

# Summary FY 2014 Comprehensive Annual Financial Report

## FY 2014 Financial Highlights

- Total Net Assets increased \$3.5 million over 2013
  - Of this amount, \$10,918,820 is unrestricted
- Combined Revenue totaled \$16.5 million
- Overall expenses totaled \$12.9 million
- Governmental activities - net assets increased by \$2.7 million; with ending unassigned fund balance in the General Fund totaling \$4.5 million

### Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled \$44,221,259 as June 30, 2014.

The City's investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) are only related debt used to acquire these assets that is still outstanding comprise 75% of the City's total net assets.

Investments in capital assets net of related debt increased by \$2,745,986 in fiscal year 2014.

The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending.

### Governmental Activity Revenues

Governmental activities revenues decreased by \$34,172 - primarily attributed to a decrease in Charges for Services of \$30,657 (over prior year revenue). The Charges for Services include fees for services such as building permits, facility rentals and municipal court fines.

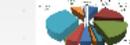
Tax provided \$5,031,428 or 54.4% of governmental revenue, while charges for services provided \$1,319,703 or 12% of operating revenues. As such, the City's taxpayers and purchases of City services fund 66% of governmental operating activity.

As a result, the condition of the local economy and the economy's impact on local businesses has a major effect on the City's revenue streams.

### Business-Type Revenues

Established to be supported by fee charges, water and sewer revenues are increased slightly over prior year revenues (\$1,012,414 in FY14).

### Total Revenues



### Total Expenses

Category	FY 2014	FY 2013
Governmental	\$12,900,000	\$12,934,172
Business-Type	\$1,012,414	\$1,012,414
Other	\$1,012,414	\$1,012,414
<b>Total</b>	<b>\$14,924,828</b>	<b>\$14,959,000</b>

### Governmental-activity expenses

Expenses decreased by \$35,702 in FY14. Significant increases from other major categories included:

- Public Works expenses decreased \$130,000 due to decreased SPOLOF spending (contracted projects in FY13).
- Public Safety expenses decreased \$188,133 in FY14 due to new fire equipment increases in FY13 for SP10507 replacement.

### Business-type activity expenses

Operating expenses increased \$15,247 during FY14. Significant increases included:

- Utilities - water purchase (variable rate water meter purchase and other operating expenses).
- Additional Personnel - \$12,537 for repair and maintenance costs.
- Other - \$2,710 for repairs and maintenance.

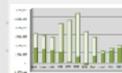
### Fund Analysis

The focus of the City's financial health is to provide comprehensive services for the citizens of the City of San Diego. The City's financial health is measured by the City's financial position. The City's financial position is measured by the City's financial position. The City's financial position is measured by the City's financial position.

### General Fund

The General Fund is the primary operating fund and represents the majority of the City's revenues. The General Fund is used to fund the City's day-to-day operations. The General Fund is used to fund the City's day-to-day operations.

### General Fund



### Capital Projects Fund

The Capital Projects Fund of the City is the responsibility for capital projects. In fiscal year 2014, it is not considered a major fund.

### SPOLOF Fund

The SPOLOF Fund is used to support for capital projects and infrastructure improvements. The SPOLOF Fund is used to support for capital projects and infrastructure improvements.

### Major Proprietary Funds

Proprietary funds are used to report the financial position of the City's major proprietary funds. The City's major proprietary funds are used to report the financial position of the City's major proprietary funds.

## Capital Assets

The City's investment in capital assets, net of related debt for its governmental activities amounts to \$26,057,109 and in the business-type activities the balance was \$5,236,028, as of June 30, 2014.

At June 30, 2014, the depreciable capital assets for governmental activities were 36% 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 70% depreciable indicating a slower rate of replacement or improvement.

## Long Term Debt

As of June 30, 2014, the City's total outstanding long-term debt (principal portion) totaled \$2,783,808 and included obligations as follows:

Debt Description	Amount
General Obligation Bonds	\$1,500,000
Water Bonds	\$1,283,808
<b>Total</b>	<b>\$2,783,808</b>

The City is legally required to limit outstanding general obligation debt to 10% of the assessed valuation of taxable property within the City which equates to \$31,559,198.

QUESTIONS ?



# Summary FY 2014 Comprehensive Annual Financial Report

## FY 2014 Financial Highlights

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- Governmental activities - net assets increased by \$2.7 million; with ending unassigned fund balance in the General Fund totaling \$4.5 million

### Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (governmental and business-type activities) totaled \$44,327,359 as of June 30, 2014. The City's investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) has only modest debt used to acquire those assets that is still outstanding (comprised 7% of the City's total net assets). Investments in capital assets net of related debt increased by \$2,745,986 in fiscal year 2014. The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending.

### Governmental Activity Revenues

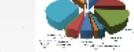
Governmental activities revenues decreased by \$34,172 - primarily attributed to a decrease in Charges for Services of \$30,657 (lower prior year revenue). The Charges for Services include fees for services such as building permits, facility rentals and municipal court fines. Tax provided \$5,081,478 or 54% of governmental revenue, while charges for services provided \$1,119,703 or 12% of operating revenues. As such, the City's taxpayers and purchases of City services fund 66% of governmental operating activity.

As a result, the condition of the local economy and the economy's impact on local businesses has a major effect on the City's revenue streams.

### Business-Type Revenues

Established to be supported by fee programs, rates and user charges, business-type revenues are not subject to the City's 2% cap.

### Total Revenues



### Total Expenses

Category	2014	2013
Operating Expenses	\$12,900,000	\$12,900,000
Capital Expenses	\$1,000,000	\$1,000,000
Debt Service	\$500,000	\$500,000
Other	\$500,000	\$500,000
<b>Total</b>	<b>\$14,900,000</b>	<b>\$14,900,000</b>

### Governmental-activity expenses

Expenses decreased by \$652,790 in FY14. Significant increases from prior year expenses included:
 

- Public Safety expenses increased \$181,000 due to decreased SPODET spending (completed projects in FY13)
- Public Safety expenses decreased \$288,536 in FY14 due to one time spending increases in 2013 for SPODET expenditures.

### Business-type activity expenses

Additional revenues included \$4,000 for water and sewer charges and maintenance and water infrastructure and repairs.
 

- Special water quality report completed by WSP (Water Protection Fund) from the business activities water charging program and maintenance for the City's Storm Water system.

### Fund Analysis

The General Fund (governmental fund) is the primary administrative fund. It is used to fund the majority of the City's financial operations.
 

- Capital projects are funded through the Capital Projects Fund.
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### General Fund

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### General Fund



### Capital Projects Fund

The Capital Projects Fund of the City reflects expenditures for capital projects in fiscal year 2014. It is not considered an operating fund.
 

- The fund balance of the Capital Projects Fund increased \$70,214 as a result of transfers in from other organizational accounts.

### SPODET Fund

The SPODET Fund is used to account for capital projects and infrastructure improvements obligated to the bonded Park County 2004 and 2011 one percent Special Purpose Local Option State Tax.
 

- SPODET project expenditures were \$1,000,000 during the year as compared to expenditures of \$4,000,000 in fiscal year 2013.

### Major Proprietary Funds

Fund expenses increased by \$774,000 primarily due to an increase in fees for water purchases and sewer processing as well as water and sewer line repairs.
 

- Revenues increased by \$784,000 as a result of the City's rate increase necessary to pay for through increased costs.

### Capital Assets

The City's investment in capital assets, net of related debt for its governmental activities amounts to \$26,057,109 and in the business-type activities the balance was \$5,236,028, as of June 30, 2014.

At June 30, 2014, the depreciable capital assets for governmental activities were 36% 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 70% depreciated indicating a slower rate of replacement or improvement.

### Long Term Debt

As of June 30, 2014, the City's total outstanding long-term debt (principal portion) totaled \$7,785,803 and included obligations as follows:

Debt Description	Balance
General Obligation Bonds	\$3,642,906
Capital Projects Bonds	\$4,142,897
<b>Total</b>	<b>\$7,785,803</b>

The City is legally required to limit outstanding general obligation debt to 10% of the assessed valuation of taxable property within the City which equates to \$37,559,198.

QUESTIONS ?



# FY 2014

## Financial Highlights

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# Government-wide Financial Analysis

Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

Governmental increase  
\$2.8 million  
Business-type increase  
\$715,474

*Net assets may serve over time as a useful indicator of a government's financial position. The City's combined net assets (government and business-type activities) totaled \$44,321,359 at June 30, 2014.*

*The City's investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, sidewalks, water lines and sewer lines) less any related debt used to acquire those assets that is still outstanding comprise 71% of the City's total net assets.*

*Investments in capital assets net of related debt increased by \$2,745,986 in fiscal year 2014.*

*The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending.*

Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

***Governmental increase***

***\$2.8 million***

***Business-type increase***

***\$715,474***

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# Governmental Activity Revenues

Governmental activities revenues decreased by \$34,172 ~ primarily attributed to a decrease in Charges for Services of \$30,657 (over prior year revenue). The Charges for Services include fees for services such as building permits, facility rentals and municipal court fines  
Tax provided \$5,081,428 or 54% of governmental revenue, while charges for services provided \$1,119,703 or 12% of operating revenues. As such, the City's taxpayers and purchases of City services fund 66% of governmental operating activity.

*As a result, the condition of the local economy and the economy's impact on local businesses has a major effect on the City's revenue streams*

# *Business-Type Revenues*

Established to be supported by fee revenues:  
Water and sewer revenues increased slightly over prior year revenues (\$191,212, or 3.5%)

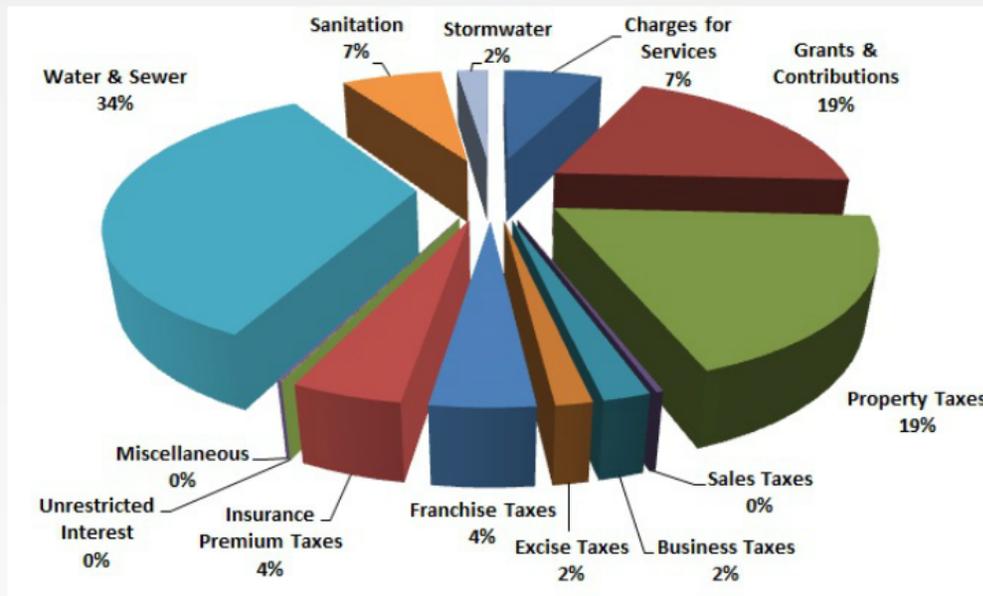
Sanitation revenue decreased by \$13,753 (1% less than prior year revenue)

The Storm Water fund billed a total \$352,579 for the utility fees in 2014, a decrease of \$5,129 or 1.4% from fiscal year 2013

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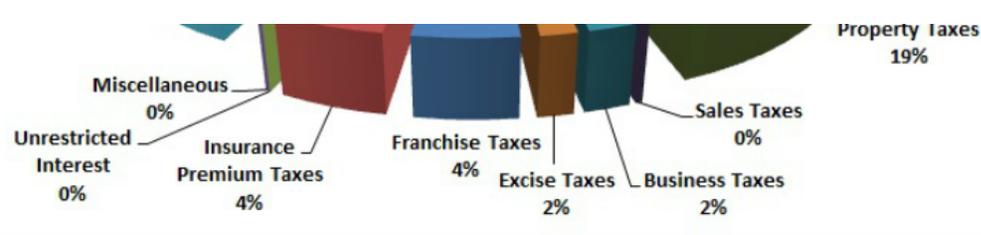
The Storm Water fund  
billed a total \$352,579 for  
the utility fees in 2014, a  
decrease of \$5,129 or 1.4%  
from fiscal year 2013

# Total Revenues



Combined revenue totaled \$16,493,305, of which governmental activities totaled \$9,380,441 and business-type activities totaled \$7,112,864.

# Total Expenses



7,112,000

# Total Expenses

	Operating Expenses	Percentage of Total	Net Cost of Service	Percentage of Total
General government	\$ 900,533	6.9%	\$ (675,882)	-42.3%
Public safety	2,482,731	19.1%	2,373,646	148.4%
Housing and development	590,648	4.6%	544,089	34.0%
Public works	1,742,675	13.4%	(336,615)	-21.0%
Judicial	151,596	1.2%	(195,168)	-12.2%
Culture and recreation	408,830	3.1%	298,471	18.7%
Water & Sewer	5,113,633	39.4%	(513,940)	-32.1%
Sanitation	977,570	7.5%	(154,340)	-9.7%
Storm Water	306,187	2.4%	(46,392)	-2.9%
Interest and fiscal charges	305,452	2.4%	305,452	19.1%
<b>Total</b>	<b>\$ 12,979,855</b>	<b>100.0%</b>	<b>1,599,321</b>	<b>100.0%</b>

The City's total expenses decreased by \$387,441 or by 3%.

# Governmental-activity expenses



Expenses decreased by \$815,790 in FY14

Culture and recreation	408,850	5.1%	298,471	18.7%
Water & Sewer	5,113,633	39.4%	(513,940)	-32.1%
Sanitation	977,570	7.5%	(154,340)	-9.7%
Storm Water	306,187	2.4%	(46,392)	-2.9%
Interest and fiscal charges	305,452	2.4%	305,452	19.1%
<b>Total</b>	<b>\$ 12,979,855</b>	<b>100.0%</b>	<b>1,599,321</b>	<b>100.0%</b>

\$387,441 or by 3%.

# Governmental-activity expenses

*Expenses decreased by \$815,790 in FY14*

*Significant variances from prior year expenses included:*

- *Public Works expenditures decreased \$313,055 due to decreased SPLOST spending [completed projects in FY13]*
- *Public Safety expenditures decreased \$589,936 in FY14 due to one time spending increases in 2013 for SPLOST expenditures*

*Culture & Recreation expenses increased by \$150k for Capital Projects  
Judicial expenses decreased by \$277k [one-time SPLOST spending for courthouse remodeling]*

# Business-type activity expenses

*Operating expense increased \$428,349 during FY14.*

*Significant cost variances included:*



Expenditures

Culture & Recreation  
expenses increased by  
\$150k for Capital  
Projects

Judicial expenses  
decreased by \$277k  
[one-time SPLOST  
spending for courthouse  
remodeling]

to  
FY13]

FY14



Prezi

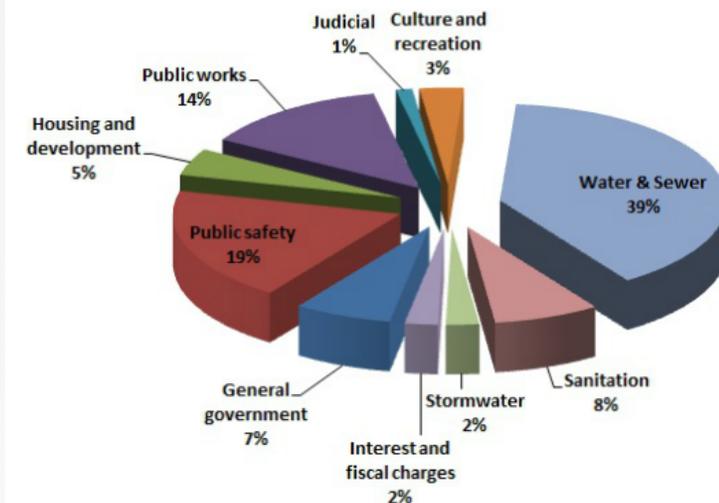
due to one time spending increases in 2013 for SPLOST expenditures

# Business-type activity expenses

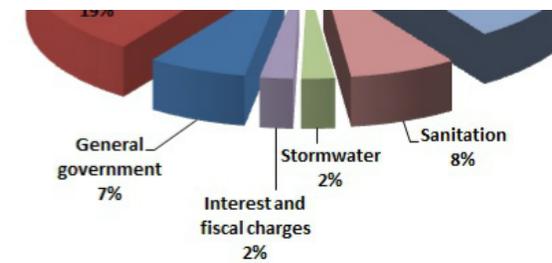
Operating expense increased \$428,349 during FY14.

Significant cost variances included:

- Increases in water purchases from Cobb Marietta Water Authority and sewer processing expenses totaled \$120,282
- Additional increases included \$63,587 for water and sewer line repair and maintenance and meter installations and repairs
- Storm Water Fund expenses increased by \$150,221 from the prior fiscal year. The increase in expenses is due to timing of ongoing repairs and maintenance for the City's Storm Water system



- *Storm Water Fund expenses increased by \$150,221 from the prior fiscal year. The increase in expenses is due to timing of ongoing repairs and maintenance for the City's Storm Water system*



# Fund Analysis

*The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the City's financing requirements.*

*In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.*

*As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$8,081,349, an increase of \$264,303 or 3% from the prior year*

As of June 30, 2014,  
the City's governmental  
funds reported  
combined ending fund  
balances of \$8,081,349,  
an increase of \$264,303  
or 3% from the prior  
year

# General Fund

*The General Fund is the primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance at June 30, 2014 of \$4,513,986 is considered sufficient, representing the equivalent of 75% of fiscal year 2014 general fund expenditures and transfers out or approximately 9 months of the current years' operating expenditures.*

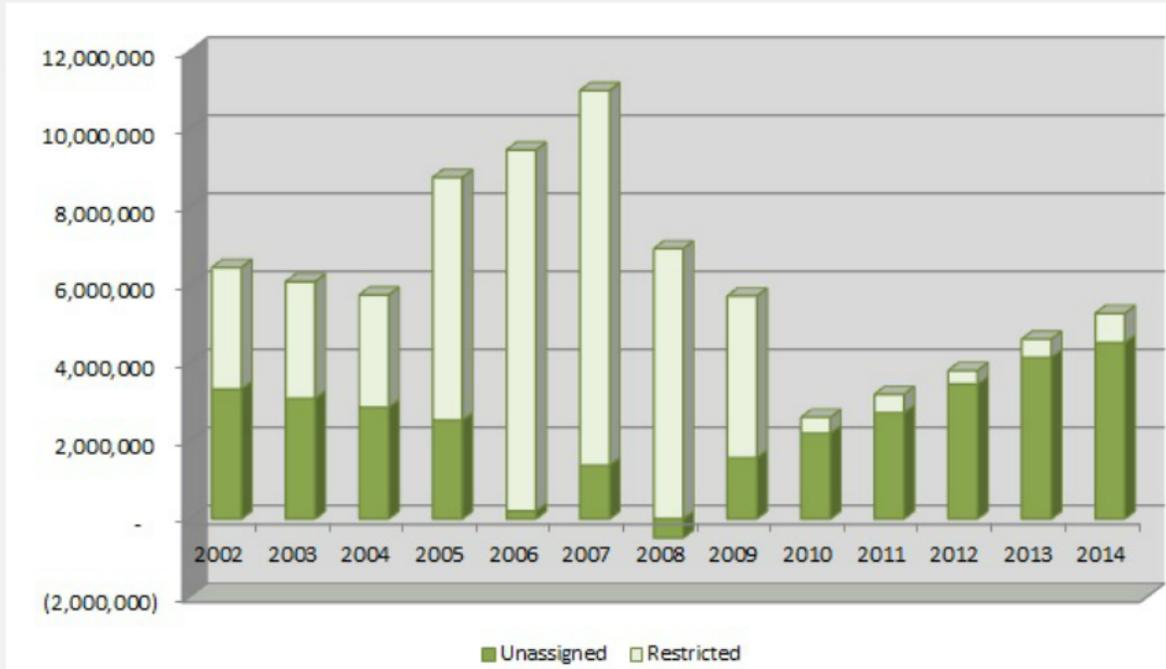
General Fund fund balance increased by \$659,055 to an ending balance of \$5,262,451, due to significant budget cuts and conservative spending

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General  
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# General Fund



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# Capital Projects Fund

*The Capital Projects Fund of the City reflects expenditures for capital projects. In fiscal year 2014, it is not considered a major fund.*

*The fund balance of the Capital Projects Fund increased \$178,714 as a result of transfers to fund future designated capital projects.*

*Revenues, which are primarily impact fees, increased slightly by \$37,969.*

*Expenditures during the current fiscal year decreased \$97,003 as a result of the completion of construction for the Community Theater as well as Linear Park Phase 1 in the current year.*



# SPLOST Fund

*The SPLOST Fund is used to account for capital projects and infrastructure improvements*



Revenues  
Increased  
slightly by  
\$37,96

Expenditures  
decreased by  
\$97,003

14  
cts.

# SPLOST Fund

*The SPLOST Fund is used to account for capital projects and infrastructure improvements designated to be funded from County 2006 and 2011 one percent Special Purpose Local Option Sales Tax.*

*SPLOST project expenditures were \$3,325,275 during the year as compared to expenditures of \$4,541,871 in fiscal year 2013.*

*Revenues are received uniformly from Cobb County based on Cobb's budgeted allocation to the City.*

The fund balance decrease of \$608,193 [23%] is due to the timing of expenditures on projects

Revenues are received uniformly from Cobb County based on Cobb's budgeted allocation to the City.

on projects  
itures

# Major Proprietary Funds

*Fund Equity of the Water and Sewer fund at the end of the year was \$9,916,716. Equity increased by \$514,137 during the year.*

*Fund expenditures increased by \$274,303 primarily due to an increase in fees for water purchases and sewer processing as well as water and sewer line repairs.*

*Revenues increased by \$186,451 as a result of the City's rate increase necessary to pass through increased costs.*

Sanitation's fund equity at the end of the year was \$912,215.  
Equity increased by \$154,945

Sanitation's fund  
equity at the end of  
the year was  
\$912,215.

***Equity increased by  
\$154,945***

# Capital Assets

The City's investment in capital assets, net of related debt for its governmental activities amounts to \$26,057,109 and in the business-type activities the balance was \$5,236,028, as of June 30, 2014.

At June 30, 2014, the depreciable capital assets for governmental activities were 36% 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 70% depreciated indicating a slower rate of replacement or improvement.

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## Long Term Debt

*As of June 30, 2014, the City's total outstanding long-term debt (principal portion) totaled \$7,783,808 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.	\$3,560,000
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.	\$3,525,000
Loan payable obligations with the Georgia Environmental Facilities Authority for downtown water system conversion project.	\$698,808

*The City is legally required to limit outstanding general obligation debt to 10% of the assessed valuation of taxable property within the City which equates to \$31,559,198.*

# QUESTIONS ?

