

Comprehensive Annual Financial Report



CITY OF
Conyers
Georgia

www.conyersga.com

Year Ending June 30, 2016



City of Conyers, Georgia
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016

Prepared by:
Department of Finance & Administration

Chief Financial Officer: Isabel Rogers
CPA: Twan L. Leonard

**CITY OF CONYERS, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2016**

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INTRODUCTORY SECTION



CITY OF
Conyers

Mayor

Randal S. Mills

City Council

Chris Bowen
John Fountain
Vince Evans
Cleveland Stroud
Gerald Hinesley Sr.

City Manager

Tony Lucas

Chief Financial Officer

Isabel Rogers

Chief Operating Officer

David Spann

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TRANSMITTAL LETTER
CITY OF CONYERS
GEORGIA

November 3, 2016

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Conyers:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Conyers for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City of Conyers. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Conyers has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Conyers' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Conyers' comprehensive framework of internal controls, has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Conyers' financial statements have been audited by Mauldin & Jenkins, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Conyers for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Conyers' financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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 complement the MD&A and should be read in conjunction with it. The City of Conyers' MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Conyers is a municipal corporation created and existing under the laws of the State of Georgia. Conyers is located in the eastern edge of the Atlanta Metropolitan Area, approximately 24 miles east of the City of Atlanta. Conyers is the county seat of Rockdale County, and is the only incorporated city within Rockdale County. The City, originally chartered in 1854, presently has a land area of approximately 11.81 square miles. The City provides a full range of services to approximately 15,512 citizens. Included in these services are traditional municipal functions such as public police protection, sanitation services, security alarm monitoring and maintenance, culture and recreation, street maintenance, stormwater and environmental services.

Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and the city attorney. The city manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every two years. The mayor is elected to serve a four-year term also. All of the council members are elected by district. The mayor is elected at large.

The annual budget serves as the foundation for the City's financial planning and control. The Chief Financial Officer may revise appropriations within each department. However, transfers of appropriations between departments and the appropriation of additional funds, require the special approval of the City Council in the form of a budget amendment.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Conyers operates.

Local economy: The City of Conyers currently enjoys a favorable economic environment and local indicators point to continued stability. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The City's financial forecast for the next five years indicates neutral economic growth. This analysis is based in large measure, on the financial trend analysis of key indicators such as taxable property values and population growth.

Impact numbers provided by the U.S.Travel Association, who conducted an annual study for the Georgia Department of Economic Development (GDEcD), reflect that locally, tourists spent approximately \$126 million in Conyers and Rockdale County in fiscal year 2015.

Conyers and Rockdale County ranked an impressive 29th out of Georgia's 159 counties in the ranking of counties by tourists' expenditure levels. In 2015, tourism in Georgia generated more than \$27.5 billion and supported nearly \$8.7 billion in payroll income for employees, a 4% increase from 2014. In 2015, tax revenue, including federal, state and local taxes generated by direct domestic and international traveler spending in Georgia totaled almost \$5.5 billion, up 5.6% from 2014.

Long Term Financial Planning

The City has developed a strategic plan that will focus on the following areas of priority: City Hall Master Plan, Community Identity, Quality of Life, Olde Towne, Transportation and Infrastructure, Recreation, and Internal Operations. Public input was received to assist the City with developing this plan. The steps necessary for implementation have been developed and will serve as a guide to complete each are of priority.

City Hall Master Plan

For any community, City Hall is the front door, and Conyers seeks to enhance its appeal and appearance with a new City Hall complex. With a first class facility in which to conduct the business of the community, Conyers City Hall will serve as a catalyst for community beautification with an enhanced streetscape and provide opportunities for infill development and improved connectivity across the community. A location for the new City Hall has to be determined as well as the source of funding.

Community Identity

Knowing who you are and determining how to tell that story to residents and visitors alike can be critical to community growth, development, and redevelopment. Conyers will benefit from developing a “Conyers brand” that will promote the community and its economic potential. Part of the overall campaign should also include enhanced and improved signage and gateways.

Quality of Life

The appearance of a community is where its story begins – what we see is our first impression and that contributes significantly to the quality of life of residents. Therefore, creating a high quality of life includes ensuring that existing codes to address issues such as blighted properties or litter are enforced equally and that other tools necessary to enhance quality of life are developed and implemented. Quality of life is also significantly enhanced if residents feel safe and secure in their homes, their neighborhoods, and within the larger community. This area will be implemented by elimination of visual blight; Police Department facility/campus update or repurpose; and increased community outreach.

Olde Town

As one of the most attractive and well-known areas of Conyers, Olde Town has an identity that is worth protecting and growing. Several strategies should be employed to address parking and retail attraction, among other items, to enhance the success of Olde Town Conyers. New development in and around Olde Town will highlight the area as a community focal point and boost economic activity.

Transportation and Infrastructure

Communities must constantly consider how to move people through and within their community and Conyers is no different. Whether by road, sidewalk, or trail; how it might connect to adjacent jurisdictions and what features and or amenities are necessary and needed along any given route all must be considered. These are not overnight projects, and great thought and planning must go into their complete execution. The City has identified various trail projects, traffic flow improvements, and infrastructure upgrades that will be implemented.

Recreation

Recreational opportunities in Conyers are certainly one of its greatest assets. The Olympic legacy of the International Horse Park and the amenities that have been added – such as the nature center and extensive trails – are certainly tourist destinations. However, it is important to maintain and update facilities as necessary so that economic opportunities can be realized. Increasing awareness of the

recreational opportunities offered at the International Horse Park can help develop and ensure the economic vitality of this outstanding resource. Other recreational assets of the community, such as Cherokee Run, should also be enhanced to increase the opportunity for diversified economic activity.

Internal Operations

The tasks that are undertaken to ensure the smooth operation of the government itself take place behind the scenes and are often unknown and underappreciated. They are, however, no less important than other efforts. The City plans to create disaster recovery plans; develop and test mobile workforce model; and integrate new technologies.

Relevant Financial Policies

Throughout the years, the Finance Department administers the financial policies outlined by the council. These policies address fund balances, the use of onetime revenues, issuance of debt, purchasing and procurement, capital expenditures, cash and investment management, and accounting practices. In totality, these policies formulate the core criteria for which internal evaluations occur. Each year at the council retreat, the Chief Financial Officer is responsible for the reporting and addressing of the financial management of these policies.

Major Initiatives

Like most successful corporations and businesses, a municipality must have a strong, realistic budget and a budgeting process in place that lends itself to sound fiscal practices. The following are some of the projects that the mayor and council recognized as priorities for fiscal year 2017:

- A millage increase of 2.4 mills for tax year 2016 resulted in a total property tax of 15.99 mills. In keeping the safety of its citizens their priority, the Conyers City Council deemed the additional millage necessary toward funding public safety needs of the Conyers Police Department. The fiscal year budget includes an eight percent (8%) increase in compensation for all sworn police officers in addition to the current benefits they enjoy through the city's pay plan. Equipment requests including body cameras and new vehicles are also being funded as a result of the tax increase. Training for all officers and a new position, a gang intelligence officer, were all noted as approved expenses in the police department's budget.
- Public Works and Transportation personnel will work closely with contractors on significant transportation improvement projects in the city limits. The East View Road project, at a cost of \$1.8 million, includes milling and resurfacing the highly trafficked roadway, installation of new sidewalks and drainage improvements. It is expected to be completed in 2017. The continuation of the PATH Trail from the Nancy Guinn Library to Pine Log Park is also expected to break ground in early 2017.
- City staff, elected officials and a planning committee made up of city residents and community leaders successfully worked with representatives from the Carl Vinson Institute of Government to develop and publish a strategic plan for Conyers. The plan is available to the public on the city website, and in print and electronic form, and will be used as a guide in accomplishing strategies and goals set forth by city leaders.

- In August 2016, the city celebrated the 20th anniversary of the Georgia International Horse Park since hosting the 1996 Centennial Olympic Games. In addition to the construction and installation of in-gate pavilions at three arenas, new spectator benches installed alongside several arenas, a new trophy case and plaques celebrating events over the last 10, 15 and 20 years in the facility's show office, a commemorative marker recognizing the gold, silver and bronze medalists during the Olympic Games was unveiled near the park's entrance.

Awards and Acknowledgments

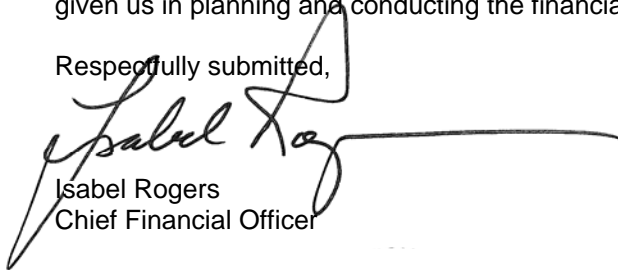
Awards: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Conyers for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Conyers has received a Certificate of Achievement for the last twenty-three (23) consecutive years (fiscal years ended 1993-2015). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

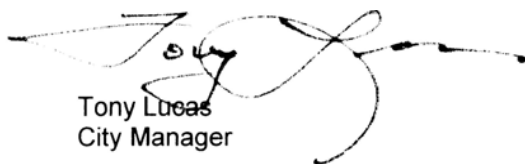
The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Conyers for its annual budget for the fiscal year ended June 30, 2016. The City of Conyers has received the Distinguished Budget award for the last twenty-four (24) consecutive years (fiscal years ended 1992-2016). In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we have submitted it to GFOA to determine its eligibility for another award.

Acknowledgements: The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Department of Administration. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the Mayor and City Council for the support they have given us in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Isabel Rogers
Chief Financial Officer



Tony Lucas
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

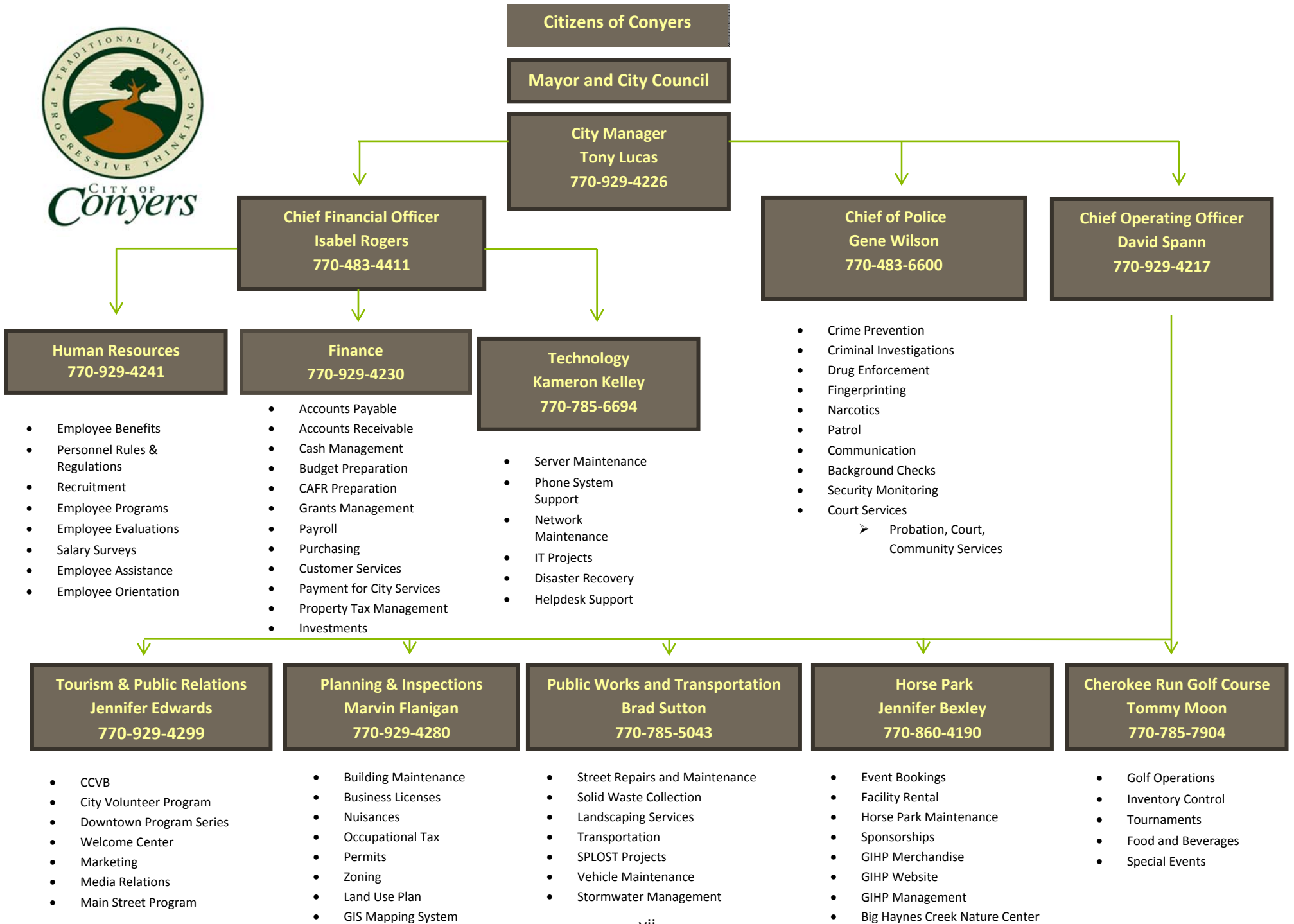
Presented to

**City of Conyers
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



City of Conyers, Georgia
List of Elected and Appointed Officials
June 30, 2016

Elected Officials

Mayor	Randal S. Mills
Council Member: District 1	Cleveland Stroud
Council Member: District 2 Post 1	Chris Bowen
Council Member: District 2 Post 2	Vince Evans
Council Member: District 3	Gerald Hinesley Sr.
Council Member: District 4	John Fountain

Appointed Officials

City Manager	Tony Lucas
Chief Financial Officer	Isabel Rogers
Chief Operating Officer	David Spann
Chief of Police	Gene Wilson
Director of Planning & Inspections	Marvin Flanigan
Director of Georgia International Horse Park	Jennifer Bexley
Director of Public Relations & Tourism	Jennifer Edwards
Director of Public Works & Transportation	Brad Sutton
Acting Director of HR	Isabel Rogers
Director of Golf/General Manager	Tommy Moon
Finance Manager	Yvonne Glumb
City Clerk	Christina Heyman
City Attorney	Mike Waldrop
CPA	Twan Leonard

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council
Conyers, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Conyers, Georgia** (the "City"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Conyers, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 14), the budgetary comparison information, infrastructure information, OPEB information, and pension information, (on pages 67 through 75) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, the capital assets used in the operation of governmental funds section, and the statistical section 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 combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, and capital assets used in the operation of governmental funds section are the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, schedules of special purpose local option sales tax proceeds, discretely presented component unit financial statements, and capital assets used in the operation of governmental funds section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 3, 2016

Management's Discussion and Analysis

As management of the City of Conyers, we offer readers of the City of Conyers' financial statements this narrative overview and analysis of the financial activities of the City of Conyers for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

Financial Highlights

- Effective July 1, 2014, the City implemented the provisions of GASB 68, *Accounting and Financial Reporting for Pensions*-an amendment of GASB 27, which significantly changed the City's accounting for pension amounts.
- The assets of the City of Conyers exceeded its liabilities at the close of the most recent fiscal year by \$24,452,218 (net position).
- The City's total net position was increased by \$159,479.
- As of the close of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$7,821,158 an increase in fund balance of \$12,774 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Conyers' basic financial statements. The City of Conyers' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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* are designed to provide readers with a broad overview of the City of Conyers' finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City of Conyers that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Conyers include general government, public safety and communications, public works, and culture and recreation. The business-type activities of the City of Conyers include sanitation, stormwater, landfill, and golf operations. The government-wide financial statements can be found beginning on page 16 of this report.

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Conyers maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, hotel/motel fund, and the capital projects fund, which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided

in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 18 of this report.

Proprietary funds. The City of Conyers maintains only one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Conyers uses enterprise funds to account for its Sanitation, Stormwater, Landfill, and Golf operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation, stormwater, landfill, and golf operations, all of which are considered to be major funds of the City of Conyers. The basic proprietary fund financial statements can be found beginning on page 24 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. The City of Conyers adopts an annual appropriated budget for its governmental funds except the capital projects funds. The capital project fund budget is adopted on the project length basis. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with this budget. Information about the City's infrastructure assets reported using the modified approach is also presented. The City also presents information concerning the City of Conyers' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 66 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information about the City's infrastructure assets reported using the modified approach. Combining and individual fund statements and schedules can be found beginning on page 76 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Conyers, assets exceeded liabilities and deferred inflows of resources by \$24,452,218 at the close of the most recent fiscal year.

By far the largest portion of the City of Conyers’ net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The City of Conyers uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Conyers’ investment in its 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.

City of Conyers’ Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 12,212,077	\$ 12,237,470	\$ (170,118)	\$ 476,370	\$ 12,041,959	\$ 12,713,840
Capital assets	31,424,477	25,840,687	4,895,668	5,090,236	36,320,145	30,930,923
Total assets	<u>43,636,554</u>	<u>38,078,157</u>	<u>4,725,550</u>	<u>5,566,606</u>	<u>48,362,104</u>	<u>43,644,763</u>
Deferred Outflows of Resources	<u>1,429,281</u>	<u>479,512</u>	<u>176,652</u>	<u>59,265</u>	<u>1,605,933</u>	<u>538,777</u>
Long-term liabilities outstanding	18,242,947	9,861,577	2,000,284	1,640,291	20,243,231	11,501,868
Other liabilities	3,008,184	5,772,959	764,491	1,096,892	3,772,675	6,869,851
Total liabilities	<u>21,251,131</u>	<u>15,634,536</u>	<u>2,764,775</u>	<u>2,737,183</u>	<u>24,015,906</u>	<u>18,371,719</u>
Deferred Inflows of Resources	<u>1,480,360</u>	<u>1,460,133</u>	<u>19,553</u>	<u>58,949</u>	<u>1,499,913</u>	<u>1,519,082</u>
Net position:						
Net investment in capital assets	28,910,011	25,480,668	4,295,668	4,653,027	33,205,679	30,133,695
Restricted	3,903,417	5,188,998	-	-	3,903,417	5,188,998
Unrestricted	<u>(10,479,084)</u>	<u>(9,206,666)</u>	<u>(2,177,794)</u>	<u>(1,823,288)</u>	<u>(12,656,878)</u>	<u>(11,029,954)</u>
Total net position	<u>\$ 22,334,344</u>	<u>\$ 21,463,000</u>	<u>\$ 2,117,874</u>	<u>\$ 2,829,739</u>	<u>\$ 24,452,218</u>	<u>\$ 24,292,739</u>

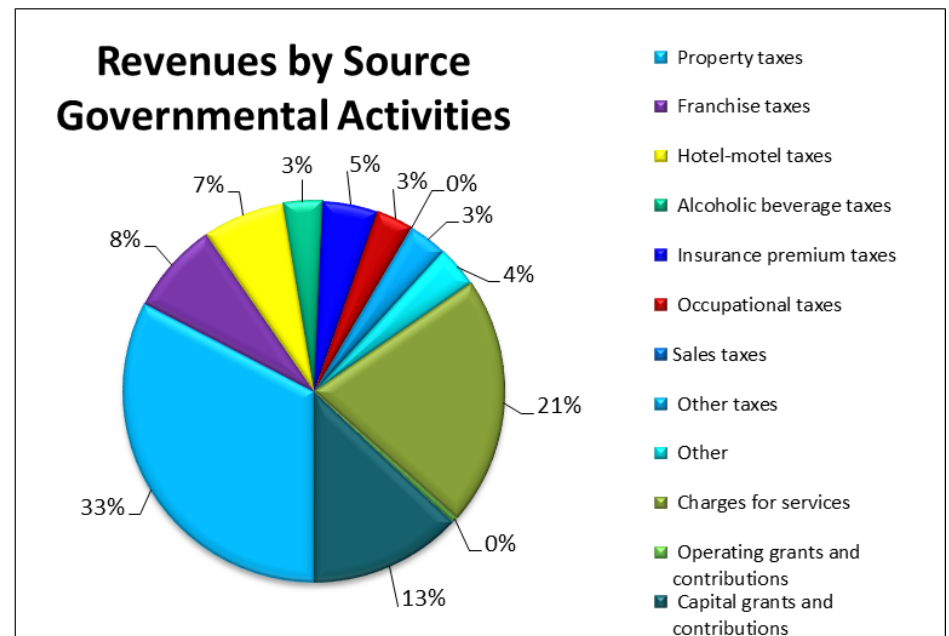
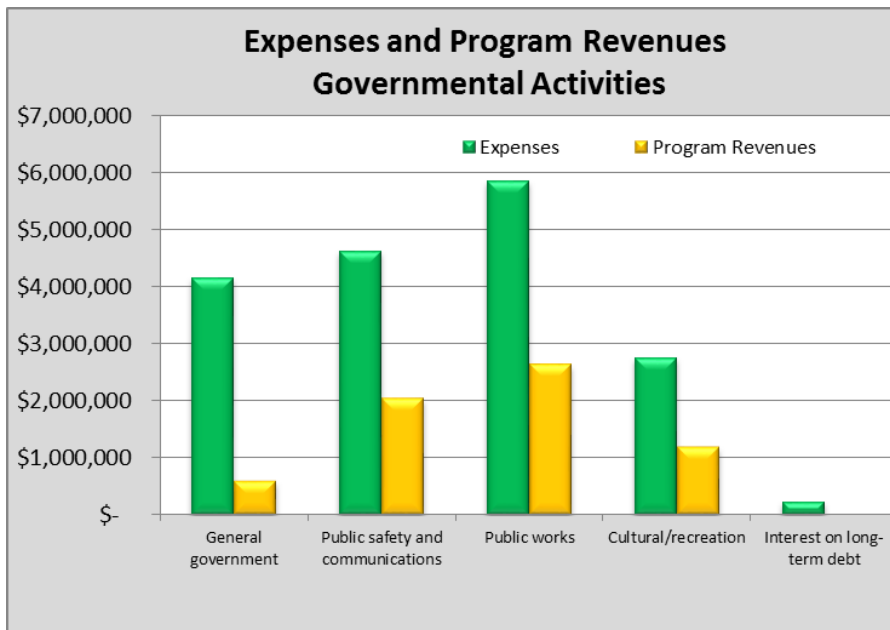
The net position of the City’s governmental activities increased by 4.1% (\$22,334,344 compared to \$21,463,000). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – changed from (\$9,206,666) at June 30, 2015 to (\$10,479,084) at the end of this year. The net position of our business-type activities decreased by \$711,865 compared to a decrease of \$203,522 in the prior year.

City of Conyers' Changes in Net Position

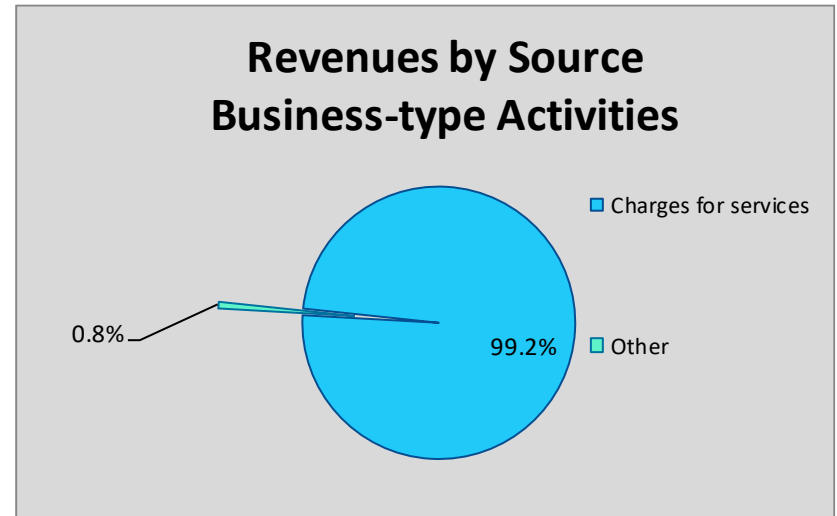
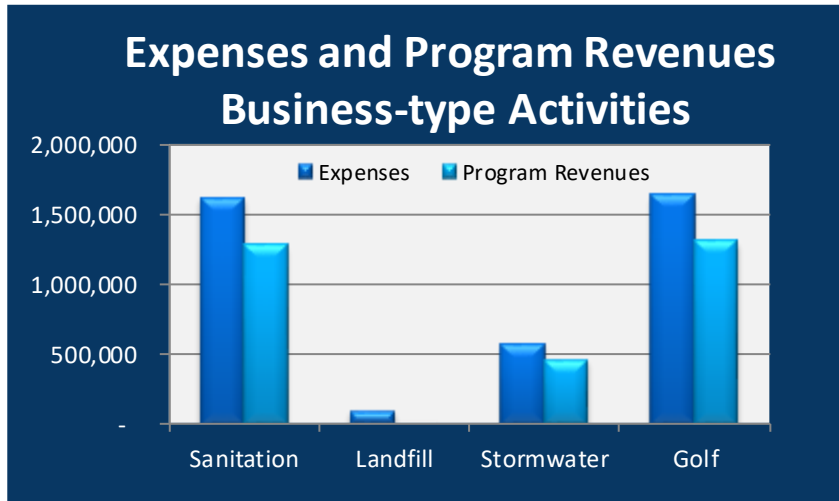
	Governmental		Business-Type		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues						
Charges for services	\$ 3,936,363	\$ 3,761,654	\$ 3,031,884	\$ 3,043,014	\$ 6,968,247	\$ 6,804,668
Operating grants and contributions	83,121	51,414	-	-	83,121	51,414
Capital grants and contributions	2,430,313	2,453,494	-	-	2,430,313	2,453,494
General revenues:						
Property taxes	6,083,037	6,003,839	-	-	6,083,037	6,003,839
Franchise taxes	1,460,739	1,461,744	-	-	1,460,739	1,461,744
Hotel-motel taxes	1,297,621	1,124,539	-	-	1,297,621	1,124,539
Alcoholic beverage taxes	614,275	605,538	-	-	614,275	605,538
Insurance premium taxes	875,543	819,539	-	-	875,543	819,539
Occupational taxes	591,985	584,251	-	-	591,985	584,251
Other taxes	610,827	630,706	-	-	610,827	630,706
Other	660,123	613,095	23,823	41,152	683,946	654,247
Total revenues	<u>18,643,947</u>	<u>18,109,813</u>	<u>3,055,707</u>	<u>3,084,166</u>	<u>21,699,654</u>	<u>21,193,979</u>
Expenses						
General government	4,150,858	4,212,428	-	-	4,150,858	4,212,428
Public safety and communications	4,637,265	5,433,072	-	-	4,637,265	5,433,072
Public works	5,863,799	3,545,845	-	-	5,863,799	3,545,845
Cultural/recreation	2,754,995	3,241,830	-	-	2,754,995	3,241,830
Interest on long-term debt	233,592	207,113	-	-	233,592	207,113
Sanitation	-	-	1,614,080	1,523,651	1,614,080	1,523,651
Landfill	-	-	84,974	44,856	84,974	44,856
Stormwater	-	-	569,204	480,350	569,204	480,350
Golf	-	-	1,631,408	1,536,448	1,631,408	1,536,448
Total expenses	<u>17,640,509</u>	<u>16,640,288</u>	<u>3,899,666</u>	<u>3,585,305</u>	<u>21,540,175</u>	<u>20,225,593</u>
Change in net position before transfers	1,003,438	1,469,525	(843,959)	(501,139)	159,479	968,386
Transfers	<u>(132,094)</u>	<u>(297,617)</u>	<u>132,094</u>	<u>297,617</u>	<u>-</u>	<u>-</u>
Change in net position	871,344	1,171,908	(711,865)	(203,522)	159,479	968,386
Net position beginning of the year, as restated	<u>21,463,000</u>	<u>20,291,092</u>	<u>2,829,739</u>	<u>3,033,261</u>	<u>24,292,739</u>	<u>23,324,353</u>
Net position ending of the year	<u>\$ 22,334,344</u>	<u>\$ 21,463,000</u>	<u>\$ 2,117,874</u>	<u>\$ 2,829,739</u>	<u>\$ 24,452,218</u>	<u>\$ 24,292,739</u>

The City's total revenues increased by 2.3% (\$505,675). The primary factor for the increase in revenues is due to increased fines and forfeitures and increased filming fee revenues. The total cost of all programs and services increased by 6.5% (\$1,314,582). The primary factor for the increase in programs and services is due to the construction of communications towers and road improvement projects.

Governmental activities. Governmental activities increased the City of Conyers' net position by \$871,344.



Business-type activities – Revenues for the City’s business-type activities decreased by \$28,459 (\$3,055,707 in 2016 compared to \$3,084,166 in 2015) and expenses increased by \$314,361 (\$3,899,666 in 2016 compared to \$3,585,305 in 2015). The increase is mainly due to the increased pension expense due to the implementation of GASB 68.



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Conyers' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Conyers' financing requirements. In particular, *unrestricted and 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 the end of the current fiscal year, the City of Conyers' governmental funds reported combined ending fund balances of \$7,821,158 an increase in the fund balance of \$12,774 in comparison with the prior year. Of this amount, (\$1,123,188) is unassigned fund balance. The remainder of fund balance is not available for new spending because it has already been restricted or assigned, or is nonspendable.

The general fund is the chief operating fund of the City of Conyers. At the end of the current fiscal year, unassigned fund balance of the general fund was (\$1,123,188) while total fund balance reached \$3,576,779. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 28% of total general fund expenditures.

The fund balance of the City of Conyers' general fund increased by \$974,683 during the current fiscal year. The key factor in this increase is due to the decrease in debt service related to the payoff of the Commerce Center bonds.

The hotel/motel fund has a total fund balance of \$1,148,550 which is restricted to promote tourism by developing the Big Haynes Creek Nature Center. The net increase in the fund balance during the current year in the hotel/motel fund was \$427,776. The primary factor for the increase is increased tax collections related to increased tourism in the City. Of the 8% that the City collects from hotel/motel tax, 1 1/3% is dedicated to the development of a Nature Center.

The SPLOST capital projects fund accounts for capital projects financed by a one percent sales and use tax. At fiscal year end, the fund balance was \$2,719,112, a decrease of \$1,436,475. The main factor for the decrease was the additional capital projects which is the discussed in the capital asset section. The entire balance is restricted to the completion of capital projects as established by the SPLOST committee and the mayor and council prior to approval of the 1% sales tax.

The emergency telephone system fund has a total fund balance of \$35,755. The net increase in fund balance during the current year in the emergency telephone system fund was \$18,465.

The forfeited assets fund has a total fund balance of \$340,962. The net increase in fund balance during the current year in the forfeited assets fund was \$28,325. The entire balance is restricted for public safety.

Proprietary funds. The City of Conyers' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the sanitation fund at the end of the year amounted to (\$1,015,499), the landfill operations amounted to (\$174,081), the stormwater amounted to (\$450,536), and the golf amounted to (\$537,678). The total increase/ (decrease) in net position for all four funds was (\$168,440), \$22,405, (\$396,848), and (\$168,982) respectively. Other factors concerning the finances of these four funds have already been addressed in the discussion of the City of Conyers' business-type activities.

General Fund Budgetary Highlights

There was a \$107,315 difference between the net change in fund balance from the original budget and the final amended budget. This difference is mainly due to the decrease of budgeted expenditures related to nondepartmental activities.

Capital Asset and Debt Administration

Capital assets. The City of Conyers' investment in capital assets for its governmental and business type activities as of June 30, 2016, amounts to \$36,320,145 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure acquired after July 1, 2003. The total change in the City of Conyers' investment in capital assets for the current fiscal year was a \$5,583,379 increase for governmental activities and a \$194,568 decrease for business-type activities.

Major capital asset events occurred during the current fiscal year included the following:

- Construction of a communications tower and system equipment that cost approximately \$3.7 million.
- Planning and City Services incurred \$2.5 million in cost for construction in progress for the Irwin Bridge improvement project.

City of Conyers' Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 11,578,619	\$ 11,579,205	\$ 1,915,577	\$ 1,915,577	\$ 13,494,196	\$ 13,494,782
Construction in progress	4,153,826	3,448,692	18,080	68,763	4,171,906	3,517,455
Buildings	4,395,425	4,614,315	1,240,005	1,326,755	5,635,430	5,941,070
Improvements other than buildings	5,237,897	3,971,258	-	-	5,237,897	3,971,258
Infrastructure	250,000	250,000	-	-	250,000	250,000
Equipment	5,808,710	1,977,217	114,688	182,601	5,923,398	2,159,818
Stormwater control	-	-	1,607,318	1,596,540	1,607,318	1,596,540.00
	<u>\$ 31,424,477</u>	<u>\$ 25,840,687</u>	<u>\$ 4,895,668</u>	<u>\$ 5,090,236</u>	<u>\$ 36,320,145</u>	<u>\$ 30,930,923</u>

As allowed by GASB Statement No. 34, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include the City's network of roads, signs, lighting, culverts, fencing, etc. The City is responsible for maintaining 144 lane miles of roads.

The City's goal is to have no more than 15% of roads in "poor" or "very poor" condition. The most recent condition assessment, completed in March 2016, indicated that 6% of roads were considered poor or very poor.

In the City's fiscal year 2016 capital outlay budget, estimated spending was \$2,200,000 for maintenance projects. More detailed information about the City's capital assets is presented in Notes A.8 and E to the financial statements.

Long-term debt

City of Conyers' Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
GMA COP capital leases	3,555,000	3,555,000	-	-	3,555,000	3,555,000
OPEB	6,704,056	5,708,528	-	-	6,704,056	5,708,528
Net pension liability	5,112,443	2,403,172	631,874	297,022	5,744,317	2,700,194
Compensated absences	555,197	598,049	68,410	67,197	623,607	665,246
Capital leases	2,316,251	-	-	43,094	2,316,251	43,094
Stormwater revenue bonds	-	-	600,000	730,000	600,000	730,000
Landfill postclosure care liability	-	-	700,000	800,000	700,000	800,000
	<u>\$ 18,242,947</u>	<u>\$ 12,264,749</u>	<u>\$ 2,000,284</u>	<u>\$ 1,937,313</u>	<u>\$ 20,243,231</u>	<u>\$ 14,202,062</u>

The City of Conyers' total long-term debt increased by \$5,978,198 during the current fiscal year. The increase is mainly due to a \$2.8 million capital lease used to finance communications tower and system equipment and a \$2.7 million increase in net pension liability due to change in the City's plan.

Additional information on the City of Conyers' long-term debt can be found in note F to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Conyers is currently 5.7%, versus 6.1% a year ago. This compares to the state's average unemployment rate of 5.1% percent and the national average rate of 5.0%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Conyers' budget for the 2017 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Conyers' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Conyers Administration Office, 1184 Scott Street, Conyers, Georgia 30012.

BASIC FINANCIAL STATEMENTS

City of Conyers, Georgia
STATEMENT OF NET POSITION

June 30, 2016

	Primary Government			Component Units	
	Governmental	Business-Type	Total	The Conyers Downtown Development Authority	Main Street Foundation
	Activities	Activities		Authority	Foundation
ASSETS					
Cash and cash equivalents	\$ 4,736,931	\$ 70,448	\$ 4,807,379	\$ 38,084	\$ -
Investments	3,356,784	-	3,356,784	-	-
Receivables (net)	991,875	528,476	1,520,351	159,491	-
Inventory	-	81,222	81,222	-	-
Prepaid items	278,626	46,882	325,508	387	-
Internal balances	897,146	(897,146)	-	-	-
Assets held for resale	628,557	-	628,557	125,482	-
Fair value of interest rate swap	1,322,158	-	1,322,158	-	-
Capital assets not being depreciated	15,982,445	1,933,657	17,916,102	-	-
Capital assets, net of accumulated depreciation	15,442,032	2,962,011	18,404,043	-	-
Total assets	<u>43,636,554</u>	<u>4,725,550</u>	<u>48,362,104</u>	<u>323,444</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension	1,429,281	176,652	1,605,933	-	-
Total deferred outflows of resources	<u>1,429,281</u>	<u>176,652</u>	<u>1,605,933</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,205,756	\$ 283,782	\$ 1,489,538	\$ -	\$ -
Notes payable	1,500,000	-	1,500,000	-	-
Accrued salaries	269,511	6,010	275,521	-	-
Unearned revenue	32,917	474,699	507,616	-	-
Long-term liabilities					
Due within one year	703,387	257,102	960,489	5,562	-
Due in more than one year	17,539,560	1,743,182	19,282,742	356,095	-
Total liabilities	<u>21,251,131</u>	<u>2,764,775</u>	<u>24,015,906</u>	<u>361,657</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred change in fair value of hedging derivative instruments	1,322,158	-	1,322,158	-	-
Pension	158,202	19,553	177,755	-	-
Total deferred inflows of resources	<u>1,480,360</u>	<u>19,553</u>	<u>1,499,913</u>	<u>-</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	28,910,011	4,295,668	33,205,679	-	-
Restricted for:					
Capital projects	2,719,112	-	2,719,112	-	-
Cultural/recreation	1,148,550	-	1,148,550	-	-
Public safety	35,755	-	35,755	-	-
Unrestricted (deficit)	(10,479,084)	(2,177,794)	(12,656,878)	(38,213)	-
Total net position	<u>\$ 22,334,344</u>	<u>\$ 2,117,874</u>	<u>\$ 24,452,218</u>	<u>\$ (38,213)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Primary Government			The Conyers DDA	Main Street
					Governmental Activities	Business-Type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 4,150,858	\$ 583,679	\$ 15,822	\$ -	\$ (3,551,357)	-	\$ (3,551,357)		
Public safety and communications	4,637,265	1,984,125	47,099	-	(2,606,041)	-	(2,606,041)		
Public works	5,863,799	201,131	-	2,430,313	(3,232,355)	-	(3,232,355)		
Cultural/recreation	2,754,995	1,167,428	20,200	-	(1,567,367)	-	(1,567,367)		
Interest on long-term debt	233,592	-	-	-	(233,592)	-	(233,592)		
Total governmental activities	17,640,509	3,936,363	83,121	2,430,313	(11,190,712)	\$ -	(11,190,712)		
Business-type activities:									
Sanitation	1,614,080	1,275,689	-	-	-	\$ (338,391)	\$ (338,391)		
Landfill	84,974	-	-	-	-	(84,974)	(84,974)		
Stormwater	569,204	451,824	-	-	-	(117,380)	(117,380)		
Golf	1,631,408	1,304,371	-	-	-	(327,037)	(327,037)		
Total business-type activities	3,899,666	3,031,884	-	-	-	(867,782)	(867,782)		
Total primary government	\$ 21,540,175	\$ 6,968,247	\$ 83,121	\$ 2,430,313	(11,190,712)	(867,782)	(12,058,494)		
Component unit:									
The Conyers DDA	\$ 43,504	\$ 28,400	-	-				(15,104)	-
Main Street	33,393	-	-	-				-	(33,393)
Total component unit	\$ 76,897	\$ 28,400	\$ -	\$ -				(15,104)	(33,393)
General revenues:									
Taxes:									
Property taxes					6,083,037	-	6,083,037	-	-
Franchise taxes					1,460,739	-	1,460,739	-	-
Hotel-motel taxes					1,297,621	-	1,297,621	-	-
Alcoholic beverage taxes					614,275	-	614,275	-	-
Insurance premium taxes					875,543	-	875,543	-	-
Occupational taxes					591,985	-	591,985	-	-
Other taxes					610,827	-	610,827	-	-
Interest and investment earnings					221,307	55	221,362	5,369	-
Miscellaneous					438,816	23,768	462,584	-	-
Transfers					(132,094)	132,094	-	-	-
Total general revenues and transfers					12,062,056	155,917	12,217,973	5,369	-
Change in net position					871,344	(711,865)	159,479	(9,735)	(33,393)
Net position beginning of the year					21,463,000	2,829,739	24,292,739	(28,478)	33,393
Net position ending of the year					\$ 22,334,344	\$ 2,117,874	\$ 24,452,218	\$ (38,213)	\$ -

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

	<u>General</u>	<u>Hotel/ Motel</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 644,411	\$ 1,099,011	\$ 2,644,487	\$ 349,022	\$ 4,736,931
Investments	3,356,784	-	-	-	3,356,784
Receivables - net of allowances for uncollectible accounts					
Accounts	89,396	-	-	50,011	139,407
Taxes	193,973	121,833	-	-	315,806
Police fines	141,921	-	-	-	141,921
Intergovernmental	16,472	-	378,269	-	394,741
Prepaid items	278,626	-	-	-	278,626
Due from other funds	750,271	-	-	-	750,271
Assets held for resale	628,557	-	-	-	628,557
Advance to Sanitation Fund	266,000	-	-	-	266,000
Advance to Golf Fund	170,000	-	-	-	170,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,536,411</u>	<u>\$ 1,220,844</u>	<u>\$ 3,022,756</u>	<u>\$ 399,033</u>	<u>\$ 11,179,044</u>

Continued

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

BALANCE SHEET - GOVERNMENTAL FUNDS - CONTINUED

June 30, 2016

	General	Hotel/ Motel	SPLOST Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,103,446	\$ 35,125	\$ 63,187	\$ 3,998	\$ 1,205,756
Note Payable	1,500,000	-	-	-	1,500,000
Accrued salaries	262,692	3,947	-	2,872	269,511
Unearned revenue	30,676	-	-	-	30,676
Due to other funds	-	33,222	240,457	15,446	289,125
Total liabilities	<u>2,896,814</u>	<u>72,294</u>	<u>303,644</u>	<u>22,316</u>	<u>3,295,068</u>
Deferred inflows of resources:					
Unavailable revenue-property taxes	62,818	-	-	-	62,818
Total deferred inflows of resources	<u>62,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,818</u>
Fund balances (deficit):					
Nonspendable	1,343,183	-	-	-	1,343,183
Restricted	3,356,784	1,148,550	2,719,112	376,717	7,601,163
Unassigned	(1,123,188)	-	-	-	(1,123,188)
Total fund balances	<u>3,576,779</u>	<u>1,148,550</u>	<u>2,719,112</u>	<u>376,717</u>	<u>7,821,158</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,536,411</u>	<u>\$ 1,220,844</u>	<u>\$ 3,022,756</u>	<u>\$ 399,033</u>	<u>\$ 11,179,044</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

RECONCILIATION OF THE FUND BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

For the year ended June 30, 2016

Total governmental fund balance per Fund Balance Sheet	\$ 7,821,158
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	31,424,477
Property taxes not received within 60 days of year end are not available to pay for current period expenditures and therefore are unavailable in the funds.	62,818
The derivative-effective hedge is an other asset which is not available to pay for current period expenditures and it is not reported in the funds.	(1,322,158)
The effect of miscellaneous unearned revenue transactions are not financial resources and therefore are not reported in the funds.	(2,241)
The net pension liability is not payable from current financial resources, and is not reported in the funds.	(5,112,443)
Deferred outflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.	1,429,281
Deferred inflows of resources related to the recording of the net pension liability are not due and payable in the current period and, therefore, are not reported in the funds.	(158,202)
Net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds.	(6,704,056)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(5,104,290)</u>
Total net position end of year	<u>\$ 22,334,344</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

For the year ended June 30, 2016

	General	Hotel/ Motel	SPLOST Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 10,249,712	\$ 1,297,621	\$ -	\$ -	\$ 11,547,333
Licenses, permits and fees	242,662	-	-	-	242,662
Fines and forfeitures	1,126,885	-	-	162,805	1,289,690
Charges for services	850,764	-	-	388,061	1,238,825
GIHP revenue	1,167,428	-	-	-	1,167,428
Other revenue	641,780	38,543	4,604	-	684,927
Intergovernmental	62,921	-	2,425,709	-	2,488,630
Total revenues	<u>14,342,152</u>	<u>1,336,164</u>	<u>2,430,313</u>	<u>550,866</u>	<u>18,659,495</u>
Expenditures					
Current					
General government	3,939,216	-	-	-	3,939,216
Public safety	5,460,468	-	-	738,454	6,198,922
Public works	1,681,394	-	-	-	1,681,394
Cultural/Recreation	1,457,548	908,388	-	-	2,365,936
Capital Outlay	-	-	6,413,844	-	6,413,844
Debt service					
Principal	-	-	555,071	-	555,071
Interest	184,930	-	48,662	-	233,592
Total expenditures	<u>12,723,556</u>	<u>908,388</u>	<u>7,017,577</u>	<u>738,454</u>	<u>21,387,975</u>
Excess (deficiency) of revenues over (under) expenditures	1,618,596	427,776	(4,587,264)	(187,588)	(2,728,480)

Continued

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED**

For the year ended June 30, 2016

	<u>General</u>	<u>Hotel/ Motel</u>	<u>SPLOST Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
Other financing sources (uses)					
Sale of capital assets	2,027	-	-	-	2,027
Capital leases	-		2,871,321	-	2,871,321
Transfers in	33,293	-	279,468	234,378	547,139
Transfers out	(679,233)	-	-	-	(679,233)
	<u>(643,913)</u>	<u>-</u>	<u>3,150,789</u>	<u>234,378</u>	<u>2,741,254</u>
Total other financing sources (uses)					
Net change in fund balances	974,683	427,776	(1,436,475)	46,790	12,774
Fund balance, beginning of year	<u>2,602,096</u>	<u>720,774</u>	<u>4,155,587</u>	<u>329,927</u>	<u>7,808,384</u>
Fund balance, end of year	<u>\$ 3,576,779</u>	<u>\$ 1,148,550</u>	<u>\$ 2,719,112</u>	<u>\$ 376,717</u>	<u>\$ 7,821,158</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES

For the year ended June 30, 2016

Net change in fund balances - total governmental funds	\$	12,774
Amounts reported for governmental activities in the Statement of Activities are different because (See Note B):		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		5,584,376
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease assets.		(586)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(13,306)
The issuance of long-term debt (e.g., bonds, leases) 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 position.		(2,316,250)
Other post employment benefits obligations did not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(995,528)
The net pension liability did not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.		(1,440,746)
Long-term compensated absences & miscellaneous unearned revenue 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>40,610</u>
	\$	<u>871,344</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS

June 30, 2016

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ -	\$ 31,464	\$ 3,585	\$ 35,399	\$ 70,448
Receivables - net of allowance for uncollectible accounts					
Accounts	20,330	-	4,414	-	24,744
Intergovernmental	-	52,268	-	-	52,268
Inventory	-	-	-	81,222	81,222
Prepaid items	41,667	-	2,083	3,132	46,882
Total current assets	<u>61,997</u>	<u>83,732</u>	<u>10,082</u>	<u>119,753</u>	<u>275,564</u>
Noncurrent assets					
Capital assets:					
Land	-	-	-	1,915,577	1,915,577
Buildings	-	-	-	1,735,006	1,735,006
Improvements	-	-	2,096,931	-	2,096,931
Equipment	494,696	-	153,979	508,747	1,157,422
Construction in progress	-	-	18,080	-	18,080
Less accumulated depreciation	(484,252)	-	(638,223)	(904,873)	(2,027,348)
Capital assets, net	10,444	-	1,630,767	3,254,457	4,895,668
Intergovernmental receivable - long-term	-	451,464	-	-	451,464
Total long-term assets	<u>10,444</u>	<u>451,464</u>	<u>1,630,767</u>	<u>3,254,457</u>	<u>5,347,132</u>
Total assets	<u>72,441</u>	<u>535,196</u>	<u>1,640,849</u>	<u>3,374,210</u>	<u>5,622,696</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	64,237	-	48,178	64,237	176,652
Total deferred outflows of resources	<u>64,237</u>	<u>-</u>	<u>48,178</u>	<u>64,237</u>	<u>176,652</u>

The accompanying notes are an integral part of this statement.

Continued

City of Conyers, Georgia

STATEMENT OF FUND NET POSITION
 PROPRIETARY FUNDS - CONTINUED

June 30, 2016

Business-type Activities-Enterprise Funds

	Sanitation	Landfill	Stormwater	Golf	Total
LIABILITIES					
Current liabilities					
Accounts payable	\$ 150,190	\$ 9,277	\$ 52,040	\$ 72,275	\$ 283,782
Due to other funds	267,751	-	24,170	169,225	461,146
Accrued salaries	2,455	-	1,354	2,201	6,010
Unearned revenue	198,378	-	244,749	31,572	474,699
Compensated absences - current	5,019	-	2,205	9,878	17,102
Current portion of bonds payable	-	-	140,000	-	140,000
Current portion of landfill postclosure care liability	-	100,000	-	-	100,000
Total current liabilities	<u>623,793</u>	<u>109,277</u>	<u>464,518</u>	<u>285,151</u>	<u>1,482,739</u>
Long-term liabilities					
Advance from other fund	266,000	-	-	170,000	436,000
Net pension liability	229,772	-	172,329	229,773	631,874
Compensated absences-long term portion	15,058	-	6,616	29,634	51,308
Bonds payable - long term portion	-	-	460,000	-	460,000
Landfill postclosure care liability	-	600,000	-	-	600,000
Total long-term liabilities	<u>510,830</u>	<u>600,000</u>	<u>638,945</u>	<u>429,407</u>	<u>2,179,182</u>
Total liabilities	<u>1,134,623</u>	<u>709,277</u>	<u>1,103,463</u>	<u>714,558</u>	<u>3,661,921</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	<u>7,110</u>	<u>-</u>	<u>5,333</u>	<u>7,110</u>	<u>19,553</u>
NET POSITION (DEFICIT)					
Net investment in capital assets	10,444	-	1,030,767	3,254,457	4,295,668
Unrestricted	<u>(1,015,499)</u>	<u>(174,081)</u>	<u>(450,536)</u>	<u>(537,678)</u>	<u>(2,177,794)</u>
Total net position (deficit)	<u>(1,005,055)</u>	<u>(174,081)</u>	<u>580,231</u>	<u>2,716,779</u>	<u>2,117,874</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

For the year ended June 30, 2016

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Operating revenues:					
Charges for sales and services:					
Sanitation fees	\$ 1,275,689	-	\$ -	\$ -	\$ 1,275,689
Golf fees	-	-	-	1,304,371	1,304,371
Stormwater fees	-	-	451,824	-	451,824
Total operating revenues	<u>1,275,689</u>	<u>-</u>	<u>451,824</u>	<u>1,304,371</u>	<u>3,031,884</u>
Operating expenses:					
Cost of sales and service	1,605,128	84,974	451,874	1,450,250	3,592,226
Depreciation	8,952	-	83,432	180,575	272,959
Total operating expenses	<u>1,614,080</u>	<u>84,974</u>	<u>535,306</u>	<u>1,630,825</u>	<u>3,865,185</u>
Operating loss	<u>(338,391)</u>	<u>(84,974)</u>	<u>(83,482)</u>	<u>(326,454)</u>	<u>(833,301)</u>
Nonoperating income (expense):					
Interest expense	-	-	(33,898)	(583)	(34,481)
Investment earnings	-	-	-	55	55
Intergovernmental	-	23,768	-	-	23,768
Total nonoperating income (expense)	<u>-</u>	<u>23,768</u>	<u>(33,898)</u>	<u>(528)</u>	<u>(10,658)</u>
Loss before transfers	(338,391)	(61,206)	(117,380)	(326,982)	(843,959)
Transfers in	200,000	116,904	-	158,000	474,904
Transfers out	<u>(30,049)</u>	<u>(33,293)</u>	<u>(279,468)</u>	<u>-</u>	<u>(342,810)</u>
Change in net position	(168,440)	22,405	(396,848)	(168,982)	(711,865)
Total net position (deficit) beginning of year	<u>(836,615)</u>	<u>(196,486)</u>	<u>977,079</u>	<u>2,885,761</u>	<u>2,829,739</u>
Total net position (deficit) end of year	<u>\$ (1,005,055)</u>	<u>\$ (174,081)</u>	<u>\$ 580,231</u>	<u>\$ 2,716,779</u>	<u>\$ 2,117,874</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the year ended June 30, 2016

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 1,288,894	\$ -	\$ 455,378	\$ 1,310,130	\$ 3,054,402
Payments to suppliers	(1,102,690)	(186,854)	(121,927)	(890,598)	(2,302,069)
Payments to employees	(490,243)	-	(290,520)	(489,927)	(1,270,690)
Payments for interfund services provided	134,088	-	32,579	24,206	190,873
Net cash provided by (used in) operating activities	<u>(169,951)</u>	<u>(186,854)</u>	<u>75,510</u>	<u>(46,189)</u>	<u>(327,484)</u>
Cash flows from noncapital financing activities:					
Receipts from intergovernmental agreement	-	103,243	-	-	103,243
Transfers in	200,000	116,904	-	158,000	474,904
Transfers out	(30,049)	(33,293)	(279,468)	-	(342,810)
Net cash provided by (used in) noncapital financing activities	<u>169,951</u>	<u>186,854</u>	<u>(279,468)</u>	<u>158,000</u>	<u>235,337</u>
Cash flows from capital and related financing activities:					
Purchases of capital assets	-	-	(27,390)	(51,001)	(78,391)
Principal paid on capital leases	-	-	-	(43,094)	(43,094)
Principal paid on bonds	-	-	(130,000)	-	(130,000)
Interest paid on capital debt	-	-	(33,898)	(583)	(34,481)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(191,288)</u>	<u>(94,678)</u>	<u>(285,966)</u>
Cash flows from investing activities:					
Interest on investments	-	-	-	55	55
Net cash provided by investing financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>55</u>	<u>55</u>
Net increase (decrease) in cash and cash equivalents	-	-	(395,246)	17,188	(378,058)
Cash and equivalents, at the beginning of year	<u>-</u>	<u>31,464</u>	<u>398,831</u>	<u>18,211</u>	<u>448,506</u>
Cash and equivalents, at the end of year	<u>-</u>	<u>\$ 31,464</u>	<u>\$ 3,585</u>	<u>\$ 35,399</u>	<u>\$ 70,448</u>

The accompanying notes are an integral part of this statement.

Continued

City of Conyers, Georgia

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS - CONTINUED

For the year ended June 30, 2016

	Business-type Activities-Enterprise Funds				
	Sanitation	Landfill	Stormwater	Golf	Total
Reconciliation of operating loss to net cash provided by (used in) operating activities:					
Operating loss	\$ (338,391)	\$ (84,974)	\$ (83,482)	\$ (326,454)	\$ (833,301)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	8,952	-	83,432	180,575	272,959
(Increase) decrease in:					
Accounts receivable	13,067	-	1,515	-	14,582
Inventory	-	-	-	(6,052)	(6,052)
Prepaid items	(10,417)	-	-	(32)	(10,449)
Deferred outflow of resources-pension	(42,686)	-	(32,015)	(42,686)	(117,387)
Increase (decrease) in:					
Accounts payable	(25,447)	(1,880)	3,740	25,016	1,429
Deferred inflow of resources-pension	(14,326)	-	(10,744)	(14,326)	(39,396)
Net pension liability	121,764	-	91,323	121,765	334,852
Due to other funds	134,088	-	32,579	24,206	190,873
Accrued salaries	(16,621)	-	(10,807)	(17,315)	(44,743)
Unearned revenue	138	-	2,039	5,759	7,936
Compensated absences	(72)	-	(2,070)	3,355	1,213
Postclosure care liability	-	(100,000)	-	-	(100,000)
Net cash provided by (used in) operating activities	<u>\$ (169,951)</u>	<u>\$ (186,854)</u>	<u>\$ 75,510</u>	<u>\$ (46,189)</u>	<u>\$ (327,484)</u>

The accompanying notes are an integral part of this statement.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Conyers, 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.

1. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, street maintenance and construction, solid waste collection and disposal, parks and recreation, public improvements, security monitoring, environmental services, and general and administrative services.

As required by generally accepted accounting principles, these financial statements include the activities of the City and the following component units for which the City is considered to be financially accountable. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and is included as part of the primary government. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the City.

Blended Component Unit

The Development Authority of Conyers, Georgia (the "Authority") was established to finance certain capital projects for the City. The Authority is governed by a seven member board appointed by the City's mayor and council. The Authority is included in these financial statements as a blended component unit since its only activity has been to act as a financing mechanism for the City. The proceeds from the sale of the Authority's bonds were received by the City's General Fund and were therefore accounted for in the General Fund. Separate financial statements are not prepared for the Authority. At June 30, 2016, the Authority had no assets, liabilities, or fund equity. In addition, during 2016, the Authority had no revenues or expenses.

Discretely Presented Component Units

The Conyers Downtown Development Authority (the "DDA") was established to be a catalyst for revitalization, promotion, development and redevelopment of Old Town Conyers. The DDA is governed by a six member board appointed by the City's mayor and council. The City, by virtue of its appointments and the presence of the mayor on the board, controls a majority of the DDA's governing body positions, and can impose its will on the DDA. Separate financial statements are not prepared for the DDA.

The Conyers Main Street Foundation ("Main Street") was established to stimulate downtown economic development while preserving and enhancing the City's historic character. Main Street is governed by a six member board appointed by the City's mayor and council. The City, by virtue of its appointments and the presence of the mayor on the board, controls a majority of Main Street's governing body positions, and can impose its will on Main Street. Main Street was dissolved in September 2015. The City's tourism department assumed the duties of the Main Street Foundation.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

3. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*, as are the proprietary funds. 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. The City considers all revenues to be available if they are collected within 90 days (60 days for property tax) after year-end. Expenditures are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences, are recorded only when payment is due.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Property taxes, franchise taxes, alcoholic and hotel-motel taxes, licenses, police fines, confiscated assets, 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. Other receipts and taxes become measurable and available when cash is received by the City, and are recognized as revenue at that time. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

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 *hotel/motel fund* accounts for the occupancy tax collected by the City from area hotels and motels, and distributed based upon state statute. The City is currently collecting this tax at a rate of 8%.

The *SPLOST capital projects fund* accounts for capital projects financed by a one percent sales and use tax.

The City reports the following major proprietary funds:

The *sanitation fund* accounts for the collection and disposal of solid waste.

The *landfill fund* accounts for postclosure care costs related to the solid waste landfill which was closed in 1993.

The *stormwater fund* accounts for the Department of Environmental Services' cost to implement the Stormwater Management Plan and the National Pollution Elimination System Phase II compliance program.

The *golf fund* accounts for all of the activities at the Cherokee Run Golf Course.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. **Measurement Focus, Basis of Accounting and Basis of Presentation -Continued**

Additionally, the City reports the following nonmajor special revenue funds:

The *emergency telephone fund* accounts for revenues received from users of the Emergency 911 System. Revenues received from the City are paid directly from wired or wireless telecommunication providers, with expenditures occurring to maintain and run the system within the City.

The *forfeited assets fund* (formerly known as confiscated assets fund) accounts for funds received from the enforcement of drug laws and shared revenues resulting from the confiscation of property from drug offenders' arrests.

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

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

4. **Cash, Cash Equivalents and Investments**

The City's cash and cash equivalents includes cash on hand, amounts in demand deposits, and investments with original maturities of three months or less from the date of acquisition.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Cash, Cash Equivalents and Investments-Continued

State of Georgia statutes authorize the City to invest in obligations of the U. S. Treasury or agencies, obligations of state and local governments, bankers' acceptances, repurchase agreements, local government investment pool sponsored by the State of Georgia and certificates of deposit in federally insured financial institutions.

Investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

5. Receivables and Payables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. The receivables and payables which result from these transactions are classified as "due from other funds" or "due to other funds" on the balance sheet.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 12 percent of outstanding property taxes at June 30, 2016.

Property taxes are levied based on a calendar year (January 1 through December 31). The property tax assessment is formally levied on September 1, based on property values as of the previous January 1. Tax bills are mailed in September. The billings are considered due upon receipt and become past due 60 days after they are mailed, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance classification in the applicable governmental fund to indicate that they are not available for appropriation and are not expendable available financial resources.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Restricted Assets

Certain proceeds of the certificates of participation issued by the City, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable covenants and agreements.

7. Inventories and Prepaid Items

The City utilizes the consumption method to report inventory and prepaid items. Under this method, items are expensed when consumed. At year end, the City had no significant unused inventory. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

8. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired prior to July 1, 2003 are not reported in these financial statements since the City is a Phase III government (government with revenues less than \$10 million for the fiscal year ended June 30, 1999). Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 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.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ended June 30, 2016.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Capital Assets-Continued

The City has elected to use the modified approach for accounting for its roads. Under this approach, the City has made the commitment to preserve and maintain these assets at levels established by the Department of Public Works and Transportation. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets unless the improvements also increase their service potential. The City maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the City makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to the Required Supplementary Information for additional information on infrastructure using the modified approach.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	35
Improvements other than buildings	20
Infrastructure improvements (depreciable)	30
Furniture	20
Vehicles – trucks, vans, trailers	10
Vehicles – cars	5
Computer software	7
Computer hardware & office equipment	5

9. 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 unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City, except when an employee retires from the City. The retiring employee is eligible to be paid for a maximum of 720 hours. 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.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Long-Term Obligations

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

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

11. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance- Generally, fund balance represents the differences between the current assets and current liabilities. Governmental funds will now report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable-Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted- Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed- Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Fund Equity-Continued

Assigned- Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Chief Financial Officer to assign fund balances.

Unassigned- Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balance may be reported in all funds.

Flow Assumptions- When both restricted and unrestricted amounts are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed; assigned; then unassigned.

Net Position- Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e. the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other assets are reported as unrestricted.

The City's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

12. Pension Plans

The City provides a defined benefit pension plan to all eligible employees. It is the City's policy to fund this plan's normal cost annually, as determined by actuarial valuation. The City also provides a 457(b) deferred compensation plan and an employer matching defined contribution plan 401(a) to all eligible employees.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. Deferred Outflows/Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities* established accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in the statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City made contributions to the pension plan before year end but subsequent to the measurement date of the City's net pension liability which are reported as deferred outflows of resources.

In addition to liabilities, the statement of revenues, expenditures and changes in fund balance will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items that qualify for reporting in this category. The item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Another element relates to the offset of the fair market value of the City's derivative. As the derivative qualifies as an effective hedge, the change in fair market value occurs each year the asset and deferred inflow are adjusted.

Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains result from periodic studies by the City's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred outflows and inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Conyers Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The reconciliation of the fund balance of governmental funds to the statement of net position includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$5,104,290 difference are as follows:

GMA COPs lease pool	3,555,000
Fair value of interest rate swap	(1,322,158)
Compensated absences	555,197
Capital lease payable	<u>2,316,251</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position- governmental activities</i>	<u>\$ 5,104,290</u>

2. 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 position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlay 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.” The details of this \$5,584,376 difference are as follows:

Capital outlay	\$ 6,760,894
Depreciation expense	<u>(1,176,518)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 5,584,376</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) 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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this (\$2,316,251) difference are as follows:

Debt issued or incurred:	
Capital lease financing	(\$2,871,321)
Principal repayments:	
Payment on capital leases	<u>555,071</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>(\$2,316,250)</u>

Another element of the reconciliation states that “long-term compensated absences & unearned miscellaneous revenue 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 \$40,610 difference are as follows:

Long-term compensated absences	\$ 42,851
Miscellaneous unearned revenue	<u>(2,241)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 40,610</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENT

Total deposits and investments as of June 30, 2016, are summarized as follows:

	2016
As reported in Statement of Net Position	
Cash and cash equivalents	\$ 4,807,379
Investments	3,356,784
	\$ 8,164,163
Cash/investments deposited with financial institutions	\$ 4,807,379
Investments in guaranteed investments contract	3,356,784
	\$ 8,164,163

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker’s acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the City’s policy to limit its investments to these type of investments. As of June 30, 2016, the City’s investment in the guaranteed investment contract was rated AA- by Standard & Poors.

At June 30, 2016, the City had the following investments:

Investment	Maturities	Fair Value
Guaranteed investment contract	June 1, 2028	\$ 3,356,784
		\$ 3,356,784

Interest rate risk. The City limits investment maturities to three years unless it is matched to a specific cash flow as a means of managing its exposure to fair value losses arising from increasing interest rates.

Fair value measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City’s interest rate swap agreement is classified as an other asset more fully described in Note F. The fair value of the interest rate swap agreement is classified as Level 2 in the fair value hierarchy, and is valued using an option-adjusted discounted cash flow model.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE C - DEPOSITS AND INVESTMENT- CONTINUED

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City 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.

At June 30, 2016, the City did not have any deposits which were uninsured and uncollateralized as defined by GASB pronouncements.

NOTE D – RECEIVABLES

Receivables as of year end for the City’s funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Hotel/Motel</u>	<u>SPLOST</u>	<u>Sanitation</u>	<u>Landfill</u>	<u>Stormwater</u>	<u>Total</u>
Receivables								
Accounts	\$ 90,872	\$ 50,011	\$ -	\$ -	\$ 21,630	\$ -	\$ 4,414	\$ 166,927
Taxes	204,943	-	121,833	-	-	-	-	326,776
Police fines	354,803	-	-	-	-	-	-	354,803
Intergovernmental	<u>16,472</u>	<u>-</u>	<u>-</u>	<u>378,269</u>	<u>-</u>	<u>503,732</u>	<u>-</u>	<u>898,473</u>
Total receivables	667,090	50,011	121,833	378,269	21,630	503,732	4,414	1,746,979
Allowance for uncollectible receivables	<u>(225,328)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,300)</u>	<u>-</u>	<u>-</u>	<u>(226,628)</u>
Net receivables	<u>\$ 441,762</u>	<u>\$ 50,011</u>	<u>\$ 121,833</u>	<u>\$ 378,269</u>	<u>\$ 20,330</u>	<u>\$ 503,732</u>	<u>\$ 4,414</u>	<u>\$ 1,520,351</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE E - CAPITAL ASSETS

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

	<u>Balance June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2016</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,579,205	\$ -	\$ (586)	\$ 11,578,619
Construction in progress	3,448,692	2,888,277	(2,183,143)	4,153,826
Infrastructure	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Total capital assets not being depreciated	15,277,897	2,888,277	(2,183,729)	15,982,445
Capital assets, being depreciated:				
Buildings	8,760,963	-	(51,600)	8,709,363
Improvements other than buildings	27,202,405	1,485,218	-	28,687,623
Equipment	<u>11,061,426</u>	<u>4,570,542</u>	<u>(47,049)</u>	<u>15,584,919</u>
Total capital assets being depreciated	47,024,794	6,055,760	(98,649)	52,981,905
Less accumulated depreciation for:				
Buildings	(4,146,648)	(218,890)	51,600	(4,313,938)
Improvements other than buildings	(23,231,147)	(218,579)	-	(23,449,726)
Equipment	<u>(9,084,209)</u>	<u>(739,049)</u>	<u>47,049</u>	<u>(9,776,209)</u>
Total accumulated depreciation	(36,462,004)	(1,176,518)	98,649	(37,539,873)
Total capital assets, being depreciated, net	<u>10,562,790</u>	<u>4,879,242</u>	<u>-</u>	<u>15,442,032</u>
Governmental activities capital assets, net	<u>\$ 25,840,687</u>	<u>\$ 7,767,519</u>	<u>\$ (2,183,729)</u>	<u>\$ 31,424,477</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE E - CAPITAL ASSETS – CONTINUED

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 1,915,577	\$ -	\$ -	\$ 1,915,577
Construction in progress	68,763	8,660	(59,343)	18,080
Total capital assets not being depreciated	<u>1,984,340</u>	<u>8,660</u>	<u>(59,343)</u>	<u>1,933,657</u>
Capital assets, being depreciated:				
Road improvements	2,018,858	78,073	-	2,096,931
Buildings	1,735,006	-	-	1,735,006
Equipment	1,354,111	51,001	(247,690)	1,157,422
Total capital assets being depreciated	<u>5,107,975</u>	<u>129,074</u>	<u>(247,690)</u>	<u>4,989,359</u>
Less accumulated depreciation for:				
Road improvements	(422,318)	(67,295)	-	(489,613)
Buildings	(408,251)	(86,750)	-	(495,001)
Equipment	(1,171,510)	(118,914)	247,690	(1,042,734)
Total accumulated depreciation	<u>(2,002,079)</u>	<u>(272,959)</u>	<u>247,690</u>	<u>(2,027,348)</u>
Total capital assets, being depreciated, net	<u>3,105,896</u>	<u>(143,885)</u>	<u>-</u>	<u>2,962,011</u>
Business-type activities capital assets, net	<u>\$ 5,090,236</u>	<u>\$ (135,225)</u>	<u>\$ (59,343)</u>	<u>\$ 4,895,668</u>

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

Governmental activities:	
General government	\$ 110,282
Public safety	503,417
Public works	316,325
Cultural/recreation	246,494
Total depreciation expense-governmental activities	<u>\$ 1,176,518</u>
Business-type activities:	
Golf	\$ 180,575
Sanitation	8,952
Stormwater	83,432
Total depreciation expense-business-type activities	<u>\$ 272,959</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE F - LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2016, was as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
GMA certificates of participation lease pool	\$ 3,555,000	\$ -	\$ -	\$ 3,555,000	\$ -
Total bonds payable	3,555,000	-	-	3,555,000	-
OPEB	5,708,528	1,114,655	(119,127)	6,704,056	-
Net pension liability	2,403,172	3,442,133	(732,862)	5,112,443	-
Compensated absences	598,049	637,287	(680,138)	555,198	138,799
Capital leases	-	2,871,321	(555,071)	2,316,250	564,588
Governmental activity					
Long-term liabilities	<u>\$ 12,264,749</u>	<u>\$ 8,065,396</u>	<u>\$ (2,087,198)</u>	<u>\$ 18,242,947</u>	<u>\$ 703,387</u>
Business-type activities					
Bonds payable:					
Stormwater revenue bonds - 05 Series	\$ 730,000	\$ -	\$ (130,000)	\$ 600,000	\$ 140,000
Net pension liability	297,022	425,430	(90,578)	631,874	-
Compensated absences	67,197	58,278	(57,065)	68,410	17,102
Capital leases	43,094	-	(43,094)	-	-
Landfill postclosure care liability	800,000	-	(100,000)	700,000	100,000
Business-type activity					
Long-term liabilities	<u>\$ 1,937,313</u>	<u>\$ 483,708</u>	<u>\$ (420,737)</u>	<u>\$ 2,000,284</u>	<u>\$ 257,102</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE F - LONG-TERM DEBT – CONTINUED

1. Certificates of Participation

In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$3,555,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2016, the floating rate being paid by the City is 0.72% and the market value of this agreement is \$1,322,158 an increase of \$338,984 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2016 based on the derivative contract. This market value is reported as an asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred inflow in the statement of net position.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE F - LONG-TERM DEBT – CONTINUED

2. Stormwater Revenue Bonds

In May 2005, the City entered into an agreement with the Rockdale County Water & Sewerage Authority (“Authority”) whereby the Authority issued \$1,750,000 of Series 2005 Revenue Bonds to provide resources for the City of Conyers Stormwater Utility Project. In the agreement, the City agreed to pay to the Authority the entire debt service of the bonds from the revenues derived from the operation of the Stormwater facilities. The City may also levy taxes to meet its obligation. Interest on the Bonds is paid semi-annually by the Stormwater Projects Fund at 4.86%.

Annual debt service requirements to maturity on the City’s outstanding Stormwater revenue bonds were as follows at June 30, 2016:

<u>Year</u>	<u>2005 Stormwater Revenue Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	140,000	29,160	169,160
2018	145,000	22,356	167,356
2019	155,000	15,309	170,309
2020	160,000	7,776	167,776
	<u>\$ 600,000</u>	<u>\$ 74,601</u>	<u>\$ 674,601</u>

3. Compensated Absences

Earned and vested paid time off is recorded as a liability in the government-wide statement of net position and the proprietary fund statement of net position. The compensated absences have been paid in prior years mainly from the General Fund.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE F - LONG-TERM DEBT – CONTINUED

4. Capital Leases

The City has entered into lease agreements as a lessee for financing the acquisition of various equipment. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and have been recorded at the present value of the future minimum lease payments as of the date of inception. The governmental activities lease is being serviced by the SPLOST Fund with an annual interest rate of 1.69%. The business-type activities leases are being serviced by the Golf Fund with annual interest rates from 2.5% to 2.7%.

The carrying value of assets subject to capital leases is as follows:

	Governmental Activities	Business-type Activities
Asset:		
Equipment	\$ 2,871,321	\$ 552,603
Less: Accumulated depreciation	(71,996)	(552,603)
Total	\$ 2,799,325	\$ -

The City reported \$126,549 of depreciation expense related to the above capital leases as of June 30, 2016.

The following is a schedule of the future minimum lease payments required under these capital lease obligations and the present value of minimum lease payments at June 30, 2016:

	Governmental Activities
Year ending June 30,	
2017	603,733
2018	603,733
2019	603,733
2020	603,733
Total minimum lease payments	2,414,932
Less amount representing interest	(98,682)
Present value of future minimum lease payments	\$ 2,316,250

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE F - LONG-TERM DEBT – CONTINUED

5. Future Debt Service Requirements

Annual debt service requirements to maturity on the City's outstanding revenue bonds and certificates of participation were as follows at June 30, 2016:

<u>Year</u>	<u>GMA Certificates of Participation Capital Lease Pool</u>	
	<u>Principal</u>	<u>Interest</u>
2017	-	168,863
2018	-	168,863
2019	-	168,863
2020	-	168,863
2021	-	168,863
2022-2026	-	844,315
2027-2028	<u>3,555,000</u>	<u>337,726</u>
	<u>\$ 3,555,000</u>	<u>\$ 2,026,356</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE G - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2016, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sanitation	\$ 267,751
General	Golf	169,225
General	Stormwater	24,170
General	SPLOST	240,457
General	Hotel/Motel	33,222
General	Nonmajor Governmental Funds	15,446
		<u>\$ 750,271</u>

These 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.

Interfund transfers:

	Transfer In:						
	General Fund	Nonmajor Governmental Fund	SPLOST Fund	Sanitation Fund	Golf Fund	Landfill Fund	Total
Transfer out:							
General Fund	\$ -	\$ 234,378	\$ -	\$ 200,000	\$ 158,000	\$ 86,855	\$ 679,233
Landfill Fund	33,293	-	-	-	-	-	33,293
Sanitation Fund	-	-	-	-	-	30,049	30,049
Stormwater Fund	-	-	279,468	-	-	-	279,468
Total transfers out	<u>\$ 33,293</u>	<u>\$ 234,378</u>	<u>\$ 279,468</u>	<u>\$ 200,000</u>	<u>\$ 158,000</u>	<u>\$ 116,904</u>	<u>\$ 1,022,043</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE G - INTERFUND RECEIVABLES AND PAYABLES-CONTINUED

Transfers are used to (1) move revenues from the fund that the budget requires to collect them to the fund that the budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The General Fund and Sanitation Fund transfer funds to the Emergency Telephone Fund and Landfill Fund, respectively, to cover operating deficits.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sanitation	\$ 266,000
General	Golf	170,000
		<u>\$ 436,000</u>

The Sanitation and Golf funds intend to repay the General Fund within the next two years.

NOTE H - PENSION PLANS

Defined Benefit Pension Plan

Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (The City of Conyers 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, SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire on reaching the age of 65, depending on their classification. Early retirement is possible on reaching the age of 55, depending on the member's classification. In addition, police officers can retire at age 55 and 10 years of service with full benefits. Benefits are calculated at 1.0% to 1.75% of the average monthly earnings for the period of the five highest years' earnings prior to retirement. Effective August 1, 2015, the City adopted the Rule of 85 for all eligible employees. An employee can retire with full benefits if years of service plus age equals at least 85.

As of January 1, 2016, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	46
Terminated vested participants not yet receiving benefits	78
Active participants	<u>155</u>
Total membership	<u><u>279</u></u>

Contributions. 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 the recommended contribution described below. For 2016, the actuarially determined contribution rate was 9.43% of covered payroll. For 2016, the City's contribution to the plan totaled \$643,450.

Net Pension Liability of the City

Effective July 1, 2014, the City implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with these new standards.

The City's net pension liability was measured as of September 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2015 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2015.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

Actuarial assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25% plus service based merit increases
Investment rate of return	7.75 %, net of pension plan investment expense, including inflation

Mortality rates for were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014. There is no cost of living adjustment by the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Cash	0%	0%

* Rates shown are net of the 3.25% assumed rate of inflation.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the year ended June 30, 2016, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/15	\$ 14,516,898	\$ 11,816,704	\$ 2,700,194
Changes for the year:			
Service cost	311,966	-	311,966
Interest	1,107,664	-	1,107,664
Differences between expected and actual experience	942,777	-	942,777
Contributions—employer	-	699,640	(699,640)
Net investment income	-	123,800	(123,800)
Benefit payments, including refunds of employee contributions	(448,912)	(448,912)	-
Administrative expense	-	(29,972)	29,972
Other changes	1,475,184	-	1,475,184
Net changes	3,388,679	344,556	3,044,123
Balances at 6/30/16	\$ 17,905,577	\$ 12,161,260	\$ 5,744,317

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability	\$ 8,211,350	\$ 5,744,317	\$ 3,700,128

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 September 30, 2015 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the City recognized pension expense of \$2,262,264. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 707,082	\$ (177,243)
Changes in assumptions	-	(512)
Net difference between projected and actual earnings on pension plan investments	416,264	-
City contributions subsequent to the measurement date	<u>482,588</u>	<u>-</u>
Total	<u>\$ 1,605,934</u>	<u>\$ (177,755)</u>

City contributions subsequent to the measurement date of \$482,588 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2017	261,827
2018	261,827
2019	261,827
2020	<u>160,110</u>
	<u>\$ 945,591</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE H - PENSION PLANS-CONTINUED

Deferred Compensation Plan

Plan Description and Funding Requirements

The City maintains a supplemental retirement plan for employees entitled "The 457(b) Deferred Compensation Plan". Both full-time and part-time employees of the City are eligible to participate. The plan is administered by AIG VALIC as a 401(a) and 457(b) plan, as defined by the Internal Revenue Service. The City Council of Conyers is the authority to establish and amend plan provisions. At June 30, 2016 there were 77 plan members.

The contribution requirements of plan members are established and amended by the City Council. Employees may elect to contribute a portion of their pay not to exceed the IRS guidelines, into the 457(b) plan. Upon hire date for full-time and part-time employees, the City will contribute up to 2% of the salary for employees contributing to the 457(b) plan into the 401(a). The City matches 33 cents on the dollar up to 2% of the employee's salary. In order for an employee to get the maximum benefit, the employee needs to contribute 6% or more of their gross salary wages to the 457(b) plan. An employee will become vested in the 401(a) five years from their hire date. For the fiscal year ended June 30, 2016, the City's contribution to the 401(a) plan was \$61,515. The amount contributed by employees in the 457(b) plan was \$231,712.

NOTE I - LANDFILL POSTCLOSURE CARE COSTS

The landfill which had been operated by the City for the benefit of the City and Rockdale County residents was closed in September 1993. State and Federal laws and regulations require the City to perform certain maintenance and monitoring functions (postclosure care) at the site for thirty years after the certification of its closure plan by the State of Georgia. The City has recognized a liability of approximately \$700,000 (\$600,000 long term and \$100,000 current) for postclosure care costs based on what it would cost to perform all postclosure care at June 30, 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. These costs will be funded by resources of the City and by Rockdale County. Rockdale County has agreed to fund 70% of these post closure care costs. Accordingly, a receivable from the County equal to the County's share of this liability has been recorded in the landfill enterprise fund.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE J - OTHER POST-EMPLOYMENT BENEFITS

In accordance with GASB 45 requirements, the City of Conyers is required to attribute the cost of post retirement benefits to the time during which the employee is working for the employer. GASB 45 requires allocation of the costs of a post retirement benefit plan onto the years of active employment; it does not require the funding of such benefits. GASB 45 requirements have been implemented by the City of Conyers for the year ended June 30, 2016. The City has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2016.

The City provides post-retirement health care insurance and life insurance, in accordance with City policies, to all employees who retire from the City, and meet the eligibility requirements for retirement as set forth in the City's pension plan. The City has contracted with Greater Georgia Life Insurance Company to administer post retirement life insurance benefits to all employees who retire under early or normal retirement provisions.

The City of Conyers currently contracts with Cigna Healthcare to administer post retirement health care benefits. Upon termination of employment, eligible employees are entitled to continue coverage, at their own cost. After 10 years of service, the City pays 100% of the retiree's share of the charges. Currently, 25 retirees are enrolled in post retirement health care benefits. These post-retirement benefits are funded on a pay-as-you-go-basis from the General Fund. In 2016, the net cost of premiums for providing post-retirement benefits was \$119,127.

1. Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of January 1, 2015.

Active members	154
Retired members	<u>20</u>
Total membership	<u>174</u>

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

2. Contributions

The annual required contribution amount is determined using actuarial methods and assumptions approved by the City Council. The City Council established and may amend the funding policy for the OPEB Plan.

Schedule of Employer Cost and Contributions:

Annual required contribution	\$ 1,319,906
Interest on Net OPEB obligation	228,341
Adjustment to ARC	<u>(433,592)</u>
Annual OPEB cost	1,114,655
Actual contributions	<u>119,127</u>
Increase in net OPEB obligation	995,528
Net OPEB liability, beginning of year	<u>5,708,528</u>
Net OPEB liability, end of year	<u>\$ 6,704,056</u>

The City's annual OPEB cost, OPEB contribution, percentage of annual OPEB contributed, and net OPEB for the current year and each of the two preceding years were as follows:

<u>Year ended</u>	<u>Annual OPEB Cost</u>	<u>Actual OPEB Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2016	\$ 1,114,655	\$ 119,127	10.69%	\$ 6,704,056
June 30, 2015	1,165,964	92,818	7.96%	5,708,528
June 30, 2014	725,078	84,049	11.59%	4,635,382

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE J - OTHER POST-EMPLOYMENT BENEFITS-CONTINUED

3. OPEB Plan

As of the most recent valuation date, January 1, 2015, the funded status of the OPEB Plan was as follows:

Actuarial Value of Asset	\$ -
Actuarial Accrued Liability (AAL)	9,097,742
Unfunded Actuarial Accrued Liability (UAAL)	9,097,742
Funded Ratio	0.00%
Covered Payroll	6,682,895
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	136.13%

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 continued revision as are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. The required schedule of funding progress immediately following notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability. Actuarial calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

Calculations are based on the plan in effect at July 1, 2014. The assumptions used in the January 1, 2015 actuarial valuation is as follows:

Cost method	Projected Unit Credit
Actuarial asset valuation method	Market Value of Assets
Assumed rate of return on investments	4.0%
Medical cost trend rate	9.0%
Ultimate medical cost trend rate	5.0%
Year of ultimate trend rate	2018
Amortization method	Level dollar, closed
Remaining amortization period	19 years
Payroll inflation rate	3.5%

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE K – FUND EQUITY/DEFICIT

1. **Fund Balances**

Nonspendable- The following fund balance is nonspendable because it is allocated to:

General Fund:

Prepaid items	278,626
Assets held for resale	628,557
Advance to other funds	<u>436,000</u>

Total \$ 1,343,183

Restricted- The following fund balances are restricted for:

General Fund:

Capital equipment purchases	<u>\$ 3,356,784</u>
-----------------------------	---------------------

Special Revenue Funds:

Emergency Telephone- used to account for

funds received from wired or wireless

telecommunication providers.

\$ 35,755

Forfeited Assets- used to account for

funds received from the enforcement of drug

laws.

\$ 340,962

Hotel/Motel Fund- used to account for

occupancy tax collected by area hotels

and motels.

\$ 1,148,550

Capital Projects Fund:

SPLOST- used to account for capital projects

financed with SPLOST.

\$ 2,719,112

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE K – FUND EQUITY/DEFICIT-CONTINUED

Unassigned- The City's policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of an economic downturn or natural disaster.

2. Fund Deficit

At June 30, 2016, the Sanitation and Landfill funds reflected deficit balances of \$1,005,055 and \$174,081, respectively, in the total net position. Management of the City expects to eliminate the deficit of the Sanitation Fund with future transfers from the General Fund. The deficit of the Landfill Fund will be reduced by operating transfers from the General Fund and possible future reduction of postclosure care cost.

NOTE L - CONTINGENCIES

1. 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 arising in the course of City operations. In the opinion of City management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

2. 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 disaster for which the City carries commercial insurance in amounts deemed prudent by City management. There was no significant reduction in insurance coverage during the year. The City has also joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund and to report as promptly as possible and in accordance with any coverage descriptions issued, all incidents which could result in the fund 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 fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is 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. Settlements did not exceed insurance coverage for the past three fiscal years.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE M - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Metropolitan Atlanta Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues, if assessed. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of ARC. Separate financial statements may be obtained from ARC, 200 North Creek, Suite 300, 3715 Northside Parkway, Atlanta, Georgia 30327.

NOTE N - RELATED ORGANIZATION

The City's Mayor is responsible for appointing all board members of the Conyers Housing Authority (the "Authority"). However, the City has no further accountability for the Authority.

NOTE O – HOTEL/MOTEL TAX

The City of Conyers imposes an 8% hotel/motel tax for the purpose of promoting tourism. Expenditures paid with this hotel/motel tax were used to promote tourism as required by O.C.G.A. 48-13-51. A summary of transactions for the fiscal year ended June 30, 2016 is as follows:

2016 tax receipts	\$ 1,297,621
2016 expenditures	
City of Conyers Tourism and Public Affairs	(908,388)
Current year receipts in excess of expenditures	<u>\$ 389,233</u>
Expenditures as a percentage of tax receipts	<u>70.0%</u>

NOTE P – SHORT-TERM DEBT

On June 16, 2016, the City received a \$1.5 million short-term loan from United Community Bank. The City entered into this primary loan for the purpose of paying its current expenses. The loan has a maturity date of December 31, 2016 and an interest rate of 3.5%.

	Balance		Balance	
	June 30, 2015	Additions	Reductions	June 30, 2016
	\$ 1,500,000	\$ 1,500,000	\$ (1,500,000)	\$ 1,500,000

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE Q – BUDGET AND COMPLIANCE INFORMATION

1. General

Annual appropriated budgets are adopted for all funds at the department level. The SPLOST capital projects fund is adopted on the project length basis. Budgets for the enterprise funds are for management control purposes and are not required to be reported. Budgets are adopted on a non-GAAP basis. All unencumbered appropriations lapse at fiscal year end. Expenditures may not legally exceed budgeted appropriations at the department level.

Encumbrances represent commitments related to unfulfilled contracts for goods or services. 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 utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance and are carried forward to the forthcoming year. They do not constitute expenditures or liabilities until the related goods or services are received during the subsequent year. The following process is used by the City in establishing the budgetary data reflected in the financial statements.

Each year, by January 15th for capital budgets and March 15th for operating budgets, all departments of the City submit requests for appropriations to the Chief Financial Officer so that a budget may be prepared. The budget is prepared by department for each fund, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before May 25th, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations. The budget is then approved by an affirmative vote of a majority of the City Council at the first regular meeting following the public hearing, and by June 25th of each year. As expenditures may not legally exceed budgeted appropriations at the department total level, the Chief Financial Officer is authorized to revise appropriations within each department, but may not change total appropriations for a department.

City of Conyers, Georgia

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE Q – BUDGET AND COMPLIANCE INFORMATION-CONTINUED

2. Excess of Expenditures Over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations as follows:

<u>Fund or Department</u>	<u>Excess</u>
General Fund	
Mayor and Council	\$ 59,920
City Manager's Office	11,325
Technology	57,270
Conyers Security Alert	31,983
Police	23,443
Court Services	444
Planning & City Services	53,962
Planning & Inspections	54,195
Debt Service	154,930

These over expenditures were funded by available fund balance. The City will continue to monitor budget versus actual expenditures monthly. When proposed expenditures appear that they will exceed the budget, the City will obtain approval from the City Council for those expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

	For the year ended June 30, 2016		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Budgeted Amounts			
	Original	Final		
Revenues				
Taxes	\$ 10,417,500	\$ 10,022,500	\$ 10,249,712	\$ 227,212
Licenses, permits and fees	203,500	248,500	242,662	(5,838)
Fines and forfeitures	1,172,000	1,172,000	1,126,885	(45,115)
Charges for services	785,000	810,000	850,764	40,764
Other revenues	1,504,488	1,574,488	1,809,208	234,720
Intergovernmental	26,500	26,500	62,921	36,421
Total revenues	14,108,988	13,853,988	14,342,152	488,164
Expenditures				
General government				
Mayor and Council	261,953	249,703	309,623	(59,920)
City Manager's Office	524,821	537,821	549,146	(11,325)
Administration	800,250	734,250	721,753	12,497
Technology	1,230,374	1,230,874	1,288,144	(57,270)
Building maintenance	361,000	386,000	348,098	37,902
Conyers Security Alert	253,978	253,978	285,961	(31,983)
Vehicle maintenance	550,691	488,191	443,887	44,304
Public safety				
Police	4,959,642	4,834,334	4,857,777	(23,443)
Court services	586,792	586,954	587,398	(444)
Communications	74,939	74,939	33,287	41,652
Public works				
Planning & City Services	370,299	351,130	405,092	(53,962)
Planning & Inspections	281,767	281,767	335,962	(54,195)
Landscape services	217,134	219,134	218,299	835
Infrastructure services	640,228	727,478	698,085	29,393

Continued

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND – CONTINUED

For the year ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Cultural/Recreation				
GIHP Administration	305,225	305,225	289,037	16,188
GIHP Maintenance	1,154,195	1,129,195	1,033,573	95,622
GIHP Events	153,000	153,000	138,695	14,305
Nondepartmental	1,092,700	632,700	-	632,700
Debt service	-	30,000	184,930	(154,930)
Total expenditures	<u>13,818,988</u>	<u>13,206,673</u>	<u>12,728,747</u>	<u>477,926</u>
Excess of revenues over expenditures	290,000	647,315	1,613,405	966,090
Other financing sources (uses)				
Sale of capital assets	-	-	2,027	2,027
Transfers in	35,000	35,000	33,293	(1,707)
Transfers out	<u>(325,000)</u>	<u>(575,000)</u>	<u>(679,233)</u>	<u>(104,233)</u>
Total other financing sources (uses)	<u>(290,000)</u>	<u>(540,000)</u>	<u>(643,913)</u>	<u>103,913</u>
Net change in fund balance	-	107,315	969,492	862,177
Fund balance, beginning of year	<u>2,602,096</u>	<u>2,602,096</u>	<u>2,602,096</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,602,096</u>	<u>\$ 2,709,411</u>	<u>\$ 3,571,588</u>	<u>\$ 862,177</u>

**City of Conyers, Georgia
Hotel/Motel Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 923,066	\$ 923,066	\$ 1,297,621	\$ 374,555
Other Revenue	-	-	5,150	5,150
Total revenues	<u>923,066</u>	<u>923,066</u>	<u>1,302,771</u>	<u>379,705</u>
Expenditures				
Cultural/Recreation	923,066	923,066	908,388	14,678
Total expenditures	<u>923,066</u>	<u>923,066</u>	<u>908,388</u>	<u>14,678</u>
Excess of revenues over expenditures	-	-	394,383	394,383
Other financing sources				
Operating transfers in	-	-	33,393	33,393
Total other financing sources	<u>-</u>	<u>-</u>	<u>33,393</u>	<u>33,393</u>
Net change in fund balance	-	-	427,776	427,776
Fund balance, beginning of year	<u>720,774</u>	<u>720,774</u>	<u>720,774</u>	<u>-</u>
Fund balance, end of year	<u>\$ 720,774</u>	<u>\$ 720,774</u>	<u>\$ 1,148,550</u>	<u>\$ 427,776</u>

City of Conyers, Georgia

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

Note A- Reconciliation of GAAP Basis and Budget Basis Amounts

The major difference between the budget basis used by the City and GAAP is that encumbrances are recognized as expenditures (budget) as opposed to reservations of fund balance (GAAP). A reconciliation of net change in fund balance as reported on a budgetary basis to those as reported in accordance with generally accepted accounting principles for the General Fund for the year ended June 30, 2016, is as follows:

	<u>General Fund</u>
Net change in fund balance	\$ 969,492
Decrease in encumbrances	<u>5,191</u>
Net change in fund balance - GAAP basis	<u>\$ 974,683</u>

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

**INFORMATION ABOUT INFRASTRUCTURE ASSETS
REPORTED USING THE MODIFIED APPROACH**

As allowed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments, the City has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the City expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include 144 lane miles of roads that the City is responsible for maintaining.

In order to utilize the modified approach, the City is required to:

- Maintain an asset management system that includes an up-to date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the City.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Measurement Scale of Roads

The City uses the Georgia Department of Transportation Resurfacing Needs Rating Scale to determine the condition of roadway pavements. The scale is used to formally measure and monitor pavement conditions. The rating is determined through visual analysis conducted by experienced crews, as follows:

TYPE OF DISTRESS	PAVEMENT CONDITION (CIRCLE APPROPRIATE SCORE FOR EACH CONDITION)				
	Very Good	Good	Fair	Poor	Very Poor
Transverse Cracking	0	2	4	6	8
Longitudinal Cracking	0	2	4	6	8
Alligator Cracking	0	3	6	9	12
Patching or Potholes	0	2	4	6	8
Rutting	0	1	2	3	4
Edge Raveling	0	1	2	3	4
Roughness	0	1	2	3	4
Oxidation	0	1	2	3	4
Bleeding	0	1	2	3	4
Missing Stone	0	1	2	3	4
TOTAL SCORE PAVEMENT CONDITIONS -					

Overall Rating: 0 - Very Good; 15 – Good; 30 – Fair; 45 – Poor; 60 – Very Poor

City of Conyers, Georgia

REQUIRED SUPPLEMENTARY INFORMATION

**INFORMATION ABOUT INFRASTRUCTURE ASSETS
REPORTED USING THE MODIFIED APPROACH - CONTINUED**

Established Condition Level

The City’s standard is to achieve and maintain at least a fair rating on City roads. No more than 15% of the roads should be rated poor or very poor.

Condition Rating

The City will assess conditions each year. The conditions for the last three assessments:

Assessed Date	Standard Rating	Poor Rating
March 2016	94%	6%
March 2015	98.62%	1.38%
February 2013	99.43%	.57%

Budgeted and Estimated Costs to Maintain

The following table presents the City’s estimate of spending necessary to preserve and maintain the roads at, or above, the “Established Condition Levels” cited above, and the actual amounts spent during the past five fiscal years:

FISCAL YEAR	ESTIMATED SPENDING	ACTUAL SPENDING
2016	\$2,200,000	\$2,673,731
2015	\$2,000,000	\$1,977,451
2014	\$1,500,000	\$670,555
2013	\$400,000	\$109,241
2012	\$600,000	\$83,175

The City determines its program needs annually. The estimated spending provided above are for estimated expenses and commitments relating to appropriate projects at the time of the budget request. Projects may be added, deleted, adjusted, or postponed during the year. The difference between the estimated and actual spending amounts above reflects these changes.

City of Conyers, Georgia

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

OPEB Health Care Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Surplus) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2015	\$ -	\$ 9,097,742	\$ 9,097,742	0.0%	\$ 6,682,895	136.1%
January 1, 2013	-	5,900,573	5,900,573	0.0%	6,648,553	88.7%
January 1, 2011	-	6,071,205	6,071,205	0.0%	6,398,040	94.9%
May 1, 2008	-	7,675,208	7,675,208	0.0%	6,423,670	119.5%

City of Conyers, Georgia

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2016	2015
Total pension liability		
Service cost	311,966	323,849
Interest	1,107,664	1,056,937
Differences between expected and actual experience	942,777	(295,405)
Changes of assumptions	-	(856)
Change of benefit terms	1,475,184	-
Benefit payments, including refunds of employee contributions	(448,912)	(411,057)
Net change in total pension liability	3,388,679	673,468
Total pension liability-beginning	14,516,898	13,843,430
Total pension liability-ending (a)	17,905,577	14,516,898
Plan fiduciary net position		
Contributions-employer	699,640	812,268
Net investment income	123,800	1,183,125
Benefit payments, including refunds of employee contributions	(448,912)	(411,057)
Administrative expenses	(29,972)	(24,375)
Net change in plan fiduciary net pension	344,556	1,559,961
Plan fiduciary net position-beginning	11,816,704	10,256,743
Plan fiduciary net position-ending (b)	12,161,260	11,816,704
City's net pension liability- ending (a) - (b)	5,744,317	2,700,194
Plan fiduciary net position as a percentage of the total pension liability	67.9%	81.4%
Covered- employee payroll	7,762,963	6,717,738
City's net pension liability as a percentage of covered employee payroll	74.0%	40.2%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

City of Conyers, Georgia

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

	2016	2015	2014
Actuarially determined contribution	\$ 643,450	\$ 718,370	\$ 843,568
Contributions in relation to the actuarially determined contribution	643,450	718,370	843,568
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	7,762,963	6,717,738	6,895,309
Contributions as a percentage of Covered-employee payroll	8.3%	10.7%	12.2%

Notes to the Schedule

Valuation date	January 1, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Amortization period	Remaining amortization period varies for the base, with a net effective amortization period of 14 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value for 2014 and later years.
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.25% plus service based merit increases

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS AND

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

**City of Conyers, Georgia
Nonmajor Governmental Funds**

**COMBINING BALANCE SHEET
June 30, 2016**

	Special Revenue		Total
	Emergency Telephone	Forfeited Assets	Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,006	\$ 348,016	\$ 349,022
Receivables - net of allowances for uncollectible accounts			
Accounts	50,011	-	50,011
Total assets	<u>\$ 51,017</u>	<u>\$ 348,016</u>	<u>\$ 399,033</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 3,998	\$ 3,998
Accrued salaries	2,872	-	2,872
Due to other funds	12,390	3,056	15,446
Total liabilities	15,262	7,054	22,316
Fund balances:			
Restricted	35,755	340,962	376,717
Total fund balances	<u>35,755</u>	<u>340,962</u>	<u>376,717</u>
Total liabilities and fund balances	<u>\$ 51,017</u>	<u>\$ 348,016</u>	<u>\$ 399,033</u>

**City of Conyers, Georgia
Nonmajor Governmental Funds**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended June 30, 2016

	Special Revenue		Total Nonmajor Governmental Funds
	Emergency Telephone	Forfeited Assets	
Revenues			
Fines and forfeitures	\$ -	\$ 162,805	\$ 162,805
Charges for services	388,061	-	388,061
Total revenues	388,061	162,805	550,866
Expenditures			
Current			
Public safety	603,974	134,480	738,454
Total expenditures	603,974	134,480	738,454
Excess (deficiency) of expenditures over (under) revenues	(215,913)	28,325	(187,588)
Other financing sources			
Transfers in: General Fund	234,378	-	234,378
Total other financing sources	234,378	-	234,378
Net change in fund balances	18,465	28,325	46,790
Fund balance, beginning of year	17,290	312,637	329,927
Fund balance, end of year	\$ 35,755	\$ 340,962	\$ 376,717

**City of Conyers, Georgia
Emergency Telephone Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services:				
Emergency 911 charges	\$ 355,000	\$ 355,000	\$ 388,061	\$ 33,061
Total revenues	<u>355,000</u>	<u>355,000</u>	<u>388,061</u>	<u>33,061</u>
Expenditures				
Public safety				
Communications administration	636,712	636,712	603,974	32,738
Total expenditures	<u>636,712</u>	<u>636,712</u>	<u>603,974</u>	<u>32,738</u>
Deficiency of revenues under expenditures	(281,712)	(281,712)	(215,913)	65,799
Other financing sources				
Transfers in	281,712	281,712	234,378	(47,334)
Total other financing sources	<u>281,712</u>	<u>281,712</u>	<u>234,378</u>	<u>(47,334)</u>
Net change in fund balance	-	-	18,465	18,465
Fund balance, beginning of year	<u>17,290</u>	<u>17,290</u>	<u>17,290</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,290</u>	<u>\$ 17,290</u>	<u>\$ 35,755</u>	<u>\$ 18,465</u>

**City of Conyers, Georgia
Forfeited Assets Fund**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL**

For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 130,000	\$ 130,000	\$ 162,805	\$ 32,805
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>162,805</u>	<u>32,805</u>
Expenditures				
Public safety	<u>130,000</u>	<u>187,223</u>	<u>134,480</u>	<u>52,743</u>
Total expenditures	<u>130,000</u>	<u>187,223</u>	<u>134,480</u>	<u>52,743</u>
Excess (deficiency) of revenues over (under) expenditures	-	(57,223)	28,325	85,548
Fund balance, beginning of year	<u>312,637</u>	<u>312,637</u>	<u>312,637</u>	<u>-</u>
Fund balance, end of year	<u>\$ 312,637</u>	<u>\$ 255,414</u>	<u>\$ 340,962</u>	<u>\$ 85,548</u>

City of Conyers, Georgia

**SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS –
2011 ISSUE**

For the year ended June 30, 2016

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Hardin/O'Kelley Complete Street	\$ 902,000	\$ 902,000	\$ 237,174	\$ 275,499	\$ 512,673
Green/Open Space	1,500,000	1,500,000	51,411	37,569	88,980
North Street/Barton/Railroad	585,000	585,000	1,312,600	2,075	1,314,675
Irwin Bridge	600,000	600,000	375,464	2,567,320	2,942,784
Pine Log Road	216,000	216,000	262	-	262
Bryant Street	521,000	521,000	750	-	750
Centennial Parkway	400,000	400,000	337	-	337
Scott/Green/Main/Pinelog	600,000	600,000	2,726	-	2,726
Sigman @ East Park/Sarasota	540,000	540,000	246,435	-	246,435
Eastview Road	850,000	850,000	242,027	7,892	249,919
Striping	35,000	35,000	56,372	900	57,272
Resurfacing	2,000,000	2,000,000	149,608	106,414	256,022
Public Safety Vehicles & Towers	1,500,000	1,500,000	2,388,527	3,416,175	5,804,702
Total	<u>\$ 10,249,000</u>	<u>\$ 10,249,000</u>	<u>\$ 5,063,693</u>	6,413,844.00	<u>\$ 11,477,537</u>

Debt service expenditures already
included in amounts above
Total SLOST Fund Expenditures

603,733
603,733
\$ 7,017,577

City of Conyers, Georgia

BALANCE SHEET
COMPONENT UNITS

June 30, 2016

	<u>The Conyers Downtown Development Authority</u>	<u>Main Street Foundation</u>
ASSETS		
Cash and cash equivalents	\$ 38,084	\$ -
Receivables	159,491	-
Prepaid items	387	-
Assets held for resale	<u>125,482</u>	<u>-</u>
Total assets	<u><u>323,444</u></u>	<u><u>-</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Loans payable	<u>361,657</u>	<u>-</u>
Total liabilities	361,657	-
Fund balances (deficit):		
Unassigned	<u>(38,213)</u>	<u>-</u>
Total fund balances (deficit)	<u>(38,213)</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ 323,444</u></u>	<u><u>\$ -</u></u>

City of Conyers, Georgia

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS**

For the year ended June 30, 2016

	<u>The Conyers Downtown Development Authority</u>	<u>Main Street Foundation</u>
Revenues		
Rental income	\$ 28,400	\$ -
Interest income	5,369	-
Total revenues	33,769	-
Expenditures		
Current		
Development	27,554	-
Cultural/Recreation	-	33,393
Debt service		
Interest	15,950	-
Total expenditures	43,504	33,393
Net change in fund balances	(9,735)	(33,393)
Fund balance (deficit), beginning of year	(28,478)	33,393
Fund balance (deficit), end of year	\$ (38,213)	\$ -

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

June 30,

	<u>2016</u>	<u>2015</u>
Governmental funds capital assets:		
Land	\$ 11,578,619	\$ 11,579,205
Building	8,709,363	8,760,963
Improvements	28,687,623	27,202,405
Infrastructure	250,000	250,000
Construction in Progress	4,153,826	3,448,692
Equipment	<u>15,584,919</u>	<u>11,061,426</u>
Total governmental funds capital assets	<u>\$ 68,964,350</u>	<u>\$ 62,302,691</u>
Investments in governmental funds capital assets by source:		
Acquired prior to 1993	\$ 4,231,237	\$ 4,231,237
General fund	26,018,323	22,518,855
Special revenues funds	759,213	759,213
Capital projects fund	9,686,959	6,524,768
Enterprise fund	28,018,618	28,018,618
Donations	<u>250,000</u>	<u>250,000</u>
Total governmental funds capital assets	<u>\$ 68,964,350</u>	<u>\$ 62,302,691</u>

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2016

Function and Activity	Land	Buildings	Improvements	Infrastructure	Equipment	Construction in Progress	Total
General government:							
Administrative	\$ 2,439,622	\$ 346,899	\$ 379,518	\$ -	\$ 444,856	\$ -	\$ 3,610,895
Technology	-	-	-	-	1,502,379	-	1,502,379
Conyers' Commerce Center	100,000	-	-	-	-	-	100,000
Security alert	-	-	-	-	175,337	-	175,337
Total general government	2,539,622	346,899	379,518	-	2,122,572	-	5,388,611
Public safety:							
Police department	-	622,635	1,350	-	9,719,715	-	10,343,700
Fire	-	141,126	-	-	-	-	141,126
Total public safety	-	763,761	1,350	-	9,719,715	-	10,484,826
Public works	2,130,291	2,232,045	5,773,957	250,000	2,148,620	3,890,090	16,425,003
Total public works	2,130,291	2,232,045	5,773,957	250,000	2,148,620	3,890,090	16,425,003
Cultural/Recreation:							
Horse Park	6,651,706	4,374,051	22,532,798	-	902,231	76,631	34,537,417
Tourism	257,000	992,607	-	-	691,781	187,105	2,128,493
Total cultural/recreation	6,908,706	5,366,658	22,532,798	-	1,594,012	263,736	36,665,910
Total	\$ 11,578,619	\$ 8,709,363	\$ 28,687,623	\$ 250,000	\$ 15,584,919	\$ 4,153,826	\$ 68,964,350

City of Conyers, Georgia

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the fiscal year ended June 30, 2016

<u>Function and Activity</u>	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2016</u>
General government:				
Administrative	\$ 3,618,495	\$ -	\$ (7,600)	\$ 3,610,895
Technology	1,277,096	225,283	-	1,502,379
Conyers' Commerce Center	100,000	-	-	100,000
Security alert	175,337	-	-	175,337
Total general government	<u>5,170,928</u>	<u>225,283</u>	<u>(7,600)</u>	<u>5,388,611</u>
Public safety:				
Police department	7,119,609	3,271,140	(47,049)	10,343,700
Fire	<u>141,126</u>	<u>-</u>	<u>-</u>	<u>141,126</u>
Total public safety	<u>7,260,735</u>	<u>3,271,140</u>	<u>(47,049)</u>	<u>10,484,826</u>
Public works	<u>13,306,812</u>	<u>3,162,777</u>	<u>(44,586)</u>	<u>16,425,003</u>
Total public works	<u>13,306,812</u>	<u>3,162,777</u>	<u>(44,586)</u>	<u>16,425,003</u>
Cultural/Recreation:				
Horse Park	34,435,723	101,694	-	34,537,417
Tourism	<u>2,128,493</u>	<u>-</u>	<u>-</u>	<u>2,128,493</u>
Total cultural/recreation	<u>36,564,216</u>	<u>101,694</u>	<u>-</u>	<u>36,665,910</u>
Total	<u>\$ 62,302,691</u>	<u>\$ 6,760,894</u>	<u>\$ (99,235)</u>	<u>\$ 68,964,350</u>

STATISTICAL SECTION

This part of the City's comprehensive 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 government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.</i>	89-96
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	97-103
Debt Capacity <i>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.</i>	104-106
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	107-109
Operating Information <i>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.</i>	110-112

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year.

City of Conyers, Georgia

Net Position by Component
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in capital assets	\$ 24,314,961 (1)	\$ 24,601,917	\$ 24,676,592	\$ 25,270,255	\$ 24,700,491	\$ 23,519,921	\$ 22,455,361	\$ 22,755,460	\$ 25,480,668	\$ 28,910,011
Restricted	3,430,288	3,304,303	2,830,625	329,878 (7)	1,567,846	3,246,289 (12)	4,617,499 (13)	5,910,415 (15)	5,188,998	3,903,417
Unrestricted	1,473,530	2,657,240 (6)	3,079,994	3,234,527	(1,559,516) (9)	(2,785,802)	(4,867,885) (14)	(5,745,717) (16)	(9,206,666) (18)	(10,479,084)
Subtotal Governmental Activities Net Position	<u>\$ 29,218,779</u>	<u>\$ 30,563,460</u>	<u>\$ 30,587,211</u>	<u>\$ 28,834,660</u>	<u>\$ 24,708,821</u>	<u>\$ 23,980,408</u>	<u>\$ 22,204,975</u>	<u>\$ 22,920,158</u>	<u>\$ 21,463,000</u>	<u>\$ 22,334,344</u>
Business-type Activities										
Net Investment in capital assets	\$ 1,787,556 (2)	\$ 1,724,454	\$ 1,048,511	\$ 1,035,720	\$ 4,941,417 (10)	\$ 5,223,699	\$ 5,013,768	\$ 4,745,179	\$ 4,653,027	\$ 4,295,668
Restricted	766,383 (3)	712,805	-	-	-	-	-	-	-	-
Unrestricted	(2,210,434)	(1,883,514)	(421,912)	(330,652)	(1,842,613)	(2,635,311)	(1,962,899)	(1,386,978) (17)	(1,823,288) (19)	(2,177,794)
Subtotal Business-type Activities Net Position	<u>\$ 343,505</u>	<u>\$ 553,745</u>	<u>\$ 626,599</u>	<u>\$ 705,068</u>	<u>\$ 3,098,804</u>	<u>\$ 2,588,388</u>	<u>\$ 3,050,869</u>	<u>\$ 3,358,201</u>	<u>\$ 2,829,739</u>	<u>\$ 2,117,874</u>
Primary Government										
Net Investment in capital assets	\$ 26,102,517 (4)	\$ 26,326,371	\$ 25,725,103	\$ 26,305,975	\$ 29,641,908 (11)	\$ 28,743,620	\$ 27,469,129	\$ 27,500,639	\$ 30,133,695	\$ 33,205,679
Restricted	4,196,671 (5)	4,017,108	2,830,625	329,878 (8)	1,567,846	3,246,289	4,617,499	5,910,415	5,188,998	3,903,417
Unrestricted	(736,904)	773,726	2,658,082	2,903,875	(3,402,129)	(5,421,113)	(6,830,784)	(7,132,695)	(11,029,954)	(12,656,878)
Total Primary Government Net Position	<u>\$ 29,562,284</u>	<u>\$ 31,117,205</u>	<u>\$ 31,213,810</u>	<u>\$ 29,539,728</u>	<u>\$ 27,807,625</u>	<u>\$ 26,568,796</u>	<u>\$ 25,255,844</u>	<u>\$ 26,278,359</u>	<u>\$ 24,292,739</u>	<u>\$ 24,452,218</u>

(1) The increase from prior period is mainly due to construction of barns at the GHIP.

(2) The increase from prior period is mainly due to the completion of a \$1 million stormwater project on College Avenue.

(3) The decrease from prior period is due to the City using the restricted cash funds on the stormwater projects (see (2) above).

(4) See explanations at (1) and (2).

(5) See explanation at (3).

(6) The increase from prior period is mainly due to an increase in property taxes, occupational taxes, and SPLOST.

(7) The decrease from prior year is mainly due to reclassing \$2.5 million restricted for capital equipment purchases to invested in capital assets net of related debt.

(8) See explanation at (7).

(9) The decrease is due to the City implementing GASB 54 in fiscal year 2011.

(10) The increase is due to the City taking over Cherokee Run Golf Course, which had \$4.2 million of capital assets.

(11) See explanation at (10).

(12) The increase is due to the City receiving 2011 Splost funds in fiscal year 2012.

(13) The increase is due to the City receiving 2011 Splost funds for twelve months in fiscal year 2013.

(14) The increase is due to transfer from General Fund to other funds.

(15) The increase is mainly due to increase in SPLOST funds.

(16) See explanation at (15).

(17) The decrease is due to the decreased amount of transfers from General Fund to other funds.

(18) The increase is mainly due to prior period adjustment of \$2.6 million for net pension liability related to GASB 68.

(19) The increase is mainly due to prior period adjustment of nearly \$325,000 for net pension liability related to GASB 68.

City of Conyers, Georgia

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 4,958,543 (1)	\$ 3,541,577 (5)	\$ 3,487,979	\$ 4,124,636 (11)	\$ 3,984,947	\$ 4,221,525	\$ 3,924,921	\$ 4,107,043	\$ 4,212,428	\$ 4,150,858
Public safety and communications	4,115,435	4,431,729	5,548,570 (9)	5,960,899	6,079,027	6,345,778	6,118,795	6,461,550	5,433,072	4,637,265
Public works	542,304 (2)	3,558,120 (6)	2,905,316 (10)	4,027,715 (12)	3,229,666	2,596,497	2,796,180	2,423,455	3,545,845	5,863,799
Culture and recreation	4,889,715 (3)	3,751,736 (7)	4,103,848	3,837,541	3,728,216	3,714,132	3,629,157	3,563,062	3,241,830	2,754,995
Interest on long-term debt	527,848	685,179	537,622	476,008	403,522	336,987	255,641	237,704	207,113	233,592
Total governmental activities expenses	<u>15,033,845</u>	<u>15,968,341</u>	<u>16,583,335</u>	<u>18,426,799</u>	<u>17,425,378</u>	<u>17,214,919</u>	<u>16,724,694</u>	<u>16,792,814</u>	<u>16,640,288</u>	<u>17,640,509</u>
Business-type activities:										
Sanitation	1,066,845	1,139,270	1,247,683	1,334,470	1,331,313	1,409,559	1,307,687	1,471,989	1,523,651	1,614,080
Landfill	147,238	56,117	56,596	78,520	47,982	39,569	50,858	162,401	44,856	84,974
Stormwater	314,796	514,395	339,260	370,870	395,936	392,300	471,356	459,985	480,350	569,204
Golf	-	-	-	-	1,534,772 (15)	1,433,827	1,585,896	1,497,626	1,536,448	1,631,408
Total business-type activities expenses	<u>1,528,879</u>	<u>1,709,782</u>	<u>1,643,539</u>	<u>1,783,860</u>	<u>3,310,003</u>	<u>3,275,255</u>	<u>3,415,797</u>	<u>3,592,001</u>	<u>3,585,305</u>	<u>3,899,666</u>
Total primary government expenses	<u>\$ 16,562,724</u>	<u>\$ 17,678,123</u>	<u>\$ 18,226,874</u>	<u>\$ 20,210,659</u>	<u>\$ 20,735,381</u>	<u>\$ 20,490,174</u>	<u>\$ 20,140,491</u>	<u>\$ 20,384,815</u>	<u>\$ 20,225,593</u>	<u>\$ 21,540,175</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 515,613	\$ 517,796	\$ 468,001	\$ 469,365	\$ 503,895	\$ 501,379	\$ 560,139	\$ 555,137	\$ 580,143	\$ 583,679
Public safety and communications	1,895,094	1,902,106	1,648,268	1,844,407	1,521,489	1,626,044	1,713,771	2,214,514	1,897,293	1,984,125
Public works	588,068	306,414	129,086	112,606	81,934	100,690	140,466	159,605	131,305	201,131
Cultural/recreation	1,099,480	1,281,316	1,227,102	1,202,155	1,195,825	1,184,757	1,018,126	1,238,151	1,152,913	1,167,428
Operating grants and contributions	199,822	214,125	306,664	700,305	489,458	407,654	198,835	70,926	51,414	83,121
Capital grants and contributions	-	-	-	2,014,842 (13)	1,192,848 (16)	2,231,838	2,114,912	2,281,163	2,453,494	2,430,313
Total governmental activities program revenues	<u>4,298,077</u>	<u>4,221,757</u>	<u>3,779,121</u>	<u>6,343,680</u>	<u>4,985,449</u>	<u>6,052,362</u>	<u>5,746,249</u>	<u>6,519,496</u>	<u>6,266,562</u>	<u>6,449,797</u>
Business-type activities:										
Charges for services:										
Sanitation	1,051,199	1,195,655	1,195,998	1,204,127	1,217,169	1,223,559	1,235,550	1,234,781	1,275,119	1,275,689
Stormwater	414,318	424,537	446,141	454,959	483,964	473,346	481,885	479,833	470,899	451,824
Golf	-	-	-	-	475,905 (17)	1,048,641	1,032,531	1,205,918	1,296,996	1,304,371
Operating grants and contributions	-	136,296	-	25,000	1,628,536	-	-	-	-	-
Total business-type activities program revenues	<u>1,465,517</u>	<u>1,756,488</u>	<u>1,642,139</u>	<u>1,684,086</u>	<u>3,805,574</u>	<u>2,745,546</u>	<u>2,749,966</u>	<u>2,920,532</u>	<u>3,043,014</u>	<u>3,031,884</u>
Total primary government program revenues	<u>\$ 5,763,594</u>	<u>\$ 5,978,245</u>	<u>\$ 5,421,260</u>	<u>\$ 8,027,766</u>	<u>\$ 8,791,023</u>	<u>\$ 8,797,908</u>	<u>\$ 8,496,215</u>	<u>\$ 9,440,028</u>	<u>\$ 9,309,576</u>	<u>\$ 9,481,681</u>

(Continued)

City of Conyers, Georgia

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	\$ (10,735,768)	\$ (11,746,584)	\$ (12,804,214)	\$ (12,083,119)	\$ (12,439,929)	\$ (11,162,557)	\$ (10,978,445)	\$ (10,273,318)	\$ (10,373,726)	\$ (11,190,712)
Business-type activities	(63,362)	46,706	(1,400)	(99,774)	495,571	(529,709)	(665,831)	(671,469)	(542,291)	(867,782)
Total primary government net expenses	\$ (10,799,130)	\$ (11,699,878)	\$ (12,805,614)	\$ (12,182,893)	\$ (11,944,358)	\$ (11,692,266)	\$ (11,644,276)	\$ (10,944,787)	\$ (10,916,017)	\$ (12,058,494)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,096,930	\$ 5,572,416	\$ 5,775,513	\$ 5,606,548	\$ 5,538,373	\$ 5,362,510	\$ 5,202,127	\$ 6,303,458 (25)	\$ 6,003,839	\$ 6,083,037
Other taxes	(4) 5,799,634	6,505,320 (8)	6,168,140	4,166,029 (14)	4,252,994	4,438,287	4,480,208	4,835,044	5,226,317	5,450,990
Interest and investment earnings	581,095	655,450	585,475	250,620	211,654	204,755	208,806	214,345	219,064	221,307
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	418,167	414,771	332,970	398,052	173,989	418,689	203,162	320,552	394,031	438,816
Transfers	(142,288)	(56,692)	(34,133)	(90,681)	(1,862,920) (18)	9,903 (20)	(891,291) (22)	(684,898)	(297,617) (26)	(132,094)
Total governmental activities	11,753,538	13,091,265	12,827,965	10,330,568	8,314,090	10,434,144	9,203,012	10,988,501	11,545,634	12,062,056
Business-type activities:										
Interest and investment earnings	111,844	67,560	18,666	14,210	1,833	1,498	-	-	-	55
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	103,066	39,282	21,455	73,352	33,412	27,698	237,021 (23)	293,903	41,152 (27)	23,768
Transfers	142,288	56,692	34,133	90,681	1,862,920 (19)	(9,903) (21)	891,291 (24)	684,898	297,617 (28)	132,094
Total business-type activities	357,198	163,534	74,254	178,243	1,898,165	19,293	1,128,312	978,801	338,769	155,917
Total primary government	\$ 12,110,736	\$ 13,254,799	\$ 12,902,219	\$ 10,508,811	\$ 10,212,255	\$ 10,453,437	\$ 10,331,324	\$ 11,967,302	\$ 11,884,403	\$ 12,217,973
Change in Net Position										
Governmental activities	\$ 1,017,770	\$ 1,344,681	\$ 23,751	\$ (1,752,551)	\$ (4,125,839)	\$ (728,413)	\$ (1,775,433)	\$ 715,183	\$ 1,171,908	\$ 871,344
Business-type activities	293,836	210,240	72,854	78,469	2,393,736	(510,416)	462,481	307,332	(203,522)	(711,865)
Total primary government	\$ 1,311,606	\$ 1,554,921	\$ 96,605	\$ (1,674,082)	\$ (1,732,103)	\$ (1,238,829)	\$ (1,312,952)	\$ 1,022,515	\$ 968,386	\$ 159,479

(1) The increase from prior period is mainly due to a \$1.7 million loss on the sale of land.

(2) The decrease from prior period is mainly due to reclassifying the public works building to capital assets.

(3) The increase from prior period is mainly due to the construction of barns at the GHPP costing approximately \$2.4 million.

(4) The increase from prior period is due to the City receiving SPLOST proceeds for the entire fiscal year versus three months in the prior year.

(5) The decrease from prior period is mainly due to a \$1.7 million loss on the sale of land.

(6) The increase from prior period is mainly due to several new road resurfacing projects.

(7) The decrease from prior period is mainly due to the construction of barns at the GHPP

in FY 2007 costing approximately \$2.4 million.

(8) The increase from prior period is mainly due to the increase in SPLOST proceeds.

(9) The increase from prior period is mainly due to the increase in salaries, retiree payouts, the renovation

of the court services building, and the purchase of furniture for communications from grant funds.

(10) The decrease from prior year is due to fewer road projects in the current year.

(11) The increase from prior year is mainly due to a \$241,000 contribution to DDA and purchases of technology equipment upgrades totaling approximately \$200,000.

(12) The increase from prior year is mainly due to the increased road resurfacing projects totaling approximately \$724,000.

(13) The increase from prior year is due to reclassifying sales tax proceeds from other taxes to capital grants and contributions.

(14) See explanation at (13).

(15) The increase is due to the City taking over Cherokee Run Golf Course in fiscal year 2011.

(16) The decrease is mainly due to the City not receiving as many federal grants for the police department.

(17) The increase is due to the City taking over Cherokee Run Golf Course in fiscal year 2011.

(18) The general government transferred \$1.9 million of land to the Golf Course.

(19) The City took over Cherokee Run Golf Course and received \$3.5 million in contributed capital.

(20) The increase is due to the City transferring \$1.9 million to Golf Fund in fiscal year 2011.

(21) See explanation at (20).

(22) The increase is due to General Fund transfers to Sanitation and Golf Funds.

(23) The increase is mainly due to sale of timber in Golf Fund and intergovernmental revenue of \$121,737 in Stormwater Fund.

(24) See explanation at (22).

(25) The increase is due to the increased tax millage rate in FY 2014.

(26) The decrease is due to General Fund reducing the amount of transfers to Golf and Sanitation Funds.

(27) In FY 14, Sanitation Fund sold equipment to Pratt with the realignment of the fund.

(28) See explanation at (26).

City of Conyers, Georgia

**Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)**

Fiscal Year	Property Tax	Franchise Tax	Hotel-Motel Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Occupational Tax	Sales Tax	Other Taxes	Total
2007	5,096,930	1,271,367	644,839	576,860	560,102	503,049	1,758,726	484,691	10,896,564
2008	5,572,416	1,469,528	580,227	588,944	584,249	491,660	2,285,451	505,261	12,077,736
2009	5,775,513	1,435,988	695,348	542,949	598,244	467,372	2,005,115	423,124	11,943,653
2010	5,606,548	1,383,598	652,881	572,443	592,632	490,303	-	(2) 474,172	9,772,575
2011	5,538,373	1,426,488	720,180	593,498	575,408	475,937	-	461,483	9,791,367
2012	5,362,510	1,477,040	710,976	603,568	712,709	483,379	-	450,615	9,800,797
2013	5,202,127	1,372,350	766,031	565,363	757,016	453,832	-	565,616	9,682,335
2014	6,303,458	1,396,541	894,325	570,520	783,818	554,099	-	635,741	11,138,502
2015	6,003,839	1,461,744	1,124,539	605,538	819,539	584,251	-	630,706	11,230,156
2016	6,083,037	1,460,739	1,297,621	614,275	875,543	591,985	-	610,827	11,534,027

(1) First year of tax

(2) Reclassed sales taxes to capital grants and contributions.

City of Conyers, Georgia

**Fund Balances, Governmental Funds
Fiscal Years 2006-2010
(modified accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 3,107,618	\$3,477,445	\$3,250,577	\$3,214,320	\$3,313,153
Unreserved	2,209,656	1,318,745	2,452,673	2,222,064	1,659,386
Total general fund	(1) <u>\$ 5,317,274</u> (3)	<u>\$4,796,190</u>	<u>\$5,703,250</u> (5)	<u>\$5,436,384</u>	<u>\$4,972,539</u> (6)
All Other Governmental Funds					
Reserved	\$ 355,276	\$348,641	\$268,105	\$288,764	\$298,861
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	(2) 5,689,003 (4)	5,963,937	5,908,955	5,640,503	4,318,591
Total all other governmental funds	<u>\$ 6,044,279</u>	<u>\$6,312,578</u>	<u>\$6,177,060</u>	<u>\$5,929,267</u>	<u>\$4,617,452</u> (7)

(1) The increase from the prior period is mainly attributable to an increase in property taxes, which generated an additional \$1.3 million in general fund revenues.

(2) The increase from the prior period is due to the Capital projects fund being established in 2005. The City received a \$4.2 million advance from Rockdale County for bond proceeds from the 2005 SPLOST general obligation bonds.

(3) The increase from prior period is due to a property tax revenue increase of \$682,623 and \$1.06 million sale of capital assets.

(4) The increase from prior period is due to the City receiving SPLOST proceeds for the entire fiscal year versus three months in the prior year.

(5) The increase from prior period is mainly due to an increase in property taxes.

(6) The decrease from prior period is mainly due to overall increase in expenditures with revenues remaining constant.

(7) The decrease from prior period is mainly due to increased road resurfacing projects.

City of Conyers, Georgia

**Fund Balances, Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund						
Nonspendable	\$ 1,634,996	\$ 1,791,096	\$ 2,093,559	\$ 1,053,951 (1)	\$ 1,123,961	\$ 1,343,183
Restricted	2,178,122	2,445,528	2,331,074	2,877,260	3,194,981	3,356,784
Assigned	46,927	39,852	44,318	-	-	-
Unassigned	159,994	(882,893)	(2,653,264)	(1,739,918) (2)	(1,716,846)	(1,123,188)
Total General fund	<u>\$ 4,020,039</u>	<u>\$ 3,393,583</u>	<u>\$ 1,815,687</u>	<u>\$ 2,191,293</u>	<u>\$ 2,602,096</u>	<u>\$ 3,576,779</u>
All Other Governmental Funds						
Nonspendable	\$ -	\$ -	\$ 36,679	\$ -	\$ -	\$ -
Restricted, reported in:						
Special revenue funds	97,556	97,505	309,758	811,859	1,050,701	1,525,267
Capital projects fund	1,377,476	3,148,784	4,307,741	5,134,504 (3)	4,155,587 (4)	2,719,112 (5)
Unassigned, reported in:						
Special revenue funds	(61,469)	(66,491)	(27,932)	-	-	-
Total all other governmental funds	<u>\$ 1,413,563</u>	<u>\$ 3,179,798</u>	<u>\$ 4,626,246</u>	<u>\$ 5,946,363</u>	<u>\$ 5,206,288</u>	<u>\$ 4,244,379</u>
Total all governmental funds	<u>\$ 5,433,602</u>	<u>\$ 6,573,381</u>	<u>\$ 6,441,933</u>	<u>\$ 8,137,656</u>	<u>\$ 7,808,384</u>	<u>\$ 7,821,158</u>

Note: GASB 54 was implemented during fiscal year 2011.

(1) The decrease from the prior period is due to decrease in advances from General Fund to other funds.

(2) See explanation at (1) above.

(3) The increase from prior period is due to increased SPLOST funds.

(4) The decrease from prior period is due to decreased capital projects.

(5) The decrease from prior period is due to decreased capital projects.

City of Conyers, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 10,936,275	\$ 11,998,621 (6)	\$ 11,875,594	\$ 9,681,700 (8)	\$ 9,881,737	\$ 9,835,558	\$ 9,583,462	\$ 11,211,596 (18)	\$ 11,315,333	\$ 11,547,333
Licenses, permits and fees	593,775	332,966	146,295	123,741	100,896	112,756	169,120	201,353	183,216	242,662
Fines and forfeitures	1,452,457	1,338,972	1,149,604	1,336,108	1,102,267	1,249,661	1,312,721	1,561,740	1,255,342	1,289,690
Charges for services	923,280	1,045,544	976,835	926,960	952,807	933,455	1,041,309	1,159,497	1,214,686	1,238,825
GIHP Revenue	(2) 1,099,480	1,281,316	1,227,102	1,124,435	1,155,305	1,184,757	1,018,126	1,238,151	1,152,913	1,167,428
Other revenue	1,006,283 (3)	1,084,218	934,721	971,717	432,515	533,367	426,316	550,310	577,836	684,927
Contributions and donations	1,035	-	-	-	-	-	-	-	-	-
Intergovernmental	191,764	200,128	290,389	2,469,822 (9)	1,665,259 (12)	2,454,278	2,299,399	2,336,674	2,484,858	2,488,630
Total revenues	<u>\$ 16,204,349</u>	<u>\$ 17,281,765</u>	<u>\$ 16,600,540</u>	<u>\$ 16,634,483</u>	<u>\$ 15,290,786</u>	<u>\$ 16,303,832</u>	<u>\$ 15,850,453</u>	<u>\$ 18,259,321</u>	<u>\$ 18,184,184</u>	<u>\$ 18,659,495</u>
Expenditures										
General government	\$ 3,312,032	\$ 3,702,488	\$ 3,698,449	\$ 4,061,255	\$ 3,996,680	\$ 4,118,863	\$ 3,734,950	\$ 3,918,365	\$ 4,066,131	\$ 3,939,216
Public safety	4,158,576	4,671,451	5,155,913	5,808,121 (10)	5,722,335	5,887,296	5,899,125	5,945,499	5,944,956	6,198,922
Public works	1,486,666	1,816,615	2,009,961	1,885,396	1,903,295	1,700,729	1,465,243	1,574,561	1,609,048	1,681,394
Cultural/Recreation	4,749,929 (4)	2,731,965 (7)	2,873,212	2,584,946	2,640,609	2,400,442	2,272,731	2,227,377	2,459,656	2,365,936
Georgia International Horse Park										
Capital outlay	1,471,152 (5)	1,718,215	1,487,267	2,294,433 (11)	3,264,664 (13)	546,870 (14)	955,955 (15)	1,454,400	3,432,411 (19)	6,413,844 (21)
Debt service:										
Principal	734,647	1,303,758	1,390,548	1,521,936	1,647,244	571,629	503,144	529,708	517,678	555,071
Interest	512,306	528,227	478,716	419,144	348,700	294,189	275,774	244,096	213,678	233,592
Total expenditures	<u>\$ 16,425,308</u>	<u>\$ 16,472,719</u>	<u>\$ 17,094,066</u>	<u>\$ 18,575,231</u>	<u>\$ 19,523,527</u>	<u>\$ 15,520,018</u>	<u>\$ 15,106,922</u>	<u>\$ 15,894,006</u>	<u>\$ 18,243,558</u>	<u>\$ 21,387,975</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (220,959)	\$ 809,046	\$ (493,526)	\$ (1,940,748)	\$ (4,232,741)	\$ 783,814	\$ 743,531	\$ 2,365,315	\$ (59,374)	\$ (2,728,480)

(Continued)

City of Conyers, Georgia

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (uses)										
Proceeds from capital leases	\$ -	\$ -	\$ -	\$ 236,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,871,321 (22)
Sale of capital assets	110,462	19,188	13,000	19,404	23,695	346,062	16,312 (16)	15,306	27,719	2,027
Transfers in	462,217	432,883	393,921	447,107	672,028	360,784	397,651	366,126	262,747	547,139
Transfers out	(604,505)	(489,575)	(428,054)	(537,788)	(619,371)	(350,881)	(1,288,942) (17)	(1,051,024)	(560,364) (20)	(679,233)
Total other financing sources (uses)	<u>\$ (31,826)</u>	<u>\$ (37,504)</u>	<u>\$ (21,133)</u>	<u>\$ 165,088</u>	<u>\$ 76,352</u>	<u>\$ 355,965</u>	<u>\$ (874,979)</u>	<u>\$ (669,592)</u>	<u>\$ (269,898)</u>	<u>\$ 2,741,254</u>
Net change in fund balances	\$ (252,785)	\$ 771,542	\$ (514,659)	\$ (1,775,660)	\$ (4,156,389)	\$ 1,139,779	\$ (131,448)	\$ 1,695,723	\$ (329,272)	\$ 12,774
Debt service as a percentage of noncapital expenditures	10.21%	12.21%	12.36%	11.37%	12.26%	5.85%	5.42%	5.34%	4.98%	5.39%

(1) Amount included \$4.2 million advance from Rockdale County.

(2) GIHP revenue was included in other revenue in prior years.

(3) The increase from period is mainly due to increased interest income, nearly \$150,000 from treebank proceeds, and \$100,000 from the Cherokee Run agreement.

(4) The increase from period is mainly due to the construction of barns costing \$2.4 million at GIHP.

(5) The increase from prior period is mainly due to the completion of the Vehicle Maintenance building (approximately \$439,000); Veal Street Center (approximately \$150,000) and the purchase of several police cars (approximately \$274,000).

(6) The increase from prior period is mainly due to a \$600K increase in property taxes due to new residents in the City and an approximately \$527K increase in SPLOST revenue.

(7) The decrease from prior period is mainly due to the construction of GIHP barns costing approximately \$2.4 million.

(8) The decrease from prior period is due to reclassing sales tax revenues to intergovernmental.

(9) See explanation at (8).

(10) The increase from prior period is mainly due to receipt of federal grants for the police department.

(11) The increase from prior period is mainly due to increased road resurfacing projects.

(12) The decrease from prior period is mainly due to decreased federal grants for the police department.

(13) The increase from prior period is mainly due to construction of new GIHP building.

(14) The decrease from prior period is due to less construction in current fiscal year.

(15) The increase from prior period is mainly due to purchase of police vehicles that cost approximately \$432K.

(16) The decrease from prior period is due to the sell of land for \$300K in FY2012.

(17) The increase from prior period is due to transfers out from General Fund to other funds to help reduce deficits.

(18) The increase from prior period is due to the increase in tax millage rate for FY 2014.

(19) The increase from prior period is mainly due to the purchase of new police cars and communication tower downpayment of \$700K.

(20) The decrease from prior period is due to less transfers out to other funds.

(21) The increase from prior period is due to construction of communication towers that cost approximately \$3.7 million.

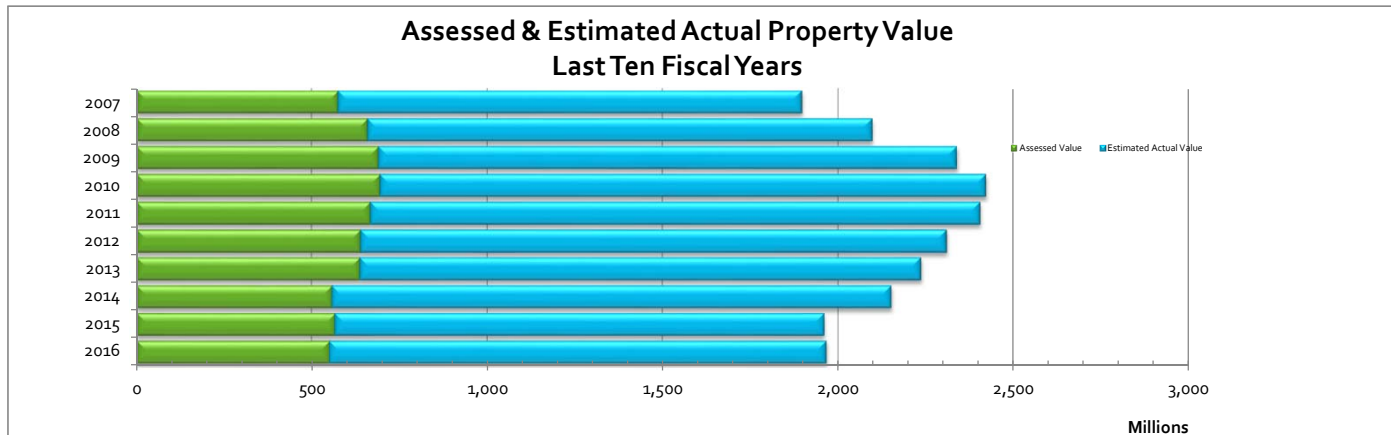
(22) The increase from prior period is due to capital lease to finance communications towers (see 21 above).

City of Conyers, Georgia

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

<u>Fiscal Year (1)</u>	<u>Real and Personal Property</u>		<u>Motor Vehicle & Mobile Home</u>		<u>Total Direct Tax Rate</u>	<u>Total</u>		<u>Ratio of Assessed Value to Total Value</u>
	<u>Assessed Value</u>	<u>Value</u>	<u>Assessed Value</u>	<u>Value</u>		<u>Assessed Value</u>	<u>Value</u>	
2006	\$510,854,058	\$1,277,135,145	\$17,958,125	\$44,895,313	9.9	\$528,812,183	\$1,322,030,458	40%
2007	\$558,678,879	\$1,396,697,198	\$17,000,718	\$42,501,795	9.9	\$575,679,597	\$1,439,198,993	40%
2008	\$639,591,885	\$1,598,979,713	\$19,931,608	\$49,829,020	9.5	\$659,523,493	\$1,648,808,733	40%
2009	\$665,258,978	\$1,663,147,445	\$25,967,508	\$64,918,770	9.4	\$691,226,486	\$1,728,066,215	40%
2010	\$668,590,984	\$1,671,477,460	\$26,481,278	\$66,203,195	9.4	\$695,072,262	\$1,737,680,655	40%
2011	\$645,223,736	\$1,613,059,340	\$23,161,578	\$57,903,945	9.4	\$668,385,314	\$1,670,963,285	40%
2012	\$617,100,007	\$1,542,750,018	\$22,651,936	\$56,629,840	9.9	\$639,751,943	\$1,599,379,858	40%
2013	\$614,673,492	\$1,536,683,730	\$23,054,436	\$57,636,090	9.9	\$637,727,928	\$1,594,319,820	40%
2014	\$528,255,331	\$1,320,638,328	\$29,808,960	\$74,522,400	13.85	\$558,064,291	\$1,395,160,728	40%
2015	\$537,203,431	\$1,343,008,578	\$29,304,340	\$73,260,850	13.62	\$566,507,771	\$1,416,269,428	40%
2016	\$537,596,144	\$1,343,990,360	\$13,342,532	\$33,356,330	13.59	\$550,938,676	\$1,377,346,690	40%

Source: Rockdale County Tax Commissioner
(1) Fiscal Year Ended June 30th



City of Conyers, Georgia

**General Governmental Expenditures by Function (1)
Last Ten Fiscal Years**

Fiscal Year (2)	General Government	Public Safety (3)	Planning & City Services (4)	Capital Outlay (5)	Debt Service	Total
2007	\$3,312,032	\$4,158,576	\$6,236,595	\$1,471,152	\$1,246,953	\$16,425,308
2008	\$3,702,488	\$4,671,451	\$4,548,580	\$1,718,215	\$1,831,985	\$16,472,719
2009	\$3,698,449	\$5,155,913	\$4,883,173	\$1,487,267	\$1,869,264	\$17,094,066
2010	\$4,061,255	\$5,808,121	\$4,470,342	\$2,294,433	\$1,941,080	\$18,575,231
2011	\$3,996,680	\$5,722,335	\$4,543,904	\$3,264,664	\$1,995,944	\$19,523,527
2012	\$4,118,863	\$5,887,296	\$4,101,171	\$546,870	\$865,818	\$15,520,018
2013	\$3,734,950	\$5,899,125	\$3,737,974	\$955,955	\$778,918	\$15,106,922
2014	\$3,918,365	\$5,945,499	\$3,801,938	\$1,454,400	\$773,804	\$15,894,006
2015	\$4,066,131	\$5,944,956	\$4,068,704	\$3,432,411	\$731,356	\$18,243,558
2016	\$3,939,216	\$6,198,922	\$4,047,330	\$6,413,844	\$788,663	\$21,387,975

Source: Audited Financial Statements

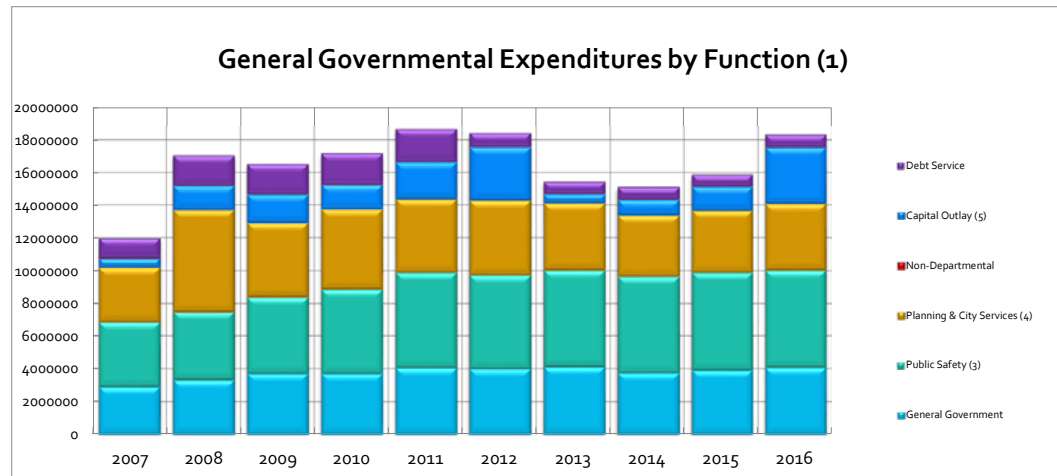
(1) Includes General Fund, Special Revenue Funds, and Capital Projects Fund

(2) Fiscal Year Ended June 30th

(3) Public Safety Includes Communications

(4) Planning & City Services includes Public Works and Cultural/Recreation

(5) Capital outlay is included in the functional department in 2005



City of Conyers, Georgia

**General Governmental Revenues by Source (1)
Last Ten Fiscal Years**

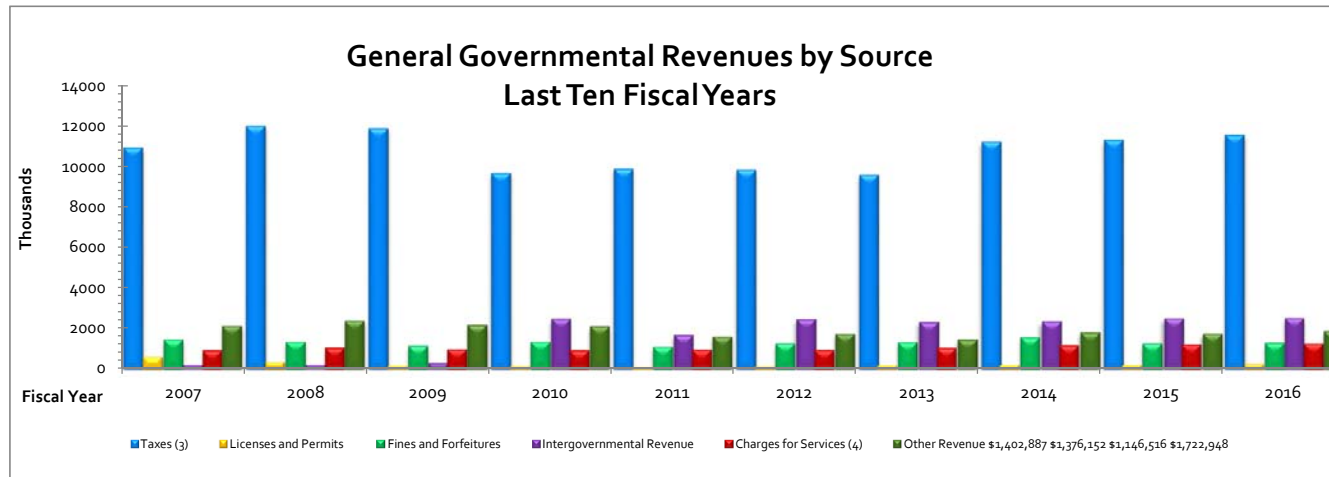
Fiscal Year (2)	Taxes (3)	Licenses and Permits	Fines and Forfeitures	Intergovernmental Revenue	Charges for Services (4)	Other Revenue	Total
2007	\$10,936,275	\$593,775	\$1,452,457	\$191,764	\$923,280	\$2,106,798	\$16,204,349
2008	\$11,998,621	\$332,966	\$1,338,972	\$200,128	\$1,045,544	\$2,365,534	\$17,281,765
2009	\$11,875,594	\$146,295	\$1,149,604	\$290,389	\$976,835	\$2,161,823	\$16,600,540
2010	\$9,681,700	\$123,741	\$1,336,108	\$2,469,822	\$926,960	\$2,096,152	\$16,634,483
2011	\$9,881,737	\$100,896	\$1,102,267	\$1,665,259	\$952,807	\$1,587,820	\$15,290,786
2012	\$9,835,558	\$112,756	\$1,249,661	\$2,454,278	\$933,455	\$1,718,124	\$16,303,832
2013	\$9,583,462	\$169,120	\$1,312,721	\$2,299,399	\$1,041,309	\$1,444,442	\$15,850,453
2014	\$11,211,596	\$201,353	\$1,561,740	\$2,336,674	\$1,159,497	\$1,788,461	\$18,259,321
2015	\$11,315,333	\$183,216	\$1,255,342	\$2,484,858	\$1,214,686	\$1,730,749	\$18,184,184
2016	\$11,547,333	\$242,662	\$1,289,690	\$2,488,630	\$1,238,825	\$1,852,355	\$18,659,495

(1) Includes General Fund, Special Revenue Funds, and Capital Projects Fund

(2) Fiscal Year Ended June 30th

(3) Occupational taxes are included in taxes as regulated by the new GA Uniform Chart of Accts.

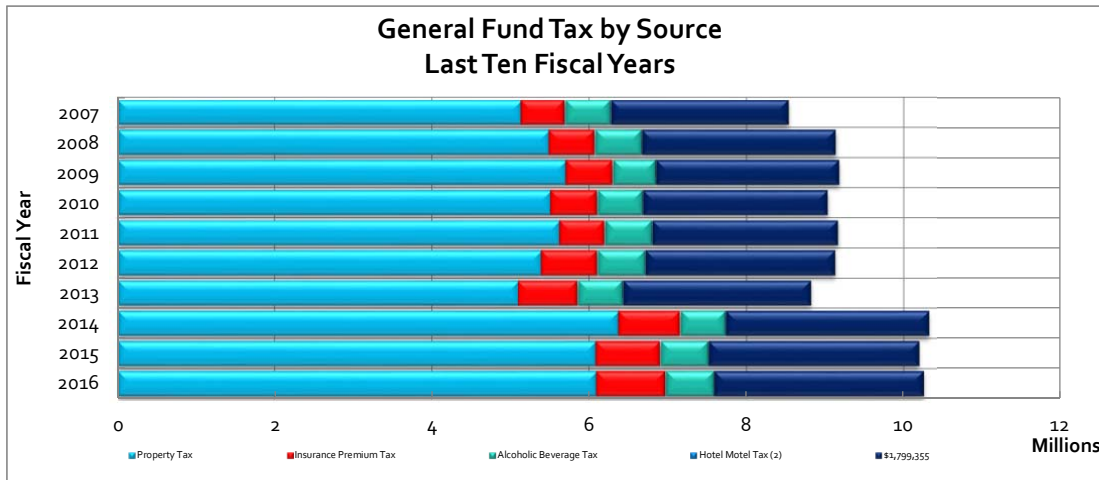
(4) Prior to 2004, charges for services included sanitation fees.



City of Conyers, Georgia
General Fund Tax Revenue by Source
Last Ten Fiscal Years

Fiscal Year (1)	Property Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Other Taxes	Total
2007	\$5,136,641	\$560,102	\$576,860	\$2,259,107	\$8,532,710
2008	\$5,493,300	\$584,249	\$588,944	\$2,466,450	\$9,132,943
2009	\$5,707,454	\$598,244	\$542,949	\$2,326,484	\$9,175,131
2010	\$5,515,670	\$592,632	\$572,443	\$2,348,074	\$9,028,819
2011	\$5,628,743	\$575,408	\$593,498	\$2,363,908	\$9,161,557
2012	\$5,397,271	\$712,709	\$603,568	\$2,411,034	\$9,124,582
2013	\$5,103,254	\$757,016	\$565,363	\$2,391,798	\$8,817,431
2014	\$6,376,551	\$783,818	\$570,520	\$2,586,382	\$10,317,271
2015	\$6,089,015	\$819,539	\$605,538	\$2,676,702	\$10,190,794
2016	\$6,096,343	\$875,543	\$614,276	\$2,663,550	\$10,249,712

(1)Fiscal Year Ended June 30th



City of Conyers, Georgia
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1000 OF ASSESSED VALUE)
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of Conyers										
Maintenance and operations (1)	<u>9.90</u>	<u>9.52</u>	<u>9.41</u>	<u>9.41</u>	<u>9.41</u>	<u>9.90</u>	<u>9.90</u>	<u>13.85</u>	<u>13.62</u>	<u>13.59</u>
Rockdale County:										
Maintenance and Operations	<u>14.61</u>	<u>14.53</u>	<u>14.53</u>	<u>15.53</u>	<u>16.91</u>	<u>16.91</u>	<u>20.70</u>	<u>20.24</u>	<u>20.19</u>	<u>20.19</u>
Debt service	<u>0.22</u>	<u>0.20</u>	<u>0.20</u>	<u>0.22</u>	<u>0.24</u>	<u>0.24</u>	<u>0.31</u>	<u>0.31</u>	<u>0.00</u>	<u>0.00</u>
Total Rockdale County (2)	<u>14.83</u>	<u>14.73</u>	<u>14.73</u>	<u>15.75</u>	<u>17.15</u>	<u>17.15</u>	<u>21.01</u>	<u>20.55</u>	<u>20.19</u>	<u>20.19</u>
Rockdale County Board of Education										
Maintenance and operations	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>22.99</u>	<u>24.50</u>	<u>24.50</u>	<u>26.00</u>	<u>25.39</u>	<u>25.32</u>	<u>25.32</u>
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Rockdale County Board of Education (2)	<u>21.00</u>	<u>21.00</u>	<u>21.00</u>	<u>22.99</u>	<u>24.50</u>	<u>24.50</u>	<u>26.00</u>	<u>25.39</u>	<u>25.32</u>	<u>25.32</u>
State of Georgia (2)	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.25</u>	<u>0.20</u>	<u>0.15</u>	<u>0.10</u>	<u>0.05</u>
Total	<u>45.98</u>	<u>45.50</u>	<u>45.39</u>	<u>48.40</u>	<u>51.31</u>	<u>51.80</u>	<u>57.11</u>	<u>59.94</u>	<u>59.23</u>	<u>59.15</u>

(1) Fiscal Year Ended June 30th

(2) Source: Rockdale County Tax Commissioner

City of Conyers, Georgia

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2016			Taxpayer	2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
HH Conyers Crossroads LLC	\$ 15,377,560	1	3.26%	Visy Paper Inc	\$ 13,335,114	1	2.59%
Pratt Paper (GA) LLC	\$ 14,596,735	2	3.09%	AT&T Communications	\$ 12,573,815	2	2.44%
Hill Phoenix Inc	\$ 9,772,908	3	2.07%	NP/I&G Conyers Crossroads LLC	\$ 11,113,240	3	2.16%
AT&T Corp Communications	\$ 7,287,892	4	1.54%	Jet Corr Millugator	\$ 8,900,833	4	1.73%
Liochem Incorporated	\$ 7,232,663	5	1.53%	Liochem Incorporated	\$ 8,345,839	5	1.62%
Bostik Inc	\$ 6,969,977	6	1.48%	Bellsouth Telecommunications	\$ 7,570,836	6	1.47%
Rockdale Hospital LLC	\$ 6,395,284	7	1.36%	MMA Affordable Housing Corp	\$ 6,997,128	7	1.36%
Sumika Polymers North America Inc	\$ 6,361,030	8	1.35%	Keswick Village LP	\$ 6,309,760	8	1.23%
Almand Creek LLC	\$ 5,884,040	9	1.25%	Almand Creek LLC	\$ 5,743,320	9	1.12%
Georgia Power Company	\$ 5,369,798	10	1.14%	Wal-Mart Real Estate Business	\$ 5,625,120	10	1.09%
	<u>\$ 85,247,887</u>		18.07%		<u>\$ 86,515,005</u>		16.82%

Source: 2015 Tax Digest and 2006 Tax Digest

City of Conyers, Georgia

Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percent of Levy
2007	5,092,946	5,061,641	99.4%	49,802	5,089,443	99.9%
2008	5,613,997	5,493,300	97.9%	-	5,493,300	97.9%
2009	5,771,982	5,707,455	98.9%	56,979	5,764,434	99.9%
2010	5,849,692	5,515,671	94.3%	37,408	5,553,079	94.9%
2011	5,703,661	5,628,743	98.7%	29,059	5,657,802	99.2%
2012	5,508,713	5,397,272	98.0%	29,099	5,426,371	98.5%
2013	5,397,323	5,103,254	94.6%	56,673	5,159,927	95.6%
2014	6,495,152	6,340,991	97.6%	7,671	6,348,662	97.7%
2015	6,434,365	6,294,943	97.8%	13,262	6,308,205	98.0%
2016	6,412,794	6,329,953	98.7%	11,496	6,341,449	98.9%

City of Conyers, Georgia

**Ratios of Outstanding Debt by Type
Last Ten Fiscal years**

Fiscal Year	Governmental Activities					Business Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Due to Rockdale County	Commerce Center Revenue Refunding Bonds-2004	Certificates of Participation 1991 Series	Capital Leases	GMA Certificates of Participation Capital Lease Pool	Stormwater Revenue Bonds	Capital Leases				
2007	3,949,280	3,415,000	385,000	-	3,555,000	1,590,000	-	12,894,280	505.20%	164.26	
2008	3,065,522	3,060,000	320,000	-	3,555,000	1,500,000	-	11,500,522	420.75%	144.33	
2009	2,119,974	2,685,000	250,000	-	3,555,000	1,405,000	-	10,014,974	371.52%	118.42	
2010	1,102,082	2,290,000	175,000	202,321	3,555,000	1,305,000	-	8,629,403	315.61%	101.27	
2011	-	1,875,000	90,000	157,159	3,555,000	1,200,000	470,839	7,347,998	269.09%	85.84	
2012	-	1,440,000	-	110,530	3,555,000	1,090,000	325,700	6,521,230	229.42%	75.74	
2013	-	985,000	-	62,386	3,555,000	975,000	177,879	5,755,265	203.52%	66.89	
2014	-	505,000	-	12,678	3,555,000	855,000	99,216	5,026,894	182.20%	57.83	
2015	-	-	-	-	3,555,000	730,000	43,094	4,328,094	n/a	49.32	
2016	-	-	-	2,316,251	3,555,000	600,000	-	6,471,251	n/a	72.83	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Conyers, Georgia

COMPUTATION OF DIRECT AND OVERLAPPING DEBT June 30, 2016

Direct Debt

Lease-Purchase Obligations of City ¹	\$ 5,871,250
Total Direct Debt	<u>\$ 5,871,250</u>

Overlapping Debt ²

Contract-Backed Indebtedness of Rockdale County ³	\$ 193,213
Lease-Purchase Obligations of Rockdale County	<u>2,486,007</u>
Total Overlapping Debt	<u>\$ 2,679,220</u>

Total Direct and Overlapping Debt	<u><u>\$ 8,550,470</u></u>
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¹ Lease-purchase indebtedness of the City is not a general obligation of the City to which its full faith and credit and taxing power are pledged, but is subject to and depends upon annual appropriations of general revenues.

² The percentage and amount of each overlapping entity's outstanding debt chargeable to property in the City is calculated by dividing the gross assessed valuation of property in the City by the gross assessed valuation of property in the overlapping entity multiplied by the outstanding debt balance. The City's assessed valuation constitutes approximately 23.8% of the assessed value of property in Rockdale County and the Rockdale County School District.

³ Contract-backed indebtedness of the County represents contractual obligations of the County to which its full faith and credit and taxing powers are pledged, but it is not counted against the County's debt limitation. The Rockdale County Water and Sewerage Authority Revenue Bonds, Series 2005, currently outstanding in the aggregate principal amount of \$95,895,000, the Conyers-Rockdale Big Haynes Impoundment Authority Revenue Bonds, Series 1998, currently outstanding in the principal amount of \$5,700,000 are contract-backed indebtedness of the County, but are not included in this number because the County makes the payments from the net revenues of its water and sewerage system.

City of Conyers, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 53,627,960	\$ 65,952,349	\$ 65,317,649	\$ 65,574,905	\$ 66,838,531	\$ 63,975,194	\$ 63,772,793	\$ 55,806,429	\$ 55,093,868	\$ 55,093,868
Total net debt applicable to limit	3,940,000	3,875,000	3,805,000	3,932,321	4,271,940	3,991,129	3,617,385	3,567,677	3,555,000	5,871,250
Legal debt margin	<u>\$ 49,687,960</u>	<u>\$ 62,077,349</u>	<u>\$ 61,512,649</u>	<u>\$ 61,642,584</u>	<u>\$ 62,566,591</u>	<u>\$ 59,984,065</u>	<u>\$ 60,155,408</u>	<u>\$ 52,238,752</u>	<u>\$ 51,538,868</u>	<u>\$ 49,222,618</u>
Total net debt applicable to the limit as a percentage of debt limit	7.35%	5.88%	5.83%	6.00%	6.39%	6.24%	5.67%	6.39%	6.45%	10.66%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value	\$ 550,938,676
	55,093,868
Total capital lease liability	<u>5,871,250</u>
	<u>5,871,250</u>
Legal debt margin	<u>\$ 49,222,618</u>

City of Conyers, Georgia

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population (2)	Personal Income (2)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (1)
2007	78,499	\$2,552,303	\$32,782	15,371	4.9%
2008	79,683	\$2,733,356	\$32,823	15,551	7.5%
2009	84,569	\$2,695,660	\$31,466	15,895	11.6%
2010	85,215	\$2,734,213	\$30,838	15,877	10.7%
2011	85,600(a)	\$2,730,734	\$31,840	15,727	11.6%
2012	85,820(a)	\$2,842,488	\$33,122	15,680	10.7%
2013	86,042(a)	\$2,827,838	\$32,534	15,930	9.6%
2014	86,919(a)	\$2,759,008	\$31,440	15,777	8.4%
2015	87,754(a)	n/a	n/a	15,877	6.1%
2016	88,856(a)	n/a	n/a	16,700	5.5%

Note: The information presented is for the City of Conyers and Rockdale County, Georgia.

(a) estimated

n/a-data not available

Sources:

(1) Department of Labor

(2) Georgia State Office of Planning & Budget/US Bureau of Economic Analysis

(3) Rockdale County Board of Education

City of Conyers, Georgia

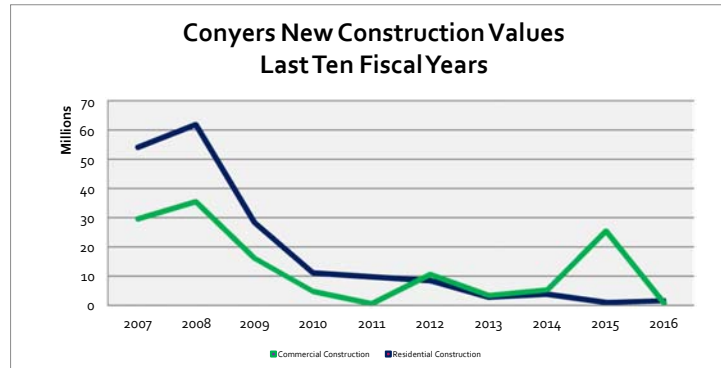
**PROPERTY VALUE and CONSTRUCTION
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>		<u>Real Property Value (2)</u>
	<u>Number of Units</u>	<u>Value</u>	<u>Number of Units</u>	<u>Value</u>	
2006	26	\$22,718,626	425	\$53,969,200	\$412,543,235
2007	34	\$29,504,557	251	\$61,855,674	\$455,663,858
2008	35	\$35,465,475	126	\$28,343,935	\$522,887,102
2009	20	\$16,136,285	71	\$11,082,910	\$549,926,869
2010	14	\$4,756,599	30	\$9,752,974	\$556,510,816
2011	3	\$555,000	27	\$8,462,106	\$514,331,365
2012	7	\$10,590,169	9	\$2,745,082	\$485,166,911
2013	6	\$3,363,988	13	\$3,786,683	\$472,312,937
2014	13	\$5,299,807	4	\$991,728	\$390,489,000
2015	16	\$25,448,822	13	\$1,563,068	\$396,372,693
2016	5	\$603,192	3	\$1,419,000	\$396,824,136

Sources:

(1) City of Conyers Planning & Development Office

(2) Rockdale County Tax Commissioner



City of Conyers, Georgia

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2016			Taxpayer	2007		
	Employees (1)	Rank	Percentage of Total City Employment (2)		Employees	Rank	Percentage of Total City Employment
Rockdale County Public School System	2,392	1	15.74%	Rockdale County Public School System	2,450	1	17.04%
Rockdale Medical Center	1,300	2	8.56%	Acuity Brands/Lithonia Lighting	1,350	2	9.39%
Acuity Brands/Lithonia Lighting	1,280	3	5.26%	Rockdale Medical Center	1,200	3	8.35%
Rockdale County	1,000	4	6.58%	Solo Cup Company	760	4	5.29%
AT&T	800	5	8.42%	Hill-Phoenix	750	5	5.22%
Hill-Phoenix	800	6	5.26%	Pratt Industries	600	6	4.17%
PRATT Industries	600	7	3.95%	BioLab	450	7	3.13%
Golden State Foods	600	8	3.95%	Wal-Mart Stores Inc.	450	8	3.13%
Southeast Connections	500	9	3.29%	Pactiv Advanced Packaging	425	9	2.96%
Warner Bros/Bonanza Productions	350	10	2.30%	Golden State Foods	375	10	2.61%
Totals	9,622		63.32%		8,810		

Note: The information presented is for the City of Conyers and Rockdale County, Georgia.

Note: The information for nine years ago was not available.

(1) Source: Conyers-Rockdale Economic Development Council

(2) Source: Georgia Department of Labor

City of Conyers, Georgia

**Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years**

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Mayor and Council	6	6	6	6	6	6	6	6	6	6
City Manager's Office	3	3	3	3	3	3	3	3	3	3
Administration	9	9	9	10	9	9	8	8	8	9
E-Services	0	2	2	3	3	3	3	3	3	3
Conyers Security Alert	3	3	3	2	2	2	2	2	2	2
Vehicle maintenance	4	4	4	4	4	4	4	4	4	4
Public Safety										
Police										
Officers	50	53	55	59	62	65	64	65	67	69
Civilians	2	3	3	4	4	4	4	4	4	4
Court services	6	6	8	6	8	10	10	10	9	10
Communications	14	14	15	15	18	18	15	15	14	14
Public Works & Transportation										
Planning & Inspections	7	8	8	9	9	9	7	7	8	8
Landscape services	4	4	6	5	5	5	4	4	4	7
Infrastructure	11	11	11	11	9	9	9	9	7	9
Sanitation	12	13	14	13	14	14	13	11	9	5
Stormwater	2	3	3	3	4	4	4	5	4	4
Cultural and Recreation										
GIHP Administration	6	6	6	6	6	6	6	6	6	3
GIHP Maintenance	14	15	15	14	14	15	14	13	12	12
Public Relations & Tourism	8	7	7	7	7	7	6	7	7	10
Cherokee Run Golf Course	0	0	0	0	14	11	10	9	8	8
Total	161	170	178	180	201	204	192	191	185	190

** Cherokee Run Golf Course was a new department in fiscal year 2011.

Sources: Various City departments

City of Conyers, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Tax bills generated	4,885	5,270	5,494	5,698	5,849	5,964	5,962	5,982	6,000	6,010
Number of liens processed	342	358	418	337	207	175	152	134	109	113
Building permits issued	365	159	126	108	87	91	120	100	113	105
New occupational tax	338	228	318	260	264	378	205	141	160	183
Police										
Physical arrests	2,408	2,063	1,966	2,104	2,044	2,110	2,117	2,159	2,043	2,100
Citations issued	8,951	7,207	6,600	10,612	6,705	8,146	7,631	7,873	6,082	7,287
Number of accidents reported	1,672	1,510	1,546	1,618	1,622	1,454	1,497	1,590	1,729	1,850
Number of incidents reported	3,702	3,337	3,127	3,256	3,318	3,535	3,387	3,432	3,161	3,366
Public Works & Transportation										
Traffic lights repaired	72	103	84	92	108	144	77	160	104	110
Potholes repaired	400	471	356	174	283	578	130	253	269	200
Tons of refuse collected	8,114	7,977	5,889	6,730	6,426	5,922	5,944	5,944	9,329	10,000
Miles of roads cleaned	n/a	n/a	548	73	100	84	110	120	130	130
Cultural and Recreation										
Number of events held	246	220	180	187	176	254	218	209	246	277

Note: Departments maintain statistical information on a fiscal year basis.

Sources: Various City departments

City of Conyers, Georgia

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Police										
Stations	1	1	1	1	1	1	2	2	2	2
Patrol units	44	44	44	51	59	49	51	65	65	65
Patrol zones	3	4	4	4	4	4	4	4	4	4
Public Works										
Streets (miles)	82	82	84.54	84.54	84.54	84.54	84.54	84.54	84.54	84.54
Traffic signals	12	12	12	13	13	13	13	13	13	13
Street lights	870	870	1414	1,414	1,414	1,414	1,423	1,430	1,430	1,414
Culture and Recreation										
Parks and playgrounds	8	8	8	8	9	9	9	9	9	9
Community centers	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

**To the Honorable Mayor and Members
of the City Council
Conyers, Georgia**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Conyers, Georgia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Conyers, Georgia's basic financial statements and have issued our report thereon dated November 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Conyers, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. According, this communication is not suitable for any other purpose.

Macon, Georgia
November 3, 2016

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.