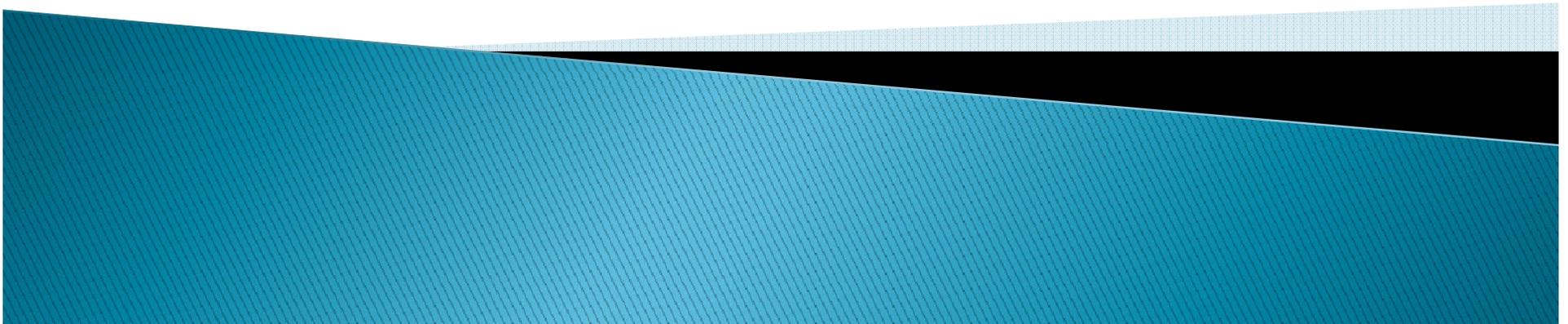


THE CITY OF
**Powder
Springs**

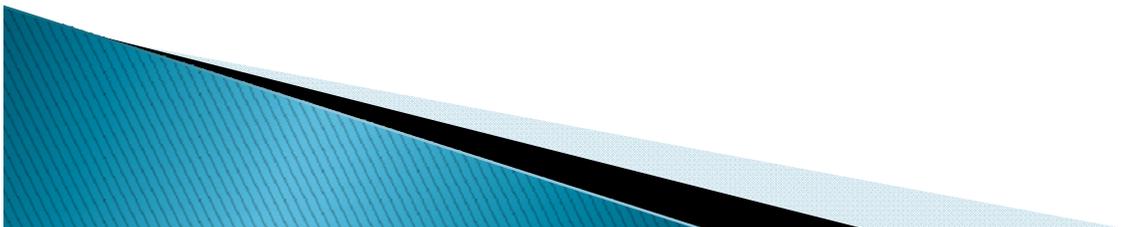


**2013 Comprehensive Annual Financial Report
[CAFR]**



Key Financial Highlights

- ▶ Combined net assets totaled \$40,807,909, an increase of \$2,765,961 over 2012.
- ▶ Of this amount, unrestricted net assets of \$9,047,108 may be used to meet the government's ongoing obligations to citizens and creditors
- ▶ Governmental activities net assets increased by \$1,784,249
- ▶ Business-type activities revenues exceeded expenses by \$970,691



Statement of Net Assets

City of Powder Springs Statement of Net Assets

	Governmental Activities		Business Activities		Total		% of Total
	2013	2012	2013	2012	2013	2012	
Assets:							
Current assets	\$ 9,741,925	\$ 10,032,667	\$ 6,450,279	\$ 5,108,817	\$ 16,192,204	\$ 15,141,484	31%
Capital assets - net	30,857,545	28,173,040	6,009,695	6,511,591	36,867,240	34,684,631	69%
Total assets	<u>\$ 40,599,470</u>	<u>\$ 38,205,707</u>	<u>\$ 12,459,974</u>	<u>\$ 11,620,408</u>	<u>\$ 53,059,444</u>	<u>\$ 49,826,115</u>	100%
Liabilities							
Current liabilities	\$ 2,258,213	\$ 556,515	\$ 1,158,358	\$ 473,667	\$ 3,416,571	\$ 1,030,182	28%
Long-term liabilities (net)	7,894,939	8,987,123	940,025	1,766,862	8,834,964	10,753,985	72%
Total liabilities	<u>\$ 10,153,152</u>	<u>\$ 9,543,638</u>	<u>\$ 2,098,383</u>	<u>\$ 2,240,529</u>	<u>\$ 12,251,535</u>	<u>\$ 11,784,167</u>	100%
Net Assets							
Invested in capital assets, net of related debt	\$ 23,297,545	\$ 20,158,040	\$ 5,249,606	\$ 5,673,728	\$ 28,547,151	\$ 25,831,768	70%
Restricted	3,213,650	5,469,620	-	-	3,213,650	5,469,620	8%
Unrestricted	3,935,123	3,034,409	5,111,985	3,706,151	9,047,108	6,740,560	22%
Total net assets	<u>\$ 30,446,318</u>	<u>\$ 28,662,069</u>	<u>\$ 10,361,591</u>	<u>\$ 9,379,879</u>	<u>\$ 40,807,909</u>	<u>\$ 38,041,948</u>	100%

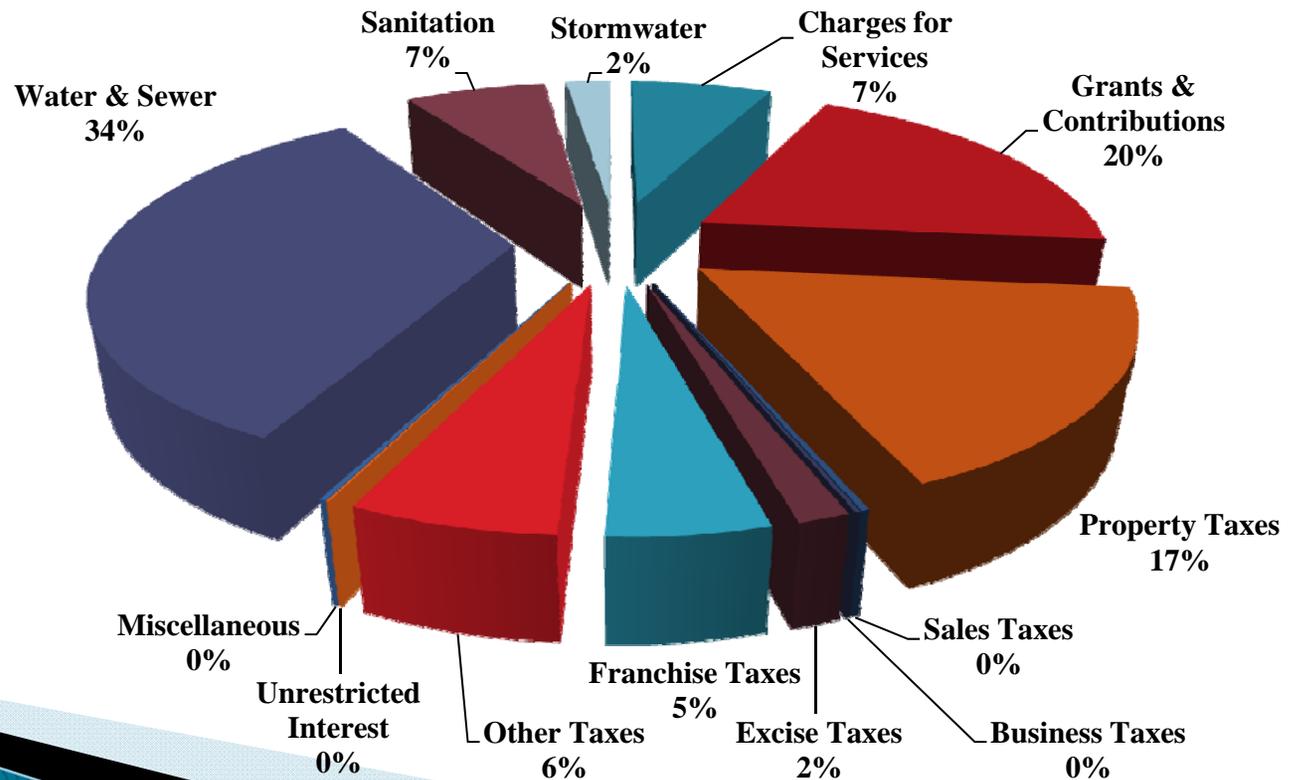
Changes in Net Assets

City of Powder Springs Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		% of Total
	2013	2012	2013	2012	2013	2012	
Revenues:							
Program Revenues:							
Charges for Services	\$ 1,150,360	\$ 1,165,623	\$ 6,939,732	\$ 5,568,932	\$ 8,090,092	\$ 6,734,555	50.15%
Grants & Contributions	3,152,284	2,774,664	-	-	3,152,284	2,774,664	19.54%
General Revenues:						-	
Property Taxes	2,803,697	3,006,646	-	-	2,803,697	3,006,646	17.38%
Sales Taxes	38,496	-	-	-	38,496	-	0.24%
Business Taxes	25,139	-	-	-	25,139	-	
Alcohol Taxes	244,182	301,161	-	-	244,182	301,161	1.51%
Franchise Taxes	760,074	722,554	-	-	760,074	722,554	4.71%
Other Taxes	975,496	653,845	-	-	975,496	653,845	6.05%
Unrestricted Operating Grants	-	128,522	-	-	-	128,522	0.00%
Unrestricted Interest	7,158	2,828	5,718	2,731	12,876	5,559	0.08%
Miscellaneous	24,820	-	-	-	24,820	-	0.15%
Gain on sale of assets	-	15,493	6,101	-	6,101	15,493	0.04%
Transfers	798	-	(798)	-	-	-	0.00%
Total Revenues	\$ 9,182,504	\$ 8,771,336	\$ 6,950,753	\$ 5,571,663	\$ 16,133,257	\$ 14,342,999	100.00%
Expenses:							
General government	\$ 760,497	\$ 1,113,494	\$ -	\$ -	\$ 760,497	\$ 1,113,494	5.69%
Health and welfare	-	43,497	-	-	-	43,497	0.00%
Judicial	428,709	-	-	-	428,709	-	3.21%
Public works	2,055,730	1,040,381	-	-	2,055,730	1,040,381	15.38%
Culture and recreation	258,969	79,266	-	-	258,969	79,266	1.94%
Public safety	3,072,667	2,499,557	-	-	3,072,667	2,499,557	22.99%
Housing and development	485,271	633,252	-	-	485,271	633,252	3.63%
Interest on long-term debt	336,412	325,017	-	-	336,412	325,017	2.52%
Water and Sewer	-	-	4,838,532	4,579,748	4,838,532	4,579,748	36.20%
Sanitation	-	-	974,543	1,111,782	974,543	1,111,782	7.29%
Stormwater	-	-	155,966	-	155,966	-	1.17%
Total Expenses:	\$ 7,398,255	\$ 5,734,464	\$ 5,969,041	\$ 5,691,530	\$ 13,367,296	\$ 11,425,994	100.00%
Revenues over expenses	\$ 1,784,249	\$ 3,036,872	\$ 981,712	\$ (119,867)	\$ 2,765,961	\$ 2,917,005	
Increase in net assets	\$ 1,784,249	\$ 3,036,872	\$ 981,712	\$ (119,867)	\$ 2,765,961	\$ 2,917,005	
Net Assets - beginning, restated	\$ 28,662,069	\$ 25,625,197	\$ 9,379,879	\$ 9,499,746	\$ 38,041,948	\$ 35,124,943	
Net Assets - ending	\$ 30,446,318	\$ 28,662,069	\$ 10,361,591	\$ 9,379,879	\$ 40,807,909	\$ 38,041,948	

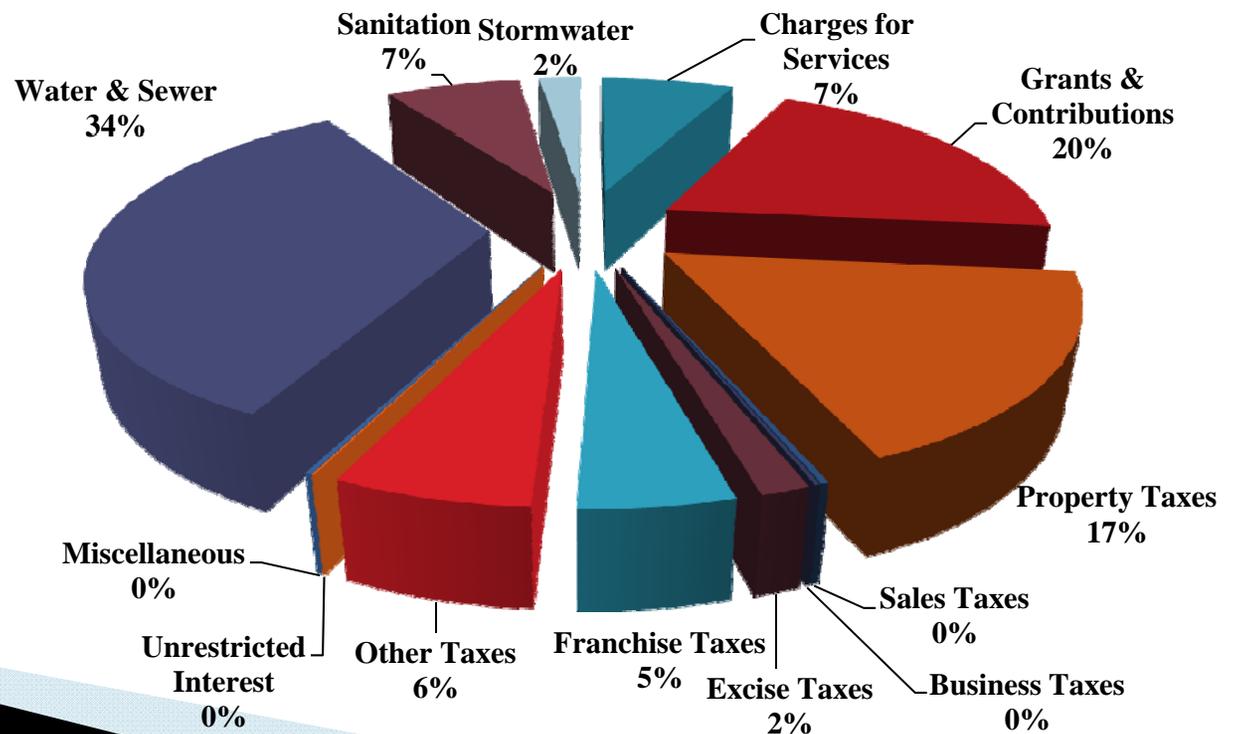
Changes in Net Assets from Operating Results: Revenues

The City is heavily reliant on tax revenues to support governmental activities operations. Tax provided \$4,847,084 or 55% of the City's governmental activities operations. Charges for services provided \$1,150,360 or 13% of operating revenues. Accordingly, the City's taxpayers and purchases of City services fund 68% of governmental operating activity.



Changes in Net Assets from Operating Results: Revenues

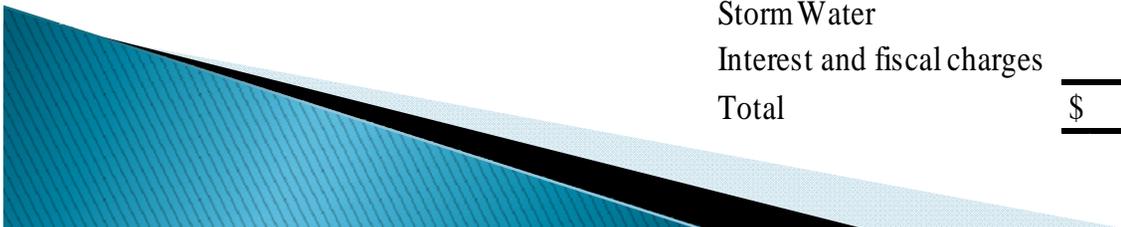
- ▶ Water and sewer revenues increased significantly over prior year revenues (\$990,446, or 22%).
- ▶ In 2013 the City established the Storm Water fund, through the establishment of a storm water utility fee rate billed annually with property taxes. The Storm Water fund billed a total \$357,708 for the utility fees in 2013



Changes in Net Assets from Operating Results : Expenses

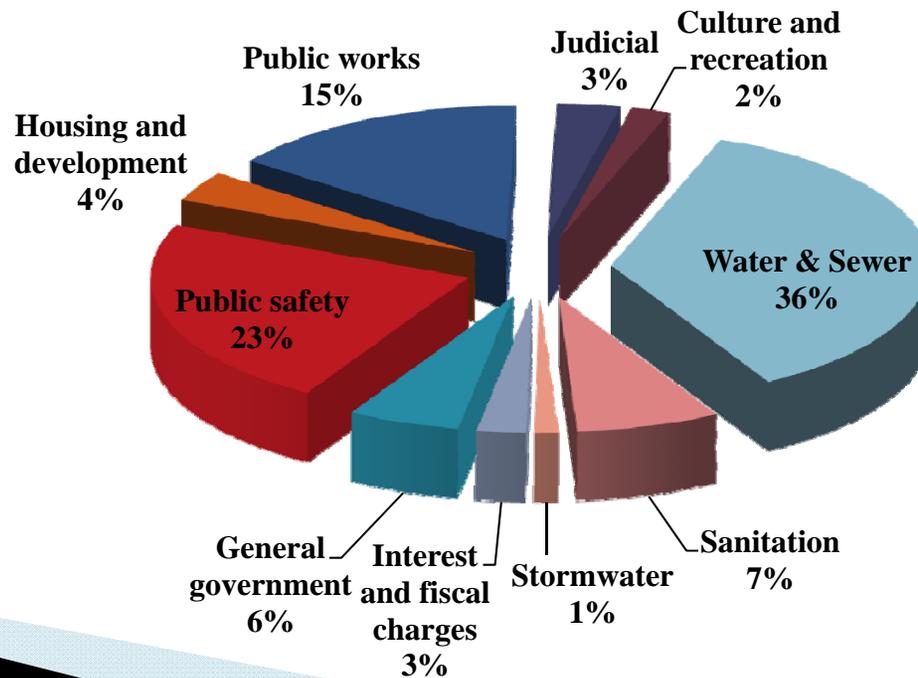
- ▶ Governmental activities' expenses increased by \$1,663,791 in fiscal year 2013 from 2012. Significant variances from prior year expenses included:
 - Public Works expenditures increased \$1,015,349
 - Expenditures for Public Safety increased \$573,110
 - Culture and Recreation expenses increased \$179,709

	Operating Expenses	Percentage of Total	Net Cost of Service	Percentage of Total
General government	\$ 760,497	5.7%	\$ (339,816)	-16.0%
Public safety	3,072,667	23.0%	2,924,320	137.6%
Housing and development	485,271	3.6%	440,566	20.7%
Public works	2,055,730	15.4%	(135,725)	-6.4%
Judicial	428,709	3.2%	(10,238)	-0.5%
Culture and recreation	258,969	1.9%	(119,908)	-5.6%
Water & Sewer	4,838,532	36.2%	(597,829)	-28.1%
Sanitation	974,543	7.3%	(171,120)	-8.1%
Storm Water	155,966	1.2%	(201,742)	-9.5%
Interest and fiscal charges	336,412	2.5%	336,412	15.8%
Total	\$ 13,367,296	100.0%	2,124,920	100.0%



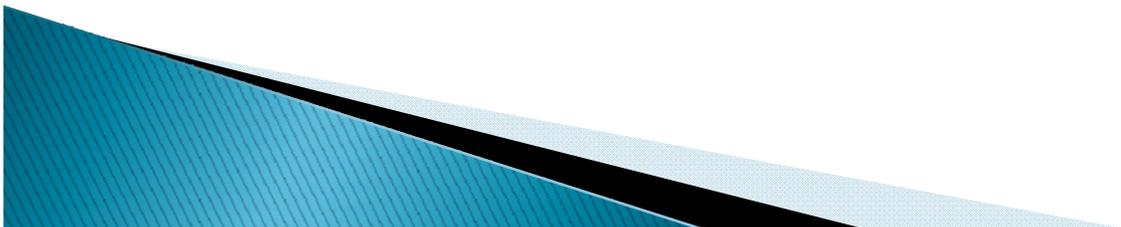
Changes in Net Assets from Operating Results : Expenses

- ▶ Business-type operating expense increased \$277,511 during the current fiscal year. Significant cost variances included:
 - Water purchases and sewer expense increased \$51,450
 - Establishment of the Storm Water Fund also contributed to an increase in overall business-type operating expenses \$155,966 in personnel and operating costs.



Fund Analysis: Governmental

- ▶ *General Fund* fund balance increased by \$831,438 to and ending balance of \$4,603,396
- ▶ *Capital Projects Fund* fund balance decreased by \$612,014 to and ending balance of \$566,374
- ▶ *SPLOST Fund* fund balance decreased \$1,841,677 to an ending fund balance of \$2,632,979.



Governmental Activities: General Fund

General Fund revenue increased \$592,431 or 10%

General Fund expenses increased slightly less by \$369,372 or 7%

Year	2013	2012
Revenues	6,578,137	5,985,706
Expenses	5,746,699	5,377,327
Net	831,438	608,379
Beginning Fund Balance	3,771,958	3,163,579
Ending Fund Balance	4,603,396	3,771,958



Governmental Activities: 2005 & 2011 SPLOST Fund

SPLOST Fund revenue decreased slightly by \$43,099 or 2%

SPLOST Fund expenses increased by \$3,076,984 or 210%

Year	2013	2012
Revenues	2,700,104	2,743,203
Expenses	4,541,871	1,464,887
Net	(1,841,677)	1,278,316
Beginning Fund Balance	4,474,656	3,196,340
Ending Fund Balance	2,632,979	4,474,656



Governmental Activities: Capital Projects Fund

Capital Projects Fund revenue increased \$18,302 or 44%

Capital Projects Fund expenses increased by \$606,096 or 919%

Year	2013	2012
Revenue	59,722	41,420
Expenses	672,036	65,940
Net	(612,014)	(24,520)
Beginning Fund Balance	1,178,388	1,202,908
Ending Fund Balance	566,374	1,178,388



Fund Analysis: Governmental

- ▶ Within the ending fund balance of governmental funds, \$4,136,152 is unassigned, indicating availability for continuing City service delivery requirements. The remainder is restricted, assigned or non-spendable as follows:

Non-spendable balance:

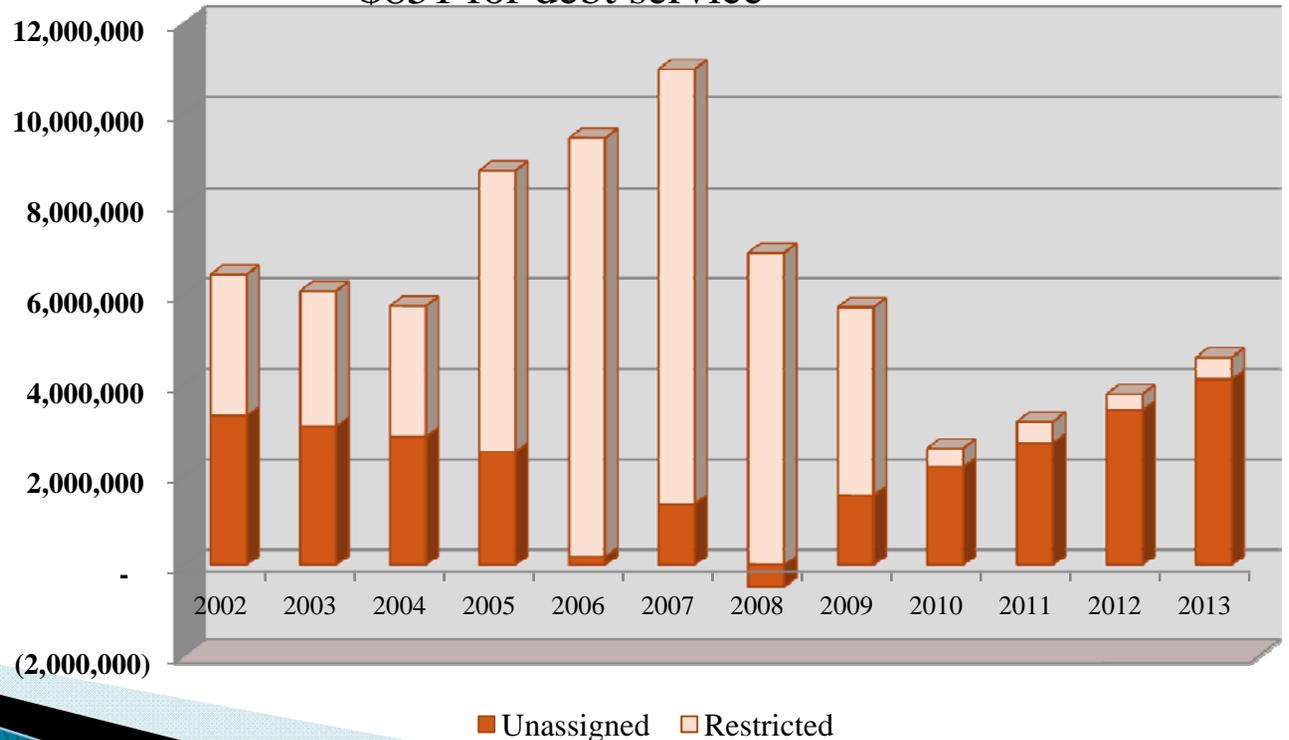
\$20,716 for inventories
 \$754,528 for
 prepaid expenses

Assigned balance:

\$254,500 for use
 in 2014 Budget

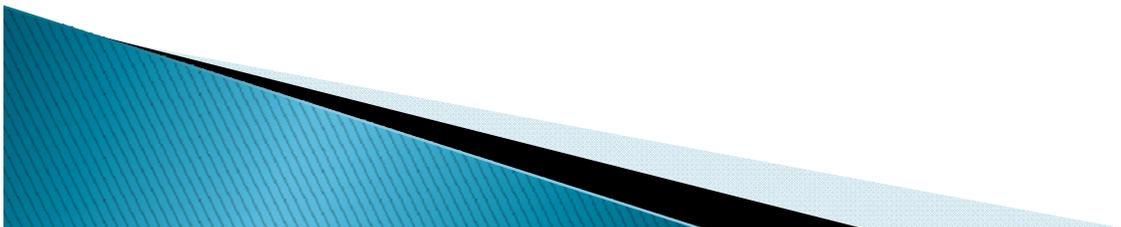
Restricted balance:

\$2,636,853 for Capital Projects
 \$13,446 for law enforcement equipment
 \$851 for debt service



Fund Analysis: Business-Type

- ▶ *Water and Sewer Fund* fund balance increased by \$601,989 to an ending balance of \$9,402,579
- ▶ *Sanitation Fund* fund balance increased by \$177,981 to an ending balance of \$757,270
- ▶ *Storm Water Fund* fund balance increased to an ending fund balance of \$201,742



Business-Type Activities: Water and Sewer Fund

Water and Sewer Fund revenue increased \$932,489 or 21%

Water and Sewer Fund expenses increased slightly less by \$259,582 or 6%

Year	2013	2012
Revenue	5,441,319	4,508,830
Expenses	4,839,330	4,579,748
Net	601,989	(70,918)
Beginning Fund Balance	8,800,590	8,871,508
Ending Fund Balance	9,402,579	8,800,590



Business-Type Activities: Sanitation Fund

Sanitation Fund revenue increased \$28,531 or 3%

Sanitation Fund expenses decreased by \$137,239 or 12%

Year	2013	2012
Revenue	1,152,524	1,123,993
Expenses	974,543	1,111,782
Net	177,981	12,211
Beginning Fund Balance	579,289	567,078
Ending Fund Balance	757,270	579,289



Business-Type Activities: Storm Water Fund

Storm Water Fund revenues totaled \$357,708

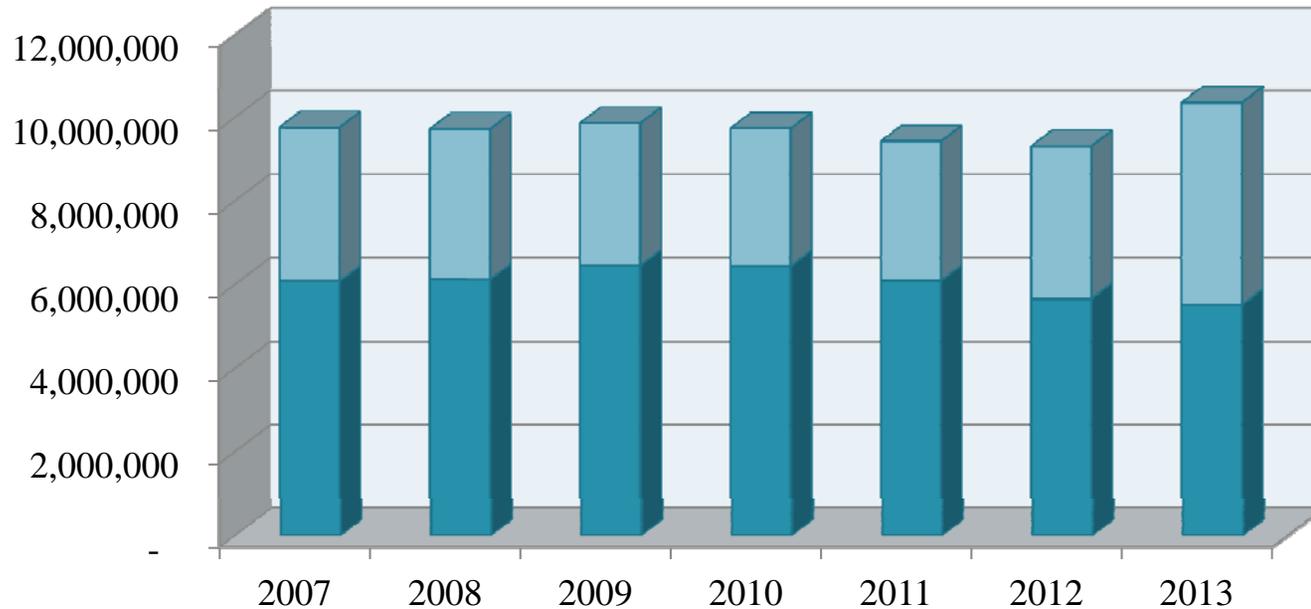
Storm Water Fund expenses totaled \$155,966

Year	2013
Revenue	357,708
Expenses	155,966
Net	201,742
Beginning Fund Balance	-0-
Ending Fund Balance	201,742



Fund Analysis: Business-Type

- ▶ Within the ending fund balance of business-type funds, \$4,831,985 is unrestricted, indicating availability for continuing City service delivery requirements. The remainder is invested in capital assets, net of related debt.



■ Invested in capital assets, net of related debt ■ Unrestricted

Capital Assets

- ▶ At June 30, 2013, the depreciable capital assets for governmental activities were 40% depreciated. This comparison indicates that the City is replacing its assets more quickly than they are depreciating which is a positive indicator. Conversely, the depreciable capital assets of business-type activities were 69% depreciable indicating a slower rate of replacement or improvement.

2013 Capital Assets (Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Construction in Progress	\$ 9,696,597	\$ 5,675,979	\$ -	\$ -	\$ 9,696,597	\$ 5,675,979
Land	4,767,188	4,767,188	159,077	159,077	4,926,265	4,926,265
Buildings and Improvements	8,505,543	9,302,163	259,621	287,172	8,765,164	9,589,335
Furniture and Fixtures	8,397	10,496	-	-	8,397	10,496
Parks Equipment	1,201,289	1,501,955	-	-	1,201,289	1,501,955
Vehicles and Equipment	431,050	395,004	185,353	187,238	616,403	582,242
Infrastructure	6,247,481	6,520,255	-	-	6,247,481	6,520,255
Utility Systems	-	-	5,405,644	5,878,104	5,405,644	5,878,104
Total	30,857,545	28,173,040	6,009,695	6,511,591	36,867,240	34,684,631

Debt Administration

- ▶ As of June 30, 2013, the City's total outstanding long-term debt (principal portion) totaled \$8,320,089 and included obligations as follows:

Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the acquisition of City administrative offices, renovation of the Ford Center and acquisition of right-of-way for the Lewis Road improvement project.	\$3,815,000
Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the renovation and expansion of a police station and municipal court facilities and to finance the acquisition of a new City museum.	\$3,745,000
Capital leases funded through the Georgia Municipal Association for vehicles and equipment for the General Fund.	\$ 2,625
Loan payable obligations with the Georgia Environmental Facilities Authority for downtown water system conversion project.	\$757,464

