



City of College Park, Georgia

Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2003



G E O R G I A I N T E R N A T I O N A L
C O N V E N T I O N C E N T E R

CITY OF COLLEGE PARK, GEORGIA
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2003

Prepared by:
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Steven E. Garber, CPA

City of College Park, Georgia
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TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal.....	1
GFOA Certificate of Achievement.....	8
Organizational Chart	9
List of Elected and Appointed Officials	10

FINANCIAL SECTION

Report of Independent Certified Public Accountants.....	11
Management's Discussion and Analysis.....	13

Basic Financial Statements:

Government-wide Financial Statements:	
Statement of Net Assets.....	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	24
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds.....	31

Notes to Financial Statements.....	33
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Required Supplementary Information:

Statement of Revenues, Expenditures, and Changes in in Fund Balances - Budget and Actual - General Fund.....	59
Schedule of Expenditures Compared to Budget - General Fund	61
Statement of Revenues, Expenditures, and Changes in in Fund Balances - Budget and Actual - Hospitality Fund	68

Supplemental Information

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Non-major Governmental Funds.....	70
Combining Statement of Revenues, Expenditures and Changes in fund Balances – Non-major Governmental Funds	71
Combining Statement of Net Assets – Non-major Proprietary Funds	72
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Non-major Proprietary Funds.....	74
Combining Statement of Cash Flows – Non-major Proprietary Funds.....	75

City of College Park, Georgia
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2003

TABLE OF CONTENTS - continued

Supplemental Information - continued

Schedule of Revenues, Expenditures, and Changes in

Fund Balances – Non-major Special Revenue Funds - Budget and Actual:

Community Development Block Grant.....	77
Grants Fund.....	78
Confiscated Drug fund.....	79
Car Rental Fund.....	80
E911 Fund	
.....	8
1	

Schedule of Revenues and Expenses (Budget Basis) Compared
 to Budget - Enterprise Funds

Electric Fund.....	82
Water and Sewer Fund.....	83
Sanitation Fund.....	84
Convention Center Fund.....	85

Capital Assets Used in the Operation of Governmental Funds

Schedule by Source.....	86
Schedule of Function and Activity	87
Schedule of Changes by Function and Activity.....	88

STATISTICAL SECTION

Fund information:

General Governmental Expenditures by Function.....	89
General Governmental Revenues by Source.....	90
Property Tax Levies and Collections.....	91
Assessed and Estimated Actual Values of Property.....	92
Property Tax Rates	93
Principal Taxpayers	94
Computation of Legal Debt Margin	95
Direct and Overlapping Bonded Debt.....	96
Revenue Bond Coverage - Water and Sewer Bonds.....	97
Revenue Bond Coverage - Convention Center Revenue Bonds	98
Demographic Information	99
Labor Force and Unemployment.....	100
Summary of City Building Permits	101
Miscellaneous Statistics	102

INTRODUCTORY SECTION

December 1, 2003

To the Honorable Mayor, members of the City Council and the Citizens of College Park:

State law requires that all 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 College Park for the fiscal year ended June 30, 2003.

The comprehensive annual financial report consists of management's representations concerning the finances of the City of College Park. 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 College Park has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of College Park's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of College Park's 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 College Park's financial statements have been audited by Grant Thornton, 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 College Park for the fiscal year ended June 30, 2003, 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 unqualified opinion that the City of College Park's financial statements for the fiscal year ended June 30, 2003, 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.

The independent audit of the financial statements of the City of College Park was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of College Park's separately issued Single Audit Report.

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

Profile of the Government

The City, incorporated in 1895, is located approximately nine minutes and seven miles south of Atlanta's downtown business district. The City enjoys access to Interstate Highways 1-85 and 1-285, as well as U.S. Highway 29, adjacent to and adjoining the Midfield Terminal Complex of Hartsfield International Airport. The City of College Park currently occupies a land area of 9 square miles and serves a population of 20,382. The City of College Park is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the governing council, which consists of a mayor and a four-member council. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees and hiring the City's manager and the City's attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council and overseeing the day-to-day operations of the City. The council is elected on a non-partisan basis. Council members are elected to four-year staggered terms with two councilpersons elected every two years. The mayor is elected for a four-year term. All Council members are elected from their districts, while the mayor is elected at large.

The financial reporting entity (the City) includes all the funds and account groups of the primary government (i.e. the City of College Park, Georgia as legally defined), as well as its component unit, the College Park Business and Industrial Development Authority. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services, including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; the sale of electricity; and the sale of water and wastewater treatment.

The annual budget serves as the foundation for the City of College Park's financial planning and control. All departments of the City of College Park are required to present a departmental plan for appropriation to the City Manager by the end of February of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to July 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by June 30, the close of the City of College Park's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g., police). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

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 College Park operates.

Local economy. During the mid to late 1990's, the City was negotiating with representatives of the City of Atlanta and Hartsfield International Airport to minimize the financial impact of the proposed fifth runway. The fifth runway was originally designed as a shorter commuter runway. Due to changes in the mix of aircraft that will utilize the runway as well as a projected increase in the number of flights, City of Atlanta engineers determined that a nine thousand foot runway would be needed to accommodate wide-bodied aircraft. In order to construct the runway, Atlanta required condemnation powers to acquire the necessary land; the City of College Park proposed to exchange such condemnation powers for compensation for lost revenues due to the displacement of population and existing businesses. An additional requirement of the City was that Atlanta purchase the existing Georgia International Convention Center (which was owned and operated by the City of College Park) due to the anticipated adverse impact of noise that would be generated by commercial jetliners in such close proximity to the Convention Center. These negotiations were completed in the Fiscal Year 2000, and the City of Atlanta paid to the City of College Park liquidated damages in the amount of approximately \$82 million. Proceeds were utilized to pay off all outstanding bonded indebtedness associated with the existing convention center. An additional sum of \$30 million was combined with proceeds from the new debt issue of \$67,030,000 to provide a combined total of approximately \$100 million for construction of a new convention center. The new facility was opened April 1, 2003.

Long-term financial planning. The City has entered into a development agreement with a private developer to construct not only the new Convention Center, but also significant hotel and commercial properties in the same area. This new development is named "Airport Gateway". Purchased by Atlanta from the original residents in prior years because of excessive airport noise levels, the land is bounded by Camp Creek Parkway, a four-lane highway with direct access to Interstate 85 and Hartsfield International Airport, making it an attractive site for commercial development. This valuable real estate (approximately 444 acres), known as the Newton Estates Improvement District, is undergoing redevelopment. This exciting project encompasses:

- The relocation of the Georgia International Convention Center to a new location on Camp Creek Parkway, the main entrance boulevard into Hartsfield International Airport completed April 1, 2003
- The relocation of all car rental facilities presently located at the airport to this area
- The construction of four major hotels and two office buildings
- An Automated People Mover (APM) to connect the Airport to one development

A separate enterprise fund has been set up to account for the operations of the Newton Estates Improvement District. Revenues for this fund will consist of a special district tax imposed on the appreciation of ad valorem assessments from commercial development within its borders. This revenue stream will be utilized to repay revenue bonds issued to finance the necessary public infrastructure within the Gateway development.

The City has constructed two office facilities that are leased to the United States General Services Administration. These structures were built to house the regional headquarters for the Federal Aviation Administration. These projects were intended to cover their own costs and serve as a magnet for other commercial development in the area adjacent to Hartsfield.

A major airport employer moved its employee parking to a portion of this area, and the possibility exists to move rental car facilities currently located on the airport grounds to this area. This would move the motor vehicles from the Clayton County digest to the Fulton County tax roles, significantly increasing motor vehicle ad valorem tax revenues. Also the business licenses for the rental agencies would be paid to the City of College Park rather than the City of Atlanta, as is currently the case. In addition, management feels that this would serve as an economic magnet to foster further development of a proposed major mixed-use project consisting of office buildings, additional hotel space and an 18-hole championship golf course to a vacant site north of Camp Creek Parkway.

Major Initiatives

Atlanta Airport Marketing Coalition

The AMC, a pooling of marketing departments of the Convention Center and those of the major airport hotels is aggressively marketing the City's first class convention facility nationwide. Management believes that this effort will increase not only exhibit hall and meeting room rentals at the Convention Center but the hotel occupancy taxes as well. Due to the success of this effort, the Convention Center has shown a significant improvement in its financial performance, and is able to cover most of the costs of its operations.

Downtown Revitalization

Downtown revitalization is currently under way in the City, drawing retail, corporate, and business-to-business enterprises into the Downtown area. The City has utilized significant acreage of land for redevelopment. The City has analyzed its relative market and demographic strengths and has adopted a conceptual plan for revitalization. This plan takes into account all facets of development associated with its proximity to Hartsfield International Airport, the largest economic engine in the southeastern United States and the cause of significant dislocation of businesses and population in the past decade. The airport, in addition to construction of the new fifth runway, is also contemplating relocation of on premises parking, car rental storage, and construction of new terminals. Due to its proximity, all of these will have a major effect on the City in the future.

Establishment of Special Districts

Parking has always been a concern to the airport; numerous long-term parking facilities have sprouted along Camp Creek Parkway, utilizing valuable space and rendering it unusable for commercial and residential development. In order to address this, the City has established a Transportation District that designates specific areas within the City for rental car lots, parking lots, limousine services and other automotive businesses dedicated to serving airport customers. By consolidating these enterprises into one area, the City can monitor activities and preserve prime locations for other types of development that will have a more beneficial impact on the growth of the City's tax digest and other revenue streams.

Hospitality

The City has designated two areas where hotel and lodging accommodations must comply with strict design and structural standards. Buildings in these development areas must comply with minimal landscape criteria as well as house a minimum of two hundred rooms, on-sight restaurants, swimming pools, and other amenities.

Historical Main Street

The Development Director oversees the revitalization of the City's historic Main Street by bringing upscale retail, corporate, and a specialty retail corridor to the downtown commercial district. College Park was designated a National Register District in 1996, followed in 1999 with the designation as a Georgia Main Street City by the Georgia Department of Industry, Trade, and Tourism. With 1103 contributing structures, building, and sites collectively listed on the National Register of Historic Places, College Park is the fourth-largest historic district in the state of Georgia.

Mixed Use Development

The City is currently home to over thirty high quality hotels, with others either under construction or in the planning stages. But the realization has come that a City cannot exist without a growing residential base, which provides the impetus for being a town as well as a City. Efforts are underway to provide for quality renovation of existing housing stock, construction of new housing developments, as well as the creation of new commercial development.

The City's economic future depends on the retention and expansion of the collective commercial and residential base, and both are being marketed aggressively. The City is committed to developing initiatives to promote a live-work environment. Currently, three mixed-use developments encompassing hotels, office, professional, retail and residential units are being developed. One of these initiatives is the Princeton Village Traditional Neighborhood development. This development proposes a traditional mixed-use plan of residential single-family homes, townhouses, and an independent senior/assisted living facility. Integrated into the plan are diverse business and public uses, including light commercial, professional, incubator technologies, restaurant, medical, and institutional. The infrastructure provides strict architectural control with historic lighting design, street furniture, greenspace and bicycle paths. A key component can also be found in the renovation of the S.R. Young School into an independent living facility and limited use cultural arts facility.

Another development will center on 365 acres to the immediate north of Camp Creek Parkway, the major thoroughfare providing access to the airport. The centerpiece of this development is the expansion of the 9-hole golf course to an 18-hole championship course. It will be the focal point of development in this area, and serve two purposes: it provides an updated resort golf course, as well as provides an economic recruitment tool for additional hotels and office development. The clubhouse will be designed as a corporate meeting place as well as a venue for fine dining.

At the northern end of this project would be the construction of approximately 107 residential units. The residential community is proposed to develop a small town feel, where people can walk, bike, and relax and enjoy convenient access to shopping, dining, and entertainment.

Electric Deregulation

Although legislation regarding the deregulation of electric utilities has been passed in several states around the U.S., Georgia has failed to enact electric deregulation legislation as of July 2003. This process has been slowed by problems with the deregulation of the gas utilities in the State during the past several years as well as problems incurred by the electric agencies in the State of California. As a result, Georgia's electric utilities are continuing to operate under

a limited form of competition for customers whose connected load exceeds 900 KW. These customers are mainly large commercial or industrial loads. This "900 KW rule" was enacted as part of the original 1973 Territorial Act Legislation, which defined utilities service territories, defined rates which could be charged by utilities, etc. There is some question as to whether deregulation will be pursued any further by any of the states in which it has not been enacted.

Effects of the Economic Recession

The City has a strong concentration of businesses in the airline and hospitality industries, both adversely impacted by the terrorist attacks and the recent economic recession. The City has experienced some downturn in its revenue streams due to the recession and the consequences of the terrorist attacks, however, due to its sound position financially, the City has maintained its current level of operations.

The City is extremely sound financially. A target fund balance is commonly considered 30 percent of expenditures; ours exceeds 100 percent, and has for several years. The size of our cash reserves is among the fundamental underpinning of the City's bond rating. Coupled with a diverse revenue stream and a strong history of sound financial management, the City is well poised to maintain current operations in the face of the economic conditions forced upon it.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, and Bankers Acceptances. The maturities of investments range from 2 days to 5 years, with the average maturity being approximately eight months. The average yield on investments was 1.51 percent. The Governmental funds earned interest revenue of \$282,052 and Enterprise funds earned \$1,766,341 on investments (including \$1,189,269 of capitalized interest in the Convention Center Fund and excluding capital lease interest income of \$2,903,892 in the FAA Projects) for the year ended June 30, 2003.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, the majority of deposits were either insured by the federal depository insurance or collateralized. Balances of \$9,397,177 were classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. The City believes that it is in compliance with all state and local laws concerning collateral for deposits of public funds.

Risk Management

The City has a limited risk management program for workers' compensation. As part of this comprehensive plan, resources are accumulated in the general fund to meet potential losses. In addition, various control techniques, including employee accident prevention training, have been implemented to minimize work-related losses. The City employs a claims administrator to review all claims. Third party coverage is currently maintained for individual workers' compensation claims in excess of \$225,000 and all other potential losses.

Awards

The City intends to submit this report to the Government Finance Officers Association (GFOA) for its consideration for awarding the Certificate of Achievement for Excellence in Financial Reporting. We believe that the report meets the Certificate of Achievement Program's requirements for the highest standards in government accounting and financial reporting. 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.

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 College Park for its comprehensive annual financial report for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

A Certificate of Achievement is valid for a period of one year only. The City of College Park has been awarded the Certificate of Achievement for every submission of its CAFR it has made for the past eight consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to the GFOA.

Acknowledgements.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the accounting department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



J. Scott Miller,
City Manager



Cynthia A. King,
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of College Park,
Georgia

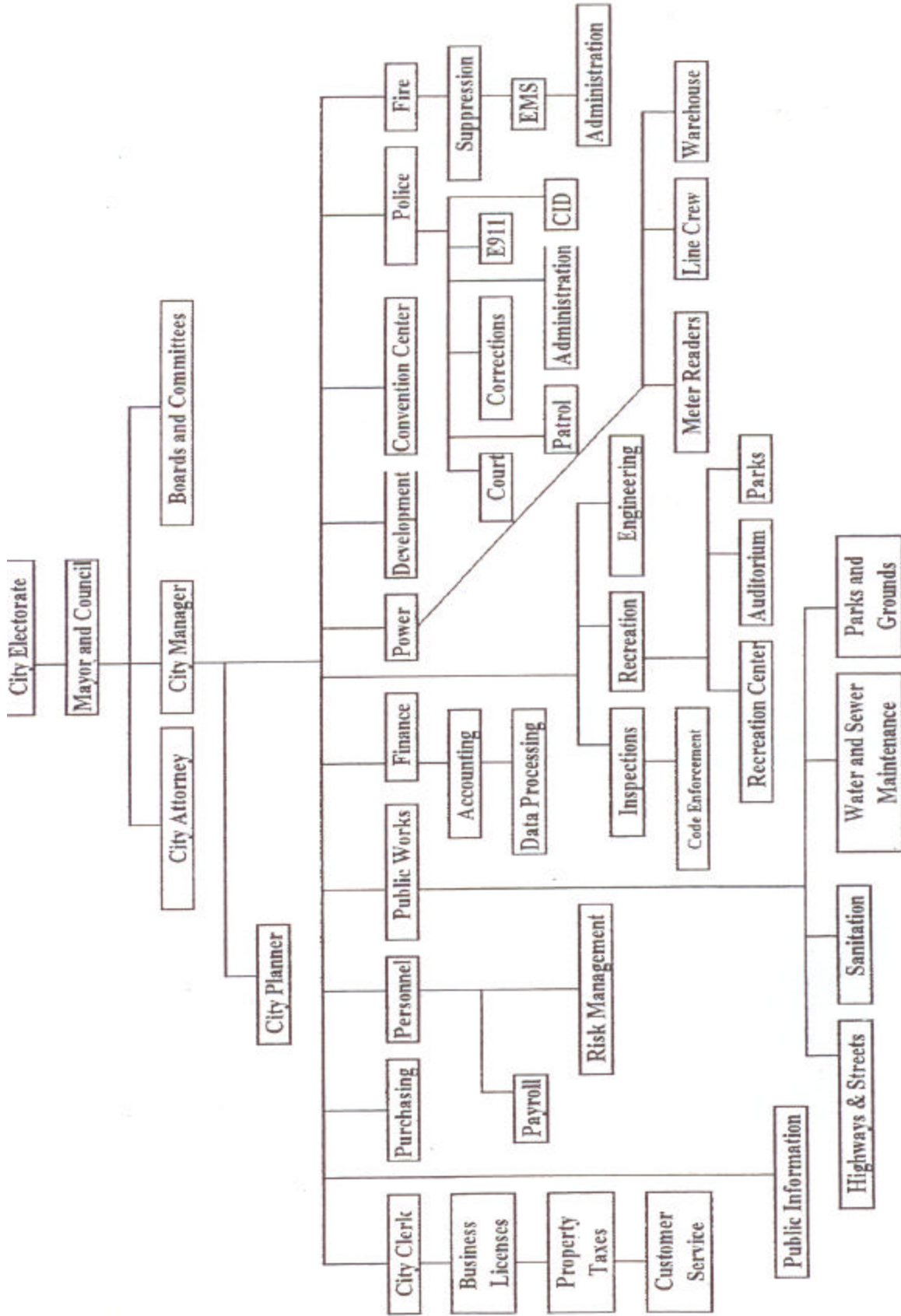
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



City of College Park

General Government

June 30, 2003

Legislative Branch

Jack P. Longino	Mayor
Russell L. Slider	Councilman
Charles E. Phillips	Councilman
Cynthia Jones	Councilperson
E. Ken Allen	Councilman

Management Staff

J. Scott Miller	City Manager
Cynthia A. King	Director of Finance
Henry Argo	Fire Chief
Hugh Austin	Director of Convention Center
Ron Gremore	Director of Personnel
Charles Brewer	Director of Public Works
James Smith	Director of Electrical
Kelley Jackson	Public Information Officer
Christopher Jones	Business Development Director
William Moore	City Engineer
Lakeitha Reeves	City Clerk
Unfilled	Chief Building Inspector
Eric Stipe	Director. of Recreation
Gary Yandura	Police Chief
Steve Fincher	City Attorney

Board of the College Park Business and Industrial Development Authority

John H. Allen	Chairman
Walter Bellamy	Vice Chairman
Unfilled	Secretary/Treasurer
Jim Gable	Boardmember
Jane Randolph	Boardmember
Rhonda Brown	Boardmember
Jack P. Longino	Mayor of the City

FINANCIAL SECTION

Report of Independent Certified Public Accountants

Honorable Mayor and
Members of City Council
City of College Park, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of College Park, Georgia, as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Govern ment Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of College Park, Georgia, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Notes 1-A and 17 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments*, Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments*. • *Omnibus*, and Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures* in 2003.

The accompanying management's discussion and analysis on pages 13 to 21 and budgetary comparison information on pages 59 to 68 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it

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Grant Thornton LLP
US Member of Grant Thornton International

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of College Park, Georgia's basic financial statements. The accompanying supplemental information on pages 69 to 103, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. These combining financial statements, budgetary schedules and capital assets schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit conducted in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

A handwritten signature in dark ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Atlanta, Georgia
September 30, 2003

Management's Discussion and Analysis

As management of the City of College Park, Georgia, (The City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. 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 in the introductory section of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$157,859,592 (*net assets*). Of this amount, \$45,380,898 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29,794,049 an increase of \$897,103 in comparison with the prior year. Of this amount, \$20,599,280 remains unreserved.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$19,897,550 or 105 percent of total general fund expenditures.
- The City's total debt including capital leases is \$119,636,954. This is a slight decrease from \$122,117,136 reported in the prior year. The decrease is from scheduled principal payments on debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's 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's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 flows 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 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 include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City include water and sewer, electric, convention center operations and building rental operations.

Management has made no comparisons of current year government-wide activities to prior years activities since this is the first year government-wide presentation was required.

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 College Park, 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 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 emendable 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 maintains eight 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 and the hospitality fund, both of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. Exhibits 1 and 2 on pages 19 and 20 present revenues by source for the governmental fund category.

The City adopts an annual appropriated budget for its major governmental funds as well as several of the non-major governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this budget. Exhibit 3 presents a comparison of budgeted to actual expenses.

Proprietary funds. The City's *Enterprise funds* are considered proprietary funds and are used to report the same functions presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer, electric, convention center and building rental operations.

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.

Statistical section. In addition to the basic financial statements and accompanying notes, this report also presents various supplementary and statistical information such as 10 year presentation of revenues, expenditures and tax rates.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, governmental activities assets exceeded liabilities by \$58,134,681 at the close of the most recent fiscal year.

City of College Park's Net Assets

Governmental Activities
June 30, 2003

Current assets	\$22,147,458
Restricted assets	8,723,674
Net capital assets	26,814,753
Net pension assets	2,343,618
Other assets	<u>106,298</u>
Total Assets	60,135,801
Current liabilities	977,511
Noncurrent liabilities	<u>1,023,609</u>
Total Liabilities	2,001,120
Net assets:	
Invested in capital assets, net of related debt	26,749,908
Restricted for recreation and Public safety	8,699,111
Unrestricted	<u>22,685,662</u>
Total Net Assets	\$58,134,681

A significant portion of the city's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding and accumulated depreciation, equals 46 percent of net assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

College Park's net assets also include \$8,699,111 in net assets restricted for public safety and recreation activities and \$22,685,662 in unrestricted net assets. Unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year, College Park reported positive balances in all categories of net assets.

Business-type activities. The City's net assets for business-type activities increased \$3,099,669 or approximately 4%. Key elements of this increase are as follows:

- Electric net assets increased by \$843,579 or 4.7 percent due to sales of electricity for the fifth runway project.
- Water and Sewer; net assets increased by \$847,037 or 5.6 percent due to a sale of property to the City of Atlanta.
- Convention Center net assets increased by \$1,487,178 or 3.8 percent due to an

increase in funds available for transfer from the Hospitality Fund.

Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$19,897,550, while total fund balance reached \$20,393,311. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 105 percent of total general fund expenditures, while total fund balance represents 108 percent of that same amount.

The fund balance of the City's general fund increased by \$281,812 during the current fiscal year despite the current economic climate. Although the increase was not significant, the City is fortunate to have any increase in light of current economic conditions. A key factor in this limited increase is due to cost saving measures implemented in mid-year by the City Manager. Overtime costs were curtailed and capital outlay expenses limited to emergency purchases only.

General Fund Budgetary Highlights

General fund expenditures were \$778,513 less than budgeted for fiscal 2003. Significant factors contributing to the favorable variance are described below:

- General government expenditures are \$250,950 less than budgeted. Some of the significant factors are: 1. The City Manager and Finance Director positions were not filled until mid year. The Assistant City Manager position was only filled until mid year. Consequently, the personnel, travel, and other related expenses for those positions were significantly less than the budgeted amount. 2. The Personnel Department used less than half of the Consulting and Advertising fees budgeted. 3. Data Processing computer support services were significantly less than budgeted due to increased internal support. 4. Business Development appraisal fee budget not used and consulting expenses less than budgeted.
- Police department expenditures are \$194,212 more than budgeted because of significant overtime costs and unforeseen computer system maintenance requirements.
- Fire department expenditures are \$264,254 less than budgeted because of numerous unfilled vacancies during the year.
- Engineering department expenditures are \$246,709 less than budget; Capital Outlay for the Flood Mitigation project not used in this fiscal year
- Highways and Streets department expenditures are \$227,215 less than budgeted because the Edison Drive storm water improvement project was delayed.

Procedures have been implemented to prevent Departmental expenditures in excess of Council approval. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2003, amounts to \$173,602,821 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

The major capital asset event during the current fiscal year was the completion of the construction and move to the new Georgia International Convention Center. The cost of the GICC was \$112 million including related land and infrastructure.

Information on the City's long-term debt can be found in notes to the City's financial statements.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City in June 2003 was 7.8 percent, which is an increase from a rate of 7.6 percent a year ago. This compares to the state's average unemployment rate of 5.2 percent and the national average rate of 6.2 percent. This unfavorable comparison is due in large part to the number of businesses that provide support services for the air transportation and related industry that have all been affected by the events of September 11, 2001 and the recent economic downturn.
- Inflationary trends in the region compare favorably to national indices.

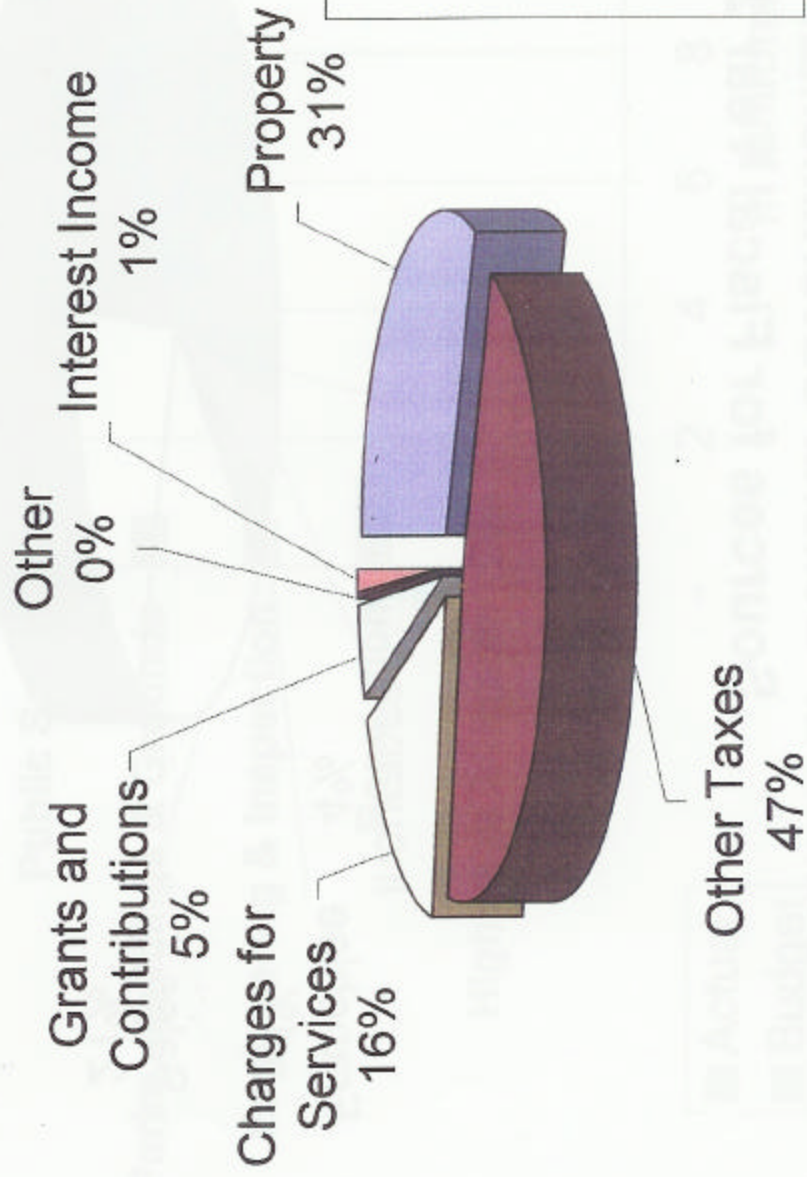
These factors were considered in preparing the City's budget for the 2004 fiscal year.

The Water and Sewer Department's rates were increased for the 2004 budget year. The water and sewer rates were increased by an average of ten percent for all customers in order to cover the increased costs charged by the City of East Point for water purification, production and distribution operations, while the average increase in the sanitation rates was increased by eight percent for residential customers. The monthly residential pickup fee for two weekly garbage pickups increased from \$12.50 to \$13.50 per month. These rate increases were necessary to cover operating costs of the Sanitation and Water and Sewer Departments.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Scott Miller, City Manager, P.O. Box 87137, City of College Park, Georgia, 30337.

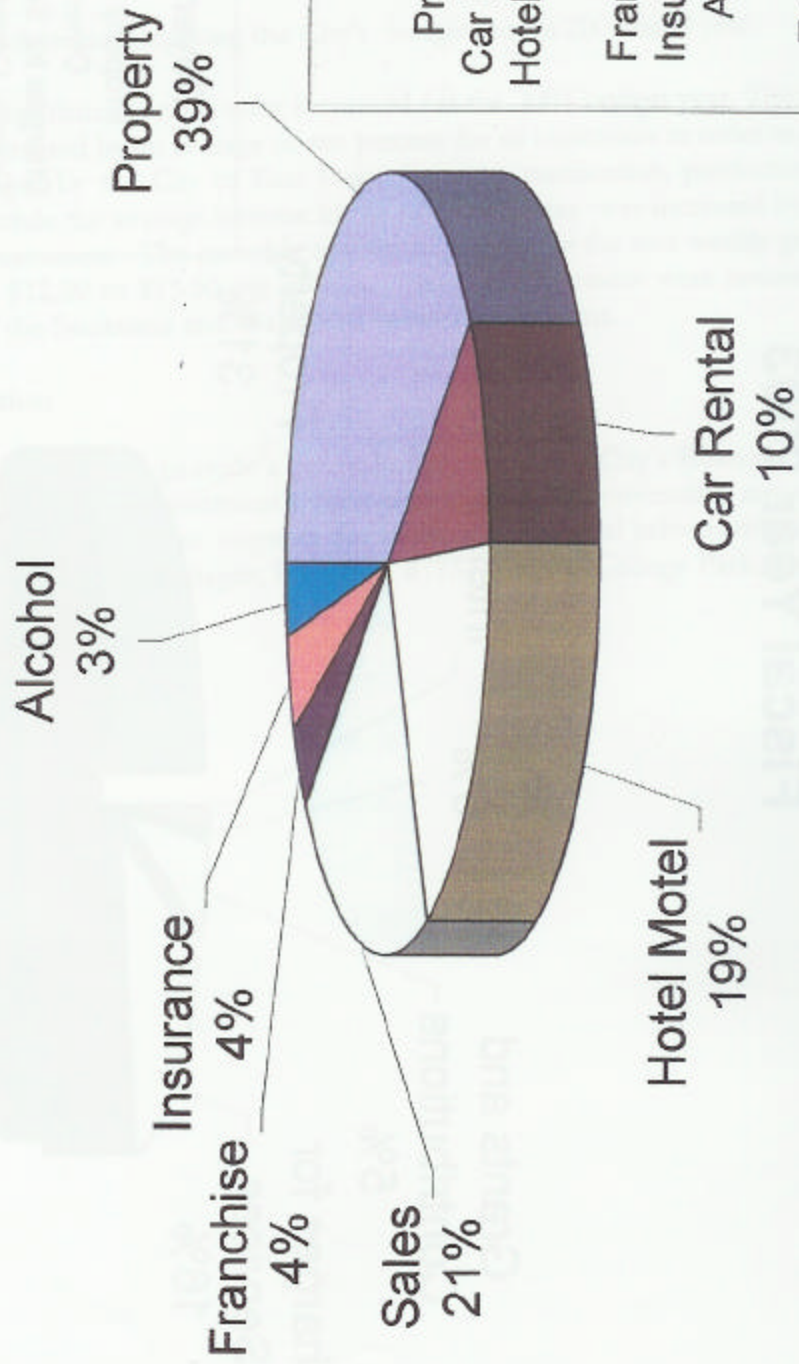
Exhibit 1: Governmental Revenue Sources for Fiscal Year 2003



Revenue Sources

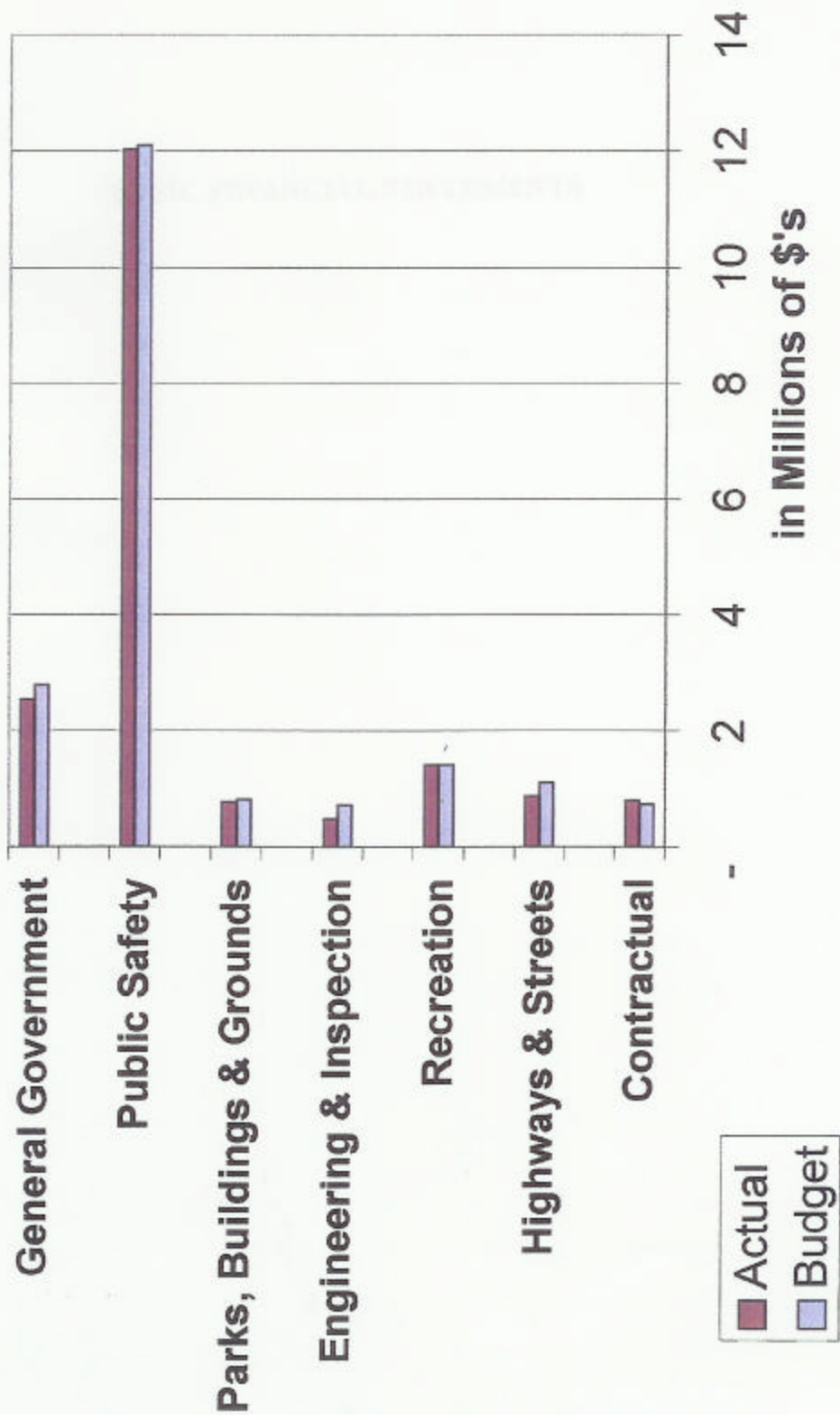
Property Taxes \$	8,499,640
Other Taxes	13,001,509
Charges for Services	4,441,301
Grants, Contributions	1,261,593
Interest Income	274,052
Other	137,717
Total	\$ 27,615,812

Exhibit 2: General Governmental Tax Revenue Sources for Fiscal Year 2003



Tax Revenue	Amount
Property	8,499,640
Car Rental	2,083,252
Hotel Motel	4,085,081
Sales	4,564,778
Franchise	780,376
Insurance	812,341
Alcohol	675,681
Total	\$ 21,501,149

Exhibit 3: General Fund Budget to Actual



BASIC FINANCIAL STATEMENTS

City of College Park, Georgia
Statement of Net Assets
June 30, 2003

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 3,389,299	\$ 5,082,156	\$ 8,471,455
Investments	11,497,698	21,182,876	32,680,574
Receivables	1,812,288	4,633,673	6,445,961
Internal balances	4,608,179	(4,608,179)	-
Inventory	101,344	-	101,344
Prepaid items	495,661	108,804	604,465
Other assets	242,989	1,344,811	1,587,800
Total current assets	<u>22,147,458</u>	<u>27,744,141</u>	<u>49,891,599</u>
Noncurrent assets			
Cash restricted	686,619	101,866	788,485
Investments restricted	8,037,055	64,510,589	72,547,644
Net capital assets	26,814,753	146,788,068	173,602,821
Investment in long term lease	-	23,733,148	23,733,148
Net pension asset	2,343,618	-	2,343,618
Other assets	106,298	2,445,590	2,551,888
Total noncurrent assets	<u>37,988,343</u>	<u>237,579,261</u>	<u>275,567,604</u>
Total Assets	<u>60,135,801</u>	<u>265,323,402</u>	<u>325,459,203</u>
Liabilities			
Current liabilities			
Accounts payable	534,764	7,322,662	7,857,426
Retainage payable	-	1,126,600	1,126,600
Accrued liabilities	393,253	882,852	1,276,105
Accrued interest on bonds	-	3,808,899	3,808,899
Deposits	-	1,705,105	1,705,105
Deferred revenue	49,494	-	49,494
Revenue bonds payable within one year	-	2,880,000	2,880,000
Total current liabilities	<u>977,511</u>	<u>17,726,118</u>	<u>18,703,629</u>
Noncurrent liabilities			
Deferred revenue	-	31,180,264	31,180,264
Notes payable	-	6,103,272	6,103,272
Capital leases payable	64,845	-	64,845
Revenue bonds payable	-	110,588,837	110,588,837
Long term portion of compensated absences	778,764	-	778,764
Other long term liabilities	180,000	-	180,000
Total noncurrent liabilities	<u>1,023,609</u>	<u>147,872,373</u>	<u>148,895,982</u>
Total liabilities	<u>2,001,120</u>	<u>165,598,491</u>	<u>167,599,611</u>
Net Assets			
Invested in capital assets, net of related debt	26,749,908	68,887,977	95,637,885
Restricted for recreation and public safety	8,699,111	-	8,699,111
Restricted for capital outlay	-	8,141,698	8,141,698
Unrestricted	<u>22,685,662</u>	<u>22,695,236</u>	<u>45,380,898</u>
Total net assets	<u>\$ 58,134,681</u>	<u>\$ 99,724,911</u>	<u>\$ 157,859,592</u>

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Statement of Activities
Year Ended June 30, 2003

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		
			Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:							
General government	\$ 2,602,046	\$ 2,555,454	\$ -	\$ -	Governmental Activities	Business-type Activities	Total
Police	8,363,383	2,017,151	619,585	-	(46,592)	-	(46,592)
Fire	4,852,940	-	-	-	(5,726,647)	-	(5,726,647)
Recreation	1,466,363	315,808	-	603,702	(4,852,940)	-	(4,852,940)
Inspection	230,259	-	-	-	(546,853)	-	(546,853)
Engineering	226,762	-	-	-	(230,259)	-	(230,259)
Building and grounds	978,381	-	-	-	(226,762)	-	(226,762)
Parks	188,595	-	-	76,159	(978,381)	-	(978,381)
Highways and streets	1,557,963	-	-	-	(112,436)	-	(112,436)
Non departmental	989,704	-	-	-	(1,557,963)	-	(1,557,963)
Total Governmental Activities	21,456,396	4,888,413	619,585	679,861	(15,268,537)	-	(15,268,537)
Business-type activities:							
Electric	30,993,298	31,720,423	-	-	-	727,125	727,125
Water and sewer	5,258,626	5,037,709	-	-	-	(220,917)	(220,917)
Sanitation	2,314,777	2,200,439	-	-	-	(114,338)	(114,338)
Convention Center	11,092,172	4,685,856	-	-	-	(6,406,316)	(6,406,316)
FAA Projects	3,577,642	1,044,298	-	-	-	(2,533,344)	(2,533,344)
Redevelopment	508,566	194,399	-	-	-	(314,167)	(314,167)
Total Business-type Activities	53,745,081	44,883,124	-	-	-	(8,861,957)	(8,861,957)
Total Primary Government	\$ 75,201,477	\$ 49,771,537	\$ 619,585	\$ 679,861	(15,268,537)	(8,861,957)	(24,130,494)

General revenues:

Taxes:	General revenues:
Property taxes	8,553,802
Car Rental Taxes	2,083,252
Hotel/Motel taxes	4,085,081
Sales taxes	4,564,778
Franchise taxes	780,376
Insurance taxes	812,341
Other taxes	162,313
Interest income	282,052
Amortization of deferred gain	-
Gain on sale of fixed assets	72,234
Miscellaneous income	93,889
Transfers	(4,686,200)
Total general revenues	16,803,918
Change in net assets	1,535,381
Net assets beginning	56,599,300
Net assets ending	58,134,681

The notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Balance Sheet
Governmental Funds
June 30, 2003

		<u>General Fund</u>		<u>Hospitality Fund</u>		<u>Other Governmental Funds</u>		<u>Total Governmental Funds</u>
Assets:								
Cash and cash equivalents	\$	3,018,977	\$	8,716	\$	361,606	\$	3,389,299
Investments		11,497,698		-		-		11,497,698
Receivables		1,049,717		374,501		388,070		1,812,288
Inventory		101,344		-		-		101,344
Due from other funds		5,101,185		-		3,800		5,104,985
Prepaid items		495,661		-		-		495,661
Other assets		-		-		242,989		242,989
Cash - restricted		-		-		686,619		686,619
Investments - restricted		-		-		8,037,055		8,037,055
Total Assets	\$	<u><u>21,264,582</u></u>	\$	<u><u>383,217</u></u>	\$	<u><u>9,720,139</u></u>	\$	<u><u>31,367,938</u></u>
Liabilities								
Accounts payable	\$	440,717	\$	-	\$	94,047	\$	534,764
Accrued liabilities		393,253		-		-		393,253
Due to other funds		-		-		496,806		496,806
Deferred revenue		37,401		62,171		49,494		149,066
Total liabilities		<u><u>871,371</u></u>		<u><u>62,171</u></u>		<u><u>640,347</u></u>		<u><u>1,573,889</u></u>
Fund balances								
Reserved for:								
Prepaid items		495,661		-		-		495,661
Public safety and recreation		-		-		8,699,108		8,699,108
Unreserved, Reported In:								
General Fund		19,897,550		-		-		19,897,550
Special Revenue Funds		-		321,046		316,873		637,919
Capital Projects Fund		-		-		63,811		63,811
Total Fund Balances		<u><u>20,393,211</u></u>		<u><u>321,046</u></u>		<u><u>9,079,792</u></u>		<u><u>29,794,049</u></u>
Total Liabilities and Fund Balance	\$	<u><u>21,264,582</u></u>	\$	<u><u>383,217</u></u>	\$	<u><u>9,720,139</u></u>	\$	<u><u>31,367,938</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
 Reconciliation of Total Governmental Fund Balance
 to Net Assets of Governmental Activities
 June 30, 2003

Total governmental fund balances	\$	29,794,049
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		26,814,753
Prepaid pension costs are not financial resources and therefore not reported in the funds		2,343,618
Investment in joint venture is not a financial resource and is therefore not reported in the funds		106,298
Taxes receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds		99,572
The long term portion of compensated absences are not due and payable in the current period and therefore are not reported in the funds		(778,764)
The long term portion of capital lease liabilities are not due and payable in the current period and therefore are not reported in the funds		(64,845)
Damage claims not expected to be paid within one year are not reported in the funds		(180,000)
Net assets of governmental activities	\$	58,134,681

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2003

	General Fund	Hospitality Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 13,899,348	\$ 5,518,549	\$ 2,083,252	\$ 21,501,149
Licenses and permits	2,042,086	-	-	2,042,086
Intergovernmental revenues	188,202	-	1,073,391	1,261,593
Fines and forfeitures	1,683,888	-	37,852	1,721,740
Charges for services	271,978	-	333,263	605,241
Interest income	149,079	-	124,973	274,052
Other	181,751	-	28,200	209,951
Total revenue	<u>18,416,332</u>	<u>5,518,549</u>	<u>3,680,931</u>	<u>27,615,812</u>
Expenditures				
Current operations				
General government	2,551,537	-	-	2,551,537
Police	7,799,277	-	344,287	8,143,564
Fire	4,162,524	-	565,255	4,727,779
Recreation	1,419,092	-	-	1,419,092
Inspection	228,001	-	-	228,001
Engineering	224,538	-	-	224,538
Building and grounds	610,194	-	362,235	972,429
Parks	178,009	-	-	178,009
Highway and streets	888,351	-	-	888,351
Contractual	809,704	-	-	809,704
Capital Outlay	92,093	-	1,797,412	1,889,505
Total expenditures	<u>18,963,320</u>	<u>-</u>	<u>3,069,189</u>	<u>22,032,509</u>
Excess revenues over (under) expenditures	<u>(546,988)</u>	<u>5,518,549</u>	<u>611,742</u>	<u>5,583,303</u>
Other financing sources (uses)				
Operating transfers in	1,088,800	-	613,643	1,702,443
Operating transfers out	<u>(260,000)</u>	<u>(5,775,000)</u>	<u>(353,643)</u>	<u>(6,388,643)</u>
Total other financing sources (uses)	<u>828,800</u>	<u>(5,775,000)</u>	<u>260,000</u>	<u>(4,686,200)</u>
Excess of revenues and other sources over expenditures and other uses	281,812	(256,451)	871,742	897,103
Fund balance, beginning of year	20,111,399	577,497	8,208,050	28,896,946
Fund balance, end of year	\$ <u><u>20,393,211</u></u>	\$ <u><u>321,046</u></u>	\$ <u><u>9,079,792</u></u>	\$ <u><u>29,794,049</u></u>

The notes to the financial statements are an integral part of this statement.

City of College Park, 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, 2003

Net Change in Fund Balances - Total Governmental Funds \$ 897,103

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 528,965

Advance payment of pension costs are not considered available and are therefore not reported as an asset in the governmental funds. 226,515

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds. 62,165

Payment of capital leases is an expenditure in the governmental funds, but the payment reduces a long term liability in the Statement of Net Assets. 26,803

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (26,170)

Damage claims not expected to be paid within one year, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds (180,000)

Change in Net Assets of Governmental Activities \$ 1,535,381

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2003

ASSETS	Electric Fund	Water and Sewer Fund	Convention Center Fund	FAA Project Fund	Nonmajor Enterprise Funds	Total
Current assets						
Cash and cash equivalents	\$ 1,563,030	\$ 1,753,942	\$ 490,929	\$ 839,950	\$ 434,305	\$ 5,082,156
Investments	13,747,060	6,201,455	575,684	239,208	419,469	21,182,876
Investment in lease, current portion	-	-	-	1,344,811	-	1,344,811
Receivables						
Utility charges (net of allowance for uncollectible accounts of \$1,386,432)	2,191,021	390,306	-	-	235,157	2,816,484
Other	710,914	6,105	149,849	-	950,321	1,817,189
Due from other funds	500,000	-	915,008	-	759,685	2,174,693
Prepaid expenses	30,223	24,179	36,268	-	18,134	108,804
Total current assets	<u>18,742,248</u>	<u>8,375,987</u>	<u>2,167,738</u>	<u>2,423,969</u>	<u>2,817,071</u>	<u>34,527,013</u>
Restricted assets						
Cash and cash equivalents	101,866	-	-	-	-	101,866
Investments	33,102,199	-	15,714,205	4,023,457	11,670,728	64,510,589
Total restricted assets	<u>33,204,065</u>	<u>-</u>	<u>15,714,205</u>	<u>4,023,457</u>	<u>11,670,728</u>	<u>64,612,455</u>
Noncurrent assets						
Net capital assets	6,455,099	15,702,371	112,105,805	1,096,633	11,428,160	146,788,068
Investment in long term lease	-	-	-	23,733,148	-	23,733,148
Other assets	-	-	2,138,669	299,271	7,650	2,445,590
Total noncurrent assets	<u>6,455,099</u>	<u>15,702,371</u>	<u>114,244,474</u>	<u>25,129,052</u>	<u>11,435,810</u>	<u>172,966,806</u>
Total assets	<u>58,401,412</u>	<u>24,078,358</u>	<u>132,126,417</u>	<u>31,576,478</u>	<u>25,923,609</u>	<u>272,106,274</u>

Continued on next page

City of College Park, Georgia
Statement of Net Assets
Proprietary Funds
June 30, 2003

	Electric Fund	Water and Sewer Fund	Convention Center Fund	FAA Project Fund	Nonmajor Enterprise Funds	Total
LIABILITIES						
Current liabilities payable from nonrestricted assets						
Accounts payable	\$ 1,606,331	\$ 5,271,098	\$ 377,873	\$ -	\$ 67,360	\$ 7,322,662
Retainage payable	-	-	1,126,600	-	-	1,126,600
Accrued liabilities	708,426	24,275	93,040	-	57,111	882,852
Deposits	-	-	380,066	-	105,282	485,348
Due to other funds	1,861,379	-	500,000	-	4,421,493	6,782,872
Total current liabilities payable from non restricted current assets	4,176,136	5,295,373	2,477,579	-	4,651,246	16,600,334
Current liabilities payable from restricted assets						
Customer utility deposits	1,219,757	-	-	-	-	1,219,757
Accrued interest on bonds and notes	-	-	1,514,516	493,591	1,798,792	3,808,899
Revenue bonds payable within one year	-	-	1,375,000	1,505,000	-	2,880,000
Total current liabilities payable from restricted assets	1,219,757	-	2,889,516	2,000,591	1,798,792	7,908,656
Noncurrent liabilities						
Deferred revenue	31,180,264	-	-	-	-	31,180,264
Note payable - long-term	-	-	-	-	6,103,272	6,103,272
Revenue bonds payable after one year	-	-	83,485,000	27,103,837	-	110,588,837
Total noncurrent liabilities	31,180,264	-	83,485,000	27,103,837	6,103,272	147,872,373
Total liabilities	36,576,157	5,295,373	88,852,095	29,104,428	12,553,310	172,381,363
Net assets						
Invested in capital assets, net of related debt	6,455,099	15,702,371	42,960,010	244,401	3,526,096	68,887,977
Restricted for capital outlay	-	-	-	-	8,141,698	8,141,698
Unrestricted	15,370,156	3,080,614	314,312	2,227,649	1,702,505	22,695,236
Total net assets	\$ 21,825,255	\$ 18,782,985	\$ 43,274,322	\$ 2,472,050	\$ 13,370,299	\$ 99,724,911

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2003

	Electric Fund	Water and Sewer Fund	Convention Center Fund	FAA Project Fund	Nonmajor Enterprise Funds	Total
Operating revenue						
Sales	\$ 30,767,691	\$ 5,037,709	\$ 2,173,855	\$ 1,044,298	\$ 2,169,295	\$ 41,192,848
Hotel leasebacks	-	-	75,000	-	-	75,000
Rentals and commissions	-	-	2,328,504	-	-	2,328,504
Other	952,732	-	108,497	-	225,543	1,286,772
Total operating revenue	31,720,423	5,037,709	4,685,856	1,044,298	2,394,838	44,883,124
Operating expenses						
Cost of sales - purchases	28,168,944	3,564,066	1,935,855	-	559,648	34,228,513
Rent	-	-	2,198,000	-	-	2,198,000
Personal services	1,446,855	749,851	2,084,334	-	1,243,461	5,524,501
Depreciation and amortization	597,795	397,160	880,926	72,996	224,666	2,173,543
Other operating expenses	755,148	547,549	2,679,022	1,169,027	398,857	5,549,603
Total operating expenses	30,968,742	5,258,626	9,778,137	1,242,023	2,426,632	49,674,160
Net operating income (loss)	751,681	(220,917)	(5,092,281)	(197,725)	(31,794)	(4,791,036)
Non - operating revenue (expenses)						
Amortization of deferred gain	-	-	2,196,846	-	-	2,196,846
Gain on sale of fixed assets	-	1,585,378	8,550	-	3,683	1,597,611
Amortization of deferred issuance cost	-	-	(175,293)	(311,757)	-	(487,050)
Interest income	241,454	36,376	112,489	2,953,497	137,153	3,480,969
Interest expense	(24,556)	-	(1,138,742)	(2,023,862)	(396,711)	(3,583,871)
Total non-operating revenue (expense)	216,898	1,621,754	1,003,850	617,878	(255,875)	3,204,505
Income (loss) before operating transfers	968,579	1,400,837	(4,088,431)	420,153	(287,669)	(1,586,531)
Operating transfers						
Transfers in	-	-	5,575,609	-	-	5,575,609
Transfers out	(125,000)	(553,800)	-	-	(210,609)	(889,409)
Net Income (Loss)	843,579	847,037	1,487,178	420,153	(498,278)	3,099,669
Total net assets at beginning of year	20,981,676	17,935,948	41,787,144	2,051,897	13,868,577	96,625,242
Total net assets at end of year	\$ 21,825,255	\$ 18,782,985	\$ 43,274,322	\$ 2,472,050	\$ 13,370,299	\$ 99,724,911

The accompanying notes to the financial statements are an integral part of this statement.

City of College Park, Georgia
Statement of Cash Flows
All Proprietary Funds - Enterprise Funds
For the year ended June 30, 2003

	Electric Fund	Water and Sewer Fund	Convention Center Fund	FAA Projects Fund	Nonmajor Funds	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 33,208,005	\$ 5,099,529	4,908,875	1,044,298	2,391,864	46,652,571
Payments to suppliers	(28,998,731)	(5,696,215)	(7,123,632)	(1,169,027)	(902,757)	(43,890,362)
Payments to employees	(1,444,327)	(760,805)	(2,096,054)	-	(1,249,478)	(5,550,664)
Net cash provided (used) by operating activities	2,764,947	(1,357,491)	(4,310,811)	(124,729)	239,629	(2,788,455)
Cash flows from non-capital financing activities:						
Operating transfers in	-	-	5,575,609	-	-	5,575,609
Operating transfers out	(125,000)	(553,800)	-	-	(210,609)	(889,409)
Net cash provided (used) by non-capital financing activities	(125,000)	(553,800)	5,575,609	-	(210,609)	4,686,200
Cash flows from capital and related financing activities:						
Acquisition and construction of assets	(491,646)	(958,792)	(49,449,191)	(116,834)	(53,066)	(51,069,529)
Reimbursement for construction of customer systems	907,472	1,600,000	8,550	-	105,765	907,472
Proceed from sale of assets	-	-	-	-	-	-
Principal paid on revenue bonds and installment contracts	-	-	(1,305,000)	(1,430,000)	-	(2,735,000)
Interest paid on revenue bonds and installment contracts	(24,556)	-	(1,138,742)	(2,044,278)	-	(3,207,576)
Net cash provided (used) by capital and related financing activities	391,270	641,208	(51,884,383)	(3,591,112)	52,699	(54,390,318)

Statement of Cash Flows - continued

Cash flows from investing activities:

	Electric Fund	Water and Sewer Fund	Convention Center Fund	FAA Projects Fund	Nonmajor Funds	Total
Purchase of securities (net)	(2,512,156)	862,174	49,510,046	150,866	(428,938)	47,581,992
Interest on investments	241,454	36,376	1,215,553	-	137,153	1,630,536
Interest on financing lease	-	-	-	2,953,497	-	2,953,497
Principal on financing lease	-	-	-	1,203,107	-	1,203,107
Net cash provided (used) by investing activities	(2,270,702)	898,550	50,725,599	4,307,470	(291,785)	53,369,132
Net increase (decrease) in cash	760,515	(371,533)	106,014	591,629	(210,066)	876,559
Cash at beginning of year	904,381	2,125,475	384,915	248,321	644,371	4,307,463
Cash at end of year	\$ 1,664,896	\$ 1,753,942	\$ 490,929	\$ 839,950	\$ 434,305	\$ 5,184,022
Unrestricted	\$ 1,563,030	\$ 1,753,942	\$ 490,929	\$ 839,950	\$ 434,305	\$ 5,082,156
Restricted	101,866	-	-	-	-	101,866
	\$ 1,664,896	\$ 1,753,942	\$ 490,929	\$ 839,950	\$ 434,305	\$ 5,184,022

Reconciliation of operating income to net cash provided (used) by operating activities

Operating income (loss)	\$ 751,681	\$ (220,917)	\$ (5,092,281)	\$ (197,725)	\$ (31,794)	\$ (4,791,036)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	597,795	397,160	880,926	72,996	224,666	2,173,543
Provision for uncollectible accounts	105,072	14,887	-	-	(2,263)	117,696
Interest paid to customers on deposits	24,556	-	-	-	-	24,556
Changes in assets and liabilities (Increase) decrease in:						
Accounts receivable	(272,438)	46,933	142,580	-	(711)	(83,636)
Prepaid expenses	2,118	1,693	2,542	-	1,270	7,623
Amount due from other funds	-	-	(915,008)	-	-	(915,008)
Increase (decrease) in:						
Accounts payable	(76,443)	(1,586,293)	101,712	-	54,478	(1,506,546)
Accrued liabilities	2,215	(10,954)	(11,720)	-	(6,017)	(26,476)
Amount due to other funds	326,260	-	500,000	-	-	826,260
Customer deposits	35,173	-	80,440	-	-	115,613
Deferred revenue	1,268,958	-	-	-	-	1,268,958
Net cash provided (used) by operating activities	\$ 2,764,947	\$ (1,357,491)	\$ (4,310,809)	\$ (124,729)	\$ 239,629	\$ (2,788,453)

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of College Park, Georgia was chartered in 1895 and operates under a Mayor-Council-City Manager form of government. As mandated by the charter, the *City* provides police and fire protection; electrical, water, sewer and sanitation services; recreation services; highways and streets; inspection and engineering services; and various general administrative services to residents of the City.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also, required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes required by the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City has elected to implement the general provisions of the Statement in the current year including reporting of infrastructure assets.

The City is a municipal corporation governed by an elected mayor and four-member council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City's blended component unit, although a legally separate entity, is in substance, part of the City's operations and so data from this entity is combined with data of the primary government. The blended component unit has a June 30 year end.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Blended Component Unit:

College Park Business and Industrial Development Authority (BIDA) - The BIDA was created for the purpose of attracting development, industry and employment opportunities to the City. In addition the Authority serves as a finance mechanism for certain City capital projects. Presently, the only financial activity of the Authority consists of providing the financing for certain City projects and certain administrative activities. In addition, BIDA owns a thirty percent interest in College Park/Gateway Redevelopment, L.P. The partnership entered into contracts with BIDA to provide development services. Other assets owned by the Authority and leased under capital leases to the City are included in the City's enterprise funds in which they are used. Certain land acquisitions and infrastructure improvements that have been capitalized in past years have been transferred to a new capital projects fund, the Newton Estates Improvement Fund. The related BIDA debt, which is a general obligation of the City, is also included as a liability of these enterprise funds. The Authority's land development transactions and administrative expenses are included in the Redevelopment Fund.

The Mayor serves as a board member and the remaining board members are appointed by the Mayor and confirmed by the City Council. BIDA bond issues must be approved by the City Council. Separate financial statements for BIDA are not prepared since its only financial activities consist of the financing of City projects discussed above.

B. Basic Financial Statements - Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and the fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks, library, recreation, public works and general administrative services are classified as governmental activities. The City's electric, water and sewer, sanitation, convention center, and FAA building lease are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts-invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, public works, etc.). The functions are also supported by the general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

must be directly associated with the function (police, public works, recreation, etc.) or a business-type activity.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, hotel-motel taxes, sales taxes, car rental taxes, etc).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the City are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The City uses governmental funds and proprietary funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds The City's proprietary funds are considered enterprise funds in that they are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It related to the timing of the measurements made regardless of the measurement focus applied.

Accrual - Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes, sales taxes, alcoholic beverage taxes, interest revenue and charges for services. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Fines, permits and car rental tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

E. Major Funds

The City reports the following major governmental funds:

The *general fund* is the government'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 *hospitality fund* receives income from the levy of a special district tax as well as a percentage of gross rentals of all hotels operating within the City. Funds are used to fund the debt service on the convention center owned and operated by the City, as well as a portion being dedicated to general governmental administration and services.

The City reports the following major proprietary funds:

The *electric fund* accounts for the activities of the government's electric distribution operations. Electrical services are purchased through a cooperative association of municipalities within the State and sold to residents of the City.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Major Funds - continued

The *water and sewer fund* provides City residents and businesses with environmentally sound water and sewer services.

The *convention center fund* accounts for operations of the Georgia International Convention Center.

The *FAA fund* accounts for the lease of office buildings to the General Services Administration of the federal government and used for the FAA regional headquarters. This fund also accounts for the operating activities of these buildings as well.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

G. Investments

Investments consisting of bank certificates of deposit with original maturities of 90 days or more, prime banker's acceptances and U.S. Government obligations are stated at fair value. Accrued interest receivable on investments at year-end is included with investments on the balance sheet.

H. Property Taxes Receivable

Delinquent property taxes for which the City has a property lien are shown as taxes receivable. Property taxes are levied and billed on September 30 based upon property values assessed as of January 1. The billings are considered due upon receipt by the taxpayer and are past due if not paid by November 28, 60 days after the tax bill mailing. Taxes not paid within sixty days are subject to property tax liens. Receivables are shown net of an allowance for uncollectible amounts when necessary.

I. Inventory

Inventory is valued at cost, using the first-in, first-out method. The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Inventory in the Enterprise Funds is immaterial.

J. Prepaid Items

Payments made to vendors for services that will benefit future periods are recorded as prepaid items.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

K. Restricted Assets

Restricted assets in the enterprise funds include amounts for customer utility deposits, construction funds from bond proceeds and funds established for debt service for revenue bonds as required by the bond indentures. Restricted assets to be used to pay worker's compensation insurance claims are reported as restricted assets in the general fund on the combined balance sheet. Restricted assets in the Car Rental Fund are restricted for construction of public safety, recreation and convention facilities.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the governmental or business type activities in the government-wide statement of net assets and depreciated over their estimated useful lives in the government-wide statement of changes in net assets. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. However, all additions to land, buildings, electric infrastructure and water and sewer infrastructure are capitalized. Depreciation is provided over the estimated useful lives of assets using the straight line- method. Assets which are fully depreciated and no longer in use are removed from capital assets. The estimated useful lives for the various classes of fixed assets are as follows:

Infrastructure (streets, sidewalks)	40 years
Buildings	25-40 years
Distribution systems	25-75 years
Treatment plant	45 years
Sewer collection systems	30-75 years
Sanitation containers	20 years
Autos and trucks	5-7 years
Other equipment	5-7 years

Interest is capitalized during the construction period on proprietary fund assets financed with bond debt. The amount of interest to be capitalized for debt with tax-exempt interest is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. The amount of interest to be capitalized for debt with taxable interest is calculated at the average borrowing rate applied to costs incurred during the construction period.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

L. Capital Assets - continued

GASB No. 34 requires the City to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements

M. Bond Origination Fees

Costs incurred in connection with the issuance of revenue bonds have been capitalized and are being amortized over the life of the bonds. These amounts are included in other assets.

N. Compensated Absences

The City's policy allows an employee, to accumulate earned but unused vacation and sick hours, depending on the length of employment. Vacation and sick pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation and sick pay that is currently due and is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Sick leave hours are not paid as termination payments and are not accrued when they are earned, but rather recorded as an expenditure (or expense) when employees are paid for hours not worked due to illness.

O. Deferred Property Taxes

Deferred property tax revenue is recorded for the portion of property tax receivables which are not collected within sixty days of year-end.

P. Fund Equity

Reservations of equity represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

R. Expenditures exceeding appropriations

General fund expenditures exceeded appropriations at the departmental level for recreational expenses(\$372) and contractual expenses (\$59,702). Expenditures also exceeded appropriations at the fund level for the Community Development Block Grant Fund (\$573,938); Grants Special Revenue Fund (\$702,905); and the Confiscated Drug Special Revenue Fund (\$29,768). These excess expenditures were offset by additional revenue collections in these funds.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY A.

Budgetary Information

Annually, the City Manager submits to the Mayor and Council a proposed operating budget for the coming fiscal-year which is required to be approved prior to June 30. Public hearings are held prior to adoption to allow citizens the opportunity to comment on the proposed budget.

Budgets are adopted for all governmental funds, the Electric Fund, Water and Sewer Fund, Sanitation Fund and The Convention Center Fund (Enterprise Funds). Budgets for the Enterprise Funds are prepared for planning and control purposes only. A budget for the Capital Project Fund is adopted on a project basis, and not a fiscal year basis. The legal level of budgetary control is the department level, with the Council being the only body authorized to make amendments to the budget. No supplemental appropriations were made for the year ended June 30, 2003.

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 by the City for budget purposes only. Annual appropriations lapse at the end of the City's fiscal year.

B. Budget/GAAP Reconciliation

The budgets for the General Fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles.

The budgets for the Enterprise Funds are prepared for planning and control purposes only. Enterprise Fund budgets are adopted on a basis consistent with generally accepted accounting principles except that capital outlay and debt service are budgeted as expenses and depreciation and bad debt expense are not budgeted. Also in the Enterprise Funds, capitalized interest is expensed for budget purposes.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 3 - CASH AND INVESTMENTS

Deposits - Certificates of deposit with original maturities of 90 days or more are included in investments in the accompanying combined balance sheet. However, in order to conform to the GASB Statement 3 definition of deposits, these certificates of deposit have been reclassified from investments to deposits for purposes of presenting the information detailed below.

At June 30, 2003, the carrying amount of the City's deposits was \$9,259,940 and the related bank balances totaled \$9,397,177. The City's deposits are categorized below to give an indication of the level of risk assumed by the City at year end. Category 1 includes deposits that are covered by Federal Depository Insurance or by collateral held by the City or its agent in the City's name. Category 2 includes cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes uncollateralized bank deposits or deposits collateralized by securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. Category 3 includes deposits held in trust accounts for the City in the name of the Municipal Electrical Authority of Georgia.

The bank balances are classified as follows at June 30, 2003:

<u>Category</u>	<u>Bank balance</u>
1	\$9,744,076
2	-
3	-
	<hr/>
	\$9,744,076

Investments - Statutes authorize the City to invest in obligations of the United States and its agencies, obligations of the State of Georgia or other states and their agencies, prime banker's acceptances, repurchase agreements or obligations of other local governments in Georgia. The City may also invest in certificates of deposits of banks which are insured by the Federal Deposit Corporation (FDIC) provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC is adequately collateralized.

Investments are classified by degree of credit risk into the three categories described below:

- Category 1 - Insured or registered, with the securities held by the City or its agent in the City's name.
- Category 2 - Uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the City's name.
- Category 3 - Uninsured and unregistered, with the securities held by the counterparty or by its trust department or agent, but not in the City's name.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 3 - CASH AND INVESTMENTS - Continued

Investments held by the City at June 30, 2003 are summarized below:

Type of <u>investment</u>	<u>Category</u>		
	<u>1</u>	<u>2</u>	<u>3</u>
Bankers' Acceptances	\$ 38,291,231	\$ -	\$ -
U.S. Government Securities	66,936,987	-	-
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 105,228,218</u>	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of deposits and investments reported above to the cash and investments reported on the combined balance sheet is as follows:

Carrying amount of deposits	\$ 9,259,940
Carrying amount of investments	<u>105,228,218</u>
Total	<u>\$ 114,488,158</u>
Cash and cash equivalents	\$ 8,471,455
Cash and cash equivalents- restricted	788,485
Investments	32,680,574
Investments – restricted	<u>72,547,644</u>
	<u>\$ 114,488,158</u>

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 4 -- RECEIVABLES

Receivables as of year end for the government's individual major funds and non nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Hospitality	Electric	Water and Sewer	Convention	Nonmajor	Total
Receivables							
Taxes	\$ 1,646,131	\$ 374,501	\$ -	\$ -	\$ -	\$ 35,313	\$ 2,055,945
Accounts	292,447	-	4,099,463	555,459	149,849	1,290,819	6,388,037
Intergovernmental	-	-	-	-	-	340,458	340,458
Gross receivables	<u>1,938,578</u>	<u>374,501</u>	<u>4,099,463</u>	<u>555,459</u>	<u>149,849</u>	<u>1,666,590</u>	<u>8,784,440</u>
Less: allowance for uncollectibles	(888,861)	-	(1,197,528)	(159,048)	-	(93,042)	(2,338,479)
Net total receivables	<u>\$ 1,049,717</u>	<u>\$ 374,501</u>	<u>\$ 2,901,935</u>	<u>\$ 396,411</u>	<u>\$ 149,849</u>	<u>\$ 1,573,548</u>	<u>\$ 6,445,961</u>

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 5 – CAPITAL ASSETS

The City's policy is to capitalize assets with a minimum purchase price of \$5,000 and to write off fully depreciated assets which are no longer in use. In accordance with this policy, the City removed \$4,767,884 of governmental fixed assets from the amounts previously reported as of June 30, 2002.

Capital asset activity for the year ended June 30, 2003 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,196,229	\$ 486,158	\$ -	\$ 1,682,387
Construction in progress	-	347,737	-	347,737
Total capital assets, not being depreciated	<u>1,196,229</u>	<u>833,895</u>	<u>-</u>	<u>2,030,124</u>
Capital assets, being depreciated				
Buildings and improvements	8,170,344	830,178	-	9,000,522
Autos and trucks	3,184,300	45,110	-	3,229,410
Other equipment	1,117,736	180,322	-	1,298,058
Infrastructure	26,182,529	-	-	26,182,529
	<u>38,654,909</u>	<u>1,055,610</u>	<u>-</u>	<u>39,710,519</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,689,823)	(223,340)	-	(1,913,163)
Autos and trucks	(1,810,037)	(342,438)	-	(2,152,475)
Other equipment	(588,103)	(143,728)	-	(731,831)
Infrastructure	(9,477,387)	(651,034)	-	(10,128,421)
Total accumulated depreciation	<u>(13,565,350)</u>	<u>(1,360,540)</u>	<u>-</u>	<u>(14,925,890)</u>
Total capital assets being depreciated, net	<u>25,089,559</u>	<u>(304,930)</u>	<u>-</u>	<u>24,784,629</u>
Governmental capital assets, net	\$ <u>26,285,788</u>	\$ <u>528,965</u>	\$ <u>-</u>	\$ <u>26,814,753</u>

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 5 – CAPITAL ASSETS - continued

Business type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 26,889,036	\$ 250,235	\$ 221,578	\$ 26,917,693
Construction in progress	46,738,440	50,562,203	97,300,643	-
Total capital assets, not being depreciated	<u>73,627,476</u>	<u>50,812,438</u>	<u>97,522,221</u>	<u>26,917,693</u>
Capital assets, being depreciated				
Buildings and improvements	1,890,292	87,041,482	-	88,931,774
Autos and trucks	2,969,865	88,038	600,474	2,457,429
Other equipment	5,992,001	10,412,206	4,571,062	11,833,145
Infrastructure	31,362,706	1,349,565	-	32,712,271
Total capital assets, being depreciated	<u>42,214,864</u>	<u>98,891,291</u>	<u>5,171,536</u>	<u>135,934,619</u>
Less accumulated depreciation for:				
Buildings and improvements	(659,637)	(630,058)	-	(1,289,695)
Autos and trucks	(2,072,399)	(473,489)	(600,474)	(1,945,414)
Other equipment	(5,401,503)	(459,283)	(4,571,062)	(1,289,724)
Infrastructure	(10,928,700)	(610,711)	-	(11,539,411)
Total accumulated depreciation	<u>(19,062,239)</u>	<u>(2,173,541)</u>	<u>(5,171,536)</u>	<u>(16,064,244)</u>
Total capital assets being depreciated, net	<u>23,152,625</u>	<u>96,717,750</u>	<u>-</u>	<u>119,870,375</u>
Business-type activities capital assets, net	\$ <u>96,780,101</u>	\$ <u>147,530,188</u>	\$ <u>97,522,221</u>	\$ <u>146,788,068</u>

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

Governmental activities		Business-type activities	
General Government	\$ 66,732	Electric	\$ 597,793
Engineering	2,286	Water and sewer	397,160
Fire	208,361	Sanitation	224,666
Highway and streets	697,992	Convention	880,925
Inspection	6,660	FAA	72,996
Parks	13,179		
Police	286,171	Total	\$ <u>2,173,540</u>
Recreation	60,334		
Building and grounds	18,825		
Total	\$ <u>1,360,540</u>		

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 6 - CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of various equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. These assets have been recorded at a purchase price of \$152,933 and have accumulated depreciation of \$62,793 as of June 30, 2003.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2003 were as follows:

Year Ending June 30	Amount
2004	\$ 28,068
2005	23,149
2006	23,149
Total lease payments	74,366
Less: amount representing interest	(9,521)
Present value of minimum lease payments	\$ 64,845

NOTE 7 – LONG TERM DEBT

Revenue bond and other long-term debt transactions of the City's Enterprise Funds for the year ended June 30, 2003 are as follows:

	Convention Center 2000 Series	Convention Center 2001 Series	FAA 1993 Series	FAA 1999 Series	Redevelopment Fund Master Land Contract	Total
Balance at June 30, 2002	\$ 65,790,000	\$ 20,375,000	\$ 6,705,000	\$ 26,010,000	\$ 6,103,272	\$ 124,983,272
Retirements	(1,305,000)	-	(315,000)	(1,115,000)	-	(2,735,000)
Balance at June 30, 2003	64,485,000	20,375,000	6,390,000	24,895,000	6,103,272	122,248,272
Deferred loss on defeasance	-	-	-	(2,676,163)	-	(2,676,163)
Net long term debt	64,485,000	20,375,000	6,390,000	22,218,837	6,103,272	119,572,139
Current maturities	(1,375,000)	-	(335,000)	(1,170,000)	-	(2,880,000)
Long term portion	\$ 63,110,000	\$ 20,375,000	\$ 6,055,000	\$ 21,048,837	\$ 6,103,272	\$ 116,692,109

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 7 - LONG TERM DEBT - continued

Details of the individual debt issues are:

Convention Center

2000 Series - Original issue of \$67,030,000, 5.125% to 5.625% revenue bonds payable in varying semi-annual principal and interest payments due (September 1 and March 1) through September 2026.

These revenue bonds were issued for the purpose of constructing the new Georgia International Convention Center.

2001 Series - Original issue of \$20,375,000, 5% revenue bonds payable in varying semi-annual principal and interest payments due (September 1 and March 1) through September 2018. These revenue bonds were issued for the purpose of constructing the new Georgia International Convention Center.

FAA

1993 Taxable Series - Original issue of \$8,500,000, 4.3% to 6.25%, Serial revenue bonds payable in varying quarterly principal and interest payments due (October 1, January 1, April 1, and July 1) through April 2015. Term revenue bonds in the amounts of \$1,995,000, \$1,535,000 and \$2,675,000 mature in 2008, 2011, and 2015, respectively.

1999 Taxable Series - Original issue of \$28,995,000, 5.0% to 6.3%, revenue bonds payable in varying quarterly principal and interest payments due (January 1, April 1, July 1, and October 1) through October, 2013. Term revenue bonds in the amount of \$10,005,000 mature in 2013.

Proceeds of the 1993 and 1999 Series bonds were used to construct and equip a regional headquarters facility for the Federal Aviation Administration. This facility will be leased by the BIDA to the City, and by the City to the United States General Services Administration. Under the lease with the City, the City is obligated to make rental payments in amounts sufficient to make principal and interest payments on the bonds.

Water and Sewer Fund

1994 Series - Original issue of \$6,805,000, 2.9% to 5.6% revenue bonds payable in varying semiannual principal and interest payments due (January 1 and July 1) through July 1, 2009. These bonds were defeased in June 2002.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 7 – LONG TERM DEBT – continued

Redevelopment Fund

Master Land Contract – The redevelopment fund was established to account for the acquisition of land and the related note payable with an original amount of \$10,126,939. The note payable, known as the master land contract, relates to land located within the corporate limits of the City of College Park purchased from the City of Atlanta for purposes of redevelopment. It bears interest at 6.5%, with no periodic principal or interest payments required until individual lots purchased under the note are sold.

Principal and interest requirements to amortize all long-term debt outstanding at June 30, 2003 are as follows:

Future Principal Payments	Convention Center		FAA		Redevelopment Fund	Total
	2000 Series	2001 Series	1993 Series	1999 Series	Master Land Contract	
Fiscal year ending June 30,						
2004	\$ 1,375,000	\$ -	\$ 335,000	\$ 1,170,000	\$ -	\$ 2,880,000
2005	1,445,000	525,000	360,000	1,535,000	-	3,865,000
2006	1,520,000	545,000	385,000	1,930,000	-	4,380,000
2007	1,595,000	565,000	410,000	2,050,000	-	4,620,000
2008	1,675,000	585,000	440,000	2,170,000	-	4,870,000
2009-2013	9,815,000	3,320,000	2,685,000	13,095,000	6,103,372	35,018,372
2014-2018	12,805,000	4,160,000	1,775,000	2,945,000	-	21,685,000
2019-2027	33,255,000	10,675,000	-	-	-	43,930,000
Total	\$ 63,485,000	\$ 20,375,000	\$ 6,390,000	\$ 24,895,000	\$ 6,103,372	\$ 121,248,372

Future Interest Payments	Convention Center		FAA		Redevelopment Fund	Total
	2000 Series	2001 Series	1993 Series	1999 Series	Master Land Contract	
Fiscal year ending June 30,						
2004	\$ 3,572,855	\$ 934,600	\$ 427,701	\$ 1,533,123	\$ -	\$ 6,468,279
2005	3,498,830	926,725	405,550	1,465,275	-	6,296,380
2006	3,422,899	910,675	381,295	1,365,838	-	6,080,707
2007	3,345,023	892,613	355,555	1,290,435	-	5,843,626
2008	3,262,236	872,488	328,000	1,125,353	-	5,588,077
2009-2013	14,836,278	3,982,149	1,147,548	3,384,879	-	23,350,854
2014-2018	11,747,916	3,164,970	178,441	95,713	-	15,187,040
2019-2027	10,304,580	2,465,696	-	-	-	12,770,276
Total	\$ 53,990,617	\$ 14,149,916	\$ 3,224,090	\$ 10,220,616	\$ -	\$ 81,585,239

Compensated Absences

Changes in compensated absences for the year are as follows:

Beginning balance	\$	1,123,451
Additions		61,852
Ending balance	\$	<u>1,185,303</u>
Current portion	\$	<u>406,539</u>

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 8 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

Interfund receivable/payables at June 30, 2003 are as follows:

General Fund	Electric Fund	\$	1,861,379
General Fund	Convention Center Fund		500,000
General Fund	Redevelopment Fund		2,250,000
General Fund	Community Development Block Grant		150,049
General Fund	Grants Fund		85,857
General Fund	Capital Improvement Fund		253,900
Confiscated Drug Fund	Grants Fund		3,800
Electric Fund	Redevelopment Fund		500,000
Convention Center Fund	Redevelopment Fund		915,008
Redevelopment Fund	Car Rental Fund		3,200
Newton Estates Improvement Fund	Redevelopment Fund		756,485
		\$	<u>7,279,678</u>

The purpose of interfund receivables and payables is to meet temporary cash flow requirements and timing between receiving and recognizing certain revenues.

Transfers between Governmental and Proprietary Funds:

<u>Transfers from</u>	<u>Transfers to</u>		<u>Amount</u>
Electric Fund	General Fund	\$	(125,000)
Hospitality Fund	Convention Center Fund		5,365,000
Water and Sewer Fund	General Fund		(553,800)
		\$	<u>4,686,200</u>

Transfers between Governmental Funds :

<u>Transfers from</u>	<u>Transfers to</u>		<u>Amount</u>
Car Rental Fund	Community Development Block Grant	\$	345,520
Confiscated Drug Fund	Grant Fund		8,123
General Fund	E911 Fund		260,000
Hospitality Fund	General Fund		410,000
		\$	<u>1,023,643</u>

Transfers between Proprietary Funds:

<u>Transfers from</u>	<u>Transfers to</u>		<u>Amount</u>
Redevelopment Fund	Convention Center Fund	\$	210,609

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 8 - INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS - continued

Transfers from the Electric and Water and Sewer Funds to the General Fund are to cover administrative cost incurred in the General Fund. Transfers from the Hospitality Fund to the Convention Center Fund are to cover deficits of Conventions Center operations. Transfers from the Car Rental Fund and the Confiscated Drug Fund to the Community Development Block Grant Fund and Grant Fund, respectively, are for the City's matching portion of federal and state grants. Transfers from the General Fund to the E911 Fund are to cover operating costs in that fund. Transfers from the Hospitality Fund to the General Fund are to cover the costs of recreational and public safety activities in the General Fund. Transfers from the Redevelopment Fund to the Conventions Center Fund are to cover operating deficits of the Convention Center operations.

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City participates in a public entity risk pool, known as GIRMA, which operates as a common risk management and insurance program. GIRMA establishes and administers this public entity risk pool to prevent or lessen the incidence and severity of casualty and property losses occurring in the operations of the City. GIRMA is obligated to provide for the cost of claims and related interest incurred by the City along with the cost of investigating, negotiating and defending such claims. The City pays an insurance premium to GIRMA for coverage against these risks of loss. However, the City is partially self-insured for workers' compensation claims. The City has purchased insurance coverage for aggregate claims that exceed \$225,000 per year. Claims have not exceeded insurance coverage in the last three years. No significant reductions in insurance coverage occurred in the current year. A liability for workers' compensation claims is recognized in the General Fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The accrued claims liability includes related claim settlement costs.

In addition, \$400,000 of the general fund balance has been designated for this purpose. The following describes the changes in the claims liability over the last two fiscal years.

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2003	\$ 143,373	\$ 154,816	\$107,736	\$ 190,453
2002	\$ 247,287	\$ (69,386)	\$ 34,528	\$ 143,373

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 10 - DEFINED BENEFIT PENSION PLAN

1. Plan Description

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

1. Plan Description - 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 full-time employees. Benefits vest after 5 years of service. City employees who retire at age 60 with 25 years of service or age 62 with five years of service are entitled to a monthly retirement benefit based upon average earnings and years credited service.

As of March 1, 2003, the plan membership included the following categories of participants.

Retirees and beneficiaries receiving benefits	155
Terminated vested participants not yet receiving benefits	15
Active participants	365
Total membership	<u>535</u>

2. Summary of Significant Accounting Policies *Basis of Accounting*

The financial statements of the Plan are prepared on the accrual basis of accounting. Contributions from the City are recognized as revenue in the period in which the contributions are due. Investment income is recognized by the Plan when earned.

Method Used by Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on exchanges are valued at last reported sales price. No investments represented more than 5% of Plan net assets at June 30, 2003.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 10- DEFINED BENEFIT PENSION PLAN - continued

3. Funding Policy

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2003, the actuarially determined contribution rate was 14.4% of covered payroll.

For 2003, the City's recommended contribution was \$2,130,053 and actual contribution totaled \$2,356,568. The recommended contribution was determined as part of the March 1, 2003 actuarial valuation using the projected unit credit actuarial cost method. Actuarial assumptions include an 8.0% rate of return on vestments and projected salary increases of 5.5% (5.0% due to inflation and .5% due to merit increases). The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1985 and, current changes in the unfunded actuarial accrued liability over 15 years -for actuarial gains and losses, 20 years for plan provision and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this plan year. The actuarial value of the plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten year period.

4. Annual Pension Cost

The City's annual pension cost and net pension obligation for 2003 were computed as follows:

Annual required contribution/pension cost	\$ 2,130,053
Contributions	<u>2,356,568</u>
Increase in net pension asset	226,515
Net pension asset, beginning of year	<u>2,117,103</u>

Net pension asset, end of year \$ 2,343,618

5. Schedule of Employer Contributions

Year <u>ended</u>	Annual Pension <u>Cost (APC)</u>	Percentage of <u>APC Contributed</u>	Net Pension <u>Asset</u>
June 30, 2003	\$2,130,053	90.9%	\$ 2,343,618
June 30, 2002	1,290,489	135.1%	2,117,103
June 30, 2001	879,557	172.4%	1,663,009

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

5. Schedule of Funding Progress

The information presented below is based on the annual actuarial valuations as of March 1 of each year.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Accrued Liability (AAL) Projected Unit Credit	Funded Ratio	Covered Payroll	AAL as a Percentage of Covered Payroll
March 1, 2003	\$ 39,634,204	\$ 50,137,985	\$ (10,503,781)	79.1%	\$ 14,820,705	70.9%
March 1, 2002	\$ 42,605,313	\$ 46,543,981	\$ (3,938,668)	91.5%	\$ 14,502,216	27.2%
March 1, 2001	\$ 39,893,814	\$ 41,848,933	\$ (1,955,119)	95.3%	\$ 12,379,002	15.8%

Several claims and lawsuits are pending against the City relating to various accidents, disputes, and legislative and administrative matters. The City's management believes that the resolution of these matters will not materially affect the City's financial position.

The City has entered into contracts with the Municipal Electric Authority of Georgia (the "Authority") which require the City to purchase, from the Authority, all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. These contracts contain certain minimum purchase requirements regardless of the City's ability to sell its allocation, through the year 2020. The minimum purchase requirements are based upon the Authority's system output. Dislocation of businesses and residential units has occurred due to encroachment on its customer base by expansions of Hartsfield International Airport over the term of the agreement. This has resulted in the City having to purchase energy in excess of its ability to sell to ultimate consumers at prevailing market rates. Instead, the excess energy was sold to other utilities at open-market rates. The open-market rates are generally less than the cost charged by the Authority for bulk power. The resulting loss on such sales has been included in the net income for the Electric Fund. An estimated possible loss on purchase commitments related to below cost sales of excess energy over the life of the commitment cannot be estimated reasonably at June 30, 2003, because of uncertainties regarding the Authority's future system output and the resulting effect on both the fixed and variable components of its cost as well as unpredictable future demand in the open market and the resulting open-market prices.

The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its operating costs and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the Authority's outstanding debt, the City has guaranteed a portion of the unpaid debt based on its entitlement share of the output and services of generating units

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 11 - CONTINGENCIES AND COMMITMENTS - continued

acquired or constructed by the Authority. These obligations, which extend through the year 2020, are general obligations of the City for which the City's full faith, credit and taxing powers are pledged. The City's obligations to the Authority for power supply costs are based on the Authority's costs and the City's demand for bulk power supply, subject to certain minimum amounts.

At June 30, 2003, the outstanding debt of the Authority was approximately \$3.31 billion. The City's guarantee totals approximately \$225 million at June 30, 2003.

The City has adopted the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust includes two types of funds, which are held in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The City's portion of unrestricted funds at June 30, 2003 was \$6,518,045. The second type represents amounts that are available to the City in the form of a loan or an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met. The City's portion of these funds at June 30, 2003 was \$31,263,667. These funds are not available to cover current operations and are therefore considered restricted and have been deferred at June 30, 2003.

BIDA has an outstanding promissory note to the Convention Center Development Corporation in the amount of \$500,000. The purpose of the loan is to provide working capital for various development projects of BIDA. The interest rate is 6.5% and principal and interest would be paid from BIDA's equity in the College Park/Gateway Redevelopment. L.P. As of June 30, 2003, the note is unfunded and there is no outstanding liability to the City.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 12 - NET INVESTMENT IN DIRECT FINANCING LEASE

The City has entered into two separate lease agreements with the FAA for two separate buildings constructed by the City for the FAA's use. The leases were accounted for as direct financing leases by the City in the FAA Project fund. The lease agreements require minimum monthly payments of \$64,543 and \$277,707, respectively, (including interest at 8.5 and 12% per annum, respectively, plus annual CPI escalations) over 20-year terms beginning December, 1994 and September, 1993, respectively. The following summarizes the components of the net investment in direct financing lease at June 30, 2003:

Minimum lease payment receivable	\$ 42,667,708
Less: Unearned income	<u>(17,589,749)</u>
Net investment in direct financing lease	<u>\$ 25,077,959</u>
Current portion	\$ 1,344,811
Long-term portion	<u>23,733,148</u>
	<u>\$ 25,077,959</u>

At June 30, 2003 future minimum lease payments receivable are as follows:

	<u>Total payment</u>
2004	\$ 4,107,000
2005	4,107,000
2006	4,107,000
2007	4,107,000
2008	4,107,000
Thereafter	<u>22,132,708</u>
Total	<u>\$ 42,667,708</u>

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 13 - JOINT VENTURE

Under authorization of the state statutes, the City joined the cities of Hapeville, East Point, Palmetto, Union City and Fairburn to establish and operate the Tri-Cities Narcotics Task Force (TCN) for the purpose of inter jurisdictional enforcement of the criminal statutes related to narcotics and other illegal drugs and to administer grants received under drug control programs. Each government appoints six members of the board for the joint venture. The operating and capital budgets in excess of grant revenues are funded by equal contributions from each government. Each government's share of assets, liabilities and fund equity is 16.66%. The City's equity interest is reported in the General Fixed Assets Account Group.

During fiscal 2000, BIDA and the Convention Center Development Corporation entered into an agreement to form the College Park/Gateway Redevelopment, L. P. (the Partnership). The Partnership entered into Development Agreements with BIDA and the City to build the new convention center and related infrastructure. In addition, BIDA will receive a development fee of 4% of actual costs. Under the terms of the agreement, BIDA share of assets, liabilities and equity is 30%.

Under Georgia law, the City in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in an ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC. The 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 an ARC. Separate financial statements may be obtained from the Atlanta Regional Commission, 3715 Northside Parkway, 200 North Creek Suite 300, Atlanta, Georgia 30327.

NOTE 14 - RELATED ORGANIZATIONS

The City's council is responsible for appointing all board members of the City of College Park Housing Authority. However, the City has no further accountability for the Authority.

NOTE 15 - SUBSEQUENT EVENTS

On September 12, 2001, the City received a demand letter, which was also addressed to the City of Atlanta ("Atlanta"), from FelCor Limited Partnership ("FelCor"), the owner of a hotel adjacent to the City's existing convention center. Pursuant to a lease between the City and FelCor, FelCor leases from the City certain meeting areas in the existing convention center. The initial term of the lease ends on September 1, 2013, subject to a renewal option in favor of FelCor for an additional 25-year term. In its letter, FelCor asserted that the following alleged actions were adverse to FelCor's property rights: (1)

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 15 - SUBSEQUENT EVENTS - continued

Atlanta purchased the existing convention center and leased it the City, without giving notice to FelCor, (2) the City began construction of a new convention center, and (3) without conferring with FelCor, the City and Atlanta entered into an agreement in which Atlanta has unequivocally agreed to close down the City's existing facility. FelCor alleged that, as a result of these actions, it has suffered and will suffer significant damages including loss of profits, loss of goodwill, and loss of use and enjoyment of the leased premises. In its letter, FelCor demanded that the City and Atlanta compensate FelCor for its alleged damages and provide assurance that they intend to honor their respective obligations under the lease.

The City, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The City, after reviewing the current status of all pending and threatened litigation with its counsel, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the City or its officials in such capacity are adequately covered by insurance or will not have a material adverse effect upon the financial position or results of operations of the City.

NOTE 16- HOTEL/MOTEL TAX

The City of College Park and Fulton County imposed a 3% tax on gross hotel occupancy revenues for the purpose of promoting tourism , conventions, and trade shows. In addition, the City has levied an additional 3 % tax for the purpose of constructing and operating a convention center. A summary of the transactions for the fiscal year ended June 30, 2003 is as follows:

Balance as of June 30, 2002	\$	-
2003 collections		4,085,081
2003 disbursements		<u>4,085,081</u>
Balance as of June 30, 2003	\$	<u>-</u>

Expenditures paid with this hotel/motel tax were used to promote tourism, conventions, and trade shows as required by O.C.GA 48-013-51.

City of College Park, Georgia

NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 17 – CHANGES IN ACCOUNTING PRINCIPLES

Effective July 1, 2002, the City implemented the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments – Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. The implementation of these new accounting statements significantly changed the reporting model and reporting requirements for the City.

The implementation of these new statements required the following calculation to establish beginning net assets for governmental activities.

Total governmental fund balances as of June 30, 2002	\$	28,896,946
Capital assets		26,285,787
Long-term liabilities		
Capital leases payable		(91,649)
Compensated absences		(752,592)
Deferred tax revenue		37,407
Pension asset		2,117,103
Joint venture		106,298
Total net assets - governmental activities as of June 30, 2002	\$	<u>56,599,300</u>

Required Supplementary Information
(Unaudited)

City of College Park, Georgia
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Taxes	\$ 14,574,004	\$ 13,899,348	\$ (674,656)
Licenses and permits	1,717,500	2,042,086	324,586
Intergovernmental revenue	80,000	188,202	108,202
Fines and forfeitures	809,000	1,683,888	874,888
Charges for services	250,000	344,212	94,212
Interest income	500,000	149,079	(350,921)
Other	126,000	109,517	(16,483)
Total revenue	<u>18,056,504</u>	<u>18,416,332</u>	<u>359,828</u>
Expenditures:			
General Government			
Executive	1,055,362	1,018,844	36,518
Legislative	285,136	279,098	6,038
Financial Administration	88,002	45,092	42,910
Accounting	247,857	249,573	(1,716)
Personnel	326,939	269,285	57,654
Purchasing	114,216	112,886	1,330
Taxes and Licenses	101,989	101,125	864
Data Processing	210,563	173,066	37,497
Business Development	372,423	302,568	69,855
	<u>2,802,487</u>	<u>2,551,537</u>	<u>250,950</u>
Police			
Administration	1,000,635	1,131,101	(130,466)
Patrol	5,151,347	5,174,888	(23,541)
Investigations	1,056,416	1,070,646	(14,230)
Corrections	247,743	255,336	(7,593)
Municipal Court	194,034	212,416	(18,382)
	<u>7,650,175</u>	<u>7,844,387</u>	<u>(194,212)</u>
Fire			
Administration	386,199	289,424	96,775
Suppression	2,818,147	2,704,005	114,142
EMS	1,235,204	1,181,867	53,337
	<u>4,439,550</u>	<u>4,175,296</u>	<u>264,254</u>
Recreation			
Administration	218,618	219,781	(1,163)
Programs	921,693	905,806	15,887
Facilities	278,409	293,505	(15,096)
	<u>1,418,720</u>	<u>1,419,092</u>	<u>(372)</u>

continued on next page

City of College Park, Georgia
Schedule of Revenues, Expenditures and Changes in Fund Balances - Continued
Budget and Actual
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Inspection	233,097	228,001	5,096
Engineering	505,460	258,751	246,709
Buildings and Grounds	643,912	610,194	33,718
Parks	182,866	178,009	4,857
Highways and Streets	1,115,566	888,351	227,215
Contractual	750,000	809,702	(59,702)
Total Expenditures	<u>19,741,833</u>	<u>18,963,320</u>	<u>778,513</u>
Excess (deficiency) of revenues over (under)	(1,685,329)	(546,988)	1,138,341
Other financing sources (uses)			
Transfers in	1,278,896	1,088,800	(190,096)
Transfers out	<u>(263,434)</u>	<u>(260,000)</u>	<u>3,434</u>
	<u>1,015,462</u>	<u>828,800</u>	<u>(186,662)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(669,867)	281,812	951,679
Fund balance, beginning of year	20,111,399	20,111,399	-
Fund balance, end of year	<u>\$ 19,441,532</u>	<u>\$ 20,393,211</u>	<u>\$ 951,679</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
General Government			
Executive			
Personal services	\$ 480,962	\$ 358,236	\$ 122,726
Communications and utilities	118,000	138,900	(20,900)
Rentals	3,000	3,058	(58)
Repairs and maintenance	1,600	1,092	508
Other services and charges	401,500	483,456	(81,956)
Training and education	15,300	14,364	936
Materials and supplies	35,000	19,738	15,262
	1,055,362	1,018,844	36,518
Legislative			
Personal services	194,486	188,051	6,435
Other services and charges	27,800	22,824	4,976
Training and education	47,050	56,971	(9,921)
Materials and supplies	15,800	11,252	4,548
	285,136	279,098	6,038
Financial Administration			
Personal services	87,110	38,103	49,007
Other services and charges	-	2,438	(2,438)
Training and education	240	3,275	(3,035)
Materials and supplies	652	1,276	(624)
	88,002	45,092	42,910
Accounting			
Personal services	187,457	204,144	(16,687)
Other services and charges	53,000	40,912	12,088
Training and education	2,000	1,036	964
Materials and supplies	5,400	3,481	1,919
	247,857	249,573	(1,716)

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Personnel			
Personal services	178,366	177,552	814
Other services and charges	137,173	83,141	54,032
Training and education	4,200	2,692	1,508
Materials and supplies	7,200	5,900	1,300
	<u>326,939</u>	<u>269,285</u>	<u>57,654</u>
Purchasing			
Personal services	111,546	107,849	3,697
Other services and charges	-	4,563	(4,563)
Training and education	690	56	634
Materials and supplies	1,980	418	1,562
	<u>114,216</u>	<u>112,886</u>	<u>1,330</u>
Taxes and Licenses			
Personal services	91,265	90,791	474
Other services and charges	4,744	3,616	1,128
Training and education	240	25	215
Materials and supplies	5,740	6,693	(953)
	<u>101,989</u>	<u>101,125</u>	<u>864</u>
Data Processing			
Personal services	109,918	106,063	3,855
Repairs and maintenance	73,360	56,402	16,958
Other services and charges	6,300	5,234	1,066
Training and education	2,000	-	2,000
Materials and supplies	6,250	5,367	883
Capital outlay	12,735	-	12,735
	<u>210,563</u>	<u>173,066</u>	<u>37,497</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Business Development			
Personal services	141,668	144,200	(2,532)
Other services and charges	220,000	149,366	70,634
Training and education	7,225	7,865	(640)
Materials and supplies	3,530	1,137	2,393
	<u>372,423</u>	<u>302,568</u>	<u>69,855</u>
Police Administration			
Personal services	914,710	1,053,605	(138,895)
Communications and utilities	1,600	-	1,600
Rentals	15,000	13,020	1,980
Repairs and maintenance	2,325	830	1,495
Other services and charges	28,750	33,134	(4,384)
Training and education	6,600	5,348	1,252
Materials and supplies	18,700	25,164	(6,464)
Capital outlay	12,950	-	12,950
	<u>1,000,635</u>	<u>1,131,101</u>	<u>(130,466)</u>
Police Patrol			
Personal services	4,498,712	4,548,626	(49,914)
Communications and utilities	77,400	74,185	3,215
Rentals	3,000	3,394	(394)
Repairs and maintenance	222,950	199,245	23,705
Other services and charges	151,700	136,113	15,587
Training and education	16,015	11,498	4,517
Materials and supplies	129,070	156,717	(27,647)
Capital outlay	52,500	45,110	7,390
	<u>5,151,347</u>	<u>5,174,888</u>	<u>(23,541)</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Police Investigations			
Personal services	992,170	1,007,735	(15,565)
Communications and utilities	6,750	6,581	169
Rentals	6,000	830	5,170
Repairs and maintenance	12,650	6,354	6,296
Other services and charges	1,500	1,881	(381)
Training and education	3,910	3,167	743
Materials and supplies	33,436	44,098	(10,662)
	<u>1,056,416</u>	<u>1,070,646</u>	<u>(14,230)</u>
Corrections			
Personal services	173,193	193,314	(20,121)
Repairs and maintenance	650	1,218	(568)
Other services and charges	250	-	250
Training and education	800	-	800
Materials and supplies	72,850	60,804	12,046
	<u>247,743</u>	<u>255,336</u>	<u>(7,593)</u>
Municipal Court			
Personal services	184,184	202,610	(18,426)
Communications and utilities	750	-	750
Repairs and maintenance	250	185	65
Other services and charges	5,000	6,096	(1,096)
Training and education	1,350	251	1,099
Materials and supplies	2,500	3,274	(774)
	<u>194,034</u>	<u>212,416</u>	<u>(18,382)</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Fire Administration			
Personal services	361,508	265,906	95,602
Communications and utilities	5,400	10,397	(4,997)
Repairs and maintenance	1,755	983	772
Other services and charges	100	-	100
Training and education	2,724	2,408	316
Materials and supplies	14,712	9,730	4,982
	<u>386,199</u>	<u>289,424</u>	<u>96,775</u>
Fire Suppression			
Personal services	2,448,608	2,350,316	98,292
Communications and utilities	25,816	38,224	(12,408)
Repairs and maintenance	46,582	54,240	(7,658)
Other services and charges	204,550	177,796	26,754
Training and education	10,000	7,934	2,066
Materials and supplies	51,565	62,723	(11,158)
Capital outlay	31,026	12,772	18,254
	<u>2,818,147</u>	<u>2,704,005</u>	<u>114,142</u>
Emergency Medical Services			
Personal services	1,179,920	1,122,750	57,170
Communications and utilities	1,920	253	1,667
Repairs and maintenance	15,276	18,827	(3,551)
Other services and charges	3,000	2,500	500
Training and education	11,296	11,113	183
Materials and supplies	23,792	26,424	(2,632)
	<u>1,235,204</u>	<u>1,181,867</u>	<u>53,337</u>
Recreation Administration			
Personal services	205,343	207,125	(1,782)
Repairs and maintenance	4,100	2,898	1,202
Other services and charges	4,800	3,934	866
Training and education	1,125	1,505	(380)
Materials and supplies	3,250	4,319	(1,069)
	<u>218,618</u>	<u>219,781</u>	<u>(1,163)</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Recreation Programs			
Personal services	602,807	633,703	(30,896)
Communications and utilities	2,600	1,732	868
Repairs and maintenance	62,000	70,373	(8,373)
Other services and charges	199,000	152,636	46,364
Training and education	1,536	140	1,396
Materials and supplies	53,750	47,222	6,528
	<u>921,693</u>	<u>905,806</u>	<u>15,887</u>
Recreation Facilities			
Personal services	128,009	127,362	647
Communications and utilities	66,500	132,846	(66,346)
Repairs and maintenance	2,000	1,542	458
Other services and charges	50,000	4,867	45,133
Training and education	200	-	200
Materials and supplies	31,700	26,888	4,812
	<u>278,409</u>	<u>293,505</u>	<u>(15,096)</u>
Inspection			
Personal services	212,195	208,077	4,118
Repairs and maintenance	3,650	2,559	1,091
Other services and charges	11,152	10,942	210
Training and education	1,450	1,248	202
Materials and supplies	4,650	5,175	(525)
	<u>233,097</u>	<u>228,001</u>	<u>5,096</u>
Engineering			
Personal services	205,754	208,401	(2,647)
Repairs and maintenance	3,706	2,470	1,236
Other services and charges	12,500	7,088	5,412
Training and education	5,400	2,052	3,348
Materials and supplies	7,350	4,527	2,823
Capital outlay	270,750	34,213	236,537
	<u>505,460</u>	<u>258,751</u>	<u>246,709</u>

City of College Park, Georgia
Schedule of Expenditures Compared to Budget
General Fund - continued
For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Buildings and Grounds			
Personal services	472,662	444,716	27,946
Repairs and maintenance	140,500	139,768	732
Other services and charges	8,200	7,168	1,032
Materials and supplies	19,550	18,542	1,008
Capital outlay	3,000	-	3,000
	<u>643,912</u>	<u>610,194</u>	<u>33,718</u>
 Parks			
Personal services	173,716	173,379	337
Repairs and maintenance	3,100	799	2,301
Training and education	300	-	300
Materials and supplies	5,750	3,831	1,919
	<u>182,866</u>	<u>178,009</u>	<u>4,857</u>
 Highways and Streets			
Personal services	577,466	532,749	44,717
Communications and utilities	3,000	3,978	(978)
Rentals	26,150	24,594	1,556
Repairs and maintenance	254,700	249,178	5,522
Other services and charges	44,600	26,666	17,934
Training and education	1,500	680	820
Materials and supplies	48,150	50,506	(2,356)
Capital outlay	160,000	-	160,000
	<u>1,115,566</u>	<u>888,351</u>	<u>227,215</u>
 Contractual			
Communications and utilities	137,000	77,418	59,582
Other services and charges	568,000	654,677	(86,677)
Materials and supplies	45,000	27,578	17,422
Bad Debts	-	50,029	(50,029)
	<u>750,000</u>	<u>809,702</u>	<u>(59,702)</u>
 Total expenditures	<u>\$ 19,741,833</u>	<u>\$ 18,963,320</u>	<u>\$ 778,513</u>

City of College Park, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Hospitality Special Revenue Fund
For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Taxes	\$ 5,625,000	\$ 5,518,549	\$ (106,451)
	<u>5,625,000</u>	<u>5,518,549</u>	<u>(106,451)</u>
Excess of revenues over expenditures	<u>5,625,000</u>	<u>5,518,549</u>	<u>(106,451)</u>
Other financing uses:			
Operating transfers out	(5,625,000)	(5,775,000)	(150,000)
	<u>(5,625,000)</u>	<u>(5,775,000)</u>	<u>(150,000)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(256,451)	(256,451)
Fund balance, beginning of year	577,497	577,497	-
Fund balance, end of year	<u>\$ 577,497</u>	<u>\$ 321,046</u>	<u>(256,451)</u>

COMBINING SCHEDULES FOR NON-MAJOR FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant - This fund is used to report the revenue and expenditures of funds that are being utilized to construct and maintain certain of the City's recreation facilities.

Grants Fund - This fund accounts for activities carried out by the City under the terms of various intergovernmental grants. Included in this fund is the Criminal Justice Block Grant which provides funds to be used by local governments for drug enforcement.

Confiscated Drug Fund - This fund accounts for cash condemned by local law enforcement officials through drug confiscations, and is used to further general police enforcement activities_

Car Rental Fund - This fund is used to record the revenue and expenditures of taxes collected from the excise tax levied on rental cars in the City. The proceeds of this tax are restricted as to use for construction of convention centers, public safety and recreation facilities.

E911 Fund - This fund accounts for the revenues derived from the E911 surcharge levied on all telephones within the City and the payment of expenditures related to that purpose. Police Dispatch is included in this fund also, and is financed through an operating transfer in from the General Fund.

Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The City has established the **Main Street Development Fund** for the purpose of redevelopment of the City's Main Street. The Mayor and Council have appropriated \$300,000 for the purchase of properties and the renovation of those structures for ultimate resale to new businesses. Proceeds from sales are then reinvested in additional properties.

Enterprise Funds are utilized to account for the activities of the City which are designed to be partially or fully self-supporting.

Sanitation Fund - The Sanitation Fund accounts for the revenue and cost of garbage collection services provided by the City.

Redevelopment Fund - The Redevelopment Fund accounts for the administrative activities of the College Park Business and Industrial Development Authority, as well as property acquisitions and sales for the purpose of redeveloping land within the City.

Newton Estates Improvement Fund - This fund accounts for the expenditures related to a Special District Tax in the Convention Center area.

City of College Park, Georgia
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2003

	Special Revenue Funds							Capital Projects		Total Nonmajor Governmental Funds
	Community Development Block Grant Fund	Grants Fund	Confiscated Drug Fund	Car Rental Fund	E 911 Fund	Main Street Fund				
Assets:										
Cash and cash equivalents	\$ 19,878	\$ 165,850	\$ -	\$ -	\$ 101,156	\$ 74,722	\$ -	\$ -	\$ 361,606	
Receivables	256,240	84,218	-	-	47,612	-	-	-	388,070	
Due from other funds	-	-	3,800	-	-	-	-	-	3,800	
Other assets	-	-	-	-	-	242,989	-	-	242,989	
Cash - restricted	-	-	233,392	453,227	-	-	-	-	686,619	
Investments - restricted	-	-	-	8,037,055	-	-	-	-	8,037,055	
Total Assets	\$ 276,118	\$ 250,068	\$ 237,192	\$ 8,490,282	\$ 148,768	\$ 317,711	\$ -	\$ -	\$ 9,720,139	
Liabilities										
Accounts payable	\$ -	\$ 63,023	\$ -	\$ 25,166	\$ 5,858	\$ -	\$ -	\$ -	\$ 94,047	
Due to other funds	150,049	89,657	-	3,200	-	-	253,900	-	496,806	
Deferred revenue	-	49,494	-	-	-	-	-	-	49,494	
Total Liabilities	\$ 150,049	\$ 202,174	\$ -	\$ 28,366	\$ 5,858	\$ 253,900	\$ -	\$ -	\$ 640,347	
Fund Balances										
Reserved for:										
Public safety and recreation	-	-	237,192	8,461,916	-	-	-	-	8,699,108	
Unreserved	126,069	47,894	-	-	142,910	63,811	-	63,811	380,684	
Total Fund Balances	\$ 126,069	\$ 47,894	\$ 237,192	\$ 8,461,916	\$ 142,910	\$ 63,811	\$ -	\$ 63,811	\$ 9,079,792	
Total Liabilities and Fund Balance	\$ 276,118	\$ 250,068	\$ 237,192	\$ 8,490,282	\$ 148,768	\$ 317,711	\$ -	\$ -	\$ 9,720,139	

City of College Park, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
Year ended June 30, 2003

	Special Revenue Funds						Capital Projects		Total Nonmajor Governmental Funds
	Community Development Block Grant Fund	Grants Fund	Confiscated Drug Fund	Car Rental Fund	E 911 Fund	Main Street Fund			
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ 2,083,252	\$ -	\$ -	\$ -	\$ -	2,083,252
Intergovernmental revenues	593,702	466,449	13,240	-	-	-	-	-	1,073,391
Fines and forfeitures	-	-	37,852	-	-	-	-	-	37,852
Charges for services	-	-	-	-	333,263	-	-	-	333,263
Interest income	503	1,442	1,276	121,542	210	-	-	-	124,973
Other income	-	-	-	6,000	-	22,200	-	-	28,200
Total revenue	<u>594,205</u>	<u>467,891</u>	<u>52,368</u>	<u>2,210,794</u>	<u>333,473</u>	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>	<u>3,680,931</u>
Expenditures									
Current operations	-	314,519	29,768	362,235	565,255	-	-	-	1,271,777
Capital outlay	830,178	388,386	-	578,848	-	-	-	-	1,797,412
Total expenditures	<u>830,178</u>	<u>702,905</u>	<u>29,768</u>	<u>941,083</u>	<u>565,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,069,189</u>
Excess revenues over (under) expenditures	<u>(235,973)</u>	<u>(235,014)</u>	<u>22,600</u>	<u>1,269,711</u>	<u>(231,782)</u>	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>	<u>611,742</u>
Other financing sources (uses)									
Transfers in	345,520	8,123	-	-	260,000	-	-	-	613,643
Transfers out	-	-	(8,123)	(345,520)	-	-	-	-	(353,643)
Total other financing sources (uses)	<u>345,520</u>	<u>8,123</u>	<u>(8,123)</u>	<u>(345,520)</u>	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
Excess of revenues and other sources over expenditures and other uses	<u>109,547</u>	<u>(226,891)</u>	<u>14,477</u>	<u>924,191</u>	<u>28,218</u>	<u>22,200</u>	<u>22,200</u>	<u>22,200</u>	<u>871,742</u>
Fund balance, beginning of year	16,522	274,785	222,715	7,537,725	114,692	41,611	41,611	41,611	8,208,050
Fund balance, end of year	<u>\$ 126,069</u>	<u>\$ 47,894</u>	<u>\$ 237,192</u>	<u>\$ 8,461,916</u>	<u>\$ 142,910</u>	<u>\$ 63,811</u>	<u>\$ 63,811</u>	<u>\$ 63,811</u>	<u>\$ 9,079,792</u>

City of College Park, Georgia
Combining Statement of Net Assets
Nonmajor Proprietary Funds
June 30, 2003

	<u>Sanitation Fund</u>	<u>Redevelopment Fund</u>	<u>Newton Estates Improvement Fund</u>	<u>Total</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 272,985	\$ 99,038	\$ 62,282	\$ 434,305
Investments	419,469	-	-	419,469
Receivables				
Utility charges (net of allowance for uncollectible accounts of \$93,042)	235,157	-	-	235,157
Other	-	915,008	35,313	950,321
Due from other funds	-	3,200	756,485	759,685
Prepaid expenses	18,134	-	-	18,134
Total current assets	<u>945,745</u>	<u>1,017,246</u>	<u>854,080</u>	<u>2,817,071</u>
Restricted assets				
Investments	-	11,670,728	-	11,670,728
Total restricted assets	<u>-</u>	<u>11,670,728</u>	<u>-</u>	<u>11,670,728</u>
Noncurrent assets				
Net capital assets	256,662	9,013,584	2,157,914	11,428,160
Other assets	-	7,650	-	7,650
Total noncurrent assets	<u>256,662</u>	<u>9,021,234</u>	<u>2,157,914</u>	<u>11,435,810</u>
Total assets	<u>\$ 1,202,407</u>	<u>\$ 21,709,208</u>	<u>\$ 3,011,994</u>	<u>\$ 25,923,609</u>

City of College Park, Georgia
Combining Statement of Net Assets
Nonmajor Proprietary Funds
June 30, 2003

	Sanitation Fund	Redevelopment Fund	Newton Estates Improvement Fund	Total
LIABILITIES				
Current liabilities payable from nonrestricted assets				
Accounts payable	\$ 40,209	\$ 27,151	\$ -	\$ 67,360
Accrued liabilities	57,111	-	-	57,111
Deposits	-	105,282	-	105,282
Due to other funds	-	4,421,493	-	4,421,493
Total current liabilities payable from non restricted current assets	<u>97,320</u>	<u>4,553,926</u>	<u>-</u>	<u>4,651,246</u>
Current liabilities payable from restricted assets				
Accrued interest on bonds	-	1,798,792	-	1,798,792
Total current liabilities payable from restricted assets	<u>-</u>	<u>1,798,792</u>	<u>-</u>	<u>1,798,792</u>
Noncurrent liabilities				
Note payable - long-term	-	6,103,272	-	6,103,272
Total noncurrent liabilities	<u>-</u>	<u>6,103,272</u>	<u>-</u>	<u>6,103,272</u>
Total liabilities	<u>97,320</u>	<u>12,455,990</u>	<u>-</u>	<u>12,553,310</u>
Net Assets				
Invested in capital assets, net of related debt	256,662	1,111,520	2,157,914	3,526,096
Restricted for capital outlay	-	8,141,698	-	8,141,698
Unrestricted	848,425	-	854,080	1,702,505
Total net assets	<u>\$ 1,105,087</u>	<u>\$ 9,253,218</u>	<u>\$ 3,011,994</u>	<u>\$ 13,370,299</u>

City of College Park, Georgia
Combining Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Proprietary Funds
For the year ended June 30, 2003

	Sanitation Fund	Redevelopment Fund	Newton Estates Improvement Fund	Total
Operating revenue				
Sales	\$ 2,169,295	\$ -	\$ -	\$ 2,169,295
Other	31,144	97,740	96,659	225,543
Total operating revenue	2,200,439	97,740	96,659	2,394,838
Operating expenses				
Cost of sales - purchases	559,648	-	-	559,648
Personal services	1,243,461	-	-	1,243,461
Depreciation and amortization	224,666	-	-	224,666
Other operating expenses	287,002	111,855	-	398,857
Total operating expenses	2,314,777	111,855	-	2,426,632
Net operating income (loss)	(114,338)	(14,115)	96,659	(31,794)
Non - operating revenue (expenses)				
Gain on sale of assets	-	3,683	-	3,683
Interest income	5,412	130,805	936	137,153
Interest expense	-	(396,711)	-	(396,711)
Total non-operating revenue (expense)	5,412	(262,223)	936	(255,875)
Income (loss) before operating transfers	(108,926)	(276,338)	97,595	(287,669)
Transfers out	-	(210,609)	-	(210,609)
Net Income (Loss)	(108,926)	(486,947)	97,595	(498,278)
Total net assets at beginning of year	1,214,013	9,740,165	2,914,399	13,868,577
Total net assets at end of year	\$ 1,105,087	\$ 9,253,218	\$ 3,011,994	\$ 13,370,299

City of College Park, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the year ended June 30, 2003

	Sanitation Fund	Redevelopment Fund	Newton Estates Improvement Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,232,778	\$ 97,740	\$ 61,346	\$ 2,391,864
Payments to suppliers	(818,053)	(84,704)	-	(902,757)
Payments to employees	(1,249,478)	-	-	(1,249,478)
Net cash provided (used) by operating activities	165,247	13,036	61,346	239,629
Cash flows from non-capital financing activities:				
Transfers out	-	(210,609)	-	(210,609)
Net cash provided (used) by non-capital financing activities	-	(210,609)	-	(210,609)
Cash flows from capital and related financing activities:				
Acquisition and construction of assets	(9,788)	(43,278)	-	(53,066)
Proceeds from sale of assets	-	105,765	-	105,765
Net cash provided (used) by capital and related financing activities	(9,788)	62,487	-	52,699
Cash flows from investing activities:				
Purchase of securities (net)	(298,917)	(130,021)	-	(428,938)
Interest on investments	5,412	130,805	936	137,153
Net cash provided (used) by investing activities	(293,505)	784	936	(291,785)
Net increase (decrease) in cash	(138,046)	(134,302)	62,282	(210,066)
Cash at beginning of year	411,031	233,340	-	644,371
Cash at end of year	\$ 272,985	\$ 99,038	\$ 62,282	\$ 434,305

continued on next page

City of College Park, Georgia
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the year ended June 30, 2003

Statement of Cash Flows - continued	Sanitation Fund	Redevelopment Fund	Newton Estates Improvement Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (114,338)	\$ (14,115)	\$ 96,659	\$ (31,794)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	224,666	-	-	224,666
Provision for uncollectible accounts	(2,263)	-	-	(2,263)
Changes in assets and liabilities				
(Increase) decrease in:				
Accounts receivable	34,602	-	(35,313)	(711)
Prepaid expenses	1,270	-	-	1,270
Increase (decrease) in:				
Accounts payable	27,327	27,151	-	54,478
Accrued liabilities	(6,017)	-	-	(6,017)
Net cash provided (used) by operating activities	<u>\$ 165,247</u>	<u>\$ 13,036</u>	<u>\$ 61,346</u>	<u>\$ 239,629</u>

City of College Park, Georgia
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Community Development Block Grant Fund
 For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental revenue	\$ 256,240	\$ 593,702	\$ 337,462
Interest income	-	503	503
	<u>256,240</u>	<u>594,205</u>	<u>337,965</u>
Expenditures			
Capital outlay	256,240	830,178	(573,938)
	<u>256,240</u>	<u>830,178</u>	<u>(573,938)</u>
Excess revenues over (under) expenditures	-	(235,973)	235,973
Other financing sources			
Transfers in	-	345,520	(345,520)
Excess revenues and other sources over (under) expenditures and other uses	-	109,547	(109,547)
Fund balance, beginning of year	<u>16,522</u>	<u>16,522</u>	-
Fund balance, end of year	\$ <u>16,522</u>	\$ <u>126,069</u>	\$ <u>(109,547)</u>

City of College Park, Georgia
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Grants Special Revenue Fund
 For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Intergovernmental revenue	\$ -	\$ 466,449	\$ 466,449
Interest income	-	1,442	1,442
	<u>-</u>	<u>467,891</u>	<u>467,891</u>
Expenditures			
Current	-	314,519	(314,519)
Capital outlay	-	388,386	(388,386)
	<u>-</u>	<u>702,905</u>	<u>(702,905)</u>
Excess of revenues over expenditures	-	(235,014)	(235,014)
Other financing sources			
Transfers in	-	8,123	8,123
	<u>-</u>	<u>8,123</u>	<u>8,123</u>
Excess of revenues and other sources over expenditures and other uses	-	(226,891)	(226,891)
Fund balance, beginning of year	<u>274,785</u>	<u>274,785</u>	<u>-</u>
Fund balance, end of year	\$ <u><u>274,785</u></u>	\$ <u><u>47,894</u></u>	\$ <u><u>(226,891)</u></u>

City of College Park, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Confiscated Drug Special Revenue Fund
For the year ended June 30, 2003

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue			
Fines and forfeitures	\$ -	\$ 37,852	\$ 37,852
Intergovernmental revenue	-	13,240	13,240
Interest income	-	1,276	1,276
	<u>-</u>	<u>52,368</u>	<u>52,368</u>
Expenditures			
Current	-	29,768	(29,768)
	<u>-</u>	<u>29,768</u>	<u>(29,768)</u>
Excess of revenues over expenditures	-	22,600	22,600
Other financing uses:			
Transfers out	-	(8,123)	(8,123)
Excess of revenues and other sources over expenditures and other uses	-	14,477	14,477
Fund balance, beginning of year	<u>222,715</u>	<u>222,715</u>	<u>-</u>
Fund balance, end of year	<u>\$ 222,715</u>	<u>\$ 237,192</u>	<u>\$ 14,477</u>

City of College Park, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Car Rental Special Revenue Fund
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Taxes	\$ 1,800,000	\$ 2,083,252	\$ 283,252
Other income		6,000	6,000
Interest	225,000	121,542	(103,458)
	<u>2,025,000</u>	<u>2,210,794</u>	<u>185,794</u>
Expenditures			
Current	-	362,235	(362,235)
Capital outlay	726,024	578,848	147,176
Debt Service	940,000	-	940,000
Total Expenditures	<u>1,666,024</u>	<u>941,083</u>	<u>724,941</u>
Excess of revenues over expenditures	358,976	1,269,711	910,735
Other financing uses:			
Transfers out	-	(345,520)	(345,520)
Excess of revenues and other sources over expenditures and other uses	358,976	924,191	565,215
Fund balance, beginning of year	<u>7,537,725</u>	<u>7,537,725</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,896,701</u>	<u>\$ 8,461,916</u>	<u>\$ 565,215</u>

City of College Park, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
E911 Special Revenue
For the year ended June 30, 2003

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Charges for services	\$ 320,000	\$ 333,263	\$ 13,263
Interest income	-	210	210
	<u>320,000</u>	<u>333,473</u>	<u>13,473</u>
Expenditures			
Current	<u>583,434</u>	<u>565,255</u>	<u>18,179</u>
	<u>583,434</u>	<u>565,255</u>	<u>18,179</u>
Deficiency of revenues under expenditures	(263,434)	(231,782)	31,652
Other financing sources :			
Operating transfers in	<u>263,434</u>	<u>260,000</u>	<u>(3,434)</u>
Excess of revenues and other sources over expenditures and other uses	-	28,218	28,218
Fund balance, beginning of year	<u>114,692</u>	<u>114,692</u>	<u>-</u>
Fund balance, end of year	<u>\$ 114,692</u>	<u>\$ 142,910</u>	<u>\$ 28,218</u>

City of College Park, Georgia

ELECTRIC FUND
 SCHEDULE OF REVENUE AND EXPENSE ACTUAL (BUDGET BASIS)
 COMPARED TO BUDGET

For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance (Favorable Unfavorable)
Revenues			
Charges for services	\$ 20,117,500	\$ 19,966,072	\$ (151,428)
Interest income	600,000	241,454	(358,546)
Other income	986,000	952,732	(33,268)
Total revenue	21,703,500	21,160,258	(543,242)
Expenses			
Personal services	1,480,920	1,446,855	34,065
Communications and utilities	28,325	28,158	167
Rentals	4,130	1,213	2,917
Repairs and maintenance	246,900	254,273	(7,373)
Training and education	28,504	32,013	(3,509)
Other services and charges	191,900	195,546	(3,646)
Materials and supplies	155,450	150,063	5,387
Wholesale electricity	18,612,200	17,367,324	1,244,876
Capital outlay	1,121,500	483,541	637,959
Total expenses	21,869,829	19,958,986	1,910,843
Transfers in	-	-	-
Transfers out	(125,000)	(125,000)	-
Net income (budget basis)	\$ (291,329)	1,076,272	\$ 1,367,601
Reconciliation of net income (budget basis)			
to net earnings (GAAP basis)			
Excess power purchases		(10,801,620)	
Excess power sales		10,801,620	
Capitalize fixed assets		478,811	
Bad debt expense		(113,709)	
Depreciation		(597,795)	
Net income (GAAP basis)		\$ 843,579	

City of College Park, Georgia

WATER AND SEWER FUND
 SCHEDULE OF REVENUE AND EXPENSE ACTUAL (BUDGET BASIS)
 COMPARED TO BUDGET

For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance (Favorable Unfavorable)
Revenues			
Charges for services	\$ 4,938,000	\$ 5,019,344	\$ 81,344
Interest income	125,000	36,376	(88,624)
Other income	-	18,365	18,365
	<u>5,063,000</u>	<u>5,074,085</u>	<u>11,085</u>
Expenses			
Personal services	759,580	749,851	9,729
Communications and utilities	84,001	115,014	(31,013)
Rentals	5,000	5,736	(736)
Repairs and maintenance	133,907	186,540	(52,633)
Training and education	3,976	3,494	482
Other services and charges	89,652	122,761	(33,109)
Materials and supplies	24,975	29,598	(4,623)
Cost of sales	3,249,313	3,564,066	(314,753)
Capital outlay	158,700	153,062	5,638
	<u>4,509,104</u>	<u>4,930,122</u>	<u>(421,018)</u>
Transfers out	<u>(553,896)</u>	<u>(553,800)</u>	<u>96</u>
Net (loss) (budget basis)	\$ <u>-</u>	(409,837)	\$ <u>(409,837)</u>
Reconciliation of net income (budget basis)			
to net earnings (GAAP basis)			
Capitalize fixed assets		83,543	
Gain on sale of assets		1,585,378	
Bad debt expense		(14,887)	
Depreciation and amortization		<u>(397,160)</u>	
Net income (GAAP basis)		\$ <u>847,037</u>	

City of College Park, Georgia

SANITATION FUND
 SCHEDULE OF REVENUE AND EXPENSE ACTUAL (BUDGET BASIS)
 COMPARED TO BUDGET

For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance (Favorable Unfavorable)
Revenues			
Charges for services	\$ 2,185,000	\$ 2,198,244	\$ 13,244
Interest income	10,000	5,412	(4,588)
Other income	5,000	2,196	(2,804)
	<u>2,200,000</u>	<u>2,205,852</u>	<u>5,852</u>
Expenses			
Personal services	1,297,485	1,243,460	54,025
Communications and utilities	36,200	39,435	(3,235)
Rentals	250	76	174
Repairs and maintenance	123,000	128,783	(5,783)
Training and education	1,325	412	913
Other services and charges	46,336	46,394	(58)
Materials and supplies	57,150	74,166	(17,016)
Cost of sales	600,000	559,648	40,352
Capital outlay	9,850	9,788	62
	<u>2,171,596</u>	<u>2,102,162</u>	<u>69,434</u>
Net income (budget basis)	\$ <u>28,404</u>	103,690	\$ <u>75,286</u>
Reconciliation of net income (budget basis)			
to net earnings (GAAP basis)			
Capitalize fixed assets		9,788	
Bad debt expense		2,262	
Depreciation		<u>(224,666)</u>	
Net loss (GAAP basis)		\$ <u>(108,926)</u>	

City of College Park, Georgia

CONVENTION CENTER FUND
 SCHEDULE OF REVENUE AND EXPENSE ACTUAL (BUDGET BASIS)
 COMPARED TO BUDGET

For the year ended June 30, 2003

	Original and Final Budget	Actual (Budget Basis)	Variance (Favorable Unfavorable)
Revenues			
Operating transfer in	\$ 5,025,000	\$ 5,575,609	\$ 550,609
Exhibit hall and meeting room	2,050,000	1,414,021	(635,979)
Catering sales	2,350,000	2,173,855	(176,145)
Other rental	835,000	780,496	(54,504)
Commissions	200,000	133,987	(66,013)
Hotel leasebacks	100,000	75,000	(25,000)
Interest income	300,000	112,489	(187,511)
Amortization of deferred gain	2,500,000	2,196,846	(303,154)
Other income	25,000	117,048	92,048
	<u>13,385,000</u>	<u>12,579,351</u>	<u>(805,649)</u>
Expenses			
Personal services	2,020,403	2,084,334	(63,931)
Communications and utilities	1,075,000	1,109,336	(34,336)
Rentals	-	1,999	(1,999)
Repairs and maintenance	209,880	170,524	39,356
Training and education	51,271	37,836	13,435
Other services and charges	740,490	705,471	35,019
Rent	2,500,000	2,198,000	302,000
Materials and supplies	122,140	95,938	26,202
Cost of sales	1,653,310	1,933,734	(280,424)
Debt service	4,950,000	5,859,968	(909,968)
	<u>13,322,494</u>	<u>14,197,140</u>	<u>(874,646)</u>
Net income (loss) (budget basis)	\$ <u>62,506</u>	(1,617,789)	\$ <u>(1,680,295)</u>
Reconciliation of net income (budget basis)			
to net earnings (GAAP basis)			
Pre-opening marketing		(560,040)	
Capitalized interest expense		3,416,226	
Bond Principal		1,305,000	
Depreciation and amortization		<u>(1,056,219)</u>	
Net income (GAAP basis)		\$ <u>1,487,178</u>	

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

City of College Park, Georgia
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Source
 June 30, 2003

Governmental funds capital assets:	
Land	\$ 1,334,274
Building and Improvements	9,348,635
Autos and Trucks	3,229,410
Other Equipment	1,298,057
Infrastructure	26,182,530
Construction in Progress	347,737
	\$ 41,740,643
	41,740,643
Investments in governmental funds capital assets by source:	
Acquired prior to June 30, 2002	\$ 39,851,138
General Fund	92,093
Special Revenue Funds	1,797,412
	\$ 41,740,643
	41,740,643

City of College Park
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2003

Function and Activity	Land	Buildings & Improvements	Autos and Trucks	Other Equipment	Infrastructure	CIP - Capital Projects	Total
General government							
City Hall	\$ 480,953	\$ 2,416,553	-	\$ 28,607	-	-	\$ 2,926,113
Data Processing	-	33,030	-	-	-	-	33,030
Development	486,159	-	-	-	-	347,737	833,896
Building and Grounds	-	309,271	101,264	95,995	-	-	506,530
Inspection	-	-	46,620	-	-	-	46,620
Public Safety							
Fire	54,484	250,918	1,852,258	384,004	-	-	2,541,664
Police	40,678	2,938,326	900,741	558,056	-	-	4,437,801
Highways and Streets							
Infrastructure	-	-	-	-	26,182,530	-	26,182,530
Engineering	-	-	16,000	-	-	-	16,000
Streets	-	435,535	234,339	231,395	-	-	901,269
Culture and Recreation							
Library	-	56,153	-	-	-	-	56,153
Parks	272,000	527,175	-	-	-	-	799,175
Recreation	-	2,381,674	78,188	-	-	-	2,459,862
Total	\$ 1,334,274	\$ 9,348,635	\$ 3,229,410	\$ 1,298,057	26,182,530	\$ 347,737	\$ 41,740,643

City of College Park, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the fiscal year ended June 30, 2003

Function and Activity	Balance, July 1, 2002	Additions	Deletions	Balance, June 30, 2003
General Government				
City Hall	\$ 2,926,113	\$ -	\$ -	\$ 2,926,113
Data Processing	33,030	-	-	33,030
Development	-	833,895	-	833,895
Building and Grounds	506,530	-	-	506,530
Inspection	46,620	-	-	46,620
Total General Government	<u>3,512,293</u>	<u>833,895</u>	<u>-</u>	<u>4,346,188</u>
Public Safety				
Fire	2,528,892	12,772	-	2,541,664
Police	4,225,141	212,660	-	4,437,801
Total Public Safety	<u>6,754,033</u>	<u>225,432</u>	<u>-</u>	<u>6,979,465</u>
Highways and Streets				
Infrastructure	26,182,530	-	-	26,182,530
Engineering	16,000	-	-	16,000
Streets	901,269	-	-	901,269
Total Highway and Streets	<u>27,099,799</u>	<u>-</u>	<u>-</u>	<u>27,099,799</u>
Culture and Recreation				
Library	56,153	-	-	56,153
Parks	799,176	-	-	799,176
Recreation	1,629,684	830,178	-	2,459,862
Total Culture and Recreation	<u>2,485,013</u>	<u>830,178</u>	<u>-</u>	<u>3,315,191</u>
Total governmental fund capital assets	<u>\$ 39,851,138</u>	<u>\$ 1,889,505</u>	<u>\$ -</u>	<u>\$ 41,740,643</u>

STATISTICAL SECTION
(Unaudited)

TABLE I

City of College Park
General Government Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government(1)	Public Safety and Services		Professional and Contractual	Grounds and Streets(2)		Recreation(3)	Capital Outlay	Debt Service	Total Expenditures
		Fire Services								
1994	1,471,828	6,950,956	924,638	1,029,364	783,116	282,248	109,976	11,552,126		
1995	1,855,675	7,392,996	725,811	992,465	791,180	502,391	22,160	12,282,678		
1996	1,658,357	8,058,451	983,330	1,010,876	810,809	1,028,483	25,571	13,575,877		
1997	1,870,638	8,680,381	809,482	1,122,632	884,266	1,382,177	38,047	14,787,623		
1998	1,659,949	9,140,720	1,005,432	1,187,005	983,324	1,016,322	51,948	15,044,700		
1999	1,852,137	9,284,343	1,403,994	1,154,059	1,041,909	2,001,994	26,255	16,764,691		
2000	1,999,786	9,887,837	1,233,156	1,424,600	1,225,679	1,781,460	34,566	17,587,085		
2001	3,107,825	11,225,338	1,108,027	1,236,722	1,361,134	2,379,892	8,708	20,427,646		
2002	3,161,448	12,579,773	636,505	1,334,751	1,571,828	4,289,254	-	23,573,559		
2003	3,004,076	12,871,343	809,704	1,860,780	1,597,101	1,889,505	-	22,032,509		

Notes

- (1) Includes General Government, Inspection and Engineering.
(2) Includes Building and Grounds; and Highways and Streets
(3) Includes Parks; and Recreation.

TABLE 3

City of College Park
Property Tax Levies and Collections
Last Ten Fiscal Years

	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of		Ratio of	
						Total Tax Collections to Total Levy	Outstanding Delinquent Taxes	Total Tax Collections to Total Levy	Delinquent Taxes to Total Levy
1994	2,698,176	2,576,383	95.5	3,697	2,580,080	95.6%	111,532	4.1%	
1995	3,922,500	3,724,259	94.9	44,556	3,768,815	96.1%	198,241	5.1%	
1996	3,935,929	3,717,623	94.5	37,431	3,755,054	95.4%	138,375	3.5%	
1997	4,201,349	4,063,481	96.7	21,057	4,084,538	97.2%	204,143	4.9%	
1998	4,811,795	4,714,744	98.0	18,056	4,732,800	98.4%	171,765	3.6%	
*1999	4,976,566	4,604,159	92.5	16,856	4,621,015	92.9%	454,816	9.1%	
2000	4,610,909	4,600,594	99.8	355,142	4,955,736	107.5%	99,674	2.2%	
2001	5,093,956	5,030,677	98.8	12,840	5,043,516	99.0%	158,844	3.1%	
2002	5,453,670	5,360,313	98.3	68,672	5,428,985	99.5%	42,558	0.8%	
2003	5,501,623	5,445,610	98.9	113,110	5,558,720	101.0%	56,013	1.0%	

* The City of College Park receives its tax assessments from Fulton and Clayton Counties. State law in Georgia requires that counties with greater than six percent of its tax digest under appeal may only levy based upon the last state approved digest. During the year the reassessed digest of Fulton County was certified by the state. On June 7, 1999 an additional tax levy was assessed. Due to the proximity to the end of the fiscal year, sufficient time had not elapsed to collect those taxes; thus outstanding delinquent taxes were higher than normal, along with the corresponding lower percent of current levy collected and delinquent taxes as a percent of the current levy. The supplemental billing is considered currently receivable.

Table 5

City of College Park
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Calendar Year	Fiscal Year	City General Fund	Bonds and Operating		School District		State of Georgia
			Fulton	Clayton	Fulton	Clayton	
1993	1994	5.35	14.51	12.500	21.26	19.84	0.25
1994	1995	7.50	14.01	9.100	21.26	19.84	0.25
1995	1996	7.50	14.01	4.880	21.26	19.84	0.25
1996	1997	7.50	14.01	4.650	21.26	18.34	0.25
1997	1998	7.50	13.69	4.650	20.76	18.34	0.25
1998	1999	7.50	13.69	4.110	20.76	18.34	0.25
1999	2000	6.93	13.69	3.913	20.76	17.92	0.25
2000	2001	6.62	13.69	4.047	20.15	17.92	0.25
2001	2002	6.61	13.34	4.351	19.02	17.92	0.25
2002	2003	9.56	12.81	4.207	18.77	17.92	0.25

NOTE: RATES ARE PER \$1,000 OF ASSESSED VALUE

TABLE 6

City of College Park
Principal Taxpayers
For the year ended June 30, 2003

	Assessed Valuation	Taxes Levied	Percent of Gross Tax Digest
Delta Air Lines	\$ 167,450,607	\$ 1,600,828	22.69%
Felcor Suites, Ltd.	19,097,039	182,568	2.59%
Pittsburg National Bank	16,861,780	161,199	2.28%
Sysco	14,510,370	138,719	1.97%
Coca Cola Enterprises	13,081,245	125,057	1.77%
Lepercq Atlanta Renaissance	12,284,484	117,440	1.66%
CRT-SFV LLC	11,550,888	110,426	1.57%
College Park Partners	8,185,600	78,254	1.11%
Heritage Packaging	6,536,050	62,485	0.89%
Crocker Realty Trust	5,651,448	54,028	0.77%
	<u>\$ 275,209,511</u>	<u>\$ 2,631,003</u>	<u>37.29%</u>

TABLE 7

City of College Park, Georgia
Computation of Legal Debt Margin
For the year ended June 30, 2003

General Obligation Bond Tax Digest	\$ <u>663,214,606</u>
General Obligation Debt Limit (10% of Assessed Value)	\$ 66,321,461
Amount of Debt Applicable to Limit	-
Legal Debt Margin	\$ <u>66,321,461</u>

Table 8

City of College Park, Georgia
Direct and Overlapping Bonded Debt
June 30, 2003

	Percentage of Debt Chargeable to Property in the City	Amount of Outstanding Debt (Less Sinking Funds)	Debt Chargeable to Property in the City
Direct General Obligation Debt:			
Overlapping General Obligation Debt:			
Fulton County General Obligation Bonds	0.79	\$ 41,468,909	\$ 327,604
Fulton County Building Authority	0.79	109,645,000	866,196
College Park Business and Industrial Development Au	100.00	6,103,272	6,103,272
Fulton-Dekalb Hospital Authority	0.79	262,635,000	2,074,817
Fulton County School District	0.79	230,612,500	1,821,839
Clayton County Revenue Bond Debt	4.30	22,785,000	979,755
Clayton County Capital Leases	4.30	3,429,288	147,459
Clayton County Guaranteed Revenue Debt	4.30	36,386,322	1,564,612
		<u>713,065,291</u>	<u>13,885,553</u>

TABLE 9

City of College Park, Georgia
Revenue Bond Coverage
Last Ten Fiscal Years
Water and Sewer Revenue Bonds

	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1994	4,841,030	3,432,172	1,408,858	-	295,402	295,402	4.77
1995	4,671,861	2,837,263	1,834,598	375,000	289,244	664,244	2.76
1996	4,863,618	2,829,162	2,034,456	375,000	278,368	653,368	3.11
1997	4,905,219	3,006,586	1,898,633	390,000	284,152	674,152	2.82
1998	5,047,915	2,819,377	2,228,538	400,000	256,736	656,736	3.39
1999	5,231,027	3,681,527	1,549,500	415,000	243,520	658,520	2.35
2000	5,510,220	3,994,234	1,515,986	430,000	235,736	665,736	2.28
2001	5,434,646	4,649,406	785,240	445,000	211,836	656,836	1.20
2002	5,411,295	4,358,372	1,052,923	465,000	181,771	646,771	1.63
2003	5,074,085	4,861,466	212,619	-	-	-	-

(1) Total revenues including interest

(2) Total expenses exclusive of depreciation and interest expense

(3) All water and sewer bonds were defeased in June 2002. Principal for 2002 represents only the principal portion which was due that year.

TABLE 10

City of College Park
 Revenue Bond Coverage
 Last Ten Fiscal Years
 Convention Center Revenue Bonds

	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
1993	\$ 4,291,136	\$ 1,230,733	\$ 3,060,403	\$ 610,000	\$ 3,516,290	\$ 4,126,290	0.70
1994	7,240,758	3,188,077	4,052,681	1,505,000	3,139,841	4,644,841	0.90
1995	7,910,055	3,543,717	4,366,338	1,740,000	2,732,191	4,472,191	0.98
1996	9,294,552	4,078,370	5,216,182	1,789,006	2,697,742	4,486,748	1.16
1997	9,989,771	4,240,207	5,749,564	673,905	2,935,786	3,609,691	1.59
1998	10,214,898	4,483,950	5,730,948	2,808,117	2,296,061	5,104,178	1.12
1999	9,877,046	4,600,539	5,276,507	1,863,117	2,332,851	4,195,968	1.26
2000 *	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2001 **	16,474,959	8,409,986	8,064,973	-	3,451,640	3,451,640	2.30
2002 **	12,222,497	8,982,127	3,240,370	1,240,000	4,406,211	5,646,211	0.57
2003 **	12,570,800	8,897,211	3,673,589	1,305,000	4,554,967	5,859,967	0.63

(1) Total revenues including interest, operating transfers in and deferred gains on sale of assets.

(2) Total expenses exclusive of depreciation and interest expense

* Statistics for the fiscal year ending June 30, 2000 are not comparable, since all outstanding bonds were paid off during the year.
 ** All interest expense on bond debt during the construction period of the new convention center is capitalized for reporting purposes.

TABLE 11

City of College Park
Demographic Information
June 30, 2003

* All population figures for years other than 1960, 1970 1980, 1990 and 2000 are estimates by the U.S Department of Commerce, Bureau of the Census.

	<u>2000</u>	<u>1990</u>
Total Population	20,382	20,823
Density (persons per acre)	3.3	3.4
Population (white)	2,525	4,313
Population (black and other)	17,857	16,510
Percent black and other	87.61	79
Median age	27.40	not available
Total Housing Units	8,351	10,077
Occupied units (households)	7,810	8,065
Owner occupied	1,591	not available
Renter occupied	6,219	not available
Percent occupied	93.5	80
Average household size	2.6	3
Single family housing units	1,591	2,921
Multi family housing units	6,219	7,154

	<u>Population *</u>
1960	24,632
1970	18,203
1980	24,632
1990	20,645
1991	21,023
1992	21,426
1993	21,906
1994	20,542
1995	20,342
1996	20,227
1997	20,054
1998	19,990
1999	n/a
2000	20,382

Source : Atlanta Regional Commission, Bureau of the Census

TABLE 12

City of College Park, Georgia
 Labor Force and Unemployment
 Last Five Fiscal Years

	2003	2002	2001	2000	1999
Employment	13,358	12,754	12,685	12,315	12,228
Unemployment	1,136	1,048	616	622	654
Total Labor Force	14,494	13,802	13,301	12,937	12,882
City Unemployment Rate	7.8%	7.6%	4.6%	4.8%	5.1%
Fulton County Unemployment Rate	6.2%	6.0%	3.7%	3.9%	4.1%
State Unemployment Rate	5.2%	4.7%	3.7%	4.0%	4.2%

Source : Georgia State Department of Labor

TABLE 13

City of College Park, Georgia
Summary of City Building Permits
Last Five Years

	Commercial/Industrial		Residential	
	Permits	Values	Permits	Values
2003	16	\$ 35,421,751	61	\$ 5,521,887
2002	11	67,918,354	10	1,154,000
2001	14	4,945,703	5	430,600
2000	13	19,037,448	2	219,900
1999	23	26,650,065	3	172,000
1998	23	28,014,236	2	247,000
1997	14	8,990,312	1	35,000

City of College Park, Georgia
Miscellaneous Statistics
June 30, 2003

Date of Incorporation	1895
Form of Government	Council/Manager
Number of Employees (Excluding Police and Fire)	
Classified	181
Exempt	23
Area in Square Miles	9
College Park facilities and services	
Miles of streets	79
Number of street lights	2,0
00 Culture and recreation	
Community centers	2
Parks	2
Park acreage	280
Golf courses	1
Swimming pools	2
Tennis courts	10
Fire Protection:	
Number of stations	2
Number of fire personnel and officers	67
Police Protection:	
Number of stations	1
Number of police personnel and officers	114
Number of patrol units	38
Sewerage System:	
Miles of sanitary sewers	75
Number of service connections	2,769
Water System	
Miles of water mains	71
Number of service connections	2,769
Number of fire hydrants	379
Daily average consumption in gallons	3.0 MGD