

City of Acworth Georgia

Comprehensive Annual Financial Report

For Fiscal Year Ending June 30, 2013



Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2013

DEPARTMENT OF FINANCE

Sharron L. Burtz

City Treasurer

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2013**

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INTRODUCTORY SECTION

Thomas W. Allegood, Mayor

Board of Aldermen:

Tim Houston
Albert L. Price
Gene Pugliese
Tim Richardson
Bob Weatherford



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 16, 2013

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, 2013 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 2013 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 21,994 as of June 30, 2013.

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 8.5% in 2013, down from 9.3% the previous year. Acworth has over 920 licensed businesses that employ over 6,395 workers.

Acworth continues to encourage and recruit a diversified stock of residential and commercial development. Positive growth in development is evident through the increase in permits, inspections and plan reviews over prior year.

The tax digest remains diversified however there was a continued decrease from the total assessed taxable value in 2011. The 2012 tax digest of the City decreased 5.7% to a total assessed taxable value of \$603,359,732. The 2013 tax digest was approved by the Cobb County Board of Equalization at the end of June 2013. The 2013 digest had a decrease of 2.41%. The slow in the decrease of taxable value along with the increase in permits are evidence that the economy is recovering from the recession.

There are active developments in the City that will provide future residential as well as potential commercial growth. The approval of SPLOST (2011) has brought major developments to the City with the addition of a new Police Department facility and the addition of silent crossings to the downtown area. The number of new residents to the City is expected to broaden with the addition of Dogwood Manor Assisted Living.

Major Initiatives

Acworth's efforts over the past several years have continued to transform Historic Downtown Acworth as well as the U.S. Highway 41 corridor to bring many new businesses and jobs to the area. The growth in commercial has been balanced with the addition of adult communities to broaden the number of residents as well as visitors to the City; completion of Walton Development – Active Adult over 55 and the upcoming Dogwood Forest that will provide assisted living to older residents.

Property acquisition continues for the redevelopment project on School Street in Downtown Acworth. Progress continues on road projects in the downtown area to enhance accessibility and participation in public events hosted by the City such as the International Pro-Wakeboard Block Party and other events that continue to grow in popularity from year to year. Plans have been finalized to construct a new Police Headquarters Facility and construction began on improvements to and expansion of the Parks and Recreation Offices. Cauble Park received considerable improvements with an expansive new playground funded with SPLOST. Logan Farm Trail was expanded to bring more greenspace into the downtown area with a CDBG Grant and the Roberts School received a major renovation with funds received from a Hawks Grant. Plans are underway to expand Municipal Court and redesign grounds around our Public Works Facility.

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. Debt refinance during this period of low interest rates has brought long term savings for debt service payments. Unassigned fund balance in the general fund is 27% of general fund operating expenditures and transfers to other funds. This balance would cover approximately 3 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 adopted in FY2011; 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 has been looking at 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, 2013. 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, 2012. This was the thirteenth 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.

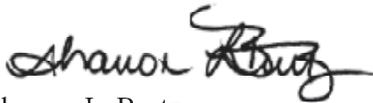
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

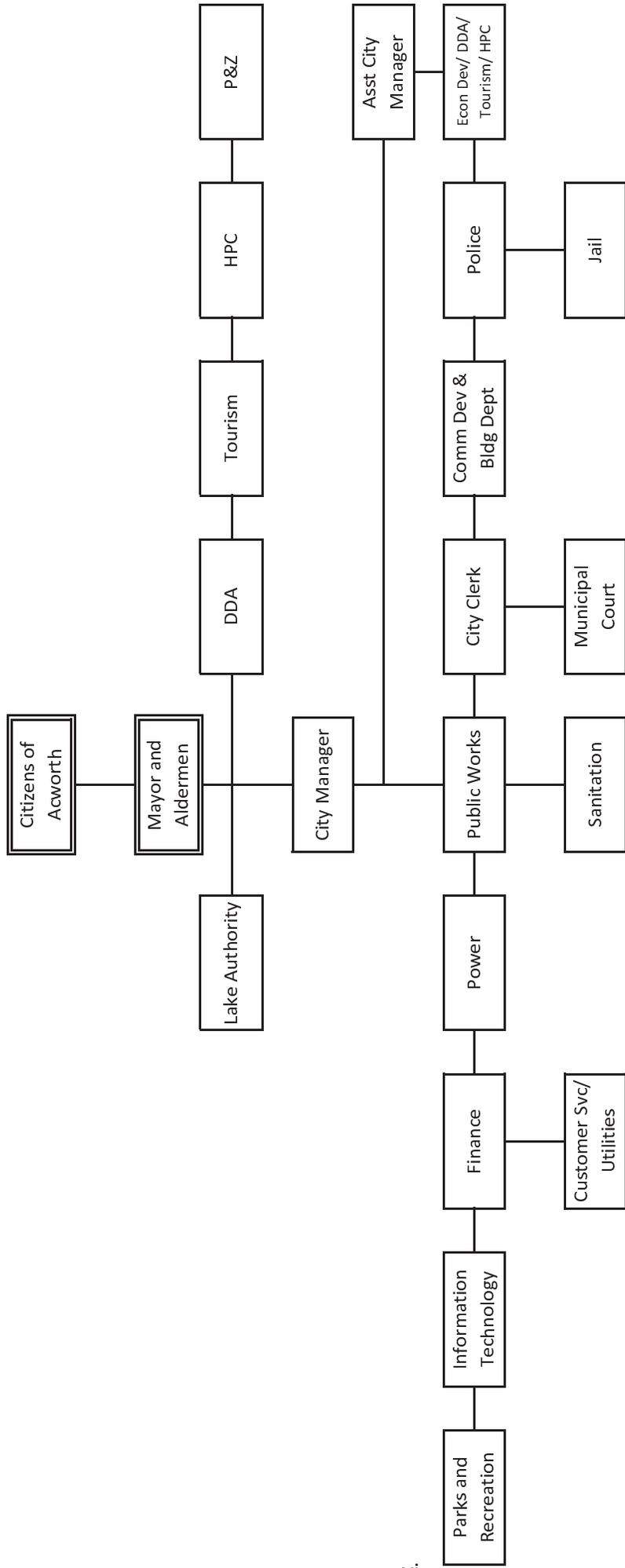
**City of Acworth
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2013**

Thomas W. Allegood
Mayor

BOARD OF ALDERMEN

Tim Houston
Albert L. Price
Gene Pugliese
Timothy Richardson
Robert M. Weatherford

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
Director of Parks and Recreation
Chief of Police
Information Systems Manager

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, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2013, 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, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of June 30, 2013, 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 and budgetary comparison information on pages 4-16 and 55-56 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 is 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 16, 2013, 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.



Crace Galvis McGrath, LLC
Kennesaw, Georgia

December 16, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

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, 2013. 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 \$43,498,564 at the end of the year. This amount includes \$38,241,810 net investment in capital assets, restricted \$8,257,961 and unrestricted negative \$3,001,207.
- The City's total net position increased by \$2,693,707 (6.19%) to \$43,498,564. Net position for governmental activities increased by \$2,277,009 (7.6%) and business-type assets increased by \$416,698 (3.8%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,203,733, an increase of \$1,661,527 after restatement of \$288,867. The net unassigned fund balance is \$3,194,965.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,194,965.
- The City's total debt decreased \$764,581.

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 workers compensation 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, 2013

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 Fund. 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, Acworth Downtown Development Authority 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 on page 54 of this report.

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 57 of this report.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

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 \$2,693,707 in fiscal year 2013. The net position of the governmental activities includes \$33,087,992 net investment in capital assets. Capital Assets of \$37,029,992 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$ 3,942,000.

The net position of the business-type activities includes \$5,153,818 net investment in capital assets. Capital assets of \$5,361,807 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$207,988.

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							
	Governmental Activities		Business-type Activities		Total		Total % Change 2013 - 2012
	2013	2012 *	2013	2012 *	2013	2012 *	
Assets:							
Current and Other Assets	\$ 15,795,107	\$ 13,361,187	\$ 9,453,151	\$ 8,270,064	\$ 25,248,258	\$ 21,631,251	16.72%
Capital Assets	37,029,992	36,790,938	5,361,807	5,513,464	42,391,799	42,304,402	0.21%
Total Assets	52,825,099	50,152,125	14,814,958	13,783,528	67,640,057	63,935,653	5.79%
Liabilities:							
Current Liabilities	3,083,412	2,044,279	3,012,989	2,569,238	6,096,401	4,613,517	32.14%
Long-term Liabilities	17,390,814	18,033,982	654,278	483,297	18,045,092	18,517,279	-2.55%
Total Liabilities	20,474,226	20,078,261	3,667,267	3,052,535	24,141,493	23,130,796	4.37%
Net Position:							
Net Investment in							
Capital Assets	33,087,992	32,488,823	5,153,818	5,441,010	38,241,810	37,929,833	0.82%
Restricted	8,257,961	7,639,539	-	-	8,257,961	7,639,539	8.10%
Unrestricted	(8,995,080)	(10,054,498)	5,993,873	5,289,983	(3,001,207)	(4,764,515)	-37.01%
Total Net Position (as restated)	\$ 32,350,873	\$ 30,073,864	\$ 11,147,691	\$ 10,730,993	\$ 43,498,564	\$ 40,804,857	6.60%
*As Restated							

Changes in Net Position

The City’s total revenues before transfers were \$29,083,908 in fiscal year 2013. Expenses before transfers were \$26,390,201 for the same period. Governmental and business-type activities combined provided a \$2,693,707 increase in net position.

Governmental activities revenues, before transfers, were \$14,432,199 and included \$2,120,486 charges for services, operating grants and contributions of \$122,508 and capital grants and contributions of \$2,968,210. The largest governmental activities expenses were for public safety \$4,209,328, public works of \$3,229,552, general government of \$2,018,223 and culture and recreation of \$1,622,427. Expenses include depreciation expense as explained in the notes to the financial statement (Note 7).

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

Business-type activity revenues, before transfers, were \$14,651,709 and included \$14,634,503 charges for services and \$5,019 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$11,526,660, which included whole power expenses of \$8,626,669 and personal services of \$1,110,367. Sanitation services include expenses of \$660,166 for personal services and \$249,268 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							
	Governmental Activities		Business-type Activities		Total		
	2013	2012 *	2013	2012 *	2013	2012 *	
Revenues:							
Program:							
Charges for services	\$ 2,120,486	\$ 1,802,633	\$ 14,634,503	\$ 13,780,149	\$ 16,754,989	\$ 15,582,782	
Operating Grants and Contributions	122,508	100,439	-	-	122,508	100,439	
Capital Grants and Contributions	2,968,210	2,696,513	5,019	15,295	2,973,229	2,711,808	
General:							
Property taxes	4,828,872	4,874,050	-	-	4,828,872	4,874,050	
Insurance premium taxes	1,017,576	958,018	-	-	1,017,576	958,018	
Alcohol taxes	466,203	458,547	-	-	466,203	458,547	
Hotel, motel taxes	126,816	112,969	-	-	126,816	112,969	
Franchise taxes	1,349,413	1,383,083	-	-	1,349,413	1,383,083	
Financial Institution tax	37,504	25,798	-	-	37,504	25,798	
Business Taxes	442,094	409,776	-	-	442,094	409,776	
Contributions not restricted	680,784	638,610	-	-	680,784	638,610	
Operating Grants not restricted	252,388	246,349	-	-	252,388	246,349	
Gain on Sale of Capital Assets	-	-	1,154	-	1,154	-	
Unrestricted Interest	19,345	13,097	11,033	14,640	30,378	27,737	
Total Revenues	14,432,199	13,719,882	14,651,709	13,810,084	29,083,908	27,529,966	
Expenses:							
General Government	2,018,223	1,968,349	-	-	2,018,223	1,968,349	
Judicial	376,499	350,971	-	-	376,499	350,971	
Health and Welfare	991	6,272	-	-	991	6,272	
Public works	3,229,552	3,470,031	-	-	3,229,552	3,470,031	
Culture and Recreation	1,622,427	2,088,689	-	-	1,622,427	2,088,689	
Public safety	4,209,328	4,312,644	-	-	4,209,328	4,312,644	
Housing and Development	994,734	981,001	-	-	994,734	981,001	
Interest and fiscal charges on long-term debt	1,181,927	1,131,515	-	-	1,181,927	1,131,515	
Electric	-	-	11,526,660	11,214,845	11,526,660	11,214,845	
Sanitation	-	-	1,229,860	1,221,425	1,229,860	1,221,425	
Total Expenses	13,633,681	14,309,472	12,756,520	12,436,270	26,390,201	26,745,742	
Change in Net Position before Transfers	798,518	(589,590)	1,895,189	1,373,814	2,693,707	784,224	
Transfers	1,478,491	1,094,754	(1,478,491)	(1,094,754)	-	-	
Change in net position	2,277,009	505,164	416,698	279,060	2,693,707	784,224	
Net Position - beginning	30,073,864	29,568,700	10,730,993	10,451,933	40,804,857	40,020,633	
Net Position - Ending	32,350,873	30,073,864	11,147,691	10,730,993	43,498,564	40,804,857	
*As Restated							

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

Governmental Activities

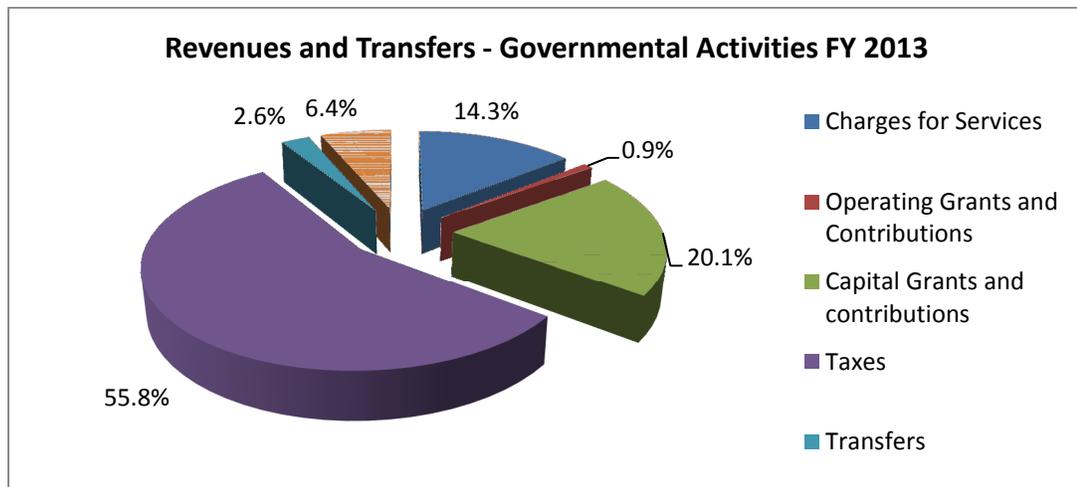
The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities increased the City’s net position by \$798,518 before transfers. Governmental activities increased the City’s net position by \$2,277,009 after net transfers of \$1,478,491. This accounts for 84.5% of the total growth in net position.

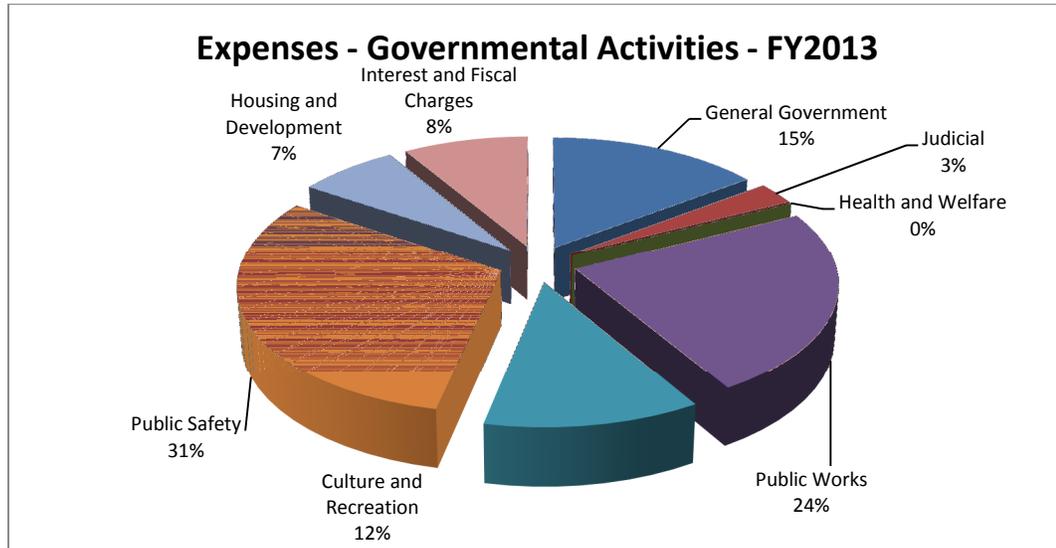
The following table illustrates the costs of governmental expenses along with the net costs after the deduction of program revenues:

Governmental Activities		
	FY 2013 Total Expenses	FY 2013 Net (Expense) Revenue and Change in Net Position
General Government	\$2,018,223	(\$1,803,871)
Judicial	376,499	780,598
Health and Welfare	991	(991)
Public Works	3,229,552	(390,464)
Culture and Recreation	1,622,427	(997,024)
Public Safety	4,209,328	(4,110,696)
Housing and Development	994,734	(718,102)
Interest and Fiscal Charges	1,181,927	(1,181,927)
Total	\$13,633,681	(\$8,422,477)

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.





Revenue Impacts:

- Property Taxes of \$4,828,872 provided 33% of governmental activities revenues. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$2,968,210 provided 21% of governmental activities revenues and includes intergovernmental proceeds related to Special Purpose Local Options Sales Tax.
- Charges for services of \$2,120,486 provides 15% of governmental activities revenues and includes municipal court fines of \$1,157,097 and culture and recreation fees of \$430,099.

Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments in the prior year and an increase in employee insurance and benefits. Public Safety expenses of \$4,209,328 account for 31% of governmental activities expenses. The 2% decrease from prior year is the result in timing of capital expenses and personnel reorganization.
- Public Works expenses of \$3,229,552 account for 24% of governmental activities expenses and saw a decrease of 7% from prior year due to the timing of public works projects funded through SPLOST.
- Culture and recreation expenses decreased \$466,262 from prior year and represents 12% of governmental activities expenses. The decrease is primarily the result of project completion in a prior year.
- Total expenses decreased 3% from prior year.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

Business-Type Activities

The City’s business-type activities include Acworth Power, Acworth Sanitation and two internal service funds (Customer Service and Employee Insurance). Net position for business-type activities increased \$1,895,189 before net transfers out of \$1,478,491.

Business-type Activities		
	FY 2013 Total Expenses	FY 2013 Net (Expense) Revenue and Change in Net Position
Electric	\$11,526,660	\$1,581,484
Sanitation	1,229,860	301,518
Total	\$12,756,520	\$1,883,002

Program revenues for business-type activities for fiscal year 2013 were \$14,639,709; an increase of \$844,078 from prior year as a result of additional revenue from power sales due to increase in the power cost adjustment. Additional revenues resulted from the sale of obsolete infrastructure components and excess inventory. 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					
Fund	Fund Balances 06/30/2012 *	Revenues / Sources	Expenditures / Uses	Revenues/ Sources Over/(Under) Expenditures/ Uses	Fund Balances 06/30/2013
General Fund	\$ 7,060,000	\$ 11,755,186	\$ 11,783,444	\$ (28,258)	\$ 7,031,742
Acworth Downtown Development Authority	49,737	4,487,585	4,479,772	7,813	57,550
SPLOST	3,781,005	3,586,719	2,531,201	1,055,518	4,836,523
* As Restated					

As of June 30, 2013, the City’s governmental funds reported combined ending fund balances of \$13,203,733, an increase of \$1,661,527 in comparison with the prior year. The General Fund had a decrease in fund balance of \$28,258. SPLOST fund had an increase in fund balance of \$1,055,518 due to full year of revenue of the new 2011 SPLOST collections. The Acworth Downtown Development Authority is a Major Fund and was previously discretely presented. Other non- major Governmental Funds had a net increase of \$626,454; the majority of which is in the Capital Projects Fund.

The nonspendable portion of fund balance includes amounts restricted for prepaid insurance. 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

General Fund

At June 30, 2013, Acworth’s total fund balance for General Fund was \$7,031,473 and consisted of the following:

- Nonspendable – \$237,982 for prepaid insurance
- Restricted – \$157,977 for Public Safety 800 MhZ Project; \$572 for Public Works; and \$3,000,000 for voter appropriation
- Committed – \$13,402 for Culture and Recreation
- Assigned – \$403,000 for capital projects and \$23,844 for Culture and Recreation
- Unassigned – \$3,194,695 which is an increase of \$80,417 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 represents 32% of the total fiscal year 2013 expenditures before transfers, while total fund balance is 75% of the same amount.

General Fund - Revenues by Source						
	FY2013		FY2012		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 8,294,411	79%	\$ 8,184,459	81%	\$ 109,952	1%
License & Permits	337,662	3%	248,398	2%	89,264	36%
Intergovernmental	33,971	0%	55,593	1%	(21,622)	-39%
Charges for Services	500,319	5%	495,091	5%	5,228	1%
Fines & Forfeitures	1,157,916	11%	949,025	9%	208,891	22%
Investment Earnings	18,667	0%	12,385	0%	6,282	51%
Contributions & Donations	48,316	0%	55,289	1%	(6,973)	-13%
Other	84,567	1%	93,852	1%	(9,285)	-10%
Total	\$ 10,475,829	100%	\$ 10,094,092	100%	\$ 381,737	4%

The following provides an explanation of revenues by source changes from FY2012 to FY2013:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$4,828,872 and represent 60% of tax revenues. The taxable digest decreased 6%. The millage rate remained stable at 7.60 mills. An increase in taxpayer appeals as well as legislative changes in valuating assessments on properties at sale price when sold under distress for a period of one year. Legislative changes implemented a Title Ad Valorem Tax that increased the amount of motor vehicle taxes collected during the year. Collections on prior year tax balances increased as well. Insurance Premium Taxes increased 6% to \$1,017,576. Franchise Taxes decreased 2% due to the ending of climate fluctuations and the ending of an agreement with Cobb EMC for past under collections. Occupational Taxes increased due to a 10% growth in licenses issued as well as increased collection efforts for renewals.
- **Licenses and permits.** License and permits saw an increase of \$89,264 (36%). Building permits make up the bulk of the increase at \$83,988 higher than prior year. Licenses and permits represent 3% of the total General Fund revenues before transfers. Given the current housing and retail development market this appears to be stable in the upcoming year.
- **Intergovernmental.** Intergovernmental revenue decreased 39% to \$33,971 (39%); the bulk of the decrease is attributed to the substantive completion of state and federal grants in FY2012.
- **Charges for service.** Charges for services increased 1% to \$500,319. Culture and recreation related fees account for the bulk of the revenue. The administrative fee associated with the Tax Allocation District increased from prior year 6% to \$62,668 as a result of an increase in the tax district.
- **Fines and forfeitures.** Fines and forfeitures represent 11% of total General Fund revenues and increased 22% from prior period to \$1,157,916. The increase in fines is attributed to an increase in citations issued and processed through the court as well as the collectability of fines levied.
- **Investment earnings.** Investment earnings increased 60% 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 decreased 13% to \$48,316; the donations are used to fund programs such as Acworth Achievers and Expanding Horizons.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

- **Other.** Other revenue increased to \$84,567. The 10% increase is attributed predominantly to cessation of a cell tower rental agreement during the year.

General Fund - Expenditures by Function						
	FY2013		FY2012		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	\$ 1,792,986	18%	\$ 1,737,926	18%	\$ 55,060	3%
Public Safety	3,945,168	40%	3,870,827	40%	74,341	2%
Public Works	960,218	10%	922,055	10%	38,163	4%
Health & welfare	991	0%	6,272	0%	(5,281)	-84%
Housing & Development	942,691	10%	917,620	10%	25,071	3%
Judicial	376,499	4%	338,509	4%	37,990	11%
Culture & recreation	1,677,532	17%	1,555,884	16%	121,648	8%
Debt Service	102,803	1%	210,086	2%	(107,283)	-51%
Total	\$ 9,798,888	100%	\$ 9,559,179	100%	\$ 239,709	3%

The following provides an explanation of expenditures by function changes from FY2012 to FY2013:

Overall, personnel costs increased 3%. During the year; staffing re-organizations, a full year of pay adjustments and increases in employee benefits (health insurance and retirement) accounted for the bulk of the change.

- **General government.** Increases of \$55,060 or 3% are primarily attributed to personnel costs mentioned earlier. Other items include:
 - Intergovernmental fees for the collection of various taxes increased \$5,895.
 - Attorney fees for general matters increased \$8,626.
 - Risk Management decreased \$16,229 at the renewal.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2013 had an increase of \$74,341 or 2%. Capital outlay for computers, an intoximeter and other equipment totaled \$82,932 for the year.
- **Public Works.** Public works increased \$38,163 or 4%. Additional street lighting costs for residents increased \$7,525 and the contract renewal for mowing of right-of-way and the cemetery increased \$11,626.
- **Housing and Development.** Housing and development had a net increase of \$22,538 or 2%. Included in this is \$11,560 related to costs associated with housing condemnations.
- **Judicial.** Municipal court operations decreased by \$37,990 or 11%. Fine refunds increased \$10,248 to \$65,737. Fees associated citation processing increased due to volume and expanded software features.
- **Culture and Recreation.** Culture and recreation increases of \$111,648 or 7% are a product of staffing re-organization and additional staff to cover services. Instructor fees increased \$9,948 for classes.

Acworth Downtown Development Authority

At June 30, 2013, the Authority had an ending fund balance of \$57,550. The expenditures related to the aforementioned bonds of the City Hall/Sports Complex and the CableNET project are reflected in the financials of the Authority. The Authority was a discretely presented component unit in prior years. Debt service of \$1,205,201 includes refunding costs and was funded with intergovernmental transfers of \$1,114,876.

SPLOST

At June 30, 2013, SPLOST fund balance was \$4,836,523. The proceeds of the 2011 SPLOST are received monthly and will continue through December 2015. Receipts totaling \$3,521,180 were received during the year. SPLOST funds are restricted to voter approved capital projects.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

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 \$126,816; an increase of \$13,847.
- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$40,000. Fund Balance is \$123,663 at June 30, 2013.
- **Confiscated Asset Fund** – Total revenues of \$66,249 related to the seizure of property associated with illegal substances or activities. Fund balance is \$105,888 at June 30, 2013.
- **Soil Erosion Fees Fund** – Fees received in FY2013 were \$1,301. Fund balance is \$32,072 at June 30, 2013.
- **Acworth Lake Authority** – Previously a discretely presented component unit; has been blended with the primary government based upon the debt relationship concerning recreational facilities. Debt service payments are funded by the general fund.

Capital project funds

The Capital Improvement fund of the City reflects expenditures concerning the capital projects as approved by the governing body. Fund balance at June 30, 2013 was \$1,010,406; committed funds were \$330,351 (approved by board resolution) and assigned fund balance was \$680,055.

Debt service funds

The Debt Service Fund for the City is related to the debt of the Tax Allocation District. Nonspendable fund balance is \$1,250 while restricted fund balance is \$16 for a total of \$1,266 as of June 30, 2013. Other debts of the City are presented within the corresponding funds.

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 FY2013 was \$607,271.

	Enterprise Net Operating Income (Loss) Non-Operating Revenues (Expenses) and Transfers In (Out)	
	Fiscal Year	
	2013	2012 *
Operating Income (Loss):		
Acworth Power	\$ 1,489,730	\$ 951,483
Acworth Sanitation	303,480	281,176
Total	<u>1,793,210</u>	<u>1,232,659</u>
Non-Operating Revenues (Expenses)	<u>(311,416)</u>	<u>(48,673)</u>
Contributed Capital from Developers	5,019	15,295
Income (Loss) Before Operating Transfers	<u>1,486,813</u>	<u>1,199,281</u>
Transfers In (Out)	<u>(1,100,000)</u>	<u>(975,000)</u>
Change in Net Position	<u>\$ 386,813</u>	<u>\$ 224,281</u>

* Acworth Power - As Restated

Acworth Power provides electrical service to 6,367 residential and commercial customers. Operating revenues of Acworth Power increased 7% from the prior year. Operating expenses increased 3% in fiscal year 2013. Therefore, the operating income saw an increase of 57%. Kilowatt hours sold remained stable at 92,913,478 compared to prior year of 93,332,043. Environmental compliance regulations increased wholesale power costs as seen in the 3% increase in operating expenses. Net position for Acworth Power increased \$336,004 to \$9,980,700.

Acworth Sanitation provides solid waste sanitation services to 6,433 residential and commercial customers; collecting 7,943 tons of refuse. Residential rates were adjusted less than 1% during the year to offset increased operating and capital acquisition costs. Net position for Acworth Sanitation increased \$50,809 to \$940,810.

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 City’s workers compensation and employee medical insurance

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

programs are combined in an internal service fund. These funds are presented in the Proprietary Fund financial statements. During the fiscal year, the City received increase notification for employee health insurance. At that time, the City increased insurance deductibles in an effort to keep the cost increase low. 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, 2013 can be found in Required Supplementary Information.

During June 2012, the City adopted a General Fund budget of \$10,626,874 for General Fund expenditures (excluding transfers) for FY2013. The FY2013 original budget appropriated unassigned fund balance in the amount of \$8,500. At the end of the fiscal year, the final actual expenditures were \$9,834,171 (excluding transfers out) which was a decrease of \$792,703 from the original adopted budget. The final amended budget expenditures were \$10,771,121 (excluding transfers). The difference between the original budget and the final amended budget is an overall increase of \$144,247.

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

Revenues:

- Real and personal property taxes were over budget due to increased collections of prior year balances.
- Municipal court fines were over budget.
- License and permits were over budget due to increase in building code permits.
- Contributions and donations were over budget.

Expenditures:

- Police and Jail were under budget based on timing of personnel changes and lower than expected fuel costs.
- Public Works was under budget due to decreased maintenance and repair costs and lower than expected fuel costs.
- Recreation (including Athletics and Community Programs) were under budget due to decreased part time staffing costs, lower than expected contracted services and fuel costs.
- Building Inspections was under budget due to decreased contracted and operating costs.
- Economic Development was under budget due to a vacancy mid-year allowing for re-organization of staff.
- Police Explorers was over budget due to participatory fees and uniform costs.
- Acworth Sports Complex was over budget due to excess electrical costs.

Other Financing Sources (Uses):

- Budgeted debt service was under budget due to reclassification of payments to a blended component unit.
- Transfers to the Capital Project Fund increased and were assigned to future capital projects.

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, 2013, amounts to \$33,087,992 and \$5,153,818 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

	2013 Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012 *	2013	2012	2013	2012 *
Construction in Progress	\$ 3,476,498	\$ 1,259,352	\$ -	\$ -	\$ 3,476,498	\$ 1,259,352
Land	5,960,251	5,960,251	265,917	265,917	6,226,168	6,226,168
Buildings and improvements	4,787,282	4,611,125	32,115	358,646	4,819,397	4,969,771
Electrical System	-	-	4,519,023	4,515,244	4,519,023	4,515,244
Improvements other than buildings	5,776,146	5,783,773	-	-	5,776,146	5,783,773
Vehicles and Equipment	847,931	864,557	544,752	373,657	1,392,683	1,238,214
Infrastructure	16,181,884	18,311,880	-	-	16,181,884	18,311,880
Total	\$ 37,029,992	\$ 36,790,938	\$ 5,361,807	\$ 5,513,464	\$ 42,391,799	\$ 42,304,402
* As Restated						

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

Governmental activities:

- Stormwater Culvert \$71,773
- Construction In Progress
 - School Street Project \$1,497,807
 - Senator Russell Avenue 2 Project \$240,117
 - Newberry Park Concession and Parking Project \$252,508
 - Police Department Project \$105,414
- Tanyard Creek Bridge \$147,988
- Cauble Beach House/Bath House renovations \$138,400
- Cauble Park and Playground \$257,094

Business-type activities:

- Electrical System Improvements School Street \$183,041
- Bucket Truck \$197,633
- Sanitation Truck \$155,963

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 2013 fiscal year, the City had \$17,384,988 in outstanding long-term debt. This is a net decrease of \$764,581 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 \$61,968,470, which is in excess of the City’s outstanding general obligation debt.

Debt outstanding at June 30, 2013 is as follows:

- Tax Allocation District Bonds - \$5,285,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$3,407,000
- Acworth Downtown Development Authority – Revenue Bonds - \$7,950,000
- Acworth Lake Authority – Recreation Facilities - \$535,000
- Capital Leases – Vehicles - \$207,988

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, 2014 budget. These factors have a significant effect on the City’s financial position or results of operations. Key assumptions are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2013

City of Acworth, Georgia

- Budget adopted for the General Fund shows an appropriated use of unassigned fund balance in the amount of \$11,376,763. The expected unassigned fund balance for the General Fund at the end of the FY2014 to be approximately \$3.2 million.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2013 remained at 7.60. The adopted budget for FY 2014 has the millage rate remaining stable.
- The 2012 taxable digest was \$603,359,732; which was \$36,369,676 or 6% lower than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2013 approved taxable digest decreased 2%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2013 population is estimated at 21,994 by the Acworth Economic Development Department. This is an increase of approximately 8% from the 2010 census of 20,425.
- Debt issuance planned for FY2014 for renovation of the Court Services and Public Safety/Jail offices.
- Debt Service associated with the Tax Allocation District is paid from the tax increment generated within Acworth's Tax Allocation District. The debt associated with the Tax Allocation District has an outstanding principal amount at June 30, 2013 in the amount of \$5,285,000 at 6.25% interest rate with a term to December 2029. Debt is scheduled to be re-financed in FY2014 at a lower rate of 2.54%; thus reducing the amortization by 4 years.
- SPLOST (2011) projects include a new police facility, parks and recreation needs and public works infrastructure as well as silent railroad crossings.
- The City transferred funds in FY2013 to the Capital Improvement Fund for the following budgeted FY2014 projects: police vehicle acquisition, improvements to the administrative office and storage facilities of the recreation department and other projects.
- Estimated costs of wholesale power in fiscal year 2014 are budgeted at \$9.9 million. This is primarily attributed to market prices dropping while fixed costs remain as well as environmental compliance retrofitting at generation plants that subjects the City to additional costs.
- Debt service payments for debt issued through the Acworth Downtown Development Authority via intergovernmental agreements between the City and the Acworth Downtown Development Authority are made via transfers from the General Fund and are for the following:
 - CableNET Project - Matures July 2028; interest rate of 3.97% with a principal balance of \$7,950,000 at 06/30/2013
 - Acworth City Hall/Sports Complex - Matures April 2023; interest rate of 1.74% with a principal balance of \$3,407,000 at 06/30/2013

Given the unstable 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, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash and cash equivalents	\$ 3,036,298	\$ 1,478,211	\$ 4,514,509	\$ -
Investments	2,588,762	2,122,774	4,711,536	94,106
Receivables, net	187,744	1,858,244	2,045,988	-
Due from other governments	633,633	-	633,633	8,065
Due from primary government	-	-	-	26,449
Internal balances	(197,240)	197,240	-	-
Inventories	-	744,490	744,490	-
Prepaid items	435,672	3,789	439,461	-
Restricted assets	9,110,238	3,048,403	12,158,641	-
Capital assets, non depreciated	9,436,749	265,917	9,702,666	-
Capital assets, depreciated, net	27,593,243	5,095,890	32,689,133	3,977
Total assets	52,825,099	14,814,958	67,640,057	132,597
Deferred outflows of resources:				
Deferred loss on refunding	1,024,280	-	1,024,280	-
Liabilities:				
Accounts payable and other current liabilities	1,258,666	834,217	2,092,883	-
Due to component unit	26,449	-	26,449	-
Customer deposits	-	1,121,328	1,121,328	-
Unearned revenue	664,255	939,607	1,603,862	-
Noncurrent liabilities:				
Due within one year	1,134,042	117,837	1,251,879	-
Due in more than one year	18,415,094	654,278	19,069,372	-
Total liabilities	21,498,506	3,667,267	25,165,773	-
Net position:				
Net investment in capital assets	33,087,992	5,153,818	38,241,810	3,977
Restricted for:				
Public works	4,574,092	-	4,574,092	-
Culture and recreation	237,023	-	237,023	-
Public safety	445,580	-	445,580	-
Housing and development	1,266	-	1,266	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(8,995,080)	5,993,873	(3,001,207)	128,620
Total net position	\$ 32,350,873	\$ 11,147,691	\$ 43,498,564	\$ 132,597

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
Primary Government							
Governmental activities:							
General government	\$ 2,018,223	\$ 214,352	\$ -	\$ -	\$ (1,803,871)	\$ -	\$ (1,803,871)
Judicial	376,499	1,157,097	-	-	780,598	-	780,598
Health and welfare	991	-	-	-	(991)	-	(991)
Public works	3,229,552	18,866	-	2,820,222	(390,464)	-	(390,464)
Culture and recreation	1,622,427	430,099	47,316	147,988	(997,024)	-	(997,024)
Public safety	4,209,328	23,440	75,192	-	(4,110,696)	-	(4,110,696)
Housing and development	994,734	276,632	-	-	(718,102)	-	(718,102)
Interest & fiscal charges							
on long-term debt	1,181,927	-	-	-	(1,181,927)	-	(1,181,927)
Total governmental activities	13,633,681	2,120,486	122,508	2,968,210	(8,422,477)	-	(8,422,477)
Business-type activities:							
Electric	11,526,660	13,103,125	-	5,019	-	1,581,484	1,581,484
Sanitation	1,229,860	1,531,378	-	-	-	301,518	301,518
Total business-type activities	12,756,520	14,634,503	-	5,019	-	1,883,002	1,883,002
Total Primary Government	\$ 26,390,201	\$ 16,754,989	\$ 122,508	\$ 2,973,229	(8,422,477)	1,883,002	(6,539,475)
Component units	\$ 21,738	\$ -	\$ 32,411	\$ -			\$ 10,673
General Revenues:							
Property taxes					4,828,872		4,828,872
Insurance premium tax					1,017,576		1,017,576
Alcohol taxes					466,203		466,203
Hotel/motel tax					126,816		126,816
Franchise taxes					1,349,413		1,349,413
Financial institution tax					37,504		37,504
Business taxes					442,094		442,094
Contributions not restricted to a specific program					680,784		680,784
Operating grants not restricted to a specific program					252,388		252,388
Gain on sale of capital assets					-	1,154	1,154
Unrestricted investment earnings					19,345	11,033	30,378
Transfers					1,478,491	(1,478,491)	-
Total general revenues and transfers					10,699,486	(1,466,304)	9,233,182
Change in net position					2,277,009	416,698	2,693,707
Net position - beginning, before restatement					36,932,483	4,030,858	40,963,341
Restatement					(6,858,619)	6,700,135	(158,484)
Net position - beginning, after restatement					30,073,864	10,730,993	40,804,857
Net position - ending					\$ 32,350,873	\$ 11,147,691	\$ 43,498,564

**CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013**

	General Fund	Acworth Downtown Development Authority	SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,623,600	\$ 53,729	\$ -	\$ 358,969	\$ 3,036,298
Investments	2,471,442	4	-	117,316	2,588,762
Restricted assets	3,618,925	-	5,212,042	279,271	9,110,238
Receivables, net	187,744	-	-	-	187,744
Prepaid items	237,982	-	-	1,250	239,232
Due from other funds	686,291	3,817	-	614,623	1,304,731
Due from other governments	10,739	-	612,128	10,766	633,633
Total assets	\$ 9,836,723	\$ 57,550	\$ 5,824,170	\$ 1,382,195	\$ 17,100,638
Liabilities					
Accounts payable	\$ 924,023	\$ -	\$ 6,690	\$ 1,827	\$ 932,540
Retainage payable	-	-	161,592	6,757	168,349
Accrued liabilities	105,409	-	-	-	105,409
Due to other funds	1,292,460	-	506,043	80,259	1,878,762
Due to component unit	26,449	-	-	-	26,449
Unearned revenue	335,499	-	313,322	15,434	664,255
Total liabilities	2,683,840	-	987,647	104,277	3,775,764
Deferred inflows of resources					
Unavailable revenue	121,141	-	-	-	121,141
Fund Balances					
Nonspendable	237,982	-	-	1,250	239,232
Restricted	3,158,549	-	4,836,523	261,639	8,256,711
Committed	13,402	-	-	330,351	343,753
Assigned	426,844	57,550	-	684,678	1,169,072
Unassigned	3,194,965	-	-	-	3,194,965
Total fund balances	7,031,742	57,550	4,836,523	1,277,918	13,203,733
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,836,723	\$ 57,550	\$ 5,824,170	\$ 1,382,195	

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.	37,029,992
Property tax revenue earned but unavailable is not reported in the funds.	121,141
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 assets.	520,863
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Unmatured bonds, leases, and contracts	(17,177,000)
Deferred charge on refunding	1,024,280
Accrued compensated absences	(177,552)
Net OPEB obligation	(2,112,998)
Net pension obligation	(81,586)
Net position of governmental activities	\$ 32,350,873

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Acworth Downtown Development Authority	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 8,294,411	\$ -	\$ -	\$ 295,444	\$ 8,589,855
Licenses and permits	337,662	-	-	-	337,662
Intergovernmental	33,971	-	3,580,369	871,305	4,485,645
Charges for services	500,319	-	-	41,301	541,620
Fines and forfeitures	1,157,916	-	-	66,249	1,224,165
Investment earnings	18,667	47	4,810	631	24,155
Contributions and donations	48,316	-	1,540	-	49,856
Other	84,567	945	-	-	85,512
Total revenues	<u>10,475,829</u>	<u>992</u>	<u>3,586,719</u>	<u>1,274,930</u>	<u>15,338,470</u>
Expenditures:					
Current:					
General government	1,792,986	-	-	-	1,792,986
Public safety	3,945,168	-	-	56,199	4,001,367
Public works	960,218	-	-	1,331	961,549
Health and welfare	991	-	-	-	991
Housing and development	942,691	9,854	-	-	952,545
Judicial	376,499	-	-	-	376,499
Culture and recreation	1,677,532	-	-	91,419	1,768,951
Capital projects	-	-	2,531,201	544,539	3,075,740
Debt service	102,803	1,205,201	-	626,304	1,934,308
Total expenditures	<u>9,798,888</u>	<u>1,215,055</u>	<u>2,531,201</u>	<u>1,319,792</u>	<u>14,864,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>676,941</u>	<u>(1,214,063)</u>	<u>1,055,518</u>	<u>(44,862)</u>	<u>473,534</u>
Other financing sources (uses):					
Transfers in	1,268,364	1,114,876	-	1,019,680	3,402,920
Transfers out	(1,984,556)	-	-	(348,364)	(2,332,920)
Proceeds of refunding bonds	-	3,407,000	-	-	3,407,000
Payments to refunded bond escrow agent	-	(3,300,000)	-	-	(3,300,000)
Sale of capital assets	10,993	-	-	-	10,993
Total other financing sources (uses)	<u>(705,199)</u>	<u>1,221,876</u>	<u>-</u>	<u>671,316</u>	<u>1,187,993</u>
Net change in fund balance	(28,258)	7,813	1,055,518	626,454	1,661,527
Fund balance - beginning, before restatement	6,827,652	-	3,781,005	644,682	11,253,339
Restatement	232,348	49,737	-	6,782	288,867
Fund balance - beginning, after restatement	<u>7,060,000</u>	<u>49,737</u>	<u>3,781,005</u>	<u>651,464</u>	<u>11,542,206</u>
Fund balance - ending	<u>\$ 7,031,742</u>	<u>\$ 57,550</u>	<u>\$ 4,836,523</u>	<u>\$ 1,277,918</u>	<u>\$ 13,203,733</u>

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, 2013

Net change in fund balances - total governmental funds		\$ 1,661,527
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 assets transferred from proprietary funds		318,491
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	(3,171,679)	
Capital outlays	3,115,228	
Loss on disposal of assets	<u>(22,986)</u>	(79,437)
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.		
Refunding of revenue bonds	(3,407,000)	
Matured principal on revenue bonds	4,035,000	
Matured principal on certificates of participation	102,115	
Matured principal on bonds payable	<u>170,000</u>	900,115
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.		
		(97,241)
The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds.		
		190,573
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 obligation	2,925	
Net OPEB obligation	(357,331)	
Accrued compensated absences	<u>(6,543)</u>	<u>(617,019)</u>
Change in net position of governmental activities		<u>\$ 2,277,009</u>

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2013**

	Enterprise Funds		Totals	Internal Service Funds
	Major			
	Electrical Power	Sanitation		
ASSETS				
Current assets:				
Cash	\$ 776,208	\$ 576,190	\$ 1,352,398	\$ 125,813
Investments	2,122,774	-	2,122,774	-
Restricted assets:				
Cash	926,755	190,434	1,117,189	-
Investments	1,931,214	-	1,931,214	-
Receivables, net				
Utility accounts	1,727,424	129,453	1,856,877	-
Other	-	-	-	1,367
Due from other funds	103,376	74,418	177,794	496,226
Inventory	744,490	-	744,490	-
Prepaid expenses	-	-	-	200,229
Total current assets	<u>8,332,241</u>	<u>970,495</u>	<u>9,302,736</u>	<u>823,635</u>
Noncurrent assets:				
Property, plant and equipment, net	<u>5,072,266</u>	<u>289,541</u>	<u>5,361,807</u>	<u>-</u>
Total assets	<u>13,404,507</u>	<u>1,260,036</u>	<u>14,664,543</u>	<u>823,635</u>
LIABILITIES				
Current liabilities:				
Accounts and claims payable	\$ 753,250	\$ -	\$ 753,250	\$ 54,357
Customer deposits	930,894	190,434	1,121,328	-
Accrued liabilities	63,835	8,556	72,391	6,587
Accrued compensated absences	31,373	13,083	44,456	7,875
Unearned revenue	939,607	-	939,607	-
Due to other funds	41,301	57,682	98,983	1,006
Capital leases - current	38,442	27,064	65,506	-
Total current liabilities	<u>2,798,702</u>	<u>296,819</u>	<u>3,095,521</u>	<u>69,825</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	7,843	3,271	11,114	1,969
Net OPEB obligation	472,954	-	472,954	-
Net pension liability	13,401	7,560	20,961	4,797
Capital lease obligations	130,907	11,576	142,483	-
Total long-term liabilities	<u>625,105</u>	<u>22,407</u>	<u>647,512</u>	<u>6,766</u>
Total liabilities	<u>3,423,807</u>	<u>319,226</u>	<u>3,743,033</u>	<u>76,591</u>
NET POSITION				
Net investment in capital assets	4,902,917	250,901	5,153,818	-
Unrestricted	<u>5,077,783</u>	<u>689,909</u>	<u>5,767,692</u>	<u>747,044</u>
Total net position	<u>\$ 9,980,700</u>	<u>\$ 940,810</u>	<u>10,921,510</u>	<u>\$ 747,044</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			<u>226,181</u>	
Net position of business-type activities			<u>\$ 11,147,691</u>	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Enterprise Funds			Internal Service Funds
	Major			
	Electrical Power	Sanitation	Totals	
Operating revenues:				
Charges for services	\$12,567,153	\$1,531,378	\$14,098,531	\$ 2,067,957
Other	535,972	-	535,972	13,192
Total operating revenues	<u>13,103,125</u>	<u>1,531,378</u>	<u>14,634,503</u>	<u>2,081,149</u>
Operating expenses:				
Personal services	1,100,367	660,166	1,760,533	357,422
Operating	10,060,276	452,794	10,513,070	1,533,269
Depreciation	452,752	114,938	567,690	-
Total operating expenses	<u>11,613,395</u>	<u>1,227,898</u>	<u>12,841,293</u>	<u>1,890,691</u>
Operating income	<u>1,489,730</u>	<u>303,480</u>	<u>1,793,210</u>	<u>190,458</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	(317,337)	-	(317,337)	-
Interest income	1,742	9,291	11,033	-
Interest expense	(3,150)	(1,962)	(5,112)	-
Total nonoperating revenues (expenses)	<u>(318,745)</u>	<u>7,329</u>	<u>(311,416)</u>	<u>-</u>
Income before contributions and transfers	<u>1,170,985</u>	<u>310,809</u>	<u>1,481,794</u>	<u>190,458</u>
Contributed capital from developers	5,019	-	5,019	-
Transfers in	-	-	-	90,000
Transfers out	(840,000)	(260,000)	(1,100,000)	(60,000)
Increase (decrease) in net position	<u>336,004</u>	<u>50,809</u>	<u>386,813</u>	<u>220,458</u>
Net position at beginning of year - before restatement	2,944,561	890,001		526,586
Restatement	6,700,135	-		-
Net position at beginning of year - restated	<u>9,644,696</u>	<u>890,001</u>		<u>526,586</u>
Net position at end of year	<u>\$ 9,980,700</u>	<u>\$ 940,810</u>		<u>\$ 747,044</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			29,885	
Change in net position of business-type activities			<u>\$ 416,698</u>	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Enterprise Funds		Totals	Internal Service Funds
	Major			
	Electrical Power	Sanitation		
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$13,403,107	\$ 1,536,051	\$14,939,158	\$ 1,853,131
Cash payments for goods and services	(9,773,980)	(486,651)	(10,260,631)	(104,411)
Cash payments for benefits and claims	-	-	-	(1,419,273)
Cash payments for employee services and fringe benefits	(1,023,337)	(661,454)	(1,684,791)	(358,751)
Net cash from (to) operating activities	2,605,790	387,946	2,993,736	(29,304)
Cash flows from (to) noncapital financing activities:				
Transfers in	-	-	-	90,000
Transfers out	(840,000)	(260,000)	(1,100,000)	(60,000)
Net cash from (to) noncapital financing activities	(840,000)	(260,000)	(1,100,000)	30,000
Cash flows from (to) capital and related financing activities:				
Contributed capital	5,019	-	5,019	-
Proceeds from sale of capital assets	1,154	23,125	24,279	-
Interest paid	(3,150)	(1,962)	(5,112)	-
Payments for capital acquisitions	(555,972)	(201,677)	(757,649)	-
Principal payments on long-term obligations	(36,019)	(26,079)	(62,098)	-
Proceeds from capital leases	197,633	-	197,633	-
Net cash from (to) capital and related financing activities	(391,335)	(206,593)	(597,928)	-
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(649,612)	-	(649,612)	-
Interest received from investments	1,742	9,291	11,033	-
Net cash from (to) investing activities	(647,870)	9,291	(638,579)	-
Net increase (decrease) in cash	726,585	(69,356)	657,229	696
Cash at beginning of year (including \$1,077,173 in restricted cash)	976,378	835,980	1,812,358	125,117
Cash at end of year (including \$1,117,189 in restricted cash)	\$ 1,702,963	\$ 766,624	\$ 2,469,587	\$ 125,813

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, 2013**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$1,489,730	\$303,480	\$1,793,210	\$ 190,458
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	452,752	114,938	567,690	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(63,167)	(5,445)	(68,612)	836
(Increase) decrease in prepaid expenses	-	-	-	10,266
(Increase) decrease in inventory	134,057	-	134,057	-
(Increase) decrease in due from other funds	84,102	(60,961)	23,141	(228,854)
Increase (decrease) in net OPEB liability	68,063	-	68,063	-
Increase (decrease) in net pension liability	(1,185)	(294)	(1,479)	(453)
Increase (decrease) in accounts payable	30,507	-	30,507	(1,408)
Increase (decrease) in accrued liabilities	10,152	(994)	9,158	(876)
Increase (decrease) in unearned revenue	330,846	-	330,846	-
Increase (decrease) in due to other funds	37,630	27,104	64,734	727
Increase (decrease) in customer deposits	32,303	10,118	42,421	-
Net cash from (to) operating activities	\$2,605,790	\$387,946	\$2,993,736	\$ (29,304)
Supplemental disclosure of cash flow information:				
Cash paid during the year for interest	\$ (3,150)	\$ (1,962)	\$ (5,112)	\$ -

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, 2013**

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 Council appoints 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 Council appoints 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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

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.

The City Council appoints 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 Council. 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 invested 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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 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.

Acworth Downtown Development Authority - The ADDA special revenue fund is used to account for activities relating to redevelopment of the downtown Acworth district and the accumulation of resources for payment of several revenue bond issues.

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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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.

Debt Service Fund - This fund accounts for the accumulation of resources that are restricted for the payment of Tax Allocation District bond principal and interest.

Capital Projects Funds - These funds are used to account for financial resources that are restricted, committed, and assigned for the acquisition, renovation, and construction of general capital assets.

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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, Debt Service, and Capital Projects Funds with the exception of the SPLOST and Capital Improvement Funds adopts project length budgets.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of the incurrence of the commitment to purchase and the SPLOST and Capital Improvement Funds adopt project length budgets. Investment earnings are not budgeted for in the Acworth Downtown Development Authority and Capital Improvement Funds. Certain contribution and donations are not budgeted for in the SPLOST fund. Actual GAAP expenditures and revenues in the General, Special Revenue, Debt Service, and Capital Projects 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.
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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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.

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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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.

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 assets. 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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 one item that qualifies for reporting in this category. It is the loss resulting from the refunding of debt 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 one item that qualifies for reporting in this category. It is the unavailable-taxes revenue reported in the governmental funds balance sheet. 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 government's highest level of decision-making authority. The City Council 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 Council 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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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, 2013, the City was not exposed to custodial credit risk.

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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

As of June 30, 2013, 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	\$ 5,860,782	\$ -	\$ -	\$ -	\$ 5,860,782
Money market mutual funds	AAAm	15	-	-	-	15
Municipal Competetive Trust	not rated	2,614,986	-	-	-	2,614,986
Total		<u>\$ 8,475,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,475,783</u>

The above table of investments includes \$3,670,126 of investments classified on the financial statements as restricted assets and \$15 classified on the financial statements as cash. 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, 2013 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 194,886	\$ -	\$ 569	\$ (7,711)	\$ 187,744
Electrical Power Fund	-	1,777,424	-	(50,000)	1,727,424
Sanitation Fund	-	130,253	-	(800)	129,453
Internal Service Funds	-	-	1,367	-	1,367
Total	<u>\$ 194,886</u>	<u>\$ 1,907,677</u>	<u>\$ 1,936</u>	<u>\$ (58,511)</u>	<u>\$ 2,045,988</u>

(4) DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2013 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	State of Georgia Department of Transportation	Other	Total
General Fund	\$ -	\$ 743	\$ -	\$ 9,996	\$ 10,739
SPLOST Fund	572,128	-	40,000	-	612,128
Nonmajor Funds: Capital Projects Funds	-	-	-	10,766	10,766
	<u>\$ 572,128</u>	<u>\$ 743</u>	<u>\$ 40,000</u>	<u>\$ 20,762</u>	<u>\$ 633,633</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered "available spendable resources". Such balances at June 30, 2013 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

PAYABLE FROM	RECEIVABLE TO						Total
	General Fund	Acworth Downtown Development Authority	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 3,817	\$ 103,376	\$ 74,418	\$ 614,623	\$ 496,226	\$ 1,292,460
SPLOST Fund	506,043	-	-	-	-	-	506,043
Electrical Power Fund	41,301	-	-	-	-	-	41,301
Sanitation Fund	57,682	-	-	-	-	-	57,682
Internal Service Funds	1,006	-	-	-	-	-	1,006
Nonmajor Governmental Funds	80,259	-	-	-	-	-	80,259
Total	<u>\$ 686,291</u>	<u>\$ 3,817</u>	<u>\$ 103,376</u>	<u>\$ 74,418</u>	<u>\$ 614,623</u>	<u>\$ 496,226</u>	<u>\$ 1,978,751</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	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 690,000	\$ 170,000	\$ 348,364	\$ 60,000	\$ 1,268,364
Acworth Downtown Development Authority	1,114,876	-	-	-	-	1,114,876
Internal Service Funds	90,000	-	-	-	-	90,000
Nonmajor Governmental Funds	779,680	150,000	90,000	-	-	1,019,680
Total	<u>\$ 1,984,556</u>	<u>\$ 840,000</u>	<u>\$ 260,000</u>	<u>\$ 348,364</u>	<u>\$ 60,000</u>	<u>\$ 3,492,920</u>

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, maintaining debt service on a routine basis, or in accordance with budgetary authorizations.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

(6) RESTRICTED ASSETS

The City's restricted assets at June 30, 2013 consist of the following:

	<u>Total</u>
Governmental Funds	
General Fund:	
Municipal court bonds	\$ 307,492
Public safety communications equipment	160,012
Development performance bonds	130,500
Proceeds from sale of water & sewer system	3,000,000
Other	20,921
	<u>3,618,925</u>
SPLOST Fund:	
Unspent SPLOST proceeds	<u>5,212,042</u>
Nonmajor governmental funds:	
Tax Allocation District	16
Recreational Impact Fee	123,663
Soil Erosion Fee	32,072
Confiscated Assets	123,520
	<u>279,271</u>
Total governmental funds	<u>\$ 9,110,238</u>
Proprietary Funds	
Sanitation Fund:	
Security deposits	<u>\$ 190,434</u>
Power Fund:	
MEAG Power project	1,931,214
Security deposits	926,755
	<u>\$ 2,857,969</u>
Total proprietary funds	<u>\$ 3,048,403</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(7) CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2013 was as follows:

	Beginning Balance (As Restated)	Additions	Transfers	Reductions	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 5,960,251	\$ -	\$ -	\$ -	\$ 5,960,251
Construction in progress	1,259,352	2,217,146	-	-	3,476,498
Total capital assets not being depreciated	7,219,603	2,217,146	-	-	9,436,749
Capital assets, being depreciated:					
Buildings	6,947,934	138,400	651,692	(5,485)	7,732,541
Improvements other than buildings	8,432,473	405,082	-	-	8,837,555
Vehicles and equipment	4,432,354	282,827	-	(159,379)	4,555,802
Infrastructure (streets)	49,097,357	71,773	-	(165,452)	49,003,678
Total capital assets being depreciated	68,910,118	898,082	651,692	(330,316)	70,129,576
Less accumulated depreciation for:					
Buildings	(2,336,809)	(280,734)	(333,201)	5,485	(2,945,259)
Improvements other than buildings	(2,648,700)	(412,709)	-	-	(3,061,409)
Vehicles and equipment	(3,567,797)	(299,453)	-	159,379	(3,707,871)
Infrastructure (streets)	(30,785,477)	(2,178,783)	-	142,466	(32,821,794)
Total accumulated depreciation	(39,338,783)	(3,171,679)	(333,201)	307,330	(42,536,333)
Total capital assets being depreciated, net	29,571,335	(2,273,597)	318,491	(22,986)	27,593,243
Governmental activities capital assets, net	\$ 36,790,938	\$ (56,451)	\$ 318,491	\$ (22,986)	\$ 37,029,992
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	788,061	-	(651,692)	-	136,369
Electrical System	8,968,040	328,722	-	(15,030)	9,281,732
Vehicles and equipment	3,248,860	420,466	-	(164,536)	3,504,790
Total capital assets being depreciated	13,004,961	749,188	(651,692)	(179,566)	12,922,891
Less accumulated depreciation for:					
Buildings	(429,415)	(8,040)	333,201	-	(104,254)
Electrical System	(4,452,796)	(324,943)	-	15,030	(4,762,709)
Vehicles and equipment	(2,875,203)	(234,707)	-	149,872	(2,960,038)
Total accumulated depreciation	(7,757,414)	(567,690)	333,201	164,902	(7,827,001)
Total capital assets being depreciated, net	5,247,547	181,498	(318,491)	(14,664)	5,095,890
Business-type activities capital assets, net	\$ 5,513,464	\$ 181,498	\$ (318,491)	\$ (14,664)	\$ 5,361,807

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Governmental Activities:	
General government	\$ 185,397
Public safety	221,485
Public works, including depreciation of general infrastructure	2,343,312
Housing and development	6,456
Culture and recreation	415,029
Total depreciation expense - governmental activities	<u>\$ 3,171,679</u>
Business-type activities:	
Electric	\$ 452,752
Sanitation	114,938
Total depreciation expense - business-type activities	<u>\$ 567,690</u>

(8) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

	Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 12,520,000	\$ 3,407,000	\$ (4,035,000)	\$ 11,892,000	\$ 812,000
Less: deferred amounts on refunding	(1,280,350)	-	256,070	(1,024,280)	-
Certificates of participation	102,115	-	(102,115)	-	-
Tax allocation district bonds	5,455,000	-	(170,000)	5,285,000	180,000
Net pension obligation	84,511	231,558	(234,483)	81,586	-
Net OPEB obligation	1,755,667	383,776	(26,445)	2,112,998	-
Compensated absences	171,009	226,441	(219,898)	177,552	142,042
Governmental activities long-term liabilities	<u>\$ 18,807,952</u>	<u>\$ 4,248,775</u>	<u>\$ (4,531,871)</u>	<u>\$ 18,524,856</u>	<u>\$ 1,134,042</u>
Business-type activities:					
Capital leases	\$ 72,454	\$ 197,633	\$ (62,098)	\$ 207,989	\$ 65,506
Net pension obligation	27,690	70,840	(72,772)	25,758	-
Net OPEB obligation	404,891	73,100	(5,037)	472,954	-
Compensated absences	60,385	75,033	(70,004)	65,414	52,331
Business-type activities long-term liabilities	<u>\$ 565,420</u>	<u>\$ 416,606</u>	<u>\$ (209,911)</u>	<u>\$ 772,115</u>	<u>\$ 117,837</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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
2014	\$ 327,000	\$ 45,120	\$ 372,120
2015	319,000	53,592	372,592
2016	325,000	48,041	373,041
2017	330,000	42,386	372,386
2018	336,000	36,644	372,644
2019 - 2023	1,770,000	93,438	1,863,438
Total	<u>\$ 3,407,000</u>	<u>\$ 319,221</u>	<u>\$ 3,726,221</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
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The debt service requirements on these bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 385,000	\$ 315,615	\$ 700,615
2015	405,000	300,331	705,331
2016	420,000	284,252	704,252
2017	440,000	267,578	707,578
2018	460,000	250,110	710,110
2019 - 2023	2,610,000	960,542	3,570,542
2024 - 2028	3,230,000	395,609	3,625,609
Total	<u>\$ 7,950,000</u>	<u>\$ 2,774,037</u>	<u>\$ 10,724,037</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, 2013, assets totaling \$975,000 have been purchased with bond proceeds and conveyed to the City.

The debt service requirements on these bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 100,000	\$ 19,260	\$ 119,260
2015	105,000	15,660	120,660
2016	105,000	11,880	116,880
2017	110,000	8,100	118,100
2018	115,000	4,140	119,140
Total	<u>\$ 535,000</u>	<u>\$ 59,040</u>	<u>\$ 594,040</u>

Certificate of Participation

In June 1998, the Georgia Municipal Association (GMA) issued Certificates of Participation (COPs) in the amount of \$2,177,667 for the purpose of providing financing to the City of Acworth for the advance refunding of previously issued COPs and to finance renovations of the City's jail facility. Simultaneously with the issuance of the COPs, the City, as purchaser, entered into an Installment Sale Agreement with GMA, as seller, to purchase GMA's right, title and interest in the project. The Installment Sale Agreement obligates the City to make installment payments to a trustee assigned by GMA in an amount equal to the debt service requirements on the COPs issued by GMA. The agreement obligates the City to make installment payments through January 2013 at 4.93% provided that annual appropriations of funds are made by the City's governing body.

In the event of a default on the agreement, title to the project would revert back to GMA. The net proceeds from the advance refunding were used to purchase U.S.

**CITY OF ACWORTH, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments on principal and interest maturing in the years 1999 to 2003 at 6.625%. The advance refunding met the requirements of an in-substance debt defeasance; therefore, the refunded COPs are no longer included in the City's records. As a result of the advance refunding, the City reduced its total debt service requirements by \$70,971 which resulted in an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$27,901. There is no outstanding defeased debt.

On August 8, 2003, the City and GMA entered into a modification agreement whereby an additional \$510,000 was advanced to the City to provide funding for improvements to the 4400 building.

Certificates of participation debt was paid in full during fiscal year ending at June 30, 2013.

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. 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 \$508,624 and \$801,380, respectively.

Subsequent to year end, 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
2014	\$ 290,000	\$ 138,431	\$ 428,431
2015	385,000	129,858	514,858
2016	395,000	119,952	514,952
2017	405,000	109,792	514,792
2018	415,000	99,378	514,378
2019 - 2023	2,230,000	331,727	2,561,727
2024 - 2028	1,475,000	56,827	1,531,827
Total	<u>\$ 5,595,000</u>	<u>\$ 985,965</u>	<u>\$ 6,580,965</u>

Business-type Activities:

Capital Leases

The City is obligated under multiple capital lease agreements covering equipment.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Capital lease debt service requirements to maturity for business-type activities are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 65,506	\$ 4,300	\$ 69,806
2015	50,865	2,584	53,449
2016	40,160	1,605	41,765
2017	41,050	716	41,766
2018	10,408	36	10,444
Total	<u>\$ 207,989</u>	<u>\$ 9,241</u>	<u>\$ 217,230</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$86,576, and the accumulated depreciation is \$75,238.

(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 \$8,431,437 from the Authority during the period ended June 30, 2013.

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 \$156,432 during the period ended June 30, 2013.

Encumbrances

Encumbrances outstanding as of June 30, 2013 are as follows:

General Fund	\$ 24,502
SPLOST Fund	1,366,118
Nonmajor Funds	
Capital Improvement	<u>184,200</u>
Total	<u>\$ 1,574,820</u>

(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

CITY OF ACWORTH, GEORGIA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2012 were \$525,683,463 and \$44,841,050, respectively.

Based on the 2012 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$4,085,201 for the fiscal year ended June 30, 2013 were 98.18% of the levy.

(11) FUND BALANCE

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

	General Fund	Acworth Downtown Development Authority	SPLOST	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 237,982	\$ -	\$ -	\$ 1,250	\$ 239,232
Restricted for:					
Capital projects	-		3,430,405	-	3,430,405
Public safety	157,977		181,715	105,888	445,580
Culture and recreation	-		113,360	123,663	237,023
Housing and development	-		-	15	15
Public works	572		1,111,043	32,073	1,143,688
Voter appropriation	3,000,000	-	-	-	3,000,000
Committed for:					
General Government	-	-	-	326,121	326,121
Culture and recreation	13,402	-	-	4,000	17,402
Public works	-	-	-	230	230
Assigned for:					
Capital projects	403,000	-	-	148,055	551,055
Public safety	-	-	-	65,000	65,000
Culture and recreation	23,844	57,550	-	460,623	542,017
General Gov't	-	-	-	11,000	11,000
Unassigned:	3,194,965	-	-	-	3,194,965
	<u>\$ 7,031,742</u>	<u>\$ 57,550</u>	<u>\$ 4,836,523</u>	<u>\$ 1,277,918</u>	<u>\$ 13,203,733</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

(12) EMPLOYEE RETIREMENT SYSTEM

The City contributes to the Georgia Municipal Employees Benefit System ("System"), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. For the year ended June 30, 2013, the City's payroll for employees covered by the System's defined benefit plan was \$5,362,917. The Plan also provides for death benefits for early retirees. The benefit provisions and all other requirements are established by the System 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. 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.

Total pension contributions for the year ended June 30, 2013 were \$442,179 (\$307,255 from the City and \$134,924 from employee contributions). Employees contribute 3% of their annual salary towards the plan.

The net pension obligation was computed from information obtained from the actuarial valuation performed as of January 01, 2013. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.75% a year, (b) projected salary increases based on a table of rates based on age and service, which include inflation at 3.5%, (c) 3.5% inflation, (d) no adjustments for cost of living, and (e) no post retirement benefit increases.

Contributions are determined under the projected unit credit actuarial cost method and the assets valuation method (roll forward prior years actuarial value with contributions, disbursements, and expected return on investments, plus 10% of investment gains (losses) during 10 prior years).

The amortization of the unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods. The

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

total amortization must be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. In a year when the 10-year or 30-year corridor applies, the following year, the prior year bases are combined into one 10-year or 30-year base. These amortization periods, if applicable, are closed for this plan year.

Employer contributions represented 5.69% of current period covered payroll and were in accordance with actuarial recommendations. The normal contribution requirement was \$307,255.

Period Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation	Annual Amount Contributed
06/30/11	\$ 294,615	102%	\$ 118,668	\$ 299,984
06/30/12	302,222	102%	112,201	308,689
06/30/13	302,398	102%	107,344	307,255

The City's annual pension cost and net pension obligation for the period were as follows:

Required contribution	\$ 307,255
Interest on net pension obligation	8,976
Adjustment to required contribution	(13,833)
Pension cost	<u>302,398</u>
Contributions made	<u>(307,255)</u>
Increase (decrease) in net pension obligation	(4,857)
Net pension obligation, beginning of period	<u>112,201</u>
Net pension obligation, end of period	<u>\$ 107,344</u>

The net pension obligation has been recorded in the governmental and business-type activities statement of net assets.

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)
1/1/2013	\$ 5,245,592	\$ 6,120,703	\$ 875,111	85.70%	\$ 5,362,917	16.32%

The Schedule of Funding Progress presented as required supplemental information following the notes to the financial statements presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The Georgia Municipal Employee Benefit System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

Georgia Municipal Association
 Risk Management and Employee Benefit Service
 201 Pryor Street, SW
 Atlanta, Georgia 30303

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

(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 01, 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, 2011 valuation, there were 5 employees fully eligible for the benefits, 7 retirees and spouses receiving benefits, and 138 current and active employees. The City has the authority to establish and amend benefit provisions. As of June 30, 2013 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 plan is financed on a pay-as-you-go basis. During the year ending June 30, 2013, the City contributed \$31,482 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.

Period Ended	OPEB Cost	Percentage Contributed	Net OPEB Obligation	Amount Contributed
6/30/2011	\$ 503,226	5%	\$ 1,711,976	\$ 23,979
6/30/2012	480,418	7%	2,160,558	31,837
6/30/2013	456,876	7%	2,585,952	31,482

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)
01/01/11	\$ -	\$ 3,934,552	\$ 3,934,552	0.0%	\$ 5,529,283	71.2%

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:

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Required contribution	\$ 554,111
Interest on net OPEB obligation	86,422
Adjustment to required contribution	<u>(183,657)</u>
OPEB cost	456,876
Contributions made	<u>(31,482)</u>
Increase (decrease) in net OPEB obligation	425,394
Net OPEB obligation, beginning of period	<u>2,160,558</u>
Net OPEB obligation, end of period	<u><u>\$ 2,585,952</u></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 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	1/1/2011
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	22 years
Asset valuation method	market value
Actuarial assumptions:	
Investment return	4%
Discount rate	4%
Inflation rate	3%
Medical and drug cost trend rate	9.5% graded to 5% over 8 years

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

(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, 2013, there were 103 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 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, 2013 was \$7,558. The City made actual contributions during the year of \$144,856. The participants made actual contributions during the year of \$144,856. 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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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 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 public entity risk pool 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 pool is \$2,000,000. 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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the 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 pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the 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 and dental benefits to employees and retirees. The City is responsible for premium payments and providing eligibility information. The City pays 95% of the employee premium and 75% of the dependent premium for the HMO plan. Employees electing the PPO plan must cover the additional premium associated with this plan selection. In addition to insurance benefits, the City has established a Health Reimbursement Arrangement (HRA) related to the medical insurance deductible. As part of the structure, the City will reimburse the employee and covered dependents for the deductible. The City has accrued a liability for estimated claims under the HRA that may have been incurred but not paid.

The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier. A liability for unpaid deductibles on claims outstanding at year end has been recorded for workers' compensation.

(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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(17) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the year ended June 30, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Fund:			
Public Safety			
Police Explorers	\$ 4,400	\$ 4,727	\$ 327
Culture & Recreation			
Acworth Sports Complex	112,106	112,223	117

These over expenditures were funded by available fund balance.

(18) RESTATEMENT

The City implemented the following GASB Statements during fiscal year ending June 30, 2013: GASB 61 The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No.14 and No.34, GASB 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB 65 Items Previously Reported as Assets and Liabilities.

The implementation of GASB 61 resulted in presenting the Acworth Downtown Development Authority and the Lake Authority as blended component units. These entities were previously reported as Discretely Presented Component Units.

The following restatements were made to beginning net position and fund balance in the Governmental Activities, General Fund, Other Governmental Funds, Electrical Power Fund, and Business Type Activities:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Electrical Power Fund</u>	<u>Business Type Activities</u>
Net Position/Fund Balance as previously reported	\$ 36,932,483	\$ 6,827,652	\$ 644,682	\$ 2,944,561	\$ 4,030,858
Restatements	(6,858,619)	232,348	6,782	6,700,135	6,700,135
Net Position/Fund Balance as restated	<u>\$ 30,073,864</u>	<u>\$ 7,060,000</u>	<u>\$ 651,464</u>	<u>\$ 9,644,696</u>	<u>\$ 10,730,993</u>
Change in fund balance/net position as previously reported	\$ 355,535	\$ 18,427	\$ (449,867)	\$ 244,110	\$ 407,853
Effect of restatements	149,629	51,295	(3,471)	(128,793)	(128,793)
Change in fund balance/net position as restated	<u>\$ 505,164</u>	<u>\$ 69,722</u>	<u>\$ (453,338)</u>	<u>\$ 115,317</u>	<u>\$ 279,060</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

Employee Retirement 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)
01/01/11	\$ 4,290,305	\$ 4,973,985	\$ 683,680	86.3%	\$ 5,438,438	12.6%
01/01/12	4,732,480	5,401,138	668,658	87.6%	5,308,998	12.6%
01/01/13	5,245,592	6,120,703	875,111	85.7%	5,362,917	16.3%

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)
03/01/08	\$ -	\$ 3,317,637	\$ 3,317,637	0.0%	\$ 4,682,605	70.9%
01/01/11	-	3,934,552	3,934,552	0.0%	5,529,283	71.2%

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 7,957,325	\$ 8,099,549	\$ 8,294,411	\$ 194,862
Licenses and Permits	213,750	303,076	337,662	34,586
Intergovernmental	27,644	29,408	33,971	4,563
Charges for Services	510,015	503,950	500,319	(3,631)
Fines and Forfeitures	1,000,200	1,026,412	1,157,916	131,504
Investment Earnings	15,000	15,009	18,667	3,658
Contributions and Donations	19,000	35,195	48,316	13,121
Other	80,604	88,104	84,567	(3,537)
Total Revenues	9,823,538	10,100,703	10,475,829	375,126
Expenditures:				
General Government				
Board of Aldermen	180,235	183,807	170,271	13,536
Administration - City Manager's Office	418,708	425,991	423,684	2,307
Elections	400	200	75	125
Financial Administration	399,998	434,496	424,245	10,251
Attorney/Legal Services	63,750	61,750	54,982	6,768
Information Systems	193,847	194,404	189,706	4,698
Former Employees	37,034	36,300	33,784	2,516
Insurance/Risk Management	275,000	272,000	267,606	4,394
External Auditors	33,406	31,439	31,439	-
Government Bldg - City Hall	73,650	78,750	72,083	6,667
Government Bldg - 4400 Acworth Ind Dr	97,000	106,500	101,128	5,372
Government Bldg - 4406 Acworth Ind Dr	7,850	8,100	6,539	1,561
Government Bldg - Other City Property	2,900	3,050	1,968	1,082
Government Bldg - Old Jail	5,410	5,000	2,253	2,747
Public Information	5,694	5,694	3,659	2,035
General Administration Fees	9,450	9,600	9,564	36
Judicial				
Municipal Court	384,483	402,987	376,499	26,488
Public Safety				
Police	3,437,431	3,421,698	3,279,302	142,396
Police Explorers	-	4,400	4,727	(327)
Jail	677,357	699,452	661,139	38,313
Public Works				
Public Works Administration	213,923	218,154	211,611	6,543
Highways and Streets	545,400	565,821	540,073	25,748
Storm Drainage	9,814	9,814	7,355	2,459
Fleet Maintenance	125,251	126,376	117,153	9,223
Building Maintenance	67,643	68,765	61,334	7,431
Cemetery	27,111	27,111	22,692	4,419
Health and Welfare				
Mosquito Control	5,692	5,692	991	4,701
Culture and Recreation				
Recreation	1,089,910	1,126,620	1,097,674	28,946
Athletics	75,822	66,020	62,305	3,715
Community Programs	37,963	66,011	62,084	3,927
Roberts School Rec Facility	28,125	32,400	27,839	4,561
Rosenwald Community Center	7,050	6,925	4,973	1,952
Neighborhood Playgrounds	2,875	2,875	2,804	71
Southshore Park and Beach	4,800	4,750	3,454	1,296
Dallas Landing Beach and Park	28,330	34,980	30,380	4,600
Proctor Landing Beach and Park	28,450	36,300	30,069	6,231
Acworth Sports Complex	105,106	112,106	112,223	(117)
Bobby Van Newberry Park	18,679	18,679	17,060	1,619
Cable Park Facilities	48,274	55,340	50,599	4,741

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Logan Farm Park Facilities	34,925	35,256	27,273	7,983
Special Needs Programs	600	-	-	-
Summer Camp Operations	88,117	87,806	78,273	9,533
Special Events Activities	43,025	42,896	41,574	1,322
Concert	13,000	8,830	8,262	568
Senior Citizen Luncheon	14,350	13,550	12,835	715
Parks	6,050	6,050	5,043	1,007
Tree Commission	4,158	3,430	2,422	1,008
Historic Preservation	1,230	1,230	386	844
Housing and Development				
Conservation / Soil Erosion	57,015	59,112	54,781	4,331
Protective Building Inspections	217,542	231,162	223,494	7,668
Planning and Zoning	167,910	167,454	159,099	8,355
Code Enforcement	38,125	38,125	36,275	1,850
Economic Development	190,767	178,402	168,234	10,168
Tax Allocation District	348,836	300,808	300,808	-
Debt Service	627,403	626,653	102,803	523,850
Total Expenditures	<u>10,626,874</u>	<u>10,771,121</u>	<u>9,798,888</u>	<u>972,233</u>
Excess (deficiency) of Revenues over Expenditures	<u>(803,336)</u>	<u>(670,418)</u>	<u>676,941</u>	<u>1,347,359</u>
Other Financing Sources (uses):				
Transfers In	1,465,836	1,422,808	1,268,364	(154,444)
Transfers Out	(671,000)	(762,275)	(1,984,556)	(1,222,281)
Sale of Capital Assets	-	9,000	10,993	1,993
Total Other Financing Sources (uses)	<u>794,836</u>	<u>669,533</u>	<u>(705,199)</u>	<u>(1,374,732)</u>
Net Change in Fund Balance	<u>\$ (8,500)</u>	<u>\$ (885)</u>	<u>\$ (28,258)</u>	<u>\$ (27,373)</u>
Fund Balance at Beginning of Year - GAAP Basis, restated			<u>7,060,000</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,031,742</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, 2013**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures:			
Current:			
Housing and development	\$ 10,650	\$ 9,854	\$ 796
Debt service	-	1,205,201	(1,205,201)
Total expenditures	<u>10,650</u>	<u>1,215,055</u>	<u>(1,204,405)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,650)</u>	<u>(1,215,055)</u>	<u>(1,204,405)</u>
Other financing sources (uses):			
Transfers in	10,000	1,114,876	1,104,876
Proceeds of refunding bonds	-	3,407,000	3,407,000
Payments to refunded bond escrow agent	-	(3,300,000)	(3,300,000)
Total other financing sources (uses)	<u>10,000</u>	<u>1,221,876</u>	<u>1,211,876</u>
Net change in fund balance	<u>\$ (650)</u>	6,821	<u>\$ 7,471</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Investment earnings		47	
Other		945	
Fund balance at beginning of year		<u>49,737</u>	
Fund balance at end of year		<u>\$ 57,550</u>	

GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

**CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013**

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Capital Improvement	Debt Service	
Assets								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,969	\$ -	\$ 358,969
Investments	-	-	-	-	-	117,316	-	117,316
Prepaid items	-	-	-	-	-	-	1,250	1,250
Due from other funds	-	-	-	-	4,623	610,000	-	614,623
Due from other governments	-	-	-	-	-	10,766	-	10,766
Restricted assets:								
Cash	-	-	123,520	-	-	-	16	123,536
Investments	-	123,663	-	32,072	-	-	-	155,735
Total assets	\$ -	\$ 123,663	\$ 123,520	\$ 32,072	\$ 4,623	\$ 1,097,051	\$ 1,266	\$ 1,382,195
Liabilities								
Accounts payable	\$ -	\$ -	\$ 1,827	\$ -	\$ -	\$ -	\$ -	\$ 1,827
Retainage payable	-	-	-	-	-	6,757	-	6,757
Due to other funds	-	-	371	-	-	79,888	-	80,259
Unearned revenue	-	-	15,434	-	-	-	-	15,434
Total liabilities	-	-	17,632	-	-	86,645	-	104,277
Fund balances:								
Nonspendable	-	-	-	-	-	-	1,250	1,250
Restricted	-	123,663	105,888	32,072	-	-	16	261,639
Committed	-	-	-	-	-	330,351	-	330,351
Assigned	-	-	-	-	4,623	680,055	-	684,678
Total fund balances	-	123,663	105,888	32,072	4,623	1,010,406	1,266	1,277,918
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 123,663	\$ 123,520	\$ 32,072	\$ 4,623	\$ 1,097,051	\$ 1,266	\$ 1,382,195

**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, 2013**

	Special Revenue Funds					Capital Projects Funds		Total Nonmajor
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Capital Improvement	Debt Service	
Revenues:								
Taxes	\$ 126,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,628	\$ 295,444
Charges for services	-	40,000	-	1,301	-	-	-	41,301
Fines and forfeitures	-	-	66,249	-	-	-	-	66,249
Intergovernmental	-	-	-	-	-	230,521	640,784	871,305
Investment earnings	-	145	23	49	-	391	23	631
Total revenues	126,816	40,145	66,272	1,350	-	230,912	809,435	1,274,930
Expenditures:								
Current:								
Public safety	-	-	56,199	-	-	-	-	56,199
Public works	-	-	-	1,331	-	-	-	1,331
Culture and recreation	79,260	-	-	-	12,159	-	-	91,419
Capital projects	-	-	-	-	-	544,539	-	544,539
Debt service	-	-	-	-	117,680	-	508,624	626,304
Total expenditures	79,260	-	56,199	1,331	129,839	544,539	508,624	1,319,792
Excess (deficiency) of revenues over (under) expenditures	47,556	40,145	10,073	19	(129,839)	(313,627)	300,811	(44,862)
Other financing sources (uses):								
Transfers in	-	-	-	-	127,680	892,000	-	1,019,680
Transfers out	(47,556)	-	-	-	-	-	(300,808)	(348,364)
Total other financing sources (uses)	(47,556)	-	-	-	127,680	892,000	(300,808)	671,316
Net change in fund balance	-	40,145	10,073	19	(2,159)	578,373	3	626,454
Fund balance at beginning of year	-	83,518	95,815	32,053	6,782	432,033	1,263	651,464
Fund balance at end of year	\$ -	\$ 123,663	\$ 105,888	\$ 32,072	\$ 4,623	\$ 1,010,406	\$ 1,266	\$ 1,277,918

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, 2013 and 2012**

	2013	2012 (as restated)
Assets		
Cash	\$ 2,623,600	\$ 2,695,610
Investments	2,471,442	1,926,849
Receivables (net of allowance for estimated uncollectibles):		
Taxes	187,175	238,662
Other	569	714
Due from other funds	686,291	261,750
Due from other governments	10,739	3,846
Due from component unit	-	1,295
Prepaid expenditures	237,982	245,943
Restricted assets:		
Cash	3,458,913	3,493,953
Investments	160,012	139,762
Total assets	\$ 9,836,723	\$ 9,008,384
Liabilities		
Accounts payable	\$ 924,023	\$ 653,903
Deferred revenue	335,499	296,319
Accrued liabilities	105,409	93,102
Due to other funds	1,292,460	686,678
Due to component unit	26,449	-
Total liabilities	2,683,840	1,730,002
Deferred inflows of resources		
Unavailable revenue - property taxes	121,141	218,382
Fund balances		
Nonspendable	237,982	245,943
Restricted	3,158,549	3,645,885
Committed	13,402	24,402
Assigned	426,844	29,222
Unassigned	3,194,965	3,114,548
Total fund balance	7,031,742	7,060,000
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,836,723	\$ 9,008,384

**CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 and 2012**

	2013	2012 (as restated)
Revenues:		
Taxes	\$ 8,294,411	\$ 8,184,459
Licenses and permits	337,662	248,398
Charges for services	500,319	495,091
Intergovernmental	33,971	55,593
Fines and forfeitures	1,157,916	949,025
Investment earnings	18,667	12,385
Contributions and donations	48,316	55,289
Other	84,567	93,852
Total revenues	<u>10,475,829</u>	<u>10,094,092</u>
Expenditures:		
Current:		
General government	1,792,986	1,737,926
Public safety	3,945,168	3,870,827
Public works	960,218	922,055
Health and welfare	991	6,272
Housing and development	942,691	917,620
Judicial	376,499	338,509
Culture and recreation	1,677,532	1,555,884
Debt service	102,803	210,086
Total expenditures	<u>9,798,888</u>	<u>9,559,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>676,941</u>	<u>534,913</u>
Other financing sources (uses):		
Transfers in	1,268,364	1,357,051
Transfers out	(1,984,556)	(1,842,277)
Sale of capital assets	10,993	20,035
Total other financing sources (uses)	<u>(705,199)</u>	<u>(465,191)</u>
Net change in fund balance	<u>(28,258)</u>	<u>69,722</u>
Fund balance - at beginning of year	<u>7,060,000</u>	<u>6,990,278</u>
Fund balance at end of year	<u>\$ 7,031,742</u>	<u>\$ 7,060,000</u>

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.

Veteran's Memorial Fund – To account for monies received from donations and sales of pavers to construct and maintain a Veteran's Memorial.

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
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 53,729	\$ 48,013
Investments	4	4
Due from other funds	<u>3,817</u>	<u>2,300</u>
Total assets	<u>\$ 57,550</u>	<u>\$ 50,317</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ -</u>	<u>\$ 580</u>
Total liabilities	<u>-</u>	<u>580</u>
Fund balance:		
Assigned	<u>57,550</u>	<u>49,737</u>
Total fund balance	<u>57,550</u>	<u>49,737</u>
Total liabilities and fund balance	<u>\$ 57,550</u>	<u>\$ 50,317</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Investment earnings	\$ 47	\$ 34
Other	945	4,286
Total revenues	<u>992</u>	<u>4,320</u>
Expenditures:		
Current:		
Housing and development	9,854	13,282
Debt service	1,205,201	1,103,024
Total expenditures	<u>1,215,055</u>	<u>1,116,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,214,063)</u>	<u>(1,111,986)</u>
Other financing sources (uses):		
Transfers in	1,114,876	1,105,557
Proceeds of refunding bonds	3,407,000	-
Payments to refunded bond escrow agent	(3,300,000)	-
Total other financing sources (uses)	<u>1,221,876</u>	<u>1,105,557</u>
Net change in fund balance	7,813	(6,429)
Fund balance at beginning of year	<u>49,737</u>	<u>56,166</u>
Fund balance at end of year	<u>\$ 57,550</u>	<u>\$ 49,737</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	<u>\$ 126,816</u>	<u>\$ 112,969</u>
Expenditures:		
Current:		
Culture and recreation	<u>79,260</u>	<u>70,605</u>
Excess of revenues over expenditures	<u>47,556</u>	<u>42,364</u>
Other financing sources (uses):		
Transfers out	<u>(47,556)</u>	<u>(42,364)</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>	<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, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	<u>\$127,000</u>	<u>\$126,816</u>	<u>\$ (184)</u>
Expenditures:			
Current:			
Culture and recreation	<u>85,000</u>	<u>79,260</u>	<u>5,740</u>
Excess of revenues over expenditures	<u>42,000</u>	<u>47,556</u>	<u>5,556</u>
Other financing sources (uses):			
Transfers out	<u>(42,000)</u>	<u>(47,556)</u>	<u>(5,556)</u>
Net change in fund balance	<u><u>\$ -</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
VETERAN'S MEMORIAL
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Other financing sources (uses):		
Transfers out	\$ -	\$ (1,257)
Total other financing sources (uses)	<u>-</u>	<u>(1,257)</u>
Net change in fund balance	-	(1,257)
Fund balance at beginning of year	<u>-</u>	<u>1,257</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Restricted assets:		
Investments	\$ 123,663	\$ 83,518
Total assets	<u>\$ 123,663</u>	<u>\$ 83,518</u>
<u>FUND BALANCE</u>		
Fund balance:		
Restricted	\$ 123,663	\$ 83,518
Total fund balance	<u>\$ 123,663</u>	<u>\$ 83,518</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Charges for services	\$ 40,000	\$ 15,000
Investment earnings	145	88
Total revenues	<u>40,145</u>	<u>15,088</u>
Expenditures:		
Current:		
Culture and recreation	-	4,400
Excess (deficiency) of revenues over (under) expenditures	<u>40,145</u>	<u>10,688</u>
Net change in fund balance	40,145	10,688
Fund balance at beginning of year	<u>83,518</u>	<u>72,830</u>
Fund balance at end of year	<u><u>\$ 123,663</u></u>	<u><u>\$ 83,518</u></u>

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 34,000	\$ 40,000	\$ 6,000
Investment earnings	<u>100</u>	<u>145</u>	<u>45</u>
Total revenues	<u>34,100</u>	<u>40,145</u>	<u>6,045</u>
Expenditures:			
Current:			
Culture and recreation	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,100</u>	<u>40,145</u>	<u>16,045</u>
Net change in fund balance	<u>\$ 24,100</u>	40,145	<u>\$ 16,045</u>
Fund balance at beginning of year		<u>83,518</u>	
Fund balance at end of year		<u>\$ 123,663</u>	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Assets		
Restricted assets:		
Cash	\$ 123,520	\$ 102,745
Total assets	<u>\$ 123,520</u>	<u>\$ 102,745</u>
Liabilities:		
Accounts payable	\$ 1,827	\$ 2,320
Due to other funds	371	-
Unearned revenue	15,434	4,610
Total liabilities	<u>17,632</u>	<u>6,930</u>
Fund balance:		
Restricted	105,888	95,815
Total fund balance	<u>105,888</u>	<u>95,815</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 123,520</u>	<u>\$ 102,745</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Fines and forfeitures	\$ 66,249	\$ 31,734
Investment earnings	23	62
Contributions and donations	-	5,000
Total revenues	<u>66,272</u>	<u>36,796</u>
Expenditures:		
Current:		
Public safety	<u>56,199</u>	<u>107,912</u>
Total expenditures	<u>56,199</u>	<u>107,912</u>
Net change in fund balance	10,073	(71,116)
Fund balance at beginning of year	<u>95,815</u>	<u>166,931</u>
Fund balance at end of year	<u><u>\$ 105,888</u></u>	<u><u>\$ 95,815</u></u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 62,829	\$ 66,249	\$ 3,420
Investment earnings	20	23	3
Total revenues	<u>62,849</u>	<u>66,272</u>	<u>3,423</u>
Expenditures:			
Current:			
Public safety	<u>70,121</u>	<u>56,199</u>	<u>13,922</u>
Total expenditures	<u>70,121</u>	<u>56,199</u>	<u>13,922</u>
Net change in fund balance	<u>\$ (7,272)</u>	10,073	<u>\$ 17,345</u>
Fund balance at beginning of year		<u>95,815</u>	
Fund balance at end of year		<u>\$ 105,888</u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Restricted assets:		
Investments	\$ 32,072	\$ 32,108
Total assets	<u>\$ 32,072</u>	<u>\$ 32,108</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	\$ -	\$ 55
Total liabilities	<u>-</u>	<u>55</u>
Fund balance:		
Restricted	32,072	32,053
Total fund balance	<u>32,072</u>	<u>32,053</u>
Total liabilities and fund balance	<u>\$ 32,072</u>	<u>\$ 32,108</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Charges for services	\$ 1,301	\$ 1,267
Investment earnings	49	40
Total revenues	<u>1,350</u>	<u>1,307</u>
Expenditures:		
Current:		
Public works	<u>1,331</u>	<u>4,689</u>
Total expenditures	<u>1,331</u>	<u>4,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19</u>	<u>(3,382)</u>
Net change in fund balance	19	(3,382)
Fund balance at beginning of year	<u>32,053</u>	<u>35,435</u>
Fund balance at end of year	<u>\$ 32,072</u>	<u>\$ 32,053</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, 2013**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,301	\$ 1,301	\$ -
Investment earnings	40	49	9
Total revenues	<u>1,341</u>	<u>1,350</u>	<u>9</u>
Expenditures:			
Current:			
Public works	7,500	1,331	6,169
Total expenditures	<u>7,500</u>	<u>1,331</u>	<u>6,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,159)</u>	<u>19</u>	<u>6,178</u>
Net change in fund balance	<u>\$ (6,159)</u>	<u>19</u>	<u>\$ 6,178</u>
Fund balance at beginning of year		<u>32,053</u>	
Fund balance at end of year		<u>\$ 32,072</u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Due from other funds	\$ 4,623	\$ 6,782
Total assets	\$ 4,623	\$ 6,782
<u>LIABILITIES AND FUND BALANCE</u>		
Fund balance:		
Assigned	\$ 4,623	\$ 6,782
Total fund balance	4,623	6,782
Total liabilities and fund balance	\$ 4,623	\$ 6,782

**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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Expenditures:		
Current:		
Culture and recreation	\$ 12,159	\$ 13,471
Debt service	<u>117,680</u>	<u>115,920</u>
Total expenditures	<u>129,839</u>	<u>129,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,839)</u>	<u>(129,391)</u>
Other financing sources (uses):		
Transfers in	<u>127,680</u>	<u>125,920</u>
Total other financing sources (uses)	<u>127,680</u>	<u>125,920</u>
Net change in fund balance	(2,159)	(3,471)
Fund balance at beginning of year	<u>6,782</u>	<u>10,253</u>
Fund balance at end of year	<u><u>\$ 4,623</u></u>	<u><u>\$ 6,782</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, 2013**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures:			
Current:			
Culture and recreation	\$ 16,781	\$ 12,159	\$ 4,622
Debt service	-	117,680	(117,680)
Total expenditures	<u>16,781</u>	<u>129,839</u>	<u>(113,058)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,781)</u>	<u>(129,839)</u>	<u>(113,058)</u>
Other financing sources (uses):			
Transfers in	<u>10,000</u>	<u>127,680</u>	<u>117,680</u>
Total other financing sources (uses)	<u>10,000</u>	<u>127,680</u>	<u>117,680</u>
Net change in fund balance	<u>\$ (6,781)</u>	(2,159)	<u>\$ 4,622</u>
Fund balance at beginning of year		<u>6,782</u>	
Fund balance at end of year		<u>\$ 4,623</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Cash	\$ 358,969	\$ 231
Investments	117,316	246,696
Due from other governments	10,766	890
Due from other funds	610,000	210,000
Total assets	<u>\$ 1,097,051</u>	<u>\$ 457,817</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Retainage payable	\$ 6,757	\$ 890
Due to other funds	79,888	24,894
Total liabilities	<u>86,645</u>	<u>25,784</u>
Fund balance:		
Committed	330,351	264,315
Assigned	680,055	167,718
Total fund balance	<u>1,010,406</u>	<u>432,033</u>
Total liabilities and fund balance	<u>\$ 1,097,051</u>	<u>\$ 457,817</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$ 230,521	\$ 8,900
Investment earnings	391	476
	<u>230,912</u>	<u>9,376</u>
Total revenues		
	<u>230,912</u>	<u>9,376</u>
Expenditures:		
Capital projects	<u>544,539</u>	<u>978,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(313,627)</u>	<u>(969,420)</u>
Other financing sources (uses):		
Transfers in	892,000	624,800
Transfers out	-	(40,192)
	<u>892,000</u>	<u>584,608</u>
Total other financing sources (uses)		
	<u>892,000</u>	<u>584,608</u>
Net change in fund balance	578,373	(384,812)
Fund balance at beginning of year	<u>432,033</u>	<u>816,845</u>
Fund balance at end of year	<u><u>\$ 1,010,406</u></u>	<u><u>\$ 432,033</u></u>

**CITY OF ACWORTH, GEORGIA
 CAPITAL IMPROVEMENT
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 332,533	\$ 230,521	\$ (102,012)
Total revenues	<u>332,533</u>	<u>230,521</u>	<u>(102,012)</u>
Expenditures:			
Capital projects	1,013,684	544,539	469,145
Excess (deficiency) of revenues over (under) expenditures	<u>(681,151)</u>	<u>(314,018)</u>	<u>367,133</u>
Other financing sources (uses):			
Transfers in	278,500	892,000	613,500
Total other financing sources (uses)	<u>278,500</u>	<u>892,000</u>	<u>613,500</u>
Net change in fund balance	<u>\$ (402,651)</u>	577,982	<u>\$ 980,633</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Investment earnings		391	
Fund balance at beginning of year		<u>432,033</u>	
Fund balance at end of year		<u>\$1,010,406</u>	

**CITY OF ACWORTH, GEORGIA
 SPLOST
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Assets:		
Due from other governments	\$ 612,128	\$ 666,606
Restricted assets:		
Cash	3,788,874	1,256,104
Investments	<u>1,423,168</u>	<u>2,215,996</u>
Total assets	<u>\$ 5,824,170</u>	<u>\$ 4,138,706</u>
Liabilities:		
Accounts payable	\$ 6,690	\$ -
Retainage payable	161,592	114,717
Due to other funds	<u>506,043</u>	<u>202,984</u>
Total liabilities	<u>674,325</u>	<u>317,701</u>
Deferred inflows of resources:		
Unavailable revenue	<u>313,322</u>	<u>40,000</u>
Fund balance:		
Restricted	<u>4,836,523</u>	<u>3,781,005</u>
Total fund balance	<u>4,836,523</u>	<u>3,781,005</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,824,170</u>	<u>\$ 4,138,706</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Intergovernmental	\$ 3,580,369	\$ 2,652,567
Investment earnings	4,810	3,463
Contributions and donations	1,540	-
Total revenues	<u>3,586,719</u>	<u>2,656,030</u>
Expenditures:		
Capital projects	<u>2,531,201</u>	<u>2,085,461</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,055,518</u>	<u>570,569</u>
Other financing sources (uses):		
Transfers in	<u>-</u>	<u>40,192</u>
Total other financing sources (uses)	<u>-</u>	<u>40,192</u>
Net change in fund balance	1,055,518	610,761
Fund balance at beginning of year	<u>3,781,005</u>	<u>3,170,244</u>
Fund balance at end of year	<u><u>\$ 4,836,523</u></u>	<u><u>\$ 3,781,005</u></u>

**CITY OF ACWORTH, GEORGIA
 SPLOST
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,797,908	\$ 3,580,369	\$ 782,461
Investment earnings	4,436	4,810	374
Total revenues	<u>2,802,344</u>	<u>3,585,179</u>	<u>782,835</u>
Expenditures:			
Capital projects	<u>5,223,020</u>	<u>2,531,201</u>	<u>2,691,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,420,676)</u>	<u>1,053,978</u>	<u>3,474,654</u>
Net change in fund balance	<u><u>\$(2,420,676)</u></u>	1,053,978	<u><u>\$ 3,474,654</u></u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Contributions and donations		1,540	
Fund balance at beginning of year		<u>3,781,005</u>	
Fund balance at end of year		<u><u>\$ 4,836,523</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.

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Prepaid items	\$ 1,250	\$ 1,250
Restricted assets:		
Cash	<u>16</u>	<u>13</u>
Total assets	<u>\$ 1,266</u>	<u>\$ 1,263</u>
<u>FUND BALANCE</u>		
Fund balance:		
Nonspendable	\$ 1,250	\$ 1,250
Restricted	<u>16</u>	<u>13</u>
Total fund balance	<u>1,266</u>	<u>1,263</u>
Total liabilities and fund balance	<u>\$ 1,266</u>	<u>\$ 1,263</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Revenues:		
Taxes	\$ 168,628	\$ 162,758
Intergovernmental	640,784	638,610
Investment earnings	23	12
Total revenues	<u>809,435</u>	<u>801,380</u>
Expenditures:		
Debt service	<u>508,624</u>	<u>508,938</u>
Total expenditures	<u>508,624</u>	<u>508,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,811</u>	<u>292,442</u>
Other financing sources (uses):		
Transfers out	<u>(300,808)</u>	<u>(292,430)</u>
Net change in fund balance	3	12
Fund balance at beginning of year	<u>1,263</u>	<u>1,251</u>
Fund balance at end of year	<u><u>\$ 1,266</u></u>	<u><u>\$ 1,263</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, 2013**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 168,628	\$ 168,628	\$ -
Intergovernmental	640,784	640,784	-
Investment earnings	8	23	15
Total revenues	<u>809,420</u>	<u>809,435</u>	<u>15</u>
Expenditures:			
Debt service	508,625	508,624	1
Total expenditures	<u>508,625</u>	<u>508,624</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,795</u>	<u>300,811</u>	<u>16</u>
Other financing sources (uses):			
Transfers out	(300,808)	(300,808)	-
Total other financing sources (uses)	<u>(300,808)</u>	<u>(300,808)</u>	<u>-</u>
Net change in fund balance	<u>\$ (13)</u>	3	<u>\$ 16</u>
Fund balance at beginning of year		<u>1,263</u>	
Fund balance at end of year		<u>\$ 1,266</u>	

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, 2013 AND 2012

	2013	2012 (As Restated)
<u>ASSETS</u>		
Current assets:		
Cash	\$ 776,208	\$ 79,521
Investments	2,122,774	2,104,958
Restricted assets:		
Cash	926,755	896,857
Investments	1,931,214	1,299,418
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,727,424	1,664,257
Due from other funds	103,376	187,478
Inventory	744,490	878,547
Total current assets	<u>8,332,241</u>	<u>7,111,036</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>5,072,266</u>	<u>5,287,537</u>
Total noncurrent assets	<u>5,072,266</u>	<u>5,287,537</u>
Total assets	<u>13,404,507</u>	<u>12,398,573</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	753,250	722,743
Customer deposits	930,894	898,591
Accrued liabilities	63,835	60,280
Accrued compensated absences	31,373	26,095
Unearned revenue	939,607	608,761
Due to other funds	41,301	3,671
Capital leases - current	38,442	7,735
Total current liabilities	<u>2,798,702</u>	<u>2,327,876</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	7,843	6,524
Net OPEB obligation	472,954	404,891
Net pension liability	13,401	14,586
Capital lease obligations	130,907	-
Total long-term liabilities	<u>625,105</u>	<u>426,001</u>
Total liabilities	<u>3,423,807</u>	<u>2,753,877</u>
<u>NET POSITION</u>		
Net investment in capital assets	4,902,917	5,279,802
Unrestricted	<u>5,077,783</u>	<u>4,364,894</u>
Total net position	<u>\$ 9,980,700</u>	<u>\$ 9,644,696</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, 2013 AND 2012**

	2013	2012 (As Restated)
Operating revenues:		
Charges for services	\$ 12,567,153	\$ 11,804,109
Other	535,972	476,362
Total operating revenues	<u>13,103,125</u>	<u>12,280,471</u>
Operating expenses:		
Personal services	1,100,367	1,085,516
Operating	10,060,276	9,800,001
Depreciation	452,752	443,471
Total operating expenses	<u>11,613,395</u>	<u>11,328,988</u>
Operating income	<u>1,489,730</u>	<u>951,483</u>
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	(317,337)	(59,754)
Interest income	1,742	13,929
Interest expense	(3,150)	(636)
Total nonoperating revenues (expenses)	<u>(318,745)</u>	<u>(46,461)</u>
Income before contributions and transfers	<u>1,170,985</u>	<u>905,022</u>
Capital contributions	5,019	15,295
Transfers out	<u>(840,000)</u>	<u>(805,000)</u>
Increase (decrease) in net position	336,004	115,317
Net position - at beginning of year	<u>9,644,696</u>	<u>9,529,379</u>
Net position at end of year	<u>\$ 9,980,700</u>	<u>\$ 9,644,696</u>

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012 (As Restated)
Cash flows from (to) operating activities:		
Cash received from customers	\$13,403,107	\$12,657,087
Cash payments for goods and services	(9,773,980)	(9,756,519)
Cash payments for employee services and fringe benefits	(1,023,337)	(1,019,706)
Net cash from operating activities	<u>2,605,790</u>	<u>1,880,862</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(840,000)	(805,000)
Net cash to noncapital financing activities	<u>(840,000)</u>	<u>(805,000)</u>
Cash flows from (to) capital and related financing activities:		
Contributed capital	5,019	15,295
Proceeds from sale of capital assets	1,154	-
Interest paid	(3,150)	(636)
Payments for capital acquisitions	(555,972)	(299,715)
Principal payments on long-term obligations	(36,019)	(17,060)
Proceeds from capital leases	197,633	-
Net cash from (to) capital and related financing activities	<u>(391,335)</u>	<u>(302,116)</u>
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(649,612)	(701,315)
Interest received from investments	1,742	13,929
Net cash from (to) investing activities	<u>(647,870)</u>	<u>(687,386)</u>
Net increase (decrease) in cash	726,585	86,360
Cash at beginning of year (including \$896,857 and \$861,589 in restricted cash)	<u>976,378</u>	<u>890,018</u>
Cash at end of year (including \$926,755 and \$896,857 in restricted cash)	<u>\$ 1,702,963</u>	<u>\$ 976,378</u>

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012 (As Restated)
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 1,489,730	\$ 951,483
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	452,752	443,471
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(63,167)	131,069
(Increase) decrease in inventory	134,057	(152,819)
(Increase) decrease in due from other funds	84,102	155,881
Increase (decrease) in net OPEB liability	68,063	67,287
Increase (decrease) in net pension liability	(1,185)	(1,539)
Increase (decrease) in accounts payable	30,507	36,749
Increase (decrease) in accrued liabilities	10,152	62
Increase (decrease) in unearned revenue	330,846	212,523
Increase (decrease) in due to other funds	37,630	3,671
Increase (decrease) in customer deposits	32,303	33,024
Net cash from operating activities	<u>\$ 2,605,790</u>	<u>\$ 1,880,862</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,150</u>	<u>\$ 636</u>

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 576,190	\$ 655,664
Restricted assets:		
Cash	190,434	180,316
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	129,453	124,008
Due from other funds	74,418	13,457
Total current assets	<u>970,495</u>	<u>973,445</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>289,541</u>	<u>225,927</u>
Total assets	<u>1,260,036</u>	<u>1,199,372</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accrued liabilities	8,556	9,384
Accrued compensated absences	13,083	16,520
Customer deposits	190,434	180,316
Due to other funds	57,682	30,578
Capital leases - current	27,064	26,080
Total current liabilities	<u>296,819</u>	<u>262,878</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,271	-
Net pension liability	7,560	7,854
Capital lease obligations	11,576	38,639
Total long-term liabilities	<u>22,407</u>	<u>46,493</u>
Total liabilities	<u>319,226</u>	<u>309,371</u>
<u>NET POSITION</u>		
Net investment in capital assets	250,901	161,208
Unrestricted	689,909	728,793
Total net position	<u>\$ 940,810</u>	<u>\$ 890,001</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 1,531,378	\$ 1,499,678
Total operating revenues	<u>1,531,378</u>	<u>1,499,678</u>
Operating expenses:		
Personal services	660,166	653,943
Operating	452,794	454,259
Depreciation	114,938	110,300
Total operating expenses	<u>1,227,898</u>	<u>1,218,502</u>
Operating income (loss)	<u>303,480</u>	<u>281,176</u>
Nonoperating revenues (expenses):		
Interest income	9,291	711
Interest expense	(1,962)	(2,909)
Gain (loss) on sale of capital assets	-	(14)
Total nonoperating revenues (expenses)	<u>7,329</u>	<u>(2,212)</u>
Income (loss) before transfers	<u>310,809</u>	<u>278,964</u>
Transfers out	<u>(260,000)</u>	<u>(170,000)</u>
Increase (decrease) in net position	50,809	108,964
Net position at beginning of year	<u>890,001</u>	<u>781,037</u>
Net position at end of year	<u>\$ 940,810</u>	<u>\$ 890,001</u>

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	2013	2012
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,536,051	\$ 1,503,625
Cash payments for goods and services	(486,651)	(463,385)
Cash payments for employee services and fringe benefits	(661,454)	(651,432)
Net cash from (to) operating activities	<u>387,946</u>	<u>388,808</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(260,000)	(170,000)
Net cash from (to) noncapital financing activities	<u>(260,000)</u>	<u>(170,000)</u>
Cash flows from (to) capital and related financing activities:		
Proceeds from sale of capital assets	23,125	-
Interest paid	(1,962)	(2,909)
Payments for capital acquisitions	(201,677)	(42,160)
Principal payments on long-term obligations	(26,079)	(25,132)
Net cash from (to) capital and related financing activities	<u>(206,593)</u>	<u>(70,201)</u>
Cash flows from (to) investing activities:		
Interest received from investments	9,291	711
Net cash from (to) investing activities	<u>9,291</u>	<u>711</u>
Net increase (decrease) in cash	(69,356)	149,318
Cash at beginning of year (including \$180,316 and \$174,497 in restricted cash)	<u>835,980</u>	<u>686,662</u>
Cash at end of year (including \$190,434 and \$180,316 in restricted cash)	<u>\$ 766,624</u>	<u>\$ 835,980</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 303,480	\$ 281,176
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	114,938	110,300
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(5,445)	(1,872)
(Increase) decrease in due from other funds	(60,961)	13,156
Increase (decrease) in net pension liability	(294)	(829)
Increase (decrease) in accrued liabilities	(994)	3,340
Increase (decrease) in customer deposits	10,118	5,819
Increase (decrease) in due to other funds	27,104	(22,282)
Net cash from operating activities	<u>\$ 387,946</u>	<u>\$ 388,808</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,962</u>	<u>\$ 2,909</u>

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 and dental insurance for all City employees.

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	Customer Service Fund	Insurance	Totals
ASSETS			
Current assets:			
Cash	\$ 125,813	\$ -	\$ 125,813
Accounts receivable	1,367	-	1,367
Prepaid items	3,789	196,440	200,229
Due from other funds	2,565	493,661	496,226
Total current assets	133,534	690,101	823,635
Total assets	133,534	690,101	823,635
LIABILITIES			
Current liabilities:			
Accounts and claims payable	1,989	52,368	54,357
Accrued liabilities	6,587	-	6,587
Accrued compensated absences	7,875	-	7,875
Due to other funds	1,006	-	1,006
Total current liabilities	17,457	52,368	69,825
Long-term liabilities (net of current portion):			
Accrued compensated absences	1,969	-	1,969
Net pension liability	4,797	-	4,797
Total long-term liabilities	6,766	-	6,766
Total liabilities	24,223	52,368	76,591
NET POSITION			
Unrestricted	109,311	637,733	747,044
Total net position	\$ 109,311	\$ 637,733	\$ 747,044

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 510,226	\$ 1,557,731	\$ 2,067,957
Other	13,192	-	13,192
Total operating revenues	<u>523,418</u>	<u>1,557,731</u>	<u>2,081,149</u>
Operating expenses:			
Personal services	357,422	-	357,422
Operating	106,000	1,427,269	1,533,269
Total operating expenses	<u>463,422</u>	<u>1,427,269</u>	<u>1,890,691</u>
Operating income (loss)	<u>59,996</u>	<u>130,462</u>	<u>190,458</u>
Income (loss) before transfers	<u>59,996</u>	<u>130,462</u>	<u>190,458</u>
Transfers in	-	90,000	90,000
Transfers out	<u>(60,000)</u>	<u>-</u>	<u>(60,000)</u>
Increase (decrease) in net position	(4)	220,462	220,458
Net position at beginning of year	<u>109,315</u>	<u>417,271</u>	<u>526,586</u>
Net position at end of year	<u>\$ 109,311</u>	<u>\$ 637,733</u>	<u>\$ 747,044</u>

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 523,858	\$ 1,329,273	\$ 1,853,131
Cash payments for goods and services	(104,411)	-	(104,411)
Cash payments for benefits and claims	-	(1,419,273)	(1,419,273)
Cash payments for employee services and fringe benefits	(358,751)	-	(358,751)
Net cash from (to) operating activities	60,696	(90,000)	(29,304)
Cash flows from (to) noncapital financing activities:			
Transfers in	-	90,000	90,000
Transfers out	(60,000)	-	(60,000)
Net cash from (to) noncapital financing activities	(60,000)	90,000	30,000
Net increase (decrease) in cash	696	-	696
Cash at beginning of year	125,117	-	125,117
Cash at end of year	\$ 125,813	\$ -	\$ 125,813
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 59,996	\$ 130,462	\$ 190,458
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	836	-	836
(Increase) decrease in prepaid expenses	(148)	10,414	10,266
(Increase) decrease in due from other funds	(396)	(228,458)	(228,854)
Increase (decrease) in net pension liability	(453)	-	(453)
Increase (decrease) in accounts and claims payable	1,010	(2,418)	(1,408)
Increase (decrease) in accrued liabilities	(876)	-	(876)
Increase (decrease) in due to other funds	727	-	727
Net cash from (to) operating activities	\$ 60,696	\$ (90,000)	\$ (29,304)

**CITY OF ACWORTH, GEORGIA
 CUSTOMER SERVICE
 INTERNAL SERVICE FUND
 COMPARATIVE STATEMENT OF NET POSITION
 JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Cash	\$ 125,813	\$ 125,117
Accounts receivable	1,367	2,203
Prepaid items	3,789	3,641
Due from other funds	<u>2,565</u>	<u>2,169</u>
Total current assets	<u>133,534</u>	<u>133,130</u>
Total assets	<u>133,534</u>	<u>133,130</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	1,989	979
Accrued liabilities	6,587	6,061
Accrued compensated absences	7,875	11,246
Due to other funds	<u>1,006</u>	<u>279</u>
Total current liabilities	<u>17,457</u>	<u>18,565</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	1,969	-
Net pension liability	<u>4,797</u>	<u>5,250</u>
Total long-term liabilities	<u>6,766</u>	<u>5,250</u>
Total liabilities	<u>24,223</u>	<u>23,815</u>
<u>NET POSITION</u>		
Unrestricted	<u>109,311</u>	<u>109,315</u>
Total net position	<u>\$ 109,311</u>	<u>\$ 109,315</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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 510,226	\$ 559,232
Other	13,192	13,297
Total operating revenues	<u>523,418</u>	<u>572,529</u>
Operating expenses:		
Personal services	357,422	371,841
Operating	106,000	99,562
Depreciation	-	1,956
Total operating expenses	<u>463,422</u>	<u>473,359</u>
Operating income (loss)	<u>59,996</u>	<u>99,170</u>
Income (loss) before transfers	59,996	99,170
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>
Increase (decrease) in net position	(4)	39,170
Net position at beginning of year	<u>109,315</u>	<u>70,145</u>
Net position at end of year	<u>\$ 109,311</u>	<u>\$ 109,315</u>

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 523,858	\$ 571,659
Cash payments for goods and services	(104,411)	(108,533)
Cash payments for employee services and fringe benefits	<u>(358,751)</u>	<u>(370,796)</u>
Net cash from (to) operating activities	<u>60,696</u>	<u>92,330</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>
Net cash from (to) noncapital financing activities	<u>(60,000)</u>	<u>(60,000)</u>
Net increase (decrease) in cash	696	32,330
Cash at beginning of year	<u>125,117</u>	<u>92,787</u>
Cash at end of year	<u><u>\$ 125,813</u></u>	<u><u>\$ 125,117</u></u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 59,996	\$ 99,170
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Depreciation	-	1,956
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	836	(365)
(Increase) decrease in prepaid expenses	(148)	(3,641)
(Increase) decrease in due from other funds	(396)	(505)
Increase (decrease) in net pension liability	(453)	(554)
Increase (decrease) in accounts payable	1,010	(1,391)
Increase (decrease) in accrued liabilities	(876)	1,599
Increase (decrease) in due to other funds	<u>727</u>	<u>(3,939)</u>
Net cash from (to) operating activities	<u><u>\$ 60,696</u></u>	<u><u>\$ 92,330</u></u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2013 AND 2012**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Current assets:		
Prepaid items	\$ 196,440	\$ 206,854
Due from other funds	<u>493,661</u>	<u>265,203</u>
Total assets	<u>690,101</u>	<u>472,057</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts and claims payable	<u>52,368</u>	<u>54,786</u>
Total liabilities	<u>52,368</u>	<u>54,786</u>
<u>NET POSITION</u>		
Unrestricted	<u>637,733</u>	<u>417,271</u>
Total net position	<u><u>\$ 637,733</u></u>	<u><u>\$ 417,271</u></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, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 1,557,731	\$ 1,447,163
Other	-	25,000
Total operating revenues	<u>1,557,731</u>	<u>1,472,163</u>
Operating expenses:		
Operating	<u>1,427,269</u>	<u>1,397,833</u>
Total operating expenses	<u>1,427,269</u>	<u>1,397,833</u>
Operating income (loss)	<u>130,462</u>	<u>74,330</u>
Income (loss) before transfers	<u>130,462</u>	<u>74,330</u>
Transfers in	<u>90,000</u>	<u>-</u>
Increase (decrease) in net position	220,462	74,330
Net position at beginning of year	<u>417,271</u>	<u>342,941</u>
Net position at end of year	<u>\$ 637,733</u>	<u>\$ 417,271</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$ 1,329,273	\$ 1,391,719
Cash payments for benefits and claims	<u>(1,419,273)</u>	<u>(1,391,719)</u>
Net cash from (to) operating activities	<u>(90,000)</u>	<u>-</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	<u>90,000</u>	<u>-</u>
Net cash from (to) noncapital financing activities	<u>90,000</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)	\$ 130,462	\$ 74,330
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in prepaid expenses	10,414	(15,742)
(Increase) decrease in due from other funds	(228,458)	(80,444)
Increase (decrease) in accounts and claims payable	(2,418)	21,856
Increase (decrease) in due to other funds	<u>-</u>	<u>-</u>
Net cash from (to) operating activities	<u>\$ (90,000)</u>	<u>\$ -</u>

SUPPLEMENTAL INFORMATION

CITY OF ACWORTH, GEORGIA
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2013

	<u>Acworth Tourism Bureau Authority</u>
<u>ASSETS</u>	
Investments	\$ 94,106
Due from other governments	8,065
Due from primary government	<u>26,449</u>
Total assets	<u><u>\$ 128,620</u></u>
<u>EQUITY</u>	
Fund balance:	
Unassigned	<u>128,620</u>
Total equity	<u>128,620</u>
Amounts reported for the component unit in the statement of net position are different because:	
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	<u>3,977</u>
Net position of component unit	<u><u>\$ 132,597</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, 2013**

	<u>Acworth Tourism Bureau Authority</u>
Revenues:	
Intergovernmental	\$ 31,704
Investment earnings	147
Other	560
Total revenues	<u>32,411</u>
Expenditures:	
Culture and recreation	<u>18,674</u>
Total expenditures	<u>18,674</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,737</u>
Net change in fund balance	<u>13,737</u>
Fund balance at beginning of year	<u>114,883</u>
Fund balance at end of year	<u>\$ 128,620</u>
Amounts reported for the component unit in the statement of activities are different because:	
Component unit 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	\$ (3,064)
Net change in fund balance	<u>13,737</u>
Change in net position of component unit on the statement of activities	<u>\$ 10,673</u>

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2013**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2013	15,479	15,479	-
Acworth Downtown Development Authority	4/1/2014	356,641	29,641	327,000
Interest payment semi-annual; Principal payment annually	10/1/2014	26,796	26,796	-
1.74% Interest Rate	4/1/2015	345,796	26,796	319,000
	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	369,183	3,183	366,000
		\$ 3,726,221	\$ 319,221	\$ 3,407,000
Tax Allocation District Bonds - Series 2013	12/01/13	361,057	71,057	290,000
Lakeside Project ;\$5,595,000	06/01/14	67,374	67,374	-
bi-annual debt service; 2.54%	12/01/14	452,374	67,374	385,000
Debt service is paid from tax increment within district.	06/01/15	62,484	62,484	-
	12/01/15	457,484	62,484	395,000
	06/01/16	57,468	57,468	-
	12/01/16	462,468	57,468	405,000
	06/01/17	52,324	52,324	-
	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
		\$ 6,580,965	\$ 985,965	\$ 5,595,000

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2013

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Recreation Facilities	1/1/2014	9,630	9,630	-
Installment Sales Agreement - Acworth Lake	7/1/2014	109,630	9,630	100,000
Authority revenue Bonds, Series 2008	1/1/2015	7,830	7,830	-
\$975,000 @ 3.6% interest rate	7/1/2015	112,830	7,830	105,000
	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	117,070	2,070	115,000
		\$ 594,040	\$ 59,040	\$ 535,000
CableNET Project Refunding Bonds; Series 2008	1/1/2014	157,808	157,808	-
Acworth Downtown Development Authority	7/1/2014	542,808	157,808	385,000
\$9,645,000; Fixed Rate - 3.97%	1/1/2015	150,166	150,166	-
Mature - 07/01/2028	7/1/2015	555,166	150,166	405,000
	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
	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
		\$ 10,724,037	\$ 2,774,037	\$ 7,950,000
Deferred Charged - Loss on refunding				\$ (1,024,280)
Net pension obligation				81,586
Net OPEB obligation				2,112,998
Accrued compensated absences				177,552
TOTAL GENERAL LONG-TERM DEBT				\$ 18,834,856

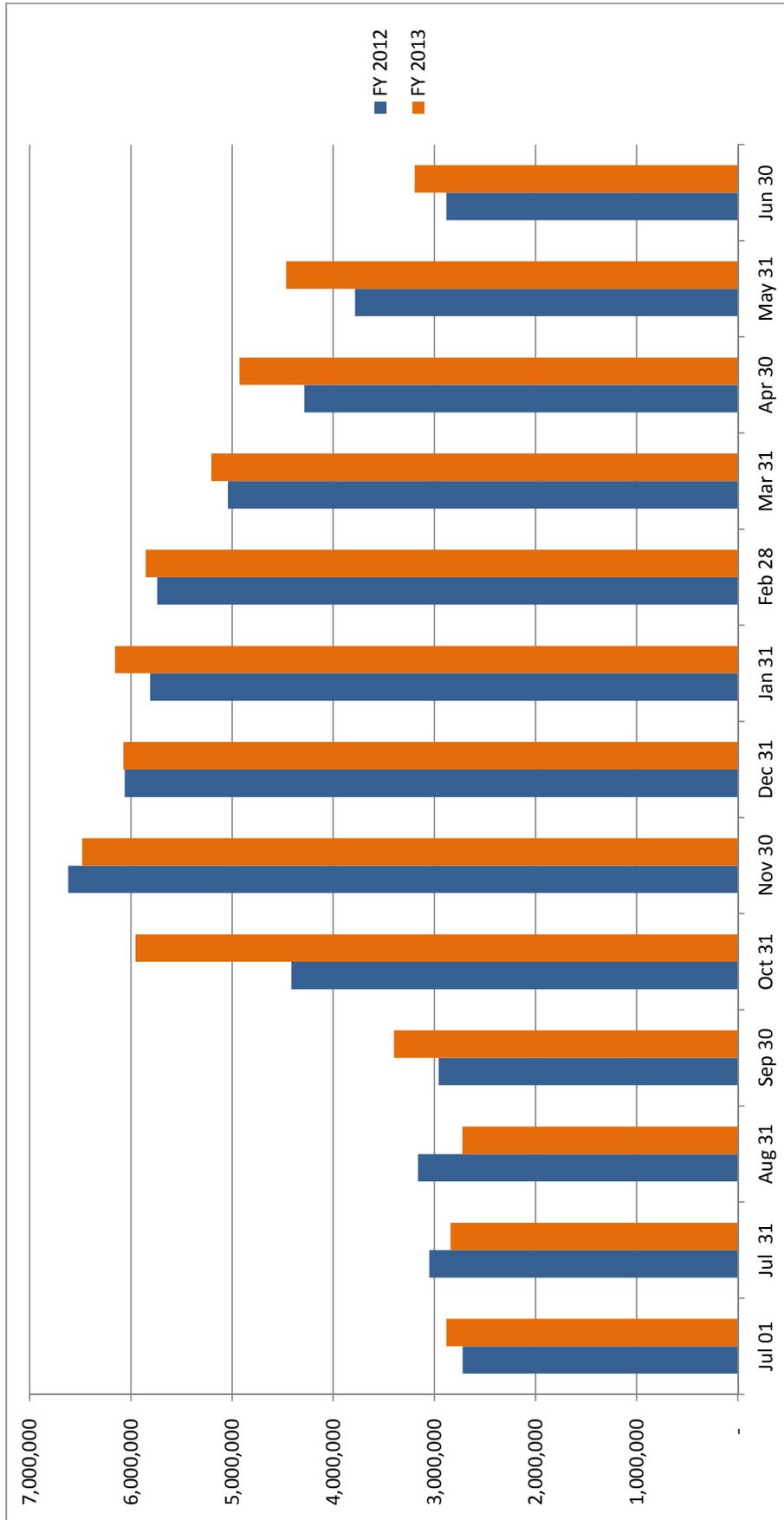
CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2013

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
ENTERPRISE FUNDS				
Electrical Power Fund				
2012 Bucket Truck				
09/24/2012 - \$197,633; 2.19%; 60 months	7/24/2013	3,481	310	3,171
\$3,480.52/monthly	8/24/2013	3,480	303	3,177
	9/24/2013	3,481	298	3,183
	10/24/2013	3,480	291	3,189
	11/24/2013	3,481	286	3,195
	12/24/2013	3,480	279	3,201
	1/24/2014	3,481	275	3,206
	2/24/2014	3,480	268	3,212
	3/24/2014	3,481	263	3,218
	4/24/2014	3,480	256	3,224
	5/24/2014	3,481	251	3,230
	6/24/2014	3,480	244	3,236
	7/24/2014	3,481	239	3,242
	8/24/2014	3,480	232	3,248
	9/24/2014	3,481	228	3,253
	10/24/2014	3,480	221	3,259
	11/24/2014	3,481	216	3,265
	12/24/2014	3,480	209	3,271
	1/24/2015	3,481	204	3,277
	2/24/2015	3,480	197	3,283
	3/24/2015	3,481	192	3,289
	4/24/2015	3,480	185	3,295
	5/24/2015	3,481	180	3,301
	6/24/2015	3,480	173	3,307
	7/24/2015	3,481	168	3,313
	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
	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	5	3,476
		\$ 177,506	\$ 8,157	\$ 169,349

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2013

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Net pension obligation				13,401
Net OPEB Obligation				472,954
Compensated Absences				<u>39,216</u>
Total Electrical Power Fund				<u>\$ 694,920</u>
Sanitation Fund				
2010 Freightliner Leaf Vacuum; 12/04/2009; 3.71%	8/4/2013	2,337	119	2,217
\$2,336.71/monthly	9/4/2013	2,337	113	2,224
	10/4/2013	2,337	106	2,231
	11/4/2013	2,337	99	2,238
	12/4/2013	2,337	92	2,245
	1/4/2014	2,337	85	2,252
	2/4/2014	2,337	78	2,259
	3/4/2014	2,337	71	2,266
	4/4/2014	2,337	64	2,273
	5/4/2014	2,337	57	2,280
	6/4/2014	2,337	50	2,287
	7/4/2014	2,337	43	2,294
	8/4/2014	2,337	36	2,301
	9/4/2014	2,337	29	2,308
	10/4/2014	2,337	22	2,315
	11/4/2014	2,337	14	2,322
	12/4/2014	2,337	8	2,329
		<u>\$ 39,724</u>	<u>\$ 1,084</u>	<u>\$ 38,640</u>
Net pension obligation				\$ 7,560
Compensated Absences				<u>16,354</u>
Total Solid Waste Sanitation Fund				<u>\$ 62,554</u>
TOTAL ENTERPRISE FUNDS				<u>\$ 757,474</u>
INTERNAL SERVICE FUNDS				
Customer Service Fund				
Net pension obligation				\$ 4,797
Compensated Absences				<u>9,844</u>
TOTAL INTERNAL SERVICE FUNDS				<u>\$ 14,641</u>

City of Acworth, Georgia
General Fund Schedule of Unassigned Fund Balance by Month
Fiscal Years 2012 and 2013



STATISTICAL SECTION

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

	Fiscal Year Ended December 31,					Fiscal Year Ended June 30,				
	2004	2005	2006 (1)	2007	2008	2009 (2)	2010	2011	2012 (1)	2013
Governmental Activities										
Net investment in capital assets	\$ 6,554,354	\$ 6,958,996	\$ 34,190,775	\$ 34,345,532	\$ 33,985,948	\$ 34,171,629	\$ 32,822,306	\$ 32,095,552	\$ 32,488,823	\$ 33,087,992
Restricted	4,093,534	4,692,678	5,312,596	5,474,008	5,772,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961
Unrestricted	3,935,142	(1,975,076)	(1,304,330)	(428,906)	(76,953)	(3,303,952)	(3,244,415)	(2,696,525)	(10,054,498)	(8,995,080)
Subtotal Governmental Activities Net Position	14,583,030	9,676,598	38,199,041	39,390,634	39,681,478	36,431,341	36,610,531	36,576,948	30,073,864	32,350,873
Business-Type Activities										
Net investment in capital assets	6,121,002	6,192,330	6,271,552	6,369,610	6,246,611	6,095,349	5,956,187	5,670,482	5,441,010	5,153,818
Restricted	(5,919,881)	(6,566,173)	(5,613,929)	(3,869,450)	(4,501,350)	(4,105,802)	(3,438,357)	(2,047,477)	-	-
Unrestricted	201,121	(373,843)	657,623	2,500,160	2,245,261	1,989,547	2,517,830	3,623,005	10,730,993	11,147,691
Subtotal Business-Type Activities Net Position	12,675,356	13,151,326	40,462,327	40,715,142	40,232,559	40,266,978	38,778,493	37,766,034	37,929,833	38,241,810
Primary Government										
Net investment in capital assets	4,093,534	4,692,678	5,312,596	5,474,008	6,272,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961
Restricted	(1,984,739)	(8,541,249)	(6,918,259)	(4,298,356)	(4,578,303)	(7,409,754)	(6,682,772)	(4,744,002)	(4,764,515)	(3,001,207)
Total Primary Government Net Position	\$ 14,784,151	\$ 9,302,755	\$ 38,856,664	\$ 41,890,794	\$ 41,926,739	\$ 38,420,888	\$ 39,128,361	\$ 40,199,953	\$ 40,804,857	\$ 43,498,564

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. Fiscal Years 2010 forward end June 30.

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

	Fiscal Year Ended June 30,									
	2004	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012 (3)	2013
Expenses:										
Governmental activities	\$ 7,233,554	\$ 13,372,854	\$ 10,894,977	\$ 13,331,013	\$ 13,909,175	\$ 6,687,448	\$ 13,891,839	\$ 13,646,586	\$ 14,309,472	\$ 13,633,681
Business-type activities	8,801,010	12,243,973	11,038,810	11,402,027	11,771,469	5,810,804	11,827,593	12,355,258	12,436,270	12,756,520
Total Expenses	16,034,564	25,616,827	21,933,787	24,733,040	25,680,644	12,498,252	25,719,432	26,001,844	26,745,742	26,390,201
Program Revenues:										
Governmental activities	1,774,456	1,748,322	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204
Business-type activities	9,621,291	11,317,846	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522
Total Program Revenues	11,395,747	13,066,168	19,224,881	17,076,965	15,941,599	7,655,666	17,057,106	17,888,566	18,395,029	19,850,726
Net (Expense) Revenue	(4,638,817)	(12,550,659)	(2,708,906)	(7,656,075)	(9,739,045)	(4,842,586)	(8,662,326)	(8,113,278)	(8,350,713)	(6,539,475)
General Revenues and Transfers:										
Governmental activities	6,367,775	6,718,100	7,971,250	9,593,064	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486
Business-type activities	(10,689,322)	351,163	290,138	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)
Total General Revenues and Transfers	(4,321,547)	7,069,263	8,261,388	10,690,205	9,774,990	1,336,735	9,572,677	9,184,870	9,134,937	9,233,182
Changes in Net Position	\$ (8,960,364)	\$ (5,481,396)	\$ 5,552,482	\$ 3,034,130	\$ 35,945	\$ (3,505,851)	\$ 910,351	\$ 1,071,592	\$ 784,224	\$ 2,693,707

Notes:

(1) The City resumed operations of CableNET in July 2005 and sold the system December 2005. Fiscal year 2005 includes five months of operations.

(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. Fiscal Years 2010 forward end June 30.

(3) As restated.

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,				
	2004	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (2)	2013
Expenses:										
General government	\$ 1,160,285	\$ 1,950,194	\$ 1,863,653	\$ 1,990,437	\$ 1,749,087	\$ 981,054	\$ 2,004,955	\$ 1,842,027	\$ 1,968,349	\$ 2,018,223
Judicial	256,038	243,558	291,072	363,383	406,441	237,822	423,891	371,570	350,971	376,499
Health and welfare	1,550	2,566	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991
Public works	454,355	507,716	2,975,825	3,385,142	3,408,553	1,679,463	3,543,776	3,666,566	3,470,031	3,229,552
Culture and recreation	1,580,227	1,363,873	1,400,126	1,833,692	2,379,781	1,174,998	2,082,237	2,124,868	2,088,689	1,622,427
Public safety	2,902,935	2,857,775	3,025,874	3,583,909	4,067,441	1,950,445	4,068,427	4,122,196	4,312,644	4,209,328
Housing and development	568,942	5,793,006	664,585	1,528,600	1,259,224	349,078	1,162,929	945,222	981,001	994,734
Interest and fiscal charges	309,222	654,166	660,325	643,457	635,536	313,112	603,875	573,085	1,131,515	1,181,927
Total Expenses	7,233,554	13,372,854	10,894,977	13,331,013	13,909,175	6,687,448	13,891,839	13,646,586	14,309,472	13,633,681
Program Revenues:										
Charges for Services:										
General government	375,042	140,928	188,993	193,933	180,197	71,358	167,312	190,155	217,284	214,352
Judicial	535,294	541,993	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097
Public works	41,527	37,892	35,746	24,085	25,724	6,820	9,090	26,793	20,982	18,866
Culture and recreation	316,186	291,369	357,783	363,368	336,271	171,720	353,160	457,073	394,608	430,089
Public safety	136,303	113,146	47,943	64,367	27,246	11,401	25,312	22,526	27,389	23,440
Housing and development	342,062	386,137	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632
Operating grants and contributions	5,000	7,549	4,769	2,855	41,629	52,761	185,071	51,166	100,439	122,508
Capital grants and contributions	23,042	229,308	5,792,213	3,011,179	2,201,688	1,116,981	2,631,914	2,166,754	2,696,513	2,968,210
Total Program Revenues	1,774,456	1,748,322	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204
Net (Expense) Revenue	(5,459,098)	(11,624,532)	(3,450,234)	(8,401,471)	(9,941,506)	(4,646,899)	(9,243,072)	(9,450,666)	(9,709,887)	(8,422,477)
General Revenues and Transfers:										
General revenues:										
Property taxes	3,605,668	4,085,475	4,513,677	4,992,145	5,302,654	211,192	5,321,112	5,122,901	4,874,050	4,828,872
Insurance premium tax	624,816	672,221	703,311	733,632	751,205	-	744,158	722,530	958,018	1,017,576
Alcohol taxes	306,848	372,953	417,803	454,868	461,838	222,419	434,368	430,223	458,547	466,203
Hotel, motel tax	124,992	122,679	134,925	127,745	115,685	49,262	109,608	115,272	112,969	126,816
Franchise taxes	750,487	857,847	920,760	1,110,268	1,092,569	690,534	1,288,181	1,381,657	1,383,083	1,349,413
Financial institution tax	22,773	22,766	14,394	17,638	17,636	50,373	20,287	29,702	25,798	37,504
Business Taxes	-	276,886	373,889	436,204	436,024	823	401,509	392,470	409,776	442,094
Contributions not restricted to a specific program	-	176,364	236,892	791,847	789,745	17,767	743,031	663,575	638,610	680,784
Operating grants not restricted to a specific program	-	283,163	280,749	344,105	291,701	-	369,494	247,293	246,349	252,388
Insurance Proceeds	-	-	-	-	18,649	-	-	-	-	-
Unrestricted investment earnings	132,602	187,133	322,257	426,639	319,312	77,005	125,116	64,460	13,097	19,345
Gain (loss) on sale of capital assets	(1,214)	-	-	-	-	77,387	-	-	-	-
Transfers	800,803	(339,387)	52,593	157,973	635,332	-	96,083	247,000	1,094,754	1,478,491
Total General Revenues and Transfers	6,367,775	6,718,100	7,971,250	9,593,064	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486
Change in Net Position	\$ 908,677	\$ (4,906,432)	\$ 4,521,016	\$ 1,191,593	\$ 290,844	\$ (3,250,137)	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009

(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.

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,				
	2004	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (3)	2013
Expenses:										
Electrical Power	\$ 7,787,647	\$ 9,294,405	\$ 9,954,842	\$ 10,270,097	\$ 10,544,317	\$ 5,243,322	\$ 10,650,264	\$ 11,163,078	\$ 11,214,845	\$ 11,526,660
CableNET (1)	-	1,885,541	-	-	-	-	-	-	-	-
Sanitation	1,013,363	1,064,027	1,083,968	1,131,930	1,227,152	567,482	1,177,329	1,192,180	1,221,425	1,229,860
Total Expenses	8,801,010	12,243,973	11,038,810	11,402,027	11,771,469	5,810,804	11,827,593	12,355,258	12,436,270	12,756,520
Program Revenues:										
Charges for Services:										
Electrical Power	8,092,595	9,103,403	10,283,881	10,721,339	10,551,010	4,898,922	10,971,454	12,198,127	12,280,471	13,103,125
CableNET (2)	-	717,159	-	-	-	-	-	-	-	-
Sanitation	1,155,524	1,221,948	1,227,557	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378
Operating grants and contributions	209,399	207,012	-	-	-	9,531	-	-	-	-
Capital grants and contributions	163,773	68,324	268,700	128,265	35,409	-	2,125	9,025	15,295	5,019
Total Program Revenues	9,621,291	11,317,846	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522
Net (Expense) Revenue	820,281	(926,127)	741,328	745,396	202,461	(195,687)	580,746	1,337,388	1,359,174	1,883,002
General Revenues and Transfers:										
Unrestricted investment earnings	11,481	11,776	342,731	1,255,114	177,972	17,360	15,813	14,787	14,640	11,033
Gain (loss) on Lease Receivable	(9,900,000)	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	(52,593)	(157,973)	(635,332)	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)
Transfers	(800,803)	339,387	-	-	-	-	-	-	-	1,154
Total General Revenues and Transfers	(10,689,322)	351,163	290,138	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)
Changes in Net Position	\$ (9,869,041)	\$ (574,964)	\$ 1,031,466	\$ 1,842,537	\$ (254,899)	\$ (255,714)	\$ 500,476	\$ 1,105,175	\$ 279,060	\$ 416,698

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) The City resumed operations of CableNET in July 2005 and sold the system December 2005. Fiscal year 2005 includes five months of operations.
- (3) As restated.

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

Program/Function	Fiscal Year Ended December 31,					Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (4)	2013
Governmental Activities										
General government	\$ 375,042	\$ 140,928	\$ 188,993	\$ 193,933	\$ 180,197	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352
Judicial	535,294	541,993	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097
Public works (2)	45,978	37,892	5,652,076	2,026,796	1,904,112	966,532	2,425,920	2,143,256	2,677,012	2,839,088
Culture and recreation	334,777	522,303	460,149	1,247,849	660,011	328,999	626,495	486,815	463,083	625,403
Public safety	136,303	119,069	126,229	191,209	68,415	64,162	152,132	94,241	99,836	98,632
Housing and development	347,062	386,137	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632
Subtotal governmental activities	1,774,456	1,748,322	7,444,743	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204
Business-type activities										
Electric	8,465,767	9,364,273	10,552,581	10,849,604	10,586,419	4,908,453	10,973,579	12,207,152	12,295,766	13,108,144
CableNET (3)	-	731,625	-	-	-	-	-	-	-	-
Sanitation	1,155,524	1,221,948	1,227,557	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378
Subtotal business-type activities	9,621,291	11,317,846	11,780,138	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522
Total Primary Government	\$ 11,395,747	\$ 13,066,168	\$ 19,224,881	\$ 17,076,965	\$ 15,941,599	\$ 7,655,666	\$ 17,057,106	\$ 17,888,566	\$ 18,395,029	\$ 19,850,726

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) The City resumed operations of CableNET in July 2005 and sold the system December 2005. Fiscal year 2005 includes five months of operations.
- (4) Restated.

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

	2004	2005	2006	2007 (1)	2008	2009 (2)	2010 (3)	2011 (3)	2012 (4)	2013
General Fund										
Reserved	\$ 9,653,592	\$ 3,790,647	\$ 3,831,239	\$ 3,808,080	\$ 3,808,585	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -
Unreserved	3,777,187	3,875,748	4,273,039	4,644,759	4,951,812	2,324,058	-	-	-	-
Non-spendable	-	-	-	-	-	-	253,995	269,441	245,943	237,982
Restricted	-	-	-	-	-	-	3,710,718	3,729,973	3,645,885	3,158,549
Committed	-	-	-	-	-	-	7,698	59,525	24,402	13,402
Assigned	-	-	-	-	-	-	34,468	29,984	29,222	426,844
Unassigned	-	-	-	-	-	-	2,537,862	2,720,302	3,114,548	3,194,965
Total General Fund	\$ 13,430,779	\$ 7,666,395	\$ 8,104,278	\$ 8,452,839	\$ 8,760,397	\$ 6,338,457	\$ 6,544,741	\$ 6,809,225	\$ 7,060,000	\$ 7,031,742
All Other Governmental Funds										
Reserved	\$ 128,497	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	616,897	19,245	752,241	118,037	1,137,042	186,617	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	696,906	666,154	381,377	361,116	260,841	-	-	-	-
Capital Projects/Improvements	(72,249)	430,695	521,819	1,806,940	924,119	1,609,492	-	-	-	-
Unreserved	-	-	-	-	-	-	1,250	1,250	1,250	1,250
Non-spendable	-	-	-	-	-	-	3,181,024	3,446,698	3,992,404	5,098,162
Restricted	-	-	-	-	-	-	10,167	498,442	264,315	330,351
Committed	-	-	-	-	-	-	507,681	318,403	224,237	742,228
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 673,145	\$ 1,146,846	\$ 1,943,214	\$ 2,306,354	\$ 2,422,277	\$ 2,056,950	\$ 3,700,122	\$ 4,264,793	\$ 4,482,206	\$ 6,171,991

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012 (2)	2013
Revenues:										
Taxes	\$ 5,631,546	\$ 6,327,560	\$ 7,048,319	\$ 7,906,346	\$ 8,001,223	\$ 1,371,320	\$ 8,531,068	\$ 8,385,438	\$ 8,460,186	\$ 8,589,855
Licenses and permits	381,622	435,239	523,353	343,770	275,196	89,141	217,691	228,062	248,398	337,662
Intergovernmental	17,511	683,020	2,094,595	3,626,295	3,008,241	1,049,663	3,370,402	2,854,668	3,355,670	4,485,645
Charges for services	1,338,325	426,213	466,873	439,446	703,809	205,484	491,125	517,494	511,358	541,620
Fines and forfeitures	552,507	605,605	881,110	893,736	893,736	585,684	1,074,817	1,250,253	980,759	1,224,165
Investment earnings	132,601	187,133	322,276	426,679	319,312	77,005	125,120	72,914	16,560	24,155
Contributions and donations	11,495	19,340	57,075	98,746	115,709	96,781	77,857	29,742	60,289	49,856
Other	54,246	44,408	81,888	68,630	94,001	37,539	64,073	76,279	98,138	85,512
Total revenues	8,119,853	8,728,518	11,199,427	13,791,022	13,411,227	3,512,617	13,952,153	13,414,850	13,731,358	15,338,470
Expenditures:										
Current:										
General Government	693,480	1,633,951	1,723,052	1,897,165	1,927,072	894,250	1,980,437	1,705,337	1,737,926	1,792,986
Public Safety	3,169,750	2,750,247	3,301,920	3,598,405	3,779,038	1,676,764	3,740,213	3,828,645	3,978,739	4,001,367
Public Works	703,800	637,875	796,544	872,567	932,068	419,362	930,192	949,323	926,744	961,549
Health and Welfare	1,928	2,866	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991
Housing and development	631,888	5,786,621	628,716	1,542,516	1,214,064	326,572	1,121,819	911,945	930,902	952,545
Judicial	288,097	243,558	291,072	369,160	405,082	237,142	413,747	358,569	338,509	376,499
Culture and recreation	1,336,168	1,050,459	1,209,298	1,407,751	2,037,873	1,008,452	1,916,828	1,562,883	1,644,360	1,768,951
Capital Projects	3,278,872	418,828	877,733	2,449,295	2,537,876	1,305,336	809,171	2,285,296	3,064,257	3,075,740
Debt Service										
Principal	523,752	522,242	536,741	585,661	703,244	449,331	678,889	678,078	1,062,523	1,005,211
Interest	428,524	635,694	642,295	625,427	622,359	307,961	607,036	562,781	875,445	929,097
Total Expenditures	11,056,259	13,682,041	10,020,888	13,350,340	14,161,788	6,626,626	12,200,081	12,843,909	14,565,677	14,864,936
Excess (deficiency) of revenues over expenditures	(2,936,406)	(4,953,523)	1,178,539	440,682	(750,561)	(3,114,009)	1,752,072	570,941	(834,319)	473,534
Other financing sources (uses):										
Transfers in	784,826	6,747,051	1,064,035	1,717,889	1,902,956	599,510	1,239,544	2,224,874	3,253,520	3,367,637
Transfers from component units	-	-	-	-	-	-	-	-	-	-
Transfers out	(775,503)	(7,086,438)	(1,011,442)	(1,559,916)	(1,267,624)	(522,123)	(1,143,461)	(1,977,874)	(2,218,520)	(2,297,637)
Transfers to component units	-	-	-	-	-	-	-	-	-	-
Payment to refunding agent	-	-	-	-	-	-	-	-	-	(3,300,000)
Proceeds from debt	-	-	-	-	-	-	-	-	-	3,407,000
Debt Issued	6,188,368	-	-	-	527,485	244,635	-	-	-	-
Capital lease proceeds	-	-	-	111,062	-	-	-	-	-	-
Sale of capital assets	613	2,227	3,119	1,984	11,225	4,720	1,301	11,214	20,035	10,993
Total other financing sources (uses)	6,198,304	(337,160)	55,712	271,019	1,174,042	326,742	97,384	258,214	1,055,035	1,187,993
Total Net change in fund balance	3,261,898	(5,290,683)	1,234,251	711,701	423,481	(2,787,267)	1,849,456	829,155	220,716	1,661,527
Debt service as a percentage of noncapital expenditures (1)	12.9%	8.9%	13.7%	11.2%	12.0%	14.4%	11.7%	11.5%	16.9%	16.4%

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
2004	3,233,329	624,816	50,936	306,848	124,992	25,108	750,847	261,931	5,378,807
2005	3,969,739	672,221	53,349	372,953	122,731	24,068	857,846	299,704	6,372,611
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

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 2003 to 2008 are ending December 31; Fiscal Years 2010 forward end June 30.

(2) The short reporting period for 2009 is not included since information would not reflect a trend.

(3) 2007 - 2008 taxes were reduced by the Governor's Homeowners Tax Relief Grant that was included in years 2003 to 2008 and was not funded in subsequent years.

(4) 2004 - 2013 Includes franchise taxes previously classified as fees in prior years.

(5) 2004 - 2013 Includes occupational taxes previously classified as fees in prior years. 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)

Digest Year	Amounts														Annual Percentage Change
	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	Total Direct Tax Rate	Estimated Actual Value	Annual Percentage Change	
2003	296,812,603	-	80,028,385	2,734,487	488,100	127,384	6,714,501	40,063,878	18,771,457	34,566,331	411,174,464	7.450	1,027,936,160	17.1%	
2004	322,298,299	-	107,822,361	2,223,237	488,100	-	8,535,129	41,526,213	21,400,160	35,906,876	468,386,623	7.370	1,170,966,558	13.9%	
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	52,060,065	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	685,996,712	7.600	1,664,991,780	-5.3%	
2011	372,302,549	-	194,290,388	6,161,092	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%	

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	City of Acworth		Cobb County			Cobb County School District			State of Georgia		Total Overlapping and Direct		
	Operating Millage	Total City Millage	General Millage	Bond Millage	Fire Millage	County Millage	Total Millage	General Millage	School Bond	School Millage		General Millage	Total State Millage
2003	7.450	7.450	6.850	0.220	2.650	9.720	19,000	0.900	19,900	0.250	0.250	0.250	37.320
2004	7.370	7.370	6.850	0.220	2.650	9.720	19,000	0.900	19,900	0.250	0.250	0.250	37.240
2005	7.870	7.870	6.850	0.220	2.650	9.720	19,000	0.900	19,900	0.250	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	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	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	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	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	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	0.250	37.860
2012	7.600	7.600	7.520	0.330	3.060	10,910	18,900	-	18,900	0.150	0.150	0.150	37.560

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.

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)

	2012				2003			
	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart		\$ 11,970,913	1	1.98%	Walden Ridge Apartments	\$ 6,829,799	1	1.13%
WRI Lakeside Marketplace		8,995,204	2	1.49%	Kohl's Department Stores	5,872,886	2	1.43%
Acworth Hwy 41 LLC		6,868,700	3	1.14%	Bellsouth Communications	5,466,846	3	1.96%
Walden Ridge Apartments		6,752,000	4	1.12%	Alcrona BVA Netherlands	5,391,678	4	1.63%
Stanton Place Apartments		6,666,552	5	1.10%	Wal-Mart	5,098,523	5	1.62%
Target		6,280,000	6	1.04%	Home Depot	5,051,141	6	1.53%
Lowes		4,560,000	7	0.76%	Home Federal Savings	3,638,389	7	1.35%
Bellsouth		4,071,593	8	0.67%	Wingate Falls LP	3,494,631	8	1.34%
HD Development of Maryland		3,691,756	9	0.61%	Ingle's Market	2,728,859	9	1.09%
Ingles		3,686,330	10	0.61%	Hendon Acworth LLC	2,111,275	10	0.85%
Total Principal Taxpayers		63,543,048		10.53%		45,684,027		13.93%
All Other Taxpayers		539,816,684		89.47%		365,490,437		86.07%
Total		\$ 603,359,732		100.00%		\$ 411,174,464		100.00%

Source: Cobb County Tax Commissioners Office(2003) and City of Acworth Finance Department (2012)

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
2003	2,714,395	2,632,820	96.99%	79,605	2,712,425	99.93%
2004	3,083,583	2,988,365	96.91%	94,653	3,083,018	99.98%
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%	236,020	4,095,234	99.98%
2007	4,568,039	4,356,677	95.37%	208,465	4,565,142	99.94%
2008	4,862,105	4,264,903	87.72%	589,835	4,854,738	99.85%
2009	4,903,920	4,749,622	96.85%	144,786	4,894,408	99.81%
2010	4,729,136	4,573,747	96.71%	129,084	4,702,831	99.44%
2011	4,468,702	4,326,349	96.81%	114,445	4,440,794	99.38%
2012	4,161,136	4,085,201	98.18%	-	4,085,201	98.18%

Source: Cobb County Tax Commissioners Office

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 (3)	Tier 2 (4)	Tier 3 (5)		Base Rate	Tier 1 (3)	Tier 2 (4)	Tier 3 (5)	
2004	84,332,502	7.00	0.0650	0.0780	0.0930		7.00	0.0650	0.0620	0.0560	
2005	89,184,099	7.45	0.0850	0.1125	n/a		7.45	0.0850	0.0620	n/a	
2006	93,983,394	7.45	0.0850	0.1125	n/a		7.45	0.0850	0.0620	n/a	
2007	99,502,778	7.45	0.0850	0.1125	n/a		7.45	0.0850	0.0620	n/a	
2008	94,174,253	7.45	0.0863	0.1142	n/a		7.45	0.0863	0.0629	n/a	
2009	41,699,223	7.45	0.0863	0.1142	n/a		7.45	0.0863	0.0629	n/a	
2010	95,696,511	8.45	0.0900	0.1240	n/a		8.45	0.0900	0.0840	n/a	
2011	100,339,782	8.45	0.0900	0.1240	n/a		8.45	0.0900	0.0840	n/a	
2012	93,332,043	8.45	0.0900	0.1240	n/a		8.45	0.0900	0.0840	n/a	
2013	92,913,478	8.45	0.0900	0.1240	n/a		8.45	0.0900	0.0840	n/a	

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) Fiscal year 2004 is June through September; Fiscal years 2005 to 2013 are June through October.
- (2) Fiscal year 2004 is October through May; Fiscal years 2005 to 2013 are November through May.
- (3) Fiscal year 2004 - cost per first 600 kilowatt hours; Fiscal years 2005 to 2013- cost per first 900 kilowatt hours.
- (4) Fiscal year 2004 - cost per next 400 kilowatt hours; Fiscal years 2005 to 2013 - cost per kilowatt hours over 900.
- (5) Fiscal year 2004 - cost per kilowatt hours over 1000; Fiscal years 2005 to 2013 do not have a third tier.

City of Acworth
Principal Electric Revenue Customers
(unaudited)

		2013				2004			
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	3,775,800	1	4.06%	Ingles Market	Retail	3,913,590	1	4.64%
Ingles Markets	Retail	3,507,200	2	3.77%	City of Acworth	Government	1,417,458	2	1.68%
Bellsouth	Telecommunications	1,600,279	3	1.72%	Bellsouth	Telecommunications	1,378,530	3	1.63%
NCG Acworth Inc.	Theater	1,360,960	4	1.46%	Glenncast Inc	Manufacturer	786,432	4	0.93%
Glenncast Inc.	Manufacturing	1,164,576	5	1.25%	Piggly Wiggly	Retail	737,760	5	0.87%
City of Acworth	Government	998,820	6	1.07%	Big Lots	Retail	650,860	6	0.77%
Cobb County Board of Ed.	School District	679,560	7	0.73%	Acworth Save A Lot	Retail	645,192	7	0.77%
Racetrac Petroleum	Retail	648,160	8	0.70%	Acworth United Methodist	Church	508,480	8	0.60%
Cobb County	Government	601,681	9	0.65%	Cobb County	Government	496,327	9	0.59%
Degussa Construction	Manufacturing	588,544	10	0.63%	Acworth CableNET	Cable	443,016	10	0.53%
	Total	14,925,580		16.06%			10,977,645		13.02%

Source : City of Acworth Utility Billing

The City changed Fiscal Years. Fiscal Year 2004 ended on December 31. Fiscal Year 2013 ends June 30.

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

Fiscal Year (1)	Governmental Activities				Business-type Activities				
	(2) Revenue Bonds	Intergovernmental Contracts	Certificates of Participation	(3) Tax Allocation Bonds	Total Governmental Activities	(4) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities
2004	5,477,098	255,872	1,763,268	6,050,000	13,546,228	14,900,000	663,069	-	15,563,069
2005	5,251,446	202,004	1,520,539	6,050,000	13,023,989	14,325,000	489,807	-	14,814,807
2006	5,022,174	148,136	1,268,935	6,050,000	12,487,245	14,325,000	297,728	-	14,622,728
2007	4,861,443	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	-	298,638	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)	10,867,720	-	-	5,285,000	16,152,720	-	207,988	-	207,988

Total Outstanding Debt

Fiscal Year (1)	General Bonded Debt				(5) Percentage of Personal Income	(5) Per Capita	(5) Population	General Bonded Debt			(6) Percentage of Estimated Actual Value of Taxable Property	
	Governmental Activities	Business-type Activities	Total Primary Government	Resources Restricted for Repayment of Debt				Net Primary Government	Estimated Actual Value of Taxable Property	(5) Per Capita		
2004	13,546,228	15,563,069	29,109,297	472,572,360	6.16%	1,553	18,738	22,396,228	1,229,056	21,167,172	1,170,966,558	1.81%
2005	13,023,989	14,814,807	27,838,796	495,145,640	5.62%	1,448	19,220	21,298,989	976,385	20,322,604	1,296,475,590	1.57%
2006	12,487,245	14,622,728	27,109,973	508,041,291	5.34%	1,380	19,639	20,762,245	741,873	20,020,372	1,455,999,260	1.38%
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	1,637,196,468	1.17%
2008	12,284,402	9,976,428	22,260,830	569,704,286	3.91%	1,014	21,969	16,024,402	657,045	15,367,357	1,734,751,200	0.89%
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	-	N/A
2010	11,142,716	9,197,462	20,340,178	577,006,250	3.53%	966	20,425	14,392,716	652,343	13,740,373	1,788,287,238	0.78%
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	1,664,991,738	0.77%
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	1,599,323,520	0.75%
2013 (7)	16,152,720	207,988	16,360,708	669,101,468	2.45%	744	21,994	10,867,720	-	10,867,720	1,599,323,520	0.68%

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) - F2012 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) - Intergovernmental agreement (capital lease) with the Downtown Development Authority concerning bonds for the CableNET Project which was sold in 2005.
- (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 as governmental activities under GASB 61.

CITY OF ACWORTH, GEORGIA
DIRECT, OVERLAPPING AND GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2013

<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 (Including Tax Anticipation Notes)	\$ 67,000,000	2.14%	\$ 1,431,684
Cobb County Board of Education	33,375,000	2.14%	713,171
Other Debt			
Cobb County Parking Deck Certificates	9,990,000	2.14%	213,470
Cobb-Marietta Coliseum and Exhibit Hall Authority	46,785,000	2.14%	999,721
Cobb County Solid Waste Management Authority	4,050,000	2.14%	<u>86,542</u>
Subtotal, overlapping debt			3,444,589
City direct debt:			
Direct Governmental Activities Debt (2)			<u>16,152,720</u>
Total direct and overlapping debt			<u>\$ 19,597,309</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), and debt arrangements with Acworth DDA and Acworth Lake Authority which are blended component units.

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

Digest Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Assessed Value	\$ 445,740,795	\$ 504,293,499	\$ 564,680,082	\$ 635,059,769	\$ 711,925,701	\$ 747,612,234	\$ 753,916,794	\$ 707,165,958	\$ 666,047,591	\$ 619,684,701
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	44,574,080	50,429,350	56,468,008	63,505,977	71,192,570	74,761,223	75,391,679	70,716,596	66,604,759	61,968,470
Total net debt applicable to limit (1)	1,786,674	1,553,333	1,305,777	1,043,037	768,189	515,786	250,396	62,293	-	10,867,720
Legal Debt Margin	\$ 42,787,406	\$ 48,876,017	\$ 55,162,231	\$ 62,462,940	\$ 70,424,381	\$ 74,245,437	\$ 75,141,283	\$ 70,654,303	\$ 66,604,759	\$ 51,100,750
Total net debt applicable to the limit as a percentage of debt limit	4.01%	3.08%	2.31%	1.64%	1.08%	0.69%	0.33%	0.09%	0.00%	17.54%

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 2013

Total Taxable Assessed Value	\$ 603,359,732
Add back: exempt real property	16,324,969
Total assessed value	\$ 619,684,701
Debt limit (10% of total assessed value)	61,968,470
Debt applicable to limit	10,867,720
Less: Resources restricted to paying principal	-
Legal debt margin	<u>\$ 51,100,750</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)

Tax Allocation Bonds

Fiscal Year (1)	Tax Increment Revenue (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2004	\$ 16,648	\$ -	\$ 16,648	\$ -	\$ -	N / A
2005	273,138	-	273,138	-	355,017	77%
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%

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 differs from previously issued report to include interest earnings.
- (3) Excludes disbursement of Bond Proceeds to Tax Allocation District and distribution of excess funds.

**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
2004	18,738	472,572	25,220	5,825	*	*	3.6%
2005	19,220	495,146	25,762	6,170	*	*	3.4%
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%

* 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 2012 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. Annexations in 2003 increased enrollment.
- (5) 2010 data from U S Census Bureau. All other years are from Cobb Chamber of Commerce.
- (6) Source : Georgia Department of Labor (2002 - 2008); Acworth Economic Development Estimates (2009 to 2013)

City of Acworth
Principal Employers
2011 and 2002
(unaudited)

	2013				2003			
	Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	572	1	8.94%	Cobb County School System	328	1	11.35%	
Walmart Super Center #3748	312	2	4.88%	North Cobb Christian School	154	2	5.33%	
Walmart Super Center #3471	246	3	3.85%	City of Acworth	124	3	4.29%	
Target	184	4	2.88%	Day's Chevrolet	98	4	3.39%	
Home Depot	174	5	2.72%	Publix Super Markets	89	5	3.08%	
North Cobb Christian School	159	6	2.49%	Seiz Printing Inc	80	6	2.77%	
Kohl's Department Store	140	7	2.19%	US Post Office	79	7	2.73%	
Lowe's	117	8	1.83%	UPS	71	8	2.46%	
Day's Chevrolet	107	9	1.67%	Ingle's Super Markets	51	9	1.76%	
Publix Super Market	76	10	1.19%	McDonald's	41	10	1.42%	
Total Principal Employers	2,087		32.63%		1,115		38.57%	
Other Employers	4,308		67.37%		1,776		61.43%	
Total Employers	6,395		100.00%		2,891		100.00%	

Source: City Occupational Tax Department

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	3	3	2	2	2
Customer Service	5	6	6	9	9	9	9	9	7	7
Total General Government	23	24	24	27	27	27	27	26	24	24
Judicial										
Municipal Court	2	2	2	2	3	3	3	3	3	3
Public Safety (1)										
Police	31	32	35	37	39	40	40	40	40	39
Support Staff	3	3	3	3	3	3	3	3	3	3
Detention/Jail	9	9	9	10	10	10	10	10	10	10
Dispatch	5	6	0	0	0	0	0	0	0	0
Total Public Safety	48	50	47	50	52	53	53	53	53	52
Public Works										
Public Works	12	12	12	12	12	12	12	11	10	10
Culture & Recreation										
Culture and Recreation	9	9	9	12	13	13	13	15	15	17
Housing and Development										
Economic Development	1	1	1	1	2	2	2	2	2	1
Community Development	0	0	0	0	1	1	1	2	2	2
Zoning	1	1	1	1	1	1	0	0	0	0
Soil Erosion	1	1	1	1	1	1	1	1	1	1
Building	5	5	5	5	4	4	4	4	4	4
Code Compliance	1	1	1	1	1	1	0	0	0	0
Total Housing and Development	9	9	9	9	10	10	8	9	9	8
Electrical Power										
Electrical Power	17	17	17	17	15	14	13	13	14	13
Sanitation										
Sanitation	13	16	16	16	16	16	16	16	17	17
Total	133	139	136	145	148	148	145	146	145	144

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 positions was conducted and data was updated; previous issued reports may differ.

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

Function/Program	2004	2005	2006	2007	2008	2009 (4)	2010	2011	2012	2013
General Government										
Business Licenses Issued (1)	708	927	1,078	860	1,102	*	788	936	957	920
Purchase Orders Issued	2,326	2,094	2,478	2,270	2,074	1,050	2,010	2,004	2,013	2,048
Public Safety										
Physical arrests	1,356	1,187	1,327	1,760	1,594	809	1,441	1,731	1,595	1,839
Parking violations	16	77	20	27	44	5	103	284	114	86
Traffic violations (2)	4,101	4,569	7,010	6,138	5,834	3,349	7,041	7,180	5,519	7,876
Parks and Recreation										
Summer Camp Participant Capacity (5)	110	120	120	120	110	110	100	120	120	120
Concerts / Movies	4	4	3	3	3	1	3	2	2	3
Youth Basketball Participants	-	-	-	398	398	-	400	385	385	399
Housing and Development										
Building Code Permits Issued (3)	244	428	289	276	104	61	110	29	74	89
Other Code Permits Issued	775	1,098	1,187	837	685	300	606	516	699	725
Total Code Inspections Conducted	9,743	7,597	5,612	3,946	2,512	1,160	4,286	3,045	2,197	3,125
Plan Reviews Conducted	23	27	24	31	33	6	3	4	3	3
Sanitation										
Refuse collected (tons)	7,689	8,680	8,437	8,316	8,596	3,963	8,886	7,972	7,658	7,943
Sanitation Customers - Residential	6,106	6,260	6,083	6,294	6,312	6,279	6,382	6,359	6,410	6,433
Power										
Kilowatt hours sold (3)	84,332,502	89,184,099	93,983,394	99,502,778	94,174,253	41,699,223	95,696,511	100,339,782	93,332,043	92,913,478
Electrical Power Customers (3)	6,250	6,242	6,280	6,299	6,289	6,252	6,283	6,220	6,314	6,367

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 2000 to 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	22	24	31	37	38	43	44	45	45	45
Sanitation										
Collection trucks	5	5	5	5	5	5	5	5	5	6
Highways and streets										
(1) Streets (miles)	159	169	169	172	172	172	172	172	172	172
Streetlights	1,101	1,194	1,223	1,241	1,271	1,271	1,384	1,396	1,396	1,408
Culture and recreation										
Park acreage	446.25	528.25	528.25	528.25	540.25	540.25	542.25	542.25	542.25	542.25
Parks	14	15	15	15	15	15	15	15	15	15
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	9	9	11	11	11	11
Community Centers	1	1	1	1	1	1	1	1	1	1
Electric										
Number of distribution stations	2	2	2	2	2	2	2	3	3	3
Miles of service lines	88.1	91.4	93.3	94.1	94.1	94.1	94.1	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.

Sources: Various City Departments

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, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated .

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.

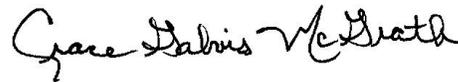
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



Crace Galvis McGrath, LLC
Kennesaw, Georgia

December 16, 2013

CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$2,089,395	\$126,816	\$2,216,211	\$2,089,395	\$126,816	\$2,216,211

* 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 USES
AS OF JUNE 30, 2013**

Recreational Impact Fee Collections		Prior Year	Current Year	Total
		\$ 1,637,510	\$ 40,000	\$ 1,677,510
Other Funding Sources				
Interest		44,823	145	44,968
Local Funding		134,229	-	134,229
Grants/Contributions		16,262	-	16,262
Total Funding - All Sources		1,832,824	40,145	1,872,969
Fund Uses	Actual Project Expenditures	Project Budget		
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
Total Uses - All Funding Sources		1,749,306	-	1,749,306
Fees Encumbered		-	-	-
Undetermined Projects		\$ 83,518	\$ 40,145	\$ 123,663

City of Acworth, Georgia
1 Percent Sales Tax
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2013

Project	Original Estimated Cost	Revised Estimated Cost (3)	Expenditures			Estimated Percentage of Completion
			Prior Years	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	11,198,815	8,394,602	1,820,201	10,214,803	91.21%
	<u>\$ 11,820,484</u>	<u>\$ 11,428,210</u>	<u>\$ 8,623,997</u>	<u>\$ 1,820,201</u>	<u>\$ 10,444,198</u>	
2012 SPLOST Program:						
Road Improvement Projects	\$ 7,403,141	\$ 7,288,112	\$ -	\$ 97,484	\$ 97,484	1.34%
Parks Projects	1,170,000	1,285,029	775,427	509,602	1,285,029	100.00%
Public Safety Projects	4,750,000	4,750,000	-	103,914	103,914	2.19%
	<u>\$ 13,323,141</u>	<u>\$ 13,323,141</u>	<u>\$ 775,427</u>	<u>\$ 711,000</u>	<u>\$ 1,486,427</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.