

**CITY OF ACWORTH, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDING JUNE 30, 2016**



**Comprehensive Annual Financial Report**

**City of Acworth, Georgia**



**For the Fiscal Year Ended June 30, 2016**

**DEPARTMENT OF FINANCE**

**Sharron L. Burtz**

**City Treasurer**

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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](http://www.acworth.org)

December 9, 2016

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, 2016 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 Nichols, Cauley & Associates, LLC to complete the audit of the 2016 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

servicing four year staggered terms. A City Manager, who is appointed by and responsible to the Mayor and Board of Aldermen, directs the daily operations of the City.

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

### **Local Economy**

Acworth is located in the northwest corner of Cobb County; approximately 30 miles northwest of Atlanta. The City's proximity to Interstate 75 and U.S. Highway 41 makes it easily accessible. The Economic Development Department estimates the population of the City at 23,683 as of June 30, 2016.

The local economy of Acworth is growing through redevelopment and new commercial businesses. The unemployment rate in Acworth dropped to 5.0% in 2016, down from 5.8% the previous year. Acworth has approximately 898 licensed businesses that employ over 8,200 workers. Developments in the surrounding area impact the local economy favorably.

The City of Acworth continues to benefit from the positive economic climate. The 2015 tax digest of the City increased by 5% to a total assessed taxable value of \$641,698,683. This increase is a sign that the economy is stable. The 2016 tax digest was approved by the Cobb County Board of Equalization at the end of June 2016 and had an increase of 4.7%. The increases in the taxable value along with the increase of planned developments are evidence that the economy is recovering from the recession. Specifically, the growth in the residential and commercial sectors is evident from the increased permits issued and the highly anticipated or formerly "conceptual" projects have begun going vertical.

There are active developments in the City that will provide future residential as well as potential commercial growth. The City approved Special Land Use Permits for 2 Assisted Senior Living facilities thereby creating options for a population that is aging. These 2 facilities will complement the already existing Dogwood Forest and the development of Celebration Village which is still under construction. The City identified that the value these facilities add to the community is not just as location for persons to seek assisted living but it also creates jobs for 100+ people along with a generation of additional tax revenues to continue diversifying the tax digest.

In-fill residential development continued and concluded within this past fiscal year in the Winn Street and Robinson Street area. This in-fill development added another element of housing options in the community for which prices exceeded \$300,000 and it created a unique opportunity for persons interested in residing in an older area of the downtown but yet have the amenities of new construction. Due to the success of the aforementioned, the City also witnessed its first approval of a new sub-division in nearly a decade. Approximately 20 acres on Blue Springs Road were acquired by a developer/builder and a proposed 53 lot sub-division was approved.

Additional property was annexed into the City by a property owner looking to create an opportunity on commercially zoned property that was located north of Lake Allatoona. This continues to add and expand the City's boundaries thereby allowing for more opportunity to provide options for the community of Acworth. While expanding the City's boundaries is positive, the City also witnessed other commercial tracts being developed. D-Bat Indoor Batting Academy sought approval to locate on Cobb Parkway and is a unique development to the area and creates opportunities for residents and visitors to attend a state-of-the art batting facility for baseball and softball.

### **Major Initiatives**

Efforts led by the City for identifying and implementing redevelopment measures have continued to be a reality. Traditional methods of redevelopment have continued in an area the City identified for redevelopment as new businesses and SPLOST projects allow for increased activity. The City witnessed the construction of a new hotel along one of the City's exits at Interstate 75, Marriott Fairfield Inn & Suites. The Acworth Tourism Bureau Authority continues to foster an inviting environment for tourists by evaluating City resources and identifying key components in which to lead to increased "heads in beds". Acworth Tourism devoted significant resources to conduct a marketing and branding study of the Acworth community which should result in more positive economic returns.

In November 2014, Cobb County voters approved to continue the Special Local Option Sales Tax (SPLOST). Taxes were levied on January 1, 2016 and the City began receiving revenue in March 2016. Work began in FY2016 on several projects approved in the 2016 SPLOST. Logan Farm Park Expansion broke ground and adds an additional 12 acres of usable greenspace to downtown Acworth with a new playground, restroom facility and expanded walking trails. Some of the other early uses of this revenue were public safety related and included police vehicles, video systems and radio purchases for the entire police department. Design will begin soon on a recreation center that is an \$11Million joint SPLOST project between the City and Cobb County.

The final projects funded with SPLOST (2011) began during FY2016. Some of the projects included Southside Drive and Taylor Street repaving projects as well as additional parking improvements in the downtown area. Blue Springs Road repaving project began and will be finished in FY2017. SPLOST is a vital funding tool which provides and affords communities like Acworth the opportunity to conduct projects that are of significant need for the constituents. By leveraging SPLOST funds to conduct capital projects, it allows the City to put forth other monies towards projects.

Plans for redevelopment in the downtown area were revealed to citizens in town hall meetings in 2016. The City has contracted with engineers to design the city center that will bring additional road improvements, parking, retail and possibly a hotel. Design includes a depot museum and a pedestrian overpass bridge in the project area. Funding for this major redevelopment project will be made possible with a bond issue through the Acworth Downtown Development Authority in FY2017.

Acworth's successful year was not just measured by completed projects but also through partnerships both in the community and with other governments. The City successfully entered

into agreements with the City of Dallas and the City of Marietta to provide housing for their inmates. The City also continued its partnership with the renewal of its E-911 services with the City of Kennesaw.

### **Long-Term Financial Planning**

For the past several years, Acworth has focused on reducing or controlling its operational costs and explored various alternatives or additional revenue sources. The outcome of this enhanced focus has paid off immensely and has changed the financial behavior and decision making of the City. Unassigned fund balance in the general fund is 37% of general fund operating expenditures. This balance would cover just over 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 classifies fund balance amounts within five classifications (Nonspendable, Restricted, Committed, Assigned and Unassigned). The City Manager has the authority to assign funds for particular purposes under the policy. Unrestricted Fund Balance consists of the total of Committed, Assigned and Unassigned Fund Balance. The target of the policy is to maintain an Unrestricted Fund Balance in the General Fund of not less than 17% of annual operating expenditures. The City continues to review current and potential policies for adoption; including adopting a Budget Policy and Revenue Policy in upcoming fiscal years.

The City achieves and maintains budgetary control by operating under the statutes of the State of Georgia, which require the City to adopt an annual balanced budget. Expenditures may not legally exceed appropriations at the department level, within each fund. Departments review their budget actual statements on the regular basis to ensure they are within their budget projections.

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

### **Other information**

Independent Audit. Article VI, Section 6.26 of the Charter of the City of Acworth requires an annual independent audit of all City accounts, funds, and financial transactions by a certified public accountant selected by the Mayor and Board of Aldermen. Nichols, Cauley & Associates 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, 2016. 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, 2015. This was the sixteenth 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.

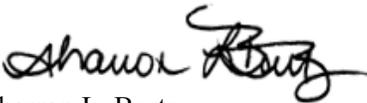
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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

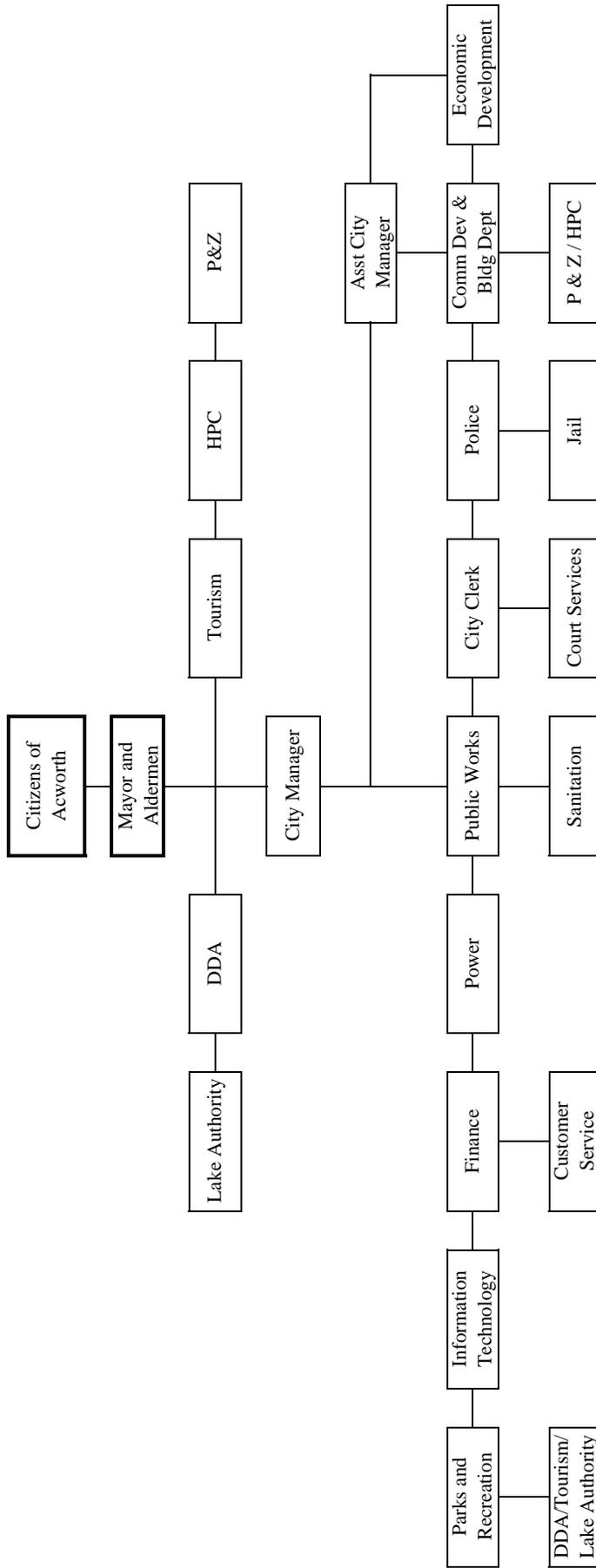
**City of Acworth  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA  
CITY OFFICIALS AND ADMINISTRATION  
June 30, 2016**

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Thomas W. Allegood  
Mayor

BOARD OF ALDERMEN

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

CITY ADMINISTRATION

Brian M. Bulthuis  
City Manager

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

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

# **FINANCIAL SECTION**



## NICHOLS, CAULEY & ASSOCIATES, LLC

1825 Barrett Lakes Blvd, Suite 200  
Kennesaw, Georgia 30144  
770-422-0598 FAX 678-214-2355  
kennesaw@nicholscauley.com

### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2016, 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, 2016, 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, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of Contributions, the Schedule of Funding Progress, and the budgetary comparison information on pages 4-17 and 61-65 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 Recreational Impact Fees, and the 1 Percent Sales Tax Schedule of Projects Constructed with Special Sales Tax Proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia 48-13-51, 36-71-8, and 48-8-121, respectively, and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, supplementary information, and the special reports section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, supplementary information, and the special reports section are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016, 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.

*Richels, Cauley + Associates, LLC*

Kennesaw, Georgia

December 9, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2016

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, 2016. 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-v of this report.

### Financial Highlights

- The City's net position totals \$55,229,093 at the end of the year. This amount includes \$49,293,838 net investment in capital assets, restricted portion of \$7,352,579 and unrestricted net position at a negative \$1,417,324.
- The City's total net position increased by \$2,737,841. Net position for governmental activities increased by \$1,053,603 or 3% and business-type net position increased by \$1,684,238 or 13%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,973,322, a decrease of \$839,061. The net unassigned fund balance of \$4,409,908 is comprised of \$4,695,627 in the General Fund and a deficit of \$285,719 in the Capital Improvement Fund which will be repaid through debt issuance in FY2017 for a future project.
- The City's total debt decreased \$530,937.

### 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, 2016

City of Acworth, Georgia

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

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

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

The City maintains ten governmental funds. Information is presented separately in the governmental fund balance sheet, the governmental fund statement of revenues, and expenditures and changes in fund balance for the General Fund, Capital Improvement Fund and the Special Purpose Local Option Sales Tax (SPLOST) fund. These are considered to be major funds. Data from the other funds is combined into a single, aggregate presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found beginning on page 20 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 23 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 27 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found beginning on page 61 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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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 66 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 \$2,737,841 in fiscal year 2016. The net position of the governmental activities includes \$44,217,395 net investment in capital assets. Capital Assets of \$50,890,333 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$6,672,938.

The net position of the business-type activities includes \$5,076,443 net investment in capital assets. Capital assets of \$5,509,819 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$433,376.

For more detailed information, see the Statement of Net Position on page 18 of the financial statements and the notes to the financial statements.

Summary of Net Position (Table 1)

	Governmental Activities		Business-type Activities		Total		Total % Change 2016-2015
	2016	2015	2016	2015	2016	2015	
<b>Assets:</b>							
Current and Other Assets	\$ 14,552,238	\$ 15,489,224	\$ 15,590,613	\$ 13,136,735	\$ 30,142,851	\$ 28,625,959	5.30%
Capital Assets	50,890,333	49,249,180	5,509,819	4,938,535	56,400,152	54,187,715	4.08%
<b>Total Assets</b>	<b>65,442,571</b>	<b>64,738,404</b>	<b>21,100,432</b>	<b>18,075,270</b>	<b>86,543,003</b>	<b>82,813,674</b>	<b>4.50%</b>
<b>Deferred outflows of resources:</b>							
Related to pensions	642,645	321,061	181,258	95,901	823,903	416,962	97.60%
Deferred loss on refunding	256,070	512,140	-	-	256,070	512,140	-50.00%
<b>Total Deferred Outflows of Resources</b>	<b>898,715</b>	<b>833,201</b>	<b>181,258</b>	<b>95,901</b>	<b>1,079,973</b>	<b>929,102</b>	<b>16.24%</b>
<b>Liabilities:</b>							
Current liabilities	3,853,004	3,637,981	2,194,455	2,084,204	6,047,459	5,722,185	5.68%
Long-term liabilities	21,568,282	21,941,235	1,939,520	1,378,674	23,507,802	23,319,909	0.81%
<b>Total Liabilities</b>	<b>25,421,286</b>	<b>25,579,216</b>	<b>4,133,975</b>	<b>3,462,878</b>	<b>29,555,261</b>	<b>29,042,094</b>	<b>1.77%</b>
<b>Deferred inflows of resources:</b>							
MEAG project	-	-	2,832,761	2,039,866	2,832,761	2,039,866	38.87%
Related to pensions	4,572	130,564	1,289	39,000	5,861	169,564	
<b>Total Deferred Inflows of Resources</b>	<b>4,572</b>	<b>130,564</b>	<b>2,834,050</b>	<b>2,078,866</b>	<b>2,838,622</b>	<b>2,209,430</b>	<b>28.48%</b>
<b>Net position:</b>							
Net investment in capital assets	44,217,395	42,518,514	5,076,443	4,846,950	49,293,838	47,365,464	4.07%
Restricted	7,352,579	7,226,407	-	-	7,352,579	7,226,407	1.75%
Unrestricted	(10,654,546)	(9,883,096)	9,237,222	7,782,477	(1,417,324)	(2,100,619)	-32.53%
<b>Net Position</b>	<b>\$ 40,915,428</b>	<b>\$ 39,861,825</b>	<b>\$ 14,313,665</b>	<b>\$ 12,629,427</b>	<b>\$ 55,229,093</b>	<b>\$ 52,491,252</b>	<b>5.22%</b>

### Changes in Net Position

The City's total revenues before transfers were \$34,069,843 in fiscal year 2016. Expenses before transfers were \$31,332,002 for the same period. Governmental and business-type activities combined provided a \$2,737,841 increase in net position.

Governmental activities revenues, before transfers, were \$19,231,451 and included \$2,556,155 charges for services, operating grants and contributions of \$301,743 and capital grants and contributions of \$5,882,314. The largest governmental activities expenses were for public safety \$5,948,132 public works of \$4,866,774 general government of \$3,204,116 and culture and recreation of \$3,613,552. Expenses include depreciation expense as explained in the notes to the financial statements.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**

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Business-type activity revenues, before transfers, were \$14,838,392 and included \$14,726,698 charges for services and \$26,008 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$9,787,092 which included wholesale power expenses of \$6,592,120 and personal services of \$1,322,422. Sanitation services include expenses of \$895,603 for personal services and \$294,652 in landfill tipping fees.

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

Summary of Changes in Net Position (Table 2)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
<b>Program:</b>						
Charges for services	\$ 2,556,155	\$ 2,416,037	\$ 14,726,698	\$ 15,304,417	\$ 17,282,853	\$ 17,720,454
Operating Grants and Contributions	301,743	235,434	-	-	301,743	235,434
Capital Grants and Contributions	5,882,314	4,707,609	26,008	1,300	5,908,322	4,708,909
<b>General:</b>						
Property taxes	5,522,167	5,305,820	-	-	5,522,167	5,305,820
Insurance premium taxes	1,177,704	1,102,373	-	-	1,177,704	1,102,373
Alcohol taxes	538,892	468,573	-	-	538,892	468,573
Hotel/motel taxes	206,648	188,530	-	-	206,648	188,530
Franchise taxes	1,400,859	1,416,619	-	-	1,400,859	1,416,619
Financial Institution tax	77,875	33,761	-	-	77,875	33,761
Business Taxes	500,078	451,893	-	-	500,078	451,893
Contributions not restricted	608,173	591,414	-	-	608,173	591,414
Operating Grants not restricted	439,279	433,818	-	-	439,279	433,818
Unrestricted Interest	19,564	19,514	85,686	37,845	105,250	57,359
<b>Total Revenues</b>	<b>19,231,451</b>	<b>17,371,395</b>	<b>14,838,392</b>	<b>15,343,562</b>	<b>34,069,843</b>	<b>32,714,957</b>
<b>Expenses:</b>						
General Government	3,204,116	3,091,117	-	-	3,204,116	3,091,117
Judicial	458,293	414,891	-	-	458,293	414,891
Health and Welfare	3,640	1,668	-	-	3,640	1,668
Public works	4,866,774	3,800,570	-	-	4,866,774	3,800,570
Culture and Recreation	3,613,552	2,763,205	-	-	3,613,552	2,763,205
Public safety	5,948,132	4,966,721	-	-	5,948,132	4,966,721
Housing and Development	1,060,788	926,219	-	-	1,060,788	926,219
Interest and fiscal charges on long-term debt	846,670	882,928	-	-	846,670	882,928
Electric	-	-	9,787,092	10,867,184	9,787,092	10,867,184
Sanitation	-	-	1,542,945	1,467,278	1,542,945	1,467,278
<b>Total Expenses</b>	<b>20,001,965</b>	<b>16,847,319</b>	<b>11,330,037</b>	<b>12,334,462</b>	<b>31,332,002</b>	<b>29,181,781</b>
<b>Change in Net Position before Transfers</b>	<b>(770,514)</b>	<b>524,076</b>	<b>3,508,355</b>	<b>3,009,100</b>	<b>2,737,841</b>	<b>3,533,176</b>
Transfers	1,824,117	2,139,518	(1,824,117)	(2,139,518)	-	-
<b>Change in net position</b>	<b>1,053,603</b>	<b>2,663,594</b>	<b>1,684,238</b>	<b>869,582</b>	<b>2,737,841</b>	<b>3,533,176</b>
<b>Net Position - Beginning</b>	<b>39,861,825</b>	<b>37,198,231</b>	<b>12,629,427</b>	<b>11,759,845</b>	<b>52,491,252</b>	<b>48,958,076</b>
<b>Net Position - Ending</b>	<b>\$ 40,915,428</b>	<b>\$ 39,861,825</b>	<b>\$ 14,313,665</b>	<b>\$ 12,629,427</b>	<b>\$ 55,229,093</b>	<b>\$ 52,491,252</b>

**Governmental Activities**

The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities decreased the City’s net position by \$770,514 before transfers. Governmental activities increased the City’s net position by \$1,053,603 after net transfers of \$1,824,117. This accounts for 38% 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)**

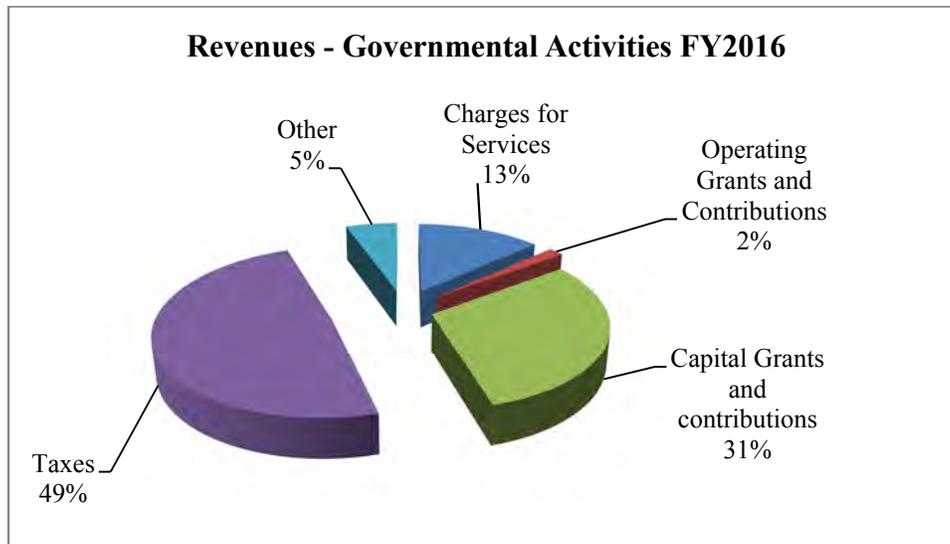
**June 30, 2016**

**City of Acworth, Georgia**

	FY 2016 Total Expenses	FY 2016 Net (Expense) Revenue and Change in Net Position
General Government	\$ 3,204,116	\$ (2,940,430)
Judicial	458,293	757,654
Health and Welfare	3,640	(3,640)
Public Works	4,866,774	(2,134,123)
Culture and Recreation	3,613,552	(600,801)
Public Safety	5,948,132	(4,791,818)
Housing and Development	1,060,788	(701,925)
Interest and Fiscal Charges	846,670	(846,670)
<b>Total</b>	<b>\$ 20,001,965</b>	<b>\$ (11,261,753)</b>

Additional information concerning net cost of services may be found in the Statement of Activities on Page 19.

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



**Revenue Impacts:**

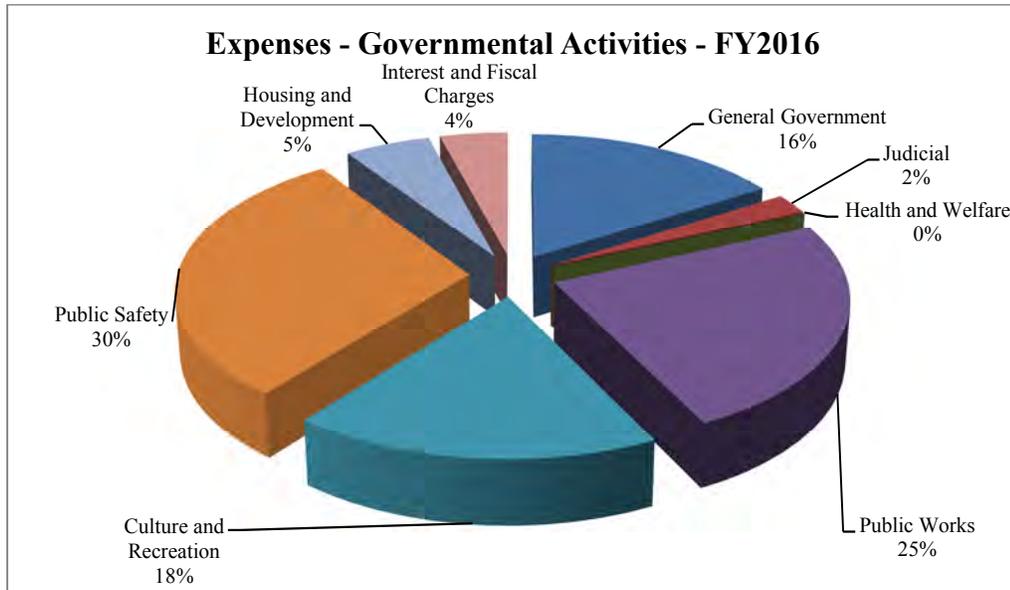
- Taxes of \$9,424,223 provided 49% of governmental revenues of general operations. Property Taxes in the amount of \$5,522,167 represent 59% of taxes. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$5,882,314 provided 31% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax.
- Charges for services of \$2,556,155 provides 13% of governmental revenues of general operations and include municipal court fines of \$1,215,947 and culture and recreation fees of \$623,672.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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- The transfers from business-type activities in the amount of \$1,824,117 decreased from prior year of \$2,139,518.



### Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments, added employees and an increase in related benefits such as employee health insurance. Public Safety expenses of \$5,948,132 account for 30% of governmental expenses. This is an increase of 20% from prior year as a result of added personnel and related costs as well as inmate costs.
- Public Works expenses of \$4,866,774 account for 25% of governmental expenses. The 28% increase from prior year is the result increased personnel related costs and projects. Most of the public works projects are funded through SPLOST.
- General government expenses of \$3,204,116 represent 16% of governmental expenses and increased 4% from prior year primarily cost allocations for additional personnel in internal service funds, increased personnel related costs and operating costs for a facility renovation completed in prior year.
- Culture and recreation expenses of \$3,613,552 increased 31% from prior year and represents 18% of governmental expenses. The increase is primarily the result of personnel additions and the capital projects.
- Interest and fiscal service on debt service decreased \$36,258 on the amortization of debt.
- Total expenses increased 19% from prior year.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**

**June 30, 2016**

**City of Acworth, Georgia**

**Business-Type Activities**

The City’s business-type activities include Acworth Power, Acworth Sanitation and an internal service fund (Customer Service). Net position for business-type activities increased \$3,508,355 before net transfers out of \$1,824,117.

	FY 2016 Total Expenses	FY 2016 Net (Expense) Revenue and Change in Net Position
Electric	\$ 9,787,092	\$ 3,249,205
Sanitation	1,542,945	173,464
<b>Total</b>	<b>\$ 11,330,037</b>	<b>\$ 3,422,669</b>

Program revenues for business-type activities for fiscal year 2016 were \$14,752,706; a decrease of \$553,011 from prior year as of a lower power cost adjustment from the prior year. Sanitation revenues increased based an increase in units billed to customers.

**Financial Analysis of the City’s Funds**

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

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

Fund	Fund Balances 06/30/2015	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2016
General Fund	\$ 7,806,030	\$ 13,771,803	\$ 13,735,364	\$ 36,439	\$ 7,842,469
Capital Improvement Fund	933,495	872,998	2,090,612	(1,217,614)	(284,119)
SPLOST	3,589,920	5,968,270	5,834,916	133,354	3,723,274

As of June 30, 2016, the City’s governmental funds reported combined ending fund balances of \$11,973,322, a decrease of \$839,061 in comparison with the prior year. The General Fund had an increase in fund balance of \$36,439. The Capital Improvement Fund is a major fund and completed a baseball field project utilizing CDBG funds and began a downtown enhancement project that will be funded with a bond issuance in FY2017. Therefore, the Capital Improvement Fund had deficient ending balance \$284,119. This is a decrease of \$1,217,614 from the beginning balance of \$933,495. The SPLOST Fund is also a major fund and had an increase in fund balance of \$133,354 as a result of the timing of capital projects beginning in comparison of receipt of SPLOST revenues. Other non-major Governmental Funds had a net increase of \$208,760; 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.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**

**June 30, 2016**

**City of Acworth, Georgia**

**General Fund**

At June 30, 2016, Acworth’s total fund balance for General Fund was \$7,842,469 and consisted of the following:

- Nonspendable – \$42,387 for prepaid insurance and \$49,491 for other prepaids for future services
- Restricted – \$3,578 for Public Safety, \$1,097 for Public Works; and \$3,000,000 for voter appropriation
- Assigned – \$17,208 for Housing and Development, \$4,635 for Public Safety, \$9,446 for Culture and Recreation and \$19,000 for capital projects.
- Unassigned – \$4,695,627 which is an increase of \$173,020 from prior year

As a measure of the General Fund’s liquidity, it may be helpful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represent 37% of the total fiscal year 2016 expenditures before transfers, while total fund balance is 62% of the same amount.

**General Fund - Revenues by Source**

	FY2016		FY2015		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 9,510,847	79%	\$ 9,054,071	79%	\$ 456,776	5%
License & Permits	448,147	4%	498,578	4%	(50,431)	-10%
Intergovernmental	41,831	0%	37,895	0%	3,936	10%
Charges for Services	689,355	6%	631,999	6%	57,356	9%
Fines & Forfeitures	1,217,132	10%	1,084,537	9%	132,595	12%
Investment Earnings	18,518	0%	18,253	0%	265	1%
Contributions & Donations	61,088	0%	59,140	1%	1,948	3%
Other	114,088	1%	85,925	1%	28,163	33%
<b>Total</b>	<b>\$ 12,101,006</b>	<b>100%</b>	<b>\$ 11,470,398</b>	<b>100%</b>	<b>\$ 630,608</b>	<b>5%</b>

The following provides an explanation of revenues by source changes from FY2016 to FY2015:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$5,769,726 and represent 61% of tax revenues. The taxable digest increased 5.35%. The millage rate remained stable at 7.60 mills. Insurance Premium Taxes increased 7% to \$1,177,704. Franchise Taxes decreased 1% in part due to decreased revenue from electrical power suppliers. Occupational Taxes are based on gross receipts and increased by 11% indicating growth in the local economy.
- **Licenses and permits.** License and permits saw a decrease of \$50,431 (10%). Building permits make up the bulk of the decrease at \$51,703 lower than prior year; FY2015 had permits issued for two large developments as well as building of new homes. Licenses and permits represent 4% of the total General Fund revenues before transfers.
- **Intergovernmental.** Intergovernmental revenue saw a 10% increase to \$41,831; the bulk of the increase is attributed to the increase in operating grants and reimbursements received in current year than in prior year.
- **Charges for service.** Charges for services increased 9% to \$689,355. Culture and recreation related fees account for the bulk of the revenue and saw an increase in rental fees at the parks due to the summer weather and program participation fees. Inmate housing fees collected were \$46,798; which is a decrease of 30% from prior year. The administrative fee associated with the Tax Allocation District increased from prior year 10% to \$52,248 since the amounts available for excess disbursement increased as the increment in assessment increased 4%.
- **Fines and forfeitures.** Fines and forfeitures represent 10% of total General Fund revenues and increased 12% to \$1,217,132. This is due an increase in traffic violations and the timing the of payments received in the current year.
- **Investment earnings.** Investment earnings increased 1% from the prior year; this revenue is dependent on availability of funds for investments as well as market rates which are out of the control of the City.
- **Contributions and donations.** Contributions and donations increased 3% to \$61,088; donations are used to fund programs such as Acworth Achievers and Expanding Horizons.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**

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- **Other.** Other revenue increased \$28,163. The 33% increase is attributed predominantly to reimbursements in current year for damaged property.

**General Fund - Expenditures by Function**

	FY2016		FY2015		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
General Government	\$ 2,219,796	18%	\$ 2,019,309	18%	\$ 200,487	10%
Public Safety	5,205,374	41%	4,440,801	40%	764,573	17%
Public Works	1,186,259	9%	1,041,434	9%	144,825	14%
Health & welfare	3,640	0%	1,668	0%	1,972	118%
Housing & Development	1,049,833	8%	881,567	8%	168,266	19%
Judicial	441,673	3%	410,749	4%	30,924	8%
Culture & recreation	2,273,789	18%	1,969,336	18%	304,453	15%
Debt Service	327,745	3%	327,862	3%	(117)	0%
<b>Total</b>	<b>\$ 12,708,109</b>	<b>100%</b>	<b>\$ 11,092,726</b>	<b>100%</b>	<b>\$ 1,615,383</b>	<b>15%</b>

The following provides an explanation of expenditures by function changes from FY2015 to FY2016:

Overall, personnel costs increased 16%. During the year, the effects of added positions, pay adjustments and increased employee health care costs accounted for the bulk of the change.

- **General government.** Increases of \$200,487 or 10% from prior year can be attributed to personnel related costs mentioned earlier, capital outlay costs of \$24,686, attorney fees increased \$21,685 and custodial fees increased \$12,650 due to increase of service and full year of costs for a renovated facility increased \$14,325.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2016 had an increase of \$764,573 or 17%. Personnel costs increased \$633,346 due to additional positions being added, remaining close to full-staffed throughout the year and an increase in employee benefit costs as mentioned earlier. Additionally, as part of a joint agreement with Cobb County for the 800 Mhz radio system, the City was required to make a payment this year in the amount of \$198,257.
- **Public Works.** Public works increased \$144,825 or 14%. Personnel cost increases of \$114,759 is the bulk and is related to an increase in personnel as well as the increase in employee benefit costs mentioned earlier. Capital outlay costs for a vehicle was \$36,183 in FY2016.
- **Housing and Development.** Housing and development had an increase of \$168,266 or 19%. Additional staff was added during the year. Capital outlay for vehicles of \$47,189 and office remodeling of \$13,161 were among the expenditures for the year. Also increasing by \$21,888 was the \$252,166 in excess funds disbursed from the Tax Allocation District that are not related to debt service.
- **Judicial.** Municipal court operations increased by \$30,924 or 8%. Personnel related costs increased \$14,412. Solicitor fees increased \$16,274. Dues and fees increased \$8,346 while fine refunds decreased \$6,440 to \$96,550.
- **Culture and Recreation.** Culture and recreation increases of \$304,453 or 15% are a result of added staff, pay adjustments and the increased benefit costs for a total of \$262,619 to cover services. Capital outlay costs for vehicles and renovations at \$53,913 are up from prior year. Fireworks display costs increased \$4,500.

**Capital Improvement**

At June 30, 2016, the fund balance was a negative \$284,119. Committed Fund Balance of \$1,600 includes commitments that were approved by the Mayor and Board of Aldermen for purchases. The negative unassigned fund balance is the result of purchases related to a downtown project that will be reimbursed through bond proceeds for debt to be issued through the Acworth Downtown Development Authority in FY2017. At June 30, 2016, an inter-fund loan to the General Fund in the amount of \$413,864 exists and includes property acquisition relating to the project in the amount of \$389,970. During FY2016, a CDBG project for Durr Field in the amount of \$349,780 was completed and included lighting, fencing and field site improvements. A backhoe for Public Works was purchased for \$91,606. Additional property acquisitions in the amount of \$872,394 were made during the year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2016

City of Acworth, Georgia

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### SPLOST

At June 30, 2016, SPLOST fund balance was \$3,723,274. The proceeds of the 2011 SPLOST ended with the December 2015 levy period. SPLOST 2016 proceeds began. The proceeds are received monthly and the levy will continue through December 2021. SPLOST receipts totaling \$4,953,272 were received during the year. Among the expenditures for the year are police radios, video system and vehicles. The Logan Farm project began and should be completed in FY2017. Infrastructure improvements continue through the City.

### 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 \$206,648; an increase of \$18,118.
- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$86,250. Fund Balance is \$151,590 at June 30, 2016.
- **Confiscated Asset Fund** – Total revenues of \$210,691 related to the seizure of property associated with illegal substances or activities. Fund balance is \$459,394 at June 30, 2016.
- **Soil Erosion Fees Fund** – Fees received in FY2016 were \$1,058. Fund balance is \$13,646 at June 30, 2016.
- **Acworth Downtown Development Authority** – The Authority is blended with the primary government based upon the debt relationship concerning facilities and the CableNET project. Debt service payments are made by the primary government.
- **Acworth Lake Authority** – The Authority is blended with the primary government based upon the debt relationship concerning recreational facilities. Debt service payments are made by the primary government.

#### *Debt Service Fund*

The Debt Service Fund consists of the debt associated with the City's Tax Allocation District. Other debts of the City are presented within the corresponding funds. Debt outstanding for the Tax Allocation District as of June 30, 2016 is \$4,525,000 and will be paid off December 2025. The debt is repaid by the tax increment within the district.

**Proprietary Funds Overview.** The City's proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The City operates two enterprise funds and two internal service funds. The change in net position of the proprietary funds for FY2016 was \$1,684,238.

Acworth Power provides electrical service to over 6,300 residential and commercial customers. Operating revenues of Acworth Power decreased 4% from the prior year. Operating expenses decreased 9% in fiscal year 2016. Therefore, the operating income saw an increase of \$397,471. Kilowatt hours sold increased less than 1% to 95,543,435. Wholesale power costs decreased \$1,220,442 due to the expiration of a power supply contract in the prior year. Net position for Acworth Power increased \$1,531,752 to \$13,374,038.

Acworth Sanitation provides solid waste sanitation services to over 6,700 residential and commercial customers; collecting 8,103 tons of refuse. Residential rates remained unchanged during the year. Operating revenues increased \$34,239 from prior year while operating expenses increased by \$99,210 as well. Net position for Acworth Sanitation increased \$168,599 to \$790,049.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2016

City of Acworth, Georgia

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

	Fiscal Year	
	2016	2015
Operating Income (Loss):		
Acworth Power	\$ 3,131,549	\$ 2,734,078
Acworth Sanitation	150,029	215,000
Total	<u>3,281,578</u>	<u>2,949,078</u>
Non-Operating Revenues (Expenses)	<u>136,882</u>	<u>(13,791)</u>
Contributed Capital	<u>26,008</u>	<u>1,300</u>
Income (Loss) Before Transfers	<u>3,444,468</u>	<u>2,936,587</u>
Transfers In (Out)	<u>(1,744,117)</u>	<u>(2,064,518)</u>
Change in Net Position	<u>\$ 1,700,351</u>	<u>\$ 872,069</u>

Internal service funds are utilized for two operations within the City. The Customer Service fund provides customer service support for customers of Acworth Power and Acworth Sanitation as well as occupational tax certificate holders and administration of property tax collections. The Customer Service Fund had an increase in net position in the amount of \$2,837; for an ending net position of \$58,407.

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 operated a self-funded health insurance program for health care coverage. During the year these costs were higher than anticipated due to large claims experienced. Those costs were allocated to the related funds which in turn caused increases from prior year operations. 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, 2016 can be found in Required Supplementary Information.

During June 2015, the City adopted a General Fund budget of \$12,462,967 for General Fund expenditures (excluding transfers out) for FY2016. At the end of the fiscal year, the final actual expenditures were \$12,708,109 (excluding transfers out) which was an increase of \$245,142 from the original adopted budget. The final amended budget expenditures were \$13,100,896 (excluding transfers). The difference between the original budget and the final amended budget is an overall increase of \$637,929.

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

#### Revenues:

- Franchise Fees, Titles Ad Valorem Taxes and Alcohol Excise taxes exceeded final projections.
- Recreation Facility Rental and Parking fees were greater than anticipated.
- License and permits exceed anticipated revenue due to increase in building code permits.
- Municipal court fines were greater than anticipated revenue based upon the timing of collections.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)**

**June 30, 2016**

**City of Acworth, Georgia**

Expenditures:

- Police and Jail were under budget based on timing of personnel changes and inmate related costs coming in less than projected.
- Public Works was under budget due to lower than anticipated contracted services and lower than expected maintenance supply costs.
- Recreation (including Athletics and Community Programs) as a whole were under budget due to lower than budgeted costs for part time staffing and lower than expected electrical costs at the parks and lawn care costs. Concert exceed final budget due to an increase equipment rental costs for concerts.
- Building Inspections was under budget due to lower than expected personnel and training costs.
- Governmental Buildings Operations were under budget based on lower than expected maintenance and electrical energy costs.

Other Financing Sources (Uses):

- Proceeds from sales of capital assets were greater than anticipated.

**Capital Assets and Debt Administration**

*Capital Assets.* The City of Acworth’s balance in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$50,890,333 and \$5,509,819 respectively. These are net of accumulated depreciation. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

	2016 Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Construction in Progress	\$ 3,814,225	\$ 1,032,836	\$ -	\$ -	\$ 3,814,225	\$ 1,032,836
Land	7,148,821	5,550,363	442,043	265,917	7,590,864	5,816,280
Buildings and improvements	11,449,986	12,056,763	40,960	16,854	11,490,946	12,073,617
Electrical System	-	-	4,340,510	4,252,552	4,340,510	4,252,552
Improvements other than buildings	6,241,203	6,556,023	6,835	-	6,248,038	6,556,023
Intangible Assets	106,573	121,263	-	-	106,573	121,263
Vehicles and Equipment	2,504,756	1,870,422	679,471	403,212	3,184,227	2,273,634
Infrastructure	19,624,769	22,061,510	-	-	19,624,769	22,061,510
<b>Total</b>	<b>\$ 50,890,333</b>	<b>\$ 49,249,180</b>	<b>\$ 5,509,819</b>	<b>\$ 4,938,535</b>	<b>\$ 56,400,152</b>	<b>\$ 54,187,715</b>

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

Governmental activities:

- Infrastructure \$259,010
- Construction In Progress – Infrastructure - \$2,028,675 and Logan Farm Park Improvements - \$748,173
- Durr Field at Logan Farm Park Improvements - \$302,470
- Housing and Development Vehicles - \$47,189
- Land and Site Acquisition - \$1,598,458
- Public Safety Vehicles and Equipment - \$1,066,067
- Public Works Vehicles and Equipment - \$127,057

Business-type activities:

- Buildings and Land - \$206,126
- Electrical Infrastructure - \$423,131
- Sanitation Truck - \$170,431
- Power Line Truck - \$246,429

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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2016

City of Acworth, Georgia

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### Long-term Debt.

At the end of 2016 fiscal year, the City had \$18,371,314 in outstanding long-term debt. This is a decrease of \$530,937 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 \$66,549,958 which is in excess of the City's outstanding general obligation debt.

Debt outstanding at June 30, 2016 is as follows:

- Tax Allocation District Bonds - \$4,525,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$2,436,000
- Acworth Downtown Development Authority – Revenue Bonds - \$6,740,000
- Acworth Lake Authority – Recreation Facilities - \$225,000
- Installment Sales Agreement through Georgia Municipal Association - \$3,432,501
- Capital Leases – Vehicles - \$673,184
- IGA Cobb County – SPLOST Radios - \$339,629

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, 2017 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 \$14,097,609; utilizing \$39,502 of unassigned fund balance. The expected unassigned fund balance for the General Fund at the end of the FY2017 to remain relatively unchanged at \$4.7 million.
- Transfers out for debt service relating anticipated debt issuance for a partial year was budgeted at \$210,000.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2016 remained at 7.60. The adopted budget for FY 2017 has the millage rate remaining stable.
- The 2015 taxable digest was \$641,698,683; which was 5% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2016 approved taxable digest increased just under 5%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2016 population is estimated at 23,683 by the Acworth Economic Development Department. This is an increase of approximately 16% from the 2010 census of 20,425.
- SPLOST (2011) receipts ended in FY2016. The levy for the SPLOST (2016) began January 2016. SPLOST (2016) projects include parks and recreation facilities, public works infrastructure, and public safety needs.
- As a MEAG participant, Acworth Power is part of the Plant Vogtle project expansion to be completed in the next few years. Acworth power is continuing to defer funds for the City's portion related to the expansion for future use.
- Debt service payments for debt issued through the Acworth Downtown Development Authority via an intergovernmental agreements between the City and the Acworth Downtown Development Authority are made via transfers from the General and Power Funds for the following:
  - CableNET Project - Matures July 2028; interest rate of 3.97% -06/30/2016 balance \$6,740,000.
  - Acworth City Hall/Sports Complex - Matures April 2023; interest rate of 1.74% - 06/30/2016 balance \$2,436,000.
  - Anticipated Debt Issuance in FY2017 for downtown project.
- Debt service payments in the General Fund are related to the Court/Jail Services renovation/addition and matures 01/07/2029 with an interest rate of 3.41% - 06/30/2016 balance \$3,432,501.
- Debt service payments related to the Tax Allocation District Bonds are made from the tax increment within the district.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2016

City of Acworth, Georgia

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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.

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# **BASIC FINANCIAL STATEMENTS**

**CITY OF ACWORTH, GEORGIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,965,875	\$ 3,761,185	\$ 7,727,060	\$ 4,186
Investments	1,742,993	2,679,871	4,422,864	45,195
Receivables, net	99,790	1,975,624	2,075,414	-
Due from other governments	1,218,082	27,789	1,245,871	11,952
Due from component unit	7,438	-	7,438	-
Internal balances	(503,241)	503,241	-	-
Inventories	-	764,952	764,952	-
Prepaid items	366,351	25,596	391,947	1,667
Restricted assets	7,654,950	5,852,355	13,507,305	-
Capital assets, non depreciated	10,963,046	442,043	11,405,089	-
Capital assets, depreciated, net	39,927,287	5,067,776	44,995,063	4,767
<b>Total assets</b>	<b>65,442,571</b>	<b>21,100,432</b>	<b>86,543,003</b>	<b>67,767</b>
<b>Deferred outflows of resources:</b>				
Related to pensions	642,645	181,258	823,903	-
Deferred loss on refunding	256,070	-	256,070	-
<b>Total deferred outflows of resources</b>	<b>898,715</b>	<b>181,258</b>	<b>1,079,973</b>	<b>-</b>
<b>Liabilities:</b>				
Accounts payable and other current liabilities	1,568,323	794,629	2,362,952	4,807
Due to primary government	-	-	-	7,438
Customer deposits	-	1,211,586	1,211,586	-
Unearned revenue	448,586	-	448,586	-
Noncurrent liabilities:				
Due within one year	1,836,095	188,240	2,024,335	-
Due in more than one year	21,568,282	1,939,520	23,507,802	-
<b>Total liabilities</b>	<b>25,421,286</b>	<b>4,133,975</b>	<b>29,555,261</b>	<b>12,245</b>
<b>Deferred inflows of resources:</b>				
Deferred regulatory credits	-	2,832,761	2,832,761	-
Related to pensions	4,572	1,289	5,861	-
<b>Total deferred inflows of resources</b>	<b>4,572</b>	<b>2,834,050</b>	<b>2,838,622</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets	44,217,395	5,076,443	49,293,838	4,767
Restricted for:				
Public works	3,078,392	-	3,078,392	-
Culture and recreation	740,820	-	740,820	50,755
Public safety	533,366	-	533,366	-
Housing and development	1	-	1	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(10,654,546)	9,237,222	(1,417,324)	-
<b>Total net position</b>	<b>\$ 40,915,428</b>	<b>\$ 14,313,665</b>	<b>\$ 55,229,093</b>	<b>\$ 55,522</b>

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position			Component Unit Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities		
						Total	Total	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 3,204,116	\$ 263,686	\$ -	\$ -	\$ (2,940,430)	\$ -	\$ (2,940,430)	
Judicial	458,293	1,215,947	-	-	757,654	-	757,654	
Health and welfare	3,640	-	-	-	(3,640)	-	(3,640)	
Public works	4,866,774	22,733	-	2,709,918	(2,134,123)	-	(2,134,123)	
Culture and recreation	3,613,552	623,672	60,563	2,328,516	(600,801)	-	(600,801)	
Public safety	5,948,132	71,254	241,180	843,880	(4,791,818)	-	(4,791,818)	
Housing and development	1,060,788	358,863	-	-	(701,925)	-	(701,925)	
Interest & fiscal charges on long-term debt	846,670	-	-	-	(846,670)	-	(846,670)	
Total governmental activities	20,001,965	2,556,155	301,743	5,882,314	(11,261,753)	-	(11,261,753)	
Business-type activities:								
Electric	9,787,092	13,010,289	-	26,008	-	3,249,205	3,249,205	
Sanitation	1,542,945	1,716,409	-	-	-	173,464	173,464	
Total business-type activities	11,330,037	14,726,698	-	26,008	-	3,422,669	3,422,669	
Total Primary Government	\$ 31,332,002	\$ 17,282,853	\$ 301,743	\$ 5,908,322	(11,261,753)	3,422,669	(7,839,084)	
<b>Component unit</b>	\$ 84,158	\$ -	\$ 55,572	\$ -			\$ (28,586)	
General Revenues:								
Property taxes					5,522,167	-	5,522,167	
Insurance premium tax					1,177,704	-	1,177,704	
Alcohol taxes					538,892	-	538,892	
Hotel/motel tax					206,648	-	206,648	
Franchise taxes					1,400,859	-	1,400,859	
Financial institution tax					77,875	-	77,875	
Business taxes					500,078	-	500,078	
Contributions not restricted to a specific program					608,173	-	608,173	
Operating grants not restricted to a specific program					439,279	-	439,279	
Unrestricted investment earnings					19,564	85,686	105,250	
Transfers					1,824,117	(1,824,117)	-	
Total general revenues and transfers					12,315,356	(1,738,431)	10,576,925	
Change in net position					1,053,603	1,684,238	2,737,841	(28,586)
Net position - beginning					39,861,825	12,629,427	52,491,252	84,108
Net position - ending					\$ 40,915,428	\$ 14,313,665	\$ 55,229,093	\$ 55,522

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2016**

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and cash equivalents	\$ 3,928,653	\$ 1,816	\$ -	\$ 35,406	\$ 3,965,875
Investments	1,625,996	116,993	-	4	1,742,993
Restricted assets	3,433,866	-	3,582,271	638,813	7,654,950
Receivables, net	73,809	-	-	-	73,809
Prepaid items	91,878	-	125,000	-	216,878
Due from other funds	1,010,386	15,060	-	32,685	1,058,131
Due from component unit	7,438	-	-	-	7,438
Due from other governments	2,924	532	1,214,626	-	1,218,082
Total assets	<u>\$ 10,174,950</u>	<u>\$ 134,401</u>	<u>\$ 4,921,897</u>	<u>\$ 706,908</u>	<u>\$ 15,938,156</u>
<b>Liabilities:</b>					
Accounts payable	\$ 429,101	\$ 4,656	\$ 371,411	\$ 176	\$ 805,344
Retainage payable	-	-	327,383	-	327,383
Accrued liabilities	208,367	-	-	-	208,367
Due to other funds	1,231,656	413,864	499,829	1,621	2,146,970
Unearned revenue	435,173	-	-	13,413	448,586
Total liabilities	<u>2,304,297</u>	<u>418,520</u>	<u>1,198,623</u>	<u>15,210</u>	<u>3,936,650</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	<u>28,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,184</u>
<b>Fund balances:</b>					
Nonspendable	91,878	-	125,000	-	216,878
Restricted	3,004,675	-	3,598,274	624,631	7,227,580
Committed	-	1,600	-	-	1,600
Assigned	50,289	-	-	67,067	117,356
Unassigned	4,695,627	(285,719)	-	-	4,409,908
Total fund balances	<u>7,842,469</u>	<u>(284,119)</u>	<u>3,723,274</u>	<u>691,698</u>	<u>11,973,322</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,174,950</u>	<u>\$ 134,401</u>	<u>\$ 4,921,897</u>	<u>\$ 706,908</u>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	50,890,333
Property tax revenue earned but unavailable is not reported in the funds.	28,184
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	
Related to pensions	642,645
Deferred charge on refunding	256,070
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.	533,823
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds:	
Unmatured bonds, leases, and contracts	(17,937,938)
Deferred inflows of resources related to pensions	(4,572)
Accrued compensated absences	(224,938)
Net OPEB obligation	(2,975,380)
Net pension liability	<u>(2,266,121)</u>

Net position of governmental activities \$ 40,915,428

**CITY OF ACWORTH, GEORGIA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 9,510,847	\$ -	\$ -	\$ 365,593	\$ 9,876,440
Licenses and permits	448,147	-	-	-	448,147
Intergovernmental	41,831	372,453	5,299,905	617,407	6,331,596
Charges for services	689,355	-	-	87,308	776,663
Fines and forfeitures	1,217,132	-	-	210,691	1,427,823
Investment earnings	18,518	545	1,418	472	20,953
Contributions and donations	61,088	-	-	1,255	62,343
Other	114,088	-	-	1,255	115,343
<b>Total revenues</b>	<b>12,101,006</b>	<b>372,998</b>	<b>5,301,323</b>	<b>1,283,981</b>	<b>19,059,308</b>
<b>Expenditures:</b>					
Current:					
General government	2,219,796	-	-	-	2,219,796
Public safety	5,205,374	-	-	108,526	5,313,900
Public works	1,186,259	-	-	4,233	1,190,492
Health and welfare	3,640	-	-	-	3,640
Housing and development	1,049,833	-	-	21,167	1,071,000
Judicial	441,673	-	-	-	441,673
Culture and recreation	2,273,789	-	-	134,080	2,407,869
Capital outlay	-	1,840,477	5,781,449	-	7,621,926
Debt service	327,745	-	53,467	1,709,063	2,090,275
<b>Total expenditures</b>	<b>12,708,109</b>	<b>1,840,477</b>	<b>5,834,916</b>	<b>1,977,069</b>	<b>22,360,571</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(607,103)</b>	<b>(1,467,479)</b>	<b>(533,593)</b>	<b>(693,088)</b>	<b>(3,301,263)</b>
<b>Other financing sources (uses):</b>					
Transfers in	1,659,659	500,000	40,000	1,231,507	3,431,166
Transfers out	(1,027,255)	(250,135)	-	(329,659)	(1,607,049)
Issuance of debt	-	-	626,947	-	626,947
Sale of capital assets	11,138	-	-	-	11,138
<b>Total other financing sources (uses)</b>	<b>643,542</b>	<b>249,865</b>	<b>666,947</b>	<b>901,848</b>	<b>2,462,202</b>
<b>Net change in fund balance</b>	<b>36,439</b>	<b>(1,217,614)</b>	<b>133,354</b>	<b>208,760</b>	<b>(839,061)</b>
<b>Fund balance - beginning</b>	<b>7,806,030</b>	<b>933,495</b>	<b>3,589,920</b>	<b>482,938</b>	<b>12,812,383</b>
<b>Fund balance - ending</b>	<b>\$ 7,842,469</b>	<b>\$ (284,119)</b>	<b>\$ 3,723,274</b>	<b>\$ 691,698</b>	<b>\$ 11,973,322</b>

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net change in fund balances - total governmental funds \$ (839,061)

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 207,312

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	(4,588,908)	
Capital outlay	6,089,208	
Loss on disposal of assets	<u>(66,459)</u>	1,433,841

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.

Issuance of debt	(626,947)	
Principal payments on debt	<u>1,499,675</u>	872,728

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. (35,169)

The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds. (68,560)

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

Amortization of deferred loss on refunding	(256,070)	
Net pension liability and changes in related deferred inflows/outflows of resources	(50,268)	
Net OPEB obligation	(204,600)	
Accrued compensated absences	<u>(6,550)</u>	<u>(517,488)</u>

Change in net position of governmental activities \$ 1,053,603

**CITY OF ACWORTH, GEORGIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Enterprise Funds			
	Major			
	Electrical Power	Sanitation	Totals	Internal Service Funds
<b>Assets:</b>				
Current assets:				
Cash	\$ 2,934,395	\$ 713,725	\$ 3,648,120	\$ 113,065
Investments	2,679,871	-	2,679,871	-
Restricted assets:				
Cash	1,193,089	-	1,193,089	-
Investments	4,659,266	-	4,659,266	-
Receivables, net				
Utility accounts	1,830,732	143,031	1,973,763	-
Other	-	-	-	27,842
Due from other governments	27,789	-	27,789	-
Due from other funds	430,097	320,881	750,978	733,298
Inventory	764,952	-	764,952	-
Prepaid items	21,774	-	21,774	153,295
Total current assets	<u>14,541,965</u>	<u>1,177,637</u>	<u>15,719,602</u>	<u>1,027,500</u>
Noncurrent assets:				
Property, plant and equipment, net	5,004,898	504,921	5,509,819	-
Total assets	<u>19,546,863</u>	<u>1,682,558</u>	<u>21,229,421</u>	<u>1,027,500</u>
<b>Deferred outflows of resources:</b>				
Related to pensions	90,629	57,673	148,302	32,956
<b>Liabilities:</b>				
Current liabilities:				
Accounts and claims payable	692,318	33,925	726,243	233,889
Customer deposits	960,449	251,137	1,211,586	-
Accrued liabilities	32,311	16,317	48,628	13,098
Accrued compensated absences	41,346	14,235	55,581	10,898
Due to other funds	379,499	15,938	395,437	-
Capital leases - current	88,562	33,199	121,761	-
Total current liabilities	<u>2,194,485</u>	<u>364,751</u>	<u>2,559,236</u>	<u>257,885</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	10,336	3,559	13,895	2,725
Net OPEB obligation	704,154	267,969	972,123	-
Net pension liability	319,581	203,370	522,951	116,211
Capital lease obligations	201,492	110,123	311,615	-
Total long-term liabilities	<u>1,235,563</u>	<u>585,021</u>	<u>1,820,584</u>	<u>118,936</u>
Total liabilities	<u>3,430,048</u>	<u>949,772</u>	<u>4,379,820</u>	<u>376,821</u>
<b>Deferred inflows of resources:</b>				
Deferred regulatory credits	2,832,761	-	2,832,761	-
Related to pensions	645	410	1,055	234
Total deferred inflows of resources	<u>2,833,406</u>	<u>410</u>	<u>2,833,816</u>	<u>234</u>
<b>Net Position:</b>				
Net investment in capital assets	4,714,844	361,599	5,076,443	-
Unrestricted	8,659,194	428,450	9,087,644	683,401
Total net position	<u>\$ 13,374,038</u>	<u>\$ 790,049</u>	<u>14,164,087</u>	<u>\$ 683,401</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			<u>149,578</u>	
<b>Net position of business-type activities</b>			<u>\$ 14,313,665</u>	

**CITY OF ACWORTH, GEORGIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
<b>Operating revenues:</b>				
Charges for services	\$ 12,602,848	\$ 1,716,409	\$ 14,319,257	\$ 3,825,277
Other	407,441	-	407,441	21,667
<b>Total operating revenues</b>	<u>13,010,289</u>	<u>1,716,409</u>	<u>14,726,698</u>	<u>3,846,944</u>
<b>Operating expenses:</b>				
Personal services	1,322,422	895,603	2,218,025	532,374
Operating	8,129,977	545,130	8,675,107	3,319,243
Depreciation	426,341	125,647	551,988	-
<b>Total operating expenses</b>	<u>9,878,740</u>	<u>1,566,380</u>	<u>11,445,120</u>	<u>3,851,617</u>
<b>Operating income</b>	<u>3,131,549</u>	<u>150,029</u>	<u>3,281,578</u>	<u>(4,673)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on disposal of capital assets	30,202	26,363	56,565	-
Interest income	85,686	-	85,686	-
Interest expense	(2,441)	(2,928)	(5,369)	-
<b>Total nonoperating revenues (expenses)</b>	<u>113,447</u>	<u>23,435</u>	<u>136,882</u>	<u>-</u>
<b>Income before contributions and transfers</b>	<u>3,244,996</u>	<u>173,464</u>	<u>3,418,460</u>	<u>(4,673)</u>
<b>Capital contributions</b>	26,008	-	26,008	-
<b>Transfers in</b>	-	210,135	210,135	-
<b>Transfers out</b>	(1,739,252)	(215,000)	(1,954,252)	(80,000)
<b>Increase (decrease) in net position</b>	<u>1,531,752</u>	<u>168,599</u>	<u>1,700,351</u>	<u>(84,673)</u>
<b>Net position at beginning of year</b>	<u>11,842,286</u>	<u>621,450</u>		<u>768,074</u>
<b>Net position at end of year</b>	<u>\$ 13,374,038</u>	<u>\$ 790,049</u>		<u>\$ 683,401</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(16,113)</u>	
<b>Change in net position of business-type activities</b>			<u>\$ 1,684,238</u>	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Funds			Internal Service Funds
	Major			
	Electrical Power	Sanitation	Totals	
<b>Cash flows from (to) operating activities:</b>				
Cash received from contributions and services provided	\$ 14,656,184	\$ 1,737,217	\$ 16,393,401	\$ 3,763,992
Cash payments for goods and services	(8,514,468)	(570,271)	(9,084,739)	(108,662)
Cash payments for benefits and claims	-	-	-	(3,091,686)
Cash payments for employee services and fringe benefits	(2,051,633)	(766,943)	(2,818,576)	(528,264)
<b>Net cash from (to) operating activities</b>	<u>4,090,083</u>	<u>400,003</u>	<u>4,490,086</u>	<u>35,380</u>
<b>Cash flows from (to) noncapital financing activities:</b>				
Transfers in	-	210,135	210,135	-
Transfers out	(1,739,252)	(215,000)	(1,954,252)	(80,000)
<b>Net cash from (to) noncapital financing activities</b>	<u>(1,739,252)</u>	<u>(4,865)</u>	<u>(1,744,117)</u>	<u>(80,000)</u>
<b>Cash flows from (to) capital and related financing activities:</b>				
Contributed capital	26,008	-	26,008	-
Proceeds from sale of capital assets	30,202	26,363	56,565	-
Interest paid	(2,441)	(2,928)	(5,369)	-
Payments for capital acquisitions	(491,435)	(214,977)	(706,412)	-
Principal payments on long-term obligations	(47,960)	(27,109)	(75,069)	-
<b>Net cash from (to) capital and related financing activities</b>	<u>(485,626)</u>	<u>(218,651)</u>	<u>(704,277)</u>	<u>-</u>
<b>Cash flows from (to) investing activities:</b>				
(Purchases) proceeds from sale of investments	(1,068,787)	-	(1,068,787)	-
Interest received from investments	85,686	-	85,686	-
<b>Net cash from (to) investing activities</b>	<u>(983,101)</u>	<u>-</u>	<u>(983,101)</u>	<u>-</u>
<b>Net increase (decrease) in cash</b>	882,104	176,487	1,058,591	(44,620)
<b>Cash at beginning of year (including \$1,189,470 in restricted cash)</b>	<u>3,245,380</u>	<u>537,238</u>	<u>3,782,618</u>	<u>157,685</u>
<b>Cash at end of year (including \$1,193,089 in restricted cash)</b>	<u>\$ 4,127,484</u>	<u>\$ 713,725</u>	<u>\$ 4,841,209</u>	<u>\$ 113,065</u>

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

**CITY OF ACWORTH, GEORGIA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS (CONT'D)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
<b>Reconciliation of operating income (loss) to net cash from operating activities:</b>				
Operating income (loss)	\$ 3,131,549	\$ 150,029	\$ 3,281,578	\$ (4,673)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	426,341	125,647	551,988	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	74,627	(1,927)	72,700	8,870
(Increase) decrease in prepaid items	(137)	-	(137)	(24,779)
(Increase) decrease in inventory	(66,534)	-	(66,534)	-
(Increase) decrease in due from other governments	(27,789)	-	(27,789)	-
(Increase) decrease in due from other funds	(311,585)	(45,475)	(357,060)	(91,822)
(Increase) decrease in other assets	-	-	-	38,852
(Increase) decrease in deferred outflows of resources	(40,594)	(28,485)	(69,079)	(16,278)
Increase (decrease) in net OPEB obligation	66,886	121,968	188,854	-
Increase (decrease) in net pension liability	44,005	42,617	86,622	24,353
Increase (decrease) in accounts payable	(727)	4,396	3,669	104,822
Increase (decrease) in accrued liabilities	13,090	4,019	17,109	2,584
Increase (decrease) in due to other funds	22,281	15,938	38,219	-
Increase (decrease) in customer deposits	(14,522)	22,735	8,213	-
Increase (decrease) in deferred inflows of resources	773,192	(11,459)	761,733	(6,549)
<b>Net cash from (to) operating activities</b>	<b>\$ 4,090,083</b>	<b>\$ 400,003</b>	<b>\$ 4,490,086</b>	<b>\$ 35,380</b>
<b>Supplemental disclosure of noncash investing and financing activities:</b>				
Equipment purchased through capital lease	\$ 246,429	\$ 170,431	\$ 416,860	\$ -

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

**CITY OF ACWORTH, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The accounting methods and procedures adopted by the City of Acworth, Georgia (the City), 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.

**CITY OF ACWORTH, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Discretely Presented Component Unit

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

The City 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*.

**CITY OF ACWORTH, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

**CITY OF ACWORTH, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

**CITY OF ACWORTH, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**D. Budgets and Budgetary Accounting**

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

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

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

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

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

**CITY OF ACWORTH, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

were not material in relation to the original appropriations which were amended.

Unencumbered appropriations lapse at year end.

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

**E. Cash and Investments**

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

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

The City's investments include Georgia Fund 1. Georgia Fund 1 is managed by the Office of State Treasurer. 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.

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

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

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

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

**G. Inventories**

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

**H. Prepaid Items**

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

**I. Capital Assets**

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

GASBS No. 34 requires the City to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The City implemented the retroactive infrastructure provisions for all infrastructure assets.

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

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

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

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

	Electrical Power Fund	Sanitation Fund	Customer Service Fund	Governmental Activities
Buildings	10-20 years	-	-	5-40 years
Improvements other than buildings	7-30 years	-	-	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

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

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

**L. Deferred Outflows/Inflows of Resources**

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

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

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

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

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

**N. Use of Estimates**

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

**O. Comparative Data/Reclassifications**

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

**2. DEPOSITS AND INVESTMENTS**

**A. 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

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by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of June 30, 2016, the City was not exposed to custodial credit risk.

**B. Credit and interest rate risk - investments**

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

As of June 30, 2016, 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	AAAf	\$ 3,838,652	\$ -	\$ -	\$ -	\$ 3,838,652
Municipal Competitive Trust	not rated	-	5,461,407	-	-	5,461,407
Total		\$ 3,838,652	\$ 5,461,407	\$ -	\$ -	\$ 9,300,059

The above table of investments includes \$4,877,195 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.

**C. Fair value measurements**

In fiscal year 2016, the City adopted GASB Statement No. 72 (GASB 72), Fair Value Measurement and Application. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical

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assets that the City has the ability to access.

- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset which are typically based on the City's own assumptions, as there is little, if any, related market activity.

The City's recurring fair value measurements at June 30, 2016, Georgia Fund 1 and Municipal Competitive Trust, are classified in Level 1 of the fair value hierarchy and are valued using prices quoted in active markets for those securities.

**3. RECEIVABLES**

Receivables at June 30, 2016 consist of the following:

	Taxes and Fines	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 41,206	\$ -	\$ 44,038	\$ (11,435)	\$ 73,809
Electrical Power Fund	-	1,881,732	-	(51,000)	1,830,732
Sanitation Fund	-	148,031	-	(5,000)	143,031
Internal Service Funds	-	231	27,611	-	27,842
Total	<u>\$ 41,206</u>	<u>\$ 2,029,994</u>	<u>\$ 71,649</u>	<u>\$ (67,435)</u>	<u>\$ 2,075,414</u>

**4. DUE FROM OTHER GOVERNMENTS**

Amounts due from other governments at June 30, 2016 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	State of Georgia Department of Transportation	Other	Total
General Fund	\$ -	\$ 65	\$ -	\$ 2,859	\$ 2,924
SPLOST Fund	1,164,867	-	49,759	-	1,214,626
Capital Improvement Fund	532	-	-	-	532
Electrical Power Fund	-	-	27,789	-	27,789
Total	<u>\$ 1,165,399</u>	<u>\$ 65</u>	<u>\$ 77,548</u>	<u>\$ 2,859</u>	<u>\$ 1,245,871</u>

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**5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund loans receivable are considered “available spendable resources”. Such balances at June 30, 2016 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

PAYABLE FROM	RECEIVABLE TO						Total
	General Fund	Capital Improvement Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 15,060	\$ 430,097	\$ 66,931	\$ 32,685	\$ 686,883	\$ 1,231,656
SPLOST Fund	499,829	-	-	-	-	-	499,829
Capital Improvement Fund	413,864	-	-	-	-	-	413,864
Electrical Power Fund	89,249	-	-	253,950	-	36,300	379,499
Sanitation Fund	5,823	-	-	-	-	10,115	15,938
Nonmajor Governmental Funds	1,621	-	-	-	-	-	1,621
<b>Total</b>	<b>\$ 1,010,386</b>	<b>\$ 15,060</b>	<b>\$ 430,097</b>	<b>\$ 320,881</b>	<b>\$ 32,685</b>	<b>\$ 733,298</b>	<b>\$ 2,542,407</b>

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

Interfund transfers for the current year were as follows:

TRANSFER IN TO	TRANSFER OUT FROM						Total
	General Fund	Capital Improvement Fund	Electrical Power Fund	Sanitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 1,035,000	\$ 215,000	\$ 329,659	\$ 80,000	\$ 1,659,659
Capital Improvement Fund	500,000	-	-	-	-	-	500,000
SPLOST Fund	-	40,000	-	-	-	-	40,000
Sanitation Fund	-	210,135	-	-	-	-	210,135
Nonmajor Governmental Funds	527,255	-	704,252	-	-	-	1,231,507
<b>Total</b>	<b>\$ 1,027,255</b>	<b>\$ 250,135</b>	<b>\$ 1,739,252</b>	<b>\$ 215,000</b>	<b>\$ 329,659</b>	<b>\$ 80,000</b>	<b>\$ 3,641,301</b>

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.

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**6. RESTRICTED ASSETS**

The City's restricted assets at June 30, 2016 are restricted for the following:

<b>Governmental Funds</b>	<b>Total</b>
General Fund:	
Municipal court bonds	\$ 242,210
Development performance bonds	120,681
Proceeds from sale of water & sewer system	3,000,000
Bail bond escrow	30,670
Other	40,305
	3,433,866
 SPLOST Fund:	
Unspent SPLOST proceeds	3,582,271
 Nonmajor governmental funds:	
Unspent TAD proceeds	1
Recreational Impact Fee	150,590
Soil Erosion Fee	13,721
Confiscated Assets	474,501
	638,813
 <b>Total governmental funds</b>	<b>\$ 7,654,950</b>
 <b>Proprietary Funds</b>	
Power Fund:	
MEAG Power project	\$ 4,659,266
Security deposits	1,193,089
	5,852,355
 <b>Total proprietary funds</b>	<b>\$ 5,852,355</b>

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**7. CAPITAL ASSETS**

Capital asset activity for the period ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,550,363	\$ 1,598,458	\$ -	\$ 7,148,821
Construction in progress	1,032,836	2,832,161	(50,772)	3,814,225
Total capital assets not being depreciated	6,583,199	4,430,619	(50,772)	10,963,046
Capital assets, being depreciated:				
Buildings	15,375,984	26,286	-	15,402,270
Improvements other than buildings	10,537,071	302,470	(17,522)	10,822,019
Intangible Assets	199,505	-	-	199,505
Vehicles and equipment	5,426,130	1,278,135	(19,553)	6,684,712
Infrastructure (streets)	62,429,258	259,010	(116,580)	62,571,688
Total capital assets being depreciated	93,967,948	1,865,901	(153,655)	95,680,194
Less accumulated depreciation for:				
Buildings	(3,319,221)	(633,063)	-	(3,952,284)
Improvements other than buildings	(3,981,048)	(617,275)	17,507	(4,580,816)
Intangible Assets	(78,242)	(14,690)	-	(92,932)
Vehicles and equipment	(3,555,708)	(643,801)	19,553	(4,179,956)
Infrastructure (streets)	(40,367,748)	(2,680,079)	100,908	(42,946,919)
Total accumulated depreciation	(51,301,967)	(4,588,908)	137,968	(55,752,907)
Total capital assets being depreciated, net	42,665,981	(2,723,007)	(15,687)	39,927,287
<b>Governmental activities capital assets, net</b>	<b>\$ 49,249,180</b>	<b>\$ 1,707,612</b>	<b>\$ (66,459)</b>	<b>\$ 50,890,333</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 265,917	\$ 176,126	\$ -	\$ 442,043
Total capital assets not being depreciated	265,917	176,126	-	442,043
Capital assets, being depreciated:				
Buildings	136,369	30,000	-	166,369
Improvements other than buildings	-	7,560	-	7,560
Electrical System	9,636,694	423,131	-	10,059,825
Vehicles and equipment	3,755,023	486,455	(294,027)	3,947,451
Total capital assets being depreciated	13,528,086	947,146	(294,027)	14,181,205
Less accumulated depreciation for:				
Buildings	(119,515)	(5,894)	-	(125,409)
Improvements other than buildings	-	(725)	-	(725)
Electrical System	(5,384,142)	(335,173)	-	(5,719,315)
Vehicles and equipment	(3,351,811)	(210,196)	294,027	(3,267,980)
Total accumulated depreciation	(8,855,468)	(551,988)	294,027	(9,113,429)
Total capital assets being depreciated, net	4,672,618	395,158	-	5,067,776
<b>Business-type activities capital assets, net</b>	<b>\$ 4,938,535</b>	<b>\$ 571,284</b>	<b>\$ -</b>	<b>\$ 5,509,819</b>

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

Governmental Activities:	
General government	\$ 402,433
Judicial	11,505
Public safety	712,131
Public works, including depreciation of general infrastructure	2,840,992
Housing and development	16,507
Culture and recreation	605,340
Total depreciation expense - governmental activities	<u>\$ 4,588,908</u>
Business-type activities:	
Electric	\$ 426,341
Sanitation	125,647
Total depreciation expense - business-type activities	<u>\$ 551,988</u>

**8. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 10,251,000	\$ -	\$ (850,000)	\$ 9,401,000	\$ 880,000
Installment sales agreement	3,639,666	-	(207,165)	3,432,501	214,230
Tax allocation district bonds	4,920,000	-	(395,000)	4,525,000	405,000
Intergovernmental contracts	-	373,397	(33,768)	339,629	73,624
Capital leases	-	253,550	(13,742)	239,808	83,292
Net pension liability	1,768,277	836,807	(338,963)	2,266,121	-
Net OPEB obligation	2,770,780	246,570	(41,970)	2,975,380	-
Compensated absences	218,388	264,636	(258,086)	224,938	179,949
Governmental activities long-term liabilities	<u>\$ 23,568,111</u>	<u>\$ 1,974,960</u>	<u>\$ (2,138,694)</u>	<u>\$ 23,404,377</u>	<u>\$ 1,836,095</u>
<b>Business-type activities:</b>					
Capital leases	\$ 91,585	\$ 416,860	\$ (75,069)	\$ 433,376	\$ 121,761
Net pension liability	528,187	206,495	(95,520)	639,162	-
Net OPEB obligation	783,269	227,596	(38,742)	972,123	-
Compensated absences	78,965	102,493	(98,359)	83,099	66,479
Business-type activities long-term liabilities	<u>\$ 1,482,006</u>	<u>\$ 953,444</u>	<u>\$ (307,690)</u>	<u>\$ 2,127,760</u>	<u>\$ 188,240</u>

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

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**Governmental activities:**

**A. 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
2017	\$ 330,000	\$ 42,386	\$ 372,386
2018	336,000	36,644	372,644
2019	342,000	30,798	372,798
2020	348,000	24,848	372,848
2021	354,000	18,792	372,792
2022 - 2023	726,000	19,000	745,000
Total	<u>\$ 2,436,000</u>	<u>\$ 172,468</u>	<u>\$ 2,608,468</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

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\$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.

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 440,000	\$ 267,578	\$ 707,578
2018	460,000	250,110	710,110
2019	480,000	231,848	711,848
2020	500,000	212,792	712,792
2021	520,000	192,942	712,942
2022 - 2026	2,965,000	636,193	3,601,193
2027 - 2028	1,375,000	82,376	1,457,376
Total	<u>\$ 6,740,000</u>	<u>\$ 1,873,839</u>	<u>\$ 8,613,839</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, 2016, 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
2017	\$ 110,000	\$ 8,100	\$ 118,100
2018	115,000	4,140	119,140
Total	<u>\$ 225,000</u>	<u>\$ 12,240</u>	<u>\$ 237,240</u>

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**B. 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%.

The debt service requirements on this agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 214,230	\$ 113,396	\$ 327,626
2018	221,535	105,966	327,501
2019	229,089	98,283	327,372
2020	236,901	90,338	327,239
2021	244,979	82,122	327,101
2022 - 2026	1,356,049	277,218	1,633,267
2027 - 2029	929,718	48,264	977,982
Total	<u>\$ 3,432,501</u>	<u>\$ 815,587</u>	<u>\$ 4,248,088</u>

**C. Tax Allocation District Bonds**

During 2004, the City issued \$6,050,000 in limited obligation term bonds to undertake certain redevelopment projects within a tax allocation district (Lakeside TAD) established by the City. The issuance is a limited obligation of the City, not secured by the full faith and credit of the City, but is secured solely by, and payable solely from, pledged revenues. The pledged revenues are defined as the tax allocation increments, the amount of property taxes generated within the district area which exceed the amount collected from the same area prior to development, from the City, Cobb County, and the Cobb County Board of Education. The property tax increments are pledged until the bonds are paid in full in fiscal year 2029. The tax allocation increments are projected to produce 100% of the debt service requirements over the life of the bonds. For the current year, total principal and interest paid and total tax allocation increments were \$514,951 and \$767,118, respectively.

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

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**Governmental - TAD Bonds**

Year Ending June 30,	Principal	Interest	Total
2017	\$ 405,000	\$ 109,792	\$ 514,792
2018	415,000	99,378	514,378
2019	425,000	88,710	513,710
2020	435,000	77,788	512,788
2021	445,000	66,612	511,612
2022 - 2026	2,400,000	155,452	2,555,452
Total	<u>\$ 4,525,000</u>	<u>\$ 597,732</u>	<u>\$ 5,122,732</u>

**D. Intergovernmental Contract**

During 2016, the City entered into an intergovernmental agreement with Cobb County for lease payments on portable and mobile radios through the levy of a one percent Special Purpose Local Option Sales Tax (SPLOST). The one percent SPLOST is collected by Cobb County and the City's payments on the radio equipment will be retained by the County. The agreement is for a term of 5 years requiring a monthly payment of \$6,500.

Intergovernmental contract debt service requirements over the life of the agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 73,624	\$ 4,376	\$ 78,000
2018	74,684	3,316	78,000
2019	75,759	2,241	78,000
2020	76,846	1,154	78,000
2021	38,716	284	39,000
Total	<u>\$ 339,629</u>	<u>\$ 11,371</u>	<u>\$ 351,000</u>

**E. Capital Lease**

In April 2016, the City entered into a capital lease agreement with a term of 36 months and interest at 1.74% with the Georgia Municipal Association for the purpose of purchasing police vehicles. Capital lease debt service requirements to maturity for Governmental Activities are as follows:

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Year Ending June 30,	Principal	Interest	Total
2017	\$ 83,292	\$ 3,510	\$ 86,802
2018	84,753	2,050	86,803
2019	71,763	574	72,337
Total	<u>\$ 239,808</u>	<u>\$ 6,134</u>	<u>\$ 245,942</u>

The gross amount of Governmental Activities capital assets on the balance sheet recorded under capital leases is \$253,550. This year \$8,856 was included in depreciation expense.

**Business-type Activities:**

**A. Capital Leases**

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 121,761	\$ 7,856	\$ 129,617
2018	92,808	5,485	98,293
2019	84,134	3,716	87,850
2020	85,900	1,950	87,850
2021	48,773	406	49,179
Total	<u>\$ 433,376</u>	<u>\$ 19,413</u>	<u>\$ 452,789</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$614,493, and the accumulated depreciation is \$199,097. This year \$83,983 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 \$6,462,495 from the Authority during the period ended June 30, 2016.

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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 \$177,229 during the period ended June 30, 2016.

Encumbrances

Encumbrances outstanding as of June 30, 2016 are as follows:

SPLOST Fund	\$	4,359,337
Capital Improvement Fund		188,208
Non-major Governmental Funds		200,000
Total		\$ 4,747,545

**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 15 were due on or before November 16.

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, 2015 were \$572,529,434 and \$49,061,995 respectively.

Based on the 2015 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$4,491,087 for the fiscal year ended June 30, 2016 were 98.84% of the levy.

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**11. FUND BALANCE**

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

	General Fund	SPLOST Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepays	\$ 91,878	\$ -	\$ -	\$ -	\$ 91,878
Prepays - transportation project	-	125,000	-	-	125,000
Restricted for:					
Public safety - police	3,578	70,395	-	459,394	533,367
Culture and recreation - park expansion	-	671,870	-	151,590	823,460
Housing and development	-	-	-	1	1
Public works	1,097	-	-	13,646	14,743
Public works - transportation projects	-	2,856,009	-	-	2,856,009
Voter appropriation	3,000,000	-	-	-	3,000,000
Committed for:					
Public works	-	-	1,600	-	1,600
Assigned for:					
Capital projects - Cauble Park	19,000	-	-	-	19,000
Public safety - police	4,635	-	-	-	4,635
Culture and recreation - Tree Commission	9,446	-	-	-	9,446
Culture and recreation - Lake Authority	-	-	-	26,639	26,639
Housing and development - DDA	10,000	-	-	40,428	50,428
Housing and development - historic preservation	7,208	-	-	-	7,208
Unassigned	4,695,627	-	(285,719)	-	4,409,908
	<u>\$ 7,842,469</u>	<u>\$ 3,723,274</u>	<u>\$ (284,119)</u>	<u>\$ 691,698</u>	<u>\$ 11,973,322</u>

**12. EMPLOYEE RETIREMENT SYSTEM**

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

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%.

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

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

*Employees covered by benefit terms* - At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	68
Active employees	<u>165</u>
Total	<u><u>276</u></u>

*Contributions* - Contributions are determined under the projected unit credit actuarial cost method. The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions. For the year ended June 30, 2016, the actuarially determined rate was 6.56% of annual pay. The City’s contributions to the Plan totaled \$396,393 for the year ended June 30, 2016.

Net Pension Liability - The City’s net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions* - The total pension liability in the September 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate. The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period of January 1, 2010 through June 30, 2014.

The actuarial assumptions used in the January 1, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

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

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

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 9/30/2014	\$ 8,816,707	\$ 6,520,243	\$ 2,296,464
Changes for the year:			
Service cost	292,812	-	292,812
Interest	672,423	-	672,423
Differences between expected and actual experience	278,675	-	278,675
Contributions - employer	-	434,039	(434,039)
Contributions - employee	-	164,243	(164,243)
Net investment income	-	62,237	(62,237)
Benefit payments, including refunds of employee contributions	(280,555)	(280,555)	-
Administrative expense	-	(25,428)	25,428
Other	-	-	-
Net changes	<u>963,355</u>	<u>354,536</u>	<u>608,819</u>
Balances at 9/30/2015	<u>\$ 9,780,062</u>	<u>\$ 6,874,779</u>	<u>\$ 2,905,283</u>

As a result of the new administrative fee structure approved by the GMEBS Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

As a result of the plan change to provide immediate participation for Employees, for the fiscal year ending in 2015, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's net pension liability is minimal and has been included in the differences between expected and actuarial experience.

Amounts reported for the fiscal year ending in 2015 and later reflect the following assumption changes approved by the GMEBS Board in December 2014 based on the results of an actuarial experience covering the period of January 1, 2010 to June 30, 2014:

Changes in Assumptions

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover one or after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65,

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the rates were changed from the prior assumption of 100% at the earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

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

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

	1% Decrease (6.75%)	Current Discount (7.75%)	1% Increase (8.75%)
Net pension liability	\$ 4,289,459	\$ 2,905,283	\$ 1,779,262

Pension Plan Fiduciary Net Position. - Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS Retirement Trust financial report. The GMEBS's financial statements are prepared using the accrual basis of accounting. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the GMEBS. The net appreciation (depreciation) in the fair value of investments held by the GMEBS is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position. Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value as of the Statement of Net Position date.

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

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

For the year ended June 30, 2016, the City recognized pension expense of \$434,483. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 284,393	\$ -
Changes of assumptions	-	(5,861)
Net difference between projected and actual earnings on pension plan investments	242,217	-
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	<u>297,293</u>	<u>-</u>
Total	<u>\$ 823,903</u>	<u>\$ (5,861)</u>

\$297,293 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 124,710
2018	124,710
2019	124,710
2020	146,619
2021	-
Thereafter	-

**13. POST EMPLOYMENT HEALTHCARE PLAN**

Plan Description - The City of Acworth OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Acworth. The plan does not issue separate financial statements. The City provides medical, prescription drug and life insurance benefits to retirees. Retirees' spouses are eligible for the same benefits as the retiree with the exception of life insurance. Employees retiring after March 01, 2009 are not provided life insurance. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 60, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater

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than 85. Per the January 1, 2014 valuation, there were 5 employees fully eligible for the benefits, 7 retirees and spouses receiving benefits, and 138 current and active employees. The City has the authority to establish and amend benefit provisions. As of June 30, 2016 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, 2016, the City contributed \$80,712 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
6/30/2014	\$ 529,304	6%	\$ 3,083,078	\$ 32,178
6/30/2015	501,324	6%	3,554,050	30,352
6/30/2016	474,165	17%	3,947,503	80,712

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

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

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

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Required contribution	\$ 612,743
Interest on net OPEB obligation	142,168
Adjustment to required contribution	(280,746)
OPEB cost	474,165
Contributions made	(80,712)
Increase (decrease) in net OPEB obligation	393,453
Net OPEB obligation, beginning of period	3,554,050
Net OPEB obligation, end of period	\$ 3,947,503

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

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

Valuation date	1/1/2014
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

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**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, 2016, there were 118 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 1, 2007 to be automatically vested. Employees hired after October 1, 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 1, 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, 2016 was \$4,178. The City made total contributions during the year of \$346,574. The participant's portion of the contributions during the year was \$175,002. 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. 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. 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

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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.
- 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 Workers' Compensation Self-Insurance 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 related medical benefits and lost time exceeding the first

**CITY OF ACWORTH, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 purview 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 operates a partially self-insured program for medical claims (which includes prescriptions). The City is responsible for premium payments, medical claims payments and providing eligibility information. Employee contributions are deducted from payroll and are based on the level of coverage elected.

The City has a specific deductible of \$40,000 with an unlimited specific excess limited per cover person and an unlimited lifetime reimbursement limitation. There is no aggregating specific deductible. The City pays the claims and after the claims reach this amount, a private insurance carrier will reimburse the City. Under the aggregate excess coverage, there is an aggregate excess limit of \$1,000,000 with a corridor of 125%. The City has entered into a contract with a third party to administer the programs.

The City has accrued a liability for claims incurred but not reported before the fiscal year end. The City believes paid before the fiscal year end. Additionally, a liability has been accrued for claims incurred but not reported before the fiscal year end.

The City believes that coverage provided by these various insurance policies is adequate to cover any outstanding claims as detailed by the carrier.

**CITY OF ACWORTH, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**16. JOINT VENTURE**

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

**17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following fund had expenditures in excess of appropriations for the fiscal year ended June 30, 2016:

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>General Fund:</b>			
Culture & Recreation			
Concert	7,415	7,629	214
<b>Acworth Downtown Development Authority:</b>			
Housing and development	13,895	21,167	7,272

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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

	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>		
Service cost	\$ 292,812	\$ 281,368
Interest	672,423	616,661
Differences between expected and actual experience	278,675	102,420
Changes of assumptions	-	(9,772)
Benefit payments, including refunds of employee contributions	<u>(280,555)</u>	<u>(261,769)</u>
<b>Net change in total pension liability</b>	963,355	728,908
<b>Total pension liability - beginning</b>	<u>8,816,707</u>	<u>8,087,799</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 9,780,062</u></u>	<u><u>\$ 8,816,707</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 434,039	\$ 369,318
Contributions - employee	164,243	146,390
Net investment income	62,237	648,207
Benefit payments including refunds of employee contributions	(280,555)	(261,769)
Administrative expense	<u>(25,428)</u>	<u>(20,118)</u>
<b>Net change in plan fiduciary net position</b>	354,536	882,028
<b>Plan fiduciary net position - beginning</b>	<u>6,520,243</u>	<u>5,638,215</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 6,874,779</u></u>	<u><u>\$ 6,520,243</u></u>
<b>Net pension liability - ending (a) - (b)</b>	<u><u>\$ 2,905,283</u></u>	<u><u>\$ 2,296,464</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	70.29%	73.95%
<b>Covered employee payroll</b>	\$ 6,891,178	\$ 5,949,453
<b>Net pension liability as a percentage of covered employee payroll</b>	42.16%	38.60%

**Notes to Schedule:**

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

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

	6/30/2016	6/30/2015
Actuarially determined contribution	\$ 465,298	\$ 394,148
Contributions in relation to the actuarially determined contribution	396,393	433,563
Contribution deficiency (excess)	\$ 68,905	\$ (39,415)
 Covered-employee payroll	 \$ 7,383,239	 \$ 6,681,136
Contributions as a percentage of covered-employee payroll	5.37%	6.49%

**Notes to Schedule:**

The information presented was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest valuation follow:

Valuation Date: January 1, 2016

Methods and assumptions to determine contribution rates:

Actuarial cost method Projected unit credit

Amortization method Closed level dollar for remaining unfunded liability

Remaining amortization period Varies for the bases, with a net effective amortization period of 10 years.

Asset valuation method Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Inflation 3.25%

Salary increases 3.25% plus service based merit increases

Investment rate of return 7.75%

Retirement age 65

Mortality RP-2000 Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females. RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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

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

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

Post Employment Healthcare Plan:

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

**CITY OF ACWORTH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>				
Taxes	\$ 9,238,931	\$ 9,404,654	\$ 9,510,847	\$ 106,193
Licenses and Permits	401,610	439,737	448,147	8,410
Intergovernmental	23,949	38,821	41,831	3,010
Charges for Services	695,098	628,700	689,355	60,655
Fines and Forfeitures	1,200,000	1,150,493	1,217,132	66,639
Investment Earnings	15,000	18,500	18,518	18
Contributions and Donations	35,000	60,830	61,088	258
Other	68,000	112,624	114,088	1,464
<b>Total revenues</b>	<u>11,677,588</u>	<u>11,854,359</u>	<u>12,101,006</u>	<u>246,647</u>
<b>Expenditures:</b>				
General Government				
Board of Aldermen	192,028	210,563	205,588	4,975
Administration - City Manager's Office	517,533	538,519	531,059	7,460
Elections	7,010	40	40	-
Financial Administration	512,227	538,400	529,463	8,937
Attorney/Legal Services	68,750	103,750	98,754	4,996
Information Systems	256,860	283,189	275,592	7,597
Insurance/Risk Management	295,000	295,000	288,581	6,419
External Auditors	32,891	31,600	31,558	42
Government Bldg - Industrial Center Dr	5,500	-	-	-
Government Bldg - City Hall	91,750	90,500	77,843	12,657
Government Bldg - 4400 Acworth Ind Dr	117,000	119,635	115,956	3,679
Government Bldg - 4406 Acworth Ind Dr	60,500	53,000	45,595	7,405
Government Bldg - Other City Property	4,600	9,287	7,958	1,329
Government Bldg - Old Jail	500	750	51	699
Public Information	4,158	4,158	1,909	2,249
General Administration Fees	10,000	10,000	9,849	151
Judicial				
Municipal Court	436,420	454,891	441,673	13,218
Public Safety				
Police	3,991,640	4,254,860	4,175,467	79,393
Police Explorers	5,000	5,000	3,057	1,943
Jail	1,016,552	1,064,548	1,026,850	37,698
Public Works				
Public Works Administration	275,095	302,515	297,418	5,097
Highways and Streets	664,677	694,829	657,577	37,252
Storm Drainage	19,814	19,814	9,277	10,537
Fleet Maintenance	142,211	136,631	128,011	8,620
Building Maintenance	69,437	73,666	70,091	3,575
Cemetery	32,111	30,311	23,885	6,426
Health and Welfare				
Mosquito Control	5,923	6,026	3,640	2,386

**CITY OF ACWORTH  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Culture and Recreation				
Recreation	1,524,938	1,619,624	1,589,883	29,741
Athletics	77,767	85,937	82,721	3,216
Community Programs	56,500	52,810	50,915	1,895
Roberts School Rec Facility	40,375	41,905	34,172	7,733
Rosenwald Community Center	25,350	23,975	21,489	2,486
Neighborhood Playgrounds	3,625	3,625	688	2,937
Southshore Park and Beach	6,550	7,050	6,054	996
Dallas Landing Beach and Park	39,130	36,785	34,611	2,174
Proctor Landing Beach and Park	38,910	37,246	31,922	5,324
Acworth Sports Complex	120,200	122,200	108,673	13,527
Bobby Van Newberry Park	17,110	21,647	16,758	4,889
Cauble Park Facilities	77,630	61,730	56,061	5,669
Logan Farm Park Facilities	34,304	39,804	36,605	3,199
Summer Camp Operations	93,550	106,081	94,664	11,417
Special Events Activities	67,450	66,935	65,496	1,439
Concert	14,300	7,415	7,629	(214)
Senior Citizen Luncheon	36,100	28,800	27,071	1,729
Parks	9,950	8,875	8,161	714
Tree Commission	1,765	1,765	216	1,549
Housing and Development				
Conservation / Soil Erosion	67,636	70,848	69,445	1,403
Protective Building Inspections	381,706	391,388	383,060	8,328
Planning and Zoning	203,338	222,783	218,920	3,863
Economic Development	122,819	129,372	126,242	3,130
Historic Preservation	1,230	900	-	900
Tax Allocation District	237,800	252,167	252,166	1
Debt Service	327,747	327,747	327,745	2
<b>Total Expenditures</b>	<u>12,462,967</u>	<u>13,100,896</u>	<u>12,708,109</u>	<u>392,787</u>
<b>Excess (deficiency) of Revenues over Expenditures</b>	<u>(785,379)</u>	<u>(1,246,537)</u>	<u>(607,103)</u>	<u>639,434</u>
<b>Other Financing Sources (uses):</b>				
Transfers In	1,139,050	2,109,449	1,659,659	(449,790)
Transfers Out	(527,316)	(1,046,316)	(1,027,255)	19,061
Sale of Capital Assets	8,832	9,724	11,138	1,414
<b>Total Other Financing Sources (uses)</b>	<u>620,566</u>	<u>1,072,857</u>	<u>643,542</u>	<u>(429,315)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (164,813)</u>	<u>\$ (173,680)</u>	\$ 36,439	<u>\$ 210,119</u>
Fund Balance at Beginning of Year - GAAP Basis			<u>7,806,030</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,842,469</u>	

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# **GOVERNMENTAL FUNDS**

## **NONMAJOR COMBINING STATEMENTS**

**CITY OF ACWORTH, GEORGIA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

		Special Revenue Funds									
		Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor		
<b>Assets:</b>											
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,406	\$ -	\$ 35,406	\$ -	\$ 35,406
Investments	-	-	-	-	-	-	4	-	4	-	4
Due from other funds	-	1,000	-	-	-	26,666	5,019	-	32,685	-	32,685
Restricted assets:											
Cash	-	2,500	474,501	-	-	-	-	1	477,002	-	477,002
Investments	-	148,090	-	13,721	-	-	-	-	161,811	-	161,811
<b>Total assets</b>		\$ -	\$ 151,590	\$ 474,501	\$ 13,721	\$ 26,666	\$ 40,429	\$ 1	\$ 706,908		
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ -	\$ 148	\$ -	\$ -	\$ 27	\$ 1	\$ -	\$ 176		
Retainage payable	-	-	-	-	-	-	-	-	-		
Due to other funds	-	-	1,546	75	-	-	-	-	1,621		
Unearned revenue	-	-	13,413	-	-	-	-	-	13,413		
<b>Total liabilities</b>		-	-	15,107	75	27	1	-	15,210		
<b>Fund balances:</b>											
Restricted	-	151,590	459,394	13,646	-	-	-	1	624,631		
Assigned	-	-	-	-	-	26,639	40,428	-	67,067		
<b>Total fund balances</b>		-	151,590	459,394	13,646	26,639	40,428	1	691,698		
<b>Total liabilities, deferred inflows of resources, and fund balances</b>		\$ -	\$ 151,590	\$ 474,501	\$ 13,721	\$ 26,666	\$ 40,429	\$ 1	\$ 706,908		

**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, 2016**

	Special Revenue Funds							Total Nonmajor
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	
<b>Revenues:</b>								
Taxes	\$ 206,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,945	\$ 365,593
Charges for services	-	86,250	-	1,058	-	-	-	87,308
Fines and forfeitures	-	-	210,691	-	-	-	-	210,691
Intergovernmental	-	-	-	-	9,234	-	608,173	617,407
Investment earnings	-	307	116	39	-	10	-	472
Contributions and donations	-	-	1,255	-	-	-	-	1,255
Other	-	-	-	-	-	1,255	-	1,255
<b>Total revenues</b>	<b>206,648</b>	<b>86,557</b>	<b>212,062</b>	<b>1,097</b>	<b>9,234</b>	<b>1,265</b>	<b>767,118</b>	<b>1,283,981</b>
<b>Expenditures:</b>								
Current:								
Public safety	-	-	108,526	-	-	-	-	108,526
Public works	-	-	-	4,233	-	-	-	4,233
Housing and development	-	-	-	-	-	21,167	-	21,167
Culture and recreation	129,155	-	-	-	1,425	3,500	-	134,080
Debt service	-	-	-	-	116,880	1,077,232	514,951	1,709,063
<b>Total expenditures</b>	<b>129,155</b>	<b>-</b>	<b>108,526</b>	<b>4,233</b>	<b>118,305</b>	<b>1,101,899</b>	<b>514,951</b>	<b>1,977,069</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>77,493</b>	<b>86,557</b>	<b>103,536</b>	<b>(3,136)</b>	<b>(109,071)</b>	<b>(1,100,634)</b>	<b>252,167</b>	<b>(693,088)</b>
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	126,880	1,104,627	-	1,231,507
Transfers out	(77,493)	-	-	-	-	-	(252,166)	(329,659)
<b>Total other financing sources (uses)</b>	<b>(77,493)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,880</b>	<b>1,104,627</b>	<b>(252,166)</b>	<b>901,848</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>86,557</b>	<b>103,536</b>	<b>(3,136)</b>	<b>17,809</b>	<b>3,993</b>	<b>1</b>	<b>208,760</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>65,033</b>	<b>355,858</b>	<b>16,782</b>	<b>8,830</b>	<b>36,435</b>	<b>-</b>	<b>482,938</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 151,590</b>	<b>\$ 459,394</b>	<b>\$ 13,646</b>	<b>\$ 26,639</b>	<b>\$ 40,428</b>	<b>\$ 1</b>	<b>\$ 691,698</b>

## **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, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Cash	\$ 3,928,653	\$ 2,823,858
Investments	1,625,996	3,024,752
Receivables (net of allowance for estimated uncollectibles):		
Taxes	17,240	49,839
Interest	12,531	18,675
Other	44,038	-
Due from other funds	1,010,386	716,841
Due from other governments	2,924	4,353
Due from component unit	7,438	23,823
Prepaid items	91,878	61,309
Restricted assets:		
Cash	3,433,866	3,437,235
Investments	-	200,780
<b>Total assets</b>	<b>\$ 10,174,950</b>	<b>\$ 10,361,465</b>
<b>Liabilities:</b>		
Accounts payable	\$ 429,101	\$ 475,984
Unearned revenue	435,173	462,689
Accrued liabilities	208,367	162,363
Due to other funds	1,231,656	1,380,557
Due to component unit	-	10,489
<b>Total liabilities</b>	<b>2,304,297</b>	<b>2,492,082</b>
<b>Deferred inflows of resources:</b>		
Unavailable revenue - property taxes	28,184	63,353
<b>Fund balances:</b>		
Nonspendable	91,878	61,309
Restricted	3,004,675	3,198,814
Assigned	50,289	23,300
Unassigned	4,695,627	4,522,607
<b>Total fund balance</b>	<b>7,842,469</b>	<b>7,806,030</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,174,950</b>	<b>\$ 10,361,465</b>

**CITY OF ACWORTH, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Taxes	\$ 9,510,847	\$ 9,054,071
Licenses and permits	448,147	498,578
Charges for services	689,355	631,999
Intergovernmental	41,831	37,895
Fines and forfeitures	1,217,132	1,084,537
Investment earnings	18,518	18,253
Contributions and donations	61,088	59,140
Other	114,088	85,925
	<b>Total revenues</b>	<b>11,470,398</b>
	12,101,006	11,470,398
<b>Expenditures:</b>		
Current:		
General government	2,219,796	2,019,309
Public safety	5,205,374	4,440,801
Public works	1,186,259	1,041,434
Health and welfare	3,640	1,668
Housing and development	1,049,833	881,567
Judicial	441,673	410,749
Culture and recreation	2,273,789	1,969,336
Debt service	327,745	327,862
	<b>Total expenditures</b>	<b>11,092,726</b>
	12,708,109	11,092,726
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(607,103)</b>	<b>377,672</b>
	(607,103)	377,672
<b>Other financing sources (uses):</b>		
Transfers in	1,659,659	1,125,977
Transfers out	(1,027,255)	(1,375,248)
Sale of capital assets	11,138	76,048
	<b>Total other financing sources (uses)</b>	<b>(173,223)</b>
	643,542	(173,223)
<b>Net change in fund balance</b>	<b>36,439</b>	<b>204,449</b>
	36,439	204,449
<b>Fund balance at beginning of year</b>	<b>7,806,030</b>	<b>7,601,581</b>
	7,806,030	7,601,581
<b>Fund balance at end of year</b>	<b>\$ 7,842,469</b>	<b>\$ 7,806,030</b>
	\$ 7,842,469	\$ 7,806,030

## **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, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Due from other funds	\$ -	\$ -
<b>Total assets</b>	\$ -	\$ -
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
<b>Total liabilities</b>	\$ -	\$ -

**CITY OF ACWORTH, GEORGIA  
HOTEL/MOTEL TAX  
SPECIAL REVENUE FUND  
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Taxes	\$ 206,648	\$ 188,530
<b>Expenditures:</b>		
Current:		
Culture and recreation	129,155	117,831
<b>Excess (deficiency) of revenues over (under) expenditures</b>	77,493	70,699
<b>Other financing sources (uses):</b>		
Transfers out	(77,493)	(70,699)
<b>Net change in fund balance</b>	-	-
<b>Fund balance at beginning of year</b>	-	-
<b>Fund balance at end of year</b>	\$ -	\$ -

**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, 2016**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 207,000	\$ 206,648	\$ (352)
<b>Expenditures:</b>			
Current:			
Culture and recreation	129,375	129,155	220
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>77,625</b>	<b>77,493</b>	<b>(132)</b>
<b>Other financing sources (uses):</b>			
Transfers out	(77,625)	(77,493)	132
<b>Net change in fund balance</b>	<b>\$ -</b>	-	<b>\$ -</b>
<b>Fund balance at beginning of year</b>		-	
<b>Fund balance at end of year</b>		<b>\$ -</b>	

**CITY OF ACWORTH, GEORGIA  
RECREATIONAL IMPACT FEE  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Due from other funds	\$ 1,000	\$ -
Restricted assets:		
Cash	2,500	32,000
Investments	148,090	53,129
<b>Total assets</b>	<b>\$ 151,590</b>	<b>\$ 85,129</b>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 15,531
Retainage payable	-	4,565
<b>Total liabilities</b>	-	20,096
<b>Fund balance:</b>		
Restricted	151,590	65,033
<b>Total fund balance</b>	151,590	65,033
<b>Total liabilities and fund balance</b>	<b>\$ 151,590</b>	<b>\$ 85,129</b>

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Charges for services	\$ 86,250	\$ 108,500
Investment earnings	307	64
	86,557	108,564
<b>Total revenues</b>		
<b>Expenditures:</b>		
Current:		
Culture and recreation	-	78,242
	-	78,242
<b>Excess (deficiency) of revenues over (under) expenditures</b>	86,557	30,322
<b>Net change in fund balance</b>	86,557	30,322
<b>Fund balance at beginning of year</b>	65,033	34,711
<b>Fund balance at end of year</b>	\$ 151,590	\$ 65,033

**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, 2016**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Charges for services	\$ 68,500	\$ 86,250	\$ 17,750
Investment earnings	150	307	157
	<u>68,650</u>	<u>86,557</u>	<u>17,907</u>
<b>Total revenues</b>			
	<u>\$ 68,650</u>	86,557	<u>\$ 17,907</u>
<b>Net change in fund balance</b>			
<b>Fund balance at beginning of year</b>		<u>65,033</u>	
<b>Fund balance at end of year</b>		<u>\$ 151,590</u>	

**CITY OF ACWORTH, GEORGIA  
CONFISCATED ASSETS FUND  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Restricted assets:		
Cash	\$ 474,501	\$ 364,116
<b>Total assets</b>	<b>\$ 474,501</b>	<b>\$ 364,116</b>
<b>Liabilities:</b>		
Accounts payable	\$ 148	\$ -
Due to other funds	1,546	690
Unearned revenue	13,413	7,568
<b>Total liabilities</b>	<b>15,107</b>	<b>8,258</b>
<b>Fund balance:</b>		
Restricted	459,394	355,858
<b>Total fund balance</b>	<b>459,394</b>	<b>355,858</b>
<b>Total liabilities and fund balances</b>	<b>\$ 474,501</b>	<b>\$ 364,116</b>

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Fines and forfeitures	\$ 210,691	\$ 163,300
Investment earnings	116	125
Contributions and donations	1,255	-
<b>Total revenues</b>	212,062	163,425
<b>Expenditures:</b>		
Current:		
Public safety	108,526	114,583
<b>Excess (deficiency) of revenues over (under) expenditures</b>	103,536	48,842
<b>Net change in fund balance</b>	103,536	48,842
<b>Fund balance at beginning of year</b>	355,858	307,016
<b>Fund balance at end of year</b>	\$ 459,394	\$ 355,858

**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, 2016**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Fines and forfeitures	\$ 146,118	\$ 210,691	\$ 64,573
Investment earnings	<u>100</u>	<u>116</u>	<u>16</u>
<b>Total revenues</b>	<u>146,218</u>	<u>210,807</u>	<u>64,589</u>
<b>Expenditures:</b>			
Current:			
Public safety	<u>202,500</u>	<u>108,526</u>	<u>93,974</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(56,282)</u>	<u>102,281</u>	<u>158,563</u>
<b>Net change in fund balance</b>	<u><u>\$ (56,282)</u></u>	<u>102,281</u>	<u><u>\$ 158,563</u></u>
<b>Reconciliation to GAAP basis:</b>			
Unbudgeted revenues:			
Contributions and donations		<u>1,255</u>	
<b>Fund balance at beginning of year</b>		<u>355,858</u>	
<b>Fund balance at end of year</b>		<u><u>\$ 459,394</u></u>	

**CITY OF ACWORTH, GEORGIA  
SOIL EROSION FEES  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Due from other funds	\$ -	\$ 4,151
Restricted assets:		
Investments	13,721	12,631
<b>Total assets</b>	<b>\$ 13,721</b>	<b>\$ 16,782</b>
<b>Liabilities:</b>		
Due to other funds	\$ 75	\$ -
<b>Total liabilities</b>	75	-
<b>Fund balance:</b>		
Restricted	13,646	16,782
<b>Total fund balance</b>	13,646	16,782
<b>Total liabilities and fund balance</b>	<b>\$ 13,721</b>	<b>\$ 16,782</b>

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Charges for services	\$ 1,058	\$ 7,306
Investment earnings	39	21
	1,097	7,327
<b>Total revenues</b>	<b>1,097</b>	<b>7,327</b>
<b>Expenditures:</b>		
Current:		
Public works	4,233	3,020
	4,233	3,020
<b>Total expenditures</b>	<b>4,233</b>	<b>3,020</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,136)</b>	<b>4,307</b>
<b>Net change in fund balance</b>	<b>(3,136)</b>	<b>4,307</b>
<b>Fund balance at beginning of year</b>	<b>16,782</b>	<b>12,475</b>
<b>Fund balance at end of year</b>	<b>\$ 13,646</b>	<b>\$ 16,782</b>

**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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 1,058	\$ 1,058	\$ -
Investment earnings	<u>30</u>	<u>39</u>	<u>9</u>
<b>Total revenues</b>	<u>1,088</u>	<u>1,097</u>	<u>9</u>
<b>Expenditures:</b>			
Current:			
Public works	<u>11,000</u>	<u>4,233</u>	<u>6,767</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(9,912)</u>	<u>(3,136)</u>	<u>6,776</u>
<b>Net change in fund balance</b>	<u><u>\$ (9,912)</u></u>	<u>(3,136)</u>	<u><u>\$ 6,776</u></u>
<b>Fund balance at beginning of year</b>		<u>16,782</u>	
<b>Fund balance at end of year</b>		<u><u>\$ 13,646</u></u>	

**CITY OF ACWORTH, GEORGIA  
ACWORTH LAKE AUTHORITY  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Due from other funds	\$ 26,666	\$ 8,830
<b>Total assets</b>	\$ 26,666	\$ 8,830
<b>Liabilities:</b>		
Accounts payable	\$ 27	\$ -
<b>Total liabilities</b>	27	-
<b>Fund balance:</b>		
Assigned	26,639	8,830
<b>Total fund balance</b>	26,639	8,830
<b>Total liabilities and fund balance</b>	\$ 26,666	\$ 8,830

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Intergovernmental	\$ 9,234	\$ -
<b>Expenditures:</b>		
Current:		
Culture and recreation	1,425	1,305
Debt service	116,880	120,660
<b>Total expenditures</b>	<b>118,305</b>	<b>121,965</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(109,071)</b>	<b>(121,965)</b>
<b>Other financing sources (uses):</b>		
Transfers in	126,880	130,660
Transfers out	-	(2,500)
<b>Total other financing sources (uses)</b>	<b>126,880</b>	<b>128,160</b>
<b>Net change in fund balance</b>	17,809	6,195
<b>Fund balance at beginning of year</b>	<b>8,830</b>	<b>2,635</b>
<b>Fund balance at end of year</b>	<b>\$ 26,639</b>	<b>\$ 8,830</b>

**CITY OF ACWORTH, GEORGIA  
ACWORTH LAKE AUTHORITY  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	<u>\$ 9,234</u>	<u>\$ 9,234</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Current:			
Culture and recreation	2,950	1,425	1,525
Debt service	<u>116,880</u>	<u>116,880</u>	<u>-</u>
<b>Total expenditures</b>	<u>119,830</u>	<u>118,305</u>	<u>1,525</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(110,596)</u>	<u>(109,071)</u>	<u>1,525</u>
<b>Other financing sources (uses):</b>			
Transfers in	<u>126,880</u>	<u>126,880</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>126,880</u>	<u>126,880</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 16,284</u>	17,809	<u>\$ 1,525</u>
<b>Fund balance at beginning of year</b>		<u>8,830</u>	
<b>Fund balance at end of year</b>		<u>\$ 26,639</u>	

**CITY OF ACWORTH, GEORGIA  
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Cash and cash equivalents	\$ 35,406	\$ 35,286
Investments	4	4
Due from other funds	5,019	1,457
<b>Total assets</b>	<b>\$ 40,429</b>	<b>\$ 36,747</b>
<b>Liabilities:</b>		
Accounts payable	\$ 1	\$ 312
<b>Total liabilities</b>	1	312
<b>Fund balance:</b>		
Assigned	40,428	36,435
<b>Total fund balance</b>	40,428	36,435
<b>Total liabilities and fund balance</b>	<b>\$ 40,429</b>	<b>\$ 36,747</b>

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Investment earnings	\$ 10	\$ 16
Other	1,255	1,365
	1,265	1,381
<b>Total revenues</b>	<b>1,265</b>	<b>1,381</b>
<b>Expenditures:</b>		
Current:		
Housing and development	21,167	35,146
Culture and recreation	3,500	3,500
Debt service	1,077,232	1,077,812
	1,101,899	1,116,458
<b>Total expenditures</b>	<b>1,101,899</b>	<b>1,116,458</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,100,634)</b>	<b>(1,115,077)</b>
<b>Other financing sources (uses):</b>		
Transfers in	1,104,627	1,097,707
	1,104,627	1,097,707
<b>Total other financing sources (uses)</b>	<b>1,104,627</b>	<b>1,097,707</b>
<b>Net change in fund balance</b>	<b>3,993</b>	<b>(17,370)</b>
<b>Fund balance at beginning of year</b>	<b>36,435</b>	<b>53,805</b>
<b>Fund balance at end of year</b>	<b>\$ 40,428</b>	<b>\$ 36,435</b>

**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, 2016**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Other	\$ -	\$ 1,255	\$ 1,255
<b>Expenditures:</b>			
Current:			
Housing and development	13,895	21,167	(7,272)
Culture and recreation	3,500	3,500	-
Debt service	1,077,293	1,077,232	61
<b>Total expenditures</b>	<u>1,094,688</u>	<u>1,101,899</u>	<u>(7,211)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,094,688)</u>	<u>(1,100,644)</u>	<u>(5,956)</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,094,688	1,104,627	9,939
<b>Total other financing sources (uses)</b>	<u>1,094,688</u>	<u>1,104,627</u>	<u>9,939</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	3,983	<u>\$ 3,983</u>
<b>Reconciliation to GAAP basis:</b>			
Unbudgeted revenues:			
Investment earnings		<u>10</u>	
<b>Fund balance at beginning of year</b>		<u>36,435</u>	
<b>Fund balance at end of year</b>		<u>\$ 40,428</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 and collections began in 2005, 2011 and 2016.

**CITY OF ACWORTH, GEORGIA  
CAPITAL IMPROVEMENT  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Cash	\$ 1,816	\$ 8,370
Investments	116,993	510,601
Restricted cash	-	674,409
Due from other governments	532	12,672
Due from other funds	15,060	568,394
<b>Total assets</b>	<b>\$ 134,401</b>	<b>\$ 1,774,446</b>
<b>Liabilities:</b>		
Accounts payable	\$ 4,656	\$ 146,985
Retainage payable	-	386,593
Due to other funds	413,864	307,373
<b>Total liabilities</b>	418,520	840,951
<b>Fund balance:</b>		
Committed	1,600	99,486
Assigned	-	834,009
Unassigned	(285,719)	-
<b>Total fund balance</b>	(284,119)	933,495
<b>Total liabilities and fund balance</b>	<b>\$ 134,401</b>	<b>\$ 1,774,446</b>

**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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>		
Intergovernmental	\$ 372,453	\$ 78,815
Investment earnings	545	1,035
Contributions and donations	-	2,200
	<u>372,998</u>	<u>82,050</u>
<b>Total revenues</b>		
	<u>372,998</u>	<u>82,050</u>
<b>Expenditures:</b>		
Capital outlay	<u>1,840,477</u>	<u>5,102,981</u>
	<u>1,840,477</u>	<u>5,102,981</u>
<b>Total expenditures</b>		
	<u>1,840,477</u>	<u>5,102,981</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(1,467,479)</u>	<u>(5,020,931)</u>
<b>Other financing sources (uses):</b>		
Transfers in	500,000	1,376,596
Transfers out	<u>(250,135)</u>	<u>(59,330)</u>
	<u>249,865</u>	<u>1,317,266</u>
<b>Total other financing sources (uses)</b>		
	<u>249,865</u>	<u>1,317,266</u>
<b>Net change in fund balance</b>	(1,217,614)	(3,703,665)
<b>Fund balance at beginning of year</b>	<u>933,495</u>	<u>4,637,160</u>
<b>Fund balance at end of year</b>	<u>\$ (284,119)</u>	<u>\$ 933,495</u>

**CITY OF ACWORTH, GEORGIA**  
**SPLOST**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEET**  
**JUNE 30, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Prepaid items	\$ 125,000	\$ 868,138
Due from other governments	1,214,626	627,242
Restricted assets:		
Cash	3,526,153	2,491,548
Investments	56,118	-
	<b>Total assets</b>	<b>Total assets</b>
	\$ 4,921,897	\$ 3,986,928
 <b>Liabilities:</b>		
Accounts payable	\$ 371,411	\$ 20,564
Retainage payable	327,383	50,226
Due to other funds	499,829	179,291
Unearned revenue	-	146,927
	<b>Total liabilities</b>	<b>Total liabilities</b>
	1,198,623	397,008
 <b>Fund balance:</b>		
Nonspendable	125,000	868,138
Restricted	3,598,274	2,721,782
	<b>Total fund balance</b>	<b>Total fund balance</b>
	3,723,274	3,589,920
 <b>Total liabilities and fund balances</b>	<b>\$ 4,921,897</b>	<b>\$ 3,986,928</b>

**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, 2016 AND 2015**

	2016	2015
<b>Revenues:</b>		
Intergovernmental	\$ 5,299,905	\$ 4,015,882
Investment earnings	1,418	1,191
	5,301,323	4,017,073
<b>Total revenues</b>		
<b>Expenditures:</b>		
Capital outlay	5,781,449	3,024,910
Debt service	53,467	-
	5,834,916	3,024,910
<b>Total expenditures</b>		
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(533,593)	992,163
<b>Other financing sources (uses):</b>		
Transfers in	40,000	46,633
Issuance of debt	626,947	-
	666,947	46,633
<b>Total other financing sources (uses)</b>		
<b>Net change in fund balance</b>	133,354	1,038,796
<b>Fund balance at beginning of year</b>	3,589,920	2,551,124
<b>Fund balance at end of year</b>	\$ 3,723,274	\$ 3,589,920

## **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, 2016 AND 2015**

	2016	2015
<b>Assets:</b>		
Restricted assets:		
Cash	\$ 1	\$ 109,938
<b>Total assets</b>	\$ 1	\$ 109,938
<b>Liabilities:</b>		
Due to other funds	\$ -	\$ 109,938
<b>Total liabilities</b>	-	109,938
<b>Fund balance:</b>		
Restricted	1	-
<b>Total fund balance</b>	1	-
<b>Total liabilities and fund balance</b>	\$ 1	\$ 109,938

**CITY OF ACWORTH, GEORGIA**  
**DEBT SERVICE FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>		
Taxes	\$ 158,945	\$ 153,509
Intergovernmental	<u>608,173</u>	<u>591,414</u>
<b>Total revenues</b>	<u>767,118</u>	<u>744,923</u>
<b>Expenditures:</b>		
Debt service	<u>514,951</u>	<u>514,858</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>252,167</u>	<u>230,065</u>
<b>Other financing sources (uses):</b>		
Transfers out	<u>(252,166)</u>	<u>(230,278)</u>
<b>Total other financing sources (uses)</b>	<u>(252,166)</u>	<u>(230,278)</u>
<b>Net change in fund balance</b>	1	(213)
<b>Fund balance at beginning of year</b>	<u>-</u>	<u>213</u>
<b>Fund balance at end of year</b>	<u><u>\$ 1</u></u>	<u><u>\$ -</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, 2016**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>			
Taxes	\$ 158,945	\$ 158,945	\$ -
Intergovernmental	608,174	608,173	(1)
<b>Total revenues</b>	<u>767,119</u>	<u>767,118</u>	<u>(1)</u>
<b>Expenditures:</b>			
Debt service	514,952	514,951	1
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>252,167</u>	<u>252,167</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Transfers out	(252,167)	(252,166)	1
<b>Total other financing sources (uses)</b>	<u>(252,167)</u>	<u>(252,166)</u>	<u>1</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u>1</u>	<u><u>\$ 1</u></u>
<b>Fund balance at beginning of year</b>		<u>-</u>	
<b>Fund balance at end of year</b>		<u><u>\$ 1</u></u>	

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# **PROPRIETARY FUNDS**

## **ENTERPRISE FUNDS**

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

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

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

**CITY OF ACWORTH, GEORGIA**  
**ELECTRICAL POWER**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2016 AND 2015**

<b>Assets:</b>	2016	2015
Current assets:		
Cash	\$ 2,934,395	\$ 2,055,910
Investments	2,679,871	2,590,928
Restricted assets:		
Cash	1,193,089	1,189,470
Investments	4,659,266	3,679,422
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,830,732	1,905,359
Due from other governments	27,789	-
Due from other funds	430,097	118,512
Inventory	764,952	698,418
Prepaid items	21,774	21,637
<b>Total current assets</b>	<b>14,541,965</b>	<b>12,259,656</b>
Noncurrent assets:		
Property, plant and equipment, net	5,004,898	4,693,375
<b>Total noncurrent assets</b>	<b>5,004,898</b>	<b>4,693,375</b>
<b>Total assets</b>	<b>19,546,863</b>	<b>16,953,031</b>
<b>Deferred outflows of resources:</b>		
Related to pensions	90,629	50,035
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	692,318	693,045
Customer deposits	960,449	974,971
Accrued liabilities	32,311	22,363
Accrued compensated absences	41,346	38,832
Due to other funds	379,499	357,218
Capital leases - current	88,562	40,160
<b>Total current liabilities</b>	<b>2,194,485</b>	<b>2,126,589</b>
Long-term liabilities (net of current portion):		
Accrued compensated absences	10,336	9,708
Net OPEB obligation	704,154	637,268
Net pension liability	319,581	275,576
Capital lease obligations	201,492	51,425
<b>Total long-term liabilities</b>	<b>1,235,563</b>	<b>973,977</b>
<b>Total liabilities</b>	<b>3,430,048</b>	<b>3,100,566</b>
<b>Deferred inflows of resources:</b>		
Deferred regulatory credits	2,832,761	2,039,866
Related to pensions	645	20,348
<b>Total deferred inflows of resources</b>	<b>2,833,406</b>	<b>2,060,214</b>
<b>Net position:</b>		
Net investment in capital assets	4,714,844	4,601,790
Unrestricted	8,659,194	7,240,496
<b>Total net position</b>	<b>\$ 13,374,038</b>	<b>\$ 11,842,286</b>

**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, 2016 AND 2015**

	2016	2015
<b>Operating revenues:</b>		
Charges for services	\$ 12,602,848	\$ 13,217,375
Other	407,441	404,872
<b>Total operating revenues</b>	13,010,289	13,622,247
<b>Operating expenses:</b>		
Personal services	1,322,422	1,194,038
Operating	8,129,977	9,265,174
Depreciation	426,341	428,957
<b>Total operating expenses</b>	9,878,740	10,888,169
<b>Operating income</b>	3,131,549	2,734,078
<b>Nonoperating revenues (expenses):</b>		
Gain (loss) on disposal of capital assets	30,202	(49,084)
Interest income	85,686	37,845
Interest expense	(2,441)	(2,444)
<b>Total nonoperating revenues (expenses)</b>	113,447	(13,683)
<b>Income before contributions and transfers</b>	3,244,996	2,720,395
<b>Capital contributions</b>	26,008	1,300
<b>Transfers out</b>	(1,739,252)	(1,720,528)
<b>Increase (decrease) in net position</b>	1,531,752	1,001,167
<b>Net position at beginning of year</b>	11,842,286	10,841,119
<b>Net position at end of year</b>	\$ 13,374,038	\$ 11,842,286

**CITY OF ACWORTH, GEORGIA  
ELECTRICAL POWER  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Cash flows from (to) operating activities:</b>		
Cash received from customers	\$14,656,184	\$14,337,370
Cash payments for goods and services	(8,514,468)	(9,415,824)
Cash payments for employee services and fringe benefits	(2,051,633)	(1,119,229)
	<b>4,090,083</b>	<b>3,802,317</b>
<b>Cash flows from (to) noncapital financing activities:</b>		
Transfers out	(1,739,252)	(1,720,528)
	<b>(1,739,252)</b>	<b>(1,720,528)</b>
<b>Cash flows from (to) capital and related financing activities:</b>		
Contributed capital	26,008	1,300
Proceeds from sale of capital assets	30,202	-
Interest paid	(2,441)	(2,444)
Payments for capital acquisitions	(491,435)	(305,946)
Principal payments on long-term obligations	(47,960)	(39,322)
	<b>(485,626)</b>	<b>(346,412)</b>
<b>Cash flows from (to) investing activities:</b>		
(Purchases) proceeds from sale of investments	(1,068,787)	(1,376,799)
Interest received from investments	85,686	37,845
	<b>(983,101)</b>	<b>(1,338,954)</b>
<b>Net increase (decrease) in cash</b>	<b>882,104</b>	<b>396,423</b>
<b>Cash at beginning of year (including \$1,189,470 and \$1,169,598 in restricted cash)</b>	<b>3,245,380</b>	<b>2,848,957</b>
<b>Cash at end of year (including and \$1,193,089 \$1,189,470 in restricted cash)</b>	<b>\$ 4,127,484</b>	<b>\$ 3,245,380</b>

**CITY OF ACWORTH, GEORGIA**  
**ELECTRICAL POWER**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Reconciliation of operating income to net cash from operating activities:</b>		
Operating income	\$ 3,131,549	\$ 2,734,078
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	426,341	428,957
(Increase) decrease in utility accounts receivable	74,627	28,507
(Increase) decrease in prepaid items	(137)	838
(Increase) decrease in inventory	(66,534)	3,626
(Increase) decrease in due from other governments	(27,789)	-
(Increase) decrease in due from other funds	(311,585)	70,585
(Increase) decrease in deferred outflows of resources	(40,594)	(17,541)
Increase (decrease) in net OPEB obligation	66,886	84,775
Increase (decrease) in net pension liability	44,005	(18,374)
Increase (decrease) in accounts payable	(727)	(194,154)
Increase (decrease) in accrued liabilities	13,090	5,601
Increase (decrease) in due to other funds	22,281	(31,545)
Increase (decrease) in customer deposits	(14,522)	50,844
Increase (decrease) in deferred inflows of resources	773,192	656,120
<b>Net cash from operating activities</b>	<b>\$ 4,090,083</b>	<b>\$ 3,802,317</b>
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Equipment purchased through capital lease	\$ 246,429	\$ -

**CITY OF ACWORTH, GEORGIA**  
**SANITATION**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2016 AND 2015**

<b>Assets:</b>	2016	2015
Current assets:		
Cash	\$ 713,725	\$ 537,238
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	143,031	141,104
Due from other funds	320,881	275,406
Total current assets	1,177,637	953,748
Noncurrent assets:		
Property, plant and equipment, net	504,921	245,160
<b>Total assets</b>	<b>1,682,558</b>	<b>1,198,908</b>
 <b>Deferred outflows of resources:</b>		
Related to pensions	57,673	29,188
 <b>Liabilities:</b>		
Current liabilities:		
Accounts payable	33,925	29,529
Accrued liabilities	16,317	14,945
Accrued compensated absences	14,235	12,118
Customer deposits	251,137	228,402
Due to other funds	15,938	-
Capital leases - current	33,199	-
Total current liabilities	364,751	284,994
Long-term liabilities (net of current portion):		
Net OPEB obligation	267,969	146,001
Accrued compensated absences	3,559	3,029
Net pension liability	203,370	160,753
Capital lease obligations	110,123	-
Total long-term liabilities	585,021	309,783
<b>Total liabilities</b>	<b>949,772</b>	<b>594,777</b>
 <b>Deferred inflows of resources:</b>		
Related to pensions	410	11,869
 <b>Net position:</b>		
Net investment in capital assets	361,599	245,160
Unrestricted	428,450	376,290
<b>Total net position</b>	<b>\$ 790,049</b>	<b>\$ 621,450</b>

**CITY OF ACWORTH, GEORGIA  
SANITATION  
ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Operating revenues:</b>		
Charges for services	\$ 1,716,409	\$ 1,682,161
Other	-	9
	<b>1,716,409</b>	<b>1,682,170</b>
<b>Operating expenses:</b>		
Personal services	895,603	844,595
Operating	545,130	513,642
Depreciation	125,647	108,933
	<b>1,566,380</b>	<b>1,467,170</b>
<b>Operating income (loss)</b>	<b>150,029</b>	<b>215,000</b>
<b>Nonoperating revenues (expenses):</b>		
Interest expense	(2,928)	(108)
Gain (loss) on sale of capital assets	26,363	-
	<b>23,435</b>	<b>(108)</b>
<b>Income (loss) before transfers</b>	<b>173,464</b>	<b>214,892</b>
<b>Transfers in</b>	210,135	-
<b>Transfers out</b>	(215,000)	(343,990)
	<b>168,599</b>	<b>(129,098)</b>
<b>Increase (decrease) in net position</b>	<b>168,599</b>	<b>(129,098)</b>
<b>Net position at beginning of year</b>	<b>621,450</b>	<b>750,548</b>
<b>Net position at end of year</b>	<b>\$ 790,049</b>	<b>\$ 621,450</b>

**CITY OF ACWORTH, GEORGIA**  
**SANITATION**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Cash flows from (to) operating activities:</b>		
Cash received from customers	\$ 1,737,217	\$ 1,690,310
Cash payments for goods and services	(570,271)	(647,045)
Cash payments for employee services and fringe benefits	(766,943)	(704,919)
<b>Net cash from (to) operating activities</b>	400,003	338,346
<b>Cash flows from (to) noncapital financing activities:</b>		
Transfers in	210,135	-
Transfers out	(215,000)	(343,990)
<b>Net cash from (to) noncapital financing activities</b>	(4,865)	(343,990)
<b>Cash flows from (to) capital and related financing activities:</b>		
Proceeds from sale of capital assets	26,363	-
Interest paid	(2,928)	(108)
Payments for capital acquisitions	(214,977)	(24,558)
Principal payments on long-term obligations	(27,109)	(11,576)
<b>Net cash from (to) capital and related financing activities</b>	(218,651)	(36,242)
<b>Net increase (decrease) in cash</b>	176,487	(41,886)
<b>Cash at beginning of year</b>	537,238	579,124
<b>Cash at end of year</b>	\$ 713,725	\$ 537,238
<b>Reconciliation of operating income to net cash from operating activities:</b>		
Operating income	\$ 150,029	\$ 215,000
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	125,647	108,933
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(1,927)	(11,261)
(Increase) decrease in due from other funds	(45,475)	7,781
(Increase) decrease in prepaid items	-	476
(Increase) decrease in deferred outflows of resources	(28,485)	(10,233)
Increase (decrease) in net OPEB obligation	121,968	146,001
Increase (decrease) in net pension liability	42,617	(10,718)
Increase (decrease) in accounts payable	4,396	3,312
Increase (decrease) in accrued liabilities	4,019	2,757
Increase (decrease) in customer deposits	22,735	19,401
Increase (decrease) in due to other funds	15,938	(144,972)
Increase (decrease) in deferred inflows of resources	(11,459)	11,869
<b>Net cash from operating activities</b>	\$ 400,003	\$ 338,346
<b>Supplemental disclosure of noncash investing and financing activities:</b>		
Equipment purchased through capital lease	\$ 170,431	\$ -

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## **INTERNAL SERVICE FUNDS**

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

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

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

**CITY OF ACWORTH, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	Customer Service		Totals
	Fund	Insurance	
<b>Assets:</b>			
Current assets:			
Cash	\$ 113,065	\$ -	\$ 113,065
Accounts receivable	1,861	25,981	27,842
Prepaid items	3,822	149,473	153,295
Due from other funds	56,529	676,769	733,298
	<hr/>	<hr/>	<hr/>
Total current assets	175,277	852,223	1,027,500
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	175,277	852,223	1,027,500
	<hr/>	<hr/>	<hr/>
<b>Deferred outflows of resources:</b>			
Related to pensions	32,956	-	32,956
	<hr/>	<hr/>	<hr/>
<b>Liabilities:</b>			
Current liabilities:			
Accounts and claims payable	6,660	227,229	233,889
Accrued liabilities	13,098	-	13,098
Accrued compensated absences	10,898	-	10,898
	<hr/>	<hr/>	<hr/>
Total current liabilities	30,656	227,229	257,885
	<hr/>	<hr/>	<hr/>
Long-term liabilities (net of current portion):			
Accrued compensated absences	2,725	-	2,725
Net pension liability	116,211	-	116,211
	<hr/>	<hr/>	<hr/>
Total long-term liabilities	118,936	-	118,936
	<hr/>	<hr/>	<hr/>
<b>Total liabilities</b>	149,592	227,229	376,821
	<hr/>	<hr/>	<hr/>
<b>Deferred inflows of resources:</b>			
Related to pensions	234	-	234
	<hr/>	<hr/>	<hr/>
<b>Net position:</b>			
Unrestricted	58,407	624,994	683,401
	<hr/>	<hr/>	<hr/>
<b>Total net position</b>	\$ 58,407	\$ 624,994	\$ 683,401
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF ACWORTH, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Customer Service Fund	Insurance	Totals
<b>Operating revenues:</b>			
Charges for services	\$ 699,500	\$ 3,125,777	\$ 3,825,277
Other	21,667	-	21,667
<b>Total operating revenues</b>	<u>721,167</u>	<u>3,125,777</u>	<u>3,846,944</u>
<b>Operating expenses:</b>			
Personal services	532,374	-	532,374
Operating	105,956	3,213,287	3,319,243
<b>Total operating expenses</b>	<u>638,330</u>	<u>3,213,287</u>	<u>3,851,617</u>
<b>Operating income (loss)</b>	<u>82,837</u>	<u>(87,510)</u>	<u>(4,673)</u>
<b>Income (loss) before transfers</b>	<u>82,837</u>	<u>(87,510)</u>	<u>(4,673)</u>
<b>Transfers out</b>	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
<b>Increase (decrease) in net position</b>	2,837	(87,510)	(84,673)
<b>Net position at beginning of year</b>	<u>55,570</u>	<u>712,504</u>	<u>768,074</u>
<b>Net position at end of year</b>	<u>\$ 58,407</u>	<u>\$ 624,994</u>	<u>\$ 683,401</u>

**CITY OF ACWORTH, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Customer Service Fund	Insurance	Totals
<b>Cash flows from (to) operating activities:</b>			
Cash received from contributions and services provided	\$ 672,306	\$ 3,091,686	\$ 3,763,992
Cash payments for goods and services	(108,662)	-	(108,662)
Cash payments for benefits and claims	-	(3,091,686)	(3,091,686)
Cash payments for employee services and fringe benefits	(528,264)	-	(528,264)
<b>Net cash from (to) operating activities</b>	<u>35,380</u>	<u>-</u>	<u>35,380</u>
<b>Cash flows from (to) noncapital financing activities:</b>			
Transfers out	(80,000)	-	(80,000)
<b>Net cash from (to) noncapital financing activities</b>	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
<b>Net increase (decrease) in cash</b>	(44,620)	-	(44,620)
<b>Cash at beginning of year</b>	<u>157,685</u>	<u>-</u>	<u>157,685</u>
<b>Cash at end of year</b>	<u>\$ 113,065</u>	<u>\$ -</u>	<u>\$ 113,065</u>
<b>Reconciliation of operating income (loss) to net cash from (to) operating activities:</b>			
Operating income (loss)	\$ 82,837	\$ (87,510)	\$ (4,673)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(172)	9,042	8,870
(Increase) decrease in prepaid items	(608)	(24,171)	(24,779)
(Increase) decrease in due from other funds	(48,689)	(43,133)	(91,822)
(Increase) decrease in other assets	-	38,852	38,852
(Increase) decrease in deferred outflows of resources	(16,278)	-	(16,278)
Increase (decrease) in net pension liability	24,353	-	24,353
Increase (decrease) in accounts and claims payable	(2,098)	106,920	104,822
Increase (decrease) in accrued liabilities	2,584	-	2,584
Increase (decrease) in deferred inflows of resources	(6,549)	-	(6,549)
<b>Net cash from (to) operating activities</b>	<u>\$ 35,380</u>	<u>\$ -</u>	<u>\$ 35,380</u>

**CITY OF ACWORTH, GEORGIA**  
**CUSTOMER SERVICE**  
**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2016 AND 2015**

<b>Assets:</b>	2016	2015
Current assets:		
Cash	\$ 113,065	\$ 157,685
Accounts receivable	1,861	1,689
Prepaid items	3,822	3,214
Due from other funds	56,529	7,840
Total current assets	175,277	170,428
<b>Total assets</b>	<b>175,277</b>	<b>170,428</b>
<b>Deferred outflows of resources:</b>		
Related to pensions	32,956	16,678
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable	6,660	8,758
Accrued liabilities	13,098	8,859
Accrued compensated absences	10,898	12,222
Total current liabilities	30,656	29,839
Long-term liabilities (net of current portion):		
Accrued compensated absences	2,725	3,056
Net pension liability	116,211	91,858
Total long-term liabilities	118,936	94,914
<b>Total liabilities</b>	<b>149,592</b>	<b>124,753</b>
<b>Deferred inflows of resources:</b>		
Related to pensions	234	6,783
<b>Net position:</b>		
Unrestricted	58,407	55,570
<b>Total net position</b>	<b>\$ 58,407</b>	<b>\$ 55,570</b>

**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, 2016 AND 2015**

	2016	2015
<b>Operating revenues:</b>		
Charges for services	\$ 699,500	\$ 585,059
Other	21,667	19,433
	721,167	604,492
<b>Operating expenses:</b>		
Personal services	532,374	411,383
Operating	105,956	89,487
	638,330	500,870
<b>Operating income (loss)</b>	82,837	103,622
<b>Income (loss) before transfers</b>	82,837	103,622
<b>Transfers out</b>	(80,000)	(75,000)
<b>Increase (decrease) in net position</b>	2,837	28,622
<b>Net position at beginning of year</b>	55,570	26,948
<b>Net position at end of year</b>	\$ 58,407	\$ 55,570

**CITY OF ACWORTH, GEORGIA  
CUSTOMER SERVICE  
INTERNAL SERVICE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Cash flows from (to) operating activities:</b>		
Cash received from customers	\$ 672,306	\$ 608,756
Cash payments for goods and services	(108,662)	(104,515)
Cash payments for employee services and fringe benefits	<u>(528,264)</u>	<u>(412,547)</u>
 <b>Net cash from (to) operating activities</b>	 <u>35,380</u>	 <u>91,694</u>
 <b>Cash flows from (to) noncapital financing activities:</b>		
Transfers out	<u>(80,000)</u>	<u>(75,000)</u>
 <b>Net cash from (to) noncapital financing activities</b>	 <u>(80,000)</u>	 <u>(75,000)</u>
 <b>Cash flows from (to) capital and related financing activities:</b>		
Payments for capital acquisitions	<u>-</u>	<u>-</u>
 <b>Net increase (decrease) in cash</b>	 (44,620)	 16,694
 <b>Cash at beginning of year</b>	 <u>157,685</u>	 <u>140,991</u>
 <b>Cash at end of year</b>	 <u>\$ 113,065</u>	 <u>\$ 157,685</u>
 <b>Reconciliation of operating income (loss) to net cash from (to) operating activities:</b>		
Operating income (loss)	\$ 82,837	\$ 103,622
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(172)	(208)
(Increase) decrease in prepaid items	(608)	(2,944)
(Increase) decrease in due from other funds	(48,689)	4,472
(Increase) decrease in deferred outflows of resources	(16,278)	(5,847)
Increase (decrease) in net pension liability	24,353	(6,125)
Increase (decrease) in accounts payable	(2,098)	1,356
Increase (decrease) in accrued liabilities	2,584	4,025
Increase (decrease) in due to other funds	-	(13,440)
Increase (decrease) in deferred inflows of resources	<u>(6,549)</u>	<u>6,783</u>
 <b>Net cash from (to) operating activities</b>	 <u>\$ 35,380</u>	 <u>\$ 91,694</u>

**CITY OF ACWORTH, GEORGIA**  
**INSURANCE**  
**INTERNAL SERVICE FUND**  
**COMPARATIVE STATEMENT OF NET POSITION**  
**JUNE 30, 2016 AND 2015**

<b>Assets:</b>	2016	2015
Current assets:		
Accounts receivable	\$ 25,981	\$ 35,023
Prepaid items	149,473	125,302
Due from other funds	676,769	633,636
Other assets	-	38,852
Total current assets	852,223	832,813
<b>Total assets</b>	<b>852,223</b>	<b>832,813</b>
<b>Liabilities:</b>		
Current liabilities:		
Accounts and claims payable	227,229	120,309
<b>Total liabilities</b>	<b>227,229</b>	<b>120,309</b>
<b>Net position:</b>		
Unrestricted	624,994	712,504
<b>Total net position</b>	<b>\$ 624,994</b>	<b>\$ 712,504</b>

**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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Operating revenues:</b>		
Charges for services	\$ 3,125,777	\$ 1,982,064
<b>Total operating revenues</b>	<u>3,125,777</u>	<u>1,982,064</u>
<b>Operating expenses:</b>		
Operating	<u>3,213,287</u>	<u>2,114,786</u>
<b>Total operating expenses</b>	<u>3,213,287</u>	<u>2,114,786</u>
<b>Operating income (loss)</b>	<u>(87,510)</u>	<u>(132,722)</u>
<b>Income (loss) before transfers</b>	<u>(87,510)</u>	<u>(132,722)</u>
<b>Transfers in</b>	<u>-</u>	<u>100,000</u>
<b>Increase (decrease) in net position</b>	(87,510)	(32,722)
<b>Net position at beginning of year</b>	<u>712,504</u>	<u>745,226</u>
<b>Net position at end of year</b>	<u>\$ 624,994</u>	<u>\$ 712,504</u>

**CITY OF ACWORTH, GEORGIA  
INSURANCE  
INTERNAL SERVICE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
<b>Cash flows from (to) operating activities:</b>		
Cash received from contributions and services provided	\$ 3,091,686	\$ 1,914,210
Cash payments for benefits and claims	(3,091,686)	(2,014,210)
<b>Net cash from (to) operating activities</b>	-	(100,000)
<b>Cash flows from (to) noncapital financing activities:</b>		
Transfers in	-	100,000
<b>Net cash from (to) noncapital financing activities</b>	-	100,000
<b>Net increase (decrease) in cash</b>	-	-
<b>Cash at beginning of year</b>	-	-
<b>Cash at end of year</b>	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash from (to) operating activities:</b>		
Operating income (loss)	\$ (87,510)	\$ (132,722)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	9,042	(35,023)
(Increase) decrease in prepaid items	(24,171)	55,921
(Increase) decrease in due from other funds	(43,133)	(32,831)
(Increase) decrease in other assets	38,852	(38,852)
Increase (decrease) in accounts and claims payable	106,920	83,507
<b>Net cash from (to) operating activities</b>	\$ -	\$ (100,000)

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# **SUPPLEMENTAL INFORMATION**

**CITY OF ACWORTH, GEORGIA**  
**NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT**  
**BALANCE SHEET**  
**JUNE 30, 2016**

	Acworth Tourism Bureau Authority
<b>Assets:</b>	
Cash	\$ 4,186
Investments	45,195
Due from other governments	11,952
Prepaid items	1,667
<b>Total assets</b>	<b>\$ 63,000</b>
 <b>Liabilities:</b>	
Accounts payable	\$ 4,807
Due to primary government	7,438
<b>Total liabilities</b>	<b>12,245</b>
 <b>Fund balances:</b>	
Nonspendable	1,667
Restricted	49,088
<b>Total fund balances</b>	<b>50,755</b>
<b>Total liabilities and fund balances</b>	<b>\$ 63,000</b>
Total fund balance	\$ 50,755
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	4,767
Net position of component unit	<b>\$ 55,522</b>

**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, 2016**

	Acworth Tourism Bureau Authority
<b>Revenues:</b>	
Intergovernmental	\$ 55,162
Investment earnings	160
Other	250
<b>Total revenues</b>	<b>55,572</b>
<b>Expenditures:</b>	
Culture and recreation	81,860
<b>Total expenditures</b>	<b>81,860</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,288)</b>
<b>Net change in fund balance</b>	<b>(26,288)</b>
<b>Fund balance at beginning of year</b>	<b>77,043</b>
<b>Fund balance at end of year</b>	<b>\$ 50,755</b>

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	\$ (2,298)
Net change in fund balance	(26,288)
Change in net position of component unit on the statement of activities	\$ (28,586)

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
<b>GENERAL LONG-TERM DEBT</b>				
Tax Allocation District Bonds - Series 2013	12/01/16	\$ 462,468	\$ 57,468	\$ 405,000
Lakeside Project ;\$5,595,000	06/01/17	52,324	52,324	-
bi-annual debt service; 2.54%	12/01/17	467,324	52,324	415,000
Debt service is paid from tax increment within district.	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	6,417	6,417	-
	12/01/25	511,417	6,417	505,000
		\$ 5,122,732	\$ 597,732	\$ 4,525,000
Jail & Court Services Facility Renovations and Addition	1/7/2017	\$ 272,754	\$ 58,524	\$ 214,230
\$3,840,000; Fixed Rate - 3.41%	7/7/2017	54,872	54,872	-
Mature - 01/07/2029	1/7/2018	276,406	54,872	221,535
	7/7/2018	51,094	51,094	-
	1/7/2019	280,183	51,094	229,089
	7/7/2019	47,188	47,188	-
	1/7/2020	284,089	47,188	236,901
	7/7/2020	43,149	43,149	-
	1/7/2021	288,129	43,149	244,979
	7/7/2021	38,972	38,972	-
	1/7/2022	292,306	38,972	253,333
	7/7/2022	34,653	34,653	-
	1/7/2023	296,625	34,653	261,972
	7/7/2023	30,186	30,186	-
	1/7/2024	301,091	30,186	270,905
	7/7/2024	25,567	25,567	-
	1/7/2025	305,710	25,567	280,143
	7/7/2025	20,791	20,791	-
	1/7/2026	310,487	20,791	289,696
	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
		\$ 4,248,088	\$ 815,587	\$ 3,432,501

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2016	\$ 21,193	\$ 21,193	\$ -
Interest payment semi-annual; Principal payment annually	4/1/2017	351,193	21,193	330,000
1.74% Interest Rate	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>\$ 2,608,468</u>	<u>\$ 172,468</u>	<u>\$ 2,436,000</u>
Recreation Facilities	1/1/2017	\$ 4,050	\$ 4,050	\$ -
Installment Sales Agreement - Acworth Lake	7/1/2017	114,050	4,050	110,000
Authority revenue Bonds, Series 2008	1/1/2018	2,070	2,070	-
\$975,000 @ 3.6% interest rate	7/1/2018	117,070	2,070	115,000
		<u>\$ 237,240</u>	<u>\$ 12,240</u>	<u>\$ 225,000</u>
CableNET Project Refunding Bonds; Series 2008	1/1/2017	\$ 133,789	\$ 133,789	\$ -
\$9,645,000; Fixed Rate - 3.97%	7/1/2017	573,789	133,789	440,000
Mature - 07/01/2028	1/1/2018	125,055	125,055	-
	7/1/2018	585,055	125,055	460,000
	1/1/2019	115,924	115,924	-
	7/1/2019	595,924	115,924	480,000
	1/1/2020	106,396	106,396	-
	7/1/2020	606,396	106,396	500,000
	1/1/2021	96,471	96,471	-
	7/1/2021	616,471	96,471	520,000
	1/1/2022	86,149	86,149	-
	7/1/2022	631,149	86,149	545,000
	1/1/2023	75,331	75,331	-
	7/1/2023	640,331	75,331	565,000
	1/1/2024	64,116	64,116	-
	7/1/2024	654,116	64,116	590,000
	1/1/2025	52,404	52,404	-
	7/1/2025	672,404	52,404	620,000
	1/1/2026	40,097	40,097	-
	7/1/2026	685,097	40,097	645,000
	1/1/2027	27,279	27,279	-
	7/1/2027	702,279	27,279	675,000
	1/1/2028	13,909	13,909	-
	7/1/2028	713,909	13,909	700,000
		<u>\$ 8,613,839</u>	<u>\$ 1,873,839</u>	<u>\$ 6,740,000</u>

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Police Vehicles - SPLOST Funded 04/25/2016; \$253,550; 1.74%; 36 months \$7,233.58/monthly	7/25/2016	\$ 7,234	\$ 348	\$ 6,886
	8/25/2016	7,234	338	6,896
	9/25/2016	7,234	328	6,906
	10/25/2016	7,234	318	6,916
	11/25/2016	7,234	308	6,926
	12/25/2016	7,234	298	6,936
	1/25/2017	7,234	288	6,946
	2/25/2017	7,234	278	6,956
	3/25/2017	7,234	267	6,966
	4/25/2017	7,234	257	6,976
	5/25/2017	7,234	247	6,986
	6/25/2017	7,234	237	6,996
	7/25/2017	7,234	227	7,007
	8/25/2017	7,234	217	7,017
	9/25/2017	7,234	207	7,027
	10/25/2017	7,234	196	7,037
	11/25/2017	7,234	186	7,047
	12/25/2017	7,234	176	7,058
	1/25/2018	7,234	166	7,068
	2/25/2018	7,234	156	7,078
	3/25/2018	7,234	145	7,088
	4/25/2018	7,234	135	7,099
	5/25/2018	7,234	125	7,109
	6/25/2018	7,234	114	7,119
7/25/2018	7,234	104	7,130	
8/25/2018	7,234	94	7,140	
9/25/2018	7,234	83	7,150	
10/25/2018	7,234	73	7,161	
11/25/2018	7,234	63	7,171	
12/25/2018	7,234	52	7,181	
1/25/2019	7,234	42	7,192	
2/25/2019	7,234	32	7,202	
3/25/2019	7,234	21	7,213	
4/25/2019	7,234	10	7,223	
		<u>\$ 245,942</u>	<u>\$ 6,134</u>	<u>\$ 239,808</u>
Police Radios - IGA Cobb County \$373,397.45 @ 1.43% withheld from monthly disbursements 60 Months	9/1/2016	\$ 6,500	\$ 412	\$ 6,088
	10/1/2016	6,500	392	6,108
	11/1/2016	6,500	398	6,102
	12/1/2016	6,500	378	6,122
	1/1/2017	6,500	383	6,117
	2/1/2017	6,500	375	6,125
	3/1/2017	6,500	332	6,168
	4/1/2017	6,500	360	6,140
	5/1/2017	6,500	342	6,158
	6/1/2017	6,500	346	6,154
	7/1/2017	6,500	327	6,173
	8/1/2017	6,500	331	6,169
	9/1/2017	6,500	323	6,177
10/1/2017	6,500	305	6,195	
11/1/2017	6,500	308	6,192	
12/1/2017	6,500	291	6,209	
1/1/2018	6,500	293	6,207	

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	2/1/2018	6,500	285	6,215
	3/1/2018	6,500	251	6,249
	4/1/2018	6,500	270	6,230
	5/1/2018	6,500	254	6,246
	6/1/2018	6,500	255	6,245
	7/1/2018	6,500	240	6,260
	8/1/2018	6,500	240	6,260
	9/1/2018	6,500	232	6,268
	10/1/2018	6,500	218	6,282
	11/1/2018	6,500	217	6,283
	12/1/2018	6,500	203	6,297
	1/1/2019	6,500	202	6,298
	2/1/2019	6,500	194	6,306
	3/1/2019	6,500	168	6,332
	4/1/2019	6,500	179	6,321
	5/1/2019	6,500	166	6,334
	6/1/2019	6,500	163	6,337
	7/1/2019	6,500	151	6,349
	8/1/2019	6,500	148	6,352
	9/1/2019	6,500	140	6,360
	10/1/2019	6,500	128	6,372
	11/1/2019	6,500	125	6,375
	12/1/2019	6,500	113	6,387
	1/1/2020	6,500	109	6,391
	2/1/2020	6,500	102	6,398
	3/1/2020	6,500	88	6,412
	4/1/2020	6,500	86	6,414
	5/1/2020	6,500	76	6,424
	6/1/2020	6,500	70	6,430
	7/1/2020	6,500	61	6,439
	8/1/2020	6,500	55	6,445
	9/1/2020	6,500	47	6,453
	10/1/2020	6,500	38	6,462
	11/1/2020	6,500	31	6,469
	12/1/2020	6,500	23	6,477
	1/1/2021	6,500	16	6,484
	2/1/2021	6,500	129	6,371
		<u>\$ 351,000</u>	<u>\$ 11,371</u>	<u>\$ 339,629</u>
Net pension liability				\$ 2,266,121
Net OPEB obligation				2,975,380
Accrued compensated absences				224,938
<b>TOTAL GENERAL LONG-TERM OBLIGATIONS</b>				<u><u>\$ 23,404,377</u></u>

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
<b>ENTERPRISE FUNDS</b>				
<b>Electrical Power Fund</b>				
2012 Bucket Truck	7/24/2016	\$ 3,481	\$ 94	\$ 3,387
09/24/2012 - \$197,633; 2.19%; 60 months	8/24/2016	3,480	87	3,393
\$3,480.52/monthly	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	3,480	7	3,473
		<u>\$ 52,207</u>	<u>\$ 754</u>	<u>\$ 51,453</u>
2016 Freightliner Power Line Truck	7/25/2016	\$ 4,317	\$ 394	\$ 3,924
04/25/2016; \$246,429; 1.98%; 60 months	8/25/2016	4,317	387	3,930
\$4,317.19/monthly	9/25/2016	4,317	381	3,936
	10/25/2016	4,317	374	3,943
	11/25/2016	4,317	368	3,949
	12/25/2016	4,317	361	3,956
	1/25/2017	4,317	355	3,963
	2/25/2017	4,317	348	3,969
	3/25/2017	4,317	342	3,976
	4/25/2017	4,317	335	3,982
	5/25/2017	4,317	328	3,989
	6/25/2017	4,317	322	3,995
	7/25/2017	4,317	315	4,002
	8/25/2017	4,317	309	4,008
	9/25/2017	4,317	302	4,015
	10/25/2017	4,317	295	4,022
	11/25/2017	4,317	289	4,028
	12/25/2017	4,317	282	4,035
	1/25/2018	4,317	276	4,042
	2/25/2018	4,317	269	4,048
	3/25/2018	4,317	262	4,055
	4/25/2018	4,317	255	4,062
	5/25/2018	4,317	249	4,068

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	6/25/2018	4,317	242	4,075
	7/25/2018	4,317	235	4,082
	8/25/2018	4,317	229	4,089
	9/25/2018	4,317	222	4,095
	10/25/2018	4,317	215	4,102
	11/25/2018	4,317	208	4,109
	12/25/2018	4,317	202	4,116
	1/25/2019	4,317	195	4,122
	2/25/2019	4,317	188	4,129
	3/25/2019	4,317	181	4,136
	4/25/2019	4,317	174	4,143
	5/25/2019	4,317	167	4,150
	6/25/2019	4,317	161	4,157
	7/25/2019	4,317	154	4,163
	8/25/2019	4,317	147	4,170
	9/25/2019	4,317	140	4,177
	10/25/2019	4,317	133	4,184
	11/25/2019	4,317	126	4,191
	12/25/2019	4,317	119	4,198
	1/25/2020	4,317	112	4,205
	2/25/2020	4,317	105	4,212
	3/25/2020	4,317	99	4,219
	4/25/2020	4,317	92	4,226
	5/25/2020	4,317	85	4,233
	6/25/2020	4,317	78	4,240
	7/25/2020	4,317	71	4,247
	8/25/2020	4,317	64	4,254
	9/25/2020	4,317	57	4,261
	10/25/2020	4,317	50	4,268
	11/25/2020	4,317	42	4,275
	12/25/2020	4,317	35	4,282
	1/25/2021	4,317	28	4,289
	2/25/2021	4,317	21	4,296
	3/25/2021	4,317	14	4,303
	4/25/2021	4,317	7	4,310
		<u>\$ 250,397</u>	<u>\$ 11,796</u>	<u>\$ 238,601</u>
Net pension liability				319,581
Net OPEB obligation				704,154
Accrued compensated absences				<u>51,682</u>
Total Electrical Power Fund				<u>\$ 1,365,471</u>

**CITY OF ACWORTH, GEORGIA**  
**SCHEDULE OF INDEBTEDNESS**  
**June 30, 2016**

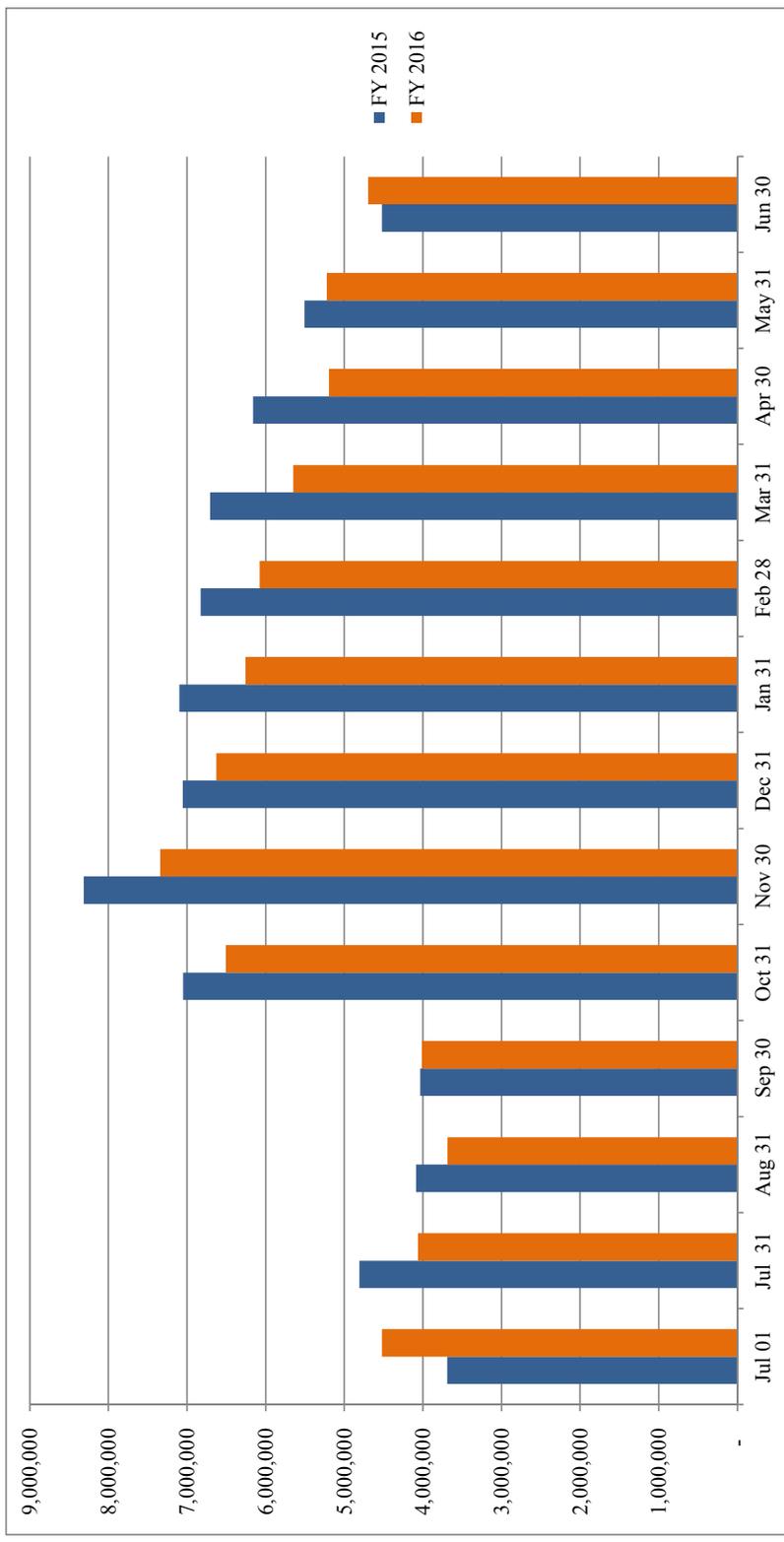
DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
<b>Sanitation Fund</b>				
2016 Freightliner Sanitation Truck	8/4/2016	\$ 3,004	\$ 265	\$ 2,739
09/04/2015 - \$170,431; 2.22%; 60 months	9/4/2016	3,004	260	2,744
\$3,003.71/monthly	10/4/2016	3,004	255	2,749
	11/4/2016	3,004	250	2,754
	12/4/2016	3,004	245	2,759
	1/4/2017	3,004	240	2,764
	2/4/2017	3,004	235	2,769
	3/4/2017	3,004	229	2,774
	4/4/2017	3,004	224	2,779
	5/4/2017	3,004	219	2,785
	6/4/2017	3,004	214	2,790
	7/4/2017	3,004	209	2,795
	8/4/2017	3,004	204	2,800
	9/4/2017	3,004	199	2,805
	10/4/2017	3,004	193	2,810
	11/4/2017	3,004	188	2,816
	12/4/2017	3,004	183	2,821
	1/4/2018	3,004	178	2,826
	2/4/2018	3,004	173	2,831
	3/4/2018	3,004	167	2,836
	4/4/2018	3,004	162	2,842
	5/4/2018	3,004	157	2,847
	6/4/2018	3,004	151	2,852
	7/4/2018	3,004	146	2,857
	8/4/2018	3,004	141	2,863
	9/4/2018	3,004	136	2,868
	10/4/2018	3,004	130	2,873
	11/4/2018	3,004	125	2,879
	12/4/2018	3,004	120	2,884
	1/4/2019	3,004	114	2,889
	2/4/2019	3,004	109	2,895
	3/4/2019	3,004	104	2,900
	4/4/2019	3,004	98	2,905
	5/4/2019	3,004	93	2,911
	6/4/2019	3,004	88	2,916
	7/4/2019	3,004	82	2,922
	8/4/2019	3,004	77	2,927
	9/4/2019	3,004	71	2,932
	10/4/2019	3,004	66	2,938
	11/4/2019	3,004	60	2,943
	12/4/2019	3,004	55	2,949
	1/4/2020	3,004	50	2,954
	2/4/2020	3,004	44	2,960
	3/4/2020	3,004	39	2,965
	4/4/2020	3,004	33	2,971
	5/4/2020	3,004	28	2,976
	6/4/2020	3,004	22	2,982
	7/4/2020	3,004	17	2,987
	8/4/2020	3,004	11	2,993
	9/4/2020	3,004	6	2,998
		<u>\$ 150,186</u>	<u>\$ 6,864</u>	<u>\$ 143,322</u>

**CITY OF ACWORTH, GEORGIA  
SCHEDULE OF INDEBTEDNESS**

**June 30, 2016**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Net pension liability				\$ 203,370
Net OPEB obligation				267,969
Accrued compensated absences				<u>17,794</u>
Total Solid Waste Sanitation Fund				<u>\$ 632,455</u>
<b>TOTAL ENTERPRISE FUNDS</b>				<u><u>\$ 1,997,926</u></u>
<b>INTERNAL SERVICE FUNDS</b>				
<b>Customer Service Fund</b>				
Net pension liability				\$ 116,211
Accrued compensated absences				<u>13,623</u>
<b>TOTAL INTERNAL SERVICE FUNDS</b>				<u><u>\$ 129,834</u></u>

**City of Acworth, Georgia**  
**General Fund Schedule of Unassigned Fund Balance by Month**  
**Fiscal Years 2015 and 2016**



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# STATISTICAL SECTION

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

## Contents

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009 (2)	2010	2011	2012 (1)	2013	2014 (1)	2015	2016
<b>Fiscal Year Ended December 31,</b>										
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 34,345,532	\$ 33,985,948	\$ 34,171,629	\$ 32,822,306	\$ 32,095,552	\$ 32,488,823	\$ 33,087,992	\$ 41,531,232	\$ 42,518,514	\$ 44,217,395
Restricted	5,474,008	5,772,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961	6,086,764	7,226,407	7,352,579
Unrestricted	(428,906)	(76,953)	(3,303,952)	(3,244,415)	(2,696,525)	(10,054,498)	(8,995,080)	(10,419,765)	(9,883,096)	(10,654,546)
<b>Subtotal Governmental Activities Net Position</b>	<b>39,390,634</b>	<b>39,681,478</b>	<b>36,431,341</b>	<b>36,610,531</b>	<b>36,576,948</b>	<b>30,073,864</b>	<b>32,350,873</b>	<b>37,198,231</b>	<b>39,861,825</b>	<b>40,915,428</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	6,369,610	6,246,611	6,095,349	5,956,187	5,670,482	5,441,010	5,153,818	5,052,522	4,846,950	5,076,443
Restricted	-	500,000	-	-	-	-	-	-	-	-
Unrestricted	(3,869,450)	(4,501,350)	(4,105,802)	(3,438,357)	(2,047,477)	5,289,983	5,993,873	6,707,323	7,782,477	9,237,222
<b>Subtotal Business-Type Activities Net Position</b>	<b>2,500,160</b>	<b>2,245,261</b>	<b>1,989,547</b>	<b>2,517,830</b>	<b>3,623,005</b>	<b>10,730,993</b>	<b>11,147,691</b>	<b>11,759,845</b>	<b>12,629,427</b>	<b>14,313,665</b>
<b>Primary Government</b>										
Net investment in capital assets	40,715,142	40,232,559	40,266,978	38,778,493	37,766,034	37,929,833	38,241,810	46,583,754	47,365,464	49,293,838
Restricted	5,474,008	6,272,483	5,563,664	7,032,640	7,177,921	7,639,539	8,257,961	6,086,764	7,226,407	7,352,579
Unrestricted	(4,298,356)	(4,578,303)	(7,409,754)	(6,682,772)	(4,744,002)	(4,764,515)	(3,001,207)	(3,712,442)	(2,100,619)	(1,417,324)
<b>Total Primary Government Net Position</b>	<b>\$ 41,890,794</b>	<b>\$ 41,926,739</b>	<b>\$ 38,420,888</b>	<b>\$ 39,128,361</b>	<b>\$ 40,199,953</b>	<b>\$ 40,804,857</b>	<b>\$ 43,498,564</b>	<b>\$ 48,958,076</b>	<b>\$ 52,491,252</b>	<b>\$ 55,229,093</b>

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016
<b>Fiscal Year Ended December 31,</b>										
<b>Expenses:</b>										
Governmental activities	\$ 13,331,013	\$ 13,909,175	\$ 6,687,448	\$ 13,891,839	\$ 13,646,586	\$ 14,309,472	\$ 13,633,681	\$ 15,600,298	\$ 16,847,319	\$ 20,001,965
Business-type activities	11,402,027	11,771,469	5,810,804	11,827,593	12,355,258	12,436,270	12,756,520	12,788,057	12,334,462	11,330,037
<b>Total Expenses</b>	<b>24,733,040</b>	<b>25,680,644</b>	<b>12,498,252</b>	<b>25,719,432</b>	<b>26,001,844</b>	<b>26,745,742</b>	<b>26,390,201</b>	<b>28,388,355</b>	<b>29,181,781</b>	<b>31,332,002</b>
<b>Program Revenues:</b>										
Governmental activities	4,929,542	3,967,669	2,040,549	4,648,767	4,195,920	4,599,585	5,211,204	6,687,986	7,359,080	8,740,212
Business-type activities	12,147,423	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,505,717	14,752,706
<b>Total Program Revenues</b>	<b>17,076,965</b>	<b>15,941,599</b>	<b>7,655,666</b>	<b>17,057,106</b>	<b>17,888,566</b>	<b>18,395,029</b>	<b>19,850,726</b>	<b>21,832,778</b>	<b>22,664,797</b>	<b>23,492,918</b>
<b>Net (Expense) Revenue</b>	<b>(7,656,075)</b>	<b>(9,739,045)</b>	<b>(4,842,586)</b>	<b>(8,662,326)</b>	<b>(8,113,278)</b>	<b>(8,350,713)</b>	<b>(6,539,475)</b>	<b>(6,555,577)</b>	<b>(6,516,984)</b>	<b>(7,839,084)</b>
<b>General Revenues and Transfers:</b>										
Governmental activities	9,593,064	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486	10,923,236	12,151,833	12,315,356
Business-type activities	1,097,141	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)	(1,738,431)
<b>Total General Revenues and Transfers</b>	<b>10,690,205</b>	<b>9,774,990</b>	<b>1,336,735</b>	<b>9,572,677</b>	<b>9,184,870</b>	<b>9,134,937</b>	<b>9,233,182</b>	<b>9,654,117</b>	<b>10,050,160</b>	<b>10,576,925</b>
<b>Changes in Net Position</b>	<b>\$ 3,034,130</b>	<b>\$ 35,945</b>	<b>\$ (3,505,851)</b>	<b>\$ 910,351</b>	<b>\$ 1,071,592</b>	<b>\$ 784,224</b>	<b>\$ 2,693,707</b>	<b>\$ 3,098,540</b>	<b>\$ 3,533,176</b>	<b>\$ 2,737,841</b>

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

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

	Fiscal Year Ended June 30,									
	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016
<b>Expenses:</b>										
General government	\$ 1,990,437	\$ 1,749,087	\$ 981,054	\$ 2,004,955	\$ 1,842,027	\$ 1,968,349	\$ 2,018,223	\$ 2,609,694	\$ 3,091,117	\$ 3,704,116
Judicial	363,383	406,441	237,822	423,891	371,570	350,971	376,499	395,493	414,891	458,293
Health and welfare	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640
Public works	3,385,142	3,408,553	1,679,483	3,543,776	3,666,566	3,470,031	3,229,552	3,304,938	3,800,570	4,866,774
Culture and recreation	1,833,692	2,379,781	1,174,998	2,082,237	2,124,868	2,088,689	1,622,427	2,681,118	2,763,205	3,613,552
Public safety	3,583,909	4,067,441	1,950,445	4,068,427	4,122,196	4,312,644	4,209,328	4,450,562	4,966,721	5,948,132
Housing and development	1,528,600	1,259,224	349,078	1,162,929	945,222	981,000	994,734	1,032,121	926,219	1,060,788
Interest and fiscal charges	643,457	635,536	313,112	603,875	573,085	1,131,515	1,181,927	1,125,283	882,928	846,670
<b>Total Expenses</b>	<b>13,331,013</b>	<b>13,909,175</b>	<b>6,687,448</b>	<b>13,891,839</b>	<b>13,646,586</b>	<b>14,309,472</b>	<b>13,633,681</b>	<b>15,600,298</b>	<b>16,847,319</b>	<b>20,001,965</b>
<b>Program Revenues:</b>										
Charges for Services:										
General government	193,933	180,197	71,358	167,312	190,155	217,284	214,352	238,294	231,605	263,686
Judicial	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306	1,215,947
Public works	24,085	25,724	6,820	9,090	26,793	20,982	18,866	33,375	28,481	22,733
Culture and recreation	363,368	336,271	171,720	353,160	457,073	394,608	430,099	463,883	569,999	623,672
Public safety	4,232,772	4,367,367	1,401,775	27,246	22,526	27,389	23,440	65,333	95,102	71,254
Housing and development	2,855	302,272	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863
Operating grants and contributions	2,855	41,629	52,761	185,071	51,166	100,439	122,508	291,322	235,434	301,743
Capital grants and contributions	3,011,179	2,201,668	1,116,991	2,631,914	2,166,754	2,696,513	2,968,210	4,217,065	4,707,609	5,882,314
<b>Total Program Revenues</b>	<b>4,929,542</b>	<b>3,967,669</b>	<b>2,040,549</b>	<b>4,648,767</b>	<b>4,195,920</b>	<b>4,599,585</b>	<b>5,211,204</b>	<b>6,687,986</b>	<b>7,359,080</b>	<b>8,740,212</b>
<b>Net (Expense) Revenue</b>	<b>(8,401,471)</b>	<b>(9,941,506)</b>	<b>(4,646,899)</b>	<b>(9,243,072)</b>	<b>(9,450,666)</b>	<b>(9,709,887)</b>	<b>(8,422,477)</b>	<b>(8,912,312)</b>	<b>(9,488,239)</b>	<b>(11,261,753)</b>
<b>General Revenues and Transfers:</b>										
General revenues:										
Property taxes	4,992,145	5,302,654	211,192	5,321,112	5,122,901	4,874,050	4,828,872	5,227,730	5,305,820	5,522,167
Insurance premium tax	733,632	751,205		744,158	722,530	958,018	1,017,576	1,053,603	1,102,373	1,177,704
Alcohol taxes	454,868	461,838	222,419	434,368	430,223	458,417	466,203	466,400	468,573	538,892
Hotel, motel tax	127,745	115,685	49,262	109,608	115,272	112,969	126,816	139,982	188,530	206,648
Franchise taxes	1,110,268	1,092,569	690,534	1,288,181	1,381,657	1,349,413	1,370,578	1,416,619	1,400,859	1,400,859
Financial institution tax	17,638	17,636	50,373	20,287	29,702	25,798	37,504	33,745	33,761	77,875
Business Taxes	436,204	436,024	823	401,509	392,470	409,776	442,094	456,762	451,893	500,078
Contributions not restricted to a specific program	791,847	789,745	17,767	743,031	663,575	638,610	680,784	600,130	591,414	608,173
Contributions not restricted to a specific program	344,105	291,701	-	369,494	247,293	246,349	252,388	245,977	433,818	439,279
Operating grants not restricted to a specific program	-	18,649	-	-	-	13,097	19,345	18,339	19,514	19,564
Insurance Proceeds	426,639	319,312	77,005	125,116	64,460	13,097	19,345	18,339	19,514	19,564
Unrestricted investment earnings	-	-	77,387	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	157,973	635,332	-	96,083	247,000	1,094,754	1,478,491	1,310,000	2,139,518	1,824,117
<b>Total General Revenues and Transfers</b>	<b>9,593,064</b>	<b>10,232,350</b>	<b>1,396,762</b>	<b>9,652,947</b>	<b>9,417,083</b>	<b>10,215,051</b>	<b>10,699,486</b>	<b>10,923,246</b>	<b>12,151,833</b>	<b>12,315,356</b>
<b>Change in Net Position</b>	<b>\$ 1,191,593</b>	<b>\$ 290,844</b>	<b>\$ (3,250,137)</b>	<b>\$ 409,875</b>	<b>\$ (33,583)</b>	<b>\$ 505,164</b>	<b>\$ 2,277,009</b>	<b>\$ 2,010,934</b>	<b>\$ 2,663,594</b>	<b>\$ 1,053,603</b>

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

(2) As restated.

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

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

	Fiscal Year Ended June 30,										
	Fiscal Year Ended December 31,	2007	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016
<b>Expenses:</b>											
Electrical Power	\$ 10,270,097	\$ 10,544,317	\$ 5,243,322	\$ 10,650,264	\$ 11,163,078	\$ 11,214,845	\$ 11,526,660	\$ 11,488,074	\$ 11,488,074	\$ 10,867,184	\$ 9,787,092
Sanitation	1,131,930	1,227,152	567,482	1,177,329	1,192,180	1,221,425	1,229,860	1,299,983	1,299,983	1,467,278	1,542,945
<b>Total Expenses</b>	<b>11,402,027</b>	<b>11,771,469</b>	<b>5,810,804</b>	<b>11,827,593</b>	<b>12,355,258</b>	<b>12,436,270</b>	<b>12,756,520</b>	<b>12,788,057</b>	<b>12,788,057</b>	<b>12,334,462</b>	<b>11,330,037</b>
<b>Program Revenues:</b>											
Charges for Services:											
Electrical Power	10,721,339	10,551,010	4,898,922	10,971,454	12,198,127	12,280,471	13,103,125	13,548,217	13,548,217	13,622,247	13,010,289
Sanitation	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378	1,594,705	1,594,705	1,682,170	1,716,409
Operating grants and contributions	-	-	-	2,125	9,025	-	-	-	-	-	-
Capital grants and contributions	128,265	35,409	9,531	2,125	9,025	15,295	5,019	1,870	1,870	1,300	26,008
<b>Total Program Revenues</b>	<b>12,147,423</b>	<b>11,973,930</b>	<b>5,615,117</b>	<b>12,408,339</b>	<b>13,692,646</b>	<b>13,795,444</b>	<b>14,639,522</b>	<b>15,144,792</b>	<b>15,144,792</b>	<b>15,305,717</b>	<b>14,752,706</b>
<b>Net (Expense) Revenue</b>	<b>745,396</b>	<b>202,461</b>	<b>(195,687)</b>	<b>580,746</b>	<b>1,337,388</b>	<b>1,359,174</b>	<b>1,883,002</b>	<b>2,356,735</b>	<b>2,356,735</b>	<b>2,971,255</b>	<b>3,422,669</b>
<b>General Revenues and Transfers:</b>											
Unrestricted investment earnings	1,255,114	177,972	17,360	15,813	14,787	14,640	11,033	40,881	40,881	37,845	85,686
Gain on sale of capital assets	-	-	-	-	-	-	1,154	-	-	-	-
Transfers	(157,973)	(635,332)	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)	(1,310,000)	(1,310,000)	(2,139,518)	(1,824,117)
<b>Total General Revenues and Transfers</b>	<b>1,097,141</b>	<b>(457,360)</b>	<b>(60,027)</b>	<b>(80,270)</b>	<b>(232,213)</b>	<b>(1,080,114)</b>	<b>(1,466,304)</b>	<b>(1,269,119)</b>	<b>(1,269,119)</b>	<b>(2,101,673)</b>	<b>(1,738,431)</b>
<b>Changes in Net Position</b>	<b>\$ 1,842,537</b>	<b>\$ (254,899)</b>	<b>\$ (255,714)</b>	<b>\$ 500,476</b>	<b>\$ 1,105,175</b>	<b>\$ 279,060</b>	<b>\$ 416,698</b>	<b>\$ 1,087,616</b>	<b>\$ 1,087,616</b>	<b>\$ 869,582</b>	<b>\$ 1,684,238</b>

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

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

Program/Function	Fiscal Year Ended June 30,									
	2007	2008	2009 (1)	2010	2011	2012 (3)	2013	2014 (4)	2015	2016
<b>Governmental Activities</b>										
General government	\$ 193,933	\$ 180,197	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294	\$ 231,605	\$ 263,686
Judicial	846,483	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306	1,215,947
Public works (2)	2,026,796	1,904,112	966,532	2,425,920	2,143,256	2,677,012	2,839,088	4,195,856	2,870,130	2,732,651
Culture and recreation	1,247,849	660,011	328,999	626,495	486,815	463,083	625,403	584,902	1,061,642	3,012,751
Public safety	191,209	68,415	64,162	152,132	94,241	99,836	98,632	290,220	1,704,853	1,156,314
Housing and development	423,272	302,367	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863
<b>Subtotal governmental activities</b>	<b>4,929,542</b>	<b>3,967,669</b>	<b>2,040,549</b>	<b>4,648,767</b>	<b>4,195,920</b>	<b>4,599,585</b>	<b>5,211,204</b>	<b>6,687,986</b>	<b>7,359,080</b>	<b>8,740,212</b>
<b>Business-type activities</b>										
Electric	10,849,604	10,586,419	4,908,453	10,973,579	12,207,152	12,295,766	13,108,144	13,550,087	13,623,547	13,036,297
Sanitation	1,297,819	1,387,511	706,664	1,434,760	1,485,494	1,499,678	1,531,378	1,594,705	1,682,170	1,716,409
<b>Subtotal business-type activities</b>	<b>12,147,423</b>	<b>11,973,930</b>	<b>5,615,117</b>	<b>12,408,339</b>	<b>13,692,646</b>	<b>13,795,444</b>	<b>14,639,522</b>	<b>15,144,792</b>	<b>15,305,717</b>	<b>14,752,706</b>
<b>Total Primary Government</b>	<b>\$ 17,076,965</b>	<b>\$ 15,941,599</b>	<b>\$ 7,655,666</b>	<b>\$ 17,057,106</b>	<b>\$ 17,888,566</b>	<b>\$ 18,395,029</b>	<b>\$ 19,850,726</b>	<b>\$ 21,832,778</b>	<b>\$ 22,664,797</b>	<b>\$ 23,492,918</b>

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 2007 and subsequent years are larger primarily as result of donated infrastructure and SPLOST funded projects.
- (3) Restated.
- (4) FY 2014 has been restated and the effect of these restatements to previously reported changes in net position has not been determined.

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

	<u>2007 (1)</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010 (3)</u>	<u>2011 (3)</u>	<u>2012 (4)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund</b>										
Reserved	\$ 3,808,080	\$ 3,808,585	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,644,759	4,951,812	2,324,058	-	-	-	-	-	-	-
Non-spendable	-	-	-	253,995	269,441	245,943	237,982	272,111	61,309	91,878
Restricted	-	-	-	3,710,718	3,729,973	3,645,885	3,158,549	3,181,225	3,198,814	3,004,675
Committed	-	-	-	7,698	59,525	24,402	13,402	7,160	-	-
Assigned	-	-	-	34,468	29,984	29,222	426,844	451,576	23,300	50,289
Unassigned	-	-	-	2,537,862	2,720,302	3,114,548	3,194,965	3,689,509	4,522,607	4,695,627
<b>Total General Fund</b>	<b>\$ 8,452,839</b>	<b>\$ 8,760,397</b>	<b>\$ 6,338,457</b>	<b>\$ 6,544,741</b>	<b>\$ 6,809,225</b>	<b>\$ 7,060,000</b>	<b>\$ 7,031,742</b>	<b>\$ 7,601,581</b>	<b>\$ 7,806,030</b>	<b>\$ 7,842,469</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	118,037	1,137,042	186,617	-	-	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Unreserved	381,377	361,116	260,841	-	-	-	-	-	-	-
Capital Projects/Improvements	1,806,940	924,119	1,609,492	-	-	-	-	-	-	-
Non-spendable	-	-	-	1,250	1,250	1,250	1,250	77,162	868,138	125,000
Restricted	-	-	-	3,181,024	3,446,698	3,992,404	5,098,162	6,473,100	3,159,455	4,222,905
Committed	-	-	-	10,167	498,442	264,315	330,351	10,245	99,486	1,600
Assigned	-	-	-	507,681	318,403	224,237	742,228	1,038,632	879,274	67,067
Unassigned	-	-	-	-	-	-	-	-	-	(285,719)
<b>Total All Other Governmental Funds</b>	<b>\$ 2,306,354</b>	<b>\$ 2,422,277</b>	<b>\$ 2,056,950</b>	<b>\$ 3,700,122</b>	<b>\$ 4,264,793</b>	<b>\$ 4,482,206</b>	<b>\$ 6,171,991</b>	<b>\$ 7,599,139</b>	<b>\$ 5,006,353</b>	<b>\$ 4,130,853</b>

**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)*

	2007	2008	2009	2010	2011	2012 (2)	2013	2014	2015	2016
<b>Revenues:</b>										
Taxes	\$ 7,906,346	\$ 8,001,223	\$ 1,371,320	\$ 8,531,068	\$ 8,385,438	\$ 8,460,186	\$ 8,589,855	\$ 9,006,639	\$ 9,396,110	\$ 9,876,440
Licenses and permits	343,770	275,196	89,141	217,691	228,062	248,398	337,662	262,984	498,578	448,147
Intergovernmental	3,626,295	3,008,241	1,049,663	3,370,402	2,854,668	3,355,670	4,485,645	4,227,472	4,724,006	6,331,596
Charges for services	439,446	703,809	205,484	491,125	517,494	511,358	541,620	645,122	747,805	776,663
Fines and forfeitures	881,110	893,736	585,684	1,074,817	1,250,253	980,759	1,224,165	1,368,753	1,247,837	1,427,823
Investment earnings	426,679	319,312	77,005	125,120	72,914	16,560	24,155	21,191	20,705	20,953
Contributions and donations	98,746	115,709	96,781	77,857	29,742	60,289	49,856	90,765	61,340	62,343
Other	68,630	94,001	37,539	64,073	76,279	98,138	85,512	111,321	87,290	115,343
<b>Total revenues</b>	<b>13,791,022</b>	<b>13,411,227</b>	<b>3,512,617</b>	<b>13,952,153</b>	<b>13,414,850</b>	<b>13,731,358</b>	<b>15,338,470</b>	<b>15,734,247</b>	<b>16,783,671</b>	<b>19,059,308</b>
<b>Expenditures:</b>										
Current:										
General Government	1,897,165	1,927,072	894,250	1,980,437	1,705,337	1,737,926	1,793,986	2,045,381	2,019,309	2,219,796
Public Safety	3,598,405	3,779,038	1,676,764	3,740,213	3,828,645	3,978,739	4,001,367	4,074,909	4,555,384	5,313,900
Public Works	872,567	932,068	419,362	930,192	949,323	926,744	961,549	1,023,966	1,044,454	1,190,492
Health and Welfare	2,393	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640
Housing and development	1,542,316	1,214,064	326,572	1,121,819	911,945	930,902	952,545	983,906	916,713	1,071,000
Judicial	369,160	405,082	237,142	413,747	358,569	338,509	376,499	387,141	410,749	441,673
Culture and recreation	1,407,751	2,037,873	1,008,452	1,916,828	1,562,883	1,644,360	1,768,951	2,011,917	2,170,214	2,407,869
Capital Projects	2,449,295	2,537,876	1,305,336	809,171	2,285,296	3,064,257	3,075,740	7,401,758	8,127,891	7,621,926
Debt Service										
Principal	585,661	703,244	449,331	678,889	678,078	1,062,523	1,005,211	1,102,000	1,414,334	1,499,675
Interest	625,427	622,359	307,961	607,036	562,781	875,445	929,097	908,813	626,858	590,600
<b>Total Expenditures</b>	<b>13,350,340</b>	<b>14,161,788</b>	<b>6,626,626</b>	<b>12,200,081</b>	<b>12,843,909</b>	<b>14,365,677</b>	<b>14,864,936</b>	<b>19,940,880</b>	<b>21,287,374</b>	<b>22,360,571</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>440,682</b>	<b>(750,561)</b>	<b>(3,114,009)</b>	<b>1,752,072</b>	<b>570,941</b>	<b>(634,319)</b>	<b>473,534</b>	<b>(4,206,633)</b>	<b>(4,503,903)</b>	<b>(3,301,263)</b>
<b>Other financing sources (uses):</b>										
Transfers in	1,717,889	1,902,956	599,510	1,239,544	2,224,874	3,253,520	3,367,637	4,019,221	3,777,573	3,431,166
Transfers out	(1,559,916)	(1,267,624)	(522,123)	(1,143,461)	(1,977,874)	(2,218,520)	(2,297,637)	(2,709,221)	(1,738,055)	(1,607,049)
Payment to refunding agent							(3,300,000)	(5,285,000)		
Debt Issued	111,062	527,485	244,635	-	-	-	3,407,000	9,435,000	-	626,947
Sale of capital assets	1,984	11,225	4,720	1,301	11,214	20,035	10,993	743,620	76,048	11,138
<b>Total other financing sources (uses)</b>	<b>271,019</b>	<b>1,174,042</b>	<b>326,742</b>	<b>97,384</b>	<b>258,214</b>	<b>1,055,035</b>	<b>1,187,993</b>	<b>6,203,620</b>	<b>2,115,566</b>	<b>2,462,202</b>
<b>Total Net change in fund balance</b>	<b>\$ 711,701</b>	<b>\$ 423,481</b>	<b>\$ (2,787,267)</b>	<b>\$ 1,849,456</b>	<b>\$ 829,155</b>	<b>\$ 220,716</b>	<b>\$ 1,661,527</b>	<b>\$ 1,996,987</b>	<b>\$ (2,388,337)</b>	<b>\$ (839,061)</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	11.2%	12.0%	14.4%	11.7%	11.5%	16.9%	16.4%	16.3%	15.4%	14.2%

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 Years 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
2007	\$ 4,967,959	\$ 733,632	\$ 46,741	\$ 454,828	\$ 127,745	\$ 11,290	\$ 1,110,268	\$ 453,883	\$ 7,906,346
2008	5,091,896	751,205	26,689	461,838	115,685	7,680	1,092,569	453,660	8,001,222
2009	*	*	*	*	*	*	*	*	*
2010	5,509,677	744,158	19,163	434,368	109,608	4,118	1,288,181	421,795	8,531,068
2011	5,288,575	722,530	19,020	430,223	115,272	5,989	1,381,657	422,172	8,385,438
2012	5,086,566	958,018	21,769	458,547	112,969	5,002	1,383,083	434,232	8,460,186
2013	5,105,049	1,017,576	36,389	466,203	126,816	8,811	1,349,413	479,598	8,589,855
2014	5,450,671	1,053,603	24,185	466,400	139,982	10,713	1,370,578	490,507	9,006,639
2015	5,687,895	1,102,373	29,669	468,573	188,530	16,797	1,416,619	485,654	9,396,110
2016	5,907,258	1,177,704	54,895	538,892	206,648	12,231	1,400,859	577,953	9,876,440

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 2007 to 2008 are ending December 31; Fiscal Years 2010 forward end June 30. The short reporting period for 2009 is not included since information would not reflect a trend.  
(2) 2007 - 2008 taxes were reduced by the Governor's Homeowners Tax Relief Grant that was included in years 2007 to 2008 and was not funded in subsequent years.

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

Digest Year	Amounts													Annual Percentage Change
	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Historical Property	Conservation Use Property	Public Utility	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	
2006	\$ 392,785,384	\$ -	\$ 161,532,031	\$ 3,247,472	\$ 893,300	\$ -	\$ 9,187,752	\$ 40,389,366	\$ 27,024,464	\$ 52,660,065	\$ 582,399,704	7.688	\$ 1,455,999,260	12.3%
2007	416,206,024	-	192,355,562	5,022,272	910,156	-	9,616,216	44,171,989	43,643,482	57,047,114	654,878,587	7.600	1,637,196,468	12.4%
2008	426,910,777	-	216,720,909	6,349,032	-	-	8,769,920	45,294,528	43,567,048	53,711,754	693,900,480	7.600	1,734,751,200	6.0%
2009	426,874,961	-	218,636,819	6,338,402	-	-	9,819,691	48,217,353	44,029,568	50,601,899	703,314,895	7.600	1,758,287,238	1.4%
2010	394,104,040	-	211,377,375	6,155,962	82,288	-	11,951,190	41,122,877	42,372,226	41,169,246	665,996,712	7.600	1,664,991,780	-5.3%
2011	372,302,549	-	194,290,388	6,161,082	100,458	-	11,870,518	39,684,262	41,638,334	26,318,183	639,729,408	7.600	1,599,323,520	-3.9%
2012	319,165,277	-	200,401,561	6,018,673	97,952	-	7,372,761	41,787,427	44,841,050	16,324,969	603,359,732	7.600	1,508,399,330	-5.7%
2013	313,876,166	-	186,926,383	6,141,426	97,952	-	8,158,889	46,035,491	45,020,601	15,545,389	590,711,519	7.600	1,476,778,798	-2.1%
2014	339,366,538	-	186,174,264	6,091,618	97,952	-	9,878,058	39,077,345	47,106,016	18,657,078	609,134,713	7.600	1,522,836,783	3.1%
2015	366,573,387	-	200,037,635	5,820,460	97,952	-	16,589,303	27,249,939	49,130,904	23,800,897	641,698,683	7.600	1,604,246,708	5.3%

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
2006	7.688	7.688	6.820	0.220	2.560	9.600	19.000	0.900	-	19.900	0.250	0.250	37.438
2007	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	-	18.900	0.250	0.250	36.350
2008	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	-	18.900	0.250	0.250	36.350
2009	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	-	18.900	0.250	0.250	36.350
2010	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	-	18.900	0.250	0.250	36.350
2011	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	-	18.900	0.250	0.250	37.860
2012 (2)	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	-	18.900	0.200	0.200	37.810
2013	7.600	7.600	7.520	0.330	3.060	10.910	18.900	-	-	18.900	0.150	0.150	37.560
2014	7.600	7.600	7.320	0.330	3.060	10.710	18.900	-	-	18.900	0.100	0.100	37.310
2015	7.600	7.600	7.120	0.330	3.060	10.510	18.900	-	-	18.900	0.050	0.050	37.060

Notes:

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

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

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

	2015				2006			
	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Principal Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
BellSouth Telecom/AT&T Georgia	\$ 14,666,414	1	2.29%	WalMart	\$ 9,127,642	1	1.57%	
WalMart Real Estate Business Trust	11,986,313	2	1.87%	Lowe's Home Center	7,410,606	2	1.27%	
WRI Lakeside Marketplace LLC	8,696,840	3	1.36%	Walden Ridge	6,752,000	3	1.16%	
Walden Ridge UCM Michelson LLC	8,614,116	4	1.34%	Home Depot	6,676,683	4	1.15%	
Stanton Place Apartments LLLP	6,122,538	5	0.95%	Bellsouth Telecommunications	6,488,333	5	1.11%	
Target Corporation	5,854,200	6	0.91%	Stanton Place Apartments	6,000,000	6	1.03%	
Monarch at Acworth Crossing LLC	5,801,400	7	0.90%	Cobblestone Landing LP	5,553,120	7	0.95%	
Lowes	5,103,560	8	0.80%	Kohls Department Stores	4,302,126	8	0.74%	
HD Development	4,281,757	9	0.67%	NAP Acworth LLC	4,250,096	9	0.73%	
Wingate Falls Partners	4,219,960	10	0.66%	Ingles Markets Inc.	2,974,618	10	0.51%	
Total Principal Taxpayers	75,347,098		11.74%		59,535,224		10.22%	
All Other Taxpayers	566,351,585		88.26%		522,864,480		89.78%	
Total	\$ 641,698,683		100.00%		\$ 582,399,704		100.00%	

Source: Cobb County Tax Commissioners Office (2006) and City of Acworth Finance Department (2015)

CITY OF ACWORTH  
Property Tax Levies and Collections  
Last Ten Years

Tax Digest Year	Taxes Levied	Collected Within the		Collections in Subsequent Fiscal Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 4,095,880	\$ 3,859,214	94.22%	\$ 236,036	\$ 4,095,250	99.98%
2007	4,568,039	4,356,677	95.37%	209,030	4,565,707	99.95%
2008	4,862,105	4,264,903	87.72%	590,573	4,855,476	99.86%
2009	4,903,920	4,749,622	96.85%	146,581	4,896,203	99.84%
2010	4,729,136	4,573,747	96.71%	142,395	4,716,142	99.73%
2011	4,468,702	4,326,349	96.81%	140,574	4,466,923	99.96%
2012	4,161,136	4,085,201	98.18%	32,858	4,118,059	98.96%
2013 (1)	4,077,294	4,020,616	98.61%	36,088	4,056,704	99.50%
2014	4,257,241	4,186,805	98.35%	16,647	4,203,452	98.74%
2015	4,543,730	4,491,087	98.84%	-	4,491,087	98.84%

Source: Cobb County Tax Commissioners Office and City of Acworth Finance Department.  
NOTE: (1) Information has been updated and will vary from previously issued report.

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

Fiscal Year	Kilowatt Hours Sold All Customer Types	Summer (1)			Winter (2)		
		Base Rate	Tier 1	Tier 2	Base Rate	Tier 1	Tier 2
2007	99,502,778	7.45	0.0850	0.1125	7.45	0.0850	0.0620
2008	94,174,253	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2009	41,699,223	7.45	0.0863	0.1142	7.45	0.0863	0.0629
2010	95,696,511	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2011	100,339,782	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2012	93,332,043	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2013	92,913,478	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2014	92,310,033	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2015	95,240,176	8.45	0.0900	0.1240	8.45	0.0900	0.0840
2016	95,543,435	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, GEORGIA  
RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year (1)	Business-Type Activities										Governmental Activities					General Bonded Debt					
	(2) Revenue Bonds	(2) Intergovernmental Contracts	(2) Certificates of Participation	(3) Installment Sales Agreement	(3) Capital Leases	(3) Tax Allocation Bonds	(3) Total Governmental Activities	(4) Revenue Bonds	(4) Capital Leases	(4) Loans Payable	(4) Total Business-Type Activities	(5) Total Primary Government	(5) Personal Income	(5) Percentage of Personal Income	(5) Per Capita	(5) Population	(6) Resources Restricted for Repayment of Debt	(6) Net Primary Government	(6) Estimated Actual Value of Taxable Property (9)	(6) Percentage of Estimated Actual Value of Taxable Property	(6) Per Capita
2007	\$ 4,881,443	\$ 94,268	\$ 1,001,935	\$ -	\$ -	\$ 6,035,000	\$ 12,012,646	\$ 13,900,000	\$ 332,854	\$ -	\$ 14,232,854	\$ 19,877,646	\$ 546,476,748	4.80%	1,267	20,714	\$ 644,639	\$ 19,233,007	\$ 1,637,196,468	1.17%	\$ 929
2008	5,585,896	40,400	753,106	-	-	5,905,000	12,284,402	9,645,000	331,428	-	9,976,428	22,260,830	569,704,296	3.91%	1,014	21,959	657,045	15,367,357	1,734,751,200	0.89%	700
2009 (1)	5,289,803	13,466	666,801	-	-	5,905,000	11,835,070	9,340,000	283,817	-	9,623,817	21,458,887	541,955,000	3.96%	1,059	20,260	653,294	14,616,776	-	N/A	721
2010	4,890,000	-	487,716	-	-	5,765,000	11,142,716	9,015,000	182,462	-	9,197,462	20,340,178	577,006,250	3.53%	996	20,425	652,343	13,740,373	1,758,387,238	0.78%	673
2011	4,550,000	-	299,638	-	-	5,615,000	10,464,638	8,675,000	114,645	-	8,789,645	606,193,860	3.18%	920	20,935	652,345	12,872,293	1,664,901,780	0.77%	615	
2012	4,200,000	-	102,115	-	-	5,455,000	9,757,115	8,320,000	72,454	-	8,392,454	18,149,569	686,873,440	2.85%	846	21,458	652,596	11,969,519	1,509,323,520	0.75%	558
2013 (7)	11,892,000	-	-	3,840,000	-	5,285,000	17,177,000	-	207,988	-	207,988	669,101,468	2.60%	790	21,994	-	11,892,000	1,508,399,530	0.79%	541	
2014	11,080,000	-	-	3,639,666	-	5,305,000	20,225,000	-	142,481	-	142,481	738,490,866	2.56%	903	22,543	-	11,080,000	1,476,778,798	0.75%	492	
2015	10,251,000	-	-	3,432,501	-	4,920,000	18,810,666	-	239,808	-	239,808	775,855,080	2.37%	776	23,083	-	10,251,000	1,522,836,783	0.67%	444	
2016	9,401,000	339,629	-	3,432,501	-	4,525,000	17,937,938	-	433,376	-	433,376	740,629	775,855,080	2.37%	776	23,083	-	9,740,629	1,604,246,708	0.61%	411
<b>Total Outstanding Debt</b>																					

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.  
(8) - Resources related to the TAD Increment have been excluded - previously issued reports will differ.  
(9) - Values have been updated and may differ from previously issued reports.

CITY OF ACWORTH, GEORGIA  
DIRECT, OVERLAPPING AND GOVERNMENTAL ACTIVITIES DEBT  
As of June 30, 2016

<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	\$ 10,490,000	2.13%	\$ 223,187
Cobb County School District	-	2.13%	-
Other Debt			
Cobb County Parking Deck Certificates	8,850,000	2.13%	188,294
Cobb - Revenue Bonds	477,560,000	2.13%	10,160,664
Cobb County Revenue Anticipation Certificates	6,070,000	2.13%	<u>129,147</u>
Subtotal, overlapping debt			10,701,292
City direct debt:			
Direct Governmental Activities Debt (2)			<u>17,937,938</u>
Total direct and overlapping debt			<u>\$ 28,639,230</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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross Assessed Value	\$ 635,059,769	\$ 711,925,701	\$ 747,612,234	\$ 753,916,794	\$ 707,165,958	\$ 666,047,591	\$ 619,684,701	\$ 606,256,908	\$ 627,791,791	\$ 665,499,580
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	\$ 63,505,977	\$ 71,192,570	\$ 74,761,223	\$ 75,391,679	\$ 70,716,596	\$ 66,604,759	\$ 61,968,470	\$ 60,625,691	\$ 62,779,179	\$ 66,549,958
Total net debt applicable to limit (1)	1,043,037	768,189	515,786	250,396	62,293	-	10,867,720	14,920,000	13,890,666	13,412,938
Legal Debt Margin	\$ 62,462,940	\$ 70,424,381	\$ 74,245,437	\$ 75,141,283	\$ 70,654,303	\$ 66,604,759	\$ 51,100,750	\$ 45,705,691	\$ 48,888,513	\$ 53,137,020
Total net debt applicable to the limit as a / percentage of debt limit	1.64%	1.08%	0.69%	0.33%	0.09%	0.00%	17.54%	24.61%	22.13%	20.15%

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 2016**

Total Taxable Assessed Value	\$ 641,698,683
Add back: exempt real property	23,800,897
Total assessed value	\$ 665,499,580
Debt limit (10% of total assessed value)	66,549,958
Debt applicable to limit	13,412,938
Less: Resources restricted to paying principal	-
Legal debt margin	\$ 53,137,020

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		Interest		
				Principal				
2007	\$ 967,597	\$ 3,016	\$ 964,581	\$ 15,000	\$ 378,125		245%	
2008	1,011,485	3,248	1,008,237	130,000	377,189		199%	
2009	119	1,500	(1,381)	-	184,531		-1%	
2010	942,710	6,500	936,210	140,000	364,688		186%	
2011	841,903	3,000	838,903	150,000	355,625		166%	
2012	801,380	3,000	798,380	160,000	345,938		158%	
2013	809,435	3,000	806,435	170,000	335,625		159%	
2014 (4)	757,056	1,250	755,806	290,000	283,058		132%	
2015	744,923	-	744,923	385,000	129,858		145%	
2016	767,118	-	767,118	395,000	119,951		149%	

Notes:

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

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Personal Income (amounts expressed in thousands)</b>	<b>(3) Per Capita Personal Income</b>	<b>(4) School Enrollment</b>	<b>Education Level in Years of Schooling</b>	<b>(5) Median Age</b>	<b>(6) Unemployment Rate</b>
2007	20,714	\$ 546,477	\$ 26,382	6,647	*	32	2.9%
2008	21,959	569,704	25,944	6,640	*	33	5.0%
2009	20,260	541,955	26,750	6,426	*	33	*
2010	20,425	577,006	28,250	6,463	*	34	9.5
2011	20,935	606,194	28,956	6,464	*	35	9.9%
2012	21,458	636,873	29,680	6,562	*	35	9.3%
2013	21,994	669,101	30,422	6,719	*	36	8.5%
2014	22,543	702,936	31,182	6,636	*	36	7.4%
2015	23,106	738,491	31,961	6,649	*	36	5.8%
2016	23,683	775,855	32,760	7,159	*	36	5.0%

\* 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 2016 are provided by the City of Acworth Economic Development Department.
- (4) Source : Cobb County Board of Education, North Cobb Christian School, Brookwood Christian School and Cornerstone Prep Academy
- (5) 2010 data from U S Census Bureau. All other years are from Cobb Chamber of Commerce.
- (6) Source : Georgia Department of Labor (2007 - 2008); Acworth Economic Development Estimates (2009 to 2016)

City of Acworth  
Principal Employers  
2016 and 2007  
(unaudited)

	2016				2007			
	Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	595	1	7.21%	Cobb County School System	634	1	10.66%	
Walmart Super Center #3471	299	2	3.62%	Walmart Super Center #3471	420	2	7.06%	
Walmart Super Center #3748	296	3	3.59%	Walmart Super Center #3748	200	3	3.36%	
North Cobb Christian School	183	4	2.22%	Target Store	169	4	2.84%	
Target Store	169	5	2.05%	North Cobb Christian School	164	5	2.76%	
City of Acworth	168	6	2.04%	Lowe's Home Center	143	6	2.40%	
Home Depot	164	7	1.99%	City of Acworth	142	7	2.39%	
Henry's Louisiana Grill	136	8	1.65%	Home Depot #156	131	8	2.20%	
Lowe's	123	9	1.49%	Kohl's Department Store #441	125	9	2.10%	
Publix	121	10	1.47%	United States Postal Service	105	10	1.77%	
Total Principal Employers	2,254		27.32%		2,233		37.54%	
Other Employers	5,997		72.68%		3,715		62.46%	
Total Employers	8,251		100.00%		5,948		100.00%	

Source: City Occupational Tax Department

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

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>General Government</b>										
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	2	2	2	2	2	2
Customer Service (1)	8	8	8	8	8	6	7	7	7	9
<b>Total General Government</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>23</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>26</b>
<b>Judicial</b>										
Municipal Court	2	3	3	3	3	3	3	3	3	3
<b>Public Safety (1)</b>										
Police	37	39	40	40	40	40	40	40	40	44
Support Staff	3	3	3	3	3	3	3	3	4	4
Detention/Jail	10	10	10	10	10	10	10	10	13	15
<b>Total Public Safety</b>	<b>50</b>	<b>52</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>53</b>	<b>57</b>	<b>63</b>
<b>Public Works</b>										
Public Works	12	12	12	12	11	10	10	10	10	11
<b>Culture &amp; Recreation</b>										
Culture and Recreation	12	13	13	13	15	15	15	17	21	22
<b>Housing and Development</b>										
Economic Development (1)	1	2	2	2	2	2	2	1	1	1
Community Development (1)	0	1	1	1	2	2	2	2	2	2
Zoning	1	1	1	0	0	0	0	0	0	0
Soil Erosion	1	1	1	1	1	1	1	1	1	1
Building	5	4	4	4	4	4	4	4	4	4
Code Compliance	1	1	1	0	0	0	0	0	0	0
<b>Total Housing and Development</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Electrical Power</b>										
Electrical Power	17	15	14	13	13	14	14	14	15	17
<b>Sanitation</b>										
Sanitation	16	16	16	16	16	17	17	17	16	18
<b>Total</b>	<b>144</b>	<b>147</b>	<b>147</b>	<b>144</b>	<b>145</b>	<b>144</b>	<b>145</b>	<b>146</b>	<b>154</b>	<b>168</b>

Source : City Payroll Department

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

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

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

Function/Program	2007	2008	2009 (4)	2010	2011	2012	2013	2014	2015	2016
General Government										
Business Licenses Issued (1)	860	1,102	*	788	936	957	920	901	885	898
Purchase Orders Issued	2,270	2,074	1,050	2,010	2,004	2,013	2,048	2,436	3,087	3,510
Public Safety										
Physical arrests	1,760	1,594	809	1,441	1,731	1,595	1,839	1,474	1,456	1,592
Parking violations	27	44	5	103	284	114	86	238	391	106
Traffic violations (2)	6,138	5,834	3,349	7,041	7,180	7,519	7,876	7,026	6,549	7,765
Parks and Recreation										
Summer Camp Participant Capacity (5)	120	110	110	100	120	120	120	130	120	140
Concerts / Movies	3	3	1	3	2	2	3	4	4	3
Youth Basketball Participants	398	398	398	400	385	385	399	405	452	463
Housing and Development										
Building Code Permits Issued (3)	276	104	61	110	29	74	89	158	273	181
Other Code Permits Issued	837	685	300	606	516	699	725	483	999	652
Total Code Inspections Conducted	3,946	2,512	1,600	4,286	3,045	2,197	3,125	2,646	2,453	3,461
Plan Reviews Conducted	31	33	6	3	4	3	3	22	8	15
Sanitation										
Refuse collected (tons)	8,316	8,596	3,963	8,886	7,972	7,658	7,943	8,292	8,075	8,103
Sanitation Customers - Residential	6,294	6,312	6,279	6,382	6,359	6,410	6,433	6,488	6,564	6,784
Power										
Kilowatt hours sold	99,502,778	94,174,253	41,699,223	95,696,511	100,339,782	93,332,043	92,913,478	92,310,033	95,240,176	95,543,435
Electrical Power Customers (3)	6,299	6,289	6,252	6,283	6,220	6,314	6,367	6,325	6,334	6,389

Sources: Various City Departments

\* Information not available

- (1) Several Homebased businesses did not renew during FY2007 and FY2010.
- (2) Traffic Violations for 2007 differs from FY2007 issued report due to additional historical review being conducted.
- (3) A historical review was conducted and yielded the following differences from prior reports: a) Building Code Permits for 2008, b) 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 2007 was updated to show capacity.

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

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	37	38	43	44	45	45	45	47	50	63
Sanitation										
Collection trucks	5	5	5	5	5	5	6	6	6	8
Highways and streets										
(1) Streets (miles)	172	172	172	172	172	172	172	172	179	181
Streetlights	1,241	1,271	1,271	1,384	1,396	1,396	1,408	1,422	1,451	1,529
Culture and recreation										
Park acreage	528.25	540.25	540.25	542.25	542.25	542.25	542.25	542.25	542.25	545.00
Parks	13	13	13	13	13	13	13	13	13	13
Beaches	4	4	4	4	4	4	4	4	4	4
Football Fields	2	2	2	2	2	2	2	2	2	3
Baseball Fields	9	9	9	11	11	11	11	12	12	12
Community Centers	2	2	2	2	2	2	2	2	2	2
Electric										
Number of distribution stations	2	2	2	2	3	3	3	3	3	3
Miles of service lines	94.1	94.1	94.1	94.1	94.5	94.5	94.5	94.5	94.5	94.5

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

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

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

Sources: Various City Departments

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# **SPECIAL REPORTS**



## NICHOLS, CAULEY & ASSOCIATES, LLC

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### 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, 2016, 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 9, 2016.

#### **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.

*Richards, Cauley + Associates, LLC*

Kennesaw, Georgia

December 9, 2016

**CITY OF ACWORTH, GEORGIA  
HOTEL/MOTEL TAX  
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$2,544,723	\$206,648	\$2,751,371	\$2,544,723	\$206,648	\$2,751,371

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

**CITY OF ACWORTH, GEORGIA**  
**RECREATION IMPACT FEE**  
**SCHEDULE OF COLLECTIONS, ENCUMBRANCES, AND USES**  
**AS OF JUNE 30, 2016**

<u>Recreational Impact Fee Collections</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
	\$ 1,807,010	\$ 86,250	\$ 1,893,260
Other Funding Sources			
Interest	45,112	307	45,419
Local Funding	134,229	-	134,229
Grants/Contributions	46,262	-	46,262
<b>Total Funding - All Sources</b>	<b>2,032,613</b>	<b>86,557</b>	<b>2,119,170</b>
<b>Fund Uses</b>			
<u>Actual Project Expenditures</u>	<u>Project Budget</u>		
Repayment of Capital			
Improvements Element	9,290	9,290	-
Cauble Park Gazebo	123,088	123,088	-
Logan Road Property	150,000	150,000	-
Logan Horsefarm	708,838	708,838	-
Recreation Master Plan	9,000	9,000	-
Logan Farm Farmhouse	12,472	12,472	-
Cauble Park Boardwalk	56,530	56,530	-
Southshore Park	7,757	7,757	-
Acworth Sports Complex	196,503	196,503	-
Cowan Road	5,450	5,450	-
Amos Durr Field	6,004	6,004	-
School Street Property	3,847	3,847	-
Recreation Office - Logan	131,192	131,192	-
Cowan Trail	17,300	17,300	-
Multi-Use Lake Trail	166,146	166,146	-
Facility Needs Assessment	20,683	20,683	-
Tanyard Park Trail	4,400	4,400	-
Park Land Acquisition	110,740	110,740	-
Rosenwald School	10,066	10,066	-
Field 7 Sports Complex	140,032	140,032	-
Joint Use Parking Lot	78,242	78,242	-
<b>Total Uses - All Funding Sources</b>	<b>1,967,580</b>	<b>-</b>	<b>1,967,580</b>
<b>Fees Encumbered</b>	<b>-</b>	<b>151,590</b>	<b>151,590</b>
<b>Undetermined Projects</b>	<b>\$ 65,033</b>	<b>\$ (65,033)</b>	<b>\$ -</b>

**City of Acworth, Georgia**  
**1 Percent Sales Tax**  
**Schedule of Projects Constructed with Special Sales Tax Proceeds**  
**For the Fiscal Year Ended June 30, 2016**

Project	Original Estimated Cost	Revised Estimated Cost (3)	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
<b>2006 SPLOST Program:</b>						
800 MHz Radios	\$ 208,736	\$ 229,395	\$ 229,395	\$ -	\$ 229,395	100.00%
Road Improvement Program (1) (2)	11,611,748	11,242,926	11,182,439	35,427	11,217,866	99.78%
	<u>\$ 11,820,484</u>	<u>\$ 11,472,321</u>	<u>\$ 11,411,834</u>	<u>\$ 35,427</u>	<u>\$ 11,447,261</u>	
<b>2012 SPLOST Program:</b>						
Road Improvement Projects	\$ 7,403,141	\$ 8,355,930	\$ 3,184,333	\$ 3,088,428	\$ 6,272,761	75.07%
Parks Projects	1,170,000	1,316,540	1,222,456	29,933	1,252,389	95.13%
Public Safety Projects	4,750,000	4,991,778	4,991,751	-	4,991,751	100.00%
	<u>\$ 13,323,141</u>	<u>\$ 14,664,248</u>	<u>\$ 9,398,540</u>	<u>\$ 3,118,361</u>	<u>\$ 12,516,901</u>	
<b>2016 SPLOST Program:</b>						
Road Improvement Projects	\$ 12,583,827	12,583,827	\$ -	\$ 438,101	\$ 438,101	3.48%
Judicial	25,000	25,000	-	-	-	0.00%
Parks Projects (4)	6,550,000	15,050,000	-	1,067,439	1,067,439	7.09%
Public Safety Projects	2,050,000	2,033,540	-	1,122,121	1,122,121	55.18%
	<u>\$ 21,208,827</u>	<u>\$ 29,692,367</u>	<u>\$ -</u>	<u>\$ 2,627,661</u>	<u>\$ 2,627,661</u>	
		Debt Service Expenditures	-	53,467	53,467	
			<u>\$ -</u>	<u>\$ 2,681,128</u>	<u>\$ 2,681,128</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 revisions in original SPLOST budget and other funding sources including interest, grants and local government funds.  
(4) - Includes Joint Project Funds for Recreation Center \$8,500,000 from Cobb County.

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