
| Capital Projects Funds: | |
| SPLOST Fund: | |
| Comparative Balance Sheet | 95 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 96 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|------------------------------------------------------------------------------------------------------------|----------------|
| City Parks Bond Fund: | |
| Comparative Balance Sheet | 97 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 98 |
| Redevelopment Bond Fund: | |
| Balance Sheet..... | 99 |
| Statement of Revenues, Expenditures and Changes in Fund Balance..... | 100 |
| Debt Service Fund: | |
| Comparative Balance Sheet..... | 101 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance | 102 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) .. | 103 |
| Proprietary Funds: | |
| Enterprise Funds: | |
| Board of Lights and Waterworks: | |
| Comparative Statement of Net Position..... | 104, 105 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 106 |
| Comparative Statement of Cash Flows..... | 107 |
| Marietta Conference Center and Resort: | |
| Comparative Statement of Net Position..... | 108, 109 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---------------------------------------------------------------------------------------|----------------|
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 110 |
| Comparative Statement of Cash Flows..... | 111 |
| City Golf Course: | |
| Comparative Statement of Net Position..... | 112 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position | 113 |
| Comparative Statement of Cash Flows..... | 114 |
| Internal Service Funds: | |
| Combining Statement of Net Position | 115 |
| Combining Statement of Revenues, Expenses and Changes in Net Position..... | 116 |
| Combining Statement of Cash Flows | 117 |
| Self-Insurance: | |
| Comparative Statement of Net Position..... | 118 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position..... | 119 |
| Comparative Statement of Cash Flows..... | 120 |
| Motor Transport: | |
| Comparative Statement of Net Position..... | 121 |
| Comparative Statement of Revenues, Expenses and Changes in Fund Net Position..... | 122 |
| Comparative Statement of Cash Flows..... | 123 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---------------------------------------------------------------------------------------------|----------------|
| Agency Funds: | |
| Statement of Changes in Assets and Liabilities – City Schools Agency Fund | 124 |
| <u>STATISTICAL SECTION</u> | |
| Net Position by Component- Last Ten Fiscal Years..... | 125 |
| Changes in Net Position Last Ten Fiscal Years..... | 126 |
| Fund Balances of Governmental Funds Last Ten Fiscal Years..... | 127 |
| Changes in Fund Balances of Governmental Funds Last Ten Years | 128 |
| Tax Revenue by Source, Governmental Funds Last Ten Fiscal Years..... | 129 |
| Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years..... | 130 |
| Direct and Overlapping Property Tax Rates Last Ten Fiscal Years..... | 131 |
| Principal Property Taxpayers Current Year and Nine Years Ago | 132 |
| Property Tax Levies and Collections Last Ten Fiscal Years..... | 133 |
| Water and Waste Water Rate History Last Ten Fiscal Years..... | 134 |
| Electric Rate History Per Season Last Ten Fiscal Years..... | 135 |

CITY OF MARIETTA, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

| | <u>Page(s)</u> |
|--------------------------------------------------------------------------------------------------|----------------|
| Principal Electric Revenue Customers Current Year and Nine Years Ago | 136 |
| Ratios of Outstanding Debt by Type Last Ten Fiscal Years..... | 137 |
| Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years..... | 138 |
| Direct and Overlapping Governmental Activities Debt | 139 |
| Legal Debt Margin Information Last Ten Fiscal Years..... | 140 |
| Pledged-Revenue Coverage Last Ten Fiscal Years..... | 141 |
| Demographic and Economic Statistics Last Ten Fiscal Years..... | 142 |
| Principal Employers Current Year and Nine Years Ago | 143 |
| Full-time-Equivalent City Government Employees by Function/Program Last Ten Fiscal Years..... | 144 |
| Operating Indicators by Function Last Ten Fiscal Years | 145-147 |
| Capital Asset Statistics by Function Last Ten Fiscal Years..... | 148 |
| <u>SPECIAL REPORTS</u> | |
| Schedule of Hotel/Motel Tax Revenues Received and Expenditures Incurred | 149 |
| Schedule of 3 Percent Car Rental Tax Revenue Received and Expenditures Incurred | 150 |
| 1 Percent Sales Tax Schedule of Projects Constructed with Special Sales Tax Proceeds | 151 |

INTRODUCTORY SECTION



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

December 20, 2016

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, 2016, 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, 2016. 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. The region has significantly lower unemployment rates than most places in the U.S. and led the nation in job creation several times in the 1990s. Cobb County has become one of the fastest growing economically robust counties in Georgia. The business environment outlook for Marietta continues to be favorable despite the economic downturn experienced by other regions of the country; in fact there are a number of redevelopment projects in the advanced planning and construction stages. The City of Marietta's primary focus will be given to fostering small business growth and land uses oriented toward office, industrial, and business parks, which will be offering a variety of employment opportunities.

Redevelopment and revitalization of several areas throughout the City have been identified and when completed, will create financially sound development, therefore increasing a stronger tax base. Marietta offers one of the lowest millage rates in the Metro Atlanta region at 31.47 mills per thousand dollars (combined City, County, and School). Marietta will continue to promote a strong tourism program for the 5 historic districts, churches and homes as identified by the National Historic & Georgia Register. Our economic activity centers include multi-million dollar corporations such as YKK Corp of America, Matria Healthcare, Columbian Chemical, and Coloplast Corporation. To assist manufacturing companies in relocating or expanding their facilities, the Marietta Development Authority was created to develop and promote trade, commerce, industry and employment opportunities through issuance of revenue bonds.

Marietta and the Marietta Census Tracts have been and will continue to be a population growth area. The City's population was estimated to be 59,067 on June 30, 2016.

Long-term financial planning

Unassigned fund balance in the general fund (37 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 five intersection improvement projects with more anticipated to be in design by the end of FY2017. Roswell Street from Victory Drive to Dodd Street is scheduled to be under construction near the end of 2016. The public safety training center design is underway. The Traffic Control Center is slated for completion by the end of 2016 with the fleet shop expansion and renovation to begin in the spring of 2017.

The State of Georgia recently awarded \$1.45 million to Marietta in Transportation Enhancement (TE) funding for three projects. The Atherton Square Revitalization includes the renovation of the Marietta Welcome Center and improving the surroundings and park. The other two projects involve two 10-foot wide multi-use trails, which will be constructed to connect Marietta to other trails within the city and Cobb County. All three projects had been delayed because of federal and state funding issues. Atherton Square is currently being bid for construction and is expected to begin in January 2017.

Parks bond projects in progress will continue as scheduled. The Custer Park Sports and Fitness Center will expand its hours due to high utilization by the citizens of Marietta. The city had great participation in their youth camp program this past year at this location as well and plans to provide youth camps throughout the year when

school is not in session. The Elizabeth Porter Park that is planned will include a splash pad, playground, picnic pavilions and greenspace. The Franklin Gateway Sports Complex is in pre-construction phase at this time and is expected to open in April 2017. This complex will be state of the art and include three artificial turf fields, a playground, picnic area, concession building and offices.

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 FY2017 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 also along Roswell Street where SPLOST projects are planned to get underway.

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. Two distressed apartment buildings have been acquired and demolished to date. A third apartment complex nearby has been purchased as well, and the City will prepare the site for marketing in the coming year. These bond funds will continue to be used to purchase more properties to market for redevelopment purposes. In addition, funding exists to construct streetscape improvements on Whitlock Avenue, which is currently underway.

Awards

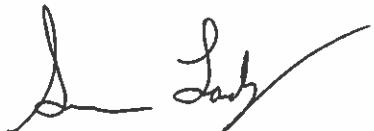
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marietta for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This represented the twenty-fifth 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, 2015 for fiscal year 2016. 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".

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**

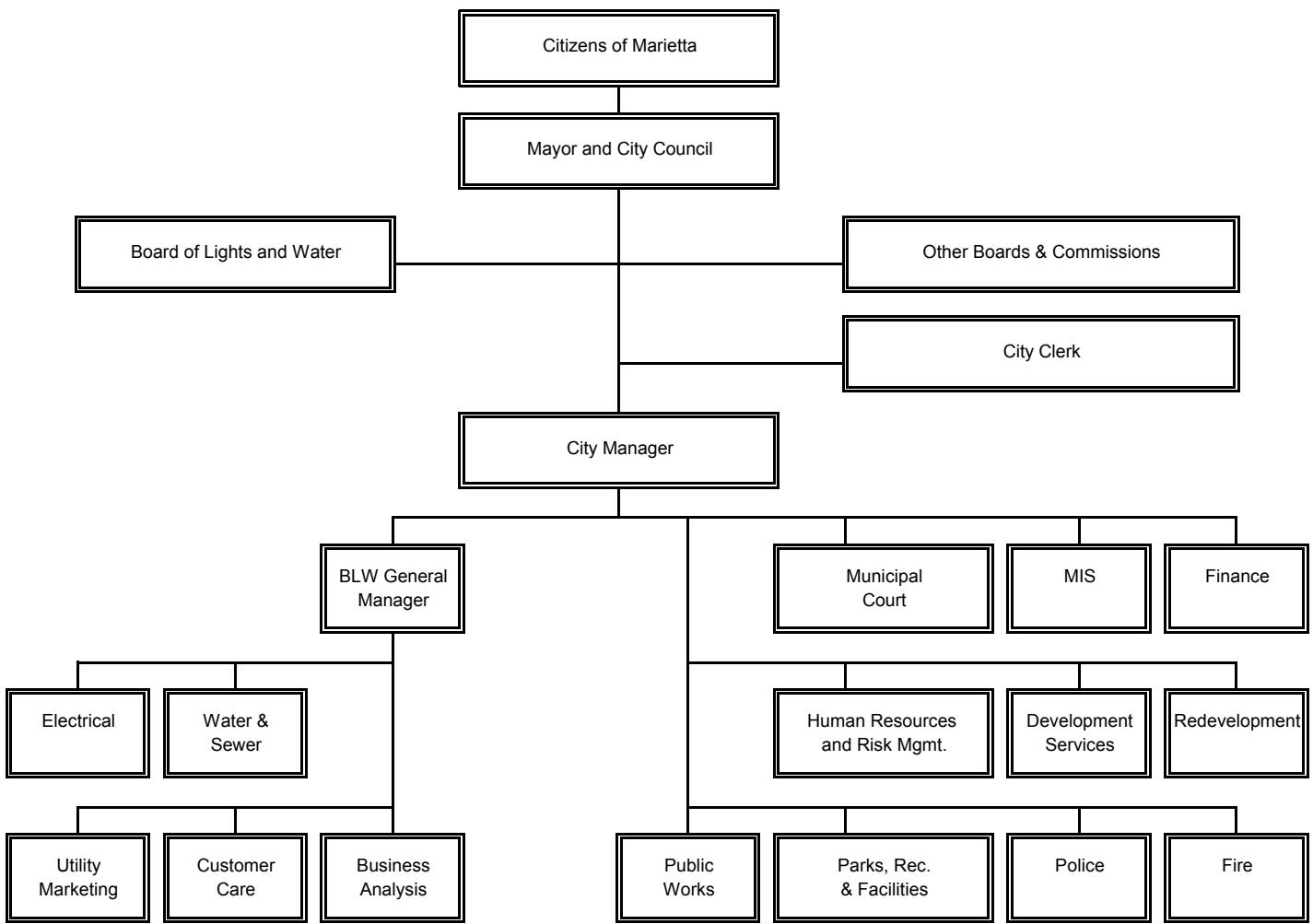
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink that reads "Jeffrey R. Einer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Einer" on the bottom line.

Executive Director/CEO

CITY OF MARIETTA ORGANIZATION CHART



OFFICIALS

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 |
| Vacant | Ward 5 |
| Michelle Cooper Kelly | Ward 6 |
| Philip M. Goldstein | Ward 7 |

Board of Lights and Water

R. Steve Tumlin, Jr., Mayor
Chairman

| | |
|-------------------------------------|--------------|
| Bruce E. Coyle | Board Member |
| Terry G. Lee | Board Member |
| G. A. "Andy" Morris, Council Member | Board Member |
| Alice 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 | Municipal Court Administrator |
| Ernie Garcia | Electrical Director |
| Brian Binzer | Development Services Director |
| Rich Buss | Parks, Recreation and Facilities Director |
| Dan Conn | Public Works Director |
| Ronnie Barrett | MIS Director |
| Davy Godfrey | Human Resources and Risk Management Director |
| Daniel Flynn | Police Chief |
| Jackie Gibbs | Fire Chief |
| 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 |
| Beth Sessoms | Redevelopment Director |

FINANCIAL SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

1825 Barrett Lakes Blvd, Suite 200
Kennesaw, Georgia 30144
770-422-0598 FAX 678-214-2355
kennesaw@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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marietta, Georgia, as of June 30, 2016, 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, the Schedule of Contributions, the Schedule of Funding Progress, and the Schedule of Employer Contributions on pages 4-16 and 62-66 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 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 20, 2016, 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.

Nichols, Cauley + Associates, LLC

Kennesaw, Georgia

December 20, 2016

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, 2016. 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 \$253.4 million at the end of fiscal year 2016. This is an increase of \$17.5 million when compared to the previous year after restatement. Of this amount, \$255 million is the city's net investment in capital assets. Total unrestricted net position is a negative \$37.1 million. Unrestricted net position from governmental activities are a negative 63.4 million.
- ❖ The City's total net position increased \$17.5 million over the previous year after restatement. Net position for governmental activities increased \$11.1 million and business-type net position increased \$6.5 million.
- ❖ The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2016 are \$221.3 million and \$57.1 million respectively. \$251 million of this total represents long-term liabilities, such as bonds and notes payable and leases payable. This is a decrease of \$3.4 million for the governmental activities and an increase of \$2.3 million for the business-type activities.
- ❖ The City's General Fund's fund balance was \$40.6 million as of June 30, 2016. The General Fund's fund balance decreased by \$6.2 million, including restatement of \$1.3 million from June 30, 2015.

Total governmental activities bonds payable, net decreased by \$9.3 million in fiscal year 2016.

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, other supplementary information including combining statements for non-major funds, and a statistical section.

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

The statement of net position presents information on all the City's assets, 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 & Water that provides electric, water and wastewater services, City Club Golf Course, and the Marietta Conference Center and Resort that is a hotel and conference facility.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on

balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 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, debt service, redevelopment bond fund and SPLOST 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 Water, the City Club Golf Course, and the Marietta Conference Center & Resort. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance and motor transport activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

Budgetary comparisons. The City of Marietta adopts an annual budget for 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 61 of this report.

Other information. The combining and individual non major fund statements and schedules referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements and can be found on pages 67 through 124 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, 2016, net position totaled \$253.4 million.

The following table provides a summary of the City's governmental and business-type net position for fiscal year 2015 and 2016.

| | Governmental | | Business-type | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Activities | | Activities | | Total | |
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Assets | | | | | | |
| Current and other assets | \$148,630,563 | \$116,652,839 | \$61,335,743 | \$80,713,073 | \$209,966,306 | \$197,365,912 |
| Capital assets | 132,272,001 | 165,668,924 | 172,863,636 | 160,475,268 | \$305,135,637 | \$326,144,192 |
| Total assets | 280,902,564 | 282,321,763 | 234,199,379 | 241,188,341 | \$515,101,943 | \$523,510,104 |
| Deferred Outflow of Resources | | | | | | |
| Deferred Loss on Refunding | 560,926 | 400,661 | | | \$560,926 | \$400,661 |
| Related to pension | 2,527,600 | 7,325,780 | 1,032,400 | 2,992,220 | \$3,560,000 | \$10,318,000 |
| Total Deferred Outflows of Resources | 3,088,526 | 7,726,441 | 1,032,400 | 2,992,220 | \$4,120,926 | \$10,718,661 |
| Liabilities | | | | | | |
| Current and other liabilities | 11,424,348 | 11,069,134 | 15,603,548 | 16,275,197 | \$27,027,896 | \$27,344,331 |
| Non-current liabilities | 213,597,690 | 210,189,607 | 38,568,748 | 40,846,830 | \$252,166,438 | \$251,036,437 |
| Total liabilities | 225,022,038 | 221,258,741 | 54,172,296 | 57,122,027 | \$279,194,334 | \$278,380,768 |
| Deferred Inflows of Resources | | | | | | |
| Deferred gain on Refunding | 886,879 | 826,410 | | | \$886,879 | \$826,410 |
| Related to Pension | 2,297,560 | 1,125,350 | 938,440 | 459,650 | \$3,236,000 | \$1,585,000 |
| Total Deferred Inflows of Resources | 3,184,439 | 1,951,760 | 938,440 | 459,650 | \$4,122,879 | \$2,411,410 |
| Net Position | | | | | | |
| Net invested in capital assets | 91,932,852 | 94,656,262 | 158,187,155 | 160,277,765 | \$250,120,007 | \$254,934,027 |
| Restricted | 36,359,546 | 35,585,010 | - | - | \$36,359,546 | \$35,585,010 |
| Unrestricted | -72,507,785 | -63,403,569 | 21,933,888 | 26,321,119 | -\$50,573,897 | -\$37,082,450 |
| Total net position | \$55,784,613 | \$66,837,703 | \$180,121,043 | \$186,598,884 | \$235,905,656 | \$253,436,587 |

The largest portion of the City's net position, \$255 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 \$17.5 million in fiscal year 2016. The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2015 and 2016.

Changes in Net Position

| | Governmental | | Business-type | | | |
|------------------------------------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| | Activities | | Activities | | Total | |
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$15,035,430 | \$15,237,342 | \$156,622,359 | \$155,498,275 | \$171,657,789 | \$170,735,617 |
| Operating grants and contributions | 3,951,926 | 1,010,978 | 0 | 0 | \$3,951,926 | \$1,010,978 |
| Capital grants and contributions | 15,148,308 | 13,242,602 | 765,710 | 254,845 | \$15,914,018 | \$13,497,447 |
| General Revenues: | | | | | | |
| Property taxes | 17,234,410 | 17,864,399 | 0 | 0 | \$17,234,410 | \$17,864,399 |
| Other taxes | 12,993,225 | 13,401,451 | 0 | 0 | \$12,993,225 | \$13,401,451 |
| Investment earnings | 124,719 | 213,369 | 312,473 | 381,875 | \$437,192 | \$595,244 |
| Other revenues | 1,937,144 | 2,841,884 | 160,364 | 0 | \$2,097,508 | \$2,841,884 |
| Total Revenues | 66,425,162 | 63,812,025 | 157,860,906 | 156,134,995 | \$224,286,068 | \$219,947,020 |
| Expenses | | | | | | |
| General government | 7,952,118 | 9,206,352 | 0 | 0 | \$7,952,118 | \$9,206,352 |
| Judicial | 0 | 0 | 0 | 0 | 0 | 0 |
| Public works | 16,074,864 | 13,609,959 | 0 | 0 | \$16,074,864 | \$13,609,959 |
| Culture and recreation | 1,499,487 | 6,038,731 | 0 | 0 | \$1,499,487 | \$6,038,731 |
| Public safety | 31,630,707 | 31,880,793 | 0 | 0 | \$31,630,707 | \$31,880,793 |
| Health and welfare | 0 | 0 | 0 | 0 | 0 | 0 |
| Urban redevelopment and housing | 3,223,937 | 566,221 | 0 | 0 | \$3,223,937 | \$566,221 |
| Interest on long-term debt | 7,748,256 | 4,497,182 | 0 | 0 | \$7,748,256 | \$4,497,182 |
| Electric, water & sewer | 0 | 0 | 131,657,578 | 134,479,988 | \$131,657,578 | \$134,479,988 |
| Golf | 0 | 0 | 1,431,661 | 1,391,698 | \$1,431,661 | \$1,391,698 |
| Conference | 0 | 0 | 786,678 | 745,165 | \$786,678 | \$745,165 |
| Total expenses | 68,129,369 | 65,799,238 | 133,875,917 | 136,616,851 | \$202,005,286 | \$202,416,089 |
| Increase (decrease) in net position before transfer | -1,704,207 | -1,987,213 | 23,984,989 | 19,518,144 | \$22,280,782 | \$17,530,931 |
| Transfers in (out) | 12,888,454 | 13,040,303 | -12,888,454 | -13,040,303 | 0 | 0 |
| Increase (decrease) in net position | <u>\$11,184,247</u> | <u>\$11,053,090</u> | <u>\$11,096,535</u> | <u>\$6,477,841</u> | <u>\$22,280,782</u> | <u>\$17,530,931</u> |

Governmental Activities. Governmental activities decreased the City's net position by \$2 million in fiscal year 2016 before transfers. Key elements of this decrease are as follows:

Total revenues are \$63.8 million, down 3.9% from the prior year. The revenue decrease is attributable to an increase in economic activity, a decrease in operating grants for the Public Housing (\$2.9 million) and a decrease in court fines and forfeits. The City transferred the Public Housing voucher program as of 1-1-2014 to the Marietta Housing Authority. Fiscal year 2015 was the last year of the City operation. 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 \$65.8 million. The City is still involved in several transportation and road improvement projects as a result of the voter approved Special Local Option Sales Tax (SPLOST). Construction, engineering and design work, right-of-way appraisals, and property acquisition are underway. This activity slowed some from the prior year but will increase in future years as the projects work into the construction phase.

Business-Type Activities. The City's business-type activities, which include the Board of Lights and Water, City Club Golf Course, and the Marietta Conference Center & Resort increased net position by \$19.5 million in fiscal year 2016 before transfers to the governmental activities.

Table 3
Business-type Net revenue (Expense)
General Revenues and Transfers

| | Fiscal Year | |
|-----------------------------------------|--------------------|--------------------|
| | 2015 | 2016 |
| Net Revenue (Expense): | | |
| Board of Lights & Water | \$22,075,148 | \$17,881,896 |
| City Club Golf Course | 176,153 | 62,791 |
| Marietta Conference Center & Resort | 1,260,851 | 1,191,582 |
| Total | <u>23,512,152</u> | <u>19,136,269</u> |
| General Revenues | 472,837 | 381,875 |
| Change in net position before transfers | <u>23,984,989</u> | <u>19,518,144</u> |
| Transfers | -12,888,454 | -13,040,303 |
| Change in net position | \$11,096,535 | \$6,477,841 |
| Net position, beginning | <u>169,024,508</u> | <u>180,121,043</u> |
| Net position, ending | 180,121,043 | 186,598,884 |

The Board of Lights and Water's operating revenues decreased .6% from the previous year while operating expenses increased by 2.1% resulting in an operating income decrease of 16.4% from 2015.

The City Club golf course operating revenues decreased by 9.5% from the previous year while operating expenses increased by 2.2% resulting in operating income of \$73,082.

The City has entered into a long-term lease for The Marietta Conference Center and Resort with a private party and is no longer involved in the daily operations. The Center is leased for a flat monthly fee sufficient to cover the debt service payments. The City is now reporting lease income, depreciation, and operating costs related to bond trustee expenses, and similar items.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of fiscal 2016, the combined ending fund balances of the City's governmental funds were \$101.3 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 balance was \$40.6 million as of June 30, 2016. The fiscal year 2016 fund balance is \$6.2 million lower than the previous year including restatement of 1.3 million. This is due to the reduction of the City projects bond balance by 1.8 million and a reduction of the restricted fund balance by 2.1 million. See notes to the financial statements for more detailed information on restatement. 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 24.5% of total fiscal year 2016 expenditures, while total fund balance is 71.8% 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, 2016 is \$25.1 million which is an increase of \$1.7 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 Water (BLW) which provides electric, water, and wastewater utilities for residential and commercial customers. Unrestricted net position of this fund at the end of the year amounted to \$47.5 million. The unrestricted net position increased by \$2.8 million during the year. The BLW continues to show strong operating income. Operating income totaled \$18.6 million and continues to contribute strong financial results for the city. The emphasis on controlling cost and restrained capital expenditures continues to contribute to city investment in the public utility.

The City operates an 18-hole golf course known as the City Club. The total net position of this fund at the end of the fiscal year amounted to \$5.8 million, an 8.2% increase. Revenue generated by the fund helps pay part of the acquisition cost of the property. The General Fund also contributes funds toward debt service. This \$399.8 thousand dollar payment contributes to the increase in net position. The Revenue Bond was paid off in FY 2016.

The Marietta Conference Center & Resort is a conference center facility owned by the City. The total net position of this fund at the end of the fiscal year was \$(5.8) million. The total net position increased by \$1.2 million during the year. This facility is under a long term lease to a private operator until 2028. The difference between the lease payment and depreciation of the facility will contribute yearly to increase net position of the fund.

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

In June 2016, the City Council appropriated \$56.6 million for general fund expenditures. The budget was amended 7 times during the fiscal year.

Table 4
2016 General Fund Budget

| | Original Budget | Amendments | Final Budget | Actual |
|---------------------------------------|------------------------|-------------------|---------------------|---------------|
| Revenue and other financing sources | \$56,606,178 | \$ 5,488,947 | \$62,095,125 | \$55,185,740 |
| Expenditures and other financing uses | 56,892,195 | 10,101,589 | 66,993,784 | 62,338,727 |

Mid Year budget amendments include:

| | General Fund | Grants | Police Asset/Forfeiture | Culture and Recreation | Total |
|-------------------------------------------|---------------------|---------------|--------------------------------|-------------------------------|--------------|
| Prior Yr encumbrances | 2,768,827 | 103,175 | 141,141 | | 3,013,143 |
| 1 Community Development | | | | 11,275 | 11,275 |
| 2 Public Safety | 391,279 | | 1,304,518 | | 1,695,797 |
| 3 Public Works | 140,080 | | | | 140,080 |
| 4 Facility, Grounds, Parks, Rec & Culture | 660,701 | | | 19,810 | 680,511 |
| 5 Project Rollovers from previous yrs | | 4,381,641 | | 179,142 | 4,560,783 |
| | 3,960,887 | 4,484,816 | 1,445,659 | 210,227 | 10,101,589 |

- 1 Tree preservation expenses.
- 2 Police HEAT Unit and Cyber Unit; Appropriation of prior year savings for school bus safety program, police vehicles, fire command vehicles, and public safety equipment. Federal sharing funds for Police Dept. Emergency Communications Expenses.
- 3 Appropriation of prior year savings for trucks and equipment.
- 4 Appropriation of tourism funds; Appropriation of prior year savings for powered equipment and facility improvements.
- 5 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, 2016 was a total \$326 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 2016, and all assets that could be identified from previous periods. The total investment in capital assets (net of accumulated depreciation and debt) for the current fiscal year increased from the previous year by 11.9% after depreciation. Additional capital asset activity and relevant disclosures can be found in note 5 of the Financial Statements. Major capital assets events during the current fiscal year included the following:

Governmental activities:

- Land acquisition for parks and economic development programs \$18.2 million
- Buildings and machinery and equipment \$5.2 million
- Infrastructure \$9.7 million

Business-type activities:

- System improvements \$7.4 million
- Buildings and machinery & equipment \$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, 2016, the City of Marietta had the following outstanding long-term debt (principal amount):

- \$7.6 million 2009A School Refunding Bonds
- \$4.5 million 2009D General Obligation Parks Bond
- \$7 million 2013A General Obligation Bonds Redevelopment
- \$55.7 million 2013B General Obligation Bonds Redevelopment
- \$15.7 million 2015 General Obligation Parks Refunding Bond
- \$151.2 thousand note payable for property
- \$3.8 million Series 2005 Tax Allocation District bonds

- \$23 million notes payable for City Wide Projects
- \$197.5 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 Statues provide for a general obligation debt limit of 10% of the assessed valuation. The City has a general obligation debt capacity of \$292 million at the end of fiscal year 2016.

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 2017 budget:

- No fee increases were imposed for fiscal year 2017.
- 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 \$22.5 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, 2016

| | Primary Government | | |
|------------------------------------------------|----------------------------|-----------------------------|---------------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets: | | | |
| Cash and cash equivalents | \$ 38,963,738 | \$ 23,395,567 | \$ 62,359,305 |
| Investments | 46,032,087 | 51,651,821 | 97,683,908 |
| Inventories | 50,552 | 3,629,014 | 3,679,566 |
| Receivables, net | 1,415,606 | 17,818,420 | 19,234,026 |
| Internal balances | 18,006,854 | (18,006,854) | - |
| Due from other governments | 11,805,718 | - | 11,805,718 |
| Prepaid items | 378,284 | - | 378,284 |
| Other assets, net | - | 2,225,105 | 2,225,105 |
| Capital assets, non depreciated | 71,134,506 | 8,752,260 | 79,886,766 |
| Capital assets, depreciated, net | <u>94,534,418</u> | <u>151,723,008</u> | <u>246,257,426</u> |
| Total assets | 282,321,763 | 241,188,341 | 523,510,104 |
| Deferred outflows of resources: | | | |
| Deferred loss on refunding | 400,661 | - | 400,661 |
| Deferred outflows related to pension | <u>7,325,780</u> | <u>2,992,220</u> | <u>10,318,000</u> |
| Total deferred outflows of resources | <u>7,726,441</u> | <u>2,992,220</u> | <u>10,718,661</u> |
| Liabilities: | | | |
| Accounts payable and other current liabilities | 7,633,953 | 13,693,982 | 21,327,935 |
| Claims and judgements payable | 3,246,681 | - | 3,246,681 |
| Unearned revenue | 188,500 | 2,581,215 | 2,769,715 |
| Noncurrent liabilities: | | | |
| Due within one year | 11,509,836 | 429,472 | 11,939,308 |
| Due in more than one year | <u>198,679,771</u> | <u>40,417,358</u> | <u>239,097,129</u> |
| Total liabilities | <u>221,258,741</u> | <u>57,122,027</u> | <u>278,380,768</u> |
| Deferred inflows of resources: | | | |
| Deferred gain on refunding | 826,410 | - | 826,410 |
| Deferred inflows related to pension | <u>1,125,350</u> | <u>459,650</u> | <u>1,585,000</u> |
| Total deferred inflows of resources | <u>1,951,760</u> | <u>459,650</u> | <u>2,411,410</u> |
| Net Position: | | | |
| Net investment in capital assets | 94,656,262 | 160,277,765 | 254,934,027 |
| Restricted for: | | | |
| Debt service | 3,735,949 | - | 3,735,949 |
| Capital projects | 29,900,119 | - | 29,900,119 |
| Culture and recreation | 871,386 | - | 871,386 |
| Urban redevelopment and housing | 90,159 | - | 90,159 |
| Public safety | 987,397 | - | 987,397 |
| Unrestricted | <u>(63,403,569)</u> | <u>26,321,119</u> | <u>(37,082,450)</u> |
| Total net position | <u>\$ 66,837,703</u> | <u>\$ 186,598,884</u> | <u>\$ 253,436,587</u> |

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| Functions/Programs | Expenses | Program Revenue | | | Business-type Activities | | | Net (Expense) Revenue and Change in Net Position Primary Government |
|-------------------------------------------------------|-----------------------|-------------------------|------------------------------------------|----------------------------------------|----------------------------|-----------------------------|------------------------|---------------------------------------------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | | |
| Primary Government | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 9,206,352 | \$ 10,030,417 | \$ 13,500 | \$ 536,250 | \$ 1,373,815 | \$ - | \$ 1,373,815 | |
| Public works | 13,609,959 | 3,751,272 | - | 12,559,362 | 2,700,675 | - | 2,700,675 | |
| Culture and recreation | 6,038,731 | 470,821 | 18,000 | - | (5,549,910) | - | (5,549,910) | |
| Public safety | 31,880,793 | 200,635 | 328,071 | 146,990 | (31,205,097) | - | (31,205,097) | |
| Urban redevelopment and housing | 566,221 | 784,197 | 651,407 | - | 869,383 | - | 869,383 | |
| Interest & fiscal charges on long-term debt | 4,497,182 | - | - | - | (4,497,182) | - | (4,497,182) | |
| Total governmental activities | <u>65,799,238</u> | <u>15,237,342</u> | <u>1,010,978</u> | <u>13,242,602</u> | <u>(36,308,316)</u> | <u>-</u> | <u>(36,308,316)</u> | |
| Business-type activities: | | | | | | | | |
| Water & Sewer | 27,194,492 | 35,396,006 | - | 254,845 | - | 8,456,359 | 8,456,359 | |
| Electric | 107,285,496 | 116,711,033 | - | - | - | 9,425,537 | 9,425,537 | |
| Golf | 1,391,698 | 1,454,489 | - | - | - | 62,791 | 62,791 | |
| Conference Center | 745,165 | 1,936,747 | - | - | - | 1,191,582 | 1,191,582 | |
| Total business-type activities | <u>136,616,851</u> | <u>155,498,275</u> | <u>-</u> | <u>254,845</u> | <u>-</u> | <u>19,136,269</u> | <u>19,136,269</u> | |
| Total Primary Government | <u>\$ 202,416,089</u> | <u>\$ 170,735,617</u> | <u>\$ 1,010,978</u> | <u>\$ 13,497,447</u> | <u>\$ (36,308,316)</u> | <u>\$ 19,136,269</u> | <u>\$ (17,172,047)</u> | |
| General Revenues: | | | | | | | | |
| Property Taxes | | | | | 17,864,399 | - | 17,864,399 | |
| Insurance premium tax | | | | | 3,261,605 | - | 3,261,605 | |
| Alcohol taxes | | | | | 747,545 | - | 747,545 | |
| Hotel, motel tax | | | | | 2,894,134 | - | 2,894,134 | |
| Franchise taxes | | | | | 6,098,112 | - | 6,098,112 | |
| Auto rental tax | | | | | 400,055 | - | 400,055 | |
| Unrestricted investment earnings | | | | | 213,369 | 381,875 | 595,244 | |
| Gain on sale of capital assets | | | | | 149,950 | - | 149,950 | |
| Operating grants not restricted to a specific program | | | | | 2,691,934 | - | 2,691,934 | |
| Transfers | | | | | <u>13,040,303</u> | <u>(13,040,303)</u> | <u>-</u> | |
| Total general revenues and transfers | | | | | <u>47,361,406</u> | <u>(12,658,428)</u> | <u>34,702,978</u> | |
| Change in net position | | | | | <u>11,053,090</u> | <u>6,477,841</u> | <u>17,530,931</u> | |
| Net position - beginning | | | | | <u>55,784,613</u> | <u>180,121,043</u> | <u>235,905,656</u> | |
| Net position - ending | | | | | <u>\$ 66,837,703</u> | <u>\$ 186,598,884</u> | <u>\$ 253,436,587</u> | |

CITY OF MARIETTA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

| | General | SPLOST Fund | Redevelopment Bond Fund | Debt Service | Other Governmental Funds | Total Governmental Funds |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|-------------------------|---------------------|--------------------------|--------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 10,626,092 | \$ 11,278,257 | \$ 7,419,632 | \$ 2,872,294 | \$ 3,232,224 | \$ 35,428,499 |
| Cash with fiscal agent | 500 | - | - | - | 945,597 | 946,097 |
| Investments | 7,468,874 | 12,851,541 | 18,842,895 | 825,746 | 6,027,487 | 46,016,543 |
| Receivables, net | 802,527 | 42,785 | 265 | 84,400 | 352,300 | 1,282,277 |
| Prepaid items | 44,385 | 333,899 | - | - | - | 378,284 |
| Due from other funds | 6,169,313 | - | - | - | - | 6,169,313 |
| Advances to other funds | 18,634,867 | - | - | - | - | 18,634,867 |
| Due from other governments | 2,402,895 | 1,727,355 | - | 27,933 | 82,535 | 4,240,718 |
| Inventories | 28,545 | - | - | - | - | 28,545 |
| Total assets | \$ 46,177,998 | \$ 26,233,837 | \$ 26,262,792 | \$ 3,810,373 | \$ 10,640,143 | \$ 113,125,143 |
| Liabilities | | | | | | |
| Accounts payable | \$ 1,864,518 | \$ 926,211 | \$ 540,611 | \$ - | \$ 200,217 | \$ 3,531,557 |
| Retainage payable | 110,891 | 205,331 | 182,396 | - | 53,143 | 551,761 |
| Accrued liabilities | 469,551 | - | - | - | 3,177 | 472,728 |
| Due to other funds | 583,804 | - | 5,177,900 | - | 1,125,836 | 6,887,540 |
| Due to other governments | 826 | - | - | - | - | 826 |
| Unearned revenue | 188,500 | - | - | - | - | 188,500 |
| Total liabilities | 3,218,090 | 1,131,542 | 5,900,907 | - | 1,382,373 | 11,632,912 |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue | 2,313,707 | - | - | 74,424 | 11,092 | 2,399,223 |
| Fund Balances | | | | | | |
| Nonspendable | 18,707,797 | 333,899 | - | - | - | 19,041,696 |
| Restricted | 1,853,575 | 24,768,396 | 20,361,885 | 3,735,949 | 9,254,235 | 59,974,040 |
| Committed | 756,194 | - | - | - | - | 756,194 |
| Assigned | 5,474,788 | - | - | - | - | 5,474,788 |
| Unassigned | 13,853,847 | - | - | - | (7,557) | 13,846,290 |
| Total fund balances | 40,646,201 | 25,102,295 | 20,361,885 | 3,735,949 | 9,246,678 | 99,093,008 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 46,177,998 | \$ 26,233,837 | \$ 26,262,792 | \$ 3,810,373 | \$ 10,640,143 | |
| 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. | | | | | | 165,096,859 |
| 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 | | | | | | 2,399,223 |
| Receivable from other governments | | | | | | 7,565,000 |
| Deferred loss on refunding | | | | | | 400,661 |
| Deferred outflows of resources related to pension | | | | | | 7,222,600 |
| 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. | | | | | | (1,242,689) |
| 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 | | | | | | (30,607,727) |
| Net pension liability | | | | | | (52,196,200) |
| Unmatured bonds and notes | | | | | | (117,440,254) |
| Unamortized notes payable premium | | | | | | (1,365,738) |
| Unamortized bond premium | | | | | | (3,784,878) |
| Deferred gain on refunding | | | | | | (826,410) |
| Accrued compensated absences | | | | | | (4,014,770) |
| Accrued interest payable | | | | | | (2,351,482) |
| Deferred inflows related to pension | | | | | | (1,109,500) |
| Net position of governmental activities | | | | | | \$ 66,837,703 |

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | General | SPLOST Fund | Redevelopment Bond Fund | Debt Service | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------------------------|---------------|---------------|-------------------------|--------------|--------------------------|--------------------------|
| Revenues: | | | | | | |
| Taxes | \$ 19,323,885 | \$ - | \$ - | \$ 8,439,674 | \$ 3,569,505 | \$ 31,333,064 |
| Licenses and permits | 6,638,511 | - | - | - | - | 6,638,511 |
| Intergovernmental | 2,017,938 | 11,777,211 | - | 3,696,250 | 1,005,076 | 18,496,475 |
| Charges for services | 4,550,188 | - | - | - | - | 4,550,188 |
| Fines and forfeits | 3,933,335 | - | - | - | - | 3,933,335 |
| Investment earnings | 97,233 | 80,372 | 12,736 | 6,308 | 34,546 | 231,195 |
| Other | 575,682 | - | - | - | 276,700 | 852,382 |
| Total revenues | 37,136,772 | 11,857,583 | 12,736 | 12,142,232 | 4,885,827 | 66,035,150 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | 7,428,774 | - | - | - | - | 7,428,774 |
| Public works | 8,099,295 | 207,580 | - | - | 181,810 | 8,488,685 |
| Culture and recreation | 7,777,084 | - | - | - | 282,995 | 8,060,079 |
| Public safety | 30,469,200 | - | - | - | - | 30,469,200 |
| Urban redevelopment and housing | - | - | - | - | 566,221 | 566,221 |
| Debt service: | | | | | | |
| Principal retirement | 1,745,453 | - | - | 8,100,000 | 665,353 | 10,510,806 |
| Interest & fiscal charges | 1,093,805 | - | - | 3,957,898 | 185,804 | 5,237,507 |
| Refunding bond issuance cost | - | - | - | 3,000 | - | 3,000 |
| Capital projects | - | 9,963,607 | 24,024,052 | - | 1,975,086 | 35,962,745 |
| Total expenditures | 56,613,611 | 10,171,187 | 24,024,052 | 12,060,898 | 3,857,269 | 106,727,017 |
| Excess (deficiency) of revenues over expenditures | (19,476,839) | 1,686,396 | (24,011,316) | 81,334 | 1,028,558 | (40,691,867) |
| Other financing sources (uses): | | | | | | |
| Sale of capital assets | 149,950 | - | - | - | - | 149,950 |
| Transfers in | 17,899,018 | - | 2,000,000 | - | - | 19,899,018 |
| Transfers out | (3,427,145) | - | - | (25,236) | (5,326,181) | (8,778,562) |
| Total other financing sources (uses) | 14,621,823 | - | 2,000,000 | (25,236) | (5,326,181) | 11,270,406 |
| Net change in fund balance | (4,855,016) | 1,686,396 | (22,011,316) | 56,098 | (4,297,623) | (29,421,461) |
| Fund balances at beginning of year, before restatement | 46,850,578 | 23,415,899 | 42,373,201 | 3,679,851 | 13,544,301 | 129,863,830 |
| Restatement | (1,349,361) | - | - | - | - | (1,349,361) |
| Fund balances at beginning of year, after restatement | 45,501,217 | 23,415,899 | 42,373,201 | 3,679,851 | 13,544,301 | 128,514,469 |
| Fund balances at end of year | \$ 40,646,201 | \$ 25,102,295 | \$ 20,361,885 | \$ 3,735,949 | \$ 9,246,678 | \$ 99,093,008 |

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, 2016

Net change in fund balances - total governmental funds \$ (29,421,461)

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

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

| | | |
|----------------------|-------------------|------------|
| Depreciation expense | (5,606,326) | |
| Capital outlays | <u>39,123,039</u> | 33,516,713 |

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 | (3,160,000) | |
|-----------------------------------|-------------|--|

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.

| | | |
|----------------------------------------------|------------|--|
| Matured principal on bonds and notes payable | 10,510,806 | |
|----------------------------------------------|------------|--|

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. 804,823

Internal service funds are used by management to charge the costs of fleet management and self-insurance to individual funds. (132,424)

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 | 587,460 | |
| Net pension liability | (7,069,300) | |
| Deferred outflows related to pension | 4,730,600 | |
| Deferred inflows related to pension | 1,155,700 | |
| Actuarial costs in excess of OPEB contributions | (405,200) | |
| Accrued interest expense | 155,865 | |
| Accrued compensated absences | <u>(220,492)</u> | <u>(1,065,367)</u> |

Change in net position of governmental activities \$ 11,053,090

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

| | Major | | | | | Governmental Activities - Internal Service Funds |
|----------------------------------------------|--------------------------------------|-------------------------------------------|---------------------|--------------------|------------------|-----------------------------------------------------------|
| | Board of Lights and Waterworks | Marietta Conference Center & Resort | City Golf Course | Totals | | |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 23,387,287 | \$ - | \$ 8,280 | \$ 23,395,567 | \$ 2,589,142 | |
| Investments | 39,622,766 | 59 | - | 39,622,825 | 15,544 | |
| Receivables, net | 17,818,057 | - | 363 | 17,818,420 | 133,329 | |
| Due from other funds | 3,120,200 | 186,366 | - | 3,306,566 | - | |
| Inventories, at cost | 3,629,014 | - | - | 3,629,014 | 22,007 | |
| Total current assets | 87,577,324 | 186,425 | 8,643 | 87,772,392 | 2,760,022 | |
| Noncurrent assets: | | | | | | |
| Restricted assets: | | | | | | |
| Investments | 12,028,996 | - | - | 12,028,996 | - | |
| Total noncurrent assets | 12,028,996 | - | - | 12,028,996 | - | |
| Property, plant and equipment: | | | | | | |
| Land and land improvements | 1,382,976 | 769,284 | 6,600,000 | 8,752,260 | - | |
| Buildings and improvements | 16,844,334 | 23,326,210 | 2,075,664 | 42,246,208 | 502,346 | |
| Electrical plant in service | 123,665,188 | - | - | 123,665,188 | - | |
| Water and sewer system | 94,871,551 | - | - | 94,871,551 | - | |
| Machinery and equipment | 65,388,534 | 12,354,692 | 3,927,823 | 81,671,049 | 1,459,924 | |
| | 302,152,583 | 36,450,186 | 12,603,487 | 351,206,256 | 1,962,270 | |
| Less: accumulated depreciation | (162,120,570) | (23,756,974) | (4,853,444) | (190,730,988) | (1,390,205) | |
| Net property, plant and equipment | 140,032,013 | 12,693,212 | 7,750,043 | 160,475,268 | 572,065 | |
| Other assets: | | | | | | |
| Investment in Project | 2,225,105 | - | - | 2,225,105 | - | |
| Total other assets | 2,225,105 | - | - | 2,225,105 | - | |
| Total noncurrent assets | 154,286,114 | 12,693,212 | 7,750,043 | 174,729,369 | 572,065 | |
| Total assets | 241,863,438 | 12,879,637 | 7,758,686 | 262,501,761 | 3,332,087 | |
| Deferred outflows of resources: | | | | | | |
| Deferred outflows related to pension | 2,992,220 | - | - | 2,992,220 | 103,180 | |

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

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2016

| | Major | | | Governmental Activities - Internal Service Funds | |
|---------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------|---------------------|--------------------------------------------------|-----------------------|
| | Board of Lights and Waterworks | Marietta Conference Center & Resort | City Golf Course | Totals | |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 12,726,152 | - | 51,023 | 12,777,175 | 713,175 |
| Accrued salaries | 235,412 | - | - | 235,412 | 12,424 |
| Accrued sales tax | 681,395 | - | - | 681,395 | - |
| Accrued compensated absences | 368,363 | - | - | 368,363 | 17,671 |
| Due to other funds | - | 500 | 1,695,730 | 1,696,230 | 892,109 |
| Capital lease obligations | - | - | 61,109 | 61,109 | - |
| Claims and judgements payable | - | - | - | - | 3,246,681 |
| Total current liabilities: | <u>14,011,322</u> | <u>500</u> | <u>1,807,862</u> | <u>15,819,684</u> | <u>4,882,060</u> |
| Long-term liabilities (net of current portion): | | | | | |
| Accrued compensated absences | 576,095 | - | - | 576,095 | 16,709 |
| Unearned revenue | 2,581,215 | - | - | 2,581,215 | - |
| Net pension liability | 21,624,140 | - | - | 21,624,140 | 745,660 |
| Net OPEB obligation | 8,632,948 | - | - | 8,632,948 | - |
| Customer deposits | 9,447,781 | - | - | 9,447,781 | - |
| Advances from other funds | - | 18,634,867 | - | 18,634,867 | - |
| Capital lease obligations | - | - | 136,394 | 136,394 | - |
| Total long-term liabilities | <u>42,862,179</u> | <u>18,634,867</u> | <u>136,394</u> | <u>61,633,440</u> | <u>762,369</u> |
| Total liabilities | <u>56,873,501</u> | <u>18,635,367</u> | <u>1,944,256</u> | <u>77,453,124</u> | <u>5,644,429</u> |
| Deferred inflows of resources: | | | | | |
| Deferred inflows related to pension | <u>459,650</u> | <u>-</u> | <u>-</u> | <u>459,650</u> | <u>15,850</u> |
| Net Position: | | | | | |
| Net investment in capital assets | 140,032,013 | 12,693,212 | 7,552,540 | 160,277,765 | 572,065 |
| Unrestricted | <u>47,490,494</u> | <u>(18,448,942)</u> | <u>(1,738,110)</u> | <u>27,303,442</u> | <u>(2,797,077)</u> |
| Total net position | <u>\$ 187,522,507</u> | <u>\$ (5,755,730)</u> | <u>\$ 5,814,430</u> | <u>\$ 187,581,207</u> | <u>\$ (2,225,012)</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | <u>(982,323)</u> | |
| Net position of business-type activities | | | | <u>\$ 186,598,884</u> | |

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

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

| | Major | | | | | Governmental Activities - Internal Service Funds |
|---------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|---------------------|---------------------|-----------------------|-----------------------------------------------------------|
| | Board of Lights and Waterworks | Marietta Conference Center & Resort | City Golf Course | Totals | | |
| Operating revenues: | | | | | | |
| Charges for services | \$ 150,982,899 | \$ - | \$ 1,454,489 | \$ 152,437,388 | \$ 3,099,938 | |
| Lease income | - | 1,936,747 | - | 1,936,747 | - | |
| Other | 1,124,140 | - | - | 1,124,140 | 148,141 | |
| Contributions | - | - | - | - | 10,983,450 | |
| Total operating revenues | <u>152,107,039</u> | <u>1,936,747</u> | <u>1,454,489</u> | <u>155,498,275</u> | <u>14,231,529</u> | |
| Operating expenses: | | | | | | |
| Personal services | 15,910,642 | - | - | 15,910,642 | 808,447 | |
| Operating | 110,197,874 | - | 1,169,282 | 111,367,156 | 3,281,946 | |
| Depreciation and amortization | 7,351,592 | 694,926 | 212,125 | 8,258,643 | 119,791 | |
| Benefits and claims | - | - | - | - | 13,107,208 | |
| Total operating expenses | <u>133,460,108</u> | <u>694,926</u> | <u>1,381,407</u> | <u>135,536,441</u> | <u>17,317,392</u> | |
| Operating income (loss) | <u>18,646,931</u> | <u>1,241,821</u> | <u>73,082</u> | <u>19,961,834</u> | <u>(3,085,863)</u> | |
| Nonoperating revenues (expenses): | | | | | | |
| Investment earnings | 381,875 | - | - | 381,875 | 13,554 | |
| Interest and fiscal charges | - | (50,239) | (10,291) | (60,530) | - | |
| Other | 104,130 | - | 10 | 104,140 | 157 | |
| Total nonoperating revenues (expenses) | <u>486,005</u> | <u>(50,239)</u> | <u>(10,281)</u> | <u>425,485</u> | <u>13,711</u> | |
| Contributed capital from developers | <u>150,705</u> | <u>-</u> | <u>-</u> | <u>150,705</u> | <u>-</u> | |
| Income (loss) before transfers | <u>19,283,641</u> | <u>1,191,582</u> | <u>62,801</u> | <u>20,538,024</u> | <u>(3,072,152)</u> | |
| Transfers | | | | | | |
| Transfers in | 152,237 | 865,272 | 399,786 | 1,417,295 | 3,016,818 | |
| Transfers out | (14,574,129) | (865,272) | (21,462) | (15,460,863) | (93,706) | |
| Total transfers | <u>(14,421,892)</u> | <u>-</u> | <u>378,324</u> | <u>(14,043,568)</u> | <u>2,923,112</u> | |
| Change in net position | <u>4,861,749</u> | <u>1,191,582</u> | <u>441,125</u> | <u>6,494,456</u> | <u>(149,040)</u> | |
| Net position at beginning of year | <u>182,660,758</u> | <u>(6,947,312)</u> | <u>5,373,305</u> | | <u>(2,075,972)</u> | |
| Net position at end of year | <u>\$ 187,522,507</u> | <u>\$ (5,755,730)</u> | <u>\$ 5,814,430</u> | | <u>\$ (2,225,012)</u> | |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | <u>(16,615)</u> | |
| Change in net position of business-type activities | | | | | <u>\$ 6,477,841</u> | |

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDING JUNE 30, 2016

| | Major | | | Governmental Activities-Internal Service Funds | |
|------------------------------------------------------------------|--------------------------------|-------------------------------------|------------------|------------------------------------------------|---------------------|
| | Board of Lights and Waterworks | Marietta Conference Center & Resort | City Golf Course | | |
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 151,309,783 | \$ - | \$ 1,455,276 | \$ 152,765,059 | \$ 14,189,431 |
| Cash received from other operating activities | 1,124,140 | - | - | 1,124,140 | 148,341 |
| Cash payments goods and services | (100,080,839) | - | (912,948) | (100,993,787) | (3,334,821) |
| Cash payments for employee services and fringe benefits | (15,459,540) | - | - | (15,459,540) | (13,977,756) |
| Cash received from lease | - | 1,936,747 | - | 1,936,747 | - |
| Cash received from (payments to) other funds | - | - | - | - | (6,688,570) |
| Net cash from (to) operating activities | <u>36,893,544</u> | <u>1,936,747</u> | <u>542,328</u> | <u>39,372,619</u> | <u>(9,663,375)</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | 152,237 | 865,272 | 399,786 | 1,417,295 | 3,016,818 |
| Transfers out | (14,574,129) | (865,272) | (21,462) | (15,460,863) | (93,706) |
| Net cash from (to) noncapital financing | <u>(14,421,892)</u> | <u>-</u> | <u>378,324</u> | <u>(14,043,568)</u> | <u>2,923,112</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Payments for capital acquisitions | (9,223,868) | - | (89,377) | (9,313,245) | - |
| Advances from (to) other funds | - | (1,886,508) | - | (1,886,508) | - |
| Other nonoperating receipts | 104,130 | - | 10 | 104,140 | 157 |
| Payments on capital leases | - | - | (810,704) | (810,704) | - |
| Interest and fiscal charges | - | (50,239) | (20,582) | (70,821) | - |
| Net cash from (to) capital and related financing activities | <u>(9,119,738)</u> | <u>(1,936,747)</u> | <u>(920,653)</u> | <u>(11,977,138)</u> | <u>157</u> |
| Cash flows from investing activities: | | | | | |
| Investment income received (paid) | 359,731 | - | - | 359,731 | 20,322 |
| Investment (purchases) sales | (11,192,395) | - | - | (11,192,395) | 6,737,672 |
| Net cash from (to) investing activities | <u>(10,832,664)</u> | <u>-</u> | <u>-</u> | <u>(10,832,664)</u> | <u>6,757,994</u> |
| Net increase (decrease) in cash and cash equivalents | 2,519,250 | - | (1) | 2,519,249 | 17,888 |
| Cash and cash equivalents at beginning of year | 20,868,037 | - | 8,281 | 20,876,318 | 2,571,254 |
| Cash and cash equivalents at end of year | <u>\$ 23,387,287</u> | <u>\$ -</u> | <u>\$ 8,280</u> | <u>\$ 23,395,567</u> | <u>\$ 2,589,142</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, 2016

| | Major | | | Governmental Activities- Internal Service Funds |
|----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|---------------------|----------------------------------------------------------|
| | Board of Lights and Waterworks | Marietta Conference Center & Resort | City Golf Course | |
| Reconciliation of operating income (loss) to net cash from operating activities: | | | | |
| Operating income (loss) | \$ 18,646,931 | \$ 1,241,821 | \$ 73,082 | \$ 19,961,834 |
| Adjustments to reconcile operating income to net cash from operating activities: | | | | |
| Depreciation and amortization | 7,351,592 | 694,926 | 212,125 | 8,258,643 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | - | - | 787 | 787 |
| (Increase) decrease in contributions receivable | - | - | - | 102,605 |
| (Increase) decrease in utility accounts receivable | 274,098 | - | - | 274,098 |
| (Increase) decrease in due from other funds | 9,322,373 | - | - | 9,322,373 |
| (Increase) decrease in due from other governments | - | - | - | 3,438 |
| (Increase) decrease in inventories | (47,957) | - | - | (47,957) |
| (Increase) decrease in prepaids | 35 | - | - | 35 |
| (Increase) decrease in deferred outflows related to pension | (1,959,820) | - | - | (1,959,820) |
| Increase (decrease) in accounts payable | 476,906 | - | (14,356) | 462,550 |
| Increase (decrease) in accrued salaries | (172,445) | - | - | (172,445) |
| Increase (decrease) in accrued sales tax | 365,678 | - | - | 365,678 |
| Increase (decrease) in accrued compensated absences | 19,160 | - | - | 19,160 |
| Increase (decrease) in net OPEB obligation | 114,287 | - | - | 114,287 |
| Increase (decrease) in net pension liability | 2,928,710 | - | - | 2,928,710 |
| Increase (decrease) in due to other funds | - | - | 270,690 | 270,690 |
| Increase (decrease) in unearned revenue | 26,157 | - | - | 26,157 |
| Increase (decrease) in customer deposits | 26,629 | - | - | 26,629 |
| Increase (decrease) in claims and judgments payable | - | - | - | (64,014) |
| Increase (decrease) in deferred inflows related to pension | (478,790) | - | - | (478,790) |
| Net cash from (to) operating activities | <u>\$ 36,893,544</u> | <u>\$ 1,936,747</u> | <u>\$ 542,328</u> | <u>\$ 39,372,619</u> |
| Schedule of non-cash capital and related financing activities: | | | | |
| Contributions of capital assets | <u>\$ 150,705</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 150,705</u> |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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, 2016

| | OPEB Trust Fund | Pension Trust Fund | City Schools Agency Fund |
|-----------------------------------------------------------|-----------------------|--------------------------|--------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 91,897 | \$ 5,125,780 | \$ 459,276 |
| Receivables: | | | |
| Accrued interest | - | 238,013 | - |
| Tax receivable | - | - | 661,321 |
| Due from other government | - | - | 200,767 |
| Other | - | 22,492 | - |
| Total receivables | <u>-</u> | <u>260,505</u> | <u>862,088</u> |
| Investments, at fair value: | | | |
| United States government securities | - | 9,222,497 | - |
| Municipal bonds | - | 86,522 | - |
| Corporate notes and debentures | 1,105,690 | 23,592,693 | - |
| Common stock | - | 50,953,771 | - |
| Preferred stock | - | 2,309,563 | - |
| Total investments | <u>1,105,690</u> | <u>86,165,046</u> | <u>-</u> |
| Total assets | <u>1,197,587</u> | <u>91,551,331</u> | <u>1,321,364</u> |
| Liabilities | | | |
| Accrued expenses | 420 | 133,115 | - |
| Due to others | <u>91,897</u> | <u>80,337</u> | <u>1,321,364</u> |
| Total liabilities | <u>92,317</u> | <u>213,452</u> | <u>1,321,364</u> |
| Net position: | | | |
| Restricted for: | | | |
| OPEB benefits (See required supplementary information) | 1,105,270 | - | - |
| Pension benefits (See required supplementary information) | <u>-</u> | <u>91,337,879</u> | <u>-</u> |
| Total Net Position | <u>\$ 1,105,270</u> | <u>\$ 91,337,879</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, 2016

| | OPEB Trust Fund | Pension Trust Fund |
|-----------------------------------------------------------------|-----------------------|--------------------------|
| Additions: | | |
| Employer contributions | \$ - | \$ 5,583,000 |
| Employee contributions | - - | 1,317,814 |
| Contributions from others | <u>108,447</u> | <u>-</u> |
| | <u>108,447</u> | <u>6,900,814</u> |
| Investment income (expense): | | |
| Net appreciation (depreciation) of fair value of investments | (100,671) | (3,861,791) |
| Interest and dividends | <u>43,437</u> | <u>1,999,450</u> |
| | <u>(57,234)</u> | <u>(1,862,341)</u> |
| Less investment expenses | <u>-</u> | <u>(532,718)</u> |
| Net investment income (expenses) | <u>(57,234)</u> | <u>(2,395,059)</u> |
| Total additions | <u>51,213</u> | <u>4,505,755</u> |
| Deductions: | | |
| Pension benefits paid | - - | 10,320,689 |
| Administrative costs | <u>22,066</u> | <u>162,128</u> |
| Total deductions | <u>22,066</u> | <u>10,482,817</u> |
| Change in net position | <u>29,147</u> | <u>(5,977,062)</u> |
| Net position - beginning of year | <u>1,076,123</u> | <u>97,314,941</u> |
| Net position - end of year | <u>\$ 1,105,270</u> | <u>\$ 91,337,879</u> |

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016

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, 2016

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 any department must be approved by the City Council. During fiscal year 2016, approximately \$10.1 million in appropriations for expenditures were made in the governmental type funds.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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.

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.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Investments in money market funds are not insured or guaranteed by the 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".

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, 2016 are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's Funds.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

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:

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

J. Compensated Absences

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

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

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

K. Long-Term Obligations

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City 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 four items that qualify for reporting in this category. They are the deferred gain on refunding of debt and deferred inflows related to pension reported in the government wide statement of net position and the proprietary funds statement of net position, 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.

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

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

N. Use of Estimates

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

(2) DEPOSITS AND INVESTMENTS

Custodial Credit Risk –Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City limits its exposure to custodial credit risk by requiring deposits to be collateralized 110% in accordance with State law. As of June 30, 2016, the City had deposits of \$91,897 that were subject to custodial credit risk.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

As of June 30, 2016, 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 | not rated | \$ 26,066,541 | \$ 2,978,953 | \$ 760,598 | \$ - | \$ 29,806,092 |
| Georgia Fund 1 | AAAm | 7,512,380 | - | - | - | 7,512,380 |
| US Agencies | AAA | 28,973,553 | 5,866,407 | - | - | 34,839,960 |
| | NR | - | 250,645 | - | - | 250,645 |
| Treasury Money Market | not rated | 18,842,895 | - | - | - | 18,842,895 |
| Total Primary Government (non-fiduciary) | | \$ 81,395,369 | \$ 9,096,005 | \$ 760,598 | \$ - | \$ 91,251,972 |
| FIDUCIARY FUNDS | | | | | | |
| Common Stocks | n/a | n/a | n/a | n/a | n/a | \$ 50,953,771 |
| Money Market | | | | | | |
| Mutual Fund | AAA | 3,127,665 | - | - | - | 3,127,665 |
| Corporate Bonds | A+ | - | 407,568 | 344,249 | 58,520 | 810,337 |
| | A | - | 1,321,648 | 489,441 | 1,313,964 | 3,125,053 |
| | AA+ | - | 400,984 | 435,520 | 139,520 | 976,024 |
| | AAA | - | 1,487,537 | 245,883 | 226,576 | 1,959,996 |
| | A- | 705,613 | 518,991 | 1,166,102 | 784,624 | 3,175,330 |
| | AA- | - | - | 649,448 | - | 649,448 |
| | BBB+ | 135,847 | 1,491,024 | 2,031,200 | 275,763 | 3,933,834 |
| | BBB | 578,542 | 1,403,243 | 1,013,922 | 1,695,213 | 4,690,920 |
| | BBB- | - | 1,048,329 | 581,938 | 400,354 | 2,030,621 |
| | BB+ | - | 205,773 | - | 304,364 | 510,137 |
| | BB- | - | 302,558 | - | - | 302,558 |
| | N/R | - | 914,537 | 1,105,690 | 513,898 | 2,534,125 |
| Preferred Stock | BBB | - | 2,309,563 | - | - | 2,309,563 |
| Government Bonds | AA+ | - | 135,535 | - | - | 135,535 |
| | N/R | - | 927,450 | 440,136 | 7,719,376 | 9,086,962 |
| Municipal Bonds | A | - | 86,522 | - | - | 86,522 |
| Total Fiduciary Fund | | \$ 4,547,667 | \$ 12,961,262 | \$ 8,503,529 | \$ 13,432,172 | \$ 90,398,401 |

Investments of the primary government exclude \$6,431,936 of certificates of deposits.

Investments of the fiduciary fund include \$3,127,665 grouped with cash and cash equivalents.

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

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

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

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

In fiscal year 2016, the City adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

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, 2016 are as follows:

| | 6/30/2016 | Fair Value Measurement Using | | |
|-------------------------------------------------|----------------------|------------------------------|----------------------|-------------|
| | | Level 1 | Level 2 | Level 3 |
| PRIMARY GOVERNMENT | | | | |
| Municipal Competitive Trust | \$ 29,806,092 | \$ 2,093,673 | \$ 27,712,419 | \$ - |
| Georgia Fund 1 | 7,512,380 | 7,512,380 | - | - |
| US Agencies | 35,090,605 | - | 35,090,605 | - |
| Treasury Money Market | 18,842,895 | 18,842,895 | - | - |
| Total Primary Government (non-fiduciary) | \$ 91,251,972 | \$ 28,448,948 | \$ 62,803,024 | \$ - |
| FIDUCIARY FUNDS | | | | |
| Common Stocks | \$ 50,953,771 | \$ 50,953,771 | \$ - | \$ - |
| Money Market Mutual Fund | 3,127,665 | 3,127,665 | - | - |
| Corporate Bonds | 24,698,383 | - | 24,698,383 | - |
| Preferred Stock | 2,309,563 | 2,309,563 | - | - |
| Government Bonds | 9,222,497 | - | 9,222,497 | - |
| Municipal Bonds | 86,522 | - | 86,522 | - |
| Total Fiduciary Fund | \$ 90,398,401 | \$ 56,390,999 | \$ 34,007,402 | \$ - |

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(3) RECEIVABLES

Receivables at June 30, 2016 for the government's individual major funds, and nonmajor and internal service funds in the aggregate consist of the following:

| | Taxes and Fines | Accrued Interest | Utility Accounts | Other | Allowance for Uncollectibles | Net Receivables |
|----------------------------------------|--------------------------|--------------------------|-----------------------------|--------------------------|------------------------------------|-----------------------------|
| General Fund | \$ 108,450 | \$ 9,894 | \$ 142,730 | \$ 565,559 | \$ (24,106) | \$ 802,527 |
| SPLOST Fund | - | 42,785 | - | - | - | 42,785 |
| Redevelopment Bond Fund | - | - | - | 265 | - | 265 |
| Debt Service Fund | 83,312 | 1,088 | - | - | - | 84,400 |
| Board of Lights and Waterworks Fund | - | 46,279 | 18,091,056 | - | (319,278) | 17,818,057 |
| Nonmajor and Other Funds | <u>335,887</u> | <u>-</u> | <u>-</u> | <u>156,216</u> | <u>(6,111)</u> | <u>485,992</u> |
| Total | <u>\$ 527,649</u> | <u>\$ 100,046</u> | <u>\$ 18,233,786</u> | <u>\$ 722,040</u> | <u>\$ (349,495)</u> | <u>\$ 19,234,026</u> |

(4) INTERFUND RECEIVABLES, ADVANCES AND TRANSFERS

Interfund receivable and payable balances for the fiscal year ended June 30, 2016 are summarized as follows:

| PAYABLE FUND | RECEIVABLE FUND | | | | Total |
|-------------------------------------|----------------------------|-----------------------------------|-------------------------------------------|--|----------------------------|
| | General Fund | Board of Lights and Waterworks | Marietta Conference Center & Resort | | |
| General Fund | \$ - | \$ 455,836 | \$ 127,968 | | \$ 583,804 |
| Redevelopment Bond Fund | 5,177,900 | - | - | | 5,177,900 |
| Marietta Conference Center & Resort | - | 500 | - | | 500 |
| Golf Course | - | 1,695,730 | - | | 1,695,730 |
| Nonmajor Governmental | 991,413 | 76,025 | 58,398 | | 1,125,836 |
| Internal Service | - | 892,109 | - | | 892,109 |
| Total | <u>\$ 6,169,313</u> | <u>\$ 3,120,200</u> | <u>\$ 186,366</u> | | <u>\$ 9,475,879</u> |

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

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

| <u>Advances to</u> | |
|----------------------|----------------------|
| <u>Advances from</u> | <u>& Resort</u> |
| <u>General Fund</u> | <u>\$ 18,634,867</u> |

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

Interfund transfers for the current year were as follows:

| Transfer In Fund | Transfers Out Fund | | | | | | | | Total |
|-------------------------------------|---------------------|------------------|-----------------------|--------------------------------|-------------------------------------|------------------|-------------------|----------------------|------------------|
| | General Fund | Debt Service | Nonmajor Governmental | Board of Lights and Waterworks | Marietta Conference Center & Resort | Golf Course | Internal Services | | |
| General Fund | \$ - | 24,724 | \$ 3,326,171 | \$ 13,569,491 | \$ 865,272 | \$ 21,027 | \$ 92,333 | \$ 17,899,018 | |
| Redevelopment Bond Fund | - | - | 2,000,000 | - | - | - | - | - | 2,000,000 |
| Board of Lights and Waterworks | 149,907 | 512 | 10 | - | - | 435 | 1,373 | 152,237 | |
| Marietta Conference Center & Resort | 865,272 | - | - | - | - | - | - | - | 865,272 |
| Golf Course | 399,786 | - | - | - | - | - | - | - | 399,786 |
| Internal Services | <u>2,012,180</u> | <u>-</u> | <u>-</u> | <u>1,004,638</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,016,818</u> |
| Total | <u>\$ 3,427,145</u> | <u>\$ 25,236</u> | <u>\$ 5,326,181</u> | <u>\$ 14,574,129</u> | <u>\$ 865,272</u> | <u>\$ 21,462</u> | <u>\$ 93,706</u> | <u>\$ 24,333,131</u> | |

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, 2) move unrestricted Board of Lights and Waterworks funds to the general fund to generate revenue to forestall the need for property tax increases, 3) to transfer revenues between various funds to the general fund and 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.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(5) CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Reclassification | Ending Balance |
|----------------------------------------------|-----------------------|----------------------|------------------|------------------|-----------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 43,322,330 | \$ 18,240,852 | \$ - | \$ - | \$ 61,563,182 |
| Construction in progress | 3,709,162 | 5,862,162 | - - | (43,806) | 9,571,324 |
| Total capital assets, not being depreciated: | <u>47,031,492</u> | <u>24,103,014</u> | <u>- -</u> | <u>(43,806)</u> | <u>71,134,506</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 39,311,753 | 2,022,242 | - - | 536,514 | 41,870,509 |
| Improvements other than buildings | 11,600,990 | 171,360 | - - | - - | 11,772,350 |
| Machinery and equipment | 39,109,295 | 3,054,013 | (752,704) | - - | 41,410,604 |
| Infrastructure | 220,094,096 | 9,235,898 | - - | (492,708) | 229,329,994 |
| Total capital assets being depreciated | <u>310,116,134</u> | <u>14,483,513</u> | <u>(752,704)</u> | <u>43,806</u> | <u>324,383,457</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (19,863,640) | (957,642) | - - | - - | (20,821,282) |
| Improvements other than buildings | (5,176,531) | (615,596) | - - | - - | (5,792,127) |
| Machinery and equipment | (35,372,564) | (1,315,851) | 752,704 | - - | (35,935,711) |
| Infrastructure | (164,462,890) | (2,837,029) | - - | - - | (167,299,919) |
| Total accumulated depreciation | <u>(224,875,625)</u> | <u>(5,726,118)</u> | <u>752,704</u> | <u>- -</u> | <u>(229,849,039)</u> |
| Total capital assets, being depreciated, net | <u>85,240,509</u> | <u>8,757,395</u> | <u>- -</u> | <u>43,806</u> | <u>94,534,418</u> |
| Governmental activities capital assets, net | <u>\$ 132,272,001</u> | <u>\$ 32,860,409</u> | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ 165,668,924</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 | 42,225,316 | 20,892 | - - | - - | 42,246,208 |
| Plant in service and water/sewer system | 211,127,190 | 7,409,549 | - - | - - | 218,536,739 |
| Machinery and equipment | 79,641,099 | 2,029,950 | - - | - - | 81,671,049 |
| Total capital assets being depreciated | <u>332,993,605</u> | <u>9,460,391</u> | <u>- -</u> | <u>- -</u> | <u>342,453,996</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (31,743,113) | (1,060,462) | - - | - - | (32,800,016) |
| Plant in service and water/sewer system | (96,261,912) | (3,464,112) | - - | - - | (99,726,024) |
| Machinery and equipment | (54,545,478) | (3,659,470) | - - | - - | (58,204,948) |
| Total accumulated depreciation | <u>(182,550,503)</u> | <u>(8,184,044)</u> | <u>- -</u> | <u>- -</u> | <u>(190,730,988)</u> |
| Total capital assets, being depreciated, net | <u>150,443,102</u> | <u>1,276,347</u> | <u>- -</u> | <u>- -</u> | <u>151,723,008</u> |
| Business-type activities capital assets, net | <u>\$ 159,195,362</u> | <u>\$ 1,276,347</u> | <u>\$ - -</u> | <u>\$ - -</u> | <u>\$ 160,475,268</u> |

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Governmental activities: | |
| General government | \$ 307,928 |
| Public safety | 1,980,440 |
| Public Works, including depreciation of general infrastructure assets | 2,774,718 |
| Culture and recreation | 543,241 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets | <u>119,791</u> |
| Total depreciation expense – governmental activities | <u>\$ 5,726,118</u> |
| Business-type activities: | |
| Water & Sewer | \$ 2,765,612 |
| Electric | 4,511,381 |
| Conference Center | 694,926 |
| Golf | <u>212,125</u> |
| Total depreciation expense – business-type activities | <u>\$ 8,184,044</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, 2016:

\$25,270,000 Series 2009A General Obligation School Refunding serial bonds due in annual installments commencing February 1, 2010 of \$520,000 to \$710,000 through February 1, 2019; interest at 2.0 to 5.0 percent (\$7,565,000 outstanding at June 30, 2016). The bonds were issued to current refund the 2008 General Obligation School Refunding bond issue.

\$7,115,000 Series 2009B General Obligation Refunding serial bonds due in annual installments commencing July 1, 2010 of \$1,125,000 to \$950,000 through July 1, 2016; interest at 2.0 to 4.0 percent. The bonds were issued to current refund the 2007 General Obligation Refunding bond issue. The bond matured during the current fiscal year and was paid off.

\$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 2.5 to 5.0 percent (\$4,470,000 outstanding at June 30, 2016). The bonds were

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2023; interest at 3.0 percent (\$7,000,000 outstanding at June 30, 2016). The bonds were issued to fund demolition, acquisition, and improvements of property for present and future redevelopments.

\$61,000,000 Series 2013B General Obligation Redevelopment serial bonds due in annual installments commencing January 1, 2015 of \$2,615,000 to \$4,775,000 through January 1, 2034; interest at 3.0 to 5.0 percent (\$55,735,000 outstanding at June 30, 2016). The issue includes a term bond due January 1, 2025, interest at 4.0 percent (\$6,460,000 outstanding). The bonds were issued to fund demolition, acquisition, and improvements of property for present and future redevelopments.

\$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 2.0 to 5.0 percent (\$15,670,000 outstanding). 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 |
|-------------------------|-------------------|-------------------|--------------------|
| 2017 | \$ 7,270,000 | \$ 3,230,290 | \$ 10,500,290 |
| 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 |
| 2022-2026 | 23,660,000 | 9,418,725 | 33,078,725 |
| 2027-2031 | 24,955,000 | 5,955,945 | 30,910,945 |
| 2032-2034 | 13,685,000 | 1,358,215 | 15,043,215 |
| Total | \$ 90,440,000 | \$ 30,065,635 | \$ 120,505,635 |

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

\$3,735,949 is available in the Debt Service Fund to service the general obligation bonds. The amount of defeased debt outstanding but removed from the City's records totaled \$14,585,000 at June 30, 2016.

Tax Allocation District Bonds:

During fiscal year 2006, the City issued \$8,400,000 in limited obligations bonds to undertake certain redevelopment projects within a tax allocation district established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Marietta City Schools Board of Education. The property tax increments are pledged until the payment in full of the bonds. The bonds are due in annual installments commencing December 15, 2008 of \$499,195 to \$816,926 through December 15, 2020; the bonds bear interest at a rate of 4.19%. For the current year, principal and interest paid and total tax allocation incremental revenues were \$851,157 and \$623,680 respectively.

Annual debt service requirements to maturity are as follows:

| Year Ending | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| June 30, | | | |
| 2017 | \$ 693,232 | \$ 157,923 | \$ 851,155 |
| 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>\$ 3,769,050</u> | <u>\$ 486,725</u> | <u>\$ 4,255,775</u> |

Note Payable

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

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------------------------|----------------------------|-----------------------------|
| 2017 | \$ 1,760,000 | \$ 1,006,200 | \$ 2,766,200 |
| 2018 | 1,830,000 | 934,400 | 2,764,400 |
| 2019 | 1,905,000 | 869,225 | 2,774,225 |
| 2020 | 1,960,000 | 801,450 | 2,761,450 |
| 2021 | 2,040,000 | 711,250 | 2,751,250 |
| 2022-2026 | 11,685,000 | 1,883,625 | 13,568,625 |
| 2027 | <u>1,900,000</u> | <u>38,000</u> | <u>1,938,000</u> |
| Total | <u>\$ 23,080,000</u> | <u>\$ 6,244,150</u> | <u>\$ 29,324,150</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%. Annual debt service requirements to maturity are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|--------------------------|------------------------|--------------------------|
| 2017 | \$ 74,057 | \$ 5,879 | \$ 79,936 |
| 2018 | <u>77,147</u> | <u>2,086</u> | <u>79,233</u> |
| Total | <u>\$ 151,204</u> | <u>\$ 7,965</u> | <u>\$ 159,169</u> |

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, 2016 were \$90,227 and \$172,935 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, 2016:

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| June 30 | City Club Golf Course & Carts |
|------------------------------------------------|----------------------------------|
| 2017 | \$ 67,828 |
| 2018 | <u>139,296</u> |
| Total minimum lease payments | 207,124 |
| Less amounts representing interest | (9,621) |
| Present value of future minimum lease payments | <u><u>\$ 197,503</u></u> |

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|-----------------------|----------------------|------------------------|-----------------------|------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 98,540,000 | \$ - | \$ (8,100,000) | \$ 90,440,000 | \$ 7,270,000 |
| Tax Allocation District Bonds | 4,434,403 | - | (665,353) | 3,769,050 | 693,232 |
| Unamortized bond premium | 4,328,046 | - | (543,168) | 3,784,878 | - |
| Note payable | | | | | |
| Note payable | 24,976,657 | - | (1,745,453) | 23,231,204 | 1,834,057 |
| Unamortized premium | 1,509,825 | - | (144,087) | 1,365,738 | - |
| Compensated absences | 3,834,662 | 1,865,162 | (1,650,674) | 4,049,150 | 1,712,547 |
| Net pension liability | 45,771,570 | 12,261,390 | (5,091,100) | 52,941,860 | - |
| OPEB obligation | 30,202,527 | 2,001,708 | (1,596,508) | 30,607,727 | - |
| Governmental activity | | | | | |
| Long-term liabilities | <u>\$ 213,597,690</u> | <u>\$ 16,128,260</u> | <u>\$ (19,536,343)</u> | <u>\$ 210,189,607</u> | <u>\$ 11,509,836</u> |
| Business-type activities: | | | | | |
| Note payable | | | | | |
| Note payable | \$ 755,000 | \$ - | \$ (755,000) | \$ - | \$ - |
| Capital leases | 253,207 | - | (55,704) | 197,503 | 61,109 |
| Compensated absences | 925,298 | 366,367 | (347,207) | 944,458 | 368,363 |
| Net pension liability | 18,695,430 | 5,110,610 | (2,181,900) | 21,624,140 | - |
| OPEB obligation | 8,518,661 | 564,584 | (450,297) | 8,632,948 | - |
| Customer Deposits | 9,421,152 | 26,629 | - | 9,447,781 | - |
| Business-type activity | | | | | |
| Long-term liabilities | <u>\$ 38,568,748</u> | <u>\$ 6,068,190</u> | <u>\$ (3,790,108)</u> | <u>\$ 40,846,830</u> | <u>\$ 429,472</u> |

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, 2016. 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 \$100,000 to \$250,000.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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% 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 \$88,606,128 from the Authority during the year ended June 30, 2016.

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016 are as follows:

| | |
|-------------------------|---------------|
| General Fund | \$ 2,297,971 |
| SPLOST Fund | 8,981,187 |
| City Parks Bond Fund | 138,852 |
| Redevelopment Bond Fund | 701,097 |
| NonMajor Funds | 21,966 |
| | <hr/> <hr/> |
| | \$ 12,141,073 |

The City also has active construction projects at June 30, 2016.

Marietta Redevelopment Corporation

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

(8) PROPERTY TAX

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

Property taxes are levied in August or September of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Taxes levied on August 24, 2015 were due on October 24, 2015.

Liens were attached to property for unpaid taxes on March 10, 2016.

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, 2015 was \$2,809,170,178.

Based on the 2015 City General, Debt Service, and Cemetery Maintenance millage levy of

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

6.05, a property owner would pay \$6.05 per \$1,000 of assessed valuation.

Current tax collections of \$14,542,338 for the fiscal year ended June 30, 2016 were 99.24 percent of the tax levy.

(9) 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 | \$ 28,545 | \$ - | \$ - | \$ - | \$ - | \$ 28,545 |
| Advances | 18,634,867 | - | - | - | - | 18,634,867 |
| Prepays | 44,385 | 333,899 | | | | 378,284 |
| Restricted for: | | | | | | |
| Capital projects | - | 24,768,396 | 20,361,885 | - | 7,935,877 | 53,066,158 |
| Culture & recreation | 671,736 | - | - | - | 90,159 | 761,895 |
| Debt service | - | - | - | 3,735,949 | - | 3,735,949 |
| Urban redevelopment & housing | 199,650 | - | - | - | 1,222,991 | 1,422,641 |
| Public safety | 31,522 | - | - | - | 5,208 | 36,730 |
| Police - asset forfeitures | 950,667 | | | | | |
| Committed for: | | | | | | |
| Culture & recreation | 39,771 | - | - | - | - | 39,771 |
| Public works | 716,423 | - | - | - | - | 716,423 |
| Assigned for: | | | | | | |
| General government | 1,198,108 | - | - | - | - | 1,198,108 |
| Debt service | 2,075,339 | | | | | |
| Public works - construction | 1,598,206 | - | - | - | - | 1,598,206 |
| Culture & recreation | 193,711 | - | - | - | - | 193,711 |
| Urban redevelopment and housing | 130,354 | - | - | - | - | 130,354 |
| Public safety | 279,070 | - | - | - | - | 279,070 |
| Unassigned | 13,853,847 | - | - | - | (7,557) | 13,846,290 |
| | <u>\$ 40,646,201</u> | <u>\$ 25,102,295</u> | <u>\$ 20,361,885</u> | <u>\$ 3,735,949</u> | <u>\$ 9,246,678</u> | <u>\$ 96,067,002</u> |

In the nonmajor government funds, HUD CDBG Fund has a deficit fund balance of \$7,557 at June 30, 2016.

(10) 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

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

and are 100% contributed by the City. Total employer contributions to the supplemental pension plan for the fiscal year ended June 30, 2016 were \$2,038,189.

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, 2016, the City recognized administrative expense of \$694,849. The balance in the forfeiture account as of June 30, 2016 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 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.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016, the following employees were covered by the benefit terms:

| | |
|------------------------------------------------------------------|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 541 |
| Inactive members entitled to but not yet receiving benefits | 294 |
| Active employees | <u>738</u> |
| Total | <u>1,573</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 16.9% of the current year covered payroll. Employees are required to contribute 4% of gross wages. Total employer and employee contributions to the general pension plan for the fiscal year ended June 30, 2016 were \$5,583,000 and \$1,317,814 respectively.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2016, 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, 2016 actuarial valuation 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 percent, including |
| Investment rate of return | 7.5 percent, including inflation |
| Post-retirement benefit increases | Not applicable |

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2015 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 | 0.0% | 0.3% |
| Domestic equity | 58.8% | 6.5% |
| Fixed income | 29.0% | 2.0% |
| Alternative | 12.2% | 5.0% |
| Total | <u>100%</u> | |

Discount rate. The discount rate used to measure the total pension liability was 7.5 %. 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% 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, 2016

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

| | Increase (Decrease) | | |
|------------------------------------------------------------------|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances at 6/30/2015 | \$ 161,782 | \$ 97,315 | \$ 64,467 |
| Changes for the year: | | | |
| Service cost | 2,696 | - | 2,696 |
| Interest | 11,747 | - | 11,747 |
| Differences between expected and actual experience | - | - | - |
| Contributions - employer | - | 5,583 | (5,583) |
| Contributions - employee | - | 1,318 | (1,318) |
| Net investment income | - | (2,395) | 2,395 |
| Benefit payments, including refunds of employee contributions | (10,321) | (10,321) | - |
| Administrative expense | - | (162) | 162 |
| Net changes | <u>4,122</u> | <u>(5,977)</u> | <u>10,099</u> |
| Balances at 6/30/2016 | <u><u>\$ 165,904</u></u> | <u><u>\$ 91,338</u></u> | <u><u>\$ 74,566</u></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 7.5%, 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 (6.5 %) or 1-percentage-point higher (8.5 %) than the current rate (\$ in thousands):

| | Current | | |
|-----------------------|---------------|---------------|---------------|
| | 1% Decrease | Discount | 1% Increase |
| | <u>(6.5%)</u> | <u>(7.5%)</u> | <u>(8.5%)</u> |
| Net pension liability | \$ 91,353 | \$ 74,566 | \$ 60,182 |

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016, the City recognized pension expense of \$7,273,000. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (\$ in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 1,585 |
| Net difference between projected and actual earnings on pension plan investments | <u>10,318</u> | - |
| Total | <u>\$ 10,318</u> | <u>\$ 1,585</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:

| | |
|------|------------------------|
| 2017 | \$ 1,217 |
| 2018 | 2,802 |
| 2019 | 2,802 |
| 2020 | 1,912 |
| | <u>\$ 8,733</u> |

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 \$128,797 to the Peace Officers' Annuity and Benefit Fund for the year ended June 30, 2016. Contributions to this fund are based on the number and amounts of fines and bond forfeiture cases each month as prescribed by State Law. The Georgia Firemen's Pension Fund is funded by the state-levied fire insurance premium tax.

(11) POSTEMPLOYMENT HEALTHCARE PLAN

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

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

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

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

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

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. For fiscal year 2016, the City contributed \$2,046,805 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:

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| <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> |
|--------------------------|-------------------------|------------------------------------|-------------------------------|----------------------------|
| 6/30/2014 | \$ 6,283,415 | \$ 3,049,517 | 49% | \$ 36,392,152 |
| 6/30/2015 | 6,167,247 | 3,838,211 | 62% | 38,721,188 |
| 6/30/2016 | 2,566,292 | 2,046,805 | 80% | 39,240,675 |

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 | \$ 3,432,006 |
| Interest on net OPEB obligation | 1,817,637 |
| Adjustment to annual required contribution | <u>(2,683,351)</u> |
| Annual OPEB cost (expense) | 2,566,292 |
| Contributions made | <u>(2,046,805)</u> |
| Increase in net OPEB obligation | 519,487 |
| Net OPEB obligation-beginning of year | <u>38,721,188</u> |
| Net OPEB obligation-end of year | <u><u>\$ 39,240,675</u></u> |

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.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 | 200.8% |

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

| | |
|-------------------------------|-----------------------|
| Valuation date | 7/1/2015 |
| 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% |
| Healthcare cost trend rate | 5% |

Actuarial Methods and Assumption - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan does not issue separate financial statements.

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(12) 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 |
| Employee Benefits 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 |
| Crime Bond | 250,000 | None |
| General Liability | 1,000,000 | 3,000,000 |

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, 2016 | June 30, 2015 |
|--------------------------------------------------------|---------------------|---------------------|
| Claims and judgments payable, beginning of fiscal year | \$ 3,310,695 | \$ 3,020,306 |
| Incurred claims | 13,107,208 | 13,162,235 |
| Claim payments | <u>(13,171,222)</u> | <u>(12,871,846)</u> |
| Claims and judgments payable, end of fiscal year | <u>\$ 3,246,681</u> | <u>\$ 3,310,695</u> |

**CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

(13) MUNICIPAL TRUSTS

In 1999, the City, along with other participating municipalities, entered into an agreement with the Municipal Electric Authority of Georgia ("MEAG") which created a trust referred to as the Municipal Competitive Trust (MCT). The purpose of the MCT was to provide a means for MEAG and the participating municipalities to accumulate funds for the purpose of mitigating the effect of anticipated changes in the electric industry involving completions for retail electric power supply. Subsequent amendments to the agreement called for drawdowns from the MCT, which commenced in January 2009, and extend through approximately December 2018.

The withdrawals of \$8,950,206 for the fiscal year ending June 30, 2016 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 2016, the City has deposited \$2,581,215 into this Funding Account. These funds have been collected from customers and are reflected as unearned revenues on the balance sheet.

(14) JOINT VENTURE

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

(15) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2016:

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--------------------------------------------|---------------|---------------|---------------------------------------|
| HUD Community Development Block Grant | | | |
| Operating services | \$ 271,215 | \$ 290,761 | \$ (19,546) |
| Debt Service Fund | | | |
| Debt service - interest and fiscal charges | 3,958,898 | 3,960,898 | (2,000) |

CITY OF MARIETTA, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(16) RESTATEMENT

The City discovered certain grant revenues were overstated in the prior year. The effects of the restatement to the previously reported amounts in the General Fund are as follows:

| | |
|------------------------------------------------|------------------------------|
| Fund balance as previously reported | \$ 46,850,578 |
| Restatement - deferred inflows of resources | (1,349,361) |
| Fund balance as restated | <u>\$ 45,501,217</u> |
| | |
| Changes in fund balance as previously reported | \$ (1,039,804) |
| Effect of restatement | (1,349,361) |
| Changes in fund balance as restated | <u>\$ (2,389,165)</u> |

REQUIRED SUPPLEMENTARY INFORMATION

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

| (In thousands) | 2014 | 2015 | 2016 |
|-----------------------------------------------------------------------------------|------------|------------|------------|
| Total Pension Liability | | | |
| Service cost | \$ 2,652 | \$ 2,851 | \$ 2,696 |
| Interest | 11,415 | 11,766 | 11,747 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | - | (4,887) | - |
| Change of assumptions | - | - | - |
| Benefit payments, including refunds of employee contributions | (9,118) | (9,655) | (10,321) |
| Net Change in Total Pension Liability | 4,949 | 75 | 4,122 |
| Total Pension Liability – Beginning | \$ 156,758 | \$ 161,707 | \$ 161,782 |
| Total Pension Liability – Ending (a) | \$ 161,707 | \$ 161,782 | \$ 165,904 |
| Plan Fiduciary Net Position | | | |
| Contributions – employer | \$ 5,669 | \$ 5,731 | \$ 5,583 |
| Contributions – employees | 1,260 | 1,280 | 1,318 |
| Net investment income | 14,663 | 2,746 | (2,395) |
| Benefit payments, including refunds of employee contributions | (9,118) | (9,655) | (10,321) |
| Administrative expense | (144) | (111) | (162) |
| Other | - | - | - |
| Net Changes in Plan Fiduciary Net Position | \$ 12,330 | \$ (9) | \$ (5,977) |
| Plan Fiduciary Net Position – Beginning | \$ 84,994 | \$ 97,324 | \$ 97,315 |
| Plan Fiduciary Net Position – Ending (b) | \$ 97,324 | \$ 97,315 | \$ 91,338 |
| Net Pension Liability – Ending (a)–(b) | \$ 64,383 | \$ 64,467 | \$ 74,566 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 60% | 60% | 55% |
| Covered-employee payroll | \$ 32,997 | \$ 32,481 | \$ 32,996 |
| Net Pension Liability as a percentage of Covered Payroll | 195% | 198% | 226% |

Notes to Schedule:

2014 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS

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

Notes to Schedule:

Valuation Date: June 30, 2016

Methods and assumptions to determine contribution rates:

| | |
|-------------------------------|-----------------------------------------------------------------------|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of the pay, closed |
| Remaining amortization period | 28 years |
| Asset valuation method | Ten-year smoothed market value |
| Inflation | 3.50% |
| Salary increases | 3.5 - 12.62% |
| Investment rate of return | 7.5%, net of pension plan investment expense, and including inflation |

2014 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

CITY OF MARIETTA, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

POST EMPLOYMENT HEALTHCARE PLAN

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

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | (3) Funded Ratio (1)/(2) | (4) Unfunded AAL (UAAL) (2)-(1) | (5) Covered Payroll | (6) UAAL as a Percentage of Covered |
|--------------------------|----------------------------------|------------------------------------------|-----------------------------|------------------------------------|------------------------|----------------------------------------|
| 7/1/2006 | \$ - | \$ 90,530,000 | 0.00% | \$ 90,530,000 | \$ 30,170,894 | 300.1% |
| 7/1/2009 | 52,000 | 155,919,000 | 0.03% | 155,867,000 | 31,580,119 | 493.6% |
| 7/1/2011 | 436,501 | 75,113,688 | 0.58% | 74,677,187 | 34,831,719 | 214.4% |
| 7/1/2013 | 678,223 | 99,287,804 | 0.68% | 98,609,581 | 34,403,775 | 286.6% |
| 7/1/2015 | 1,075,057 | 67,341,121 | 1.60% | 66,266,064 | 32,996,000 | 200.8% |

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

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

POST EMPLOYMENT HEALTHCARE PLAN

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

| Fiscal Year Ended | Annual Required Contribution | Annual Actual Contributions | Percentage Contributed |
|-------------------|------------------------------|-----------------------------|------------------------|
| 6/30/2010 | \$ 12,350,000 | \$ 2,408,844 | 20% |
| 6/30/2011 | 12,713,000 | 2,261,335 | 18% |
| 6/30/2012 | 5,085,836 | 3,062,489 | 60% |
| 6/30/2013 | 5,202,882 | 2,271,090 | 44% |
| 6/30/2014 | 6,908,371 | 3,049,517 | 44% |
| 6/30/2015 | 7,018,998 | 3,838,211 | 55% |
| 6/30/2016 | 3,432,006 | 2,046,805 | 60% |

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, 2016

| | Original Budget | Final Budget | Actual | Variance with Final Budget-Actual Positive (Negative) |
|---------------------------------------------------------------------|---------------------|-----------------------|----------------------|-------------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 19,297,500 | \$ 19,297,500 | \$ 19,323,885 | \$ 26,385 |
| Licenses and permits | 6,383,332 | 6,504,140 | 6,638,511 | 134,371 |
| Intergovernmental | 2,175,881 | 6,651,391 | 2,017,938 | (4,633,453) |
| Charges for services | 4,300,639 | 4,340,639 | 4,550,188 | 209,549 |
| Fines and forfeits | 4,027,000 | 4,527,000 | 3,933,335 | (593,665) |
| Investment earnings | 40,000 | 40,000 | 97,233 | 57,233 |
| Other | 525,871 | 525,871 | 575,682 | 49,811 |
| Total revenues | 36,750,223 | 41,886,541 | 37,136,772 | (4,749,769) |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| General administration: | | | | |
| Legislative | 436,235 | 438,040 | 428,483 | 9,557 |
| Judicial | 1,243,055 | 1,247,505 | 1,218,642 | 28,863 |
| Executive | 850,541 | 875,003 | 863,165 | 11,838 |
| Law | 525,000 | 525,000 | 370,206 | 154,794 |
| Financial administration | 2,153,080 | 2,055,140 | 2,027,740 | 27,400 |
| Human resources | 882,853 | 842,234 | 811,268 | 30,966 |
| Planning and zoning | 1,980,476 | 2,238,921 | 1,912,398 | 326,523 |
| Public works | 9,875,081 | 12,502,257 | 9,697,500 | 2,804,757 |
| Culture and recreation | 5,199,516 | 9,886,526 | 7,970,795 | 1,915,731 |
| Public safety: | | | | |
| Police | 16,376,592 | 17,875,021 | 17,287,310 | 587,711 |
| Fire | 12,395,918 | 13,694,912 | 13,484,817 | 210,095 |
| Debt Service: | | | | |
| Principal retirement | 1,745,453 | 1,745,453 | 1,745,453 | - |
| Interest and fiscal charges | 1,093,805 | 1,093,805 | 1,093,805 | - |
| Total expenditures | 54,757,605 | 65,019,817 | 58,911,582 | 6,108,235 |
| Excess (deficiency) of revenues over expenditures | (18,007,382) | (23,133,276) | (21,774,810) | 1,358,466 |
| Other financing sources (uses): | | | | |
| Sales of capital assets | 130,000 | 154,780 | 149,950 | (4,830) |
| Transfers in | 19,725,955 | 20,053,804 | 17,899,018 | (2,154,786) |
| Transfers out | (2,134,590) | (1,973,967) | (3,427,145) | (1,453,178) |
| Total other financing sources (uses) | 17,721,365 | 18,234,617 | 14,621,823 | (3,612,794) |
| Net change in fund balance | \$ (286,017) | \$ (4,898,659) | (7,152,987) | \$ (2,254,328) |
| Reconciliation to GAAP basis: | | | | |
| Encumbrances outstanding at end of year | | | 2,297,971 | |
| Fund balances at beginning of year, before restatement - GAAP basis | | | 46,850,578 | |
| Restatement | | | (1,349,361) | |
| Fund balances at beginning of year, as restated - GAAP basis | | | 45,501,217 | |
| Fund balances at end of year - GAAP basis | | | \$ 40,646,201 | |

OTHER SUPPLEMENTARY INFORMATION

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

| | Special Revenue | Capital Projects | Total Nonmajor Governmental Funds |
|----------------------------------------------------------------------------|--------------------|---------------------|--------------------------------------------|
| Assets: | | | |
| Cash and cash equivalents | \$ 1,126,188 | \$ 2,106,036 | \$ 3,232,224 |
| Cash with fiscal agent | 945,597 | - | 945,597 |
| Investments | - | 6,027,487 | 6,027,487 |
| Receivables, net | 329,776 | 22,524 | 352,300 |
| Due from other governments | 82,535 | - | 82,535 |
| Total assets | \$ 2,484,096 | \$ 8,156,047 | \$ 10,640,143 |
| Liabilities: | | | |
| Accounts payable | \$ 33,190 | \$ 167,027 | \$ 200,217 |
| Retainage payable | - | 53,143 | 53,143 |
| Accrued liabilities | 3,177 | - | 3,177 |
| Due to other funds | 1,125,836 | - | 1,125,836 |
| Total liabilities | 1,162,203 | 220,170 | 1,382,373 |
| Deferred inflows of resources: | | | |
| Unavailable revenue | 11,092 | - | 11,092 |
| Fund balances: | | | |
| Restricted | 1,318,358 | 7,935,877 | 9,254,235 |
| Unassigned | (7,557) | - | (7,557) |
| Total fund balances | 1,310,801 | 7,935,877 | 9,246,678 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,484,096 | \$ 8,156,047 | \$ 10,640,143 |

CITY OF MARIETTA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Special Revenue | Capital Projects | Total Nonmajor Governmental Funds |
|----------------------------------------------------------|--------------------|---------------------|--------------------------------------------|
| Revenues: | | | |
| Taxes | \$ 3,569,505 | \$ - | \$ 3,569,505 |
| Intergovernmental | 1,005,076 | - | 1,005,076 |
| Investment earnings | 4,008 | 30,538 | 34,546 |
| Other | - | 276,700 | 276,700 |
| Total revenues | 4,578,589 | 307,238 | 4,885,827 |
| Expenditures: | | | |
| Current: | | | |
| Public works | 181,810 | - | 181,810 |
| Culture and recreation | - | 282,995 | 282,995 |
| Urban redevelopment and housing | 566,221 | - | 566,221 |
| Capital projects | - | 1,975,086 | 1,975,086 |
| Debt service: | | | |
| Principal retirement | 665,353 | - | 665,353 |
| Interest and fiscal charges | 185,804 | - | 185,804 |
| Total expenditures | 1,599,188 | 2,258,081 | 3,857,269 |
| Excess (deficiency) of revenues over expenditures | 2,979,401 | (1,950,843) | 1,028,558 |
| Other financing sources (uses): | | | |
| Transfers out | (3,326,181) | (2,000,000) | (5,326,181) |
| Total other financing sources (uses) | (3,326,181) | (2,000,000) | (5,326,181) |
| Net change in fund balance | (346,780) | (3,950,843) | (4,297,623) |
| Fund balances at beginning of year | 1,657,581 | 11,886,720 | 13,544,301 |
| Fund balances at end of year | \$ 1,310,801 | \$ 7,935,877 | \$ 9,246,678 |

CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

| | Nonmajor Funds | | | |
|----------------------------------------------------------------------------|------------------------------|----------------------|-------------------------------|-------------------------|
| | HUD Housing Assistance | HUD CDBG | Tax Allocation District | Cemetery Maintenance |
| Assets: | | | | |
| Cash and cash equivalents | \$ 15,050 | \$ 540 | \$ 998,372 | \$ 107,018 |
| Cash with fiscal agent | - | - | 945,597 | - |
| Receivables, net | - | 319 | 11,791 | 2,627 |
| Due from other governments | - | 71,387 | 10,215 | 933 |
| Total assets | <u>\$ 15,050</u> | <u>\$ 72,246</u> | <u>\$ 1,965,975</u> | <u>\$ 110,578</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 15,050 | \$ 640 | \$ - | \$ 17,500 |
| Accrued salaries | - | 2,639 | - | 538 |
| Due to other funds | - | 76,524 | 734,273 | - |
| Total liabilities | <u>15,050</u> | <u>79,803</u> | <u>734,273</u> | <u>18,038</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | - | - | 8,711 | 2,381 |
| Fund balance: | | | | |
| Restricted | - | - | 1,222,991 | 90,159 |
| Unassigned | - | (7,557) | - | - |
| Total fund balance | <u>-</u> | <u>(7,557)</u> | <u>1,222,991</u> | <u>90,159</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 15,050</u> | <u>\$ 72,246</u> | <u>\$ 1,965,975</u> | <u>\$ 110,578</u> |

CITY OF MARIETTA, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONT'D)
JUNE 30, 2016

Nonmajor Funds

| LLEBG Fund | Hotel Tax | Motel Tax | Auto Rental Tax | Total |
|------------------------|--------------------------|-------------------------|----------------------------|-------|
| \$ 5,208 | \$ - | \$ - | \$ 1,126,188 | |
| - | - | - | 945,597 | |
| - | 281,946 | 33,093 | 329,776 | |
| - | - | - | 82,535 | |
| <u>\$ 5,208</u> | <u>\$ 281,946</u> | <u>\$ 33,093</u> | <u>\$ 2,484,096</u> | |
| | | | | |
| \$ - | \$ - | \$ - | \$ 33,190 | |
| - | - | - | 3,177 | |
| - | 281,946 | 33,093 | 1,125,836 | |
| - | 281,946 | 33,093 | 1,162,203 | |
| | | | | |
| - | - | - | 11,092 | |
| | | | | |
| 5,208 | - | - | 1,318,358 | |
| - | - | - | (7,557) | |
| <u>5,208</u> | <u>-</u> | <u>-</u> | <u>1,310,801</u> | |
| | | | | |
| <u>\$ 5,208</u> | <u>\$ 281,946</u> | <u>\$ 33,093</u> | <u>\$ 2,484,096</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, 2016

| | Nonmajor Funds | | | |
|--------------------------------------------------------------|------------------------------|-------------------|-------------------------------|-------------------------|
| | HUD Housing Assistance | HUD CDBG | Tax Allocation District | Cemetery Maintenance |
| Revenues: | | | | |
| Taxes | \$ - | \$ - | \$ 75,324 | \$ 210,370 |
| Intergovernmental | - - | 456,720 | 548,356 | - |
| Investment earnings | - - | - - | 3,924 | 84 |
| Total revenues | - - | 456,720 | 627,604 | 210,454 |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - - | - - | - - | 181,810 |
| Urban redevelopment and housing | 108,841 | 457,380 | - - | - - |
| Debt service: | | | | |
| Principal retirement | - - | - - | 665,353 | - - |
| Interest & fiscal charges | - - | - - | 185,804 | - - |
| Total expenditures | 108,841 | 457,380 | 851,157 | 181,810 |
| Excess (deficiency) of revenues over expenditures | (108,841) | (660) | (223,553) | 28,644 |
| Other financing sources (uses): | | | | |
| Transfers out | (41,869) | (501) | - - | - - |
| Net change in fund balance | (150,710) | (1,161) | (223,553) | 28,644 |
| Fund balances at beginning of year | 150,710 | (6,396) | 1,446,544 | 61,515 |
| Fund balances at end of year | \$ - | \$ (7,557) | \$ 1,222,991 | \$ 90,159 |

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, 2016

| <u>Nonmajor Funds</u> | | | | | |
|-----------------------|----------------------------|----------------------------|---------------------|--|--|
| <u>LLEBG Fund</u> | <u>Hotel Motel Tax</u> | <u>Auto Rental Tax</u> | <u>Total</u> | | |
| \$ - | \$ 2,885,136 | \$ 398,675 | \$ 3,569,505 | | |
| - | - | - | 1,005,076 | | |
| - | - | - | 4,008 | | |
| <u>-</u> | <u>2,885,136</u> | <u>398,675</u> | <u>4,578,589</u> | | |
| | | | | | |
| - | - | - | 181,810 | | |
| - | - | - | 566,221 | | |
| | | | | | |
| - | - | - | 665,353 | | |
| - | - | - | 185,804 | | |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>1,599,188</u> | | |
| | | | | | |
| <u>-</u> | <u>2,885,136</u> | <u>398,675</u> | <u>2,979,401</u> | | |
| | | | | | |
| <u>-</u> | <u>(2,885,136)</u> | <u>(398,675)</u> | <u>(3,326,181)</u> | | |
| | | | | | |
| - | - | - | (346,780) | | |
| | | | | | |
| <u>5,208</u> | <u>-</u> | <u>-</u> | <u>1,657,581</u> | | |
| | | | | | |
| <u>\$ 5,208</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,310,801</u> | | |

CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------------------------|----------------------|----------------------|
| | (As Restated) | |
| Assets: | | |
| Cash and cash equivalents | \$ 10,626,092 | \$ 23,424,738 |
| Cash with fiscal agent | 500 | 500 |
| Investments | 7,468,874 | 3,911,137 |
| Receivables (net of allowance for estimated uncollectibles): | | |
| Taxes | 100,369 | 160,019 |
| Sanitation | 142,730 | 146,030 |
| Other | 559,428 | 600,578 |
| Prepaid items | 44,385 | 29,257 |
| Due from other funds | 6,169,313 | 676,401 |
| Due from other governments | 2,402,895 | 2,522,000 |
| Inventories | 28,545 | 33,384 |
| Advances to other funds | <u>18,634,867</u> | <u>20,521,375</u> |
| Total assets | <u>\$ 46,177,998</u> | <u>\$ 52,025,419</u> |
| Liabilities: | | |
| Accounts payable | \$ 1,864,518 | \$ 1,464,810 |
| Retainage payable | 110,891 | 38,055 |
| Accrued salaries and employee benefits | 469,551 | 911,474 |
| Due to other funds | 583,804 | 2,437,351 |
| Due to other governments | 826 | 606 |
| Unearned revenue | <u>188,500</u> | <u>185,475</u> |
| Total liabilities | <u>3,218,090</u> | <u>5,037,771</u> |
| Deferred inflows of resources: | | |
| Unavailable revenue | <u>2,313,707</u> | <u>1,486,431</u> |
| Fund balance: | | |
| Nonspendable | 18,707,797 | 20,584,016 |
| Restricted | 1,853,575 | 3,930,085 |
| Committed | 756,194 | 730,439 |
| Assigned | 5,474,788 | 5,003,127 |
| Unassigned | <u>13,853,847</u> | <u>15,253,550</u> |
| Total fund balance | <u>40,646,201</u> | <u>45,501,217</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 46,177,998</u> | <u>\$ 52,025,419</u> |

CITY OF MARIETTA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> (As Restated) |
|------------------------------------------------------|----------------------|------------------------------|
| Revenues: | | |
| Taxes | \$ 19,323,885 | \$ 18,977,404 |
| Licenses and permits | 6,638,511 | 6,481,853 |
| Intergovernmental | 2,017,938 | 2,351,549 |
| Charges for services | 4,550,188 | 4,345,871 |
| Fines and forfeits | 3,933,335 | 4,534,974 |
| Investment earnings | 97,233 | 67,630 |
| Other | <u>575,682</u> | <u>502,618</u> |
| Total revenues | <u>37,136,772</u> | <u>37,261,899</u> |
| Expenditures: | | |
| Current: | | |
| General government | 7,428,774 | 7,607,877 |
| Public works | 8,099,295 | 8,882,509 |
| Culture and recreation | 7,777,084 | 6,328,712 |
| Public safety | 30,469,200 | 28,393,032 |
| Debt service: | | |
| Principal retirement | 1,745,453 | 1,677,024 |
| Interest and fiscal charges | <u>1,093,805</u> | <u>1,172,355</u> |
| Total expenditures | <u>56,613,611</u> | <u>54,061,509</u> |
| Excess (deficiency) of revenues over expenditures | <u>(19,476,839)</u> | <u>(16,799,610)</u> |
| Other financing sources (uses): | | |
| Sale of capital assets | 149,950 | 164,500 |
| Transfers in | 17,899,018 | 17,865,819 |
| Transfers out | <u>(3,427,145)</u> | <u>(3,619,874)</u> |
| Total other financing sources (uses) | <u>14,621,823</u> | <u>14,410,445</u> |
| Net change in fund balance | <u>(4,855,016)</u> | <u>(2,389,165)</u> |
| Fund balance at beginning of year | <u>45,501,217</u> | <u>47,890,382</u> |
| Fund balance at end of year | <u>\$ 40,646,201</u> | <u>\$ 45,501,217</u> |

CITY OF MARIETTA, GEORGIA
HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------|------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | <u>\$ 15,050</u> | <u>\$ 170,861</u> |
| Total assets | <u>\$ 15,050</u> | <u>\$ 170,861</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | <u>15,050</u> | <u>20,151</u> |
| Total liabilities | <u>15,050</u> | <u>20,151</u> |
| Fund balance: | | |
| Restricted | <u>-</u> | <u>150,710</u> |
| Total fund balance | <u>-</u> | <u>150,710</u> |
| Total liabilities and fund balance | <u>\$ 15,050</u> | <u>\$ 170,861</u> |

CITY OF MARIETTA, GEORGIA
HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|----------------------------------------------|----------------------------------------------------|
| Revenues: | | |
| Intergovernmental | <u>\$</u> <u>-</u> | <u>\$</u> <u>2,174,860</u> |
| Total revenues | <u> </u> <u>-</u> | <u> </u> <u>2,174,860</u> |
| Expenditures - urban redevelopment and housing: | | |
| Current: | | |
| Personal services | <u> </u> <u>-</u> | <u> </u> <u>281,742</u> |
| Operating | <u> </u> <u>108,841</u> | <u> </u> <u>136,481</u> |
| Housing assistance payments | <u> </u> <u>-</u> | <u> </u> <u>2,065,866</u> |
| Total expenditures | <u> </u> <u>108,841</u> | <u> </u> <u>2,484,089</u> |
| Excess (deficiency) of revenues over expenditures | <u> </u> <u>(108,841)</u> | <u> </u> <u>(309,229)</u> |
| Other financing sources (uses): | | |
| Transfers out | <u> </u> <u>(41,869)</u> | <u> </u> <u>(153,185)</u> |
| Proceeds from sale of capital assets | <u> </u> <u>-</u> | <u> </u> <u>20,000</u> |
| Total other financing sources (uses) | <u> </u> <u>(41,869)</u> | <u> </u> <u>(133,185)</u> |
| Net change in fund balance | <u> </u> <u>(150,710)</u> | <u> </u> <u>(442,414)</u> |
| Fund balance at beginning of year | <u> </u> <u>150,710</u> | <u> </u> <u>593,124</u> |
| Fund balance at end of year | <u> </u> <u>\$</u> <u>-</u> | <u> </u> <u>\$</u> <u>150,710</u> |

CITY OF MARIETTA, GEORGIA
HUD- HOUSING ASSISTANCE PAYMENTS PROGRAM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Budget</u> | <u>Actual</u> | <u>Variance with Final Budget -</u> <u>Positive (Negative)</u> |
|---------------------------------------------------|-------------------|-------------------|-----------------------------------------------------------------------|
| Revenues: | | | |
| Intergovernmental | <u>\$ 150,710</u> | <u>\$ -</u> | <u>\$ (150,710)</u> |
| Expenditures- urban redevelopment and housing: | | | |
| Current: | | | |
| Operating | <u>\$ 108,841</u> | <u>\$ 108,841</u> | <u>\$ -</u> |
| Excess (deficiency) of revenues over expenditures | <u>41,869</u> | <u>(108,841)</u> | <u>(150,710)</u> |
| Other financing sources (uses): | | | |
| Transfers out | <u>(41,869)</u> | <u>(41,869)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(150,710)</u> | <u>\$ (150,710)</u> |
| Fund balance at beginning of year | | <u>150,710</u> | |
| Fund balance at end of year | <u>\$ -</u> | | |

CITY OF MARIETTA, GEORGIA
HUD - COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 540 | \$ 2,183 |
| Accounts receivable | 319 | - |
| Due from other governments | <u>71,387</u> | <u>43,095</u> |
| Total assets | <u>\$ 72,246</u> | <u>\$ 45,278</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 640 | \$ - |
| Accrued salaries | 2,639 | 4,484 |
| Due to other funds | <u>76,524</u> | <u>47,190</u> |
| Total liabilities | <u>79,803</u> | <u>51,674</u> |
| Fund balance: | | |
| Unassigned | <u>(7,557)</u> | <u>(6,396)</u> |
| Total fund balance | <u>(7,557)</u> | <u>(6,396)</u> |
| Total liabilities and fund balance | <u>\$ 72,246</u> | <u>\$ 45,278</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Intergovernmental | <u>\$ 456,720</u> | <u>\$ 747,950</u> |
| Expenditures - urban redevelopment and housing: | | |
| Current: | | |
| Personal services | 166,619 | 186,328 |
| Operating services | 290,761 | 412,526 |
| Capital outlay | <u>-</u> | <u>146,915</u> |
| Total expenditures | <u>457,380</u> | <u>745,769</u> |
| Excess (deficiency) of revenues over expenditures | <u>(660)</u> | <u>2,181</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 | (1,161) | 1,680 |
| Fund balance (deficit) at beginning of year | <u>(6,396)</u> | <u>(8,076)</u> |
| Fund balance (deficit) at end of year | <u>\$ (7,557)</u> | <u>\$ (6,396)</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>Budget</u> | <u>Actual</u> | Variance with Final Budget - |
|--------------------------------------------------------|----------------|-------------------|---------------------------------|
| | | | Positive (Negative) |
| Revenues: | | | |
| Intergovernmental | \$ 444,017 | \$ 456,720 | \$ 12,703 |
| Total revenues | <u>444,017</u> | <u>456,720</u> | <u>12,703</u> |
| Expenditures - urban redevelopment and housing: | | | |
| Current: | | | |
| Personal services | 172,301 | 166,619 | 5,682 |
| Operating services | <u>271,215</u> | <u>290,761</u> | <u>(19,546)</u> |
| Total expenditures | <u>443,516</u> | <u>457,380</u> | <u>(13,864)</u> |
| Excess (deficiency) of revenues over expenditures | <u>501</u> | <u>(660)</u> | <u>(1,161)</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(501)</u> | <u>(501)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(1,161)</u> | <u>\$ (1,161)</u> |
| Fund balance (deficit) at beginning of year | | <u>(6,396)</u> | |
| Fund balance (deficit) at end of year | | <u>\$ (7,557)</u> | |

CITY OF MARIETTA, GEORGIA
TAX ALLOCATION DISTRICT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------------------------|----------------------------|----------------------------|
| <u>ASSETS</u> | | |
| Cash with fiscal agent | \$ 945,597 | \$ 943,138 |
| Cash and cash equivalents | 998,372 | 927,853 |
| Receivables (net of allowance for estimated uncollectibles): | | |
| Taxes receivable, net | 11,791 | 11,468 |
| Due from other governments | <u>10,215</u> | <u>9,973</u> |
| Total assets | <u><u>\$ 1,965,975</u></u> | <u><u>\$ 1,892,432</u></u> |
| <u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Due to other funds | <u><u>\$ 734,273</u></u> | <u><u>\$ 435,507</u></u> |
| Total liabilities | <u><u>734,273</u></u> | <u><u>435,507</u></u> |
| Deferred inflows of resources: | | |
| Unavailable revenue | <u><u>8,711</u></u> | <u><u>10,381</u></u> |
| Fund balance: | | |
| Restricted | <u><u>1,222,991</u></u> | <u><u>1,446,544</u></u> |
| Total fund balance | <u><u>1,222,991</u></u> | <u><u>1,446,544</u></u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u><u>\$ 1,965,975</u></u> | <u><u>\$ 1,892,432</u></u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Taxes | \$ 75,324 | \$ 44,984 |
| Intergovernmental | 548,356 | 339,131 |
| Investment earnings | <u>3,924</u> | <u>1,880</u> |
| Total revenues | <u>627,604</u> | <u>385,995</u> |
| Expenditures - urban redevelopment and housing: | | |
| Debt service: | | |
| Principal retirement | 665,353 | 638,596 |
| Interest & fiscal charges | <u>185,804</u> | <u>212,558</u> |
| Total expenditures | <u>851,157</u> | <u>851,154</u> |
| Excess (deficiency) of revenues over expenditures | <u>(223,553)</u> | <u>(465,159)</u> |
| Net change in fund balance | (223,553) | (465,159) |
| Fund balance at beginning of year | <u>1,446,544</u> | <u>1,911,703</u> |
| Fund balance at end of year | <u>\$ 1,222,991</u> | <u>\$ 1,446,544</u> |

**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, 2016**

| | Budget | Actual | Variance with Final Budget - Positive(Negative) |
|------------------------------------------------|--------------|------------------|-------------------------------------------------------|
| Revenues: | | | |
| Taxes | \$ 59,000 | \$ 75,324 | \$ 16,324 |
| Intergovernmental | 496,500 | 548,356 | 51,856 |
| Investment earnings | 1,502 | 3,924 | 2,422 |
| Total revenues | 557,002 | 627,604 | 70,602 |
| Expenditures- urban redevelopment and housing: | | | |
| Debt service: | | | |
| Principal retirement | 665,353 | 665,353 | - |
| Interest & fiscal charges | 185,804 | 185,804 | - |
| Total expenditures | 851,157 | 851,157 | - |
| Net change in fund balance | \$ (294,155) | (223,553) | \$ 70,602 |
| Fund balance at beginning of year | | 1,446,544 | |
| Fund balance at end of year | | \$ 1,222,991 | |

CITY OF MARIETTA, GEORGIA
CEMETERY MAINTENANCE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 107,018 | \$ 61,604 |
| Receivables, net: | | |
| Taxes | 2,627 | 3,870 |
| Due from other governments | 933 | 926 |
| | <u> </u> | <u> </u> |
| Total assets | <u>\$ 110,578</u> | <u>\$ 66,400</u> |
| <u>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 17,500 | \$ 225 |
| Accrued salaries and employee benefits | 538 | 1,242 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>18,038</u> | <u>1,467</u> |
| Deferred inflows of resources: | | |
| Unavailable revenue | <u>2,381</u> | <u>3,418</u> |
| Fund balance: | | |
| Restricted | <u>90,159</u> | <u>61,515</u> |
| | <u> </u> | <u> </u> |
| Total fund balance | <u>90,159</u> | <u>61,515</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 110,578</u> | <u>\$ 66,400</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|-------------------------|-------------------------|
| Revenues: | | |
| Taxes | \$ 210,370 | \$ 201,092 |
| Investment earnings | <u>84</u> | <u>13</u> |
| | <u><u>210,454</u></u> | <u><u>201,105</u></u> |
| Total revenues | <u><u>210,454</u></u> | <u><u>201,105</u></u> |
| Expenditures - public works: | | |
| Current: | | |
| Personal services | 44,932 | 69,272 |
| Operating services | <u>121,782</u> | <u>73,749</u> |
| | <u><u>181,810</u></u> | <u><u>143,021</u></u> |
| Excess (deficiency) of revenues over expenditures | 28,644 | 58,084 |
| Fund balance at beginning of year | <u>61,515</u> | <u>3,431</u> |
| Fund balance at end of year | <u><u>\$ 90,159</u></u> | <u><u>\$ 61,515</u></u> |

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, 2016

| | <u>Budget</u> | <u>Actual</u> | Variance with Final Budget - Positive (Negative) |
|----------------------------------------------------------|------------------------|------------------|--------------------------------------------------------|
| Revenues: | | | |
| Taxes | \$ 212,000 | \$ 210,370 | \$ (1,630) |
| Investment earnings | - | 84 | 84 |
| Total revenues | 212,000 | 210,454 | (1,546) |
| Expenditures - public works: | | | |
| Current: | | | |
| Personal services | 92,527 | 44,932 | 47,595 |
| Operating services | 151,154 | 143,748 | 7,406 |
| Total expenditures | 258,981 | 203,776 | 55,205 |
| Excess (deficiency) of revenues over expenditures | <u>\$ (46,981)</u> | 6,678 | <u>\$ 53,659</u> |
| Reconciliation to GAAP basis: | | | |
| Encumbrances outstanding at end of year | | 21,966 | |
| Fund balances at beginning of year - GAAP basis | | <u>61,515</u> | |
| Fund balance at end of year - GAAP basis | | <u>\$ 90,159</u> | |

CITY OF MARIETTA, GEORGIA
LOCAL LAW ENFORCEMENT BLOCK GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------|------------------------|------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | <u>\$ 5,208</u> | <u>\$ 5,208</u> |
| Total assets | <u><u>\$ 5,208</u></u> | <u><u>\$ 5,208</u></u> |
| <u>FUND BALANCE</u> | | |
| Fund balance: | | |
| Restricted | <u>\$ 5,208</u> | <u>\$ 5,208</u> |
| Total fund balance | <u><u>\$ 5,208</u></u> | <u><u>\$ 5,208</u></u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------|----------------------|----------------------|
| 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 | <u>5,208</u> | <u>5,208</u> |
| Fund balance at end of year | <u>\$ 5,208</u> | <u>\$ 5,208</u> |

CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------------|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Receivables (net of allowance for estimated uncollectibles): | | |
| Taxes | <u>\$ 281,946</u> | <u>\$ 298,537</u> |
| Total assets | <u>\$ 281,946</u> | <u>\$ 298,537</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Due to other funds | <u>\$ 281,946</u> | <u>\$ 298,537</u> |
| Total liabilities | <u>281,946</u> | <u>298,537</u> |
| Fund balance: | | |
| Restricted | <u>-</u> | <u>-</u> |
| Total fund balance | <u>-</u> | <u>-</u> |
| Total liabilities and fund balance | <u>\$ 281,946</u> | <u>\$ 298,537</u> |

CITY OF MARIETTA, GEORGIA
HOTEL MOTEL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Taxes | <u>\$ 2,885,136</u> | <u>\$ 2,679,751</u> |
| Total revenues | <u>2,885,136</u> | <u>2,679,751</u> |
| Other financing sources (uses): | | |
| Transfers out | <u>(2,885,136)</u> | <u>(2,679,751)</u> |
| Total other financing sources (uses) | <u>(2,885,136)</u> | <u>(2,679,751)</u> |
| Net change in fund balance | - | - |
| Fund balance at beginning of year | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> |

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, 2016

| | <u>Budget</u> | <u>Actual</u> | Variance with Final Budget - Positive(Negative) |
|---------------------------------------------|---------------------|---------------------|-------------------------------------------------------|
| Revenues: | | | |
| Taxes | <u>\$ 2,901,727</u> | <u>\$ 2,885,136</u> | <u>\$ (16,591)</u> |
| Total revenues | <u>2,901,727</u> | <u>2,885,136</u> | <u>(16,591)</u> |
| Other financing sources (uses): | | | |
| Transfer out | <u>(2,901,727)</u> | <u>(2,885,136)</u> | <u>16,591</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balance (deficit) at beginning of year | | | - |
| Fund balance (deficit) at end of year | | <u>\$ -</u> | |

CITY OF MARIETTA, GEORGIA
AUTO RENTAL TAX FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------------|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| Receivables (net of allowance for estimated uncollectibles): | | |
| Taxes | <u>\$ 33,093</u> | <u>\$ 34,528</u> |
| Total assets | <u><u>\$ 33,093</u></u> | <u><u>\$ 34,528</u></u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Due to other funds | <u>\$ 33,093</u> | <u>\$ 34,528</u> |
| Total liabilities | <u><u>33,093</u></u> | <u><u>34,528</u></u> |
| Fund balance: | | |
| Restricted | <u>-</u> | <u>-</u> |
| Total fund balance | <u>-</u> | <u>-</u> |
| Total liabilities and fund balance | <u><u>\$ 33,093</u></u> | <u><u>\$ 34,528</u></u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|-------------------|-------------------|
| Revenues: | | |
| Taxes | <u>\$ 398,675</u> | <u>\$ 432,887</u> |
| Total revenues | <u>398,675</u> | <u>432,887</u> |
| Excess (deficiency) of revenues over expenditures | <u>398,675</u> | <u>432,887</u> |
| Other financing sources (uses): | | |
| Transfers out | <u>(398,675)</u> | <u>(432,887)</u> |
| Total other financing sources (uses) | <u>(398,675)</u> | <u>(432,887)</u> |
| Net change in fund balance | - | - |
| Fund balance at beginning of year | - | - |
| Fund balance at end of year | <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, 2016

| | <u>Budget</u> | <u>Actual</u> | Variance with Final Budget - |
|---------------------------------------------|-------------------|-------------------|---------------------------------|
| | | | <u>Positive(Negative)</u> |
| Revenues: | | | |
| Taxes | <u>\$ 400,110</u> | <u>\$ 398,675</u> | <u>\$ (1,435)</u> |
| Total revenues | <u>400,110</u> | <u>398,675</u> | <u>(1,435)</u> |
| Other financing sources (uses): | | | |
| Transfer out | <u>(400,110)</u> | <u>(398,675)</u> | <u>1,435</u> |
| Net change in fund balance | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balance (deficit) at beginning of year | | | - |
| Fund balance (deficit) at end of year | | <u>\$ -</u> | |

CITY OF MARIETTA, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------|--------------------------|--------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 11,278,257 | \$ 10,715,620 |
| Cash held in escrow | - | 26,148 |
| Investments | 12,851,541 | 11,284,871 |
| Receivables: | | |
| Accrued interest | 42,785 | 14,294 |
| Prepaid items | 333,899 | - |
| Due from other governments | <u>1,727,355</u> | <u>2,109,116</u> |
| Total assets | <u>\$ 26,233,837</u> | <u>\$ 24,150,049</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 926,211 | \$ 589,522 |
| Retainage payable | <u>205,331</u> | <u>144,628</u> |
| Total liabilities | <u>1,131,542</u> | <u>734,150</u> |
| Fund balance: | | |
| Nonspendable | 333,899 | - |
| Restricted | <u>24,768,396</u> | <u>23,415,899</u> |
| Total fund balance | <u>25,102,295</u> | <u>23,415,899</u> |
| Total liabilities and fund balance | <u>\$ 26,233,837</u> | <u>\$ 24,150,049</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|----------------------|----------------------|
| Revenues: | | |
| Investment earnings | \$ 80,372 | \$ 36,831 |
| Intergovernmental | <u>11,777,211</u> | <u>12,477,164</u> |
| Total revenues | <u>11,857,583</u> | <u>12,513,995</u> |
| Expenditures: | | |
| Current: | | |
| Personal services | 207,580 | 219,697 |
| Capital projects | <u>9,963,607</u> | <u>7,322,933</u> |
| Total expenditures | <u>10,171,187</u> | <u>7,542,630</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,686,396</u> | <u>4,971,365</u> |
| Net change in fund balance | 1,686,396 | 4,971,365 |
| Fund balance at beginning of year | <u>23,415,899</u> | <u>18,444,534</u> |
| Fund balance at end of year | <u>\$ 25,102,295</u> | <u>\$ 23,415,899</u> |

CITY OF MARIETTA, GEORGIA
CITY PARKS BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------|---------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 2,106,036 | \$ 848,764 |
| Investments | 6,027,487 | 11,530,380 |
| Receivables: | | |
| Accrued interest | <u>22,524</u> | <u>13,414</u> |
| Total assets | <u>\$ 8,156,047</u> | <u>\$ 12,392,558</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts payable | \$ 167,027 | \$ 422,478 |
| Retainage payable | <u>53,143</u> | <u>83,360</u> |
| Total liabilities | <u>220,170</u> | <u>505,838</u> |
| Fund balance: | | |
| Restricted | <u>7,935,877</u> | <u>11,886,720</u> |
| Total fund balance | <u>7,935,877</u> | <u>11,886,720</u> |
| Total liabilities and fund balance | <u>\$ 8,156,047</u> | <u>\$ 12,392,558</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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|---------------------|----------------------|
| Revenues: | | |
| Investment earnings | \$ 30,538 | \$ 39,389 |
| Miscellaneous revenue | <u>276,700</u> | <u>705</u> |
| Total revenues | <u>307,238</u> | <u>40,094</u> |
| Expenditures: | | |
| Current: | | |
| Personal services | 51,466 | 73,661 |
| Operating services | 231,529 | 306,545 |
| Capital projects | <u>1,975,086</u> | <u>4,819,297</u> |
| Total expenditures | <u>2,258,081</u> | <u>5,199,503</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,950,843)</u> | <u>(5,159,409)</u> |
| Other financing sources (uses): | | |
| Transfers in | - | 43,011 |
| Transfers out | <u>(2,000,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(2,000,000)</u> | <u>43,011</u> |
| Net change in fund balance | (3,950,843) | (5,116,398) |
| Fund balance at beginning of year | <u>11,886,720</u> | <u>17,003,118</u> |
| Fund balance at end of year | <u>\$ 7,935,877</u> | <u>\$ 11,886,720</u> |

CITY OF MARIETTA, GEORGIA
REDEVELOPMENT BOND
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------|----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 7,419,632 | \$ - |
| Cash held in escrow | - 200,000 | |
| Investments | 18,842,895 | 44,115,156 |
| Receivables: | | |
| Other | <u>265</u> | - |
| Total assets | <u>\$ 26,262,792</u> | <u>\$ 44,315,156</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| Liabilities: | | |
| Accounts and retainage payable | \$ 540,611 | \$ 620,897 |
| Retainage payable | 182,396 | 296,018 |
| Due to other funds | <u>5,177,900</u> | <u>1,025,040</u> |
| Total liabilities | <u>5,900,907</u> | <u>1,941,955</u> |
| Fund balance- | | |
| Restricted | <u>20,361,885</u> | <u>42,373,201</u> |
| Total fund balance | <u>20,361,885</u> | <u>42,373,201</u> |
| Total liabilities and fund balance | <u>\$ 26,262,792</u> | <u>\$ 44,315,156</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|----------------------|----------------------|
| Revenues: | | |
| Investment earnings | \$ 12,736 | \$ 9,719 |
| Total revenues | <u>12,736</u> | <u>9,719</u> |
| Expenditures: | | |
| Current: | | |
| Personal services | - | 9,010 |
| Capital projects | <u>24,024,052</u> | <u>2,197,401</u> |
| Total expenditures | <u>24,024,052</u> | <u>2,206,411</u> |
| Excess (deficiency) of revenues over expenditures | <u>(24,011,316)</u> | <u>(2,196,692)</u> |
| Other financing sources (uses): | | |
| Transfers in | <u>2,000,000</u> | - |
| Total other financing sources (uses) | <u>2,000,000</u> | - |
| Net change in fund balance | <u>(22,011,316)</u> | <u>(2,196,692)</u> |
| Fund balance at beginning of year | <u>42,373,201</u> | <u>44,569,893</u> |
| Fund balance at end of year | <u>\$ 20,361,885</u> | <u>\$ 42,373,201</u> |

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 2,872,294 | \$ 3,515,603 |
| Investments | 825,746 | 124,099 |
| Receivables, net of estimated uncollectibles: | | |
| Taxes | 83,312 | 108,504 |
| Accrued interest | 1,088 | 72 |
| Due from other governments | <u>27,933</u> | <u>27,744</u> |
| Total assets | <u>\$ 3,810,373</u> | <u>\$ 3,776,022</u> |
| Liabilities: | | |
| Accounts payable | <u>\$ -</u> | <u>\$ 2,001</u> |
| Deferred inflows of resources: | | |
| Unavailable revenue | <u>74,424</u> | <u>94,170</u> |
| Fund balance: | | |
| Restricted | <u>3,735,949</u> | <u>3,679,851</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,810,373</u> | <u>\$ 3,776,022</u> |

CITY OF MARIETTA, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------|---------------------|---------------------|
| Revenues: | | |
| Taxes | \$ 8,439,674 | \$ 7,861,037 |
| Intergovernmental revenue | 3,696,250 | 2,791,500 |
| Investment earnings | <u>6,308</u> | <u>5,871</u> |
| Total revenue | <u>12,142,232</u> | <u>10,658,408</u> |
| Expenditures: | | |
| Debt service: | | |
| Principal retirement | 8,100,000 | 7,985,000 |
| Interest on bonds | 3,957,898 | 4,582,193 |
| Refunding bond issuance costs | <u>3,000</u> | <u>299,261</u> |
| Total expenditures | <u>12,060,898</u> | <u>12,866,454</u> |
| Excess (deficiency) of revenues over expenditures | <u>81,334</u> | <u>(2,208,046)</u> |
| Other financing sources (uses): | | |
| Issuance of debt | - | 15,970,000 |
| Payment to refunded bond escrow agent | - | (17,094,580) |
| Premium on bonds issued | - | 1,431,052 |
| Transfers out | <u>(25,236)</u> | <u>(32,447)</u> |
| Total other financing sources (uses) | <u>(25,236)</u> | <u>274,025</u> |
| Net change in fund balance | <u>56,098</u> | <u>(1,934,021)</u> |
| Fund balance at beginning of year | <u>3,679,851</u> | <u>5,613,872</u> |
| Fund balance at end of year | <u>\$ 3,735,949</u> | <u>\$ 3,679,851</u> |

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, 2016

| | <u>Final Budget</u> | <u>Actual</u> | <u>Budget- Positive (Negative)</u> |
|------------------------------------------------------|-------------------------|---------------------|----------------------------------------|
| Revenues: | | | |
| Taxes | \$ 7,842,200 | \$ 8,439,674 | \$ 597,474 |
| Intergovernmental | 3,696,250 | 3,696,250 | - |
| Investment earnings | <u>10,000</u> | <u>6,308</u> | <u>(3,692)</u> |
| Total revenues | <u>11,548,450</u> | <u>12,142,232</u> | <u>593,782</u> |
| Expenditures: | | | |
| Debt Service: | | | |
| Principal retirement | 8,100,000 | 8,100,000 | - |
| Interest and fiscal charges | <u>3,958,898</u> | <u>3,960,898</u> | <u>(2,000)</u> |
| Total expenditures | <u>12,058,898</u> | <u>12,060,898</u> | <u>(2,000)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(510,448)</u> | <u>81,334</u> | <u>591,782</u> |
| Other financing sources (uses): | | | |
| Transfers out | <u>(25,236)</u> | <u>(25,236)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (535,684)</u> | <u>56,098</u> | <u>\$ 591,782</u> |
| Fund balance at beginning of year | | <u>3,679,851</u> | |
| Fund balance at end of year | | <u>\$ 3,735,949</u> | |

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

| <u>ASSETS</u> | <u>2016</u> | <u>2015</u> |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 23,387,287 | \$ 20,868,037 |
| Investments | 39,622,766 | 28,483,156 |
| Receivables: | | |
| Utility accounts (net of allowance for estimated uncollectibles of \$319,278 and \$362,736) | 17,771,778 | 18,045,876 |
| Other | 46,279 | 24,136 |
| Due from other funds | 3,120,200 | 12,442,573 |
| Inventories | 3,629,014 | 3,581,057 |
| Prepaid expenses | - | 35 |
| Total current assets | <u>87,577,324</u> | <u>83,444,870</u> |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Investments | <u>12,028,996</u> | <u>11,976,210</u> |
| Total restricted assets | <u>12,028,996</u> | <u>11,976,210</u> |
| Property, plant and equipment: | | |
| Land | 1,382,976 | 1,382,976 |
| Buildings and improvements | 16,844,334 | 16,823,442 |
| Electrical plant in service | 123,665,188 | 121,369,049 |
| Water and sewer system | 94,871,551 | 89,758,141 |
| Machinery and equipment | 65,388,534 | 63,444,402 |
| | <u>302,152,583</u> | <u>292,778,010</u> |
| Less: accumulated depreciation | <u>(162,120,570)</u> | <u>(154,843,577)</u> |
| Net property, plant and equipment | <u>140,032,013</u> | <u>137,934,433</u> |
| Other assets: | | |
| Investment in Project | <u>2,225,105</u> | <u>2,299,704</u> |
| Total other assets | <u>2,225,105</u> | <u>2,299,704</u> |
| Total noncurrent assets | <u>154,286,114</u> | <u>152,210,347</u> |
| Total assets | <u>241,863,438</u> | <u>235,655,217</u> |
| Deferred outflows of resources: | | |
| Deferred outflows related to pension | <u>2,992,220</u> | <u>1,032,400</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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------------------|-----------------------|-----------------------|
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Accounts payable | 12,726,152 | 12,249,246 |
| Accrued salaries | 235,412 | 407,857 |
| Accrued sales tax | 681,395 | 315,717 |
| Accrued compensated absences | <u>368,363</u> | <u>347,207</u> |
| | | |
| Total current liabilities | <u>14,011,322</u> | <u>13,320,027</u> |
| Long-term liabilities (net of current portion): | | |
| Accrued compensated absences | 576,095 | 578,091 |
| Unearned revenue | 2,581,215 | 2,555,058 |
| Net pension liability | 21,624,140 | 18,695,430 |
| Net OPEB obligation | 8,632,948 | 8,518,661 |
| Customer deposits | <u>9,447,781</u> | <u>9,421,152</u> |
| | | |
| Total long-term liabilities (net of current portion) | <u>42,862,179</u> | <u>39,768,392</u> |
| | | |
| Total liabilities | <u>56,873,501</u> | <u>53,088,419</u> |
| Deferred inflows of resources: | | |
| Deferred inflows related to pension | <u>459,650</u> | <u>938,440</u> |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 140,032,013 | 137,934,433 |
| Unrestricted | <u>47,490,494</u> | <u>44,726,325</u> |
| | | |
| Total net position | <u>\$ 187,522,507</u> | <u>\$ 182,660,758</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------------|-----------------------|-----------------------|
| Operating revenues: | | |
| Charges for services | \$ 150,982,899 | \$ 151,515,083 |
| Other | <u>1,124,140</u> | <u>1,451,933</u> |
| Total operating revenues | <u>152,107,039</u> | <u>152,967,016</u> |
| Operating expenses: | | |
| Personal services | 15,910,642 | 15,492,291 |
| Operating | <u>110,197,874</u> | <u>107,997,001</u> |
| Depreciation and amortization | <u>7,351,592</u> | <u>7,173,846</u> |
| Total operating expenses | <u>133,460,108</u> | <u>130,663,138</u> |
| Operating income | <u>18,646,931</u> | <u>22,303,878</u> |
| Nonoperating revenues (expenses): | | |
| Investment earnings | 381,875 | 312,473 |
| Other | <u>104,130</u> | <u>160,364</u> |
| Total nonoperating revenues (expenses) | <u>486,005</u> | <u>472,837</u> |
| Capital contributions from developers | <u>150,705</u> | <u>765,710</u> |
| Income before transfers | <u>19,283,641</u> | <u>23,542,425</u> |
| Transfers: | | |
| Transfers in | 152,237 | 439,886 |
| Transfers out | <u>(14,574,129)</u> | <u>(14,584,738)</u> |
| Total transfers in (out) | <u>(14,421,892)</u> | <u>(14,144,852)</u> |
| Change in net position | 4,861,749 | 9,397,573 |
| Net position at beginning of year | <u>182,660,758</u> | <u>173,263,185</u> |
| Net position at end of year | <u>\$ 187,522,507</u> | <u>\$ 182,660,758</u> |

CITY OF MARIETTA, GEORGIA
BOARD OF LIGHTS AND WATERWORKS
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | 2016 | 2015 |
|----------------------------------------------------------------------------------|----------------------|----------------------|
| Cash flows from (to) operating activities: | | |
| Cash received from customers | \$ 151,309,783 | \$ 150,855,944 |
| Cash received from other operating activities | 1,124,140 | 1,451,933 |
| Cash payments for goods and services | (100,080,839) | (109,364,396) |
| Cash payments for employee services and fringe benefits | (15,459,540) | (14,982,025) |
| Net cash from (to) operating activities | <u>36,893,544</u> | <u>27,961,456</u> |
| Cash flows from (to) noncapital financing activities: | | |
| Transfers in | 152,237 | 439,886 |
| Transfers out | <u>(14,574,129)</u> | <u>(14,584,738)</u> |
| Net cash from (to) noncapital financing activities | <u>(14,421,892)</u> | <u>(14,144,852)</u> |
| Cash flows from (to) capital and related financing activities: | | |
| Payments for capital acquisitions | (9,223,868) | (8,571,761) |
| Other nonoperating receipts | 104,130 | 160,364 |
| Net cash from (to) capital and related financing activities | <u>(9,119,738)</u> | <u>(8,411,397)</u> |
| Cash flows from (to) investing activities: | | |
| Interest received | 359,731 | 308,462 |
| Investment (purchases) sales | <u>(11,192,395)</u> | <u>5,316,607</u> |
| Net cash from (to) investing activities | <u>(10,832,664)</u> | <u>5,625,069</u> |
| Net increase (decrease) in cash and cash equivalents | 2,519,250 | 11,030,276 |
| Cash and cash equivalents at beginning of year | 20,868,037 | 9,837,761 |
| Cash and cash equivalents at end of year | <u>\$ 23,387,287</u> | <u>\$ 20,868,037</u> |
| Reconciliation of operating income (loss) to net cash from operating activities: | | |
| Operating income (loss) | \$ 18,646,931 | \$ 22,303,878 |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation and amortization | 7,351,592 | 7,173,846 |
| Change in assets and liabilities: | | |
| (Increase) decrease in utility accounts receivable | 274,098 | (107,989) |
| (Increase) decrease in due from other funds | 9,322,373 | (692,185) |
| (Increase) decrease in inventories | (47,957) | (182,974) |
| (Increase) decrease in prepaid expenses | 35 | 15,265 |
| (Increase) decrease in deferred outflows of resources | (1,959,820) | (1,032,400) |
| Increase (decrease) in accounts payable | 476,906 | (881,304) |
| Increase (decrease) in accrued salaries | (172,445) | 82,872 |
| Increase (decrease) in accrued sales tax | 365,678 | (318,382) |
| Increase (decrease) in accrued compensated absences | 19,160 | (15,393) |
| Increase (decrease) in net OPEB obligation | 114,287 | 512,387 |
| Increase (decrease) in net pension liability | 2,928,710 | 24,360 |
| Increase (decrease) in unearned revenue | 26,157 | 20,605 |
| Increase (decrease) in customer deposits | 26,629 | 120,430 |
| Increase (decrease) in deferred inflows of resources | <u>(478,790)</u> | <u>938,440</u> |
| Net cash from operating activities | <u>\$ 36,893,544</u> | <u>\$ 27,961,456</u> |
| Schedule of non-cash capital and related financing activities: | | |
| Contributions of capital assets | <u>\$ 150,705</u> | <u>\$ 765,710</u> |

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

ASSETS

| | <u>2016</u> | <u>2015</u> |
|-----------------------------------|---------------------|---------------------|
| Current assets: | | |
| Unrestricted investments | \$ 59 | \$ 59 |
| Due from other funds | <u>186,366</u> | <u>186,366</u> |
| | | |
| Total current assets | <u>186,425</u> | <u>186,425</u> |
| Noncurrent assets: | | |
| Property, plant and equipment: | | |
| Land | 769,284 | 769,284 |
| Buildings and improvements | 23,326,210 | 23,326,210 |
| Machinery and equipment | <u>12,354,692</u> | <u>12,354,692</u> |
| | | |
| Less: accumulated depreciation | <u>(23,756,974)</u> | <u>(23,062,048)</u> |
| | | |
| Net property, plant and equipment | <u>12,693,212</u> | <u>13,388,138</u> |
| | | |
| Total noncurrent assets | <u>12,693,212</u> | <u>13,388,138</u> |
| | | |
| Total assets | <u>12,879,637</u> | <u>13,574,563</u> |

Continued on next page.

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)
JUNE 30, 2016 AND 2015

| <u>LIABILITIES</u> | <u>2016</u> | <u>2015</u> |
|----------------------------------|-----------------------|-----------------------|
| Liabilities: | | |
| Current liabilities: | | |
| Due to other funds | 500 | 500 |
| Total current liabilities | <u>500</u> | <u>500</u> |
| Long-term liabilities: | | |
| Advances from other funds | <u>18,634,867</u> | <u>20,521,375</u> |
| Total long-term liabilities | <u>18,634,867</u> | <u>20,521,375</u> |
| Total liabilities | <u>18,635,367</u> | <u>20,521,875</u> |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 12,693,212 | 13,388,138 |
| Unrestricted | <u>(18,448,942)</u> | <u>(20,335,450)</u> |
| Total net position | <u>\$ (5,755,730)</u> | <u>\$ (6,947,312)</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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------|-----------------------|-----------------------|
| Operating revenues: | | |
| Lease income | \$ 1,936,747 | \$ 2,047,529 |
| Total operating revenues | <u>1,936,747</u> | <u>2,047,529</u> |
| Operating expenses: | | |
| Operating | - | 500 |
| Depreciation | <u>694,926</u> | <u>753,455</u> |
| Total operating expenses | <u>694,926</u> | <u>753,955</u> |
| Operating income (loss) | <u>1,241,821</u> | <u>1,293,574</u> |
| Nonoperating revenues (expenses) : | | |
| Interest and fiscal charges | <u>(50,239)</u> | <u>(32,723)</u> |
| Total nonoperating revenues (expense) | <u>(50,239)</u> | <u>(32,723)</u> |
| Income (loss) before operating transfers | <u>1,191,582</u> | <u>1,260,851</u> |
| Transfers: | | |
| Transfers in | 865,272 | 772,239 |
| Transfers out | <u>(865,272)</u> | <u>(772,239)</u> |
| Total transfers | - | - |
| Change in net position | 1,191,582 | 1,260,851 |
| Net position at beginning of year | <u>(6,947,312)</u> | <u>(8,208,163)</u> |
| Net position at end of year | <u>\$ (5,755,730)</u> | <u>\$ (6,947,312)</u> |

CITY OF MARIETTA, GEORGIA
MARIETTA CONFERENCE CENTER AND RESORT
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------------------------------------------------------|---------------------|---------------------|
| Cash flows from (to) operating activities: | | |
| Cash received from lease | <u>\$ 1,936,747</u> | <u>\$ 2,047,529</u> |
| Net cash from (to) operating activities | <u>1,936,747</u> | <u>2,047,529</u> |
| Cash flows from (to) noncapital financing activities: | | |
| Transfers in | <u>865,272</u> | <u>772,239</u> |
| Transfers out | <u>(865,272)</u> | <u>(772,239)</u> |
| Net cash from (to) noncapital financing | <u>-</u> | <u>-</u> |
| Cash flows from (to) capital and related financing activities: | | |
| Payments on advances from other funds | <u>(1,886,508)</u> | <u>(2,014,806)</u> |
| Interest and fiscal charges | <u>(50,239)</u> | <u>(32,723)</u> |
| Net cash from (to) capital and related financing activities | <u>(1,936,747)</u> | <u>(2,047,529)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>-</u> | <u>-</u> |
| 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) | <u>\$ 1,241,821</u> | <u>\$ 1,293,574</u> |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Noncash transactions | | |
| Depreciation | <u>694,926</u> | <u>753,455</u> |
| Change in assets and liabilities: | | |
| Increase (decrease) in due to other funds | <u>-</u> | <u>500</u> |
| Net cash from (to) operating activities | <u>\$ 1,936,747</u> | <u>\$ 2,047,529</u> |

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

| <u>ASSETS</u> | <u>2016</u> | <u>2015</u> |
|-------------------------------------------------|---------------------|---------------------|
| Current assets: | | |
| Cash | \$ 8,280 | \$ 8,281 |
| Accounts receivable | 363 | 1,150 |
| Total current assets | <u>8,643</u> | <u>9,431</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 | 3,927,823 | 3,842,005 |
| Less: accumulated depreciation | 12,603,487 | 12,517,669 |
| Net property, plant and equipment | <u>(4,853,444)</u> | <u>(4,644,878)</u> |
| Total noncurrent assets | <u>7,750,043</u> | <u>7,872,791</u> |
| Total assets | <u>7,758,686</u> | <u>7,882,222</u> |
| <u>LIABILITIES</u> | | |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | 51,023 | 65,379 |
| Due to other funds | 1,695,730 | 1,425,040 |
| Capital lease obligations | 61,109 | 810,703 |
| Accrued interest payable | - | 10,291 |
| Total current liabilities | <u>1,807,862</u> | <u>2,311,413</u> |
| Long-term liabilities (net of current portion): | | |
| Capital lease obligations | <u>136,394</u> | <u>197,504</u> |
| Total long-term liabilities | <u>136,394</u> | <u>197,504</u> |
| Total liabilities | <u>1,944,256</u> | <u>2,508,917</u> |
| <u>NET POSITION</u> | | |
| Net investment in capital assets | 7,552,540 | 6,864,584 |
| Unrestricted | (1,738,110) | (1,491,279) |
| Total net position | <u>\$ 5,814,430</u> | <u>\$ 5,373,305</u> |

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------------|----------------------------|----------------------------|
| Operating revenues: | | |
| Charges for services | <u>\$ 1,454,489</u> | <u>\$ 1,607,814</u> |
| Operating expenses: | | |
| Operating | 1,169,282 | 1,174,837 |
| Depreciation | <u>212,125</u> | <u>177,086</u> |
| Total operating expenses | <u>1,381,407</u> | <u>1,351,923</u> |
| Operating income (loss) | <u>73,082</u> | <u>255,891</u> |
| Nonoperating revenues (expenses) : | | |
| Interest and fiscal charges | (10,291) | (78,301) |
| Other | <u>10</u> | <u>(1,437)</u> |
| Total nonoperating revenues (expenses) | <u>(10,281)</u> | <u>(79,738)</u> |
| Income (loss) before operating transfers | <u>62,801</u> | <u>176,153</u> |
| Transfers: | | |
| Transfers in | 399,786 | 399,786 |
| Transfers out | <u>(21,462)</u> | <u>(25,021)</u> |
| Total transfers | <u>378,324</u> | <u>374,765</u> |
| Change in net position | <u>441,125</u> | <u>550,918</u> |
| Net position at beginning of year | <u>5,373,305</u> | <u>4,822,387</u> |
| Net position at end of year | <u><u>\$ 5,814,430</u></u> | <u><u>\$ 5,373,305</u></u> |

CITY OF MARIETTA, GEORGIA
CITY GOLF COURSE
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------------------------------------------------------|-------------------|--------------------|
| Cash flows from (to) operating activities: | | |
| Cash received from customers | \$ 1,455,276 | \$ 1,608,211 |
| Cash payments for goods and services | <u>(912,948)</u> | <u>(1,133,648)</u> |
| Net cash from (to) operating activities | <u>542,328</u> | <u>474,563</u> |
| Cash flows from (to) noncapital financing activities: | | |
| Transfers in | 399,786 | 399,786 |
| Transfers out | <u>(21,462)</u> | <u>(25,021)</u> |
| Net cash from (to) noncapital financing activities | <u>378,324</u> | <u>374,765</u> |
| Cash flows from capital and related financing activities: | | |
| Payments for capital acquisitions | (89,377) | (32,029) |
| Payments on capital leases | (810,704) | (774,040) |
| Other nonoperating receipts | 10 | - |
| Interest and fiscal charges | <u>(20,582)</u> | <u>(41,784)</u> |
| Net cash from (to) capital related financing activities | <u>(920,653)</u> | <u>(847,853)</u> |
| Net increase (decrease) in cash and cash equivalents | (1) | 1,475 |
| Cash and cash equivalents at beginning of year | <u>8,281</u> | <u>6,806</u> |
| Cash and cash equivalents at end of year | <u>\$ 8,280</u> | <u>\$ 8,281</u> |
| Reconciliation of operating income (loss) to net cash from operating activities: | | |
| Operating income (loss) | \$ 73,082 | \$ 255,891 |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation | 212,125 | 177,086 |
| Change in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | 787 | 397 |
| Increase (decrease) in due to other funds | 270,690 | 45,924 |
| Increase (decrease) in accounts payable | <u>(14,356)</u> | <u>(4,735)</u> |
| Net cash from (to) operating activities | <u>\$ 542,328</u> | <u>\$ 474,563</u> |

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

| | Self- Insurance | Motor Transport | Total |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,589,142 | \$ - | \$ 2,589,142 |
| Investments | 15,544 | - | 15,544 |
| Receivables, net | 133,329 | - | 133,329 |
| Inventories | - | 22,007 | 22,007 |
| | | | |
| Total current assets | <u>2,738,015</u> | <u>22,007</u> | <u>2,760,022</u> |
| Property, plant and equipment: | | | |
| Buildings and improvements | - | 502,346 | 502,346 |
| Machinery and equipment | - | 1,459,924 | 1,459,924 |
| Less: accumulated depreciation | - | (1,390,205) | (1,390,205) |
| | | | |
| Net property, plant and equipment | <u>-</u> | <u>572,065</u> | <u>572,065</u> |
| | | | |
| Total assets | <u>2,738,015</u> | <u>594,072</u> | <u>3,332,087</u> |
| Deferred outflows of resources: | | | |
| Deferred outflows related to pension | <u>-</u> | <u>103,180</u> | <u>103,180</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | 618,007 | 95,168 | 713,175 |
| Claims and judgements payable | 3,246,681 | - | 3,246,681 |
| Accrued salaries | - | 12,424 | 12,424 |
| Accrued compensated absences | - | 17,671 | 17,671 |
| Due to other funds | - | 892,109 | 892,109 |
| | | | |
| Total current liabilities | <u>3,864,688</u> | <u>1,017,372</u> | <u>4,882,060</u> |
| Long-term liabilities (net of current portion): | | | |
| Accrued compensated absences | - | 16,709 | 16,709 |
| Net pension liability | <u>-</u> | <u>745,660</u> | <u>745,660</u> |
| | | | |
| Total noncurrent liabilities | <u>-</u> | <u>762,369</u> | <u>762,369</u> |
| | | | |
| Total liabilities | <u>3,864,688</u> | <u>1,779,741</u> | <u>5,644,429</u> |
| Deferred inflows of resources: | | | |
| Deferred inflows related to pension | <u>-</u> | <u>15,850</u> | <u>15,850</u> |
| Net Position: | | | |
| Net investment in capital assets | - | 572,065 | 572,065 |
| Unrestricted | <u>(1,126,673)</u> | <u>(1,670,404)</u> | <u>(2,797,077)</u> |
| | | | |
| Total net position | <u>\$ (1,126,673)</u> | <u>\$ (1,098,339)</u> | <u>\$ (2,225,012)</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, 2016

| | Self- Insurance | Motor Transport | Total |
|----------------------------------------|--------------------|--------------------|----------------|
| Operating revenues: | | | |
| Charges for services | \$ - | \$ 3,099,938 | \$ 3,099,938 |
| Contributions | 10,983,450 | - | 10,983,450 |
| Other | 148,141 | - | 148,141 |
| | <hr/> | <hr/> | <hr/> |
| Total operating revenues | 11,131,591 | 3,099,938 | 14,231,529 |
| Operating expenses: | | | |
| Personal services | - | 808,447 | 808,447 |
| Operating services | 903,868 | 2,378,078 | 3,281,946 |
| Depreciation | - | 119,791 | 119,791 |
| Benefits and claims | 13,107,208 | - | 13,107,208 |
| | <hr/> | <hr/> | <hr/> |
| Total operating expenses | 14,011,076 | 3,306,316 | 17,317,392 |
| Operating income (loss) | (2,879,485) | (206,378) | (3,085,863) |
| Nonoperating revenues (expenses) : | | | |
| Investment earnings | 13,554 | - | 13,554 |
| Other | - | 157 | 157 |
| | <hr/> | <hr/> | <hr/> |
| Total nonoperating revenues (expenses) | 13,554 | 157 | 13,711 |
| Transfers: | | | |
| Transfers in | 3,016,818 | - | 3,016,818 |
| Transfers out | (73,903) | (19,803) | (93,706) |
| | <hr/> | <hr/> | <hr/> |
| Total transfers | 2,942,915 | (19,803) | 2,923,112 |
| Change in net position | 76,984 | (226,024) | (149,040) |
| Net position at beginning of year | (1,203,657) | (872,315) | (2,075,972) |
| Net position at end of year | <hr/> | <hr/> | <hr/> |
| | <hr/> | <hr/> | <hr/> |
| | \$ (1,126,673) | \$ (1,098,339) | \$ (2,225,012) |

CITY OF MARIETTA, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | Self- Insurance | Motor Transport | Total |
|----------------------------------------------------------------------------------|-----------------------|--------------------|-----------------------|
| Cash flow from operating activities: | | | |
| Cash received from contributions and services provided | \$ 11,086,055 | \$ 3,103,376 | \$ 14,189,431 |
| Cash payments for goods and services | (1,007,625) | (2,327,196) | (3,334,821) |
| Cash payments for employee services and fringes | - | (806,534) | (806,534) |
| Cash payments for benefits and claims | (13,171,222) | - | (13,171,222) |
| Cash received for other operating activities | 148,341 | - | 148,341 |
| Cash received from (payments to) other funds | (6,688,570) | - | (6,688,570) |
| Net Cash from (to) operating activities | <u>(9,633,021)</u> | <u>(30,354)</u> | <u>(9,663,375)</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers in | 3,016,818 | - | 3,016,818 |
| Transfers out | <u>(73,903)</u> | <u>(19,803)</u> | <u>(93,706)</u> |
| Net transfers in (out) from noncapital financing activities | <u>2,942,915</u> | <u>(19,803)</u> | <u>2,923,112</u> |
| Cash flows from capital and related financing activities: | | | |
| Other nonoperating receipts | - | 157 | 157 |
| Net cash from (to) capital and related financing activities | <u>-</u> | <u>157</u> | <u>157</u> |
| Cash flows from investing activities: | | | |
| Interest received | 20,322 | - | 20,322 |
| Investments (purchased) sold | <u>6,737,672</u> | <u>-</u> | <u>6,737,672</u> |
| Net cash from (to) investing activities | <u>6,757,994</u> | <u>-</u> | <u>6,757,994</u> |
| Net increase (decrease) in cash and cash equivalents | 67,888 | (50,000) | 17,888 |
| Cash and cash equivalents at beginning of year | <u>2,521,254</u> | <u>50,000</u> | <u>2,571,254</u> |
| Cash and cash equivalents at end of year | <u>\$ 2,589,142</u> | <u>\$ -</u> | <u>\$ 2,589,142</u> |
| Reconciliation of operating income (loss) to net cash from operating activities: | | | |
| Operating income (loss) | \$ (2,879,485) | \$ (206,378) | \$ (3,085,863) |
| Adjustments to reconcile operating income to net cash from operating activities: | | | |
| Depreciation | - | 119,791 | 119,791 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in contributions receivable | 102,605 | - | 102,605 |
| (Increase) decrease in due from other governments | - | 3,438 | 3,438 |
| (Increase) decrease in prepaids | 200 | - | 200 |
| (Increase) decrease in inventories | - | 54,996 | 54,996 |
| (Increase) decrease in deferred outflows related to pension | - | (67,580) | (67,580) |
| Increase (decrease) in accounts payable | (103,757) | 16,854 | (86,903) |
| Increase (decrease) in accrued salaries | - | (8,983) | (8,983) |
| Increase (decrease) in accrued compensated absenses | - | (6,004) | (6,004) |
| Increase (decrease) in net pension liability | - | 100,990 | 100,990 |
| Increase (decrease) in due to other funds | (6,688,570) | (20,968) | (6,709,538) |
| Increase (decrease) in claims and judgements payable | (64,014) | - | (64,014) |
| (Increase) decrease in deferred inflows related to pension | <u>-</u> | <u>(16,510)</u> | <u>(16,510)</u> |
| Net cash from (to) operating activities | <u>\$ (9,633,021)</u> | <u>\$ (30,354)</u> | <u>\$ (9,663,375)</u> |

CITY OF MARIETTA, GEORGIA
SELF - INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|-------------------------------|-----------------------|-----------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 2,589,142 | \$ 2,521,254 |
| Investments | 15,544 | 6,753,216 |
| Receivables: | | |
| Accrued interest | 19 | 6,787 |
| Contributions | 133,310 | 235,915 |
| Prepays | - | 200 |
| Total assets | <u>2,738,015</u> | <u>9,517,372</u> |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Accounts payable | 618,007 | 721,764 |
| Claims and judgements payable | 3,246,681 | 3,310,695 |
| Due to other funds | - | 6,688,570 |
| Total liabilities | <u>3,864,688</u> | <u>10,721,029</u> |
| <u>NET POSITION</u> | | |
| Unrestricted | <u>\$ (1,126,673)</u> | <u>\$ (1,203,657)</u> |

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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|-----------------------------------|------------------------------|------------------------------|
| Operating revenues: | | |
| Contributions | \$ 10,983,450 | \$ 10,742,421 |
| Other | <u>148,141</u> | <u>108,722</u> |
| Total operating revenues | <u>11,131,591</u> | <u>10,851,143</u> |
| Operating expenses: | | |
| Operating services | 903,868 | 825,167 |
| Benefits and claims | <u>13,107,208</u> | <u>13,162,235</u> |
| Total operating expenses | <u>14,011,076</u> | <u>13,987,402</u> |
| Operating income (loss) | <u>(2,879,485)</u> | <u>(3,136,259)</u> |
| Nonoperating revenues: | | |
| Investment earnings | <u>13,554</u> | <u>8,697</u> |
| Income before transfers | <u>(2,865,931)</u> | <u>(3,127,562)</u> |
| Transfers: | | |
| Transfers in | 3,016,818 | 2,859,010 |
| Transfers out | <u>(73,903)</u> | <u>(73,505)</u> |
| Total transfers | <u>2,942,915</u> | <u>2,785,505</u> |
| Change in net position | 76,984 | (342,057) |
| Net position at beginning of year | <u>(1,203,657)</u> | <u>(861,600)</u> |
| Net position at end of year | <u><u>\$ (1,126,673)</u></u> | <u><u>\$ (1,203,657)</u></u> |

CITY OF MARIETTA, GEORGIA
SELF-INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | 2016 | 2015 |
|----------------------------------------------------------------------------------|-----------------------|-----------------------|
| Cash flow from operating activities: | | |
| Cash received from contributions | \$ 11,086,055 | \$ 10,708,440 |
| Cash received from other operating activities | 148,341 | 112,658 |
| Cash payments for operating services | (1,007,625) | (394,826) |
| Cash received from (payments to) other funds | (6,688,570) | (1,602,985) |
| Cash payments for benefits and claims | <u>(13,171,222)</u> | <u>(12,871,846)</u> |
| Net cash from (to) operating activities | <u>(9,633,021)</u> | <u>(4,048,559)</u> |
| Cash flows from (to) noncapital financing activities: | | |
| Transfers in | 3,016,818 | 2,859,010 |
| Transfers out | <u>(73,903)</u> | <u>(73,505)</u> |
| Net transfers in (out) from noncapital financing activities | <u>2,942,915</u> | <u>2,785,505</u> |
| Cash flows from investing activities: | | |
| Interest received | 20,322 | 8,723 |
| Investments (purchased) sold | <u>6,737,672</u> | <u>2,642,429</u> |
| Net cash from (to) investing activities | <u>6,757,994</u> | <u>2,651,152</u> |
| Net increase (decrease) in cash and cash equivalents | 67,888 | 1,388,098 |
| Cash and cash equivalents at beginning of year | <u>2,521,254</u> | <u>1,133,156</u> |
| Cash and cash equivalents at end of year | <u>\$ 2,589,142</u> | <u>\$ 2,521,254</u> |
| Reconciliation of operating income to net cash from operating activities: | | |
| Operating income (loss) | \$ (2,879,485) | \$ (3,136,259) |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Changes in assets and liabilities: | | |
| (Increase) decrease in contributions receivable | 102,605 | (33,981) |
| (Increase) decrease in other receivables | - | 1,111 |
| (Increase) decrease in prepaids | 200 | 2,825 |
| Increase (decrease) in accounts payable | (103,757) | 430,341 |
| Increase (decrease) in due to other funds | (6,688,570) | (1,602,985) |
| Increase (decrease) in claims and judgements payable | <u>(64,014)</u> | <u>290,389</u> |
| Net cash from (to) operating activities | <u>\$ (9,633,021)</u> | <u>\$ (4,048,559)</u> |

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|--------------------------------------------------------|------------------------------|----------------------------|
| Assets: | | |
| Current assets: | | |
| Cash and cash equivalents | \$ - | \$ 50,000 |
| Due from other governments | - | 3,438 |
| Inventories | <u>22,007</u> | <u>77,003</u> |
| Total current assets | <u>22,007</u> | <u>130,441</u> |
| Property, plant and equipment: | | |
| Buildings and improvements | 502,346 | 502,346 |
| Machinery and equipment | 1,459,924 | 1,459,924 |
| Less: accumulated depreciation | <u>(1,390,205)</u> | <u>(1,270,414)</u> |
| Net property, plant and equipment | <u>572,065</u> | <u>691,856</u> |
| Total assets | <u>594,072</u> | <u>822,297</u> |
| Deferred outflows of resources: | | |
| Deferred outflows related to pension | <u>103,180</u> | <u>35,600</u> |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | 95,168 | 78,314 |
| Accrued salaries | 12,424 | 21,407 |
| Due to other funds | 892,109 | 913,077 |
| Accrued compensated absences | <u>17,671</u> | <u>19,708</u> |
| Total current liabilities | <u>1,017,372</u> | <u>1,032,506</u> |
| Long-term liabilities (net of current portion): | | |
| Accrued compensated absences | 16,709 | 20,676 |
| Net pension liability | <u>745,660</u> | <u>644,670</u> |
| Total noncurrent liabilities | <u>762,369</u> | <u>665,346</u> |
| Total liabilities | <u>1,779,741</u> | <u>1,697,852</u> |
| Deferred inflows of resources: | | |
| Deferred inflows related to pension | <u>15,850</u> | <u>32,360</u> |
| Net Position: | | |
| Net investment in capital assets | 572,065 | 691,856 |
| Unrestricted | <u>(1,670,404)</u> | <u>(1,564,171)</u> |
| Total net position | <u><u>\$ (1,098,339)</u></u> | <u><u>\$ (872,315)</u></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, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|------------------------------------|------------------------------|----------------------------|
| Operating revenues: | | |
| Charges for services | \$ 3,099,938 | \$ 3,461,380 |
| Other | <u>-</u> | <u>1,136</u> |
| Total operating revenues | <u>3,099,938</u> | <u>3,462,516</u> |
| Operating expenses: | | |
| Personal services | 808,447 | 850,556 |
| Operating services | 2,378,078 | 2,579,912 |
| Depreciation | <u>119,791</u> | <u>120,524</u> |
| Total operating expenses | <u>3,306,316</u> | <u>3,550,992</u> |
| Operating income (loss) | <u>(206,378)</u> | <u>(88,476)</u> |
| Nonoperating revenues (expenses) : | | |
| Other | <u>157</u> | <u>-</u> |
| Transfers: | | |
| Transfers in | <u>-</u> | <u>50,000</u> |
| Transfers out | <u>(19,803)</u> | <u>(55,603)</u> |
| Total transfers | <u>(19,803)</u> | <u>(5,603)</u> |
| Change in net position | <u>(226,024)</u> | <u>(94,079)</u> |
| Net position at beginning of year | <u>(872,315)</u> | <u>(778,236)</u> |
| Net position at end of year | <u><u>\$ (1,098,339)</u></u> | <u><u>\$ (872,315)</u></u> |

CITY OF MARIETTA, GEORGIA
MOTOR TRANSPORT
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

| | <u>2016</u> | <u>2015</u> |
|----------------------------------------------------------------------------------|--------------------|------------------|
| Cash flow from (to) operating activities: | | |
| Cash received for services provided | \$ 3,103,376 | \$ 3,459,224 |
| Cash payments for goods and services | (2,327,196) | (2,559,659) |
| Cash payments for employee services and fringes | <u>(806,534)</u> | <u>(843,962)</u> |
| Net cash from (to) operating activities | <u>(30,354)</u> | <u>55,603</u> |
| Cash flows from (to) noncapital financing activities: | | |
| Transfers in | - | 50,000 |
| Transfers out | <u>(19,803)</u> | <u>(55,603)</u> |
| Net transfers in (out) from noncapital financing activities | <u>(19,803)</u> | <u>(5,603)</u> |
| Cash flows from (to) capital and related financing activities: | | |
| Other nonoperating receipts | <u>157</u> | - |
| Net cash from (to) capital and related financing activities | <u>157</u> | - |
| Net increase (decrease) in cash and cash equivalents | (50,000) | 50,000 |
| Cash and cash equivalents at beginning of year | <u>50,000</u> | - |
| Cash and cash equivalents at end of year | <u>\$ -</u> | <u>\$ 50,000</u> |
| Reconciliation of operating income to net cash from operating activities: | | |
| Operating income (loss) | \$ (206,378) | \$ (88,476) |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation | 119,791 | 120,524 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in due from other governments | 3,438 | (3,292) |
| (Increase) decrease in inventories | 54,996 | 26,556 |
| (Increase) decrease in deferred outflows related to pension | (67,580) | (35,600) |
| Increase (decrease) in accounts payable | 16,854 | 5,441 |
| Increase (decrease) in accrued salaries | (8,983) | 1,756 |
| Increase (decrease) in accrued compensated absenses | (6,004) | 7,238 |
| Increase (decrease) in net pension liability | 100,990 | 840 |
| Increase (decrease) in due to other funds | (20,968) | (11,744) |
| Increase (decrease) in deferred inflows related to pension | <u>(16,510)</u> | <u>32,360</u> |
| Net cash from (to) operating activities | <u>\$ (30,354)</u> | <u>\$ 55,603</u> |

CITY OF MARIETTA, GEORGIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CITY SCHOOLS AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

| | <u>July 01, 2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2016</u> |
|-----------------------------------|-------------------------|----------------------|------------------------|----------------------|
| Assets | | | | |
| Cash | \$ 143,254 | \$ 47,206,114 | \$ (46,890,092) | \$ 459,276 |
| Receivable from other governments | 306,670 | 1,888,887 | (1,994,790) | 200,767 |
| Uncollected taxes | <u>981,877</u> | <u>44,027,105</u> | <u>(44,347,661)</u> | <u>661,321</u> |
| Total assets | <u>\$ 1,431,801</u> | <u>\$ 93,122,106</u> | <u>\$ (93,232,543)</u> | <u>\$ 1,321,364</u> |
| Liabilities - due to others | <u>\$ 1,431,801</u> | <u>\$ 93,122,106</u> | <u>\$ (93,232,543)</u> | <u>\$ 1,321,364</u> |

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

JUNE 30, 2016

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. Pages 125-128.

Revenue Capacity

These schedules contain information to help the user assess the City's major revenue sources. Pages 129-136.

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. Pages 137-141.

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. Pages 142-143.

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.

Pages 144-148.

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

| | | | | | Fiscal Year | | | | | | |
|------------------------------------------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | | | | 2010 (1) | 2011 | 2012 | 2013 | 2014 (2) | 2015 | 2016 |
| Governmental activities | | | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | | | |
| Restricted | \$ 38,400,310 | \$ 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 | |
| Unrestricted | 12,993,338 | 25,355,346 | 22,613,208 | 22,973,206 | 26,661,694 | 19,595,692 | 23,445,586 | 38,295,536 | 36,359,546 | 35,585,010 | |
| Total governmental activities net position | \$ (26,135,944) | (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) | |
| Business-type activities | | | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | | | |
| Restricted | \$ 90,727,135 | \$ 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 | |
| Unrestricted | 1,349,186 | 2,377,157 | 2,287,694 | - | - | - | - | - | - | - | |
| Total business-type activities net position | \$ 127,470,743 | \$ 133,975,153 | \$ 135,035,622 | \$ 136,176,069 | \$ 1668,171 | \$ 8,968,617 | \$ 12,520,838 | \$ 18,374,290 | \$ 171,570,825 | \$ 130,015,768 | \$ 169,024,508 |
| Primary government | | | | | | | | | | | |
| Net investment in capital assets | | | | | | | | | | | |
| Restricted | \$ 129,127,445 | \$ 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 | |
| Unrestricted | 14,342,524 | 27,732,503 | 24,900,902 | 22,973,206 | 26,661,694 | 19,595,692 | 23,445,586 | 38,295,536 | 36,359,546 | 35,585,010 | |
| Total Primary government net position, before restatements | 9,258,478 | (3,861,326) | 28,918,781 | (6,892,683) | (10,534,184) | (9,673,307) | (3,227,254) | (64,635,977) | (50,573,897) | (37,082,450) | |
| Restatement for capital assets and related | | | | | | | | | | | |
| accumulated depreciation | 152,728,447 | 161,718,751 | 199,998,454 | 200,621,478 | 220,930,914 | 239,509,347 | 258,743,083 | 213,624,874 | 235,905,656 | 253,436,587 | |
| Total Primary government net position, as restated | 1,391,888 | 4,15,317 | - | 8,100,224 | - | - | - | - | - | - | |
| Total Primary government net position, as restated | \$ 154,120,335 | \$ 162,134,968 | \$ 199,999,454 | \$ 208,721,702 | \$ 220,930,914 | \$ 239,509,347 | \$ 258,743,083 | \$ 213,624,874 | \$ 235,905,656 | \$ 253,436,587 | |

(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 | | | | | | | | | | |
|-----------------------------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (3) | 2015 | 2016 | |
| Expenses | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| General government | \$ 7,490,659 | \$ 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 | |
| Public works | 14,888,258 | 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 | |
| Culture and recreation | 5,346,638 | 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 | |
| Public safety | 24,791,734 | 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 | |
| Urban redevelopment and housing | 8,261,612 | 5,862,864 | 6,046,710 | 6,353,078 | 5,679,557 | 8,479,642 | 5,736,850 | 5,327,162 | 3,223,937 | 566,221 | |
| Interest and fiscal charges on long-term debt | 3,125,438 | 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 | |
| Total governmental activities expenses | 63,904,339 | 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 | |
| Business-type activities: | | | | | | | | | | | |
| Water & sewer | 22,294,414 | 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 | |
| Electric | 85,240,996 | 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 | |
| Golf | 1,912,942 | 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 | |
| Conference center | 2,267,261 | 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 | |
| Total business-type activities expenses | 111,715,613 | 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 | |
| Total Primary Government expenses | \$ 175,619,952 | \$ 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 | |
| Program Revenues | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | |
| General government | \$ 10,606,915 | \$ 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 | |
| Judicial | (1) | - | - | - | - | 3,435,418.81 | - | - | - | - | |
| Public works | 3,338,944 | 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 | |
| Culture and recreation | 260,442 | 250,876 | 264,132 | 319,375 | 280,347 | 272,514 | 270,208 | 313,602 | 323,473 | 470,821 | |
| Public safety | (2) | 42,390 | 110,651 | 348,310 | 102,531 | 176,931 | 986,642 | 70,063 | 180,143 | 96,208 | |
| Urban redevelopment and housing | 965,210 | 703,452 | 692,429 | 575,640 | 632,081 | 801,496 | 590,778 | 602,087 | 792,155 | 784,197 | |
| Operating grants and contributions | 9,597,840 | 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 | |
| Capital grants and contributions | 9,735,992 | 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 | |
| Total governmental activities program revenues | 34,547,733 | 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 | |
| Business-type activities: | | | | | | | | | | | |
| Charges for services: | | | | | | | | | | | |
| Water & sewer | 28,115,388 | 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 | |
| Electric | 90,011,504 | 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 | |
| Golf | 1,973,016 | 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 | |
| Conference center | 1,681,074 | 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 | |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - | |
| Capital grants and contributions | 4,536,972 | 777,567 | 661,994 | 237,175 | 77,154 | - | - | - | 765,710 | 254,845 | |
| Total business-type activities program revenues | 126,317,954 | 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 | |
| Total Primary Government program revenues | \$ 160,865,687 | \$ 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 | |
| Net (expense)/revenue | \$ (29,356,606) | \$ (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) | |
| Governmental activities | 14,602,341 | 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 | |
| Business-type activities | \$ (14,754,265) | \$ (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) | |
| Total Primary Government net expense | | | | | | | | | | | |
| General Revenues and Other Changes in Net Position | | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | | |
| Taxes | | | | | | | | | | | |
| Property taxes | \$ 12,293,579 | \$ 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 | |
| Insurance premium tax | 3,078,387 | 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 | |
| Alcohol taxes | 884,674 | 812,476 | 803,261 | 790,828 | 743,152 | 1,500,683 | 762,326 | 745,204 | 761,153 | 747,545 | |
| Hotel, motel tax | 2,182,657 | 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 | |
| Franchise taxes | 5,176,430 | 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 | |
| Auto rental tax | 494,156 | 457,952 | 412,431 | 355,788 | 374,996 | 359,340 | 379,537 | 448,908 | 433,367 | 400,055 | |
| Unrestricted investment earnings | 1,881,843 | 1,590,204 | 536,713 | 356,084 | 205,966 | 171,150 | 181,640 | 144,116 | 124,719 | 213,369 | |
| Gains on sale of capital assets | 134,434 | 420,929 | 143,752 | 70,215.00 | 64,599.00 | 140,437 | 150,629 | 238,632 | 80,977 | 149,950 | |
| Miscellaneous | - | - | - | - | - | 19,802.00 | - | - | - | - | |
| Operating grants not restricted | 1,275,916.00 | 1,555,432.00 | 1,669,199.00 | 1,701,947.00 | 2,038,348 | - | 1,499,219 | 2,305,063 | 1,856,167 | 2,691,934 | |
| Contributions not restricted | - | - | - | - | - | - | - | - | - | - | |
| Transfers | 9,314,449 | 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 | |
| Total governmental activities | 36,716,525 | 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 | |
| Business-type activities | | | | | | | | | | | |
| Unrestricted investment earnings | 2,509,636 | 1,973,077 | 712,646 | 223,404 | 539,567 | 420,170 | 243,752 | 355,270 | 312,473 | 381,875 | |
| Gain on extinguishment of debt | - | - | - | 168,042.00 | - | - | - | - | - | - | |
| Gain on sale of capital assets | 32,889.00 | 139,800 | 165,386 | 112,862 | 444,084 | 66,295 | 258,370 | 172,919 | 160,364 | - | |
| Miscellaneous | - | - | - | - | 182,252.00 | - | - | - | - | - | |
| Transfers | (9,314,449) | (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) | |
| Total business-type activities | (6,771,924) | (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) | |
| Total primary government | \$ 29,944,601 | \$ 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 | |
| Changes in Net Position | | | | | | | | | | | |
| Governmental activities | \$ 7,359,919 | \$ 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 | |
| Business type activities | 7,830,417 | 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 | |
| Total primary government | \$ 15,190,336 | \$ 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 | |

(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+A49

(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)

| <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011(1)</u> | <u>2012</u> | <u>2013</u> | <u>2014(2)</u> | <u>2015(2)</u> | <u>2016</u> | | | | |
|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|---------------|---------------|------------|
| Fiscal Year | | | | | | | | | | | | | |
| \$ 1,951,995 | \$ 2,335,327 | \$ 1,645,272 | \$ 18,104,875 | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 14,570,802 | 14,374,838 | 14,810,512 | 12,168,488 | - | 20,447,186 | 30,427,927 | 24,721,508 | 22,599,441 | 20,584,016 | 18,707,797 | 3,930,085 | 1,853,575 | |
| - | - | - | - | - | 2,661,721 | - | 3,674,750 | 4,049,761 | 730,439 | 756,194 | | | |
| - | - | - | - | - | 9,388 | - | 9,220 | 2,487,509 | 5,037,697 | 3,073,354 | 5,003,127 | 5,474,788 | |
| - | - | - | - | - | 1,579,824 | 2,639,573 | 15,184,547 | 15,680,317 | 15,253,550 | 13,853,847 | | | |
| - | - | - | - | - | 16,587,222 | 16,778,594 | \$ 41,285,341 | \$ 49,846,094 | \$ 48,627,722 | \$ 47,890,382 | \$ 45,501,217 | \$ 40,646,201 | |
| \$ 16,522,797 | \$ 16,710,165 | \$ 16,455,784 | \$ 30,273,363 | \$ 41,285,341 | \$ 49,846,094 | \$ 48,627,722 | \$ 47,890,382 | \$ 45,501,217 | \$ 40,646,201 | | | | |
| \$ 5,493,472 | \$ 7,725,291 | \$ 11,650,875 | \$ 10,966,247 | \$ - | \$ - | \$ 598,338 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 333,899 |
| - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 7,444,398 | 6,708,071 | 6,728,922 | 4,976,070 | - | - | - | - | - | - | - | - | - | - |
| 6,026,841 | 16,867,435 | 10,249,776 | 54,792,285 | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 5,492,241 | 8,447,852 | 6,136,954 | - | 5,613,872 | 3,679,851 | | 3,735,949 | |
| - | - | - | - | - | - | - | - | - | 3,431 | 61,515 | | | |
| - | - | - | - | - | - | 5,208 | - | - | 5,208 | 5,208 | | | |
| - | - | - | - | - | - | 194,397 | - | - | - | 1,597,254 | | | |
| - | - | - | - | - | 4,960,313 | 1,086,843 | 2,813,251 | 2,504,827 | 77,675,820 | 77,675,820 | | 1,318,358 | |
| - | - | - | - | - | 44,356,460 | 27,322,837 | 28,372,332 | 80,017,545 | - | - | - | 53,066,158 | |
| - | - | - | - | - | - | 383,634 | - | - | - | - | - | - | |
| - | - | - | - | - | - | (1,561) | (1,130) | (8,076) | (6,396) | (7,557) | | | |
| \$ 18,964,711 | \$ 31,300,797 | \$ 28,629,573 | \$ 70,734,602 | \$ 54,809,014 | \$ 38,037,548 | \$ 37,321,407 | \$ 88,136,807 | \$ 83,013,252 | \$ 58,446,807 | \$ 99,093,008 | | | |
| \$ 35,487,508 | \$ 48,010,962 | \$ 45,085,357 | \$ 101,007,965 | \$ 96,094,355 | \$ 87,883,642 | \$ 85,949,129 | \$ 136,027,189 | \$ 128,514,469 | \$ 99,093,008 | | | | |

(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)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (3) | 2015 (3) | 2016 |
|-------------------------------------------------------------|---------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|------------------------|
| | Fiscal Year | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Taxes | \$24,054,243 | \$24,680,800 | \$25,097,088 | \$24,825,094 | \$25,789,789 | \$25,526,909 | \$22,764,560 | \$30,197,155 | \$31,333,064 | |
| Licenses and permits | 6,621,273 | 5,799,547 | 5,297,444 | 5,410,991 | 4,947,171 | 5,608,232 | 5,972,483 | 6,481,853 | 6,638,511 | |
| Intergovernmental | 21,850,301 | 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 |
| Charges for services | 3,932,451 | 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 |
| Fines and forfeits | 4,353,147 | 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 |
| Contributions | - | - | - | - | - | 27,998 | - | - | - | |
| Investment earnings | 1,802,151 | 2,018,377 | 697,609 | 263,223 | 160,027 | 195,184 | 198,129 | 167,139 | 161,133 | 231,195 |
| Other | 453,539 | 616,345 | 800,914 | 482,496 | 710,401 | 756,933 | 678,843 | 823,233 | 503,323 | 852,382 |
| Total revenues | <u>63,067,105</u> | <u>66,467,724</u> | <u>62,350,055</u> | <u>60,302,897</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> |
| Expenditures | | | | | | | | | | |
| General government | 7,370,697 | 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 |
| Public works | 7,594,840 | 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 |
| Culture and recreation | 5,566,985 | 4,931,066 | 4,707,715 | 4,298,902 | 3,976,597 | 5,168,057 | 5,956,253 | 6,452,181 | 6,708,918 | 8,060,079 |
| Urban redevelopment and housing | 8,261,612 | 6,665,677 | 25,439,147 | 24,645,422 | 26,079,452 | 8,410,219 | 5,742,352 | 5,333,941 | 28,393,322 | 30,469,200 |
| Public safety | 23,537,979 | 25,901,142 | 6,046,710 | 6,353,078 | 5,879,557 | 25,575,436 | 24,934,175 | 26,419,150 | 3,229,858 | 566,221 |
| Capital (2) | - | 7,778,531 | - | - | - | 552,046 | - | - | - | - |
| Debt service | Principal | 5,059,965 | 5,287,285 | 6,189,683 | 7,547,336 | 12,521,801 | 13,682,316 | 7,351,677 | 10,300,620 | 10,510,806 |
| Interest | 3,101,300 | 4,789,241 | 2,824,304 | 3,316,004 | 4,574,296 | 4,145,343 | 3,678,795 | 3,463,615 | 5,967,106 | 5,237,507 |
| Fiscal agent fees and bond issuance costs | - | 186,933 | - | - | - | - | 1,771,188 | 299,261 | 3,000 | |
| Capital projects (2) | 4,243,722 | 2,780,066 | 12,863,322 | 14,363,860 | 9,225,953 | 12,488,605 | 10,892,409 | 27,778,808 | 14,339,631 | 35,962,745 |
| Total expenditures | <u>64,737,100</u> | <u>73,783,372</u> | <u>73,857,702</u> | <u>75,338,741</u> | <u>76,914,892</u> | <u>84,205,576</u> | <u>76,321,732</u> | <u>95,825,695</u> | <u>86,100,540</u> | <u>106,727,017</u> |
| Excess of revenues over (under) expenditures | (1,669,995) | (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) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 15,515,433 | 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 |
| Transfers out | (6,940,497) | (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) |
| Sale of capital assets | 139,123 | 425,157 | 143,752 | 70,215 | 64,599 | 140,437 | 150,629 | 238,632 | 184,500 | 149,950 |
| Bond proceeds/refunding bonds issued | - | 49,985,000 | - | 102,108,385 | - | - | - | 68,000,000 | 15,970,000 | - |
| Premium on bonds issued | - | (38,550,000) | - | (40,701,056) | - | - | - | 1,814,364 | 1,431,052 | - |
| Payment to refunded bond escrow agent | - | - | - | - | - | - | - | - | (17,094,580) | - |
| Total other financing sources (uses) | 8,714,059 | 19,839,102 | 8,582,042 | 70,458,452 | 7,632,809 | 11,388,140 | 11,491,339 | 80,639,873 | 11,481,157 | 11,270,406 |
| Net change in fund balances | <u>\$ 7,044,064</u> | <u>\$ 12,523,454</u> | <u>\$ (2,925,605)</u> | <u>\$ 55,922,608</u> | <u>\$ (5,502,473)</u> | <u>\$ (8,184,397)</u> | <u>\$ (1,934,513)</u> | <u>\$ 50,078,060</u> | <u>\$ (7,512,720)</u> | <u>\$ (29,421,461)</u> |
| Debt service as a percentage of noncapital expenditures (1) | 14.52% | 15.16% | 13.12% | 17.89% | 27.82% | 24.46% | 17.57% | 16.01% | 23.10% | 23.30% |

(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 |
|---------------------------|-----------------|-------------------|----------------------------------------|-----------------------|-----------------------------------|-----------|------------|
| 2007 | 17,416,798 | 285,132 | 884,674 | 2,180,519 | 110,783 | 3,176,337 | 24,054,243 |
| 2008 | 17,590,571 | 224,801 | 812,476 | 2,217,011 | 106,428 | 3,729,513 | 24,680,800 |
| 2009 | 18,417,461 | 141,422 | 803,261 | 1,891,608 | 37,937 | 3,805,399 | 25,097,088 |
| 2010 | 18,412,382 | 116,367 | 790,828 | 1,720,725 | 22,427 | 3,762,365 | 24,825,094 |
| 2011 | 19,350,867 | 116,922 | 743,122 | 1,891,999 | 35,454 | 3,651,425 | 25,789,789 |
| 2012 | 18,961,810 | 137,004 | 756,815 | 1,822,802 | 42,185 | 3,120,229 | 24,840,847 |
| 2013 | 15,643,152 | 193,495 | 762,326 | 2,049,274 | 71,303 | 4,045,010 | 22,764,560 |
| 2014 | 18,030,895 | 153,285 | 745,203 | 2,166,654 | 81,026 | 3,420,567 | 24,597,631 |
| 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 |

(1) 2007 - 2016: 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 | | | | | |
| 2006 | 2,185,623,440 | 172,340,767 | 293,856,544 | 35,121,972 | 161,562,650 | 2,525,380,073 | 4,686 | 6,313,450,183 40.00% |
| 2007 | 2,328,581,761 | 170,498,321 | 316,625,189 | 30,026,547 | 192,084,113 | 2,653,647,705 | 4,683 | 6,634,119,263 40.00% |
| 2008 | 2,493,024,336 | 185,424,419 | 306,446,750 | 34,126,529 | 181,334,175 | 2,837,687,859 | 4,683 | 7,094,219,648 40.00% |
| 2009 | 2,481,302,362 | 177,214,999 | 294,658,364 | 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 | 4,046 | 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 | 4,046 | 7,022,925,445 40.00% |

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

(2) State law changed procedure of paying motor vehicle tax

(3) Floating homestead exemption went into effect.

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

| Fiscal Year | Overlapping Rates | | | | | | Marietta City Schools | | | Marietta City Schools | | | Downtown Marietta Development Authority (1) | |
|-------------|----------------------|------------------------------|--------------------|-------------------|-----------------|----------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|---------------------------------------------|--|
| | City of Marietta | | | Cobb County | | | Marietta City Schools | | Marietta City Schools | | Marietta City Schools | | Marietta City Schools | |
| | Debt Service Millage | Cemetery Maintenance Millage | Total City Millage | Operating Millage | Service Millage | Total County Millage | Operating Millage | Total Direct & Overlapping Rates | Operating Millage | Total Direct & Overlapping Rates | Operating Millage | Total Direct & Overlapping Rates | Operating Millage | |
| 2007 | 2.788 | 1.82 | 0.08 | 4.69 | 6.82 | 0.22 | 7.04 | 17.97 | 29.70 | 29.70 | 2.38 | 2.38 | | |
| 2008 | 2.788 | 1.82 | 0.08 | 4.69 | 6.82 | 0.22 | 7.04 | 17.97 | 29.70 | 29.70 | 2.38 | 2.38 | | |
| 2009 | 2.788 | 1.82 | 0.08 | 4.69 | 6.82 | 0.22 | 7.04 | 17.97 | 29.70 | 29.70 | 2.38 | 2.38 | | |
| 2010 | 2.788 | 1.82 | 0.08 | 4.69 | 6.82 | 0.22 | 7.04 | 17.97 | 29.70 | 29.70 | 2.09 | 2.09 | | |
| 2011 | 2.788 | 2.37 | 0.08 | 5.23 | 6.82 | 0.22 | 7.04 | 17.97 | 30.24 | 30.24 | 2.09 | 2.09 | | |
| 2012 | 2.788 | 2.37 | 0.08 | 5.23 | 7.72 | 0.33 | 8.05 | 17.97 | 31.25 | 31.25 | 2.09 | 2.09 | | |
| 2013 | 2.788 | 1.18 | 0.08 | 4.05 | 7.72 | 0.33 | 8.05 | 19.16 | 31.25 | 31.25 | 2.09 | 2.09 | | |
| 2014 | 2.788 | 1.18 | 0.08 | 4.05 | 7.32 | 0.33 | 7.65 | 17.97 | 31.67 | 31.67 | 2.07 | 2.07 | | |
| 2015 | 2.788 | 3.18 | 0.08 | 6.05 | 7.12 | 0.33 | 7.45 | 17.97 | 31.47 | 31.47 | 2.07 | 2.07 | | |
| 2016 | 2.788 | 3.18 | 0.08 | 6.05 | 7.12 | 0.33 | 7.45 | 17.97 | 31.47 | 31.47 | 2.07 | 2.07 | | |

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

CITY OF MARIETTA, GEORGIA
Principal Taxpayers (Unaudited)
June 30, 2016

| Taxpayer (1) | Type of Business | 2016 | | 2007 | |
|-------------------------------------|------------------|------------------------|------|--------------------------------------------|------------------------|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value |
| Kennestone Outpatient Pavilion | Hospital | \$ 15,536,000 | 1 | 0.57% | |
| Laurel Hills Apartment LLC | Real Estate | \$ 15,320,000 | 2 | 0.56% | |
| Lakeside 358 LLC | Real Estate | \$ 14,516,000 | 3 | 0.53% | |
| Bellsouth Telecom./ AT&T | Telephone | \$ 14,497,071 | 4 | 0.53% | \$23,761,543 |
| C W Matthews Contracting Co. | Commercial | \$ 12,926,232 | 5 | 0.47% | \$9,501,074 |
| Ashford Retreat LLC | Real Estate | \$ 10,104,128 | 6 | 0.37% | |
| Kennestone Physicians Center I | Hospital | \$ 8,923,895 | 7 | 0.32% | |
| DPR Marietta Ridge LLC | Real Estate | \$ 8,696,520 | 8 | 0.32% | |
| HRTBH Wood Station LLC | Commercial | \$ 8,434,960 | 9 | 0.31% | |
| HRTBH Knolls LLC | Commercial | \$ 8,408,800 | 10 | 0.31% | |
| Bells Ferry Corp. | Real Estate | | | | \$13,254,960 |
| Sterling Town Center Apartments | Commercial | | | | \$12,582,520 |
| Atlanta Parkway Investment Group II | Real Estate | | | | \$10,002,221 |
| Atlanta Parkway Investment Group I | Real Estate | | | | \$10,000,003 |
| Bel EQR IV LP | Attorney | | | | \$8,843,800 |
| Wellstar Health System, Inc. | Hospital | | | | \$8,047,320 |
| Meridian Ridge Point Acquisition | Commercial | | | | \$7,430,630 |
| Wood Glen Apartment Associates | Commercial | | | | \$7,400,000 |
| Totals | | \$117,363,606 | | 4.27% | \$110,824,071 |
| | | | | | 4.39% |

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 |
| 2006 | 10,761,609 | (59,841) | 10,701,768 | 10,615,645 | 98.64% | 85,068 | 10,700,713 | 99.99% |
| 2007 | 11,407,894 | (1,515) | 11,406,379 | 11,273,654 | 98.82% | 132,372 | 11,406,026 | 99.99% |
| 2008 | 12,147,888 | (11,970) | 12,135,918 | 11,853,331 | 97.58% | 278,685 | 12,132,016 | 99.97% |
| 2009 | 11,987,687 | (45,794) | 11,941,893 | 11,660,045 | 97.27% | 248,774 | 11,908,819 | 99.72% |
| 2010 | 12,416,512 | (35,663) | 12,380,849 | 12,111,605 | 97.54% | 246,545 | 12,358,150 | 99.82% |
| 2011 | 11,708,773 | 435 | 11,709,208 | 11,512,240 | 98.32% | 187,801 | 11,700,041 | 99.92% |
| 2012 | 9,051,308 | 22,406 | 9,073,714 | 8,955,792 | 98.94% | 112,059 | 9,067,851 | 99.94% |
| 2013 | 9,177,751 | (176,727) | 9,001,024 | 8,896,794 | 96.94% | 94,950 | 8,991,744 | 99.90% |
| 2014 | 13,839,758 | (8,035) | 13,831,723 | 13,734,435 | 99.24% | 80,276 | 13,814,711 | 99.88% |
| 2015 | 14,622,278 | - | 14,622,278 | 14,542,338 | 99.45% | - | 14,542,338 | 99.45% |

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

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

Source: City of Marietta utility department

* No rate for that Tier during that time

(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 |
| 2007 - 2008 | >2 | * | * | | >2 | * |
| 2009 - 2011 | >2-7 | >7 -12 | >12 | | >2 | * |
| 2012-2016 | 0-2 | >2-7 | >7 -12 | >12 | >2 | * |

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

| Fiscal Year | Total Kilowatt Hours Sold (millions) | Summer (June through September) | | | Total Direct Rate Winter (October through May) | | |
|-------------|-----------------------------------------|---------------------------------|---------------|---------------|------------------------------------------------|---------------|---------------|
| | | Base Rate (1) | Tier 1 (2) | Tier 2 (3) | Base Rate (1) | Tier 1 (2) | Tier 2 (3) |
| 2007 | 1,073 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2008 | 1,094 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2009 | 1,031 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2010 | 1,046 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2011 | 1,083 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2012 | 1,027 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2013 | 998 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2014 | 1,009 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2015 | 1,014 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |
| 2016 | 1,017 | 8.00 | 0.070 | 0.087 | 0.102 | 8.00 | 0.070 |

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)
June 30, 2016

| Customer Name | Type of Business | 2016 | | | 2007 | | |
|--------------------------------|------------------|-----------------------|------|----------------------------------------------|-----------------------|------|----------------------------------------------|
| | | 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 | 63,196,382 | 1 | 6.22% | 53,523,684 | 1 | 4.98% |
| Cobb County Government | Government | 26,831,486 | 2 | 2.64% | 24,038,365 | 3 | 2.24% |
| Kennesaw State University | School | 21,870,659 | 3 | 2.15% | 17,201,906 * | 4 | 1.60% |
| Tip Top Poultry | Commercial | 15,729,846 | 4 | 1.55% | 13,188,715 | 8 | 1.23% |
| Talenti, LLC | Commercial | 14,467,939 | 5 | 1.42% | | | |
| Marietta City Schools | Commercial | 13,605,679 | 6 | 1.34% | 15,155,376 | 5 | 1.41% |
| Marietta DC, LLC | Commercial | 12,763,320 | 7 | | | | |
| Life University | Commercial | 10,197,248 | 8 | 1.00% | 7,426,659 | 10 | 0.69% |
| Kroger | Commercial | 9,002,800 | 9 | 0.89% | | | |
| Cobb County Board of Education | Commercial | 8,245,330 | 10 | 0.81% | 7,911,004 | 9 | 0.74% |
| Lockheed Martin Aeronautics | Commercial | | | | 38,419,852 | 2 | 3.58% |
| Southern Ice Cream | Commercial | | | | 15,143,678 | 6 | 1.41% |
| Lasalle Partners Management | Commercial | | | | 13,432,800 | 7 | 1.25% |
| Totals | | 195,910,689 | | 18.02% | 205,442,039 | | 19.12% |

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

| Fiscal Year | Governmental Activities | | | | | | Business Type Activities | | | | | | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|-----------------------|----------------------|------------------------|--------------|------------------------------------------|---------------------------|----------------|--------------------------|-------|-------|--|-------------------------------|------------|
| | General Obligation Bonds | SPL OST Revenue Bonds | Tax Allocation Bonds | Citywide Project Bonds | Note Payable | Marietta Conference Center Revenue Bonds | Golf Course Revenue Bonds | Capital Leases | Total Primary Government | | | | | |
| | | | | | | | | | | | | | | |
| 2007 | \$ 54,880,000 | - | \$ 8,400,000 | -- | \$ 674,879 | \$ 25,350,000 | \$ 3,059,064 | \$ 133,632 | \$ 92,497,575 | 5.90% | 1,522 | | | |
| 2008 | 51,255,000 | 9,820,000 | 8,400,000 | -- | 627,614 | 31,410,000 | 4,835,000 | 253,450 | 106,601,064 | 6.80% | 1,724 | | | |
| 2009 | 45,115,000 | 9,820,000 | 7,900,805 | -- | 577,930 | 30,420,000 | 4,835,000 | 206,592 | 98,875,327 | 6.24% | 1,591 | | | |
| 2010 | 60,835,000 | 9,145,000 | 7,380,694 | 31,660,000 | 525,706 | 0 * | 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 | 0 * | 3,550,000 | 105,459 | 100,680,057 | 6.95% | 1,779 | | | |
| 2012 | 46,248,279 | 0 ** | 6,274,180 | 29,365,000 | 413,103 | 0 * | 2,736,490 | 105,779 | 86,328,062 | 5.96% | 1,482 | | | |
| 2013 | 41,403,544 | 0 ** | 5,685,914 | 27,895,000 | 352,443 | 0 * | 2,094,326 | 169,057 | 77,487,495 | 5.15% | 1,319 | | | |
| 2014 | 104,418,809 | 0 ** | 5,072,999 | 26,365,000 | 288,681 | 0 * | 1,432,162 | 117,218 | 137,694,869 | 9.09% | 2,327 | | | |
| 2015 | 98,540,000 | 0 ** | 4,434,403 | 24,755,000 | 221,657 | 0 * | 755,000 | 253,207 | 128,959,267 | 8.43% | 2,157 | | | |
| 2016 | 90,440,000 | 0 ** | 3,769,050 | 23,080,000 | 151,204 | 0 * | 0 | 97,503 | 117,637,757 | 7.78% | 1,992 | | | |

* In FY2010 Conference Center bonds were cancelled.
** In FY2012 SPL OST Bonds paid in full

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

| <u>Fiscal Year</u> | <u>General Obligation Bonds</u> | <u>Less: Amounts Available in Debt Service Fund</u> | <u>Total</u> | <u>Percentage of Actual Taxable Value of Property</u> | <u>Per Capita</u> |
|--------------------|---------------------------------|-----------------------------------------------------|--------------|-------------------------------------------------------|-------------------|
| 2007 | \$54,880,000 | 2,836,778 | 52,043,222 | 0.97% | 797 |
| 2008 | 51,255,000 | 3,658,389 | 47,596,611 | 0.66% | 671 |
| 2009 | 45,115,000 | 4,701,507 | 40,413,493 | 0.57% | 650 |
| 2010 | 60,835,000 | 3,366,151 | 57,468,849 | 0.81% | 876 |
| 2011 | 53,550,000 | 5,492,241 | 48,057,759 | 0.67% | 849 |
| 2012 | 47,290,000 | 6,456,153 | 40,833,847 | 0.59% | 701 |
| 2013 | 41,403,544 | 6,136,954 | 35,266,590 | 0.52% | 600 |
| 2014 | 104,418,809 | 5,613,872 | 98,804,937 | 1.47% | 1,670 |
| 2015 | 98,540,000 | 3,679,851 | 94,860,149 | 1.38% | 1,587 |
| 2016 | 90,440,000 | 3,735,949 | 86,704,051 | 1.23% | 1,468 |

CITY OF MARIETTA, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

| Governmental Unit | Net Governmental Debt Outstanding | Percentage Applicable to City of Marietta (1) | Amount Applicable to City of Marietta (1) |
|-------------------------------------------|------------------------------------------|------------------------------------------------------|--------------------------------------------------|
| Debt repaid with Property Taxes | | | |
| Cobb County General Obligation Bonds | 10,490,000 | 9.78% | 1,026,111 |
| Total Overlapping General Obligation Debt | 10,490,000 | | 1,026,111 |
| Overlapping Guaranteed Revenue Debt: | | | |
| Cobb County Revenue Bonds | 477,560,000 | 9.78% | 46,713,979 |
| Cobb County Parking Deck Certificates | 8,850,000 | 9.78% | 865,690 |
| Cobb County Anticipation Bonds | 6,070,000 | 9.78% | 593,755 |
| Total Overlapping Guaranteed Revenue Debt | 492,480,000 | | 48,173,424 |
| Total Overlapping Debt | 502,970,000 | 9.78% | 49,199,535 |
| Total Direct Debt | 117,289,049 | 100.00% | 117,289,049 |
| Total Direct and Overlapping Debt | \$ 620,259,049 | | \$ 166,488,584 |
| Debt Per Capita: | | | |
| Direct City Debt | | | \$ 1,986 |
| Overlapping General Obligation Debt | | | 17 |
| Overlapping Guaranteed Revenue Debt | | | 816 |
| Total Debt Per Capita | | | \$ 2,819 |

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit: 10 percent of assessed value | \$268,694,272 | \$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 |
| Total net debt applicable to limit | <u>54,880,000</u> | <u>51,255,000</u> | <u>45,115,000</u> | <u>60,835,000</u> | <u>53,550,000</u> | <u>47,290,000</u> | <u>42,285,000</u> | <u>105,140,000</u> | <u>98,540,000</u> | <u>90,440,000</u> |
| Legal Debt margin | <u>\$213,814,272</u> | <u>\$233,318,182</u> | <u>\$256,787,203</u> | <u>\$237,730,385</u> | <u>\$245,476,224</u> | <u>\$238,043,372</u> | <u>\$236,181,088</u> | <u>\$174,115,101</u> | <u>\$186,586,049</u> | <u>\$201,755,099</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 20.42% | 18.01% | 14.94% | 20.38% | 17.91% | 16.57% | 15.18% | 37.65% | 34.56% | 30.95% |
| Legal Debt Margin Calculation for Fiscal Year 2015 | | | | | | | | | | |
| Total taxable assessed value | | | | | | | | | | \$2,809,170,178 |
| Add back: exempt real property | | | | | | | | | | 112,780,812 |
| Total assessed value | | | | | | | | | | 2,921,950,990 |
| Debt limit (10% of total assessed value) | | | | | | | | | | 292,195,099 |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | | | | | | | | | | <u>90,440,000</u> |
| Legal debt margin | | | | | | | | | | <u>\$201,755,099</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

**Marietta Conference Center Bonds, Series 1996 A, 1996
 B, and 2003 (1)**

Tax Allocation District CCSR Series 2005 (2)

| Fiscal Year | Marietta Conference Center Bonds, Series 1996 A, 1996 B, and 2003 (1) | | | Tax Allocation District CCSR Series 2005 (2) | | | Citywide Projects Bonds, Series 2010 (4) | | | | | |
|-------------|--------------------------------------------------------------------------|-----------|-----------|----------------------------------------------|--------------|-----------|------------------------------------------|----------|--------------------|-----------|-----------|----------|
| | Operating Revenues | Principal | Interest | Coverage | TAD Revenues | Principal | Interest | Coverage | Operating Revenues | Principal | Interest | Coverage |
| 2007 | 1,681,074 | 465,000 | 1,328,549 | 0.94 | 472,140 | * | 353,987 | 1.33 | - | - | - | - |
| 2008 | 1,644,720 | 940,000 | 1,355,580 | 0.72 | 725,895 | * | 351,960 | 2.06 | - | - | - | - |
| 2009 | 1,726,505 | 990,000 | 1,921,319 | 0.59 | 857,583 | 499,195 | 351,960 | 1.01 | - | - | - | - |
| 2010 | 0 | 0 | 0 | 0.00 (3) | 907,858 | 520,111 | 331,044 | 1.07 | 1,942,774 | - | - | - |
| 2011 | 0 | 0 | 0 | 0.00 | 1,019,761 | 541,904 | 309,251 | 1.20 | 2,240,303 | 865,000 | 1,384,731 | 1.00 |
| 2012 | 0 | 0 | 0 | 0.00 | 686,479 | 564,610 | 286,545 | 0.81 | 9,251,322 | 1,430,000 | 1,350,306 | 3.33 |
| 2013 | 0 | 0 | 0 | 0.00 | 531,595 | 588,266 | 262,889 | 0.62 | 2,204,531 | 1,470,000 | 1,299,456 | 0.79 |
| 2014 | 0 | 0 | 0 | 0.00 | 486,732 | 612,915 | 238,240 | 0.57 | 2,152,537 | 1,530,000 | 1,230,850 | 0.77 |
| 2015 | 0 | 0 | 0 | 0.00 | 386,124 | 638,596 | 212,559 | 0.45 | 2,047,528 | 1,610,000 | 1,159,444 | 0.73 |
| 2016 | 0 | 0 | 0 | 0.00 | 627,604 | 665,353 | 185,804 | 0.74 | 1,936,747 | 1,675,000 | 1,084,322 | 0.69 |

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

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

(3) Bonds cancelled in Fiscal year 2010

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

* First Tax allocation bond principal payment was due in FY2009

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

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

(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

(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

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

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

CITY OF MARIETTA, GEORGIA
Principal Employers
Last ten fiscal years

| Employer | 2016 | | | 2007 | | |
|--------------------------------------|------------------------|------|--------------------------------------------------|------------------------|------|-------------------------------------|
| | Employees ¹ | Rank | Percentage of Total City Employment ² | Employees ³ | Rank | Percentage of Total City Employment |
| Lockheed Martin Aeronautical Systems | 8,200 | 1 | 23% | | | |
| Wellstar Kennestone Hospital | 4,555 | 2 | 13% | 3,700 | 1 | 10% |
| Dobbins Air Reserve Base | 4,500 | 3 | 13% | | | |
| Cobb County Public Safety | 2,400 | 4 | 7% | | | |
| Cobb County Government | 1,502 | 5 | 4% | 1,041 | 9 | 3% |
| Tip Top Poultry | 1,400 | 6 | 4% | 1,300 | 6 | 4% |
| Cobb County Board of Education | 1,331 | 7 | 4% | 997 | 10 | 3% |
| Marietta City Schools | 1,235 | 8 | 4% | 1,264 | 7 | 4% |
| Brickman Group | 1,000 | 9 | 3% | | | |
| XPO Last Mile | 750 | 10 | 2% | | | |
| YKK Corp of America | | | | 2,500 | 2 | 7% |
| Matria Healthcare | | | | 2,400 | 3 | 7% |
| Solvay Pharmaceuticals | | | | 1,660 | 4 | 5% |
| Columbian Chemical Company | | | | 1,400 | 5 | 4% |
| Power Industry Consultants | | | | 1,060 | 8 | 3% |

1 ReferenceUSA, Businesses

2 Georgia Department of Labor

3 Meag Power

Source: <http://www.referenceusa.com.ezproxy.cobbcounty.org/UsBusiness>
 2016: Reference USA from infogroupReference 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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-----------------------------------------|------|------|------|------|------|------|------|------|------|------|
| General government | | | | | | | | | | |
| Elected officials | 8 | 8 | 8 | 8 | 8 | 7 | 7 | 8 | 8 | 8 |
| City clerk | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Municipal court | 16 | 16 | 14 | 14 | 16 | 14 | 14 | 18 | 13 | 17 |
| City manager | 7 | 7 | 7 | 6 | 6 | 6 | 7 | 7 | 6 | 6 |
| Mayor staff | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Finance | 24 | 23 | 26 | 26 | 26 | 26 | 26 | 25 | 26 | 26 |
| Human Resources | 9 | 8 | 8 | 9 | 9 | 9 | 9 | 10 | 9 | 9 |
| Develop. servs and Sect. 8 ¹ | 29 | 31 | 32 | 30 | 31 | 30 | 30 | 27 | 21 | 20 |
| Public works | | | | | | | | | | |
| Admin. & Engineering | 7 | 7 | 8 | 9 | 10 | 10 | 10 | 9 | 12 | 9 |
| Building Inspection | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 8 | 8 |
| Environmental Services | 42 | 42 | 39 | 38 | 38 | 36 | 33 | 36 | 32 | 32 |
| Streets & Traffic | 41 | 39 | 38 | 38 | 37 | 37 | 36 | 36 | 32 | 31 |
| Public safety | | | | | | | | | | |
| Police | 133 | 132 | 124 | 129 | 134 | 127 | 127 | 128 | 132 | 135 |
| Officers | 31 | 33 | 30 | 31 | 31 | 34 | 34 | 36 | 37 | 38 |
| Civilians | | | | | | | | | | |
| Fire | 128 | 131 | 132 | 132 | 129 | 127 | 127 | 126 | 132 | 132 |
| Firefighters & officers | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Civilians | | | | | | | | | | |
| Parks, Recreation & Facilities | | | | | | | | | | |
| Recreation | 11 | 11 | 11 | 11 | 9 | 9 | 9 | 11 | 11 | 10 |
| Property maintenance | 17 | 17 | 16 | 16 | 14 | 14 | 14 | 15 | 15 | 16 |
| Cemetery maintenance | 2 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| BLW Board | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 |
| Electric | 137 | 127 | 131 | 126 | 129 | 129 | 129 | 130 | 126 | 129 |
| Information Technology | 21 | 20 | 20 | 20 | 19 | 19 | 19 | 21 | 20 | 22 |
| Water/sewer | 37 | 41 | 41 | 42 | 40 | 40 | 40 | 41 | 41 | 42 |
| Fleet maintenance | 13 | 13 | 14 | 14 | 14 | 14 | 14 | 15 | 14 | 13 |
| Total | 735 | 729 | 721 | 720 | 727 | 709 | 706 | 721 | 704 | 717 |

¹ Section 8 division closed in FY2015

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

| Function | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police: | | | | | | | | | | |
| Murder | 4 | 4 | 3 | 4 | 4 | 4 | 3 | 5 | 6 | 10 |
| Robbery | 276 | 268 | 231 | 192 | 147 | 125 | 137 | 121 | 149 | 2 |
| Aggravated assault | 189 | 189 | 120 | 172 | 156 | 150 | 120 | 107 | 103 | 128 |
| Motor vehicle theft | 467 | 393 | 254 | 210 | 193 | 194 | 173 | 201 | 154 | 84 |
| Burglary | 614 | 636 | 604 | 690 | 715 | 622 | 460 | 428 | 323 | 157 |
| Larceny | 1,820 | 1,858 | 1,802 | 1,922 | 1,961 | 1,934 | 1,793 | 2,092 | 1,939 | 349 |
| | | | | | | | | | | 1,892 |
| Fire: | | | | | | | | | | |
| Calls for service | 12,514 | 10,496 | 10,076 | 10,880 | 10,362 | 10,006 | 10,592 | 10,676 | 11,811 | 12,768 |
| Fires | 296 | 297 | 220 | 301 | 236 | 285 | 234 | 224 | 248 | 258 |
| Structure fires | 79 | 75 | 77 | 77 | 70 | 60 | 96 | 77 | 53 | 54 |
| EMS calls | 3,715 | 3,803 | 4,135 | 4,605 | 5,217 | 5,415 | 6,330 | 6,878 | 3,455 | 4,298 |
| Fire investigations | 86 | 77 | 76 | 67 | 77 | 67 | 71 | 68 | 58 | 36 |
| Plan reviews of commercial property | 984 | 416 | 482 | 414 | 418 | 431 | 348 | 467 | 432 | 714 |
| | | | | | | | | | | |
| Public Works/Engineering/Inspections: | | | | | | | | | | |
| Highways and streets | | | | | | | | | | |
| Street resurfacing (miles) | 3.1 | 12.1 | 13.5 | 6.4 | 2.5 | 6.9 | 8.8 | 8 | 8 | 7 |
| Pedestrian signals installed | 19 | 10 | 1 | 16 | 13 | 6 | 4 | 3 | 11 | 3 |
| Signalized intersections installed/upgraded | 13 | 6 | 27 | 8 | 7 | 57 | 122 | 19 | 10 | 3 |
| Engineering/building inspections | | | | | | | | | | |
| Site plans reviewed | 130 | 118 | 95 | 68 | 65 | 52 | 105 | 118 | 95 | 161 |
| Grading permits issued | 317 | 173 | 84 | 119 | 148 | 150 | 154 | 244 | 238 | 285 |
| Permits issued (building and trade) | 6,536 | 4,767 | 4,814 | 3,811 | 4,776 | 4,315 | 3,568 | 4,449 | 4,745 | 4,167 |
| Inspections | 17,180 | 12,039 | 11,913 | 10,347 | 12,418 | 10,803 | 8,991 | 10,983 | 12,489 | 12,713 |
| Sanitation | | | | | | | | | | |
| Tons of residential waste landfilled | 19,785 | 18,955 | 17,124 | 15,579 | 16,061 | 15,967 | 13,303 | 15,184 | 15,358 | 18,884 |
| Tons of residential waste recycled | 5,786 | 6,391 | 7,445 | 7,440 | 8,060 | 7,852 | 6,096 | 6,362 | 6,444 | 11,884 |

(Continued)

* revised

Source: various City of Marietta departments

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Parks, recreation, and facilities: | | | | | | | | | | |
| Parks and recreation | | | | | | | | | | |
| Senior games participants | 275 | 222 | 250 | 300 | 254 | 0 | 0 | 0 | 0 | 0 |
| Summer day camp participants | 356 | 1,018 | 814 | 640 | 702 | 80 | 120 | 720 | 315 | 347 |
| Youth basketball participants | 321 | 380 | 340 | 360 | 335 | 299 | 303 | 291 | 330 | 342 |
| Youth track participants | 92 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adult basketball teams | 10 | 11 | 12 | 12 | 8 | 4 | 0 | 0 | 0 | 0 |
| Concerts on the Square | 17 | 17 | 19 | 16 | 19 | 18 | 17 | 16 | 16 | 16 |
| Festivals on the Square | 4 | 4 | 7 | 8 | 6 | 9 | 10 | 8 | 9 | 9 |
| Facilities | | | | | | | | | | |
| Inspections | 3,613 | 3,659 | 400 | 400 | 427 | 400 | 413 | 408 | 410 | 413 |
| Work orders | 2,971 | 3,121 | 1,580 | 1,450 | 1,520 | 1,510 | 1,520 | 1,525 | 1,550 | 1,550 |
| Vandalism incidents | 264 | 210 | 39 | 32 | 7 | 10 | 8 | 9 | 8 | 10 |
| Development Services: | | | | | | | | | | |
| Code enforcement cases | 4,925 | 5,167 | 6,431 | 6,409 | 6,007 | 5,800 | 3,106 | 6,000 | 5,640 | 6,000 |
| Citations issued | 53 | 36 | 47 | 62 | 42 | 28 | 121 | 30 | 30 | 45 |
| Sign permits issued | 350 | 282 | 393 | 451 | 383 | 383 | 362 | 385 | 374 | 388 |
| Rezoning applications processed | 29 | 19 | 20 | 14 | 13 | 12 | 27 | 23 | 37 | 33 |
| Variance applications processed | 54 | 32 | 37 | 31 | 37 | 42 | 58 | 38 | 63 | 46 |
| Plats reviewed | 78 | 51 | 45 | 20 | 29 | 33 | 33 | 37 | 54 | 74 |
| Building permits reviewed | 1,677 | 1,511 | 1,118 | 1,168 | 1,271 | 1,271 | 1,358 | 3,531 | 1,839 | 4,280 |
| Human Resources: | | | | | | | | | | |
| Number of open positions | 204 | 121 | 74 | 73 | 61 | 66 | 75 | 98 | 92 | 123 |
| Number of applications received | 5,584 | 5,733 | 3,342 | 4,649 | 3,581 | 3,885 | 2,964 | 2,955 | 2,447 | 2,730 |
| Pension applications received and approved | 37 | 25 | 32 | 20 | 20 | 28 | 30 | 34 | 34 | 44 |
| Finance: | | | | | | | | | | |
| Tax payments processed | 19,802 | 20,460 | 20,775 | 20,703 | 20,642 | 20,579 | 20,540 | 20,507 | 20,616 | 19,317 |
| Value of tax payments (millions) | 54.9 | 58.8 | 62.5 | 61.6 | 57.9 | 54.0 | 53.3 | 51.7 | 56.8 | 54.5 |
| Property tax exemption forms | 8,204 | 8,418 | 8,455 | 8,631 | 8,502 | 8,340 | 8,288 | 8,165 | 8,105 | 8,130 |
| Purchase orders processed | 2,351 | 2,107 | 2,113 | 1,974 | 1,964 | 1,961 | 2,128 | 2,059 | 1,720 | 1,732 |
| Active vendors | 6,425 | 6,439 | 6,687 | 6,996 | 7,400 | 7,400 | 7,930 | 3,146 | 3,617 | 4,472 |
| Business licenses issued | 9,020 | 8,098 | 7,276 | 8,379 | 8,399 | 8,340 | 8,434 | 8,762 | 8,650 | 9,025 |

(Continued)

* revised

Source: various City of Marietta departments

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

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------------------|---------|---------|---------|---------|----------|---------|---------|---------|---------|---------|
| Municipal Court: | | | | | | | | | | |
| Traffic citations filed | 20,655 | 17,114 | 14,146 | 15,698 | 18,524 | 15,617 | 14,968 | 16,837 | 17,974 | 19,537 |
| Red light citations filed | 35,873 | 26,882 | 21,641 | 20,197 | 17,364 | 14,746 | 17,101 | 18,103 | 18,663 | 18,503 |
| Parking citations filed | 3,927 | 4,160 | 4,255 | 4,687 | 4,317 | 4,743 | 4,412 | 4,399 | 4,355 | 3,639 |
| Cases filed | 16,051 | 13,321 | 11,755 | 12,594 | 14,237 | 12,691 | 12,732 | 13,724 | 14,673 | 13,390 |
| Non-jury trials | 906 | 957 | 1,011 | 990 | 1,256 | 1,022 | 1,068 | 829 | 800 | 676 |
| New probationers | 489 | 631 | 673 | 722 | 712 | 829 | 721 | 777 | 719 | 567 |
| Electric: | | | | | | | | | | |
| New customer work orders | 677 | 551 | 150 | 144 | 121 | 20 | 100 | 100 | 250 | 269 |
| Lighting repair work orders | 1,771 | 1,847 | 1,800 | 1,733 | 1,517 | 1,538 | 1,700 | 1,600 | 1,497 | 1,666 |
| Line clearance (miles) | 104 | 100 | 110 | 98 | 94 | 135 | 175 | 196 | 182 | 162 |
| Trees removed on system | 209 | 225 | 315 | 298 | 594 | 587 | 465 | 550 | 428 | 491 |
| Meter site audits | 527 | 350 | 400 | 463 | 460 | 513 | 450 | 450 | 361 | 348 |
| Transformer infrared scanning | 289 | 220 | 250 | 407 | 503 | 503 | 500 | 525 | 618 | 549 |
| Electric customers | 45,593 | 46,032 | 46,477 | 46,525 | 46,309 * | 46,437 | 46,287 | 46,887 | 46,621 | 46,443 |
| Kilowatt hours sold (millions) | 1,073 | 1,094 | 1,038 | 1,046 | 1,083 | 1,027 | 998 | 1,008 | 1,014 | 1,017 |
| Water & sewer: | | | | | | | | | | |
| New meter installs | 204 | 78 | 33 | 38 | 42 | 104 | 63 | 175 | 119 | 149 |
| Large water main replacements (feet) | 3,150 | 5,000 | 6,660 | 9,515 | 6,694 | 3,918 | 3,542 | 0 | 5,438 | 1,882 |
| Water line replacements (feet) | 4,600 | 6,100 | 6,257 | 6,082 | 3,563 | 4,753 | 8,986 | 0 | 766 | 5691 |
| Sewer main rehabilitation (feet) | 4,500 | 2,800 | 12,774 | 6,589 | 5,102 | 0 | 4,354 | 216 | 0 | 6080 |
| Major sanitary sewer overflows | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Backflow device inspections | 454 | 469 | 457 | 760 | 616 | 809 | 853 | 751 | 822 | 816 |
| Utility locates | 3,495 | 3,625 | 3,536 | 3,662 | 2,252 | 2,718 | 4,359 | 4,282 | 4,594 | 4,739 |
| Gallons of grease removed from traps | 762,226 | 715,234 | 658,174 | 597,253 | 703,394 | 716,167 | 675,935 | 637,727 | 591,108 | 498,050 |
| Valves exercised | 189 | 0 | 0 | 284 | 253 | 279 | 0 | 409 | 576 | 107 |
| Plan reviews | 46 | 35 | 64 | 95 | 18 | 30 | 17 | 35 | 35 | 33 |
| Work orders completed | 3,142 | 5,812 | 5,613 | 5,361 | 4,707 | 4,883 | 5,055 | 5,138 | 4,583 | 4,576 |
| Water accounts | 18,661 | 18,073 | 18,441 | 17,710 | 17,684 | 17,718 | 17,918 | 17,953 | 18,086 | 18,124 |
| Water gallons sold (million) | 3,353 | 3,001 | 2,626 | 2,533 | 2,644 | 2,658 | 2,565 | 2,483 | 2,459 | 2,517 |
| Sewer accounts | 16,710 | 16,782 | 16,569 | 16,437 | 16,381 | 15,039 | 16,602 | 16,680 | 16,808 | 16,835 |
| Sewer gallons (millions) | 2,998 | 2,708 | 2,430 | 2,567 | 2,381 | 2,177 | 2,325 | 2,298 | 2,334 | 2,276 |

* revised

Source: various City of Marietta departments

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

| Function | Fiscal Year | | | | |
|---------------------------------|-------------|-------|-------|-------|-------|
| | 2007 | 2008 | 2009 | 2010 | 2011 |
| Public safety | | | | | |
| Police | 1 | 1 | 1 | 1 | 1 |
| Stations | 103 | 99 | 108 | 104 | 116 |
| Patrol Units | 6 | 6 | 6 | 6 | 6 |
| Fire Stations | 15 | 15 | 15 | 15 | 15 |
| Sanitation | | | | | |
| Collection trucks | | | | | |
| Highways and streets | | | | | |
| Streets(miles) | 223.2 | 223.7 | 222.1 | 216.8 | 216.6 |
| Streetlights | 6,817 | 7,824 | 7,748 | 7,665 | 7,660 |
| Traffic signals | 108 | 104 | 105 | 104 | 104 |
| Culture and recreation | | | | | |
| Parks acreage | 298.8 | 310 | 310 | 310 | 310 |
| Parks & Greenspace | 20 | 20 | 22 | 22 | 22 |
| Swimming pools * | 1 | 1 | 1 | 1 | 1 |
| Tennis courts | 27 | 23 | 19 | 19 | 19 |
| Community centers | 2 | 2 | 2 | 2 | 2 |
| Water | | | | | |
| Water mains (miles) | 314.4 | 318.8 | 326.9 | 328.0 | 331.6 |
| Fire hydrants | 2,322 | 2,385 | 2,594 | 2,619 | 2,626 |
| Water pump stations | 3 | 3 | 3 | 3 | 3 |
| Wastewater | | | | | |
| Sanitary sewer mains (miles) | 278.3 | 285.2 | 293.8 | 298.0 | 300.9 |
| Storm sewers(miles) | 225.6 | 230.0 | 232.2 | 232.2 | 232.2 |
| Wastewater pump stations | 1 | 1 | 1 | 1 | 1 |
| Electric | | | | | |
| Number of distribution stations | 20 | 21 | 21 | 20 | 21 |
| Miles of service lines | 579 | 585 | 588 | 590 | 590 |
| Conference Center | 1 | 1 | 1 | 1 | 1 |
| Golf Course | 1 | 1 | 1 | 1 | 1 |

Sources: City departments
Note:

*Swimming pool closed during FY09 and demolished in FY14

SPECIAL REPORTS SECTION

City of Marietta, Georgia
Hotel/Motel Tax
Schedule of Revenue Received and Expenditures Incurred
For the Fiscal Year Ended June 30, 2016

| <u>Revenues</u> | <u>Expenditures *</u> | <u>Percentage Expended</u> |
|---------------------|-----------------------|--------------------------------|
| <u>\$ 2,885,136</u> | <u>\$ 2,885,136</u> | <u>100.00%</u> |

* 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, 2016

| <u>Revenues</u> | <u>Expenditures *</u> | <u>Percentage Expended</u> |
|--------------------------|--------------------------|--------------------------------|
| <u><u>\$ 398,675</u></u> | <u><u>\$ 398,675</u></u> | <u><u>100.00%</u></u> |

* 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, 2016

| 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 | \$ - | \$ 66,003,892 | 99.62% |
| Subtotal | \$ 64,721,257 | \$ 67,664,731 | \$ 67,244,044 | \$ - | \$ 67,244,044 | 99.38% |
| 2011: | | | | | | |
| Tier 1 Projects | | | | | | |
| Capital Improvements | \$ 6,880,000 | \$ 6,880,000 | \$ 1,998,457 | \$ 3,001,783 | \$ 5,000,240 | 72.68% |
| Congestion Relief & Mobility Improvement | \$ 5,546,000 | \$ 5,546,000 | \$ 2,631,855 | \$ 249,331 | \$ 2,881,186 | 51.95% |
| Infrastructure Preservation | \$ 16,500,000 | \$ 16,500,000 | \$ 8,104,256 | \$ 3,685,787 | \$ 11,790,043 | 71.45% |
| Safety & Operational Improvement | \$ 15,873,421 | \$ 15,873,421 | \$ 4,846,154 | \$ 1,155,568 | \$ 6,001,722 | 37.81% |
| Subtotal | \$ 44,799,421 | \$ 44,799,421 | \$ 17,580,722 | \$ 8,092,469 | \$ 25,673,191 | 57.31% |
| 2016: | | | | | | |
| Facilities & Technology | \$ 3,000,000 | \$ 3,000,000 | \$ - | \$ 142,120 | \$ 142,120 | 4.74% |
| Public Safety Improvements | \$ 7,654,000 | \$ 7,654,000 | \$ - | \$ 845,214 | \$ 845,214 | 11.04% |
| Transportation Improvements | \$ 47,699,902 | \$ 47,699,902 | \$ - | \$ 1,091,384 | \$ 1,091,384 | 2.29% |
| | \$ 58,353,902 | \$ 58,353,902 | \$ - | \$ 2,078,718 | \$ 2,078,718 | 3.56% |
| Grand Total for SPLOST Expenditures | | | | | | \$ 10,171,187 |

* Includes Bond expenditures