

CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2014



Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2014

DEPARTMENT OF FINANCE

Sharron L. Burtz

City Treasurer

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

Thomas W. Allegood, Mayor

Board of Aldermen:

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



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

December 16, 2014

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, 2014 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 2014 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 22,543 as of June 30, 2014.

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 7.4% in 2014, down from 8.5% the previous year. Acworth has over 900 licensed businesses that employ over 7,000 workers. Developments in the surrounding area impact the local economy favorably.

Acworth continues to encourage and recruit a diversified stock of residential and commercial development. Positive growth in development is evident through the increase in plan reviews over prior year. The tax digest remains diversified however there was a continued decrease from the total assessed taxable value in 2013. The 2013 tax digest of the City decreased 2.1% to a total assessed taxable value of \$590,711,519. The 2014 tax digest was approved by the Cobb County Board of Equalization at the end of June 2014. The 2014 digest had an increase of 3.1%. The increases in the taxable value along with the increase of planned developments 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 additions of a new Police Department facility, silent crossings to the downtown area and recreational improvements. The number of new residents to the City is expected to broaden with the addition of Celebration Village Adult Community and Legacy at Walton Park in the coming year.

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. Dogwood Forest Assisted Living's opening in July 2014 in downtown Acworth brings more job opportunities and care alternatives to the residents of Acworth. Fortney Sales Company began construction of their headquarters including their warehouse during the fiscal year in an industrial area of Acworth where additional growth is targeted. Plans are being generated for construction of a 150,000 square foot industrial office warehouse in the same area. NCG Cinemas expanded their theater with the addition of an Extreme theater experience during the year.

The Acworth Tourism Bureau Authority set out to achieve some strategic goals during the 2014 fiscal year. The Authority commissioned a hotel feasibility study determining market demand for new hotel inventory and secured the services of a hotel consultant who assisted in facilitating discussion between private land owners and potential developers. The Authority's efforts to provide these services played

a critical role in the negotiation process to secure a new hotel in the city limits. The Authority initiated the process to commission a market study, developed the city's first comprehensive marketing plan based on the results of the study aimed at drawing visitors to our city on a regular basis, and contracted the services of a consultant to help with the implementation of the plan.

The housing market in Acworth is seeing positive growth. Lake View Crossing began construction in a redeveloped area of Acworth. Lake Acworth Village and Saddle Oaks Subdivisions are experiencing an increase in sales and construction. Plans are also under review for another residential development which will add to the new construction inventory.

The 2011 SPLOST enabled the City to begin construction of the new police headquarters, continue with paving and storm water needs throughout the City and add facilities to Newberry Park. Upcoming improvements include those to South Side Drive which will provide much needed additional parking adjacent to the downtown area and will provide access to the Logan Farm Park and walking trails. Plans are underway to upgrade the infrastructure on Seminole Drive which leads to Cauble Park where numerous events are held each year; bringing thousands of visitors to the City.

During the year the City received financing to renovate and add to the Court Services and Jail Administrative Offices which broke ground during the year. This project will add much needed capacity for court services.

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. Acworth Tax Allocation Debt was refinanced during this period at lower interest rates and brings long term savings for debt service payments and shortened the amortization period. Unassigned fund balance in the general fund is 36% of general fund operating expenditures. This balance would cover approximately 4 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, 2014. 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, 2013. This was the fourteenth 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.

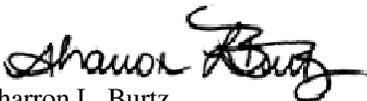
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

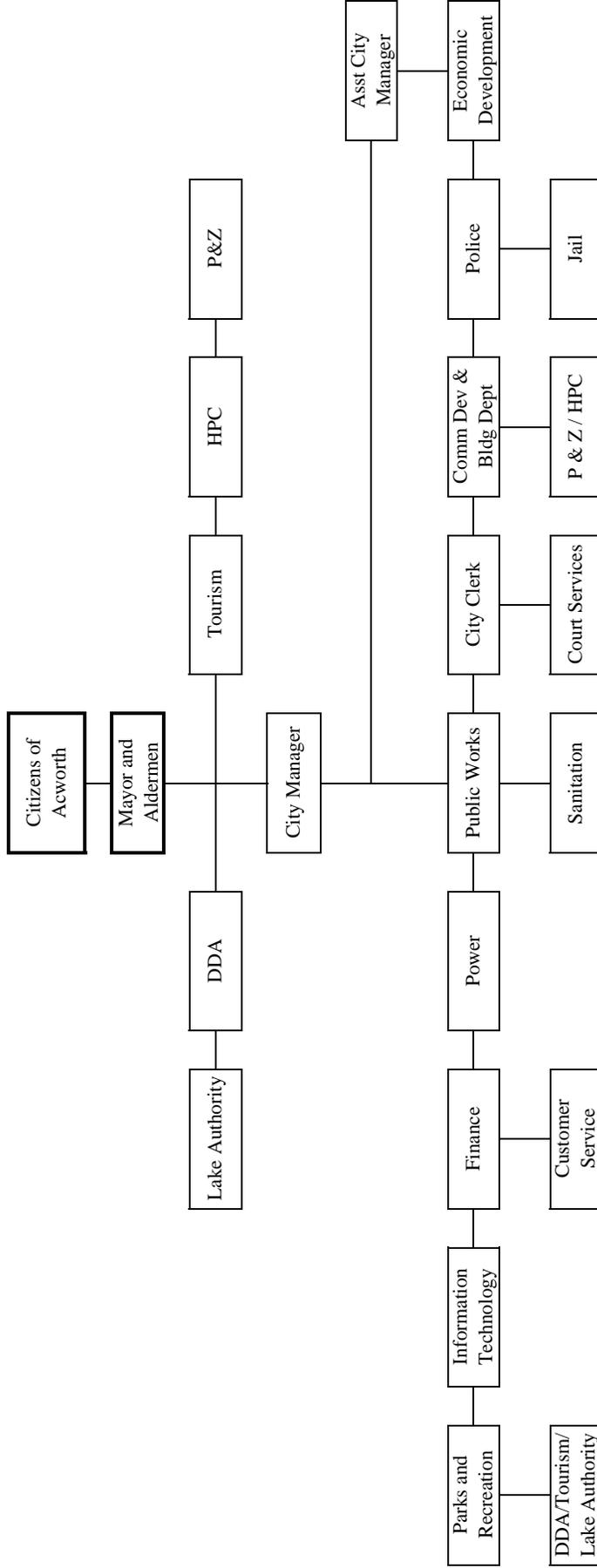
**City of Acworth
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2014**

Thomas W. Allegood
Mayor

BOARD OF ALDERMEN

Tim Houston
Albert L. Price
Gene Pugliese
Timothy Richardson

CITY ADMINISTRATION

Brian M. Bulthuis
City Manager

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

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of June 30, 2014, 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, 2014, 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, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

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, 2014. 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 \$46,597,104 at the end of the year. This amount includes \$42,147,659 net investment in capital assets, restricted portion of \$6,086,764 and unrestricted net position at a negative \$1,637,319.
- The City's total net position increased by \$3,098,540 (7%). Net position for governmental activities increased by \$2,010,924 (6%) and business-type assets increase by \$1,087,616 (10%).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,200,720, an increase of \$1,996,987. The net unassigned fund balance is \$3,689,509 which is in the General Fund.
- The City's total debt increased \$4,006,773.

Overview of the Financial Statements

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

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

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

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

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

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Acworth Power and Acworth Sanitation. The internal service funds of Customer Service and Insurance are presented in the proprietary fund section.

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on page 54 of this report.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

Governmental activities revenues, before transfers, were \$16,301,222 and included \$2,179,599 charges for services, operating grants and contributions of \$291,322 and capital grants and contributions of \$4,217,065. The largest governmental activities expenses were for public safety \$4,450,562, public works of \$3,304,938, culture and recreation of \$2,681,118 and general government of \$2,609,694. Expenses include depreciation expense as explained in the notes to the financial statements.

Business-type activity revenues, before transfers, were \$15,185,673 and included \$15,142,922 charges for services and \$1,870 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$11,488,074, which included wholesale power expenses of \$8,594,904 and personal services of \$1,131,189. Sanitation services include expenses of \$640,555 for personal services and \$268,943 in landfill tipping fees.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program:						
Charges for services	\$ 2,179,599	\$ 2,120,486	\$ 15,142,922	\$ 14,634,503	\$ 17,322,521	\$ 16,754,989
Operating Grants and Contributions	291,322	122,508	-	-	291,322	122,508
Capital Grants and Contributions	4,217,065	2,968,210	1,870	5,019	4,218,935	2,973,229
General:						
Property taxes	5,227,720	4,828,872	-	-	5,227,720	4,828,872
Insurance premium taxes	1,053,603	1,017,576	-	-	1,053,603	1,017,576
Alcohol taxes	466,400	466,203	-	-	466,400	466,203
Hotel, motel taxes	139,982	126,816	-	-	139,982	126,816
Franchise taxes	1,370,578	1,349,413	-	-	1,370,578	1,349,413
Financial Institution tax	33,745	37,504	-	-	33,745	37,504
Business Taxes	456,762	442,094	-	-	456,762	442,094
Contributions not restricted	600,130	680,784	-	-	600,130	680,784
Operating Grants not restricted	245,977	252,388	-	-	245,977	252,388
Gain on Sale of Capital Assets	-	-	-	1,154	-	1,154
Unrestricted Interest	18,339	19,345	40,881	11,033	59,220	30,378
Total Revenues	16,301,222	14,432,199	15,185,673	14,651,709	31,486,895	29,083,908
Expenses:						
General Government	2,609,694	2,018,223	-	-	2,609,694	2,018,223
Judicial	395,493	376,499	-	-	395,493	376,499
Health and Welfare	1,089	991	-	-	1,089	991
Public works	3,304,938	3,229,552	-	-	3,304,938	3,229,552
Culture and Recreation	2,681,118	1,622,427	-	-	2,681,118	1,622,427
Public safety	4,450,562	4,209,328	-	-	4,450,562	4,209,328
Housing and Development	1,032,121	994,734	-	-	1,032,121	994,734
Interest and fiscal charges on long-term debt	1,125,283	1,181,927	-	-	1,125,283	1,181,927
Electric	-	-	11,488,074	11,526,660	11,488,074	11,526,660
Sanitation	-	-	1,299,983	1,229,860	1,299,983	1,229,860
Total Expenses	15,600,298	13,633,681	12,788,057	12,756,520	28,388,355	26,390,201
Change in Net Position before Transfers	700,924	798,518	2,397,616	1,895,189	3,098,540	2,693,707
Transfers	1,310,000	1,478,491	(1,310,000)	(1,478,491)	-	-
Change in net position	2,010,924	2,277,009	1,087,616	416,698	3,098,540	2,693,707
Net Position - Beginning	32,350,873	30,073,864	11,147,691	10,730,993	43,498,564	40,804,857
Net Position - Ending	34,361,797	32,350,873	12,235,307	11,147,691	46,597,104	43,498,564

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 \$700,924 before transfers. Governmental activities increased the City’s net position by \$2,010,924 after net transfers of \$1,310,000. This accounts for 64% 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:

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

The City reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds are presented following the notes to the financial statements and begins on page 59 of this report.

Government-Wide Financial Analysis

The following table provides a summary of the City’s governmental and business-type net position for the fiscal year. The City’s net position increased \$3,098,540 in fiscal year 2014. The net position of the governmental activities includes \$37,095,137 net investment in capital assets. Capital Assets of \$40,743,092 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$3,647,955.

The net position of the business-type activities includes \$5,052,522 net investment in capital assets. Capital assets of \$5,195,005 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$ 142,483.

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

	Governmental Activities		Business-type Activities		Total		Total % Change 2014 - 2013
	2014	2013	2014	2013	2014	2013	
Assets:							
Current and Other Assets	\$ 17,572,339	\$ 15,795,107	\$ 11,331,729	\$ 9,453,151	\$ 28,904,068	\$ 25,248,258	14.48%
Capital Assets	40,743,092	37,029,992	5,195,005	5,361,807	45,938,097	42,391,799	8.37%
Total Assets	58,315,431	52,825,099	16,526,734	14,814,958	74,842,165	67,640,057	10.65%
Deferred Outflows of Resources:							
Deferred loss on refunding	768,210	1,024,280	-	-	768,210	1,024,280	-25.00%
Liabilities:							
Current Liabilities	3,261,423	3,083,412	3,606,933	3,012,989	6,868,356	6,096,401	12.66%
Long-term Liabilities	21,460,421	18,415,094	684,494	654,278	22,144,915	19,069,372	16.13%
Total Liabilities	24,721,844	21,498,506	4,291,427	3,667,267	29,013,271	25,165,773	15.29%
Net Position:							
Net Investment in							
Capital Assets	37,095,137	33,087,992	5,052,522	5,153,818	42,147,659	38,241,810	10.21%
Restricted	6,086,764	8,257,961	-	-	6,086,764	8,257,961	-26.29%
Unrestricted	(8,820,104)	(8,995,080)	7,182,785	5,993,873	(1,637,319)	(3,001,207)	-45.44%
Total Net Position (as restated)	\$ 34,361,797	\$ 32,350,873	\$ 12,235,307	\$ 11,147,691	\$ 46,597,104	\$ 43,498,564	7.12%

Changes in Net Position

The City’s total revenues before transfers were \$31,486,895 in fiscal year 2014. Expenses before transfers were \$28,388,355 for the same period. Governmental and business-type activities combined provided a \$3,098,540 increase in net position.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

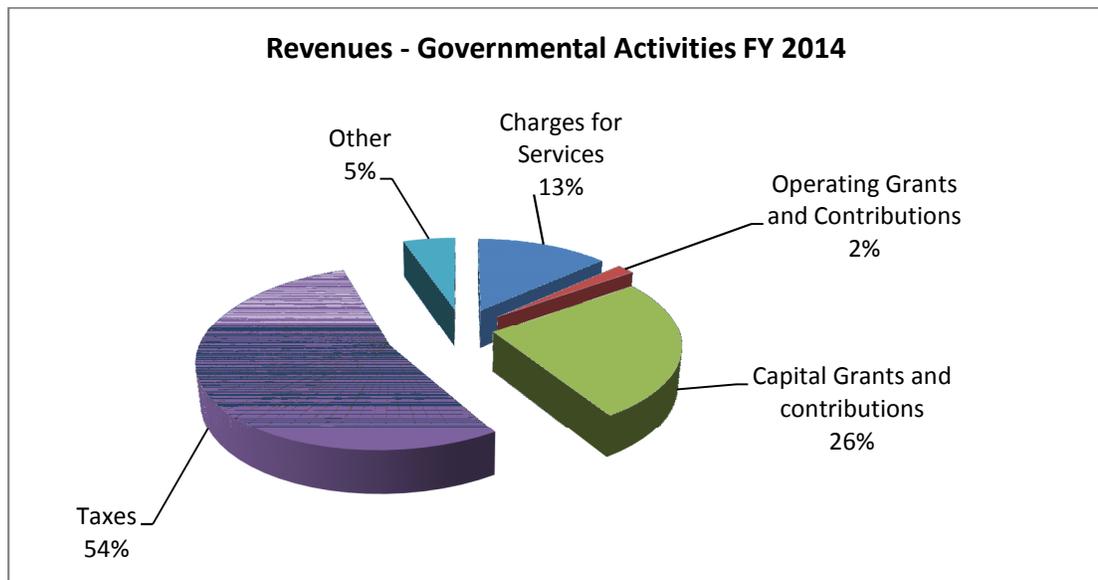
June 30, 2014

City of Acworth, Georgia

Governmental Activities (Table 3)		
	FY 2014 Total Expenses	FY 2014 Net (Expense) Revenue and Change in Net Position
General Government	\$ 2,609,694	\$ (2,371,400)
Judicial	395,493	766,442
Health and Welfare	1,089	(1,089)
Public Works	3,304,938	890,918
Culture and Recreation	2,681,118	(2,096,216)
Public Safety	4,450,562	(4,160,342)
Housing and Development	1,032,121	(815,342)
Interest and Fiscal Charges	1,125,283	(1,125,283)
Total	\$ 15,600,298	\$ (8,912,312)

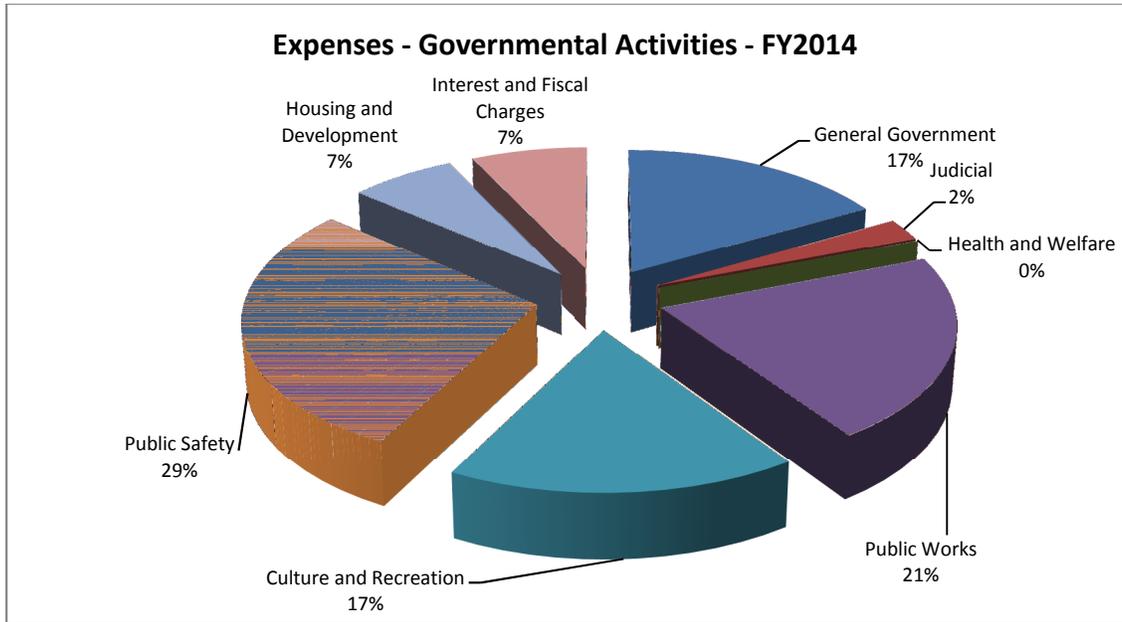
Additional information concerning net cost of services may be found in the Statement of Activities on Page 18 .

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



Revenue Impacts:

- Property Taxes of \$5,227,720 provided 54% of governmental revenues of general operations. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$4,217,065 provided 26% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax.
- The transfers from business-type activities in the amount of \$1,310,000 decreased from prior year of \$1,478,491.
- Charges for services of \$2,179,599 provides 13% of governmental revenues of general operations and include municipal court fines of \$1,161,935 and culture and recreation fees of \$463,883.



Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments and an increase in related benefits. Public Safety expenses of \$4,450,562 account for 29% of governmental expenses. The 6% increase from prior year is the result in timing of capital expenses.
- Public Works expenses of \$3,304,938 account for 21% of governmental expenses and saw an increase of 2% from personnel expenses and the timing of public works projects funded through SPLOST.
- Culture and recreation expenses of \$2,681,118 increased \$1,058,691 from prior year and represents 17% of governmental expenses. The increase is primarily the result of capital projects undertaken in the current year.
- Interest and fiscal service on debt service decreased \$56,644 based on various financing activities. Prior year refunding activities resulted in savings to the City in FY2014 as compared to the prior year. Additionally, the Acworth TAD bonds were refunded in FY2014 (resulting in a shorter amortization period) and debt was issued to renovate the court and jail administration facility.
- Total expenses increased 14% from prior year.

Business-Type Activities

The City's business-type activities include Acworth Power, Acworth Sanitation and an internal service fund (Customer Service). Net position for business-type activities increased \$2,397,616 before net transfers out of \$1,310,000.

	FY 2014 Total Expenses	FY 2014 Net (Expense) Revenue and Change in Net Position
Electric	\$ 11,488,074	\$ 2,062,013
Sanitation	1,299,983	294,722
Total	\$ 12,788,057	\$ 2,356,735

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

Program revenues for business-type activities for fiscal year 2014 were \$15,144,792; an increase of \$505,270 from prior year as a result of additional revenue from power sales due to the prior year increase in the power cost adjustment for a full year. Additional revenues resulted in an increase in interest earnings. 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 06/30/2013	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2014
General Fund	\$ 7,031,742	\$ 13,026,252	\$ 12,456,413	\$ 569,839	\$ 7,601,581
Capital Projects Fund	1,010,406	5,213,272	1,586,518	3,626,754	4,637,160
SPLOST	4,836,523	3,569,440	5,854,839	(2,285,399)	2,551,124
Tax Allocation District Debt Service	1,266	6,352,256	6,353,309	(1,053)	213

As of June 30, 2014, the City’s governmental funds reported combined ending fund balances of \$15,200,720, an increase of \$1,996,987 in comparison with the prior year. The General Fund had an increase in fund balance of \$569,839. The Capital Improvement Fund is also a Major Fund and issued debt for a renovation project which was still under construction as of June 30, 2014. The SPLOST Fund had a decrease in fund balance of \$2,285,399 due to the completion and starting of several capital projects. The Tax Allocation District Debt Service Fund refunded the 2004 bonds during the year at a lower interest rate and shortened the amortization period. Other non major Governmental Funds had a net increase of \$86,846; the majority of which is in the Confiscated Assets Fund.

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

General Fund

At June 30, 2014, Acworth’s total fund balance for General Fund was \$7,601,581 and consisted of the following:

- Nonspendable – \$233,962 for prepaid insurance and \$38,149 for other prepaids for future services
- Restricted – \$180,486 for Public Safety 800 MhZ Project; \$739 for Public Works; and \$3,000,000 for voter appropriation
- Committed – \$7,160 for Culture and Recreation
- Assigned – \$432,822 for capital projects, \$10,565 for Culture and Recreation, \$5,764 for Public Safety, \$800 for Public Works and \$1,625 for General Government
- Unassigned – \$3,689,509 which is an increase of \$494,544 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 36% of the total fiscal year 2014 expenditures before transfers, while total fund balance is 74% of the same amount.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

General Fund - Revenues by Source						
	FY2014		FY2013		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 8,709,731	79%	\$ 8,294,411	79%	\$ 415,320	5%
License & Permits	262,984	2%	337,662	3%	(74,678)	-22%
Intergovernmental	29,300	0%	33,971	0%	(4,671)	-14%
Charges for Services	622,647	6%	500,319	5%	122,328	24%
Fines & Forfeitures	1,161,935	11%	1,157,916	11%	4,019	0%
Investment Earnings	17,599	0%	18,667	0%	(1,068)	-6%
Contributions & Donations	47,840	0%	48,316	0%	(476)	-1%
Other	108,366	1%	84,567	1%	23,799	28%
Total	\$ 10,960,402	100%	\$ 10,475,829	100%	\$ 484,573	5%

The following provides an explanation of revenues by source changes from FY2013 to FY2014:

- Taxes.** Property taxes are the most significant revenue source during the year at \$4,936,421 and represent 60% of tax revenues. The taxable digest decreased 2%. 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 in FY2013 included a Title Ad Valorem Tax that increased the amount of motor vehicle taxes collected during the year; this was the first full year of those collections. Collections on prior year tax balances increased as well. Insurance Premium Taxes increased 4% to \$1,053,603. Franchise Taxes increased 2% in part due to the colder winter season seen in early 2014. Occupational Taxes are based on gross receipts and remained stable; seeing an increase of 2%.
- Licenses and permits.** License and permits saw a decrease of \$74,678 (22%). Building permits make up the bulk of the decrease at \$57,611 lower than prior year; FY2013 had permits issued a large development. Licenses and permits represent 2% of the total General Fund revenues before transfers. The increase in plan reviews indicate the upcoming year will remain steady.
- Intergovernmental.** Intergovernmental revenue decreased 14% to \$29,300; the bulk of the decrease is attributed to the number of local grants received in current being less than prior year.
- Charges for service.** Charges for services increased 24% to \$622,647. Culture and recreation related fees account for the bulk of the revenue and saw an increase in rental and parking fees at the parks due to the summer weather. Inmate housing fees collected were \$43,240; where in prior year there were none. The detention center began housing inmates for surrounding jurisdictions again in FY2014. The administrative fee associated with the Tax Allocation District increased from prior year 17% to \$73,545 as a result of an increase in the tax district.
- Fines and forfeitures.** Fines and forfeitures represent 11% of total General Fund revenues and remained stable from prior period at \$1,161,935. While there was an increase in the bond schedule in prior year and a decrease in the number of citations issued in the current year; fine revenue saw little increase.
- Investment earnings.** Investment earnings decreased 6% 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 less than 1% to \$47,840; the donations are used to fund programs such as Acworth Achievers and Expanding Horizons.
- Other.** Other revenue increased \$23,799. The 28% increase is attributed predominantly to reimbursements for damaged property amounting to \$42,104.

General Fund - Expenditures by Function						
	FY2014		FY2013		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	\$ 2,045,381	20%	\$ 1,792,986	18%	\$ 252,395	14%
Public Safety	4,068,881	40%	3,945,168	40%	123,713	3%
Public Works	1,002,868	10%	960,218	10%	42,650	4%
Health & welfare	1,089	0%	991	0%	98	10%
Housing & Development	955,501	9%	942,691	10%	12,810	1%
Judicial	387,141	4%	376,499	4%	10,642	3%
Culture & recreation	1,772,408	17%	1,677,532	17%	94,876	6%
Debt Service	66,281	1%	102,803	1%	(36,522)	-36%
Total	\$ 10,299,550	100%	\$ 9,798,888	100%	\$ 500,662	5%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

The following provides an explanation of expenditures by function changes from FY2013 to FY2014:

Overall, personnel costs increased 3%. During the year, the effects of prior year staffing re-organizations recognized a full year and pay adjustments accounted for the bulk of the change.

- **General government.** Increases of \$252,395 or 14% are attributed to personnel costs mentioned earlier and property acquisition. Other items include:
 - Cost Allocation for Customer Service Internal Service Fund increased \$32,561 due to prior year allocation adjustments and additional staff.
 - Attorney fees for general matters increased \$3,356.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2014 had an increase of \$123,713 or 3%. Capital outlay for vehicles totaled \$66,201 for the year.
- **Public Works.** Public works increased \$42,650 or 4%. Non-major routine maintenance supplies for streets and storm water increased \$21,872, street signage costs increased \$6,732 and the contract renewal for mowing of right-of-way and the cemetery increased \$4,013.
- **Housing and Development.** Housing and development had a net increase of \$12,810 or 1%. Included in this is \$354,801 excess funds disbursed from the Tax Allocation District that are not related to debt service.
- **Judicial.** Municipal court operations increased by \$10,642 or 3%. Fine refunds increased \$12,568 to \$78,305.
- **Culture and Recreation.** Culture and recreation increases of \$94,876 or 6% are a product of increased contracted maintenance on facilities in the amount of \$37,610 and a full year of prior year staffing changes in the amount of \$33,049 staff to cover services. Fireworks display costs increased \$2,000.

Debt Service

The Debt Service Fund consists of the debt associated with the City's Tax Allocation District. Other debts of the City are presented within the corresponding funds. During FY2014, the City refunded the debt at a lower interest rate which allowed the debt to be amortized for a shorter period. Debt totaling \$5,595,000 (including issuance costs) was issued. The debt is repaid by the tax increment within the district.

Capital Improvement

At June 30, 2014, the fund balance was \$4,637,160. During FY2014, the City entered into an Installment Sales Agreement through Georgia Municipal Association to issue debt related to renovations at the Jail and Court Services location. The debt was issued in the amount of \$3,840,000 at 3.41% and will mature January 2029. The renovation project was underway at year end. Restricted fund balance of \$3,644,723 includes the unspent portion of the debt proceeds. Other amounts held in this fund are assigned for capital projects and include future projects of \$540,092; Public Safety assignments of \$109,585; General Government in the amount of \$269,315; Culture and Recreation of \$43,200 and Public Works in the amount of \$20,000. FY2014 projects included financial software and technology upgrades of \$197,336; Police vehicles of \$246,015; property acquisition of \$190,942 and Logan Farm Park building renovations and related costs of \$510,621.

SPLOST

At June 30, 2014, SPLOST fund balance was \$2,551,124. The proceeds of the 2011 SPLOST are received monthly and will continue through December 2015. Receipts totaling \$3,556,663 were received during the year. SPLOST funds are restricted to voter approved capital projects.

Non Major Governmental Funds

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

Special revenue funds

- **Hotel Motel Tax Fund** – Levied at a rate of 8%. Taxes received were \$139,982; an increase of \$13,166.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$21,000. Fund Balance is \$33,711 at June 30, 2014.
- **Confiscated Asset Fund** – Total revenues of \$206,818 related to the seizure of property associated with illegal substances or activities. Fund balance is \$307,106 at June 30, 2014.
- **Soil Erosion Fees Fund** – Fees received in FY2014 were \$1,475. Fund balance is \$12,475 at June 30, 2014.
- **Acworth Downtown Development Authority** – The Authority is blended with the primary government based upon the debt relationship concerning facilities and the CableNET project. Debt service payments are made by the primary government.
- **Acworth Lake Authority** – The Authority is blended with the primary government based upon the debt relationship concerning recreational facilities. Debt service payments are made by the primary government.

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 FY2014 was \$1,087,616.

	Enterprise Net Operating Income (Loss)	
	Non-Operating Revenues (Expenses)	
	and Transfers In (Out)	
	Fiscal Year	
	2014	2013
Operating Income (Loss):		
Acworth Power	\$ 1,979,097	\$ 1,489,730
Acworth Sanitation	296,062	303,480
Total	<u>2,275,159</u>	<u>1,793,210</u>
Non-Operating Revenues (Expenses)	<u>36,217</u>	<u>(311,416)</u>
Contributed Capital from Developers	<u>1,870</u>	<u>5,019</u>
Income (Loss) Before Operating Transfers	<u>2,313,246</u>	<u>1,486,813</u>
Transfers In (Out)	<u>(1,250,000)</u>	<u>(1,100,000)</u>
Change in Net Position	<u>\$ 1,063,246</u>	<u>\$ 386,813</u>

Acworth Power provides electrical service to over 6,300 residential and commercial customers. Operating revenues of Acworth Power increased 3% from the prior year. Operating expenses decreased less than 1% in fiscal year 2014. Therefore, the operating income saw an increase of 33%. Kilowatt hours sold remained stable at 92,310,033 compared to prior year of 92,913,478. Wholesale power costs decreased \$31,764. Net position for Acworth Power increased \$1,108,524 to \$11,089,224.

Acworth Sanitation provides solid waste sanitation services to over 6,400 residential and commercial customers; collecting 8,292 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 decreased \$45,278 to \$895,532.

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 programs are combined in an internal service fund. These funds are presented in the Proprietary Fund financial statements. During the fiscal year, the City changed employee health insurance coverage provider in an effort to keep costs 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, 2014 can be found in Required Supplementary Information.

During June 2013, the City adopted a General Fund budget of \$10,926,447 for General Fund expenditures (excluding transfers) for FY2014. At the end of the fiscal year, the final actual expenditures were \$10,645,866 (excluding transfers out) which was a decrease of \$280,581 from the original adopted budget. The final amended budget

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

expenditures were \$10,981,730 (excluding transfers). The difference between the original budget and the final amended budget is an overall increase of \$55,283.

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

Revenues:

- Real and personal property taxes exceeded anticipated revenue due to increased collections of prior year balances and a full year of Title Ad Valorem Taxes.
- Intergovernmental revenues were less than anticipated revenue due to lessened operating grant receipts.
- License and permits exceed anticipated revenue due to increase in building code permits.
- Municipal court fines exceeded anticipated revenue based upon the timing of collections.

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 timing in the receipt of capital outlay of computers, lower fuel costs and lower than expected equipment maintenance costs.
- Recreation (including Athletics and Community Programs) were under budget due to decreased part time staffing costs, lower than expected electrical costs at the parks and lawn care costs.
- Building Inspections was under budget due to decreased contracted and operating costs.
- Governmental Buildings Operations as a whole were under budget based on lower than expected maintenance and electrical energy costs.

Other Financing Sources (Uses):

- 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, 2014, amounts to \$40,743,092 and \$5,195,005 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

2014 Capital Assets (Net of Depreciation)							
	Governmental Activities		Business-type Activities		Total		
	2014	2013	2014	2013	2014	2013	
Construction in Progress	\$ 6,058,951	\$ 3,476,498	\$ -	\$ -	\$ 6,058,951	\$ 3,476,498	
Land	5,372,529	5,960,251	265,917	265,917	5,638,446	6,226,168	
Buildings and improvements	5,228,794	4,787,282	24,431	32,115	5,253,225	4,819,397	
Electrical System	-	-	4,361,828	4,519,023	4,361,828	4,519,023	
Improvements other than buildings	5,821,293	5,776,146	-	-	5,821,293	5,776,146	
Intangible Assets	135,953	-	-	-	135,953	-	
Vehicles and Equipment	911,458	847,931	542,829	544,752	1,454,287	1,392,683	
Infrastructure	17,214,114	16,181,884	-	-	17,214,114	16,181,884	
Total	\$ 40,743,092	\$ 37,029,992	\$ 5,195,005	\$ 5,361,807	\$ 45,938,097	\$ 42,391,799	

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

Governmental activities:

- Dedicated Infrastructure \$328,680
- Construction In Progress
 - Police Department \$3,666,568
 - Senator Russell Avenue 2 Project \$595,559
 - Main Street \$ 696,992
 - Silent Railroad Crossings \$125,000
 - Court Services and Jail Administration Renovation Project \$155,859
- Logan Farm Offices and Barn \$480,076

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

- Public Safety Vehicles \$246,015
- Sports Complex Field Addition \$140,032

Business-type activities:

- Electrical System Improvements School Street \$158,000
- Chipper \$49,981
- Sanitation Truck \$162,840

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 2014 fiscal year, the City had the \$20,367,483 in outstanding long-term debt. This is a net increase of \$2,982,494 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 \$60,625,691, which is in excess of the City's outstanding general obligation debt.

Debt outstanding at June 30, 2014 is as follows:

- Tax Allocation District Bonds - \$5,305,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$3,080,000
- Acworth Downtown Development Authority – Revenue Bonds - \$7,565,000
- Acworth Lake Authority – Recreation Facilities - \$435,000
- Installment Sales Agreement through Georgia Municipal Association - \$3,840,000
- Capital Leases – Vehicles - \$142,483

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, 2015 budget. These factors have a significant effect on the City's financial position or results of operations. Key assumptions are as follows:

- Budget adopted for the General Fund estimates expenditures in the amount of \$12,025,657. The expected unassigned fund balance for the General Fund at the end of the FY2015 to be approximately \$3.7 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 2014 remained at 7.60. The adopted budget for FY 2015 has the millage rate remaining stable.
- The 2013 taxable digest was \$590,711,519; which was \$12,648,213 or 2% lower than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2014 approved taxable digest increased 3%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2014 population is estimated at 22,543 by the Acworth Economic Development Department. This is an increase of approximately 10% from the 2010 census of 20,425.
- Police Department headquarters is slated for completion in FY2015 will include increased operational costs.
- SPLOST (2011) projects include parks and recreation needs and public works infrastructure as well as silent railroad crossings.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2014

City of Acworth, Georgia

- The City transferred funds in FY2014 to the Capital Improvement Fund for the following budgeted FY2015 projects: police technology, portable digital signage, electric speed limit signs, large format copier, Veteran's Memorial improvements and other projects.
- Estimated costs of wholesale power in fiscal year 2015 are budgeted at \$9.5 million. This is primarily attributed to the ending of a power supply contract mid-year and purchasing any additional power needs on the market.
- Debt service payments for debt issued through the Acworth Downtown Development Authority via an intergovernmental agreements between the City and the Acworth Downtown Development Authority are made via transfers from the General Fund and are for the following:
 - CableNET Project - Matures July 2028; interest rate of 3.97% with a principal balance of \$7,565,000 at 06/30/2014
 - Acworth City Hall/Sports Complex - Matures April 2023; interest rate of 1.74% with a principal balance of \$3,080,000 at 06/30/2014
- Debt issued in FY2014 for the Court/Jail Services renovation/addition in the amount of \$3,840,000 matures 01/07/2029 with an interest rate of 3.41%.

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

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF ACWORTH, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
Assets:				
Cash and cash equivalents	\$ 2,089,213	\$ 2,399,474	\$ 4,488,687	\$ -
Investments	3,188,405	2,127,758	5,316,163	111,746
Receivables, net	113,545	2,065,190	2,178,735	-
Due from other governments	1,063,753	-	1,063,753	17,409
Due from component unit	12,238	-	12,238	-
Internal balances	(78,651)	78,651	-	-
Inventories	-	702,044	702,044	-
Prepaid items	530,496	23,221	553,717	1,667
Restricted assets	10,653,340	3,935,391	14,588,731	-
Capital assets, non depreciated	11,431,480	265,917	11,697,397	-
Capital assets, depreciated, net	29,311,612	4,929,088	34,240,700	9,363
Total assets	58,315,431	16,526,734	74,842,165	140,185
Deferred outflows of resources:				
Deferred loss on refunding	768,210	-	768,210	-
Liabilities:				
Accounts payable and other current liabilities	1,016,291	959,958	1,976,249	5,453
Due to primary government	-	-	-	12,238
Customer deposits	-	1,133,128	1,133,128	-
Unearned revenue	666,182	1,404,094	2,070,276	-
Noncurrent liabilities:				
Due within one year	1,578,950	109,753	1,688,703	-
Due in more than one year	21,460,421	684,494	22,144,915	-
Total liabilities	24,721,844	4,291,427	29,013,271	17,691
Net position:				
Net investment in capital assets	37,095,137	5,052,522	42,147,659	9,363
Restricted for:				
Public works	962,530	-	962,530	-
Culture and recreation	499,046	-	499,046	-
Public safety	1,624,975	-	1,624,975	-
Housing and development	213	-	213	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(8,820,104)	7,182,785	(1,637,319)	113,131
Total net position	\$ 34,361,797	\$ 12,235,307	\$ 46,597,104	\$ 122,494

**CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Functions/Programs	Program Revenue			Net (Expense) Revenue and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Component Unit Total
Primary Government							
Governmental activities:							
General government	\$ 2,609,694	\$ 238,294	\$ -	-	\$ (2,371,400)	\$ -	\$ (2,371,400)
Judicial	395,493	1,161,935	-	-	766,442	-	766,442
Health and welfare	1,089	-	-	-	(1,089)	-	(1,089)
Public works	3,304,938	33,375	-	4,162,481	890,918	-	890,918
Culture and recreation	2,681,118	463,883	76,640	44,379	(2,096,216)	-	(2,096,216)
Public safety	4,450,562	65,333	214,682	10,205	(4,160,342)	-	(4,160,342)
Housing and development	1,032,121	216,779	-	-	(815,342)	-	(815,342)
Interest & fiscal charges							
on long-term debt	1,125,283	-	-	-	(1,125,283)	-	(1,125,283)
Total governmental activities	15,600,298	2,179,599	291,322	4,217,065	(8,912,312)	-	(8,912,312)
Business-type activities:							
Electric	11,488,074	13,548,217	-	1,870	-	2,062,013	2,062,013
Sanitation	1,299,983	1,594,705	-	-	-	294,722	294,722
Total business-type activities	12,788,057	15,142,922	-	1,870	-	2,356,735	2,356,735
Total Primary Government	\$ 28,388,355	\$ 17,322,521	\$ 291,322	\$ 4,218,935	(8,912,312)	2,356,735	(6,555,577)
Component units	\$ 45,215	\$ -	\$ 35,112	\$ -			\$ (10,103)
General Revenues:							
Property taxes					5,227,720	-	5,227,720
Insurance premium tax					1,053,603	-	1,053,603
Alcohol taxes					466,400	-	466,400
Hotel/motel tax					139,982	-	139,982
Franchise taxes					1,370,578	-	1,370,578
Financial institution tax					33,745	-	33,745
Business taxes					456,762	-	456,762
Contributions not restricted to a specific program					600,130	-	600,130
Operating grants not restricted to a specific program					245,977	-	245,977
Unrestricted investment earnings					18,339	40,881	59,220
Transfers					1,310,000	(1,310,000)	-
Total general revenues and transfers					10,923,236	(1,269,119)	9,654,117
Change in net position					2,010,924	1,087,616	3,098,540
Net position - beginning					32,350,873	11,147,691	43,498,564
Net position - ending					\$ 34,361,797	\$ 12,235,307	\$ 46,597,104

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General Fund	Debt Service	Capital Improvement	SPLOST	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 2,037,448	\$ -	\$ 51	\$ -	\$ 51,714	\$ 2,089,213
Investments	2,745,832	-	442,569	-	4	3,188,405
Restricted assets	3,601,663	213	3,707,045	2,979,519	364,900	10,653,340
Receivables, net	95,845	-	-	17,700	-	113,545
Prepaid items	272,111	-	-	77,162	-	349,273
Due from other funds	741,837	-	651,328	-	31,945	1,425,110
Due from component unit	12,238	-	-	-	-	12,238
Due from other governments	440,776	-	12,278	610,699	-	1,063,753
Total assets	\$ 9,947,750	\$ 213	\$ 4,813,271	\$ 3,685,080	\$ 448,563	\$ 18,894,877
Liabilities						
Accounts payable	\$ 477,190	\$ -	\$ 74,370	\$ 33,283	\$ 28,741	\$ 613,584
Retainage payable	-	-	54,311	187,308	-	241,619
Accrued liabilities	124,286	-	-	-	-	124,286
Due to other funds	1,299,553	-	47,430	610,853	5,500	1,963,336
Unearned revenue	359,990	-	-	302,512	3,680	666,182
Total liabilities	2,261,019	-	176,111	1,133,956	37,921	3,609,007
Deferred inflows of resources						
Unavailable revenue	85,150	-	-	-	-	85,150
Fund Balances						
Nonspendable	272,111	-	-	77,162	-	349,273
Restricted	3,181,225	213	3,644,723	2,473,962	354,202	9,654,325
Committed	7,160	-	10,245	-	-	17,405
Assigned	451,576	-	982,192	-	56,440	1,490,208
Unassigned	3,689,509	-	-	-	-	3,689,509
Total fund balances	7,601,581	213	4,637,160	2,551,124	410,642	15,200,720
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,947,750	\$ 213	\$ 4,813,271	\$ 3,685,080	\$ 448,563	

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.	40,743,092
Property tax revenue earned but unavailable is not reported in the funds.	85,150
The Insurance Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	603,996
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	(20,225,000)
Deferred charge on refunding	768,210
Accrued compensated absences	(205,770)
Net OPEB obligation	(2,530,584)
Net pension obligation	(78,017)
Net position of governmental activities	\$ 34,361,797

**CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	General Fund	Debt Service	Capital Improvement	SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 8,709,731	\$ 156,926	\$ -	\$ -	\$ 139,982	\$ 9,006,639
Licenses and permits	262,984	-	-	-	-	262,984
Intergovernmental	29,300	600,130	41,379	3,556,663	-	4,227,472
Charges for services	622,647	-	-	-	22,475	645,122
Fines and forfeitures	1,161,935	-	-	-	206,818	1,368,753
Investment earnings	17,599	200	330	2,852	210	21,191
Contributions and donations	47,840	-	3,000	9,925	30,000	90,765
Other	108,366	-	-	-	2,955	111,321
Total revenues	10,960,402	757,256	44,709	3,569,440	402,440	15,734,247
Expenditures:						
Current:						
General government	2,045,381	-	-	-	-	2,045,381
Public safety	4,068,881	-	-	-	6,028	4,074,909
Public works	1,002,868	-	-	-	21,098	1,023,966
Health and welfare	1,089	-	-	-	-	1,089
Housing and development	955,501	-	-	-	28,405	983,906
Judicial	387,141	-	-	-	-	387,141
Culture and recreation	1,772,408	-	-	-	239,509	2,011,917
Capital projects	-	-	1,546,919	5,854,839	-	7,401,758
Debt service	66,281	713,508	39,600	-	1,191,424	2,010,813
Total expenditures	10,299,550	713,508	1,586,519	5,854,839	1,486,464	19,940,880
Excess (deficiency) of revenues over (under) expenditures	660,852	43,748	(1,541,810)	(2,285,399)	(1,084,024)	(4,206,633)
Other financing sources (uses):						
Transfers in	1,467,294	-	1,328,564	-	1,223,363	4,019,221
Transfers out	(2,301,927)	(354,801)	-	-	(52,493)	(2,709,221)
Installment sales agreement issued	-	-	3,840,000	-	-	3,840,000
Refunding bonds issued	-	5,595,000	-	-	-	5,595,000
Payments to refunded bond escrow ac	-	(5,285,000)	-	-	-	(5,285,000)
Sale of capital assets	743,620	-	-	-	-	743,620
Total other financing sources (uses)	(91,013)	(44,801)	5,168,564	-	1,170,870	6,203,620
Net change in fund balance	569,839	(1,053)	3,626,754	(2,285,399)	86,846	1,996,987
Fund balance - beginning	7,031,742	1,266	1,010,406	4,836,523	323,796	13,203,733
Fund balance - ending	\$ 7,601,581	\$ 213	\$ 4,637,160	\$ 2,551,124	\$ 410,642	\$ 15,200,720

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, 2014

Net change in fund balances - total governmental funds \$ 1,996,987

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

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

Capital contributions 328,680

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	(3,111,657)	
Capital outlays	7,628,632	
Loss on disposal of assets	<u>(1,132,555)</u>	3,384,420

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.

Installment sales agreement issued	(3,840,000)	
Refunding bonds issued	(5,595,000)	
Payments to refunded bond escrow	5,285,000	
Principal payments on revenue bonds	812,000	
Principal payments on bonds payable	<u>290,000</u>	(3,048,000)

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. (35,991)

The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds. 83,133

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	3,569	
Net OPEB obligation	(417,586)	
Accrued compensated absences	<u>(28,218)</u>	<u>(698,305)</u>

Change in net position of governmental activities \$ 2,010,924

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2014**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
ASSETS				
Current assets:				
Cash	\$ 1,679,359	\$ 579,124	\$ 2,258,483	\$ 140,991
Investments	2,127,758	-	2,127,758	-
Restricted assets:				
Cash	1,169,598	-	1,169,598	-
Investments	2,765,793	-	2,765,793	-
Receivables, net				
Utility accounts	1,933,866	129,843	2,063,709	-
Other	-	-	-	1,481
Due from other funds	189,097	283,187	472,284	613,117
Inventory	702,044	-	702,044	-
Prepaid items	22,475	476	22,951	181,493
Total current assets	10,589,990	992,630	11,582,620	937,082
Noncurrent assets:				
Property, plant and equipment, net	4,865,470	329,535	5,195,005	-
Total assets	15,455,460	1,322,165	16,777,625	937,082
LIABILITIES				
Current liabilities:				
Accounts and claims payable	887,199	26,217	913,416	44,204
Customer deposits	924,127	209,001	1,133,128	-
Accrued liabilities	19,388	12,121	31,509	7,631
Accrued compensated absences	36,731	12,171	48,902	9,985
Unearned revenue	1,404,094	-	1,404,094	-
Due to other funds	388,763	144,972	533,735	13,440
Capital leases - current	39,290	11,576	50,866	-
Total current liabilities	3,699,592	416,058	4,115,650	75,260
Long-term liabilities (net of current portion):				
Accrued compensated absences	9,183	3,043	12,226	2,496
Net OPEB obligation	552,493	-	552,493	-
Net pension liability	13,351	7,532	20,883	4,779
Capital lease obligations	91,617	-	91,617	-
Total long-term liabilities	666,644	10,575	677,219	7,275
Total liabilities	4,366,236	426,633	4,792,869	82,535
NET POSITION				
Net investment in capital assets	4,734,563	317,959	5,052,522	-
Unrestricted	6,354,661	577,573	6,932,234	854,547
Total net position	\$11,089,224	\$ 895,532	11,984,756	\$ 854,547
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			250,551	
Net position of business-type activities			\$ 12,235,307	

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Enterprise Funds		Totals	Internal Service Funds
	Electrical Power	Sanitation		
Operating revenues:				
Charges for services	\$ 13,102,374	\$ 1,594,523	\$ 14,696,897	\$ 2,314,044
Other	445,843	182	446,025	17,250
Total operating revenues	<u>13,548,217</u>	<u>1,594,705</u>	<u>15,142,922</u>	<u>2,331,294</u>
Operating expenses:				
Personal services	1,131,189	640,555	1,771,744	400,800
Operating	10,023,153	510,539	10,533,692	1,762,991
Depreciation	414,778	147,549	562,327	-
Total operating expenses	<u>11,569,120</u>	<u>1,298,643</u>	<u>12,867,763</u>	<u>2,163,791</u>
Operating income	<u>1,979,097</u>	<u>296,062</u>	<u>2,275,159</u>	<u>167,503</u>
Nonoperating revenues (expenses):				
Interest income	40,881	-	40,881	-
Interest expense	(3,324)	(1,340)	(4,664)	-
Total nonoperating revenues (expenses)	<u>37,557</u>	<u>(1,340)</u>	<u>36,217</u>	<u>-</u>
Income before contributions and transfers	<u>2,016,654</u>	<u>294,722</u>	<u>2,311,376</u>	<u>167,503</u>
Contributed capital from developers	1,870	-	1,870	-
Transfers out	<u>(910,000)</u>	<u>(340,000)</u>	<u>(1,250,000)</u>	<u>(60,000)</u>
Increase (decrease) in net position	<u>1,108,524</u>	<u>(45,278)</u>	<u>1,063,246</u>	<u>107,503</u>
Net position at beginning of year	<u>9,980,700</u>	<u>940,810</u>		<u>747,044</u>
Net position at end of year	<u>\$ 11,089,224</u>	<u>\$ 895,532</u>		<u>\$ 854,547</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>24,370</u>	
Change in net position of business-type activities			<u>\$ 1,087,616</u>	

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation	Totals	
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$ 13,799,495	\$ 1,612,882	\$ 15,412,377	\$ 2,214,289
Cash payments for goods and services	(9,655,941)	(606,277)	(10,262,218)	(104,824)
Cash payments for benefits and claims	-	-	-	(1,637,150)
Cash payments for employee services and fringe benefits	(1,041,000)	(638,158)	(1,679,158)	(397,137)
Net cash from (to) operating activities	3,102,554	368,447	3,471,001	75,178
Cash flows from (to) noncapital financing activities:				
Transfers out	(910,000)	(340,000)	(1,250,000)	(60,000)
Net cash from (to) noncapital financing activities	(910,000)	(340,000)	(1,250,000)	(60,000)
Cash flows from (to) capital and related financing activities:				
Contributed capital	1,870	-	1,870	-
Interest paid	(3,324)	(1,340)	(4,664)	-
Payments for capital acquisitions	(207,982)	(187,543)	(395,525)	-
Principal payments on long-term obligations	(38,442)	(27,064)	(65,506)	-
Net cash from (to) capital and related financing activities	(247,878)	(215,947)	(463,825)	-
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(839,563)	-	(839,563)	-
Interest received from investments	40,881	-	40,881	-
Net cash from (to) investing activities	(798,682)	-	(798,682)	-
Net increase (decrease) in cash	1,145,994	(187,500)	958,494	15,178
Cash at beginning of year (including \$1,117,189 in restricted cash)	1,702,963	766,624	2,469,587	125,813
Cash at end of year (including \$1,169,598 in restricted cash)	\$ 2,848,957	\$ 579,124	\$ 3,428,081	\$ 140,991

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Enterprise Funds			Internal Service Funds
	Electrical Power	Sanitation	Totals	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$1,979,097	\$ 296,062	\$2,275,159	\$ 167,503
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	414,778	147,549	562,327	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(206,442)	(390)	(206,832)	(114)
(Increase) decrease in prepaid items	(3,002)	(476)	(3,478)	18,736
(Increase) decrease in inventory	42,446	-	42,446	-
(Increase) decrease in due from other funds	(85,721)	(208,769)	(294,490)	(116,891)
Increase (decrease) in net OPEB liability	79,539	-	79,539	-
Increase (decrease) in net pension liability	(50)	(28)	(78)	(18)
Increase (decrease) in accounts payable	66,027	26,217	92,244	(10,153)
Increase (decrease) in accrued liabilities	10,700	2,425	13,125	3,681
Increase (decrease) in unearned revenue	464,487	-	464,487	-
Increase (decrease) in due to other funds	347,462	87,290	434,752	12,434
Increase (decrease) in customer deposits	(6,767)	18,567	11,800	-
Net cash from (to) operating activities	\$3,102,554	\$ 368,447	\$3,471,001	\$ 75,178
Supplemental disclosure of cash flow information:				
Cash paid during the year for interest	\$ (3,324)	\$ (1,340)	\$ (4,664)	\$ -

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Units

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

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

Discretely Presented Component Unit

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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.

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

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

The City reports the following major proprietary funds:

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Additionally, the City reports the following fund types:

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

Internal Service Funds - The Internal Service Funds account for services performed by a central service department for other departments or agencies of the governmental unit. The City has a Customer Service internal service fund which performs customer service functions relating to the Electrical Power fund, Sanitation fund, and General fund. The City also has an Insurance internal service fund which is used to charge the cost of workers' compensation and health insurance to the various City departments.

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

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

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

D. Budgets and Budgetary Accounting

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

Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that the Capital Project Funds adopt project length budgets. In the General Fund, certain capital expenditures are not budgeted and certain transfers out are budgeted as debt service transactions.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Investment earnings and other revenues are not budgeted for in the Confiscated Asset Fund. Certain transfers in, investment earnings, housing and development expenditures, and debt service expenditures are not budgeted for in the Acworth Downtown Development Authority. Debt service expenditures are not budgeted for in the Acworth Lake Authority. Actual GAAP expenditures and revenues in the General, Special Revenue, and Debt Service Funds have been adjusted to the budgetary basis for comparison within this report.

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

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

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

Unencumbered appropriations lapse at year end.

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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.

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."

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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.

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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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, 2014, 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, 2014**

As of June 30, 2014, 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	\$ 4,856,769	\$ -	\$ -	\$ -	\$ 4,856,769
Municipal Competitive Trust	not rated	3,452,829	-	-	-	3,452,829
Total		\$ 8,309,598	\$ -	\$ -	\$ -	\$ 8,309,598

The above table of investments includes \$2,993,435 of investments classified on the financial statements as restricted assets. See also Note 1 for disclosure of the types of investments authorized by legal provisions.

Concentration of credit risk

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

(3) RECEIVABLES

Receivables at June 30, 2014 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 94,818	\$ -	\$ 8,738	\$ (7,711)	\$ 95,845
SPLOST Fund	-	-	17,700	-	17,700
Electrical Power Fund	-	1,983,866	-	(50,000)	1,933,866
Sanitation Fund	-	130,643	-	(800)	129,843
Internal Service Funds	-	145	1,336	-	1,481
Total	\$ 94,818	\$ 2,114,654	\$ 27,774	\$ (58,511)	\$ 2,178,735

(4) DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2014 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	Other	Total
General Fund	\$ -	\$ 214	\$ 440,562	\$ 440,776
SPLOST Fund	610,699	-	-	610,699
Capital Projects Fund	-	-	12,278	12,278
Total	\$ 610,699	\$ 214	\$ 452,840	\$ 1,063,753

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered "available spendable resources". Such balances at June 30, 2014 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

PAYABLE FROM	RECEIVABLE TO						Total
	General Fund	Capital Projects Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ 455	\$ 401,328	\$ 186,669	\$ 75,087	\$ 31,945	\$ 604,069	\$ 1,299,553
SPLOST Fund	610,853	-	-	-	-	-	610,853
Capital Projects Fund	47,430	-	-	-	-	-	47,430
Electrical Power Fund	48,587	125,000	-	208,100	-	7,076	388,763
Sanitation Fund	15,572	125,000	2,428	-	-	1,972	144,972
Internal Service Funds	13,440	-	-	-	-	-	13,440
Nonmajor Governmental Funds	5,500	-	-	-	-	-	5,500
Total	<u>\$ 741,837</u>	<u>\$ 651,328</u>	<u>\$ 189,097</u>	<u>\$ 283,187</u>	<u>\$ 31,945</u>	<u>\$ 613,117</u>	<u>\$ 2,510,511</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	Debt Service Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 354,801	\$ 785,000	\$ 215,000	\$ 52,493	\$ 60,000	\$ 1,467,294
Capital Project Fund	1,078,564	-	125,000	125,000	-	-	1,328,564
Nonmajor Governmental Funds	1,223,363	-	-	-	-	-	1,223,363
Total	<u>\$ 2,301,927</u>	<u>\$ 354,801</u>	<u>\$ 910,000</u>	<u>\$ 340,000</u>	<u>\$ 52,493</u>	<u>\$ 60,000</u>	<u>\$ 4,019,221</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, 2014**

(6) RESTRICTED ASSETS

The City's restricted assets at June 30, 2014 are restricted for the following:

Governmental Funds	<u>Total</u>
General Fund:	
Municipal court bonds	\$ 240,722
Public safety communications equipment	180,486
Development performance bonds	134,181
Proceeds from sale of water & sewer system	3,000,000
Bail bond escrow	20,639
Other	25,635
	<u>3,601,663</u>
SPLOST Fund:	
Unspent SPLOST proceeds	<u>2,979,519</u>
Tax Allocation District Debt Service Fund:	
Unspent TAD proceeds	<u>213</u>
Capital Improvement Fund:	
Unspent Capital Improvement installment sales agreement proceeds	<u>3,707,045</u>
Nonmajor governmental funds:	
Recreational Impact Fee	34,856
Soil Erosion Fee	14,295
Confiscated Assets	315,749
	<u>364,900</u>
Total governmental funds	<u><u>\$ 10,653,340</u></u>
Proprietary Funds	
Power Fund:	
MEAG Power project	2,765,793
Security deposits	1,169,598
	<u>\$ 3,935,391</u>
Total proprietary funds	<u><u>\$ 3,935,391</u></u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(7) CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications/ Reductions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,960,251	\$ 500,565	\$ (1,088,287)	\$ 5,372,529
Construction in progress	3,476,498	5,399,169	(2,816,716)	6,058,951
Total capital assets not being depreciated	9,436,749	5,899,734	(3,905,003)	11,431,480
Capital assets, being depreciated:				
Buildings	7,732,541	721,370	(47,280)	8,406,631
Improvements other than buildings	8,837,555	498,203	(3,400)	9,332,358
Intangible Assets	-	146,900	-	146,900
Vehicles and equipment	4,555,802	367,739	(204,001)	4,719,540
Infrastructure (streets)	49,003,678	3,136,182	(105,116)	52,034,744
Total capital assets being depreciated	70,129,576	4,870,394	(359,797)	74,640,173
Less accumulated depreciation for:				
Buildings	(2,945,259)	(277,678)	45,100	(3,177,837)
Improvements other than buildings	(3,061,409)	(452,957)	3,301	(3,511,065)
Intangible Assets	-	(10,947)	-	(10,947)
Vehicles and equipment	(3,707,871)	(284,103)	183,892	(3,808,082)
Infrastructure (streets)	(32,821,794)	(2,085,972)	87,136	(34,820,630)
Total accumulated depreciation	(42,536,333)	(3,111,657)	319,429	(45,328,561)
Total capital assets being depreciated, net	27,593,243	1,758,737	(40,368)	29,311,612
Governmental activities capital assets, net	\$ 37,029,992	\$ 7,658,471	\$ (3,945,371)	\$ 40,743,092
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 265,917	\$ -	\$ -	\$ 265,917
Total capital assets not being depreciated	265,917	-	-	265,917
Capital assets, being depreciated:				
Buildings	136,369	-	-	136,369
Electrical System	9,281,732	158,000	-	9,439,732
Vehicles and equipment	3,504,790	237,525	-	3,742,315
Total capital assets being depreciated	12,922,891	395,525	-	13,318,416
Less accumulated depreciation for:				
Buildings	(104,254)	(7,684)	-	(111,938)
Electrical System	(4,762,709)	(315,195)	-	(5,077,904)
Vehicles and equipment	(2,960,038)	(239,448)	-	(3,199,486)
Total accumulated depreciation	(7,827,001)	(562,327)	-	(8,389,328)
Total capital assets being depreciated, net	5,095,890	(166,802)	-	4,929,088
Business-type activities capital assets, net	\$ 5,361,807	\$ (166,802)	\$ -	\$ 5,195,005

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Governmental Activities:		
General government		\$ 198,401
Public safety		209,313
Public works, including depreciation of general infrastructure		2,220,943
Housing and development		6,456
Culture and recreation		476,544
	Total depreciation expense - governmental activities	<u>\$ 3,111,657</u>
Business-type activities:		
Electric		\$ 414,778
Sanitation		147,549
	Total depreciation expense - business-type activities	<u>\$ 562,327</u>

(8) LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 11,892,000	\$ -	\$ (812,000)	\$ 11,080,000	\$ 829,000
Installment sales agreement	-	3,840,000	-	3,840,000	200,334
Tax allocation district bonds	5,285,000	5,595,000	(5,575,000)	5,305,000	385,000
Net pension obligation	81,586	274,630	(278,199)	78,017	-
Net OPEB obligation	2,112,998	444,616	(27,030)	2,530,584	-
Compensated absences	177,552	243,430	(215,212)	205,770	164,616
Governmental activities long-term liabilities	<u>\$ 19,549,136</u>	<u>\$ 10,397,676</u>	<u>\$ (6,907,441)</u>	<u>\$ 23,039,371</u>	<u>\$ 1,578,950</u>
Business-type activities:					
Capital leases	\$ 207,989	\$ -	\$ (65,506)	\$ 142,483	\$ 50,866
Net pension obligation	25,758	82,747	(82,843)	25,662	-
Net OPEB obligation	472,954	84,687	(5,148)	552,493	-
Compensated absences	65,414	88,010	(79,815)	73,609	58,887
Business-type activities long-term liabilities	<u>\$ 772,115</u>	<u>\$ 255,444</u>	<u>\$ (233,312)</u>	<u>\$ 794,247</u>	<u>\$ 109,753</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, 2014

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
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	342,000	30,798	372,798
2020 - 2024	1,428,000	62,641	1,490,641
Total	<u>\$ 3,080,000</u>	<u>\$ 274,102</u>	<u>\$ 3,354,102</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, 2014

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 405,000	\$ 300,332	\$ 705,332
2016	420,000	284,252	704,252
2017	440,000	267,578	707,578
2018	460,000	250,110	710,110
2019	480,000	231,848	711,848
2020 - 2024	2,720,000	856,925	3,576,925
2025 - 2029	2,640,000	267,377	2,907,377
Total	<u>\$ 7,565,000</u>	<u>\$ 2,458,422</u>	<u>\$ 10,023,422</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, 2014, assets totaling \$975,000 have been purchased with bond proceeds and conveyed to the City.

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 435,000</u>	<u>\$ 39,780</u>	<u>\$ 474,780</u>

Installment Sales Agreement

Public Safety and Court Services

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The debt service requirements on this agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 200,334	\$ 127,528	\$ 327,862
2016	207,165	120,580	327,745
2017	214,230	113,396	327,626
2018	221,535	105,966	327,501
2019	229,089	98,282	327,371
2020 - 2024	1,268,090	366,670	1,634,760
2025 - 2029	1,499,557	131,274	1,630,831
Total	<u>\$ 3,840,000</u>	<u>\$ 1,063,696</u>	<u>\$ 4,903,696</u>

Tax Allocation District Bonds

During 2004, the City issued \$6,050,000 in limited obligation term bonds to undertake certain redevelopment projects within a tax allocation district (Lakeside TAD) established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Cobb County Board of Education. The property tax increments are pledged until the bonds are paid in full. 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 \$573,058 and \$757,056, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	425,000	88,710	513,710
2020 - 2024	2,285,000	274,385	2,559,385
2025 - 2029	995,000	25,460	1,020,460
Total	<u>\$ 5,305,000</u>	<u>\$ 847,535</u>	<u>\$ 6,152,535</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, 2014

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

Year Ending June 30,	Principal	Interest	Total
2015	\$ 50,866	\$ 2,584	\$ 53,450
2016	40,160	1,605	41,765
2017	41,050	716	41,766
2018	10,407	36	10,443
Total	<u>\$ 142,483</u>	<u>\$ 4,941</u>	<u>\$ 147,424</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$325,420, and the accumulated depreciation is \$197,012. This year \$65,084 was included in depreciation expense.

(9) COMMITMENTS AND CONTINGENCIES

Municipal Electric Authority of Georgia

The City has entered into a Power Sales Contract with the Municipal Electric Authority of Georgia (the "Authority"). Concurrently with this agreement, the City has agreed to assume the obligation to pay the costs for excess entitlements transferred from the City of Sylvania, Georgia. The contract requires the City to purchase from the Authority all of the City's bulk power supply. The Authority is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations for the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$8,469,630 from the Authority during the period ended June 30, 2014.

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 \$148,103 during the period ended June 30, 2014.

Encumbrances

Encumbrances outstanding as of June 30, 2014 are as follows:

General Fund	\$ 12,614
SPLOST Fund	1,176,443
Capital Improvement	3,658,766
Total	<u>\$ 4,847,823</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(10) PROPERTY TAXES

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

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

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

Assessed values are established by the Cobb County Tax Assessor's office and are currently calculated at 40% of the market value. The assessed values of real and personal property (excluding public utility franchise, motor vehicles, heavy duty equipment and mobile home taxes) at January 1, 2013 were \$507,041,927 and \$44,989,467, respectively.

Based on the 2013 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$4,020,616 for the fiscal year ended June 30, 2014 were 99.41% of the levy.

(11) FUND BALANCE

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

	General Fund	Debt Service	Capital Improvement	SPLOST	Nonmajor Governmental Funds	Total
Nonspendable:						
Prepays	\$ 272,111	\$ -	\$ -	\$ 77,162	\$ -	\$ 349,273
Restricted for:						
Public safety	180,486	-	3,644,723	1,060,311	307,016	5,192,536
Culture and recreation	-	213	-	464,335	34,711	499,259
Public works	739	-	-	949,316	12,475	962,530
Voter appropriation	3,000,000	-	-	-	-	3,000,000
Committed for:						
General Government	-	-	10,194	-	-	10,194
Culture and recreation	7,160	-	-	-	-	7,160
Public works	-	-	51	-	-	51
Assigned for:						
Capital projects	432,822	-	540,092	-	-	972,914
Public safety	5,764	-	109,585	-	-	115,349
Culture and recreation	10,565	-	43,200	-	56,440	110,205
Public works	800	-	20,000	-	-	20,800
General Gov't	1,625	-	269,315	-	-	270,940
Unassigned:	3,689,509	-	-	-	-	3,689,509
	<u>\$ 7,601,581</u>	<u>\$ 213</u>	<u>\$ 4,637,160</u>	<u>\$ 2,551,124</u>	<u>\$ 410,642</u>	<u>\$ 15,200,720</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

(12) EMPLOYEE RETIREMENT SYSTEM

The City has established a defined benefit pension plan ("Plan") and contributes to the Georgia Municipal Employees Benefit System ("GMEBS"), an agent multi-employer public employee retirement system that acts as a common investment and administrative agent for cities in the state of Georgia. The Georgia Municipal Employee Benefit System issues a publicly available financial report that includes financial statements and required supplementary information from GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling 404-688-0472.

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

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

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

For the year ended June 30, 2014, the City's payroll for employees covered by the System's defined benefit plan was \$5,432,197. The Plan also provides for death benefits for early retirees. The benefit provisions and all other requirements are established by GMEBS and the Adoption Agreement executed by the City.

Total pension contributions for the year ended June 30, 2014 were \$505,756 (\$361,042 from the City and \$144,714 from employee contributions).

The net pension obligation was computed from information obtained from the actuarial valuation performed as of January 1, 2014. 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.

CITY OF ACWORTH, GEORGIA
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Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

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, 10 years for temporary retirement incentive programs, 20 years for other changes to plan provisions and 30 years for actuarial assumptions and cost methods. The 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 6.64% of current period covered payroll and were in accordance with actuarial recommendations. The normal contribution requirement was \$361,042.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Period Ended	Annual Pension Cost	Percentage Contributed	Net Pension Obligation	Annual Amount Contributed
06/30/12	308,689	100%	112,202	308,689
06/30/13	307,255	100%	107,344	307,255
06/30/14	361,042	100%	103,679	361,042

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

ANNUAL PENSION COST AND NET PENSION (ASSET) OBLIGATION

Required contribution	\$ 361,042
Interest on net pension obligation	8,588
Adjustment to required contribution	<u>(12,253)</u>
Pension cost	357,377
Contributions made	<u>(361,042)</u>
Increase (decrease) in net pension obligation	(3,665)
Net pension obligation, beginning of period	107,344
Net pension obligation, end of period	<u><u>\$ 103,679</u></u>

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/2014	5,834,813	6,851,559	1,016,746	85.16%	5,432,197	18.72%

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.

(13) POST EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Acworth OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Acworth. The City provides medical, prescription drug and life insurance benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. Employees retiring after March 1, 2009 are not provided life insurance. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 60, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater than 85. Per the January 1, 2014 valuation, there were 3 employees fully eligible for the benefits, 6 retirees and spouses receiving benefits, and 131 current and active employees. The City has the authority to establish and amend benefit provisions. As of June 30, 2014 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, 2014, the City contributed \$32,178 to the plan. The cost of benefits for retirees is paid by the City. The City will pay 100% of the cost of benefits for the retiree's spouse if the employees retires after completing 30 years of service with the City, 75% if completed 25 years of service, 50% if completed 20 years of service, and 0% if less than 20 years of service.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Period Ended	OPEB Cost	Percentage Contributed	Net OPEB Obligation	Amount Contributed
6/30/2012	\$ 480,418	7%	\$ 2,160,558	\$ 31,837
6/30/2013	456,876	7%	2,585,952	31,482
6/30/2014	529,303	6%	3,083,077	32,178

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Required contribution	\$ 612,743
Interest on net OPEB obligation	103,438
Adjustment to required contribution	<u>(186,878)</u>
OPEB cost	529,303
Contributions made	<u>(32,178)</u>
Increase (decrease) in net OPEB obligation	497,125
Net OPEB obligation, beginning of period	<u>2,585,952</u>
Net OPEB obligation, end of period	<u><u>\$ 3,083,077</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.

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

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

The plan does not issue separate financial statements.

(14) DEFINED CONTRIBUTION PLAN

The City of Acworth contributes to the City of Acworth’s ICMA RC Governmental Money Purchase Plan, which is a defined contribution plan under Section 401(a) of the Internal Revenue Code. The Plan is administered by the ICMA-Retirement Corporation. At June 30, 2014, there were 106 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,

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

2014 was \$4,522. The City made actual contributions during the year of \$305,189. The participants made actual contributions during the year of \$153,049. The plan held no securities of the City or other related parties during the year.

(15) RISK MANAGEMENT

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

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

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

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

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

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

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

In addition, the City is exposed to risks of loss resulting from providing health, dental and vision benefits to employees and retirees. 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 plan. 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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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.

**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)
1/1/2012	\$ 4,732,480	\$ 5,401,138	\$ 668,658	87.62%	\$ 5,308,998	12.59%
1/1/2013	5,245,592	6,120,703	875,111	85.70%	5,362,917	16.32%
1/1/2014	5,834,813	6,851,559	1,016,746	85.16%	5,432,197	18.72%

Post Employment Healthcare Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
3/1/2008	\$ -	\$ 3,317,637	\$ 3,317,637	0.0%	\$ 4,682,605	70.9%
1/1/2011	-	3,934,552	3,934,552	0.0%	5,529,283	71.2%
1/1/2014	-	4,492,306	4,492,306	0.00%	5,339,558	84.13%

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 8,319,245	\$ 8,705,541	\$ 8,709,731	\$ 4,190
Licenses and Permits	272,810	254,555	262,984	8,429
Intergovernmental	27,708	30,721	29,300	(1,421)
Charges for Services	519,489	557,817	622,647	64,830
Fines and Forfeitures	1,051,412	1,050,000	1,161,935	111,935
Investment Earnings	15,000	15,000	17,599	2,599
Contributions and Donations	35,195	50,340	47,840	(2,500)
Other	67,404	104,004	108,366	4,362
Total Revenues	10,308,263	10,767,978	10,960,402	192,424
Expenditures:				
General Government				
Board of Aldermen	187,285	179,885	167,409	12,476
Administration - City Manager's Office	456,685	465,516	456,873	8,643
Elections	5,207	1,500	1,145	355
Financial Administration	481,310	482,857	472,336	10,521
Attorney/Legal Services	58,750	58,750	57,081	1,669
Information Systems	219,263	221,457	218,841	2,616
Former Employees	35,400	35,400	34,701	699
Insurance/Risk Management	270,000	270,000	265,996	4,004
External Auditors	38,642	32,227	31,628	599
Government Bldg - City Hall	75,650	78,850	69,080	9,770
Government Bldg - 4400 Acworth Ind Dr	99,000	107,500	104,228	3,272
Government Bldg - 4406 Acworth Ind Dr	16,500	8,000	3,781	4,219
Government Bldg - Other City Property	3,050	3,550	2,063	1,487
Government Bldg - Old Jail	5,000	3,500	1,918	1,582
Public Information	5,694	4,226	3,552	674
General Administration Fees	9,375	9,750	9,685	65
Judicial				
Municipal Court	399,433	400,615	387,141	13,474
Public Safety				
Police	3,474,183	3,473,371	3,390,486	82,885
Police Explorers	5,000	5,000	4,603	397
Jail	716,624	692,119	673,792	18,327
Public Works				
Public Works Administration	229,607	223,840	216,413	7,427
Highways and Streets	585,313	591,884	566,790	25,094
Storm Drainage	19,814	22,814	21,551	1,263
Fleet Maintenance	129,188	123,975	117,400	6,575
Building Maintenance	72,170	61,390	57,795	3,595
Cemetery	26,111	25,611	22,919	2,692
Health and Welfare				
Mosquito Control	5,792	1,892	1,089	803
Culture and Recreation				
Recreation	1,169,109	1,173,113	1,154,717	18,396
Athletics	73,267	73,947	67,728	6,219
Community Programs	53,000	58,010	54,397	3,613
Roberts School Rec Facility	16,450	46,475	37,609	8,866
Rosenwald Community Center	6,950	6,950	4,841	2,109
Neighborhood Playgrounds	2,875	3,625	3,016	609
Southshore Park and Beach	6,800	7,300	7,266	34
Dallas Landing Beach and Park	32,880	35,000	32,582	2,418
Proctor Landing Beach and Park	31,180	36,072	33,975	2,097
Acworth Sports Complex	112,356	116,550	104,578	11,972
Bobby Van Newberry Park	18,685	19,385	16,412	2,973
Cauble Park Facilities	59,577	62,827	59,815	3,012

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Logan Farm Park Facilities	70,450	39,620	33,218	6,402
Special Needs Programs	600	-	-	-
Summer Camp Operations	91,132	91,132	82,673	8,459
Special Events Activities	44,725	51,590	45,561	6,029
Concert	13,000	13,000	8,056	4,944
Senior Citizen Luncheon	14,350	18,350	18,175	175
Parks	6,950	6,525	5,265	1,260
Tree Commission	1,230	3,269	2,524	745
Historic Preservation	3,254	1,230	-	1,230
Housing and Development				
Conservation / Soil Erosion	59,997	56,259	53,990	2,269
Protective Building Inspections	230,688	221,306	212,853	8,453
Planning and Zoning	186,080	186,266	184,226	2,040
Code Enforcement	39,502	39,563	35,919	3,644
Economic Development	115,709	116,127	113,712	2,415
Tax Allocation District	301,724	354,801	354,801	-
Debt Service	533,881	557,959	557,661	298
Total Expenditures	<u>10,926,447</u>	<u>10,981,730</u>	<u>10,645,866</u>	<u>335,864</u>
Excess (deficiency) of Revenues over Expenditures	<u>(618,184)</u>	<u>(213,752)</u>	<u>314,536</u>	<u>528,288</u>
Other Financing Sources (uses):				
Transfers In	1,370,224	1,367,301	1,467,294	99,993
Transfers Out	(736,801)	(1,417,178)	(1,810,547)	(393,369)
Sale of Capital Assets	-	165,425	743,620	578,195
Total Other Financing Sources (uses)	<u>633,423</u>	<u>115,548</u>	<u>400,367</u>	<u>284,819</u>
Net Change in Fund Balance	<u>\$ 15,239</u>	<u>\$ (98,204)</u>	714,903	<u>\$ 813,107</u>
Reconciliation to GAAP Basis:				
Unbudgeted capital expenditure			(145,064)	
Fund Balance at Beginning of Year - GAAP Basis			<u>7,031,742</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,601,581</u>	

GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

**CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	Special Revenue Funds							
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Total Nonmajor	
Assets								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,714	\$ 51,714	
Investments	-	-	-	-	-	4	4	
Due from other funds	25,223	1,000	-	360	2,675	2,687	31,945	
Restricted assets:								
Cash	-	2,000	315,749	-	-	-	317,749	
Investments	-	32,856	-	14,295	-	-	47,151	
Total assets	\$ 25,223	\$ 35,856	\$ 315,749	\$ 14,655	\$ 2,675	\$ 54,405	\$ 448,563	
Liabilities								
Accounts payable	\$ 25,223	\$ -	\$ 1,827	\$ 1,051	\$ 40	\$ 600	\$ 28,741	
Due to other funds	-	1,145	3,226	1,129	-	-	5,500	
Unearned revenue	-	-	3,680	-	-	-	3,680	
Total liabilities	25,223	1,145	8,733	2,180	40	600	37,921	
Fund balances:								
Restricted	-	34,711	307,016	12,475	-	-	354,202	
Assigned	-	-	-	-	2,635	53,805	56,440	
Total fund balances	-	34,711	307,016	12,475	2,635	53,805	410,642	
Total liabilities, deferred inflows of resources, and fund balances	\$ 25,223	\$ 35,856	\$ 315,749	\$ 14,655	\$ 2,675	\$ 54,405	\$ 448,563	

**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, 2014**

	Special Revenue Funds						Total Nonmajor
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	
Revenues:							
Taxes	\$ 139,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,982
Charges for services	-	21,000	-	1,475	-	-	22,475
Fines and forfeitures	-	-	206,818	-	-	-	206,818
Investment earnings	-	80	58	26	-	46	210
Contributions and donations	-	30,000	-	-	-	-	30,000
Other	-	-	280	-	-	2,675	2,955
Total revenues	139,982	51,080	207,156	1,501	-	2,721	402,440
Expenditures:							
Current:							
Public safety	-	-	6,028	-	-	-	6,028
Public works	-	-	-	21,098	-	-	21,098
Housing and development	-	-	-	-	-	28,405	28,405
Culture and recreation	87,489	140,032	-	-	11,988	-	239,509
Debt service	-	-	-	-	119,260	1,072,164	1,191,424
Total expenditures	87,489	140,032	6,028	21,098	131,248	1,100,569	1,486,464
Excess (deficiency) of revenues over (under) expenditures	52,493	(88,952)	201,128	(19,597)	(131,248)	(1,097,848)	(1,084,024)
Other financing sources (uses):							
Transfers in	-	-	-	-	129,260	1,094,103	1,223,363
Transfers out	(52,493)	-	-	-	-	-	(52,493)
Total other financing sources (uses)	(52,493)	-	-	-	129,260	1,094,103	1,170,870
Net change in fund balance	-	(88,952)	201,128	(19,597)	(1,988)	(3,745)	86,846
Fund balance at beginning of year	-	123,663	105,888	32,072	4,623	57,550	323,796
Fund balance at end of year	\$ -	\$ 34,711	\$ 307,016	\$ 12,475	\$ 2,635	\$ 53,805	\$ 410,642

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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 2,037,448	\$ 2,623,600
Investments	2,745,832	2,471,442
Receivables (net of allowance for estimated uncollectibles):		
Taxes	87,107	187,175
Interest	8,377	-
Other	361	569
Due from other funds	741,837	686,291
Due from other governments	440,776	10,739
Due from component unit	12,238	-
Prepaid items	272,111	237,982
Restricted assets:		
Cash	3,421,177	3,458,913
Investments	180,486	160,012
Total assets	<u>\$ 9,947,750</u>	<u>\$ 9,836,723</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>Liabilities</u>		
Accounts payable	\$ 477,190	\$ 924,023
Unearned revenue	359,990	335,499
Accrued liabilities	124,286	105,409
Due to other funds	1,299,553	1,292,460
Due to component unit	-	26,449
Total liabilities	<u>2,261,019</u>	<u>2,683,840</u>
<u>Deferred inflows of resources</u>		
Unavailable revenue - property taxes	85,150	121,141
<u>Fund balances</u>		
Nonspendable	272,111	237,982
Restricted	3,181,225	3,158,549
Committed	7,160	13,402
Assigned	451,576	426,844
Unassigned	3,689,509	3,194,965
Total fund balance	<u>7,601,581</u>	<u>7,031,742</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,947,750</u>	<u>\$ 9,836,723</u>

**CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 and 2013**

	2014	2013
Revenues:		
Taxes	\$ 8,709,731	\$ 8,294,411
Licenses and permits	262,984	337,662
Charges for services	622,647	500,319
Intergovernmental	29,300	33,971
Fines and forfeitures	1,161,935	1,157,916
Investment earnings	17,599	18,667
Contributions and donations	47,840	48,316
Other	108,366	84,567
Total revenues	10,960,402	10,475,829
Expenditures:		
Current:		
General government	2,045,381	1,792,986
Public safety	4,068,881	3,945,168
Public works	1,002,868	960,218
Health and welfare	1,089	991
Housing and development	955,501	942,691
Judicial	387,141	376,499
Culture and recreation	1,772,408	1,677,532
Debt service	66,281	102,803
Total expenditures	10,299,550	9,798,888
Excess (deficiency) of revenues over (under) expenditures	660,852	676,941
Other financing sources (uses):		
Transfers in	1,467,294	1,268,364
Transfers out	(2,301,927)	(1,984,556)
Sale of capital assets	743,620	10,993
Total other financing sources (uses)	(91,013)	(705,199)
Net change in fund balance	569,839	(28,258)
Fund balance at beginning of year	7,031,742	7,060,000
Fund balance at end of year	\$ 7,601,581	\$ 7,031,742

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Due from other funds	\$ 25,223	\$ -
Total assets	<u>\$ 25,223</u>	<u>\$ -</u>
<u>LIABILITIES</u>		
Liabilities:		
Accounts payable	\$ 25,223	\$ -
Total liabilities	<u>\$ 25,223</u>	<u>\$ -</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Taxes	\$ 139,982	\$ 126,816
Total revenues	<u>139,982</u>	<u>126,816</u>
Expenditures:		
Current:		
Culture and recreation	<u>87,489</u>	<u>79,260</u>
Excess of revenues over expenditures	<u>52,493</u>	<u>47,556</u>
Other financing sources (uses):		
Transfers out	<u>(52,493)</u>	<u>(47,556)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	<u>\$145,000</u>	<u>\$139,982</u>	<u>\$ (5,018)</u>
Expenditures:			
Current:			
Culture and recreation	<u>90,625</u>	<u>87,489</u>	<u>3,136</u>
Excess of revenues over expenditures	<u>54,375</u>	<u>52,493</u>	<u>(1,882)</u>
Other financing sources (uses):			
Transfers out	<u>(54,375)</u>	<u>(52,493)</u>	<u>1,882</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
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Due from other funds	\$ 1,000	\$ -
Restricted assets:		
Cash	2,000	-
Investments	<u>32,856</u>	<u>123,663</u>
Total assets	<u>\$ 35,856</u>	<u>\$ 123,663</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds	<u>\$ 1,145</u>	<u>\$ -</u>
Total liabilities	<u>1,145</u>	<u>-</u>
Fund balance:		
Restricted	<u>34,711</u>	<u>123,663</u>
Total fund balance	<u>34,711</u>	<u>123,663</u>
Total liabilities and fund balance	<u>\$ 35,856</u>	<u>\$ 123,663</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Charges for services	\$ 21,000	\$ 40,000
Investment earnings	80	145
Contributions and donations	<u>30,000</u>	<u>-</u>
Total revenues	<u>51,080</u>	<u>40,145</u>
Expenditures:		
Current:		
Culture and recreation	<u>140,032</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(88,952)</u>	<u>40,145</u>
Net change in fund balance	(88,952)	40,145
Fund balance at beginning of year	<u>123,663</u>	<u>83,518</u>
Fund balance at end of year	<u><u>\$ 34,711</u></u>	<u><u>\$ 123,663</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, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 22,145	\$ 21,000	\$ (1,145)
Investment earnings	72	80	8
Contributions and donations	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total revenues	<u>52,217</u>	<u>51,080</u>	<u>(1,137)</u>
Expenditures:			
Current:			
Culture and recreation	<u>155,419</u>	<u>140,032</u>	<u>15,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(103,202)</u>	<u>(88,952)</u>	<u>14,250</u>
Net change in fund balance	<u><u>\$ (103,202)</u></u>	<u>(88,952)</u>	<u><u>\$ 14,250</u></u>
Fund balance at beginning of year		<u>123,663</u>	
Fund balance at end of year		<u><u>\$ 34,711</u></u>	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Restricted assets:		
Cash	\$ 315,749	\$ 123,520
Total assets	<u>\$ 315,749</u>	<u>\$ 123,520</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,827	\$ 1,827
Due to other funds	3,226	371
Unearned revenue	3,680	15,434
Total liabilities	<u>8,733</u>	<u>17,632</u>
Fund balance:		
Restricted	<u>307,016</u>	<u>105,888</u>
Total fund balance	<u>307,016</u>	<u>105,888</u>
Total liabilities and fund balances	<u>\$ 315,749</u>	<u>\$ 123,520</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Fines and forfeitures	\$ 206,818	\$ 66,249
Investment earnings	58	23
Other	280	-
Total revenues	<u>207,156</u>	<u>66,272</u>
Expenditures:		
Current:		
Public safety	6,028	56,199
Total expenditures	<u>6,028</u>	<u>56,199</u>
Net change in fund balance	201,128	10,073
Fund balance at beginning of year	<u>105,888</u>	<u>95,815</u>
Fund balance at end of year	<u><u>\$ 307,016</u></u>	<u><u>\$ 105,888</u></u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Budgetary Basis)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 113,570	\$ 206,818	\$ 93,248
Total revenues	<u>113,570</u>	<u>206,818</u>	<u>93,248</u>
Expenditures:			
Current:			
Public safety	59,446	6,028	53,418
Total expenditures	<u>59,446</u>	<u>6,028</u>	<u>53,418</u>
Net change in fund balance	<u>\$ 54,124</u>	200,790	<u>\$ 146,666</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues:			
Investment earnings		58	
Other		280	
Fund balance at beginning of year		<u>105,888</u>	
Fund balance at end of year		<u>\$ 307,016</u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Due from other funds	\$ 360	\$ -
Restricted assets:		
Investments	<u>14,295</u>	<u>32,072</u>
Total assets	<u><u>\$ 14,655</u></u>	<u><u>\$ 32,072</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 1,051	\$ -
Due to other funds	<u>1,129</u>	<u>-</u>
Total liabilities	<u>2,180</u>	<u>-</u>
Fund balance:		
Restricted	<u>12,475</u>	<u>32,072</u>
Total fund balance	<u>12,475</u>	<u>32,072</u>
Total liabilities and fund balance	<u><u>\$ 14,655</u></u>	<u><u>\$ 32,072</u></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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Charges for services	\$ 1,475	\$ 1,301
Investment earnings	26	49
Total revenues	<u>1,501</u>	<u>1,350</u>
Expenditures:		
Current:		
Public works	<u>21,098</u>	<u>1,331</u>
Total expenditures	<u>21,098</u>	<u>1,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,597)</u>	<u>19</u>
Net change in fund balance	(19,597)	19
Fund balance at beginning of year	<u>32,072</u>	<u>32,053</u>
Fund balance at end of year	<u>\$ 12,475</u>	<u>\$ 32,072</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, 2014**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,115	\$ 1,475	\$ 360
Investment earnings	40	26	(14)
Total revenues	<u>1,155</u>	<u>1,501</u>	<u>346</u>
Expenditures:			
Current:			
Public works	23,000	21,098	1,902
Total expenditures	<u>23,000</u>	<u>21,098</u>	<u>1,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,845)</u>	<u>(19,597)</u>	<u>2,248</u>
Net change in fund balance	<u>\$ (21,845)</u>	(19,597)	<u>\$ 2,248</u>
Fund balance at beginning of year		<u>32,072</u>	
Fund balance at end of year		<u>\$ 12,475</u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Due from other funds	\$ 2,675	\$ 4,623
Total assets	<u>\$ 2,675</u>	<u>\$ 4,623</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 40	\$ -
Total liabilities	<u>40</u>	<u>-</u>
Fund balance:		
Assigned	<u>2,635</u>	<u>4,623</u>
Total fund balance	<u>2,635</u>	<u>4,623</u>
Total liabilities and fund balance	<u>\$ 2,675</u>	<u>\$ 4,623</u>

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Expenditures:		
Current:		
Culture and recreation	\$ 11,988	\$ 12,159
Debt service	<u>119,260</u>	<u>117,680</u>
Total expenditures	<u>131,248</u>	<u>129,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(131,248)</u>	<u>(129,839)</u>
Other financing sources (uses):		
Transfers in	<u>129,260</u>	<u>127,680</u>
Total other financing sources (uses)	<u>129,260</u>	<u>127,680</u>
Net change in fund balance	(1,988)	(2,159)
Fund balance at beginning of year	<u>4,623</u>	<u>6,782</u>
Fund balance at end of year	<u><u>\$ 2,635</u></u>	<u><u>\$ 4,623</u></u>

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE 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, 2014**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures:			
Current:			
Culture and recreation	\$ 14,000	\$ 11,988	\$ 2,012
Total expenditures	<u>14,000</u>	<u>11,988</u>	<u>2,012</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,000)</u>	<u>(11,988)</u>	<u>2,012</u>
Other financing sources (uses):			
Transfers in	<u>(10,000)</u>	<u>129,260</u>	<u>139,260</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>129,260</u>	<u>139,260</u>
Net change in fund balance	<u>\$ (24,000)</u>	117,272	<u>\$ 141,272</u>
Reconciliation to GAAP basis:			
Unbudgeted expenditures:			
Debt service		<u>(119,260)</u>	
Fund balance at beginning of year		<u>4,623</u>	
Fund balance at end of year		<u>\$ 2,635</u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 51,714	\$ 53,729
Investments	4	4
Due from other funds	<u>2,687</u>	<u>3,817</u>
Total assets	<u>\$ 54,405</u>	<u>\$ 57,550</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 600</u>	<u>\$ -</u>
Total liabilities	<u>600</u>	<u>-</u>
Fund balance:		
Assigned	<u>53,805</u>	<u>57,550</u>
Total fund balance	<u>53,805</u>	<u>57,550</u>
Total liabilities and fund balance	<u>\$ 54,405</u>	<u>\$ 57,550</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Investment earnings	\$ 46	\$ 47
Other	<u>2,675</u>	<u>945</u>
Total revenues	<u>2,721</u>	<u>992</u>
Expenditures:		
Current:		
Housing and development	28,405	9,854
Debt service	<u>1,072,164</u>	<u>1,205,201</u>
Total expenditures	<u>1,100,569</u>	<u>1,215,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,097,848)</u>	<u>(1,214,063)</u>
Other financing sources (uses):		
Transfers in	1,094,103	1,114,876
Refunding bonds issued	-	3,407,000
Payments to refunded bond escrow agent	<u>-</u>	<u>(3,300,000)</u>
Total other financing sources (uses)	<u>1,094,103</u>	<u>1,221,876</u>
Net change in fund balance	(3,745)	7,813
Fund balance at beginning of year	<u>57,550</u>	<u>49,737</u>
Fund balance at end of year	<u>\$ 53,805</u>	<u>\$ 57,550</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, 2014**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Other	\$ 1,100	\$ 2,675	\$ 1,575
Total revenues	<u>1,100</u>	<u>2,675</u>	<u>1,575</u>
Expenditures:			
Current:			
Housing and development	15,550	15,432	118
Total expenditures	<u>15,550</u>	<u>15,432</u>	<u>118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,450)</u>	<u>(12,757)</u>	<u>1,693</u>
Other financing sources (uses):			
Transfers in	12,801	21,939	9,138
Total other financing sources (uses)	<u>12,801</u>	<u>21,939</u>	<u>9,138</u>
Net change in fund balance	<u>\$ (1,649)</u>	9,182	<u>\$ 10,831</u>
Reconciliation to GAAP basis:			
Unbudgeted revenues (expenditures):			
Transfer in		1,072,164	
Investment earnings		46	
Housing and development		(12,973)	
Debt service		<u>(1,072,164)</u>	
Fund balance at beginning of year		<u>57,550</u>	
Fund balance at end of year		<u>\$ 53,805</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 51	\$ 358,969
Investments	442,569	117,316
Restricted cash	3,707,045	-
Due from other governments	12,278	10,766
Due from other funds	651,328	610,000
Total assets	<u>\$ 4,813,271</u>	<u>\$ 1,097,051</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 74,370	\$ -
Retainage payable	54,311	6,757
Due to other funds	47,430	79,888
Total liabilities	<u>176,111</u>	<u>86,645</u>
Fund balance:		
Restricted	3,644,723	-
Committed	10,245	330,351
Assigned	982,192	680,055
Total fund balance	<u>4,637,160</u>	<u>1,010,406</u>
Total liabilities and fund balance	<u>\$ 4,813,271</u>	<u>\$ 1,097,051</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, 2014 AND 2013**

	2014	2013
Revenues:		
Intergovernmental	\$ 41,379	\$ 230,521
Investment earnings	330	391
Contributions and donations	3,000	-
Total revenues	<u>44,709</u>	<u>230,912</u>
Expenditures:		
Capital projects	1,546,919	544,539
Debt service	39,600	-
Total expenditures	<u>1,586,519</u>	<u>544,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,541,810)</u>	<u>(313,627)</u>
Other financing sources (uses):		
Installment sales agreement issued	3,840,000	-
Transfers in	1,328,564	892,000
Total other financing sources (uses)	<u>5,168,564</u>	<u>892,000</u>
Net change in fund balance	3,626,754	578,373
Fund balance at beginning of year	<u>1,010,406</u>	<u>432,033</u>
Fund balance at end of year	<u><u>\$ 4,637,160</u></u>	<u><u>\$ 1,010,406</u></u>

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Assets:		
Receivables	\$ 17,700	\$ -
Prepaid items	77,162	-
Due from other governments	610,699	612,128
Restricted assets:		
Cash	2,979,514	3,788,874
Investments	<u>5</u>	<u>1,423,168</u>
Total assets	<u><u>\$ 3,685,080</u></u>	<u><u>\$ 5,824,170</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 33,283	\$ 6,690
Accrued liabilities	-	-
Retainage payable	187,308	161,592
Due to other funds	610,853	506,043
Unearned revenue	<u>302,512</u>	<u>313,322</u>
Total liabilities	<u>1,133,956</u>	<u>987,647</u>
Fund balance:		
Nonspendable	77,162	-
Restricted	<u>2,473,962</u>	<u>4,836,523</u>
Total fund balance	<u>2,551,124</u>	<u>4,836,523</u>
Total liabilities and fund balances	<u><u>\$ 3,685,080</u></u>	<u><u>\$ 5,824,170</u></u>

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Revenues:		
Intergovernmental	\$ 3,556,663	\$ 3,580,369
Investment earnings	2,852	4,810
Contributions and donations	<u>9,925</u>	<u>1,540</u>
Total revenues	<u>3,569,440</u>	<u>3,586,719</u>
Expenditures:		
Capital projects	<u>5,854,839</u>	<u>2,531,201</u>
Total expenditures	<u>5,854,839</u>	<u>2,531,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,285,399)</u>	<u>1,055,518</u>
Net change in fund balance	(2,285,399)	1,055,518
Fund balance at beginning of year	<u>4,836,523</u>	<u>3,781,005</u>
Fund balance at end of year	<u><u>\$ 2,551,124</u></u>	<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. Other debts of the City are presented within the corresponding funds.

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Prepaid items	\$ -	\$ 1,250
Restricted assets:		
Cash	<u>213</u>	<u>16</u>
Total assets	<u>\$ 213</u>	<u>\$ 1,266</u>
<u>FUND BALANCE</u>		
Fund balance:		
Nonspendable	\$ -	\$ 1,250
Restricted	<u>213</u>	<u>16</u>
Total fund balance	<u>213</u>	<u>1,266</u>
Total liabilities and fund balance	<u>\$ 213</u>	<u>\$ 1,266</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, 2014 AND 2013**

	2014	2013
Revenues:		
Taxes	\$ 156,926	\$ 168,628
Intergovernmental	600,130	640,784
Investment earnings	200	23
Total revenues	<u>757,256</u>	<u>809,435</u>
Expenditures:		
Debt service	<u>713,508</u>	<u>508,624</u>
Total expenditures	<u>713,508</u>	<u>508,624</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,748</u>	<u>300,811</u>
Other financing sources (uses):		
Refunding bonds issued	5,595,000	-
Payments to refunded bond escrow	(5,285,000)	-
Transfers out	<u>(354,801)</u>	<u>(300,808)</u>
Total other financing sources (uses)	<u>(44,801)</u>	<u>(300,808)</u>
Net change in fund balance	(1,053)	3
Fund balance at beginning of year	<u>1,266</u>	<u>1,263</u>
Fund balance at end of year	<u><u>\$ 213</u></u>	<u><u>\$ 1,266</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, 2014**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 156,926	\$ 156,926	\$ -
Intergovernmental	600,130	600,130	-
Investment earnings	200	200	-
Total revenues	<u>757,256</u>	<u>757,256</u>	<u>-</u>
Expenditures:			
Debt service	713,509	713,508	1
Total expenditures	<u>713,509</u>	<u>713,508</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,747</u>	<u>43,748</u>	<u>1</u>
Other financing sources (uses):			
Refunding bonds issued	5,595,000	5,595,000	-
Payments to refunded bond escrow	(5,285,000)	(5,285,000)	-
Transfers out	(354,801)	(354,801)	-
Total other financing sources (uses)	<u>(44,801)</u>	<u>(44,801)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,054)</u>	<u>(1,053)</u>	<u>\$ 1</u>
Fund balance at beginning of year		<u>1,266</u>	
Fund balance at end of year		<u>\$ 213</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, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 1,679,359	\$ 776,208
Investments	2,127,758	2,122,774
Restricted assets:		
Cash	1,169,598	926,755
Investments	2,765,793	1,931,214
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,933,866	1,727,424
Due from other funds	189,097	103,376
Inventory	702,044	744,490
Prepaid items	22,475	19,473
Total current assets	<u>10,589,990</u>	<u>8,351,714</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>4,865,470</u>	<u>5,072,266</u>
Total noncurrent assets	<u>4,865,470</u>	<u>5,072,266</u>
Total assets	<u>15,455,460</u>	<u>13,423,980</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	887,199	821,172
Customer deposits	924,127	930,894
Accrued liabilities	19,388	15,386
Accrued compensated absences	36,731	31,373
Unearned revenue	1,404,094	939,607
Due to other funds	388,763	41,301
Capital leases - current	39,290	38,442
Total current liabilities	<u>3,699,592</u>	<u>2,818,175</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	9,183	7,843
Net OPEB obligation	552,493	472,954
Net pension liability	13,351	13,401
Capital lease obligations	<u>91,617</u>	<u>130,907</u>
Total long-term liabilities	<u>666,644</u>	<u>625,105</u>
Total liabilities	<u>4,366,236</u>	<u>3,443,280</u>
<u>NET POSITION</u>		
Net investment in capital assets	4,734,563	4,902,917
Unrestricted	<u>6,354,661</u>	<u>5,077,783</u>
Total net position	<u>\$ 11,089,224</u>	<u>\$ 9,980,700</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, 2014 AND 2013**

	2014	2013
Operating revenues:		
Charges for services	\$ 13,102,374	\$ 12,567,153
Other	445,843	535,972
Total operating revenues	<u>13,548,217</u>	<u>13,103,125</u>
Operating expenses:		
Personal services	1,131,189	1,100,367
Operating	10,023,153	10,060,276
Depreciation	414,778	452,752
Total operating expenses	<u>11,569,120</u>	<u>11,613,395</u>
Operating income	<u>1,979,097</u>	<u>1,489,730</u>
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	-	(317,337)
Interest income	40,881	1,742
Interest expense	(3,324)	(3,150)
Total nonoperating revenues (expenses)	<u>37,557</u>	<u>(318,745)</u>
Income before contributions and transfers	<u>2,016,654</u>	<u>1,170,985</u>
Capital contributions	1,870	5,019
Transfers out	<u>(910,000)</u>	<u>(840,000)</u>
Increase (decrease) in net position	1,108,524	336,004
Net position - at beginning of year	<u>9,980,700</u>	<u>9,644,696</u>
Net position at end of year	<u>\$ 11,089,224</u>	<u>\$ 9,980,700</u>

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
Cash flows from (to) operating activities:		
Cash received from customers	\$13,799,495	\$13,403,107
Cash payments for goods and services	(9,655,941)	(9,771,109)
Cash payments for employee services and fringe benefits	(1,041,000)	(1,026,208)
Net cash from operating activities	<u>3,102,554</u>	<u>2,605,790</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(910,000)	(840,000)
Net cash to noncapital financing activities	<u>(910,000)</u>	<u>(840,000)</u>
Cash flows from (to) capital and related financing activities:		
Contributed capital	1,870	5,019
Proceeds from sale of capital assets	-	1,154
Interest paid	(3,324)	(3,150)
Payments for capital acquisitions	(207,982)	(555,972)
Principal payments on long-term obligations	(38,442)	(36,019)
Proceeds from capital leases	-	197,633
Net cash from (to) capital and related financing activities	<u>(247,878)</u>	<u>(391,335)</u>
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(839,563)	(649,612)
Interest received from investments	40,881	1,742
Net cash from (to) investing activities	<u>(798,682)</u>	<u>(647,870)</u>
Net increase (decrease) in cash	1,145,994	726,585
Cash at beginning of year (including \$926,755 and \$896,857 in restricted cash)	<u>1,702,963</u>	<u>976,378</u>
Cash at end of year (including \$1,169,598 and \$926,755 in restricted cash)	<u>\$ 2,848,957</u>	<u>\$ 1,702,963</u>

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 1,979,097	\$ 1,489,730
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	414,778	452,752
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(206,442)	(63,167)
(Increase) decrease in prepaid items	(3,002)	(1,117)
(Increase) decrease in inventory	42,446	134,057
(Increase) decrease in due from other funds	(85,721)	84,102
Increase (decrease) in net OPEB liability	79,539	68,063
Increase (decrease) in net pension liability	(50)	(1,185)
Increase (decrease) in accounts payable	66,027	34,495
Increase (decrease) in accrued liabilities	10,700	7,281
Increase (decrease) in unearned revenue	464,487	330,846
Increase (decrease) in due to other funds	347,462	37,630
Increase (decrease) in customer deposits	(6,767)	32,303
Net cash from operating activities	<u>\$ 3,102,554</u>	<u>\$ 2,605,790</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 3,324</u>	<u>\$ 3,150</u>

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 579,124	\$ 576,190
Restricted assets:		
Cash	-	190,434
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	129,843	129,453
Due from other funds	283,187	74,418
Prepaid items	476	-
Total current assets	<u>992,630</u>	<u>970,495</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>329,535</u>	<u>289,541</u>
Total assets	<u>1,322,165</u>	<u>1,260,036</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	26,217	-
Accrued liabilities	12,121	8,556
Accrued compensated absences	12,171	13,083
Customer deposits	209,001	190,434
Due to other funds	144,972	57,682
Capital leases - current	11,576	27,064
Total current liabilities	<u>416,058</u>	<u>296,819</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,043	3,271
Net pension liability	7,532	7,560
Capital lease obligations	-	11,576
Total long-term liabilities	<u>10,575</u>	<u>22,407</u>
Total liabilities	<u>426,633</u>	<u>319,226</u>
<u>NET POSITION</u>		
Net investment in capital assets	317,959	250,901
Unrestricted	<u>577,573</u>	<u>689,909</u>
Total net position	<u>\$ 895,532</u>	<u>\$ 940,810</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,594,523	\$ 1,531,378
Other	182	-
Total operating revenues	<u>1,594,705</u>	<u>1,531,378</u>
Operating expenses:		
Personal services	640,555	660,166
Operating	510,539	452,794
Depreciation	147,549	114,938
Total operating expenses	<u>1,298,643</u>	<u>1,227,898</u>
Operating income (loss)	<u>296,062</u>	<u>303,480</u>
Nonoperating revenues (expenses):		
Interest income	-	9,291
Interest expense	(1,340)	(1,962)
Total nonoperating revenues (expenses)	<u>(1,340)</u>	<u>7,329</u>
Income (loss) before transfers	<u>294,722</u>	<u>310,809</u>
Transfers out	<u>(340,000)</u>	<u>(260,000)</u>
Increase (decrease) in net position	(45,278)	50,809
Net position at beginning of year	<u>940,810</u>	<u>890,001</u>
Net position at end of year	<u>\$ 895,532</u>	<u>\$ 940,810</u>

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,612,882	\$ 1,536,051
Cash payments for goods and services	(606,277)	(486,651)
Cash payments for employee services and fringe benefits	(638,158)	(661,454)
Net cash from (to) operating activities	<u>368,447</u>	<u>387,946</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(340,000)	(260,000)
Net cash from (to) noncapital financing activities	<u>(340,000)</u>	<u>(260,000)</u>
Cash flows from (to) capital and related financing activities:		
Proceeds from sale of capital assets	-	23,125
Interest paid	(1,340)	(1,962)
Payments for capital acquisitions	(187,543)	(201,677)
Principal payments on long-term obligations	(27,064)	(26,079)
Net cash from (to) capital and related financing activities	<u>(215,947)</u>	<u>(206,593)</u>
Cash flows from (to) investing activities:		
Interest received from investments	-	9,291
Net cash from (to) investing activities	<u>-</u>	<u>9,291</u>
Net increase (decrease) in cash	(187,500)	(69,356)
Cash at beginning of year (including \$190,434 and \$180,316 in restricted cash)	<u>766,624</u>	<u>835,980</u>
Cash at end of year (including \$0 and \$190,434 in restricted cash)	<u>\$ 579,124</u>	<u>\$ 766,624</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 296,062	\$ 303,480
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	147,549	114,938
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(390)	(5,445)
(Increase) decrease in due from other funds	(208,769)	(60,961)
(Increase) decrease in prepaid items	(476)	-
Increase (decrease) in net pension liability	(28)	(294)
Increase (decrease) in accounts payable	26,217	-
Increase (decrease) in accrued liabilities	2,425	(994)
Increase (decrease) in customer deposits	18,567	10,118
Increase (decrease) in due to other funds	87,290	27,104
Net cash from operating activities	<u>\$ 368,447</u>	<u>\$ 387,946</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,340</u>	<u>\$ 1,962</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, vision and dental insurance for all City employees.

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS	Customer Service Fund	Insurance	Totals
Current assets:			
Cash	\$ 140,991	\$ -	\$ 140,991
Accounts receivable	1,481	-	1,481
Prepaid items	270	181,223	181,493
Due from other funds	12,312	600,805	613,117
	<u>155,054</u>	<u>782,028</u>	<u>937,082</u>
Total current assets			
	<u>155,054</u>	<u>782,028</u>	<u>937,082</u>
Total assets	<u>155,054</u>	<u>782,028</u>	<u>937,082</u>
LIABILITIES			
Current liabilities:			
Accounts and claims payable	7,402	36,802	44,204
Accrued liabilities	7,631	-	7,631
Accrued compensated absences	9,985	-	9,985
Due to other funds	13,440	-	13,440
	<u>38,458</u>	<u>36,802</u>	<u>75,260</u>
Total current liabilities			
	<u>38,458</u>	<u>36,802</u>	<u>75,260</u>
Long-term liabilities (net of current portion):			
Accrued compensated absences	2,496	-	2,496
Net pension liability	4,779	-	4,779
	<u>7,275</u>	<u>-</u>	<u>7,275</u>
Total long-term liabilities			
	<u>7,275</u>	<u>-</u>	<u>7,275</u>
Total liabilities	<u>45,733</u>	<u>36,802</u>	<u>82,535</u>
NET POSITION			
Unrestricted	<u>109,321</u>	<u>745,226</u>	<u>854,547</u>
Total net position	<u>\$ 109,321</u>	<u>\$ 745,226</u>	<u>\$ 854,547</u>

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 569,750	\$ 1,744,294	\$ 2,314,044
Other	17,250	-	17,250
Total operating revenues	<u>587,000</u>	<u>1,744,294</u>	<u>2,331,294</u>
Operating expenses:			
Personal services	400,800	-	400,800
Operating	126,190	1,636,801	1,762,991
Total operating expenses	<u>526,990</u>	<u>1,636,801</u>	<u>2,163,791</u>
Operating income (loss)	<u>60,010</u>	<u>107,493</u>	<u>167,503</u>
Income (loss) before transfers	<u>60,010</u>	<u>107,493</u>	<u>167,503</u>
Transfers out	<u>(60,000)</u>	<u>-</u>	<u>(60,000)</u>
Increase (decrease) in net position	10	107,493	107,503
Net position at beginning of year	<u>109,311</u>	<u>637,733</u>	<u>747,044</u>
Net position at end of year	<u>\$ 109,321</u>	<u>\$ 745,226</u>	<u>\$ 854,547</u>

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 577,139	\$ 1,637,150	\$ 2,214,289
Cash payments for goods and services	(104,824)	-	(104,824)
Cash payments for benefits and claims	-	(1,637,150)	(1,637,150)
Cash payments for employee services and fringe benefits	(397,137)	-	(397,137)
Net cash from (to) operating activities	75,178	-	75,178
Cash flows from (to) noncapital financing activities:			
Transfers out	(60,000)	-	(60,000)
Net cash from (to) noncapital financing activities	(60,000)	-	(60,000)
Net increase (decrease) in cash	15,178	-	15,178
Cash at beginning of year	125,813	-	125,813
Cash at end of year	\$ 140,991	\$ -	\$ 140,991
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 60,010	\$ 107,493	\$ 167,503
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(114)	-	(114)
(Increase) decrease in prepaid items	3,519	15,217	18,736
(Increase) decrease in due from other funds	(9,747)	(107,144)	(116,891)
Increase (decrease) in net pension liability	(18)	-	(18)
Increase (decrease) in accounts and claims payable	5,413	(15,566)	(10,153)
Increase (decrease) in accrued liabilities	3,681	-	3,681
Increase (decrease) in due to other funds	12,434	-	12,434
Net cash from (to) operating activities	\$ 75,178	\$ -	\$ 75,178

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash	\$ 140,991	\$ 125,813
Accounts receivable	1,481	1,367
Prepaid items	270	3,789
Due from other funds	12,312	2,565
	<u>155,054</u>	<u>133,534</u>
Total current assets	<u>155,054</u>	<u>133,534</u>
Total assets	<u>155,054</u>	<u>133,534</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	7,402	1,989
Accrued liabilities	7,631	6,587
Accrued compensated absences	9,985	7,875
Due to other funds	13,440	1,006
	<u>38,458</u>	<u>17,457</u>
Total current liabilities	<u>38,458</u>	<u>17,457</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	2,496	1,969
Net pension liability	4,779	4,797
	<u>7,275</u>	<u>6,766</u>
Total long-term liabilities	<u>7,275</u>	<u>6,766</u>
Total liabilities	<u>45,733</u>	<u>24,223</u>
<u>NET POSITION</u>		
Unrestricted	<u>109,321</u>	<u>109,311</u>
Total net position	<u>\$ 109,321</u>	<u>\$ 109,311</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 569,750	\$ 510,226
Other	17,250	13,192
Total operating revenues	<u>587,000</u>	<u>523,418</u>
Operating expenses:		
Personal services	400,800	357,422
Operating	126,190	106,000
Total operating expenses	<u>526,990</u>	<u>463,422</u>
Operating income (loss)	<u>60,010</u>	<u>59,996</u>
Income (loss) before transfers	60,010	59,996
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>
Increase (decrease) in net position	10	(4)
Net position at beginning of year	<u>109,311</u>	<u>109,315</u>
Net position at end of year	<u><u>\$ 109,321</u></u>	<u><u>\$ 109,311</u></u>

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 577,139	\$ 523,858
Cash payments for goods and services	(104,824)	(104,411)
Cash payments for employee services and fringe benefits	<u>(397,137)</u>	<u>(358,751)</u>
Net cash from (to) operating activities	<u>75,178</u>	<u>60,696</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	15,178	696
Cash at beginning of year	<u>125,813</u>	<u>125,117</u>
Cash at end of year	<u><u>\$ 140,991</u></u>	<u><u>\$ 125,813</u></u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 60,010	\$ 59,996
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(114)	836
(Increase) decrease in prepaid items	3,519	(148)
(Increase) decrease in due from other funds	(9,747)	(396)
Increase (decrease) in net pension liability	(18)	(453)
Increase (decrease) in accounts payable	5,413	1,010
Increase (decrease) in accrued liabilities	3,681	(876)
Increase (decrease) in due to other funds	<u>12,434</u>	<u>727</u>
Net cash from (to) operating activities	<u><u>\$ 75,178</u></u>	<u><u>\$ 60,696</u></u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Prepaid items	\$ 181,223	\$ 196,440
Due from other funds	<u>600,805</u>	<u>493,661</u>
Total assets	<u>782,028</u>	<u>690,101</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts and claims payable	<u>36,802</u>	<u>52,368</u>
Total liabilities	<u>36,802</u>	<u>52,368</u>
<u>NET POSITION</u>		
Unrestricted	<u>745,226</u>	<u>637,733</u>
Total net position	<u>\$ 745,226</u>	<u>\$ 637,733</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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,744,294	\$ 1,835,047
Total operating revenues	<u>1,744,294</u>	<u>1,835,047</u>
Operating expenses:		
Operating	1,636,801	1,704,585
Total operating expenses	<u>1,636,801</u>	<u>1,704,585</u>
Operating income (loss)	<u>107,493</u>	<u>130,462</u>
Income (loss) before transfers	<u>107,493</u>	<u>130,462</u>
Transfers in	<u>-</u>	<u>90,000</u>
Increase (decrease) in net position	107,493	220,462
Net position at beginning of year	<u>637,733</u>	<u>417,271</u>
Net position at end of year	<u>\$ 745,226</u>	<u>\$ 637,733</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$1,637,150	\$1,606,589
Cash payments for benefits and claims	<u>(1,637,150)</u>	<u>(1,696,589)</u>
Net cash from (to) operating activities	<u>-</u>	<u>(90,000)</u>
Cash flows from (to) noncapital financing activities:		
Transfers in	<u>-</u>	<u>90,000</u>
Net cash from (to) noncapital financing activities	<u>-</u>	<u>90,000</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)	\$ 107,493	\$ 130,462
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in prepaid items	15,217	10,414
(Increase) decrease in due from other funds	(107,144)	(228,458)
Increase (decrease) in accounts and claims payable	<u>(15,566)</u>	<u>(2,418)</u>
Net cash from (to) operating activities	<u>\$ -</u>	<u>\$ (90,000)</u>

SUPPLEMENTAL INFORMATION

CITY OF ACWORTH, GEORGIA
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2014

	Acworth Tourism Bureau Authority
<u>ASSETS</u>	
Investments	\$ 111,746
Due from other governments	17,409
Prepaid items	<u>1,667</u>
Total assets	<u>\$ 130,822</u>
 <u>LIABILITIES AND EQUITY</u>	
Liabilities:	
Accounts payable	\$ 5,453
Due to primary government	<u>12,238</u>
Total liabilities	<u>17,691</u>
Equity:	
Fund balance:	
Unassigned	<u>113,131</u>
Total equity	<u>113,131</u>
Total liabilities and equity	<u>\$ 130,822</u>
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	<u>9,363</u>
Net position of component unit	<u>\$ 122,494</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, 2014**

	Acworth Tourism Bureau Authority
Revenues:	
Intergovernmental	\$ 34,996
Investment earnings	116
Total revenues	<u>35,112</u>
Expenditures:	
Culture and recreation	<u>50,601</u>
Total expenditures	<u>50,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,489)</u>
Net change in fund balance	<u>(15,489)</u>
Fund balance at beginning of year	<u>128,620</u>
Fund balance at end of year	<u><u>\$ 113,131</u></u>

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

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

Depreciation expense	\$ (2,104)
Capital outlay	<u>7,490</u>
Net change in fund balance	<u>(15,489)</u>
Change in net position of component unit on the statement of activities	<u><u>\$ (10,103)</u></u>

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2014

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
Tax Allocation District Bonds - Series 2013	12/01/14	452,374	67,374	385,000
Lakeside Project ;\$5,595,000	06/01/15	62,484	62,484	-
Bi-annual debt service; 2.54%	12/01/15	457,484	62,484	395,000
Debt service is paid from tax increment within district.	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
		\$ 6,152,535	\$ 847,535	\$ 5,305,000
Jail & Court Services Facility Renovations and Addition	1/7/2015	265,806	65,472	200,334
\$3,840,000; Fixed Rate - 3.41%	7/7/2015	62,056	62,056	
Mature - 01/07/2029	1/7/2016	269,222	62,056	207,165
	7/7/2016	58,524	58,524	
	1/7/2017	272,754	58,524	214,230
	7/7/2017	54,872	54,872	
	1/7/2018	276,406	54,872	221,535
	7/7/2018	51,094	51,094	
	1/7/2019	280,183	51,094	229,089
	7/7/2019	47,188	47,188	
	1/7/2020	284,089	47,188	236,901
	7/7/2020	43,149	43,149	
	1/7/2021	288,129	43,149	244,979
	7/7/2021	38,972	38,972	
	1/7/2022	292,306	38,972	253,333
	7/7/2022	34,653	34,653	
	1/7/2023	296,625	34,653	261,972
	7/7/2023	30,186	30,186	
	1/7/2024	301,091	30,186	270,905
	7/7/2024	25,567	25,567	
	1/7/2025	305,710	25,567	280,143
	7/7/2025	20,791	20,791	

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS

June 30, 2014

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	1/7/2026	310,487	20,791	289,696
	7/7/2026	15,852	15,852	
	1/7/2027	315,426	15,852	299,574
	7/7/2027	10,744	10,744	
	1/7/2028	320,534	10,744	309,790
	7/7/2028	5,462	5,462	
	1/7/2029	325,816	5,462	320,354
		<u>\$ 4,903,696</u>	<u>\$ 1,063,696</u>	<u>\$ 3,840,000</u>
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2014	26,796	26,796	-
Interest payment semi-annual; Principal payment annually	4/1/2015	345,796	26,796	319,000
1.74% Interest Rate	10/1/2015	24,021	24,021	-
	4/1/2016	349,021	24,021	325,000
	10/1/2016	21,193	21,193	-
	4/1/2017	351,193	21,193	330,000
	10/1/2017	18,322	18,322	-
	4/1/2018	354,322	18,322	336,000
	10/1/2018	15,399	15,399	-
	4/1/2019	357,399	15,399	342,000
	10/1/2019	12,424	12,424	-
	4/1/2020	360,424	12,424	348,000
	10/1/2020	9,396	9,396	-
	4/1/2021	363,396	9,396	354,000
	10/1/2021	6,316	6,316	-
	4/1/2022	366,316	6,316	360,000
	10/1/2022	3,184	3,184	-
	4/1/2023	369,184	3,184	366,000
		<u>\$ 3,354,102</u>	<u>\$ 274,102</u>	<u>\$ 3,080,000</u>
Recreation Facilities	1/1/2015	7,830	7,830	-
Installment Sales Agreement - Acworth Lake	7/1/2015	112,830	7,830	105,000
Authority revenue Bonds, Series 2008	1/1/2016	5,940	5,940	-
\$975,000 @ 3.6% interest rate	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
		<u>\$ 474,780</u>	<u>\$ 39,780</u>	<u>\$ 435,000</u>
CableNET Project Refunding Bonds; Series 2008	1/1/2015	150,166	150,166	-
\$9,645,000; Fixed Rate - 3.97%	7/1/2015	555,166	150,166	405,000
Mature - 07/01/2028	1/1/2016	142,126	142,126	-
	7/1/2016	562,126	142,126	420,000
	1/1/2017	133,789	133,789	-
	7/1/2017	573,789	133,789	440,000
	1/1/2018	125,055	125,055	-
	7/1/2018	585,055	125,055	460,000

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2014

DESCRIPTION	PAYMENT DATE	DEBT		PRINCIPAL PORTION
		SERVICE PAYMENT	INTEREST PORTION	
	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
		<u>\$ 10,023,422</u>	<u>\$ 2,458,422</u>	<u>\$ 7,565,000</u>
Net pension obligation				\$ 78,017
Net OPEB obligation				2,530,584
Accrued compensated absences				205,770
TOTAL GENERAL LONG-TERM DEBT				<u>\$ 23,039,371</u>

ENTERPRISE FUNDS

Electrical Power Fund

2012 Bucket Truck	7/24/2014	3,481	239	3,242
09/24/2012 - \$197,633; 2.19%; 60 months	8/24/2014	3,480	232	3,248
\$3,480.52/monthly	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

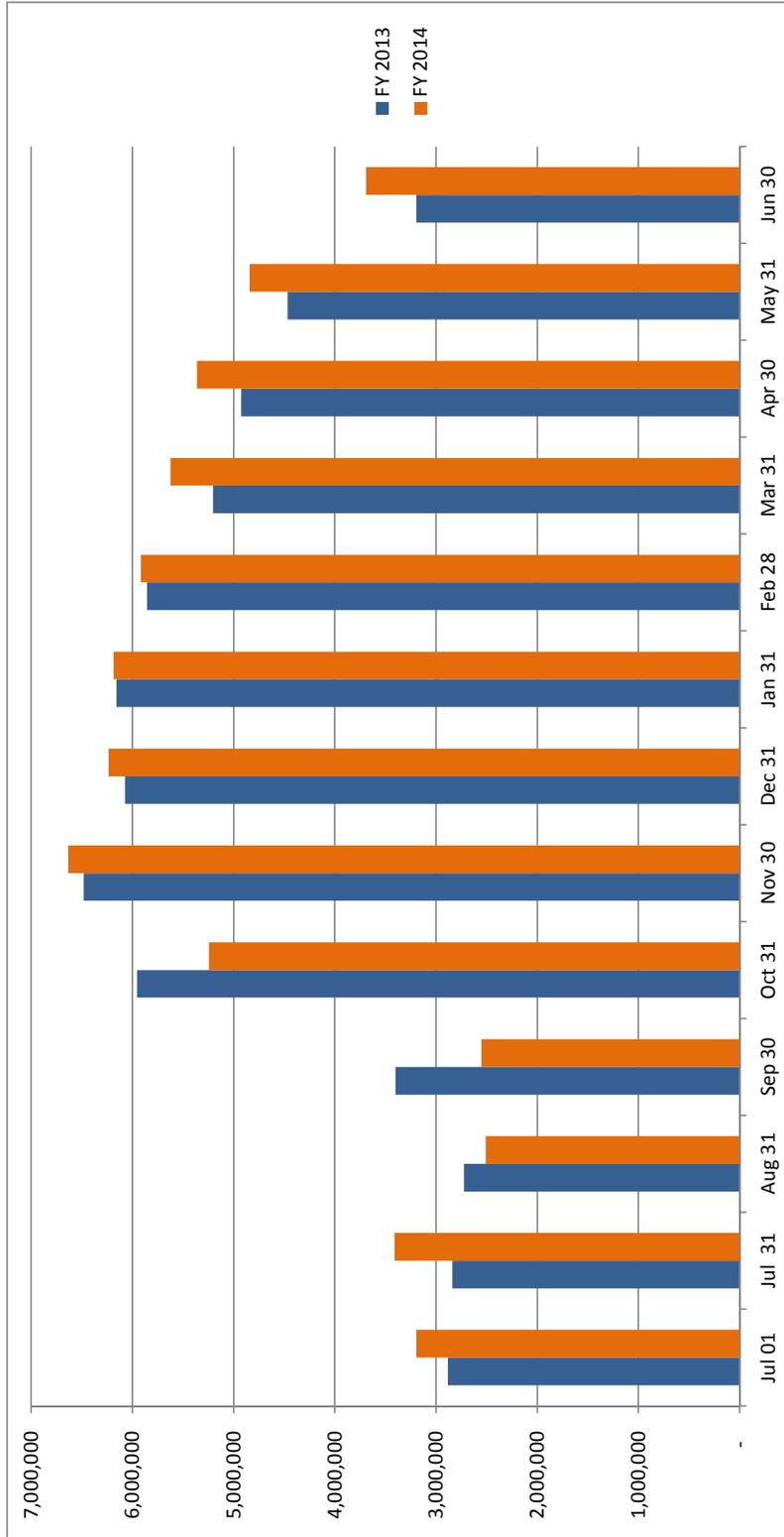
CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
June 30, 2014

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		\$ 135,740	\$ 4,833	\$ 130,907
Net pension obligation				13,351
Net OPEB Obligation				552,493
Compensated Absences				45,914
Total Electrical Power Fund				\$ 742,665
Sanitation Fund	8/4/2014	2,337	36	2,301
2010 Freightliner Leaf Vacuum; 12/04/2009; 3.71%	9/4/2014	2,337	29	2,308
\$2,336.71/monthly	10/4/2014	2,337	22	2,315
	11/4/2014	2,337	14	2,322
	12/4/2014	2,337	8	2,329
		\$ 11,684	\$ 108	\$ 11,576
Net pension obligation				\$ 7,532
Compensated Absences				15,214
Total Solid Waste Sanitation Fund				\$ 34,322
TOTAL ENTERPRISE FUNDS				\$ 776,987

CITY OF ACWORTH, GEORGIA
 SCHEDULE OF INDEBTEDNESS
 June 30, 2014

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
INTERNAL SERVICE FUNDS				
Customer Service Fund				
Net pension obligation			\$	4,779
Compensated Absences				<u>12,481</u>
TOTAL INTERNAL SERVICE FUNDS			\$	<u><u>17,260</u></u>

City of Acworth, Georgia
General Fund Schedule of Unassigned Fund Balance by Month
Fiscal Years 2013 and 2014



STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended December 31,					Fiscal Year Ended June 30,				
	2005	2006 (1)	2007	2008	2009 (2)	2010	2011	2012 (1)	2013	2014
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 37,095,137
Restricted	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	6,086,764
Unrestricted	(1,975,076)	(1,304,330)	(428,906)	(76,953)	(3,303,952)	(3,244,415)	(2,696,525)	(10,054,498)	(8,995,060)	(8,820,104)
Subtotal Governmental Activities Net Position	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	34,361,797
Business-Type Activities										
Net investment in capital assets	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	5,052,522
Restricted	-	-	-	500,000	-	-	-	-	-	-
Unrestricted	(6,586,173)	(5,613,929)	(3,869,450)	(4,501,350)	(4,105,802)	(3,438,357)	(2,047,477)	5,289,983	5,993,873	7,182,765
Subtotal Business-Type Activities Net Position	(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	12,235,307
Primary Government										
Net investment in capital assets	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	42,147,659
Restricted	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	6,086,764
Unrestricted	(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)	(1,637,319)
Total Primary Government Net Position	\$ 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	\$ 46,597,104

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 December 31,					Fiscal Year Ended June 30,				
	2005 (1)	2006	2007	2008	2009 (2)	2010	2011	2012 (3)	2013	2014
Expenses:										
Governmental activities	\$ 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	\$ 15,600,298
Business-type activities	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	12,788,057
Total Expenses	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	28,388,355
Program Revenues:										
Governmental activities	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	6,687,986
Business-type activities	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	15,144,792
Total Program Revenues	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	21,832,778
Net (Expense) Revenue	(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)	(6,555,577)
General Revenues and Transfers:										
Governmental activities	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	10,923,236
Business-type activities	351,163	290,138	1,097,141	(457,360)	(80,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)
Total General Revenues and Transfers	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	9,654,117
Changes in Net Position	\$ (5,481,396)	\$ 5,552,482	\$ 3,034,130	\$ 35,945	\$ (3,505,851)	\$ 910,351	\$ 1,071,592	\$ 784,224	\$ 2,693,707	\$ 3,098,540

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

(3) As restated.

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

	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014
Expenses:										
General government	\$ 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	\$ 2,609,694
Judicial	243,558	291,072	363,383	406,441	237,822	423,891	371,570	350,971	376,499	395,493
Health and welfare	2,566	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089
Public works	507,716	2,975,825	3,385,142	3,408,553	1,679,483	3,543,776	3,666,566	3,470,031	3,229,552	3,304,938
Culture and recreation	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	2,681,118
Public safety	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	4,450,562
Housing and development	5,793,006	664,585	1,528,600	1,259,224	349,078	1,162,929	945,222	981,001	994,734	1,032,121
Interest and fiscal charges	654,166	660,325	643,457	635,536	313,112	603,875	573,085	1,131,515	1,181,927	1,125,283
Total Expenses	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	15,600,298
Program Revenues:										
Charges for Services:										
General government	140,928	188,993	193,933	180,197	71,358	167,312	190,155	217,284	214,352	238,294
Judicial	541,993	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935
Public works	37,892	35,746	24,085	25,724	6,820	9,090	26,793	20,982	18,866	33,375
Culture and recreation	291,369	357,783	363,368	336,271	171,720	353,160	457,073	394,608	430,099	463,883
Public safety	113,146	47,943	64,367	27,246	11,401	25,312	22,526	27,389	23,440	65,333
Housing and development	386,137	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632	216,779
Operating grants and contributions	7,549	4,769	2,855	41,629	52,761	185,071	51,166	100,439	122,508	291,322
Capital grants and contributions	229,308	5,792,213	3,011,179	2,201,668	1,116,991	2,631,914	2,166,754	2,696,513	2,963,210	4,217,065
Total Program Revenues	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	6,687,986
Net (Expense) Revenue	(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)	(8,912,312)
General Revenues and Transfers:										
General revenues:										
Property taxes	4,085,475	4,513,677	4,992,145	5,302,654	2,111,192	5,321,112	5,122,901	4,874,050	4,828,872	5,227,720
Insurance premium tax	672,221	703,311	733,632	751,205	-	744,158	722,530	958,018	1,017,576	1,053,603
Alcohol taxes	372,953	417,803	454,868	461,838	222,419	434,368	430,223	458,547	466,203	466,400
Hotel, motel tax	122,679	134,925	127,745	115,685	49,262	109,608	115,272	112,969	126,816	139,982
Franchise taxes	857,847	920,760	1,110,268	1,092,569	690,534	1,288,181	1,381,657	1,349,413	1,370,578	1,370,578
Financial institution tax	22,766	14,394	17,638	17,638	50,373	20,287	29,702	25,798	37,504	33,745
Business Taxes	276,886	373,889	436,204	436,024	823	401,509	392,470	409,776	442,094	456,762
Contributions not restricted to a specific program	176,384	236,892	791,847	789,745	17,767	743,031	663,575	638,610	680,784	600,130
Operating grants not restricted to a specific program	283,163	280,749	344,105	291,701	-	369,494	247,293	246,349	252,388	245,977
Insurance Proceeds	-	-	-	18,649	-	-	-	-	-	-
Unrestricted investment earnings	187,133	322,257	426,639	319,312	77,005	125,116	64,480	13,097	19,345	18,339
Gain (loss) on sale of capital assets	-	-	-	-	77,387	-	-	-	-	-
Transfers	(339,387)	52,593	157,973	635,332	-	96,083	247,000	1,094,754	1,478,491	1,310,000
Total General Revenues and Transfers	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	10,923,236
Change in Net Position	\$ (4,906,432)	\$ 4,521,016	\$ 1,191,593	\$ 290,844	\$ (3,250,137)	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009	\$ 2,010,924

(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,				
	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (3)	2013	2014
Expenses:										
Electrical Power	\$ 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	\$ 11,488,074
CableNET (1)	1,885,541	-	-	-	567,482	1,177,329	1,192,180	1,221,425	1,229,860	1,299,983
Sanitation	1,064,027	1,083,968	1,131,930	1,227,152	-	-	-	-	-	-
Total Expenses	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	12,788,057
Program Revenues:										
Charges for Services:										
Electrical Power	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	13,548,217
CableNET (2)	717,159	-	-	-	-	-	-	-	-	-
Sanitation	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	1,594,705
Operating grants and contributions	207,012	-	-	-	9,531	2,125	-	-	-	-
Capital grants and contributions	68,324	268,700	128,265	35,409	-	-	9,025	15,295	5,019	1,870
Total Program Revenues	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	15,144,792
Net (Expense) Revenue	(926,127)	741,328	745,396	202,461	(195,687)	580,746	1,337,388	1,359,174	1,883,002	2,356,735
General Revenues and Transfers:										
Unrestricted investment earnings	11,776	342,731	1,255,114	177,972	17,360	15,813	14,787	14,640	11,033	40,881
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	1,154	-
Transfers	339,387	(52,593)	(157,973)	(635,332)	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)	(1,310,000)
Total General Revenues and Transfers	351,163	290,138	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)
Changes in Net Position	\$ (574,964)	\$ 1,031,466	\$ 1,842,537	\$ (254,899)	\$ (255,714)	\$ 500,476	\$ 1,105,175	\$ 279,060	\$ 416,698	\$ 1,087,616

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,				
	2005	2006	2007	2008	2009 (1)	2010	2011	2012 (4)	2013	2014
Governmental Activities										
General government	\$ 140,928	\$ 188,993	\$ 193,933	\$ 180,197	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294
Judicial	541,993	577,548	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935
Public works (2)	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	4,195,856
Culture and recreation	522,303	460,149	1,247,849	660,011	328,999	626,495	486,815	463,083	625,403	584,902
Public safety	119,069	126,229	191,209	68,415	64,162	152,132	94,241	99,836	98,632	290,220
Housing and development	386,137	439,748	423,272	302,367	70,775	215,680	125,153	193,495	276,632	216,779
Subtotal governmental activities	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	6,687,986
Business-type activities										
Electric	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	13,550,087
CableNET (3)	731,625	-	-	-	-	-	-	-	-	-
Sanitation	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	1,594,705
Subtotal business-type activities	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	15,144,792
Total Primary Government	\$ 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	\$ 21,832,778

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)

	2005	2006	2007 (1)	2008	2009 (2)	2010 (3)	2011 (3)	2012 (4)	2013	2014
General Fund										
Reserved	\$ 3,790,647	\$ 3,831,239	\$ 3,808,080	\$ 3,808,585	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	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	272,111
Restricted	-	-	-	-	-	3,710,718	3,729,973	3,645,885	3,158,549	3,181,225
Committed	-	-	-	-	-	7,698	59,525	24,402	13,402	7,160
Assigned	-	-	-	-	-	34,468	29,984	29,222	426,844	451,576
Unassigned	-	-	-	-	-	2,537,862	2,720,302	3,114,548	3,194,965	3,689,509
Total General Fund	\$ 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	\$ 7,601,581
All Other Governmental Funds										
Reserved	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	19,245	752,241	118,037	1,137,042	186,617	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Unreserved	696,906	666,154	381,377	361,116	260,841	-	-	-	-	-
Special Revenue Funds	430,695	521,819	1,806,940	924,119	1,609,492	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	1,250	1,250	1,250	1,250	77,162
Non-spendable	-	-	-	-	-	3,181,024	3,446,698	3,992,404	5,098,162	6,473,100
Restricted	-	-	-	-	-	10,167	498,442	264,315	330,351	10,245
Committed	-	-	-	-	-	507,681	318,403	224,237	742,228	1,038,632
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 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	\$ 7,599,139

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)

	2005	2006	2007	2008	2009	2010	2011	2012 (2)	2013	2014
Revenues:										
Taxes	\$ 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	\$ 9,006,639
Licenses and permits	435,239	523,353	343,770	275,196	89,141	217,691	228,062	248,398	337,662	262,984
Intergovernmental	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	4,227,472
Charges for services	426,213	466,873	439,446	703,809	205,484	491,125	517,494	511,358	541,620	645,122
Fines and forfeitures	605,605	881,110	893,736	585,684	585,684	1,074,817	1,250,253	980,759	1,224,165	1,368,753
Investment earnings	187,133	322,276	426,679	319,312	77,005	125,120	72,914	16,560	24,155	21,191
Contributions and donations	19,340	57,075	98,746	115,709	96,781	77,857	29,742	60,289	49,856	90,765
Other	44,408	81,888	68,630	94,001	37,539	64,073	76,279	98,138	85,512	111,321
Total revenues	8,728,518	11,199,427	13,791,022	13,411,227	3,512,617	13,952,153	13,414,880	13,731,358	15,338,470	15,734,247
Expenditures:										
Current:										
General Government	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	2,045,381
Public Safety	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	4,074,909
Public Works	637,875	796,544	872,567	932,068	419,362	930,192	949,323	926,744	961,549	1,023,966
Health and Welfare	2,566	13,517	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089
Housing and development	5,786,621	628,716	1,542,516	1,214,064	326,572	1,121,819	911,945	930,902	952,545	983,906
Judicial	243,558	291,072	369,160	405,082	237,142	413,747	358,569	338,509	376,499	387,141
Culture and recreation	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	2,011,917
Capital Projects	418,828	877,733	2,449,295	2,537,876	1,305,336	809,171	2,285,296	3,064,257	3,075,740	7,401,758
Debt Service										
Principal	522,242	536,741	585,661	703,244	449,331	678,889	678,078	1,062,523	1,005,211	1,102,000
Interest	635,694	642,295	625,427	622,359	307,961	607,036	562,781	875,445	929,097	908,813
Total Expenditures	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	19,940,880
Excess (deficiency) of revenues over expenditures	(4,953,523)	1,178,539	440,682	(750,561)	(3,114,009)	1,752,072	570,941	(834,319)	473,534	(4,206,633)
Other financing sources (uses):										
Transfers in										
Transfers out	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	4,019,221
Payment to refunding agent	(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)	(2,709,221)
Proceeds from debt	-	-	-	-	-	-	-	-	(3,300,000)	(5,285,000)
Debt Issued	-	-	-	527,485	244,635	-	-	-	3,407,000	5,595,000
Capital lease proceeds	-	-	111,062	-	-	-	-	-	-	3,840,000
Sale of capital assets	2,227	3,119	1,984	11,225	4,720	1,301	11,214	20,035	10,993	-
Total other financing sources (uses)	(337,160)	55,712	271,019	1,174,042	326,742	97,384	258,214	1,055,035	1,187,993	6,203,620
Total Net change in fund balance	(5,290,683)	1,234,251	711,701	423,481	(2,787,267)	1,849,456	829,155	220,716	1,661,527	1,996,987
Debt service as a percentage of noncapital expenditures (1)	8.9%	13.7%	11.2%	12.0%	14.4%	11.7%	11.5%	16.9%	16.4%	16.3%

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
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	468,547	112,969	5,002	1,383,083	434,232	8,460,186
2013	5,105,049	1,017,576	36,389	466,203	126,816	8,811	1,349,413	479,598	8,589,855
2014	5,450,671	1,053,603	24,185	466,400	139,982	10,713	1,370,578	490,507	9,006,639

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 2008 and prior end December 31; Fiscal Years 2010 forward end June 30.

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

(2) 2007 - 2008 taxes were reduced by the Governor's Homeowners Tax Relief Grant that was included in years 2003 to 2008 and was not funded in subsequent years.

(4) 2006 Differs from 2006 CAFR due to reclassification of Property Tax Penalties/Interest to Property Tax.

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

Digest Year	Amounts													Estimated Actual Value	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			
2004	322,298,299	-	107,822,361	2,223,237	488,100	-	8,635,129	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	52,660,065	582,389,704	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	683,900,480	7.600	1,734,751,200	6.0%	
2009	426,874,961	-	218,636,819	6,338,402	-	-	9,819,691	48,217,353	44,029,568	50,601,899	703,314,895	7.600	1,758,287,238	1.4%	
2010	394,104,040	-	211,377,375	6,155,962	82,288	-	11,951,190	41,122,877	42,372,226	41,169,246	665,996,712	7.600	1,664,991,780	-5.3%	
2011	372,302,549	-	194,290,388	6,161,082	100,458	-	11,870,518	39,684,262	41,638,334	26,318,183	639,729,408	7.600	1,599,323,520	-3.9%	
2012	319,165,277	-	200,401,561	6,018,673	97,952	-	7,372,761	41,787,427	44,841,050	16,324,969	603,359,732	7.600	1,508,399,330	-5.7%	
2013	313,876,166	-	186,926,383	6,141,426	97,952	-	8,158,889	46,035,491	45,020,601	15,545,389	590,711,519	7.600	1,476,778,798	-2.1%	

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
2004	7.370	7.370	6.850	0.220	2.650	9.720	19,000	0.900	0.900	19,900	0.250	0.250	37.240
2005	7.870	7.870	6.850	0.220	2.650	9.720	19,000	0.900	0.900	19,900	0.250	0.250	37.740
2006	7.688	7.688	6.820	0.220	2.560	9.600	19,000	0.900	0.900	19,900	0.250	0.250	37.438
2007	7.600	7.600	6.820	0.220	2.560	9.600	18,900	-	-	18,900	0.250	0.250	36.350
2008	7.600	7.600	6.820	0.220	2.560	9.600	18,900	-	-	18,900	0.250	0.250	36.350
2009	7.600	7.600	6.820	0.220	2.560	9.600	18,900	-	-	18,900	0.250	0.250	36.350
2010	7.600	7.600	6.820	0.220	2.560	9.600	18,900	-	-	18,900	0.250	0.250	36.350
2011	7.600	7.600	7.720	0.330	3.060	11.110	18,900	-	-	18,900	0.250	0.250	37.860
2012	7.600	7.600	7.520	0.330	3.060	10,910	18,900	-	-	18,900	0.150	0.150	37.560
2013	7.600	7.600	7.520	0.330	3.060	10,910	18,900	-	-	18,900	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)

2013		2004	
Principal Taxpayer	Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value
	Rank		Rank
	Percentage of Total Taxable Assessed Value		Percentage of Total Taxable Assessed Value
Wal-Mart	1	Lowe's Home Center	1
WRI Lakeside Marketplace	2	Home Depot	2
Walden Ridge Apartments	3	Cobblestone Landing	3
Stanton Place Apartments	4	Wal-Mart	4
Target	5	Stanton Place Apartments	5
Monarch at Acworth Crossing LLC	6	Ingle's Market	6
Lowes	7	Kohl's Department Store	7
HD Development of Maryland	8	Wingate Falls LP	8
Ingles	9	Day's Chevrolet	9
Cobblestone Landing	10	Sembler Family Partnership	10
Total Principal Taxpayers	10.15%		14.20%
All Other Taxpayers	89.85%		85.80%
Total	100.00%		100.00%

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

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
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%	236,036	4,095,250	99.98%
2007	4,568,039	4,356,677	95.37%	209,030	4,565,707	99.95%
2008	4,862,105	4,264,903	87.72%	590,441	4,855,344	99.86%
2009	4,903,920	4,749,622	96.85%	145,636	4,895,258	99.82%
2010	4,729,136	4,573,747	96.71%	140,669	4,714,416	99.69%
2011	4,468,702	4,326,349	96.81%	136,072	4,462,421	99.86%
2012	4,161,136	4,085,201	98.18%	19,324	4,104,525	98.64%
2013	4,044,402	4,020,616	99.41%	-	4,020,616	99.41%

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

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

Fiscal Year	Kilowatt Hours Sold All Customer Types	Summer (1)			Winter (2)		
		Base Rate	Tier 1	Tier 2	Base Rate	Tier 1	Tier 2
2005	89,184,099	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2006	93,983,394	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2007	99,502,778	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2008	94,174,253	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2009	41,699,223	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2010	95,696,511	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2011	100,339,782	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2012	93,332,043	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2013	92,913,478	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2014	92,310,033	8.45	0.0900	0.1240	8.45	0.0900	0.0840

Source : City of Acworth Utility Billing

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

NOTES:

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

(1) Summer rates are June through October.

(2) Winter Rates are November through May.

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

		2014				2005			
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	3,891,493	1	4.22%	Ingles Market	Retail	3,776,140	1	4.23%
Ingles Markets	Retail	3,644,400	2	3.95%	City of Acworth	Government	1,624,591	2	1.82%
Bellsouth	Telecommunications	1,622,105	3	1.76%	Bellsouth	Telecommunications	1,378,575	3	1.55%
NCG Acworth Inc.	Theater	1,573,850	4	1.70%	Glenncast Inc	Manufacturing	825,216	4	0.93%
City of Acworth	Government	1,361,398	5	1.47%	Acworth Save A Lot	Retail	689,610	5	0.77%
Glenncast Inc.	Manufacturing	1,247,840	6	1.35%	Big Lots	Retail	608,400	6	0.68%
Cobb County Board of Ed.	School District	752,340	7	0.82%	Acworth United Methodist	Church	541,745	7	0.61%
Degussa Construction	Manufacturing	667,360	8	0.72%	Cobb County Finance	Government	493,846	8	0.55%
Racetrac Petroleum	Retail	657,440	9	0.71%	Degussa Construction	Manufacturing	453,360	9	0.51%
Cobb County	Government	635,070	10	0.69%	The W W Williams Company	Automotive Services	431,120	10	0.48%
	Total	16,053,296		17.39%			10,822,603		12.13%

Source : City of Acworth Utility Billing

The City changed Fiscal Years. Fiscal Year 2005 ended on December 31. Fiscal Year 2014 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	Installment Sales Agreement	(3) Tax Allocation Bonds	Total Governmental Activities	(4) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities
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	1,266,935	-	6,050,000	12,487,245	14,325,000	297,728	-	14,622,728
2007	4,881,443	94,268	1,001,935	-	6,035,000	12,012,646	13,900,000	332,854	-	14,282,854
2008	5,985,896	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	-	5,785,000	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)	11,892,000	-	-	-	5,285,000	17,177,000	-	207,989	-	207,989
2014	11,080,000	-	-	3,840,000	5,305,000	20,225,000	-	142,483	-	142,483

Total Outstanding Debt

Fiscal Year (1)	Governmental Activities	Business-type Activities	(5)			Total Primary Government	Resources Restricted for Repayment of Debt	Net Primary Government	Estimated Actual Value of Taxable Property	Percentage of Estimated Actual Value of Taxable Property	(5) Per Capita
			(5) Personal Income	(5) Percentage of Personal Income	(5) Population						
2005	13,023,989	14,814,807	27,838,796	495,145,640	1,448	21,298,989	624,564	1,170,966,538	1.77%	1,076	
2006	12,487,245	14,622,728	27,109,973	508,041,291	1,380	20,762,245	634,551	1,296,475,590	1.55%	1,025	
2007	12,012,646	14,282,854	26,245,500	546,476,748	1,267	19,877,646	644,639	1,455,999,260	1.32%	929	
2008	12,284,402	9,976,428	22,260,830	569,704,296	1,014	16,024,402	657,045	1,637,196,468	0.94%	700	
2009 (1)	11,835,070	9,623,817	21,458,887	541,955,000	1,059	15,270,070	653,294	1,734,751,200	0.84%	721	
2010	11,142,716	9,197,462	20,340,178	577,006,250	996	14,392,716	652,343	1,374,037,373	N/A	673	
2011	10,464,638	8,789,645	19,254,283	606,193,860	920	13,524,638	652,345	1,758,287,238	0.73%	615	
2012	8,392,454	8,392,454	18,149,569	636,873,440	846	12,622,115	652,596	1,664,991,780	0.72%	558	
2013 (7)	17,177,000	207,989	17,384,989	669,101,468	790	11,892,000	-	1,599,323,520	0.74%	541	
2014	20,225,000	142,483	20,367,483	702,935,826	903	14,920,000	-	1,476,778,798	1.01%	662	

NOTE:

- (1) - The City changed Fiscal Years. Fiscal Years 2008 and prior end on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Year 2010 and subsequent years end June 30.
- (2) - FY2012 and prior included capital leases and intergovernmental agreements with the Downtown Development Authority and Acworth Lake Authority.
- (3) - Tax Allocation Bonds - Debt Service is paid by the tax increment received from within the tax allocation district.
- (4) - Intergovernmental agreement (capital lease) with the Downtown Development Authority concerning bonds for the CableNET Project which was sold in 2005; reclassified in 2013 under GASB 61.
- (5) - See economic and demographic schedule for population and personal income information.
- (6) - See taxable assessed value schedule for estimated actual value.
- (7) - Amounts previously listed in Business-Type activities have been reclassified in 2013 and on as governmental activities under GASB 61. FY2013 has been updated to exclude deferred amounts from refundings and adjusted for rounding; previously issued reports may differ.
- (8) - Resources related to the TAD increment have been excluded - previously issued reports will differ.

CITY OF ACWORTH, GEORGIA
DIRECT, OVERLAPPING AND GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2014

<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)	\$ 78,065,000	2.10%	\$ 1,642,483
Cobb County School District	-	2.10%	-
Other Debt			
Cobb County Parking Deck Certificates	9,670,000	2.10%	203,456
Cobb-Marietta Coliseum and Exhibit Hall Authority	45,190,000	2.10%	950,795
Cobb County Solid Waste Management Authority	2,000,000	2.10%	42,080
Subtotal, overlapping debt			2,838,813
City direct debt:			
Direct Governmental Activities Debt (2)			20,225,000
Total direct and overlapping debt			<u>\$ 23,063,813</u>

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

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

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

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

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

Digest Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Assessed Value	\$ 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	\$ 606,256,908
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	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	60,625,691
Total net debt applicable to limit (1)	1,553,333	1,305,777	1,043,037	768,189	515,786	250,396	62,293	-	10,867,720	14,920,000
Legal Debt Margin	\$ 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	\$ 45,705,691
Total net debt applicable to the limit as a percentage of debt limit	3.08%	2.31%	1.64%	1.08%	0.69%	0.33%	0.09%	0.00%	17.54%	24.61%

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 2014

Total Taxable Assessed Value	\$ 590,711,519
Add back: exempt real property	15,545,389
Total assessed value	\$ 606,256,908
Debt limit (10% of total assessed value)	60,625,691
Debt applicable to limit	14,920,000
Less: Resources restricted to paying principal	-
Legal debt margin	\$ 45,705,691

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

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

Fiscal Year (1)	Tax Allocation Bonds						Coverage
	Tax Increment Revenue (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service Principal	Debt Service Interest		
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%	
2014 (4)	757,056	1,250	755,806	290,000	283,058	132%	

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, distribution of excess funds and debt issuance costs.
- (4) FY2014 Bonds were refinanced.

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

Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(3) Per Capita Personal Income	(4) School Enrollment	Education Level in Years of Schooling	(5) Median Age	(6) Unemployment Rate
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%
2014	22,543	702,936	31,182	6,636	*	36	7.4%

* 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.
- (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
2014 and 2005
(unaudited)

		2014				2005			
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment		
Cobb County School System	585	1	8.28%	Cobb County School System	449	1	11.55%		
Walmart Super Center #3748	312	2	4.42%	Walmart Super Center #3471	420	2	10.80%		
Walmart Super Center #3471	246	3	3.48%	North Cobb Christian School	157	3	4.04%		
Target	184	4	2.61%	City of Acworth	139	4	3.58%		
Home Depot	174	5	2.46%	Kohl's Department Store	125	5	3.22%		
North Cobb Christian School	159	6	2.25%	Home Depot	120	6	3.09%		
City of Acworth	146	7	2.07%	US Post Office	105	7	2.70%		
Kohl's Department Store	140	8	1.98%	Lowe's	100	8	2.57%		
Lowe's	117	9	1.66%	Day's Chevrolet	98	9	2.52%		
Day's Chevrolet	107	10	1.52%	Publix Super Markets	89	10	2.29%		
Total Principal Employers	2,170		30.73%		1,802		46.35%		
Other Employers	4,891		69.27%		2,086		53.65%		
Total Employers	7,061		100.00%		3,888		100.00%		

Source: City Occupational Tax Department

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	2	2	2	2
Customer Service	6	6	8	8	8	8	8	6	7	7
Total General Government	24	24	26	26	26	26	25	23	24	24
Judicial										
Municipal Court	2	2	2	3	3	3	3	3	3	3
Public Safety (1)										
Police	32	35	37	39	40	40	40	40	40	40
Support Staff	3	3	3	3	3	3	3	3	3	3
Detention/Jail	9	9	10	10	10	10	10	10	10	10
Dispatch	6	0	0	0	0	0	0	0	0	0
Total Public Safety	50	47	50	52	53	53	53	53	53	53
Public Works										
Public Works	12	12	12	12	12	12	11	10	10	10
Culture & Recreation										
Culture and Recreation	9	9	12	13	13	13	15	15	15	17
Housing and Development										
Economic Development	1	1	1	2	2	2	2	2	2	2
Community Development	0	0	0	1	1	1	2	2	2	1
Zoning	1	1	1	1	1	0	0	0	0	0
Soil Erosion	1	1	1	1	1	1	1	1	1	1
Building	5	5	5	4	4	4	4	4	4	4
Code Compliance	1	1	1	1	1	0	0	0	0	0
Total Housing and Development	9	9	9	10	10	8	9	9	9	8
Electrical Power										
Electrical Power	17	17	17	15	14	13	13	14	14	14
Sanitation										
Sanitation	16	16	16	16	16	16	16	17	17	17
Total	139	136	144	147	147	144	145	144	145	146

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 and Customer Service positions were conducted and data updated; previously issued reports may differ.

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

Function/Program	2005	2006	2007	2008	2009 (4)	2010	2011	2012	2013	2014
General Government										
Business Licenses Issued (1)	927	1,078	860	1,102	*	788	936	957	920	901
Purchase Orders Issued	2,094	2,478	2,270	2,074	1,050	2,010	2,004	2,013	2,048	2,436
Public Safety										
Physical arrests	1,187	1,327	1,760	1,594	809	1,441	1,731	1,595	1,839	1,474
Parking violations	77	20	27	44	5	103	284	114	86	238
Traffic violations (2)	4,569	7,010	6,138	5,834	3,349	7,041	7,180	5,519	7,876	7,026
Parks and Recreation										
Summer Camp Participant Capacity (5)	120	120	120	110	110	100	120	120	120	130
Concerts / Movies	4	3	3	3	1	3	2	2	3	4
Youth Basketball Participants	-	-	398	398	-	400	385	385	399	405
Housing and Development										
Building Code Permits Issued (3)	428	289	276	104	61	110	29	74	89	158
Other Code Permits Issued	1,098	1,187	837	685	300	606	516	699	725	483
Total Code Inspections Conducted	7,597	5,612	3,946	2,512	1,160	4,286	3,045	2,197	3,125	2,646
Plan Reviews Conducted	27	24	31	33	6	3	4	3	3	22
Sanitation										
Refuse collected (tons)	8,680	8,437	8,316	8,596	3,963	8,886	7,972	7,658	7,943	8,292
Sanitation Customers - Residential	6,260	6,083	6,294	6,312	6,279	6,382	6,359	6,410	6,433	6,488
Power										
Kilowatt hours sold (3)	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	92,310,033
Electrical Power Customers (3)	6,242	6,280	6,299	6,289	6,252	6,283	6,220	6,314	6,367	6,325

Sources: Various City Departments

* Information r

(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

(3) A historical review was conducted and yielded the following differences from prior reports: a) Kilowatt hours sold for years 2005 - 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	24	31	37	38	43	44	45	45	45	47
Sanitation										
Collection trucks	5	5	5	5	5	5	5	5	6	6
Highways and streets										
(1) Streets (miles)	169	169	172	172	172	172	172	172	172	172
Streetlights	1,194	1,223	1,241	1,271	1,271	1,384	1,396	1,396	1,408	1,422
Culture and recreation										
Park acreage	528.25	528.25	528.25	540.25	540.25	542.25	542.25	542.25	542.25	542.25
Parks (2)	13	13	13	13	13	13	13	13	13	13
Beaches	4	4	4	4	4	4	4	4	4	4
Football Fields	2	2	2	2	2	2	2	2	2	2
Baseball Fields	9	9	9	9	9	11	11	11	11	12
Community Centers (2)	2	2	2	2	2	2	2	2	2	2
Electric										
Number of distribution stations	2	2	2	2	2	2	3	3	3	3
Miles of service lines	91.4	93.3	94.1	94.1	94.1	94.1	94.5	94.5	94.5	94.5

NOTE:

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

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

(2) - Classifications of Parks and Community Centers Revised in 2014 - 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2014.

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.

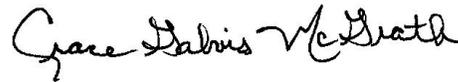
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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, 2014

CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDING JUNE 30, 2014

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$2,216,211	\$139,982	\$2,356,193	\$2,216,211	\$139,982	\$2,356,193

* 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, 2014**

Recreational Impact Fee Collections		Prior Year	Current Year	Total
		\$ 1,677,510	\$ 21,000	\$ 1,698,510
Other Funding Sources				
Interest		44,968	80	45,048
Local Funding		134,229	-	134,229
Grants/Contributions		16,262	30,000	46,262
Total Funding - All Sources		1,872,969	51,080	1,924,049
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
	Field 7 Sports Complex	140,032	140,032	140,032
Total Uses - All Funding Sources		1,749,306	140,032	1,889,338
Fees Encumbered		-	-	-
Undetermined Projects		\$ 123,663	\$ (88,952)	\$ 34,711

City of Acworth, Georgia
1 Percent Sales Tax
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Fiscal Year Ended June 30, 2014

Project	Original Estimated Cost	Revised Estimated Cost (3)	Expenditures			Estimated Percentage of Completion
			Prior Years (4)	Current Year	Total	
2006 SPLOST Program:						
800 MHz Radios	\$ 208,736	\$ 229,395	\$ 229,395	\$ -	\$ 229,395	100.00%
Road Improvement Program (1) (2)	11,611,748	11,170,454	10,214,803	955,649	11,170,452	100.00%
	<u>\$ 11,820,484</u>	<u>\$ 11,399,849</u>	<u>\$ 10,444,198</u>	<u>\$ 955,649</u>	<u>\$ 11,399,847</u>	
2012 SPLOST Program:						
Road Improvement Projects	\$ 7,403,141	\$ 7,880,473	\$ 872,911	\$ 1,034,669	\$ 1,907,579	24.21%
Parks Projects	1,170,000	1,320,590	509,602	197,953	610,072	46.20%
Public Safety Projects	4,750,000	4,750,000	103,914	3,666,568	3,770,482	79.38%
	<u>\$ 13,323,141</u>	<u>\$ 13,951,063</u>	<u>\$ 1,486,427</u>	<u>\$ 4,899,190</u>	<u>\$ 6,288,133</u>	

- (1) - Projects totaling \$2,602,000 were omitted since they will be sponsored by Cobb County.
(2) - Projects totaling \$1,408,672 were omitted or revised due to reduction in projected tax collections.
(3) - Revised Estimated Cost includes reductions in original SPLOST budget and other funding sources including interest, grants and local government funds.
(4) - Prior year projects totaling \$775,427 were reclassified to Road Improvement Projects from Parks Projects.