
***Report to Mayor and Council
For the fiscal year ended September 30, 2016***



April 20, 2017

AUDIT OPINION – Pages 1-2

City of Canton's Responsibilities

The financial statements are the responsibility of the City of Canton's management.

Rushton & Company's Responsibilities

As independent auditors for the City of Canton, our responsibility is to express opinions on the fair presentation of the financial statements.

Auditing Standards

We audited the City's financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

Unmodified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the City of Canton, Georgia, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended.



Government-wide Statements

These statements provide the reader with information on the City as a whole, using the full accrual basis of accounting. Columns for the governmental activities, the business-type activities, and the component units.

Two statements:

- Statement of Net Position – Pages 12 and 13
 - Presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and residual net position of the City
- Statement of Activities – Page 14
 - Presents the results of operations of the City



Net Position and Change – Last 5 Fiscal Years

	Net Position				
Fiscal Year	Net Investments in Capital Assets	Restricted	Unrestricted	Total	Revenues over (under) Expenses
2012	81,767,076	2,938,506	3,875,480	88,581,062	3,956,061
2013	93,677,886	3,156,363	4,085,641	100,919,890	12,821,242
2014	96,356,882	3,086,789	8,891,400	108,335,071	7,415,181
2015	102,817,935	5,068,707	8,853,631	116,740,273	11,524,486
2016	108,424,723	6,038,025	11,363,785	125,826,533	9,086,260

Note: The variances in revenues over expenses from year to year are largely caused by a significant increase in capital grants and contributions in fiscal years 2013 and 2015.



General Fund

Revenues

- Increased \$637,858, 5.2%
 - Property tax revenues increased \$132,924
 - Building permits revenues decreased \$147,019
 - Intergovernmental revenues increased \$642,902

Expenditures

- Increased \$1,090,846, 9.6%
 - Police expenditures increased \$543,228 (Pers. services & capital outlay)
 - Fire expenditures increased \$424,747 (Personal services)
 - Streets expenditures decreased \$179,805 (Capital outlay)
 - Recreation expenditures increased \$183,215 (Capital outlay)

Transfers Out

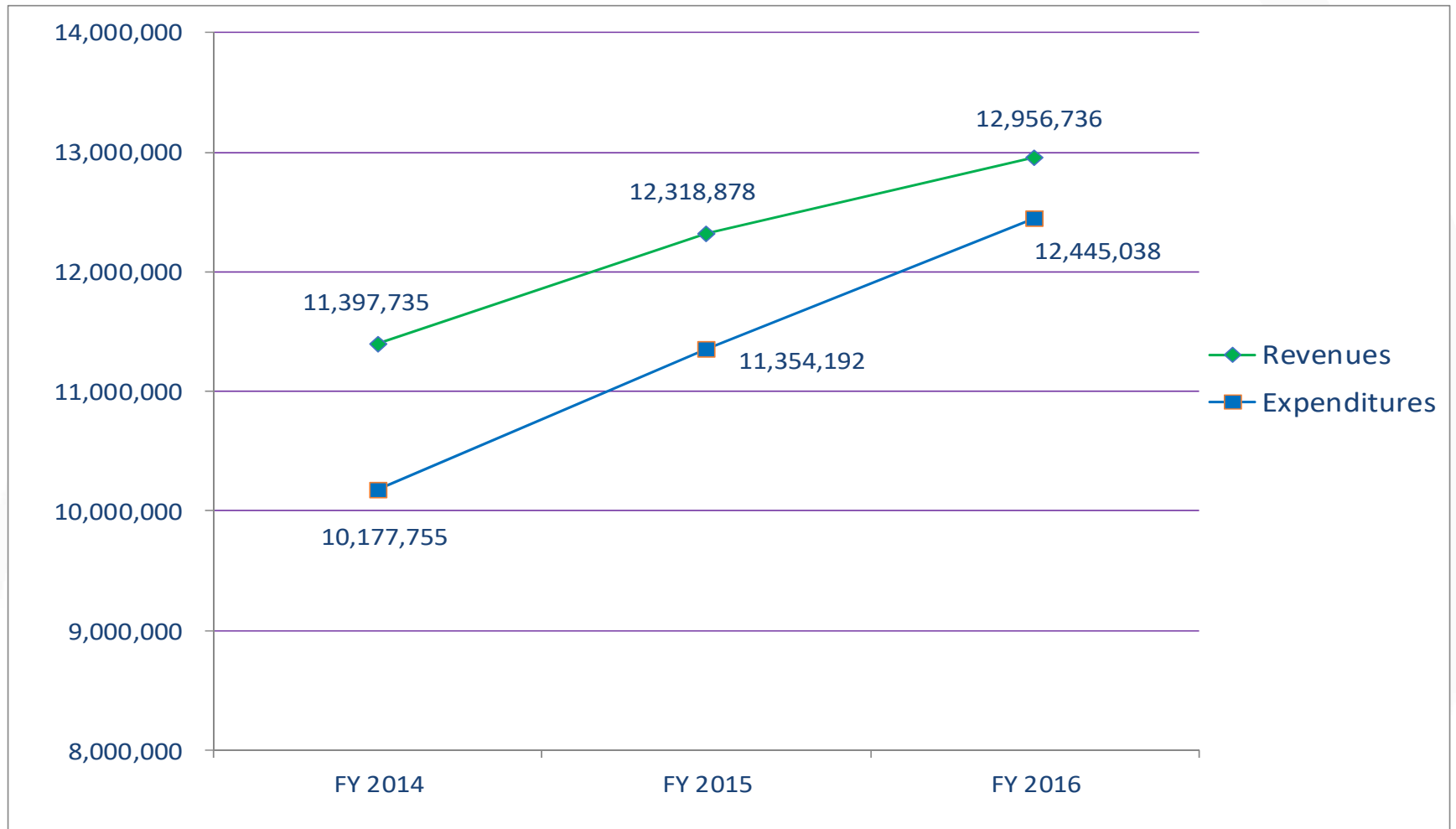
- Decreased \$151,264, 26.5%

Unassigned Fund Balance

- FY 2016, \$4,488,204, 36% of expenditures (4.3 months)
- FY 2015, \$4,079,335, 36% of expenditures (4.3 months)

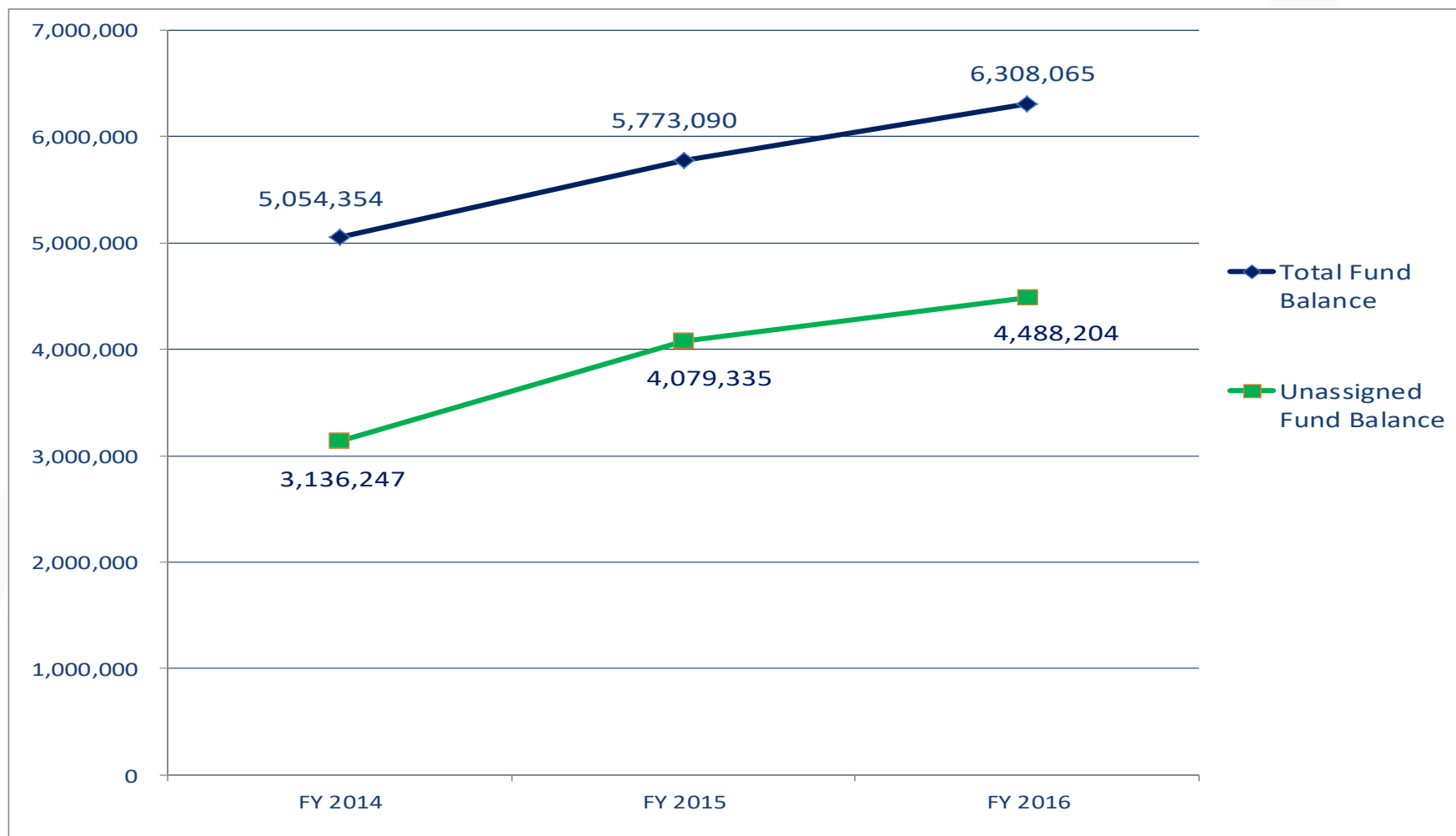


General Fund - Revenues and Expenditures Last 3 Fiscal Years



General Fund - Fund Balance

Last 3 Fiscal Years



Water and Sewer Fund

Operating Revenues

- Increased \$1,973,083, 17.9%
 - Water fees increased \$694,236, 15.1%
 - Sewer fees increased \$1,163,839, 18.7%

Operating Expenses

- Increased \$484,187, 8.5%
 - Costs of sales and services increased \$422,685
 - Depreciation expense increased \$61,502

Interest Expense

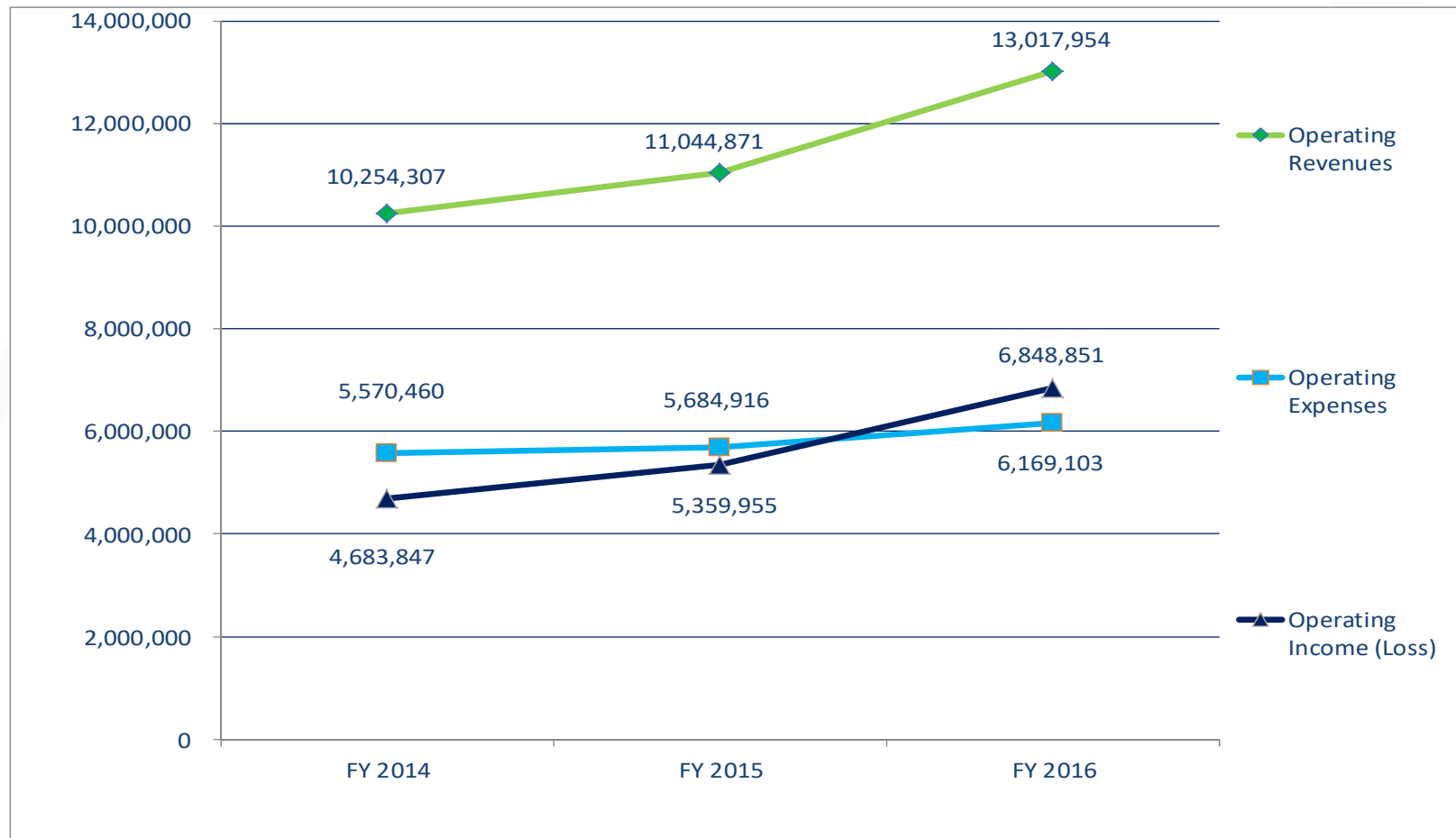
- FY 2016 - \$249,613
- FY 2015 - \$343,636

Unrestricted Net Position

- FY 2016, \$4,640,872
- FY 2015, \$2,747,291



Water and Sewer Fund Operating Revenues and Expenses Last 3 Fiscal Years



Report on Internal Control, Compliance, and Other Matters – Pages 100-101

In accordance with *Government Auditing Standards*, we have issued our report on our consideration of the City of Canton's internal controls and our tests of compliance.

This report describes the scope of our testing of internal control and compliance, and the results of that testing, but is not intended to provide an opinion on the internal control or compliance.

No material weaknesses and one significant deficiency were noted in the internal controls of the City of Canton. No instances of material noncompliance or other matters that are required to be reported were noted.



Report on Compliance and Internal Controls over Major Programs – Pages 102-103

In accordance with the Uniform Guidance, we have issued our report on our consideration of the City of Canton's compliance with requirements applicable to each major program and on internal control over compliance.

This report describes the scope of our testing of compliance requirements and internal controls over major programs, and the results of that testing. We are required to express an opinion on the City's compliance with requirements; our opinion is unqualified. This report is not intended to provide an opinion on the internal control.



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