

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

**For the Fiscal Year Ended June 30, 2013**

**DEPARTMENT OF FINANCE  
Sam Lady  
Finance Director**

# MAYOR AND CITY COUNCIL



**Annette Paige Lewis**  
Councilmember, Ward 1



**R. Steve Tumlin, Jr.**  
Mayor



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



**Johnny Sinclair**  
Councilmember, Ward 3



**G. A. "Andy" Morris**  
Councilmember, Ward 4



**Rev. Anthony C. Coleman**  
Councilmember, Ward 5



**James W. King**  
Councilmember, Ward 6



**Philip M. Goldstein**  
Councilmember, Ward 7

**CITY OF MARIETTA, GEORGIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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December 12, 2013

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, 2013, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

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

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

Crace Galvis McGrath, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Marietta's financial statements for the fiscal year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

## *Profile of the Government*

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

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

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

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

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

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

### *Local economy*

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

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

Marietta and the Marietta Census Tracts have been and will continue to be a population growth area. The City's population was estimated to be 58,738 on June 30, 2013.

### *Long-term financial planning*

Unassigned fund balance in the general fund (42 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*

The City of Marietta worked diligently last year to improve the quality of life of our citizens as we continued to develop our City into the most livable community in the Atlanta metro region. In order to progress toward this goal, we undertook the following major initiatives:

The popular Concert in the Square series and new happenings such as the expansion of the farmers market, the first Friday art walks, programs for kids and adults at the renovated Strand Theatre and the Historic Marietta Trolley all draw large numbers of people to the downtown area, making downtown Marietta a popular destination. The economic development office and the parks and recreation staff collaborate in attracting vendors and consumers alike to the vibrant Square.

The \$25 million voter-approved Parks Bond to improve Marietta's park system is providing funding for many parks projects, such as land acquisition; improvements to existing parks and facilities; development of parks, facilities, trails and green spaces; planning and designing of improvements, administration and contingencies. The following projects took place during fiscal year 2013:

Marietta's Custer Park, benefactor of a \$1.8 million renovation, now offers lighted soccer fields (2), a playground and plaza, concession stand, restrooms, and parking. This parks soccer complex is under the management of Metro Atlanta McCleskey-East Cobb YMCA.

Improvements at Laurel Park included the replacement of the bridge over the ponds and adding new lighting, improving the spillway and new shade structures and picnic tables were added around the tennis courts.

The operation of the Aviation Baseball Complex was contracted out to a private baseball group which provides youth baseball and softball programs. The hosting of tournaments benefits the City by tourism-related spending. The improvements to the baseball complex include field grading and re-sodding, new fencing and backstops, new and renovated batting cages, and new/renovated dugouts and new shade structures added in fiscal year 2013.

The 2005 and 2011, voter-approved, 1% Special Purpose Local Option Tax (SPLOST) continues to fund road and transportation projects throughout the city. Two major traffic corridors have been upgraded during the last fiscal year for improving mobility, pedestrian safety and appearance, with some related projects ongoing.

Fairground Street had utility relocations, construction, intersection improvements, and curb and median work south of the construction of the new (and first) roundabout. Roswell Street had utility relocations, right of way acquisition, and construction.

Sidewalks and multi-use trail construction projects have included the Marietta Multi-Use Trails (South and University sections), Kennesaw Mountain to Chattahoochee Multi-Use Trail, and Powder Springs Road Multi-Use Trail.

Capital Projects for the Fire Department also went forward with approved SPLOST funding. A fire truck was purchased as well as land for a new fire station.

The combination of Marietta's progress in economic development and its rich history has not gone unnoticed throughout the nation. The NBC "TODAY Show" in New York called Marietta one of the top 4 places in America for house hunting to "get the most bang for your buck". Another great honor came when CNNmoney.com editors picked Marietta as one of the 100 places to live in the country.

#### *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, 2012. This represented the twenty-fourth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting from the GFOA a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the City also received the GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2012 for fiscal year 2013. 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 cursive script, 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

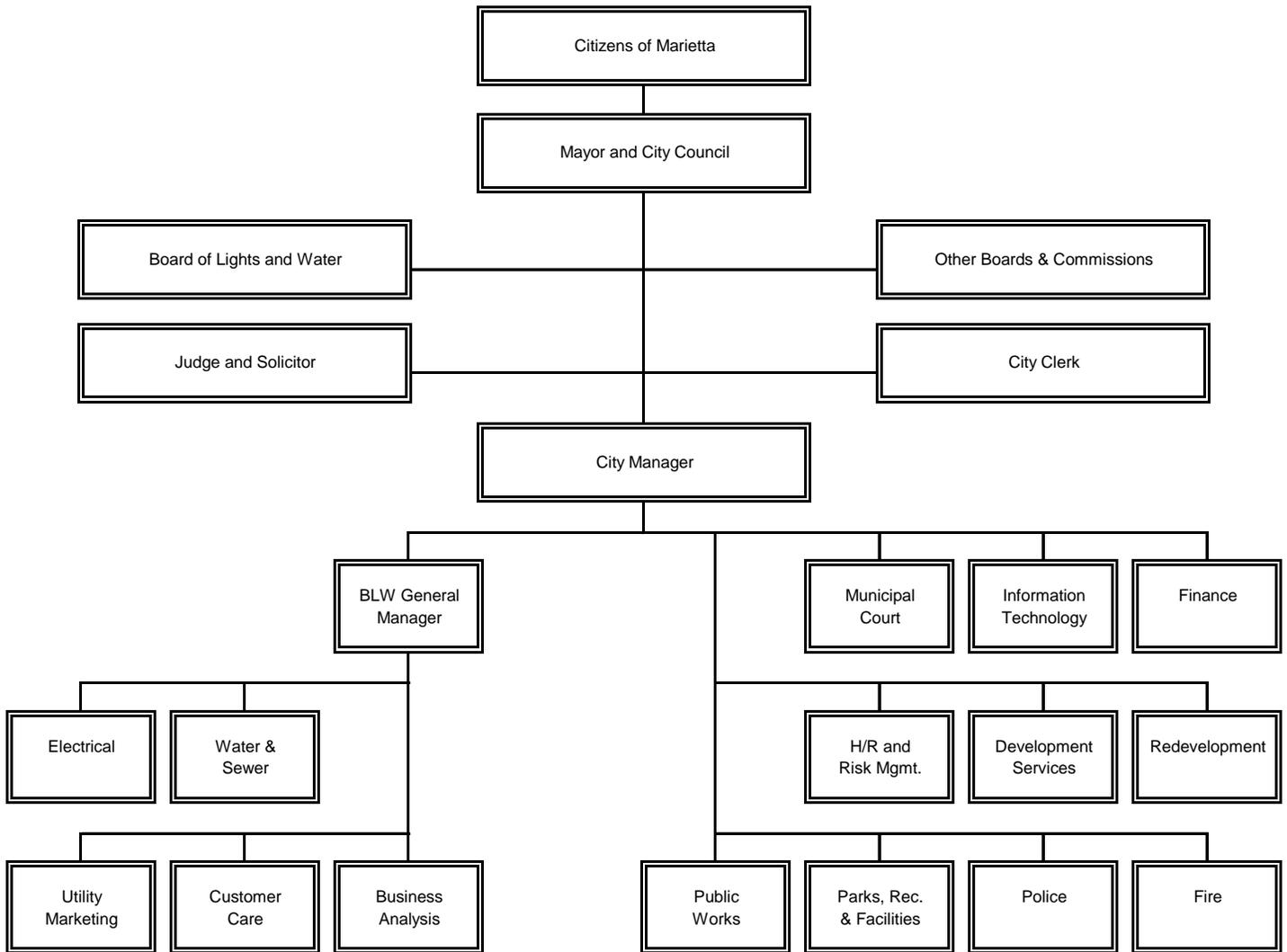
**City of Marietta  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# CITY OF MARIETTA ORGANIZATION CHART



# OFFICIALS

## Mayor and City Council

R. Steve Tumlin, Jr.  
Mayor

Annette Paige Lewis	Ward 1
Griffin "Grif" L. Chalfant, Jr.	Ward 2
Johnny Sinclair	Ward 3
G. A. "Andy" Morris	Ward 4
Rev. Anthony C. Coleman	Ward 5
James W. King	Ward 6
Philip M. Goldstein	Ward 7

## Board of Lights and Water

R. Steve Tumlin, Jr., Mayor  
Chairperson

Johnny Sinclair, Councilmember	Board Member
Bruce E. Coyle	Board Member
Terry G. Lee	Board Member
Alice R. Summerour	Board Member
Brian Torras	Board Member
Michael G. Wilson	Board Member

## City / BLW Administration

William F. Bruton, Jr.  
City Manager

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

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

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, 2013, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, and schedule of employer contributions on pages 4-16 and 56-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Marietta, Georgia's basic financial statements. The introductory section, combining and individual fund statements and schedules, comparative section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of the City of Marietta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Marietta, Georgia's internal control over financial reporting and compliance.



Crace Galvis McGrath, LLC  
Kennesaw, Georgia

December 12, 2013

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## 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, 2013. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and basic financial statements to enhance their understanding of the City's financial performance.

### FINANCIAL HIGHLIGHTS

- ❖ Marietta's assets exceed liabilities by \$258.7 million at the end of fiscal year 2013. This is an increase of \$19.2 million when compared to the previous year. Of this amount, \$238.5 million is the city's net investment in capital assets. Total unrestricted assets are negative \$3.2 million, a decrease of \$2.3 million from last year. Unrestricted net position from governmental activities are a negative \$21.6 million, a decrease of \$8.1 million from last year. This decrease is due mainly to the City's annual payments on the notes payable related to the City School's assets, thus reported as a component of restricted net position. Business-type activities unrestricted net position are \$18.4 million.
- ❖ The City's total net position increased \$19.2 million over the previous year with a \$9.1 million increase generated from governmental activities and a \$10.1 million increase resulting in the business-type activities.
- ❖ The total liabilities of the City's governmental-type and business-type funds outstanding at June 30, 2013 are \$118.4 million and \$35.6 million respectively. \$120.8 million of this total represents long-term liabilities, such as bonds and notes payable, leases payable, and compensated absences. This is a decrease of \$5.3 million for the governmental activities and an increase of \$963 thousand for the business-type activities.
- ❖ The City's General Fund's fund balance was \$48.6 million as of June 30, 2013. Of this amount, \$24.7 million is considered nonspendable, which includes \$24.6 million noted as long term advances. Approximately \$5 million has been assigned by the council and another \$3.7 million has a restricted use requirement. The remaining \$15.2 million is unassigned, but will be appropriated by the City Council for subsequent year's expenditures and other future purposes. The General Fund's fund balance decreased by \$1.2 million from June 30, 2012.

Total governmental activities bonds payable, net decreased by \$7.1 million in fiscal year 2013. This is due to the City 2013 debt regularly scheduled bond payments in fiscal year 2013. The city did not issue any additional bonds in fiscal year 2013.

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## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

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

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

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

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

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

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

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

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

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

The basic proprietary fund financial statements can be found on pages 21 through 26 of this report.

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**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 55 of this report.

**Other information.** The combining and individual nonmajor 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 59 through 113 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, 2013, assets exceeded liabilities by \$258.7 million.

The following table provides a summary of the City's governmental and business-type net assets for fiscal year 2012 and 2013.

**Table 1**  
**Net Position**

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
<b>Assets</b>						
Current and other assets	\$115,610,769	\$109,835,261	\$ 44,195,324	\$ 51,693,727	\$159,806,093	\$161,538,988
Capital assets	86,100,767	95,697,206	151,915,340	155,459,918	238,016,107	251,157,127
Total assets	201,711,536	205,532,470	196,110,664	207,163,645	397,822,200	412,696,115
<b>Liabilities</b>						
Current and other liabilities	6,323,856	8,495,724	23,148,867	15,141,295	29,472,723	23,637,019
Non-current liabilities	117,359,453	109,864,488	11,480,677	20,451,525	128,840,130	130,316,013
Total liabilities	123,683,309	118,360,212	34,629,544	35,592,820	158,312,853	153,953,032
<b>Net Position</b>						
Net invested in capital assets	71,920,680	85,328,216	148,960,282	153,196,535	220,880,962	238,524,751
Restricted	19,595,692	23,445,586	-	-	19,595,692	23,445,586
Unrestricted	(13,488,145)	(21,601,544)	12,520,838	18,374,290	(967,307)	(3,227,254)
Total net assets	\$ 78,028,227	\$ 87,172,258	\$161,481,120	\$171,570,825	\$239,509,347	\$258,743,083

The largest portion of the City's net assets, \$238.5 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.

An additional \$23.4 million of the City's net position represent resources that are subject to external restrictions on how they may be used. Included in this category are restrictions for debt service, public safety grants, and capital projects.

**Changes in Net Position.** Governmental and business-type activities increased the City's net position by \$19.2 million in fiscal year 2013. The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2012 and 2013.

**Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 14,787,711	\$ 13,810,000	\$144,952,373	\$148,400,990	\$159,740,084	\$162,210,990
Operating grants and contributions	10,455,573	9,522,151	0	0	10,455,573	9,522,151
Capital grants and contributions	11,705,387	13,798,044	0	0	11,705,387	13,798,044
General Revenues:						
Property taxes	12,952,017	10,801,888	0	0	12,952,017	10,801,888
Other taxes	11,400,985	11,814,612	0	0	11,400,985	11,814,612
Investment earnings	171,150	181,640	420,170	243,752	591,320	425,392
Other revenues	160,239	150,629	248,547	258,370	408,786	408,999
<b>Total Revenues</b>	<b>61,633,062</b>	<b>60,079,164</b>	<b>145,621,090</b>	<b>148,903,112</b>	<b>207,254,152</b>	<b>208,982,276</b>
<b>Expenses</b>						
General government	4,618,717	7,559,103	0	0	4,618,717	7,559,103
Judicial	1,615,241	0	0	0	1,615,241	0
Public works	11,474,849	14,092,327	0	0	11,474,849	14,092,327
Culture and recreation	4,880,741	3,424,375	0	0	4,880,741	3,424,375
Public safety	28,223,036	29,703,965	0	0	28,223,036	29,703,965
Health and welfare	204,666	0	0	0	204,666	0
Urban redevelopment and housing	8,274,976	5,736,850	0	0	8,274,976	5,736,850
Interest on long-term debt	3,044,218	3,283,579	0	0	3,044,218	3,283,579
Electric, water & sewer	0	0	121,730,632	123,024,333	121,730,632	123,024,333
Golf	0	0	1,497,289	1,527,110	1,497,086	1,527,110
Conference	0	0	1,948,549	1,396,698	1,948,549	1,396,698
<b>Total expenses</b>	<b>62,336,444</b>	<b>63,800,199</b>	<b>125,176,470</b>	<b>125,948,141</b>	<b>187,512,914</b>	<b>187,512,914</b>
<b>Increase (decrease) in net position before transfers</b>	<b>(703,382)</b>	<b>(3,721,035)</b>	<b>20,444,620</b>	<b>22,954,971</b>	<b>19,741,238</b>	<b>19,233,736</b>
Transfers in (out)	12,686,587	12,865,266	(12,686,587)	(12,865,266)	0	0
<b>Increase (decrease) in net position</b>	<b>\$ 11,983,205</b>	<b>\$ 9,144,031</b>	<b>\$ 7,758,033</b>	<b>\$ 10,089,705</b>	<b>\$ 19,741,238</b>	<b>\$ 19,233,736</b>

*Governmental Activities.* Governmental activities decreased the City's net position by \$3.7 million in fiscal year 2013 before transfers. Key elements of this decrease are as follows:

Total revenues are \$60 million, down 3% from the prior year. The revenue decrease is attributable to a decrease in the tax rate for a bond that matured in 2012, decrease in operating grants for the police department and a decrease in court fines and forfeits. Business license saw a slight increase and permit revenue increased due to the improving housing market. Investment earnings increased from the previous year, which is attributable to the increase in the rates.

Expenses totaled \$63.8 million. This increase from the previous year was due to an increase in public transportation projects in the City that were funded with state and federal grants. 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 assets by \$22.95 million in fiscal year 2013 before transfers to the governmental activities.

**Table 3**  
**Business-type Net Operating Income (Loss)**  
**Non-operating revenues (expenses)**  
**and Transfers in (out)**

	Fiscal Year	
	2012	2013
Operating income (loss):	<u>2012</u>	<u>2013</u>
Board of Lights & Water	\$ 20,391,365	\$ 22,836,103
City Club Golf Course	250,857	171,270
Marietta Conference Center & Resort	<u>298,537</u>	<u>838,839</u>
Total	<u>20,940,759</u>	<u>23,846,212</u>
Non-operating revenues (expenses)	<u>581,076</u>	<u>351,741</u>
Contributed capital from developers	<u>0</u>	<u>0</u>
Income (loss) before operating transfers	<u>21,521,835</u>	<u>24,197,953</u>
Transfers in (out)	(13,456,735)	(13,659,482)
Change in net position	<u>\$ 8,065,100</u>	<u>\$ 10,538,471</u>

The Board of Lights and Water's operating revenues increased 2.5% from the previous year while operating expenses increased by 1% resulting in an operating income increase of 12% from 2012.

The City Club golf course operating revenues decreased by 6% from the previous year while operating expenses decreased by 1% resulting in operating income of \$171,270.

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 2013, the combined ending fund balances of the City's governmental funds were \$87.1 million. Approximately \$41 million of this consists of restricted fund balance, which is available for spending in accordance with the purposes of the specific funds. The general government also has \$24.7 million that is considered non-spendable which consists of funds that are advances to other funds, pre-paid, and inventories. Total unassigned funds at the end of 2013 amounted to approximately \$15.2 million.

The City has three major governmental funds:

*General fund.* This is the primary operating fund of the City of Marietta government. It accounts for many of the City's core services such as law enforcement, fire protection, planning, roads and streets, solid waste sanitation, and administration. The general fund balance was \$48.6 million as of June 30, 2013. Of this amount, assigned fund balance totaling \$5 million is reserved for encumbrances and culture and recreation. The fiscal year 2013 fund balance is \$1.2 million lower than the previous year. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.7% of total fiscal year 2013 expenditures, while total fund balance is 95% 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

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SPLOST. The fund balance as of June 30, 2013 is \$12.7 million which is an increase of \$3.8 million from the last year. Construction was prefunded with a bond issue which created a large fund balance that will decrease as the projects are completed. This decrease was expected and will continue in future years.

*City Parks Bond fund.* The City Parks Bond fund was established in FY2010 after the approval of a \$25 million bond referendum. Funding is provided for land acquisition; improvements to existing parks, facilities, trails and green space; development of new parks; administration fees and contingencies. The city completed the Custer park and Laurel Park renovations in FY2013. Total expenditures in the year were \$3.1 million and the fund has a remaining balance of \$15.3 million to be spent on park improvements.

*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 \$44.8 million. The unrestricted net position increased by \$4.2 million during the year. The BLW continues to show strong operating income. Operating income totaled \$22.8 million and continues to contribute strong financial results for the city. The emphasis on controlling cost and restrained capital expenditures continues to contribute to city investment in the public utility.

The City operates an 18-hole golf course known as the City Club. The total net position of this fund at the end of the fiscal year amounted to \$4.2 million, an 10.7% increase. Revenue generated by the fund helps pay part of the acquisition cost of the property. The General Fund also contributes funds toward debt service. This \$399 thousand dollar payment contributes to the increase in net assets. The Revenue Bond will be paid off in FY 2016.

The Marietta Conference Center & Resort is a conference center facility owned by the City. The total net position of this fund at the end of the fiscal year was \$(9.4) million. The total net position increased by \$808 thousand 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 statues and the City of Marietta Code. The most significant budgeted fund is the General Fund.

In June 2012, the City Council appropriated \$52 million for general fund expenditures. The budget was amended 18 times during the fiscal year.

**Table 4**  
**2013 General Fund Budget**

	<b>Original Budget</b>	<b>Amendments</b>	<b>Final Budget</b>	<b>Actual</b>
Revenue and other financing sources	\$51,718,743	\$ 4,857,756	\$56,576,499	\$53,205,981
Expenditures and other financing uses	52,090,513	10,370,355	62,460,868	55,964,699

Mid-year budget amendments include:

	General Fund	Weed & Seed	Grants	Police Asset/Forfeiture & Recreation	Culture Recreation	Total
Prior Yr encumbrances	999,745	939	1,218,871	3,583		2,223,138
1 Community Development		18,186			8,733	26,919
2 Facilities	133,950				2,700	136,650
3 Public Safety	380,258		10,000			390,258
4 Public Works	380,983		1,140,511			1,521,494
5 Parks & Culture					3,500	3,500
6 Project Rollovers from previous yrs		0	5,883,720		184,676	6,068,396
	<u>1,894,936</u>	<u>19,125</u>	<u>8,253,102</u>	<u>3,583</u>	<u>199,609</u>	<u>10,370,355</u>

- 1 United Way grant for Franklin Road outreach projects. Tree Preservation expenses.
- 2 Appropriation of surplus funds for facility improvements. Historical Marker at Park.
- 3 Police HEAT Unit and Cyber Specialist position; Appropriation of prior year savings for patrol vehicles and fire command vehicle. Grants for equipment for Police Dept.
- 4 Appropriation of reimbursement revenue for traffic signals, pedestrian crossing and small projects; Appropriation of surplus funds for refuse and bucket trucks. Federal and state grants for transportation projects.
- 5 Purchase of inventory at Museum.
- 6 Project rollovers are for project budgets adopted in a previous year that are for the life of the project.

The General Fund received several grants during the year that were not in the adopted budget as of July 1<sup>st</sup>. 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, 2013 was a total \$239 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 2013, 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 5.5% after depreciation. Major capital assets events during the current fiscal year included the following:

Governmental activities:

- Land acquisition for parks and economic development programs \$2.6 million
- Buildings and machinery and equipment \$3.1 million
- Infrastructure \$9.3 million

Business-type activities:

- System improvements \$7.2 million
- Buildings and machinery & equipment \$4.4 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, 2013, the City of Marietta had the following outstanding long-term debt (principal amount):

- \$3.6 million 2009B Public Safety Refunding Bonds
- \$16.6 million 2009A School Refunding Bonds
- \$22.1 million 2009D General Obligation Parks Bond
- \$352 thousand note payable for property
- \$5.7 million Series 2005 Tax Allocation District bonds

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- \$27.8 million notes payable for City Wide Projects
  - \$2.2 million capital lease funded through the City Club for the golf course
  - \$169 thousand capital leases for golf carts
  - The City has received a credit rating of Aa2 from Moody's Investor Services, Inc. and an AA+ rating from Standard & Poor's Corporation along with an AA+ rating from Fitch's Inc. The three agencies upgraded the City's ratings in 2010.

Georgia Revised Statutes provide for a general obligation debt limit of 10% of the assessed valuation. The City has a general obligation debt capacity of \$257 million at the end of fiscal year 2013.

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

**Other Matters.** The following factors are expected to have a significant effect on the City's financial position or results of operations and were taken into account in developing the fiscal year 2014 budget:

- No fee increases were imposed for fiscal year 2014.
- Increasing home ownership will also be a major focus of our redevelopment efforts. Several new mixed-use developments that were slowed or stopped during the economic downturn are now restarting. These large-scale projects along with their surrounding neighborhoods will have a tremendous influence in revitalizing the City.
- The Public Works has budgeted over \$15 million for transportation and road projects. Projects such as new road construction, general street, drainage and intersection improvements, sidewalk and multi-use trail construction, and street resurfacing and repairs are funded by collections from a 1% special purpose local option sales tax (SPLOST) enacted as of January 1, 2006 and January 1, 2011.
- In developing the budget the City was anticipating the budget would slowly recover from the economic slowdown and predicted that revenues would not grow as they have in the past years and therefore cut budgeted operating expenditures to zero growth in fiscal year 2014 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, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash and cash equivalents	\$ 27,358,490	\$ 6,997,568	\$ 34,356,058
Investments	43,983,231	38,342,300	82,325,531
Inventories	115,822	3,254,947	3,370,769
Receivables, net	1,437,595	17,256,343	18,693,938
Internal balances	16,628,027	(16,628,027)	-
Due from other governments	19,392,342	-	19,392,342
Prepaid items	31,229	-	31,229
Other assets, net	888,525	2,480,596	3,369,121
Capital assets, non depreciated	19,192,247	8,752,260	27,944,507
Capital assets, depreciated, net	76,504,962	146,707,658	223,212,620
<b>Total assets</b>	<b>205,532,470</b>	<b>207,163,645</b>	<b>412,696,115</b>
<b>Liabilities:</b>			
Accounts payable and other current liabilities	5,035,753	12,634,566	17,670,319
Claims and judgements payable	2,963,711	-	2,963,711
Unearned revenue	496,260	2,506,729	3,002,989
<b>Noncurrent liabilities:</b>			
Due within one year	8,448,610	1,066,755	9,515,365
Due in more than one year	101,415,878	19,384,770	120,800,648
<b>Total liabilities</b>	<b>118,360,212</b>	<b>35,592,820</b>	<b>153,953,032</b>
<b>Net Position</b>			
Net investment in capital assets	85,328,216	153,196,535	238,524,751
<b>Restricted for:</b>			
Debt service	6,136,954	-	6,136,954
Capital projects	13,096,434	-	13,096,434
Culture and recreation	730,714	-	730,714
Urban redevelopment and housing	532,240	-	532,240
Public safety	2,949,244	-	2,949,244
Unrestricted	(21,601,544)	18,374,290	(3,227,254)
<b>Total net position</b>	<b>\$ 87,172,258</b>	<b>\$ 171,570,825</b>	<b>\$ 258,743,083</b>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Net (Expense) Revenue and Change in Net Position						Total
	Program Revenue			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
General government activities:							
General government	\$ 7,559,103	\$ 9,281,622	\$ 54,052	\$ -	\$ 1,776,571	\$ -	\$ 1,776,571
Public works	14,092,327	3,597,329	-	13,644,805	3,149,807	-	3,149,807
Culture and recreation	3,424,375	270,208	3,000	-	(3,151,167)	-	(3,151,167)
Public safety	29,703,965	70,063	796,221	148,755	(28,688,926)	-	(28,688,926)
Urban redevelopment and housing	5,736,850	590,778	6,270,034	4,484	1,128,446	-	1,128,446
Interest & fiscal charges on long-term debt	3,283,579	-	899,625	-	(2,383,954)	-	(2,383,954)
Total governmental activities	63,800,199	13,810,000	8,022,932	13,798,044	(28,169,223)	-	(28,169,223)
<b>Business-type activities:</b>							
Water & Sewer	24,818,835	35,199,471	-	-	-	10,380,636	10,380,636
Electric	98,205,498	109,432,850	-	-	-	11,227,352	11,227,352
Golf	1,527,110	1,564,138	-	-	-	37,028	37,028
Conference Center	1,396,698	2,204,531	-	-	-	807,833	807,833
Total business-type activities	125,948,141	148,400,990	-	-	-	22,452,849	22,452,849
<b>Total Primary Government</b>	<b>\$ 189,748,340</b>	<b>\$ 162,210,990</b>	<b>\$ 8,022,932</b>	<b>\$ 13,798,044</b>	<b>\$ (28,169,223)</b>	<b>\$ 22,452,849</b>	<b>\$ (5,716,374)</b>
<b>General Revenues:</b>							
Property Taxes					10,801,888	-	10,801,888
Insurance premium tax					2,818,772	-	2,818,772
Alcohol taxes					762,326	-	762,326
Hotel, motel tax					2,050,859	-	2,050,859
Franchise taxes					5,803,118	-	5,803,118
Auto rental tax					379,537	-	379,537
Unrestricted investment earnings					181,640	243,752	425,392
Gain on sale of capital assets					150,629	258,370	408,999
Operating grants not restricted to a specific program					1,499,219	-	1,499,219
Transfers					12,865,266	(12,865,266)	-
Total general revenues and transfers					37,313,254	(12,363,144)	24,950,110
Change in net position					9,144,031	10,089,705	19,233,736
Net position - beginning					78,028,227	161,481,120	239,509,347
Net position - ending					\$ 87,172,258	\$ 171,570,825	\$ 258,743,083

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	General	SPLOST Fund	City Parks Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 9,066,879	\$ 8,464,895	\$ 2,003,657	\$ 4,625,567	\$ 24,160,998
Cash with fiscal agent	500	-	-	940,783	941,283
Investments	15,698,820	3,979,962	13,280,098	3,801,862	36,760,742
Receivables, net	875,163	6,735	21,175	345,298	1,248,371
Prepaid items	31,229	-	-	-	31,229
Due from other funds	168,582	-	-	-	168,582
Advances to other funds	24,659,110	-	-	-	24,659,110
Due from other governments	1,722,291	988,451	-	84,869	2,795,611
Inventories	31,169	-	-	-	31,169
<b>Total assets</b>	<b>\$ 52,253,743</b>	<b>\$13,440,043</b>	<b>\$ 15,304,930</b>	<b>\$ 9,798,379</b>	<b>\$ 90,797,095</b>
<u>Liabilities and fund balances</u>					
Liabilities:					
Accounts payable	\$ 1,469,243	\$ 639,059	\$ 13,513	\$ 92,406	\$ 2,214,221
Retainage payable	36,020	88,238	15,519	14,413	154,190
Accrued liabilities	618,975	-	-	-	618,975
Due to other funds	870,045	-	-	259,218	1,129,263
Due to other governments	620	-	-	-	620
Unavailable revenue	134,858	-	-	99,579	234,437
Unearned revenue	496,260	-	-	-	496,260
<b>Total liabilities</b>	<b>3,626,021</b>	<b>727,297</b>	<b>29,032</b>	<b>465,616</b>	<b>4,847,966</b>
Fund balances:					
Nonspendable	24,721,508	-	-	-	24,721,508
Restricted	3,674,750	12,712,746	15,275,898	9,333,893	40,997,287
Committed	9,220	-	-	-	9,220
Assigned	5,037,697	-	-	-	5,037,697
Unassigned	15,184,547	-	-	(1,130)	15,183,417
<b>Total fund balances</b>	<b>48,627,722</b>	<b>12,712,746</b>	<b>15,275,898</b>	<b>9,332,763</b>	<b>85,949,129</b>
<b>Total liabilities and fund balances</b>	<b>\$ 52,253,743</b>	<b>\$13,440,043</b>	<b>\$ 15,304,930</b>	<b>\$ 9,798,379</b>	

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.	94,762,345
Revenues earned but unavailable are not reported in the funds.	234,437
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported or reported as unavailable in the funds:	
Receivable from other governments	16,595,000
Unamortized bond issue costs	888,525
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.	240,510
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Net OPEB obligation	(25,269,844)
Net pension obligation	(1,139,358)
Unmatured bonds	(75,336,901)
Unamortized notes payable premium	(1,798,001)
Unamortized bond premium	(3,133,618)
Accrued compensated absences	(3,155,965)
Accrued interest payable	(1,664,001)
<b>Net position of governmental activities</b>	<b>\$ 87,172,258</b>

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, 2013**

	General	SPLOST Fund	City Parks Bond Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$16,984,386	\$ -	\$ -	\$ 5,780,174	\$ 22,764,560
Licenses and permits	5,608,232	-	-	-	5,608,232
Intergovernmental	4,194,023	11,840,060	-	9,344,040	25,378,123
Charges for services	4,193,859	-	-	-	4,193,859
Fines and forfeits	4,074,134	-	-	-	4,074,134
Investment earnings	126,961	-	48,760	22,408	198,129
Other	670,793	-	8,050	-	678,843
<b>Total revenues</b>	<b>35,852,388</b>	<b>11,840,060</b>	<b>56,810</b>	<b>15,146,622</b>	<b>62,895,880</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	7,171,903	-	-	-	7,171,903
Public works	10,235,807	254,050	-	332,062	10,821,919
Culture and recreation	5,864,289	-	91,964	-	5,956,253
Public safety	24,934,175	-	-	-	24,934,175
Urban redevelopment and housing	-	-	-	5,742,352	5,742,352
<b>Debt service:</b>					
Principal retirement	1,530,660	-	-	5,593,266	7,123,926
Interest & fiscal charges	1,318,731	-	-	2,360,064	3,678,795
Capital projects	-	7,822,026	3,070,383	-	10,892,409
<b>Total expenditures</b>	<b>51,055,565</b>	<b>8,076,076</b>	<b>3,162,347</b>	<b>14,027,744</b>	<b>76,321,732</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(15,203,177)</b>	<b>3,763,984</b>	<b>(3,105,537)</b>	<b>1,118,878</b>	<b>(13,425,852)</b>
<b>Other financing sources (uses):</b>					
Sale of capital assets	150,629	-	-	-	150,629
Transfers in	17,202,964	7,360	-	-	17,210,324
Transfers out	(3,368,788)	-	-	(2,500,826)	(5,869,614)
<b>Total other financing sources (uses)</b>	<b>13,984,805</b>	<b>7,360</b>	<b>-</b>	<b>(2,500,826)</b>	<b>11,491,339</b>
<b>Net change in fund balance</b>	<b>(1,218,372)</b>	<b>3,771,344</b>	<b>(3,105,537)</b>	<b>(1,381,948)</b>	<b>(1,934,513)</b>
<b>Fund balances at beginning of year</b>	<b>49,846,094</b>	<b>8,941,402</b>	<b>18,381,435</b>	<b>10,714,711</b>	<b>87,883,642</b>
<b>Fund balances at end of year</b>	<b>\$48,627,722</b>	<b>\$12,712,746</b>	<b>\$15,275,898</b>	<b>\$ 9,332,763</b>	<b>\$ 85,949,129</b>

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, 2013**

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Net change in fund balances - total governmental funds \$ (1,934,513)

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	(5,292,490)	
Capital outlays	<u>14,858,385</u>	9,565,895

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

Receipts of long-term receivables	(2,795,000)
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The issuance of long-term debt provides current financial resources and the repayment of principal on long-term debt consumes current financial resources in the governmental funds.

Matured principal on bonds payable	5,593,266
Matured principal on note payable	1,530,659

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.	(148,060)
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Internal service funds are used by management to charge the costs of fleet management and self-insurance to individual funds.	(625,032)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of bond issuance costs, bond premium, and loss on bond refunding	415,698	
Actuarial pension contributions in excess of costs	6,657	
Actuarial costs in excess of OPEB contributions	(2,111,325)	
Accrued interest expense	(28,531)	
Accrued compensated absences	<u>(325,683)</u>	<u>(2,043,184)</u>

Change in net position of governmental activities	<u><u>\$ 9,144,031</u></u>
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**CITY OF MARIETTA, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2013**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 6,916,032	\$ 74,556	\$ 6,980	\$ 6,997,568	\$ 2,256,209
Investments	26,853,989	59	-	26,854,048	7,222,489
Receivables, net	17,255,413	-	930	17,256,343	189,224
Due from other funds	9,875,910	186,366	-	10,062,276	-
Due from other governments	-	-	-	-	2,351
Inventories, at cost	3,254,947	-	-	3,254,947	84,653
Total current assets	64,156,291	260,981	7,910	64,425,182	9,754,926
Noncurrent assets:					
Restricted assets:					
Investments	11,488,252	-	-	11,488,252	-
Total noncurrent assets	11,488,252	-	-	11,488,252	-
Property, plant and equipment:					
Land and land improvements	1,382,976	769,284	6,600,000	8,752,260	-
Buildings and improvements	16,296,604	23,326,210	2,058,509	41,681,323	502,346
Electrical plant in service	114,951,701	-	-	114,951,701	-
Water and sewer system	83,533,193	-	-	83,533,193	-
Machinery and equipment	57,438,366	12,354,692	3,761,769	73,554,827	1,459,924
	273,602,840	36,450,186	12,420,278	322,473,304	1,962,270
Less: accumulated depreciation	(141,043,689)	(21,455,131)	(4,514,566)	(167,013,386)	(1,027,406)
Net property, plant and equipment	132,559,151	14,995,055	7,905,712	155,459,918	934,864
Other assets:					
Unamortized costs	-	-	31,694	31,694	-
Investment	2,448,902	-	-	2,448,902	-
Total other assets	2,448,902	-	31,694	2,480,596	-
Total noncurrent assets	146,496,305	14,995,055	7,937,406	169,428,766	934,864
Total assets	\$ 210,652,596	\$ 15,256,036	\$ 7,945,316	\$ 233,853,948	\$ 10,689,790

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

**CITY OF MARIETTA, GEORGIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (CONT'D)**  
**JUNE 30, 2013**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 11,669,715	\$ -	\$ 63,907	\$ 11,733,622	\$ 370,293
Accrued salaries	287,119	-	-	287,119	14,073
Accrued sales tax	583,975	-	-	583,975	-
Accrued compensated absences	304,916	-	-	304,916	10,887
Due to other funds	-	-	1,331,405	1,331,405	7,770,190
Capital lease obligations	-	-	761,839	761,839	-
Accrued interest payable	-	-	29,850	29,850	-
Claims and judgements payable	-	-	-	-	2,963,711
Total current liabilities:	<u>12,845,725</u>	<u>-</u>	<u>2,187,001</u>	<u>15,032,726</u>	<u>11,129,154</u>
Long-term liabilities (net of current portion):					
Accrued compensated absences	547,944	-	-	547,944	19,914
Unearned revenue	2,506,729	-	-	2,506,729	-
Net pension obligation	465,348	-	-	465,348	-
Net OPEB obligation	7,888,411	-	-	7,888,411	-
Customer deposits	8,981,523	-	-	8,981,523	-
Advances from other funds	-	24,659,110	-	24,659,110	-
Capital lease obligations	-	-	1,501,544	1,501,544	-
Total long-term liabilities	<u>20,389,955</u>	<u>24,659,110</u>	<u>1,501,544</u>	<u>46,550,609</u>	<u>19,914</u>
Total liabilities	<u>33,235,680</u>	<u>24,659,110</u>	<u>3,688,545</u>	<u>61,583,335</u>	<u>11,149,068</u>
<u>NET POSITION</u>					
Net investment in capital assets	132,559,151	14,995,055	5,642,329	153,196,535	934,864
Unrestricted	44,857,765	(24,398,129)	(1,385,558)	19,074,078	(1,394,142)
Total net position	<u>\$ 177,416,916</u>	<u>\$ (9,403,074)</u>	<u>\$ 4,256,771</u>	<u>172,270,613</u>	<u>\$ (459,278)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>(699,788)</u>	
Net position of business-type activities				<u>\$ 171,570,825</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, 2013**

	Major			Totals	Governmental Activities - Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Operating revenues:					
Charges for services	\$ 143,165,035	\$ -	\$ 1,564,138	\$ 144,729,173	\$ 3,233,648
Lease income	-	2,204,531	-	2,204,531	-
Other	1,452,419	-	-	1,452,419	113,030
Contributions	-	-	-	-	9,331,414
<b>Total operating revenues</b>	<b>144,617,454</b>	<b>2,204,531</b>	<b>1,564,138</b>	<b>148,386,123</b>	<b>12,678,092</b>
Operating expenses:					
Personal services	14,900,339	-	-	14,900,339	726,436
Operating	100,355,994	500	1,177,091	101,533,585	3,607,176
Depreciation	6,525,018	1,365,192	215,777	8,105,987	124,494
Benefits and claims	-	-	-	-	11,646,272
<b>Total operating expenses</b>	<b>121,781,351</b>	<b>1,365,692</b>	<b>1,392,868</b>	<b>124,539,911</b>	<b>16,104,378</b>
<b>Operating income (loss)</b>	<b>22,836,103</b>	<b>838,839</b>	<b>171,270</b>	<b>23,846,212</b>	<b>(3,426,286)</b>
Nonoperating revenues (expenses):					
Investment earnings	243,752	-	-	243,752	33,716
Interest and fiscal charges	-	(31,006)	(133,477)	(164,483)	-
Gain (loss) on sale of capital assets	258,370	-	-	258,370	-
Other	14,867	-	(765)	14,102	-
<b>Total nonoperating revenues (expenses)</b>	<b>516,989</b>	<b>(31,006)</b>	<b>(134,242)</b>	<b>351,741</b>	<b>33,716</b>
<b>Income (loss) before transfers</b>	<b>23,353,092</b>	<b>807,833</b>	<b>37,028</b>	<b>24,197,953</b>	<b>(3,392,570)</b>
Transfers					
Transfers in	762,095	618,207	399,042	1,779,344	2,393,826
Transfers out	(14,795,598)	(618,207)	(25,021)	(15,438,826)	(75,054)
<b>Total transfers</b>	<b>(14,033,503)</b>	<b>-</b>	<b>374,021</b>	<b>(13,659,482)</b>	<b>2,318,772</b>
<b>Change in net position</b>	<b>9,319,589</b>	<b>807,833</b>	<b>411,049</b>	<b>10,538,471</b>	<b>(1,073,798)</b>
<b>Net position at beginning of year</b>	<b>168,097,327</b>	<b>(10,210,907)</b>	<b>3,845,722</b>		<b>614,520</b>
<b>Net position at end of year</b>	<b>\$ 177,416,916</b>	<b>\$ (9,403,074)</b>	<b>\$ 4,256,771</b>		<b>\$ (459,278)</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(448,766)	
Change in net position of business-type activities				\$ 10,089,705	

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Cash flows from operating activities:					
Cash received from customers	\$ 133,311,419	\$ -	\$ 1,571,503	\$ 134,882,922	\$ 12,561,525
Cash received from other operating activities	1,452,419	-	-	1,452,419	-
Cash payments goods and services	(99,935,398)	(500)	(1,064,417)	(101,000,315)	(3,447,806)
Cash payments for benefits and claims and fringe benefits	(14,200,672)	-	-	(14,200,672)	(11,742,676)
Cash payments for other operating activities	-	-	-	-	113,030
Cash received from lease	-	2,204,531	-	2,204,531	-
Cash received from (payments to) other funds	-	-	-	-	1,015,876
Net cash from (to) operating activities	20,627,768	2,204,031	507,086	23,338,885	(1,500,051)
Cash flows from noncapital financing activities:					
Transfers in	762,095	618,207	399,042	1,779,344	2,393,826
Transfers out	(14,795,598)	(618,207)	(25,021)	(15,438,826)	(75,054)
Net cash from (to) noncapital financing	(14,033,503)	-	374,021	(13,659,482)	2,318,772
Cash flows from capital and related financing activities:					
Payments for capital acquisitions	(11,588,188)	-	(62,376)	(11,650,564)	(155,041)
Advances from (to) other funds	-	(2,173,525)	-	(2,173,525)	-
Proceeds from asset sales	258,370	-	-	258,370	-
Payments on capital leases	-	-	(49,511)	(49,511)	-
Payments on notes payable	-	-	(690,000)	(690,000)	-
Interest and fiscal charges	-	(31,065)	(79,273)	(110,338)	-
Net cash from (to) capital and related financing activities	(11,329,818)	(2,204,590)	(881,160)	(14,415,568)	(155,041)
Cash flows from investing activities:					
Rental income received (paid)	14,867	-	-	14,867	-
Investment income received (paid)	269,773	-	-	269,773	12,437
Investment (purchases) sales	(7,771,107)	-	-	(7,771,107)	1,520,976
Net cash from (to) investing activities	(7,486,467)	-	-	(7,486,467)	1,533,413
Net increase (decrease) in cash and cash equivalents	(12,222,020)	(559)	(53)	(12,222,632)	2,197,093
Cash and cash equivalents at beginning of year:					
Cash	19,138,052	75,115	7,033	19,220,200	59,116
Total cash and cash equivalents, beginning of year	19,138,052	75,115	7,033	19,220,200	59,116
Cash and cash equivalents at end of year:					
Cash	6,916,032	74,556	6,980	6,997,568	2,256,209
Total cash and cash equivalents, end of year	\$ 6,916,032	\$ 74,556	\$ 6,980	\$ 6,997,568	\$ 2,256,209

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, 2013**

	Major			Totals	Governmental Activities- Internal Service Funds
	Board of Lights and Waterworks	Marietta Conference Center & Resort	City Golf Course		
Reconciliation of operating income (loss) to net cash from operating activities:					
Operating income (loss)	\$ 22,836,103	\$ 838,839	\$ 171,270	\$ 23,846,212	\$ (3,426,286)
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	6,525,018	1,365,192	215,777	8,105,987	124,494
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	-	7,365	7,365	-
(Increase) decrease in contributions receivable	-	-	-	-	(6,722)
(Increase) decrease in utility accounts receivable	(1,163,083)	-	-	(1,163,083)	-
(Increase) decrease in due from other funds	(9,300,899)	-	-	(9,300,899)	-
(Increase) decrease in inventories	73,031	-	-	73,031	26,232
(Increase) decrease in prepaid expense	250	-	-	250	-
(Increase) decrease in due from other governments	-	-	-	-	3,185
Increase (decrease) in accounts payable	331,776	-	-	331,776	(12,722)
Increase (decrease) in accrued salaries	18,667	-	-	18,667	512
Increase (decrease) in accrued sales tax	15,539	-	7,007	22,546	-
Increase (decrease) in accrued compensated absences	7,938	-	-	7,938	662
Increase (decrease) in net pension asset/obligation	13,976	-	-	13,976	-
Increase (decrease) in net OPEB obligation	659,086	-	105,667	764,753	-
Increase (decrease) in due to other funds	-	-	-	-	1,161,736
Increase (decrease) in unearned revenue	4,673	-	-	4,673	-
Increase (decrease) in customer deposits	605,693	-	-	605,693	-
Increase (decrease) in claims and judgments payable	-	-	-	-	628,858
Net cash from (to) operating activities	<u>\$ 20,627,768</u>	<u>\$ 2,204,031</u>	<u>\$ 507,086</u>	<u>\$ 23,338,885</u>	<u>\$ (1,500,051)</u>

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

**CITY OF MARIETTA, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	OPEB Trust Fund	Pension Trust Fund	City Schools Agency Fund
<u>Assets</u>			
Cash and cash equivalents	\$828,797	\$ 6,862,094	\$ 433,103
Due from other funds	-	-	-
Receivables:			
Accrued interest	25	140,333	-
Tax receivable	-	-	1,166,351
Due from other government	-	-	389,527
Contributions:			
Employer	-	118,367	-
Total receivables	<u>25</u>	<u>258,700</u>	<u>1,555,878</u>
Investments, at fair value			
United States government securities	-	3,272,751	-
Corporate notes and debentures	-	13,177,831	-
Common stock	-	46,958,104	-
Mutual funds	-	14,633,136	-
Total investments	<u>-</u>	<u>78,041,822</u>	<u>-</u>
Total assets	<u>828,822</u>	<u>85,162,616</u>	<u>1,988,981</u>
<u>Liabilities</u>			
Accrued expenses	1,680	168,408	-
Due to other funds	-	-	1,988,981
Total liabilities	<u>1,680</u>	<u>168,408</u>	<u>1,988,981</u>
Net position:			
Held in trust for:			
OPEB benefits (See required supplementary information)	827,142	-	-
Pension benefits (See required supplementary information)	-	84,994,208	-
Total Net Position	<u>\$ 827,142</u>	<u>\$ 84,994,208</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, 2013**

	OPEB Trust Fund	Pension Trust Fund
Additions:		
Employer contributions	\$ -	\$ 5,585,199
Employee contributions	-	1,240,727
Contributions from others	164,063	-
	<u>164,063</u>	<u>6,825,926</u>
Investment income (expenses):		
Net appreciation (depreciation) of fair value of investments	-	9,281,479
Interest and dividends	271	1,423,817
Total investment income	271	10,705,296
Less investment expenses	-	(482,750)
Net investment income (expenses)	<u>271</u>	<u>10,222,546</u>
Total additions	<u>164,334</u>	<u>17,048,472</u>
Deductions:		
Pension benefits paid	-	8,441,658
Administrative costs	15,023	114,439
Total deductions	<u>15,023</u>	<u>8,556,097</u>
Change in net position	<u>149,311</u>	<u>8,492,375</u>
Net position - beginning of year	<u>677,831</u>	<u>76,501,833</u>
Net position - end of year	<u>\$ 827,142</u>	<u>\$84,994,208</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

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

City Parks Bond Fund - The City Parks Bond Fund accounts for the proceeds of the 2009 Park Bond referendum that are restricted for land acquisition; improvements to existing parks, facilities, trails and greenspace; development of new parks; administration fees and contingencies.

The government reports the following major proprietary funds:

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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as nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

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

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase and the SPLOST & City Parks Bond Funds adopt project length budgets. Investment earnings are not budgeted for in the City Parks Bond Funds and Local Option Sales Tax Funds. Certain intergovernmental revenues are budgeted as tax revenues in the Tax Allocation District Fund. Actual GAAP expenditures and revenues in the General, Special Revenue, Debt Service, and Capital Projects Funds have been adjusted to the budgetary basis for comparison within this report.

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

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

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

The City Manager is authorized to transfer budgeted amounts among divisions within departments within any fund; however, any revisions that alter the total expenditures of any department must be approved by the City Council. During fiscal year 2013, approximately \$8.77 million in appropriations for expenditures were made in the governmental type funds.

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

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

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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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.

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.

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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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, 2013 are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's Funds.

I. Capital Assets

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

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

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

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

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

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:

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**J. Compensated Absences**

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

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

**K. Long-Term Obligations**

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

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

**L. Deferred Outflows/Inflows of Resources**

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

**M. Nature and Purpose of Classifications of Fund Equity**

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

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

**N. Use of Estimates**

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

**(2) DEPOSITS AND INVESTMENTS**

*Custodial Credit Risk –Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City limits its exposure to custodial credit risk by requiring deposits to be collateralized 110% in accordance with State law. As of June 30, 2013, the City's deposits were properly issued and collateralized.

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

As of June 30, 2013, 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	
<b>PRIMARY GOVERNMENT</b>						
Georgia Fund 1	AAAm	\$ 18,444,710	\$ -	\$ -	\$ -	\$ 18,444,710
Municipal Competitive Trust	not rated	3,539,963	5,780,068	-	-	9,320,031
US Agencies	AA	15,136,028	24,900,678	-	-	40,036,706
Total Primary Government (non-fiduciary)		37,120,701	30,680,746	-	-	67,801,447
<b>FIDUCIARY FUNDS</b>						
Common Stocks	n/a	n/a	n/a	n/a	n/a	46,958,104
Equity Mutual Fund	N/A	14,633,136	-	-	-	14,633,136
Money Market Mutual Fund	AAA	5,213,408	-	-	-	5,213,408
Corporate Bonds	A+	-	153,010	98,549	-	251,559
	A	425,879	419,671	404,200	-	1,249,750
	AA	-	73,366	-	-	73,366
	AA+	-	-	169,374	101,917	271,291
	AAA	-	934,505	383,784	589,828	1,908,117
	A-	324,607	815,231	389,864	875,116	2,404,818
	BBB+	-	646,551	362,331	662,911	1,671,793
	BBB	175,009	847,671	442,371	408,280	1,873,331
	BBB-	356,352	443,841	231,420	313,553	1,345,166
	BB+	-	88,537	-	55,819	144,356
	N/R	189,423	1,195,980	-	598,881	1,984,284
Government Bonds	AA+	-	233,942	-	-	233,942
	N/R	-	1,888,737	116,690	944,949	2,950,376
Municipal Bonds	A	-	-	88,433	-	88,433
Total Fiduciary Fund		\$ 21,317,814	\$ 7,741,042	\$ 2,687,016	\$ 4,551,254	\$ 83,255,230

Investments of the primary government include \$6,070,119 grouped in cash and cash equivalents, and exclude \$20,594,203 of certificates of deposits.

Investments of the fiduciary fund include \$5,213,408 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, 2013**

**(3) RECEIVABLES**

Receivables at June 30, 2013 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	\$ 165,238	\$ 23,695	\$ 157,416	\$ 551,923	\$ (23,109)	\$ 875,163
Board of Lights and Waterworks Fund	-	51,317	17,661,096	-	(457,000)	17,255,413
SPLOST Fund	-	6,735	-	-	-	6,735
City Parks Bond Fund	-	-	-	21,175	-	21,175
Nonmajor and Other Funds	497,476	41,470	-	930	(4,424)	535,452
Total	<u>\$ 662,714</u>	<u>\$ 123,217</u>	<u>\$ 17,818,512</u>	<u>\$ 574,028</u>	<u>\$ (484,533)</u>	<u>\$ 18,693,938</u>

**(4) INTERFUND RECEIVABLES, ADVANCES AND TRANSFERS**

Interfund receivable and payable balances for the fiscal year ended June 30, 2013 are summarized as follows:

PAYABLE FUND	RECEIVABLE FUND			
	General Fund	BLW	MCCR	Total
General Fund	\$ -	\$ 742,077	\$ 127,968	\$ 870,045
Nonmajor Governmental	168,582	32,238	58,398	259,218
Golf Course	-	1,331,405	-	1,331,405
Internal Service	-	7,770,190	-	7,770,190
Total	<u>\$ 168,582</u>	<u>\$ 9,875,910</u>	<u>\$ 186,366</u>	<u>\$ 10,230,858</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, 2013**

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

<u>ADVANCES FROM</u>	<u>ADVANCES TO MCCR</u>
General Fund	<u>\$ 24,659,110</u>
Total	<u><u>\$ 24,659,110</u></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 out Fund						Total
	General Fund	Nonmajor Governmental	MCCR	BLW	Internal Services	Golf Course	
<u>Transfer in Fund</u>							
General Fund	\$ -	\$ 2,497,773	\$ 618,207	\$ 13,998,515	\$ 64,508	\$ 23,961	\$ 17,202,964
Internal Services	1,596,743	-	-	797,083	-	-	2,393,826
SPLOST	-	-	-	-	7,360	-	7,360
BLW	754,796	3,053	-	-	3,186	1,060	762,095
Golf Course	399,042	-	-	-	-	-	399,042
MCCR	<u>618,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,207</u>
Total	<u>\$ 3,368,788</u>	<u>\$ 2,500,826</u>	<u>\$ 618,207</u>	<u>\$ 14,795,598</u>	<u>\$ 75,054</u>	<u>\$ 25,021</u>	<u>\$ 21,383,494</u>

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
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**(5) CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 15,394,339	\$ 2,571,977	\$ -	\$ 17,966,316
Construction in progress	1,225,931	2,138,587	(2,138,587)	1,225,931
Total capital assets, not being depreciated:	<u>16,620,270</u>	<u>4,710,564</u>	<u>(2,138,587)</u>	<u>19,192,247</u>
Capital assets, being depreciated:				
Buildings	40,115,412	1,736,465	-	41,851,877
Improvements other than buildings	5,512,530	-	-	5,512,530
Machinery and equipment	36,003,523	1,369,575	(665,982)	36,707,116
Infrastructure	197,896,080	9,335,409	-	207,231,489
Total capital assets being depreciated	<u>279,527,545</u>	<u>12,441,449</u>	<u>(665,982)</u>	<u>291,303,012</u>
Less accumulated depreciation for:				
Buildings	(17,844,699)	(810,653)	-	(18,655,352)
Improvements other than buildings	(3,754,191)	(254,528)	-	(4,008,719)
Machinery and equipment	(32,820,082)	(1,352,037)	665,982	(33,506,137)
Infrastructure	(155,628,076)	(2,999,766)	-	(158,627,842)
Total accumulated depreciation	<u>(210,047,048)</u>	<u>(5,416,984)</u>	<u>665,982</u>	<u>(214,798,050)</u>
Total capital assets, being depreciated, net	<u>69,480,497</u>	<u>7,024,465</u>	<u>-</u>	<u>76,504,962</u>
Governmental activities capital assets, net	<u>\$ 86,100,767</u>	<u>\$ 11,735,029</u>	<u>\$ (2,138,587)</u>	<u>\$ 95,697,209</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 8,752,260	\$ -	\$ -	\$ 8,752,260
Construction in progress	15,553	-	(15,553)	-
Total capital assets, not being depreciated:	<u>8,767,813</u>	<u>-</u>	<u>(15,553)</u>	<u>8,752,260</u>
Capital assets, being depreciated:				
Buildings and improvements	41,332,758	348,565	-	41,681,323
Plant in service and water/sewer system	191,277,803	7,207,091	-	198,484,894
Machinery and equipment	69,444,365	4,110,462	-	73,554,827
Total capital assets being depreciated	<u>302,054,926</u>	<u>11,666,118</u>	<u>-</u>	<u>313,721,044</u>
Less accumulated depreciation for:				
Buildings and improvements	(17,393,304)	(12,018,489)	-	(29,411,793)
Plant in service and water/sewer system	(86,670,606)	(3,065,839)	-	(89,736,445)
Machinery and equipment	(54,843,489)	6,978,341	-	(47,865,148)
Total accumulated depreciation	<u>(158,907,399)</u>	<u>(8,105,987)</u>	<u>-</u>	<u>(167,013,386)</u>
Total capital assets, being depreciated, net	<u>143,147,527</u>	<u>3,560,131</u>	<u>-</u>	<u>146,707,658</u>
Business-type activities capital assets, net	<u>\$ 151,915,340</u>	<u>\$ 3,560,131</u>	<u>\$ (15,553)</u>	<u>\$ 155,459,918</u>

**CITY OF MARIETTA, GEORGIA  
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The beginning balances have been adjusted to correctly classify certain costs and accumulated depreciation amounts.

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

Governmental activities:	
General government	\$ 353,644
Public safety	1,541,283
Public Works, including depreciation of general infrastructure assets	2,718,078
Culture and recreation	679,485
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>124,494</u>
Total depreciation expense – governmental activities	<u>\$ 5,416,984</u>
Business-type activities:	
Water & Sewer	\$ 1,988,503
Electric	4,536,515
Conference Center	1,365,192
Golf	<u>215,777</u>
Total depreciation expense – business-type activities	<u>\$ 8,105,987</u>

**(6) LONG-TERM OBLIGATIONS**

Operating Leases

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

*Governmental Activities:*

General Obligation Bonds:

General obligation bonds have been issued for governmental activities and are comprised of the following individual issues at June 30, 2013:

\$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 (\$16,595,000 outstanding at June 30, 2013). 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 (\$3,585,000 outstanding at June 30, 2013). The bonds were issued to current refund the 2007 General Obligation Refunding bond issue.

\$25,000,000 Series 2009D General Obligation Parks and Recreational Facilities serial bonds due in annual installments commencing July 1, 2010 of \$955,000 to \$1,415,000 through July 1, 2025; interest at 2.5 to 5.0 percent (\$22,105,000 outstanding at June 30, 2013). The issue includes a term bond due January 1, 2030, interest at 5.0 percent (\$8,030,000 outstanding). The bonds were issued to acquire, construct, and install park and recreational facilities.

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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
2014	\$ 5,145,000	\$ 1,977,350	\$ 7,122,350
2015	5,370,000	1,752,850	7,122,850
2016	5,150,000	1,523,225	6,673,225
2017	4,400,000	1,293,425	5,693,425
2018	4,620,000	1,084,075	5,704,075
2019-2023	6,795,000	3,645,800	10,440,800
2024-2028	7,380,000	1,993,250	9,373,250
2029-2030	3,425,000	258,750	3,683,750
Total	<u>\$ 42,285,000</u>	<u>\$ 13,528,725</u>	<u>\$ 55,813,725</u>

\$6,136,954 is available in the Debt Service Fund to service the general obligation bonds.

Tax Allocation District Bonds:

During fiscal year 2006, the City issued \$8,400,000 in limited obligations bonds to undertake certain redevelopment projects within a tax allocation district established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Marietta City Schools Board of Education. The property tax increments are pledged until the payment in full of the bonds. The bonds are due in annual installments commencing December 15, 2008 of \$499,195 to \$816,926 through December 15, 2020; the bonds bear interest at a rate of 4.19%. For the current year, principal and interest paid and total tax allocation incremental revenues were \$851,155 and \$529,723 respectively.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 612,915	\$ 238,240	\$ 851,155
2015	638,596	212,559	851,155
2016	665,353	185,801	851,154
2017	693,232	157,923	851,155
2018	722,278	128,877	851,155
2019-2021	2,353,540	199,925	2,553,465
Total	<u>\$ 5,685,914</u>	<u>\$ 1,123,325</u>	<u>\$ 6,809,239</u>

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
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Note Payable

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

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

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,530,000	\$ 1,230,850	\$ 2,760,850
2015	1,610,000	1,159,444	2,769,444
2016	1,675,000	1,084,322	2,759,322
2017	1,760,000	1,006,200	2,766,200
2018	1,830,000	934,400	2,764,400
2019-2023	10,295,000	3,485,675	13,780,675
2024-2027	9,195,000	817,875	10,012,875
Total	<u>\$ 27,895,000</u>	<u>\$ 9,718,766</u>	<u>\$ 37,613,766</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
2014	\$ 63,765	\$ 16,174	\$ 79,939
2015	67,025	12,911	79,936
2016	70,455	9,485	79,940
2017	74,055	5,879	79,934
2018	77,143	2,086	79,229
Total	<u>\$ 352,443</u>	<u>\$ 46,535</u>	<u>\$ 398,978</u>

*Business-Type Activities:*

Note Payable

A contract dated July 1, 1990 was supplemented and amended as of September 1, 1995 between the City and the Downtown Marietta Development Authority. This agreement obligates the City to make lease payments directly to the bond sinking fund custodian by December 15 and June 15 of each year for the purpose of paying the principal and interest on the unrefunded outstanding balance of the 1990 Golf Course Redevelopment and

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Acquisition Bonds and the 1995 Public Golf Course Refunding Revenue Bonds issued by the Authority, and subsequently, as refunded by the Series 2008 Golf Course Refunding Revenue Bonds. This contract enables the City to lease from the Authority the former Marietta Country Club facilities purchased by the Authority with the bond proceeds. The lease has been recorded as a direct financing lease in accordance with generally accepted accounting principles in the City Golf Course Enterprise Fund. This contract qualifies as a conduit debt obligation in accordance with Governmental Accounting Standards Board Interpretation - 2 Disclosure of Conduit Debt Obligations and therefore the obligation for the bonds is not reported on the financial statements of the Downtown Marietta Development Authority. The contract will not expire until full payment of the bonds on July 1, 2015, at which time ownership of the facilities will transfer to the City. The City will be responsible for all operations and maintenance cost of the facilities and will be entitled to all revenues generated by the facilities.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 710,000	\$ 50,022	\$ 760,022
2015	725,000	30,463	755,463
2016	755,000	10,291	765,291
Total	<u>\$ 2,190,000</u>	<u>\$ 90,776</u>	<u>\$ 2,280,776</u>

Capital Leases

On March 1, 2008, a lease agreement was entered into with Yamaha Motor Corporation for golf carts. The lease agreement is for 48 months and requires a balloon payment at the end of the lease. The lease qualifies as a capital lease and has been recorded in the Golf Course Operating Enterprise Fund. The amount capitalized for the carts is \$262,000. Accumulated depreciation associated with the golf carts is \$167,389.

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, 2013:

Year ending June 30	City Club Golf Course & Carts
2014	\$ 58,500
2016	117,664
Total minimum lease payments	176,164
Less amounts representing interest	(7,107)
Present value of future minimum lease payments	<u>\$ 169,057</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

**CITY OF MARIETTA, GEORGIA  
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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 47,290,000	\$ -	\$ (5,005,000)	\$ 42,285,000	\$ 5,145,000
Deferred amounts on refunding	(1,041,721)	-	160,265	(881,456)	-
Tax Allocation District Bonds	6,274,180	-	(588,266)	5,685,914	612,915
Unamortized bond premium	3,616,995	-	(483,377)	3,133,618	-
Note payable					
Note payable	29,778,102	-	(1,530,659)	28,247,443	1,593,765
Unamortized premium	1,942,089	-	(144,088)	1,798,001	-
Compensated absences	2,860,421	1,516,950	(1,190,605)	3,186,766	1,096,930
Pension obligation	1,146,015	3,958,893	(3,965,550)	1,139,358	-
OPEB obligation	23,158,519	4,087,205	(1,975,880)	25,269,844	-
Governmental activity Long-term liabilities	<u>\$ 115,024,600</u>	<u>\$ 9,563,048</u>	<u>\$ (14,723,160)</u>	<u>\$ 109,864,488</u>	<u>\$ 8,448,610</u>
<b>Business-type activities:</b>					
Note payable					
Note payable	\$ 2,880,000	\$ -	\$ (690,000)	\$ 2,190,000	\$ 710,000
Deferred amounts on refunding	(143,510)	-	47,836	(95,674)	-
Capital leases	218,568	-	(49,511)	169,057	51,839
Compensated absences	844,922	312,790	(304,852)	852,860	304,916
Pension obligation	451,372	1,633,625	(1,619,649)	465,348	-
OPEB obligation	7,229,325	954,296	(295,210)	7,888,411	-
Customer Deposits	8,375,830	605,693	-	8,981,523	-
Business-type activity Long-term liabilities	<u>\$ 19,856,507</u>	<u>\$ 3,506,404</u>	<u>\$ (2,911,386)</u>	<u>\$ 20,451,525</u>	<u>\$ 1,066,755</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 other various lawsuits at June 30, 2013. However, no additional accrual or disclosure of these lawsuits is required.

*B. Commitments*

Marietta Conference Center

On April 1, 1995, the City executed a Conference Center Funding Agreement with the Downtown Marietta Development Authority (the Authority). Under this agreement, the City pledged 30.25% of its hotel/motel tax collections to the Downtown Marietta Development Authority to be used solely for the principal and interest payments on the Downtown Marietta Development Authority Revenue Bond (the Marietta Conference Center Project), Series 1996A and 1996B, totaling \$25,810,000 which was issued by the Authority for the purpose of obtaining funds to pay the costs of acquiring, constructing, furnishing, and equipping the Marietta Conference Center, and the costs of issuing the bonds. The City, as an agent for the Authority, and Remington Hotel Corporation had entered into an agreement effective July 1, 2006 to lease the facilities of Marietta Conference Center and Resort. The lease was set to terminate on May 31, 2008 with three optional extensions through 2023. On March 1, 2008, the City, as agent for the Authority, entered into a new management agreement with Marietta Leasehold, L.P., a partnership including the former lessee,

**CITY OF MARIETTA, GEORGIA  
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Remington Hotel Corporation, for the management of the renovation and operations of the conference center. The lease is effective January 1, 2008 and expires June 30, 2028. On March 6, 2008, additional bonds were issued and were referred to as The Marietta Conference Center Project Revenue Bonds, Series 2008 in the amount of \$7,000,000, for the improvement and renovation of the Conference Center and to implement the Hilton Hotels Corporation's Property Improvement Plan. Future minimum rentals total \$2,803,800 for fiscal years 2014. Hotel/motel taxes, from which the appropriations are made, have averaged \$2.3 million per year over the last 10 years. The agreement also provides for the City to receive additional rent payments equal to 3% of the amount, if any, that gross revenues exceed \$14 million. The agreement also provides for Marietta Leasehold, L.P to receive 30.25% of Hotel/Motel Taxes collected, up to a maximum of \$900,000. All property, plant, and equipment in the Marietta Conference Center and Resort fund are included in the lease. In fiscal year 2010, the 1996A, 1996B, 2003, and 2008 Bonds totaling \$29,375,000 were cancelled and discharged and the City's obligations under the related contracts with the Downtown Marietta Development Authority were terminated. The Marietta Conference Center operations are reported in an enterprise fund within the financial statements.

Municipal Electric Authority of Georgia

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (the "Authority"). The contracts require the City to purchase from the Authority all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment 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 \$81,454,473 from the Authority during the year ended June 30, 2013. 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, 2013 are as follows:

General Fund	\$ 1,540,346
SPLOST	3,386,816
City Parks Bond	292,345
NonMajor Funds	51,469
	<u>\$ 5,270,976</u>

The City also has active construction projects at June 30, 2013.

**(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.

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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 25, 2012 were due on October 25, 2012.

Liens were attached to property for unpaid taxes on March 11, 2013.

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, 2012 was \$2,701,670,053.

Based on the 2012 City General, Debt Service, and Cemetery Maintenance millage levy of 4.05, a property owner would pay \$4.05 per \$1,000 of assessed valuation.

Current tax collections of \$8,955,792 for the fiscal year ended June 30, 2013 were 98.94 percent of the tax levy.

**(9) FUND BALANCE**

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

	General Fund	SPLOST Fund	City Parks Bond Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 31,229	\$ -	\$ -	\$ -	\$ 31,229
Inventory	31,169	-	-	-	31,169
Advances	24,659,110	-	-	-	24,659,110
Restricted for:					
Capital projects	-	12,712,746	15,275,898	445,021	28,433,665
Culture & recreation	559,263	-	-	-	559,263
Debt service	-	-	-	6,136,954	6,136,954
Urban redevelopment & housing	171,451	-	-	2,746,710	2,918,161
Public safety	2,944,036	-	-	5,208	2,949,244
Committed for:					
Culture & recreation	9,220	-	-	-	9,220
Assigned for:					
General government	2,787,045	-	-	-	2,787,045
Public works	1,268,938	-	-	-	1,268,938
Culture & recreation	302,229	-	-	-	302,229
Judicial	39,526	-	-	-	39,526
Urban redevelopment and housing	43,177	-	-	-	43,177
Public safety	596,782	-	-	-	596,782
Unassigned	15,184,547	-	-	(1,130)	15,183,417
	<u>\$ 48,627,722</u>	<u>\$ 12,712,746</u>	<u>\$ 15,275,898</u>	<u>\$ 9,332,763</u>	<u>\$ 85,949,129</u>

**CITY OF MARIETTA, GEORGIA  
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**(10) PENSION PLANS**

The City withdrew from the Social Security system on December 31, 1980. The City of Marietta, Georgia Supplemental Pension plan was adopted in lieu of Social Security. A professional pension management company was selected as the providers of a money-purchase (defined contribution) pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

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

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

On July 1, 2000, fiduciary responsibility and custody of Trust assets for the defined contribution pension plan (Supplemental Pension Plan) was transferred to a professional pension management company. An annual certified financial report for this plan will be prepared by the professional pension management company. The Pension Board serves as Plan Administrators of this plan.

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

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

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

Effective Prior to March 1, 1987

Normal Form of Pension

The benefit formula provides for a life annuity benefit with a guaranteed death benefit equal to the present value of the remaining benefits. However, each participant married at retirement who does

Effective March 1, 1987

Single life annuity benefit

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not elect otherwise will receive a joint annuity in a reduced amount for a 50% continuation to a surviving spouse

Summary of Significant Accounting Policies and Plan Asset Matters:

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

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

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

Schedule of Employer Contributions:

Fiscal Year Ended	Annual Pension Cost	Annual Actual Contributions	Percentage Contributed	Net Pension Obligation
6/30/2011	\$5,392,847	\$5,269,416	98%	\$1,541,495
6/30/2012	5,503,242	5,447,350	99%	1,597,387
6/30/2013	5,592,518	5,585,199	100%	1,604,706

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

Annual required contribution	\$ 5,560,199
Interest on net pension obligation	119,804
Adjustment to annual required contribution	<u>(87,485)</u>
Annual pension cost (expense)	5,592,518
Contributions made	<u>(5,585,199)</u>
Increase (decrease) in net pension obligation	7,319
Net pension obligation-beginning of year	<u>1,597,387</u>
Net pension obligation-end of year	<u><u>\$ 1,604,706</u></u>

Entry age normal actuarial cost method is used to establish the actuarial position of the plan and to determine an appropriate level of contributions for all benefits except death and disability. Employer contributions represented 14.5 percent of the current year covered payroll. Employees are required to contribute 4% of gross wages. The actuarially determined contribution recommendation of 15.7 percent was based on the 2013 fiscal

**CITY OF MARIETTA, GEORGIA  
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year projected payroll determined through an actuarial valuation performed at July 1, 2012. Total employer and employee contributions to the general pension plan for the fiscal year ended June 30, 2013 were \$5,585,199 and \$1,240,277 respectively.

As of July 1, 2012, the date of the most recent actuarial valuation, employee membership data relevant to the pension plan was as follows:

Number of retirees and beneficiaries currently receiving benefits	420
Number of terminated employees entitled to benefits but not yet receiving them	314
Active employees:	
Fully Vested	556
Nonvested	<u>152</u>
Total plan participants	<u>708</u>

Actuarial assumptions used in the valuation at July 1, 2012 include the following:

Amortization Method	Level percent of payroll, assuming 3.5% per year increase.
Actuarial Value of Assets	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five year period, further adjusted, if necessary, to be within 20% of the market value.
Remaining Amortization Period	Amortization period is closed - 30 years
Investment Rate of Return	7.5%
Projected Salary Increase	0%
Cost of Living	3.0%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Ten-year historical trend information presenting the General Pension Plan progress in accumulating sufficient assets to pay benefits when due is presented in The City of Marietta, Georgia Public Employees Retirement System Annual Financial Report for the fiscal year ended June 30, 2013, which may be obtained from the City of Marietta Finance Department.

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2012	84,501,429	152,018,875	55.6%	67,517,446	32,890,116	205%

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 \$144,227 to the Peace Officers' Annuity and Benefit Fund for the year ended June 30, 2013. 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, 2011 there were 333 retirees and spouses receiving benefits, and 684 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 2013, the City contributed \$2,271,090 to the plan. If hired before August 14, 1991,

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

100% of the cost of employee health insurance premiums will be paid by the City. Amounts paid by the City for employees hired subsequent to August 14, 1991 are based on years of service and the date of hire and are as follow:

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

<u>Schedule of Employer Contributions:</u>				
<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Actual Contributions</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 12,764,579	\$ 2,261,335	18%	\$ 28,742,400
6/30/2012	4,707,933	3,062,489	65%	30,387,844
6/30/2013	5,041,501	2,271,090	45%	33,158,255

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	\$ 5,202,882
Interest on net OPEB obligation	1,309,180
Adjustment to annual required contribution	(1,470,561)
Annual OPEB cost (expense)	5,041,501
Contributions made	(2,271,090)
Increase in net OPEB obligation	2,770,411
Net OPEB obligation-beginning of year	30,387,844
Net OPEB obligation-end of year	\$ 33,158,255

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

	(1)	(2)	(3)	(4)	(5)	(6)	
						UAAL as a Percentage of	
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability	Accrued (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	Covered Payroll (4)/(5)
7/1/2011	\$ 678,223	\$ 78,889,704		0.86%	\$ 78,211,481	\$ 34,831,719	224.5%

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	7/1/2011
Actuarial cost method	Projected unit credit with benefits attributed From date of hire to date of decrement
Amortization method	Level dollar, closed
Remaining amortization period	28 years
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	4%
Annual inflation	3.5%
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.

**(12) RISK MANAGEMENT**

The City has established a limited risk management program for group health and medical, property and casualty, and workers' compensation coverage for exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Excess coverage policies are maintained by the City to limit the potential liability of the City for extremely large claims. Premiums are paid by other funds into the Self-Insurance Internal Service Fund and are available to pay claims, excess coverage premiums to third party insurers, and administrative expenses. There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceeded the City's insurance coverage during the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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:

	<u>Year Ending June 30, 2013</u>	<u>Year Ending June 30, 2012</u>
Claims and judgments payable, beginning of fiscal year	\$ 2,334,853	\$ 2,609,984
Incurred claims	11,646,272	11,153,020
Claim payments	(11,017,414)	(11,428,151)
Claims and judgments payable, end of fiscal year	<u>\$ 2,963,711</u>	<u>\$ 2,334,853</u>

**(13) MUNICIPAL TRUSTS**

In 1999, the City, along with other participating municipalities, entered into an agreement with the Municipal Electric Authority of Georgia ("MEAG") which created a trust referred to as the Municipal Competitive Trust (MCT). The purpose of the MCT was to provide a means for MEAG and the participating municipalities to accumulate funds for the purpose of mitigating the effect of anticipated changes in the electric industry involving completions for retail electric power supply. Subsequent amendments to the agreement called for drawdowns from the MCT, which commenced in January 2009, and extend through approximately December 2018. The withdrawals of \$8,925,990 for the fiscal year ending June 30, 2013 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 2013, the City has deposited \$2,506,729 into this Funding Account. These funds have been collected from customers and are reflected as unearned revenues on the balance sheet.

**(15) JOINT VENTURE**

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

**CITY OF MARIETTA, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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**(16) EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds had expenditures in excess of appropriations for the fiscal year ended June 30, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
HUD Housing Assistance Payments Program	\$ 101,817	\$ 107,428	\$ (5,611)
HUD Community Development Block Grant	22,550	198,650	(176,100)
Cemetery Maintenance Fund	285,924	305,849	(19,925)

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

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A) PUBLIC EMPLOYEE RETIREMENT SYSTEM

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

	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	UAAL as a Percentage of Covered Payroll
7/1/2010	\$ 73,973,652	\$ 152,018,875	48.7%	\$ 78,045,223	237%
7/1/2011	81,425,774	147,636,222	55.2%	66,210,448	197%
7/1/2012	84,501,429	152,018,875	55.6%	67,517,446	205%

B) POST EMPLOYMENT HEALTHCARE PLAN

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

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2)-(1)	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	\$ 52,000	\$ 155,919,000	0.03%	\$ 155,867,000	\$ 31,580,119	493.6%
7/1/2011	678,223	78,889,704	0.86%	78,211,481	34,831,719	224.5%

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

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

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Actual Contributions</u>	<u>Percentage Contributed</u>
6/30/2008	\$ 6,399,000	\$ 2,272,000	36%
6/30/2009	6,571,000	2,451,000	37%
6/30/2010	12,350,000	2,408,844	20%
6/30/2011	12,713,000	2,261,335	18%
6/30/2012	5,085,836	3,062,489	60%
6/30/2013	5,202,882	2,271,090	44%

**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, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 16,622,676	\$ 16,940,600	\$ 16,984,386	\$ 43,786
Licenses and permits	5,671,073	5,671,073	5,608,232	(62,841)
Intergovernmental	1,502,510	8,686,217	4,194,023	(4,492,194)
Charges for services	4,030,362	4,037,787	4,193,859	156,072
Fines and forfeits	3,767,000	3,767,000	4,074,134	307,134
Investment earnings	75,000	75,000	126,961	51,961
Other	564,320	596,784	670,793	74,009
<b>Total revenues</b>	<b>32,232,941</b>	<b>39,774,461</b>	<b>35,852,388</b>	<b>(3,922,073)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>General administration:</b>				
Legislative	407,863	408,131	407,760	371
Judicial	1,129,153	1,127,072	1,126,848	224
Executive	872,399	884,385	883,767	618
Law	525,000	566,788	556,720	10,068
Financial administration	1,832,950	1,797,124	1,796,873	251
Human resources	812,979	791,531	790,696	835
Planning and zoning	1,935,012	1,887,135	1,707,787	179,348
Public works	7,287,475	15,445,385	11,053,111	4,392,274
Culture and recreation	4,632,938	6,732,770	6,166,518	566,252
<b>Public safety:</b>				
Police	14,015,129	15,254,597	14,132,217	1,122,380
Fire	11,304,296	11,211,630	11,124,223	87,407
<b>Debt Service:</b>				
Principal retirement	1,530,660	1,530,660	1,530,660	-
Interest and fiscal charges	1,318,732	1,318,732	1,318,731	1
<b>Total expenditures</b>	<b>47,604,586</b>	<b>58,955,940</b>	<b>52,595,911</b>	<b>6,360,029</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(15,371,645)</b>	<b>(19,181,479)</b>	<b>(16,743,523)</b>	<b>(2,437,956)</b>
<b>Other financing sources (uses):</b>				
Sales of capital assets	185,000	191,089	150,629	(40,460)
Transfers in	19,300,802	16,610,949	17,202,964	592,015
Transfers out	(4,485,927)	(3,240,705)	(3,368,788)	(128,083)
<b>Total other financing sources (uses)</b>	<b>14,999,875</b>	<b>13,561,333</b>	<b>13,984,805</b>	<b>423,472</b>
<b>Net change in fund balance</b>	<b>\$ (371,770)</b>	<b>\$ (5,620,146)</b>	<b>(2,758,718)</b>	<b>(2,014,484)</b>
<b>Reconciliation to GAAP basis:</b>				
Encumbrances outstanding at end of year			1,540,346	
Fund balances at beginning of year - GAAP basis			49,846,094	
Fund balances at end of year - GAAP basis			<u>\$ 48,627,722</u>	

**CITY OF MARIETTA, GEORGIA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013**

	Special Revenue	Local Option Sales Tax	Debt Service	Total Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$1,882,918	\$ 383,694	\$2,358,955	\$ 4,625,567
Cash with fiscal agent	940,783	-	-	940,783
Investments	68,334	-	3,733,528	3,801,862
Receivables, net	247,748	-	97,550	345,298
Due from other governments	57,062	-	27,807	84,869
	<u>\$3,196,845</u>	<u>\$ 383,694</u>	<u>\$6,217,840</u>	<u>\$ 9,798,379</u>
<u>Liabilities and fund balances</u>				
Liabilities:				
Accounts payable	\$ 92,381	\$ 6	\$ 19	\$ 92,406
Accrued liabilities	14,413	-	-	14,413
Due to other funds	259,218	-	-	259,218
Unavailable revenue	18,712	-	80,867	99,579
	<u>384,724</u>	<u>6</u>	<u>80,886</u>	<u>465,616</u>
Fund balances:				
Restricted	2,813,251	383,688	6,136,954	9,333,893
Unassigned	(1,130)	-	-	(1,130)
	<u>2,812,121</u>	<u>383,688</u>	<u>6,136,954</u>	<u>9,332,763</u>
Total fund balances	<u>2,812,121</u>	<u>383,688</u>	<u>6,136,954</u>	<u>9,332,763</u>
Total liabilities and fund balances	<u>\$3,196,845</u>	<u>\$ 383,694</u>	<u>\$6,217,840</u>	<u>\$ 9,798,379</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Special Revenue	Local Option Sales Tax	Debt Service	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 2,679,841	\$ -	\$ 3,100,333	\$ 5,780,174
Intergovernmental	5,649,415	-	3,694,625	9,344,040
Investment earnings	3,774	54	18,580	22,408
Total revenues	<u>8,333,030</u>	<u>54</u>	<u>6,813,538</u>	<u>15,146,622</u>
Expenditures:				
Current:				
Public works	332,062	-	-	332,062
Urban redevelopment and housing	5,742,352	-	-	5,742,352
Debt service:				
Principal retirement	588,266	-	5,005,000	5,593,266
Interest and fiscal charges	262,889	-	2,097,175	2,360,064
Total expenditures	<u>6,925,569</u>	<u>-</u>	<u>7,102,175</u>	<u>14,027,744</u>
Excess (deficiency) of revenues over expenditures	<u>1,407,461</u>	<u>54</u>	<u>(288,637)</u>	<u>1,118,878</u>
Other financing sources (uses):				
Transfers out	<u>(2,475,590)</u>	<u>-</u>	<u>(25,236)</u>	<u>(2,500,826)</u>
Total other financing sources (uses)	<u>(2,475,590)</u>	<u>-</u>	<u>(25,236)</u>	<u>(2,500,826)</u>
Net change in fund balance	<u>(1,068,129)</u>	<u>54</u>	<u>(313,873)</u>	<u>(1,381,948)</u>
Fund balances at beginning of year	<u>3,880,250</u>	<u>383,634</u>	<u>6,450,827</u>	<u>10,714,711</u>
Fund balances at end of year	<u>\$ 2,812,121</u>	<u>\$ 383,688</u>	<u>\$ 6,136,954</u>	<u>\$ 9,332,763</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**HUD- HOUSING ASSISTANCE PAYMENTS PROGRAM**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE- BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,378,792	\$4,801,680	\$ 422,888
Expenditures- urban redevelopment and housing:			
Current:			
Personal services	573,397	573,313	84
Operating	101,817	107,428	(5,611)
Capital outlay	20,590	20,590	-
Housing assistance payments	4,678,428	4,670,555	7,873
Total expenditures	5,374,232	5,371,886	2,346
Excess (deficiency) of revenues over expenditures	(995,440)	(570,206)	425,234
Other financing sources (uses):			
Transfers out	(46,369)	(46,369)	-
Net change in fund balance	<u>\$(1,041,809)</u>	(616,575)	<u>\$ 425,234</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		639	
Fund balance at beginning of year - GAAP basis		<u>1,086,843</u>	
Fund balance at end of year - GAAP basis		<u>\$ 470,907</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 205,805	\$372,037	\$ 166,232
Total revenues	<u>205,805</u>	<u>372,037</u>	<u>166,232</u>
Expenditures - urban redevelopment and housing:			
Current:			
Personal services	182,754	172,455	10,299
Operating services	22,550	198,650	(176,100)
Total expenditures	<u>205,304</u>	<u>371,105</u>	<u>(165,801)</u>
Excess (deficiency) of revenues over expenditures	<u>501</u>	<u>932</u>	<u>431</u>
Other financing sources (uses)			
Transfers out	<u>(501)</u>	<u>(501)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	431	<u>\$ 431</u>
Fund balance at beginning of year - GAAP basis		<u>(1,561)</u>	
Fund balance at end of year - GAAP basis		<u>\$ (1,130)</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, 2013**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$ 901,500	\$ 529,723	\$ (371,777)
Investment earnings	1,500	1,872	372
Total revenues	<u>903,000</u>	<u>531,595</u>	<u>(371,405)</u>
Expenditures- urban redevelopment and housing:			
Current:			
Capital outlay	242,888	-	242,888
Debt service:			
Principal retirement	588,266	588,266	-
Interest & fiscal charges	262,889	262,889	-
Total expenditures	<u>1,094,043</u>	<u>851,155</u>	<u>242,888</u>
Net change in fund balance	<u>\$ (191,043)</u>	(319,560)	<u>\$ (128,517)</u>
Reconciliation to GAAP basis:			
Fund balance at beginning of year		<u>2,595,363</u>	
Fund balance at end of year		<u>\$ 2,275,803</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Taxes	\$ 209,500	\$ 197,096	\$ (12,404)
Investment earnings	2,000	1,902	(98)
Total revenues	<u>211,500</u>	<u>198,998</u>	<u>(12,502)</u>
Expenditures - public works:			
Current:			
Personal services	99,923	77,043	22,880
Operating services	285,924	305,849	(19,925)
Total expenditures	<u>385,847</u>	<u>382,892</u>	<u>2,955</u>
Excess (deficiency) of revenues over expenditures	<u>\$(174,347)</u>	(183,894)	<u>\$ (9,547)</u>
Reconciliation to GAAP basis:			
Encumbrances outstanding at end of year		50,830	
Fund balances at beginning of year - GAAP basis		<u>194,397</u>	
Fund balance at end of year - GAAP basis		<u>\$ 61,333</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, 2013**

	Budget	Actual	Variance with Final Budget - Positive(Negative)
Revenues:			
Taxes	\$2,049,274	\$2,049,274	\$ -
Total revenues	2,049,274	2,049,274	-
Other financing sources (uses)			
Transfer out	(2,049,274)	(2,049,274)	-
Net change in fund balance	<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  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE- BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive(Negative)</u>
Revenues:			
Taxes	<u>\$379,446</u>	<u>\$379,446</u>	<u>\$ -</u>
Total revenues	<u>379,446</u>	<u>379,446</u>	<u>-</u>
Other financing sources (uses)			
Transfer out	<u>(379,446)</u>	<u>(379,446)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit) at beginning of year		<u>-</u>	
Fund balance (deficit) at end of year		<u>\$ -</u>	

**CITY OF MARIETTA, GEORGIA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:			
Taxes	\$ 2,997,500	\$ 3,100,333	\$ 102,833
Intergovernmental	3,694,625	3,694,625	-
Investment earnings	22,000	18,580	(3,420)
Total revenues	<u>6,714,125</u>	<u>6,813,538</u>	<u>99,413</u>
Expenditures:			
Debt Service:			
Principal retirement	5,005,000	5,005,000	-
Interest and fiscal charges	<u>2,097,300</u>	<u>2,097,175</u>	<u>125</u>
Total expenditures	<u>7,102,300</u>	<u>7,102,175</u>	<u>125</u>
Excess (deficiency) of revenues over expenditures	<u>(388,175)</u>	<u>(288,637)</u>	<u>99,538</u>
Other financing sources (uses):			
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>(25,236)</u>	<u>-</u>
Net change in fund balance	<u>\$ (413,411)</u>	(313,873)	<u>\$ 99,538</u>
Fund balance at beginning of year		<u>6,450,827</u>	
Fund balance at end of year		<u>\$ 6,136,954</u>	

**CITY OF MARIETTA, GEORGIA  
LOCAL OPTION SALES TAX  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Capital projects	127,114	-	127,114
Total expenditures	<u>127,114</u>	<u>-</u>	<u>127,114</u>
Net change in fund balance	<u><u>\$(127,114)</u></u>	-	<u><u>\$ 127,114</u></u>
Reconciliation to GAAP basis:			
Unbudgeted investment earnings		54	
Fund balance at beginning of year - GAAP basis		<u>383,634</u>	
Fund balance at end of year - GAAP basis		<u><u>\$383,688</u></u>	

**CITY OF MARIETTA, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	Self- Insurance	Motor Transport	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$2,256,209	\$ -	\$2,256,209
Investments	7,222,489	-	7,222,489
Receivables, net	189,224	-	189,224
Due from other governments	-	2,351	2,351
Inventories	-	84,653	84,653
Total current assets	<u>9,667,922</u>	<u>87,004</u>	<u>9,754,926</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>-</u>	<u>(1,027,406)</u>	<u>(1,027,406)</u>
Net property, plant and equipment	<u>-</u>	<u>934,864</u>	<u>934,864</u>
Total assets	<u>9,667,922</u>	<u>1,021,868</u>	<u>10,689,790</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	282,398	87,895	370,293
Claims and judgements payable	2,963,711	-	2,963,711
Accrued salaries	-	14,073	14,073
Accrued compensated absences	-	10,887	10,887
Due to other funds	<u>6,872,553</u>	<u>897,637</u>	<u>7,770,190</u>
Total current liabilities	<u>10,118,662</u>	<u>1,010,492</u>	<u>11,129,154</u>
Long-term liabilities (net of current portion):			
Accrued compensated absences	<u>-</u>	<u>19,914</u>	<u>19,914</u>
Total liabilities	<u>10,118,662</u>	<u>1,030,406</u>	<u>11,149,068</u>
<u>NET POSITION</u>			
Net investment in capital assets	-	934,864	934,864
Unrestricted	<u>(450,740)</u>	<u>(943,402)</u>	<u>(1,394,142)</u>
Total net position	<u>\$ (450,740)</u>	<u>\$ (8,538)</u>	<u>\$ (459,278)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Self- Insurance	Motor Transport	Total
Operating revenues:			
Charges for services	\$ -	\$ 3,233,648	\$ 3,233,648
Contributions	9,331,414	-	9,331,414
Other	113,030	-	113,030
Total operating revenues	<u>9,444,444</u>	<u>3,233,648</u>	<u>12,678,092</u>
Operating expenses:			
Personal services	-	726,436	726,436
Operating services	1,076,743	2,530,433	3,607,176
Depreciation	-	124,494	124,494
Benefits and claims	11,646,272	-	11,646,272
Total operating expenses	<u>12,723,015</u>	<u>3,381,363</u>	<u>16,104,378</u>
Operating income (loss)	<u>(3,278,571)</u>	<u>(147,715)</u>	<u>(3,426,286)</u>
Nonoperating revenues (expenses) :			
Investment earnings	33,716	-	33,716
Total nonoperating revenues (expenses)	<u>33,716</u>	<u>-</u>	<u>33,716</u>
Transfers:			
Transfers in	2,393,826	-	2,393,826
Transfers out	(55,251)	(19,803)	(75,054)
Total transfers	<u>2,338,575</u>	<u>(19,803)</u>	<u>2,318,772</u>
Change in net position	(906,280)	(167,518)	(1,073,798)
Net position at beginning of year	455,540	158,980	614,520
Net position at end of year	<u>\$ (450,740)</u>	<u>\$ (8,538)</u>	<u>\$ (459,278)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Self- Insurance	Motor Transport	Total
Cash flow from operating activities:			
Cash received from contributions and services provided	\$ 9,324,692	\$ 3,236,833	\$ 12,561,525
Cash payments for goods and services	(1,111,079)	(2,336,727)	(3,447,806)
Cash payments for employee services and fringes	-	(725,262)	(725,262)
Cash payments for benefits and claims	(11,017,414)	-	(11,017,414)
Cash received (payments) for other operating activities	113,030	-	113,030
Cash received from (payments to) other funds	1,015,876	-	1,015,876
Net Cash from (to) operating activities	<u>(1,674,895)</u>	<u>174,844</u>	<u>(1,500,051)</u>
Cash flows from noncapital financing activities			
Transfers in	2,393,826	-	2,393,826
Transfers out	(55,251)	(19,803)	(75,054)
Net transfers in (out) from noncapital financing activities	<u>2,338,575</u>	<u>(19,803)</u>	<u>2,318,772</u>
Cash flows from capital and related financing activities			
Payments for capital acquisitions	-	(155,041)	(155,041)
Net cash from (to) capital and related financing activities	<u>-</u>	<u>(155,041)</u>	<u>(155,041)</u>
Cash flows from investing activities			
Interest received	12,437	-	12,437
Investments (purchased) sold	1,520,976	-	1,520,976
Net cash from (to) investing activities	<u>1,533,413</u>	<u>-</u>	<u>1,533,413</u>
Net increase (decrease) in cash and cash equivalents	2,197,093	-	2,197,093
Cash and cash equivalents at beginning of year	59,116	-	59,116
Cash and cash equivalents at end of year	<u>\$ 2,256,209</u>	<u>\$ -</u>	<u>\$ 2,256,209</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ (3,278,571)	\$ (147,715)	\$ (3,426,286)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	-	124,494	124,494
Changes in assets and liabilities:			
(Increase) decrease in contributions receivable	(6,722)	-	(6,722)
(Increase) decrease in due from other governments	-	3,185	3,185
(Increase) decrease in inventories	-	26,232	26,232
Increase (decrease) in accounts payable	(34,336)	21,614	(12,722)
Increase (decrease) in accrued salaries	-	512	512
Increase (decrease) in accrued compensated absences	-	662	662
Increase (decrease) in due to other funds	1,015,876	145,860	1,161,736
Increase (decrease) in claims and judgements payable	628,858	-	628,858
Net cash from (to) operating activities	<u>\$ (1,674,895)</u>	<u>\$ 174,844</u>	<u>\$ (1,500,051)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
CITY SCHOOLS AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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	<u>July 01, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>
Assets				
Cash	\$ 448,588	\$ 50,807,467	\$ (50,822,952)	\$ 433,103
Receivable from other governments	254,709	2,073,925	(1,939,107)	389,527
Uncollected taxes	<u>1,497,988</u>	<u>70,725,123</u>	<u>(71,056,760)</u>	<u>1,166,351</u>
Total assets	<u>\$ 2,201,285</u>	<u>\$ 123,606,515</u>	<u>\$ (123,818,819)</u>	<u>\$ 1,988,981</u>
Liabilities - due to others	<u>\$ 2,201,285</u>	<u>\$ 123,606,516</u>	<u>\$ (123,818,820)</u>	<u>\$ 1,988,981</u>

**CITY OF MARIETTA, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 9,066,879	\$ 3,932,194
Cash with fiscal agent	500	-
Investments	15,698,820	10,409,466
Receivables (net of allowance for estimated uncollectibles):		
Taxes	158,154	210,050
Sanitation	157,416	144,065
Other	559,593	646,977
Prepaid items	31,229	2,165,476
Due from other funds	168,582	6,156,533
Due from other governments	1,722,291	398,862
Inventories	31,169	27,312
Advances to other funds	<u>24,659,110</u>	<u>28,235,139</u>
 Total assets	 <u>\$ 52,253,743</u>	 <u>\$ 52,326,074</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,469,243	\$ 1,474,673
Retainage payable	36,020	-
Accrued salaries and employee benefits	618,975	672,334
Due to other funds	870,045	127,968
Due to other governments	620	-
Unavailable revenue	134,858	-
Deferred revenue	<u>496,260</u>	<u>205,005</u>
 Total liabilities	 <u>3,626,021</u>	 <u>2,479,980</u>
Fund balance:		
Nonspendable	24,721,508	30,427,927
Restricted	3,674,750	3,082,229
Committed	9,220	995,174
Assigned	5,037,697	1,578,324
Unassigned	<u>15,184,547</u>	<u>13,762,440</u>
 Total fund balance	 <u>48,627,722</u>	 <u>49,846,094</u>
 Total liabilities and fund balance	 <u>\$ 52,253,743</u>	 <u>\$ 52,326,074</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$ 16,984,386	\$ 16,486,401
Licenses and permits	5,608,232	5,691,038
Intergovernmental	4,194,023	3,858,418
Charges for services	4,193,859	4,027,807
Fines and forfeits	4,074,134	4,326,335
Investment earnings	126,961	102,075
Other	670,793	760,671
	<u>35,852,388</u>	<u>35,252,745</u>
Expenditures:		
Current:		
General government	7,171,903	7,810,348
Public works	10,235,807	7,349,286
Culture and recreation	5,864,289	5,825,443
Public safety	24,934,175	25,575,436
Debt service:		
Principal retirement	1,530,660	1,487,706
Interest and fiscal charges	1,318,731	1,371,794
	<u>51,055,565</u>	<u>49,420,013</u>
Excess (deficiency) of revenues over expenditures	<u>(15,203,177)</u>	<u>(14,167,268)</u>
Other financing sources (uses):		
Sale of capital assets	150,629	140,370
Transfers in	17,202,964	25,518,231
Transfers out	(3,368,788)	(2,930,580)
	<u>13,984,805</u>	<u>22,728,021</u>
Net change in fund balance	(1,218,372)	8,560,753
Fund balance at beginning of year	<u>49,846,094</u>	<u>41,285,341</u>
Fund balance at end of year	<u>\$ 48,627,722</u>	<u>\$ 49,846,094</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
SPECIAL PURPOSE LOCAL OPTION SALES TAX  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 8,464,895	\$ 4,212,590
Investments	3,979,962	4,006,481
Receivables:		
Accrued interest	6,735	9,826
Due from other governments	<u>988,451</u>	<u>2,106,980</u>
Total assets	<u><u>\$13,440,043</u></u>	<u><u>\$ 10,335,877</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 639,059	\$ 895,860
Retainage payable	<u>88,238</u>	<u>498,615</u>
Total liabilities	<u>727,297</u>	<u>1,394,475</u>
Fund balance:		
Restricted	<u>12,712,746</u>	<u>8,941,402</u>
Total fund balance	<u>12,712,746</u>	<u>8,941,402</u>
Total liabilities and fund balance	<u><u>\$13,440,043</u></u>	<u><u>\$ 10,335,877</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
SPECIAL PURPOSE LOCAL OPTION SALES TAX  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Investment earnings	\$ -	\$ 29,660
Intergovernmental	<u>11,840,060</u>	<u>10,931,162</u>
Total revenues	<u>11,840,060</u>	<u>10,960,822</u>
Expenditures:		
Current:		
Operating services	254,050	247,329
Capital projects	7,822,026	8,775,995
Debt Service		
Principal retirement	-	5,370,000
Interest and fiscal charges	<u>-</u>	<u>197,004</u>
Total expenditures	<u>8,076,076</u>	<u>14,590,328</u>
Excess (deficiency) of revenues over expenditures	<u>3,763,984</u>	<u>(3,629,506)</u>
Other financing sources (uses):		
Transfers in	7,360	-
Transfers out	<u>-</u>	<u>(282,457)</u>
Total other financing sources (uses)	<u>7,360</u>	<u>(282,457)</u>
Net change in fund balance	<u>3,771,344</u>	<u>(3,911,963)</u>
Fund balance at beginning of year	<u>8,941,402</u>	<u>12,853,365</u>
Fund balance at end of year	<u><u>\$ 12,712,746</u></u>	<u><u>\$ 8,941,402</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
CITY PARKS BOND  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,003,657	\$ 658,968
Investments	13,280,098	18,237,275
Receivables:		
Accrued interest	<u>21,175</u>	<u>31,276</u>
Total assets	<u><u>\$15,304,930</u></u>	<u><u>\$ 18,927,519</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 13,513	\$ 486,556
Retainage payable	<u>15,519</u>	<u>59,528</u>
Total liabilities	<u>29,032</u>	<u>546,084</u>
Fund balance:		
Restricted	<u>15,275,898</u>	<u>18,381,435</u>
Total fund balance	<u>15,275,898</u>	<u>18,381,435</u>
Total liabilities and fund balance	<u><u>\$15,304,930</u></u>	<u><u>\$ 18,927,519</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
CITY PARKS BOND  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Investment earnings	\$ 48,760	\$ 43,742
Miscellaneous revenue	<u>8,050</u>	<u>18,260</u>
Total revenues	<u>56,810</u>	<u>62,002</u>
Expenditures:		
Current:		
Operating services	91,964	90,500
Capital projects	<u>3,070,383</u>	<u>3,713,610</u>
Total expenditures	<u>3,162,347</u>	<u>3,804,110</u>
Excess (deficiency) of revenues over expenditures	<u>(3,105,537)</u>	<u>(3,742,108)</u>
Net change in fund balance	(3,105,537)	(3,742,108)
Fund balance at beginning of year	<u>18,381,435</u>	<u>22,123,543</u>
Fund balance at end of year	<u>\$ 15,275,898</u>	<u>\$ 18,381,435</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM**  
**SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEET**  
**JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$524,996	\$ 1,021,459
Due from other governments	8,475	153,267
Total assets	<u>\$533,471</u>	<u>\$ 1,174,726</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 52,634	\$ 25,432
Accrued salaries and employee benefits	9,930	14,084
Due to other funds	-	48,199
Unavailable revenue	-	168
Total liabilities	<u>62,564</u>	<u>87,883</u>
Fund balance:		
Restricted	<u>470,907</u>	<u>1,086,843</u>
Total fund balance	<u>470,907</u>	<u>1,086,843</u>
Total liabilities and fund balance	<u>\$533,471</u>	<u>\$ 1,174,726</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 HUD - HOUSING ASSISTANCE PAYMENTS PROGRAM  
 SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$4,801,680	\$ 5,306,111
Total revenues	<u>4,801,680</u>	<u>5,306,111</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	573,313	683,105
Operating	106,789	111,332
Capital outlay	20,590	210,552
Housing assistance payments	<u>4,670,555</u>	<u>4,760,641</u>
Total expenditures	<u>5,371,247</u>	<u>5,765,630</u>
Excess (deficiency) of revenues over expenditures	<u>(569,567)</u>	<u>(459,519)</u>
Other financing sources (uses):		
Proceeds from sale of capital assets	-	67
Transfers out	<u>(46,369)</u>	<u>(169,219)</u>
Total other financing sources (uses)	<u>(46,369)</u>	<u>(169,152)</u>
Net change in fund balance	<u>(615,936)</u>	<u>(628,671)</u>
Fund balance at beginning of year	<u>1,086,843</u>	<u>1,715,514</u>
Fund balance at end of year	<u>\$ 470,907</u>	<u>\$ 1,086,843</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 HUD - COMMUNITY DEVELOPMENT BLOCK GRANT  
 SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEET  
 JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Due from other governments	\$ 34,639	\$ 41,017
Total assets	<u>\$ 34,639</u>	<u>\$ 41,017</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accrued salaries and employee benefits	\$ 3,531	\$ 3,441
Due to other funds	<u>32,238</u>	<u>39,137</u>
Total liabilities	<u>35,769</u>	<u>42,578</u>
Fund balance:		
Unassigned	<u>(1,130)</u>	<u>(1,561)</u>
Total fund balance	<u>(1,130)</u>	<u>(1,561)</u>
Total liabilities and fund balance	<u>\$ 34,639</u>	<u>\$ 41,017</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 HUD - COMMUNITY DEVELOPMENT BLOCK GRANT  
 SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	<u>\$372,037</u>	<u>\$ 395,224</u>
Expenditures - urban redevelopment and housing:		
Current:		
Personal services	172,455	170,157
Operating services	<u>198,650</u>	<u>230,551</u>
Total expenditures	<u>371,105</u>	<u>400,708</u>
Excess (deficiency) of revenues over expenditures	<u>932</u>	<u>(5,484)</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	431	(5,985)
Fund balance at beginning of year	<u>(1,561)</u>	<u>4,424</u>
Fund balance at end of year	<u>\$ (1,130)</u>	<u>\$ (1,561)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
TAX ALLOCATION DISTRICT  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash with fiscal agent	\$ 940,783	\$ 939,609
Cash and cash equivalents	1,320,775	1,650,764
Receivables (net of allowance for estimated uncollectibles):		
Taxes receivable, net	16,304	6,332
Due from other governments	<u>13,019</u>	<u>41,038</u>
Total assets	<u>\$ 2,290,881</u>	<u>\$ 2,637,743</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Unearned revenue	<u>\$ 15,078</u>	<u>\$ 42,380</u>
Total liabilities	<u>15,078</u>	<u>42,380</u>
Fund balance:		
Restricted	<u>2,275,803</u>	<u>2,595,363</u>
Total fund balance	<u>2,275,803</u>	<u>2,595,363</u>
Total liabilities and fund balance	<u>\$ 2,290,881</u>	<u>\$ 2,637,743</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
TAX ALLOCATION DISTRICT  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$ 54,025	\$ 89,127
Intergovernmental	475,698	649,325
Investment earnings	<u>1,872</u>	<u>1,875</u>
Total revenues	<u>531,595</u>	<u>740,327</u>
Expenditures - urban redevelopment and housing:		
Current:		
Capital outlay	-	24,874
Debt service:		
Principal retirement	588,266	564,610
Interest & fiscal charges	<u>262,889</u>	<u>286,545</u>
Total expenditures	<u>851,155</u>	<u>876,029</u>
Excess (deficiency) of revenues over expenditures	<u>(319,560)</u>	<u>(135,702)</u>
Net change in fund balance	(319,560)	(135,702)
Fund balance at beginning of year	<u>2,595,363</u>	<u>2,731,065</u>
Fund balance at end of year	<u><u>\$2,275,803</u></u>	<u><u>\$ 2,595,363</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
CEMETERY MAINTENANCE  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 31,939	\$ -
Investments	68,334	242,282
Receivables, net:		
Taxes	4,274	5,946
Interest	190	372
Due from other governments	929	924
	<u>929</u>	<u>924</u>
Total assets	<u>\$ 105,666</u>	<u>\$ 249,524</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 39,747	\$ 4,941
Accrued salaries and employee benefits	952	1,476
Due to other funds	-	43,938
Unavailable revenue	3,634	4,772
	<u>3,634</u>	<u>4,772</u>
Total liabilities	<u>44,333</u>	<u>55,127</u>
Fund balance:		
Restricted	<u>61,333</u>	<u>194,397</u>
Total fund balance	<u>61,333</u>	<u>194,397</u>
Total liabilities and fund balance	<u>\$ 105,666</u>	<u>\$ 249,524</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
CEMETERY MAINTENANCE  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$197,096	\$201,534
Investment earnings	<u>1,902</u>	<u>1,214</u>
Total revenues	<u>198,998</u>	<u>202,748</u>
Expenditures - public works:		
Current:		
Personal services	77,043	86,800
Operating services	<u>255,019</u>	<u>399,338</u>
Total expenditures	<u>332,062</u>	<u>486,138</u>
Excess (deficiency) of revenues over expenditures	(133,064)	(283,390)
Fund balance at beginning of year	<u>194,397</u>	<u>477,787</u>
Fund balance at end of year	<u><u>\$ 61,333</u></u>	<u><u>\$194,397</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 LOCAL LAW ENFORCEMENT BLOCK GRANT  
 SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEET  
 JUNE 30, 2013 AND 2012**

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	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	<u>\$ 5,208</u>	<u>\$ 5,208</u>
Total assets	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>
<u>FUND BALANCE</u>		
Fund balance:		
Restricted	<u>\$ 5,208</u>	<u>\$ 5,208</u>
Total fund balance	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
LOCAL LAW ENFORCEMENT BLOCK GRANT  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

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	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$ -	\$ 37
Total revenues	<u>-</u>	<u>37</u>
Expenditures - public safety:		
Current:		
Capital outlay	<u>-</u>	<u>36</u>
Total expenditures	<u>-</u>	<u>36</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1</u>
Net change in fund balance	-	1
Fund balance at beginning of year	<u>5,208</u>	<u>5,207</u>
Fund balance at end of year	<u><u>\$ 5,208</u></u>	<u><u>\$ 5,208</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
HOTEL MOTEL TAX FUND  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	<u>\$193,050</u>	<u>\$193,050</u>
Total assets	<u>\$193,050</u>	<u>\$193,050</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	<u>\$193,050</u>	<u>\$193,050</u>
Total liabilities	<u>193,050</u>	<u>193,050</u>
Fund balance:		
Restricted	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$193,050</u>	<u>\$193,050</u>

**CITY OF MARIETTA, GEORGIA**  
**HOTEL MOTEL TAX FUND**  
**SPECIAL REVENUE FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	<u>\$2,049,274</u>	<u>\$ 1,823,699</u>
Total revenues	<u>2,049,274</u>	<u>1,823,699</u>
Other financing sources (uses)		
Transfers out	<u>(2,049,274)</u>	<u>(1,823,699)</u>
Total other financing sources (uses)	<u>(2,049,274)</u>	<u>(1,823,699)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 AUTO RENTAL TAX FUND  
 SPECIAL REVENUE FUND  
 COMPARATIVE BALANCE SHEET  
 JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Receivables (net of allowance for estimated uncollectibles):		
Taxes	<u>\$ 33,930</u>	<u>\$ 33,930</u>
Total assets	<u><u>\$ 33,930</u></u>	<u><u>\$ 33,930</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	<u>\$ 33,930</u>	<u>\$ 33,930</u>
Total liabilities	<u>33,930</u>	<u>33,930</u>
Fund balance:		
Restricted	<u>\$ -</u>	<u>\$ -</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 33,930</u></u>	<u><u>\$ 33,930</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 AUTO RENTAL TAX FUND  
 SPECIAL REVENUE FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

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	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$ 379,446	\$ 359,340
Total revenues	<u>379,446</u>	<u>359,340</u>
Excess (deficiency) of revenues over expenditures	<u>379,446</u>	<u>359,340</u>
Other financing sources (uses)		
Transfers out	<u>(379,446)</u>	<u>(359,340)</u>
Total other financing sources (uses)	<u>(379,446)</u>	<u>(359,340)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,358,955	\$ 1,336,791
Investments	3,733,528	4,448,628
Receivables, net estimated uncollectibles:		
Taxes	91,856	164,208
Accrued interest	5,694	5,369
Prepaid expenditures	-	598,338
Due from other governments	27,807	27,665
	<u>27,807</u>	<u>27,665</u>
Total assets	<u>\$ 6,217,840</u>	<u>\$ 6,580,999</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 19	\$ -
Unavailable revenue	80,867	130,172
	<u>80,867</u>	<u>130,172</u>
Total liabilities	<u>80,886</u>	<u>130,172</u>
Fund balance:		
Nonspendable	-	598,338
Restricted	6,136,954	5,852,489
	<u>6,136,954</u>	<u>5,852,489</u>
Total fund balance	<u>6,136,954</u>	<u>6,450,827</u>
Total liabilities and fund balance	<u>\$ 6,217,840</u>	<u>\$ 6,580,999</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
DEBT SERVICE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$ 3,100,333	\$ 5,822,941
Intergovernmental revenue	3,694,625	3,694,425
Investment earnings	18,580	16,456
Total revenue	<u>6,813,538</u>	<u>9,533,822</u>
Expenditures:		
Debt service:		
Principal retirement	5,005,000	6,260,000
Interest on bonds	2,097,175	2,290,000
Total expenditures	<u>7,102,175</u>	<u>8,550,000</u>
Excess (deficiency) of revenues over expenditures	<u>(288,637)</u>	<u>983,822</u>
Other financing sources (uses):		
Transfers out	<u>(25,236)</u>	<u>(25,236)</u>
Total other financing sources (uses)	<u>(25,236)</u>	<u>(25,236)</u>
Net change in fund balance	<u>(313,873)</u>	<u>958,586</u>
Fund balance at beginning of year	<u>6,450,827</u>	<u>5,492,241</u>
Fund balance at end of year	<u><u>\$ 6,136,954</u></u>	<u><u>\$ 6,450,827</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
LOCAL OPTION SALES TAX  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 383,694	\$ 538,496
Receivables:		
Accrued interest	<u>-</u>	<u>8</u>
Total assets	<u>\$ 383,694</u>	<u>\$ 538,504</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 6</u>	<u>\$ 154,870</u>
Total liabilities	<u>6</u>	<u>154,870</u>
Fund balance:		
Restricted	<u>383,688</u>	<u>383,634</u>
Total fund balance	<u>383,688</u>	<u>383,634</u>
Total liabilities and fund balance	<u>\$ 383,694</u>	<u>\$ 538,504</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
LOCAL OPTION SALES TAX  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

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	<u>2013</u>	<u>2012</u>
Revenues:		
Investment earnings	<u>\$ 54</u>	<u>\$ 162</u>
Total revenues	<u>54</u>	<u>162</u>
Expenditures:		
Capital projects	<u>-</u>	<u>316,584</u>
Total expenditures	<u>-</u>	<u>316,584</u>
Excess (deficiency) of revenues over expenditures	<u>54</u>	<u>(316,422)</u>
Net change in fund balance	<u>54</u>	<u>(316,422)</u>
Fund balance at beginning of year	<u>383,634</u>	<u>700,056</u>
Fund balance at end of year	<u><u>\$383,688</u></u>	<u><u>\$ 383,634</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
BOARD OF LIGHTS AND WATERWORKS  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF NET POSITION  
JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 6,916,032	\$ 19,138,052
Investments	26,853,989	19,618,648
Receivables:		
Utility accounts (net of allowance for estimated uncollectibles of \$457,000 and \$636,785)	17,204,096	16,041,013
Other	51,317	77,339
Due from other funds	9,875,910	575,011
Inventories	3,254,947	3,327,978
Prepaid expenses	-	250
Total current assets	<u>64,156,291</u>	<u>58,778,291</u>
Noncurrent assets:		
Restricted assets:		
Investments	<u>11,488,252</u>	<u>10,877,887</u>
Property, plant and equipment:		
Land	1,382,976	1,398,529
Buildings and improvements	16,296,604	15,973,208
Electrical plant in service	114,951,701	110,600,667
Water and sewer system	83,533,193	80,677,138
Machinery and equipment	57,438,366	53,365,109
	<u>273,602,840</u>	<u>262,014,651</u>
Less: accumulated depreciation	<u>(141,043,689)</u>	<u>(134,518,671)</u>
Net property, plant and equipment	<u>132,559,151</u>	<u>127,495,980</u>
Other assets:		
Investment in Project	<u>2,448,902</u>	<u>2,523,501</u>
Total other assets	<u>2,448,902</u>	<u>2,523,501</u>
Total noncurrent assets	<u>146,496,305</u>	<u>140,897,368</u>
Total assets	<u>\$ 210,652,596</u>	<u>\$ 199,675,659</u>

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

**CITY OF MARIETTA, GEORGIA  
BOARD OF LIGHTS AND WATERWORKS  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)  
JUNE 30, 2013 AND 2012**

<u>LIABILITIES</u>	<u>2013</u>	<u>2012</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 11,669,715	\$ 11,337,939
Accrued salaries and employee benefits	287,119	268,452
Accrued sales tax	583,975	568,436
Accrued compensated absences	304,916	304,852
Total current liabilities	<u>12,845,725</u>	<u>12,479,679</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	547,944	540,070
Unearned revenue	2,506,729	2,502,056
Net pension obligation	465,348	451,372
Net OPEB obligation	7,888,411	7,229,325
Customer deposits	8,981,523	8,375,830
Total long-term liabilities (net of current portion)	<u>20,389,955</u>	<u>19,098,653</u>
Total liabilities	<u>33,235,680</u>	<u>31,578,332</u>
<u>NET POSITION</u>		
Net investment in capital assets	132,559,151	127,495,980
Unrestricted	44,857,765	40,601,347
Total net position	<u>\$ 177,416,916</u>	<u>\$ 168,097,327</u>

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

**CITY OF MARIETTA, GEORGIA  
BOARD OF LIGHTS AND WATERWORKS  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$143,165,035	\$ 139,798,056
Other	<u>1,452,419</u>	<u>1,246,726</u>
Total operating revenues	<u>144,617,454</u>	<u>141,044,782</u>
Operating expenses:		
Personal services	14,900,339	15,378,489
Operating	100,355,994	99,175,019
Depreciation	<u>6,525,018</u>	<u>6,099,909</u>
Total operating expenses	<u>121,781,351</u>	<u>120,653,417</u>
Operating income	<u>22,836,103</u>	<u>20,391,365</u>
Nonoperating revenues (expenses):		
Investment earnings	243,752	420,170
Gain (loss) on sale of assets	258,370	182,252
Other	<u>14,867</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>516,989</u>	<u>602,422</u>
Income before transfers	<u>23,353,092</u>	<u>20,993,787</u>
Transfers:		
Transfers in	762,095	1,218,385
Transfers out	<u>(14,795,598)</u>	<u>(15,054,510)</u>
Total transfers in (out)	<u>(14,033,503)</u>	<u>(13,836,125)</u>
Change in net position	9,319,589	7,157,662
Net position at beginning of year	<u>168,097,327</u>	<u>160,939,665</u>
Net position at end of year	<u><u>\$177,416,916</u></u>	<u><u>\$ 168,097,327</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**BOARD OF LIGHTS AND WATERWORKS**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Cash flows from operating activities:		
Cash received from customers	\$ 133,311,419	\$ 142,393,666
Cash received from other operating activities	1,452,419	1,246,726
Cash payments for goods and services	(99,935,398)	(92,426,597)
Cash payments for employee services and fringe benefits	(14,200,672)	(14,981,560)
Net cash from (to) operating activities	<u>20,627,768</u>	<u>36,232,235</u>
Cash flows from noncapital financing activities:		
Transfers in	762,095	1,218,385
Transfers out	(14,795,598)	(15,054,510)
Net cash from (to) noncapital financing activities	<u>(14,033,503)</u>	<u>(13,836,125)</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(11,588,188)	(9,860,463)
Proceeds from sale of assets	258,370	182,252
Net cash from (to) capital and related financing activities	<u>(11,329,818)</u>	<u>(9,678,211)</u>
Cash flows from investing activities:		
Rental income received	14,867	-
Interest received	269,773	420,170
Investment (purchases) sales	(7,771,107)	4,745,096
Net cash from (to) investing activities	<u>(7,486,467)</u>	<u>5,165,266</u>
Net increase (decrease) in cash and cash equivalents	(12,222,020)	17,883,165
Cash and cash equivalents at beginning of year:		
Cash	<u>19,138,052</u>	<u>1,254,887</u>
Total cash and cash equivalents, beginning of year	<u>19,138,052</u>	<u>1,254,887</u>
Cash and cash equivalents at end of year:		
Cash	6,916,032	19,138,052
Total cash and cash equivalents, end of year	<u>\$ 6,916,032</u>	<u>\$ 19,138,052</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 22,836,103	\$ 20,391,365
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	6,525,018	6,099,909
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(1,163,083)	1,076,620
(Increase) decrease in due from other funds	(9,300,899)	6,268,001
(Increase) decrease in inventories	73,031	(330,521)
(Increase) decrease in other assets	-	74,599
(Increase) decrease in prepaid expenses	250	5,901
Increase (decrease) in net pension asset/obligation	13,976	19,753
Increase (decrease) in accounts payable	331,776	730,262
Increase (decrease) in accrued salaries	18,667	(221,231)
Increase (decrease) in accrued sales tax	15,539	-
Increase (decrease) in accrued compensated absences	7,938	17,069
Increase (decrease) in net OPEB obligation	659,086	581,518
Increase (decrease) in unearned revenue	4,673	740,719
Increase (decrease) in customer deposits	605,693	778,271
Net cash from operating activities	<u>\$ 20,627,768</u>	<u>\$ 36,232,235</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**MARIETTA CONFERENCE CENTER AND RESORT**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 74,556	\$ 75,115
Unrestricted investments	59	-
Due from other funds	186,366	186,366
Total current assets	<u>260,981</u>	<u>261,481</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	769,284	769,284
Buildings and improvements	23,326,210	23,326,210
Machinery and equipment	12,354,692	12,354,692
	<u>36,450,186</u>	<u>36,450,186</u>
Less: accumulated depreciation	<u>(21,455,131)</u>	<u>(20,089,939)</u>
Net property, plant and equipment	<u>14,995,055</u>	<u>16,360,247</u>
Total noncurrent assets	<u>14,995,055</u>	<u>16,360,247</u>
Total assets	<u>\$15,256,036</u>	<u>\$ 16,621,728</u>

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

**CITY OF MARIETTA, GEORGIA  
MARIETTA CONFERENCE CENTER AND RESORT  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF NET POSITION (CONT'D)  
JUNE 30, 2013 AND 2012**

<u>LIABILITIES</u>	<u>2013</u>	<u>2012</u>
Liabilities:		
Long-term liabilities:		
Advances from other funds	\$ 24,659,110	\$ 26,832,635
Total long-term liabilities	<u>24,659,110</u>	<u>26,832,635</u>
Total liabilities	<u>24,659,110</u>	<u>26,832,635</u>
 <u>NET POSITION</u>		
Net investment in capital assets	14,995,055	16,360,247
Unrestricted	<u>(24,398,129)</u>	<u>(26,571,154)</u>
Total net position	<u>\$ (9,403,074)</u>	<u>\$ (10,210,907)</u>

See accompanying notes to financial statements.  
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, 2013 AND 2012**

	2013	2012
Operating revenues:		
Lease income	\$ 2,204,531	\$ 2,247,086
Total operating revenues	<u>2,204,531</u>	<u>2,247,086</u>
Operating expenses:		
Operating	500	518,533
Depreciation	1,365,192	1,403,153
Total operating expenses	<u>1,365,692</u>	<u>1,921,686</u>
Operating income (loss)	<u>838,839</u>	<u>325,400</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	<u>(31,006)</u>	<u>(26,863)</u>
Total nonoperating revenues (expense)	<u>(31,006)</u>	<u>(26,863)</u>
Income (loss) before operating transfers	<u>807,833</u>	<u>298,537</u>
Transfers:		
Transfers in	618,207	551,669
Transfers out	<u>(618,207)</u>	<u>(546,300)</u>
Total transfers	<u>-</u>	<u>5,369</u>
Change in net position	807,833	303,906
Net position at beginning of year	<u>(10,210,907)</u>	<u>(10,514,813)</u>
Net position at end of year	<u>\$ (9,403,074)</u>	<u>\$ (10,210,907)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**MARIETTA CONFERENCE CENTER AND RESORT**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Cash flows from operating activities:		
Cash received from lease	\$ 2,204,531	\$ 2,247,086
Cash payments for goods and services	(500)	(266,049)
Net cash from (to) operating activities	<u>2,204,031</u>	<u>1,981,037</u>
Cash flows from noncapital financing activities:		
Transfers in	618,207	551,669
Transfers out	(618,207)	(546,300)
Net cash from (to) noncapital financing	<u>-</u>	<u>5,369</u>
Cash flows from capital and related financing activities:		
Advances from other funds	(2,173,525)	(1,884,487)
Interest and fiscal charges	(31,065)	(26,804)
Net cash from (to) capital and related financing activities	<u>(2,204,590)</u>	<u>(1,911,291)</u>
Net increase (decrease) in cash and cash equivalents	(559)	75,115
Cash and cash equivalents at beginning of year	75,115	-
Total cash and cash equivalents, end of year	<u>\$ 74,556</u>	<u>\$ 75,115</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 838,839	\$ 325,400
Adjustments to reconcile operating income to net cash from operating activities:		
Noncash transactions		
Depreciation	1,365,192	1,403,153
Change in assets and liabilities:		
(Increase) decrease in inventories	-	124,788
Increase (decrease) in due to other funds	-	127,696
Net cash from (to) operating activities	<u>\$ 2,204,031</u>	<u>\$ 1,981,037</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**CITY GOLF COURSE**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 6,980	\$ 7,033
Accounts receivable	930	8,295
Total current assets	<u>7,910</u>	<u>15,328</u>
Noncurrent assets:		
Property, plant and equipment:		
Land	6,600,000	6,600,000
Buildings and improvements	2,058,509	2,033,342
Machinery and equipment	3,761,769	3,724,560
	<u>12,420,278</u>	<u>12,357,902</u>
Less: accumulated depreciation	<u>(4,514,566)</u>	<u>(4,298,789)</u>
Net property, plant and equipment	<u>7,905,712</u>	<u>8,059,113</u>
Other assets:		
Unamortized bond costs	<u>31,694</u>	<u>48,231</u>
Total noncurrent assets	<u>7,937,406</u>	<u>8,107,344</u>
Total assets	<u>7,945,316</u>	<u>8,122,672</u>
<u>LIABILITIES</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 63,907	\$ 56,900
Due to other funds	1,331,405	1,225,738
Capital lease obligations	761,839	739,512
Accrued interest payable	29,850	39,254
Total current liabilities	<u>2,187,001</u>	<u>2,061,404</u>
Long-term liabilities (net of current portion):		
Capital lease obligations (net of deferred loss of \$95,674 and \$143,510)	<u>1,501,544</u>	<u>2,215,546</u>
Total long-term liabilities	<u>1,501,544</u>	<u>2,215,546</u>
Total liabilities	<u>3,688,545</u>	<u>4,276,950</u>
<u>NET POSITION</u>		
Net investment in capital assets	5,642,329	5,104,055
Unrestricted	<u>(1,385,558)</u>	<u>(1,258,333)</u>
Total net position	<u>\$ 4,256,771</u>	<u>\$ 3,845,722</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
CITY GOLF COURSE  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	<u>\$ 1,564,138</u>	<u>\$ 1,660,505</u>
Operating expenses:		
Operating	1,177,091	1,135,390
Depreciation	<u>215,777</u>	<u>274,258</u>
Total operating expenses	<u>1,392,868</u>	<u>1,409,648</u>
Operating income (loss)	<u>171,270</u>	<u>250,857</u>
Nonoperating revenues (expenses) :		
Interest and fiscal charges	(133,477)	(87,641)
Gain on disposal of capital assets	-	66,295
Other	<u>(765)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(134,242)</u>	<u>(21,346)</u>
Income (loss) before operating transfers	<u>37,028</u>	<u>229,511</u>
Transfers:		
Transfers in	399,042	399,042
Transfers out	<u>(25,021)</u>	<u>(25,021)</u>
Total transfers	<u>374,021</u>	<u>374,021</u>
Change in net position	411,049	603,532
Net position at beginning of year	<u>3,845,722</u>	<u>3,242,190</u>
Net position at end of year	<u><u>\$ 4,256,771</u></u>	<u><u>\$ 3,845,722</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**CITY GOLF COURSE**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,571,503	\$ 1,664,716
Cash payments for goods and services	(1,064,417)	(1,112,587)
Net cash from (to) operating activities	<u>507,086</u>	<u>552,129</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	399,042	399,042
Transfers out	(25,021)	(25,021)
Net cash from (to) noncapital financing activities	<u>374,021</u>	<u>374,021</u>
Cash flows from capital and related financing activities:		
Payments for capital acquisitions	(62,376)	(112,646)
Payments on capital leases	(49,511)	(43,431)
Payments on notes payable	(690,000)	(670,000)
Interest and fiscal charges	(79,273)	(96,774)
Net cash from (to) capital related financing activities	<u>(881,160)</u>	<u>(922,851)</u>
Net increase (decrease) in cash and cash equivalents	(53)	3,299
Cash and cash equivalents at beginning of year	<u>7,033</u>	<u>3,734</u>
Cash and cash equivalents at end of year	<u>\$ 6,980</u>	<u>\$ 7,033</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ 171,270	\$ 250,857
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	215,777	274,258
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	7,365	4,211
(Increase) decrease in prepaid expense	-	5,322
(Increase) decrease in due from other funds	-	1,225,738
Increase (decrease) in due to other funds	105,667	(1,211,187)
Increase in accrued liabilities		54,593
Increase (decrease) in accounts payable	<u>7,007</u>	<u>(51,663)</u>
Net cash from (to) operating activities	<u>\$ 507,086</u>	<u>\$ 552,129</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 SELF - INSURANCE  
 INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENT OF NET POSITION  
 JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,256,209	\$ 59,116
Investments	7,222,489	8,743,465
Receivables:		
Accrued interest	35,586	14,307
Contributions	<u>153,638</u>	<u>146,916</u>
 Total assets	 <u>9,667,922</u>	 <u>8,963,804</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	282,398	316,734
Claims and judgements payable	2,963,711	2,334,853
Due to other funds	<u>6,872,553</u>	<u>5,856,677</u>
 Total liabilities	 <u>10,118,662</u>	 <u>8,508,264</u>
<u>NET POSITION</u>		
Unrestricted	<u>\$ (450,740)</u>	<u>\$ 455,540</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
 SELF - INSURANCE  
 INTERNAL SERVICE FUND  
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Contributions	\$9,331,414	\$ 8,297,699
Other	113,030	405,076
Total operating revenues	<u>9,444,444</u>	<u>8,702,775</u>
Operating expenses:		
Operating services	1,076,743	576,209
Benefits and claims	11,646,272	11,153,020
Total operating expenses	<u>12,723,015</u>	<u>11,729,229</u>
Operating income (loss)	<u>(3,278,571)</u>	<u>(3,026,454)</u>
Nonoperating revenues:		
Investment earnings	33,716	5,626
Income before transfers	<u>(3,244,855)</u>	<u>(3,020,828)</u>
Transfers:		
Transfers in	2,393,826	2,338,205
Transfers out	(55,251)	(268,324)
Total transfers	<u>2,338,575</u>	<u>2,069,881</u>
Change in net position	(906,280)	(950,947)
Net position at beginning of year	<u>455,540</u>	<u>1,406,487</u>
Net position at end of year	<u><u>\$ (450,740)</u></u>	<u><u>\$ 455,540</u></u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**SELF-INSURANCE**  
**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Cash flow from operating activities:		
Cash received from contributions	\$ 9,324,692	\$ 8,322,070
Cash received from other operating activities	113,030	107,484
Cash payments for operating services	(1,111,079)	(576,209)
Cash received from (payments to) other funds	1,015,876	3,236,125
Cash payments for benefits and claims	<u>(11,017,414)</u>	<u>(11,153,020)</u>
Net cash from (to) operating activities	<u>(1,674,895)</u>	<u>(63,550)</u>
Cash flows from noncapital financing activities		
Transfers in	2,393,826	2,338,205
Transfers out	<u>(55,251)</u>	<u>(268,324)</u>
Net transfers in (out) from noncapital financing activities	<u>2,338,575</u>	<u>2,069,881</u>
Cash flows from investing activities		
Interest received	12,437	5,626
Investments (purchased) sold	<u>1,520,976</u>	<u>(2,281,715)</u>
Net cash from (to) investing activities	<u>1,533,413</u>	<u>(2,276,089)</u>
Net increase (decrease) in cash and cash equivalents	2,197,093	(269,758)
Cash and cash equivalents at beginning of year	<u>59,116</u>	<u>328,874</u>
Cash and cash equivalents at end of year	<u>\$ 2,256,209</u>	<u>\$ 59,116</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (3,278,571)	\$ (3,026,454)
Adjustments to reconcile operating income to net cash from operating activities:		
Changes in assets and liabilities:		
(Increase) decrease in contributions receivable	(6,722)	(45,193)
Increase (decrease) in accounts payable	(34,336)	47,103
Increase (decrease) in due to other funds	1,015,876	3,236,125
Increase (decrease) in claims and judgements payable	<u>628,858</u>	<u>(275,131)</u>
Net cash from (to) operating activities	<u>\$ (1,674,895)</u>	<u>\$ (63,550)</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**MOTOR TRANSPORT**  
**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets:		
Due from other governments	\$ 2,351	\$ 5,536
Inventories	84,653	110,885
Total current assets	<u>87,004</u>	<u>116,421</u>
Property, plant and equipment:		
Buildings and improvements	502,346	496,340
Machinery and equipment	1,459,924	1,310,889
Less: accumulated depreciation	<u>(1,027,406)</u>	<u>(902,912)</u>
Net property, plant and equipment	<u>934,864</u>	<u>904,317</u>
Total assets	<u>1,021,868</u>	<u>1,020,738</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	87,895	66,281
Accrued salaries and employee benefits	14,073	13,561
Due to other funds	897,637	751,777
Accrued compensated absences	<u>10,887</u>	<u>12,134</u>
Total current liabilities	<u>1,010,492</u>	<u>843,753</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	<u>19,914</u>	<u>18,005</u>
Total liabilities	<u>1,030,406</u>	<u>861,758</u>
<u>NET POSITION</u>		
Net investment in capital assets	934,864	904,317
Unrestricted	<u>(943,402)</u>	<u>(745,337)</u>
Total net position	<u>\$ (8,538)</u>	<u>\$ 158,980</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA  
MOTOR TRANSPORT  
INTERNAL SERVICE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$3,233,648	\$ 3,396,799
Other	-	632
	<u>3,233,648</u>	<u>3,397,431</u>
Operating expenses:		
Personal services	726,436	703,281
Operating services	2,530,433	2,720,669
Depreciation	124,494	74,521
	<u>3,381,363</u>	<u>3,498,471</u>
Total operating expenses		
	<u>3,381,363</u>	<u>3,498,471</u>
Operating income (loss)	<u>(147,715)</u>	<u>(101,040)</u>
Transfers:		
Transfers in	-	163,954
Transfers out	(19,803)	(24,803)
	<u>(19,803)</u>	<u>139,151</u>
Total transfers		
	<u>(19,803)</u>	<u>139,151</u>
Change in net position	(167,518)	38,111
Net position at beginning of year	<u>158,980</u>	<u>120,869</u>
Net position at end of year	<u>\$ (8,538)</u>	<u>\$ 158,980</u>

See accompanying notes to financial statements.

**CITY OF MARIETTA, GEORGIA**  
**MOTOR TRANSPORT**  
**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Cash flow from operating activities:		
Cash received for services provided	\$ 3,236,833	\$ 4,073,637
Cash payments for goods and services	(2,336,727)	(3,210,183)
Cash payments for employee services and fringes	<u>(725,262)</u>	<u>(713,450)</u>
Net cash from (to) operating activities	<u>174,844</u>	<u>150,004</u>
Cash flows from noncapital financing activities		
Transfers in	-	163,954
Transfers out	<u>(19,803)</u>	<u>(24,803)</u>
Net transfers in (out) from noncapital financing activities	<u>(19,803)</u>	<u>139,151</u>
Cash flows from capital and related financing activities		
Payments for capital acquisitions	<u>(155,041)</u>	<u>(289,155)</u>
Net cash from (to) capital and related financing activities	<u>(155,041)</u>	<u>(289,155)</u>
Net increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income to net cash from operating activities:		
Operating income (loss)	\$ (147,715)	\$ (101,040)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	124,494	74,521
Changes in assets and liabilities:		
(Increase) decrease in due from other governments	3,185	2,291
(Increase) decrease in inventories	26,232	(36,838)
Increase (decrease) in accounts payable	21,614	(452,676)
Increase (decrease) in accrued salaries	512	(11,065)
Increase (decrease) in accrued compensated absences	662	896
Increase (decrease) in due to other funds	<u>145,860</u>	<u>673,915</u>
Net cash from (to) operating activities	<u><u>\$ 174,844</u></u>	<u><u>\$ 150,004</u></u>

See accompanying notes to financial statements.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010 (1)	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 40,080,663	\$ 52,779,866	\$ 41,105,789	\$ 38,400,310	\$ 40,361,421	\$ 40,647,949	\$ 50,033,057	\$ 58,835,173	\$ 71,920,680	\$ 85,328,216
Restricted	5,798,631	3,723,545	7,429,356	12,993,338	25,355,346	22,613,208	22,973,206	26,661,694	19,595,692	23,445,586
Unrestricted	(35,495,110)	(39,010,992)	(30,637,360)	(26,135,944)	(37,973,169)	1,702,675	(8,560,854)	(19,502,801)	(13,488,145)	(21,601,544)
Total governmental activities net position	\$ 10,384,184	\$ 17,492,419	\$ 17,897,785	\$ 25,257,704	\$ 27,743,598	\$ 64,963,832	\$ 64,445,409	\$ 65,994,066	\$ 78,028,227	\$ 87,172,258
<b>Business-type activities</b>										
Net investment in capital assets	\$ 78,986,306	\$ 73,676,327	\$ 77,610,606	\$ 90,727,135	\$ 97,486,153	\$ 105,531,822	\$ 134,507,898	\$ 145,968,231	\$ 148,960,282	\$ 153,196,535
Restricted	840,530.00	977,957	777,996	1,349,186	2,377,157	2,287,694	-	-	-	-
Unrestricted	36,489,959	33,144,321	41,251,724	35,394,422	34,111,843	27,216,106	1,668,171	8,968,617	12,520,838	18,374,290
Total business-type activities net position	\$ 116,316,795	\$ 107,798,605	\$ 119,640,326	\$ 127,470,743	\$ 133,975,153	\$ 135,035,622	\$ 136,176,069	\$ 154,936,848	\$ 161,481,120	\$ 171,570,825
<b>Primary government</b>										
Net investment in capital assets	\$ 119,066,969	\$ 126,456,193	\$ 118,716,395	\$ 129,127,445	\$ 137,847,574	\$ 146,179,771	\$ 184,540,955	\$ 204,803,404	\$ 220,880,962	\$ 238,524,751
Restricted	6,639,161	4,701,502	8,207,352	14,342,524	27,732,503	24,900,902	22,973,206	26,661,694	19,595,692	23,445,586
Unrestricted	994,849	(5,866,671)	10,614,364	9,258,478	(3,861,326)	28,918,781	(6,892,683)	(10,534,184)	(967,307)	(3,227,254)
Total Primary government net position, before restatements	\$ 126,700,979	\$ 125,291,024	\$ 137,538,111	\$ 152,728,447	\$ 161,718,751	\$ 199,999,454	\$ 200,621,478	\$ 220,930,914	\$ 239,509,347	\$ 258,743,083
Restatement for capital assets and related accumulated depreciation	-	585,611	-	1,391,888	415,317	-	8,100,224	-	-	-
Total Primary government net position, as restated	\$ 126,700,979	\$ 125,876,635	\$ 137,538,111	\$ 154,120,335	\$ 162,134,068	\$ 199,999,454	\$ 208,721,702	\$ 220,930,914	\$ 239,509,347	\$ 258,743,083

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 6,795,976	\$ 4,894,998	\$ 7,270,290	\$ 7,490,659	\$ 6,759,380	\$ 5,918,941	\$ 8,652,513	\$ 8,679,032	\$ 6,233,958	\$ 7,559,103
Public works	8,120,071	9,130,758	10,845,886	14,888,258	20,427,013	13,760,889	14,065,683	14,222,761	11,474,849	14,092,327
Culture and recreation	4,238,849	4,859,976	5,279,105	5,346,638	6,443,698	5,124,263	2,083,996	2,934,820	4,880,741	3,424,375
Public safety	23,162,365	22,871,162	25,171,969	24,791,734	29,165,513	30,378,175	31,887,909	33,226,781	28,223,036	29,703,965
Urban redevelopment and housing	6,991,371	7,301,650	11,234,909	8,261,612	5,862,864	6,046,710	6,353,078	5,879,557	8,479,642	5,736,850
Interest and fiscal charges on long-term debt	3,357,519	3,109,268	3,018,190	3,125,438	3,449,537	2,526,939	3,341,989	4,857,635	3,044,218	3,283,579
<b>Total governmental activities expenses</b>	<b>52,666,151</b>	<b>52,167,812</b>	<b>62,820,349</b>	<b>63,904,339</b>	<b>72,108,005</b>	<b>63,755,917</b>	<b>66,385,168</b>	<b>69,800,586</b>	<b>62,336,444</b>	<b>63,800,199</b>
Business-type activities:										
Water & sewer	19,992,150	21,073,686	21,738,497	22,294,414	21,209,559	24,501,021	25,731,472	25,841,087	26,522,197	24,818,835
Electric	77,025,533	74,257,492	78,307,081	85,240,996	85,707,753	84,808,669	85,525,058	90,902,721	95,208,435	98,205,498
Golf	2,100,474	2,066,878	2,302,256	1,912,942	1,890,486	1,725,593	1,599,511	1,577,086	1,497,289	1,527,110
Fiber optic	(1) 9,464,158	1,460,454	0	-	-	-	-	-	-	-
Conference center	11,414,588	11,317,032	2,759,624	2,267,261	2,368,951	3,496,708	7,689,002	1,551,818	1,948,549	1,396,698
<b>Total business-type activities expenses</b>	<b>119,996,903</b>	<b>110,175,542</b>	<b>105,107,458</b>	<b>111,715,613</b>	<b>111,176,749</b>	<b>114,531,991</b>	<b>120,545,043</b>	<b>119,872,712</b>	<b>125,176,470</b>	<b>125,948,141</b>
<b>Total Primary Government expenses</b>	<b>\$ 172,663,054</b>	<b>\$ 162,343,354</b>	<b>\$ 167,927,807</b>	<b>\$ 175,619,952</b>	<b>\$ 183,284,754</b>	<b>\$ 178,287,908</b>	<b>\$ 186,930,211</b>	<b>\$ 189,673,298</b>	<b>\$ 187,512,914</b>	<b>\$ 189,748,340</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 7,506,910	\$ 9,354,010	\$ 9,907,005	\$ 10,606,915	\$ 9,906,438	\$ 9,346,589	\$ 8,619,196	\$ 8,801,103	\$ 5,031,599	\$ 9,281,622
Judicial	(2) -	-	-	-	-	-	-	-	3,435,418.81	-
Public works	3,137,059	3,275,190	3,284,627	3,338,944	3,533,668	3,518,257	3,505,071	3,486,058	3,516,174	3,597,329
Culture and recreation	313,245	258,192	248,506	260,442	250,876	264,132	319,375	280,347	272,514	270,208
Public safety	(3) 276,890	96,975	121,250	42,390	110,651	348,310	102,531	176,931	986,642	70,063
Urban redevelopment and housing	568,440	1,090,320	1,070,269	965,210	703,452	692,429	575,640	632,081	801,496	590,778
Operating grants and contributions	7,550,859	8,795,814	7,555,223	9,597,840	8,478,562	39,392,897	5,216,433	9,344,286	10,455,573	8,022,932
Capital grants and contributions	11,933,376	5,833,603	7,281,401	9,735,992	13,865,101	10,016,452	10,752,277	10,204,436	11,705,387	13,798,044
<b>Total governmental activities program revenues</b>	<b>31,286,779</b>	<b>28,704,104</b>	<b>29,468,281</b>	<b>34,547,733</b>	<b>36,848,748</b>	<b>63,579,066</b>	<b>29,090,523</b>	<b>32,925,242</b>	<b>36,204,803</b>	<b>35,630,976</b>
Business-type activities:										
Charges for services:										
Water & sewer	24,125,227	25,090,551	26,766,387	28,115,388	28,207,449	29,694,453	31,488,553	33,710,588	36,214,650	35,199,471
Electric	82,709,681	86,896,085	89,317,524	90,011,504	92,093,318	90,377,637	95,689,883	102,199,136	104,830,132	109,432,850
Golf	1,711,458	1,799,114	1,857,203	1,973,016	1,801,341	1,705,843	1,516,966	1,629,928	1,660,505	1,564,138
Fiber optic	(1) 6,745,390	1,135,129	0	-	-	-	-	-	-	-
Conference center	8,976,919	9,343,330	1,677,432	1,681,074	1,644,720	1,726,505	1,942,774	2,240,303	2,247,086	2,204,531
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,764,631	709,276	3,282,679	4,536,972	777,567	661,994	237,175	77,154	-	-
<b>Total business-type activities program revenues</b>	<b>126,033,306</b>	<b>124,973,485</b>	<b>122,901,225</b>	<b>126,317,954</b>	<b>124,524,395</b>	<b>124,166,432</b>	<b>130,875,351</b>	<b>139,857,109</b>	<b>144,952,373</b>	<b>148,400,990</b>
<b>Total Primary Government program revenues</b>	<b>\$ 157,320,085</b>	<b>\$ 153,677,589</b>	<b>\$ 152,369,506</b>	<b>\$ 160,865,687</b>	<b>\$ 161,373,143</b>	<b>\$ 187,745,498</b>	<b>\$ 159,965,874</b>	<b>\$ 172,782,351</b>	<b>\$ 181,157,176</b>	<b>\$ 184,031,966</b>
Net (expense)/revenue										
Governmental activities	\$ (21,379,372)	\$ (23,463,708)	\$ (33,352,059)	\$ (29,356,606)	\$ (35,259,257)	\$ (176,851)	\$ (37,294,645)	\$ (36,875,344)	\$ (26,131,641)	\$ (28,169,223)
Business-type activities	6,036,403	14,797,943	17,793,767	14,602,341	13,347,646	9,634,441	10,330,308	19,984,397	19,775,903	22,452,849
<b>Total Primary Government net expense</b>	<b>\$ (15,342,969)</b>	<b>\$ (8,665,765)</b>	<b>\$ (15,558,292)</b>	<b>\$ (14,754,265)</b>	<b>\$ (21,911,611)</b>	<b>\$ 9,457,590</b>	<b>\$ (26,964,337)</b>	<b>\$ (16,890,947)</b>	<b>\$ (6,355,738)</b>	<b>\$ (5,716,374)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 10,958,814	\$ 10,559,446	\$ 11,398,799	\$ 12,293,579	\$ 11,965,381	\$ 13,492,266	\$ 13,356,484	\$ 13,806,851	\$ 12,952,016	\$ 10,801,888
Insurance premium tax	2,523,528	2,734,817	2,942,305	3,078,387	3,211,100	3,288,021	3,257,172	3,162,511	2,653,793	2,818,772
Alcohol taxes	847,700	842,738	861,353	884,674	812,476	803,261	790,828	743,152	1,500,883	762,326
Hotel, motel tax	2,009,839	2,067,734	2,150,995	2,182,657	2,224,497	1,893,459	1,738,399	1,906,431	1,823,699	2,050,859
Franchise taxes	4,857,710	5,069,809	5,182,993	5,176,430	5,159,179	5,290,662	5,455,136	5,813,654	5,807,338	5,803,118
Auto rental tax	519,884	579,170	551,863	494,156	457,952	412,431	355,788	374,996	359,340	379,537
Unrestricted investment earnings	183,944	436,137	1,010,915	1,881,843	1,590,204	536,713	355,084	205,966	171,150	181,640
Gains on sale of capital assets	46,140	47,179	0	134,434.00	420,929.00	143,752	70,215	64,599	140,437	150,629
Miscellaneous	-	-	-	-	-	-	-	-	19,802.00	-
Operating grants not restricted	-	-	1,176,819.00	1,275,916.00	1,555,432	1,669,199	1,701,947	2,038,348	0	1,499,219.00
Contributions not restricted	-	-	152,314.00	-	-	-	-	-	-	-
Transfers	5,570,324	8,234,913	7,743,458	9,314,449	8,956,113	9,185,750	9,694,169	10,307,493	12,686,587	12,865,266
<b>Total governmental activities</b>	<b>27,517,883</b>	<b>30,571,943</b>	<b>33,171,814</b>	<b>36,716,525</b>	<b>36,353,263</b>	<b>36,715,514</b>	<b>36,776,222</b>	<b>38,424,001</b>	<b>38,114,845</b>	<b>37,313,254</b>
Business-type activities										
Unrestricted investment earnings	151,013	756,524	1,736,225	2,509,636	1,973,077	712,646	223,404	539,567	420,170	243,752
Gain on extinguishment of debt	-	-	-	-	-	-	168,042.00	-	-	-
Gain on sale of capital assets	92,856.00	(15,842,246)	55,187	32,889	139,800	165,386	112,862	444,084	66,295	258,370
Miscellaneous	-	-	-	-	-	-	-	-	182,252.00	-
Transfers	(5,570,324)	(8,230,411)	(7,743,458)	(9,314,449)	(8,956,113)	(9,185,750)	(9,694,169)	(10,307,493)	(12,686,587)	(12,865,266)
<b>Total business-type activities</b>	<b>(5,326,455)</b>	<b>(23,316,133)</b>	<b>(5,952,046)</b>	<b>(6,771,924)</b>	<b>(6,843,236)</b>	<b>(8,307,718)</b>	<b>(9,189,861)</b>	<b>(9,323,842)</b>	<b>(12,017,870)</b>	<b>(12,363,144)</b>
<b>Total primary government</b>	<b>\$ 22,191,428</b>	<b>\$ 7,255,810</b>	<b>\$ 27,219,768</b>	<b>\$ 29,944,601</b>	<b>\$ 29,510,027</b>	<b>\$ 28,407,796</b>	<b>\$ 27,586,361</b>	<b>\$ 29,100,159</b>	<b>\$ 26,096,975</b>	<b>\$ 24,950,110</b>
<b>Changes in Net Position</b>										
Governmental activities	\$ 6,138,511	\$ 7,108,235	\$ (180,245)	\$ 7,359,919	\$ 1,094,006	\$ 36,538,663	\$ (518,423)	\$ 1,548,657	\$ 11,983,204	\$ 9,144,031
Business type activities	709,948	(8,518,190)	11,841,721	7,830,417	6,504,410	1,326,723	1,140,447	10,660,555	7,758,033	10,089,705
<b>Total primary government</b>	<b>\$ 6,848,459</b>	<b>\$ (1,409,955)</b>	<b>\$ 11,661,476</b>	<b>\$ 15,190,336</b>	<b>\$ 7,598,416</b>	<b>\$ 37,865,386</b>	<b>\$ 622,024</b>	<b>\$ 12,209,212</b>	<b>\$ 19,741,237</b>	<b>\$ 19,233,736</b>

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

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

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011 (5)	2012	2013
General fund										
Reserved	\$ 3,541,471	\$ 2,926,287	\$ 1,418,139	\$ 1,951,995	\$ 2,335,327	\$ 1,645,272	\$ 18,104,875	-	-	-
Unrestricted	7,052,523 (1)	8,824,684	14,240,675 (2)	14,570,802	14,374,838	14,810,512	12,168,488	-	-	-
Nonspendable	-	-	-	-	-	-	-	20,447,186	30,427,927	24,721,508
Restricted	-	-	-	-	-	-	-	2,661,721	-	3,674,750
Committed	-	-	-	-	-	-	-	9,388	-	9,220
Assigned	-	-	-	-	-	-	-	1,579,824	2,639,573	5,037,697
Unassigned	-	-	-	-	-	-	-	16,587,222	16,778,594	15,184,547
<b>Total general fund</b>	<b>\$ 10,593,994</b>	<b>\$ 11,750,971</b>	<b>\$ 15,658,814</b>	<b>\$ 16,522,797</b>	<b>\$ 16,710,165</b>	<b>\$ 16,455,784</b>	<b>\$ 30,273,363</b>	<b>\$ 41,285,341</b>	<b>\$ 49,846,094</b>	<b>\$ 48,627,722</b>
All other governmental funds										
Reserved	\$ 3,794,278	\$ 2,782,569	\$ 2,880,403	\$ 5,493,472	\$ 7,725,291	\$ 11,650,875	\$ 10,966,247	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	598,338	-
Unreserved, reported in:										
Special revenue funds	1,980,587	2,084,380	6,592,067 (3)	7,444,398	6,708,071	6,728,922	4,976,070	-	-	-
Capital projects funds	-	(2,906)	3,732,152 (4)	6,026,841	16,867,435	10,249,776	54,792,285	-	-	-
Restricted reported in:										
Debt Service fund	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	5,492,241	8,447,852	6,136,954
Public works	-	-	-	-	-	-	-	-	5,208	-
Special revenue funds	-	-	-	-	-	-	-	-	194,397	-
Capital projects funds	-	-	-	-	-	-	-	4,960,313	1,086,843	2,813,251
Assigned for	-	-	-	-	-	-	-	44,356,460	27,322,837	28,372,332
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	383,634	-
<b>Total all other governmental funds</b>	<b>\$ 5,774,865</b>	<b>\$ 4,864,043</b>	<b>\$ 13,204,622</b>	<b>\$ 18,964,711</b>	<b>\$ 31,300,797</b>	<b>\$ 28,629,573</b>	<b>\$ 70,734,602</b>	<b>\$ 54,809,014</b>	<b>\$ 38,037,548</b>	<b>\$ 37,321,407</b>

(1) The decrease in unrestricted fund balance of the general fund was due to transfers to the Marietta Conference Center and Resort and property purchases for redevelopment.

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

(3) Includes 2005 TAD bond proceeds

(4) Includes the 2005 SPLOST tax revenues

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$16,129,207	\$24,891,288	\$23,052,547	\$24,054,243	\$24,680,800	\$25,097,088	\$24,825,094	\$25,789,789	\$25,526,909	\$22,764,560
Licenses and permits	12,814,047	6,314,395	6,306,258	6,621,273	6,227,731	5,799,547	5,297,444	5,410,991	4,947,171	5,608,232
Intergovernmental	15,251,038	12,993,072	17,845,244	21,850,301	25,074,095	22,251,684	22,487,098	24,354,587	24,834,702	25,378,123
Charges for services	3,687,691	3,918,537	3,914,149	3,932,451	4,053,167	4,164,491	4,192,418	4,096,531	4,027,807	4,193,859
Fines and forfeits	2,151,560	3,789,735	4,127,362	4,353,147	3,797,209	3,538,722	3,255,124	3,257,284	4,326,335	4,074,134
Contributions	-	-	-	-	-	-	-	-	27,998	-
Investment earnings	155,504	375,582	964,352	1,802,151	2,018,377	697,609	263,223	160,027	195,184	198,129
Other	428,813	1,340,973	551,064	453,539	616,345	800,914	482,496	710,401	750,933	678,843
<b>Total revenues</b>	<b>50,617,860</b>	<b>53,623,582</b>	<b>56,760,976</b>	<b>63,067,105</b>	<b>66,467,724</b>	<b>62,350,055</b>	<b>60,802,897</b>	<b>63,779,610</b>	<b>64,637,039</b>	<b>62,895,880</b>
<b>Expenditures</b>										
General government	2,476,031	5,418,240	11,715,968	7,370,697	7,435,676	7,633,637	7,450,955	7,416,234	6,103,201	7,171,903
Public works	7,576,562	6,712,946	7,284,494	7,594,840	8,027,775	8,153,184	7,363,184	7,241,032	8,082,753	10,821,919
Culture and recreation	3,326,108	4,807,994	5,150,388	5,566,985	4,931,066	4,707,715	4,298,902	3,976,597	5,168,657	5,956,253
Urban redevelopment and housing	6,996,078	7,181,872	7,071,247	8,261,612	6,665,677	25,439,147	24,645,422	26,079,452	8,410,219	5,742,352
Public safety	24,413,923	20,858,758	23,916,347	23,537,979	25,901,142	6,046,710	6,353,078	5,879,557	25,575,436	24,934,175
Capital (2)	2,356,254	5,869,298	0	-	7,778,531	0	-	-	552,046	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	7,640,000	4,657,380	4,852,776	5,059,965	5,287,265	6,189,683	7,547,336	12,521,801	13,682,316	7,123,926
Interest	3,353,311	3,107,466	2,935,530	3,101,300	4,789,241	2,824,304	3,316,004	4,574,266	4,145,343	3,678,795
Fiscal agent fees and bond issuance costs	4,208	1,802	119,830	-	186,933	-	-	-	-	-
Capital projects (2)	2,764,010	3,646,725	2,358,450	4,243,722	2,780,066	12,863,322	14,363,860	9,225,953	12,489,605	10,892,409
<b>Total expenditures</b>	<b>60,906,485</b>	<b>62,262,481</b>	<b>65,405,030</b>	<b>64,737,100</b>	<b>73,783,372</b>	<b>73,857,702</b>	<b>75,338,741</b>	<b>76,914,892</b>	<b>84,209,576</b>	<b>76,321,732</b>
Excess of revenues over (under) expenditures	(10,288,625)	(8,638,899)	(8,644,054)	(1,669,995)	(7,315,648)	(11,507,647)	(14,535,844)	(13,135,282)	(19,572,537)	(13,425,852)
<b>Other financing sources (uses)</b>										
Transfers in	10,046,820	12,815,707	15,793,259	15,515,433	15,729,197	15,845,087	28,461,017	28,990,961	25,518,231	17,210,324
Transfers out	(3,797,032)	(4,170,090)	(8,335,765)	(6,940,497)	(7,750,252)	(7,406,797)	(19,480,109)	(21,422,751)	(14,270,528)	(5,869,614)
Sale of capital assets	46,140	239,437	5,034,982	139,123	425,157	143,752	70,215	64,599	140,437	150,629
Bond proceeds/refunding bonds issued	-	-	8,400,000	-	49,985,000	-	102,108,385	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(38,550,000)	-	(40,701,056)	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,295,928</b>	<b>8,885,054</b>	<b>20,892,476</b>	<b>8,714,059</b>	<b>19,839,102</b>	<b>8,582,042</b>	<b>70,458,452</b>	<b>7,632,809</b>	<b>11,388,140</b>	<b>11,491,339</b>
<b>Net change in fund balances</b>	<b>\$ (3,992,697)</b>	<b>\$ 246,155</b>	<b>\$ 12,248,422</b>	<b>\$ 7,044,064</b>	<b>\$ 12,523,454</b>	<b>\$ (2,925,605)</b>	<b>\$ 55,922,608</b>	<b>\$ (5,502,473)</b>	<b>\$ (8,184,397)</b>	<b>\$ (1,934,513)</b>
Debt service as a percentage of noncapital expenditures (1)	19.54%	13.51%	14.07%	14.52%	15.16%	13.12%	17.89%	27.82%	24.46%	17.57%

(1) Percentage restated to reflect governmental funds capital outlay and not capital projects  
(2) Restated amounts from capital that are reflected in prior year financials as capital projects.

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

Year Ended (1) <u>June 30</u>	Property Tax	Intangible Tax	Alcoholic Beverage Excise Tax	Hotel Motel Tax	Real Estate Transfer Tax	Other	Total
2004	10,507,706	284,215	847,700	2,009,839	99,110	519,884	14,268,454
2005 (2)	15,306,659	230,896	842,738	2,067,734	136,880	3,313,987	21,898,894
2006	16,546,032	257,488	861,353	2,150,995	149,332	3,087,347	23,052,547
2007	17,416,798	285,132	884,674	2,180,519	110,783	3,176,337	24,054,243
2008	17,590,571	224,801	812,476	2,217,011	106,428	3,729,513	24,680,800
2009	18,417,461	141,422	803,261	1,891,608	37,937	3,805,399	25,097,088
2010	18,412,382	116,367	790,828	1,720,725	22,427	3,762,365	24,825,094
2011	19,350,867	116,922	743,122	1,891,999	35,454	3,651,425	25,789,789
2012	18,961,810	137,004	756,815	1,822,802	42,185	3,120,229	24,840,847
2013	15,643,152	193,495	762,326	2,049,274	71,303	4,045,010	22,764,560

(1) 2004 - 2005: Includes General, Special Revenue, Debt Service Funds and discretely presented component unit: Marietta Welcome Center and Visitor's Bureau, Inc.

2006 - 2013: Includes all governmental funds

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

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

Digest Year	Real Property (1)	Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
		Motor Vehicles/Homes	Personal Property					
2003	1,788,218,138	156,996,283	308,502,425	92,338,297	2,196,064,039	4.686	5,490,160,098	40.00%
2004	1,860,715,202	151,204,522	289,628,328	117,344,645	2,217,248,607	4.686	5,543,121,518	40.00%
2005	2,024,460,648	163,927,353	294,707,607	130,666,229	2,385,321,211	4.686	5,963,303,028	40.00%
2006	2,185,623,440	172,340,767	293,856,544	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	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	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	172,043,250	2,814,610,604	4.683	7,036,526,510	40.00%
2010	2,514,106,019	177,150,379	266,358,668	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	95,033,562	2,758,300,158	4.046	6,895,750,395	40.00%
2012	2,304,821,004	167,735,826	279,564,794	82,990,822	2,701,670,053	4.046	6,754,175,133	40.00%

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

(2) 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									
	City of Marietta				Cobb County			Marietta City Schools		Downtown Marietta Development Authority (1)
	Operating Millage	Debt Service Millage	Cemetery Maintenance Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Total Direct & Overlapping Rates	Operating Millage
2004	2.79	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.38
2005	2.79	1.82	0.08	4.69	6.85	0.22	7.07	17.97	29.73	2.38
2006	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2007	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2008	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2009	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.38
2010	2.79	1.82	0.08	4.69	6.82	0.22	7.04	17.97	29.70	2.09
2011	2.79	2.37	0.08	5.23	6.82	0.22	7.04	17.97	30.24	2.09
2012	2.79	2.37	0.08	5.24	7.72	0.33	8.05	17.97	31.25	2.09
2013	2.79	1.18	0.08	4.05	7.72	0.33	8.05	19.16	31.25	2.09

Source: City of Marietta tax department

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

**CITY OF MARIETTA, GEORGIA**  
**Principal Taxpayers (Unaudited)**  
**June 30, 2013**

Taxpayer (1)	Type of Business	2013			2004		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Laurel Hills Apartment LLC	Real Estate	\$ 13,577,740	1	0.50%			
C W Matthews Contracting Co.	Commercial	\$ 13,544,457	2	0.50%	\$6,253,340	9	0.28%
Sterling Town Center Apartments	Real Estate	\$ 12,750,520	3	0.47%			
Bellsouth Telecom./ AT&T	Telephone	\$ 9,042,417	4	0.33%	\$22,067,589	1	0.93%
Kennestone Physicians Center I	Hospital	\$ 8,825,760	5	0.33%			
Rauls Frank P & Tyler J Rauls	Retirement Home	\$ 7,744,898	6	0.29%			
DPR Marietta Ridge LLC	Real Estate	\$ 7,420,500	7	0.27%			
Marietta II E & A LLC	Real Estate	\$ 7,000,000	8	0.26%			
Atlanta Parkway Investment Group I	Real Estate	\$ 7,000,000	9	0.26%	\$11,410,836	4	0.48%
Atlanta Parkway Investment Group II	Real Estate	\$ 7,000,000	10	0.26%	\$9,600,000	6	0.40%
Tyco International US Inc.	Manufacturing				\$15,119,094	2	0.64%
Bells Ferry Corp.	Real Estate				\$13,270,212	3	0.56%
Caswyck Town Center LLC	Commercial				\$9,995,026	5	0.42%
Bel EQR IV LP	Attorney				\$8,181,195	7	0.34%
Sope Creek LLC	Real Estate				\$6,978,294	8	0.29%
FPL/Flagstone Apartments LP	Real Estate				\$6,253,340	10	0.26%
<b>Totals</b>		<b>\$93,906,292</b>		<b>3.48%</b>	<b>\$109,128,926</b>		<b>4.60%</b>

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
2003	9,277,950	196,466	9,474,416	9,120,751	98.31%	79,906	9,200,657	97.11%
2004	9,430,498	(26,900)	9,403,598	9,348,551	99.13%	54,303	9,402,854	99.99%
2005	10,136,294	24,546	10,160,840	10,036,324	99.01%	123,067	10,159,391	99.99%
2006	10,761,609	(49,811)	10,711,798	10,615,645	98.64%	84,775	10,700,420	99.89%
2007	11,407,894	8,553	11,416,447	11,273,654	98.82%	131,434	11,405,088	99.90%
2008	12,147,888	2,858	12,150,746	11,853,331	97.58%	277,773	12,131,104	99.84%
2009	11,987,687	(64,554)	11,923,133	11,660,045	97.27%	237,122	11,897,167	99.78%
2010	12,416,512	(40,002)	12,376,510	12,111,605	97.54%	228,991	12,340,596	99.71%
2011	11,708,773	(5,407)	11,703,366	11,512,240	98.32%	145,904	11,658,144	99.61%
2012	9,051,308	-	9,051,308	8,955,792	98.94%	-	8,955,792	98.94%

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

Fiscal Year	Gallons of Water Consumed (millions)	Total Direct Rate							
		Water					Wastewater		
		Base Rate (1)	Tier 1 (2)	Tier 2 (2)	Tier 3 (2)	Tier 4 (2)	Base Rate (1)	Tier 1 (2)	Tier 2 (2)
2004	3,160	9.22	2.20	1.97	1.76		9.21	4.90	4.44
2005	3,158	9.45	2.25	2.02	1.80		9.58	5.09	4.61
2006	3,357	9.92	2.36	*	*		10.77	5.38	*
2007	3,353	10.61	2.53	2.91	3.29		11.52	5.76	*
2008	3,001	12.10	2.88	3.60	5.76		12.21	6.11	*
2009	2,627	15.00	3.57	4.46	7.14		13.06	6.54	*
2010	2,613	16.20	3.86	4.83	7.72		14.10	7.06	*
2011	2,644	17.50	4.17	5.22	8.34		14.95	7.48	*
2012	2,658	13.00	2.65	4.40	5.50	8.80	15.10	7.55	*
2013	2,569	13.00	2.79	4.54	5.68	9.08	15.10	7.55	*

Source: City of Marietta utility department

\* No rate for that Tier during that time

(1) 0 - 2,000 gallons

	Water Tier Definition (in thousand gallons)				Wastewater Tier Definition (in thousand gallons)	
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 1	Tier 2
2002 - 2005	>2-20	>20-1000	>1000		>2 - 1,000	>1,000
2006 - 2008	>2	*	*		>2	*
2009 - 2011	>2-7	>7 -12	>12		>2	*
2012-2013	0-2	>2-7	>7 -12	>12	>2	*

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

Fiscal Year	Kilowatt Hours Sold (millions)	Summer (June through September)			Winter (October through May)				
		Base Rate	Tier 1 (1)	Tier 2 (2)	Tier 3 (3)	Base Rate	Tier 1 (1)	Tier 2 (2)	Tier 3 (3)
2004	1,074	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2005	1,036	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2006	1,075	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2007	1,073	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2008	1,094	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2009	1,031	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2010	1,046	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2011	1,083	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2012	1,027	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054
2013	998	8.00	0.070	0.087	0.102	8.00	0.070	0.054	0.054

Source: City of Marietta utility department

(1) Cost per first 650 kilowatt hours

(2) Cost per 651 - 1,000 kilowatt hours

(3) Cost per each additional kilowatt hours over 1,000 hours

**CITY OF MARIETTA, GEORGIA**  
**Principal Electric Revenue Customers (Unaudited)**  
**June 30, 2013**

Customer Name	Type of Business	2013			2004		
		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	61,140,044	1	6.12%	44,008,207	1	4.08%
Cobb County Government	Government	51,460,949	2	5.15%	43,745,620	2	4.05%
Southern Polytechnic	School	34,594,431	3	3.46%	26,590,824	3	2.46%
Tip Top Poultry	Commercial	32,969,419	4	3.30%	18,699,996	6	1.73%
Marietta City Schools	School	18,066,620	5	1.81%	13,486,671	8	1.25%
Nyro of Atlanta	Commercial	17,266,400	6	1.72%			0.00%
Kroger	Commercial	17,249,600	7	1.71%			0.00%
Coca Cola Enterprises	Commercial	17,143,200	8	1.81%			0.00%
Life College	Commercial	17,039,638	9	1.73%	12,828,283	9	1.19%
Cobb County Board of Education	School	11,647,953	10	1.17%			0.00%
Lockheed				1.73%	21,577,674	5	2.00%
Southern Ice Cream					14,809,544	7	1.37%
Tyco					24,937,200	4	2.31%
Lasalle Partners					12,196,400	10	1.13%
<b>Totals</b>		<b>278,578,254</b>		<b>27.98%</b>	<b>180,937,275</b>		<b>13.37%</b>

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

Fiscal Year	Governmental Activities					Business Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	SPLOST Revenue Bonds	Tax Allocation Bonds	Citywide Project Bonds	Note Payable	Marietta Conference Center Revenue Bonds	Golf Course Revenue Bonds	Capital Leases					
2004	\$69,325,000	--	--	--	--	\$26,670,000	\$4,583,140	\$256,699	\$100,834,839	6.86%	\$1,675		
2005	64,705,000	--	--	--	762,620	26,255,000	4,044,323	217,265	95,984,208	6.48%	1,595		
2006	59,895,000	--	8,400,000	--	719,844	25,815,000	3,536,585	176,269	98,542,698	6.48%	1,637		
2007	54,880,000	--	8,400,000	--	674,879	25,350,000	3,059,064	133,632	92,497,575	5.90%	1,522		
2008	51,255,000	9,820,000	8,400,000	--	627,614	31,410,000	4,835,000	253,450	106,601,064	6.80%	1,724		
2009	45,115,000	9,820,000	7,900,805	--	577,930	30,420,000	4,835,000	206,592	98,875,327	6.24%	1,591		
2010	60,835,000	9,145,000	7,380,694	31,660,000	525,706	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 **	9,891,175	29,365,000	413,103	0 *	2,736,490	105,779	86,328,062	5.96%	1,482		
2013	41,403,544	0 **	8,819,532	27,895,000	352,445	0 *	2,094,326	56,267	80,621,114	5.36%	1,373		

\* In FY2010 Conference Center bonds were cancelled.

\*\* In FY2012 SPLOST Bonds paid in full

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

<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>
2004	\$76,965,000	1,958,270	75,006,730	1.38%	1,119
2005	69,325,000	1,898,186	67,426,814	1.23%	1,043
2006	64,705,000	2,206,406	62,498,594	1.13%	958
2007	54,880,000	2,836,778	52,043,222	0.97%	797
2008	51,255,000	3,658,389	47,596,611	0.66%	671
2009	45,115,000	4,701,507	40,413,493	0.57%	650
2010	60,835,000	3,366,151	57,468,849	0.81%	876
2011	53,550,000	5,492,241	48,057,759	0.67%	849
2012	47,290,000	6,456,153	40,833,847	0.59%	701
2013	41,403,544	6,136,954	35,266,590	0.52%	600

**CITY OF MARIETTA, GEORGIA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2013**

<u>Governmental Unit</u>	<u>Net Governmental Debt Outstanding</u>	<u>Percentage Applicable to City of Marietta (1)</u>	<u>Amount Applicable to City of Marietta (1)</u>
Debt repaid with Property Taxes			
Cobb County including TAX Anticipation Notes	67,000,000	12.25%	8,207,940
Cobb County General Obligation Bonds	<u>33,375,000</u>	12.25%	<u>4,088,657</u>
Total Overlapping General Obligation Debt	100,375,000		12,296,597
Overlapping Guaranteed Revenue Debt:			
Cobb County Parking Deck Certificates	9,990,000	12.25%	1,223,841
Cobb-Marietta Coliseum and Exhibit Hall Authority	46,785,000	12.25%	46,785,000
Cobb County Solid Waste Management	<u>4,050,000</u>	12.25%	<u>496,152</u>
Total Overlapping Guaranteed Revenue Debt	60,825,000		48,504,992
City Direct Debt	<u>76,672,518</u>	100.00%	<u>76,672,518</u>
<b>Total Direct and Overlapping Debt</b>	<b><u>\$ 237,872,518</u></b>		<b><u>\$ 81,257,326</u></b>
Debt Per Capita:			
Direct City Debt			\$ 1,305
Overlapping General Obligation Debt			209
Overlapping Guaranteed Revenue Debt			<u>826</u>
Total Debt Per Capita			<b><u>\$ 2,340</u></b>

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

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Marietta, Georgia. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) Calculation for the Overlapping debt was determined by allocating the percentage of Net M & O for the city versus the total for the county. The source was the State's Department of Revenue website.

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit: 10 percent of assessed value	\$228,840,234	\$233,459,325	\$251,598,744	\$268,694,272	\$284,573,182	\$301,902,203	\$298,565,385	\$299,026,224	\$285,333,372	\$278,466,088
Total net debt applicable to limit	69,325,000	64,705,000	59,895,000	54,880,000	51,255,000	45,115,000	60,835,000	53,550,000	47,290,000	42,285,000
Legal Debt margin	<u>\$159,515,234</u>	<u>\$168,754,325</u>	<u>\$191,703,744</u>	<u>\$213,814,272</u>	<u>\$233,318,182</u>	<u>\$256,787,203</u>	<u>\$237,730,385</u>	<u>\$245,476,224</u>	<u>\$238,043,372</u>	<u>\$236,181,088</u>

Total net debt applicable to the limit  
as a percentage of debt limit

30.29%

27.72%

23.81%

20.42%

18.01%

14.94%

20.38%

17.91%

16.57%

15.18%

Legal Debt Margin Calculation for Fiscal Year 2013

Total taxable assessed value	\$2,701,670,053
Add back: exempt real property	82,990,822
Total assessed value	<u>\$2,784,660,875</u>
Debt limit (10% of total assessed value)	278,466,088
Debt applicable to limit: General obligation bonds	<u>42,285,000</u>
Legal debt margin	<u>\$236,181,088</u>

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

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

Fiscal Year	Marietta Conference Center Bonds, Series 1996 A, 1996 B, and 2003 (1)			Tax Allocation District CCSR Series 2005 (2)			Citywide Projects Bonds, Series 2010 (4)					
	Operating Revenues	Principal	Interest	Coverage	TAD Revenues	Principal	Interest	Coverage	Operating Revenues	Principal	Interest	Coverage
2004	8,976,919	600,000	1,841,483	3.69	-	-	-	-	-	-	-	-
2005	9,343,330	415,000	1,841,606	4.25	-	-	-	-	-	-	-	-
2006	1,677,432	440,000	1,798,563	0.75	172,486	-	-	-	-	-	-	-
2007	1,681,074	465,000	1,328,549	0.94	472,140	*	353,997	1.33	-	-	-	-
2008	1,644,720	940,000	1,355,580	0.72	725,895	*	351,960	2.06	-	-	-	-
2009	1,726,505	990,000	1,921,319	0.59	857,583	499,195	351,960	1.01	-	-	-	-
2010	0	0	0	0.00 (3)	907,858	520,111	331,044	1.07	1,942,774	-	-	-
2011	0	0	0	0.00 (3)	1,019,761	541,904	309,251	1.20	2,240,303	865,000	1,384,731	1.00
2012	0	0	0	0.00 (3)	686,479	564,610	286,545	0.81	9,251,322	1,430,000	1,350,306	3.33
2013	0	0	0	0.00 (3)	531,595	588,266	262,889	0.62	2,204,531	1,470,000	1,299,456	0.79

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

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

(3) Bonds cancelled in Fiscal year 2010

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

\* First Tax allocation bond principal payment was due in FY2009

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (1)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2004	60,204	1,470,964	24,433	30.6	7,316	5.6
2005	60,197	1,481,328	24,608	31.0	7,558	4.6
2006	60,189	1,520,795	25,267	32.3	7,818	3.9
2007	60,758	1,566,949	25,790	32.8	7,517	3.9
2008	61,829	1,567,303	25,349	33.7	8	5.2
2009	62,150	1,585,265	25,507	32.2	7,869	9.5
2010	64,988	1,663,692	25,600	34.6	7,504	9.7
2011	56,579	1,489,329	26,323	32.6	7,908	9.9
2012	58,238	1,529,272	26,259	32.8	8,279	9.7
2013	58,738	1,555,911	26,489	33.7	8,262	9.2

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

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

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

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

**CITY OF MARIETTA, GEORGIA  
Principal Employers  
Last ten fiscal years**

Employer	2013			2004		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment <sup>2</sup>	Employees <sup>3</sup>	Rank	Percentage of Total City Employment <sup>2</sup>
Lockheed Martin Aeronautical Systems	7,568	1	26%	7,000	1	21%
Wellstar Kennestone Hospital	4,660	2	16%	3,679	2	11%
YKK Corp of America	2,500	3	9%	2,500	3	7%
Alere	1,981	4	7%			
Marietta City Schools	1,400	5	5%	1,400	6	4%
Columbian Chemical Company	1,300	6	4%	1,191	8	4%
Southern Polytechnic State University	1,100	7	4%			
Cobb County Board of Education	1,048	8	4%			
C.W. Matthews Contracting, Inc.	930	9	3%	1,100	9	3%
Cobb County Government	880	10	3%			
Matria Healthcare				2,200	4	7%
Solvay Pharmaceuticals				1,660	5	5%
Tip Top Poultry, Inc.				1,300	7	4%
Power Industry Consultants				1,060	10	3%

<sup>1</sup> Dun & Bradstreet's Directory of American Leading Public and Private Companies.

<sup>2</sup> Georgia Department of Labor

<sup>3</sup> Meag Power

Source:

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Elected officials	8	8	8	8	8	8	8	8	7	7
City clerk	3	3	3	3	3	3	3	3	3	3
Municipal court	12	15	16	16	16	14	14	16	14	14
City manager	6	5	6	7	7	7	6	6	6	6
Mayor staff	1	1	1	1	1	1	1	1	1	1
Finance	24	21	25	24	23	26	26	26	26	26
Human Resources	8	8	9	9	8	8	9	9	9	9
Develop. servs and Sect 8	25	24	30	29	31	32	30	31	30	30
Public works										
Admin. & Engineering	7	7	7	7	7	8	9	10	10	10
Building Inspection	7	6	8	8	8	8	7	7	7	7
Environmental Services	42	42	41	42	42	39	38	38	36	33
Streets & Traffic	41	39	41	41	39	38	38	37	37	37
Public safety										
Police										
Officers	136	136	134	133	132	124	129	134	127	127
Civilians	26	17	31	31	33	30	31	31	34	34
Fire										
Firefighters & officers	127	122	134	128	131	132	132	129	127	127
Civilians	3	3	4	4	4	3	3	3	3	3
Parks, Recreation & Facilities										
Recreation	12	10	9	11	11	11	11	11	9	9
Property maintenance	20	19	16	17	17	16	16	14	14	14
Cemetery maintenance	3	3	3	2	1	1	1	2	2	2
BLW Board										
Electric	6	6	6	6	6	6	6	6	5	5
Information Technology <sup>2</sup>	137	127	130	137	127	131	126	129	129	129
Water/sewer	20	19	21	21	20	20	20	20	19	19
FiberNet <sup>1</sup>	39	38	38	37	41	41	42	42	40	40
Fleet maintenance	14	14	14	13	13	14	14	14	14	14
Total	751	693	735	735	729	721	720	727	709	706

<sup>1</sup> FiberNet division was sold to a private company in August 2004.

<sup>2</sup> Formerly MIS/GIS

Source: City of Marietta.

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

	2004	2005	2006	2007	2008	2008	2010	2011	2012	2013
<b>Function</b>										
Police:										
Murder	6	1	6	4	4	3	4	4	3	5
Robbery	206	201	197	276	268	231	192	147	125	137
Aggravated assault	186	141	131	189	189	120	172	156	150	120
Motor vehicle theft	427	439	405	467	393	254	210	193	194	173
Burglary	609	483	419	614	636	604	690	715	622	460
Larceny	2,207	1,803	1,929	1,820	1,858	1,802	1,922	1,961	1,934	1,793
Fire:										
Calls for service	11,736	12,266	12,633	12,514	10,496	10,076	10,880	10,362	10,006	10,592
Fires	381	227	220	296	297	220	301	236	285	234
Structure fires	75	80	75	79	75	77	77	70	60	96
EMS calls	4,945	3,487	3,500	3,715	3,803	4,135	4,605	5,217	5,415	6,330
Fire investigations	48	45	42	86	77	76	67	77	67	71
Plan reviews of commercial property	624	624	640	984	416	482	414	418	431	348
Public Works/Engineering/Inspections:										
Highways and streets										
Street resurfacing (miles)	3	3	2.8	3.1	12.1	13.5	6.4	2.5	6.9	8.8
Pedestrian signals installed	10	9	9	19	10	1	16	13	6	4
Signalized intersections installed/upgraded	10	7	10	13	6	27	8	7	57	122
Engineering/building inspections										
Site plans reviewed	47	47	52	130	118	95	68	65	52	105
Grading permits issued	278	312	318	317	173	84	119	148	150	154
Permits issued (building and trade)	4,194	4,456	4,725	6,536	4,767	4,814	3,811	4,776	4,315	3,568
Inspections	10,500	11,295	11,525	17,180	12,039	11,913	10,347	12,418	10,803	8,991
Sanitation										
Tons of residential waste landfilled	14,700	14,983	15,300	19,785	18,955	17,124	15,579	16,061	15,967	13,303
Tons of residential waste recycled	6,030	6,527	6,825	5,786	6,391	7,445	7,440	8,060	7,852	6,096

(Continued)

\* revised

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

	2004	2005	2006	2007	2008	2008	2010	2011	2012	2013
<b>Parks, recreation, and facilities:</b>										
<b>Parks and recreation</b>										
Senior games participants	320	309	320	275	222	250	300	254	0	0
Summer day camp participants	580	517	790	356	1,018	814	640	702	80	120
Youth basketball participants	590	480	490	321	380	340	360	335	299	303
Youth track participants	100	112	108	92	100	0	0	0	0	0
Adult basketball teams	6	14	11	10	11	12	12	8	4	0
Concerts on the Square	16	17	17	17	17	19	16	19	18	17
Festivals on the Square	4	4	4	4	4	7	8	6	9	10
<b>Facilities</b>										
Inspections	3,470	3,470	3,571	3,613	3,659	400	400	427	400	413
Work orders	2,598	2,598	2,870	2,971	3,121	1,580	1,450	1,520	1,510	1,515
Vandalism incidents	173	173	189	264	210	39	32	7	10	8
<b>Development Services:</b>										
Code enforcement cases	3,344	3,564	3,600	4,925	5,167	6,431	6,409	6,007	5,800	3,106
Citations issued	35	22	40	53	36	47	62	42	28	121
Sign permits issued	300	250	330	350	282	393	451	383	383	362
Rezoning applications processed	50	36	30	29	19	20	14	13	12	27
Variance applications processed	100	68	80	54	32	37	31	37	42	58
Plats reviewed	127	119	140	78	51	45	20	29	33	33
Building permits reviewed	700	768	800	1,677	1,511	1,118	1,168	1,271	1,271	1,358
<b>Human Resources:</b>										
Number of open positions	217	235	210	204	121	74	73	61	66	75
Number of applications received	3,553	5,043	4,500	5,584	5,733	3,342	4,649	3,581	3,885	2,964
Pension applications received and approved	25	39	40	37	25	32	20	20	28	30
<b>Finance:</b>										
Tax payments processed	19,899	20,000	19,225	19,802	20,460	20,775	20,703	20,642	20,579	20,540
Value of tax payments (millions)	47.2	46.9	51.5	54.9	58.8	62.5	61.6	57.9	54.0	53.3
Property tax exemption forms	8,874	7,799	8,000	8,204	8,418	8,455	8,631	8,502	8,340	8,288
Purchase orders processed	2,500	2,500	2,375	2,351	2,107	2,113	1,974	1,964	1,961	2,128
Active vendors	6,300	6,300	6,375	6,425	6,439	6,687	6,996	7,400	7,400	7,930
Business licenses issued	8,898	8,854	8,558	9,020	8,098	7,276	8,379	8,399	8,340	8,434

(Continued)

\* revised

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

	2004	2005	2006	2007	2008	2008	2008	2010	2011	2012	2013
<b>Municipal Court:</b>											
Traffic citations issued	18,684	14,056	16,922	20,655	17,114	14,146	14,146	15,698	18,524	15,617	14,968
Red light citations issued	4,510	35,010	37,001	35,873	26,882	21,641	21,641	20,197	17,364	14,746	17,101
Parking citations issued	4,171	4,628	4,768	3,927	4,160	4,255	4,255	4,687	4,317	4,743	4,412
Cases filed	15,053	13,297	14,228	16,051	13,321	11,755	11,755	12,594	14,237	12,691	12,732
Non-jury trials	924	923	997	906	957	1,011	1,011	990	1,256	1,022	1,068
New probationers	631	578	528	489	631	673	673	722	712	829	721
<b>Electric:</b>											
New customer work orders	300	429	415	677	551	150	150	144	121	20	100
Lighting repair work orders	1,970	1,970	1,769	1,771	1,847	1,800	1,800	1,733	1,517	1,538	1,700
Line clearance (miles)	84	68	75	104	100	110	110	98	94	135	175
Trees removed on system	240	208	250	209	225	315	315	298	594	587	465
Meter site audits	335	335	384	527	350	400	400	463	460	513	450
Transformer infrared scanning	130	130	218	289	220	250	250	407	503	503	500
Electric customers	46,073	45,543	44,338	45,593	46,032	46,477	46,477	46,525	46,309 *	46,437	46,287
Kilowatt hours sold (millions)	1,074	1,036	1,075	1,073	1,094	1,038	1,038	1,046	1,083	1,027	998
<b>Water &amp; sewer:</b>											
New meter installs	144	146	150	204	78	33	33	38	42	104	63
Large water main replacements (feet)	16,050	3,250	3,150	3,150	5,000	6,660	6,660	9,515	6,694	3,918	3,542
Water line replacements (feet)	14,330	11,920	17,455	4,600	6,100	6,257	6,257	6,082	3,563	4,753	8,986
Sewer main rehabilitation (feet)	9,191	3,087	15,100	4,500	2,800	12,774	12,774	6,589	5,102	0	4,354
Major sanitary sewer overflows	3	2	0	1	0	0	0	0	0	1	0
Backflow device inspections	180	186	274	454	469	457	457	760	616	809	853
Utility locates	3,617	3,510	4,000	3,495	3,625	3,536	3,536	3,662	2,252	2,718	4,359
Gallons of grease removed from traps	411,728	640,951	500,000	762,226	715,234	658,174	658,174	597,253	703,394	716,167	675,935
Valves exercised	110	140	600	189	0	0	0	284	253	279	0
Plan reviews	73	62	70	46	35	64	64	95	18	30	17
Work orders completed	11,679	11,857	12,000	3,142	5,812	5,613	5,613	5,361	4,707	4,883	5,055
Water accounts	18,218	18,276	18,249	18,661	18,073	18,441	18,441	17,710	17,684	17,718	17,918
Water gallons sold (million)	3,160	3,158	3,357	3,353	3,001	2,626	2,626	2,533	2,644	2,658	2,565
Sewer accounts	16,768	16,728	16,654	16,710	16,782	16,569	16,569	16,437	16,381	15,039	16,602
Sewer gallons (millions)	2,960	2,962	3,044	2,998	2,708	2,430	2,430	2,567	2,381	2,177	2,325

\* revised

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

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	80	87	98	103	99	108	104	116	131	101
Fire Stations	6	6	6	6	6	6	6	6	6	6
Sanitation										
Collection trucks	15	15	15	15	15	15	15	15	15	17
Highways and streets										
Streets(miles)	217.6	219.6	220.2	223.2	223.7	222.1	216.8	216.6	220	218.1
Streetlights	**	**	6,787	6,817	7,824	7,748	7,665	7,660	7,741	7,736
Traffic signals	104	106	108	108	104	105	104	104	104	105
Culture and recreation										
Parks acreage	288	288	288	298.8	310	310	310	310	373	402.7
Parks	19	19	19	20	20	22	22	22	32	37
Swimming pools ***	1	1	1	1	1	1	1	1	1	1
Tennis courts	27	27	27	27	23	19	19	19	21	21
Community centers	2	2	2	2	2	2	2	2	2	3
Water										
Water mains (miles) *	300	305	314.4	314.4	318.8	326.9	328.0	331.6	334	338.2
Fire hydrants *	2,200	2,250	2,315	2,322	2,385	2,594	2,619	2,626	2,660	2,712
Water pump stations	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sanitary sewer mains (miles) *	255	265	275.5	278.3	285.2	293.8	298.0	300.9	303	303.2
Storm sewers(miles)	223.0	225.0	225.6	225.6	230.0	232.2	232.2	232.2	232	230
Wastewater pump stations	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	20	20	20	20	21	21	20	21	21	21
Miles of service lines	562	569	572	579	585	588	590	590	590	590
Conference Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1

Sources: City departments

Note: \* Fiscal Years 2004 - 2005 estimates

\*\* not readily available

\*\*\* swimming pool closed during FY09