

CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2017



Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2017

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

October 27, 2017

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, 2017 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 2017 fiscal year. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the last section of this report.

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

Profile of the Government

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

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

Local Economy

Acworth is located in the northwest corner of Cobb County; approximately 30 miles northwest of Atlanta. The City's proximity to Interstate 75 and U.S. Highway 41 makes it easily accessible. The Economic Development Department estimates the population of the City at 24,275 as of June 30, 2017.

The local economy of Acworth is growing through redevelopment and new commercial businesses. The unemployment rate in Acworth dropped to 4.3% in 2017, down from 5.0% the previous year. Acworth has approximately 917 licensed businesses that employ approximately 8,435 workers. Developments in the surrounding area impact the local economy favorably.

The City of Acworth continues to benefit from the positive economic climate. The 2016 tax digest of the City increased by 4.76% to a total assessed taxable value of \$672,254,082. This increase is a sign that the economy is stable. The 2017 tax digest was approved by the Cobb County Board of Equalization at the end of June 2017 and had an increase of 6.67%. 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. As indicated from last year, the City approved Special Land Use Permits for 2 Assisted Senior Living facilities thereby creating options for a population that is aging. One of these previously approved facilities has continued to move forward in the planning process and has achieved various levels of approvals to begin work on land development and subsequently building permits. Brickmont is the aforementioned facility that will build out 120 assisted living units thereby complementing existing facilities of Dogwood Forest and Celebration Village. Both Dogwood and Celebration have also continued progressing towards adding to their campuses. Specifically, the developers of Dogwood Forest Assisted Living and Memory Impaired facility continued with their independent living component and placed under contract adjacent real estate to develop active adult cottage style duplexes. The complete build-out of the Dogwood Campus may exceed \$100 million in market value. Celebration Village witnessed huge success in their campus insomuch that they began planning and then received approvals to construct 2 additional buildings to house an additional 72 independent living units. The City continues to understand that the value these facilities add to the community is not just for providing options for persons as they seek alternative living arrangements from traditional single family residential but it provides as an opportunity to create jobs and to generate additional tax revenues all the while continuing to diversify the tax digest.

Additional residential development occurred in both in-fill residential development and in build out of the platted Creekview subdivision as approved from last year. There were approvals for

another age restricted residential product that had proven to be successful in another part of the community. A developer rezoned approximately 6.5 acres to build 6 quadraplexes that is a comparable successful product that adds options for residents. Another approval came by way of a different area of the City which is continuing to witness a resurgence of sorts. The Baker Road corridor (Marriott Hotel) in our community allowed for an annexation of unincorporated county property into the city for the future development of a 92-unit active adult community. This development will complement the restaurant development of a Captain D's along the same corridor in addition to more food options that will come to fruition in the next year or so.

As in all years, the City continually seeks new quality redevelopment and development growth in both residential and commercial. These efforts are not always immediate as with any economic development initiatives it may take years to reveal itself but begins with developing partnerships and having conversations.

Major Initiatives

During fiscal year 2017, the City solicited and received assistance from the Atlanta Regional Commission (ARC) to conduct a 10-year update to the City's Comprehensive Plan. A comprehensive plan is the planning document that is utilized by communities as it relates to land use and can be utilized in guiding quality growth. In accordance with the State of Georgia Department of Community Affairs, the Elected Officials appointed a Steering Committee to work in concert with ARC and City Staff. This endeavor proved to be a beneficial exercise insomuch that the Steering Committee along with the general public that attended 2 Public Open Houses validated the initiatives and decisions relating to quality growth that have been planned and implemented by the Elected Officials. The updated Comprehensive Plan was modified to allow for a more "user-friendly" experience while reviewing the document. This undertaking as completed in-house by ARC and City Staff resulted in an estimated savings of \$100,000 + since an outside consulting firm was not contracted for completion.

While continuing to implement the initiatives created through the Special Local Option Sales Tax (SPLOST) as approved in November 2014 by Cobb County voters, the taxes levied on January 1, 2016 has allowed the City to complete the Logan Farm Park Expansion in fiscal year 2017. This addition provided 12 more acres of usable greenspace in downtown Acworth and allowed for a new playground, restroom facility and expanded walking trails in downtown Acworth bringing the total to just over 10 miles. Design is completed on the Recreation Center which is an \$11 Million joint SPLOST project between the City and Cobb County.

The final projects funded with SPLOST (2011) were completed in fiscal year 2017. Southside Drive, Taylor Street, McLain Circle and Blue Springs Road repaving projects were all completed as well as additional parking improvements in the downtown area. SPLOST is a vital funding tool which provides and affords communities like Acworth the opportunity to implement projects that are crucial for the constituents. By leveraging SPLOST funds to conduct capital projects, it allows the City to maximize all funding sources for completion of projects.

Plans were finalized for the Downtown Redevelopment Project and work began in fiscal year 2017. Design includes a depot replica museum & park and a pedestrian overpass extending over the CSX railroad in the project area with additional road improvements (re-alignment of Lemon Street), parking, and pedestrian plaza/courtyard. This major redevelopment project is possible with funding from a \$7.16 Million bond issuance through the Acworth Downtown Development Authority during fiscal year 2017, SPLOST 2016 Funds and a \$1.5 Million grant from the

Georgia Transportation Infrastructure Bank (GTIB) program through the State Road & Toll Authority in fiscal year 2018.

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 facilitated meetings with a neighborhood that had potential effects from the GDOT funded and administered State Route 92 project. The City was requested by the neighborhood which is adjacent to the project to assist in discussing with GDOT on ways to mitigate negative impacts to properties. The City utilized various contacts and institutional knowledge to aid the residents in their efforts to achieve both a better planned SR 92 project and minimizing effects of properties in the neighborhood.

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 (Non-spendable, 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. The system established considers that the cost of control should not exceed the benefits to be derived. The objective of the system is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

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, 2017. 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, 2016. This was the seventeenth 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.

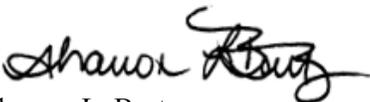
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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, work and play.

Respectfully submitted,



Sharron L. Burtz
City Treasurer
City of Acworth



Government Finance Officers Association

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

Presented to

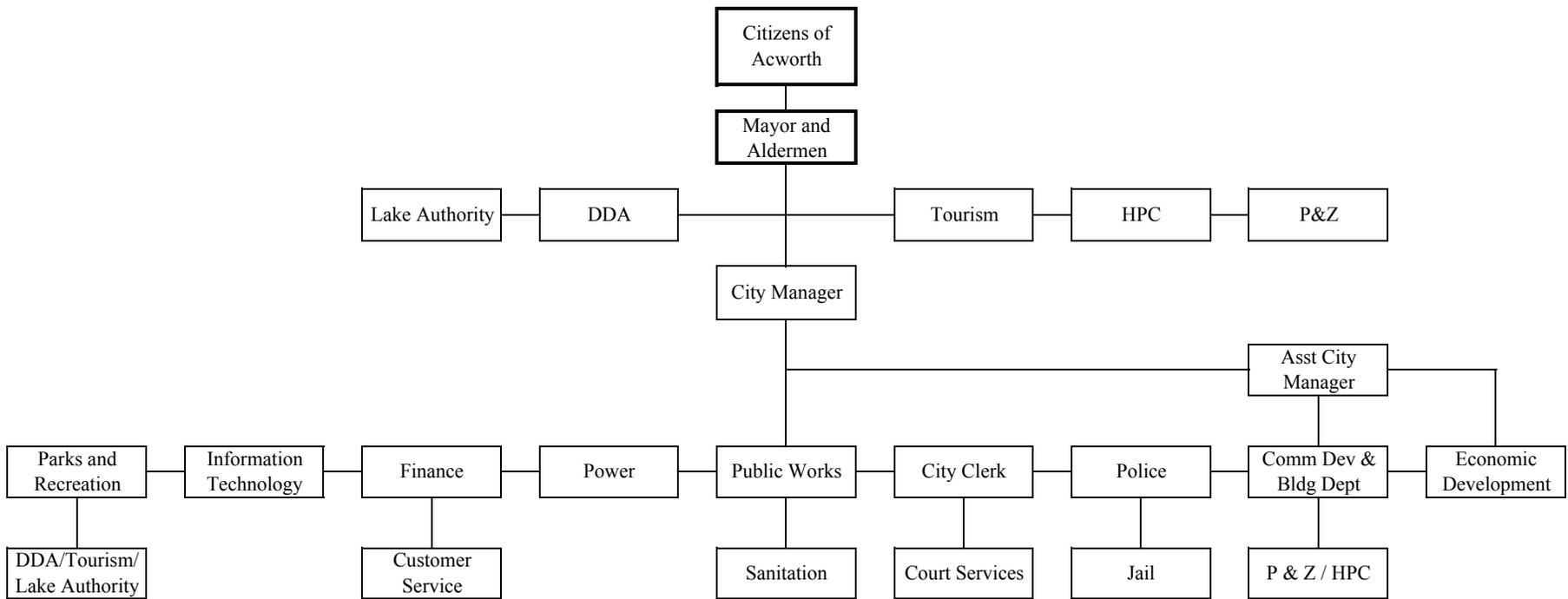
**City of Acworth
Georgia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2017**

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, 2017, 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, 2017, 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 61-66 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 October 27, 2017, 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

October 27, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

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, 2017. 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 \$59,822,058 at the end of the year. This amount includes \$43,935,216 net investment in capital assets, restricted portion of \$16,367,889 and unrestricted net position at a negative \$481,047.
- The City's total net position increased by \$4,592,965. Net position for governmental activities increased by \$4,324,459 or 10% and business-type net position increased by \$268,506 or 2%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$21,444,060, an increase of \$9,470,738. The net unassigned fund balance of \$4,727,353 is comprised wholly of the General Fund.
- The City's total debt increased \$5,607,206.

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 of 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

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, Special Purpose Local Option Sales Tax (SPLOST) fund and the Acworth Downtown Development Authority 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 and the Acworth Downtown Development Authority 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.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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City of Acworth, Georgia

Government-Wide Financial Analysis

The following table provides a summary of the City's governmental and business-type net position for the fiscal year. The City's net position increased \$4,592,965 in fiscal year 2017. The net position of the governmental activities includes \$39,162,439 net investment in capital assets. Capital Assets of \$52,184,231 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$13,021,792.

The net position of the business-type activities includes \$4,772,777 net investment in capital assets. Capital assets of \$5,309,505 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$536,728.

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

	Governmental Activities		Business-type Activities		Total		Total % Change 2017-2016
	2017	2016	2017	2016	2017	2016	
Assets:							
Current and other assets	\$ 23,256,243	\$ 14,552,238	\$ 17,389,459	\$ 15,590,613	\$ 40,645,702	\$ 30,142,851	34.84%
Capital Assets	52,184,231	50,890,333	5,309,505	5,509,819	57,493,736	56,400,152	1.94%
Total Assets	75,440,474	65,442,571	22,698,964	21,100,432	98,139,438	86,543,003	13.40%
Deferred outflows of resources:							
Related to pensions	436,271	642,645	123,051	181,258	559,322	823,903	-32.11%
Deferred loss on refunding	-	256,070	-	-	-	256,070	-100.00%
Total Deferred Outflows of Resources	436,271	898,715	123,051	181,258	559,322	1,079,973	-48.21%
Liabilities:							
Current liabilities	3,362,623	3,853,004	2,185,689	2,194,455	5,548,312	6,047,459	-8.25%
Long-term liabilities	27,268,797	21,568,282	2,416,316	1,939,520	29,685,113	23,507,802	26.28%
Total Liabilities	30,631,420	25,421,286	4,602,005	4,133,975	35,233,425	29,555,261	19.21%
Deferred inflows of resources:							
MEAG project	-	-	3,636,305	2,832,761	3,636,305	2,832,761	28.37%
Related to pensions	5,438	4,572	1,534	1,289	6,972	5,861	18.96%
Total Deferred Inflows of Resources	5,438	4,572	3,637,839	2,834,050	3,643,277	2,838,622	28.35%
Net position:							
Net investment in capital assets	39,162,439	44,217,395	4,772,777	5,076,443	43,935,216	49,293,838	-10.87%
Restricted	16,367,889	7,352,579	-	-	16,367,889	7,352,579	122.61%
Unrestricted	(10,290,441)	(10,654,546)	9,809,394	9,237,222	(481,047)	(1,417,324)	-66.06%
Net Position	\$ 45,239,887	\$ 40,915,428	\$ 14,582,171	\$ 14,313,665	\$ 59,822,058	\$ 55,229,093	8.32%

Changes in Net Position

The City's total revenues before transfers were \$37,212,950 in fiscal year 2017. Expenses before transfers were \$32,619,985 for the same period. Governmental and business-type activities combined provided a \$4,592,965 increase in net position.

Governmental activities revenues, before transfers, were \$21,776,036 and included \$2,222,241 charges for services, operating grants and contributions of \$294,117 and capital grants and contributions of \$8,256,118. The largest governmental activities expenses were for public safety \$6,312,018, public works of \$4,503,538, culture and recreation of \$3,460,774, and general government of \$3,267,821. Expenses include depreciation expense as explained in the notes to the financial statements.

Business-type activity revenues, before transfers, were \$15,436,914 and included \$15,377,122 charges for services and \$23,153 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$10,878,263 which included wholesale power expenses of \$6,976,979 and personal services of \$1,686,678. Sanitation services include expenses of \$954,602 for personal services and \$316,744 in landfill tipping fees.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

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City of Acworth, Georgia

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

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program:						
Charges for services	\$ 2,222,241	\$ 2,556,155	\$ 15,377,122	\$ 14,726,698	\$ 17,599,363	\$ 17,282,853
Operating grants and contributions	294,117	301,743	-	-	294,117	301,743
Capital grants and contributions	8,256,118	5,882,314	23,153	26,008	8,279,271	5,908,322
General:						
Property taxes	5,808,084	5,522,167	-	-	5,808,084	5,522,167
Insurance premium taxes	1,276,993	1,177,704	-	-	1,276,993	1,177,704
Alcohol taxes	536,334	538,892	-	-	536,334	538,892
Hotel/motel taxes	308,414	206,648	-	-	308,414	206,648
Franchise taxes	1,464,398	1,400,859	-	-	1,464,398	1,400,859
Financial institution tax	34,785	77,875	-	-	34,785	77,875
Business taxes	527,302	500,078	-	-	527,302	500,078
Contributions not restricted	590,435	608,173	-	-	590,435	608,173
Operating grants not restricted	441,522	439,279	-	-	441,522	439,279
Unrestricted interest	15,293	19,564	36,639	85,686	51,932	105,250
Total Revenues	21,776,036	19,231,451	15,436,914	14,838,392	37,212,950	34,069,843
Expenses:						
General government	3,267,821	3,204,116	-	-	3,267,821	3,204,116
Public safety	6,312,018	5,948,132	-	-	6,312,018	5,948,132
Public works	4,503,538	4,866,774	-	-	4,503,538	4,866,774
Health and welfare	4,954	3,640	-	-	4,954	3,640
Housing and development	1,087,930	1,060,788	-	-	1,087,930	1,060,788
Judicial	434,219	458,293	-	-	434,219	458,293
Culture and recreation	3,460,774	3,613,552	-	-	3,460,774	3,613,552
Interest and fiscal charges on long-term debt	982,901	846,670	-	-	982,901	846,670
Electric	-	-	10,878,263	9,787,092	10,878,263	9,787,092
Sanitation	-	-	1,687,567	1,542,945	1,687,567	1,542,945
Total Expenses	20,054,155	20,001,965	12,565,830	11,330,037	32,619,985	31,332,002
Change in Net Position before Transfers	1,721,881	(770,514)	2,871,084	3,508,355	4,592,965	2,737,841
Transfers	2,602,578	1,824,117	(2,602,578)	(1,824,117)	-	-
Change in net position	4,324,459	1,053,603	268,506	1,684,238	4,592,965	2,737,841
Net Position - Beginning	40,915,428	39,861,825	14,313,665	12,629,427	55,229,093	52,491,252
Net Position - Ending	\$ 45,239,887	\$ 40,915,428	\$ 14,582,171	\$ 14,313,665	\$ 59,822,058	\$ 55,229,093

Governmental Activities

The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities increased the City’s net position by \$1,721,881 before transfers. Governmental activities increased the City’s net position by \$4,324,459 after net transfers of \$2,602,578. This accounts for 94% 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)

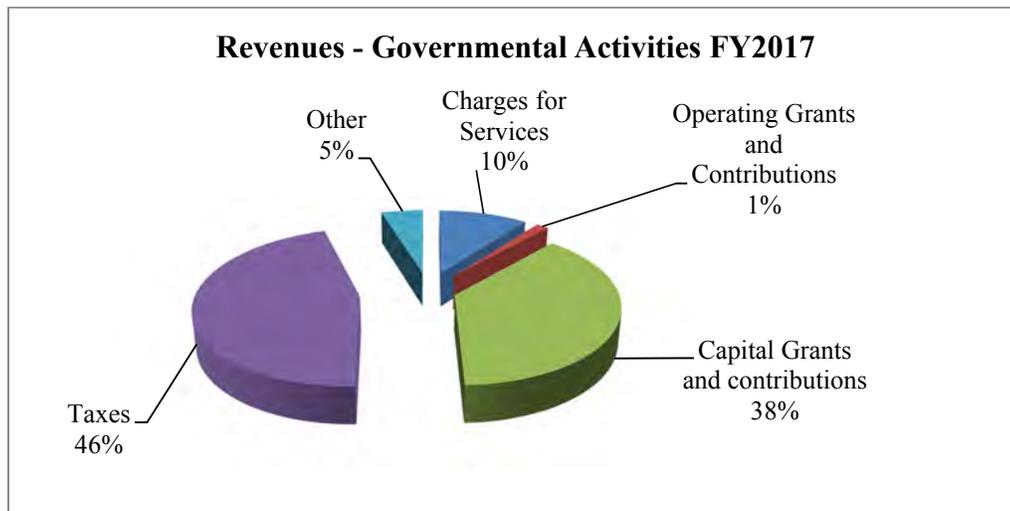
June 30, 2017

City of Acworth, Georgia

Governmental Activities		
	FY 2017 Total Expenses	FY 2017 Net (Expense) Revenue and Change in Net Position
General Government	\$ 3,267,821	\$ (2,999,439)
Public Safety	6,312,018	(5,400,094)
Public Works	4,503,538	(1,054,071)
Health and Welfare	4,954	(4,954)
Housing and Development	1,087,930	(867,318)
Judicial	434,219	590,105
Culture and Recreation	3,460,774	1,436,993
Interest and Fiscal Charges	982,901	(982,901)
Total	\$ 20,054,155	\$ (9,281,679)

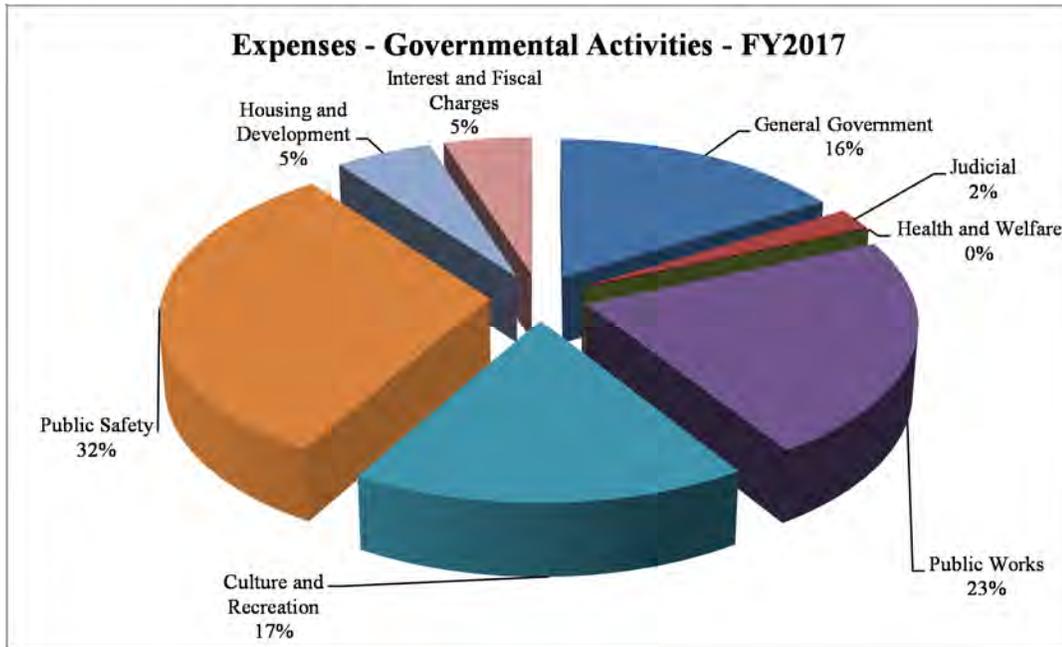
Additional information concerning net cost of services may be found in the Statement of Activities on Page 19.

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



Revenue Impacts:

- Taxes of \$9,956,310 provided 46% of governmental revenues of general operations. Property Taxes in the amount of \$5,808,084 represent 58% of taxes. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$8,256,118 provided 38% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax.
- Charges for services of \$2,222,241 provides 10% of governmental revenues of general operations and include municipal court fines of \$1,024,324 and culture and recreation fees of \$577,614.
- The transfers from business-type activities in the amount of \$2,602,578 increased from prior year of \$1,824,117.



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 \$6,312,018 account for 32% of governmental expenses. This is an increase of 6% from prior year as a result of personnel related costs, depreciation and capital outlay.
- Public Works expenses of \$4,503,538 account for 23% of governmental expenses. The 7% decrease from prior year is the result of the timing of capital projects. Most of the public works projects are funded through SPLOST.
- General government expenses of \$3,267,821 represent 16% of governmental expenses and increased 2% from prior year primarily due to increased personnel related costs.
- Culture and recreation expenses of \$3,460,774 decreased 4% from prior year and represents 17% of governmental expenses. The decrease is primarily the result of the timing of capital projects.
- Interest and fiscal service charges on debt service increased \$136,231 due to debt issuance costs in FY2017.
- Total expenses increased \$52,190 (less than a percent) from prior year.

Business-Type Activities

The City’s business-type activities include Acworth Power, Acworth Sanitation and an internal service fund (Customer Service). Net position for business-type activities increased \$2,871,084 before net transfers out of \$2,602,578.

Business Activities		FY 2017 Net (Expense) Revenue and Change in Net Position
	FY 2017 Total Expenses	
Electric	\$ 10,878,263	\$ 2,731,920
Sanitation	1,687,567	102,525
Total	\$ 12,565,830	\$ 2,834,445

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

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City of Acworth, Georgia

Program revenues for business-type activities for fiscal year 2017 were \$15,400,275; an increase of \$647,569 from prior year as the result of an increase in kilowatt hours (KWH) sold to electric customers. Sanitation revenues increased based upon a rate adjustment to sanitation customers during the fiscal year.

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.

Fund	Fund Balances 06/30/2016	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2017
General Fund	\$ 7,842,469	\$ 14,459,615	\$ 14,417,897	\$ 41,718	\$ 7,884,187
Capital Improvement Fund	(284,119)	8,163,108	722,471	7,440,637	7,156,518
SPLOST	3,723,274	8,228,445	6,100,006	2,128,439	5,851,713
Acworth Downtown Dev. Auth.	40,428	8,269,657	8,284,497	(14,840)	25,588

As of June 30, 2017, the City’s governmental funds reported combined ending fund balances of \$21,444,060, an increase of \$9,470,738 in comparison with the prior year. The General Fund had an increase in fund balance of \$41,718. The Capital Improvement Fund is a major fund and began a downtown enhancement project that is funded with a bond issuance in FY2017. Therefore, the fund balance increased \$7,440,637 from the beginning negative balance of \$284,119. The SPLOST Fund is also a major fund and had an increase in fund balance of \$2,128,439 as a result of the timing of capital projects beginning in comparison of receipt of SPLOST revenues. The Acworth Downtown Development Authority was a major fund this year with a decrease in fund balance of \$14,840; for an ending balance of \$25,588. The Authority issued debt in the amount of \$7,160,000 to fund the downtown enhancement project accounted for in the Capital Improvement Fund. Other non-major Governmental Funds had a net decrease of \$125,216 to a total of \$526,054; the majority of which is in the Confiscated Assets Fund.

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

General Fund

At June 30, 2017, Acworth’s total fund balance for General Fund was \$7,884,187 and consisted of the following:

- Nonspendable – \$43,799 for prepaid insurance and \$69,544 for other prepaids for future services
- Restricted – \$8,636 for Public Safety, \$2,409 for General Government, \$1,525 for Culture and Recreation, \$1,105 for Public Works; and \$3,000,000 for voter appropriation
- Assigned – \$7,208 for Housing and Development, \$7,198 for Public Safety, and \$15,409 for Culture and Recreation.
- Unassigned – \$4,727,353 which is an increase of \$31,726 from prior year

As a measure of the General Fund’s liquidity, it may be helpful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 37% of the total fiscal year 2017 expenditures before transfers, while total fund balance is 62% of the same amount.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

General Fund - Revenues by Source						
	FY2017		FY2016		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 9,911,283	81%	\$ 9,510,847	79%	\$ 400,436	4%
License & Permits	334,165	3%	448,147	4%	(113,982)	-25%
Intergovernmental	39,501	0%	41,831	0%	(2,330)	-6%
Charges for Services	754,377	6%	689,355	6%	65,022	9%
Fines & Forfeitures	1,024,440	8%	1,217,132	10%	(192,692)	-16%
Investment Earnings	14,034	0%	18,518	0%	(4,484)	-24%
Contributions & Donations	46,197	0%	61,088	1%	(14,891)	-24%
Other	83,826	1%	114,088	1%	(30,262)	-27%
Total	\$ 12,207,823	100%	\$ 12,101,006	100%	\$ 106,817	1%

The following provides an explanation of revenues by source changes from FY2016 to FY2017:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$6,030,021 and represent 61% of tax revenues. The taxable digest increased 4.76%. The millage rate remained stable at 7.60 mills. Insurance Premium Taxes increased 8% to \$1,276,993. Franchise Taxes increased 5% in part due to increased revenue from electrical power suppliers. Occupational Taxes are based on gross receipts and increased by 6% as a result of growth in the local economy as well as a rate adjustment midway through the year.
- **Licenses and permits.** License and permits saw a decrease of \$113,982 (25%). Building permits make up the bulk of the decrease at \$133,227 lower than prior year; the prior year had more permitting activity than current year. Licenses and permits represent 3% of the total General Fund revenues before transfers.
- **Intergovernmental.** Intergovernmental revenue saw little change with a decrease of \$2,330 to \$39,501; the decrease is related to the decrease in receipts from federal operating reimbursements. The bulk of the revenue is attributed to the Acworth Achievers Programs.
- **Charges for service.** Charges for services increased 9% to \$754,377. Culture and recreation related fees account for the bulk of the revenue and saw an increase in parking fees at the parks as well as the addition of senior programs. Inmate housing fees collected were \$95,493; which is an increase of 104% from prior year. The administrative fee associated with the Tax Allocation District decreased from prior year 6% to \$49,017 since the amounts available for excess disbursement decreased as the increment in assessment decreased less than 1%.
- **Fines and forfeitures.** Fines and forfeitures represent 8% of total General Fund revenues and decreased 16% to \$1,024,440. While the number of traffic violations remained consistent; fines and forfeiture changes can be attributed to the timing of payments received and adjudication.
- **Investment earnings.** Investment earnings decreased 24% 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. During the year, the City renewed banking services for the primary operating accounts which now utilizes earnings credit for balances held.
- **Contributions and donations.** Contributions and donations decreased 24% to \$46,197; donations are used to fund programs such as Acworth Achievers and Expanding Horizons.
- **Other.** Other revenue decreased \$30,262. The 27% decrease is attributed predominantly to reimbursements in current year for damaged property as well as reductions in rentals due to tower rental fees.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

General Fund - Expenditures by Function							
	FY2017		FY2016		Increase/(Decrease)		
	Amount	% of Total	Amount	% of Total	Amount	% of Change	
General Government	\$ 2,432,748	18%	\$ 2,219,796	17%	\$ 212,952	10%	
Public Safety	5,056,949	40%	5,205,374	41%	(148,425)	-3%	
Public Works	1,155,046	9%	1,186,259	9%	(31,213)	-3%	
Health & Welfare	4,954	0%	3,640	0%	1,314	36%	
Housing & Development	1,005,063	8%	1,049,833	8%	(44,770)	-4%	
Judicial	412,535	3%	441,673	3%	(29,138)	-7%	
Culture & Recreation	2,380,850	19%	2,273,789	18%	107,061	5%	
Debt Service	327,626	3%	327,745	3%	(119)	0%	
Total	\$ 12,775,771	100%	\$ 12,708,109	100%	\$ 67,662	1%	

The following provides an explanation of expenditures by function changes from FY2016 to FY2017:

Overall, personnel costs increased 4%. During the year, the effects pay adjustments, added positions and the changeover to a fully insured health insurance program accounted for the bulk of the net change.

- **General government.** Increases of \$212,952 or 10% from prior year can be attributed to personnel related costs mentioned earlier, capital outlay costs of \$62,472 and the reclassification and re-organization of building maintenance accounted for \$79,188. Purchased service costs had a net increase of \$65,145 due to custodial fees, a decrease of \$30,012 for attorney fees, contracted staffing costs of \$17,255, addition of contracted hotel motel tax and telecom/cable management services of \$15,390 and an information technology assessment in the amount of \$14,110.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2017 had a decrease of \$148,425 or 3%. Personnel costs increased \$112,208 due to more consistent staffing 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 in the amount of \$198,257 in FY2016 that was not required in FY2017.
- **Public Works.** Public works decreased \$31,213 or 3%. The decrease is primarily the result of the reclassification and re-organization of building maintenance. Personnel cost increases of \$28,498 is related to an increase in personnel as well as the increase in employee benefit costs mentioned earlier.
- **Housing and Development.** Housing and development had a decrease of \$44,770 or 4%. Capital Outlays seen in FY2016 were not experienced in FY2017. Additionally, a vacant staff position was filled later in the fiscal year. Excess funds disbursed from the Tax Allocation District that are not related to debt service decreased by \$19,207 from prior year.
- **Judicial.** Municipal court operations decreased by \$29,138 or 7%. Personnel related costs increased \$10,771. Fine refunds decreased \$33,257 to \$63,293.
- **Culture and Recreation.** Culture and recreation increases of \$107,061 or 5% are a result of increased personnel related costs of \$90,309 to cover services. The Senior Program costs increased \$16,624 due to increased activities and participation.

Capital Improvement

At June 30, 2017, the fund balance was a \$7,156,518. Restricted Fund Balance of \$7,008,382 relates to a transfer of funds from debt issuance from the Acworth Downtown Development Authority. Committed Fund Balance of \$1,950 includes commitments that were approved by the Mayor and Board of Aldermen for purchases. Assigned Fund Balance of \$146,186 includes funds assigned for future projects and purchases. During FY2017, CDBG project costs for Durr Field at Logan Farm were \$20,931. Costs totaling \$561,885 are related to the Downtown Street and Enhancement Project

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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City of Acworth, Georgia

and will include a pedestrian overpass to allow passage over the railroad tracks. Parks and Recreation purchased a vehicle in the amount of \$26,075. Cauble Park expenditures in the amount of \$17,842 are related to repairs to the Bath and Beach House.

SPLOST

At June 30, 2017, SPLOST fund balance was \$5,851,713. The proceeds of the 2016 SPLOST were for a full year. The proceeds are received monthly and the levy will continue through December 2021. SPLOST receipts totaling \$7,738,970 were received during the year. Among the expenditures for the year are Logan Farm Park Expansion, Logan Park Farmhouse Renovation, miscellaneous paving and the beginning phase of the Community Recreation Center which will break ground in FY2018. Infrastructure improvements continue throughout the City.

Acworth Downtown Development Authority

At June 30, 2017, the Acworth Downtown Development Authority fund balance was \$25,588. During FY2017, the Authority issued a revenue bond in the amount of \$7,160,000 for the purposes of a downtown street and enhancement project for the City of Acworth. The proceeds will be spent in the Capital Improvement Fund. The Authority is blended with the primary government based upon the debt relationship concerning facilities, the CableNET project and the Series 2017 Street Project. Debt service payments are made by the primary government.

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 \$308,414; an increase of \$101,766 is related to the addition of a new hotel.
- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$12,000. Expenditures of \$159,000 were for the Logan Farm Park Expansion Project. Fund Balance is \$5,384 at June 30, 2017.
- **Confiscated Asset Fund** – Total revenues of \$218,298 related to the seizure of property associated with illegal substances or activities. Fund balance is \$476,615 at June 30, 2017.
- **Soil Erosion Fees Fund** – Fees received in FY2017 were \$1,183. Fund balance is \$12,115 at June 30, 2017.
- **Acworth Lake Authority** – Fund Balance at June 30, 2017 was \$31,940. 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, 2017 is \$4,120,000 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 FY2017 was \$268,506.

Acworth Power provides electrical service to over 6,300 residential and commercial customers. Operating revenues of Acworth Power increased 4% from the prior year. Operating expenses increased 9% in fiscal year 2017. Therefore, the operating income saw a decrease of \$320,404. Kilowatt hours sold increased less than 4% to 99,084,205. Wholesale power costs increased \$384,859 due to the commencement of costs related to the Vogtle Construction Project the City is associated with through its participation in MEAG as well as an increase KWH. Net position for Acworth Power increased \$419,677 to \$13,793,715.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

Acworth Sanitation provides solid waste sanitation services to over 6,800 residential and commercial customers; collecting 8,469 tons of refuse. Sanitation rates were adjusted during the year. Operating revenues increased \$73,683 from prior year while operating expenses increased by \$117,496 as well. Net position for Acworth Sanitation decreased \$112,475 to \$677,574.

	Fiscal Year	
	2017	2016
Enterprise Net Operating Income (Loss) Non-Operating Revenues (Expenses) and Transfers In (Out)		
Operating Income (Loss):		
Acworth Power	\$ 2,811,145	\$ 3,131,549
Acworth Sanitation	106,216	150,029
Total	<u>2,917,361</u>	<u>3,281,578</u>
Non-Operating Revenues (Expenses)	<u>(110,734)</u>	<u>136,882</u>
Contributed Capital	<u>23,153</u>	<u>26,008</u>
Income (Loss) Before Transfers	<u>2,829,780</u>	<u>3,444,468</u>
Transfers In (Out)	<u>(2,522,578)</u>	<u>(1,744,117)</u>
Change in Net Position	<u>\$ 307,202</u>	<u>\$ 1,700,351</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 \$9,466; for an ending net position of \$67,873.

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 and converted to a fully insured health insurance program on January 1, 2017. During the year these costs were higher than anticipated due to large claims experienced as well as the run out claims. Those costs were allocated to the related funds which in turn caused increases from prior year operations while also utilizing a portion of fund equity to help mitigate the impact to the allocated funds. 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, 2017 can be found in Required Supplementary Information.

During June 2016, the City adopted a General Fund budget of \$13,366,107 for General Fund expenditures (excluding transfers out) for FY2017. At the end of the fiscal year, the final actual expenditures were \$12,775,771 (excluding transfers out) which was a decrease of \$590,336 from the original adopted budget. The final amended budget expenditures were \$13,535,465 (excluding transfers). The difference between the original budget and the final amended budget is an overall increase of \$169,358.

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

Revenues:

- Franchise Fees, Titles Ad Valorem Taxes and Intangible taxes exceeded final projections.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

- License and permits exceed anticipated revenue due to increase in privilege licenses.
- Charges for Service exceeded final projections due to an increase Inmate Housing revenues and parking fees at the recreation facilities.

Expenditures:

- Administration costs were below projected due to the timing of filling a vacant position.
- Financial Administration expenditures were less than projected due to lower than expected technical fees and Customer Service Internal Service Fund cost allocation.
- Municipal Court overall costs were under final budget primarily as a result of lower than expected fine refunds.
- Police and Jail were under budget based on timing of personnel changes and inmate related costs coming in less than projected.
- Highways and Streets was under budget primarily due to lower than anticipated contracted service costs.
- Recreation costs were under budget due to lower than budgeted costs related to personnel and fuel costs.
- Building Inspections was under budget due to lower than expected personnel costs due to the filling of a vacant position.

Other Financing Sources (Uses):

- Transfers in from other funds were less than final expected costs.

Capital Assets and Debt Administration

Capital Assets. The City of Acworth’s investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$52,184,231 and \$5,309,505 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

	2017 Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Construction in Progress	\$ 1,028,861	\$ 3,814,225	\$ -	\$ -	\$ 1,028,861	\$ 3,814,225
Land	7,425,979	7,148,821	239,372	442,043	7,665,351	7,590,864
Buildings and improvements	11,135,642	11,449,986	33,802	40,960	11,169,444	11,490,946
Electrical System	-	-	4,295,912	4,340,510	4,295,912	4,340,510
Improvements other than buildings	8,165,703	6,241,203	4,315	6,835	8,170,018	6,248,038
Intangible Assets	91,883	106,573	-	-	91,883	106,573
Vehicles and Equipment	2,038,159	2,504,756	736,104	679,471	2,774,263	3,184,227
Infrastructure	22,298,004	19,624,769	-	-	22,298,004	19,624,769
Total	\$ 52,184,231	\$ 50,890,333	\$ 5,309,505	\$ 5,509,819	\$ 57,493,736	\$ 56,400,152

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

Governmental activities:

- Infrastructure \$5,244,100
- Construction In Progress – Infrastructure - \$315,824, Logan Park Farmhouse - \$609,587 and the Community Recreation Center - \$103,450
- Logan Farm Park Expansion - Improvements - \$2,360,105, Pavilion - \$90,095 and Restrooms - \$239,509
- Public Safety Vehicles - \$85,772
- Land and Site Acquisition - \$277,158
- Culture and Recreation Vehicles and Equipment - \$74,958

Business-type activities:

- Electrical Infrastructure - \$303,127
- Sanitation Street Sweeper Truck - \$232,457

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

- Power Vehicles and Equipment - \$89,768

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

Long-term Debt.

At the end of 2017 fiscal year, the City had \$23,978,520 in outstanding long-term debt. This is an increase of \$5,607,206 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 \$70,998,317 which is in excess of the City's outstanding general obligation debt.

Debt outstanding at June 30, 2017 is as follows:

- Tax Allocation District Bonds - \$4,120,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$2,106,000
- Acworth Downtown Development Authority – Revenue Bonds - \$6,300,000
- Acworth Downtown Development Authority – Series 2017 Bonds - \$7,160,000
- Acworth Lake Authority – Recreation Facilities - \$115,000
- Installment Sales Agreement through Georgia Municipal Association - \$3,218,271
- Capital Leases – Vehicles - \$693,244
- IGA Cobb County – SPLOST Radios - \$266,005

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, 2018 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 \$14,677,638. 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 was budgeted at \$706,784.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2017 remained at 7.60. The adopted budget for FY 2018 has the millage rate remaining stable.
- The 2016 taxable digest was \$672,254,082; which was 5% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2017 approved taxable digest increased just under 7%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2017 population is estimated at 24,275 by the Acworth Economic Development Department. This is an increase of approximately 19% from the 2010 census of 20,425.
- SPLOST (2016) revenue collections were for 12 months in FY2017. 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% - 06/30/2017 balance \$6,300,000.
 - Acworth City Hall/Sports Complex - Matures April 2023; interest rate of 1.74% - 06/30/2016 balance \$2,106,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2017

City of Acworth, Georgia

- City of Acworth Street Project – Matures July 2031; interest rate 2.25% - 06/30/2017 balance \$7,160,000.
- Debt service payments in the General Fund are related to the Court/Jail Services renovation/addition and matures 01/07/2029 with an interest rate of 3.41% - 06/30/2017 balance \$3,218,271.
- Debt service payments related to the Tax Allocation District Bonds are made from the tax increment within the district.

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

Contacting the City's Financial Management

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

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BASIC FINANCIAL STATEMENTS

CITY OF ACWORTH, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Acworth Tourism Bureau Authority
Assets:				
Cash and cash equivalents	\$ 3,436,729	\$ 5,309,449	\$ 8,746,178	\$ -
Investments	3,006,165	1,945,138	4,951,303	-
Receivables, net	48,869	1,779,394	1,828,263	-
Due from other governments	1,484,225	93,715	1,577,940	31,763
Due from primary government	-	-	-	23,389
Internal balances	(587,269)	587,269	-	-
Inventories	-	872,413	872,413	-
Prepaid items	757,896	26,558	784,454	1,667
Restricted assets	15,109,628	6,775,523	21,885,151	-
Capital assets, non depreciated	8,454,840	239,372	8,694,212	-
Capital assets, depreciated, net	43,729,391	5,070,133	48,799,524	2,469
Total assets	75,440,474	22,698,964	98,139,438	59,288
Deferred outflows of resources:				
Related to pensions	436,271	123,051	559,322	-
Total deferred outflows of resources	436,271	123,051	559,322	-
Liabilities:				
Accounts payable and other current liabilities	858,223	721,632	1,579,855	4,974
Due to component unit	23,389	-	23,389	-
Customer deposits	-	1,246,905	1,246,905	-
Unearned revenue	538,380	-	538,380	-
Noncurrent liabilities:				
Due within one year	1,942,631	217,152	2,159,783	-
Due in more than one year	27,268,797	2,416,316	29,685,113	-
Total liabilities	30,631,420	4,602,005	35,233,425	4,974
Deferred inflows of resources:				
Deferred regulatory credits	-	3,636,305	3,636,305	-
Related to pensions	5,438	1,534	6,972	-
Total deferred inflows of resources	5,438	3,637,839	3,643,277	-
Net position:				
Net investment in capital assets	39,162,439	4,772,777	43,935,216	2,469
Restricted for:				
General government	2,409	-	2,409	-
Public works	7,864,794	-	7,864,794	-
Culture and recreation	4,913,087	-	4,913,087	51,845
Public safety	587,599	-	587,599	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(10,290,441)	9,809,394	(481,047)	-
Total net position	\$ 45,239,887	\$ 14,582,171	\$ 59,822,058	\$ 54,314

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

See accompanying notes to financial statements.

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit Acworth Tourism Bureau Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government								
Governmental activities:								
General government	\$ 3,267,821	\$ 268,382	\$ -	\$ -	\$ (2,999,439)	\$ -	\$ (2,999,439)	
Public safety	6,312,018	117,051	232,920	561,953	(5,400,094)	-	(5,400,094)	
Public works	4,503,538	14,258	-	3,435,209	(1,054,071)	-	(1,054,071)	
Health and welfare	4,954	-	-	-	(4,954)	-	(4,954)	
Housing and development	1,087,930	220,612	-	-	(867,318)	-	(867,318)	
Judicial	434,219	1,024,324	-	-	590,105	-	590,105	
Culture and recreation	3,460,774	577,614	61,197	4,258,956	1,436,993	-	1,436,993	
Interest & fiscal charges on long-term debt	982,901	-	-	-	(982,901)	-	(982,901)	
Total governmental activities	20,054,155	2,222,241	294,117	8,256,118	(9,281,679)	-	(9,281,679)	
Business-type activities:								
Electric	10,878,263	13,587,030	-	23,153	-	2,731,920	2,731,920	
Sanitation	1,687,567	1,790,092	-	-	-	102,525	102,525	
Total business-type activities	12,565,830	15,377,122	-	23,153	-	2,834,445	2,834,445	
Total Primary Government	\$ 32,619,985	\$ 17,599,363	\$ 294,117	\$ 8,279,271	(9,281,679)	2,834,445	(6,447,234)	
Component Unit	\$ 92,042	\$ -	\$ 90,834	\$ -				\$ (1,208)
General Revenues:								
Property taxes					5,808,084	-	5,808,084	-
Insurance premium tax					1,276,993	-	1,276,993	-
Alcohol taxes					536,334	-	536,334	-
Hotel/motel tax					308,414	-	308,414	-
Franchise taxes					1,464,398	-	1,464,398	-
Financial institution tax					34,785	-	34,785	-
Business taxes					527,302	-	527,302	-
Contributions not restricted to a specific program					590,435	-	590,435	-
Operating grants not restricted to a specific program					441,522	-	441,522	-
Unrestricted investment earnings					15,293	36,639	51,932	-
Transfers					2,602,578	(2,602,578)	-	-
Total general revenues and transfers					13,606,138	(2,565,939)	11,040,199	-
Change in net position					4,324,459	268,506	4,592,965	(1,208)
Net position - beginning					40,915,428	14,313,665	55,229,093	55,522
Net position - ending					\$ 45,239,887	\$ 14,582,171	\$ 59,822,058	\$ 54,314

**CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2017**

	General Fund	Capital Improvement	SPLOST	Acworth Downtown Development Authority	Non-Major Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 3,436,729	\$ -	\$ -	\$ -	\$ -	\$ 3,436,729
Investments	2,947,411	58,754	-	-	-	3,006,165
Receivables, net	42,919	-	-	-	-	42,919
Due from other governments	187	3,150	1,445,759	-	35,129	1,484,225
Due from other funds	321,833	7,128,720	-	26,038	32,372	7,508,963
Prepaid items	113,343	-	375,000	-	-	488,343
Restricted assets	3,208,662	-	4,374,090	7,008,382	518,494	15,109,628
Total assets	\$ 10,071,084	\$ 7,190,624	\$ 6,194,849	\$ 7,034,420	\$ 585,995	\$ 31,076,972
Liabilities:						
Accounts payable	\$ 382,344	\$ 21,724	\$ 114,635	\$ 450	\$ 46,227	\$ 565,380
Retainage payable	-	-	28,501	-	-	28,501
Accrued liabilities	241,303	-	-	-	-	241,303
Due to other funds	974,286	12,382	200,000	7,008,382	4,280	8,199,330
Due to component unit	23,389	-	-	-	-	23,389
Unearned revenue	528,946	-	-	-	9,434	538,380
Total liabilities	2,150,268	34,106	343,136	7,008,832	59,941	9,596,283
Deferred inflows of resources:						
Unavailable revenue	36,629	-	-	-	-	36,629
Fund balances:						
Nonspendable	113,343	-	375,000	-	-	488,343
Restricted	3,013,675	7,008,382	5,476,713	-	494,114	15,992,884
Committed	-	1,950	-	-	5,985	7,935
Assigned	29,816	146,186	-	25,588	25,955	227,545
Unassigned	4,727,353	-	-	-	-	4,727,353
Total fund balances	7,884,187	7,156,518	5,851,713	25,588	526,054	21,444,060
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,071,084	\$ 7,190,624	\$ 6,194,849	\$ 7,034,420	\$ 585,995	

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.	52,184,231
Property tax revenue earned but unavailable is not reported in the funds.	36,629
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	
Related to pensions	436,271
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 and a payable from the business-type activities are included in governmental activities in the statement of net position.	355,562
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	(23,441,792)
Deferred inflows of resources related to pensions	(5,438)
Accrued compensated absences	(225,823)
Net OPEB obligation	(3,472,370)
Net pension liability	(2,071,443)
Net position of governmental activities	\$ 45,239,887

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Capital Improvement	SPLOST	Acworth Downtown Development Authority	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 9,911,283	\$ -	\$ -	\$ -	\$ 465,753	\$ 10,377,036
Licenses and permits	334,165	-	-	-	-	334,165
Intergovernmental	39,501	27,673	8,228,347	-	590,435	8,885,956
Charges for services	754,377	-	-	-	13,183	767,560
Fines and forfeitures	1,024,440	-	-	-	218,298	1,242,738
Investment earnings	14,034	381	98	3	875	15,391
Contributions and donations	46,197	-	-	-	-	46,197
Other	83,826	-	-	14,722	-	98,548
Total revenues	12,207,823	28,054	8,228,445	14,725	1,288,544	21,767,591
Expenditures:						
Current:						
General government	2,432,748	-	-	-	-	2,432,748
Public safety	5,056,949	-	-	-	201,077	5,258,026
Public works	1,155,046	-	-	-	2,795	1,157,841
Health and welfare	4,954	-	-	-	-	4,954
Housing and development	1,005,063	-	-	41,033	24	1,046,120
Judicial	412,535	-	-	-	-	412,535
Culture and recreation	2,380,850	-	-	3,500	356,458	2,740,808
Capital outlay	-	722,471	5,935,204	-	-	6,657,675
Debt service	327,626	-	164,802	1,231,582	632,892	2,356,902
Total expenditures	12,775,771	722,471	6,100,006	1,276,115	1,193,246	22,067,609
Excess (deficiency) of revenues over (under) expenditures	(567,948)	(694,417)	2,128,439	(1,261,390)	95,298	(300,018)
Other financing sources (uses):						
Transfers in	2,243,614	8,135,054	-	1,094,932	128,100	11,601,700
Transfers out	(1,642,126)	-	-	(7,008,382)	(348,614)	(8,999,122)
Issuance of debt	-	-	-	7,160,000	-	7,160,000
Sale of capital assets	8,178	-	-	-	-	8,178
Total other financing sources (uses)	609,666	8,135,054	-	1,246,550	(220,514)	9,770,756
Net change in fund balance	41,718	7,440,637	2,128,439	(14,840)	(125,216)	9,470,738
Fund balance - beginning	7,842,469	(284,119)	3,723,274	40,428	651,270	11,973,322
Fund balance - ending	\$ 7,884,187	\$ 7,156,518	\$ 5,851,713	\$ 25,588	\$ 526,054	\$ 21,444,060

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, 2017

Net change in fund balances - total governmental funds \$ 9,470,738

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

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	(4,543,673)	
Capital outlay	5,970,439	
Loss on disposal of assets	<u>(132,868)</u>	1,293,898

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	(7,160,000)	
Principal payments on debt	<u>1,656,146</u>	(5,503,854)

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. 8,445

The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds. (178,261)

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	(12,562)	
Net OPEB obligation	(496,990)	
Accrued compensated absences	<u>(885)</u>	<u>(766,507)</u>

Change in net position of governmental activities \$ 4,324,459

CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2017

	Enterprise Funds			
	Major			
	Electrical Power	Sanitation	Totals	Internal Service Funds
Assets:				
Current assets:				
Cash	\$ 4,216,570	\$ 913,968	\$ 5,130,538	\$ 178,911
Investments	1,945,138	-	1,945,138	-
Receivables, net				
Utility accounts	1,646,804	130,671	1,777,475	-
Other	-	-	-	7,869
Due from other governments	93,715	-	93,715	-
Due from other funds	557,202	272,576	829,778	233,820
Inventory	872,413	-	872,413	-
Prepaid items	22,655	514	23,169	272,942
Restricted assets:				
Cash	1,227,739	-	1,227,739	-
Investments	5,547,784	-	5,547,784	-
Total current assets	<u>16,130,020</u>	<u>1,317,729</u>	<u>17,447,749</u>	<u>693,542</u>
Noncurrent assets:				
Property, plant and equipment, net	4,696,952	607,491	5,304,443	5,062
Total assets	<u>20,826,972</u>	<u>1,925,220</u>	<u>22,752,192</u>	<u>698,604</u>
Deferred outflows of resources:				
Related to pensions	61,525	39,153	100,678	22,373
Liabilities:				
Current liabilities:				
Accounts and claims payable	612,548	27,450	639,998	32,789
Accrued liabilities	38,023	18,664	56,687	15,197
Accrued compensated absences	49,914	17,750	67,664	12,046
Due to other funds	266,745	21,503	288,248	84,983
Capital lease obligations	58,864	78,578	137,442	-
Customer deposits	980,160	266,745	1,246,905	-
Total current liabilities	<u>2,006,254</u>	<u>430,690</u>	<u>2,436,944</u>	<u>145,015</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	12,478	4,437	16,915	3,011
Net OPEB obligation	1,004,223	408,627	1,412,850	-
Net pension liability	292,127	185,899	478,026	106,228
Capital lease obligations	142,628	256,658	399,286	-
Total long-term liabilities	<u>1,451,456</u>	<u>855,621</u>	<u>2,307,077</u>	<u>109,239</u>
Total liabilities	<u>3,457,710</u>	<u>1,286,311</u>	<u>4,744,021</u>	<u>254,254</u>
Deferred inflows of resources:				
Deferred regulatory credits	3,636,305	-	3,636,305	-
Related to pensions	767	488	1,255	279
Total deferred inflows of resources	<u>3,637,072</u>	<u>488</u>	<u>3,637,560</u>	<u>279</u>
Net Position:				
Net investment in capital assets	4,495,460	272,255	4,767,715	5,062
Unrestricted	9,298,255	405,319	9,703,574	461,382
Total net position	<u>\$ 13,793,715</u>	<u>\$ 677,574</u>	<u>14,471,289</u>	<u>\$ 466,444</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			<u>110,882</u>	
Net position of business-type activities			<u>\$ 14,582,171</u>	

CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Operating revenues:				
Charges for services	\$ 12,980,245	\$ 1,790,092	\$ 14,770,337	\$ 3,857,721
Other	606,785	-	606,785	21,324
Total operating revenues	<u>13,587,030</u>	<u>1,790,092</u>	<u>15,377,122</u>	<u>3,879,045</u>
Operating expenses:				
Personal services	1,686,678	954,602	2,641,280	544,818
Operating	8,591,037	591,514	9,182,551	3,470,997
Depreciation	498,170	137,760	635,930	187
Total operating expenses	<u>10,775,885</u>	<u>1,683,876</u>	<u>12,459,761</u>	<u>4,016,002</u>
Operating income	<u>2,811,145</u>	<u>106,216</u>	<u>2,917,361</u>	<u>(136,957)</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	(138,671)	-	(138,671)	-
Interest income	36,639	-	36,639	-
Interest expense	(5,011)	(3,691)	(8,702)	-
Total nonoperating revenues (expenses)	<u>(107,043)</u>	<u>(3,691)</u>	<u>(110,734)</u>	<u>-</u>
Income before contributions and transfers	<u>2,704,102</u>	<u>102,525</u>	<u>2,806,627</u>	<u>(136,957)</u>
Capital contributions	<u>23,153</u>	<u>-</u>	<u>23,153</u>	<u>-</u>
Transfers out	<u>(2,307,578)</u>	<u>(215,000)</u>	<u>(2,522,578)</u>	<u>(80,000)</u>
Increase (decrease) in net position	<u>419,677</u>	<u>(112,475)</u>	<u>307,202</u>	<u>(216,957)</u>
Net position at beginning of year	<u>13,374,038</u>	<u>790,049</u>		<u>683,401</u>
Net position at end of year	<u>\$ 13,793,715</u>	<u>\$ 677,574</u>		<u>\$ 466,444</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>(38,696)</u>	
Change in net position of business-type activities			<u>\$ 268,506</u>	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Enterprise Funds			Internal Service Funds
	Major			
	Electrical Power	Sanitation	Totals	
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$ 13,790,669	\$ 1,818,060	\$ 15,608,729	\$ 4,398,496
Cash payments for goods and services	(8,281,390)	(544,633)	(8,826,023)	(101,330)
Cash payments for benefits and claims	-	-	-	(3,605,431)
Cash payments for employee services and fringe benefits	(1,368,415)	(806,077)	(2,174,492)	(540,640)
Net cash from (to) operating activities	<u>4,140,864</u>	<u>467,350</u>	<u>4,608,214</u>	<u>151,095</u>
Cash flows from (to) noncapital financing activities:				
Transfers out	(2,307,578)	(215,000)	(2,522,578)	(80,000)
Net cash from (to) noncapital financing activities	<u>(2,307,578)</u>	<u>(215,000)</u>	<u>(2,522,578)</u>	<u>(80,000)</u>
Cash flows from (to) capital and related financing activities:				
Contributed capital	23,153	-	23,153	-
Proceeds from sale of capital assets	64,000	-	64,000	-
Interest paid	(5,011)	(3,691)	(8,702)	-
Payments for capital acquisitions	(392,895)	(7,873)	(400,768)	(5,249)
Principal payments on long-term obligations	(88,562)	(40,543)	(129,105)	-
Net cash from (to) capital and related financing activities	<u>(399,315)</u>	<u>(52,107)</u>	<u>(451,422)</u>	<u>(5,249)</u>
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(153,785)	-	(153,785)	-
Interest received from investments	36,639	-	36,639	-
Net cash from (to) investing activities	<u>(117,146)</u>	<u>-</u>	<u>(117,146)</u>	<u>-</u>
Net increase (decrease) in cash	1,316,825	200,243	1,517,068	65,846
Cash at beginning of year (including \$1,193,089 in restricted cash)	<u>4,127,484</u>	<u>713,725</u>	<u>4,841,209</u>	<u>113,065</u>
Cash at end of year (including \$1,227,739 in restricted cash)	<u>\$ 5,444,309</u>	<u>\$ 913,968</u>	<u>\$ 6,358,277</u>	<u>\$ 178,911</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, 2017

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 2,811,145	\$ 106,216	\$ 2,917,361	\$ (136,957)
Adjustments to reconcile operating income to net cash to operating activities:				
Depreciation	498,170	137,760	635,930	187
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	183,928	12,360	196,288	19,973
(Increase) decrease in due from other governments	(65,926)	-	(65,926)	-
(Increase) decrease in due from other funds	(127,105)	48,305	(78,800)	499,478
(Increase) decrease in inventory	(107,461)	-	(107,461)	-
(Increase) decrease in prepaid items	(881)	(514)	(1,395)	(119,647)
(Increase) decrease in deferred outflows of resources	29,104	18,520	47,624	10,583
Increase (decrease) in accounts payable	(79,770)	(6,475)	(86,245)	(201,100)
Increase (decrease) in accrued liabilities	16,422	6,740	23,162	3,533
Increase (decrease) in due to other funds	(112,754)	5,565	(107,189)	84,983
Increase (decrease) in customer deposits	19,711	15,608	35,319	-
Increase (decrease) in net OPEB obligation	300,069	140,658	440,727	-
Increase (decrease) in net pension liability	(27,454)	(17,471)	(44,925)	(9,983)
Increase (decrease) in deferred inflows of resources	803,666	78	803,744	45
Net cash from (to) operating activities	\$ 4,140,864	\$ 467,350	\$ 4,608,214	\$ 151,095
Supplemental disclosure of noncash investing and financing activities:				
Equipment purchased through capital lease	\$ -	\$ 232,457	\$ 232,457	\$ -

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, 2017**

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, 2017

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, 2017

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, 2017**

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.

Acworth Downtown Development Authority – The Acworth Downtown Development Authority is a blended component unit of the City and is used to account for the redevelopment of the downtown Acworth district.

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for the General, Special Revenue, and the Debt Service Funds. 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.

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

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 cost using the first in/first out (FIFO) method. 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.

GASB Statement 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.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition 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
Intangible assets	-	-	-	10 years
Electrical utility system	25 years	-	-	-
Vehicles and equipment	3-10 years	2-10 years	2-5 years	2-15 years
Infrastructure	-	-	-	20-25 years

J. Compensated Absences

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

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

K. Long-Term Obligations

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

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is 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 tax 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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017

governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority.

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

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

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

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 year 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.

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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 by requiring deposits to be collateralized in accordance with state law, which requires uninsured deposits to be collateralized at 110%. As of June 30, 2017, 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, 2017, 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 I	AAAm	\$ 4,164,713	\$ -	\$ -	\$ -	\$ 4,164,713
Municipal Competitive Trust	not rated	5,041,895	952,170	271,243	88,927	6,354,235
Total		\$ 9,206,608	\$ 952,170	\$ 271,243	\$ 88,927	\$ 10,518,948

The above table of investments includes \$5,567,645 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.

CITY OF ACWORTH, GEORGIA
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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 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, 2017 are classified as follows:

	Fair Value Measurement Using			
	Level 1	Level 2	Level 3	
Georgia Fund 1	\$ 4,164,713	\$ 4,164,713	\$ -	\$ -
Municipal Competitive Trust	6,354,235	16,344	6,337,891	-
	\$ 10,518,948	\$ 4,181,057	\$ 6,337,891	\$ -

3. RECEIVABLES

Receivables at June 30, 2017 consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 29,478	\$ 13,428	\$ -	\$ 5,156	\$ (5,143)	\$ 42,919
Electrical Power Fund	-	-	1,697,804	-	(51,000)	1,646,804
Sanitation Fund	-	-	135,671	-	(5,000)	130,671
Internal Service Funds	-	-	-	7,869	-	7,869
Total	\$ 29,478	\$ -	\$ 1,833,475	\$ 13,025	\$ (61,143)	\$ 1,828,263

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2017 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	State of Georgia Department of Transportation	Other	Total
General Fund	\$ -	\$ 187	\$ -	\$ -	\$ 187
Capital Improvement Fund	3,150	-	-	-	3,150
SPLOST Fund	1,445,759	-	-	-	1,445,759
Electrical Power Fund	-	-	93,715	-	93,715
Nonmajor Governmental Funds	-	-	-	35,129	35,129
	<u>\$ 1,448,909</u>	<u>\$ 187</u>	<u>\$ 93,715</u>	<u>\$ 35,129</u>	<u>\$ 1,577,940</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered “available spendable resources”. Such balances at June 30, 2017 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

Payable From	Receivable To							Total
	General Fund	Capital Improvement Fund	Acworth Downtown Development Authority	Nonmajor Governmental Funds	Electrical Power Fund	Sanitation Fund	Internal Service Funds	
General Fund	\$ -	\$ 120,338	\$ 26,038	\$ 32,372	\$ 555,887	\$ 5,831	\$ 233,820	\$ 974,286
Capital Improvement Fund	12,382	-	-	-	-	-	-	12,382
SPLOST Fund	200,000	-	-	-	-	-	-	200,000
Acworth Downtown Development Authority	-	7,008,382	-	-	-	-	-	7,008,382
Nonmajor Governmental Funds	4,280	-	-	-	-	-	-	4,280
Electrical Power Fund	-	-	-	-	-	266,745	-	266,745
Sanitation Fund	20,188	-	-	-	1,315	-	-	21,503
Internal Service Funds	84,983	-	-	-	-	-	-	84,983
Total	<u>\$ 321,833</u>	<u>\$ 7,128,720</u>	<u>\$ 26,038</u>	<u>\$ 32,372</u>	<u>\$ 557,202</u>	<u>\$ 272,576</u>	<u>\$ 233,820</u>	<u>\$ 8,572,561</u>

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

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Interfund transfers for the current year were as follows:

TRANSFER IN TO	TRANSFER OUT FROM						Total
	General Fund	Acworth Downtown Development Authority	Nonmajor Governmental Funds	Electrical Power Fund	Sanitation Fund	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 348,614	\$ 1,600,000	\$ 215,000	\$ 80,000	\$ 2,243,614
Capital Improvement Fund	1,126,672	7,008,382	-	-	-	-	8,135,054
Acworth Downtown Development Authority	387,354	-	-	707,578	-	-	1,094,932
Nonmajor Governmental Funds	128,100	-	-	-	-	-	128,100
Total	\$ 1,642,126	\$ 7,008,382	\$ 348,614	\$ 2,307,578	\$ 215,000	\$ 80,000	\$ 11,601,700

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.

6. RESTRICTED ASSETS

The City's restricted assets at June 30, 2017 are restricted for the following:

	Cash Equivalents	Investments	Total
Governmental Funds			
General Fund:			
Municipal court bonds	\$ 42,931	\$ -	\$ 42,931
Development performance bonds	120,681	-	120,681
Proceeds from sale of water & sewer system	3,000,000	-	3,000,000
Bail bond escrow	30,675	-	30,675
Other	14,375	-	14,375
	<u>3,208,662</u>	<u>-</u>	<u>3,208,662</u>
SPLOST Fund:			
Unspent SPLOST proceeds	4,374,090	-	4,374,090
Acworth Downtown Development Authority:			
Unspent bond proceeds	7,008,382	-	7,008,382
Nonmajor governmental funds:			
Hotel Motel tax	8,410	-	8,410
Unspent TAD proceeds	1,500	-	1,500
Recreational impact fee	-	5,384	5,384
Soil erosion fee	-	14,477	14,477
Confiscated assets	488,723	-	488,723
	<u>498,633</u>	<u>19,861</u>	<u>518,494</u>
Total governmental funds	\$ 15,089,767	\$ 19,861	\$ 15,109,628
Proprietary Funds			
Power Fund:			
MEAG Power project	\$ -	\$ 5,547,784	\$ 5,547,784
Security deposits	1,227,739	-	1,227,739
	<u>1,227,739</u>	<u>5,547,784</u>	<u>6,775,523</u>
Total proprietary funds	\$ 1,227,739	\$ 5,547,784	\$ 6,775,523

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

7. CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,148,821	\$ 277,158	\$ -	\$ 7,425,979
Construction in progress	3,814,225	1,028,861	(3,814,225)	1,028,861
Total capital assets not being depreciated	10,963,046	1,306,019	(3,814,225)	8,454,840
Capital assets, being depreciated:				
Buildings	15,402,270	329,604	(12,472)	15,719,402
Improvements other than buildings	10,822,019	2,639,491	-	13,461,510
Intangible assets	199,505	-	-	199,505
Vehicles and equipment	6,684,712	265,450	(198,594)	6,751,568
Infrastructure (streets)	62,571,688	5,244,100	(994,582)	66,821,206
Total capital assets being depreciated	95,680,194	8,478,645	(1,205,648)	102,953,191
Less accumulated depreciation for:				
Buildings	(3,952,284)	(640,054)	8,578	(4,583,760)
Improvements other than buildings	(4,580,816)	(714,991)	-	(5,295,807)
Intangible assets	(92,932)	(14,690)	-	(107,622)
Vehicles and equipment	(4,179,956)	(726,490)	193,037	(4,713,409)
Infrastructure (streets)	(42,946,919)	(2,447,448)	871,165	(44,523,202)
Total accumulated depreciation	(55,752,907)	(4,543,673)	1,072,780	(59,223,800)
Total capital assets being depreciated, net	39,927,287	3,934,972	(132,868)	43,729,391
Governmental activities capital assets, net	\$ 50,890,333	\$ 5,240,991	\$ (3,947,093)	\$ 52,184,231
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 442,043	\$ -	\$ (202,671)	\$ 239,372
Total capital assets not being depreciated	442,043	-	(202,671)	239,372
Capital assets, being depreciated:				
Buildings	166,369	-	-	166,369
Improvements other than buildings	7,560	-	-	7,560
Electrical system	10,059,825	303,127	-	10,362,952
Vehicles and equipment	3,947,451	335,347	-	4,282,798
Total capital assets being depreciated	14,181,205	638,474	-	14,819,679
Less accumulated depreciation for:				
Buildings	(125,409)	(7,158)	-	(132,567)
Improvements other than buildings	(725)	(2,520)	-	(3,245)
Electrical system	(5,719,315)	(347,725)	-	(6,067,040)
Vehicles and equipment	(3,267,980)	(278,714)	-	(3,546,694)
Total accumulated depreciation	(9,113,429)	(636,117)	-	(9,749,546)
Total capital assets being depreciated, net	5,067,776	2,357	-	5,070,133
Business-type activities capital assets, net	\$ 5,509,819	\$ 2,357	\$ (202,671)	\$ 5,309,505

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

Governmental Activities:	
General government	\$ 403,571
Public safety	800,444
Public works, including depreciation of general infrastructure	2,617,390
Housing and development	14,337
Judicial	11,505
Culture and recreation	696,426
Total depreciation expense - governmental activities	<u>\$ 4,543,673</u>
 Business-type activities:	
Electric	\$ 498,170
Sanitation	137,760
Capital assets held by the government's internal services fund are charged to the various functions based on their usage of the assets	187
Total depreciation expense - business-type activities	<u>\$ 636,117</u>

8. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 9,401,000	\$ 7,160,000	\$ (880,000)	\$ 15,681,000	\$ 966,000
Installment sales agreement	3,432,501	-	(214,230)	3,218,271	221,535
Tax allocation district bonds	4,525,000	-	(405,000)	4,120,000	415,000
Intergovernmental contracts	339,629	-	(73,624)	266,005	74,684
Capital leases	239,808	-	(83,292)	156,516	84,753
Net pension liability	2,266,121	884,978	(1,079,656)	2,071,443	-
Net OPEB obligation	2,975,380	518,368	(21,378)	3,472,370	-
Compensated absences	224,938	316,808	(315,923)	225,823	180,659
Governmental activities long-term liabilities	<u>\$ 23,404,377</u>	<u>\$ 8,880,154</u>	<u>\$ (3,073,103)</u>	<u>\$ 29,211,428</u>	<u>\$ 1,942,631</u>
 Business-type activities:					
Capital leases	\$ 433,376	\$ 232,457	\$ (129,105)	\$ 536,728	\$ 137,442
Net pension liability	639,162	249,611	(304,519)	584,254	-
Net OPEB obligation	972,123	459,685	(18,958)	1,412,850	-
Compensated absences	83,099	117,872	(101,335)	99,636	79,710
Business-type activities long-term liabilities	<u>\$ 2,127,760</u>	<u>\$ 1,059,625</u>	<u>\$ (553,917)</u>	<u>\$ 2,633,468</u>	<u>\$ 217,152</u>

For Governmental Activities, compensated absences, pension and other post-employment benefits (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 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 at a rate of 1.74% per annum with a final maturity of April 1, 2023. 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
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	360,000	12,632	372,632
2023	366,000	6,368	372,368
Total	<u>\$ 2,106,000</u>	<u>\$ 130,082</u>	<u>\$ 2,236,082</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

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result of the refunding, the City increased its total debt service requirements by \$200,000 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$958,903.

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

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
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	545,000	172,298	717,298
2023 - 2027	3,095,000	518,454	3,613,454
2028	700,000	27,818	727,818
Total	<u>\$ 6,300,000</u>	<u>\$ 1,606,262</u>	<u>\$ 7,906,262</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, 2017, 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
2018	\$ 115,000	\$ 4,140	\$ 119,140
Total	<u>\$ 115,000</u>	<u>\$ 4,140</u>	<u>\$ 119,140</u>

**CITY OF ACWORTH, GEORGIA
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City of Acworth Street Project

During 2017, the Acworth Downtown Development Authority issued \$7,160,000 in Series 2017 Revenue Bonds for the purpose of financing the costs of the City of Acworth Street Project. The bonds were issued at a rate of 2.25% per annum with a maturity of July 01, 2031. The City and the Acworth Downtown Development Authority entered into an agreement of sale whereas the City will make the installment payments until the bond is paid in full. The principal is paid annually while the interest is paid bi-annually.

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 55,000	\$ 166,023	\$ 221,023
2019	185,000	159,863	344,863
2020	185,000	155,700	340,700
2021	185,000	151,538	336,538
2022	185,000	147,375	332,375
2023 - 2027	2,500,000	621,901	3,121,901
2028 - 2031	3,865,000	208,235	4,073,235
Total	<u>\$ 7,160,000</u>	<u>\$ 1,610,635</u>	<u>\$ 8,770,635</u>

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%.

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The debt service requirements on this agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
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	253,333	73,625	326,958
2023 - 2027	1,402,290	230,190	1,632,480
2028 - 2029	630,144	21,668	651,812
Total	<u>\$ 3,218,271</u>	<u>\$ 702,192</u>	<u>\$ 3,920,463</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 2026. 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 \$514,792 and \$747,774, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	455,000	55,182	510,182
2023 - 2026	1,945,000	100,270	2,045,270
Total	<u>\$ 4,120,000</u>	<u>\$ 487,940</u>	<u>\$ 4,607,940</u>

**CITY OF ACWORTH, GEORGIA
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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
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>\$ 266,005</u>	<u>\$ 6,995</u>	<u>\$ 273,000</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:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 84,753	\$ 2,050	\$ 86,803
2019	71,763	573	72,336
Total	<u>\$ 156,516</u>	<u>\$ 2,623</u>	<u>\$ 159,139</u>

The gross amount of Governmental Activities capital assets on the balance sheet recorded under capital leases is \$337,671. This year \$67,534 was included in depreciation expense.

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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
2018	\$ 137,442	\$ 9,989	\$ 147,431
2019	129,760	7,228	136,988
2020	132,539	4,448	136,987
2021	96,449	1,868	98,317
2022	40,538	410	40,948
Total	<u>\$ 536,728</u>	<u>\$ 23,943</u>	<u>\$ 560,671</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$846,950 and the accumulated depreciation is \$336,643. This year \$137,546 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 \$6,847,760 from the Authority during the period ended June 30, 2017.

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 \$193,329 during the period ended June 30, 2017.

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Encumbrances

Encumbrances outstanding as of June 30, 2017 are as follows:

SPLOST Fund	\$ 1,067,487
Capital Improvement Fund	189,572
Non-major Governmental Funds	5,985
Total	\$ 1,263,044

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, 2016 were \$618,492,696 and \$52,759,232 respectively.

Based on the 2016 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$4,781,829 for the fiscal year ended June 30, 2017 were 99.32% of the levy.

**CITY OF ACWORTH, GEORGIA
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11. FUND BALANCE

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

	General Fund	Capital Improvements Fund	SPLOST Fund	Acworth Downtown Development Authority	Non-major Governmental Funds	Total
Nonspendable:						
Prepays	\$ 113,343	\$ -	\$ 375,000	\$ -	\$ -	\$ 488,343
Restricted for:						
Capital projects - Downtown Project	-	7,008,382	-	-	-	7,008,382
Public safety - Police	8,636	-	102,348	-	476,615	587,599
Culture and recreation	1,525	-	-	-	-	1,525
Culture and recreation - Recreation Center	-	-	4,599,163	-	5,384	4,604,547
Culture and recreation - Newberry Park	-	-	307,014	-	-	307,014
Public works	1,105	-	-	-	12,115	13,220
Public works - Transportation Projects	-	-	468,188	-	-	468,188
General government	2,409	-	-	-	-	2,409
Voter appropriation	3,000,000	-	-	-	-	3,000,000
Committed for:						
General Government	-	1,950	-	-	5,985	7,935
Assigned for:						
Capital projects - Downtown Project	-	23,455	-	-	-	23,455
Capital projects	-	6,901	-	-	-	6,901
General government - Vehicles	-	35,000	-	-	-	35,000
Public safety - Police Explorers	7,198	-	-	-	-	7,198
Public works - REBG Grant	-	4,472	-	-	-	4,472
Culture and recreation - Cauble	-	13,159	-	-	-	13,159
Culture and recreation - Achievers/Expanding Horizons	6,143	-	-	-	-	6,143
Culture and recreation - Tree Commission	9,267	-	-	-	-	9,267
Culture and recreation - Lake Authority	-	-	-	-	25,955	25,955
Culture and recreation - Art House	-	36,199	-	-	-	36,199
Culture and recreation - Roberts School	-	15,000	-	-	-	15,000
Culture and recreation - Dallas Landing	-	12,000	-	-	-	12,000
Housing and development - Historic Preservation	7,208	-	-	-	-	7,208
Housing and development -DDA	-	-	-	25,588	-	25,588
Unassigned	4,727,353	-	-	-	-	4,727,353
	<u>\$ 7,884,187</u>	<u>\$ 7,156,518</u>	<u>\$ 5,851,713</u>	<u>\$ 25,588</u>	<u>\$ 526,054</u>	<u>\$ 21,444,060</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.

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

The Plan was amended during 2007 to offer certain enhancements. During fiscal year ended December 31, 2007, all active employees were offered the option of acquiring an early retirement benefit under the "Rule of 80" with a minimum age of 52 (where age and credited years of service meet or exceed 80). Employees that meet the "Rule of 80" with a minimum age of 52 are entitled to early retirement benefits. The Plan was amended effective January 1, 2017 where employees contribute 4% of their annual salary towards the additional costs of these benefits. Previously, the employee contribution was 3%. The vesting period for benefits was also adjusted from seven years of service to 10 years of service. Effective January 1, 2017, 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 2.00%; previously 1.75%. All new employees are automatically covered by the new plan after meeting the eligibility requirement.

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. 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, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	65
Active employees	162
Elected Officials	<u>6</u>
Total	<u><u>281</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, 2017, the actuarially determined rate was 6.64% of annual pay. The City's contributions to the Plan totaled \$465,298 for the year ended June 30, 2017.

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Net Pension Liability - The City's net pension liability was measured as of September 30, 2016, 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 January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary Increases	3.75% - 8.75% including inflation
Investment rate of return	7.75%
Post-retirement benefit increases	Not applicable

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for Males or Females, as appropriate.

The mortality and actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
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

CITY OF ACWORTH, GEORGIA
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available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2015	\$ 9,780,062	\$ 6,874,779	\$ 2,905,283
Changes for the year:			
Service cost	364,831	-	364,831
Interest	745,988	-	745,988
Differences between expected and actual experience	(3,829)	-	(3,829)
Contributions - employer	-	406,534	(406,534)
Contributions - employee	-	193,653	(193,653)
Net investment income	-	780,159	(780,159)
Benefit payments, including refunds of employee contributions	(308,809)	(308,809)	-
Administrative expense	-	(23,770)	23,770
Net changes	798,181	1,047,767	(249,586)
Balances at 9/30/2016	<u>\$ 10,578,243</u>	<u>\$ 7,922,546</u>	<u>\$ 2,655,697</u>

Changes in Assumptions - 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.

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	\$ 4,140,196	\$ 2,655,697	\$ 1,448,524

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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. 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. 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 Morgan Stanley Real Estate 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.

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

For the year ended June 30, 2017, the City recognized pension expense of \$474,317. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 208,173	\$ (3,064)
Changes of assumptions	-	(3,908)
Net difference between projected and actual earnings on pension plan investments	2,176	-
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	348,973	-
Total	\$ 559,322	\$ (6,972)

\$348,973 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30,	
2018	\$ 76,545
2019	76,545
2020	98,452
2021	(48,165)
2022	-
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 1, 2009 are not provided life insurance. Substantially all of the City's employees may become eligible for those benefits if they retire on or after the age of 60, provided that the employee's age plus completed years of service with the City, at the time of the employee's retirement is equal to or greater than 85.

The plan was amended in 2016 whereas employees hired after September 1, 2016 that are permanent full time career employees, have been employed a minimum of 30 full time continuous years with the City and have attained their 60th birthday while employed full time by the City, become eligible to purchase single coverage medical insurance under the then current City medical insurance plan until they become Medicare eligible. The employee shall pay the same rate as currently employed permanent full time career employees pay for medical insurance however, the rate may be adjusted by the Mayor and Board of Aldermen. Should the employee choose not to participate in Medicare, their eligibility for medical insurance under the City plan will cease on the date they would otherwise become eligible for Medicare coverage.

Per the January 1, 2017 valuation, there were 4 employees (1 spouse) and 1 surviving spouse fully eligible for the benefits, 2 employees receiving life insurance only; 8 retirees and spouses receiving benefits, and 168 current and active employees. The City has the authority to establish and amend benefit provisions. As of June 30, 2017, 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, 2017, the City contributed \$40,336 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,

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50% if completed 20 years of service, and 0% if less than 20 years of service. The plan was amended in 2017 for employees hired after September 1, 2016 whereas those employees retiring having attained the age of 60 and working a minimum of 30 continuous years with the City will be eligible to purchase single coverage medical insurance under the City's plan at the same rate current employees would be contributing.

Period Ended	OPEB Cost	Percentage Contributed	OPEB Obligation	Amount Contributed
6/30/2015	\$ 501,324	6%	\$ 3,554,050	\$ 30,352
6/30/2016	474,165	17%	3,947,503	80,712
6/30/2017	978,053	4%	4,885,220	40,336

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)
1/1/2017	\$ -	\$7,555,806	\$7,555,806	0.00%	\$7,140,512	105.82%

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

Required contribution	\$ 1,138,831
Interest on net OPEB obligation	157,900
Adjustment to required contribution	<u>(318,678)</u>
OPEB cost	978,053
Contributions made	<u>(40,336)</u>
Increase (decrease) in net OPEB obligation	937,717
Net OPEB obligation, beginning of period	<u>3,947,503</u>
Net OPEB obligation, end of period	<u><u>\$ 4,885,220</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The accompanying schedules of employer contributions present information about the amounts

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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	1/1/2017
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed, 25 years
Remaining amortization period	17 years as of January 1, 2017
Asset valuation method	Market value
Actuarial assumptions:	
Investment return	4.0%
Discount rate	4.0%
Inflation rate	3.5%
Medical and drug cost trend rate	7.0% graded to 4.5% over 5 years

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, 2017, there were 119 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 are required to meet a tiered seven (7) year vesting

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schedule. Elected officials participating after October 1, 2007 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, 2017 was \$13,190. The City made total contributions during the year of \$356,445. The participant's portion of the contributions during the year was \$179,118. 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 \$750,000 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 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

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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 adjustable 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 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.

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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. Prior to December 31, 2016; the City operated a partially self-insured program for medical claims (which includes prescriptions). The City was responsible for premium payments, medical claims payments and providing eligibility information.

Under the partially self-insured plan, the City had a specific deductible of \$40,000 with an unlimited specific excess limited per cover person and an unlimited lifetime reimbursement limitation. There was no aggregating specific deductible. The City paid the claims and after the claims reached this amount, a private insurance carrier would reimburse the City. Under the aggregate excess coverage, there was an aggregate excess limit of \$1,000,000 with a corridor of 125%. The City had entered into a contract with a third party to administer the programs. The third party continues to administer any subsequent claims submitted.

The City has accrued a liability for claims incurred but not reported before the fiscal year end. The City believes future amounts will be minimal.

Effective January 1, 2017, the City became fully insured to provide medical, dental and vision benefits for eligible employees. Retirees eligible for medical coverage are under the same plan. The City is responsible for premium payments and providing eligibility information. The City pays the premium and employee contributions are deducted from payroll and are based on the level of coverage elected.

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

16. JOINT VENTURE

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

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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

	2017	2016	2015
Total pension liability			
Service cost	\$ 364,831	\$ 292,812	\$ 281,368
Interest	745,988	672,423	616,661
Differences between expected and actual experience	(3,829)	278,675	102,420
Changes of assumptions	-	-	(9,772)
Benefit payments, including refunds of employee contributions	(308,809)	(280,555)	(261,769)
Net change in total pension liability	<u>798,181</u>	<u>963,355</u>	<u>728,908</u>
Total pension liability - beginning	<u>9,780,062</u>	<u>8,816,707</u>	<u>8,087,799</u>
Total pension liability - ending (a)	<u><u>\$ 10,578,243</u></u>	<u><u>\$ 9,780,062</u></u>	<u><u>\$ 8,816,707</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 406,534	\$ 434,039	\$ 369,318
Contributions - employee	193,653	164,243	146,390
Net investment income	780,159	62,237	648,207
Benefit payments including refunds of employee contributions	(308,809)	(280,555)	(261,769)
Administrative expense	(23,770)	(25,428)	(20,118)
Net change in plan fiduciary net position	<u>1,047,767</u>	<u>354,536</u>	<u>882,028</u>
Plan fiduciary net position - beginning	<u>6,874,779</u>	<u>6,520,243</u>	<u>5,638,215</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 7,922,546</u></u>	<u><u>\$ 6,874,779</u></u>	<u><u>\$ 6,520,243</u></u>
Net pension liability - ending (a) - (b)	<u><u>\$ 2,655,697</u></u>	<u><u>\$ 2,905,283</u></u>	<u><u>\$ 2,296,464</u></u>
Plan fiduciary net position as a percentage of the total pension liability	74.89%	70.29%	73.95%
Covered payroll	\$ 7,264,396	\$ 6,891,178	\$ 5,949,453
Net pension liability as a percentage of covered payroll	36.56%	42.16%	38.60%

Notes to Schedule:

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

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

	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 465,298	\$ 396,393	\$ 394,148
Contributions in relation to the actuarially determined contribution	<u>465,298</u>	<u>396,393</u>	<u>433,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,415)</u>
Covered payroll	\$ 7,881,656	\$ 7,383,239	\$ 6,681,136
Contributions as a percentage of covered payroll	5.90%	5.37%	6.49%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year.

Methods and assumptions to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Varies for the bases, with a net effective amortization period of 10 years
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation	3.25%
Salary increases	3.75% - 8.75% including inflation
Investment rate of return	7.75%
Retirement age	65
Mortality	RP-2000 Combined 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.

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)
1/1/2011	\$ -	\$ 3,934,552	\$ 3,934,552	0.0%	\$ 5,529,283	71.16%
1/1/2014	-	4,492,306	4,492,306	0.0%	5,339,558	84.13%
1/1/2017	-	7,555,806	7,555,806	0.0%	7,140,512	105.82%

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Taxes	\$ 9,642,251	\$ 9,858,048	\$ 9,911,283	\$ 53,235
Licenses and permits	450,590	323,058	334,165	11,107
Intergovernmental	34,949	42,712	39,501	(3,211)
Charges for services	657,082	674,541	754,377	79,836
Fines and forfeitures	1,250,000	1,051,016	1,024,440	(26,576)
Investment earnings	9,500	9,500	14,034	4,534
Contributions and donations	36,000	43,500	46,197	2,697
Other	47,000	80,475	83,826	3,351
Total Revenues	12,127,372	12,082,850	12,207,823	124,973
Expenditures:				
General Government				
Board of Aldermen	215,617	230,979	220,358	10,621
Administration - City Manager's Office	557,155	571,435	547,975	23,460
Elections	350	300	20	280
Financial Administration	571,801	624,664	594,008	30,656
Attorney/Legal Services	98,750	84,450	69,570	14,880
Information Systems	301,853	326,631	322,457	4,174
Insurance/Risk Management	300,000	305,000	303,066	1,934
External Auditors	35,491	32,542	32,542	-
General Government Building Maintenance	78,424	89,037	79,188	9,849
Government Bldg - City Hall	101,478	108,678	95,815	12,863
Government Bldg - 4400 Acworth Ind Dr	114,500	121,020	101,814	19,206
Government Bldg - 4406/4440 Acworth Ind Dr	57,000	59,740	51,138	8,602
Government Bldg - Other City Property	4,250	5,400	2,181	3,219
Government Bldg - Old Jail	500	500	394	106
Public Information	4,160	4,160	1,808	2,352
General Administration Fees	10,000	11,000	10,414	586
Public Safety				
Police	4,254,727	4,258,056	4,038,326	219,730
Police Explorers	5,000	5,000	2,309	2,691
Jail	1,085,738	1,088,435	1,016,314	72,121
Public Works				
Public Works Administration	316,840	328,481	321,378	7,103
Highways and Streets	669,054	685,238	644,824	40,414
Storm Drainage	25,314	25,314	17,570	7,744
Fleet Maintenance	149,356	165,093	151,313	13,780
Cemetery	37,895	25,283	19,961	5,322
Health and Welfare				
Mosquito Control	5,923	7,757	4,954	2,803
Housing and Development				
Soil Erosion Agricultural Res.	77,918	78,195	71,987	6,208

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Protective Building Inspection	322,240	323,521	300,343	23,178
Planning and Zoning	261,224	263,729	255,491	8,238
Historic Preservation	1,030	1,030	-	1,030
Economic Development	132,904	137,371	134,283	3,088
TAD (Disbursement Funds)	276,460	232,959	232,959	-
Transfers to Component Units	-	10,000	10,000	-
Judicial				
Municipal Court	450,468	450,707	412,535	38,172
Culture and Recreation				
Recreation	1,758,369	1,752,566	1,679,163	73,403
Athletics	82,724	88,127	85,406	2,721
Community Programs	54,942	4,340	4,339	1
Acworth Achievers/Expanding Horizons	-	46,500	40,357	6,143
Roberts School Recreation Ctr.	46,350	30,750	21,408	9,342
Rosenwald School Community Center	8,500	8,000	5,741	2,259
Neighborhood Playgrounds	3,625	3,625	745	2,880
Southshore Park and Beach	7,650	8,000	3,718	4,282
Dallas Landing Beach and park	49,950	38,450	31,990	6,460
Proctor Landing Beach and Park	37,100	36,200	29,944	6,256
Acworth Sports Complex	104,000	131,535	116,361	15,174
Bobby Van Newberry Park	13,950	17,800	16,870	930
Cable Park Facilities	68,960	65,956	58,830	7,126
Logan Farm Park Facilities	54,900	60,250	50,776	9,474
Summer Camp Operations	96,050	106,959	105,945	1,014
Special Events Activities	79,415	84,250	78,223	6,027
Senior Citizen Luncheon/Programs	36,100	49,600	43,695	5,905
Parks	9,725	10,475	7,159	3,316
Tree Commission	2,750	2,750	180	2,570
Debt Service	327,627	327,627	327,626	1
Total expenditures	13,366,107	13,535,465	12,775,771	759,694
Excess (deficiency) of revenues over (under) expenditures	(1,238,735)	(1,452,615)	(567,948)	884,667
Other financing sources (uses):				
Transfers in	1,933,335	3,082,209	2,243,614	(838,595)
Transfers out	(737,882)	(1,642,127)	(1,642,126)	1
Sale of capital assets	-	7,925	8,178	253
Total other financing sources (uses)	1,195,453	1,448,007	609,666	(838,341)
Net change in fund balance	\$ (43,282)	\$ (4,608)	41,718	\$ 46,326
Fund balance at beginning of year - GAAP basis			7,842,469	
Fund balance at end of year - GAAP basis			<u>\$ 7,884,187</u>	

CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:				
Investment earnings	\$ -	\$ 3	\$ 3	\$ -
Other	-	13,672	14,722	1,050
Total revenues	<u>-</u>	<u>13,675</u>	<u>14,725</u>	<u>1,050</u>
Expenditures:				
Current:				
Housing and development	13,895	53,550	41,033	12,517
Culture and recreation	3,500	3,500	3,500	-
Debt service	1,289,965	1,231,584	1,231,582	2
Total expenditures	<u>1,307,360</u>	<u>1,288,634</u>	<u>1,276,115</u>	<u>12,519</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,307,360)</u>	<u>(1,274,959)</u>	<u>(1,261,390)</u>	<u>13,569</u>
Other financing sources (uses):				
Transfers in	1,307,360	1,094,933	1,094,932	(1)
Transfers out	-	(7,008,382)	(7,008,382)	-
Issuance of debt	-	7,160,000	7,160,000	-
Total other financing sources (uses)	<u>1,307,360</u>	<u>1,246,551</u>	<u>1,246,550</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (28,408)</u>	<u>(14,840)</u>	<u>\$ 13,568</u>
Fund balance at beginning of year			<u>40,428</u>	
Fund balance at end of year			<u>\$ 25,588</u>	

GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

Special Revenue Funds

	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Debt Service	Total Nonmajor
Assets:							
Due from other governments	\$ 35,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,129
Due from other funds	397	-	-	-	31,975	-	32,372
Restricted assets:							
Cash	8,410	-	488,723	-	-	1,500	498,633
Investments	-	5,384	-	14,477	-	-	19,861
Total assets	\$ 43,936	\$ 5,384	\$ 488,723	\$ 14,477	\$ 31,975	\$ 1,500	\$ 585,995
Liabilities:							
Accounts payable	\$ 43,936	\$ -	\$ 293	\$ 1,963	\$ 35	\$ -	\$ 46,227
Due to other funds	-	-	2,381	399	-	1,500	4,280
Unearned revenue	-	-	9,434	-	-	-	9,434
Total liabilities	43,936	-	12,108	2,362	35	1,500	59,941
Fund balances:							
Restricted	-	5,384	476,615	12,115	-	-	494,114
Committed	-	-	-	-	5,985	-	5,985
Assigned	-	-	-	-	25,955	-	25,955
Total fund balances	-	5,384	476,615	12,115	31,940	-	526,054
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,936	\$ 5,384	\$ 488,723	\$ 14,477	\$ 31,975	\$ 1,500	\$ 585,995

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, 2017

	Special Revenue Funds						
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Debt Service	Total Nonmajor
Revenues:							
Taxes	\$ 308,414	\$ -	\$ -	\$ -	\$ -	\$ 157,339	\$ 465,753
Intergovernmental	-	-	-	-	-	590,435	590,435
Charges for services	-	12,000	-	1,183	-	-	13,183
Fines and forfeitures	-	-	218,298	-	-	-	218,298
Investment earnings	-	794	-	81	-	-	875
Total revenues	308,414	12,794	218,298	1,264	-	747,774	1,288,544
Expenditures:							
Current:							
Public safety	-	-	201,077	-	-	-	201,077
Public works	-	-	-	2,795	-	-	2,795
Housing and development	-	-	-	-	-	24	24
Culture and recreation	192,759	159,000	-	-	4,699	-	356,458
Debt service	-	-	-	-	118,100	514,792	632,892
Total expenditures	192,759	159,000	201,077	2,795	122,799	514,816	1,193,246
Excess (deficiency) of revenues over (under) expenditures	115,655	(146,206)	17,221	(1,531)	(122,799)	232,958	95,298
Other financing sources (uses):							
Transfers in	-	-	-	-	128,100	-	128,100
Transfers out	(115,655)	-	-	-	-	(232,959)	(348,614)
Total other financing sources (uses)	(115,655)	-	-	-	128,100	(232,959)	(220,514)
Net change in fund balance	-	(146,206)	17,221	(1,531)	5,301	(1)	(125,216)
Fund balance at beginning of year	-	151,590	459,394	13,646	26,639	1	651,270
Fund balance at end of year	\$ -	\$ 5,384	\$ 476,615	\$ 12,115	\$ 31,940	\$ -	\$ 526,054

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, 2017 AND 2016**

	2017	2016
Assets:		
Cash	\$ 3,436,729	\$ 3,928,653
Investments	2,947,411	1,625,996
Receivables (net of allowance for estimated uncollectibles):		
Taxes	24,335	17,240
Interest	13,428	12,531
Other	5,156	44,038
Due from other governments	187	2,924
Due from component unit	-	7,438
Due from other funds	321,833	1,010,386
Prepaid items	113,343	91,878
Restricted assets:		
Cash	3,208,662	3,433,866
Total assets	\$ 10,071,084	\$ 10,174,950
Liabilities:		
Accounts payable	\$ 382,344	\$ 429,101
Accrued liabilities	241,303	208,367
Due to other funds	974,286	1,231,656
Due to component unit	23,389	-
Unearned revenue	528,946	435,173
Total liabilities	2,150,268	2,304,297
Deferred inflows of resources:		
Unavailable revenue - property taxes	36,629	28,184
Fund balances:		
Nonspendable	113,343	91,878
Restricted	3,013,675	3,004,675
Assigned	29,816	50,289
Unassigned	4,727,353	4,695,627
Total fund balance	7,884,187	7,842,469
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,071,084	\$ 10,174,950

**CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Revenues:		
Taxes	\$ 9,911,283	\$ 9,510,847
Licenses and permits	334,165	448,147
Intergovernmental	39,501	41,831
Charges for services	754,377	689,355
Fines and forfeitures	1,024,440	1,217,132
Investment earnings	14,034	18,518
Contributions and donations	46,197	61,088
Other	83,826	114,088
Total revenues	12,207,823	12,101,006
Expenditures:		
Current:		
General government	2,432,748	2,219,796
Public safety	5,056,949	5,205,374
Public works	1,155,046	1,186,259
Health and welfare	4,954	3,640
Housing and development	1,005,063	1,049,833
Judicial	412,535	441,673
Culture and recreation	2,380,850	2,273,789
Debt service	327,626	327,745
Total expenditures	12,775,771	12,708,109
Excess (deficiency) of revenues over (under) expenditures	(567,948)	(607,103)
Other financing sources (uses):		
Transfers in	2,243,614	1,659,659
Transfers out	(1,642,126)	(1,027,255)
Sale of capital assets	8,178	11,138
Total other financing sources (uses)	609,666	643,542
Net change in fund balance	41,718	36,439
Fund balance at beginning of year	7,842,469	7,806,030
Fund balance at end of year	\$ 7,884,187	\$ 7,842,469

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
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
Assets:		
Cash and cash equivalents	\$ -	\$ 35,406
Investments	-	4
Due from other funds	26,038	5,019
Restricted assets:		
Cash	7,008,382	-
Total assets	\$ 7,034,420	\$ 40,429
Liabilities:		
Accounts payable	\$ 450	\$ 1
Due to other funds	7,008,382	-
Total liabilities	7,008,832	1
Fund balance:		
Assigned	25,588	40,428
Total fund balance	25,588	40,428
Total liabilities and fund balance	\$ 7,034,420	\$ 40,429

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, 2017 AND 2016

	2017	2016
Revenues:		
Investment earnings	\$ 3	\$ 10
Other	14,722	1,255
	14,725	1,265
Total revenues	14,725	1,265
Expenditures:		
Current:		
Housing and development	41,033	21,167
Culture and recreation	3,500	3,500
Debt service	1,231,582	1,077,232
	1,276,115	1,101,899
Total expenditures	1,276,115	1,101,899
Excess (deficiency) of revenues over (under) expenditures	(1,261,390)	(1,100,634)
Other financing sources (uses):		
Transfers in	1,094,932	1,104,627
Transfers out	(7,008,382)	-
Issuance of debt	7,160,000	-
	1,246,550	1,104,627
Total other financing sources (uses)	1,246,550	1,104,627
Net change in fund balance	(14,840)	3,993
Fund balance at beginning of year	40,428	36,435
Fund balance at end of year	\$ 25,588	\$ 40,428

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
Assets:		
Due from other governments	\$ 35,129	\$ -
Due from other funds	397	-
Restricted assets:		
Cash	8,410	-
Total assets	\$ 43,936	\$ -
Liabilities:		
Accounts payable	\$ 43,936	\$ -
Total liabilities	\$ 43,936	\$ -

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Revenues:		
Taxes	\$ 308,414	\$ 206,648
Expenditures:		
Current:		
Culture and recreation	192,759	129,155
Excess (deficiency) of revenues over (under) expenditures	115,655	77,493
Other financing sources (uses):		
Transfers out	(115,655)	(77,493)
Net change in fund balance	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	\$ -	\$ -

**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, 2017**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 318,000	\$ 308,414	\$ (9,586)
Expenditures:			
Current:			
Culture and recreation	198,750	192,759	5,991
Excess (deficiency) of revenues over (under) expenditures	119,250	115,655	(3,595)
Other financing sources (uses):			
Transfers out	(119,250)	(115,655)	3,595
Net change in fund balance	\$ -	-	\$ -
Fund balance at beginning of year		-	
Fund balance at end of year		\$ -	

**CITY OF ACWORTH, GEORGIA
RECREATIONAL IMPACT FEE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
Assets:		
Due from other funds	\$ -	\$ 1,000
Restricted assets:		
Cash	-	2,500
Investments	5,384	148,090
Total assets	\$ 5,384	\$ 151,590
Fund balance:		
Restricted	5,384	151,590
Total fund balance	\$ 5,384	\$ 151,590

**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, 2017 AND 2016**

	2017	2016
Revenues:		
Charges for services	\$ 12,000	\$ 86,250
Investment earnings	794	307
	12,794	86,557
Total revenues		
Expenditures:		
Current:		
Culture and recreation	159,000	-
	(146,206)	86,557
Excess (deficiency) of revenues over (under) expenditures		
	(146,206)	86,557
Net change in fund balance		
	151,590	65,033
Fund balance at beginning of year		
	\$ 5,384	\$ 151,590
Fund balance at end of year		

**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, 2017**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 9,000	\$ 12,000	\$ 3,000
Investment earnings	500	794	294
	<u>9,500</u>	<u>12,794</u>	<u>3,294</u>
Total revenues			
Expenditures:			
Current:			
Culture and recreation	159,000	159,000	-
	<u>159,000</u>	<u>159,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,500)</u>	<u>(146,206)</u>	<u>3,294</u>
Net change in fund balance	<u>\$ (149,500)</u>	<u>(146,206)</u>	<u>\$ 3,294</u>
Fund balance at beginning of year		<u>151,590</u>	
Fund balance at end of year		<u>\$ 5,384</u>	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
Assets:		
Restricted assets:		
Cash	\$ 488,723	\$ 474,501
Total assets	\$ 488,723	\$ 474,501
Liabilities:		
Accounts payable	\$ 293	\$ 148
Due to other funds	2,381	1,546
Unearned revenue	9,434	13,413
Total liabilities	12,108	15,107
Fund balance:		
Restricted	476,615	459,394
Total fund balance	476,615	459,394
Total liabilities and fund balances	\$ 488,723	\$ 474,501

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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Fines and forfeitures	\$ 218,298	\$ 210,691
Investment earnings	-	116
Contributions and donations	-	1,255
	<u>218,298</u>	<u>212,062</u>
Total revenues	<u>218,298</u>	<u>212,062</u>
Expenditures:		
Current:		
Public safety	201,077	108,526
	<u>201,077</u>	<u>108,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,221</u>	<u>103,536</u>
Net change in fund balance	17,221	103,536
Fund balance at beginning of year	<u>459,394</u>	<u>355,858</u>
Fund balance at end of year	<u><u>\$ 476,615</u></u>	<u><u>\$ 459,394</u></u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Fines and forfeitures	<u>\$ 214,813</u>	<u>\$ 218,298</u>	<u>\$ 3,485</u>
Total revenues	<u>214,813</u>	<u>218,298</u>	<u>3,485</u>
Expenditures:			
Current:			
Public safety	<u>240,674</u>	<u>201,077</u>	<u>39,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,861)</u>	<u>17,221</u>	<u>43,082</u>
Net change in fund balance	<u><u>\$ (25,861)</u></u>	<u>17,221</u>	<u><u>\$ 43,082</u></u>
Fund balance at beginning of year		<u>459,394</u>	
Fund balance at end of year		<u><u>\$ 476,615</u></u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	2017	2016
Assets:		
Restricted assets:		
Investments	\$ 14,477	\$ 13,721
Total assets	\$ 14,477	\$ 13,721
Liabilities:		
Accounts payable	\$ 1,963	\$ -
Due to other funds	399	75
Total liabilities	2,362	75
Fund balance:		
Restricted	12,115	13,646
Total fund balance	12,115	13,646
Total liabilities and fund balance	\$ 14,477	\$ 13,721

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, 2017 AND 2016

	2017	2016
Revenues:		
Charges for services	\$ 1,183	\$ 1,058
Investment earnings	81	39
	1,264	1,097
Total revenues		
Expenditures:		
Current:		
Public works	2,795	4,233
	2,795	4,233
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	(1,531)	(3,136)
Net change in fund balance	(1,531)	(3,136)
Fund balance at beginning of year	13,646	16,782
Fund balance at end of year	\$ 12,115	\$ 13,646

**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, 2017**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,500	\$ 1,183	\$ (317)
Investment earnings	50	81	31
Total revenues	1,550	1,264	(286)
Expenditures:			
Current:			
Public works	3,325	2,795	530
Excess (deficiency) of revenues over (under) expenditures	(1,775)	(1,531)	244
Net change in fund balance	\$ (1,775)	(1,531)	\$ 244
Fund balance at beginning of year		13,646	
Fund balance at end of year		\$ 12,115	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets:		
Due from other funds	<u>\$ 31,975</u>	<u>\$ 26,666</u>
Total assets	<u><u>\$ 31,975</u></u>	<u><u>\$ 26,666</u></u>
Liabilities:		
Accounts payable	<u>\$ 35</u>	<u>\$ 27</u>
Total liabilities	<u>35</u>	<u>27</u>
Fund balance:		
Committed	5,985	-
Assigned	<u>25,955</u>	<u>26,639</u>
Total fund balance	<u>31,940</u>	<u>26,639</u>
Total liabilities and fund balance	<u><u>\$ 31,975</u></u>	<u><u>\$ 26,666</u></u>

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Revenues:		
Intergovernmental	\$ -	\$ 9,234
Expenditures:		
Current:		
Culture and recreation	4,699	1,425
Debt service	118,100	116,880
Total expenditures	122,799	118,305
Excess (deficiency) of revenues over (under) expenditures	(122,799)	(109,071)
Other financing sources (uses):		
Transfers in	128,100	126,880
Total other financing sources (uses)	128,100	126,880
Net change in fund balance	5,301	17,809
Fund balance at beginning of year	26,639	8,830
Fund balance at end of year	\$ 31,940	\$ 26,639

**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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures:			
Current:			
Culture and recreation	\$ 11,250	\$ 4,699	\$ 6,551
Debt service	<u>118,100</u>	<u>118,100</u>	<u>-</u>
Total expenditures	<u>129,350</u>	<u>122,799</u>	<u>6,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,350)</u>	<u>(122,799)</u>	<u>6,551</u>
Other financing sources (uses):			
Transfers in	<u>128,100</u>	<u>128,100</u>	<u>-</u>
Total other financing sources (uses)	<u>128,100</u>	<u>128,100</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,250)</u>	5,301	<u>\$ 6,551</u>
Fund balance at beginning of year		<u>26,639</u>	
Fund balance at end of year		<u>\$ 31,940</u>	

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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, 2017 AND 2016**

	2017	2016
Assets:		
Restricted assets:		
Cash	\$ 1,500	\$ 1
Total assets	\$ 1,500	\$ 1
Liabilities:		
Due to other funds	\$ 1,500	\$ -
Total liabilities	1,500	-
Fund balance:		
Restricted	-	1
Total fund balance	-	1
Total liabilities and fund balance	\$ 1,500	\$ 1

CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Revenues:		
Taxes	\$ 157,339	\$ 158,945
Intergovernmental	590,435	608,173
Total revenues	747,774	767,118
Expenditures:		
Current:		
Housing and development	24	-
Debt service	514,792	514,951
Total expenditures	514,816	514,951
Excess (deficiency) of revenues over (under) expenditures	232,958	252,167
Other financing sources (uses):		
Transfers out	(232,959)	(252,166)
Total other financing sources (uses)	(232,959)	(252,166)
Net change in fund balance	(1)	1
Fund balance at beginning of year	1	-
Fund balance at end of year	\$ -	\$ 1

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, 2017

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 157,339	\$ 157,339	\$ -
Intergovernmental	590,435	590,435	-
Total revenues	<u>747,774</u>	<u>747,774</u>	<u>-</u>
Expenditures:			
Current:			
Housing and development	24	24	-
Debt service	514,792	514,792	-
Total expenditures	<u>514,816</u>	<u>514,816</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>232,958</u>	<u>232,958</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	<u>(232,959)</u>	<u>(232,959)</u>	<u>-</u>
Total other financing sources (uses)	<u>(232,959)</u>	<u>(232,959)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1)</u>	<u>(1)</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>1</u>	
Fund balance at end of year		<u>\$ -</u>	

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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, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets:		
Cash	\$ -	\$ 1,816
Investments	58,754	116,993
Due from other governments	3,150	532
Due from other funds	<u>7,128,720</u>	<u>15,060</u>
Total assets	<u><u>\$ 7,190,624</u></u>	<u><u>\$ 134,401</u></u>
Liabilities:		
Accounts payable	\$ 21,724	\$ 4,656
Due to other funds	<u>12,382</u>	<u>413,864</u>
Total liabilities	<u>34,106</u>	<u>418,520</u>
Fund balance:		
Restricted	7,008,382	-
Committed	1,950	1,600
Assigned	146,186	-
Unassigned	<u>-</u>	<u>(285,719)</u>
Total fund balance	<u>7,156,518</u>	<u>(284,119)</u>
Total liabilities and fund balance	<u><u>\$ 7,190,624</u></u>	<u><u>\$ 134,401</u></u>

**CITY OF ACWORTH, GEORGIA
CAPITAL IMPROVEMENT
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Revenues:		
Intergovernmental	\$ 27,673	\$ 372,453
Investment earnings	381	545
	<u>28,054</u>	<u>372,998</u>
Total revenues		
	<u>28,054</u>	<u>372,998</u>
Expenditures:		
Capital outlay	722,471	1,840,477
	<u>722,471</u>	<u>1,840,477</u>
Total expenditures		
	<u>722,471</u>	<u>1,840,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(694,417)</u>	<u>(1,467,479)</u>
Other financing sources (uses):		
Transfers in	8,135,054	500,000
Transfers out	-	(250,135)
	<u>8,135,054</u>	<u>249,865</u>
Total other financing sources (uses)		
	<u>8,135,054</u>	<u>249,865</u>
Net change in fund balance	7,440,637	(1,217,614)
Fund balance at beginning of year	<u>(284,119)</u>	<u>933,495</u>
Fund balance at end of year	<u>\$ 7,156,518</u>	<u>\$ (284,119)</u>

CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2017 AND 2016

	2017	2016
Assets:		
Due from other governments	\$ 1,445,759	\$ 1,214,626
Prepaid items	375,000	125,000
Restricted assets:		
Cash	4,374,090	3,526,153
Investments	-	56,118
	Total assets	Total assets
	\$ 6,194,849	\$ 4,921,897
Liabilities:		
Accounts payable	\$ 114,635	\$ 371,411
Retainage payable	28,501	327,383
Due to other funds	200,000	499,829
	Total liabilities	Total liabilities
	343,136	1,198,623
Fund balance:		
Nonspendable	375,000	125,000
Restricted	5,476,713	3,598,274
	Total fund balance	Total fund balance
	5,851,713	3,723,274
Total liabilities and fund balances	\$ 6,194,849	\$ 4,921,897

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, 2017 AND 2016

	2017	2016
Revenues:		
Intergovernmental	\$ 8,228,347	\$ 5,299,905
Investment earnings	98	1,418
	8,228,445	5,301,323
Total revenues		
Expenditures:		
Capital outlay	5,935,204	5,781,449
Debt service	164,802	53,467
	6,100,006	5,834,916
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	2,128,439	(533,593)
Other financing sources (uses):		
Transfers in	-	40,000
Issuance of debt	-	626,947
	-	666,947
Total other financing sources (uses)		
Net change in fund balance	2,128,439	133,354
Fund balance at beginning of year	3,723,274	3,589,920
Fund balance at end of year	\$ 5,851,713	\$ 3,723,274

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, 2017 AND 2016

Assets:	2017	2016
Current assets:		
Cash	\$ 4,216,570	\$ 2,934,395
Investments	1,945,138	2,679,871
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,646,804	1,830,732
Due from other governments	93,715	27,789
Due from other funds	557,202	430,097
Inventory	872,413	764,952
Prepaid items	22,655	21,774
Restricted assets:		
Cash	1,227,739	1,193,089
Investments	5,547,784	4,659,266
 Total current assets	 16,130,020	 14,541,965
Noncurrent assets:		
Property, plant and equipment, net	4,696,952	5,004,898
Total assets	20,826,972	19,546,863
 Deferred outflows of resources:		
Related to pensions	61,525	90,629
 Liabilities:		
Current liabilities:		
Accounts payable	612,548	692,318
Accrued liabilities	38,023	32,311
Due to other funds	266,745	379,499
Customer deposits	980,160	960,449
Accrued compensated absences	49,914	41,346
Capital lease obligations	58,864	88,562
Total current liabilities	2,006,254	2,194,485
Long-term liabilities (net of current portion):		
Accrued compensated absences	12,478	10,336
Net OPEB obligation	1,004,223	704,154
Net pension liability	292,127	319,581
Capital lease obligations	142,628	201,492
Total long-term liabilities	1,451,456	1,235,563
Total liabilities	3,457,710	3,430,048
 Deferred inflows of resources:		
Deferred regulatory credits	3,636,305	2,832,761
Related to pensions	767	645
Total deferred inflows of resources	3,637,072	2,833,406
 Net position:		
Net investment in capital assets	4,495,460	4,714,844
Unrestricted	9,298,255	8,659,194
Total net position	\$ 13,793,715	\$ 13,374,038

**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, 2017 AND 2016**

	2017	2016
Operating revenues:		
Charges for services	\$ 12,980,245	\$ 12,602,848
Other	606,785	407,441
Total operating revenues	13,587,030	13,010,289
Operating expenses:		
Personal services	1,686,678	1,322,422
Operating	8,591,037	8,129,977
Depreciation	498,170	426,341
Total operating expenses	10,775,885	9,878,740
Operating income	2,811,145	3,131,549
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	(138,671)	30,202
Interest income	36,639	85,686
Interest expense	(5,011)	(2,441)
Total nonoperating revenues (expenses)	(107,043)	113,447
Income before contributions and transfers	2,704,102	3,244,996
Capital contributions	23,153	26,008
Transfers out	(2,307,578)	(1,739,252)
Increase (decrease) in net position	419,677	1,531,752
Net position at beginning of year	13,374,038	11,842,286
Net position at end of year	\$ 13,793,715	\$ 13,374,038

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash flows from (to) operating activities:		
Cash received from customers	\$13,790,669	\$ 14,656,184
Cash payments for goods and services	(8,281,390)	(8,514,468)
Cash payments for employee services and fringe benefits	(1,368,415)	(2,051,633)
	4,140,864	4,090,083
Cash flows from (to) noncapital financing activities:		
Transfers out	(2,307,578)	(1,739,252)
	(2,307,578)	(1,739,252)
Cash flows from (to) capital and related financing activities:		
Contributed capital	23,153	26,008
Proceeds from sale of capital assets	64,000	30,202
Interest paid	(5,011)	(2,441)
Payments for capital acquisitions	(392,895)	(491,435)
Principal payments on long-term obligations	(88,562)	(47,960)
	(399,315)	(485,626)
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(153,785)	(1,068,787)
Interest received from investments	36,639	85,686
	(117,146)	(983,101)
Net increase (decrease) in cash	1,316,825	882,104
Cash at beginning of year (including \$1,193,089 and \$1,189,470 in restricted cash)	4,127,484	3,245,380
Cash at end of year (including and \$1,227,739 \$1,193,089 in restricted cash)	\$ 5,444,309	\$ 4,127,484

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 2,811,145	\$ 3,131,549
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	498,170	426,341
(Increase) decrease in utility accounts receivable	183,928	74,627
(Increase) decrease in due from other governments	(65,926)	(27,789)
(Increase) decrease in due from other funds	(127,105)	(311,585)
(Increase) decrease in inventory	(107,461)	(66,534)
(Increase) decrease in prepaid items	(881)	(137)
(Increase) decrease in deferred outflows of resources	29,104	(40,594)
Increase (decrease) in accounts payable	(79,770)	(727)
Increase (decrease) in accrued liabilities	16,422	13,090
Increase (decrease) in due to other funds	(112,754)	22,281
Increase (decrease) in customer deposits	19,711	(14,522)
Increase (decrease) in net OPEB obligation	300,069	66,886
Increase (decrease) in net pension liability	(27,454)	44,005
Increase (decrease) in deferred inflows of resources	803,666	773,192
Net cash from operating activities	\$ 4,140,864	\$ 4,090,083
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchased through capital lease	\$ -	\$ 246,429

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016

Assets:	2017	2016
Current assets:		
Cash	\$ 913,968	\$ 713,725
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	130,671	143,031
Due from other funds	272,576	320,881
Prepaid items	514	-
Total current assets	1,317,729	1,177,637
Noncurrent assets:		
Property, plant and equipment, net	607,491	504,921
Total assets	1,925,220	1,682,558
Deferred outflows of resources:		
Related to pensions	39,153	57,673
Liabilities:		
Current liabilities:		
Accounts payable	27,450	33,925
Accrued liabilities	18,664	16,317
Accrued compensated absences	17,750	14,235
Due to other funds	21,503	15,938
Customer deposits	266,745	251,137
Capital lease obligations	78,578	33,199
Total current liabilities	430,690	364,751
Long-term liabilities (net of current portion):		
Accrued compensated absences	4,437	3,559
Net OPEB obligation	408,627	267,969
Net pension liability	185,899	203,370
Capital lease obligations	256,658	110,123
Total long-term liabilities	855,621	585,021
Total liabilities	1,286,311	949,772
Deferred inflows of resources:		
Related to pensions	488	410
Net position:		
Net investment in capital assets	272,255	361,599
Unrestricted	405,319	428,450
Total net position	\$ 677,574	\$ 790,049

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Operating revenues:		
Charges for services	\$ 1,790,092	\$ 1,716,409
Total operating revenues	1,790,092	1,716,409
Operating expenses:		
Personal services	954,602	895,603
Operating	591,514	545,130
Depreciation	137,760	125,647
Total operating expenses	1,683,876	1,566,380
Operating income (loss)	106,216	150,029
Nonoperating revenues (expenses):		
Interest expense	(3,691)	(2,928)
Gain (loss) on sale of capital assets	-	26,363
Total nonoperating revenues (expenses)	(3,691)	23,435
Income (loss) before transfers	102,525	173,464
Transfers in	-	210,135
Transfers out	(215,000)	(215,000)
Increase (decrease) in net position	(112,475)	168,599
Net position at beginning of year	790,049	621,450
Net position at end of year	\$ 677,574	\$ 790,049

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,818,060	\$ 1,737,217
Cash payments for goods and services	(544,633)	(570,271)
Cash payments for employee services and fringe benefits	(806,077)	(766,943)
Net cash from (to) operating activities	467,350	400,003
Cash flows from (to) noncapital financing activities:		
Transfers in	-	210,135
Transfers out	(215,000)	(215,000)
Net cash from (to) noncapital financing activities	(215,000)	(4,865)
Cash flows from (to) capital and related financing activities:		
Proceeds from sale of capital assets	-	26,363
Interest paid	(3,691)	(2,928)
Payments for capital acquisitions	(7,873)	(214,977)
Principal payments on long-term obligations	(40,543)	(27,109)
Net cash from (to) capital and related financing activities	(52,107)	(218,651)
Net increase (decrease) in cash	200,243	176,487
Cash at beginning of year	713,725	537,238
Cash at end of year	\$ 913,968	\$ 713,725
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 106,216	\$ 150,029
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	137,760	125,647
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	12,360	(1,927)
(Increase) decrease in due from other funds	48,305	(45,475)
(Increase) decrease in prepaid items	(514)	-
(Increase) decrease in deferred outflows of resources	18,520	(28,485)
Increase (decrease) in accounts payable	(6,475)	4,396
Increase (decrease) in accrued liabilities	6,740	4,019
Increase (decrease) in due to other funds	5,565	15,938
Increase (decrease) in customer deposits	15,608	22,735
Increase (decrease) in net OPEB obligation	140,658	121,968
Increase (decrease) in net pension liability	(17,471)	42,617
Increase (decrease) in deferred inflows of resources	78	(11,459)
Net cash from operating activities	\$ 467,350	\$ 400,003
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchased through capital lease	\$ 232,457	\$ 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, 2017

	Customer Service		Totals
	Fund	Insurance	
Assets:			
Current assets:			
Cash	\$ 178,911	\$ -	\$ 178,911
Accounts receivable	1,919	5,950	7,869
Due from other funds	2,730	231,090	233,820
Prepaid items	3,389	269,553	272,942
Total current assets	186,949	506,593	693,542
Noncurrent assets:			
Property, plant and equipment, net	5,062	-	5,062
Total assets	192,011	506,593	698,604
Deferred outflows of resources:			
Related to pensions	22,373	-	22,373
Liabilities:			
Current liabilities:			
Accounts and claims payable	9,750	23,039	32,789
Accrued liabilities	15,197	-	15,197
Due to other funds	-	84,983	84,983
Accrued compensated absences	12,046	-	12,046
Total current liabilities	36,993	108,022	145,015
Long-term liabilities (net of current portion):			
Accrued compensated absences	3,011	-	3,011
Net pension liability	106,228	-	106,228
Total long-term liabilities	109,239	-	109,239
Total liabilities	146,232	108,022	254,254
Deferred inflows of resources:			
Related to pensions	279	-	279
Net position:			
Invested in capital assets	5,062	-	5,062
Unrestricted	62,811	398,571	461,382
Total net position	\$ 67,873	\$ 398,571	\$ 466,444

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 718,000	\$ 3,139,721	\$ 3,857,721
Other	21,324	-	21,324
Total operating revenues	<u>739,324</u>	<u>3,139,721</u>	<u>3,879,045</u>
Operating expenses:			
Personal services	544,818	-	544,818
Operating	104,853	3,366,144	3,470,997
Depreciation	187	-	187
Total operating expenses	<u>649,858</u>	<u>3,366,144</u>	<u>4,016,002</u>
Operating income (loss)	<u>89,466</u>	<u>(226,423)</u>	<u>(136,957)</u>
Income (loss) before transfers	89,466	(226,423)	(136,957)
Transfers out	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
Increase (decrease) in net position	9,466	(226,423)	(216,957)
Net position at beginning of year	<u>58,407</u>	<u>624,994</u>	<u>683,401</u>
Net position at end of year	<u>\$ 67,873</u>	<u>\$ 398,571</u>	<u>\$ 466,444</u>

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 793,065	\$ 3,605,431	\$ 4,398,496
Cash payments for goods and services	(101,330)	-	(101,330)
Cash payments for benefits and claims	-	(3,605,431)	(3,605,431)
Cash payments for employee services and fringe benefits	(540,640)	-	(540,640)
Net cash from (to) operating activities	151,095	-	151,095
Cash flows from (to) noncapital financing activities:			
Transfers out	(80,000)	-	(80,000)
Net cash from (to) noncapital financing activities	(80,000)	-	(80,000)
Cash flows from (to) capital and related financing activities:			
Payments for capital acquisitions	(5,249)	-	(5,249)
Net increase (decrease) in cash	65,846	-	65,846
Cash at beginning of year	113,065	-	113,065
Cash at end of year	\$ 178,911	\$ -	\$ 178,911
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 89,466	\$ (226,423)	\$ (136,957)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Depreciation	187	-	187
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(58)	20,031	19,973
(Increase) decrease in due from other funds	53,799	445,679	499,478
(Increase) decrease in prepaid items	433	(120,080)	(119,647)
(Increase) decrease in deferred outflows of resources	10,583	-	10,583
Increase (decrease) in accounts and claims payable	3,090	(204,190)	(201,100)
Increase (decrease) in accrued liabilities	3,533	-	3,533
Increase (decrease) in due to other funds	-	84,983	84,983
Increase (decrease) in net pension liability	(9,983)	-	(9,983)
Increase (decrease) in deferred inflows of resources	45	-	45
Net cash from (to) operating activities	\$ 151,095	\$ -	\$ 151,095

CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016

Assets:	2017	2016
Current assets:		
Cash	\$ 178,911	\$ 113,065
Accounts receivable	1,919	1,861
Due from other funds	2,730	56,529
Prepaid items	3,389	3,822
Total current assets	186,949	175,277
Noncurrent assets:		
Property, plant and equipment, net	5,062	-
Total assets	192,011	175,277
Deferred outflows of resources:		
Related to pensions	22,373	32,956
Liabilities:		
Current liabilities:		
Accounts payable	9,750	6,660
Accrued liabilities	15,197	13,098
Accrued compensated absences	12,046	10,898
Total current liabilities	36,993	30,656
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,011	2,725
Net pension liability	106,228	116,211
Total long-term liabilities	109,239	118,936
Total liabilities	146,232	149,592
Deferred inflows of resources:		
Related to pensions	279	234
Net position:		
Net investment in capital assets	5,062	-
Unrestricted	62,811	58,407
Total net position	\$ 67,873	\$ 58,407

**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, 2017 AND 2016**

	2017	2016
Operating revenues:		
Charges for services	\$ 718,000	\$ 699,500
Other	21,324	21,667
	739,324	721,167
Operating expenses:		
Personal services	544,818	532,374
Operating	104,853	105,956
Depreciation	187	-
	649,858	638,330
Operating income (loss)	89,466	82,837
Income (loss) before transfers	89,466	82,837
Transfers out	(80,000)	(80,000)
Increase (decrease) in net position	9,466	2,837
Net position at beginning of year	58,407	55,570
Net position at end of year	\$ 67,873	\$ 58,407

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 793,065	\$ 672,306
Cash payments for goods and services	(101,330)	(108,662)
Cash payments for employee services and fringe benefits	(540,640)	(528,264)
	<u>151,095</u>	<u>35,380</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(80,000)	(80,000)
	<u>(80,000)</u>	<u>(80,000)</u>
Cash flows from (to) capital and related financing activities:		
Payments for capital acquisitions	(5,249)	-
	<u>(5,249)</u>	<u>-</u>
Net increase (decrease) in cash	65,846	(44,620)
Cash at beginning of year	<u>113,065</u>	<u>157,685</u>
Cash at end of year	<u>\$ 178,911</u>	<u>\$ 113,065</u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 89,466	\$ 82,837
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Depreciation	187	-
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(58)	(172)
(Increase) decrease in due from other funds	53,799	(48,689)
(Increase) decrease in prepaid items	433	(608)
(Increase) decrease in deferred outflows of resources	10,583	(16,278)
Increase (decrease) in accounts payable	3,090	(2,098)
Increase (decrease) in accrued liabilities	3,533	2,584
Increase (decrease) in net pension liability	(9,983)	24,353
Increase (decrease) in deferred inflows of resources	45	(6,549)
	<u>45</u>	<u>(6,549)</u>
Net cash from (to) operating activities	<u>\$ 151,095</u>	<u>\$ 35,380</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016**

Assets:	<u>2017</u>	<u>2016</u>
Current assets:		
Accounts receivable	\$ 5,950	\$ 25,981
Due from other funds	231,090	676,769
Prepaid items	<u>269,553</u>	<u>149,473</u>
Total current assets	<u>506,593</u>	<u>852,223</u>
Total assets	<u>506,593</u>	<u>852,223</u>
Liabilities:		
Current liabilities:		
Accounts and claims payable	23,039	227,229
Due to other funds	<u>84,983</u>	<u>-</u>
Total liabilities	<u>108,022</u>	<u>227,229</u>
Net position:		
Unrestricted	<u>398,571</u>	<u>624,994</u>
Total net position	<u><u>\$ 398,571</u></u>	<u><u>\$ 624,994</u></u>

CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Operating revenues:		
Charges for services	\$ 3,139,721	\$ 3,125,777
Total operating revenues	<u>3,139,721</u>	<u>3,125,777</u>
Operating expenses:		
Operating	<u>3,366,144</u>	<u>3,213,287</u>
Total operating expenses	<u>3,366,144</u>	<u>3,213,287</u>
Operating income (loss)	<u>(226,423)</u>	<u>(87,510)</u>
Increase (decrease) in net position	(226,423)	(87,510)
Net position at beginning of year	<u>624,994</u>	<u>712,504</u>
Net position at end of year	<u>\$ 398,571</u>	<u>\$ 624,994</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$ 3,605,431	\$ 3,091,686
Cash payments for benefits and claims	(3,605,431)	(3,091,686)
Net cash from (to) operating activities	-	-
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	\$ -	\$ -
 Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ (226,423)	\$ (87,510)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	20,031	9,042
(Increase) decrease in due from other funds	445,679	(43,133)
(Increase) decrease in prepaid items	(120,080)	(24,171)
(Increase) decrease in other assets	-	38,852
Increase (decrease) in accounts and claims payable	(204,190)	106,920
Increase (decrease) in due to other funds	84,983	-
Net cash from (to) operating activities	\$ -	\$ -

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SUPPLEMENTAL INFORMATION

CITY OF ACWORTH, GEORGIA
NON-MAJOR DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET
JUNE 30, 2017

	Acworth Tourism Bureau Authority
Assets:	
Due from other governments	\$ 31,763
Due from primary government	23,389
Prepaid items	1,667
Total assets	\$ 56,819
Liabilities:	
Accounts payable	\$ 4,974
Total liabilities	4,974
Fund balances:	
Nonspendable	1,667
Restricted	50,178
Total fund balances	51,845
Total liabilities and fund balances	\$ 56,819
Total fund balance	\$ 51,845
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	2,469
Net position of component unit	\$ 54,314

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, 2017

	Acworth Tourism Bureau Authority
Revenues:	
Intergovernmental	\$ 90,603
Investment earnings	231
Total revenues	90,834
Expenditures:	
Culture and recreation	89,744
Total expenditures	89,744
Excess (deficiency) of revenues over (under) expenditures	1,090
Net change in fund balance	1,090
Fund balance at beginning of year	50,755
Fund balance at end of year	\$ 51,845

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	1,090
Change in net position of component unit on the statement of activities	\$ (1,208)

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2017	\$ 18,322	\$ 18,322	\$ -
Interest payment semi-annual; Principal payment annually	4/1/2018	354,322	18,322	336,000
1.74% Interest Rate	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>\$ 2,236,082</u>	<u>\$ 130,082</u>	<u>\$ 2,106,000</u>
CableNET Project Refunding Bonds; Series 2008	1/1/2018	\$ 125,055	\$ 125,055	\$ -
\$9,645,000; Fixed Rate - 3.97%	7/1/2018	585,055	125,055	460,000
Mature - 07/01/2028	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	702,280	27,280	675,000
	1/1/2028	13,909	13,909	-
	7/1/2028	713,909	13,909	700,000
		<u>\$ 7,906,262</u>	<u>\$ 1,606,262</u>	<u>\$ 6,300,000</u>

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Recreation Facilities				
Installment Sales Agreement - Acworth Lake				
Authority revenue Bonds, Series 2008	1/1/2018	\$ 2,070	\$ 2,070	\$ -
\$975,000 @ 3.6% interest rate	7/1/2018	<u>117,070</u>	<u>2,070</u>	<u>115,000</u>
		<u>\$ 119,140</u>	<u>\$ 4,140</u>	<u>\$ 115,000</u>
Downtown Project Series 2017	1/1/2018	\$ 85,473	\$ 85,473	\$ -
\$7,160,000; Fixed Rate - 2.250%	7/1/2018	135,550	80,550	55,000
Mature - 07/01/2031	1/1/2019	79,931	79,931	-
	7/1/2019	264,931	79,931	185,000
	1/1/2020	77,850	77,850	-
	7/1/2020	262,850	77,850	185,000
	1/1/2021	75,769	75,769	-
	7/1/2021	260,769	75,769	185,000
	1/1/2022	73,688	73,688	-
	7/1/2022	258,688	73,688	185,000
	1/1/2023	71,606	71,606	-
	7/1/2023	266,606	71,606	195,000
	1/1/2024	69,413	69,413	-
	7/1/2024	634,413	69,413	565,000
	1/1/2025	63,056	63,056	-
	7/1/2025	628,056	63,056	565,000
	1/1/2026	56,700	56,700	-
	7/1/2026	636,700	56,700	580,000
	1/1/2027	50,175	50,175	-
	7/1/2027	645,175	50,175	595,000
	1/1/2028	43,481	43,481	-
	7/1/2028	648,481	43,481	605,000
	1/1/2029	36,675	36,675	-
	7/1/2029	1,381,675	36,675	1,345,000
	1/1/2030	21,544	21,544	-
	7/1/2030	1,721,543	21,543	1,700,000
	1/1/2031	2,419	2,419	-
	7/1/2031	<u>217,418</u>	<u>2,418</u>	<u>215,000</u>
		<u>\$ 8,770,635</u>	<u>\$ 1,610,635</u>	<u>\$ 7,160,000</u>
Jail & Court Services Facility Renovations and Addition	1/7/2018	\$ 276,407	\$ 54,872	\$ 221,535
\$3,840,000; Fixed Rate - 3.41%	7/7/2018	51,094	51,094	-
Mature - 01/07/2029	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	-

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		<u>\$ 3,920,463</u>	<u>\$ 702,192</u>	<u>\$ 3,218,271</u>
Tax Allocation District Bonds - Series 2013	12/01/17	\$ 467,324	\$ 52,324	\$ 415,000
Lakeside Project ;\$5,595,000	06/01/18	47,054	47,054	-
bi-annual debt service; 2.54%	12/01/18	472,054	47,054	425,000
Debt service is paid from tax increment within district.	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	6,416	6,416	-
	12/01/25	511,416	6,416	505,000
		<u>\$ 4,607,940</u>	<u>\$ 487,940</u>	<u>\$ 4,120,000</u>
Police Radios - IGA Cobb County	9/1/2017	\$ 6,500	\$ 323	\$ 6,177
\$373,397.45 @ 1.43% withheld from monthly disbursements	10/1/2017	6,500	305	6,195
60 Months	11/1/2017	6,500	308	6,192
	12/1/2017	6,500	291	6,209
	1/1/2018	6,500	293	6,207
	2/1/2018	6,500	285	6,215
	3/1/2018	6,500	251	6,249
	4/1/2018	6,500	270	6,230

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		\$ 273,000	\$ 6,995	\$ 266,005

Police Vehicles - SPLOST Funded	7/25/2017	\$ 7,234	\$ 227	\$ 7,007
04/25/2016; \$253,550; 1.74%; 36 months	8/25/2017	7,234	217	7,017
\$7,233.58/monthly	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

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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>\$ 159,139</u>	<u>\$ 2,623</u>	<u>\$ 156,516</u>
Net pension liability				\$ 2,071,443
Net OPEB obligation				3,472,370
Accrued compensated absences				<u>225,823</u>
TOTAL GENERAL LONG-TERM OBLIGATIONS				<u><u>\$ 29,211,428</u></u>
ENTERPRISE FUNDS				
Electrical Power Fund				
2012 Bucket Truck	7/24/2017	\$ 3,481	\$ 19	\$ 3,462
09/24/2012 - \$197,633; 2.19%; 60 months	8/24/2017	3,480	12	3,468
\$3,480.52/monthly	9/24/2017	<u>3,480</u>	<u>7</u>	<u>3,473</u>
		<u>\$ 10,441</u>	<u>\$ 38</u>	<u>\$ 10,403</u>
2016 Freightliner Power Line Truck	7/25/2017	\$ 4,317	\$ 315	\$ 4,002
04/25/2016; \$246,429; 1.98%; 60 months	8/25/2017	4,317	309	4,008
\$4,317.19/monthly	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
	6/25/2018	4,317	242	4,075
	7/25/2018	4,317	235	4,082
	8/25/2018	4,317	229	4,089

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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>\$ 198,591</u>	<u>\$ 7,501</u>	<u>\$ 191,089</u>
Net pension liability				292,127
Net OPEB obligation				1,004,223
Accrued compensated absences				<u>62,392</u>
Total Electrical Power Fund				<u>\$ 1,560,234</u>
Sanitation Fund				
2016 Freightliner Sanitation Truck	8/4/2017	\$ 3,004	\$ 204	\$ 2,800
09/04/2015 - \$170,431; 2.22%; 60 months	9/4/2017	3,004	199	2,805
\$3,003.71/monthly	10/4/2017	3,004	193	2,810
	11/4/2017	3,004	188	2,816
	12/4/2017	3,004	183	2,821

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
		\$ 114,141	\$ 4,018	\$ 110,123
2017 Freightliner Street Sweeper	7/12/2017	\$ 4,095	\$ 413	\$ 3,682
04/12/2017 - \$232,457; 2.20%; 60 months	8/12/2017	4,095	406	3,689
\$4,094.82/monthly	9/12/2017	4,095	399	3,696
	10/12/2017	4,095	392	3,702
	11/12/2017	4,095	386	3,709
	12/12/2017	4,095	379	3,716
	1/12/2018	4,095	372	3,723
	2/12/2018	4,095	365	3,730
	3/12/2018	4,095	358	3,736
	4/12/2018	4,095	352	3,743
	5/12/2018	4,095	345	3,750

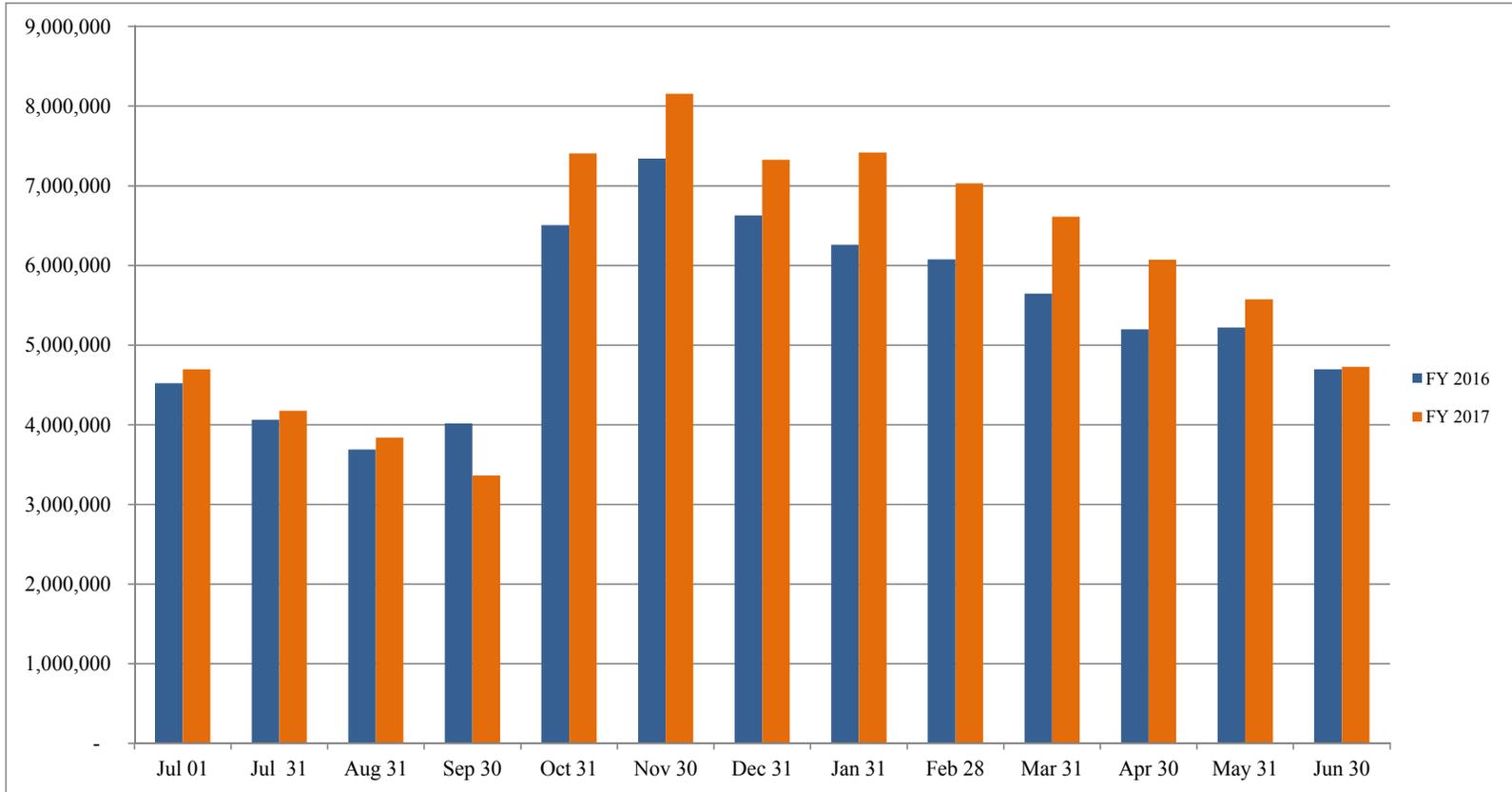
CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	6/12/2018	4,095	338	3,757
	7/12/2018	4,095	331	3,764
	8/12/2018	4,095	324	3,771
	9/12/2018	4,095	317	3,778
	10/12/2018	4,095	310	3,785
	11/12/2018	4,095	303	3,792
	12/12/2018	4,095	296	3,799
	1/12/2019	4,095	289	3,806
	2/12/2019	4,095	282	3,813
	3/12/2019	4,095	275	3,820
	4/12/2019	4,095	268	3,827
	5/12/2019	4,095	261	3,834
	6/12/2019	4,095	254	3,841
	7/12/2019	4,095	247	3,848
	8/12/2019	4,095	240	3,855
	9/12/2019	4,095	233	3,862
	10/12/2019	4,095	226	3,869
	11/12/2019	4,095	219	3,876
	12/12/2019	4,095	212	3,883
	1/12/2020	4,095	205	3,890
	2/12/2020	4,095	198	3,897
	3/12/2020	4,095	190	3,904
	4/12/2020	4,095	183	3,912
	5/12/2020	4,095	176	3,919
	6/12/2020	4,095	169	3,926
	7/12/2020	4,095	162	3,933
	8/12/2020	4,095	155	3,940
	9/12/2020	4,095	147	3,948
	10/12/2020	4,095	140	3,955
	11/12/2020	4,095	133	3,962
	12/12/2020	4,095	126	3,969
	1/12/2021	4,095	118	3,977
	2/12/2021	4,095	111	3,984
	3/12/2021	4,095	104	3,991
	4/12/2021	4,095	96	3,998
	5/12/2021	4,095	89	4,006
	6/12/2021	4,095	82	4,013
	7/12/2021	4,095	74	4,021
	8/12/2021	4,095	67	4,028
	9/12/2021	4,095	60	4,035
	10/12/2021	4,095	52	4,043
	11/12/2021	4,095	45	4,050
	12/12/2021	4,095	37	4,057
	1/12/2022	4,095	30	4,065
	2/12/2022	4,095	22	4,072

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2017**

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	3/12/2022	4,095	15	4,080
	4/12/2022	4,095	7	4,087
		<u>\$ 237,500</u>	<u>\$ 12,387</u>	<u>\$ 225,113</u>
Net pension liability				\$ 185,899
Net OPEB obligation				408,627
Accrued compensated absences				<u>22,187</u>
Total Sanitation Fund				<u>\$ 951,949</u>
TOTAL ENTERPRISE FUNDS				<u>\$ 2,512,183</u>
 INTERNAL SERVICE FUNDS				
Customer Service Fund				
Net pension liability				\$ 106,228
Accrued compensated absences				<u>15,057</u>
TOTAL INTERNAL SERVICE FUNDS				<u>\$ 121,285</u>

CITY OF ACWORTH, GEORGIA
GENERAL FUND SCHEDULE OF UNASSIGNED FUND BALANCE BY MONTH
FISCAL YEARS 2016 AND 2017



STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF ACWORTH, GEORGIA
GOVERNMENT - WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ended December 31,		Fiscal Year Ended June 30,							
	2008	2009 (2)	2010	2011	2012 (1)	2013	2014 (1)	2015	2016	2017
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 39,162,439
Restricted	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	16,367,889
Unrestricted	(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)	(10,290,441)
Subtotal Governmental Activities Net Position	39,681,478	36,431,341	36,610,531	36,576,948	30,073,864	32,350,873	37,198,231	39,861,825	40,915,428	45,239,887
Business-Type Activities										
Net investment in capital assets	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	4,772,777
Restricted	500,000	-	-	-	-	-	-	-	-	-
Unrestricted	(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	9,809,394
Subtotal Business-Type Activities Net Position	2,245,261	1,989,547	2,517,830	3,623,005	10,730,993	11,147,691	11,759,845	12,629,427	14,313,665	14,582,171
Primary Government										
Net investment in capital assets	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	43,935,216
Restricted	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	16,367,889
Unrestricted	(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)	(481,047)
Total Primary Government Net Position	\$ 41,926,739	\$ 38,420,888	\$ 39,128,361	\$ 40,199,953	\$ 40,804,857	\$ 43,498,564	\$ 48,958,076	\$ 52,491,252	\$ 55,229,093	\$ 59,822,058

Notes:

(1) As restated.

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

CITY OF ACWORTH, GEORGIA
CHANGES IN NET POSITION - TOTAL
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ended									
	December 31,	Fiscal Year Ended June 30,								
	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017
Expenses:										
Governmental activities	\$ 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	\$ 20,054,155
Business-type activities	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	12,565,830
Total Expenses	25,680,644	12,498,252	25,719,432	26,001,844	26,745,742	26,390,201	28,388,355	29,181,781	31,332,002	32,619,985
Program Revenues:										
Governmental activities	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	10,772,476
Business-type activities	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717	14,752,706	15,400,275
Total Program Revenues	15,941,599	7,655,666	17,057,106	17,888,566	18,395,029	19,850,726	21,832,778	22,664,797	23,492,918	26,172,751
Net (Expense) Revenue	(9,739,045)	(4,842,586)	(8,662,326)	(8,113,278)	(8,350,713)	(6,539,475)	(6,555,577)	(6,516,984)	(7,839,084)	(6,447,234)
General Revenues and Transfers:										
Governmental activities	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	13,606,138
Business-type activities	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)	(1,738,431)	(2,565,939)
Total General Revenues and Transfers	9,774,990	1,336,735	9,572,677	9,184,870	9,134,937	9,233,182	9,654,117	10,050,160	10,576,925	11,040,199
Changes in Net Position	\$ 35,945	\$ (3,505,851)	\$ 910,351	\$ 1,071,592	\$ 784,224	\$ 2,693,707	\$ 3,098,540	\$ 3,533,176	\$ 2,737,841	\$ 4,592,965

Notes:

- (1) The City changed Fiscal Years. Fiscal Year 2008 ended 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 December 31,		Fiscal Year Ended June 30,							
	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017
Expenses:										
General government	\$ 1,749,087	\$ 981,054	\$ 2,004,955	\$ 1,842,027	\$ 1,968,349	\$ 2,018,223	\$ 2,609,694	\$ 3,091,117	\$ 3,204,116	\$ 3,267,821
Judicial	406,441	237,822	423,891	371,570	350,971	376,499	395,493	414,891	458,293	434,219
Health and welfare	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954
Public works	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	4,503,538
Culture and recreation	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	3,460,774
Public safety	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	6,312,018
Housing and development	1,259,224	349,078	1,162,929	945,222	981,001	994,734	1,032,121	926,219	1,060,788	1,087,930
Interest and fiscal charges	635,536	313,112	603,875	573,085	1,131,515	1,181,927	1,125,283	882,928	846,670	982,901
Total Expenses	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	20,054,155
Program Revenues:										
Charges for Services:										
General government	180,197	71,358	167,312	190,155	217,284	214,352	238,294	231,605	263,686	268,382
Judicial	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306	1,215,947	1,024,324
Public works	25,724	6,820	9,090	26,793	20,982	18,866	33,375	28,481	22,733	14,258
Culture and recreation	336,271	171,720	353,160	457,073	394,608	430,099	463,883	569,999	623,672	577,614
Public safety	27,246	11,401	25,312	22,526	27,389	23,440	65,333	95,102	71,254	117,051
Housing and development	302,367	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612
Operating grants and contributions	41,629	52,761	185,071	51,166	100,439	122,508	291,322	235,434	301,743	294,117
Capital grants and contributions	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	8,256,118
Total Program Revenues	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	10,772,476
Net (Expense) Revenue	(9,941,506)	(4,646,899)	(9,243,072)	(9,450,666)	(9,709,887)	(8,422,477)	(8,912,312)	(9,488,239)	(11,261,753)	(9,281,679)
General Revenues and Transfers:										
General revenues:										
Property taxes	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	5,808,084
Insurance premium tax	751,205	-	744,158	722,530	958,018	1,017,576	1,053,603	1,102,373	1,177,704	1,276,993
Alcohol taxes	461,838	222,419	434,368	430,223	458,547	466,203	466,400	468,573	538,892	536,334
Hotel, motel tax	115,685	49,262	109,608	115,272	112,969	126,816	139,982	188,530	206,648	308,414
Franchise taxes	1,092,569	690,534	1,288,181	1,381,657	1,383,083	1,349,413	1,370,578	1,416,619	1,400,859	1,464,398
Financial institution tax	17,636	50,373	20,287	29,702	25,798	37,504	33,745	33,761	77,875	34,785
Business Taxes	436,024	823	401,509	392,470	409,776	442,094	456,762	451,893	500,078	527,302
Contributions not restricted to a specific program	789,745	117,767	743,031	663,575	638,610	680,784	600,130	591,414	608,173	590,435
Operating grants not restricted to a specific programs	291,701	-	369,494	247,293	246,349	252,388	245,977	433,818	439,279	441,522
Insurance Proceeds	18,649	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	319,312	77,005	125,116	64,460	13,097	19,345	18,339	19,514	19,564	15,293
Gain on sale of capital assets	-	77,387	-	-	-	-	-	-	-	-
Transfers	635,332	-	96,083	247,000	1,094,754	1,478,491	1,310,000	2,139,518	1,824,117	2,602,578
Total General Revenues and Transfers	10,232,350	1,396,762	9,652,947	9,417,083	10,215,051	10,699,486	10,923,246	12,151,833	12,315,356	13,606,138
Change in Net Position	\$ 290,844	\$ (3,250,137)	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009	\$ 2,010,934	\$ 2,663,594	\$ 1,053,603	\$ 4,324,459

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

CITY OF ACWORTH, GEORGIA
CHANGES IN NET POSITION - BUSINESS-TYPE ACTIVITIES
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year Ended December 31,	Fiscal Year Ended June 30,								
	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017
Expenses:										
Electrical Power	\$ 10,544,317	\$ 5,243,322	\$ 10,650,264	\$ 11,163,078	\$ 11,214,845	\$ 11,526,660	\$ 11,488,074	\$ 10,867,184	\$ 9,787,092	\$ 10,878,263
Sanitation	1,227,152	567,482	1,177,329	1,192,180	1,221,425	1,229,860	1,299,983	1,467,278	1,542,945	1,687,567
Total Expenses	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	12,565,830
Program Revenues:										
Charges for Services:										
Electrical Power	10,551,010	4,898,922	10,971,454	12,198,127	12,280,471	13,103,125	13,548,217	13,622,247	13,010,289	13,587,030
Sanitation	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	1,790,092
Capital grants and contributions	35,409	9,531	2,125	9,025	15,295	5,019	1,870	1,300	26,008	23,153
Total Program Revenues	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717	14,752,706	15,400,275
Net (Expense) Revenue	202,461	(195,687)	580,746	1,337,388	1,359,174	1,883,002	2,356,735	2,971,255	3,422,669	2,834,445
General Revenues and Transfers:										
Unrestricted investment earnings	177,972	17,360	15,813	14,787	14,640	11,033	40,881	37,845	85,686	36,639
Transfers	(635,332)	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)	(1,310,000)	(2,139,518)	(1,824,117)	(2,602,578)
Total General Revenues and Transfers	(457,360)	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)	(1,738,431)	(2,565,939)
Changes in Net Position	\$ (254,899)	\$ (255,714)	\$ 500,476	\$ 1,105,175	\$ 279,060	\$ 416,698	\$ 1,087,616	\$ 869,582	\$ 1,684,238	\$ 268,506

Notes:

- (1) The City changed Fiscal Years. Fiscal Year 2008 ended 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 December 31,	Fiscal Year Ended June 30,								
	2008	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017
Governmental Activities										
General government	\$ 180,197	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294	\$ 231,605	\$ 263,686	\$ 268,382
Judicial	852,567	538,723	1,061,228	1,156,300	948,875	1,157,097	1,161,935	1,084,306	1,215,947	1,024,324
Public works (2)	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	3,449,467
Culture and recreation	660,011	328,999	626,495	486,815	463,083	625,403	584,902	1,061,642	3,012,751	4,897,767
Public safety	68,415	64,162	152,132	94,241	99,836	98,632	290,220	1,704,853	1,156,314	911,924
Housing and development	302,367	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612
Subtotal governmental activities	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	10,772,476
Business-type activities										
Electric	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	13,610,183
Sanitation	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	1,790,092
Subtotal business-type activities	11,973,930	5,615,117	12,408,339	13,692,646	13,795,444	14,639,522	15,144,792	15,305,717	14,752,706	15,400,275
Total Primary Government	\$ 15,941,599	\$ 7,655,666	\$ 17,057,106	\$ 17,888,566	\$ 18,395,029	\$ 19,850,726	\$ 21,832,778	\$ 22,664,797	\$ 23,492,918	\$ 26,172,751

Notes:

- (1) The City changed Fiscal Years. Fiscal Years 2008 ended 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) 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
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2008</u>	<u>2009 (1)</u>	<u>2010 (2)</u>	<u>2011 (2)</u>	<u>2012 (3)</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved	\$ 3,808,585	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,951,812	2,324,058	-	-	-	-	-	-	-	-
Non-spendable	-	-	253,995	269,441	245,943	237,982	272,111	61,309	91,878	113,343
Restricted	-	-	3,710,718	3,729,973	3,645,885	3,158,549	3,181,225	3,198,814	3,004,675	3,013,675
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	29,816
Unassigned	-	-	2,537,862	2,720,302	3,114,548	3,194,965	3,689,509	4,522,607	4,695,627	4,727,353
Total General Fund	<u>\$ 8,760,397</u>	<u>\$ 6,338,457</u>	<u>\$ 6,544,741</u>	<u>\$ 6,809,225</u>	<u>\$ 7,060,000</u>	<u>\$ 7,031,742</u>	<u>\$ 7,601,581</u>	<u>\$ 7,806,030</u>	<u>\$ 7,842,469</u>	<u>\$ 7,884,187</u>
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects/Improvements	1,137,042	186,617	-	-	-	-	-	-	-	-
Unreserved										
Special Revenue Funds	361,116	260,841	-	-	-	-	-	-	-	-
Capital Projects/Improvements	924,119	1,609,492	-	-	-	-	-	-	-	-
Non-spendable	-	-	1,250	1,250	1,250	1,250	77,162	868,138	125,000	375,000
Restricted	-	-	3,181,024	3,446,698	3,992,404	5,098,162	6,473,100	3,159,455	4,222,905	12,979,209
Committed	-	-	10,167	498,442	264,315	330,351	10,245	99,486	1,600	7,935
Assigned	-	-	507,681	318,403	224,237	742,228	1,038,632	879,274	67,067	197,729
Unassigned	-	-	-	-	-	-	-	-	(285,719)	-
Total All Other Governmental Funds	<u>\$ 2,422,277</u>	<u>\$ 2,056,950</u>	<u>\$ 3,700,122</u>	<u>\$ 4,264,793</u>	<u>\$ 4,482,206</u>	<u>\$ 6,171,991</u>	<u>\$ 7,599,139</u>	<u>\$ 5,006,353</u>	<u>\$ 4,130,853</u>	<u>\$ 13,559,873</u>

NOTES:

- (1) The City changed Fiscal Years. Fiscal Year 2008 ended on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. All subsequent years end June 30.
(2) 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.
(3) Fiscal Year 2012 has been restated for implementation of GASB 61 and GASB 65.

CITY OF ACWORTH, GEORGIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012 (2)	2013	2014	2015	2016	2017
Revenues:										
Taxes	\$ 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	\$ 10,377,036
Licenses and permits	275,196	89,141	217,691	228,062	248,398	337,662	262,984	498,578	448,147	334,165
Intergovernmental	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	8,885,956
Charges for services	703,809	205,484	491,125	517,494	511,358	541,620	645,122	747,805	776,663	767,560
Fines and forfeitures	893,736	585,684	1,074,817	1,250,253	980,759	1,224,165	1,368,753	1,247,837	1,427,823	1,242,738
Investment earnings	319,312	77,005	125,120	72,914	16,560	24,155	21,191	20,705	20,953	15,391
Contributions and donations	115,709	96,781	77,857	29,742	60,289	49,856	90,765	61,340	62,343	46,197
Other	94,001	37,539	64,073	76,279	98,138	85,512	111,321	87,290	115,343	98,548
Total revenues	13,411,227	3,512,617	13,952,153	13,414,850	13,731,358	15,338,470	15,734,247	16,783,671	19,059,308	21,767,591
Expenditures:										
Current:										
General Government	1,927,072	894,250	1,980,437	1,705,337	1,737,926	1,792,986	2,045,381	2,019,309	2,219,796	2,432,748
Public Safety	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	5,258,026
Public Works	932,068	419,362	930,192	949,323	926,744	961,549	1,023,966	1,044,454	1,190,492	1,157,841
Health and Welfare	3,112	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954
Housing and development	1,214,064	326,572	1,121,819	911,945	930,902	952,545	983,906	916,713	1,071,000	1,046,120
Judicial	405,082	237,142	413,747	358,569	338,509	376,499	387,141	410,749	441,673	412,535
Culture and recreation	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	2,740,808
Capital Projects	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	6,657,675
Debt Service										
Principal	703,244	449,331	678,889	678,078	1,062,523	1,005,211	1,102,000	1,414,334	1,499,675	1,656,146
Interest	622,359	307,961	607,036	562,781	875,445	929,097	908,813	626,858	590,600	700,756
Total Expenditures	14,161,788	6,626,626	12,200,081	12,843,909	14,565,677	14,864,936	19,940,880	21,287,574	22,360,571	22,067,609
Excess (deficiency) of revenues over expenditures	(750,561)	(3,114,009)	1,752,072	570,941	(834,319)	473,534	(4,206,633)	(4,503,903)	(3,301,263)	(300,018)
Other financing sources (uses):										
Transfers in	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	11,601,700
Transfers out	(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)	(8,999,122)
Payment to refunding agent	-	-	-	-	-	(3,300,000)	(5,285,000)	-	-	-
Debt Issued	527,485	244,635	-	-	-	3,407,000	9,435,000	-	626,947	7,160,000
Sale of capital assets	11,225	4,720	1,301	11,214	20,035	10,993	743,620	76,048	11,138	8,178
Total other financing sources (uses)	1,174,042	326,742	97,384	258,214	1,055,035	1,187,993	6,203,620	2,115,566	2,462,202	9,770,756
Total Net change in fund balance	423,481	(2,787,267)	1,849,456	829,155	220,716	1,661,527	1,996,987	(2,388,337)	(839,061)	9,470,738
Debt service as a percentage of noncapital expenditures (1)	12.0%	14.4%	11.7%	11.5%	16.8%	16.5%	16.3%	15.4%	12.9%	14.6%

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

(1) Fiscal Years 2010, 2012, 2013 and 2016 percentages have been adjusted and differ from previously issued reports.

(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
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
2017	6,072,658	1,276,993	127,435	536,334	308,414	28,717	1,464,398	562,087	10,377,036

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

(1) The City changed Fiscal Years. Fiscal Year 2008 end is 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) 2008 taxes were reduced by the Governor's Homeowners Tax Relief Grant that was included in 2008 and was not funded in subsequent years.

(3) 2008 - 2013 Includes franchise taxes previously classified as fees in prior years.

(4) 2008 - 2013 Includes occupational taxes previously classified as fees in prior years.

CITY OF ACWORTH, GEORGIA
TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN DIGEST YEARS
(unaudited)

Digest Year	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Historical Property	Conservation Use Property	Public Utility	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	1		2		Annual Percentage Change
											Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value		
2007	\$ 416,206,024	\$ -	\$ 192,355,562	\$ 5,022,272	\$ 910,156	\$ -	\$ 9,616,216	\$ 44,171,989	\$ 43,643,482	\$ 57,047,114	\$ 654,878,587	7.600	\$ 1,637,196,468	12.4%	
2008	426,910,777	-	216,720,909	6,349,052	-	-	8,769,920	45,294,528	43,567,048	53,711,754	693,900,480	7.600	1,734,751,200	6.0%	
2009	426,874,961	-	218,636,819	6,338,402	-	-	9,819,691	48,217,353	44,029,568	50,601,899	703,314,895	7.600	1,758,287,238	1.4%	
2010	394,104,040	-	211,377,375	6,155,962	82,288	-	11,951,190	41,122,877	42,372,226	41,169,246	665,996,712	7.600	1,664,991,780	-5.3%	
2011	372,302,549	-	194,290,388	6,161,082	100,458	-	11,870,518	39,684,262	41,638,334	26,318,183	639,729,408	7.600	1,599,323,520	-3.9%	
2012	319,165,277	-	200,401,561	6,018,673	97,952	-	7,372,761	41,787,427	44,841,050	16,324,969	603,359,732	7.600	1,508,399,330	-5.7%	
2013	313,876,166	-	186,926,383	6,141,426	97,952	-	8,158,889	46,035,491	45,020,601	15,545,389	590,711,519	7.600	1,476,778,798	-2.1%	
2014	339,366,538	-	186,174,264	6,091,618	97,952	-	9,878,058	39,077,345	47,106,016	18,657,078	609,134,713	7.600	1,522,836,783	3.1%	
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%	
2016	411,861,509	-	200,927,799	5,605,336	97,952	-	18,943,448	19,752,856	52,794,265	37,729,083	672,254,082	7.600	1,680,635,205	4.8%	

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, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN DIGEST YEARS
(Per \$1,000 of Assessed Value)
(unaudited)

Tax Digest Year	Overlapping Rates (1)												Total Overlapping and Direct
	City of Acworth		Cobb County				Cobb County School District			State of Georgia			
	Operating Millage	Total City Millage	General Millage	Bond Millage	Fire Millage	Total County Millage	General Millage	School Bond	Total School Millage	General Millage	Total State Millage		
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	
2016	7.600	7.600	6.660	0.230	2.960	9.850	18.900	-	18.900	-	-	36.350	

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, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT TAX DIGEST YEAR AND NINE YEARS PRIOR
(unaudited)

2016				2007			
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	\$ 14,894,956	1	2.22%	WRI Lakeside Marketplace LLC	\$ 12,362,160	1	1.89%
Walmart Real Estate Business Trust	12,530,516	2	1.86%	Wal-Mart (3826 N Cobb Pkwy)	10,192,442	2	1.56%
WRI Lakeside Marketplace LLC	8,696,840	3	1.29%	Target	9,841,382	3	1.50%
Walden Ridge UCM Michelson LLC	8,614,116	4	1.28%	Wal-Mart (3105 N Cobb Pkwy)	9,080,936	4	1.39%
Landing at Acworth LLC	6,122,538	5	0.91%	Lowes	7,260,001	5	1.11%
Monarch at Acworth Crossing LLC	5,801,400	6	0.86%	Home Depot	6,800,229	6	1.04%
Target Corporation	5,509,440	7	0.82%	Walden Ridge	6,752,000	7	1.03%
Celebration Village Acworth LLC	4,482,084	8	0.67%	Stanton Place Apartments	6,000,000	8	0.92%
Cobblestone Landing LP	4,403,200	9	0.65%	Bellsouth Telecommunications	5,620,263	9	0.86%
Wingate Falls Partners LLC	4,338,200	10	0.65%	Cobblestone Landing LP	5,553,120	10	0.85%
Total Principal Taxpayers	75,393,290		11.21%		79,462,533		12.15%
All Other Taxpayers	596,860,792		88.79%		575,416,054		87.85%
Total	\$ 672,254,082		100.00%		\$ 654,878,587		100.00%

Source: Cobb County Tax Commissioners Office (2007) and City of Acworth Finance Department (2016)

**CITY OF ACWORTH, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Digest Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	33,656	4,118,857	98.98%
2013 (1)	4,077,294	4,020,616	98.61%	38,137	4,058,753	99.55%
2014	4,257,241	4,186,805	98.35%	18,391	4,205,196	98.78%
2015	4,543,730	4,491,087	98.84%	4,820	4,495,907	98.95%
2016	4,814,790	4,781,829	99.32%	-	4,781,829	99.32%

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

NOTE: Real and Personal Property.

(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
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
2017	99,084,205	8.45	0.0900	0.1240	8.45	0.0900	0.0840

Source : City of Acworth Utility Billing

* The City changed Fiscal Years. Fiscal Year 2008 ended 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 nor the Environmental Compliance Cost Recovery Rate.

(1) Summer rates are June through October.

(2) Winter Rates are November through May.

**CITY OF ACWORTH
PRINCIPAL ELECTRIC REVENUE CUSTOMERS
(unaudited)**

2017					2008				
Customer Name	Type of Business	Kilowatt Hours Billed	Rank	Percentage of Total Kilowatt Billable Hours Value	Customer Name	Type of Business	Kilowatt Hours Billed	Rank	Percentage of Total Kilowatt Billable Hours Value
Ingles Markets	Retail	3,720,117	1	3.75%	Target Stores	Retail	4,146,200	1	4.40%
Target Stores	Retail	3,446,400	2	3.48%	Ingles Market	Retail	3,870,194	2	4.11%
Bellsouth	Telecommunications	1,806,446	3	1.82%	Bellsouth	Telecommunications	1,553,008	3	1.65%
NCG Acworth Inc.	Theater	1,540,880	4	1.56%	City of Acworth	Government	1,367,990	4	1.45%
City of Acworth	Government	1,523,121	5	1.54%	Glenncast, Inc.	Manufacturing	1,221,504	5	1.30%
Dogwood Forest of Acworth	Assisted Living	1,154,200	6	1.16%	Cobb County Board of Ed	School District	841,847	6	0.89%
Glenncast Inc.	Manufacturing	910,560	7	0.92%	Cobb County	Government	630,157	7	0.67%
Cobb County	Government	776,760	8	0.78%	Big Lots	Retail	606,000	8	0.64%
DeGussa Construction	Manufacturing	666,800	9	0.67%	Sav A Lot	Retail	570,382	9	0.61%
Racetrac Petroleum	Retail	658,240	10	0.66%	Degussa Construction	Manufacturing	474,160	10	0.50%
Total		<u>16,203,524</u>		<u>16.35%</u>			<u>15,281,442</u>		<u>16.23%</u>

Source : City of Acworth Utility Billing

The City changed Fiscal Years. Fiscal Year 2008 ended on December 31. Fiscal Year 2017 ends June 30.

CITY OF ACWORTH, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE AND GENERAL BONDED DEBT
LAST TEN FISCAL YEARS
(unaudited)

Governmental Activities								Business-type Activities					
Fiscal Year (1)	(2) Revenue Bonds	Intergovernmental Contracts	Certificates of Participation	Installment Sales Agreement	Capital Leases	(3) Tax Allocation Bonds	Total Governmental Activities	(4) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities		
2008	\$ 5,585,896	\$ 40,400	\$ 753,106	\$ -	\$ -	\$ 5,905,000	\$ 12,284,402	\$ 9,645,000	\$ 331,428	\$ -	\$ 9,976,428		
2009 (1)	5,249,803	13,466	666,801	-	-	5,905,000	11,835,070	9,340,000	283,817	-	9,623,817		
2010	4,890,000	-	487,716	-	-	5,765,000	11,142,716	9,015,000	182,462	-	9,197,462		
2011	4,550,000	-	299,638	-	-	5,615,000	10,464,638	8,675,000	114,645	-	8,789,645		
2012	4,200,000	-	102,115	-	-	5,455,000	9,757,115	8,320,000	72,454	-	8,392,454		
2013 (7)	11,892,000	-	-	-	-	5,285,000	17,177,000	-	207,988	-	207,988		
2014	11,080,000	-	-	3,840,000	-	5,305,000	20,225,000	-	142,481	-	142,481		
2015	10,251,000	-	-	3,639,666	-	4,920,000	18,810,666	-	91,585	-	91,585		
2016	9,401,000	339,629	-	3,432,501	239,808	4,525,000	17,937,938	-	433,376	-	433,376		
2017	15,681,000	266,005	-	3,218,271	156,516	4,120,000	23,441,792	-	536,728	-	536,728		
Total Outstanding Debt								General Bonded Debt					
Fiscal Year (1)	Governmental Activities	Business-type Activities	Total Primary Government	(5) Personal Income	(5) Percentage of Personal Income	(5) Per Capita	(5) Population	Total Primary Government	(8) Resources Restricted for Repayment of Debt	Net Primary Government	Estimated Actual Value of Taxable Property (9)	Percentage of Estimated Actual Value of Taxable Property	(5) Per Capita
2008	\$ 12,284,402	\$ 9,976,428	\$ 22,260,830	\$ 569,704,296	3.91%	1,014	21,959	\$ 16,024,402	\$ 657,045	\$ 15,367,357	\$ 1,734,751,200	0.89%	700
2009 (1)	11,835,070	9,623,817	21,458,887	541,955,000	3.96%	1,059	20,260	15,270,070	653,294	14,616,776	-	N/A	721
2010	11,142,716	9,197,462	20,340,178	577,006,250	3.53%	996	20,425	14,392,716	652,343	13,740,373	1,758,287,238	0.78%	673
2011	10,464,638	8,789,645	19,254,283	606,193,860	3.18%	920	20,935	13,524,638	652,345	12,872,293	1,664,991,780	0.77%	615
2012	9,757,115	8,392,454	18,149,569	636,873,440	2.85%	846	21,458	12,622,115	652,596	11,969,519	1,599,323,520	0.75%	558
2013 (7)	17,177,000	207,988	17,384,988	669,101,468	2.60%	790	21,994	11,892,000	-	11,892,000	1,508,399,330	0.79%	541
2014	20,225,000	142,481	20,367,481	702,935,826	2.90%	903	22,543	11,080,000	-	11,080,000	1,476,778,798	0.75%	492
2015	18,810,666	91,585	18,902,251	738,490,866	2.56%	818	23,106	10,251,000	-	10,251,000	1,522,836,783	0.67%	444
2016	17,937,938	433,376	18,371,314	775,855,080	2.37%	776	23,683	9,740,629	-	9,740,629	1,604,246,708	0.61%	411
2017	23,441,792	536,728	23,978,520	815,130,000	2.94%	988	24,275	15,947,005	-	15,947,005	1,680,635,205	0.95%	657

NOTE:
(1) - The City changed Fiscal Years. Fiscal Year 2008 ended on December 31. Fiscal Year 2009 is an interim (6 month) reporting period. Fiscal Year 2010 and subsequent years end June 30.
(2) - FY2012 and prior included capital leases and intergovernmental agreements with the Downtown Development authority and Acworth Lake Authority.
(3) - Tax Allocation Bonds - Debt Service is paid by the tax increment received from within the tax allocation district.
(4) - Intergovernment agreement (capital lease) with the Downtown Development Authority concerning bonds for the CableNET Project which was sold in 2005;reclassified in 2013 under GASB 61.
(5) - See economic and demographic schedule for population and personal income information.
(6) - See taxable assessed value schedule for estimated actual value.
(7) - Amounts previously listed in Business-Type activities have been reclassified in 2013 and on as governmental activities under GASB 61.
(8) - Resources related to the TAD Increment have been excluded - previously issued reports will differ.
(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, 2017

<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	\$ 26,885,000	2.13%	\$ 571,312
Cobb County School District	-	2.13%	-
Other Debt			
Cobb County Parking Deck Certificates	8,415,000	2.13%	178,820
Cobb - Revenue Bonds	466,860,000	2.13%	9,920,871
Cobb County Revenue Anticipation Certificates	5,820,000	2.13%	<u>123,676</u>
Subtotal, overlapping debt			10,794,680
City direct debt:			
Direct Governmental Activities Debt (2)			<u>23,441,792</u>
Total direct and overlapping debt			<u>\$ 34,236,472</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, Intergovernmental Contracts, Capital Leases and an Installment Sale Agreement through Georgia Municipal Association.

**CITY OF ACWORTH, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN DIGEST YEARS
(unaudited)**

Digest Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Assessed Value	\$ 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	\$ 709,983,165
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	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	70,998,317
Total net debt applicable to limit (1)	768,189	515,786	250,396	62,293	-	10,867,720	14,920,000	13,890,666	13,412,938	19,321,792
Legal Debt Margin	\$ 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	\$ 51,676,525
Total net debt applicable to the limit as a percentage of debt limit	1.08%	0.69%	0.33%	0.09%	0.00%	17.54%	24.61%	22.13%	20.15%	27.21%

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 2017

Total Taxable Assessed Value	\$ 672,254,082
Add back: exempt real property	<u>37,729,083</u>
Total assessed value	\$ 709,983,165
Debt limit (10% of total assessed value)	70,998,317
Debt applicable to limit	19,321,792
Less: Resources restricted to paying principal	<u>-</u>
	<u>19,321,792</u>
Legal debt margin	<u>\$ 51,676,525</u>

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

**CITY OF ACWORTH, GEORGIA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (unaudited)**

Tax Allocation Bonds						
Fiscal Year (1)	Tax Increment Revenue (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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%
2017	747,774	24	747,750	405,000	109,792	145%

Notes:

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

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

Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(3) Per Capita Personal Income	(4) School Enrollment	Education Level in Years of Schooling	(5) Median Age	(6) Unemployment Rate
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%
2017	24,275	815,130	33,579	7,154	*	35	4.3%

* 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 2017 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 2017)

**CITY OF ACWORTH, GEORGIA
PRINCIPAL EMPLOYERS
2017 AND 2008
(unaudited)**

2017				2008			
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	585	1	6.94%	Cobb County School System	444	1	6.65%
Target Store	306	2	3.63%	Walmart Super Center #3748	306	2	4.58%
Walmart Super Center #3471	285	3	3.38%	Wal-Mart #3471	300	3	4.50%
Walmart Super Center #3748	202	4	2.39%	Target Store T-2091	212	4	3.18%
Home Depot	181	5	2.15%	Home Depot #156	170	5	2.55%
City of Acworth	172	6	2.04%	North Cobb Christian School	162	6	2.43%
North Cobb Christian School	168	7	1.99%	Kohl's Department Store #441	150	7	2.25%
Henry's Louisiana Grill	147	8	1.74%	City of Acworth	145	8	2.17%
Publix	124	9	1.47%	United States Postal Service	140	9	2.10%
Acworth Post Office	123	10	1.46%	Lowe's Home Centers	133	10	1.99%
Total Principal Employers	2,293		27.18%		2,162		32.39%
Other Employers	6,142		72.82%		4,512		67.61%
Total Employers	8,435		100.00%		6,674		100.00%

Source: City Occupational Tax Department

CITY OF ACWORTH, GEORGIA
FULL TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

<u>Function/Program</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Board of Aldermen	5	5	5	5	5	5	5	5	5	5
Mayor	1	1	1	1	1	1	1	1	1	1
Administration	5	5	5	5	5	5	5	5	5	5
Finance	4	4	4	4	4	4	4	4	4	5
Information Systems	3	3	3	2	2	2	2	2	2	2
Customer Service (1)	8	8	8	8	6	7	7	7	9	8
Total General Government	26	26	26	25	23	24	24	24	26	26
Judicial										
Municipal Court	3	3	3	3	3	3	3	3	3	3
Public Safety (1)										
Police	39	40	40	40	40	40	40	40	44	43
Support Staff	3	3	3	3	3	3	3	4	4	4
Detention/Jail	10	10	10	10	10	10	10	13	15	16
Total Public Safety	52	53	53	53	53	53	53	57	63	63
Public Works										
Public Works	12	12	12	11	10	10	10	10	11	10
Culture & Recreation										
Culture and Recreation	13	13	13	15	15	15	17	21	22	26
Housing and Development										
Economic Development (1)	2	2	2	2	2	2	1	1	1	1
Community Development (1)	1	1	1	2	2	2	2	2	2	3
Zoning	1	1	0	0	0	0	0	0	0	0
Soil Erosion	1	1	1	1	1	1	1	1	1	1
Building	4	4	4	4	4	4	4	4	4	4
Code Compliance	1	1	0	0	0	0	0	0	0	0
Total Housing and Development	10	10	8	9	9	9	8	8	8	9
Electrical Power										
Electrical Power	15	14	13	13	14	14	14	15	17	17
Sanitation										
Sanitation	16	16	16	16	17	17	17	16	18	18
Total	147	147	144	145	144	145	146	154	168	172

Source : City Payroll Department

NOTE: The City changed Fiscal Years. Fiscal Year 2008 ends 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	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Business Licenses Issued (1)	1,102	*	788	936	957	920	901	885	898	917
Purchase Orders Issued	2,074	1,050	2,010	2,004	2,013	2,048	2,436	3,087	3,510	3,717
Public Safety										
Physical arrests	1,594	809	1,441	1,731	1,595	1,839	1,474	1,456	1,592	1,355
Parking violations	44	5	103	284	114	86	238	391	106	351
Traffic violations	5,834	3,349	7,041	7,180	7,519	7,876	7,026	6,549	7,765	7,625
Parks and Recreation										
Summer Camp Participant Capacity	110	110	100	120	120	120	130	120	140	140
Concerts / Movies	3	1	3	2	2	3	4	4	3	1
Youth Basketball Participants	398	398	400	385	385	399	405	452	463	470
Housing and Development										
Building Code Permits Issued (2)	104	61	110	29	74	89	158	273	181	110
Other Code Permits Issued	685	300	606	516	699	725	483	999	652	466
Total Code Inspections Conducted	2,512	1,600	4,286	3,045	2,197	3,125	2,646	2,453	3,461	1,468
Plan Reviews Conducted	33	6	3	4	3	3	22	8	15	110
Sanitation										
Refuse collected (tons)	8,596	3,963	8,886	7,972	7,658	7,943	8,292	8,075	8,103	8,469
Sanitation Customers - Residential	6,312	6,279	6,382	6,359	6,410	6,433	6,488	6,564	6,784	6,875
Power										
Kilowatt hours sold	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	99,084,205
Electrical Power Customers (2)	6,289	6,252	6,283	6,220	6,314	6,367	6,325	6,334	6,389	6,337

Sources: Various City Departments

* Information not available

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

(2) A historical review was conducted and yielded the following differences from prior reports: a) Building Code Permits for 2008, b) 2011 Electrical Power Customers.

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

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

Function	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	38	43	44	45	45	45	47	50	63	63
Sanitation										
Collection trucks	5	5	5	5	5	6	6	6	8	6
Highways and streets										
(1) Streets (miles)	172	172	172	172	172	172	172	179	181	181
Streetlights	1,271	1,271	1,384	1,396	1,396	1,408	1,422	1,451	1,529	1,529
Culture and recreation										
Park acreage	540.25	540.25	542.25	542.25	542.25	542.25	542.25	542.25	545.00	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	3	3
Baseball Fields	9	9	11	11	11	11	12	12	12	12
Community Centers	2	2	2	2	2	2	2	2	2	2
Electric										
Number of distribution stations	2	2	2	3	3	3	3	3	3	3
Miles of service lines	94.1	94.1	94.1	94.5	94.5	94.5	94.5	94.5	94.5	94.5

NOTE:

The City changed Fiscal Years. Fiscal Year 2008 ended 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 27, 2017.

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

October 27, 2017

CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$2,751,371	\$308,414	\$3,059,785	\$2,751,371	\$308,414	\$3,059,785

* 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, 2017**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
<u>Recreational Impact Fee Collections</u>	\$ 1,893,260	\$ 12,000	\$ 1,905,260
Other Funding Sources			
Interest	45,419	794	46,213
Local Funding	134,229	-	134,229
Grants/Contributions	46,262	-	46,262
Total Funding - All Sources	2,119,170	-	12,794
			2,131,964
<u>Fund Uses</u>			
<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	-
Logan Farm Park Expansion	159,000	-	159,000
Total Uses - All Funding Sources	1,967,580	159,000	2,126,580
Fees Encumbered	-	-	-
Future Projects	\$ -	\$ -	\$ 5,384

CITY OF ACWORTH, GEORGIA
1 PERCENT SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Project	Original Estimated Cost	Revised Estimated Cost (3)	Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
2005 SPLOST Program:						
800 MHz Radios	\$ 208,736	\$ 229,395	\$ 229,395	\$ -	\$ 229,395	100.00%
Road Improvement Program (1) (2)	11,611,748	11,243,156	11,217,866	25,290	11,243,156	100.00%
	<u>\$ 11,820,484</u>	<u>\$ 11,472,551</u>	<u>\$ 11,447,261</u>	<u>\$ 25,290</u>	<u>\$ 11,472,551</u>	
2011 SPLOST Program:						
Road Improvement Projects	\$ 7,403,141	\$ 9,069,818	\$ 6,272,761	\$ 2,797,057	\$ 9,069,818	100.00%
Parks Projects	1,170,000	1,678,952	1,252,389	119,547	1,371,936	81.71%
Public Safety Projects	4,750,000	4,991,751	4,991,751	-	4,991,751	100.00%
	<u>\$ 13,323,141</u>	<u>\$ 15,740,521</u>	<u>\$ 12,516,901</u>	<u>\$ 2,916,604</u>	<u>\$ 15,433,505</u>	
2016 SPLOST Program:						
Road Improvement Projects	\$ 12,583,827	12,583,827	\$ 438,101	\$ 431,587	\$ 869,688	6.91%
Judicial	25,000	25,000	-	-	-	0.00%
Parks Projects (4)	6,550,000	15,500,000	1,067,439	2,473,470	3,540,909	22.84%
Public Safety Projects	2,050,000	2,033,540	1,122,121	88,253	1,210,374	59.52%
	<u>\$ 21,208,827</u>	<u>\$ 30,142,367</u>	<u>\$ 2,627,661</u>	<u>\$ 2,993,310</u>	<u>\$ 5,620,971</u>	
		Debt Service Expenditures	53,467	164,802	218,269	
			<u>\$ 2,681,128</u>	<u>\$ 3,158,112</u>	<u>\$ 5,839,240</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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