



# **City of Austell, Georgia**

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## **Comprehensive Annual Financial Report**

**For the**

**Fiscal Year Ended  
June 30, 2010**

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Prepared by

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

**CITY OF AUSTELL, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2010**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**INTRODUCTORY SECTION**  
**(Unaudited)**

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February 23, 2011

To the Honorable Mayor and City Council  
of the City of Austell, Georgia

The Comprehensive Annual Financial Report of the City of Austell, Georgia (“City”), for the fiscal year ended June 30, 2010 is submitted herewith. The accuracy of the presented data; as well as, the completeness and fairness of the presentation, including all disclosures, is the sole responsibility of the management of the Finance Department.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City. These are measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activity has been included.

The financial report for the City of Austell includes all the funds of the primary government, the City of Austell, as well as its component unit, the Austell Natural Gas System. Since this component unit is a legally separate entity for which the primary government is financially accountable, the Gas System’s financial statements are reported in a separate column. This emphasizes that the Austell Natural Gas System is legally a separate entity from the City and differentiates its financial position, results of operations and cash flow from those of the City.

### **Government Structure**

The City of Austell is governed by a Mayor and six (6) Council Members who are elected to four (4) year terms in office. Under a Mayor type of government, there are seven (7) departments that oversee the management of the City: General Administration, Finance Department, Community Affairs, Parks and Recreation, Streets and Maintenance, Fire Department and Police Department.

Each department has a director who is responsible to the Mayor and Council for the day-to-day management of his/her respective departments.

The Council operates within a committee framework. The Mayor appoints each of the Council Members to chair one committee and serve as a member of the other committees. These committees serve in an oversight capacity for each of the departments and work closely with individual directors. Although authorization for expenditures of all funds is the ultimate responsibility of the entire Council, requests and recommendations for projects and funding are first discussed by the Committee for approval prior to being presented to the Council for official action.

### **Economic Condition and Overlook**

Over the past year, the City has experienced a substantial economic decline. Due to factors including but not limited to an increase in foreclosures, decrease in business activity and increases in unemployment, the City is planning for any unforeseen contingencies. Declining housing markets combined with property loss from the flood in September 2009 will have a sharp negative impact on the City's budget for future years. Property taxes are expected to drop approximately 22% as well as one of the City's largest employers is expected to downsize their operations.

### **Major Initiatives**

The City is continuously upgrading and improving its road and water/sewer systems to meet the needs of its current population. Ongoing projects include sidewalks and street improvements funded by SPLOST money through Cobb County. These improvements will greatly enhance the City's ability to meet the needs of its citizens well into the twenty-first century. The City is striving to provide an infrastructure and communications system that will pave the way for the next generation.

Conservation efforts are underway to ensure that the youth in the community will be able to enjoy local parks with their children and grandchildren. Austell is on the right track due to its leaders, high moral standards and willingness to get involved.

The City has prepared a Capital Improvements Program, which summarizes the City's long-term capital needs. These are capital requests that will enable the City to continue its commitments to improving both the quality and quantity of services offered to its citizens. The plan addresses proposed facility improvements, road and sidewalk improvements, recreational improvements and operating equipment needs. The Downtown Development project continues progress in Fiscal Year 2010 and has almost reached completion.

### **Sanitation**

The City provides residential sanitation service to its citizens for which customers can purchase bags at City Hall. These bags are picked up by the Sanitation Department every week. In addition to this, the City sponsors a city-wide cleanup week twice a year in April and October. The City also provides recycling services.

## **Financial Highlights**

The estimated total value of the 2009 City's tax digest increased 5.5% from the 2008 digest. This is primarily due to reassessments of property by Cobb County in January 2009. However, the 2010 digest is expected to decrease substantially due to economic conditions of the housing market and the 2009 flood. The City continues to maintain the millage rate at 3.12.

## **Financial Information Accounting System and Budgetary Control**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide a reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Emergency Telephone System Fund, Confiscated Assets Fund, Hotel/Motel Tax Fund, Multiple Grants Fund, and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by department within an individual fund.

## **Cash Management and Investment**

The intention of the cash management system is to limit the amount of funds placed in accounts where low or no interest is paid. Idle cash is invested in various instruments with various maturity dates, depending on the anticipated cash requirements during the period.

The overall strategy of holding deposits and making investments is to limit exposure of the City to a minimum amount of credit risk and market risk. As of year-end, all but one of the City's deposits with banks were entirely insured or collateralized with securities held by the City or by its agent in the City's name.

## **Risk Management**

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

Risk control techniques have been established to reasonably ensure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or

under control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a \$2,500 deductible reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the City.

### **Long-Term Planning**

The City is continually looking toward the future to accommodate maintenance and expansion of its infrastructure, as well as upgrading technical services to provide more effective public safety services. For example, over the next 10 years, the City hopes to eliminate all pump stations connected to its sewer system, which will be funded by operating fees and fund balance. Secondly, the City is planning to repair approximately 5,000 feet of existing roads and 4,544 feet of sidewalks; these improvements will be funded through SPLOST funds. The City has also upgraded their communication radios from analog to digital, which will allow better communication between City and County in the event of a large-scale emergency, which is also funded by SPLOST funds. Finally, the City is committed to expanding its largest park over the next two years. These will be funded in part by CDBG grants through Cobb County.

### **Other Information**

#### **Management Discussion and Analysis**

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

#### **Independent Audit**

State statute requires an annual audit by independent certified public accountants. The firm of *Mauldin & Jenkins, LLC* was selected by the government's audit committee. Generally accepted accounting standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations has been issued under separate cover.

#### **Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a "Certificate of Achievement" for Excellence in Financial Report" to the City of Austell for its comprehensive financial report for year

ended June 30, 2009. This represents the twelfth year the City has received this prestigious award. In order to be awarded a Certificate of Achievement in Financial Reporting from the Government Finance Officers Association (GFOA), a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy Generally Accepted Accounting Principles and applicable legal requirements.

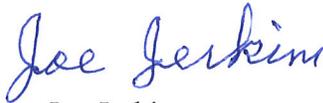
A Certificate of Achievement is valid for a period of one year only. I believe our current comprehensive financial report continues to meet the Certificate of Achievement Program requirements, and I am submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the City and all its departments. We would like to express our appreciation to all members of the City who assisted and contributed to the preparation of this report. Due credit should also be given to the Mayor and City Council for their interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectfully submitted,



Denise Soesbee  
Finance Director



Joe Jerkins  
City Mayor



# City of Austell, Georgia

## Principal Officers

### MAYOR

*Joe Jerkins*

### CITY COUNCIL

**Kirsten Anderson**

*Ward 1*

**Martin Standard**

*Ward 3*

**Scott S. Thomas**

*Ward 2*

**Virginia A. Reagan**

*Ward 4*

**Trudy Causey**

*At-Large, Post 1*

**Randy P. Green**

*At-Large, Post 2*

## DEPARTMENT DIRECTORS

**Carolyn Duncan**

*General Administration*

*Court Clerk*

**Denise Soesbee**

*Finance Director*

**Randy L. Bowens**

*Public Works Director*

**Jimmy R. Graham**

*Community Development/*

*Parks Director*

**Robert G. Starrett**

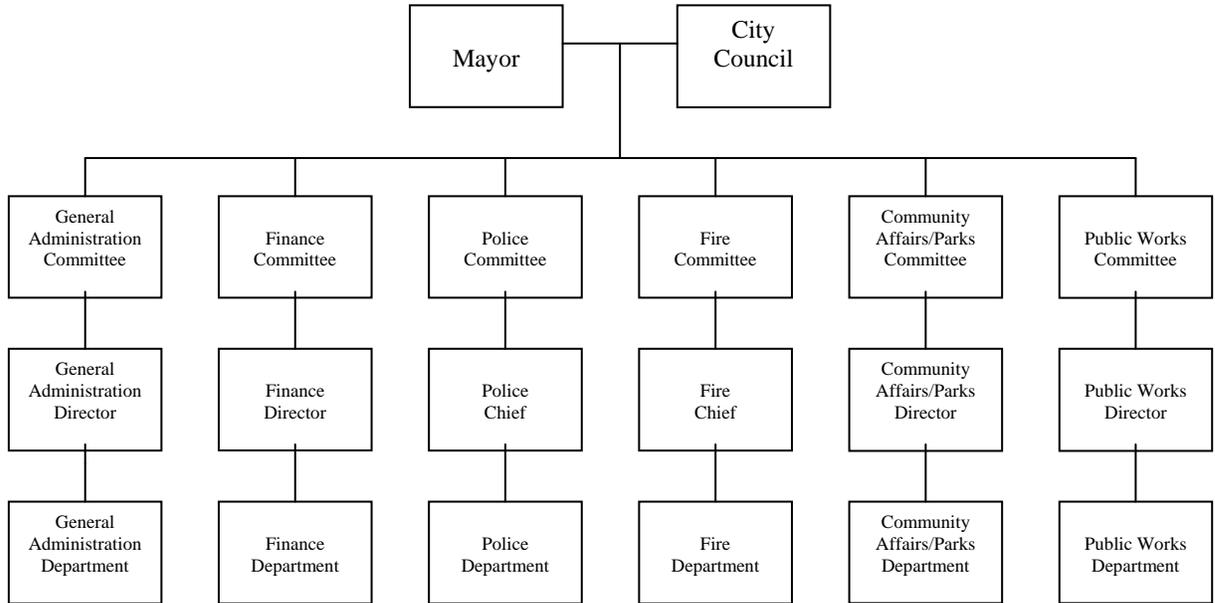
*Police Chief*

**Timothy J. Williams**

*Fire Chief*

**CITY OF AUSTELL, GEORGIA**

**Organizational Structure**



## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Austell, Georgia** as of and for the year ended June 30, 2010, which collectively comprise the City of Austell, Georgia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Austell, Georgia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Austell, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2011, on our consideration of the City of Austell, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Schedule of Funding Progress (on pages 3 through 10 and page 47, respectively) are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Austell, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-21, as listed in the table of contents, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and schedules of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
February 23, 2011

## **City of Austell, Georgia Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2010**

Management's discussion and analysis provides an objective and easily readable analysis of the City of Austell, Georgia's (the City) financial activities based on currently known facts, decisions or conditions. The analysis provides current year summary financial information for the City of Austell, Georgia and should be read in conjunction with the City's financial statements and transmittal letter.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$24,671,221 (net assets). Of this amount, \$11,178,772 (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City had an increase in net assets of \$300,916 compared to an increase of \$369,470 in the prior fiscal year. The primary contributor to the increase was an increase in operating and capital grants and contributions.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,350,449. This represents an increase over the prior fiscal year due primarily to the increase in operating and capital grants and contributions as mentioned above.
- At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,383,560 or 71% of total General Fund expenditures. In the prior year, unreserved fund balance was \$3,967,587 or 65% of General Fund expenditures.

### **Overview of the Financial Statements**

The City's basic financial statements include three components; 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements and fund financial statements provide different pictures of the City of Austell, Georgia. The government-wide financial statements provide an overall picture of the government's financial standing, split between governmental activities and proprietary fund activities.

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

The *statement of activities* reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the statement of net assets and the statement of activities, the City is divided into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, community development, and general administration. The majority of these activities are financed by property taxes, occupational taxes, intergovernmental revenue (SPLOST), franchise taxes, and ownership fees.
- Business-type activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's water and sewer system, stormwater system, solid waste, and the Threadmill Complex are reported here.

- Component units - The City has one legally separate entity, Austell Natural Gas System. Although legally separate, this “component unit” is important because the City is financially accountable for it.

The government-wide financial statements are presented on pages 11-12 of this report.

### **Fund Financial Statements**

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City’s most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City of Austell has two kinds of funds:

- **Governmental funds** – The majority of the City’s basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information assists in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The relationship or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

The basic governmental fund financials are presented on pages 13-17 of this report.

The City maintains one (1) General Fund, five (5) special revenue funds and four (4) capital projects funds. The City’s General Fund is used for normal recurring activities of the City (i.e., police, fire, recreation, public works, general government). The City’s special revenue funds are: Confiscated Assets, Emergency Telephone System, Public Assistance Grant, Multiple Grants, and Hotel/Motel Tax funds. The capital projects funds are: Frogrock Joint Project, Cobb County SPLOST, Douglas County SPLOST, and the Austell Area Community Council Fund. Of these funds, the General Fund and the Austell Area Community Council Fund are considered major funds and are presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. Data from the remaining governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- **Proprietary Funds** – The City of Austell, Georgia charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the City charges a fee. The City of Austell reports four proprietary funds which are classified as enterprise funds. The enterprise funds are Water and Sewer, Stormwater, Solid Waste, and the Threadmill Complex funds.

The basic enterprise fund financial statements are presented on pages 18-20 of this report.

### **Notes to the Basic Financial Statements**

The financial statements include notes that explain some of the information in the financial statements and provide information that is more detailed. The notes are essential for a better understanding of the government-wide and fund financial statements.

The notes are presented on pages 21-47 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning an analysis of pension plan funding progress. Required supplemental information can be found following the basic financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information along with other individual fund budgetary information.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$24,671,221 at the close of the most recent fiscal year.

A portion of the City's net assets (51%) reflects its investment in capital assets such as land, buildings, infrastructure, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has restricted net assets of \$845,779 which is restricted for capital projects as compared to \$678,812 of restricted net assets of the prior year. The remaining balance of unrestricted net assets (\$11,178,772) may be used to meet the City's ongoing obligations to citizens and creditors. Of the unrestricted net assets, \$5,545,058 requires board approval before any funds can be released. This money is intended for the benefit of the City's residents and capital projects.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, governmental activities, business-type activities, and the City's discretely presented component unit.

### **Net Assets**

As noted earlier the City's combined net assets totals \$24,671,221.

The following table provides a summary of the City's governmental and business-type activities' net assets for the fiscal years ended 2010 and 2009:

**Condensed Statement of Net Assets**  
**June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Current assets	\$ 12,081,391	\$ 11,618,286	\$ 902,056	\$ 1,070,430	\$ 12,983,447	\$ 12,688,716
Capital assets, net of accumulated depreciation	8,169,624	8,301,420	10,107,656	10,526,688	18,277,280	18,828,108
Other noncurrent assets	-	-	87,160	93,865	87,160	93,865
Total Assets	<u>20,251,015</u>	<u>19,919,706</u>	<u>11,096,872</u>	<u>11,690,983</u>	<u>31,347,887</u>	<u>31,610,689</u>
<b>Liabilities:</b>						
Current liabilities	590,608	636,912	353,577	515,954	944,185	1,152,866
Long-term liabilities	<u>242,779</u>	<u>323,580</u>	<u>5,489,702</u>	<u>5,763,938</u>	<u>5,732,481</u>	<u>6,087,518</u>
Total Liabilities	<u>833,387</u>	<u>960,492</u>	<u>5,843,279</u>	<u>6,279,892</u>	<u>6,676,666</u>	<u>7,240,384</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	8,005,695	8,053,182	4,640,975	4,782,570	12,646,670	12,835,752
Restricted for capital projects	845,779	678,812	-	-	845,779	678,812
Unrestricted	<u>10,566,154</u>	<u>10,227,220</u>	<u>612,618</u>	<u>628,521</u>	<u>11,178,772</u>	<u>10,855,741</u>
Total Net Assets	<u>\$ 19,417,628</u>	<u>\$ 18,959,214</u>	<u>\$ 5,253,593</u>	<u>\$ 5,411,091</u>	<u>\$ 24,671,221</u>	<u>\$ 24,370,305</u>

**Changes in Net Assets**

Governmental and business-type activities increased the City's net assets by \$300,916.

The following table provides a summary of the City's changes in net assets:

**Condensed Changes in Net Assets**  
**June 30, 2010 and 2009**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 900,956	\$ 902,552	\$ 4,755,501	\$ 4,109,301	\$ 5,656,457	\$ 5,011,853
Operating grants and contributions	293,258	81,138	-	-	293,258	81,138
Capital grants and contributions	570,399	293,402	-	-	570,399	293,402
General revenues:						
Property taxes	706,063	709,691	-	-	706,063	709,691
Other taxes/ownership fees	5,628,637	5,668,606	-	-	5,628,637	5,668,606
Investment income	127,806	213,824	3,017	7,161	130,823	220,985
Other	161,309	630	-	-	161,309	630
Gain on sale of capital assets	116,243	-	-	-	116,243	-
<b>Total Revenues</b>	<b>8,504,671</b>	<b>7,869,843</b>	<b>4,758,518</b>	<b>4,116,462</b>	<b>13,263,189</b>	<b>11,986,305</b>
<b>Expenses</b>						
General government	1,525,256	888,240	-	-	1,525,256	888,240
Public safety	4,157,890	4,385,022	-	-	4,157,890	4,385,022
Judicial	137,650	-	-	-	137,650	-
Public works	1,272,445	962,216	-	-	1,272,445	962,216
Solid waste management	6,754	99,908	-	-	6,754	99,908
Culture and recreation	713,925	693,455	-	-	713,925	693,455
Promotion	-	2,934	-	-	-	2,934
Housing and development	78,286	88,779	-	-	78,286	88,779
Tourism and economic development	3,090	-	-	-	3,090	-
Interest on long-term debt	6,686	10,726	-	-	6,686	10,726
Threadmill Complex	-	-	1,386,394	1,431,768	1,386,394	1,431,768
Water and sewer	-	-	3,177,074	3,053,787	3,177,074	3,053,787
Stormwater	-	-	378,725	-	378,725	-
Solid waste	-	-	118,098	-	118,098	-
<b>Total Expenses</b>	<b>7,901,982</b>	<b>7,131,280</b>	<b>5,060,291</b>	<b>4,485,555</b>	<b>12,962,273</b>	<b>11,616,835</b>
Change in net assets before transfers	602,689	738,563	(301,773)	(369,093)	300,916	369,470
Transfers	(144,275)	(677,197)	144,275	677,197	-	-
<b>Change in Net Assets</b>	<b>458,414</b>	<b>61,366</b>	<b>(157,498)</b>	<b>308,104</b>	<b>300,916</b>	<b>369,470</b>
Net Assets, beginning	18,959,214	18,897,848	5,411,091	5,102,987	24,370,305	24,000,835
Net Assets, ending	\$ 19,417,628	\$ 18,959,214	\$ 5,253,593	\$ 5,411,091	\$ 24,671,221	\$ 24,370,305

**Governmental Activities**

Governmental activities increased the City's net assets by \$458,414. This is an increase from the prior year which can be mostly attributed to the substantial decrease in transfers to other funds. Additionally, operating expenses as well as interest on long-term debt remained comparable to prior year activity.

Revenues for Governmental Activities increased overall by 6.6% which is attributed to an increase in grants and contributions in public works.

**Governmental Activities  
Program Revenues and Expenses  
For the Fiscal Year Ended June 30, 2010**

	Revenues	Expenses
General government	\$ 347,829	\$ 1,525,256
Public safety	117,046	4,157,890
Judicial	660,810	137,650
Public works	634,780	1,272,445
Solid waste management	2,898	6,754
Culture and recreation	-	713,925
Housing and development	-	78,286
Tourism and economic development	-	3,090
Interest on long-term debt	-	6,686
Totals	\$ 1,763,363	\$ 7,901,982

**Governmental Activities  
Revenues by Source  
For the Fiscal Years Ended June 30, 2010 and June 30, 2009**

	2010		2009	
Charges for services	\$ 900,956	11%	\$ 902,552	12%
Operating grants and contributions	293,258	3%	81,138	1%
Capital grants and contributions	570,399	7%	293,402	4%
Property taxes	706,063	8%	709,691	9%
Other taxes and ownership fees	5,628,637	66%	5,668,606	71%
Unrestricted investment earnings	127,806	2%	213,824	3%
Miscellaneous	161,309	2%	630	0%
Gain on sale of capital assets	116,243	1%	-	0%
Totals	\$ 8,504,671	100%	\$ 7,869,843	100%

**Business-Type Activities**

Major revenue sources for the proprietary funds were charges for services of \$4,755,501, this is a 16% increase from the previous year. This increase is primarily attributed to rent increases at Threadmill and water and sewer rate increases during the current fiscal year. Expenses for the propriety funds are \$5,060,291 which is a 13% increase from the previous year. This increase is mostly the result of an increase in activity for the newly reported Stormwater Fund.

**Business-type Activities  
Program Revenues and Expenses  
For the Fiscal Year Ended June 30, 2010**

	Revenues	Expenses
Threadmill Complex	\$ 1,045,701	\$ 1,386,394
Water and sewer	3,592,244	3,177,074
Stormwater	34,719	378,725
Solid Waste	82,837	118,098
Totals	\$ 4,755,501	\$ 5,060,291

**Business-type Activities  
Revenues by Source  
For the Fiscal Years Ended June 30, 2010 and June 30, 2009**

	2010		2009	
Charges for services	\$ 4,755,501	100%	\$ 4,109,301	100%
Unrestricted investment earnings	3,017	0%	7,161	0%
Totals	\$ 4,758,518	100%	\$ 4,116,462	100%

## **Financial Analysis of the City's Individual Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

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

As of June 30, 2010, the City's governmental funds reported a combined ending fund balance of approximately \$11.4 million. Of this total, approximately \$11.1 million or 98% constitutes unreserved fund balance, which is available for spending in the next fiscal year. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of restricted purposes.

The General Fund is the primary operating fund of the City. For the fiscal year ended June 30, 2010, unreserved fund balance was approximately \$4.4 million, while total fund balance was approximately \$4.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 71% of total General Fund expenditures, while total fund balance represents 75% of that same amount.

The fund balance of the General Fund increased \$284,641 during the fiscal year. Key factors in this increase are as follows:

- Increase in franchise and ownership fees from the Austell Natural Gas System.
- Total expenditures remained comparable to fiscal year 2009.

Financial highlights of the City's other non-major governmental funds are as follows:

- The September 2009 flood continues to impact the City financially. As a result, the City created a new special revenue fund which is called the Public Assistance Grant Fund to account for federal and state funding surrounding the flood.

### **Enterprise Funds**

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Change in net assets of the Water and Sewer Fund at the end of the year amount to a decrease of \$3,280,772 resulting in total net assets of \$1,236,854. The decrease is due to the creation of new Stormwater enterprise fund where capital assets were transferred from the Water and Sewer Fund to the new Stormwater Fund. Changes in net assets of the Threadmill Complex Fund amount to a decrease of \$113,871, resulting in total net assets of \$779,594. This decrease is primarily due to an increase in depreciation and amortization expense and a decrease in revenue as compared to last fiscal year.

### **Budgetary Highlights**

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. The most significant budgeted fund is the General Fund. The City Council amended the General Fund budget at various times throughout the fiscal year. The amendments resulted in an increase to the budget of \$8,000. Below are explanations of the 2009-10 Budget Amendments:

- 1) Increase in General Fund Housing & Development budgeted expenditures for increased inspection activity due to September Flood - \$17,000.
- 2) Decrease in General Fund General Government budgeted expenditures of \$80,000 due to general administration expenditures being less than budgeted amounts.
- 3) Increase in General Fund Public Safety budgeted expenditures of \$13,000 due primarily to actual salaries and benefits paid being more than budgeted amounts.
- 4) Increase in Water for Resale to reflect actual activity - \$360,000.

- 5) Increase in Sanitary Sewer Intergovernmental to reflect actual activity - \$250,000.

### **Capital Assets**

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities for the year ended June 30, 2010, was \$8,169,624 and \$10,107,656 respectively. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The major additions and deletions to capital for the fiscal year were:

- Sold property with a net book value of \$40,000 to Cobb County for \$250,000.
- Purchase of five (5) new police cars and an excavator for a total of \$207,296.

At June 30, 2010, the depreciable capital assets for governmental activities were 47% depreciated. The business-type activities are 38% depreciated.

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

### **Long-Term Debt**

During the year, the City retired \$280,000 of the beginning outstanding bonds and \$144,309 of outstanding capital lease obligations. At the end of the fiscal year, the City of Austell had total debt outstanding of \$5,732,481 including \$163,929 of capital leases secured for the purchase of vehicles, trucks, other equipment, and \$5,500,000 of revenue bonds.

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

### **Economic Conditions Affecting the City**

Key assumptions for fiscal year 2011 are summarized as follows:

- The Gas System ownership fees were budgeted to be approximately \$4 million. However, due to an increase of gross sales of gas, anticipated revenue at the current rate of 7% gross sales is expected to be approximately \$4.2 million.
- Increases in healthcare costs are anticipated for the 2010-11 fiscal year.
- On September 18, 2009, the City of Austell, Georgia was flooded and almost 700 of its approximately 2,500 homes were severely affected. We anticipate the completion of the repairs in March 2011. There are currently 23 homes that have been approved through the Hazard Mitigation Grant Program in which the City will buy back property that had been substantially damaged by the flood.

### **Request for Information**

This financial report is designed to provide a general overview of the City's finances, compliance with finance-related laws, and regulations; and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to Denise Soesbee, Finance Director, City of Austell, 2716 Broad Street, Austell, Georgia 30106.

A complete set of financial statements for the City's Component unit, Austell Natural Gas System, may be obtained at the entity's administrative offices at 2838 Joe Jerkins Blvd; P.O. Box 685, Austell, Georgia 30168.

**CITY OF AUSTELL, GEORGIA**

**STATEMENT OF NET ASSETS  
JUNE 30, 2010**

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Austell Natural Gas System
Cash and cash equivalents	\$ 2,740,372	\$ 219,497	\$ 2,959,869	\$ 19,661,174
Investments	5,010,006	174,559	5,184,565	-
Taxes receivable	139,281	-	139,281	-
Other receivables	14,573	-	14,573	2,179
Accounts receivable, net of allowances	108,494	569,711	678,205	2,529,004
Due from component unit	3,632,688	-	3,632,688	-
Due from other governments	85,089	-	85,089	216,475
Internal balances	135,343	(135,343)	-	-
Inventory	-	15,368	15,368	4,549,161
Prepaid items	215,545	56,934	272,479	115,694
Restricted cash and cash equivalents	-	-	-	12,366,850
Other assets	-	1,330	1,330	-
Deferred charges, unamortized balance	-	87,160	87,160	113,863
Net pension asset	-	-	-	611,883
Capital assets:				
Non-depreciable	1,973,418	573,878	2,547,296	344,992
Depreciable, net of accumulated depreciation	6,196,206	9,533,778	15,729,984	26,182,039
<b>Total assets</b>	<b>20,251,015</b>	<b>11,096,872</b>	<b>31,347,887</b>	<b>66,693,314</b>
<b>LIABILITIES</b>				
Accounts payable	399,299	-	399,299	3,074,402
Accrued interest payable	-	126,381	126,381	65,943
Accrued liabilities	81,921	16,719	98,640	204,982
Unearned revenue	21,888	33,504	55,392	508,686
Customer deposits payable	-	176,973	176,973	1,478,344
Due to primary government	-	-	-	3,739,832
Due to other governments	87,500	-	87,500	-
Compensated absences due within one year	19,713	5,756	25,469	277,886
Compensated absences due in more than one year	59,137	17,265	76,402	-
Capital leases due within one year	123,135	-	123,135	94,409
Capital leases due in more than one year	40,794	-	40,794	128,237
Bonds payable due within one year	-	295,000	295,000	1,365,000
Bonds payable due in more than one year	-	5,171,681	5,171,681	8,545,000
Net OPEB obligation	-	-	-	33,431
<b>Total liabilities</b>	<b>833,387</b>	<b>5,843,279</b>	<b>6,676,666</b>	<b>19,516,152</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	8,005,695	4,640,975	12,646,670	16,394,385
Restricted for capital projects	845,779	-	845,779	-
Restricted for construction	-	-	-	1,109,539
Restricted for renewal and extension	-	-	-	9,046,167
Restricted for debt service	-	-	-	2,211,144
Unrestricted	10,566,154	612,618	11,178,772	18,415,927
<b>Total net assets</b>	<b>\$ 19,417,628</b>	<b>\$ 5,253,593</b>	<b>\$ 24,671,221</b>	<b>\$ 47,177,162</b>

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

**CITY OF AUSTELL, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			Component Unit Austell Natural Gas System
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 1,525,256	\$ 55,821	\$ 292,008	\$ -	\$ (1,177,427)	\$ -	\$ (1,177,427)	\$ -
Judicial	137,650	660,810	-	-	523,160	-	523,160	-
Public safety	4,157,890	117,046	-	-	(4,040,844)	-	(4,040,844)	-
Public works	1,272,445	64,381	1,242	570,399	(636,423)	-	(636,423)	-
Solid waste management	6,754	2,898	-	-	(3,856)	-	(3,856)	-
Culture and recreation	713,925	-	8	-	(713,917)	-	(713,917)	-
Housing and development	78,286	-	-	-	(78,286)	-	(78,286)	-
Tourism and economic development	3,090	-	-	-	(3,090)	-	(3,090)	-
Interest on long-term debt	6,686	-	-	-	(6,686)	-	(6,686)	-
Total governmental activities	<u>7,901,982</u>	<u>900,956</u>	<u>293,258</u>	<u>570,399</u>	<u>(6,137,369)</u>	<u>-</u>	<u>(6,137,369)</u>	<u>-</u>
Business-type activities:								
Threadmill Complex	1,386,394	1,045,701	-	-	-	(340,693)	(340,693)	-
Water and Sewer	3,177,074	3,592,244	-	-	-	415,170	415,170	-
Stormwater	378,725	34,719	-	-	-	(344,006)	(344,006)	-
Solid Waste	118,098	82,837	-	-	-	(35,261)	(35,261)	-
Total business-type activities	<u>5,060,291</u>	<u>4,755,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(304,790)</u>	<u>(304,790)</u>	<u>-</u>
Total primary government	<u>\$ 12,962,273</u>	<u>\$ 5,656,457</u>	<u>\$ 293,258</u>	<u>\$ 570,399</u>	<u>(6,137,369)</u>	<u>(304,790)</u>	<u>(6,442,159)</u>	<u>-</u>
<b>Component unit:</b>								
Austell Natural Gas System	<u>\$ 53,177,753</u>	<u>\$ 62,283,847</u>	<u>\$ -</u>	<u>\$ 216,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 9,322,569</u>
General revenues:								
Property taxes					\$ 706,063	\$ -	\$ 706,063	\$ -
Franchise taxes					5,033,139	-	5,033,139	-
Insurance premium taxes					297,120	-	297,120	-
Business occupation taxes					110,014	-	110,014	-
Sales and use taxes					48,270	-	48,270	-
Other taxes					136,324	-	136,324	-
Penalties and interest					3,770	-	3,770	-
Unrestricted investment earnings					127,806	3,017	130,823	25,299
Miscellaneous					161,309	-	161,309	112,285
Gain on sale of capital assets					116,243	-	116,243	-
Transfers					(144,275)	144,275	-	-
Total general revenues and transfers					<u>6,595,783</u>	<u>147,292</u>	<u>6,743,075</u>	<u>137,584</u>
Change in net assets					458,414	(157,498)	300,916	9,460,153
Net assets, beginning of year (restated)					18,959,214	5,411,091	24,370,305	37,717,009
Net assets, end of year					<u>\$ 19,417,628</u>	<u>\$ 5,253,593</u>	<u>\$ 24,671,221</u>	<u>\$ 47,177,162</u>

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

# CITY OF AUSTELL, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2010

ASSETS	General Fund	Austell Area Community Council Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 616,629	\$ 1,077,344	\$ 1,046,399	\$ 2,740,372
Investments	10,006	5,000,000	-	5,010,006
Accounts receivable, net of allowances	48,176	-	60,318	108,494
Taxes receivable	138,968	-	313	139,281
Due from other governments	-	-	85,089	85,089
Other receivables	8,125	6,448	-	14,573
Due from other funds	843,870	-	159,079	1,002,949
Due from component unit	3,632,688	-	-	3,632,688
Prepaid items	200,642	-	14,903	215,545
Advances to other funds	32,302	-	-	32,302
<b>Total assets</b>	<b>\$ 5,531,406</b>	<b>\$ 6,083,792</b>	<b>\$ 1,366,101</b>	<b>\$ 12,981,299</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 371,642	\$ -	\$ 27,657	\$ 399,299
Accrued liabilities	73,847	-	8,074	81,921
Due to other funds	276,757	538,734	52,115	867,606
Due to other governments	87,500	-	-	87,500
Deferred revenue:	105,156	-	57,066	162,222
Advances from other funds	-	-	32,302	32,302
<b>Total liabilities</b>	<b>914,902</b>	<b>538,734</b>	<b>177,214</b>	<b>1,630,850</b>
<b>FUND BALANCES</b>				
Fund balances:				
Reserved for:				
Prepaid items	200,642	-	14,903	215,545
Advances	32,302	-	-	32,302
Unreserved, reported in				
General fund	4,383,560	-	-	4,383,560
Special revenue funds	-	-	190,472	190,472
Capital projects funds	-	5,545,058	983,512	6,528,570
<b>Total fund balances</b>	<b>4,616,504</b>	<b>5,545,058</b>	<b>1,188,887</b>	<b>11,350,449</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,531,406</b>	<b>\$ 6,083,792</b>	<b>\$ 1,366,101</b>	
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				8,169,624
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.				140,334
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the funds.				(242,779)
Net assets of governmental activities				<b>\$ 19,417,628</b>

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

# CITY OF AUSTELL, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Austell Area Community Council Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 6,293,741	\$ -	\$ 3,849	\$ 6,297,590
Licenses and permits	66,212	-	-	66,212
Intergovernmental	73,989	-	787,814	861,803
Charges for services	56,888	-	117,046	173,934
Fines and forfeitures	660,810	-	-	660,810
Interest income	2,899	124,447	1,710	129,056
Contributions and donations	604	-	-	604
Miscellaneous	69,113	-	92,196	161,309
Total revenues	7,224,256	124,447	1,002,615	8,351,318
<b>Expenditures</b>				
Current:				
General government	758,294	43,331	719,931	1,521,556
Judicial	137,645	-	-	137,645
Public safety	3,496,225	-	493,754	3,989,979
Public works	888,903	-	354,946	1,243,849
Solid waste management	6,754	-	-	6,754
Culture and recreation	629,992	16,141	30,090	676,223
Housing and development	75,091	3,195	-	78,286
Tourism and economic development	-	-	3,090	3,090
Capital outlay	-	219,060	26,412	245,472
Debt service:				
Principal retirements	144,309	-	-	144,309
Interest expenditures	11,690	-	-	11,690
Total expenditures	6,148,903	281,727	1,628,223	8,058,853
Excess (deficiency) of revenues over (under) expenditures	1,075,353	(157,280)	(625,608)	292,465
<b>Other financing sources (uses):</b>				
Capital leases	60,000	-	-	60,000
Proceeds from sale of capital assets	259,105	-	-	259,105
Transfers in	80,035	-	965,542	1,045,577
Transfers out	(1,189,852)	-	-	(1,189,852)
Total other financing sources (uses)	(790,712)	-	965,542	174,830
Net change in fund balances	284,641	(157,280)	339,934	467,295
<b>Fund balances, beginning of year</b>	4,331,863	5,702,338	848,953	10,883,154
<b>Fund balances, end of year</b>	\$ 4,616,504	\$ 5,545,058	\$ 1,188,887	\$ 11,350,449

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

**CITY OF AUSTELL, GEORGIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

Net change in fund balances - total governmental funds	\$ 467,295
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. This is the amount by which capital outlay exceeded depreciation expense in the current period.	11,066
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(142,862)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	37,110
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	84,309
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>1,496</u>
Change in net assets - governmental activities	<u>\$ 458,414</u>

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

**CITY OF AUSTELL, GEORGIA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 653,500	\$ 653,500	\$ 668,953	\$ 15,453
Sales and excise taxes	55,000	55,000	48,270	(6,730)
Franchise and other taxes	4,847,000	4,847,000	5,165,614	318,614
Occupational and premium taxes	390,000	390,000	407,134	17,134
Penalties and interest	1,000	1,000	3,770	2,770
Licenses and permits	58,070	66,070	66,212	142
Intergovernmental	76,000	76,000	73,989	(2,011)
Charges for services	12,100	12,100	56,888	44,788
Fines and forfeitures	710,000	710,000	660,810	(49,190)
Interest income	20,000	20,000	2,899	(17,101)
Contributions and donations	-	-	604	604
Miscellaneous	82,600	82,600	69,113	(13,487)
Total revenues	<u>6,905,270</u>	<u>6,913,270</u>	<u>7,224,256</u>	<u>310,986</u>
<b>Expenditures</b>				
Current:				
General government:				
Legislative	291,102	291,102	283,938	7,164
General administration	599,379	519,379	474,356	45,023
Total general government	<u>890,481</u>	<u>810,481</u>	<u>758,294</u>	<u>52,187</u>
Judicial:				
Municipal court	180,083	180,083	137,645	42,438
Public safety:				
Police administration	1,613,476	1,626,476	1,587,638	38,838
Custody of prisoners	353,510	353,510	364,087	(10,577)
Fire administration	1,609,569	1,609,569	1,544,500	65,069
Total public safety	<u>3,576,555</u>	<u>3,589,555</u>	<u>3,496,225</u>	<u>93,330</u>
Public works:				
Highways and streets	650,127	692,127	777,564	(85,437)
Maintenance and shop	115,988	115,988	111,339	4,649
Total public works	<u>766,115</u>	<u>808,115</u>	<u>888,903</u>	<u>(80,788)</u>
Solid waste management:				
Solid waste and recycling	3,100	3,100	6,754	(3,654)
Culture and recreation:				
Community center	43,600	43,600	38,746	4,854
Playgrounds	2,200	2,200	378	1,822
Sports facilities	6,500	6,500	5,801	699
Special activities	82,765	82,765	38,557	44,208
Parks administration	558,201	558,201	546,510	11,691
Total culture and recreation	<u>693,266</u>	<u>693,266</u>	<u>629,992</u>	<u>63,274</u>
Housing and development:				
Protective inspection	21,400	13,400	19,926	(6,526)
Planning and zoning	4,200	4,200	2,076	2,124
Code enforcement	45,300	45,300	23,603	21,697
Economic opportunity	6,500	6,500	4,629	1,871
Austell supermarket	3,000	28,000	24,857	3,143
Total housing and development	<u>80,400</u>	<u>97,400</u>	<u>75,091</u>	<u>22,309</u>

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

Continued

**CITY OF AUSTELL, GEORGIA  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures</b>				
Debt service:				
Principal	175,551	175,551	144,309	31,242
Interest	20,322	20,322	11,690	8,632
Total debt service	<u>195,873</u>	<u>195,873</u>	<u>155,999</u>	<u>39,874</u>
Total expenditures	<u>6,385,873</u>	<u>6,377,873</u>	<u>6,148,903</u>	<u>228,970</u>
Excess of revenues over expenditures	<u>519,397</u>	<u>535,397</u>	<u>1,075,353</u>	<u>539,956</u>
<b>Other financing sources (uses)</b>				
Capital leases	-	-	60,000	60,000
Proceeds from sale of capital assets	-	-	259,105	259,105
Transfers in	80,035	80,035	80,035	-
Transfers out	(602,432)	(602,432)	(1,189,852)	(587,420)
Total other financing sources (uses)	<u>(522,397)</u>	<u>(522,397)</u>	<u>(790,712)</u>	<u>(268,315)</u>
Net change in fund balances	(3,000)	13,000	284,641	271,641
<b>Fund balances, beginning of year</b>	<u>4,331,863</u>	<u>4,331,863</u>	<u>4,331,863</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 4,328,863</u>	<u>\$ 4,344,863</u>	<u>\$ 4,616,504</u>	<u>\$ 271,641</u>

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

**CITY OF AUSTELL, GEORGIA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2010**

ASSETS	Business-type Activities - Enterprise Funds				Totals
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	
<b>CURRENT ASSETS</b>					
Cash	\$ 60,377	\$ 159,120	\$ -	\$ -	\$ 219,497
Investments	-	174,559	-	-	174,559
Accounts receivable, net of allowance	6,331	554,904	2,723	5,753	569,711
Other receivables	-	-	-	-	-
Prepaid items	14,973	37,790	3,476	695	56,934
Inventory	-	15,368	-	-	15,368
Due from other funds	-	144,733	91,545	95,847	332,125
Total current assets	<u>81,681</u>	<u>1,086,474</u>	<u>97,744</u>	<u>102,295</u>	<u>1,368,194</u>
<b>NONCURRENT ASSETS</b>					
Capital Assets					
Nondepreciable	488,140	57,500	28,238	-	573,878
Depreciable assets	8,336,913	2,356,502	4,618,283	-	15,311,698
	8,825,053	2,414,002	4,646,521	-	15,885,576
Accumulated depreciation	(2,489,314)	(1,891,359)	(1,397,247)	-	(5,777,920)
Total noncurrent assets	<u>6,335,739</u>	<u>522,643</u>	<u>3,249,274</u>	<u>-</u>	<u>10,107,656</u>
<b>OTHER NONCURRENT ASSETS</b>					
Other assets	-	1,330	-	-	1,330
Deferred charges	87,160	-	-	-	87,160
Total other noncurrent assets	<u>87,160</u>	<u>1,330</u>	<u>-</u>	<u>-</u>	<u>88,490</u>
Total noncurrent assets	<u>6,422,899</u>	<u>523,973</u>	<u>3,249,274</u>	<u>-</u>	<u>10,196,146</u>
Total assets	<u>6,504,580</u>	<u>1,610,447</u>	<u>3,347,018</u>	<u>102,295</u>	<u>11,564,340</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accrued liabilities	2,758	12,645	1,316	-	16,719
Accrued interest payable	126,381	-	-	-	126,381
Due to other funds	70,488	187,391	167,879	41,710	467,468
Unearned revenue	33,504	-	-	-	33,504
Customer deposits payable	19,975	156,998	-	-	176,973
Compensated absences, current	1,300	4,140	316	-	5,756
Bonds payable, current	295,000	-	-	-	295,000
Total current liabilities	<u>549,406</u>	<u>361,174</u>	<u>169,511</u>	<u>41,710</u>	<u>1,121,801</u>
<b>NONCURRENT LIABILITIES</b>					
Compensated absences, non-current	3,899	12,419	947	-	17,265
Bonds payable	5,171,681	-	-	-	5,171,681
Total noncurrent liabilities	<u>5,175,580</u>	<u>12,419</u>	<u>947</u>	<u>-</u>	<u>5,188,946</u>
Total liabilities	<u>5,724,986</u>	<u>373,593</u>	<u>170,458</u>	<u>41,710</u>	<u>6,310,747</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	869,058	522,643	3,249,274	-	4,640,975
Unrestricted	(89,464)	714,211	(72,714)	60,585	612,618
Total net assets	<u>\$ 779,594</u>	<u>\$ 1,236,854</u>	<u>\$ 3,176,560</u>	<u>\$ 60,585</u>	<u>\$ 5,253,593</u>

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

**CITY OF AUSTELL, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				Totals
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	
<b>OPERATING REVENUE</b>					
Sales and charges for services	\$ -	\$ 3,591,952	\$ 34,719	\$ 82,837	\$ 3,709,508
Rent and royalties	1,045,701	-	-	-	1,045,701
Miscellaneous	-	292	-	-	292
Total operating revenues	<u>1,045,701</u>	<u>3,592,244</u>	<u>34,719</u>	<u>82,837</u>	<u>4,755,501</u>
<b>OPERATING EXPENSES</b>					
Personal services and employee benefits	192,977	780,163	116,662	-	1,089,802
Contractual services	184,344	130,370	159,314	111,060	585,088
Supplies	376,050	2,132,665	9,296	7,038	2,525,049
Depreciation and amortization	328,691	67,808	93,453	-	489,952
Other costs	-	63,354	-	-	63,354
Total operating expenses	<u>1,082,062</u>	<u>3,174,360</u>	<u>378,725</u>	<u>118,098</u>	<u>4,753,245</u>
Operating income (loss)	<u>(36,361)</u>	<u>417,884</u>	<u>(344,006)</u>	<u>(35,261)</u>	<u>2,256</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	2,512	505	-	-	3,017
Interest expense	(304,332)	-	-	-	(304,332)
Loss on disposal of capital assets	-	(2,714)	-	-	(2,714)
Total non-operating expenses	<u>(301,820)</u>	<u>(2,209)</u>	<u>-</u>	<u>-</u>	<u>(304,029)</u>
Income (loss) before capital contributions and transfers	<u>(338,181)</u>	<u>415,675</u>	<u>(344,006)</u>	<u>(35,261)</u>	<u>(301,773)</u>
Capital contributions (distributions)	-	(3,328,628)	3,328,628	-	-
Transfers in	224,310	-	191,938	95,846	512,094
Transfers out	-	(367,819)	-	-	(367,819)
	<u>224,310</u>	<u>(3,696,447)</u>	<u>3,520,566</u>	<u>95,846</u>	<u>144,275</u>
Change in net assets	<u>(113,871)</u>	<u>(3,280,772)</u>	<u>3,176,560</u>	<u>60,585</u>	<u>(157,498)</u>
<b>Total net assets, beginning</b>	<u>893,465</u>	<u>4,517,626</u>	<u>-</u>	<u>-</u>	<u>5,411,091</u>
<b>Total net assets, ending</b>	<u>\$ 779,594</u>	<u>\$ 1,236,854</u>	<u>\$ 3,176,560</u>	<u>\$ 60,585</u>	<u>\$ 5,253,593</u>

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

**CITY OF AUSTELL, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				Totals
	Threadmill Complex Fund	Water and Sewer Fund	Stormwater Fund	Nonmajor Solid Waste Enterprise Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 1,044,629	\$ 3,538,814	\$ 31,996	\$ 77,084	\$ 4,692,523
Payments to suppliers	(479,848)	(2,349,735)	(95,752)	(172,930)	(3,098,265)
Payments to employees	(192,432)	(779,328)	(114,083)	-	(1,085,843)
Net cash provided by (used in) operating activities	<u>372,349</u>	<u>409,751</u>	<u>(177,839)</u>	<u>(95,846)</u>	<u>508,415</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	224,310	-	191,938	95,846	512,094
Transfers out to other funds	-	(367,819)	-	-	(367,819)
Net cash provided by (used in) non-capital financing activities	<u>224,310</u>	<u>(367,819)</u>	<u>191,938</u>	<u>95,846</u>	<u>144,275</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payments on bonds payable	(280,000)	-	-	-	(280,000)
Interest paid	(310,741)	-	-	-	(310,741)
Purchases of capital assets	(8,281)	(41,986)	(14,099)	-	(64,366)
Net cash used in capital and related financing activities	<u>(599,022)</u>	<u>(41,986)</u>	<u>(14,099)</u>	<u>-</u>	<u>(655,107)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	2,512	505	-	-	3,017
Net cash provided by investing activities	<u>2,512</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>3,017</u>
Net increase in cash	149	451	-	-	600
Cash, beginning of year	60,228	158,669	-	-	218,897
Cash, end of year	<u>\$ 60,377</u>	<u>\$ 159,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,497</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (36,361)	\$ 417,884	\$ (344,006)	\$ (35,261)	\$ 2,256
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	328,691	67,808	93,453	-	489,952
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	2,958	9,918	(2,723)	(5,753)	4,400
Increase in due from other funds	-	(144,733)	(91,545)	(95,847)	(332,125)
Decrease (increase) in prepaids	8,808	24,594	(3,476)	(695)	29,231
Decrease in accounts payable	-	(140,177)	-	-	(140,177)
Increase (decrease) in accrued liabilities	(238)	(320)	1,316	-	758
Increase in due to other funds	70,488	187,391	167,879	41,710	467,468
Increase (decrease) in compensated absences payable	783	1,155	1,263	-	3,201
Increase (decrease) in customer deposits payable	1,250	(13,769)	-	-	(12,519)
Decrease in unearned revenue	(4,030)	-	-	-	(4,030)
Net cash provided by (used in) operating activities	<u>\$ 372,349</u>	<u>\$ 409,751</u>	<u>\$ (177,839)</u>	<u>\$ (95,846)</u>	<u>\$ 508,415</u>

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

## **NOTES TO FINANCIAL STATEMENTS**

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**CITY OF AUSTELL, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Austell, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City of Austell, Georgia which was founded in 1885, operates under a mayor-council form of government and provides the following services to its citizens: public safety (police and fire); highways and streets; water, sewer, stormwater, and sanitation; public improvements; planning and zoning; and general administrative services.

The accompanying financial statements present the City and its component unit, for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

The Austell Natural Gas System (the "System") is shown as a discretely presented component unit in the accompanying financial statements. The purpose of the System is to provide natural gas and related services throughout the City of Austell. The System currently serves customers in the City of Austell and residents of Cobb County and Douglas County, Georgia. The Mayor appoints all members to the System's board and the City is financially responsible for the payment of the debt issued by the System. The System has a July 31 fiscal year-end. Amounts shown as due from component unit and due to primary government may differ due to the City having a June 30 year-end, whereas the System has a July 31 year-end. Complete financial statements for the System can be obtained at the System's administrative offices at 2828 Joe Jerkins Boulevard, Austell, GA 30106.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component unit. (For the most part, the effect of interfund activity has been removed from the government-wide financial statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **B. Government-wide and Fund Financial Statements (Continued)**

The statement of net assets will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Austell Area Community Council Capital Projects Fund** accounts for monies contributed by the Norfolk Southern Company for the purpose of constructing public facilities throughout the City.

Additionally, the City reports the following fund types within the nonmajor governmental funds:

The **special revenue funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

The **capital projects funds** account for acquisition and construction of major capital facilities other than those financed by proprietary funds.

The City reports the following major proprietary funds:

The **Threadmill Complex Fund** accounts for the operations of the Threadmill Complex which is used for City offices and spaces rented to private businesses and other governmental agencies.

The **Water and Sewer Fund** accounts for the activity of the City's utility system.

The **Stormwater Fund** accounts for the activity of the City's Stormwater system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Budgets

Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets except for the Austell Area Community Council ("AACIC") Fund, which has an annual budget. However, as of June 30, 2010, no annual budget was adopted for the AACIC Fund. Additionally, there was no annual budget adopted for the City's Public Assistance Grant Special Revenue Fund. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

#### E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Deposits and Investments (Continued)**

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

#### **F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Customer accounts receivable include billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

#### **G. Inventories**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by a fund balance reserve, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

#### **H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items in both government-wide and fund financial statements.

#### **I. Restricted Assets**

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to July 1, 2003 have not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

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

#### K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### L. Unearned Revenue

Unearned revenues at the governmental fund level arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arise in both the governmental fund level and government-wide level when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **L. Unearned Revenue (Continued)**

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

#### **M. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as deferred charges.

Proprietary fund type loans payable are reported as liabilities at their outstanding value. Loan issuance costs are reported as deferred charges and amortized over the term of the loan using the effective interest method.

In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources and bond issuance costs as expenditures.

#### **N. Fund Equity or Net Assets**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Restrictions on the statement of net assets represent amounts segregated to meet debt covenants and State laws.

#### **O. Management Estimates**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### P. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$242,779 difference are as follows:

Capital leases payable	\$ (163,929)
Compensated absences	(78,850)
	(242,779)
Net adjustment to reduce <i>fund balance - total governmental funds</i> <i>to arrive at net assets - governmental activities</i>	\$ (242,779)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$11,066 difference are as follows:

## NOTES TO FINANCIAL STATEMENTS

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

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

Capital outlay	\$	501,612
Depreciation expense		(490,546)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		11,066

Another element of that reconciliation explains that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.” The details of this \$84,309 difference are as follows:

Capital leases	\$	(60,000)
Principal payment on capital leases		144,309
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		84,309

Another element of that reconciliation explains that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,496 difference are as follows:

Compensated absences	\$	(3,508)
Change in accrued interest payable		5,004
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		1,496

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Austell, Georgia employs the following procedures in establishing its annual budget:

1. The administration of the City submits a proposed operating budget to the Mayor and City Council. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Mayor and City Council, the City publishes the proposed budget and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the Mayor and City Council.
5. Budgetary control is exercised at the department level. The City administration is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the Mayor and City Council. The City did not significantly amend the budgets for any of its funds during the year ended June 30, 2010.

The following funds and General Fund departments had excesses of actual expenditures over appropriations for the fiscal year ended June 30, 2010:

Multiple Grants Fund departments:	
Public safety	\$ 52,791
Public works	354,938
Hotel/Motel Tax Fund	440
General Fund departments:	
Custody of prisoners (public safety)	10,577
Highways and streets (public works)	85,437
Solid waste and recycling (solid waste management)	3,654
Protective inspection (housing and development)	6,526
Transfers out	587,420

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. DEPOSITS

Total deposits as of June 30, 2010 are summarized as follows:

Investment	Maturities	Fair Value
Cash and cash equivalents	---	\$ 2,959,869
Certificates of Deposit	8/8/2010 - 1/7/2011	5,184,565
		\$ 8,144,434

**Interest rate risk.** The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and City policy, require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the City had \$2,794,528 of under collateralized deposits. The City's component unit did not have any deposits that were uninsured or under collateralized as defined by GASB pronouncements and State of Georgia statutes.

### NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. The tax bills are levied on July 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is December 20. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred revenues when levied. Revenues are recognized when available.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES (Continued)

Receivables at June 30, 2010, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Austell Area Community Capital Projects Fund	Threadmill Complex Enterprise Fund	Water & Sewer Enterprise Fund	Stormwater Enterprise Fund	Other Nonmajor Funds
Receivables:						
Taxes	\$ 170,930	\$ -	\$ -	\$ -	\$ -	\$ 313
Accounts	48,176	-	13,331	841,759	2,723	66,071
Due from other governments	-	-	-	-	-	85,089
Other	8,125	6,448	-	-	-	-
Less allowance for uncollectible receivables	(31,962)	-	(7,000)	(286,855)	-	-
Net total receivable	<u>\$ 195,269</u>	<u>\$ 6,448</u>	<u>\$ 6,331</u>	<u>\$ 554,904</u>	<u>\$ 2,723</u>	<u>\$ 151,473</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### Primary Government

Capital asset activity for the fiscal year ended June 30, 2010, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,977,601	\$ -	\$ (40,000)	\$ -	\$ 1,937,601
Construction in progress	298,343	35,817	-	(298,343)	35,817
Total	<u>2,275,944</u>	<u>35,817</u>	<u>(40,000)</u>	<u>(298,343)</u>	<u>1,973,418</u>
Capital assets, being depreciated:					
Buildings and improvements	5,154,023	156,871	(9,317)	124,842	5,426,419
Infrastructure	3,034,520	25,787	(126,688)	173,501	3,107,120
Furniture and fixtures	41,124	1,474	-	-	42,598
Machinery and equipment	933,620	69,259	(38,196)	-	964,683
Computer equipment	179,275	5,108	(3,350)	-	181,033
Vehicles	2,050,456	207,296	(227,300)	-	2,030,452
Total	<u>11,393,018</u>	<u>465,795</u>	<u>(404,851)</u>	<u>298,343</u>	<u>11,752,305</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,963,239)	(150,328)	8,355	-	(3,105,212)
Infrastructure	(127,830)	(62,142)	26,745	-	(163,227)
Furniture and fixtures	(29,329)	(4,451)	-	-	(33,780)
Machinery and equipment	(660,570)	(87,367)	37,149	-	(710,788)
Computer equipment	(140,283)	(17,797)	3,350	-	(154,730)
Vehicles	(1,446,291)	(168,461)	226,390	-	(1,388,362)
Total	<u>(5,367,542)</u>	<u>(490,546)</u>	<u>301,989</u>	<u>-</u>	<u>(5,556,099)</u>
Total capital assets, being depreciated, net	<u>6,025,476</u>	<u>(24,751)</u>	<u>(102,862)</u>	<u>298,343</u>	<u>6,196,206</u>
Governmental activities capital assets, net	<u>\$ 8,301,420</u>	<u>\$ 11,066</u>	<u>\$ (142,862)</u>	<u>\$ -</u>	<u>\$ 8,169,624</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 545,640	\$ -	\$ -	\$ -	\$ 545,640
Construction in progress	172,597	-	-	(144,359)	28,238
Total	<u>718,237</u>	<u>-</u>	<u>-</u>	<u>(144,359)</u>	<u>573,878</u>
Capital assets, being depreciated:					
Infrastructure	6,218,189	12,939	(7,315)	144,359	6,368,172
Buildings and improvements	8,164,841	41,989	-	-	8,206,830
Machinery and equipment	413,706	8,279	(52,126)	-	369,859
Vehicles	351,879	-	-	-	351,879
Computer equipment	37,948	1,161	(24,151)	-	14,958
Total	<u>15,186,563</u>	<u>64,368</u>	<u>(83,592)</u>	<u>144,359</u>	<u>15,311,698</u>
Less accumulated depreciation for:					
Infrastructure	(2,666,445)	(141,938)	7,315	-	(2,801,068)
Buildings and improvements	(2,045,749)	(313,949)	-	-	(2,359,698)
Machinery and equipment	(278,977)	(21,324)	48,693	-	(251,608)
Vehicles	(352,899)	-	-	-	(352,899)
Computer equipment	(34,042)	(2,753)	24,148	-	(12,647)
Total	<u>(5,378,112)</u>	<u>(479,964)</u>	<u>80,156</u>	<u>-</u>	<u>(5,777,920)</u>
Total capital assets, being depreciated, net	<u>9,808,451</u>	<u>(415,596)</u>	<u>(3,436)</u>	<u>144,359</u>	<u>9,533,778</u>
Business-type activities capital assets, net	<u>\$ 10,526,688</u>	<u>\$ (415,596)</u>	<u>\$ (3,436)</u>	<u>\$ -</u>	<u>\$ 10,107,656</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 85,300
Public safety	241,152
Public works	96,055
Culture and recreation	68,039
	\$ 490,546
Total depreciation expense - governmental activities	
	\$ 490,546
Business-type activities:	
Threadmill Complex	\$ 318,703
Water and sewer	67,808
Stormwater	93,453
	\$ 479,964
Total depreciation expense - business-type activities	
	\$ 479,964

#### Austell Natural Gas System

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 340,561	\$ 4,431	\$ -	\$ 344,992
Total	340,561	4,431	-	344,992
Capital assets, being depreciated:				
Infrastructure	71,821,705	1,474,048	(128,127)	73,167,626
Furniture, fixtures, and equipment	2,233,116	80,765	(20,520)	2,293,361
Vehicles	1,085,952	87,124	(76,147)	1,096,929
Total	75,140,773	1,641,937	(224,794)	76,557,916
Less accumulated depreciation:	47,686,622	2,914,049	(224,794)	50,375,877
Total capital assets, net	\$ 27,794,712	\$ (1,267,681)	\$ -	\$ 26,527,031

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. OPERATING LEASES

The City is the lessor of office space at the Threadmill Complex. The carrying value of the building and improvements of \$6,293,282 (cost of \$8,652,980 less accumulated depreciation of \$2,359,698) is included in capital assets in the Threadmill Complex fund. Most leases are year-to-year and expire at various times throughout the year. However, there are four leases with terms extending beyond the end of the next fiscal year.

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

<u>Fiscal Year Ending</u>	<u>Total Revenues</u>
2011	712,806
2012	731,249
2013	740,839
2014	760,019
2015	760,019
2016-2020	2,892,497
2021-2025	60,000
2026-2028	56,000

### NOTE 8. LONG-TERM DEBT

#### Primary Government

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Capital leases	\$ 248,238	\$ 60,000	\$ (144,309)	\$ 163,929	\$ 123,135
Compensated absences	75,342	95,287	(91,779)	78,850	19,713
<b>Governmental activities:</b>					
Long-term liabilities	<u>\$ 323,580</u>	<u>\$ 155,287</u>	<u>\$ (236,088)</u>	<u>\$ 242,779</u>	<u>\$ 142,848</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 5,780,000	\$ -	\$ (280,000)	\$ 5,500,000	\$ 295,000
Less unamortized loss on refunding	(35,882)	-	2,563	(33,319)	-
	<u>5,744,118</u>	<u>-</u>	<u>(277,437)</u>	<u>5,466,681</u>	<u>295,000</u>
Compensated absences	19,820	30,684	(27,483)	23,021	5,756
<b>Business-type activities:</b>					
Long-term liabilities	<u>\$ 5,763,938</u>	<u>\$ 30,684</u>	<u>\$ (304,920)</u>	<u>\$ 5,489,702</u>	<u>\$ 300,756</u>

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Threadmill Complex Fund, the Water and Sewer Fund, and the Stormwater Fund.

**Capital Leases.** The City has entered into lease agreements as lessee for financing the acquisition of various public safety and public works vehicles. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of June 30, 2010, the City had vehicles with a net book value of \$313,674 under capital leases.

The City's total capital lease debt service requirements to maturity are as follows:

	<u>Governmental Activities</u>
Fiscal Year Ending June 30,	
2011	\$ 130,467
2012	21,654
2013	<u>21,654</u>
Total minimum lease payments	173,775
Less amount representing interest	9,846
Present value of future minimum lease payments	<u>\$ 163,929</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (Continued)

**Revenue Bonds – Threadmill Complex Fund.** The Threadmill Complex Fund of the City has two series of bonds currently outstanding, the 2003A and 2003B series, which are as follows:

The 2003A bonds were originally issued for \$4,590,000 bearing interest at a rate of 5.85% payable each February 1 and August 1 beginning 2004 through until 2024. The proceeds from the bond were used for the purchase and refurbishing of the Threadmill building.

The 2003B bonds were originally issued for \$2,415,000 bearing interest at a rate of 4.85% payable each February 1 and August 1 beginning 2004 through until 2024. The proceeds from the bond were used for the purchase and refurbishing of the Threadmill building.

Revenue bonds currently outstanding mature as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 295,000	\$ 294,946	\$ 589,946
2012	300,000	278,593	578,593
2013	315,000	261,679	576,679
2014	330,000	243,937	573,937
2015	345,000	225,369	570,369
2016-2020	1,985,000	815,109	2,800,109
2021-2024	1,930,000	219,095	2,149,095
Total	<u>\$ 5,500,000</u>	<u>\$ 2,338,728</u>	<u>\$ 7,838,728</u>

#### Austell Natural Gas System

Long-term liability activity for the fiscal year ended July 31, 2010, is as follows:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 11,715,000	\$ -	\$ (1,805,000)	\$ 9,910,000	\$ 1,365,000
Capital leases	310,315	-	(87,669)	222,646	94,409
Net OPEB obligation	-	47,424	(13,993)	33,431	-
Compensated absences	241,504	416,545	(380,163)	277,886	277,886
Total long-term liabilities	<u>\$ 12,266,819</u>	<u>\$ 463,969</u>	<u>\$ (2,286,825)</u>	<u>\$ 10,443,963</u>	<u>\$ 1,737,295</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. LONG-TERM DEBT (Continued)

**Revenue Bonds.** The Austell Natural Gas System (“the System”) has outstanding a 2000 Series, 2004 Series, and 2006 Series bonds, with original issue amounts of \$4,000,000, \$5,000,000, and \$6,000,000, respectively. These three issues were made to finance the expansion and improvement of the gas utility plant and will be repaid through future revenues from the operation of the System. The bonds bear interest at a rate of 5.00-5.25%, 3.50%, and 4.02% annually. The bonds mature in 2012, 2015, and 2021, respectively.

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

Fiscal Year Ending July 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,365,000	\$ 395,660	\$ 1,760,660
2012	1,430,000	333,721	1,763,721
2013	1,495,000	268,369	1,763,369
2014	1,545,000	213,964	1,758,964
2015	1,600,000	157,731	1,757,731
2016-2020	2,430,000	309,741	2,739,741
2021	45,000	1,809	46,809
Total	<u>\$ 9,910,000</u>	<u>\$ 1,680,995</u>	<u>\$ 11,590,995</u>

**Capital Leases.** The System has entered into lease agreements as lessee for financing the acquisition of equipment used in the customer account billing and collection process. The lease agreements qualify as capital leases for accounting purposes (present value of minimum lease payments exceed ninety percent of the fair value of lease property) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inception. As of July 31, 2010, the System had \$372,289 of equipment under capital leases.

The System’s total capital lease debt service requirements to maturity are as follows:

Fiscal Year Ending July 31,	<u>Austell Natural Gas System</u>
2011	\$ 107,459
2012	101,553
2013	33,539
Total minimum lease payments	242,551
Less amount representing interest	19,905
Present value of future minimum lease payments	<u>\$ 222,646</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to / from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Austell Area Community Council Fund	\$ 518,736
General Fund	Threadmill Complex Fund	68,783
General Fund	Stormwater Fund	167,879
General Fund	Nonmajor governmental funds	46,763
General Fund	Nonmajor enterprise fund	41,710
Water and sewer Fund	General Fund	143,028
Water and sewer Fund	Threadmill Complex Fund	1,705
Nonmajor enterprise fund	Water and sewer Fund	95,846
Stormwater Fund	Water and sewer Fund	91,545
Nonmajor governmental funds	General Fund	133,729
Nonmajor governmental funds	Austell Area Community Council Fund	19,998
Nonmajor governmental funds	Nonmajor governmental funds	5,352
		<u>\$ 1,335,074</u>

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances to/from other funds:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	\$ 32,302
		<u>\$ 32,302</u>

The General Fund loaned the Frogrock Joint Project Fund money to finance its activities. All amounts are expected to be paid in more than one year through contributions and/or grants obtained by the Frogrock Joint Project Fund in the future.

## NOTES TO FINANCIAL STATEMENTS

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

Due to/from primary government and component units:

<b>Receivable Entity</b>	<b>Payable Entity</b>	<b>Amount</b>
Primary government - General Fund	Component Unit - Austell Natural Gas System	\$ 3,632,688
		\$ 3,632,688

At June 30, 2010, Austell Natural Gas System owed the primary government \$3,632,688. However, the Gas System reported a payable of \$3,739,832. The difference is a result of the Gas System's year-end being July 31, 2010 and reporting \$107,144 of July 2010 fees due to the primary government.

Interfund transfers:

<b>Transfers In</b>	<b>Transfers Out</b>	<b>Amount</b>
General Fund	Water & Sewer Fund	\$ 80,035
Threadmill Complex Fund	General Fund	224,310
Nonmajor governmental funds	General Fund	965,542
Nonmajor enterprise fund	Water & Sewer Fund	95,846
Stormwater Fund	Water & Sewer Fund	191,938
		\$ 1,557,671

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move cash from capital project funds to pay for debt service of other funds used to advance the construction costs of capital projects.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. PENSION PLANS

#### Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Austell Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by the City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.25% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$41 for each year of service after reaching normal retirement age.

At July 1, 2009, the date of the most recent actuarial valuation, there were 128 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	22
Terminated vested participants not yet receiving benefits	17
Active employees - vested	62
Active employees - nonvested	27
Total	<u>128</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLANS (Continued)

#### Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2010, the actuarially determined contribution rate was 12.78% of covered payroll.

For 2010, the City's recommended contribution was \$443,707. Actual contributions totaled \$443,707. The recommended contribution was determined as part of the July 1, 2009 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include an 7.75% rate of return on investments and projected salary increases of 4 - 6% based on age and years of service. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1981 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this plan year. The actuarial value of the plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten year period.

The following is a schedule of funding progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	[(b-a)/c] UAAL as a Percentage of Covered Payroll
7/1/2009	\$ 4,007,363	\$ 6,419,208	\$ 2,411,845	62.43 %	\$ 3,470,671	69.49 %

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLANS (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of July 1, 2009.

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Actual Pension Contribution	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 443,707	\$ 443,707	100.0 %	\$ -
2009	324,092	324,092	100.0	-
2008	305,934	305,934	100.0	-

### NOTE 11. DEFERRED COMPENSATION PLAN

The City of Austell, Georgia offers its employees an Internal Revenue Code Section 457 Plan (the "Plan") which is a deferred compensation plan that qualifies as a defined contribution pension plan. The Plan is administered by a third party administrator, The Hartford. The City has no fiduciary relationship with the trust. Accordingly, the plan assets are not reported in the City's financial statements. Plan provisions and contribution requirements are established and may be amended by the City's Mayor and Council. At June 30, 2010, there were 17 plan members, in the respective plans.

Employees are not required to contribute to the Plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plans. The Plans allow employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. Total employee contributions for the year ended June 30, 2010 were \$73,498.

### NOTE 12. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Cobb County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. RISK MANAGEMENT**

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded the coverages in the past three years.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage in the past three years.

### **NOTE 14. COMMITMENTS AND CONTINGENCIES**

#### **Litigation:**

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. COMMITMENTS AND CONTINGENCIES (Continued)

#### Grant Contingencies:

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

### NOTE 15. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$3,849 for the year ended June 30, 2010. Of this amount 62.5%, or \$2,406, was remitted to the Cobb-Marietta Coliseum and Exhibit Hall Authority as is contractually obligated. The receipts from the City, less 37.5%, are pledged as a revenue source for debt service requirements of the Authority. Of the amount remitted to the Authority, the City will obtain a reimbursement of 40%.

The City expended \$3,090 during the current year to promote tourism, conventions, and trade shows to operate, maintain, and market a community auditorium or theater as required by O.C.G.A. 48-13-51.

### NOTE 16. FUND DEFICITS

At June 30, 2010, the City's Public Assistance Grant Fund and Multiple Grants Fund reported deficit fund balances of \$6,965 and \$27,657, respectively. The fund deficits of these funds will be reduced through General Fund appropriations and grant revenues.

### NOTE 17. PRIOR PERIOD ADJUSTMENTS

The Austell Natural Gas System has determined several restatements of prior period balances are necessary to properly report the net pension asset, capital assets, and capital leases payable. These restatements and the cumulative effect on beginning net assets of the System are described below.

The net affects of these adjustments on beginning net assets as of July 31, 2010 are summarized below.

Net assets July 31, 2009, as previously reported	\$ 37,442,394
Adjustment for beginning net pension asset	212,641
Adjustment for reporting of capital leases	61,974
Net assets July 31, 2009, as restated	<u>\$ 37,717,009</u>

For more detail surrounding the above restatements, see the separately issued financial statements of the Austell Natural Gas System as of July 31, 2010.

# CITY OF AUSTELL, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION RETIREMENT PLAN SCHEDULE OF FUNDING PROGRESS FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/2009	\$ 4,007,363	\$ 6,419,208	\$ 2,411,845	62.4%	\$ 3,470,671	69.5%
7/1/2008	4,991,606	5,747,715	756,109	86.8%	3,293,863	23.0%
7/1/2007	4,530,193	5,228,652	698,459	86.6%	3,010,253	23.2%
7/1/2006	4,078,621	4,496,443	417,822	90.7%	2,972,537	14.1%
7/1/2005	3,686,267	4,421,476	735,209	83.4%	2,875,467	25.6%

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

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**

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**CITY OF AUSTELL, GEORGIA**  
**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

**Confiscated Assets Fund** – To account for the City's share of excess funds received from confiscated capital and equipment. These monies must be used for police related expenditures.

**Emergency Telephone System Fund** – To account for the collection of surcharge fees and the operation of the Emergency 911 system within the City.

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

**Multiple Grants Fund** – To account for grant monies received from various federal and state agencies.

**Hotel/Motel Tax Fund** – To account for the 8% lodging tax levied in the City.

**CAPITAL PROJECTS FUNDS**

**Frogrock Joint Project Fund** – To account for monies transferred and/or loaned from the General Fund and received from contributions for the purpose of constructing park facilities.

**Cobb County SPLOST Fund** – To account for the acquisition and construction of major capital facilities and improvements that were approved by the voters of Cobb County, Georgia through the special purpose local option tax referendum.

**Douglas County SPLOST Fund** – To account for the acquisition and construction of major park improvements that were approved by the voters of Douglas County, Georgia through the special purpose local option tax referendum.

**CITY OF AUSTELL, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Emergency Telephone System Fund	Public Assistance Grant Fund	Multiple Grants Fund	Hotel/Motel Tax Fund	Frogrock Joint Project Fund	Cobb County SPLOST Fund	Douglas County SPLOST Fund	
<b>ASSETS</b>									
Cash and cash equivalents	\$ 26,683	\$ 139,224	\$ -	\$ -	\$ 222	\$ 61,174	\$ 818,908	\$ 188	\$ 1,046,399
Accounts receivable	-	14,372	44,367	-	1,579	-	-	-	60,318
Taxes receivable	-	-	-	-	313	-	-	-	313
Due from other governments	-	-	-	-	-	-	85,089	-	85,089
Due from other funds	2,338	69,391	-	-	5,517	-	76,653	5,180	159,079
Prepaid items	-	14,903	-	-	-	-	-	-	14,903
Total assets	<u>\$ 29,021</u>	<u>\$ 237,890</u>	<u>\$ 44,367</u>	<u>\$ -</u>	<u>\$ 7,631</u>	<u>\$ 61,174</u>	<u>\$ 980,650</u>	<u>\$ 5,368</u>	<u>\$ 1,366,101</u>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ 27,657	\$ -	\$ -	\$ -	\$ -	\$ 27,657
Accrued liabilities	-	7,924	150	-	-	-	-	-	8,074
Due to other funds	2,395	2,338	44,367	-	-	-	3,015	-	52,115
Deferred revenue	21,888	-	6,815	-	-	-	28,363	-	57,066
Advances from other funds	-	-	-	-	-	32,302	-	-	32,302
Total liabilities	<u>24,283</u>	<u>10,262</u>	<u>51,332</u>	<u>27,657</u>	<u>-</u>	<u>32,302</u>	<u>31,378</u>	<u>-</u>	<u>177,214</u>
<b>FUND BALANCES (DEFICITS)</b>									
Reserved for prepaids	-	14,903	-	-	-	-	-	-	14,903
Unreserved	4,738	212,725	(6,965)	(27,657)	7,631	28,872	949,272	5,368	1,173,984
Total fund balances (deficits)	<u>4,738</u>	<u>227,628</u>	<u>(6,965)</u>	<u>(27,657)</u>	<u>7,631</u>	<u>28,872</u>	<u>949,272</u>	<u>5,368</u>	<u>1,188,887</u>
Total liabilities and fund balances (deficits)	<u>\$ 29,021</u>	<u>\$ 237,890</u>	<u>\$ 44,367</u>	<u>\$ -</u>	<u>\$ 7,631</u>	<u>\$ 61,174</u>	<u>\$ 980,650</u>	<u>\$ 5,368</u>	<u>\$ 1,366,101</u>

**CITY OF AUSTELL, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds					Capital Projects Funds			Total Nonmajor Governmental Funds
	Confiscated Assets Fund	Emergency Telephone System Fund	Public Assistance Grant Fund	Multiple Grants Fund	Hotel/Motel Tax Fund	Frogrock Joint Project Fund	Cobb County SPLOST Fund	Douglas County SPLOST Fund	
<b>REVENUES</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,849	\$ -	\$ -	\$ -	\$ 3,849
Intergovernmental	-	-	291,404	183,625	682	-	312,075	28	787,814
Charges for services	-	117,046	-	-	-	-	-	-	117,046
Interest	-	368	-	-	-	92	1,242	8	1,710
Miscellaneous	-	-	86,647	5,549	-	-	-	-	92,196
<b>Total revenues</b>	<b>-</b>	<b>117,414</b>	<b>378,051</b>	<b>189,174</b>	<b>4,531</b>	<b>92</b>	<b>313,317</b>	<b>36</b>	<b>1,002,615</b>
<b>EXPENDITURES</b>									
Current									
General government	-	-	719,931	-	-	-	-	-	719,931
Public safety	87	440,876	-	52,791	-	-	-	-	493,754
Tourism and economic development	-	-	-	-	3,090	-	-	-	3,090
Public works	-	-	-	354,938	-	-	8	-	354,946
Culture and recreation	-	-	-	30,000	-	-	-	90	30,090
Capital outlay	-	-	-	-	-	-	26,412	-	26,412
<b>Total expenditures</b>	<b>87</b>	<b>440,876</b>	<b>719,931</b>	<b>437,729</b>	<b>3,090</b>	<b>-</b>	<b>26,420</b>	<b>90</b>	<b>1,628,223</b>
Excess (deficiency) of revenues over (under) expenditures	(87)	(323,462)	(341,880)	(248,555)	1,441	92	286,897	(54)	(625,608)
Other financing sources									
Transfers in	-	378,122	334,915	252,505	-	-	-	-	965,542
Total other financing sources	-	378,122	334,915	252,505	-	-	-	-	965,542
<b>Net change in fund balances</b>	<b>(87)</b>	<b>54,660</b>	<b>(6,965)</b>	<b>3,950</b>	<b>1,441</b>	<b>92</b>	<b>286,897</b>	<b>(54)</b>	<b>339,934</b>
<b>FUND BALANCES (DEFICIT), beginning of year</b>	<b>4,825</b>	<b>172,968</b>	<b>-</b>	<b>(31,607)</b>	<b>6,190</b>	<b>28,780</b>	<b>662,375</b>	<b>5,422</b>	<b>848,953</b>
<b>FUND BALANCES (DEFICIT), end of year</b>	<b>\$ 4,738</b>	<b>\$ 227,628</b>	<b>\$ (6,965)</b>	<b>\$ (27,657)</b>	<b>\$ 7,631</b>	<b>\$ 28,872</b>	<b>\$ 949,272</b>	<b>\$ 5,368</b>	<b>\$ 1,188,887</b>

**CITY OF AUSTELL, GEORGIA  
CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenue	5,000	5,000	-	(5,000)
<b>EXPENDITURES</b>				
Public safety	5,000	5,000	87	4,913
Total expenditures	5,000	5,000	87	4,913
Net change in fund balances	-	-	(87)	(87)
<b>FUND BALANCES, beginning of year</b>	4,825	4,825	4,825	-
<b>FUND BALANCES, end of year</b>	\$ 4,825	\$ 4,825	\$ 4,738	\$ (87)

**CITY OF AUSTELL, GEORGIA  
EMERGENCY TELEPHONE SYSTEM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 137,000	\$ 137,000	\$ 117,046	\$ (19,954)
Interest	750	750	368	(382)
Total revenue	<u>137,750</u>	<u>137,750</u>	<u>117,414</u>	<u>(20,336)</u>
<b>EXPENDITURES</b>				
Public safety	<u>515,872</u>	<u>515,872</u>	<u>440,876</u>	<u>74,996</u>
Total expenditures	<u>515,872</u>	<u>515,872</u>	<u>440,876</u>	<u>74,996</u>
Excess (deficiency) of revenues over (under) expenditures	(378,122)	(378,122)	(323,462)	54,660
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>378,122</u>	<u>378,122</u>	<u>378,122</u>	<u>-</u>
Net change in fund balances	-	-	54,660	54,660
<b>FUND BALANCES, beginning of year</b>	<u>172,968</u>	<u>172,968</u>	<u>172,968</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 172,968</u>	<u>\$ 172,968</u>	<u>\$ 227,628</u>	<u>\$ 54,660</u>

**CITY OF AUSTELL, GEORGIA  
MULTIPLE GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 183,625	\$ 148,625
Other revenue	-	-	5,549	5,549
	<u>35,000</u>	<u>35,000</u>	<u>189,174</u>	<u>154,174</u>
<b>EXPENDITURES</b>				
Public safety	\$ -	\$ -	\$ 52,791	\$ (52,791)
Public works	-	-	354,938	(354,938)
Culture and recreation	35,000	35,000	30,000	5,000
	<u>35,000</u>	<u>35,000</u>	<u>437,729</u>	<u>(402,729)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(248,555)	556,903
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	252,505	252,505
Net change in fund balances	-	-	3,950	3,950
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<u>(31,607)</u>	<u>(31,607)</u>	<u>(31,607)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS), end of year</b>	<u>\$ (31,607)</u>	<u>\$ (31,607)</u>	<u>\$ (27,657)</u>	<u>\$ 3,950</u>

**CITY OF AUSTELL, GEORGIA  
HOTEL/MOTEL TAX FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,650	\$ 2,650	\$ 3,849	\$ 1,199
Intergovernmental	-	-	682	682
Total revenue	<u>2,650</u>	<u>2,650</u>	<u>4,531</u>	<u>1,881</u>
<b>EXPENDITURES</b>				
Tourism and economic development	\$ 2,650	\$ 2,650	\$ 3,090	\$ (440)
Total expenditures	<u>2,650</u>	<u>2,650</u>	<u>3,090</u>	<u>(440)</u>
Net change in fund balances	-	-	1,441	1,441
<b>FUND BALANCES, beginning of year</b>	<u>6,190</u>	<u>6,190</u>	<u>6,190</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 6,190</u></u>	<u><u>\$ 6,190</u></u>	<u><u>\$ 7,631</u></u>	<u><u>\$ 1,441</u></u>

**CITY OF AUSTELL, GEORGIA**  
**FROGROCK JOINT CAPITAL PROJECT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ 92	\$ 92
Total revenue	-	-	92	92
<b>EXPENDITURES</b>				
Capital outlays	10,000	10,000	-	10,000
Total expenditures	10,000	10,000	-	10,000
Net change in fund balances	(10,000)	(10,000)	92	10,092
<b>FUND BALANCES, beginning of year</b>	<u>28,780</u>	<u>28,780</u>	<u>28,780</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 18,780</u>	<u>\$ 18,780</u>	<u>\$ 28,872</u>	<u>\$ 10,092</u>

**CITY OF AUSTELL, GEORGIA  
COBB COUNTY SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 340,354	\$ 340,354	\$ 312,075	\$ (28,279)
Interest	-	-	1,242	1,242
Total revenue	<u>340,354</u>	<u>340,354</u>	<u>313,317</u>	<u>(27,037)</u>
<b>EXPENDITURES</b>				
Public works	-	-	8	(8)
Capital Outlay	<u>340,354</u>	<u>340,354</u>	<u>26,412</u>	<u>313,942</u>
Total expenditures	<u>340,354</u>	<u>340,354</u>	<u>26,420</u>	<u>313,934</u>
Net change in fund balances	-	-	286,897	286,897
<b>FUND BALANCES, beginning of year</b>	<u>662,375</u>	<u>662,375</u>	<u>662,375</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 662,375</u></u>	<u><u>\$ 662,375</u></u>	<u><u>\$ 949,272</u></u>	<u><u>\$ 286,897</u></u>

**CITY OF AUSTELL, GEORGIA  
DOUGLAS COUNTY SPLOST FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 4,200	\$ 4,200	\$ 28	\$ (4,172)
Interest	-	-	8	8
Total revenue	<u>4,200</u>	<u>4,200</u>	<u>36</u>	<u>(4,164)</u>
<b>EXPENDITURES</b>				
Culture and recreation	-	-	90	\$ (90)
Total expenditures	<u>-</u>	<u>-</u>	<u>90</u>	<u>(90)</u>
Net change in fund balances	4,200	4,200	(54)	(4,254)
<b>FUND BALANCES, beginning of year</b>	<u>5,422</u>	<u>5,422</u>	<u>5,422</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 9,622</u>	<u>\$ 9,622</u>	<u>\$ 5,368</u>	<u>\$ (4,254)</u>

# CITY OF AUSTELL, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Douglas County Special Purpose Local Option Sales Tax	Estimated Cost		Expenditures		
<u>Project</u>	Original (1)	Revised (1)	Prior Years	Current Year	Total
Park improvements	\$ 522,094	\$ 522,094	\$ 564,337	\$ -	\$ 564,337
Administrative charges	-	-	-	90	90
	\$ 522,094	\$ 522,094	\$ 564,337	\$ 90	\$ 564,427

(1) Unaudited

## CITY OF AUSTELL, GEORGIA

### SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Cobb County Special Purpose Local Option Sales Tax	Estimated Cost		Expenditures		
<u>Project</u>	<u>Original (1)</u>	<u>Revised (1)</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Roads, streets, curbs, gutters, and sidewalks	\$ 5,540,132	\$ 5,540,132	\$ 569,170	\$ 26,412	\$ 595,582
Public safety radio system	160,334	160,334	156,742	-	156,742
Administrative charges	-	-	-	8	8
	<u>\$ 5,700,466</u>	<u>\$ 5,700,466</u>	<u>\$ 725,912</u>	<u>\$ 26,420</u>	<u>\$ 752,332</u>

(1) Unaudited

# STATISTICAL SECTION

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This part of the City of Austell's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Page**

**Financial Trends**..... 59

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

**Revenue Capacity** ..... 66

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

**Debt Capacity** ..... 72

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

**Demographic and Economic Information** ..... 77

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

**Operating Information** ..... 79

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.

**SCHEDULE 1**  
**CITY OF AUSTELL, GEORGIA**  
**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS (1)**  
(Accrual Basis of Accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$ 3,614,889	\$ 4,800,935	\$ 6,466,051	\$ 7,178,213	\$ 7,688,533	\$ 8,053,182	\$ 8,005,695
Restricted for capital projects	(922,291)	102,741	280,049	551,645	749,840	678,812	845,779
Unrestricted	<u>6,252,375</u>	<u>8,976,714</u>	<u>10,341,070</u>	<u>9,338,626</u>	<u>10,459,475</u>	<u>10,227,220</u>	<u>10,566,154</u>
<b>Total governmental activities net assets</b>	<u>\$ 8,944,973</u>	<u>\$ 13,880,390</u>	<u>\$ 17,087,170</u>	<u>\$ 17,068,484</u>	<u>\$ 18,897,848</u>	<u>\$ 18,959,214</u>	<u>\$ 19,417,628</u>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	1,964,779	3,252,552	3,998,010	4,635,570	4,619,036	4,782,570	4,640,975
Restricted		254,841	257,873	265,848	276,348	-	-
Unrestricted	<u>2,632,212</u>	<u>628,080</u>	<u>(581,646)</u>	<u>265,675</u>	<u>207,603</u>	<u>628,521</u>	<u>612,618</u>
<b>Total business-type activities net assets</b>	<u>4,596,991</u>	<u>4,135,473</u>	<u>3,674,237</u>	<u>5,167,093</u>	<u>5,102,987</u>	<u>5,411,091</u>	<u>5,253,593</u>
<b>Primary government</b>							
Invested in capital assets, net of related debt	5,579,668	8,053,487	10,464,061	11,813,783	12,307,569	12,835,752	12,646,670
Restricted for capital projects	4,332,826	5,723,392	537,922	817,493	1,026,188	678,812	845,779
Unrestricted	<u>3,629,470</u>	<u>4,238,984</u>	<u>9,759,424</u>	<u>9,604,301</u>	<u>10,667,078</u>	<u>10,855,741</u>	<u>11,178,772</u>
<b>Total primary government net assets</b>	<u>\$ 13,541,964</u>	<u>\$ 18,015,863</u>	<u>\$ 20,761,407</u>	<u>\$ 22,235,577</u>	<u>\$ 24,000,835</u>	<u>\$ 24,370,305</u>	<u>\$ 24,671,221</u>

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

(1) Government-wide financial information is only available since 2004, therefore only seven (7) years of information is presented.

**SCHEDULE 2**  
**CITY OF AUSTELL, GEORGIA**  
**CHANGES IN NET ASSETS**  
**LAST SEVEN FISCAL YEARS (1)**  
(Accrual Basis of Accounting)

	<b>Fiscal Year</b>						
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Program Expenses</b>							
Governmental activities	\$ 5,479,480	\$ 6,058,290	\$ 5,863,327	\$ 6,303,184	\$ 6,636,983	\$ 7,131,280	\$ 7,901,982
Business-type activities	<u>4,100,429</u>	<u>3,825,671</u>	<u>4,257,452</u>	<u>4,201,914</u>	<u>3,930,461</u>	<u>4,485,555</u>	<u>5,060,291</u>
Total primary government program expenses	<u>9,579,909</u>	<u>9,883,961</u>	<u>10,120,779</u>	<u>10,505,098</u>	<u>10,567,444</u>	<u>11,616,835</u>	<u>12,962,273</u>
<b>Program Revenues</b>							
Governmental activities	1,515,493	1,379,245	2,357,017	1,599,148	1,399,687	1,277,092	1,764,613
Business-type activities	<u>3,171,308</u>	<u>3,932,723</u>	<u>3,687,520</u>	<u>3,986,181</u>	<u>3,945,604</u>	<u>4,109,301</u>	<u>4,755,501</u>
Total primary government program revenues	<u>4,686,801</u>	<u>5,311,968</u>	<u>6,044,537</u>	<u>5,585,329</u>	<u>5,345,291</u>	<u>5,386,393</u>	<u>6,520,114</u>
<b>Net (Expense) Revenue</b>							
Governmental activities	(3,963,987)	(4,679,045)	(3,506,310)	(4,704,036)	(5,237,296)	(5,854,188)	(6,137,369)
Business-type activities	<u>(929,121)</u>	<u>107,052</u>	<u>(569,932)</u>	<u>(215,733)</u>	<u>15,143</u>	<u>(376,254)</u>	<u>(304,790)</u>
Total primary government net expense	<u>(4,893,108)</u>	<u>(4,571,993)</u>	<u>(4,076,242)</u>	<u>(4,919,769)</u>	<u>(5,222,153)</u>	<u>(6,230,442)</u>	<u>(6,442,159)</u>
<b>General Revenues</b>							
Governmental activities	5,183,945	5,950,455	6,713,090	4,685,350	7,066,660	5,915,554	6,595,783
Business-type activities	<u>218,585</u>	<u>(481,733)</u>	<u>108,696</u>	<u>1,708,589</u>	<u>(79,249)</u>	<u>684,358</u>	<u>147,292</u>
Total primary government	<u>5,402,530</u>	<u>5,468,722</u>	<u>6,821,786</u>	<u>6,393,939</u>	<u>6,987,411</u>	<u>6,599,912</u>	<u>6,743,075</u>
<b>Change in Net Assets</b>							
Governmental activities	1,219,958	1,271,410	3,206,780	(18,686)	1,829,364	61,366	458,414
Business-type activities	<u>(710,536)</u>	<u>(374,681)</u>	<u>(461,236)</u>	<u>1,492,856</u>	<u>(64,106)</u>	<u>308,104</u>	<u>(157,498)</u>
Total primary government	<u>\$ 509,422</u>	<u>\$ 896,729</u>	<u>\$ 2,745,544</u>	<u>\$ 1,474,170</u>	<u>\$ 1,765,258</u>	<u>\$ 369,470</u>	<u>\$ 300,916</u>

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

(1) Government-wide financial information is only available since 2004, therefore only seven (7) years of information is presented.

**SCHEDULE 3**  
**CITY OF AUSTELL, GEORGIA**  
**GOVERNMENT-WIDE EXPENSES**  
**LAST SEVEN FISCAL YEARS (1)**  
(Accrual Basis of Accounting)

	<b>Fiscal Year</b>						
	2004	2005	2006	2007	2008 (1) (2) (3) (4)	2009	2010
<b>Governmental Activities:</b>							
General government	\$ 404,511	\$ 633,071	\$ 671,671	\$ 647,899	\$ 744,984	\$ 888,240	\$ 1,525,256
Judicial	-	-	-	-	-	-	137,650
Public safety	3,467,067	3,646,926	3,797,687	4,101,953	4,271,174	4,385,022	4,157,890
Public works	674,672	1,088,348	641,166	795,335	844,996	962,216	1,272,445
Solid Waste Management	-	-	-	-	110,040	99,908	6,754
Health and welfare	90,586	49,489	42,276	43,097	-	-	-
Culture and recreation	604,341	448,334	559,716	538,052	600,635	693,455	713,925
Tourism and economic development	-	-	-	-	3,398	2,934	3,090
Housing and development	228,029	189,905	132,379	165,942	38,607	88,779	78,286
Interest on long-term debt	10,274	2,217	18,432	10,906	23,149	10,726	6,686
<b>Total Governmental Activities</b>	<u>5,479,480</u>	<u>6,058,290</u>	<u>5,863,327</u>	<u>6,303,184</u>	<u>6,636,983</u>	<u>7,131,280</u>	<u>7,901,982</u>
<b>Business-Type Activities:</b>							
Threadmill Complex	1,239,367	1,240,884	1,601,017	1,459,273	1,385,098	1,431,768	1,386,394
Water and sewer	2,861,062	2,584,787	2,656,435	2,742,641	2,545,363	3,053,787	3,177,074
Stormwater	-	-	-	-	-	-	378,725
Solid waste	-	-	-	-	-	-	118,098
<b>Total Business-Type Activities</b>	<u>4,100,429</u>	<u>3,825,671</u>	<u>4,257,452</u>	<u>4,201,914</u>	<u>3,930,461</u>	<u>4,485,555</u>	<u>5,060,291</u>
<b>Total Government-Wide Expenses</b>	<u>\$ 9,579,909</u>	<u>\$ 9,883,961</u>	<u>\$ 10,120,779</u>	<u>\$ 10,505,098</u>	<u>\$ 10,567,444</u>	<u>\$ 11,616,835</u>	<u>\$ 12,962,273</u>

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

- (1) Government-wide financial information is only available since 2004, therefore only seven (7) years of information is presented
- (2) During fiscal year 2008, the City began reporting its solid waste management activities separate from its public works activities.
- (3) During fiscal year 2008, the City also began recording expenditures previously recorded under health and welfare as General government expenditures.
- (4) During fiscal year 2008, the City began reporting its tourism and economic development activities separate from its general government activities.

**SCHEDULE 4**  
**CITY OF AUSTELL, GEORGIA**  
**GOVERNMENT-WIDE PROGRAM REVENUES**  
**LAST SEVEN FISCAL YEARS (1)**  
(Accrual Basis of Accounting)

	<b>Fiscal Year</b>						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities:</b>							
Charges for services:							
General government	\$ 630,906	\$ 23,767	\$ 53,789	\$ 62,986	\$ -	\$ -	\$ 55,821
Judicial	-	-	-	-	-	-	660,810
Public safety	110,014	722,435	697,378	832,195	727,633	733,632	117,046
Public works	83,470	78,794	79,510	78,202	-	-	64,381
Solid Waste Management					80,009	89,693	2,898
Culture and recreation	3,980	-	-	-	50,917	64,892	-
Housing and development	-	51,943	43,175	57,634	24,455	14,335	-
Operating grants and contributions	595,909	48,781	78,437	76,054	89,830	81,138	293,258
Capital grants and contributions	91,214	453,525	1,404,728	492,077	426,843	293,402	570,399
<b>Total Governmental Activities</b>	<u>1,515,493</u>	<u>1,379,245</u>	<u>2,357,017</u>	<u>1,599,148</u>	<u>1,399,687</u>	<u>1,277,092</u>	<u>1,764,613</u>
<b>Business-Type Activities:</b>							
Charges for services:							
Threadmill Complex	422,363	1,017,659	980,040	1,022,369	1,120,973	1,116,053	1,045,701
Water and sewer	2,748,945	2,715,064	2,707,480	2,906,312	2,824,631	2,993,248	3,592,244
Stormwater	-	-	-	-	-	-	34,719
Solid Waste	-	-	-	-	-	-	82,837
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	200,000	-	57,500	-	-	-
<b>Total Business-Type Activities</b>	<u>3,171,308</u>	<u>3,932,723</u>	<u>3,687,520</u>	<u>3,986,181</u>	<u>3,945,604</u>	<u>4,109,301</u>	<u>4,755,501</u>
<b>Total Government-Wide Program Revenues</b>	<u>\$ 4,686,801</u>	<u>\$ 5,311,968</u>	<u>\$ 6,044,537</u>	<u>\$ 5,585,329</u>	<u>\$ 5,345,291</u>	<u>\$ 5,386,393</u>	<u>\$ 6,520,114</u>

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

(1) Government-wide financial information is only available since 2004, therefore only seven (7) years of information is presented.

**SCHEDULE 5**  
**CITY OF AUSTELL, GEORGIA**  
**GENERAL AND OTHER REVENUES**  
**LAST SEVEN FISCAL YEARS (1)**  
(Accrual Basis of Accounting)

	<b>Fiscal Year</b>						
	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>							
Taxes							
Property Taxes	\$ 737,611	\$ 540,875	\$ 673,147	\$ 618,953	\$ 688,309	\$ 709,691	\$ 706,063
Sales and Use Taxes	213,660	202,629	267,070	486,437	544,844	400,115	48,270
Franchise taxes and ownership fees	3,431,749	3,826,347	5,083,536	4,423,436	4,896,159	4,700,934	5,033,139
Other Taxes	342,662	328,916	538,957	530,417	543,263	555,630	543,458
Penalties and Interest	10,035	1,867	762	6,926	3,439	11,927	3,770
Unrestricted investment earnings	247,933	205,282	234,663	282,358	304,526	213,824	127,806
Miscellaneous	200,295	352,955	12,209	33,848	-	630	161,309
Gain on sale of capital assets	-	-	-	-	-	-	116,243
Transfers	-	-	(97,254)	(1,697,025)	86,120	(677,197)	(144,275)
Total Governmental Activities	<u>5,183,945</u>	<u>5,458,871</u>	<u>6,713,090</u>	<u>4,685,350</u>	<u>7,066,660</u>	<u>5,915,554</u>	<u>6,595,783</u>
<b>Business-type activities:</b>							
Investment earnings	13,391	9,851	11,442	11,564	6,871	7,161	3,017
Miscellaneous	205,194	-	-	-	-	-	-
Transfers	-	-	97,254	1,697,025	(86,120)	677,197	144,275
Total Business-type Activities	<u>218,585</u>	<u>9,851</u>	<u>108,696</u>	<u>1,708,589</u>	<u>(79,249)</u>	<u>684,358</u>	<u>147,292</u>
<b>Total Government-Wide General and Other Revenues</b>	<u>\$ 5,402,530</u>	<u>\$ 5,468,722</u>	<u>\$ 6,821,786</u>	<u>\$ 6,393,939</u>	<u>\$ 6,987,411</u>	<u>\$ 6,599,912</u>	<u>\$ 6,743,075</u>

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

(1) Government-wide financial information is only available since 2004, therefore only seven (7) years of information is presented.

**SCHEDULE 6**  
**CITY OF AUSTELL, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 17,149	\$ 16,662	\$ 30,960	\$ 47,367	\$ 40,981	\$ 55,747	\$ 241,367	\$ 256,249	\$ 364,276	\$ 232,944
Unreserved	<u>565,555</u>	<u>1,236,246</u>	<u>(1,230,678)</u>	<u>830,149</u>	<u>3,618,450</u>	<u>3,081,035</u>	<u>3,357,429</u>	<u>4,117,783</u>	<u>3,967,587</u>	<u>4,383,560</u>
Total General Fund	<u>\$ 582,704</u>	<u>\$ 1,252,908</u>	<u>\$ (1,199,718)</u>	<u>\$ 877,516</u>	<u>\$ 3,659,431</u>	<u>\$ 3,136,782</u>	<u>\$ 3,598,796</u>	<u>\$ 4,374,032</u>	<u>\$ 4,331,863</u>	<u>\$ 4,616,504</u>
<b>All Other Governmental Funds</b>										
Reserved	-	-	-	3,201	102,741	280,049	555,307	760,094	712,924	14,903
Unreserved, reported in:										
Special revenue funds	-	(134,205)	(292,948)	(515,828)	(57,408)	(180,669)	35,525	182,184	107,249	190,472
Capital projects funds	<u>3,282,176</u>	<u>4,355,527</u>	<u>4,173,659</u>	<u>4,845,454</u>	<u>5,298,280</u>	<u>5,000,332</u>	<u>5,635,206</u>	<u>5,727,406</u>	<u>5,731,118</u>	<u>6,528,570</u>
Total all other governmental funds	<u>\$ 3,282,176</u>	<u>\$ 4,221,322</u>	<u>\$ 3,880,711</u>	<u>\$ 4,332,827</u>	<u>\$ 5,343,613</u>	<u>\$ 5,099,712</u>	<u>\$ 6,226,038</u>	<u>\$ 6,669,684</u>	<u>\$ 6,551,291</u>	<u>\$ 6,733,945</u>

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 3,254,785	\$ 4,399,550	\$ 3,879,037	\$ 4,197,801	\$ 4,571,191	\$ 3,936,139	\$ 7,996,861	\$ 6,630,481	\$ 6,392,321	\$ 6,297,590
Licenses and permits	120,125	259,672	182,215	340,053	395,745	411,117	445,045	24,455	14,335	66,212
Fines and forfeitures	540,675	598,355	646,936	622,848	603,044	591,432	716,700	573,250	567,212	660,810
Charges for services	147,025	145,279	160,850	205,522	204,052	192,149	207,774	225,598	255,588	173,934
Intergovernmental	61,692	17,754	194,363	245,646	173,506	1,445,749	568,922	438,042	244,025	861,803
Investment earnings	-	277,658	217,151	247,933	205,282	234,665	282,919	304,525	216,014	129,056
Penalties and interest	-	-	-	10,035	1,867	762	-	3,436	11,927	-
Contributions and donations	1,000,000	1,003,780	505,360	-	360,000	1,538	3,460	1,070	550	604
Miscellaneous	341,981	83,680	94,718	641,772	60,157	57,764	85,853	59,712	68,637	161,309
<b>Total Revenues</b>	<b>5,466,283</b>	<b>6,785,728</b>	<b>5,880,630</b>	<b>6,511,610</b>	<b>6,574,844</b>	<b>6,871,315</b>	<b>10,307,534</b>	<b>8,260,569</b>	<b>7,770,609</b>	<b>8,351,318</b>
<b>Expenditures</b>										
Current -										
General Government	630,793	320,387	451,056	376,556	605,935	649,922	598,144	669,486	796,164	1,521,556
Public Safety	2,072,616	2,451,880	2,510,114	3,200,182	3,856,184	3,456,995	3,724,608	3,891,797	3,956,609	3,989,979
Municipal Court	-	113,976	110,188	127,211	126,724	138,145	150,763	151,108	149,780	137,645
Highways and Streets	644,706	347,250	372,886	560,748	1,066,161	772,453	784,028	713,133	791,490	1,243,849
Solid Waste Management	-	-	-	-	-	-	-	110,040	102,674	6,754
Health and welfare	-	-	-	79,971	53,014	42,276	43,097	-	-	-
Tourism and economic development	-	-	-	-	-	-	-	5,044	2,934	3,090
Culture and Recreation	410,446	704,373	841,244	611,186	526,761	625,733	465,344	523,705	583,853	676,223
Housing and Development	-	65,195	31,541	736,674	131,033	73,505	107,068	42,006	93,977	78,286
Capital Outlay	-	703,523	1,988,157	763,951	461,697	1,782,049	1,153,925	1,156,909	580,624	245,472
Debt Service -										
Principal	61,308	61,037	53,729	10,274	206,523	196,818	238,836	149,121	175,550	144,309
Interest	-	8,757	491	-	2,217	13,419	11,014	13,457	20,320	11,690
Bond issue costs	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,819,869</b>	<b>4,776,378</b>	<b>6,359,406</b>	<b>6,466,753</b>	<b>7,036,249</b>	<b>7,751,315</b>	<b>7,276,827</b>	<b>7,425,806</b>	<b>7,253,975</b>	<b>8,058,853</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,646,414</b>	<b>2,009,350</b>	<b>(478,776)</b>	<b>44,857</b>	<b>(461,405)</b>	<b>(880,000)</b>	<b>3,030,707</b>	<b>834,763</b>	<b>516,634</b>	<b>292,465</b>
<b>Other financing sources (uses)</b>										
Proceeds from long-term debt	-	146,894	-	513,030	513,030	113,450	242,434	298,000	-	60,000
Proceeds from sale of capital assets	-	-	-	567,615	567,615	-	12,225	-	-	259,105
Transfers in	-	-	-	2,938,247	2,938,247	-	-	86,120	-	1,045,577
Transfers out	(400,000)	-	-	(2,446,663)	(2,446,663)	-	(1,697,026)	-	(677,197)	(1,189,852)
<b>Total other financing sources (uses)</b>	<b>(400,000)</b>	<b>146,894</b>	<b>-</b>	<b>1,572,229</b>	<b>1,572,229</b>	<b>113,450</b>	<b>(1,442,367)</b>	<b>384,120</b>	<b>(677,197)</b>	<b>174,830</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,246,414</b>	<b>\$ 2,156,244</b>	<b>\$ (478,776)</b>	<b>\$ 1,617,086</b>	<b>\$ 1,110,824</b>	<b>\$ (766,550)</b>	<b>\$ 1,588,340</b>	<b>\$ 1,218,883</b>	<b>\$ (160,563)</b>	<b>\$ 467,295</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.63%</b>	<b>1.74%</b>	<b>1.25%</b>	<b>0.18%</b>	<b>3.28%</b>	<b>3.65%</b>	<b>4.09%</b>	<b>2.58%</b>	<b>3.02%</b>	<b>2.00%</b>

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

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

FISCAL YEAR ENDED JUNE 30,	Taxes (2)	Licenses and Permits	Inter- Governmental	Charges for Service	Fines and Forfeitures	Interest Income	Contributions and Donations from Private	Miscellaneous	Total
2001	\$3,254,785	\$120,125	\$61,692	\$147,025	\$540,675	\$ -	\$1,000,000	\$341,981	\$5,466,283
2002	4,399,550	259,672	17,754	145,279	598,355	277,658	1,003,780	83,680	6,785,728
2003	3,879,037	182,215	194,363	160,850	646,936	217,151	505,360	94,718	5,880,630
2004	4,197,801	340,053	187,123	205,522	632,883	247,933	-	700,295	6,511,610
2005	4,897,093	69,843	173,506	204,052	604,911	205,282	360,000	60,157	6,574,844
2006	3,936,139	411,117	1,445,749	192,149	591,432	234,665	1,538	58,526	6,871,315
2007	8,383,903	58,003	568,922	207,774	716,700	282,919	3,460	85,853	10,307,534
2008	6,633,917	24,455	438,042	225,598	573,250	304,525	1,070	59,712	8,260,569
2009	6,404,248	14,335	244,025	255,588	567,212	216,014	550	68,637	7,770,609
2010	6,297,590	66,212	861,803	173,934	660,810	129,056	604	161,309	8,351,318

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

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

(2) Includes ownership fees received from Austell Natural Gas System.

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

<u>Tax Year/Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Mobile Home</u>	<u>Motor Vehicle Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2000/2001	\$ 42,794,927	\$39,235,046	\$ 11,840,764	\$ -	\$ -	\$ 1,840,831	\$ 92,029,906	3.75
2001/2002	47,586,608	39,235,046	11,840,764	-	-	1,840,831	96,821,587	3.50
2002/2003	38,821,995	43,838,259	16,099,946	285,719	11,641,756	2,797,389	107,890,286	3.36
2003/2004	62,007,829	43,331,817	15,283,064	288,973	12,207,710	2,799,997	130,319,396	3.12
2004/2005	69,908,322	46,768,671	16,164,691	309,570	12,889,060	3,022,474	143,017,840	3.12
2005/2006	74,863,412	52,715,227	16,816,372	302,853	12,299,290	3,370,683	153,626,471	3.12
2006/2007	107,663,473	52,345,181	16,296,254	295,254	11,778,650	3,419,843	184,958,969	3.12
2007/2008	123,962,544	54,102,378	16,344,483	311,040	13,514,780	4,848,014	203,387,211	3.12
2008/2009	131,719,176	54,773,866	19,245,151	288,062	14,330,130	5,144,278	215,212,107	3.12
2009/2010	92,574,253	55,725,122	34,500,679	256,036	12,103,030	4,172,299	190,986,821	3.12

Source: Cobb County Tax Assessor

Note: Property is assessed at 40% of its fair market value

**SCHEDULE 10**  
**CITY OF AUSTELL, GEORGIA**  
**PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS**  
**LAST TEN CALENDAR YEARS**  
(Rate per \$1,000 of assessed value)

<u>Tax Year/Fiscal Year</u>	<u>City</u>	<u>Cobb County (1)</u>		<u>State</u>	<u>Total</u>
		<u>County</u>	<u>Board of Education</u>		
2000/2001	3.50	9.84	19.05	0.25	32.64
2001/2002	3.36	9.72	20.05	0.25	33.38
2002/2003	3.12	9.72	19.90	0.25	32.99
2003/2004	3.12	9.72	19.90	0.25	32.99
2004/2005	3.12	9.72	19.90	0.25	32.99
2005/2006	3.12	9.72	19.90	0.25	32.99
2006/2007	3.12	9.60	19.90	0.25	32.87
2007/2008	3.12	9.60	18.90	0.25	31.87
2008/2009	3.12	9.60	18.90	0.25	31.87
2009/2010	3.12	9.60	18.90	0.25	31.87

(1) Information from Cobb County Administration

Source: Cobb County Tax Assessor. Overlapping rates are those of local and county governments that apply to property owners within the City of Austell.

**SCHEDULE 11  
CITY OF AUSTELL, GEORGIA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT CALENDAR YEAR AND TEN YEARS AGO**

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Austell Boxboard	8,458,603	1	25.7%	13,624,633	1	45.8%
Sweetwater Paper Board Co.	8,369,782	2	25.4%	6,613,164	2	22.2%
Shea Traylor JV	7,539,911	3	22.9%	---	---	---
National Envelope	2,278,032	4	6.9%	2,090,050	3	7.0%
Star Paper Tube, Inc	1,258,040	5	3.8%	960,041	7	3.2%
William & Jerry Ungar	1,231,700	6	3.7%	1,244,187	5	4.2%
Andersen Clay	1,033,008	7	3.1%	---	---	---
Efficiency Lodge, Inc.	997,144	8	3.0%	---	---	---
Sweetwater Lumber & Land Inc.	949,679	9	2.9%	1,593,991	4	5.4%
K & A Development LLC	780,824	10	2.4%	---	---	---
Sanrise, Inc.	---	---	---	929,906	8	3.1%
Janice McMonigle	---	---	---	996,994	6	3.4%
I B M Credit Corporation	---	---	---	903,990	9	3.0%
Venture Home, Inc.	-	---	---	778,302	10	2.6%
<b>Total</b>	<b>32,896,723</b>		<b>100.0%</b>	<b>29,735,258</b>		<b>100.0%</b>

Source: Cobb County Tax Assessor

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

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
					<u>Amount</u>	<u>Percent of Levy</u>
2001	\$ 320,161	\$ 289,113	90.3%	\$ 31,655	\$ 320,768	100.2%
2002	350,250	314,095	89.7%	35,928	350,023	99.9%
2003	362,786	316,438	87.2%	46,675	363,113	100.1%
2004	402,636	358,855	89.1%	40,758	399,613	99.2%
2005	436,652	384,402	88.0%	46,623	431,025	98.7%
2006	531,551	394,214	74.2%	127,662	521,876	98.2%
2007	533,359	474,783	89.0%	49,966	524,749	98.4%
2008	557,756	460,620	82.6%	81,505	542,125	97.2%
2009	598,818	494,220	82.5%	83,217	577,437	96.4%
2010	605,950	530,242	87.5%	27,455	557,697	92.0%

Source: Cobb County Tax Commissioners Office

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

<u>Franchise Tax &amp; Ownership Fees</u>	<u>Current Year Percentage of Gross Sales</u>	<u>2010 Revenue</u>	<u>2005 Revenue</u>
Austell Gas System (ownership)	7%	\$ 4,065,162	\$ 3,364,916
Georgia Power	5%	510,516	327,491
Greystone Power	5%	50,984	43,300
Comcast Cable TV	5%	40,280	36,605
AT&T	3%	66,803	52,618
<b>Total</b>		<u><u>\$ 4,733,745</u></u>	<u><u>\$ 3,824,930</u></u>

Source: City's finance department

**SCHEDULE 14**  
**CITY OF AUSTELL, GEORGIA**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	Governmental	Business-Type Activities			Total Primary Government	Percentage of Personal Income	Debt Per Capita (1)
	Activities	Water and Sewer Revenue Bonds	Threadmill Complex				
	Capital Leases	Revenue Bonds	Revenue Bonds	Capital Lease			
2001	\$ 58,281	\$ 1,335,000	\$ -	\$ -	\$ 1,393,281	0.72%	254
2002	-	1,195,000	3,505,000	-	4,700,000	2.45%	843
2003	94,226	1,045,000	3,130,000	-	4,269,226	2.28%	758
2004	48,172	890,000	7,005,000	-	7,943,172	3.69%	1,393
2005	354,679	725,000	6,780,000	-	7,859,679	3.62%	1,359
2006	271,311	550,000	6,545,000	79,269	7,445,580	3.32%	1,255
2007	274,909	380,000	6,300,000	54,075	7,008,984	2.96%	1,163
2008	423,787	195,000	6,045,000	27,672	6,691,459	2.81%	1,096
2009	248,238	-	5,780,000	-	6,028,238	2.45%	975
2010	163,929	-	5,500,000	-	5,663,929	2.28%	916

Data Source: Woods & Poole Economics pamphlet 2008.

(1) Data based on .857% of Cobb County population (2000 census City of Austell population 5359)

**SCHEDULE 15  
CITY OF AUSTELL, GEORGIA  
DIRECT AND OVERLAPPING DEBT  
AS OF JUNE 30, 2010**

	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (1)</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct General Obligation Debt:</b>	-	-	-
<b>Overlapping General Obligation Debt:</b>			
Cobb County General Obligation Debt	\$ 53,480,000	1%	\$ 534,800
Cobb County School District	113,500,000	1%	<u>1,135,000</u>
Total, General Obligation Debt			<u>1,669,800</u>
<b>Overlapping Guaranteed Revenue Debt:</b>			
Cobb County Recreation Authority	2,125,000	1%	21,250
Cobb County Administration Building Project	2,390,000	1%	23,900
Downtown Marietta Development Authority	50,920,000	1%	509,200
Cobb County Solid Waste Management Authority	10,030,000	1%	<u>100,300</u>
Total, overlapping revenue debt	232,445,000	1%	<u>\$ 2,324,450</u>
<b>City Direct Debt:</b>			
Capital Lease			\$ 163,929
Threadmill Revenue Bonds			<u>5,500,000</u>
			<u>\$ 5,663,929</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Cobb County Finance Department. Debt outstanding data provided by Cobb County Finance Department.

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 9,682,159	\$ 10,789,029	\$ 13,031,940	\$ 14,301,784	\$ 15,362,647	\$ 18,495,897	\$ 20,338,721	\$ 20,688,495	\$ 21,521,211	\$ 19,402,828
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 9,682,159</u>	<u>\$ 10,789,029</u>	<u>\$ 13,031,940</u>	<u>\$ 14,301,784</u>	<u>\$ 15,362,647</u>	<u>\$ 18,495,897</u>	<u>\$ 20,338,721</u>	<u>\$ 20,688,495</u>	<u>\$ 21,521,211</u>	<u>\$ 19,402,828</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City's finance department

Note: Legal debt limit is in accordance with the State laws governing bond issuances.

Note 2: The City has no outstanding general obligation debt as of June 30, 2010.

**SCHEDULE 17**  
**CITY OF AUSTELL, GEORGIA**  
**PLEDGED REVENUE COVERAGE-WATER & SEWER FUND**  
**LAST TEN FISCAL YEARS**

	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2001	\$ 2,503,986	\$ 1,680,018	\$ 823,968	\$ 140,000	\$ 60,075	4.10
2002	2,848,252	2,082,154	766,098	150,000	53,775	3.80
2003	2,252,867	2,213,558	39,309	155,000	47,025	0.20
2004	2,757,738	2,594,501	163,237	165,000	40,050	0.80
2005	2,724,037	2,363,512	360,525	170,000	32,625	1.80
2006	2,718,683	2,445,933	272,750	175,000	32,625	1.31
2007	2,906,312	2,539,265	367,047	175,000	24,975	1.84
2008	2,824,631	2,322,800	501,831	185,000	17,100	2.48
2009	2,993,248	2,847,700	145,548	195,000	8,775	0.71
2010	3,591,952	3,106,552	485,400	-	-	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest, depreciation, or amortization expenses.  
All revenue bonds matured February, 2009; therefore no bond payments were paid in FY2010

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

	Lease Charges	Less: Operating Expenses	Net Available Revenue	Debt Service (1)		Coverage
				Principal	Interest	
2004	\$ 632,155	\$ 749,949	\$ (117,794)	\$ 225,000	\$ 300,256	(0.20)
2005	1,017,659	666,912	350,747	235,000	289,491	0.70
2006	980,040	961,328	18,712	245,000	299,666	0.03
2007	1,022,369	820,003	202,366	255,000	284,000	0.38
2008	1,120,973	758,818	362,155	255,000	277,866	0.68
2009	1,116,053	766,532	349,521	265,000	295,515	0.62
2010	1,045,701	753,371	292,330	280,000	304,332	0.50

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest, depreciation, or amortization expenses.

(1) Bonds issued during Fiscal Year 2004.

**SCHEDULE 19  
CITY OF AUSTELL, GEORGIA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

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<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>City Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	5,483	\$ 244,603,890	\$ 36,753	3.3%
2002	5,577	240,878,080	36,087	4.5%
2003	5,630	242,140,460	36,651	4.4%
2004	5,704	247,324,840	37,924	4.3%
2005	5,783	260,122,080	40,499	4.7%
2006	5,933	266,271,340	41,535	4.1%
2007	6,026	270,015,410	42,862	3.8%
2008	6,107	268,646,380	43,167	3.9%
2009	6,184	264,825,980	42,907	9.6%
2010	6,136	246,440,168	40,163	9.5%

Source: Woods & Poole Economics 2010 Data Pamphlet

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

Employer	2010			2008		
	Number of Employees	% of Total Employment	Rank	Number of Employees	% of Total Employment	Rank
Austell Boxboard	355	9.6%	1	355	8.9%	1
National Envelope	230	6.2%	2	230	5.8%	3
Carustar	120	3.2%	3	231	5.8%	2
United Waste				144	3.6%	4
Austell Gas System	130	3.5%	4	126	3.2%	5
Old Fashion Foods	95	2.6%	5	95	2.4%	6
Carustar Corp	87	2.3%	6	--	--	--
Sweetwater Paper Company	87	2.3%	6	87	2.2%	7
Garda CL Southeast, Inc.	83	2.2%	7	83	2.1%	8
Parsec, Inc.	65	1.8%	8	--	--	--
Hearland Hospice Service				50	1.3%	9
Wad Heating & A/C, Inc.				49	1.2%	10
Wallace Barbeque	32	0.9%	9	--	--	--
Kassaus	29	0.8%	10	--	--	--
Total Employees	<u>3,703</u>			<u>3,974</u>		

Source: City's Occupational Tax database

Note: Information is not readily available prior to fiscal year 2008

**SCHEDULE 21**  
**CITY OF AUSTELL, GEORGIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Management services	2	3	4	4	5	4	4	4	4	4
Finance	2	2	3	5	5	3	3	3	1	1
Planning	2	2	-	-	-	-	-	-	-	-
Building	4	7	2	-	-	-	-	-	-	-
Public Safety	37	40	43	45	48	52	50	50	54	53
Municipal court	2	2	2	2	2	2	2	3	3	3
Highways and streets	2	2	2	2	2	2	2	2	3	3
Parks and recreation	3	3	3	3	3	3	3	3	3	3
Water	4	1	2	2	2	2	2	2	4	4
Public Works	8	12	12	14	14	14	14	14	14	14
Threadmill	3	3	5	10	10	10	10	10	10	10
Total	69	77	78	87	91	92	90	91	96	95

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

Function / Program	2003	2004	2005	2006	2007	2008	2009	2010
Municipal Court								
Citations issued	6,300	5,309	5,553	7,082	6,869	6,243	5,540	4,660
Traffic violations	6,044	5,021	5,209	6,704	6,940	5,304	5,046	4,657
Shoplifting violations	4	4	5	1	3	2	10	3
Refuse collections								
Refuse collected (tons per day)	1.74	1.73	2.61	2.61	1.85	1.90	1.90	1.90
Public Works								
Streets resurfaced (miles)	1	1	1	-	2	2	2	2
Water								
New connections	3	93	2	2	2	-	-	-
Average daily consumption	1,029,978	1,057,441	1,129,799	1,238,601	996,861	988,620	900,219	942,472
Stormwater								
Miles of streets swept	5	5	5	5	6	8	8	8
Storm drains cleaned	220	303	398	398	410	450	450	450

Sources: Various City Departments

Note: Information is not readily available prior to fiscal year 2003.

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

Function / Program	2003	2004	2005	2006	2007	2008	2009	2010
Public works								
Paved roads (miles)	50.0	50.0	52.0	54.0	55.3	55.3	55.3	55.3
Streetlights	571.0	758.0	759.0	759.0	777.0	780.0	780.0	780.0
Traffic signals	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Parks and recreation								
Number of parks	7.0	7.0	7.0	7.0	7.0	8.0	10.0	11.0
Acreage	36.7	36.7	36.7	36.7	36.7	36.7	38.7	39.0
Playgrounds	54.0	54.0	50.0	50.0	7.0	7.0	7.0	7.0
Community centers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water								
Storage capacity	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Water tanks	1	1	1	1	1	1	1	1
Wastewater								
Sanitary sewers (miles)	19.0	24.0	26.6	26.6	41.0	36.1	36.1	36.1
Number of service connections	2,215	2,215	2,418	2,495	2,551	2,551	2,592	2,464
Solid Waste Management								
Customers	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
Compactor trucks	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Stormwater								
Storm sewers (miles)	23.0	28.0	30.6	30.6	50.0	52.0	52.0	52.0

Source: City of Austell Public Works Department

Note: Information is not readily available prior to fiscal year 2003.