

CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2015

*You're
Welcome
in Acworth*

Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2015

DEPARTMENT OF FINANCE

Sharron L. Burtz

City Treasurer

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2015**

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INTRODUCTORY SECTION

Thomas W. Allegood, Mayor

Board of Aldermen:
Tim Houston
Albert L. Price
Gene Pugliese
Tim Richardson
Brett North



Brian M. Bulthuis, City Manager
Douglas R. Haynie, City Attorney
Regina R. Russell, City Clerk
4415 Senator Russell Avenue
Acworth, Georgia 30101
(770) 974-3112
Fax (770) 917-0590
www.acworth.org

December 14, 2015

The Honorable Mayor Thomas W. Allegood,
Members of the Board of Aldermen and
Citizens of the City of Acworth, Georgia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (CAFR) of the City of Acworth, Georgia for the fiscal year ended June 30, 2015 is submitted herewith. Responsibility for both accuracy of the data and the completeness and fairness of presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires that all local governments, subject to certain size criteria, 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) as promulgated by the Governmental Accounting Standards Board (GASB).

Georgia State statutes and the City charter require an annual audit by independent certified public accountants. The City selected the accounting firm of Crace Galvis McGrath, LLC to complete the audit of the 2015 fiscal year. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the last section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Acworth was incorporated in 1860 and operates under the board-manager form of government. The Mayor and a five member Board of Aldermen govern the City. Policy-making and legislative authority are vested in the Mayor and Board of Aldermen who are elected at large serving four year staggered terms. A City Manager, who is appointed by and responsible to the Mayor and Board of Aldermen, directs the daily operations of the City.

The City is a full service municipality providing, general government, public safety, recreation, public works, solid waste sanitation, electrical power, economic development and other services. In addition to these activities, the City has blended component units that are presented as if they were part of the primary government due to requirements of GASB 61. The Acworth Lake Authority and the Acworth Downtown Development Authority are blended component units of the City. The Acworth Tourism Bureau Authority is a discretely presented component unit of the City with additional information found in the notes to the financial statements.

Local Economy

Acworth is located in the northwest corner of Cobb County; approximately 30 miles northwest of Atlanta. The City's proximity to Interstate 75 and U.S. Highway 41 makes it easily accessible. The Economic Development Department estimates the population of the City at 23,106 as of June 30, 2015.

The local economy of Acworth has begun to see significant improvements and positive signs in its economic climate after the economic recession that began in 2008. The unemployment rate in Acworth dropped to 5.8% in 2015, down from 7.4% the previous year. Acworth has over 880 licensed businesses that employ over 7,700 workers. Developments in the surrounding area impact the local economy favorably.

The City of Acworth continues to benefit from the positive economic climate. The 2014 tax digest of the City increased by 3.1% to a total assessed taxable value of \$609,134,713. This increase is a sign that the economy is recovering. The 2015 tax digest was approved by the Cobb County Board of Equalization at the end of June 2015 and had an increase of 5.4%. The increases in the taxable value along with the increase of planned developments are evidence that the economy is recovering from the recession. Specifically, the growth in the residential and commercial sectors is evident from the increased permits issued and the highly anticipated or formerly "conceptual" projects have begun going vertical.

There are active developments in the City that will provide future residential as well as potential commercial growth. Dogwood Forest Assisted Living opened and had a successful year as they anchored 1 of 2 major gateways into the downtown which had previously been a vacant car dealership. There were 2 other recruited developments that broke ground which add additional monetary and intrinsic value to the City, Cornerstone Preparatory Academy and Celebration Village. Walton Communities will complete construction of their active adult community, Legacy at Walton Park, early Spring of 2016 which brings 100 residential units to the City.

Major Initiatives

Efforts led by the City for identifying and implementing redevelopment measures have also begun to become a reality. The City's Blight Ordinance, which incentivizes property owners to redevelop, initiated unprecedented discussions with two major property owners of very large tracts of land. The City is continuing to experience significant progress with this new economic development tool. Traditional methods of redevelopment have continued in an area the City identified for redevelopment as new businesses and SPLOST projects allow for increased activity. The City was able to bring together a property owner along one of the City's exits at Interstate 75 and a hotelier to build a new hotel, Marriott Fairfield Inn & Suites. Additionally in the same area, the City witnessed a large 14+ acre tract to be developed into a large, 169,000 square foot industrial warehouse facility which will increase the tax base and provide jobs. The Acworth Tourism Bureau Authority continues to foster an inviting environment for tourist by evaluating City resources and identifying key components in which

to lead to increased “heads in beds”. Acworth Tourism devoted significant resources to conduct a marketing and branding study of the Acworth community which should result in more positive economic returns.

November 2014, Cobb County voters approved to continue the Special Local Option Sales Tax (SPLOST) which will begin January 1, 2016. The SPLOST (2011) will end during FY2016 as the new SPLOST begins. This vital funding tool provides and affords communities like Acworth the opportunity to conduct projects that are of significant need for the constituents. One example of a SPLOST (2011) project that was completed during this year was the new Acworth Police Station. This new facility provides our law enforcement personnel with a crucial headquarters to call home and to conduct business. By leveraging SPLOST funds to conduct capital projects, it allows the City to put forth other monies towards projects such as the FY2015 completion of the recently renovated Acworth Municipal Courtroom and Detention Complex that was financed with a bond issue in Fiscal Year 2014.

Acworth’s successful year was not just measured by completed projects but also through partnerships both in the community and with other governments. Successful negotiations between the municipalities (including Acworth) and Cobb County saw the renewing of the Service Delivery Strategy agreement (as required by the Service Delivery Act) with no issues. Few places can attest to putting forth this type of matter without contention. In continuing the spirit of partnership and cooperation, the City solicited the assistance of our local legislators to approve local legislation that allowed for 300+ acres of US Army Corps of Engineer property to be annexed into the City limits. Not only did the City partner with the County and State but also continued its partnership with the City’s neighbor through the renewal of its E-911 services with the City of Kennesaw.

Long-Term Financial Planning

For the past several years, Acworth has focused on reducing or controlling its operational costs and explored various alternatives or additional revenue sources. The outcome of this enhanced focus has paid off immensely and has changed the financial behavior and decision making of the City. Unassigned fund balance in the general fund is 41% of general fund operating expenditures. This balance would cover approximately 5 months of the City operating expenses and is within the Government Finance Officers Association (GFOA) recommendation of a minimum of 2 months.

The City’s long term financial status is dependent on continued growth and diversification of the City’s tax base. Efforts for redevelopment and revitalization in the City continue.

Relevant Financial Policies

The City has positioned itself over the years to weather economic downturns. The City will continue to move forward in this renewed focus and begin to look into establishing additional fiscal policies. The City’s Fund Balance Policy classifies fund balance amounts within five classifications (Nonspendable, Restricted, Committed, Assigned and Unassigned). The City Manager has the authority to assign funds for particular purposes under the policy. Unrestricted Fund Balance consists of the total of Committed, Assigned and Unassigned Fund Balance. The target of the policy is to maintain an Unrestricted Fund Balance in the General Fund of not less than 17% of annual operating expenditures. The City continues to review current and potential policies for adoption; including adopting a Budget Policy and Revenue Policy in upcoming fiscal years.

The City achieves and maintains budgetary control by operating under the statutes of the State of Georgia, which require the City to adopt an annual balanced budget. Expenditures may not legally

exceed appropriations at the department level, within each fund. Departments review their budget actual statements on the regular basis to ensure they are within their budget projections.

City management is responsible for establishing and maintaining an internal account control system. This system is designed to ensure that City assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Other information

Independent Audit. Article VI, Section 6.26 of the Charter of the City of Acworth requires an annual independent audit of all City accounts, funds, and financial transactions by a certified public accountant selected by the Mayor and Board of Aldermen. Crace Galvis McGrath, LLC have audited the City of Acworth's financial statements. The independent auditors have concluded, based upon their audit, that there was reasonable basis for rendering an unmodified ("clean") opinion for the City of Acworth and its component unit for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Acworth for its comprehensive annual financial report for the year ended June 30, 2014. This was the fifteenth consecutive year the City had received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

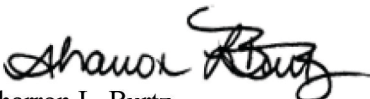
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report is truly a joint effort involving all City staff, along with the cooperation of various elected officials and appointed management. Their dedication and contributions to the preparation of this report, along with the direction and support of the City Manager's Office, form the basis for responsible and progressive financial management in the City of Acworth.

The Mayor and Board of Aldermen should be acknowledged for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. The Citizens of the City of Acworth are also thanked for their level of community involvement extending far beyond personal interest.

All of these components make Acworth an exciting place in which to live and work.

Respectfully submitted,



Sharron L. Burtz
City Treasurer
City of Acworth



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Acworth
Georgia**

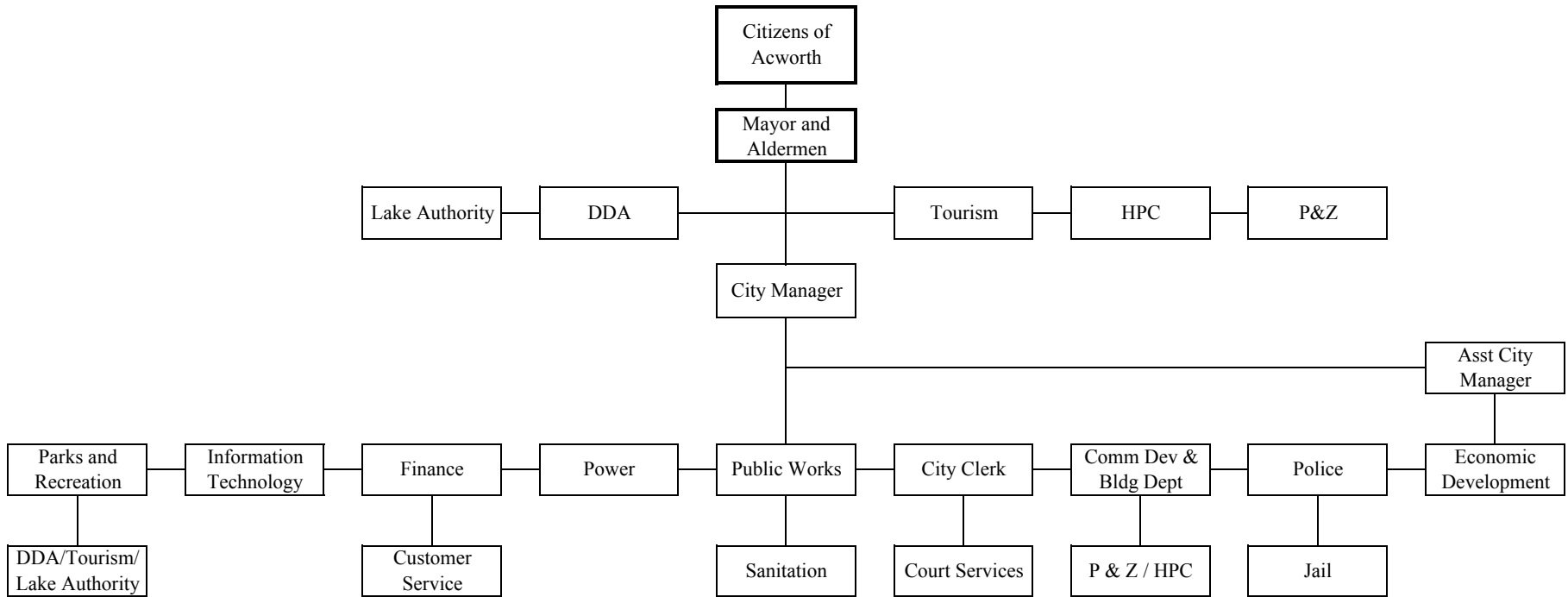
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of Acworth Organizational Chart

VI.



CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2015

Thomas W. Allegood
Mayor

BOARD OF ALDERMEN

Tim Houston
Brett North
Albert L. Price
Gene Pugliese
Timothy Richardson

CITY ADMINISTRATION

Brian M. Bulthuis
City Manager

Brandon Douglas
Regina R. Russell
Sharron L. Burtz
Christine Dobbs
Loyd Fasselt
Mark Hipp
James Albright
G. Wayne Dennard
Keith Wilson

Assistant City Manager
City Clerk
City Treasurer
Community Development Director
Building Official
Public Works/Power Director
Parks and Recreation Director
Chief of Police
Information Systems Manager

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Thomas W. Allegood, Mayor
Board of Aldermen
City of Acworth
Acworth, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Funding Progress on pages 4-16 and 56-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Acworth, Georgia's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary information, statistical section, and special reports section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Hotel/Motel Tax Schedule of Revenue Received and Expenditures Incurred, the Schedule of Development Impact Fees and the 1 Percent Sales Tax Schedule of Projects Constructed with Special Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, 36-71-8, and 48-8-121, respectively, and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, supplementary information, and the special reports section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, supplementary information, and the special reports section are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the City of Acworth, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Acworth, Georgia's internal control over financial reporting and compliance.



Grace Galvis McGrath, LLC
Kennesaw, Georgia

December 14, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

As management of the City of Acworth, we offer readers of the City of Acworth's financial statements this narrative overview and analysis of the financial activities of the City of Acworth, Georgia (the City) for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The City's net position totals \$52,491,252 at the end of the year. This amount includes \$47,365,464 net investment in capital assets, restricted portion of \$7,226,407 and unrestricted net position at a negative \$2,100,619.
- The City's total net position increased by \$3,533,176 before a restatement of beginning net position. Net position for governmental activities increased by \$2,663,594 or 7 % and business-type net position increased by \$869,582 or 7% after restating beginning net position balances.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$12,812,383, a decrease of \$2,388,337. The net unassigned fund balance is \$4,522,607 which is in the General Fund.
- The City's total debt decreased \$1,465,232.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Acworth's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic statements, this report contains other supplementary information, including combining statements for non-major funds, and a statistical section. Comparative data is presented as applicable.

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 position* presents, combines, and consolidates the City's current financial resources with capital assets and liabilities, with the difference between the two reported as *net position*. This statement provides information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned but unused vacation leave).

In the Statement of Net Position and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including public safety, public works, culture and recreation, economic development, general administration and the City's employee insurance internal service fund. Property taxes and franchise fees finance the majority of these activities.
- **Business-type activities** – The City charges a fee to customers to help recover all or most of the cost of certain services it provides. The City's electrical power system and solid waste sanitation system are reported here along with the City's customer service internal service fund.
- **Component unit** – The City has one discretely presented component unit - the Acworth Tourism Bureau Authority.

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds are provided in the form of combining statements in

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

a later section of the report. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The City maintains ten governmental funds. Information is presented separately in the governmental fund balance sheet, the governmental fund statement of revenues, and expenditures and changes in fund balance for the General Fund, Capital Improvement Fund and the Special Purpose Local Option Sales Tax (SPLOST) fund. These are considered to be major funds. Data from the other funds is combined into a single, aggregate presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 19 of this report.

The City of Acworth adopts a budget for all funds it operates. Budgetary comparison schedules have been provided for the General Fund as required supplementary information. Budget to actual comparisons for other governmental-type funds are provided in individual schedules elsewhere in this report.

Proprietary Funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains two enterprise funds: Acworth Power and Acworth Sanitation. *Internal Service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City has two internal service funds. One internal service fund is used to account for its customer service activities associated with Acworth Power, Acworth Sanitation, occupational tax certificate issuance and property tax collections. This service predominantly benefits business-type activities more than governmental functions, and is therefore included within the business-type activities in the government-wide financial statements. The City utilizes an internal service fund for the purpose of administering its workers compensation insurance as well as the employee medical insurance. This internal service fund has been included within *governmental 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 Acworth Power and Acworth Sanitation. The internal service funds of Customer Service and Insurance are presented in the proprietary fund section.

The basic proprietary funds financial statements are presented beginning on page 22 of this report.

Notes to the Basic Financial Statements. The financial statements include notes that explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found beginning on page 56 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

The City reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds are presented following the notes to the financial statements and begins on page 61 of this report.

Government-Wide Financial Analysis

The following table provides a summary of the City's governmental and business-type net position for the fiscal year. The City's net position increased \$3,533,176 in fiscal year 2015. The net position of the governmental activities includes \$42,518,514 net investment in capital assets. Capital Assets of \$49,249,180 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$6,730,666.

The net position of the business-type activities includes \$4,846,950 net investment in capital assets. Capital assets of \$4,938,535 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$91,585.

Restatement – The City has restated net position for the implementation of GASB Statement No. 68 in governmental and business-type funds. Additionally, the governmental funds restatement is also related to capital assets not previously reported. Note 18 in the notes to the financial statement contains additional information concerning the restatement.

For more detailed information, see the Statement of Net Position on page 17 of the financial statements and the notes to the financial statements.

Summary of Net Position (Table 1)

	Governmental Activities		Business-type Activities		Total		Total % Change 2015-2014
	2015	2014	2015	2014	2015	2014	
Assets:							
Current and Other Assets	\$ 15,489,224	\$ 17,572,339	\$ 13,136,735	\$ 11,331,729	\$ 28,625,959	\$ 28,904,068	-0.96%
Capital Assets	49,249,180	45,179,187	4,938,535	5,195,005	54,187,715	50,374,192	7.57%
Total Assets	64,738,404	62,751,526	18,075,270	16,526,734	82,813,674	79,278,260	4.46%
Deferred outflows of resources:							
Related to pensions	321,061	208,502	95,901	62,280	416,962	270,782	53.98%
Deferred loss on refunding	512,140	768,210	-	-	512,140	768,210	-33.33%
Total Deferred Outflows of Resources	833,201	976,712	95,901	62,280	929,102	1,038,992	-10.58%
Liabilities:							
Current liabilities	3,637,981	3,261,423	2,084,204	2,202,839	5,722,185	5,464,262	4.72%
Long-term liabilities	21,941,235	23,268,584	1,378,674	1,222,236	23,319,909	24,490,820	-4.78%
Total Liabilities	25,579,216	26,530,007	3,462,878	3,425,075	29,042,094	29,955,082	-3.05%
Deferred inflows of resources:							
MEAG project	-	-	2,039,866	1,404,094	2,039,866	1,404,094	45.28%
Related to pensions	130,564	-	39,000	-	169,564	-	
Total Deferred Inflows of Resources	130,564	-	2,078,866	1,404,094	2,209,430	1,404,094	57.36%
Net position:							
Net investment in capital assets	42,518,514	41,531,232	4,846,950	5,052,522	47,365,464	46,583,754	1.68%
Restricted	7,226,407	6,086,764	-	-	7,226,407	6,086,764	18.72%
Unrestricted	(9,883,096)	(10,419,765)	7,782,477	6,707,323	(2,100,619)	(3,712,442)	-43.42%
Net Position, end of year as restated	\$ 39,861,825	\$ 37,198,231	\$ 12,629,427	\$ 11,759,845	\$ 52,491,252	\$ 48,958,076	7.22%

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

Changes in Net Position

The City’s total revenues before transfers were \$32,714,957 in fiscal year 2015. Expenses before transfers were \$29,181,781 for the same period. Governmental and business-type activities combined provided a \$3,533,176 increase in net position.

Governmental activities revenues, before transfers, were \$17,371,395 and included \$2,416,037 charges for services, operating grants and contributions of \$235,434 and capital grants and contributions of \$4,707,609. The largest governmental activities expenses were for public safety \$4,966,721, public works of \$3,800,570, general government of \$3,091,117, and culture and recreation of \$2,763,205. Expenses include depreciation expense as explained in the notes to the financial statements.

Business-type activity revenues, before transfers, were \$15,343,562 and included \$15,304,417 charges for services and \$1,300 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$10,867,184, which included wholesale power expenses of \$7,812,562 and personal services of \$1,194,038. Sanitation services include expenses of \$844,595 for personal services and \$279,137 in landfill tipping fees.

The table below shows the summary of the changes in net position during the year.

Summary of Changes in Net Position (Table 2)

	Governmental Activities		Business-type Activities		Total	
	2015	2014 (1)	2015	2014 (2)	2015	2014
Revenues:						
Program:						
Charges for services	\$ 2,416,037	\$ 2,179,599	\$ 15,304,417	\$ 15,142,922	\$ 17,720,454	\$ 17,322,521
Operating Grants and Contributions	235,434	291,322	-	-	235,434	291,322
Capital Grants and Contributions	4,707,609	4,217,065	1,300	1,870	4,708,909	4,218,935
General:						
Property taxes	5,305,820	5,227,720	-	-	5,305,820	5,227,720
Insurance premium taxes	1,102,373	1,053,603	-	-	1,102,373	1,053,603
Alcohol taxes	468,573	466,400	-	-	468,573	466,400
Hotel, motel taxes	188,530	139,982	-	-	188,530	139,982
Franchise taxes	1,416,619	1,370,578	-	-	1,416,619	1,370,578
Financial Institution tax	33,761	33,745	-	-	33,761	33,745
Business Taxes	451,893	456,762	-	-	451,893	456,762
Contributions not restricted	591,414	600,130	-	-	591,414	600,130
Operating Grants not restricted	433,818	245,977	-	-	433,818	245,977
Unrestricted Interest	19,514	18,339	37,845	40,881	57,359	59,220
Total Revenues	17,371,395	16,301,222	15,343,562	15,185,673	32,714,957	31,486,895
Expenses:						
General Government	3,091,117	2,609,694	-	-	3,091,117	2,609,694
Judicial	414,891	395,493	-	-	414,891	395,493
Health and Welfare	1,668	1,089	-	-	1,668	1,089
Public works	3,800,570	3,304,938	-	-	3,800,570	3,304,938
Culture and Recreation	2,763,205	2,681,118	-	-	2,763,205	2,681,118
Public safety	4,966,721	4,450,562	-	-	4,966,721	4,450,562
Housing and Development	926,219	1,032,121	-	-	926,219	1,032,121
Interest and fiscal charges on long-term debt	882,928	1,125,283	-	-	882,928	1,125,283
Electric	-	-	10,867,184	11,488,074	10,867,184	11,488,074
Sanitation	-	-	1,467,278	1,299,983	1,467,278	1,299,983
Total Expenses	16,847,319	15,600,298	12,334,462	12,788,057	29,181,781	28,388,355
Change in Net Position before Transfers	524,076	700,924	3,009,100	2,397,616	3,533,176	3,098,540
Transfers	2,139,518	1,310,000	(2,139,518)	(1,310,000)	-	-
Change in net position	2,663,594	2,010,924	869,582	1,087,616	3,533,176	3,098,540
Net Position - beginning before restatement	34,361,797	32,350,873	12,235,307	11,147,691	46,597,104	43,498,564
Restatement	2,836,434	-	(475,462)	-	2,360,972	-
Net Position - beginning after restatement	37,198,231	32,350,873	11,759,845	11,147,691	48,958,076	43,498,564
Net Position - Ending	39,861,825	34,361,797	12,629,427	12,235,307	52,491,252	46,597,104

(1) The effect of the restatement of capital assets to previously reported Governmental Activities changes in net position is a decrease of \$361,871. The effect of implementing GASB Statement No. 68 to previously reported changes in net position has not been determined.

(2) The effect of implementing GASB Statement No. 68 to previously reported changes in net position has not been determined.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

Governmental Activities

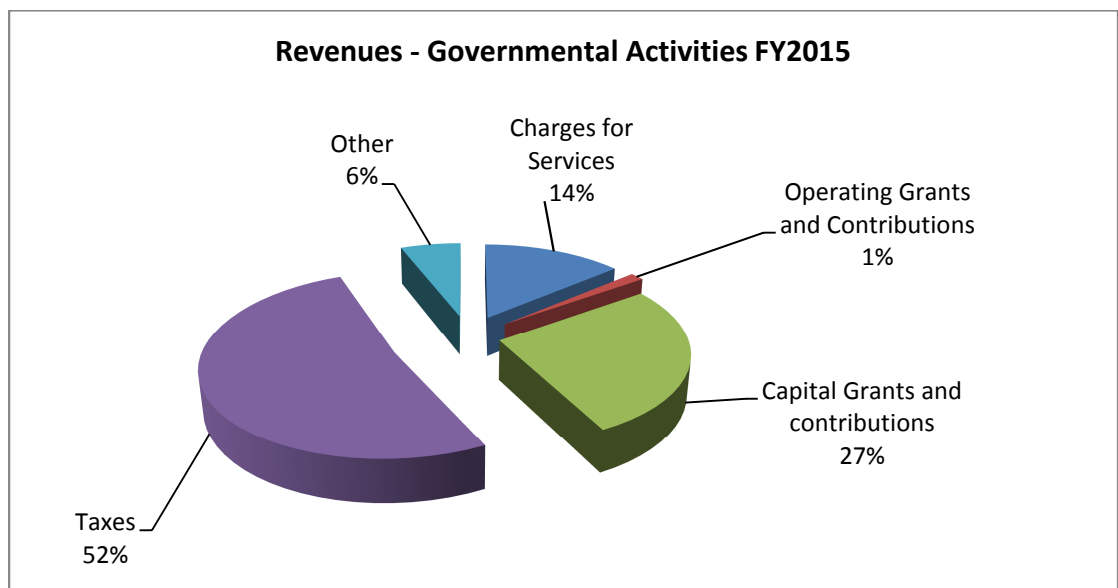
The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities increased the City’s net position by \$524,076 before transfers. Governmental activities increased the City’s net position by \$2,663,594 after net transfers of \$2,139,518. This accounts for 80% of the total growth in net position. The governmental funds have a net restatement in an amount of \$2,836,434 which is related to the addition of capital assets and the implementation of GASB Statement No 68. The effect of the restatement relating to capital assets to previously reported changes in net position is a decrease of \$361,871. The effect of the restatement relating to the implementation of GASB Statement No. 68 to previously reported changes in net position has not been determined. Additional information concerning the restatement can be found in the notes to the financial statements.

The following table illustrates the costs of governmental expenses along with the net costs after the deduction of program revenues:

	FY 2015 Total Expenses	FY 2015 Net (Expense) Revenue and Change in Net Position
General Government	\$ 3,091,117	\$ (2,859,512)
Judicial	414,891	669,415
Health and Welfare	1,668	(1,668)
Public Works	3,800,570	(930,440)
Culture and Recreation	2,763,205	(1,701,563)
Public Safety	4,966,721	(3,261,868)
Housing and Development	926,219	(519,675)
Interest and Fiscal Charges	882,928	(882,928)
Total	\$ 16,847,319	\$ (9,488,239)

Additional information concerning net cost of services may be found in the Statement of Activities on Page 18.

The following charts show the source of the City’s governmental revenues and expenses.



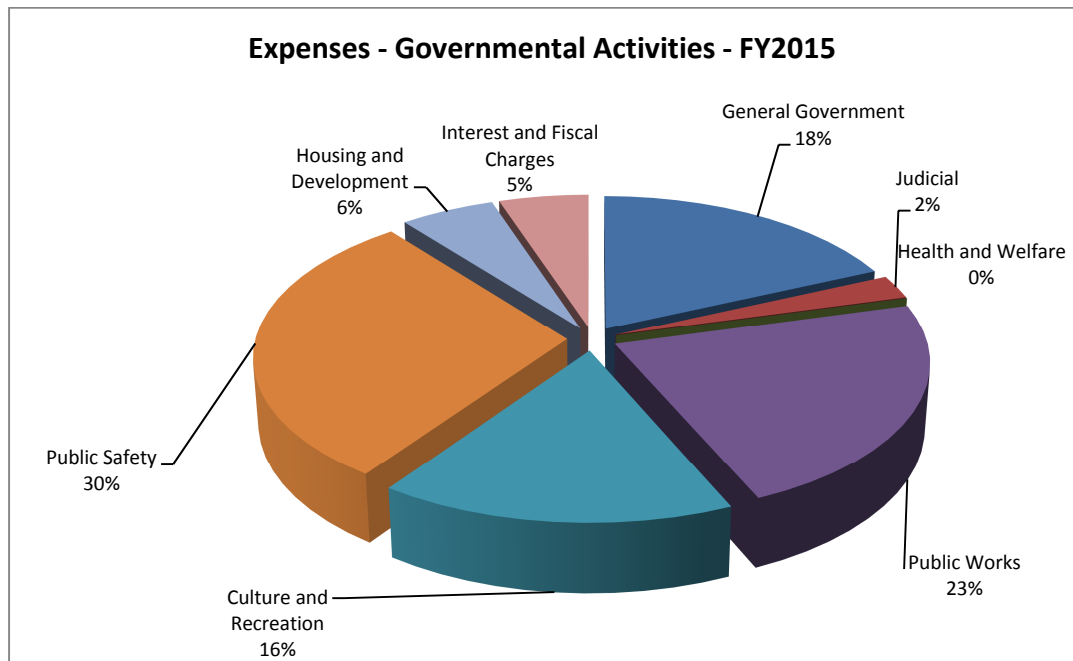
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

Revenue Impacts:

- Taxes of \$8,967,569 provided 52% of governmental revenues of general operations. Property Taxes in the amount of \$5,305,820 represent 59% of taxes. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$4,707,609 provided 27% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax.
- The transfers from business-type activities in the amount of \$2,139,518 increased from prior year of \$1,310,000.
- Charges for services of \$2,416,037 provides 14% of governmental revenues of general operations and include municipal court fines of \$1,084,306 and culture and recreation fees of \$569,999.



Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments, added employees and an increase in related benefits such as employee health insurance. Public Safety expenses of \$4,966,721 account for 30% of governmental expenses. This is an increase of 12% from prior year as a result of personnel related costs and inmate costs.
- Public Works expenses of \$3,800,570 account for 23% of governmental expenses. The 14% increase from prior year is primarily the result of depreciation expense. Most of the public works projects are funded through SPLOST.
- General government expenses of \$3,091,117 represent 18% of governmental expenses and increased 18% from prior year primarily due to loss recognized on disposal of asset removed during renovation project.
- Culture and recreation expenses of \$2,763,205 increased \$82,087 from prior year and represents 16% of governmental expenses. The increase is primarily the result of personnel changes and depreciation of capital assets.
- Interest and fiscal service on debt service decreased \$242,355 based on re-financing of the Tax Allocation Bonds in the prior year and the amortization of debt.
- Total expenses increased 8% from prior year.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

Business-Type Activities

The City’s business-type activities include Acworth Power, Acworth Sanitation and an internal service fund (Customer Service). Net position for business-type activities increased \$3,009,100 before net transfers out of \$2,139,518.

	FY 2015 Total Expenses	FY 2015 Net (Expense) Revenue and Change in Net Position
Electric	\$ 10,867,184	\$ 2,756,363
Sanitation	1,467,278	214,892
Total	\$ 12,334,462	\$ 2,971,255

Program revenues for business-type activities for fiscal year 2015 were \$15,305,717; an increase of \$160,925 from prior year as a result of additional revenue from power sales due to the increase in kwh sales. Sanitation revenues increased based on a rate adjustment to cover expenses and an increase in units billed to customers.

Financial Analysis of the City’s Funds

Governmental Funds. The focus of the City of Acworth’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. General governmental functions are contained in the general, special revenue, capital projects and debt service funds. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Financial Analysis of the City’s Major Governmental Funds (Table 5)

Fund	Fund Balances 06/30/2014	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2015
General Fund	\$ 7,601,581	\$ 12,672,423	\$ 12,467,974	\$ 204,449	\$ 7,806,030
Capital Improvement Fund	4,637,160	1,458,646	5,162,311	(3,703,665)	933,495
SPLOST	2,551,124	4,063,706	3,024,910	1,038,796	3,589,920

As of June 30, 2015, the City’s governmental funds reported combined ending fund balances of \$12,812,383, a decrease of \$2,388,337 in comparison with the prior year. The General Fund had an increase in fund balance of \$204,449. The Capital Improvement Fund is a Major Fund and completed a renovation project during the year, having a decrease in fund balance of \$3,703,665 to \$933,495. The SPLOST Fund is also a major fund and had an increase in fund balance of \$1,038,796 as a result of the timing of capital projects beginning in comparison of receipt of SPLOST revenues. Other non-major Governmental Funds had a net increase of \$72,083; the majority of which is in the Confiscated Assets Fund.

The nonspendable portion of fund balance includes amounts restricted for prepaid insurance and prepaid expenditures. The restricted and committed portions of fund balance represent amounts restricted for seized assets held by the police department, capital projects and proceeds from the sale of the water and sewer system that cannot be spent without voter approval. Assignments of fund balance may be done by the city manager for future projects.

General Fund

At June 30, 2015, Acworth’s total fund balance for General Fund was \$7,806,030 and consisted of the following:

- Nonspendable – \$39,220 for prepaid insurance and \$22,089 for other prepaids for future services

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

- Restricted – \$198,257 for Public Safety 800 MhZ Project; \$557 for Public Works; and \$3,000,000 for voter appropriation
- Assigned – \$17,208 for Housing and Development, \$2,752 for Public Safety and \$3,340 for Culture and Recreation
- Unassigned – \$4,522,607 which is an increase of \$833,098 from prior year

As a measure of the General Fund’s liquidity, it may be helpful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represent 41% of the total fiscal year 2015 expenditures before transfers, while total fund balance is 70% of the same amount.

General Fund - Revenues by Source

	FY2015		FY2014		Increase/(Decrease) % of	
	Amount	% of Total	Amount	% of Total	Amount	Change
Taxes	\$ 9,054,071	79%	\$ 8,709,731	79%	\$ 344,340	4%
License & Permits	498,578	4%	262,984	3%	235,594	90%
Intergovernmental	37,895	0%	29,300	0%	8,595	29%
Charges for Services	631,999	6%	624,130	5%	7,869	1%
Fines & Forfeitures	1,084,537	9%	1,161,935	11%	(77,398)	-7%
Investment Earnings	18,253	0%	17,599	0%	654	4%
Contributions & Donations	59,140	1%	47,840	0%	11,300	24%
Other	85,925	1%	106,883	1%	(20,958)	-20%
Total	\$ 11,470,398	100%	\$ 10,960,402	100%	\$ 509,996	5%

The following provides an explanation of revenues by source changes from FY2014 to FY2015:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$5,305,820 and represent 59% of tax revenues. The taxable digest increased 3.1%. The millage rate remained stable at 7.60 mills. This is the first year of the increase the digest has seen since 2009. Insurance Premium Taxes increased 5% to \$1,102,373. Franchise Taxes increased 3% in part due to increased revenue from cable television and electric consumption. Occupational Taxes are based on gross receipts and remained stable; seeing a decrease of 1%.
- **Licenses and permits.** License and permits saw an increase of \$235,594 (90%). Building permits make up the bulk of the increase at \$193,659 higher than prior year; FY2015 had permits issued for two large developments as well as building of new homes. Licenses and permits represent 4% of the total General Fund revenues before transfers.
- **Intergovernmental.** Intergovernmental revenue increased 29% to \$37,895; the bulk of the increase is attributed to the increase in operating grants and reimbursements received in current year than in prior year.
- **Charges for service.** Charges for services increased 1% to \$631,999. Culture and recreation related fees account for the bulk of the revenue and saw an increase in rental and parking fees at the parks due to the summer weather. Inmate housing fees collected were \$66,612; which is an increase of 54% from prior year. The administrative fee associated with the Tax Allocation District decreased from prior year 35% to \$47,454 since the amounts available for excess disbursement decrease when the amortization period for the related debt shortened in FY2014.
- **Fines and forfeitures.** Fines and forfeitures represent 9% of total General Fund revenues and decreased 7% to \$1,084,537. There was a decrease in the number of citations issued in the current year.
- **Investment earnings.** Investment earnings increased 4% from the prior year; this revenue is dependent on availability of funds for investments as well as market rates which are out of the control of the City.
- **Contributions and donations.** Contributions and donations increased 24% to \$59,140; the donations are used to fund programs such as Acworth Achievers and Expanding Horizons.
- **Other.** Other revenue decreased \$20,958. The 20% decrease is attributed predominantly to reimbursements in prior year for damaged property decreased.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

General Fund - Expenditures by Function

	FY2015		FY2014		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	\$ 2,019,309	18%	\$ 2,045,381	18%	\$ (26,072)	-1%
Public Safety	4,440,801	40%	4,068,881	40%	371,920	9%
Public Works	1,041,434	9%	1,002,868	10%	38,566	4%
Health & welfare	1,668	0%	1,089	0%	579	53%
Housing & Development	881,567	8%	955,501	10%	(73,934)	-8%
Judicial	410,749	4%	387,141	4%	23,608	6%
Culture & recreation	1,969,336	18%	1,772,408	17%	196,928	11%
Debt Service	327,862	3%	66,281	1%	261,581	395%
Total	\$ 11,092,726	100%	\$ 10,299,550	100%	\$ 793,176	8%

The following provides an explanation of expenditures by function changes from FY2014 to FY2015:

Overall, personnel costs increased 7%. During the year, the effects of added positions, pay adjustments and increased employee benefit costs accounted for the bulk of the change.

- **General government.** Decreases of \$26,072 or 1% are attributed to personnel costs mentioned earlier and property acquisition in prior year. Other items include operational costs for buildings increased \$43,140 primarily due to completion of new building and an increase in liability and property insurance coverage in the amount of \$19,102.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2015 had an increase of \$371,920 or 9%. Personnel costs increased \$314,570 from prior year as mentioned earlier. Capital outlay for vehicles totaled \$121,215 for the year.
- **Public Works.** Public works increased \$38,566 or 4%. Personnel cost increases of \$26,360 is the bulk of the increase. Non-major routine maintenance on vehicles and equipment increased \$18,552, while fuel costs were \$5,890 lower than in prior year. Supplies for streets and storm water decreased \$6,379. The contract renewal for mowing of right-of-way and the cemetery increased \$4,149.
- **Housing and Development.** Housing and development had a net decrease of \$73,934 or 8%. Included in this is \$230,278 excess funds disbursed from the Tax Allocation District that are not related to debt service.
- **Judicial.** Municipal court operations increased by \$23,608 or 6%. Fine refunds increased \$24,685 to \$102,990.
- **Culture and Recreation.** Culture and recreation increases of \$196,928 or 11% are a result of added staff, pay adjustments and the increased benefit costs for a total of \$145,180 to cover services. Capital outlay costs for computers and equipment at \$37,604 up from prior year. Fireworks display costs increased \$8,500.

Capital Improvement

At June 30, 2015, the fund balance was \$933,495. Committed Fund Balance of \$99,486 includes commitments that were approved by the Mayor and Board of Aldermen for purchases. Assignments of fund balance held in this fund are for capital projects and include future projects of \$16,311; property acquisition of \$660,136; Jail and Court renovation project of \$40,168; Culture and Recreation of \$40,000 and Public Works in the amount of \$77,394. FY2015 projects include the completed renovation project at the Jail and Court Services location that began in FY2014 in the amount of \$4,066,346; Cauble Park Improvements of \$33,188; Bobby Van Newberry Park Improvements of \$140,365; Sports Complex Restroom improvements of \$30,000; Public Safety Equipment of \$87,946; and property acquisition of \$449,187.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

SPLOST

At June 30, 2015, SPLOST fund balance was \$3,589,920. The proceeds of the 2011 SPLOST are received monthly and the levy will continue through December 2015. SPLOST receipts totaling \$3,710,651 were received during the year. SPLOST funds are restricted to voter approved capital projects.

Non Major Governmental Funds

The remaining non major funds of the City are as follows:

Special revenue funds

- **Hotel Motel Tax Fund** – Levied at a rate of 8%. Taxes received were \$188,530; an increase of \$48,548.
- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$108,500. Fund Balance is \$65,033 at June 30, 2015.
- **Confiscated Asset Fund** – Total revenues of \$163,300 related to the seizure of property associated with illegal substances or activities. Fund balance is \$355,858 at June 30, 2015.
- **Soil Erosion Fees Fund** – Fees received in FY2015 were \$7,306. Fund balance is \$16,782 at June 30, 2015.
- **Acworth Downtown Development Authority** – The Authority is blended with the primary government based upon the debt relationship concerning facilities and the CableNET project. Debt service payments are made by the primary government.
- **Acworth Lake Authority** – The Authority is blended with the primary government based upon the debt relationship concerning recreational facilities. Debt service payments are made by the primary government.
- **Debt Service Fund** - The Debt Service Fund consists of the debt associated with the City's Tax Allocation District. Other debts of the City are presented within the corresponding funds. Debt outstanding for the Tax Allocation District as of June 30, 2015 is \$4,920,000 and will be paid off December 2025. The debt is repaid by the tax increment within the district.

Proprietary Funds Overview. The City's proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City operates two enterprise funds and two internal service funds. The change in net position of the proprietary funds for FY2015 was \$867,969. A restatement to decrease net position in the amount of \$475,462 related to implementation of GASB 68 – "Accounting and Financial Reporting for Pensions". Additional information concerning the restatement may be found in the Notes to the Financial Statements in this report.

Acworth Power provides electrical service to over 6,500 residential and commercial customers. Operating revenues of Acworth Power increased less than 1% from the prior year. Operating expenses decreased 6% in fiscal year 2015. Therefore, the operating income saw an increase of \$754,981. Kilowatt hours sold increased 3% to 95,240,176. Wholesale power costs decreased \$782,342 due to the expiration of a power supply contract midway through the year. Net position for Acworth Power increased \$753,062 to \$11,842,286. Acworth Power had a restatement of \$248,105 due to implementation of GASB 68.

Acworth Sanitation provides solid waste sanitation services to over 6,600 residential and commercial customers; collecting 8,075 tons of refuse. Residential rates were adjusted 2% during the year to offset increased operating costs. Net position for Acworth Sanitation decreased \$129,098 to \$621,450 after a restatement decreasing net position in the amount of \$144,984. Acworth Sanitation implemented GASB 68 during FY2015 which resulted in the restatement.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

**Enterprise Net Operating Income (Loss)
Non-Operating Revenues (Expenses)
and Transfers In (Out)**

	Fiscal Year	
	2015	2014
Operating Income (Loss):		
Acworth Power	\$ 2,734,078	\$ 1,979,097
Acworth Sanitation	215,000	296,062
Total	<u>2,949,078</u>	<u>2,275,159</u>
Non-Operating Revenues (Expenses)	<u>(13,791)</u>	<u>36,217</u>
Contributed Capital from Developers	<u>1,300</u>	<u>1,870</u>
Income (Loss) Before Operating Transfers	<u>2,936,587</u>	<u>2,313,246</u>
Transfers In (Out)	<u>(2,064,518)</u>	<u>(1,250,000)</u>
Change in Net Position before Restatement	872,069	1,063,246
Restatement	(393,089)	-
Change in Net Position	<u>\$ 478,980</u>	<u>\$ 1,063,246</u>

Internal service funds are utilized for two operations within the City. The Customer Service fund provides customer service support for customers of Acworth Power and Acworth Sanitation as well as occupational tax certificate holders and administration of property tax collections. The Customer Service Fund had a restatement related to GASB 68 which decreased net position in the amount of \$82,373.

The City’s workers compensation and employee medical insurance programs are combined in an internal service fund. These funds are presented in the Proprietary Fund financial statements. During the fiscal year, the City transitioned to being self-insured for health care coverage in an effort to manage costs. During FY2015, costs increased due to large claims

experienced. Additional information on the insurance is contained in Note 15 in the notes to the financial statements.

General Fund Budgetary Highlights

The City’s budget is prepared in accordance with the laws of the State of Georgia and the Code of Ordinances of the City of Acworth. The City adopts the fiscal budget during June of the preceding fiscal year. A detailed budgetary comparison schedule for the fiscal year ended June 30, 2015 can be found in Required Supplementary Information.

During June 2014, the City adopted a General Fund budget of \$11,298,771 for General Fund expenditures (excluding transfers and sale of capital assets) for FY2015. At the end of the fiscal year, the final actual expenditures were \$11,092,726 (excluding transfers out and sale of capital assets) which was a decrease of \$206,045 from the original adopted budget. The final amended budget expenditures were \$11,530,728 (excluding transfers and sale of capital assets). The difference between the original budget and the final amended budget is an overall increase of \$231,957.

Primary Reasons for the differences between final budget and actual results in the General Fund include:

Revenues:

- Franchise Fees, Titles Ad Valorem Taxes and Alcohol Excise taxes exceeded final projections.
- Intergovernmental revenues were more than anticipated revenue due to receipt of operating grants.
- License and permits exceed anticipated revenue due to increase in building code permits.
- Municipal court fines were less than anticipated revenue based upon the timing of collections and a decrease in traffic violations.

Expenditures:

- Police and Jail were under budget based on timing of personnel changes and capital expenditures coming in less than projected.
- Public Works was under budget due to lower than anticipated contracted services, lower fuel costs and lower than expected maintenance supply costs.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

- Recreation (including Athletics and Community Programs) as a whole were under budget due to lower than budgeted costs for part time staffing and overtime costs, lower than expected electrical costs at the parks and lawn care costs. Summer Camp exceed final budget due to an increase in program costs.
- Building Inspections was under budget due to decreased contracted and operating costs.
- Governmental Buildings Operations as a whole were under budget based on lower than expected maintenance and electrical energy costs. General Government Building – 4400 Acworth Industrial Drive exceeded budget due to contracted building repairs.

Other Financing Sources (Uses):

- Proceeds from the sale of capital assets were greater than anticipated.

Capital Assets and Debt Administration

Capital Assets. The City of Acworth’s investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$49,249,180 and \$4,938,535 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

2015 Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014 *	2015	2014	2015	2014 *
Construction in Progress	\$ 1,032,836	\$ 6,058,951	\$ -	\$ -	\$ 1,032,836	\$ 6,058,951
Land	5,550,363	5,372,529	265,917	265,917	5,816,280	5,638,446
Buildings and improvements	12,056,763	5,228,794	16,854	24,431	12,073,617	5,253,225
Electrical System	-	-	4,252,552	4,361,828	4,252,552	4,361,828
Improvements other than buildings	6,556,023	5,821,293	-	-	6,556,023	5,821,293
Intangible Assets	121,263	135,953	-	-	121,263	135,953
Vehicles and Equipment	1,870,422	968,671	403,212	542,829	2,273,634	1,511,500
Infrastructure	22,061,510	21,592,996	-	-	22,061,510	21,592,996
Total	\$ 49,249,180	\$ 45,179,187	\$ 4,938,535	\$ 5,195,005	\$ 54,187,715	\$ 50,374,192
* As Restated						

Major capital assets additions during the current fiscal year included the following:

Governmental activities:

- Infrastructure \$3,090,635
- Construction In Progress – Infrastructure - \$586,614 and Logan Farm Park Improvements - \$288,057
- Bobby Van Newberry Park Improvements - \$258,765
- Culture and Recreation Vehicles and Equipment - \$112,928
- Court Services and Detention Offices Renovation and Site Improvements - \$3,809,452
- Police Department Headquarters, Site, Furnishings and Equipment - \$4,882,540
- Public Safety Vehicles and Equipment - \$279,942

Business-type activities:

- Electrical System Improvements School Street - \$287,286
- Small Equipment - \$18,680

The City intends to capitalize infrastructure assets and depreciate them over the estimated useful life. Additional information on the City’s capital assets can be found in Note 7 of this report.

Long-term Debt.

At the end of 2015 fiscal year, the City had the \$18,902,251 in outstanding long-term debt. This is a decrease of \$1,465,231 compared to the prior year. State Statute limits the amount of general obligation debt a government entity may issue to 10% of the total tax digest. The current debt limitation for the City is \$62,779,179, which is in excess of the City’s outstanding general obligation debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2015

City of Acworth, Georgia

Debt outstanding at June 30, 2015 is as follows:

- Tax Allocation District Bonds - \$4,920,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$2,761,000
- Acworth Downtown Development Authority – Revenue Bonds - \$7,160,000
- Acworth Lake Authority – Recreation Facilities - \$330,000
- Installment Sales Agreement through Georgia Municipal Association - \$3,639,666
- Capital Leases – Vehicles - \$91,585

More detailed information about the City's long-term liabilities is included in Note 8 to the financial statements.

Economic Factors Affecting the City of Acworth

The Mayor and Board of Aldermen consider many factors when adopting the fiscal year ending June 30, 2016 budget. These factors have a significant effect on the City's financial position or results of operations. Key assumptions are as follows:

- Budget adopted for the General Fund estimates expenditures in the amount of \$12,986,188. The expected unassigned fund balance for the General Fund at the end of the FY2016 to remain unchanged at \$4.5 million.
- Restricted Fund Balance in the amount of \$198,257 was appropriated pursuant to the terms it was restricted for disbursement to Cobb County for the 800 Mhz Communications Project.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2015 remained at 7.60. The adopted budget for FY 2016 has the millage rate remaining stable.
- The 2014 taxable digest was \$609,134,713; which was 3% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2015 approved taxable digest increased 5%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2015 population is estimated at 23,106 by the Acworth Economic Development Department. This is an increase of approximately 13% from the 2010 census of 20,425.
- SPLOST (2011) receipts will end in FY2016 and SPLOST (2016) will begin January 2016. SPLOST (2016) projects include parks and recreation facilities, public works infrastructure, and public safety needs.
- As a MEAG participant, Acworth Power is part of the Plant Vogtle project expansion to be completed in the next few years. Acworth power is continuing to defer funds for the City's portion related to the expansion for future use.
- Debt service payments for debt issued through the Acworth Downtown Development Authority via an intergovernmental agreements between the City and the Acworth Downtown Development Authority are made via transfers from the General and Power Funds for the following:
 - CableNET Project - Matures July 2028; interest rate of 3.97% -06/30/2015 balance \$7,160,000.
 - Acworth City Hall/Sports Complex - Matures April 2023; interest rate of 1.74% - 06/30/2015 balance \$2,761,000
- Debt service payments in the General Fund are related to the Court/Jail Services renovation/addition and matures 01/07/2029 with an interest rate of 3.41% - 06/30/2015 balance \$3,639,666.
- Debt service payments related to the Tax Allocation District Bonds are made from the tax increment within the district.

Given the economic times facing everyone; the City continues to take steps to reduce expenditures and control operational costs. By doing so, the City has maintained a positive fund balance.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Acworth City Hall at 4415 Senator Richard B. Russell Avenue, Acworth, Georgia 30101.

BASIC FINANCIAL STATEMENTS

CITY OF ACWORTH, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash and cash equivalents	\$ 2,867,514	\$ 2,750,833	\$ 5,618,347	\$ -
Investments	3,535,357	2,590,928	6,126,285	65,955
Receivables, net	103,537	2,048,152	2,151,689	-
Due from other governments	644,267	-	644,267	23,303
Due from primary government	-	-	-	10,489
Due from component unit	23,823	-	23,823	-
Internal balances	(154,661)	154,661	-	-
Inventories	-	698,418	698,418	-
Prepaid items	1,054,749	24,851	1,079,600	1,667
Other assets, net	38,852	-	38,852	-
Restricted assets	7,375,786	4,868,892	12,244,678	-
Capital assets, non depreciated	6,583,199	265,917	6,849,116	-
Capital assets, depreciated, net	42,665,981	4,672,618	47,338,599	7,065
Total assets	64,738,404	18,075,270	82,813,674	108,479
Deferred outflows of resources:				
Related to pensions	321,061	95,901	416,962	-
Deferred loss on refunding	512,140	-	512,140	-
Total deferred outflows of resources	833,201	95,901	929,102	-
Liabilities:				
Accounts payable and other current liabilities	1,383,432	777,499	2,160,931	548
Due to primary government	-	-	-	23,823
Due to component unit	10,489	-	10,489	-
Customer deposits	-	1,203,373	1,203,373	-
Unearned revenue	617,184	-	617,184	-
Noncurrent liabilities:				
Due within one year	1,626,876	103,332	1,730,208	-
Due in more than one year	21,941,235	1,378,674	23,319,909	-
Total liabilities	25,579,216	3,462,878	29,042,094	24,371
Deferred inflows of resources:				
MEAG project	-	2,039,866	2,039,866	-
Related to pensions	130,564	39,000	169,564	-
Total deferred inflows of resources	130,564	2,078,866	2,209,430	-
Net position:				
Net investment in capital assets	42,518,514	4,846,950	47,365,464	7,065
Restricted for:				
Public works	3,576,155	-	3,576,155	-
Culture and recreation	96,137	-	96,137	77,043
Public safety	554,115	-	554,115	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(9,883,096)	7,782,477	(2,100,619)	-
Total net position	\$ 39,861,825	\$ 12,629,427	\$ 52,491,252	\$ 84,108

See accompanying notes to financial statements.

CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 3,091,117	\$ 231,605	\$ -	\$ -	\$ (2,859,512)	\$ -	\$ (2,859,512)	
Judicial	414,891	1,084,306	-	-	669,415	-	669,415	
Health and welfare	1,668	-	-	-	(1,668)	-	(1,668)	
Public works	3,800,570	28,481	-	2,841,649	(930,440)	-	(930,440)	
Culture and recreation	2,763,205	569,999	57,860	433,783	(1,701,563)	-	(1,701,563)	
Public safety	4,966,721	95,102	177,574	1,432,177	(3,261,868)	-	(3,261,868)	
Housing and development	926,219	406,544	-	-	(519,675)	-	(519,675)	
Interest & fiscal charges on long-term debt	882,928	-	-	-	(882,928)	-	(882,928)	
Total governmental activities	16,847,319	2,416,037	235,434	4,707,609	(9,488,239)	-	(9,488,239)	
Business-type activities:								
Electric	10,867,184	13,622,247	-	1,300	-	2,756,363	2,756,363	
Sanitation	1,467,278	1,682,170	-	-	-	214,892	214,892	
Total business-type activities	12,334,462	15,304,417	-	1,300	-	2,971,255	2,971,255	
Total Primary Government	\$ 29,181,781	\$ 17,720,454	\$ 235,434	\$ 4,708,909	(9,488,239)	2,971,255	(6,516,984)	
Component units	\$ 89,142	\$ -	\$ 50,756	\$ -				\$ (38,386)
General Revenues:								
Property taxes					5,305,820	-	5,305,820	-
Insurance premium tax					1,102,373	-	1,102,373	-
Alcohol taxes					468,573	-	468,573	-
Hotel/motel tax					188,530	-	188,530	-
Franchise taxes					1,416,619	-	1,416,619	-
Financial institution tax					33,761	-	33,761	-
Business taxes					451,893	-	451,893	-
Contributions not restricted to a specific program					591,414	-	591,414	-
Operating grants not restricted to a specific program					433,818	-	433,818	-
Unrestricted investment earnings					19,514	37,845	57,359	-
Transfers					2,139,518	(2,139,518)	-	-
Total general revenues and transfers					12,151,833	(2,101,673)	10,050,160	-
Change in net position					2,663,594	869,582	3,533,176	(38,386)
Net position - beginning, before restatement					34,361,797	12,235,307	46,597,104	122,494
Restatement					2,836,434	(475,462)	2,360,972	-
Net position - beginning, after restatement					37,198,231	11,759,845	48,958,076	122,494
Net position - ending					\$ 39,861,825	\$ 12,629,427	\$ 52,491,252	\$ 84,108

See accompanying notes to financial statements. 18

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,823,858	\$ 8,370	\$ -	\$ 35,286	\$ 2,867,514
Investments	3,024,752	510,601	-	4	3,535,357
Restricted assets	3,638,015	674,409	2,491,548	571,814	7,375,786
Receivables, net	68,514	-	-	-	68,514
Prepaid items	61,309	-	868,138	-	929,447
Due from other funds	716,841	568,394	-	14,438	1,299,673
Due from component unit	23,823	-	-	-	23,823
Due from other governments	4,353	12,672	627,242	-	644,267
Total assets	<u>\$ 10,361,465</u>	<u>\$ 1,774,446</u>	<u>\$ 3,986,928</u>	<u>\$ 621,542</u>	<u>\$ 16,744,381</u>
Liabilities:					
Accounts payable	\$ 475,984	\$ 146,985	\$ 20,564	\$ 15,843	\$ 659,376
Retainage payable	-	386,593	50,226	4,565	441,384
Accrued liabilities	162,363	-	-	-	162,363
Due to other funds	1,380,557	307,373	179,291	110,628	1,977,849
Due to component unit	10,489	-	-	-	10,489
Unearned revenue	462,689	-	146,927	7,568	617,184
Total liabilities	<u>2,492,082</u>	<u>840,951</u>	<u>397,008</u>	<u>138,604</u>	<u>3,868,645</u>
Deferred inflows of resources:					
Unavailable revenue	63,353	-	-	-	63,353
Fund Balances:					
Nonspendable	61,309	-	868,138	-	929,447
Restricted	3,198,814	-	2,721,782	437,673	6,358,269
Committed	-	99,486	-	-	99,486
Assigned	23,300	834,009	-	45,265	902,574
Unassigned	4,522,607	-	-	-	4,522,607
Total fund balances	<u>7,806,030</u>	<u>933,495</u>	<u>3,589,920</u>	<u>482,938</u>	<u>12,812,383</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,361,465</u>	<u>\$ 1,774,446</u>	<u>\$ 3,986,928</u>	<u>\$ 621,542</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	49,249,180
Property tax revenue earned but unavailable is not reported in the funds.	63,353
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	321,061
The Insurance Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	602,383
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds:	
Unmatured bonds, leases, and contracts	(18,810,666)
Deferred charge on refunding	512,140
Deferred inflows of resources related to pensions	(130,564)
Accrued compensated absences	(218,388)
Net OPEB obligation	(2,770,780)
Net pension liability	<u>(1,768,277)</u>
Net position of governmental activities	<u>\$ 39,861,825</u>

**CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 9,054,071	\$ -	\$ -	\$ 342,039	\$ 9,396,110
Licenses and permits	498,578	-	-	-	498,578
Intergovernmental	37,895	78,815	4,015,882	591,414	4,724,006
Charges for services	631,999	-	-	115,806	747,805
Fines and forfeitures	1,084,537	-	-	163,300	1,247,837
Investment earnings	18,253	1,035	1,191	226	20,705
Contributions and donations	59,140	2,200	-	-	61,340
Other	85,925	-	-	1,365	87,290
Total revenues	11,470,398	82,050	4,017,073	1,214,150	16,783,671
Expenditures:					
Current:					
General government	2,019,309	-	-	-	2,019,309
Public safety	4,440,801	-	-	114,583	4,555,384
Public works	1,041,434	-	-	3,020	1,044,454
Health and welfare	1,668	-	-	-	1,668
Housing and development	881,567	-	-	35,146	916,713
Judicial	410,749	-	-	-	410,749
Culture and recreation	1,969,336	-	-	200,878	2,170,214
Capital outlay	-	5,102,981	3,024,910	-	8,127,891
Debt service	327,862	-	-	1,713,330	2,041,192
Total expenditures	11,092,726	5,102,981	3,024,910	2,066,957	21,287,574
Excess (deficiency) of revenues over (under) expenditures	377,672	(5,020,931)	992,163	(852,807)	(4,503,903)
Other financing sources (uses):					
Transfers in	1,125,977	1,376,596	46,633	1,228,367	3,777,573
Transfers out	(1,375,248)	(59,330)	-	(303,477)	(1,738,055)
Sale of capital assets	76,048	-	-	-	76,048
Total other financing sources (uses)	(173,223)	1,317,266	46,633	924,890	2,115,566
Net change in fund balance	204,449	(3,703,665)	1,038,796	72,083	(2,388,337)
Fund balance - beginning	7,601,581	4,637,160	2,551,124	410,855	15,200,720
Fund balance - ending	\$ 7,806,030	\$ 933,495	\$ 3,589,920	\$ 482,938	\$ 12,812,383

See accompanying notes to financial statements.

CITY OF ACWORTH, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds \$ (2,388,337)

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

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported in the governmental funds.

Capital contributions 609,521

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 and reported as depreciation expense. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss.

Depreciation expense	(3,945,258)	
Capital outlay	8,056,235	
Loss on disposal of assets	<u>(650,505)</u>	3,460,472

The issuance of long-term debt provides current financial resources and the repayment of principal on long-term debt consumes current financial resources in the governmental funds.

Principal payments on revenue bonds 1,414,334

The net effect of revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (21,797)

The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds. (1,613)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of deferred loss on refunding	(256,070)	
Net pension liability and changes in related deferred inflows/outflows of resources	99,898	
Net OPEB obligation	(240,196)	
Accrued compensated absences	<u>(12,618)</u>	<u>(408,986)</u>

Change in net position of governmental activities \$ 2,663,594

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Assets:				
Current assets:				
Cash	\$ 2,055,910	\$ 537,238	\$ 2,593,148	\$ 157,685
Investments	2,590,928	-	2,590,928	-
Restricted assets:				
Cash	1,189,470	-	1,189,470	-
Investments	3,679,422	-	3,679,422	-
Receivables, net				
Utility accounts	1,905,359	141,104	2,046,463	-
Other	-	-	-	36,712
Due from other funds	118,512	275,406	393,918	641,476
Inventory	698,418	-	698,418	-
Prepaid items	21,637	-	21,637	128,516
Other assets	-	-	-	38,852
Total current assets	<u>12,259,656</u>	<u>953,748</u>	<u>13,213,404</u>	<u>1,003,241</u>
Noncurrent assets:				
Property, plant and equipment, net	<u>4,693,375</u>	<u>245,160</u>	<u>4,938,535</u>	<u>-</u>
Total assets	<u>16,953,031</u>	<u>1,198,908</u>	<u>18,151,939</u>	<u>1,003,241</u>
Deferred outflows of resources:				
Related to pensions	<u>50,035</u>	<u>29,188</u>	<u>79,223</u>	<u>16,678</u>
Liabilities:				
Current liabilities:				
Accounts and claims payable	693,045	29,529	722,574	129,067
Customer deposits	974,971	228,402	1,203,373	-
Accrued liabilities	22,363	14,945	37,308	8,859
Accrued compensated absences	38,832	12,118	50,950	12,222
Due to other funds	357,218	-	357,218	-
Capital leases - current	40,160	-	40,160	-
Total current liabilities	<u>2,126,589</u>	<u>284,994</u>	<u>2,411,583</u>	<u>150,148</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	9,708	3,029	12,737	3,056
Net OPEB obligation	637,268	146,001	783,269	-
Net pension liability	275,576	160,753	436,329	91,858
Capital lease obligations	51,425	-	51,425	-
Total long-term liabilities	<u>973,977</u>	<u>309,783</u>	<u>1,283,760</u>	<u>94,914</u>
Total liabilities	<u>3,100,566</u>	<u>594,777</u>	<u>3,695,343</u>	<u>245,062</u>
Deferred inflows of resources:				
MEAG project	2,039,866	-	2,039,866	-
Related to pensions	<u>20,348</u>	<u>11,869</u>	<u>32,217</u>	<u>6,783</u>
Total deferred inflows of resources	<u>2,060,214</u>	<u>11,869</u>	<u>2,072,083</u>	<u>6,783</u>
Net Position:				
Net investment in capital assets	4,601,790	245,160	4,846,950	-
Unrestricted	<u>7,240,496</u>	<u>376,290</u>	<u>7,616,786</u>	<u>768,074</u>
Total net position	<u>\$ 11,842,286</u>	<u>\$ 621,450</u>	<u>12,463,736</u>	<u>\$ 768,074</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			<u>165,691</u>	
Net position of business-type activities			<u>\$ 12,629,427</u>	

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Enterprise Funds		Totals	Internal Service Funds
	Major			
	Electrical Power	Sanitation		
Operating revenues:				
Charges for services	\$ 13,217,375	\$ 1,682,161	\$ 14,899,536	\$ 2,567,123
Other	404,872	9	404,881	19,433
Total operating revenues	13,622,247	1,682,170	15,304,417	2,586,556
Operating expenses:				
Personal services	1,194,038	844,595	2,038,633	411,383
Operating	9,265,174	513,642	9,778,816	2,204,273
Depreciation	428,957	108,933	537,890	-
Total operating expenses	10,888,169	1,467,170	12,355,339	2,615,656
Operating income	2,734,078	215,000	2,949,078	(29,100)
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	(49,084)	-	(49,084)	-
Interest income	37,845	-	37,845	-
Interest expense	(2,444)	(108)	(2,552)	-
Total nonoperating revenues (expenses)	(13,683)	(108)	(13,791)	-
Income before contributions and transfers	2,720,395	214,892	2,935,287	(29,100)
Contributed capital from developers	1,300	-	1,300	-
Transfers in	-	-	-	100,000
Transfers out	(1,720,528)	(343,990)	(2,064,518)	(75,000)
Increase (decrease) in net position	1,001,167	(129,098)	872,069	(4,100)
Net position at beginning of year - before restatement	11,089,224	895,532		854,547
Restatement	(248,105)	(144,984)		(82,373)
Net position at beginning of year - after restatement	10,841,119	750,548		772,174
Net position at end of year	\$ 11,842,286	\$ 621,450		\$ 768,074
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			(2,487)	
Change in net position of business-type activities			\$ 869,582	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Enterprise Funds			Internal Service Funds
	Electrical Power	Sanitation	Totals	
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$ 14,337,370	\$ 1,690,310	\$ 16,027,680	\$ 2,522,966
Cash payments for goods and services	(9,415,824)	(647,045)	(10,062,869)	(104,515)
Cash payments for benefits and claims	-	-	-	(2,014,210)
Cash payments for employee services and fringe benefits	(1,070,145)	(704,919)	(1,775,064)	(412,547)
Net cash from (to) operating activities	3,851,401	338,346	4,189,747	(8,306)
Cash flows from (to) noncapital financing activities:				
Transfers in	-	-	-	100,000
Transfers out	(1,720,528)	(343,990)	(2,064,518)	(75,000)
Net cash from (to) noncapital financing activities	(1,720,528)	(343,990)	(2,064,518)	25,000
Cash flows from (to) capital and related financing activities:				
Contributed capital	1,300	-	1,300	-
Interest paid	(2,444)	(108)	(2,552)	-
Payments for capital acquisitions	(355,030)	(24,558)	(379,588)	-
Principal payments on long-term obligations	(39,322)	(11,576)	(50,898)	-
Net cash from (to) capital and related financing activities	(395,496)	(36,242)	(431,738)	-
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(1,376,799)	-	(1,376,799)	-
Interest received from investments	37,845	-	37,845	-
Net cash from (to) investing activities	(1,338,954)	-	(1,338,954)	-
Net increase (decrease) in cash	396,423	(41,886)	354,537	16,694
Cash at beginning of year (including \$1,169,598 in restricted cash)	2,848,957	579,124	3,428,081	140,991
Cash at end of year (including \$1,189,470 in restricted cash)	\$ 3,245,380	\$ 537,238	\$ 3,782,618	\$ 157,685

See accompanying notes to financial statements.
 Continued on next page.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$2,734,078	\$ 215,000	\$2,949,078	\$ (29,100)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	428,957	108,933	537,890	-
Loss on disposal of assets	49,084	-	49,084	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	28,507	(11,261)	17,246	(35,231)
(Increase) decrease in prepaid items	838	476	1,314	52,977
(Increase) decrease in inventory	3,626	-	3,626	-
(Increase) decrease in due from other funds	70,585	7,781	78,366	(28,359)
(Increase) decrease in other assets	-	-	-	(38,852)
(Increase) decrease in deferred outflows of resources	(17,541)	(10,233)	(27,774)	(5,847)
Increase (decrease) in net OPEB obligation	84,775	146,001	230,776	-
Increase (decrease) in net pension liability	(18,374)	(10,718)	(29,092)	(6,125)
Increase (decrease) in accounts payable	(194,154)	3,312	(190,842)	84,863
Increase (decrease) in accrued liabilities	5,601	2,757	8,358	4,025
Increase (decrease) in due to other funds	(31,545)	(144,972)	(176,517)	(13,440)
Increase (decrease) in customer deposits	50,844	19,401	70,245	-
Increase (decrease) in deferred inflows of resources	656,120	11,869	667,989	6,783
Net cash from (to) operating activities	\$3,851,401	\$ 338,346	\$4,189,747	\$ (8,306)

See accompanying notes to financial statements.
 Continued from previous page.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The accounting methods and procedures adopted by the City of Acworth, Georgia, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City was created in 1860 and operates under an elected Mayor/Council (Board of Aldermen) form of government. The City's major operations include public safety, culture-recreation, regulation and control of the electrical power system, highways and streets, sanitation, public improvements, planning and zoning, and general administrative services.

The financial statements of the reporting entity include those of the City of Acworth (the primary government) and in accordance with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the financial statements of its component units. The component units discussed below are included in the reporting entity because of the financial relationship with the City.

The fiscal year ended of the component units is June 30. The component units do not issue separate Component Unit Financial Statements. A brief description of the City's component units is as follows:

Blended Component Units

Acworth Downtown Development Authority: The Acworth Downtown Development Authority was created by the City of Acworth, pursuant to the resolution of the Georgia General Assembly on January 15, 1981. The purpose of the Authority is the redevelopment of the downtown Acworth district. The City Board of Aldermen appoint all members of the Authority and has provided a majority of the resources for current year expenditures of the Authority. Additionally, the debt of the entity is expected to be repaid with City resources.

Acworth Lake Authority: The Acworth Lake Authority was created by the City of Acworth, pursuant to the resolution of the Georgia General Assembly on February 19, 1951. The purpose of the Authority is to develop Lake Acworth shore and adjoining land areas as a public park, providing recreational facilities for citizens. The City Board of Aldermen appoint a majority of the members of the Authority and provided the resources for all of the expenditures of the Authority. Additionally, the debt of the entity is expected to be repaid with City resources.

Discretely Presented Component Unit

Acworth Tourism Bureau Authority: The Acworth Tourism Bureau Authority was created by the City of Acworth, pursuant to the resolution of the Georgia General Assembly. The purpose of the Authority is to promote tourism, conventions, and trade shows within the area.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The City Board of Aldermen appoint all members of the Authority and the City is able to impose its will on the Authority.

Related Organizations: The Acworth Housing Authority and the Special Needs Development Group are related organizations which have not been included in the reporting entity. The Authority, which is managed by the Marietta Housing Authority, provides low-income housing to eligible families in the City. The Development Group provides funding for special needs parks. The Authority's board consists of 5 members appointed by the City Board of Aldermen. The Development Group's board consists of 8 members of which 3 are appointed by the City. The City does not have the ability to impose its will or have a financial benefit or burden relationship with the organizations. The debts of the organizations are not secured by the City and deficits are not financed by the City. No budgetary or financial relationship exists between the City and the organizations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues except intergovernmental revenue to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue is considered available if it is collected within 6 months after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when a payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund - The 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.

Capital Improvement Fund - This fund is used to account for financial resources that are restricted, committed, and assigned for the acquisition or construction of major general capital assets.

SPLOST - The SPLOST fund is used to account for the proceeds of a 1 percent local option sales tax approved by voter referendum for various projects throughout the City.

The City reports the following major proprietary funds:

Electrical Power Fund - The Electrical Power Fund accounts for the operations of the City's electric distribution services.

Sanitation Fund -The Sanitation Fund accounts for the City's solid waste sanitation services.

Additionally, the City reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Internal Service Funds - The Internal Service Funds account for services performed by a central service department for other departments or agencies of the governmental unit. The City has a Customer Service internal service fund

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

which performs customer service functions relating to the Electrical Power fund, Sanitation fund, and General fund. The City also has an Insurance internal service fund which is used to charge the cost of workers' compensation and health insurance to the various City departments.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's electric, sanitation and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General, Special Revenue, and the Debt Service Fund. Project length budgets are adopted for the Capital Project Funds.

Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that the Capital Project Funds adopt project length budget.

Investment earnings and other revenues are not budgeted for in the Recreational Impact Fee Fund, Confiscated Asset Fund, and Acworth Downtown Development Authority. Actual GAAP expenditures and revenues in the General, Special Revenue, and Debt Service Funds have been adjusted to the budgetary basis for comparison within this report.

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the Board of Aldermen and the citizens by the City Manager by publication in the official Marietta Daily Journal newspaper.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

2. A public hearing on the budget is held, giving notice thereof at least ten days in advance.
3. The budget is then revised and adopted or amended by the Board of Aldermen at the first regular meeting following the hearing.
4. The level of control (the level at which expenditures may not legally exceed appropriations) for each of the above adopted budgets is at the department level. The City's department heads may make transfers of appropriations within a department. Certain transfers of appropriations between departments require the approval of the Mayor and Board of Aldermen. The total budget so adopted may be revised during the year only by formal action of the Board of Aldermen in a regular meeting and no increase shall be made therein without provision also being made for financing the same. For a non-budgeted activity or item, or one which has a high likelihood of exceeding the budget appropriation, approval must come from the Mayor and Board of Aldermen.
5. Formal budgetary integration is employed as a management control device during the year for all funds.

Budgeted amounts reflected in the accompanying budget and actual comparisons are as originally adopted, or as amended, by the Board of Aldermen. Individual amendments were not material in relation to the original appropriations which were amended.

Unencumbered appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue and Capital Projects Funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

E. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, cash and cash equivalents include restricted and unrestricted amounts in demand deposits.

Investments are stated at fair value. Statutes authorize the City to invest in U.S. Government obligations, U.S. Government agency obligations, State of Georgia obligations, obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "AA" or better by Moody's Investors Service, Inc., non-negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association, repurchase agreements when collateralized by U.S. Government or agency obligations, and pooled investment programs sponsored by the State of Georgia for the investment of local

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

government funds.

The City's investments include Georgia Fund 1. Georgia Fund 1 is managed by the Office of State Treasurer under the policies included in Georgia Law (O.C.G.A. 36-83-4). The entire portfolio, including the City's pro-rata portion, consists of collateralized certificates of deposit and government or governmental agency securities owned outright and under agreement to resell. The reported value of Georgia Fund 1 is the same as the fair value of the pool shares.

The City invests in an external investment pool, the Municipal Competitive Trust, which is administered by the Municipal Electric Authority of Georgia ("MEAG"), a governmental entity. The City is a beneficiary of this trust. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, direct and general obligations of states, certain Federal agency discount notes and repurchase agreements collateralized by securities, which would otherwise be permissible under the laws of the State of Georgia. The fair value of the City's position in the pool changes with market conditions, and is calculated based on the fair value of net assets held in the pool at the close of each business day.

F. Short-Term/Long-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds."

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Noncurrent portions of long-term interfund loan receivables are reported as advances.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

G. Inventories

Inventories are valued at the lower of average cost or market. Inventory in the Enterprise Funds consists of expendable supplies held for consumption and items needed for repairs or improvements to the utility system. The purchase method is used to account for inventories within the City's Enterprise Funds. There are no inventories in the Governmental Funds.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal period are recorded as prepaid items. The consumption method is used to account for prepaid items within the City's funds.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASBS No. 34 requires the City to report and depreciate infrastructure assets. 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. The City implemented the retroactive infrastructure provisions for all infrastructure assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The capitalization threshold for capital assets is \$2,500.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on an estimated useful life as follows:

	Electrical Power Fund	Sanitation Fund	Customer Service Fund	Governmental Activities
Buildings	10-20 years	--	--	5-40 years
Improvements other than buildings	--	--	--	7-30 years
Electrical utility system	25 years	--	--	--
Vehicles and equipment	3-10 years	2-10 years	2-5 years	2-15 years
Infrastructure	--	--	--	20-25 years

J. Compensated Absences

Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. A liability in the governmental funds is reported only if the benefit has matured.

Accumulated sick pay benefits for City employees have not been recorded as a liability because the payment of the benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. They are the loss resulting from the refunding of debt and the deferred outflow relating to pensions reported in the government wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. They are the deferred inflows related to pensions reported in the government wide statement of net position, the unavailable taxes revenue reported in the governmental funds balance sheet, and the MEAG project in the proprietary funds statement of net position and government wide statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Nature and Purpose of Classifications of Fund Equity

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

government's highest level of decision-making authority. The City Board of Aldermen is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of a fiscal year, committed fund balances. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. The City Board of Aldermen has by resolution authorized the City Manager to assigned fund balance. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City uses restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents or contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has adopted a policy to maintain a minimum level of unrestricted fund balance (committed, assigned, and unassigned fund balances) in the General Fund. The target level is set at 17% of annual operating expenditures.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Comparative Data/Reclassifications

Comparative total data of the prior years has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain reclassifications have been made to the prior year columns to conform to the classifications used in the current year columns.

(2) DEPOSITS AND INVESTMENTS

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City reduces its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of June 30, 2015, the City was not exposed to custodial credit risk.

CITY OF ACWORTH, GEORGIA
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Credit and interest rate risk - investments

In accordance with its investment policy, the City manages its exposure to the risk of declines in fair values by limiting the maturities of its investments to a maximum of five years for U.S. Treasury and agency obligations; obligations of the State of Georgia; obligations of other U.S. states; and obligations of other political subdivisions of the State of Georgia. All other securities, including certificates of deposit, banker's notes, and repurchase agreements are limited to maturities of one year or less. The City does not have a formal policy addressing credit risk.

As of June 30, 2015, the City had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Total Fair Value
		Less than 1	1-5	6-10	More than 10	
Georgia Fund 1	AAAm	\$ 5,594,999	\$ -	\$ -	\$ -	\$ 5,594,999
Municipal Competitive Trust	not rated	4,477,248	-	-	-	4,477,248
Total		<u>\$ 10,072,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,072,247</u>

The above table of investments includes \$3,945,962 of investments classified on the financial statements as restricted assets. See also Note 1 for disclosure of the types of investments authorized by legal provisions.

Concentration of credit risk

The City limits the amount that may be invested in any one issuer to 60% of the City's total portfolio.

(3) RECEIVABLES

Receivables at June 30, 2015 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 60,995	\$ -	\$ 18,675	\$ (11,156)	\$ 68,514
Electrical Power Fund	-	1,955,359	-	(50,000)	1,905,359
Sanitation Fund	-	141,904	-	(800)	141,104
Internal Service Funds	-	160	36,552	-	36,712
Total	<u>\$ 60,995</u>	<u>\$ 2,097,423</u>	<u>\$ 55,227</u>	<u>\$ (61,956)</u>	<u>\$ 2,151,689</u>

**CITY OF ACWORTH, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(4) DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2015 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	Other	Total
General Fund	\$ -	\$ 713	\$ 3,640	\$ 4,353
SPLOST Fund	627,242	-	-	627,242
Capital Improvement Fund	-	-	12,672	12,672
	<u>\$ 627,242</u>	<u>\$ 713</u>	<u>\$ 16,312</u>	<u>\$ 644,267</u>

(5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered "available spendable resources". Such balances at June 30, 2015 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

PAYABLE FROM	RECEIVABLE TO						Total
	General Fund	Capital Improvement Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 568,394	\$ 118,512	\$ 37,737	\$ 14,438	\$ 641,476	\$ 1,380,557
SPLOST Fund	179,291	-	-	-	-	-	179,291
Capital Improvement Fund	307,373	-	-	-	-	-	307,373
Electrical Power Fund	119,549	-	-	237,669	-	-	357,218
Nonmajor Governmental Funds	110,628	-	-	-	-	-	110,628
Total	<u>\$ 716,841</u>	<u>\$ 568,394</u>	<u>\$ 118,512</u>	<u>\$ 275,406</u>	<u>\$ 14,438</u>	<u>\$ 641,476</u>	<u>\$ 2,335,067</u>

Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. Interfund loans receivable are considered "available spendable resources."

Interfund transfers for the current year were as follows:

TRANSFER IN TO	TRANSFER OUT FROM						Total
	General Fund	Capital Improvement Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 535,000	\$ 215,000	\$ 300,977	\$ 75,000	\$ 1,125,977
Capital Improvement Fund	752,212	29,394	463,500	128,990	2,500	-	1,376,596
SPLOST Fund	-	29,936	16,697	-	-	-	46,633
Internal Service Funds	100,000	-	-	-	-	-	100,000
Nonmajor Governmental Funds	523,036	-	705,331	-	-	-	1,228,367
Total	<u>\$ 1,375,248</u>	<u>\$ 59,330</u>	<u>\$ 1,720,528</u>	<u>\$ 343,990</u>	<u>\$ 303,477</u>	<u>\$ 75,000</u>	<u>\$ 3,877,573</u>

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions,

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

(6) RESTRICTED ASSETS

The City's restricted assets at June 30, 2015 are restricted for the following:

Governmental Funds	<u>Total</u>
General Fund:	
Municipal court bonds	\$ 238,068
Public safety communications equipment	200,780
Development performance bonds	134,181
Proceeds from sale of water & sewer system	3,000,000
Bail bond escrow	30,654
Other	34,332
	<u>3,638,015</u>
SPLOST Fund:	
Unspent SPLOST proceeds	<u>2,491,548</u>
Capital Improvement Fund:	
Unspent Capital Improvement installment sales agreement proceeds	<u>674,409</u>
Nonmajor governmental funds:	
Unspent TAD proceeds	109,938
Recreational Impact Fee	85,129
Soil Erosion Fee	12,631
Confiscated Assets	364,116
	<u>571,814</u>
Total governmental funds	<u>\$ 7,375,786</u>
Proprietary Funds	
Power Fund:	
MEAG Power project	\$ 3,679,422
Security deposits	1,189,470
	<u>4,868,892</u>
Total proprietary funds	<u>\$ 4,868,892</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(7) CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2015 was as follows:

	Beginning Balance (As Restated)	Additions	Reclassifications/ Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,372,529	\$ 230,446	\$ (52,612)	\$ 5,550,363
Construction in progress	6,058,951	874,671	(5,900,786)	1,032,836
Total capital assets not being depreciated	11,431,480	1,105,117	(5,953,398)	6,583,199
Capital assets, being depreciated:				
Buildings	8,406,631	7,610,993	(641,640)	15,375,984
Improvements other than buildings	9,332,358	1,241,349	(36,636)	10,537,071
Intangible Assets	146,900	-	52,605	199,505
Vehicles and equipment	4,787,540	1,317,400	(678,810)	5,426,130
Infrastructure (streets)	59,357,481	3,090,635	(18,858)	62,429,258
Total capital assets being depreciated	82,030,910	13,260,377	(1,323,339)	93,967,948
Less accumulated depreciation for:				
Buildings	(3,177,837)	(403,635)	262,251	(3,319,221)
Improvements other than buildings	(3,511,065)	(498,520)	28,537	(3,981,048)
Intangible Assets	(10,947)	(14,690)	(52,605)	(78,242)
Vehicles and equipment	(3,818,869)	(406,292)	669,453	(3,555,708)
Infrastructure (streets)	(37,764,485)	(2,622,121)	18,858	(40,367,748)
Total accumulated depreciation	(48,283,203)	(3,945,258)	926,494	(51,301,967)
Total capital assets being depreciated, net	33,747,707	9,315,119	(396,845)	42,665,981
Governmental activities capital assets, net	\$ 45,179,187	\$ 10,420,236	\$ (6,350,243)	\$ 49,249,180
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 265,917	\$ -	\$ -	\$ 265,917
Total capital assets not being depreciated	265,917	-	-	265,917
Capital assets, being depreciated:				
Buildings	136,369	-	-	136,369
Electrical System	9,439,732	287,286	(90,324)	9,636,694
Vehicles and equipment	3,742,315	172,228	(159,520)	3,755,023
Total capital assets being depreciated	13,318,416	459,514	(249,844)	13,528,086
Less accumulated depreciation for:				
Buildings	(111,938)	(7,577)	-	(119,515)
Electrical System	(5,077,904)	(350,065)	43,827	(5,384,142)
Vehicles and equipment	(3,199,486)	(180,248)	27,923	(3,351,811)
Total accumulated depreciation	(8,389,328)	(537,890)	71,750	(8,855,468)
Total capital assets being depreciated, net	4,929,088	(78,376)	(178,094)	4,672,618
Business-type activities capital assets, net	\$ 5,195,005	\$ (78,376)	\$ (178,094)	\$ 4,938,535

CITY OF ACWORTH, GEORGIA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 223,320
Judicial	914
Public safety	420,512
Public works, including depreciation of general infrastructure	2,765,481
Housing and development	6,016
Culture and recreation	529,015
Total depreciation expense - governmental activities	<u><u>\$ 3,945,258</u></u>
Business-type activities:	
Electric	\$ 428,957
Sanitation	108,933
Total depreciation expense - business-type activities	<u><u>\$ 537,890</u></u>

(8) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 11,080,000	\$ -	\$ (829,000)	\$ 10,251,000	\$ 850,000
Installment sales agreement	3,840,000	-	(200,334)	3,639,666	207,166
Tax allocation district bonds	5,305,000	-	(385,000)	4,920,000	395,000
Net pension liability	1,886,180	334,080	(451,983)	1,768,277	-
Net OPEB obligation	2,530,584	255,676	(15,480)	2,770,780	-
Compensated absences	205,770	265,897	(253,279)	218,388	174,710
Governmental activities long-term liabilities	<u><u>\$ 24,847,534</u></u>	<u><u>\$ 855,653</u></u>	<u><u>\$ (2,135,076)</u></u>	<u><u>\$ 23,568,111</u></u>	<u><u>\$ 1,626,876</u></u>
Business-type activities:					
Capital leases	\$ 142,483	\$ -	\$ (50,898)	\$ 91,585	\$ 40,160
Net pension liability	563,404	99,483	(134,700)	528,187	-
Net OPEB obligation	552,493	245,648	(14,872)	783,269	-
Compensated absences	73,609	93,356	(88,000)	78,965	63,172
Business-type activities long-term liabilities	<u><u>\$ 1,331,989</u></u>	<u><u>\$ 438,487</u></u>	<u><u>\$ (288,470)</u></u>	<u><u>\$ 1,482,006</u></u>	<u><u>\$ 103,332</u></u>

For Governmental Activities, compensated absences, pension and OPEB liabilities are typically liquidated in the General Fund.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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Governmental activities:

Revenue Bonds

City Hall and Sports Complex Project

On April 1, 2003, the Acworth Downtown Development Authority issued \$5,580,000 in Series 2003 Revenue Bonds at a rate of 3.75% per annum with a final maturity date of April 1, 2023 for the purpose of providing funding for the cost of the acquisition, construction, equipping and installation of the City Hall and Sports Complex Projects. On the same date, the City and the Acworth Downtown Development Authority entered into an intergovernmental lease agreement which obligates the City to make lease payments directly to the Trustee for the purpose of paying the principal and interest on the outstanding balance of the 2003 Revenue Bonds issued by the Authority. The issue is secured by the full faith and credit of the City. This agreement enabled the City to lease from the Authority the facilities constructed by the Authority. The lease is a direct financing lease in accordance with generally accepted accounting principles. The Authority has no obligation for the debt beyond the resources provided by the City under the lease agreement. The bonds were refunded in June 2013. Additionally, an agreement of sale was entered into between the ADDA and the City for purchase of the facilities. The debt service requirement on these bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 325,000	\$ 48,041	\$ 373,041
2017	330,000	42,386	372,386
2018	336,000	36,644	372,644
2019	342,000	30,798	372,798
2020	348,000	24,847	372,847
2021 - 2023	1,080,000	37,794	1,117,794
Total	<u>\$ 2,761,000</u>	<u>\$ 220,510</u>	<u>\$ 2,981,510</u>

Cable/Fiber Optic System

The City and the Acworth Downtown Development Authority entered into an intergovernmental contract for the purpose of constructing a Cable/Fiber Optic System within the City. Bonds were issued in 1999 and 2000 by the Authority. This contract enabled the City to lease from the Authority the hybrid fiber/coax broadband network constructed by the Authority with the bond proceeds.

The bonds issued by the Authority were refinanced to allow for the sale of the system. In June 2008 the Authority issued \$9,645,000 in Series 2008 Refunding Revenue Bond (City of Acworth Cable Project) for the purpose of refunding the existing bonds. As a result of the refunding, the City increased its total debt service requirements by \$200,000 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$958,903.

The hybrid fiber/coax broadband network constructed has been sold and is no longer an asset owned by the City. Since no asset is owned by the City; the capital lease debt is not included in the calculation of net investment in capital assets.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 420,000	\$ 284,252	\$ 704,252
2017	440,000	267,578	707,578
2018	460,000	250,110	710,110
2019	480,000	231,848	711,848
2020	500,000	212,792	712,792
2021 - 2025	2,840,000	748,941	3,588,941
2026 - 2029	2,020,000	162,570	2,182,570
Total	<u>\$ 7,160,000</u>	<u>\$ 2,158,091</u>	<u>\$ 9,318,091</u>

Recreational Facilities

During 2008, the Acworth Lake Authority issued \$975,000 in Series 2008 Revenue Bonds for the purpose of financing the cost of acquiring, constructing, and installing parks, athletic fields, and other related recreation facilities. The Lake Authority and the City entered into an agreement whereby the Authority will sell the assets purchased and constructed with the bond proceeds to the City. The City has agreed to make the bond principal and interest payments at 3.60% in exchange for these assets. In the event the bond proceeds are not sufficient to complete the projects, the City has agreed to complete the projects with City funds. As of June 30, 2015, assets totaling \$975,000 have been purchased with bond proceeds and conveyed to the City.

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 105,000	\$ 11,880	\$ 116,880
2017	110,000	8,100	118,100
2018	115,000	4,140	119,140
Total	<u>\$ 330,000</u>	<u>\$ 24,120</u>	<u>\$ 354,120</u>

Installment Sales Agreement

Public Safety and Court Services

During 2014, the City and the Georgia Municipal Association entered into an installment sales agreement totaling \$3,840,000 over a period of 15 years for the purpose of financing the cost of renovating the existing facilities to provide public safety and court services for the City and the construction of an access road to the facilities. The principal amount is payable annually while the interest payments will be made semi-annually at a rate of 3.41%.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
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The debt service requirements on this agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 207,166	\$ 120,580	\$ 327,746
2017	214,230	113,396	327,626
2018	221,535	105,966	327,501
2019	229,089	98,282	327,371
2020	236,900	90,338	327,238
2021 - 2025	1,311,332	322,699	1,634,031
2026 - 2029	1,219,414	84,906	1,304,320
Total	<u>\$ 3,639,666</u>	<u>\$ 936,167</u>	<u>\$ 4,575,833</u>

Tax Allocation District Bonds

During 2004, the City issued \$6,050,000 in limited obligation term bonds to undertake certain redevelopment projects within a tax allocation district (Lakeside TAD) established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Cobb County Board of Education. The property tax increments are pledged until the bonds are paid in full in fiscal year 2029. The tax allocation increments are projected to produce 100% of the debt service requirements over the life of the bonds. For the current year, total principal and interest paid and total tax allocation increments were \$514,858 and \$744,923, respectively.

On July 23, 2013, the bonds were refunded and the revised debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 395,000	\$ 119,952	\$ 514,952
2017	405,000	109,792	514,792
2018	415,000	99,378	514,378
2019	425,000	88,710	513,710
2020	435,000	77,788	512,788
2021 - 2025	2,340,000	215,647	2,555,647
2026 - 2029	505,000	6,410	511,410
Total	<u>\$ 4,920,000</u>	<u>\$ 717,677</u>	<u>\$ 5,637,677</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Business-type Activities:

Capital Leases

The City is obligated under multiple capital lease agreements covering equipment. Capital lease debt service requirements to maturity for business-type activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 40,160	\$ 1,605	\$ 41,765
2017	41,050	716	41,766
2018	10,375	36	10,411
Total	<u>\$ 91,585</u>	<u>\$ 2,357</u>	<u>\$ 93,942</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$197,633, and the accumulated depreciation is \$115,286. This year \$39,527 was included in depreciation expense.

(9) COMMITMENTS AND CONTINGENCIES

Municipal Electric Authority of Georgia

The City has entered into a Power Sales Contract with the Municipal Electric Authority of Georgia (the "Authority"). Concurrently with this agreement, the City has agreed to assume the obligation to pay the costs for excess entitlements transferred from the City of Sylvania, Georgia. The contract requires the City to purchase from the Authority all of the City's bulk power supply. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations for the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$7,682,974 from the Authority during the period ended June 30, 2015.

Electric Cities of Georgia

The City is obligated under a Distribution Business Unit and Marketing Services Contract with the Electric Cities of Georgia. This contract provides for certain marketing, distribution, joint purchasing, training and safety, and technical support services. The City's cost for these services were \$136,863 during the period ended June 30, 2015.

Encumbrances

Encumbrances outstanding as of June 30, 2015 are as follows:

SPLOST Fund	\$ 1,185,746
Capital Improvement	99,486
Nonmajor Funds	40,000
Total	<u>\$ 1,325,232</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(10) PROPERTY TAXES

The City bills and collects real and personal property taxes. Prior to fiscal year 2011, Cobb County, Georgia was billing and collecting those taxes on behalf of the City. Ad valorem tax on motor vehicles and mobile homes is collected by the Cobb County Tax Commissioner and remitted to the City. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied in September of each year on the assessed valuation of property as of the preceding January 1 and are due within 60 days. Taxes levied on September 16 were due on or before November 15.

Liens may attach to property for unpaid taxes at any time within three years after the due date.

Assessed values are established by the Cobb County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed values of real and personal property (excluding public utility franchise, motor vehicles, heavy duty equipment and mobile home taxes) at January 1, 2014 were \$531,730,372 and \$47,090,042, respectively.

Based on the 2014 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$4,186,805 for the fiscal year ended June 30, 2015 were 98.35% of the levy.

(11) FUND BALANCE

The composition of the City's fund balances is as followed:

	General Fund	SPLOST Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 61,309	\$ 868,138	\$ -	\$ -	\$ 929,447
Restricted for:					
Public safety	198,257	-	-	355,858	554,115
Culture and recreation	-	31,104	-	65,033	96,137
Public works	557	2,690,678	-	16,782	2,708,017
Voter appropriation	3,000,000	-	-	-	3,000,000
Committed for:					
Public works	-	-	91,606	-	91,606
Public safety	-	-	7,880	-	7,880
Assigned for:					
Capital projects	-	-	16,311	-	16,311
Public safety	2,752	-	40,168	-	42,920
Culture and recreation	3,340	-	40,000	8,830	52,170
Public works	-	-	77,394	-	77,394
Housing and development	17,208	-	-	36,435	53,643
General Gov't	-	-	660,136	-	660,136
Unassigned	4,522,607	-	-	-	4,522,607
	<u>\$ 7,806,030</u>	<u>\$ 3,589,920</u>	<u>\$ 933,495</u>	<u>\$ 482,938</u>	<u>\$ 12,812,383</u>

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(12) EMPLOYEE RETIREMENT SYSTEM

General Information about the Pension Plan

The City has established a defined benefit pension plan ("Plan") and contributes to the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The benefit provisions and all other requirements are established by GMEBS and the Adoption Agreement executed by the City.

All full-time employees become eligible for the plan after one year of service. Beginning August 2002, benefits vest after completing five years of service. Employees who retire after age 65 with 5 years of services or after age 55 with 10 years of credited service are entitled to a retirement benefit. The monthly benefit is determined using a split benefit formula, incorporating the employees' highest average earnings for five consecutive years, years of service and rates of 1.0% and 1.75%.

The Plan was amended during 2007 to offer certain enhancements. During fiscal year ended December 31, 2007, all active employees were offered the option of acquiring an early retirement benefit under the "Rule of 80" with a minimum age of 52 (where age and credited years of service meet or exceed 80). Employees that meet the "Rule of 80" with a minimum age of 52 are entitled to early retirement benefits. Employees contribute 3% of their annual salary towards the additional costs of these benefits. Benefits vest after completing seven years of service. Elected officials have no waiting period for eligibility and are immediately vested. Elected officials are entitled to a benefit based on a set amount per years of service. Employee benefits are determined using a benefit formula incorporating the employee's highest consecutive five years average earnings, years of service and a rate of 1.75%. All new employees are automatically covered by the new plan after meeting the eligibility requirement.

Amendments were adopted in May 2012, concerning the benefit level and vesting for elected officials. The prior plan called for immediate participation for elected officials. Under the amended plan, future elected officials will have to meet a seven year vesting schedule.

Employees covered by benefit terms. At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	63
Active employees	<u>145</u>
Total	<u><u>248</u></u>

Contributions. Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions. For the year ended June 30, 2015, the actuarially determined rate was 7.13% of annual pay. The City's contributions to the Plan totaled \$433,563 for the year ended June 30, 2015.

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Net Pension Liability

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the September 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	3.25% plus age and service based merit increases
Investment rate of return	7.75%
Post-retirement benefit increases	Not applicable

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Total	<u>100%</u>	

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2013	\$ 8,087,799	\$ 5,638,215	\$ 2,449,584
Changes for the year:			
Service cost	281,368	-	281,368
Interest	616,661	-	616,661
Differences between expected and actual experience	102,420	-	102,420
Contributions - employer	-	369,318	(369,318)
Contributions - employee	-	146,390	(146,390)
Net investment income	-	648,207	(648,207)
Benefit payments, including refunds of employee contributions	(261,769)	(261,769)	-
Administrative expense	-	(20,118)	20,118
Other	(9,772)	-	(9,772)
Net changes	<u>728,908</u>	<u>882,028</u>	<u>(153,120)</u>
Balances at 9/30/2014	<u>\$ 8,816,707</u>	<u>\$ 6,520,243</u>	<u>\$ 2,296,464</u>

Changes in Assumptions

Based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014, the following assumptions were changed in this valuation:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70. If retirement is not available at a given age or a participant does not meet the plan's service criteria to retire at a given age, no retirement is assumed at that age.
- The inflation assumption was decreased from 3.50% to 3.25%.

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

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

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
Net pension liability	\$ 3,594,194	\$2,296,464	\$ 1,244,649

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS Retirement Trust financial report. The Georgia Municipal Employee Benefit System issues a publicly available financial report that includes financial statements and required supplementary information of 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. The plan's fiduciary net position has been determined on the same basis as that used by the plan.

The GMEBS's financial statements are prepared using the accrual basis of accounting. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the GMEBS. The net appreciation (depreciation) in the fair value of investments held by the GMEBS is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position. Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value as of the Statement of Net Position date.

Investments of the System consist of common and preferred stocks, corporate fixed income securities, equity and fixed income mutual funds, governmental and governmental agency securities, and real estate. There are no investments in any one organization other than the securities guaranteed by the U.S. government that represent five percent or more of plan net position. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in real estate funds are valued based on appraisals and valuations prepared by American Realty Advisors. Temporary cash and cash equivalent investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

For the year ended June 30, 2015, the City recognized pension expense of \$303,826. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 81,936	\$ -
Changes of assumptions	-	(7,816)
Net difference between projected and actual earnings on pension plan investments	-	(161,748)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	<u>335,026</u>	<u>-</u>
Total	<u>\$ 416,962</u>	<u>\$ (169,564)</u>

\$335,026 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	\$ (21,907)
2017	(21,907)
2018	(21,907)
2019	(21,907)
2020	-
Thereafter	-

(13) POST EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Acworth OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Acworth. The City provides medical, prescription drug and life insurance benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. Employees retiring after March 1, 2009 are not provided life insurance. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 60, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater than 85. Per the January 1, 2014 valuation, there were 3 employees fully eligible for the benefits, 6 retirees and spouses receiving benefits, and 131 current and active employees. The City has the authority to establish and amend benefit provisions. As of June 30, 2015 there were 8 employees and spouses receiving benefits.

Funding Policy - The contribution requirements are established and may be amended by the City. The required contribution was determined by an actuarial valuation. The

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

plan is financed on a pay-as-you-go basis. During the year ending June 30, 2015, the City contributed \$30,352 to the plan. The cost of benefits for retirees is paid by the City. The City will pay 100% of the cost of benefits for the retiree's spouse if the employees retires after completing 30 years of service with the City, 75% if completed 25 years of service, 50% if completed 20 years of service, and 0% if less than 20 years of service.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Period Ended	OPEB Cost	Percentage Contributed	Net OPEB Obligation	Amount Contributed
6/30/2013	\$ 456,876	7%	\$ 2,585,952	\$ 31,482
6/30/2014	529,304	6%	3,083,078	32,178
6/30/2015	501,324	6%	3,554,050	30,352

The following is the funding status of the Plan as of the most recent valuation date:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/2014	\$ -	\$4,492,306	\$4,492,306	0.00%	\$5,339,558	84.13%

Annual OPEB Cost and Net OPEB Obligation - The City's other postemployment benefit (OPEB) cost (expense) is calculated based on the required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a twenty five year period. The following table shows the components of the City's OPEB cost for the period, the amount actually contributed to the plan, and changes in the net OPEB obligation:

Required contribution	\$ 612,743
Interest on net OPEB obligation	123,323
Adjustment to required contribution	(234,742)
OPEB cost	501,324
Contributions made	(30,352)
Increase (decrease) in net OPEB obligation	470,972
Net OPEB obligation, beginning of period	3,083,078
Net OPEB obligation, end of period	<u>\$ 3,554,050</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a twenty five year period. The schedule of funding progress, presented as required supplementary information following the notes

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Valuation date	1/1/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	20 years as of July 1, 2013
Asset valuation method	Market value
Actuarial assumptions:	
Investment return	4%
Discount rate	4%
Inflation rate	3%
Medical and drug cost trend rate	8% graded to 5% over 6 years

The plan does not issue separate financial statements.

(14) DEFINED CONTRIBUTION PLAN

The City of Acworth contributes to the City of Acworth's ICMA RC Governmental Money Purchase Plan, which is a defined contribution plan under Section 401(a) of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At June 30, 2015, there were 111 plan members. Plan provisions and contribution requirements are established and amended by the City. The plan includes elected officials, all full-time employees, management employees and part-time permanent employees working more than 30 hours per week. The plan consists of employee contributions and an employer match. The employer match is up to 2.5% for qualifying regular and part-time employees and up to 5.5% for management employees and elected officials of the City. Such qualifying employees who have performed one (1) hour of service are eligible to participate in the plan.

The plan was amended in 2007 by the City to allow qualified employees and current elected officials hired/elected and enrolled prior to October 01, 2007 to be automatically vested. Employees hired after October 01, 2007 and/or those enrolling during subsequent open enrollment periods are required to meet a tiered seven (7) year vesting schedule. Elected officials participating after October 01, 2007 and/or those enrolling during subsequent open enrollment periods become fully vested after four (4) years of participation.

A participant that leaves the employment of the City is entitled to their account balance for employee contributions and if vesting requirements are satisfied they are also

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

entitled to the employer match portion. Any forfeiture are used to reduce future employer contributions, or if no contributions are required, forfeited amounts are allocated to participant accounts based on the ratio of each participant's earnings to total earnings for all participants. The balance in the forfeiture account as of June 30, 2015 was \$3,631. The City made total contributions during the year of \$316,990. The participants' portion of the contributions during the year was \$159,190. The plan held no securities of the City or other related parties during the year.

(15) 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; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. Participation in this pool allows the City to share liability, crime, motor vehicle and property damage risks. The retention of the pool is \$1,000,000 for property and \$500,000 for liability. Coverage is subject to a per occurrence deductible of \$2,500.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.
- To follow all loss reduction and prevention procedures established by

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

GIRMA.

- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a group self-insurance fund managed by the Georgia Municipal Association Group Self Insurance Workers' Compensation Fund whereby the risk is pooled with other entities. The policy is retrospectively rated and the retention of the fund is \$1,000,000. Yearly premiums are paid by the City which will pay for lost time exceeding the first seven days the employee is absent, and the first seven days if the employee is absent at least twenty-one days, up to statutory limits per occurrence. Beginning in 2006, coverage is subject to a per occurrence deductible of \$25,000.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City became a member of the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

As part of this risk fund, the City is obligated to pay all contributions and assessments as prescribed by the fund, to cooperate with the fund's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the fund's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

In addition, the City is exposed to risks of loss resulting from providing health, dental and vision benefits to employees and retirees. During the fiscal year, the City transitioned to a partially self-insured program for medical claims (which includes prescriptions). The City is responsible for premium payments, medical claims payments and providing eligibility information. Under the medical plan, the City pays 95% of the employee premium, 82% of the employee plus one premium and 84% of the family

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

premium for the plan. Under the medical plan, there is a maximum out-of-pocket cost to the employee of \$1,000, for an employee plus one it is \$2,000 and for family it is \$3,000. Each employee's portion of the medical premium costs is withheld from that employee's paycheck. The City has a specific deductible of \$40,000 with an unlimited specific excess limited per cover person and an unlimited lifetime reimbursement limitation. There is no aggregating specific deductible. The City pays the claims and after the claims reach this amount, a private insurance carrier will reimburse the City. Under the aggregate excess coverage, there is an aggregate excess limit of \$1,000,000 with a corridor of 125%. The City has entered into a contract with a third party to administer the programs.

The City has accrued a liability for claims incurred but not reported before the fiscal year end. The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier.

(16) JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county Atlanta regions, is a member of the Atlanta Regional Commission (ARC). Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the officials of political subdivisions and private citizens representing districts with the Atlanta region. OCGA 50-8-39.1 provides that certain member governments are liable for any debts or obligations of a RC. Separate financial statements may be obtained from Atlanta Regional Commission, 40 Courtland Street, NE, Atlanta, Georgia 30303.

(17) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following fund had expenditures in excess of appropriations for the fiscal year ended June 30, 2015:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund:			
General Government			
Government Bldg - 4400 Acworth Ind Dr	\$ 101,500	\$ 101,632	\$ 132
Culture & Recreation			
Summer Camp Operations	92,831	93,119	288

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

(18) RESTATEMENT

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" during fiscal year 2015. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. The City also discovered certain capital assets had not been recorded correctly. The effect of these restatements to beginning net position is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Beginning Net Position before Restatement	\$ 34,361,797	\$ 12,235,307	
Restatement - Deferred Outflows of Resources	208,502	62,280	
Restatement - Net Pension Liability	(1,886,180)	(563,404)	
Previously Reported Net Pension Obligation	78,017	25,662	
Restatement - Capital Assets	4,436,095	-	
Beginning Net Position after Restatement	<u>\$ 37,198,231</u>	<u>\$ 11,759,845</u>	

	<u>Electrical Power Fund</u>	<u>Sanitation Fund</u>	<u>Internal Service Funds</u>
Beginning Net Position before Restatement	\$ 11,089,224	\$ 895,532	\$ 854,547
Restatement - Deferred Outflows of Resources	32,494	18,955	10,831
Restatement - Net Pension Liability	(293,950)	(171,471)	(97,983)
Previously Reported Net Pension Obligation	13,351	7,532	4,779
Beginning Net Position after Restatement	<u>\$ 10,841,119</u>	<u>\$ 750,548</u>	<u>\$ 772,174</u>

The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

The effect of the restatement relating to capital assets to previously reported Governmental Activities changes in net position is a decrease of \$361,871.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF ACWORTH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND
RELATED RATIOS**

	<u>2015</u>
Total pension liability	
Service cost	\$ 281,368
Interest	616,661
Differences between expected and actual experience	102,420
Changes of assumptions	(9,772)
Benefit payments, including refunds of employee contributions	<u>(261,769)</u>
Net change in total pension liability	728,908
Total pension liability - beginning	<u>8,087,799</u>
Total pension liability - ending (a)	<u><u>\$ 8,816,707</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 369,318
Contributions - employee	146,390
Net investment income	648,207
Benefit payments including refunds of employee contributions	(261,769)
Administrative expense	<u>(20,118)</u>
Net change in plan fiduciary net position	882,028
Plan fiduciary net position - beginning	<u>5,638,215</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,520,243</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 2,296,464</u></u>
Plan fiduciary net position as a percentage of the total pension liability	73.95%
Covered employee payroll	\$ 5,949,453
Net pension liability as a percentage of covered employee payroll	38.60%

Notes to Schedule:

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

**CITY OF ACWORTH, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS**

	<u>6/30/2015</u>
Actuarially determined contribution	\$ 394,148
Contributions in relation to the actuarially determined contribution	433,563
Contribution deficiency (excess)	<u>\$ (39,415)</u>
Covered-employee payroll	\$ 5,949,453
Contributions as a percentage of covered-employee payroll	7.29%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary increases	3.25% plus age and service based merit increases
Investment rate of return	7.75%
Retirement age	65
Mortality	RP-2000 Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

Benefit changes : Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

2015 is the first fiscal year that data has been measured in accordance with GASB Statement 68.

**CITY OF ACWORTH, GEORGIA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS**

Post Employment Healthcare Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
3/1/2008	\$ -	\$ 3,317,637	\$ 3,317,637	0.0%	\$ 4,682,605	70.9%
1/1/2011	-	3,934,552	3,934,552	0.0%	5,529,283	71.2%
1/1/2014	-	4,492,306	4,492,306	0.0%	5,339,558	84.1%

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 8,817,639	\$ 8,974,930	\$ 9,054,071	\$ 79,141
Licenses and Permits	273,255	451,850	498,578	46,728
Intergovernmental	24,721	33,449	37,895	4,446
Charges for Services	521,845	606,142	631,999	25,857
Fines and Forfeitures	1,175,000	1,100,113	1,084,537	(15,576)
Investment Earnings	15,000	15,000	18,253	3,253
Contributions and Donations	30,000	40,000	59,140	19,140
Other	61,000	79,133	85,925	6,792
Total revenues	10,918,460	11,300,617	11,470,398	169,781
Expenditures:				
General Government				
Board of Aldermen	188,195	186,441	178,308	8,133
Administration - City Manager's Office	476,725	489,864	483,834	6,030
Elections	350	350	20	330
Financial Administration	491,193	490,074	482,754	7,320
Attorney/Legal Services	58,750	83,750	75,360	8,390
Information Systems	233,139	240,219	228,828	11,391
Former Employees	35,800	-	-	-
Insurance/Risk Management	280,000	286,765	285,098	1,667
External Auditors	34,248	32,271	32,271	-
Government Bldg - Industrial Center Dr	-	5,500	3,263	2,237
Government Bldg - City Hall	82,550	98,597	85,645	12,952
Government Bldg - 4400 Acworth Ind Dr	100,200	101,500	101,632	(132)
Government Bldg - 4406 Acworth Ind Dr	38,000	52,081	45,877	6,204
Government Bldg - Other City Property	3,550	4,600	1,431	3,169
Government Bldg - Old Jail	3,250	3,250	1,652	1,598
Public Information	4,158	4,158	3,585	573
General Administration Fees	9,750	10,000	9,751	249
Judicial				
Municipal Court	403,029	448,374	410,749	37,625
Public Safety				
Police	3,649,775	3,726,374	3,604,912	121,462
Police Explorers	5,000	5,000	4,968	32
Jail	772,023	843,590	830,921	12,669
Public Works				
Public Works Administration	212,691	217,011	208,306	8,705
Highways and Streets	594,821	645,948	608,420	37,528
Storm Drainage	19,814	19,814	11,995	7,819
Fleet Maintenance	128,802	132,075	129,133	2,942
Building Maintenance	62,755	63,326	60,009	3,317
Cemetery	28,151	28,151	23,571	4,580
Health and Welfare				
Mosquito Control	5,792	5,915	1,668	4,247
Culture and Recreation				
Recreation	1,239,972	1,332,667	1,307,627	25,040
Athletics	53,017	75,478	72,845	2,633
Community Programs	55,000	60,980	53,310	7,670
Roberts School Rec Facility	31,875	31,875	27,222	4,653
Rosenwald Community Center	6,950	6,950	5,369	1,581
Neighborhood Playgrounds	2,875	2,875	2,096	779
Southshore Park and Beach	6,800	7,125	5,837	1,288
Dallas Landing Beach and Park	35,080	43,350	39,738	3,612
Proctor Landing Beach and Park	31,360	43,310	39,648	3,662
Acworth Sports Complex	111,100	119,361	113,098	6,263
Bobby Van Newberry Park	17,935	16,410	13,505	2,905
Cauble Park Facilities	52,977	63,710	59,814	3,896

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Logan Farm Park Facilities	42,650	40,304	33,662	6,642
Summer Camp Operations	92,832	92,831	93,119	(288)
Special Events Activities	52,950	63,650	61,609	2,041
Concert	14,250	14,301	8,867	5,434
Senior Citizen Luncheon	21,350	29,100	24,626	4,474
Parks	7,450	8,100	7,074	1,026
Tree Commission	2,250	2,250	270	1,980
Historic Preservation	1,230	1,230	-	1,230
Housing and Development				
Conservation / Soil Erosion	57,979	62,516	56,760	5,756
Protective Building Inspections	271,011	286,196	275,286	10,910
Planning and Zoning	192,988	210,367	199,580	10,787
Code Enforcement	33,443	1,100	-	1,100
Economic Development	119,821	121,552	119,663	1,889
Tax Allocation District	-	230,279	230,278	1
Transfer to Component Unit	-	10,000	-	10,000
Debt Service	821,115	327,863	327,862	1
Total Expenditures	<u>11,298,771</u>	<u>11,530,728</u>	<u>11,092,726</u>	<u>438,002</u>
Excess (deficiency) of Revenues over Expenditures	<u>(380,311)</u>	<u>(230,111)</u>	<u>377,672</u>	<u>607,783</u>
Other Financing Sources (uses):				
Transfers In	1,119,750	1,122,955	1,125,977	3,022
Transfers Out	(732,726)	(1,375,359)	(1,375,248)	111
Sale of Capital Assets	-	72,000	76,048	4,048
Total Other Financing Sources (uses)	<u>387,024</u>	<u>(180,404)</u>	<u>(173,223)</u>	<u>7,181</u>
Net Change in Fund Balance	<u>\$ 6,713</u>	<u>\$ (410,515)</u>	<u>\$ 204,449</u>	<u>\$ 614,964</u>
Fund Balance at Beginning of Year - GAAP Basis			<u>7,601,581</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,806,030</u>	

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GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

**CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Special Revenue Funds							
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor
Assets:								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,286	\$ -	\$ 35,286
Investments	-	-	-	-	-	4	-	4
Due from other funds	-	-	-	4,151	8,830	1,457	-	14,438
Restricted assets:								
Cash	-	32,000	364,116	-	-	-	109,938	506,054
Investments	-	53,129	-	12,631	-	-	-	65,760
Total assets	\$ -	\$ 85,129	\$ 364,116	\$ 16,782	\$ 8,830	\$ 36,747	\$ 109,938	\$ 621,542
Liabilities:								
Accounts payable	\$ -	\$ 15,531	\$ -	\$ -	\$ -	\$ 312	\$ -	\$ 15,843
Retainage payable	-	4,565	-	-	-	-	-	4,565
Due to other funds	-	-	690	-	-	-	109,938	110,628
Unearned revenue	-	-	7,568	-	-	-	-	7,568
Total liabilities	-	20,096	8,258	-	-	312	109,938	138,604
Fund balances:								
Restricted	-	65,033	355,858	16,782	-	-	-	437,673
Assigned	-	-	-	-	8,830	36,435	-	45,265
Total fund balances	-	65,033	355,858	16,782	8,830	36,435	-	482,938
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 85,129	\$ 364,116	\$ 16,782	\$ 8,830	\$ 36,747	\$ 109,938	\$ 621,542

**CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds							
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor
Revenues:								
Taxes	\$ 188,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,509	\$ 342,039
Charges for services	-	108,500	-	7,306	-	-	-	115,806
Fines and forfeitures	-	-	163,300	-	-	-	-	163,300
Intergovernmental	-	-	-	-	-	-	591,414	591,414
Investment earnings	-	64	125	21	-	16	-	226
Other	-	-	-	-	-	1,365	-	1,365
Total revenues	188,530	108,564	163,425	7,327	-	1,381	744,923	1,214,150
Expenditures:								
Current:								
Public safety	-	-	114,583	-	-	-	-	114,583
Public works	-	-	-	3,020	-	-	-	3,020
Housing and development	-	-	-	-	-	35,146	-	35,146
Culture and recreation	117,831	78,242	-	-	1,305	3,500	-	200,878
Debt service	-	-	-	-	120,660	1,077,812	514,858	1,713,330
Total expenditures	117,831	78,242	114,583	3,020	121,965	1,116,458	514,858	2,066,957
Excess (deficiency) of revenues over (under) expenditures	70,699	30,322	48,842	4,307	(121,965)	(1,115,077)	230,065	(852,807)
Other financing sources (uses):								
Transfers in	-	-	-	-	130,660	1,097,707	-	1,228,367
Transfers out	(70,699)	-	-	-	(2,500)	-	(230,278)	(303,477)
Total other financing sources (uses)	(70,699)	-	-	-	128,160	1,097,707	(230,278)	924,890
Net change in fund balance	-	30,322	48,842	4,307	6,195	(17,370)	(213)	72,083
Fund balance at beginning of year	-	34,711	307,016	12,475	2,635	53,805	213	410,855
Fund balance at end of year	\$ -	\$ 65,033	\$ 355,858	\$ 16,782	\$ 8,830	\$ 36,435	\$ -	\$ 482,938

GENERAL FUND

The General Fund is the principal fund of the City and is used to account for all activities of the City not in other specified funds. The General Fund accounts for the normal recurring activities of the City (i.e., police, recreation, public works, general government, etc.). These activities are funded primarily by property taxes on individuals and businesses.

**CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 2,823,858	\$ 2,037,448
Investments	3,024,752	2,745,832
Receivables (net of allowance for estimated uncollectibles):		
Taxes	49,839	87,107
Interest	18,675	8,377
Other	-	361
Due from other funds	716,841	741,837
Due from other governments	4,353	440,776
Due from component unit	23,823	12,238
Prepaid items	61,309	272,111
Restricted assets:		
Cash	3,437,235	3,421,177
Investments	200,780	180,486
Total assets	<u><u>\$ 10,361,465</u></u>	<u><u>\$ 9,947,750</u></u>
Liabilities:		
Accounts payable	\$ 475,984	\$ 477,190
Unearned revenue	462,689	359,990
Accrued liabilities	162,363	124,286
Due to other funds	1,380,557	1,299,553
Due to component unit	10,489	-
Total liabilities	<u>2,492,082</u>	<u>2,261,019</u>
Deferred inflows of resources:		
Unavailable revenue - property taxes	<u>63,353</u>	<u>85,150</u>
Fund balances:		
Nonspendable	61,309	272,111
Restricted	3,198,814	3,181,225
Committed	-	7,160
Assigned	23,300	451,576
Unassigned	4,522,607	3,689,509
Total fund balance	<u>7,806,030</u>	<u>7,601,581</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 10,361,465</u></u>	<u><u>\$ 9,947,750</u></u>

**CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
Revenues:		
Taxes	\$ 9,054,071	\$ 8,709,731
Licenses and permits	498,578	262,984
Charges for services	631,999	624,130
Intergovernmental	37,895	29,300
Fines and forfeitures	1,084,537	1,161,935
Investment earnings	18,253	17,599
Contributions and donations	59,140	47,840
Other	85,925	106,883
Total revenues	11,470,398	10,960,402
Expenditures:		
Current:		
General government	2,019,309	2,045,381
Public safety	4,440,801	4,068,881
Public works	1,041,434	1,002,868
Health and welfare	1,668	1,089
Housing and development	881,567	955,501
Judicial	410,749	387,141
Culture and recreation	1,969,336	1,772,408
Debt service	327,862	66,281
Total expenditures	11,092,726	10,299,550
Excess (deficiency) of revenues over (under) expenditures	377,672	660,852
Other financing sources (uses):		
Transfers in	1,125,977	1,467,294
Transfers out	(1,375,248)	(2,301,927)
Sale of capital assets	76,048	743,620
Total other financing sources (uses)	(173,223)	(91,013)
Net change in fund balance	204,449	569,839
Fund balance at beginning of year	7,601,581	7,031,742
Fund balance at end of year	\$ 7,806,030	\$ 7,601,581

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenues which are legally restricted to finance specific functions or activities of the government and which, therefore, cannot be diverted to other uses.

Acworth Downtown Development Authority – To account for activities related to the redevelopment of the downtown Acworth district and the accumulation of resources for payment of several special revenue bond issues.

Hotel/Motel Tax – To account for the receipt of funds from imposition of the hotel/motel tax which is to be used primarily for the promotion of tourism.

Recreational Impact Fee – To account for the receipt of funds from imposition of the recreational impact fee which is to be used to finance public facilities necessary to promote and accommodate orderly growth and development.

Confiscated Asset Fund – To account for confiscated cash seizures from drug related crimes.

Soil Erosion Fees – To account for the receipt of money from fees for Land Disturbance permits and National Pollution Discharge Elimination System permit which is to be used for the implementation of local erosion and sediment control programs.

Acworth Lake Authority – To account for activities related to develop Lake Acworth shore and adjoining land areas as parks and recreational facilities and the related debt is expected to be repaid with City resources.

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Due from other funds	\$ -	\$ 25,223
Total assets	<u>\$ -</u>	<u>\$ 25,223</u>
Liabilities:		
Accounts payable	\$ -	\$ 25,223
Total liabilities	<u>\$ -</u>	<u>\$ 25,223</u>

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Taxes	\$ 188,530	\$ 139,982
Total revenues	<u>188,530</u>	<u>139,982</u>
Expenditures:		
Current:		
Culture and recreation	<u>117,831</u>	<u>87,489</u>
Excess of revenues over expenditures	<u>70,699</u>	<u>52,493</u>
Other financing sources (uses):		
Transfers out	<u>(70,699)</u>	<u>(52,493)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	<u>\$199,000</u>	<u>\$188,530</u>	<u>\$ (10,470)</u>
Expenditures:			
Current:			
Culture and recreation	<u>124,375</u>	<u>117,831</u>	<u>6,544</u>
Excess of revenues over expenditures	<u>74,625</u>	<u>70,699</u>	<u>(3,926)</u>
Other financing sources (uses):			
Transfers out	<u>(74,625)</u>	<u>(70,699)</u>	<u>3,926</u>
Net change in fund balance	<u><u>\$ -</u></u>	-	<u><u>\$ -</u></u>
Fund balance at beginning of year		<u>-</u>	
Fund balance at end of year		<u><u>\$ -</u></u>	

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Due from other funds	\$ -	\$ 1,000
Restricted assets:		
Cash	32,000	2,000
Investments	<u>53,129</u>	<u>32,856</u>
Total assets	<u>\$ 85,129</u>	<u>\$ 35,856</u>
Liabilities:		
Accounts payable	\$ 15,531	\$ -
Retainage payable	4,565	-
Due to other funds	<u>-</u>	<u>1,145</u>
Total liabilities	<u>20,096</u>	<u>1,145</u>
Fund balance:		
Restricted	<u>65,033</u>	<u>34,711</u>
Total fund balance	<u>65,033</u>	<u>34,711</u>
Total liabilities and fund balance	<u>\$ 85,129</u>	<u>\$ 35,856</u>

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Charges for services	\$ 108,500	\$ 21,000
Investment earnings	64	80
Contributions and donations	-	30,000
Total revenues	<u>108,564</u>	<u>51,080</u>
Expenditures:		
Current:		
Culture and recreation	<u>78,242</u>	<u>140,032</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,322</u>	<u>(88,952)</u>
Net change in fund balance	30,322	(88,952)
Fund balance at beginning of year	<u>34,711</u>	<u>123,663</u>
Fund balance at end of year	<u><u>\$ 65,033</u></u>	<u><u>\$ 34,711</u></u>

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	<u>\$ 101,000</u>	<u>\$ 108,500</u>	<u>\$ 7,500</u>
Expenditures:			
Current:			
Culture and recreation	<u>70,000</u>	<u>78,242</u>	<u>(8,242)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,000</u>	<u>30,258</u>	<u>(742)</u>
Net change in fund balance	<u><u>\$ 31,000</u></u>	30,258	<u><u>\$ (742)</u></u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Investment earnings		<u>64</u>	
Fund balance at beginning of year		<u>34,711</u>	
Fund balance at end of year		<u><u>\$ 65,033</u></u>	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Restricted assets:		
Cash	\$ 364,116	\$ 315,749
Total assets	<u>\$ 364,116</u>	<u>\$ 315,749</u>
Liabilities:		
Accounts payable	\$ -	\$ 1,827
Due to other funds	690	3,226
Unearned revenue	<u>7,568</u>	<u>3,680</u>
Total liabilities	<u>8,258</u>	<u>8,733</u>
Fund balance:		
Restricted	<u>355,858</u>	<u>307,016</u>
Total fund balance	<u>355,858</u>	<u>307,016</u>
Total liabilities and fund balances	<u>\$ 364,116</u>	<u>\$ 315,749</u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Fines and forfeitures	\$ 163,300	\$ 206,818
Investment earnings	125	58
Other	-	280
Total revenues	<u>163,425</u>	<u>207,156</u>
Expenditures:		
Current:		
Public safety	<u>114,583</u>	<u>6,028</u>
Total expenditures	<u>114,583</u>	<u>6,028</u>
Net change in fund balance	48,842	201,128
Fund balance at beginning of year	<u>307,016</u>	<u>105,888</u>
Fund balance at end of year	<u><u>\$ 355,858</u></u>	<u><u>\$ 307,016</u></u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 136,152	\$ 163,300	\$ 27,148
Other	2	-	(2)
Total revenues	<u>136,154</u>	<u>163,300</u>	<u>27,146</u>
Expenditures:			
Current:			
Public safety	<u>205,500</u>	<u>114,583</u>	<u>90,917</u>
Total expenditures	<u>205,500</u>	<u>114,583</u>	<u>90,917</u>
Net change in fund balance	<u>\$ (69,346)</u>	48,717	<u>\$ 118,063</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Investment earnings		<u>125</u>	
Fund balance at beginning of year		<u>307,016</u>	
Fund balance at end of year		<u>\$ 355,858</u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Due from other funds	\$ 4,151	\$ 360
Restricted assets:		
Investments	<u>12,631</u>	<u>14,295</u>
Total assets	<u>\$ 16,782</u>	<u>\$ 14,655</u>
Liabilities:		
Accounts payable	\$ -	\$ 1,051
Due to other funds	<u>-</u>	<u>1,129</u>
Total liabilities	<u>-</u>	<u>2,180</u>
Fund balance:		
Restricted	<u>16,782</u>	<u>12,475</u>
Total fund balance	<u>16,782</u>	<u>12,475</u>
Total liabilities and fund balance	<u>\$ 16,782</u>	<u>\$ 14,655</u>

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Charges for services	\$ 7,306	\$ 1,475
Investment earnings	21	26
Total revenues	<u>7,327</u>	<u>1,501</u>
Expenditures:		
Current:		
Public works	<u>3,020</u>	<u>21,098</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,307</u>	<u>(19,597)</u>
Net change in fund balance	4,307	(19,597)
Fund balance at beginning of year	<u>12,475</u>	<u>32,072</u>
Fund balance at end of year	<u>\$ 16,782</u>	<u>\$ 12,475</u>

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 4,727	\$ 7,306	\$ 2,579
Investment earnings	14	21	7
Total revenues	<u>4,741</u>	<u>7,327</u>	<u>2,586</u>
Expenditures:			
Current:			
Public works	<u>5,411</u>	<u>3,020</u>	<u>2,391</u>
Total expenditures	<u>5,411</u>	<u>3,020</u>	<u>2,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(670)</u>	<u>4,307</u>	<u>4,977</u>
Net change in fund balance	<u>\$ (670)</u>	4,307	<u>\$ 4,977</u>
Fund balance at beginning of year		<u>12,475</u>	
Fund balance at end of year		<u>\$ 16,782</u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Due from other funds	\$ 8,830	\$ 2,675
Total assets	<u>\$ 8,830</u>	<u>\$ 2,675</u>
Liabilities:		
Accounts payable	\$ -	\$ 40
Total liabilities	<u>-</u>	<u>40</u>
Fund balance:		
Assigned	<u>8,830</u>	<u>2,635</u>
Total fund balance	<u>8,830</u>	<u>2,635</u>
Total liabilities and fund balance	<u>\$ 8,830</u>	<u>\$ 2,675</u>

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Expenditures:		
Current:		
Culture and recreation	\$ 1,305	\$ 11,988
Debt service	<u>120,660</u>	<u>119,260</u>
Total expenditures	<u>121,965</u>	<u>131,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(121,965)</u>	<u>(131,248)</u>
Other financing sources (uses):		
Transfers in	130,660	129,260
Transfers out	<u>(2,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>128,160</u>	<u>129,260</u>
Net change in fund balance	6,195	(1,988)
Fund balance at beginning of year	<u>2,635</u>	<u>4,623</u>
Fund balance at end of year	<u><u>\$ 8,830</u></u>	<u><u>\$ 2,635</u></u>

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Expenditures:			
Current:			
Culture and recreation	\$ 7,500	\$ 1,305	\$ 6,195
Debt service	<u>120,660</u>	<u>120,660</u>	<u>-</u>
Total expenditures	<u>128,160</u>	<u>121,965</u>	<u>6,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,160)</u>	<u>(121,965)</u>	<u>6,195</u>
Other financing sources (uses):			
Transfers in	130,660	130,660	-
Transfers out	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>128,160</u>	<u>128,160</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	6,195	<u>\$ 6,195</u>
Fund balance at beginning of year		<u>2,635</u>	
Fund balance at end of year		<u>\$ 8,830</u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Cash and cash equivalents	\$ 35,286	\$ 51,714
Investments	4	4
Due from other funds	<u>1,457</u>	<u>2,687</u>
Total assets	<u>\$ 36,747</u>	<u>\$ 54,405</u>
Liabilities:		
Accounts payable	<u>\$ 312</u>	<u>\$ 600</u>
Total liabilities	<u>312</u>	<u>600</u>
Fund balance:		
Assigned	<u>36,435</u>	<u>53,805</u>
Total fund balance	<u>36,435</u>	<u>53,805</u>
Total liabilities and fund balance	<u>\$ 36,747</u>	<u>\$ 54,405</u>

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Investment earnings	\$ 16	\$ 46
Other	1,365	2,675
Total revenues	<u>1,381</u>	<u>2,721</u>
Expenditures:		
Current:		
Housing and development	35,146	28,405
Culture and recreation	3,500	-
Debt service	1,077,812	1,072,164
Total expenditures	<u>1,116,458</u>	<u>1,100,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,115,077)</u>	<u>(1,097,848)</u>
Other financing sources (uses):		
Transfers in	1,097,707	1,094,103
Transfers out	-	-
Total other financing sources (uses)	<u>1,097,707</u>	<u>1,094,103</u>
Net change in fund balance	(17,370)	(3,745)
Fund balance at beginning of year	<u>53,805</u>	<u>57,550</u>
Fund balance at end of year	<u>\$ 36,435</u>	<u>\$ 53,805</u>

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Other	\$ 1,000	\$ 1,365	\$ 365
Expenditures:			
Current:			
Housing and development	17,595	35,146	(17,551)
Culture and recreation	3,500	3,500	-
Debt service	1,077,924	1,077,812	112
Total expenditures	<u>1,099,019</u>	<u>1,116,458</u>	<u>(17,439)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,098,019)</u>	<u>(1,115,093)</u>	<u>(17,074)</u>
Other financing sources (uses):			
Transfers in	1,097,819	1,097,707	(112)
Transfers out	-	-	-
Total other financing sources (uses)	<u>1,097,819</u>	<u>1,097,707</u>	<u>(112)</u>
Net change in fund balance	<u>\$ (200)</u>	<u>(17,386)</u>	<u>\$ (17,186)</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues (expenditures):			
Investment earnings		16	
Fund balance at beginning of year		<u>53,805</u>	
Fund balance at end of year		<u>\$ 36,435</u>	

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and improvements other than those financed by Proprietary Funds.

Capital Improvements Fund – To account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds.

Special Purpose Local Option Sales Tax Fund – To account for proceeds received from Cobb County Special Purpose Local Options Sales Tax collections to be used for transportation, sidewalks, parking, recreation and public safety improvements within the City. The Special Purpose Local Option Sales Tax levies were voter approved in 2005 and 2011.

**CITY OF ACWORTH, GEORGIA
 CAPITAL IMPROVEMENT
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Cash	\$ 8,370	\$ 51
Investments	510,601	442,569
Restricted cash	674,409	3,707,045
Due from other governments	12,672	12,278
Due from other funds	568,394	651,328
Total assets	<u>\$ 1,774,446</u>	<u>\$ 4,813,271</u>
Liabilities:		
Accounts payable	\$ 146,985	\$ 74,370
Retainage payable	386,593	54,311
Due to other funds	307,373	47,430
Total liabilities	<u>840,951</u>	<u>176,111</u>
Fund balance:		
Restricted	-	3,644,723
Committed	99,486	10,245
Assigned	834,009	982,192
Total fund balance	<u>933,495</u>	<u>4,637,160</u>
Total liabilities and fund balance	<u>\$ 1,774,446</u>	<u>\$ 4,813,271</u>

**CITY OF ACWORTH, GEORGIA
CAPITAL IMPROVEMENT
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Intergovernmental	\$ 78,815	\$ 41,379
Investment earnings	1,035	330
Contributions and donations	<u>2,200</u>	<u>3,000</u>
Total revenues	<u>82,050</u>	<u>44,709</u>
Expenditures:		
Capital outlay	5,102,981	1,546,919
Debt service	<u>-</u>	<u>39,600</u>
Total expenditures	<u>5,102,981</u>	<u>1,586,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,020,931)</u>	<u>(1,541,810)</u>
Other financing sources (uses):		
Installment sales agreement issued	-	3,840,000
Transfers in	1,376,596	1,328,564
Transfers out	<u>(59,330)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,317,266</u>	<u>5,168,564</u>
Net change in fund balance	(3,703,665)	3,626,754
Fund balance at beginning of year	<u>4,637,160</u>	<u>1,010,406</u>
Fund balance at end of year	<u><u>\$ 933,495</u></u>	<u><u>\$ 4,637,160</u></u>

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Receivables	\$ -	\$ 17,700
Prepaid items	868,138	77,162
Due from other governments	627,242	610,699
Restricted assets:		
Cash	2,491,548	2,979,514
Investments	-	5
Total assets	<u><u>\$ 3,986,928</u></u>	<u><u>\$ 3,685,080</u></u>
Liabilities:		
Accounts payable	\$ 20,564	\$ 33,283
Retainage payable	50,226	187,308
Due to other funds	179,291	610,853
Unearned revenue	146,927	302,512
Total liabilities	<u>397,008</u>	<u>1,133,956</u>
Fund balance:		
Nonspendable	868,138	77,162
Restricted	2,721,782	2,473,962
Total fund balance	<u>3,589,920</u>	<u>2,551,124</u>
Total liabilities and fund balances	<u><u>\$ 3,986,928</u></u>	<u><u>\$ 3,685,080</u></u>

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Intergovernmental	\$ 4,015,882	\$ 3,556,663
Investment earnings	1,191	2,852
Contributions and donations	-	9,925
Total revenues	<u>4,017,073</u>	<u>3,569,440</u>
Expenditures:		
Capital outlay	<u>3,024,910</u>	<u>5,854,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>992,163</u>	<u>(2,285,399)</u>
Other financing sources (uses):		
Transfers in	<u>46,633</u>	<u>-</u>
Total other financing sources (uses)	<u>46,633</u>	<u>-</u>
Net change in fund balance	1,038,796	(2,285,399)
Fund balance at beginning of year	<u>2,551,124</u>	<u>4,836,523</u>
Fund balance at end of year	<u><u>\$ 3,589,920</u></u>	<u><u>\$ 2,551,124</u></u>

DEBT SERVICE FUND

The Debt Service Fund is used for the accumulation of resources for, and the payment of, principal and interest on general long-term debt (other than enterprise funds).

Debt Service Fund – To account for resources used in the payment of debt service association with Acworth's Tax Allocation District. Other debts of the City are presented within the corresponding funds.

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Assets:		
Restricted assets:		
Cash	\$ 109,938	\$ 213
Total assets	<u>\$ 109,938</u>	<u>\$ 213</u>
Liabilities:		
Due to other funds	\$ 109,938	\$ -
Total liabilities	<u>109,938</u>	<u>-</u>
Fund balance:		
Restricted	-	213
Total fund balance	<u>-</u>	<u>213</u>
Total liabilities and fund balance	<u>\$ 109,938</u>	<u>\$ 213</u>

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues:		
Taxes	\$ 153,509	\$ 156,926
Intergovernmental	591,414	600,130
Investment earnings	-	200
Total revenues	<u>744,923</u>	<u>757,256</u>
Expenditures:		
Debt service	<u>514,858</u>	<u>713,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>230,065</u>	<u>43,748</u>
Other financing sources (uses):		
Refunding bonds issued	-	5,595,000
Payments to refunded bond escrow	-	(5,285,000)
Transfers out	<u>(230,278)</u>	<u>(354,801)</u>
Total other financing sources (uses)	<u>(230,278)</u>	<u>(44,801)</u>
Net change in fund balance	(213)	(1,053)
Fund balance at beginning of year	<u>213</u>	<u>1,266</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 213</u></u>

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 153,509	\$ 153,509	\$ -
Intergovernmental	591,414	591,414	-
Total revenues	<u>744,923</u>	<u>744,923</u>	<u>-</u>
Expenditures:			
Debt service	514,858	514,858	-
Excess (deficiency) of revenues over (under) expenditures	<u>230,065</u>	<u>230,065</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	(230,278)	(230,278)	-
Total other financing sources (uses)	<u>(230,278)</u>	<u>(230,278)</u>	<u>-</u>
Net change in fund balance	<u>\$ (213)</u>	<u>(213)</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>213</u>	
Fund balance at end of year		<u>\$ -</u>	

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PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for the acquisition, operation and maintenance of government facilities and services which are predominantly or entirely self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

Acworth Power – To account for the operations of the City’s electric distribution system. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

Acworth Sanitation – To account for the operations of the City’s solid waste sanitation services. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	2015	2014 (As Restated)
Assets:		
Current assets:		
Cash	\$ 2,055,910	\$ 1,679,359
Investments	2,590,928	2,127,758
Restricted assets:		
Cash	1,189,470	1,169,598
Investments	3,679,422	2,765,793
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,905,359	1,933,866
Due from other funds	118,512	189,097
Inventory	698,418	702,044
Prepaid items	21,637	22,475
Total current assets	<u>12,259,656</u>	<u>10,589,990</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>4,693,375</u>	<u>4,865,470</u>
Total noncurrent assets	<u>4,693,375</u>	<u>4,865,470</u>
Total assets	<u>16,953,031</u>	<u>15,455,460</u>
Deferred outflows of resources:		
Related to pensions	<u>50,035</u>	<u>32,494</u>
Liabilities:		
Current liabilities:		
Accounts payable	693,045	887,199
Customer deposits	974,971	924,127
Accrued liabilities	22,363	19,388
Accrued compensated absences	38,832	36,731
Due to other funds	357,218	388,763
Capital leases - current	40,160	39,290
Total current liabilities	<u>2,126,589</u>	<u>2,295,498</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	9,708	9,183
Net OPEB obligation	637,268	552,493
Net pension liability	275,576	293,950
Capital lease obligations	51,425	91,617
Total long-term liabilities	<u>973,977</u>	<u>947,243</u>
Total liabilities	<u>3,100,566</u>	<u>3,242,741</u>
Deferred inflows of resources:		
MEAG project	2,039,866	1,404,094
Related to pensions	20,348	-
Total deferred inflows of resources	<u>2,060,214</u>	<u>1,404,094</u>
Net position:		
Net investment in capital assets	4,601,790	4,734,563
Unrestricted	7,240,496	6,106,556
Total net position	<u>\$ 11,842,286</u>	<u>\$ 10,841,119</u>

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014 (1)</u>
Operating revenues:		
Charges for services	\$ 13,217,375	\$ 13,102,374
Other	404,872	445,843
Total operating revenues	<u>13,622,247</u>	<u>13,548,217</u>
Operating expenses:		
Personal services	1,194,038	1,131,189
Operating	9,265,174	10,023,153
Depreciation	428,957	414,778
Total operating expenses	<u>10,888,169</u>	<u>11,569,120</u>
Operating income	<u>2,734,078</u>	<u>1,979,097</u>
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	(49,084)	-
Interest income	37,845	40,881
Interest expense	(2,444)	(3,324)
Total nonoperating revenues (expenses)	<u>(13,683)</u>	<u>37,557</u>
Income before contributions and transfers	<u>2,720,395</u>	<u>2,016,654</u>
Capital contributions	1,300	1,870
Transfers out	<u>(1,720,528)</u>	<u>(910,000)</u>
Increase (decrease) in net position	1,001,167	1,108,524
Net position at beginning of year - before restatement	11,089,224	9,980,700
Restatement	<u>(248,105)</u>	<u>-</u>
Net position at beginning of year - after restatement	<u>10,841,119</u>	<u>9,980,700</u>
Net position at end of year	<u>\$ 11,842,286</u>	<u>\$ 11,089,224</u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014 (1)
Cash flows from (to) operating activities:		
Cash received from customers	\$14,337,370	\$13,799,495
Cash payments for goods and services	(9,415,824)	(9,655,941)
Cash payments for employee services and fringe benefits	(1,070,145)	(1,041,000)
Net cash from operating activities	<u>3,851,401</u>	<u>3,102,554</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(1,720,528)	(910,000)
Net cash to noncapital financing activities	<u>(1,720,528)</u>	<u>(910,000)</u>
Cash flows from (to) capital and related financing activities:		
Contributed capital	1,300	1,870
Interest paid	(2,444)	(3,324)
Payments for capital acquisitions	(355,030)	(207,982)
Principal payments on long-term obligations	(39,322)	(38,442)
Net cash from (to) capital and related financing activities	<u>(395,496)</u>	<u>(247,878)</u>
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(1,376,799)	(839,563)
Interest received from investments	37,845	40,881
Net cash from (to) investing activities	<u>(1,338,954)</u>	<u>(798,682)</u>
Net increase (decrease) in cash	396,423	1,145,994
Cash at beginning of year (including \$1,169,598 and \$926,755 in restricted cash)	<u>2,848,957</u>	<u>1,702,963</u>
Cash at end of year (including \$1,189,470 and \$1,169,598 in restricted cash)	<u>\$ 3,245,380</u>	<u>\$ 2,848,957</u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014 (1)
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 2,734,078	\$ 1,979,097
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	428,957	414,778
Loss on disposal of assets	49,084	-
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	28,507	(206,442)
(Increase) decrease in prepaid items	838	(3,002)
(Increase) decrease in inventory	3,626	42,446
(Increase) decrease in due from other funds	70,585	(85,721)
(Increase) decrease in deferred outflows of resources	(17,541)	-
Increase (decrease) in net OPEB obligation	84,775	79,539
Increase (decrease) in net pension liability/obligation	(18,374)	(50)
Increase (decrease) in accounts payable	(194,154)	66,027
Increase (decrease) in accrued liabilities	5,601	10,700
Increase (decrease) in due to other funds	(31,545)	347,462
Increase (decrease) in customer deposits	50,844	(6,767)
Increase (decrease) in deferred inflows of resources	656,120	464,487
Net cash from operating activities	\$ 3,851,401	\$ 3,102,554

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	2015	2014 (As Restated)
Assets:		
Current assets:		
Cash	\$ 537,238	\$ 579,124
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	141,104	129,843
Due from other funds	275,406	283,187
Prepaid items	-	476
Total current assets	<u>953,748</u>	<u>992,630</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>245,160</u>	<u>329,535</u>
Total assets	<u>1,198,908</u>	<u>1,322,165</u>
Deferred outflows of resources:		
Related to pensions	<u>29,188</u>	<u>18,955</u>
Liabilities:		
Current liabilities:		
Accounts payable	29,529	26,217
Accrued liabilities	14,945	12,121
Accrued compensated absences	12,118	12,171
Customer deposits	228,402	209,001
Due to other funds	-	144,972
Capital leases - current	-	11,576
Total current liabilities	<u>284,994</u>	<u>416,058</u>
Long-term liabilities (net of current portion):		
Net OPEB obligation	146,001	-
Accrued compensated absences	3,029	3,043
Net pension liability	160,753	171,471
Total long-term liabilities	<u>309,783</u>	<u>174,514</u>
Total liabilities	<u>594,777</u>	<u>590,572</u>
Deferred inflows of resources:		
Related to pensions	<u>11,869</u>	<u>-</u>
Net position:		
Net investment in capital assets	245,160	317,959
Unrestricted	376,290	432,589
Total net position	<u>\$ 621,450</u>	<u>\$ 750,548</u>

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET
POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014 (1)</u>
Operating revenues:		
Charges for services	\$ 1,682,161	\$ 1,594,523
Other	9	182
Total operating revenues	<u>1,682,170</u>	<u>1,594,705</u>
Operating expenses:		
Personal services	844,595	640,555
Operating	513,642	510,539
Depreciation	108,933	147,549
Total operating expenses	<u>1,467,170</u>	<u>1,298,643</u>
Operating income (loss)	<u>215,000</u>	<u>296,062</u>
Nonoperating revenues (expenses):		
Interest expense	(108)	(1,340)
Total nonoperating revenues (expenses)	<u>(108)</u>	<u>(1,340)</u>
Income (loss) before transfers	<u>214,892</u>	<u>294,722</u>
Transfers out	<u>(343,990)</u>	<u>(340,000)</u>
Increase (decrease) in net position	<u>(129,098)</u>	<u>(45,278)</u>
Net position at beginning of year - before restatement	895,532	940,810
Restatement	<u>(144,984)</u>	-
Net position at beginning of year - after restatement	<u>750,548</u>	<u>940,810</u>
Net position at end of year	<u>\$ 621,450</u>	<u>\$ 895,532</u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014 (1)
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,690,310	\$ 1,612,882
Cash payments for goods and services	(647,045)	(606,277)
Cash payments for employee services and fringe benefits	(704,919)	(638,158)
Net cash from (to) operating activities	<u>338,346</u>	<u>368,447</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(343,990)	(340,000)
Net cash from (to) noncapital financing activities	<u>(343,990)</u>	<u>(340,000)</u>
Cash flows from (to) capital and related financing activities:		
Interest paid	(108)	(1,340)
Payments for capital acquisitions	(24,558)	(187,543)
Principal payments on long-term obligations	(11,576)	(27,064)
Net cash from (to) capital and related financing activities	<u>(36,242)</u>	<u>(215,947)</u>
Net increase (decrease) in cash	(41,886)	(187,500)
Cash at beginning of year (including \$0 and \$190,314 in restricted cash)	<u>579,124</u>	<u>766,624</u>
Cash at end of year (including \$0 in restricted cash)	<u>\$ 537,238</u>	<u>\$ 579,124</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 215,000	\$ 296,062
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	108,933	147,549
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(11,261)	(390)
(Increase) decrease in due from other funds	7,781	(208,769)
(Increase) decrease in prepaid items	476	(476)
(Increase) decrease in deferred outflows of resources	(10,233)	-
Increase (decrease) in net OPEB obligation	146,001	-
Increase (decrease) in net pension liability/obligation	(10,718)	(28)
Increase (decrease) in accounts payable	3,312	26,217
Increase (decrease) in accrued liabilities	2,757	2,425
Increase (decrease) in customer deposits	19,401	18,567
Increase (decrease) in due to other funds	(144,972)	87,290
Increase (decrease) in deferred inflows of resources	11,869	-
Net cash from operating activities	<u>\$ 338,346</u>	<u>\$ 368,447</u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

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INTERNAL SERVICE FUNDS

Internal Service Funds account for services performed by a central service department for other departments or agencies of the government unit.

Customer Service Fund – This fund performs customer service functions relating to Acworth Power, Acworth Sanitation, administers the City's Occupational Tax and Property Tax programs. These functions include the billing of customers, collection of payments and processing customer calls for service. The Customer Service Fund bills the applicable funds for the services rendered.

Insurance Fund – This fund accounts for the costs of administering the workers compensation, medical, vision and dental insurance for all City employees and eligible retirees.

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

Assets:	Customer Service Fund	Insurance	Totals
Current assets:			
Cash	\$ 157,685	\$ -	\$ 157,685
Accounts receivable	1,689	35,023	36,712
Prepaid items	3,214	125,302	128,516
Due from other funds	7,840	633,636	641,476
Other assets	-	38,852	38,852
	<u>170,428</u>	<u>832,813</u>	<u>1,003,241</u>
Total current assets	<u>170,428</u>	<u>832,813</u>	<u>1,003,241</u>
Total assets	<u>170,428</u>	<u>832,813</u>	<u>1,003,241</u>
Deferred outflows of resources:			
Related to pensions	<u>16,678</u>	<u>-</u>	<u>16,678</u>
Liabilities:			
Current liabilities:			
Accounts and claims payable	8,758	120,309	129,067
Accrued liabilities	8,859	-	8,859
Accrued compensated absences	<u>12,222</u>	<u>-</u>	<u>12,222</u>
Total current liabilities	<u>29,839</u>	<u>120,309</u>	<u>150,148</u>
Long-term liabilities (net of current portion):			
Accrued compensated absences	3,056	-	3,056
Net pension liability	<u>91,858</u>	<u>-</u>	<u>91,858</u>
Total long-term liabilities	<u>94,914</u>	<u>-</u>	<u>94,914</u>
Total liabilities	<u>124,753</u>	<u>120,309</u>	<u>245,062</u>
Deferred inflows of resources:			
Related to pensions	<u>6,783</u>	<u>-</u>	<u>6,783</u>
Net position:			
Unrestricted	<u>55,570</u>	<u>712,504</u>	<u>768,074</u>
Total net position	<u>\$ 55,570</u>	<u>\$ 712,504</u>	<u>\$ 768,074</u>

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 585,059	\$ 1,982,064	\$ 2,567,123
Other	19,433	-	19,433
Total operating revenues	<u>604,492</u>	<u>1,982,064</u>	<u>2,586,556</u>
Operating expenses:			
Personal services	411,383	-	411,383
Operating	89,487	2,114,786	2,204,273
Total operating expenses	<u>500,870</u>	<u>2,114,786</u>	<u>2,615,656</u>
Operating income (loss)	<u>103,622</u>	<u>(132,722)</u>	<u>(29,100)</u>
Income (loss) before transfers	<u>103,622</u>	<u>(132,722)</u>	<u>(29,100)</u>
Transfers in	-	100,000	100,000
Transfers out	(75,000)	-	(75,000)
Increase (decrease) in net position	<u>28,622</u>	<u>(32,722)</u>	<u>(4,100)</u>
Net position at beginning of year - before restatement	109,321	745,226	854,547
Restatement	(82,373)	-	(82,373)
Net position at beginning of year - after restatement	<u>26,948</u>	<u>745,226</u>	<u>772,174</u>
Net position at end of year	<u>\$ 55,570</u>	<u>\$ 712,504</u>	<u>\$ 768,074</u>

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 608,756	\$ 1,914,210	\$ 2,522,966
Cash payments for goods and services	(104,515)	-	(104,515)
Cash payments for benefits and claims	-	(2,014,210)	(2,014,210)
Cash payments for employee services and fringe benefits	(412,547)	-	(412,547)
Net cash from (to) operating activities	<u>91,694</u>	<u>(100,000)</u>	<u>(8,306)</u>
Cash flows from (to) noncapital financing activities:			
Transfers in	-	100,000	100,000
Transfers out	(75,000)	-	(75,000)
Net cash from (to) noncapital financing activities	<u>(75,000)</u>	<u>100,000</u>	<u>25,000</u>
Net increase (decrease) in cash	16,694	-	16,694
Cash at beginning of year	<u>140,991</u>	<u>-</u>	<u>140,991</u>
Cash at end of year	<u>\$ 157,685</u>	<u>\$ -</u>	<u>\$ 157,685</u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 103,622	\$ (132,722)	\$ (29,100)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(208)	(35,023)	(35,231)
(Increase) decrease in prepaid items	(2,944)	55,921	52,977
(Increase) decrease in due from other funds	4,472	(32,831)	(28,359)
(Increase) decrease in other assets	-	(38,852)	(38,852)
(Increase) decrease in deferred outflows of resources	(5,847)	-	(5,847)
Increase (decrease) in net pension liability	(6,125)	-	(6,125)
Increase (decrease) in accounts and claims payable	1,356	83,507	84,863
Increase (decrease) in accrued liabilities	4,025	-	4,025
Increase (decrease) in due to other funds	(13,440)	-	(13,440)
Increase (decrease) in deferred inflows of resources	6,783	-	6,783
Net cash from (to) operating activities	<u>\$ 91,694</u>	<u>\$ (100,000)</u>	<u>\$ (8,306)</u>

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	2015	2014 (As Restated)
Assets:		
Current assets:		
Cash	\$ 157,685	\$ 140,991
Accounts receivable	1,689	1,481
Prepaid items	3,214	270
Due from other funds	7,840	12,312
Total current assets	<u>170,428</u>	<u>155,054</u>
Total assets	<u>170,428</u>	<u>155,054</u>
Deferred outflows of resources:		
Related to pensions	<u>16,678</u>	<u>10,831</u>
Liabilities:		
Current liabilities:		
Accounts payable	8,758	7,402
Accrued liabilities	8,859	7,631
Accrued compensated absences	12,222	9,985
Due to other funds	-	13,440
Total current liabilities	<u>29,839</u>	<u>38,458</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,056	2,496
Net pension liability	91,858	97,983
Total long-term liabilities	<u>94,914</u>	<u>100,479</u>
Total liabilities	<u>124,753</u>	<u>138,937</u>
Deferred inflows of resources:		
Related to pensions	<u>6,783</u>	-
Net position:		
Unrestricted	<u>55,570</u>	<u>26,948</u>
Total net position	<u>\$ 55,570</u>	<u>\$ 26,948</u>

**CITY OF ACWORTH, GEORGIA
 CUSTOMER SERVICE
 INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
 POSITION
 FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014 (1)</u>
Operating revenues:		
Charges for services	\$ 585,059	\$ 569,750
Other	19,433	17,250
Total operating revenues	<u>604,492</u>	<u>587,000</u>
Operating expenses:		
Personal services	411,383	400,800
Operating	89,487	126,190
Total operating expenses	<u>500,870</u>	<u>526,990</u>
Operating income (loss)	<u>103,622</u>	<u>60,010</u>
Income (loss) before transfers	103,622	60,010
Transfers out	<u>(75,000)</u>	<u>(60,000)</u>
Increase (decrease) in net position	28,622	10
Net position - beginning, before restatement	109,321	109,311
Restatement	<u>(82,373)</u>	<u>-</u>
Net position at beginning of year	<u>26,948</u>	<u>109,311</u>
Net position at end of year	<u>\$ 55,570</u>	<u>\$ 109,321</u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014 (1)
Cash flows from (to) operating activities:		
Cash received from customers	\$ 608,756	\$ 577,139
Cash payments for goods and services	(104,515)	(104,824)
Cash payments for employee services and fringe benefits	(412,547)	(397,137)
Net cash from (to) operating activities	<u>91,694</u>	<u>75,178</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(75,000)	(60,000)
Net cash from (to) noncapital financing activities	<u>(75,000)</u>	<u>(60,000)</u>
Net increase (decrease) in cash	16,694	15,178
Cash at beginning of year	<u>140,991</u>	<u>125,813</u>
Cash at end of year	<u><u>\$ 157,685</u></u>	<u><u>\$ 140,991</u></u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 103,622	\$ 60,010
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(208)	(114)
(Increase) decrease in prepaid items	(2,944)	3,519
(Increase) decrease in due from other funds	4,472	(9,747)
(Increase) decrease in deferred outflows of resources	(5,847)	-
Increase (decrease) in net pension liability/obligation	(6,125)	(18)
Increase (decrease) in accounts payable	1,356	5,413
Increase (decrease) in accrued liabilities	4,025	3,681
Increase (decrease) in due to other funds	(13,440)	12,434
Increase (decrease) in deferred inflows of resources	6,783	-
Net cash from (to) operating activities	<u><u>\$ 91,694</u></u>	<u><u>\$ 75,178</u></u>

(1) The effect of implementing GASB No. 68 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2015 AND 2014**

	2015	2014
Assets:		
Current assets:		
Accounts receivable	\$ 35,023	\$ -
Prepaid items	125,302	181,223
Due from other funds	633,636	600,805
Other assets	38,852	-
Total assets	<u>832,813</u>	<u>782,028</u>
Liabilities:		
Current liabilities:		
Accounts and claims payable	<u>120,309</u>	<u>36,802</u>
Total liabilities	<u>120,309</u>	<u>36,802</u>
Net position:		
Unrestricted	<u>712,504</u>	<u>745,226</u>
Total net position	<u>\$ 712,504</u>	<u>\$ 745,226</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 1,982,064	\$ 1,744,294
Total operating revenues	<u>1,982,064</u>	<u>1,744,294</u>
Operating expenses:		
Operating	<u>2,114,786</u>	<u>1,636,801</u>
Total operating expenses	<u>2,114,786</u>	<u>1,636,801</u>
Operating income (loss)	<u>(132,722)</u>	<u>107,493</u>
Income (loss) before transfers	<u>(132,722)</u>	<u>107,493</u>
Transfers in	<u>100,000</u>	<u>-</u>
Increase (decrease) in net position	(32,722)	107,493
Net position at beginning of year	<u>745,226</u>	<u>637,733</u>
Net position at end of year	<u>\$ 712,504</u>	<u>\$ 745,226</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$ 1,914,210	\$ 1,637,150
Cash payments for benefits and claims	<u>(2,014,210)</u>	<u>(1,637,150)</u>
Net cash from (to) operating activities	<u>(100,000)</u>	<u>-</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	<u>100,000</u>	<u>-</u>
Net cash from (to) noncapital financing activities	<u>100,000</u>	<u>-</u>
Net increase (decrease) in cash	-	-
Cash at beginning of year	<u>-</u>	<u>-</u>
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ (132,722)	\$ 107,493
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(35,023)	-
(Increase) decrease in prepaid items	55,921	15,217
(Increase) decrease in due from other funds	(32,831)	(107,144)
(Increase) decrease in other assets	(38,852)	-
Increase (decrease) in accounts and claims payable	<u>83,507</u>	<u>(15,566)</u>
Net cash from (to) operating activities	<u>\$ (100,000)</u>	<u>\$ -</u>

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SUPPLEMENTAL INFORMATION

CITY OF ACWORTH, GEORGIA
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2015

	<u>Acworth Tourism Bureau Authority</u>
Assets:	
Investments	\$ 65,955
Due from other governments	23,303
Due from primary government	10,489
Prepaid items	<u>1,667</u>
Total assets	<u><u>\$ 101,414</u></u>
Liabilities:	
Accounts payable	\$ 548
Due to primary government	<u>23,823</u>
Total liabilities	<u>24,371</u>
Equity:	
Fund balance:	
Nonspendable	1,667
Restricted	<u>75,376</u>
Total equity	<u>77,043</u>
Total liabilities and equity	<u><u>\$ 101,414</u></u>
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	<u>7,065</u>
Net position of component unit	<u><u>\$ 84,108</u></u>

**CITY OF ACWORTH, GEORGIA
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Acworth Tourism Bureau Authority</u>
Revenues:	
Intergovernmental	\$ 50,633
Investment earnings	123
Total revenues	<u>50,756</u>
Expenditures:	
Culture and recreation	<u>86,844</u>
Total expenditures	<u>86,844</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,088)</u>
Net change in fund balance	<u>(36,088)</u>
Fund balance at beginning of year	<u>113,131</u>
Fund balance at end of year	<u><u>\$ 77,043</u></u>

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

Component unit reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When assets are sold or retired, the difference between the sales proceeds, if any, and the net book value of the assets is reported in the statement of activities as a gain or loss.

Depreciation expense	<u>\$ (2,298)</u>
Net change in fund balance	<u>(36,088)</u>
Change in net position of component unit on the statement of activities	<u><u>\$ (38,386)</u></u>

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2015**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
	12/01/15	457,484	62,484	395,000
Tax Allocation District Bonds - Series 2013	06/01/16	57,468	57,468	-
Lakeside Project ;\$5,595,000	12/01/16	462,468	57,468	405,000
bi-annual debt service; 2.54%	06/01/17	52,324	52,324	-
Debt service is paid from tax increment with	12/01/17	467,324	52,324	415,000
	06/01/18	47,054	47,054	-
	12/01/18	472,054	47,054	425,000
	06/01/19	41,656	41,656	-
	12/01/19	476,656	41,656	435,000
	06/01/20	36,132	36,132	-
	12/01/20	481,132	36,132	445,000
	06/01/21	30,480	30,480	-
	12/01/21	485,480	30,480	455,000
	06/01/22	24,702	24,702	-
	12/01/22	494,702	24,702	470,000
	06/01/23	18,733	18,733	-
	12/01/23	498,733	18,733	480,000
	06/01/24	12,637	12,637	-
	12/01/24	502,637	12,637	490,000
	06/01/25	6,414	6,414	-
	12/01/25	511,414	6,414	505,000
		\$ 5,637,677	\$ 717,677	\$ 4,920,000
Jail & Court Services Facility Renovations ar	1/7/2016	269,222	62,056	207,165
\$3,840,000; Fixed Rate - 3.41%	7/7/2016	58,524	58,524	
Mature - 01/07/2029	1/7/2017	272,754	58,524	214,230
	7/7/2017	54,872	54,872	
	1/7/2018	276,406	54,872	221,535
	7/7/2018	51,094	51,094	
	1/7/2019	280,183	51,094	229,089
	7/7/2019	47,188	47,188	
	1/7/2020	284,089	47,188	236,901
	7/7/2020	43,149	43,149	
	1/7/2021	288,129	43,149	244,979
	7/7/2021	38,972	38,972	
	1/7/2022	292,306	38,972	253,333
	7/7/2022	34,653	34,653	
	1/7/2023	296,625	34,653	261,972
	7/7/2023	30,186	30,186	
	1/7/2024	301,091	30,186	270,905
	7/7/2024	25,567	25,567	
	1/7/2025	305,710	25,567	280,143
	7/7/2025	20,791	20,791	
	1/7/2026	310,487	20,791	289,696

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2015

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	7/7/2026	15,852	15,852	
	1/7/2027	315,426	15,852	299,574
	7/7/2027	10,744	10,744	
	1/7/2028	320,534	10,744	309,790
	7/7/2028	5,462	5,462	
	1/7/2029	<u>325,816</u>	<u>5,462</u>	<u>320,354</u>
		<u>\$ 4,575,833</u>	<u>\$ 936,167</u>	<u>\$ 3,639,666</u>
City Hall and Sports Complex 06/28/2013; : Interest payment semi-annual; Principal pa 1.74% Interest Rate	10/1/2015	24,021	24,021	-
	4/1/2016	349,021	24,021	325,000
	10/1/2016	21,193	21,193	-
	4/1/2017	351,193	21,193	330,000
	10/1/2017	18,322	18,322	-
	4/1/2018	354,322	18,322	336,000
	10/1/2018	15,399	15,399	-
	4/1/2019	357,399	15,399	342,000
	10/1/2019	12,424	12,424	-
	4/1/2020	360,424	12,424	348,000
	10/1/2020	9,396	9,396	-
	4/1/2021	363,396	9,396	354,000
	10/1/2021	6,316	6,316	-
	4/1/2022	366,316	6,316	360,000
	10/1/2022	3,184	3,184	-
	4/1/2023	<u>369,184</u>	<u>3,184</u>	<u>366,000</u>
		<u>\$ 2,981,510</u>	<u>\$ 220,510</u>	<u>\$ 2,761,000</u>
Recreation Facilities Installment Sales Agreement - Acworth Lak Authority revenue Bonds, Series 2008 \$975,000 @ 3.6% interest rate	1/1/2016	5,940	5,940	-
	7/1/2016	110,940	5,940	105,000
	1/1/2017	4,050	4,050	-
	7/1/2017	114,050	4,050	110,000
	1/1/2018	2,070	2,070	-
	7/1/2018	<u>117,070</u>	<u>2,070</u>	<u>115,000</u>
		<u>\$ 354,120</u>	<u>\$ 24,120</u>	<u>\$ 330,000</u>
CableNET Project Refunding Bonds; Series 2 \$9,645,000; Fixed Rate - 3.97% Mature - 07/01/2028	1/1/2016	142,126	142,126	-
	7/1/2016	562,126	142,126	420,000
	1/1/2017	133,789	133,789	-
	7/1/2017	573,789	133,789	440,000
	1/1/2018	125,055	125,055	-
	7/1/2018	585,055	125,055	460,000
	1/1/2019	115,924	115,924	-
	7/1/2019	595,924	115,924	480,000

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2015

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	1/1/2020	106,396	106,396	-
	7/1/2020	606,396	106,396	500,000
	1/1/2021	96,471	96,471	-
	7/1/2021	616,471	96,471	520,000
	1/1/2022	86,149	86,149	-
	7/1/2022	631,149	86,149	545,000
	1/1/2023	75,331	75,331	-
	7/1/2023	640,331	75,331	565,000
	1/1/2024	64,116	64,116	-
	7/1/2024	654,116	64,116	590,000
	1/1/2025	52,404	52,404	-
	7/1/2025	672,404	52,404	620,000
	1/1/2026	40,097	40,097	-
	7/1/2026	685,097	40,097	645,000
	1/1/2027	27,279	27,279	-
	7/1/2027	702,279	27,279	675,000
	1/1/2028	13,909	13,909	-
	7/1/2028	713,909	13,909	700,000
		<u>\$ 9,318,091</u>	<u>\$ 2,158,091</u>	<u>\$ 7,160,000</u>

Net pension liability	\$ 1,768,277
Net OPEB obligation	2,770,780
Accrued compensated absences	<u>218,388</u>

TOTAL GENERAL LONG-TERM DEBT \$ 23,568,111

ENTERPRISE FUNDS

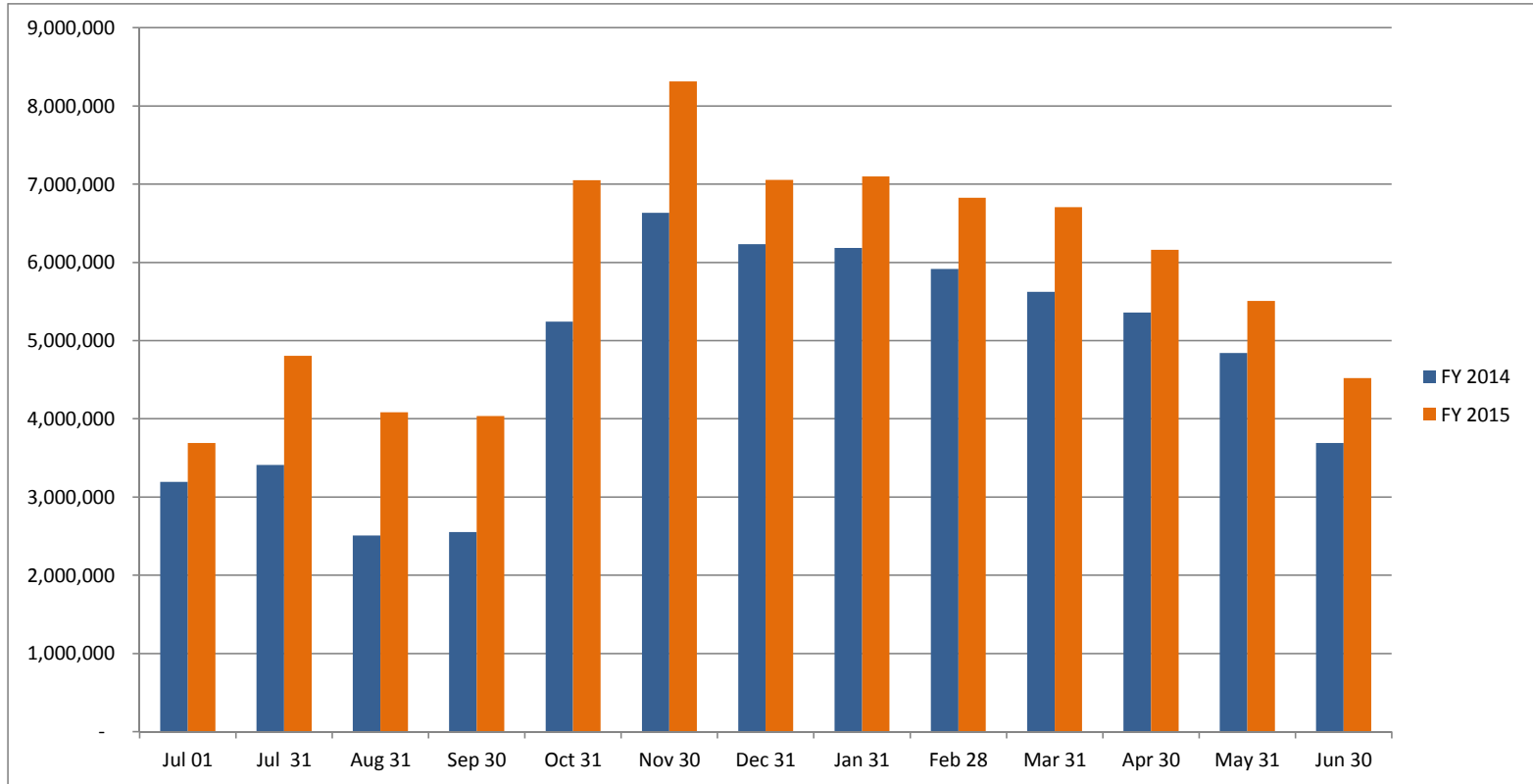
Electrical Power Fund

2012 Bucket Truck	7/24/2015	3,481	168	3,313
09/24/2012 - \$197,633; 2.19%; 60 months; \$3,480.52/monthly	8/24/2015	3,480	161	3,319
	9/24/2015	3,481	156	3,325
	10/24/2015	3,480	148	3,332
	11/24/2015	3,481	143	3,338
	12/24/2015	3,480	136	3,344
	1/24/2016	3,481	131	3,350
	2/24/2016	3,480	124	3,356
	3/24/2016	3,481	119	3,362
	4/24/2016	3,480	112	3,368
	5/24/2016	3,481	107	3,374
	6/24/2016	3,480	100	3,380
	7/24/2016	3,481	94	3,387

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2015

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	8/24/2016	3,480	87	3,393
	9/24/2016	3,481	82	3,399
	10/24/2016	3,480	75	3,405
	11/24/2016	3,481	70	3,411
	12/24/2016	3,480	62	3,418
	1/24/2017	3,481	57	3,424
	2/24/2017	3,480	50	3,430
	3/24/2017	3,481	45	3,436
	4/24/2017	3,480	37	3,443
	5/24/2017	3,481	32	3,449
	6/24/2017	3,480	25	3,455
	7/24/2017	3,481	19	3,462
	8/24/2017	3,480	12	3,468
	9/24/2017	3,481	37	3,444
		<u>\$ 93,974</u>	<u>\$ 2,389</u>	<u>\$ 91,585</u>
Net pension liability				275,576
Net OPEB Obligation				637,268
Compensated Absences				<u>48,540</u>
Total Electrical Power Fund				<u>\$ 1,052,969</u>
Sanitation Fund				
Net pension liability				\$ 160,753
Net OPEB Obligation				146,001
Compensated Absences				<u>15,147</u>
Total Solid Waste Sanitation Fund				<u>\$ 321,901</u>
TOTAL ENTERPRISE FUNDS				
				<u>\$ 1,374,870</u>
INTERNAL SERVICE FUNDS				
Customer Service Fund				
Net pension liability				\$ 91,858
Compensated Absences				<u>15,278</u>
TOTAL INTERNAL SERVICE FUNDS				<u>\$ 107,136</u>

City of Acworth, Georgia
General Fund Schedule of Unassigned Fund Balance by Month
Fiscal Years 2014 and 2015



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STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help readers assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Except where noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

CITY OF ACWORTH, GEORGIA
GOVERNMENT - WIDE NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>Fiscal Year Ended December 31,</u>			<u>Fiscal Year Ended June 30,</u>						
	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>	<u>2011</u>	<u>2012 (1)</u>	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>
Governmental Activities										
Net investment in capital assets	\$ 34,190,775	\$ 34,345,532	\$ 33,985,948	\$ 34,171,629	\$ 32,822,306	\$ 32,095,552	\$ 32,488,823	\$ 33,087,992	\$ 41,531,232	\$ 42,518,514
Restricted	5,312,596	5,474,008	5,772,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961	6,086,764	7,226,407
Unrestricted	(1,304,330)	(428,906)	(76,953)	(3,303,952)	(3,244,415)	(2,696,525)	(10,054,498)	(8,995,080)	(10,419,765)	(9,883,096)
Subtotal Governmental Activities Net Position	<u>38,199,041</u>	<u>39,390,634</u>	<u>39,681,478</u>	<u>36,431,341</u>	<u>36,610,531</u>	<u>36,576,948</u>	<u>30,073,864</u>	<u>32,350,873</u>	<u>37,198,231</u>	<u>39,861,825</u>
Business-Type Activities										
Net investment in capital assets	6,271,552	6,369,610	6,246,611	6,095,349	5,956,187	5,670,482	5,441,010	5,153,818	5,052,522	4,846,950
Restricted	-	-	500,000	-	-	-	-	-	-	-
Unrestricted	(5,613,929)	(3,869,450)	(4,501,350)	(4,105,802)	(3,438,357)	(2,047,477)	5,289,983	5,993,873	6,707,323	7,782,477
Subtotal Business-Type Activities Net Position	<u>657,623</u>	<u>2,500,160</u>	<u>2,245,261</u>	<u>1,989,547</u>	<u>2,517,830</u>	<u>3,623,005</u>	<u>10,730,993</u>	<u>11,147,691</u>	<u>11,759,845</u>	<u>12,629,427</u>
Primary Government										
Net investment in capital assets	40,462,327	40,715,142	40,232,559	40,266,978	38,778,493	37,766,034	37,929,833	38,241,810	46,583,754	47,365,464
Restricted	5,312,596	5,474,008	6,272,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961	6,086,764	7,226,407
Unrestricted	(6,918,259)	(4,298,356)	(4,578,303)	(7,409,754)	(6,682,772)	(4,744,002)	(4,764,515)	(3,001,207)	(3,712,442)	(2,100,619)
Total Primary Government Net Position	<u>\$ 38,856,664</u>	<u>\$ 41,890,794</u>	<u>\$ 41,926,739</u>	<u>\$ 38,420,888</u>	<u>\$ 39,128,361</u>	<u>\$ 40,199,953</u>	<u>\$ 40,804,857</u>	<u>\$ 43,498,564</u>	<u>\$ 48,958,076</u>	<u>\$ 52,491,252</u>

Notes:

(1) As restated.

(2) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31.
Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009.

CITY OF ACWORTH, GEORGIA
CHANGES IN NET POSITION - TOTAL
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended December 31,			Fiscal Year Ended June 30,						
	2006	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015
Expenses:										
Governmental activities	\$ 10,894,977	\$ 13,331,013	\$ 13,909,175	\$ 6,687,448	\$ 13,891,839	\$ 13,646,586	\$ 14,309,472	\$ 13,633,681	\$ 15,600,298	\$ 16,847,319
Business-type activities	11,038,810	11,402,027	11,771,469	5,810,804	11,827,593	12,355,258	12,436,270	12,756,520	12,788,057	12,334,462
Total Expenses	<u>21,933,787</u>	<u>24,733,040</u>	<u>25,680,644</u>	<u>12,498,252</u>	<u>25,719,432</u>	<u>26,001,844</u>	<u>26,745,742</u>	<u>26,390,201</u>	<u>28,388,355</u>	<u>29,181,781</u>
Program Revenues:										
Governmental activities	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204	6,687,986	7,359,080
Business-type activities	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717
Total Program Revenues	<u>19,224,881</u>	<u>17,076,965</u>	<u>15,941,599</u>	<u>7,655,666</u>	<u>17,057,106</u>	<u>17,888,566</u>	<u>18,395,029</u>	<u>19,850,726</u>	<u>21,832,778</u>	<u>22,664,797</u>
Net (Expense) Revenue	<u>(2,708,906)</u>	<u>(7,656,075)</u>	<u>(9,739,045)</u>	<u>(4,842,586)</u>	<u>(8,662,326)</u>	<u>(8,113,278)</u>	<u>(8,350,713)</u>	<u>(6,539,475)</u>	<u>(6,555,577)</u>	<u>(6,516,984)</u>
General Revenues and Transfers:										
Governmental activities	7,971,250	9,593,064	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486	10,923,236	12,151,833
Business-type activities	290,138	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)
Total General Revenues and Transfers	<u>8,261,388</u>	<u>10,690,205</u>	<u>9,774,990</u>	<u>1,336,735</u>	<u>9,572,677</u>	<u>9,184,870</u>	<u>9,134,937</u>	<u>9,233,182</u>	<u>9,654,117</u>	<u>10,050,160</u>
Changes in Net Position	<u>\$ 5,552,482</u>	<u>\$ 3,034,130</u>	<u>\$ 35,945</u>	<u>\$ (3,505,851)</u>	<u>\$ 910,351</u>	<u>\$ 1,071,592</u>	<u>\$ 784,224</u>	<u>\$ 2,693,707</u>	<u>\$ 3,098,540</u>	<u>\$ 3,533,176</u>

Notes:

- (1) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30,
- (2) As restated.
- (3) FY2014 has been restated and the effect of these restatements to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
CHANGES IN NET POSITION - GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended December 31,				Fiscal Year Ended June 30,					
	2006	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015
Expenses:										
General government	\$ 1,863,653	\$ 1,990,437	\$ 1,749,087	\$ 981,054	\$ 2,004,955	\$ 1,842,027	\$ 1,968,349	\$ 2,018,223	\$ 2,609,694	\$ 3,091,117
Judicial	291,072	363,383	406,441	237,822	423,891	371,570	350,971	376,499	395,493	414,891
Health and welfare	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668
Public works	2,975,825	3,385,142	3,408,553	1,679,483	3,543,776	3,666,566	3,470,031	3,229,552	3,304,938	3,800,570
Culture and recreation	1,400,126	1,833,692	2,379,781	1,174,998	2,082,237	2,124,868	2,088,689	1,622,427	2,681,118	2,763,205
Public safety	3,025,874	3,583,909	4,067,441	1,950,445	4,068,427	4,122,196	4,312,644	4,209,328	4,450,562	4,966,721
Housing and development	664,585	1,528,600	1,259,224	349,078	1,162,929	945,222	981,001	994,734	1,032,121	926,219
Interest and fiscal charges	660,325	643,457	635,536	313,112	603,875	573,085	1,131,515	1,181,927	1,125,283	882,928
Total Expenses	10,894,977	13,331,013	13,909,175	6,687,448	13,891,839	13,646,586	14,309,472	13,633,681	15,600,298	16,847,319
Program Revenues:										
Charges for Services:										
General government	188,993	193,933	180,197	71,358	167,312	190,155	217,284	214,352	238,294	231,605
Judicial	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306
Public works	35,746	24,085	25,724	6,820	9,090	26,793	20,982	18,866	33,375	28,481
Culture and recreation	357,783	363,368	336,271	171,720	353,160	457,073	394,608	430,099	463,883	569,999
Public safety	47,943	64,367	27,246	11,401	25,312	22,526	27,389	23,440	65,333	95,102
Housing and development	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632	216,779	406,544
Operating grants and contributions	4,769	2,855	41,629	52,761	185,071	51,166	100,439	122,508	291,322	235,434
Capital grants and contributions	5,792,213	3,011,179	2,201,668	1,116,991	2,631,914	2,166,754	2,696,513	2,968,210	4,217,065	4,707,609
Total Program Revenues	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204	6,687,986	7,359,080
Net (Expense) Revenue	(3,450,234)	(8,401,471)	(9,941,506)	(4,646,899)	(9,243,072)	(9,450,666)	(9,709,887)	(8,422,477)	(8,912,312)	(9,488,239)
General Revenues and Transfers:										
General revenues:										
Property taxes	4,513,677	4,992,145	5,302,654	211,192	5,321,112	5,122,901	4,874,050	4,828,872	5,227,730	5,305,820
Insurance premium tax	703,311	733,632	751,205	-	744,158	722,530	958,018	1,017,576	1,053,603	1,102,373
Alcohol taxes	417,803	454,868	461,838	222,419	434,368	430,223	458,547	466,203	466,400	468,573
Hotel, motel tax	134,925	127,745	115,685	49,262	109,608	115,272	112,969	126,816	139,982	188,530
Franchise taxes	920,760	1,110,268	1,092,569	690,534	1,288,181	1,381,657	1,383,083	1,349,413	1,370,578	1,416,619
Financial institution tax	14,394	17,638	17,636	50,373	20,287	29,702	25,798	37,504	33,745	33,761
Business Taxes	373,889	436,204	436,024	823	401,509	392,470	409,776	442,094	456,762	451,893
Contributions not restricted to a specific program	236,892	791,847	789,745	17,767	743,031	663,575	638,610	680,784	600,130	591,414
Operating grants not restricted to a specific programs	280,749	344,105	291,701	-	369,494	247,293	246,349	252,388	245,977	433,818
Insurance Proceeds	-	-	18,649	-	-	-	-	-	-	-
Unrestricted investment earnings	322,257	426,639	319,312	77,005	125,116	64,460	13,097	19,345	18,339	19,514
Gain (loss) on sale of capital assets	-	-	-	77,387	-	-	-	-	-	-
Transfers	52,593	157,973	635,332	-	96,083	247,000	1,094,754	1,478,491	1,310,000	2,139,518
Total General Revenues and Transfers	7,971,250	9,593,064	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486	10,923,246	12,151,833
Change in Net Position	\$ 4,521,016	\$ 1,191,593	\$ 290,844	\$ (3,250,137)	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009	\$ 2,010,934	\$ 2,663,594

(1) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 forward end June 30.

(2) As restated.

(3) FY2014 has been restated and the effect of these restatements to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended December 31,			Fiscal Year Ended June 30,						
	2006	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015
Expenses:										
Electrical Power	\$ 9,954,842	\$ 10,270,097	\$ 10,544,317	\$ 5,243,322	\$ 10,650,264	\$ 11,163,078	\$ 11,214,845	\$ 11,526,660	\$ 11,488,074	\$ 10,867,184
Sanitation	1,083,968	1,131,930	1,227,152	567,482	1,177,329	1,192,180	1,221,425	1,229,860	1,299,983	1,467,278
Total Expenses	11,038,810	11,402,027	11,771,469	5,810,804	11,827,593	12,355,258	12,436,270	12,756,520	12,788,057	12,334,462
Program Revenues:										
Charges for Services:										
Electrical Power	10,283,881	10,721,339	10,551,010	4,898,922	10,971,454	12,198,127	12,280,471	13,103,125	13,548,217	13,622,247
Sanitation	1,227,557	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378	1,594,705	1,682,170
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	268,700	128,265	35,409	9,531	2,125	9,025	15,295	5,019	1,870	1,300
Total Program Revenues	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717
Net (Expense) Revenue	741,328	745,396	202,461	(195,687)	580,746	1,337,388	1,359,174	1,883,002	2,356,735	2,971,255
General Revenues and Transfers:										
Unrestricted investment earnings	342,731	1,255,114	177,972	17,360	15,813	14,787	14,640	11,033	40,881	37,845
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	1,154	-	-
Transfers	(52,593)	(157,973)	(635,332)	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)	(1,310,000)	(2,139,518)
Total General Revenues and Transfers	290,138	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)
Changes in Net Position	\$ 1,031,466	\$ 1,842,537	\$ (254,899)	\$ (255,714)	\$ 500,476	\$ 1,105,175	\$ 279,060	\$ 416,698	\$ 1,087,616	\$ 869,582

Notes:

- (1) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010
- (2) As restated.
- (3) FY2014 has been restated and the effect of these restatements to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(accrual basis of accounting)

Program/Function	Fiscal Year Ended June 30,									
	2006	2007	2008	2009 (1)	2010	2011	2012 (3)	2013	2014 (4)	2015
Governmental Activities										
General government	\$ 188,993	\$ 193,933	\$ 180,197	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294	\$ 231,605
Judicial	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306
Public works (2)	5,652,076	2,026,796	1,904,112	966,532	2,425,920	2,143,256	2,677,012	2,839,088	4,195,856	2,870,130
Culture and recreation	460,149	1,247,849	660,011	328,999	626,495	486,815	463,083	625,403	584,902	1,061,642
Public safety	126,229	191,209	68,415	64,162	152,132	94,241	99,836	98,632	290,220	1,704,853
Housing and development	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632	216,779	406,544
Subtotal governmental activities	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204	6,687,986	7,359,080
Business-type activities										
Electric	10,552,581	10,849,604	10,586,419	4,908,453	10,973,579	12,207,152	12,295,766	13,108,144	13,550,087	13,623,547
Sanitation	1,227,557	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378	1,594,705	1,682,170
Subtotal business-type activities	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717
Total Primary Government	\$ 19,224,881	\$ 17,076,965	\$ 15,941,599	\$ 7,655,666	\$ 17,057,106	\$ 17,888,566	\$ 18,395,029	\$ 19,850,726	\$ 21,832,778	\$ 22,664,797

Notes:

- (1) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 forward end June 30.
- (2) Public Works 2006 and subsequent years are larger primarily as result of donated infrastructure and SPLOST funded projects.
- (3) Restated.
- (4) FY2014 has been restated and the effect of these restatements to previously reported changes in net position has not been determined.

City of Acworth, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2007 (1)</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010 (3)</u>	<u>2011 (3)</u>	<u>2012 (4)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 3,831,239	\$ 3,808,080	\$ 3,808,585	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,273,039	4,644,759	4,951,812	2,324,058	-	-	-	-	-	-
Non-spendable	-	-	-	-	253,995	269,441	245,943	237,982	272,111	61,309
Restricted	-	-	-	-	3,710,718	3,729,973	3,645,885	3,158,549	3,181,225	3,198,814
Committed	-	-	-	-	7,698	59,525	24,402	13,402	7,160	-
Assigned	-	-	-	-	34,468	29,984	29,222	426,844	451,576	23,300
Unassigned	-	-	-	-	2,537,862	2,720,302	3,114,548	3,194,965	3,689,509	4,522,607
Total General Fund	<u>\$ 8,104,278</u>	<u>\$ 8,452,839</u>	<u>\$ 8,760,397</u>	<u>\$ 6,338,457</u>	<u>\$ 6,544,741</u>	<u>\$ 6,809,225</u>	<u>\$ 7,060,000</u>	<u>\$ 7,031,742</u>	<u>\$ 7,601,581</u>	<u>\$ 7,806,030</u>
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects/Improvements	752,241	118,037	1,137,042	186,617	-	-	-	-	-	-
Unreserved										
Special Revenue Funds	666,154	381,377	361,116	260,841	-	-	-	-	-	-
Capital Projects/Improvements	521,819	1,806,940	924,119	1,609,492	-	-	-	-	-	-
Non-spendable	-	-	-	-	1,250	1,250	1,250	1,250	77,162	868,138
Restricted	-	-	-	-	3,181,024	3,446,698	3,992,404	5,098,162	6,473,100	3,159,455
Committed	-	-	-	-	10,167	498,442	264,315	330,351	10,245	99,486
Assigned	-	-	-	-	507,681	318,403	224,237	742,228	1,038,632	879,274
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 1,943,214</u>	<u>\$ 2,306,354</u>	<u>\$ 2,422,277</u>	<u>\$ 2,056,950</u>	<u>\$ 3,700,122</u>	<u>\$ 4,264,793</u>	<u>\$ 4,482,206</u>	<u>\$ 6,171,991</u>	<u>\$ 7,599,139</u>	<u>\$ 5,006,353</u>

NOTES:

- (1) FY2007 is restated due to the creation of a new special revenue fund to account for assets confiscated as a result of drug-related crimes.
- (2) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. All subsequent years end June 30.
- (3) The City adopted GASB 54 reporting for Fund Balance in Fiscal Year 2011. Fiscal Year 2010 has been restated for comparative purposes; FY2010 report figures differ.
- (4) Fiscal Year 2012 has been restated for implementation of GASB 61 and GASB 65.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012 (2)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:										
Taxes	\$ 7,048,319	\$ 7,906,346	\$ 8,001,223	\$ 1,371,320	\$ 8,531,068	\$ 8,385,438	\$ 8,460,186	\$ 8,589,855	\$ 9,006,639	\$ 9,396,110
Licenses and permits	523,353	343,770	275,196	89,141	217,691	228,062	248,398	337,662	262,984	498,578
Intergovernmental	2,094,595	3,626,295	3,008,241	1,049,663	3,370,402	2,854,668	3,355,670	4,485,645	4,227,472	4,724,006
Charges for services	466,873	439,446	703,809	205,484	491,125	517,494	511,358	541,620	645,122	747,805
Fines and forfeitures	605,048	881,110	893,736	585,684	1,074,817	1,250,253	980,759	1,224,165	1,368,753	1,247,837
Investment earnings	322,276	426,679	319,312	77,005	125,120	72,914	16,560	24,155	21,191	20,705
Contributions and donations	57,075	98,746	115,709	96,781	77,857	29,742	60,289	49,856	90,765	61,340
Other	81,888	68,630	94,001	37,539	64,073	76,279	98,138	85,512	111,321	87,290
Total revenues	11,199,427	13,791,022	13,411,227	3,512,617	13,952,153	13,414,850	13,731,358	15,338,470	15,734,247	16,783,671
Expenditures:										
Current:										
General Government	1,723,052	1,897,165	1,927,072	894,250	1,980,437	1,705,337	1,737,926	1,792,986	2,045,381	2,019,309
Public Safety	3,301,920	3,598,405	3,779,038	1,676,764	3,740,213	3,828,645	3,978,739	4,001,367	4,074,909	4,555,384
Public Works	796,544	872,567	932,068	419,362	930,192	949,323	926,744	961,549	1,023,966	1,044,454
Health and Welfare	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668
Housing and development	628,716	1,542,516	1,214,064	326,572	1,121,819	911,945	930,902	952,545	983,906	916,713
Judicial	291,072	369,160	405,082	237,142	413,747	358,569	338,509	376,499	387,141	410,749
Culture and recreation	1,209,298	1,407,751	2,037,873	1,008,452	1,916,828	1,562,883	1,644,360	1,768,951	2,011,917	2,170,214
Capital Projects	877,733	2,449,295	2,537,876	1,305,336	809,171	2,285,296	3,064,257	3,075,740	7,401,758	8,127,891
Debt Service										
Principal	536,741	585,661	703,244	449,331	678,889	678,078	1,062,523	1,005,211	1,102,000	1,414,334
Interest	642,295	625,427	622,359	307,961	607,036	562,781	875,445	929,097	908,813	626,858
Total Expenditures	10,020,888	13,350,340	14,161,788	6,626,626	12,200,081	12,843,909	14,565,677	14,864,936	19,940,880	21,287,574
Excess (deficiency) of revenues over expenditures	1,178,539	440,682	(750,561)	(3,114,009)	1,752,072	570,941	(834,319)	473,534	(4,206,633)	(4,503,903)
Other financing sources (uses):										
Transfers in	1,064,035	1,717,889	1,902,956	599,510	1,239,544	2,224,874	3,253,520	3,367,637	4,019,221	3,777,573
Transfers out	(1,011,442)	(1,559,916)	(1,267,624)	(522,123)	(1,143,461)	(1,977,874)	(2,218,520)	(2,297,637)	(2,709,221)	(1,738,055)
Payment to refunding agent	-	-	-	-	-	-	-	(3,300,000)	(5,285,000)	-
Proceeds from debt	-	-	-	-	-	-	-	3,407,000	5,595,000	-
Debt Issued	-	-	527,485	244,635	-	-	-	-	3,840,000	-
Capital lease proceeds	-	111,062	-	-	-	-	-	-	-	-
Sale of capital assets	3,119	1,984	11,225	4,720	1,301	11,214	20,035	10,993	743,620	76,048
Total other financing sources (uses)	55,712	271,019	1,174,042	326,742	97,384	258,214	1,055,035	1,187,993	6,203,620	2,115,566
Total Net change in fund balance	1,234,251	711,701	423,481	(2,787,267)	1,849,456	829,155	220,716	1,661,527	1,996,987	(2,388,337)
Debt service as a percentage of noncapital expenditures (1)	13.7%	11.2%	12.0%	14.4%	11.7%	11.5%	16.9%	16.4%	16.3%	15.4%

NOTE : The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Years 2010 forward end June 30.

(1) Fiscal Year 2010 percentage has been adjusted and differs from the prior issued report.

(2) Restated.

CITY OF ACWORTH, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

(1) Fiscal Year	(2) Property Tax	Insurance Premium Tax	Intangible Tax	Alcoholic Beverage Excise Tax	Hotel Motel Tax	Real Estate Transfer Tax	(3) Franchise Fees	(4) Other	Total
2006	4,412,595	703,311	49,875	417,803	134,925	20,765	920,760	388,283	7,048,317
2007	4,967,959	733,632	46,741	454,828	127,745	11,290	1,110,268	453,883	7,906,346
2008	5,091,896	751,205	26,689	461,838	115,685	7,680	1,092,569	453,660	8,001,222
2009	*	*	*	*	*	*	*	*	*
2010	5,509,677	744,158	19,163	434,368	109,608	4,118	1,288,181	421,795	8,531,068
2011	5,288,575	722,530	19,020	430,223	115,272	5,989	1,381,657	422,172	8,385,438
2012	5,086,566	958,018	21,769	458,547	112,969	5,002	1,383,083	434,232	8,460,186
2013	5,105,049	1,017,576	36,389	466,203	126,816	8,811	1,349,413	479,598	8,589,855
2014	5,450,671	1,053,603	24,185	466,400	139,982	10,713	1,370,578	490,507	9,006,639
2015	5,687,895	1,102,373	29,669	468,573	188,530	16,797	1,416,619	485,654	9,396,110

NOTE : Includes General and Special Revenue Funds. Special Purpose Local Option Sales Tax revenues are not included.

- (1) The City changed Fiscal Years. Fiscal Years 2006 to 2008 are ending December 31; Fiscal Years 2010 forward end June 30. The short reporting period for 2009 is not included since information would not reflect a trend.
- (2) 2007 - 2008 taxes were reduced by the Governor's Homeowners Tax Relief Grant that was included in years 2006 to 2008 and was not funded in subsequent years.
- (4) 2006 Differs from 2006 CAFR due to reclassification of Property Tax Penalties/Interest to Property Tax.

CITY OF ACWORTH, GEORGIA
TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
Last Ten Digest Years
(unaudited)

Amounts														
Digest Year	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Historical Property	Conservation Use Property	Public Utility	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value	1 2 Total Direct Tax Rate	Estimated Actual Value	Annual Percentage Change
2005	355,698,897	-	130,781,314	3,117,644	406,086	-	8,951,809	39,650,450	26,073,882	46,089,846	518,590,236	7.870	1,296,475,590	10.7%
2006	392,785,384	-	161,532,031	3,247,472	893,300	-	9,187,752	40,389,366	27,024,464	52,660,065	582,399,704	7.688	1,455,999,260	12.3%
2007	416,206,024	-	192,355,562	5,022,272	910,156	-	9,616,216	44,171,989	43,643,482	57,047,114	654,878,587	7.600	1,637,196,468	12.4%
2008	426,910,777	-	216,720,909	6,349,052	-	-	8,769,920	45,294,528	43,567,048	53,711,754	693,900,480	7.600	1,734,751,200	6.0%
2009	426,874,961	-	218,636,819	6,338,402	-	-	9,819,691	48,217,353	44,029,568	50,601,899	703,314,895	7.600	1,758,287,238	1.4%
2010	394,104,040	-	211,377,375	6,155,962	82,288	-	11,951,190	41,122,877	42,372,226	41,169,246	665,996,712	7.600	1,664,991,780	-5.3%
2011	372,302,549	-	194,290,388	6,161,082	100,458	-	11,870,518	39,684,262	41,638,334	26,318,183	639,729,408	7.600	1,599,323,520	-3.9%
2012	319,165,277	-	200,401,561	6,018,673	97,952	-	7,372,761	41,787,427	44,841,050	16,324,969	603,359,732	7.600	1,508,399,330	-5.7%
2013	313,876,166	-	186,926,383	6,141,426	97,952	-	8,158,889	46,035,491	45,020,601	15,545,389	590,711,519	7.600	1,476,778,798	-2.1%
2014	339,366,538	-	186,174,264	6,091,618	97,952	-	9,878,058	39,077,345	47,106,016	18,657,078	609,134,713	7.600	1,522,836,783	3.1%

Note: 1 - All property is assessed at 40% of fair market value.
2 - Tax Rates expressed in rate per \$1,000

Source: Tax Digest provided by the Cobb County Tax Commissioner's Office

CITY OF ACWORTH
 Direct and Overlapping Property Tax rates
 Last Ten Digest Years
 (Per \$1,000 of Assessed Value)
 (unaudited)

Tax Digest Year	Overlapping Rates (1)											Total Overlapping and Direct
	City of Acworth		Cobb County				Cobb County School District			State of Georgia		
	Operating Millage	Total City Millage	General Millage	Bond Millage	Fire Millage	Total County Millage	General Millage	School Bond	Total School Millage	General Millage	Total State Millage	
2005	7.870	7.870	6.850	0.220	2.650	9.720	19.000	0.900	19.900	0.250	0.250	37.740
2006	7.688	7.688	6.820	0.220	2.560	9.600	19.000	0.900	19.900	0.250	0.250	37.438
2007	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350
2008	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350
2009	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350
2010	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350
2011	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	18.900	0.250	0.250	37.860
2012 (2)	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	18.900	0.200	0.200	37.810
2013	7.600	7.600	7.520	0.330	3.060	10.910	18.900	-	18.900	0.150	0.150	37.560
2014	7.600	7.600	7.320	0.330	3.060	10.710	18.900	-	18.900	0.100	0.100	37.310

Notes:

- 1 - Underlying rates are those of Cobb County, Cobb County School System and the State of Georgia that apply to property owners within the City of Acworth.
- 2 - A verification of prior millage rates was conducted; previously issued reports will differ.

Source: Cobb County Tax Commissioner's Office and Comprehensive Annual Financial Reports of Cobb County and Cobb County School District.

**City of Acworth
Principal Property Taxpayers
Current Tax Digest Year and Nine Years Prior
(unaudited)**

2014				2005			
Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BellSouth Telecom/AT&T Georgia	\$ 12,064,464	1	1.98%	WalMart	\$ 9,284,194	1	1.79%
WalMart	11,970,913	2	1.97%	Bellsouth Telecommunications	6,121,563	2	1.18%
Walden Ridge UCM Michelson LLC	9,164,560	3	1.50%	Home Depot	6,098,098	3	1.18%
WRI Lakeside Marketplace	8,474,640	4	1.39%	Walden Ridge	5,880,000	4	1.13%
Stanton Place Apartments LLLP	6,333,200	5	1.04%	Stanton Place Apartments	4,659,800	5	0.90%
Target	5,922,648	6	0.97%	Cobblestone Landing LP	4,627,968	6	0.89%
Monarch at Acworth Crossing LLC	4,998,560	7	0.82%	Kohls Department Stores	4,205,353	7	0.81%
Lowe's	4,560,000	8	0.75%	Lowe's Home Center	4,090,726	8	0.79%
Kite Acworth LLC	4,391,376	9	0.72%	Ingles Markets Inc.	3,966,899	9	0.76%
Wingate Falls Partners	3,947,360	10	0.65%	Day's Chevrolet	3,875,011	10	0.75%
Total Principal Taxpayers	71,827,721		11.79%		52,809,612		10.18%
All Other Taxpayers	537,306,992		88.21%		465,780,624		89.82%
Total	\$ 609,134,713		100.00%		\$ 518,590,236		100.00%

Source: Cobb County Tax Commissioners Office(2005) and City of Acworth Finance Department (2014)

CITY OF ACWORTH
Property Tax Levies and Collections
Last Ten Years

Tax Digest Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	3,697,980	3,510,790	94.94%	186,485	3,697,275	99.98%
2006	4,095,880	3,859,214	94.22%	236,036	4,095,250	99.98%
2007	4,568,039	4,356,677	95.37%	209,030	4,565,707	99.95%
2008	4,862,105	4,264,903	87.72%	590,573	4,855,476	99.86%
2009	4,903,920	4,749,622	96.85%	145,916	4,895,538	99.83%
2010	4,729,136	4,573,747	96.71%	142,288	4,716,035	99.72%
2011	4,468,702	4,326,349	96.81%	140,120	4,466,469	99.95%
2012	4,161,136	4,085,201	98.18%	28,994	4,114,195	98.87%
2013 (1)	4,077,294	4,020,616	98.61%	30,218	4,050,834	99.35%
2014	4,257,241	4,186,805	98.35%	-	4,186,805	98.35%

Source: Cobb County Tax Commissioners Office and City of Acworth Finance Department.

NOTE: (1) Information has been updated and will vary from previously issued report.

**City of Acworth, Georgia
Electric Rate History per Season
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Kilowatt Hours Sold All Customer Types	Summer (1)			Winter (2)		
		Base Rate	Tier 1	Tier 2	Base Rate	Tier 1	Tier 2
2006	93,983,394	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2007	99,502,778	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2008	94,174,253	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2009	41,699,223	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2010	95,696,511	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2011	100,339,782	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2012	93,332,043	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2013	92,913,478	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2014	92,310,033	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2015	95,240,176	8.45	0.0900	0.1240	8.45	0.0900	0.0840

Source : City of Acworth Utility Billing

* The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Years 2010 and forward end June 30.

NOTES:

The rate schedule shown is for the predominant customer base (residential) for Acworth Power. Does not include the Power Cost Adjustment which can vary monthly.

(1) Summer rates are June through October.

(2) Winter Rates are November through May.

**City of Acworth
Principal Electric Revenue Customers
(unaudited)**

2015					2006				
Customer Name	Type of Business	Kilowatt Hours Billed	Rank	Percentage of Total Kilowatt Billable Hours Value	Customer Name	Type of Business	Kilowatt Hours Billed	Rank	Percentage of Total Kilowatt Billable Hours Value
Target Stores	Retail	3,685,600	1	3.87%	Ingles Market	Retail	3,633,263	1	3.87%
Ingles Markets	Retail	3,617,505	2	3.80%	Target	Retail	3,017,840	2	3.21%
Bellsouth	Telecommunications	1,652,910	3	1.74%	Bellsouth	Telecommunications	1,524,096	3	1.62%
NCG Acworth Inc.	Theater	1,594,880	4	1.67%	City of Acworth	Government	1,451,036	4	1.54%
City of Acworth	Government	1,465,565	5	1.54%	Glenncast	Manufacturing	1,031,040	5	1.10%
Dogwood Forest of Acworth	Assisted Living	1,226,300	6	1.29%	Cobb County Board of Ed	School District	865,500	6	0.92%
Glenncast Inc.	Manufacturing	940,800	7	0.99%	Cobb County Finance	Government	716,990	7	0.76%
Cobb County Board of Education	School District	694,440	8	0.73%	Acworth Save A Lot	Retail	684,390	8	0.73%
Racetrac Petroleum	Retail	615,760	9	0.65%	Big Lots	Retail	622,200	9	0.66%
Cobb County	Government	568,552	10	0.60%	Degussa Construction	Manufacturing	543,440	10	0.58%
Total		<u>16,062,312</u>		<u>16.87%</u>			<u>14,089,795</u>		<u>14.99%</u>

Source : City of Acworth Utility Billing

The City changed Fiscal Years. Fiscal Year 2006 ended on December 31. Fiscal Year 2015 ends June 30.

CITY OF ACWORTH, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT
Last Ten Fiscal Years
(unaudited)

Governmental Activities							Business-type Activities				
Fiscal Year (1)	(2) Revenue Bonds	Intergovernmental Contracts	Certificates of Participation	Installment Sales Agreement	(3) Tax Allocation Bonds	Total Governmental Activities	(4) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities	
2006	5,022,174	148,136	1,266,935	-	6,050,000	12,487,245	14,325,000	297,728	-	14,622,728	
2007	4,881,443	94,268	1,001,935	-	6,035,000	12,012,646	13,900,000	332,854	-	14,232,854	
2008	5,585,896	40,400	753,106	-	5,905,000	12,284,402	9,645,000	331,428	-	9,976,428	
2009 (1)	5,249,803	13,466	666,801	-	5,905,000	11,835,070	9,340,000	283,817	-	9,623,817	
2010	4,890,000	-	487,716	-	5,765,000	11,142,716	9,015,000	182,462	-	9,197,462	
2011	4,550,000	-	299,638	-	5,615,000	10,464,638	8,675,000	114,645	-	8,789,645	
2012	4,200,000	-	102,115	-	5,455,000	9,757,115	8,320,000	72,454	-	8,392,454	
2013 (7)	11,892,000	-	-	-	5,285,000	17,177,000	-	207,988	-	207,988	
2014	11,080,000	-	-	3,840,000	5,305,000	20,225,000	-	142,481	-	142,481	
2015	10,251,000	-	-	3,639,666	4,920,000	18,810,666	-	91,585	-	91,585	

Total Outstanding Debt									General Bonded Debt				
Fiscal Year (1)	Governmental Activities	Business-type Activities	Total Primary Government	(5) Personal Income	(5) Percentage of Personal Income	(5) Per Capita	(5) Population	Total Primary Government	(8) Resources Restricted for Repayment of Debt	Net Primary Government	Estimated Actual Value of Taxable Property	Percentage of Estimated Actual Value of Taxable Property	(5) Per Capita
2006	12,487,245	14,622,728	27,109,973	508,041,291	5.34%	1,380	19,639	20,762,245	634,551	20,127,694	1,296,475,590	1.55%	1,025
2007	12,012,646	14,232,854	26,245,500	546,476,748	4.80%	1,267	20,714	19,877,646	644,639	19,233,007	1,455,999,260	1.32%	929
2008	12,284,402	9,976,428	22,260,830	569,704,296	3.91%	1,014	21,959	16,024,402	657,045	15,367,357	1,637,196,468	0.94%	700
2009 (1)	11,835,070	9,623,817	21,458,887	541,955,000	3.96%	1,059	20,260	15,270,070	653,294	14,616,776	1,734,751,200	0.84%	721
2010	11,142,716	9,197,462	20,340,178	577,006,250	3.53%	996	20,425	14,392,716	652,343	13,740,373	-	N/A	673
2011	10,464,638	8,789,645	19,254,283	606,193,860	3.18%	920	20,935	13,524,638	652,345	12,872,293	1,758,287,238	0.73%	615
2012	9,757,115	8,392,454	18,149,569	636,873,440	2.85%	846	21,458	12,622,115	652,596	11,969,519	1,664,991,780	0.72%	558
2013 (7)	17,177,000	207,988	17,384,988	669,101,468	2.60%	790	21,994	11,892,000	-	11,892,000	1,599,323,520	0.74%	541
2014	20,225,000	142,481	20,367,481	702,935,826	2.90%	903	22,543	11,080,000	-	11,080,000	1,476,778,798	0.75%	492
2015	18,810,666	91,585	18,902,251	738,490,866	2.56%	818	23,106	10,251,000	-	10,251,000	1,522,836,783	0.67%	444

NOTE:
(1) - The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Year 2010 and subsequent years end June 30.
(2) - FY2012 and prior included capital leases and intergovernmental agreements with the Downtown Development authority and Acworth Lake Authority.
(3) - Tax Allocation Bonds - Debt Service is paid by the tax increment received from within the tax allocation district.
(4) - Intergovernment agreement (capital lease) with the Downtown Development Authority concerning bonds for the CableNET Project which was sold in 2005;reclassified in 2013 under GASB 61.
(5) - See economic and demographic schedule for population and personal income information.
(6) - See taxable assessed value schedule for estimated actual value.
(7) - Amounts previously listed in Business-Type activities have been reclassified in 2013 and on as governmental activities under GASB 61.
(8) - Resources related to the TAD Increment have been excluded - previously issued reports will differ.

CITY OF ACWORTH, GEORGIA
DIRECT, OVERLAPPING AND GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(1) Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Debt:			
Debt repaid with property taxes			
Cobb County General Obligation Debt	\$ 18,440,000	2.10%	\$ 386,867
Cobb County School District	-	2.10%	-
Other Debt			
Cobb County Parking Deck Certificates	9,270,000	2.10%	194,483
Cobb-Marietta Coliseum and Exhibit Hall Authority	40,055,000	2.10%	840,345
Cobb County Revenue Anticipation Certificates	6,315,000	2.10%	<u>132,487</u>
Subtotal, overlapping debt			1,554,182
City direct debt:			
Direct Governmental Activities Debt (2)			<u>18,810,666</u>
Total direct and overlapping debt			<u>\$ 20,364,848</u>

Sources: Assessed value data used to determine applicable percentages provided by the Cobb County Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

NOTES: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Acworth. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden of the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

(2) Direct Governmental Activities Debt includes Tax Allocation Bonds (which are to be repaid in part with shared intergovernmental tax revenues), debt arrangements with Acworth DDA and Acworth Lake Authority which are blended component units, and an Installment Sale Agreement through Georgia Municipal Association.

CITY OF ACWORTH, GEORGIA
LEGAL DEBT MARGIN INFORMATION
 Last Ten Digest Years
 (unaudited)

Digest Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Assessed Value	\$ 564,680,082	\$ 635,059,769	\$ 711,925,701	\$ 747,612,234	\$ 753,916,794	\$ 707,165,968	\$ 666,047,591	\$ 619,684,701	\$ 606,256,908	\$ 627,791,791
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	56,468,008	63,505,977	71,192,570	74,761,223	75,391,679	70,716,596	66,604,759	61,968,470	60,625,691	62,779,179
Total net debt applicable to limit (1)	1,305,777	1,043,037	768,189	515,786	250,396	62,293	-	10,867,720	14,920,000	13,890,666
Legal Debt Margin	\$ 55,162,231	\$ 62,462,940	\$ 70,424,381	\$ 74,245,437	\$ 75,141,283	\$ 70,654,303	\$ 66,604,759	\$ 51,100,750	\$ 45,705,691	\$ 48,888,513
Total net debt applicable to the limit as a percentage of debt limit	2.31%	1.64%	1.08%	0.69%	0.33%	0.09%	0.00%	17.54%	24.61%	22.13%

Notes: Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed valuation of taxable property within the City.

(1) Includes Certificates of Participation fully amortized in Digest Year 2012. Debt in the amount of \$11,892,000 was included under Digest Year 2012 upon the blending of the component units in Fiscal Year 2013 which are Acworth Downtown Development Authority and Acworth Lake Authority. The City has intergovernmental agreements pertaining to the blended component unit issuances. Debt outstanding for the Acworth Lakeside Tax Allocation District bonds have been omitted from this schedule.

Legal Debt Margin Calculation for Fiscal Year 2015

Total Taxable Assessed Value	\$ 609,134,713
Add back: exempt real property	18,657,078
Total assessed value	\$ 627,791,791
Debt limit (10% of total assessed value)	62,779,179
Debt applicable to limit	13,890,666
Less: Resources restricted to paying principal	-
Legal debt margin	<u>\$ 48,888,513</u>

Source: Tax Digest provided by the Cobb County Tax Commissioner's Office.

CITY OF ACWORTH, GEORGIA
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (unaudited)

Fiscal Year (1)	Tax Increment Revenue (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	335,745	3,000	332,745	-	378,125	88%
2007	967,597	3,016	964,581	15,000	378,125	245%
2008	1,011,485	3,248	1,008,237	130,000	377,189	199%
2009	119	1,500	(1,381)	-	184,531	-1%
2010	942,710	6,500	936,210	140,000	364,688	186%
2011	841,903	3,000	838,903	150,000	355,625	166%
2012	801,380	3,000	798,380	160,000	345,938	158%
2013	809,435	3,000	806,435	170,000	335,625	159%
2014 (4)	757,056	1,250	755,806	290,000	283,058	132%
2015	744,923	-	744,923	385,000	129,858	145%

Notes:

- (1) The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 onward end June 30.
- (2) Includes interest income. FY2012 and FY2014 differ from previously issued reports to include interest earnings.
- (3) Excludes disbursement of Bond Proceeds to Tax Allocation District, distribution of excess funds and debt issuance costs.
- (4) FY2014 Bonds were refinanced.

**CITY OF ACWORTH, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(3) Per Capita Personal Income	(4) School Enrollment	Education Level in Years of Schooling	(5) Median Age	(6) Unemployment Rate
2006	19,639	508,041	25,869	6,478	*	*	3.1%
2007	20,714	546,477	26,382	6,647	*	32	2.9%
2008	21,959	569,704	25,944	6,640	*	33	5.0%
2009	20,260	541,955	26,750	6,426	*	33	*
2010	20,425	577,006	28,250	6,463	*	34	9.5%
2011	20,935	606,194	28,956	6,464	*	35	9.9%
2012	21,458	636,873	29,680	6,562	*	35	9.3%
2013	21,994	669,101	30,422	6,719	*	36	8.5%
2014	22,543	702,936	31,182	6,636	*	36	7.4%
2015	23,106	738,491	31,961	6,649	*	36	5.8%

* Information not available

Notes:

- (1) 2010 Population from U S Census Bureau - differs from prior issued report. All other years are Acworth Community Development Department Estimates.
- (2) Personal Income is derived by multiplying population statistics by Per Capita Income.
- (3) Per Capita Personal Income for years 2009 and prior are provided by Cobb Chamber of Commerce. Years 2010 through 2015 are provided by the City of Acworth Economic Development Department.
- (4) Source : Cobb County Board of Education, North Cobb Christian School and Brookwood Christian School.
- (5) 2010 data from U S Census Bureau. All other years are from Cobb Chamber of Commerce.
- (6) Source : Georgia Department of Labor (2006 - 2008); Acworth Economic Development Estimates (2009 to 2015)

City of Acworth
Principal Employers
2015 and 2006
(unaudited)

2015				2006			
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	595	1	7.70%	Cobb County School System	570	1	9.40%
Walmart Super Center #3748	288	2	3.73%	Walmart Super Center #3471	420	2	6.93%
Walmart Super Center #3471	259	3	3.35%	Walmart Super Center #3748	380	3	6.27%
North Cobb Christian School	180	4	2.33%	Home Depot	181	4	2.98%
Target Store	169	5	2.19%	City of Acworth	133	5	2.19%
Home Depot	164	6	2.12%	North Cobb Christian School	132	6	2.18%
City of Acworth	154	7	1.99%	Target Store	130	7	2.14%
Lowe's Home Center	125	8	1.62%	Kohl's Department Store	125	8	2.06%
Acworth Post Office	125	9	1.62%	Lowe's Home Center	109	9	1.80%
Publix	121	10	1.57%	Day's Chevrolet	98	10	1.62%
Total Principal Employers	2,180		28.22%		2,278		37.57%
Other Employers	5,545		71.78%		3,786		62.43%
Total Employers	7,725		100.00%		6,064		100.00%

Source: City Occupational Tax Department

City of Acworth
Full Time City Employees by Function/Program
Last Ten fiscal Years
(unaudited)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Board of Aldermen	5	5	5	5	5	5	5	5	5	5
Mayor	1	1	1	1	1	1	1	1	1	1
Administration	5	5	5	5	5	5	5	5	5	5
Finance	4	4	4	4	4	4	4	4	4	4
Information Systems	3	3	3	3	3	2	2	2	2	2
Customer Service (1)	6	8	8	8	8	8	6	7	7	7
Total General Government	24	26	26	26	26	25	23	24	24	24
Judicial										
Municipal Court	2	2	3	3	3	3	3	3	3	3
Public Safety (1)										
Police	35	37	39	40	40	40	40	40	40	40
Support Staff	3	3	3	3	3	3	3	3	3	4
Detention/Jail	9	10	10	10	10	10	10	10	10	13
Total Public Safety	47	50	52	53	53	53	53	53	53	57
Public Works										
Public Works	12	12	12	12	12	11	10	10	10	10
Culture & Recreation										
Culture and Recreation	9	12	13	13	13	15	15	15	17	21
Housing and Development										
Economic Development (1)	1	1	2	2	2	2	2	2	1	1
Community Development (1)	0	0	1	1	1	2	2	2	2	2
Zoning	1	1	1	1	0	0	0	0	0	0
Soil Erosion	1	1	1	1	1	1	1	1	1	1
Building	5	5	4	4	4	4	4	4	4	4
Code Compliance	1	1	1	1	0	0	0	0	0	0
Total Housing and Development	9	9	10	10	8	9	9	9	8	8
Electrical Power										
Electrical Power	17	17	15	14	13	13	14	14	14	15
Sanitation										
Sanitation	16	16	16	16	16	16	17	17	17	16
Total	136	144	147	147	144	145	144	145	146	154

Source : City Payroll Department

NOTE: The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Year 2010 and subsequent years end June 30.

(1) A historical review of Public Safety, Customer Service Community Development and Economic Development positions were conducted and data updated; previously issued reports may differ.

City of Acworth
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2006	2007	2008	2009 (4)	2010	2011	2012	2013	2014	2015
General Government										
Business Licenses Issued (1)	1,078	860	1,102	*	788	936	957	920	901	885
Purchase Orders Issued	2,478	2,270	2,074	1,050	2,010	2,004	2,013	2,048	2,436	3,087
Public Safety										
Physical arrests	1,327	1,760	1,594	809	1,441	1,731	1,595	1,839	1,474	1,456
Parking violations	20	27	44	5	103	284	114	86	238	391
Traffic violations (2)	7,010	6,138	5,834	3,349	7,041	7,180	5,519	7,876	7,026	6,549
Parks and Recreation										
Summer Camp Participant Capacity (5)	120	120	110	110	100	120	120	120	130	120
Concerts / Movies	3	3	3	1	3	2	2	3	4	4
Youth Basketball Participants	-	398	398	-	400	385	385	399	405	452
Housing and Development										
Building Code Permits Issued (3)	289	276	104	61	110	29	74	89	158	273
Other Code Permits Issued	1,187	837	685	300	606	516	699	725	483	999
Total Code Inspections Conducted	5,612	3,946	2,512	1,160	4,286	3,045	2,197	3,125	2,646	2,453
Plan Reviews Conducted	24	31	33	6	3	4	3	3	22	8
Sanitation										
Refuse collected (tons)	8,437	8,316	8,596	3,963	8,886	7,972	7,658	7,943	8,292	8,075
Sanitation Customers - Residential	6,083	6,294	6,312	6,279	6,382	6,359	6,410	6,433	6,488	6,564
Power										
Kilowatt hours sold (3)	93,983,394	99,502,778	94,174,253	41,699,223	95,696,511	100,339,782	93,332,043	92,913,478	92,310,033	95,240,176
Electrical Power Customers (3)	6,280	6,299	6,289	6,252	6,283	6,220	6,314	6,367	6,325	6,334

Sources: Various City Departments

* Information not available

(1) Several Homebased businesses did not renew during FY2007 and FY2010.

(2) Traffic Violations for 2007 differs from FY2007 issued report due to additional historical review being conducted.

(3) A historical review was conducted and yielded the following differences from prior reports: a) Kilowatt hours sold for years 2006 , b) Building Code Permits for 2008, c) 2011 Electrical Power Customers.

(4) The City changed fiscal years. Therefore, the Fiscal Year 2009 is for the reporting period January 01, 2009 to June 30, 2009.

(5) Summer Camp varies from prior reports as years 2006 and 2007 were updated to show capacity.

**CITY OF ACWORTH, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	37	38	43	44	45	45	45	47	50
Sanitation										
Collection trucks	5	5	5	5	5	5	5	6	6	6
Highways and streets										
(1) Streets (miles)	169	172	172	172	172	172	172	172	172	179
Streetlights	1,223	1,241	1,271	1,271	1,384	1,396	1,396	1,408	1,422	1,451
Culture and recreation										
Park acreage	528.25	528.25	540.25	540.25	542.25	542.25	542.25	542.25	542.25	542.25
Parks	13	13	13	13	13	13	13	13	13	13
Beaches	4	4	4	4	4	4	4	4	4	4
Football Fields	2	2	2	2	2	2	2	2	2	2
Baseball Fields	9	9	9	9	11	11	11	11	12	12
Community Centers	2	2	2	2	2	2	2	2	2	2
Electric										
Number of distribution stations	2	2	2	2	2	3	3	3	3	3
Miles of service lines	93.3	94.1	94.1	94.1	94.1	94.5	94.5	94.5	94.5	94.5

NOTE:

The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Year 2010 and subsequent years end June 30.

(1) - Miles of streets revised during 2011 GPS inventory for GDOT verification. Previous mileage was based on wheel estimates. Prior years have revised estimates based on new more accurate data. This information will differ from previously issued reports.

(2) - Classification of Parks and Community Centers revised in 2014 - This information will differ from previously issued reports.

Sources: Various City Departments

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SPECIAL REPORTS

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

The Honorable Thomas W. Allegood, Mayor
Board of Aldermen
City of Acworth
Acworth, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

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

Purpose of this Report

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


Grace Galvis McGrath, LLC
Kennesaw, Georgia

December 14, 2015

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$2,356,193	\$188,530	\$2,544,723	\$2,356,193	\$188,530	\$2,544,723

* Expended in Hotel/Motel Tax Special Revenue Fund, General Fund and Acworth Downtown Development Authority and Acworth Area Convention and Visitors Bureau Authority Component Units.

**CITY OF ACWORTH, GEORGIA
RECREATION IMPACT FEE
SCHEDULE OF COLLECTIONS, ENCUMBRANCES, AND FEES
AS OF JUNE 30, 2015**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
Recreational Impact Fee Collections	\$ 1,698,510	\$ 108,500	\$ 1,807,010
Other Funding Sources			
Interest	45,048	64	45,112
Local Funding	134,229	-	134,229
Grants/Contributions	46,262	-	46,262
Total Funding - All Sources	1,924,049	-	108,564
			2,032,613
Fund Uses			
<u>Actual Project Expenditures</u>	<u>Project Budget</u>		
Repayment of Capital			
Improvements Element	9,290	9,290	-
Cauble Park Gazebo	123,088	123,088	-
Logan Road Property	150,000	150,000	-
Logan Horsefarm	708,838	708,838	-
Recreation Master Plan	9,000	9,000	-
Logan Farm Farmhouse	12,472	12,472	-
Cauble Park Boardwalk	56,530	56,530	-
Southshore Park	7,757	7,757	-
Acworth Sports Complex	196,503	196,503	-
Cowan Road	5,450	5,450	-
Amos Durr Field	6,004	6,004	-
School Street Property	3,847	3,847	-
Recreation Office - Logan	131,192	131,192	-
Cowan Trail	17,300	17,300	-
Multi-Use Lake Trail	166,146	166,146	-
Facility Needs Assessment	20,683	20,683	-
Tanyard Park Trail	4,400	4,400	-
Park Land Acquisition	110,740	110,740	-
Rosenwald School	10,066	10,066	-
Field 7 Sports Complex	140,032	140,032	-
Joint Use Parking Lot	78,242	-	78,242
Total Uses - All Funding Sources	1,889,338	78,242	1,967,580
Fees Encumbered	-	-	-
Undetermined Projects	\$ 34,711	\$ 30,322	\$ 65,033

**CITY OF ACWORTH, GEORGIA
1 PERCENT SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Project	Original Estimated Cost	Revised Estimated Cost (3)	Expenditures			Estimated Percentage of Completion
			Prior Years (4)	Current Year	Total	
2006 SPLOST Program:						
800 MHz Radios	\$ 208,736	\$ 229,395	\$ 229,395	\$ -	\$ 229,395	100.00%
Road Improvement Program (1) (2)	11,611,748	11,242,926	11,170,452	11,987	11,182,439	99.46%
	<u>\$ 11,820,484</u>	<u>\$ 11,472,321</u>	<u>\$ 11,399,847</u>	<u>\$ 11,987</u>	<u>\$ 11,411,834</u>	
2012 SPLOST Program:						
Road Improvement Projects (5)	\$ 7,403,141	\$ 8,355,930	\$ 1,906,930	\$ 1,277,403	\$ 3,184,333	38.11%
Parks Projects	1,170,000	1,316,540	708,205	514,251	1,222,456	92.85%
Public Safety Projects	4,750,000	4,991,778	3,770,482	1,221,269	4,991,751	100.00%
	<u>\$ 13,323,141</u>	<u>\$ 14,664,248</u>	<u>\$ 6,385,617</u>	<u>\$ 3,012,923</u>	<u>\$ 9,398,540</u>	

- (1) - Projects totaling \$2,602,000 were omitted since they will be sponsored by Cobb County.
(2) - Projects totaling \$1,408,672 were omitted or revised due to reduction in projected tax collections.
(3) - Revised Estimated Cost includes reductions in original SPLOST budget and other funding sources including interest, grants and local government funds.
(4) - As revised.

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