



CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2018

Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2018

DEPARTMENT OF FINANCE

Sharron L. Burtz

City Treasurer

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**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	i - v
GFOA Certificate of Achievement.....	vi
Organizational Chart	vii
City Officials and Administration	viii
<u>FINANCIAL SECTION</u>	
Independent Auditor's Opinion	1 - 3
Management’s Discussion and Analysis	4 - 17
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	24
Statement of Cash Flows - Proprietary Funds	25, 26

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Notes to Financial Statements	27 - 62
 REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in the City’s Net Pension Liability and Related Ratios	63
Schedule of Pension Contributions	64
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	65
Schedule of OPEB Contributions.....	66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund.....	67, 68
 COMBINING AND INDIVIDUAL FUND STATEMENTS AND SUPPLEMENTARY INFORMATION:	
Non-major Funds:	
Combining Balance Sheet – Non-major Governmental Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds.....	70
General Fund:	
Comparative Balance Sheet	71
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	72
Special Revenue Funds:	
Hotel/Motel Tax:	
Comparative Balance Sheet	73

CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page(s)</u>
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	74
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	75
Recreational Impact Fee:	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	78
Confiscated Assets:	
Comparative Balance Sheet	79
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
Soil Erosion Fees:	
Comparative Balance Sheet	82
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	83
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84
Acworth Lake Authority:	
Comparative Balance Sheet	85

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	86
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
Acworth Downtown Development Authority:	
Comparative Balance Sheet	88
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	89
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	90
Debt Service Fund:	
Comparative Balance Sheet	91
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	92
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	93
Capital Projects Funds:	
Capital Improvements:	
Comparative Balance Sheet	94
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	95
SPLOST:	
Comparative Balance Sheet	96
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	97

CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page(s)</u>
Proprietary Funds:	
Enterprise Funds:	
Electrical Power:	
Comparative Statement of Net Position	98
Comparative Statement of Revenues, Expenses and Changes in Net Position	99
Comparative Statement of Cash Flows	100, 101
Sanitation:	
Comparative Statement of Net Position	102
Comparative Statement of Revenues, Expenses and Changes in Net Position	103
Comparative Statement of Cash Flows	104
Internal Service Funds:	
Combining Statement of Net Position	105
Combining Statement of Revenues, Expenses and Changes in Net Position	106
Combining Statement of Cash Flows	107
Customer Service:	
Comparative Statement of Net Position	108
Comparative Statement of Revenues, Expenses and Changes in Net Position	109
Comparative Statement of Cash Flows	110

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Insurance:	
Comparative Statement of Net Position	111
Comparative Statement of Revenues, Expenses and Changes in Net Position	112
Comparative Statement of Cash Flows	113
Supplemental Information:	
Balance Sheet - Nonmajor Discretely Presented Component Unit	114
Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Discretely Presented Component Unit	115
Schedule of Indebtedness	116-121
General Fund Schedule of Unassigned Fund Balance by Month	122

STATISTICAL SECTION

FINANCIAL TRENDS:

Government-wide Net Position by Component Last Ten Fiscal Years	123
Changes in Net Position - Total Last Ten Fiscal Years	124
Changes in Net Position – Governmental Activities Last Ten Fiscal Years	125
Changes in Net Position – Business-type Activities Last Ten Fiscal Years	126
Program Revenues by Function/Program Last Ten Fiscal Years	127

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Fund Balances of Governmental Funds Last Ten Fiscal Years	128
Changes in Fund Balances – Governmental Funds Last Ten Fiscal Years	129
 REVENUE CAPACITY:	
General Governmental Tax Revenues by Source Last Ten Fiscal Years	130
Taxable Assessed Value and Estimated Actual Value of Property Last Digest Fiscal Years	131
Direct and Overlapping Property Tax Rates Last Ten Digest Years	132
Principal Property Tax Payers Current Tax Digest Year and Nine Years Prior	133
Property Tax Levies and Collections Last Ten Fiscal Years	134
Electric Rate History per Season Last Ten Fiscal Years	135
Principal Electric Revenue Customers 2018 and 2009	136
 DEBT CAPACITY:	
Ratios of Outstanding Debt by Type and General Bonded Debt Last Ten Fiscal Years	137
Direct, Overlapping, and Governmental Activities Debt As of June 30, 2018	138
Legal Debt Margin Information Last Ten Digest Years	139

**CITY OF ACWORTH, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page(s)</u>
Pledged Revenue Coverage Last Ten Fiscal Years	140
 DEMOGRAPHIC AND ECONOMIC:	
Demographic and Economic Statistics Last Ten Fiscal Years	141
Principal Employers 2018 and 2009	142
 OPERATING:	
Full Time City Employees by Function/Program Last Ten Fiscal Years	143
Operating Indicators by Function/Program Last Ten Fiscal Years	144
Capital Asset Statistics by Function/Program Last Ten Fiscal Years	145
 <u>SPECIAL REPORTS SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	146,147
Schedule of Hotel/Motel Tax Revenue Received and Expenditures Incurred.....	148
Recreation Impact Fee - Schedule of Collections, Encumbrances, and Uses.....	149
1 Percent Sales Tax Schedule of Projects Constructed with Special Sales Tax Proceeds	150

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 12, 2018

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, 2018 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 2018 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 24,881 as of June 30, 2018.

The local economy of Acworth is growing through redevelopment and new commercial businesses. The unemployment rate in Acworth dropped to 3.4% in 2018, down from 4.3% the previous year. Acworth has approximately 920 licensed businesses that employ over 9,400 workers. Employment numbers have increased by almost 1,000 jobs. Developments in the surrounding area impact the local economy favorably.

The City of Acworth continues to benefit from the positive economic climate. The 2017 tax digest of the City increased by 6.67% to a total assessed taxable value of \$717,078,133. This increase is a sign that the economy is stable. The 2018 tax digest was approved by the Cobb County Board of Equalization at the end of June 2018 and had an increase of 6.33%. 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.

Construction permit activity increased in FY2018 with the permitting of multiple residential and commercial developments. Existing developments such as Dogwood Forest and Celebration Village are continuing the expansion of their campuses to provide additional living options for a population that is aging. The Dogwood facility is also developing active adult cottage style duplexes adjacent to their existing location. Meanwhile, Brickmont, an assisted living facility, broke ground on a facility that will be comprised of 120 units. Development is ongoing with the continued permitting of both in-fill residential developments and in-build out of subdivisions. Creekview Park Subdivision and Lombardy Village are examples of the continued residential developments providing quality housing for residents. Captain D's opened its doors in 2018 while Arby's received approval and SafStore broke ground. Commercial developments such as Auto Village and Abbingdon Manner are in the plan review phase.

The value that these facilities and development opportunities add to the City and the community is not just merely providing options for alternative living arrangements; these facilities create jobs and generate additional tax revenues as the tax digest continues to be diversified.

As in all years, the City continually seeks new quality redevelopment and development growth in both residential and commercial categories. Additionally, there is potential for continued growth through annexation. These efforts are not always immediate. As with any economic development

initiative, it may take years to reveal itself but begins with developing partnerships and having conversations.

Major Initiatives

Annually, the City reviews and updates its short-term work program and capital improvement element of the comprehensive plan. It includes specific goals and work projects. The plan is reviewed by the Atlanta Regional Commission and the Department of Community Affairs. 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.

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 additional projects within the Logan Farm Park Expansion in fiscal year 2018. The Farmhouse at Logan Farm Park and the Art House at Logan Farm Park were both completed during fiscal year 2018. The Farm House began to provide an additional events venue in Acworth. Additionally, the Art House became home to the Acworth Art Alliance, providing a place dedicated to growing the arts in northwest Georgia. Ground was broken on the new Acworth Community Center which is an \$11 Million joint SPLOST project between the City and Cobb County. The project remains on schedule to be complete in 2019. 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.

Construction on the Downtown Redevelopment Project continued in fiscal year 2018. Design includes a depot replica museum 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. The project changes the dynamics of the thriving downtown to join both sides of the railroad tracks. The completion will bring commercial growth to the park side of the tracks where the jewel of Acworth's recreation facilities such as Logan Farm and the Community Center are located. 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 and Toll Authority in fiscal year 2018.

The Georgia Department of Transportation road project for State Route 92 will widen and enhance a major portion of the road that travels through Acworth. The improvements will also include additional pedestrian options. The project is currently in pre-construction. This partnership will streamline traffic flow to Interstate 75.

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 35% 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 accounting control system. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial reports for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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, 2018. 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, 2017. This was the eighteenth 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.

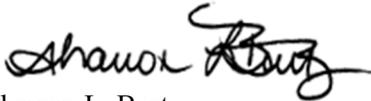
The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

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,

A handwritten signature in black ink, appearing to read "Sharron L. Burtz". The signature is fluid and cursive, with a large initial "S" and "B".

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**

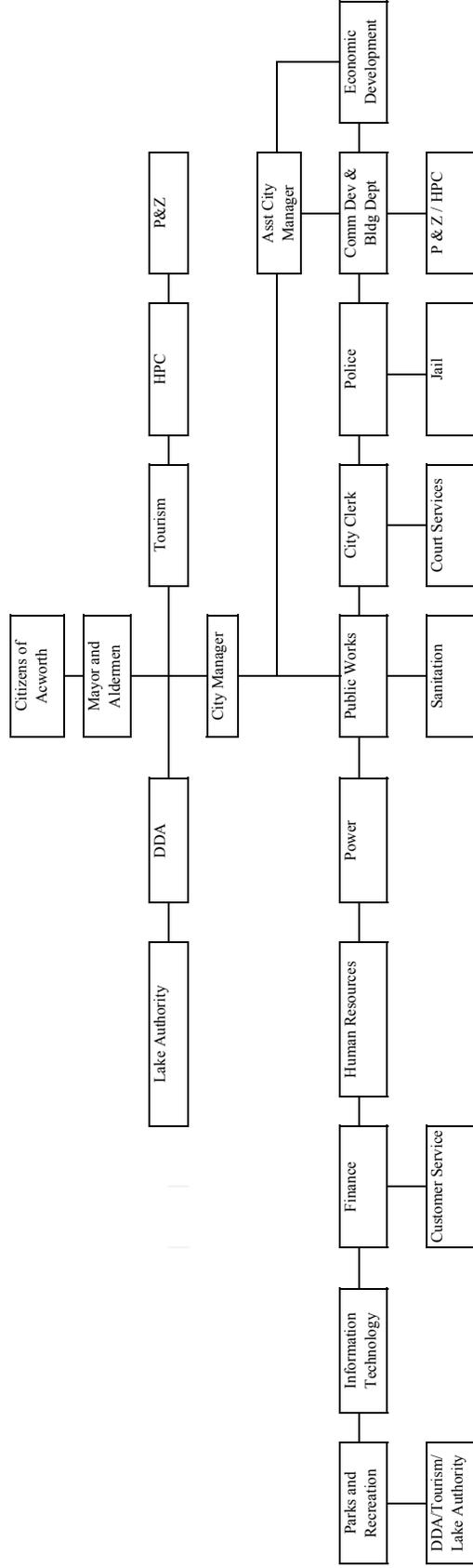
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2018**

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
Rachelle Ballard

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
Human Resources Director

FINANCIAL SECTION



NICHOLS, CAULEY & ASSOCIATES, LLC

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Kennesaw, Georgia 30144
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2018, 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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Acworth, Georgia, as of June 30, 2018, 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.

Emphasis of Matter

As described in Note 13, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, for the year ending June 30, 2018. These standards significantly changes the accounting for the City's net OPEB liability and the related disclosures. Our opinion is not modified with respect to this matter.

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 Pension Contributions, the Schedule of Changes in the City's Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions, and the budgetary comparison information on pages 4-17 and 63-68 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 an opinion 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, Collections, Encumbrances, and Uses, 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 12, 2018, 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 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

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, 2018. 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 \$57,667,840 at the end of the year. This amount includes \$52,214,414 net investment in capital assets, a restricted portion of \$17,191,465 and an unrestricted net position of a negative \$11,738,039.
- The City's total net position increased by \$6,505,028 before restatement of beginning net position of \$8,659,246 related to GASB Statement No. 75 implementation. Net position for governmental activities increased by \$5,224,373 or 12% and business-type net position increased by \$1,280,655 or 9% before restating beginning net position.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,580,907, an increase of \$1,136,847. The net unassigned fund balance of \$4,717,355 is comprised wholly of the General Fund.
- The City's total debt decreased \$1,803,842.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

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

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

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

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

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

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

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

The basic proprietary funds financial statements are presented beginning on page **23** of this report.

Notes to the Basic Financial Statements. The financial statements include notes that explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page **27** of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found beginning on page **63** 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 **69** of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

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 \$6,505,028 in fiscal year 2018; before a restatement of beginning net position \$8,659,246 related to implementation of GASB 75. The net position of the governmental activities includes \$47,017,712 net investment in capital assets. Capital Assets of \$55,788,952 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$14,715,000.

The net position of the business-type activities includes \$5,196,702 net investment in capital assets. Capital assets of \$5,767,335 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$566,621.

Restatement – The City has restated beginning net position in both governmental and business-type activities due to the implementation of GASB Statement No. 75. Note 17 in the notes to the financial statements contains additional information regarding the restatement.

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						Total % Change 2018-2017
	Governmental Activities		Business-type Activities		Total		
	2018	2017 (1)	2018	2017 (1)	2018	2017 (1)	
Assets:							
Current and Other Assets	\$ 26,157,514	\$ 23,256,243	\$ 19,552,877	\$ 17,389,459	\$ 45,710,391	\$ 40,645,702	12.46%
Capital Assets	55,788,952	52,184,231	5,767,335	5,309,505	61,556,287	57,493,736	7.07%
Total Assets	81,946,466	75,440,474	25,320,212	22,698,964	107,266,678	98,139,438	9.30%
Deferred outflows of resources:							
Related to OPEB	29,550	29,445	10,929	10,890	40,479	40,335	0.36%
Related to pensions	617,693	436,271	174,222	123,051	791,915	559,322	41.58%
Total Deferred Outflows of Resources	647,243	465,716	185,151	133,941	832,394	599,657	38.81%
Liabilities:							
Current liabilities	4,984,180	3,362,623	2,261,936	2,185,689	7,246,116	5,548,312	30.60%
Long-term liabilities	31,823,068	33,713,332	4,591,299	4,671,362	36,414,367	38,384,694	-5.13%
Total Liabilities	36,807,248	37,075,955	6,853,235	6,857,051	43,660,483	43,933,006	-0.62%
Deferred inflows of resources:							
MEAG project	-	-	4,423,674	3,636,305	4,423,674	3,636,305	21.65%
Related to OPEB	1,364,028	-	504,504	-	1,868,532	-	0.00%
Related to pensions	373,263	5,438	105,280	1,534	478,543	6,972	6763.78%
Total Deferred Inflows of Resources	1,737,291	5,438	5,033,458	3,637,839	6,770,749	3,643,277	85.84%
Net position:							
Net investment in capital assets	47,017,712	39,162,439	5,196,702	4,772,777	52,214,414	43,935,216	18.84%
Restricted	17,191,465	16,367,889	-	-	17,191,465	16,367,889	5.03%
Unrestricted	(20,160,007)	(16,705,531)	8,421,968	7,565,238	(11,738,039)	(9,140,293)	28.42%
Net Position	<u>\$ 44,049,170</u>	<u>\$ 38,824,797</u>	<u>\$ 13,618,670</u>	<u>\$ 12,338,015</u>	<u>\$ 57,667,840</u>	<u>\$ 51,162,812</u>	12.71%

(1) - As Restated for effect of GASB 75.

Changes in Net Position

The City's total revenues before transfers were \$39,839,904 in fiscal year 2018. Expenses before transfers were \$33,334,876 for the same period. Governmental and business-type activities combined provided a \$6,505,028 increase in net position.

Governmental activities revenues, before transfers, were \$24,528,781 and included \$2,788,325 in charges for services, operating grants and contributions of \$419,437 and capital grants and contributions of \$9,636,603. The largest

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

governmental activities expenses were for public safety \$6,681,590, public works of \$5,114,375, culture and recreation of \$3,538,062, and general government of \$3,379,469. Expenses include depreciation expense as explained in the notes to the financial statements.

Business-type activity revenues, before transfers, were \$15,311,123, and included \$15,165,734 in charges for services and \$47,383 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$10,512,965 which included wholesale power expenses of \$6,612,155 and personal services of \$1,724,663. Sanitation services include expenses of \$966,509 for personal services and \$410,379 in landfill tipping fees.

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

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017 (1)	2018	2017 (1)	2018	2017 (1)
Revenues:						
Program:						
Charges for services	\$ 2,788,325	\$ 2,222,241	\$ 15,165,734	\$ 15,377,122	\$ 17,954,059	\$ 17,599,363
Operating Grants and Contributions	419,437	294,117	-	-	419,437	294,117
Capital Grants and Contributions	9,636,603	8,256,118	47,383	23,153	9,683,986	8,279,271
General:						
Property taxes	6,121,477	5,808,084	-	-	6,121,477	5,808,084
Insurance premium taxes	1,360,988	1,276,993	-	-	1,360,988	1,276,993
Alcohol taxes	534,902	536,334	-	-	534,902	536,334
Hotel/motel taxes	432,264	308,414	-	-	432,264	308,414
Franchise taxes	1,414,927	1,464,398	-	-	1,414,927	1,464,398
Financial Institution tax	41,460	34,785	-	-	41,460	34,785
Business Taxes	634,411	527,302	-	-	634,411	527,302
Contributions not restricted	601,143	590,435	-	-	601,143	590,435
Operating Grants not restricted	455,648	441,522	-	-	455,648	441,522
Unrestricted Interest	87,196	15,293	98,006	36,639	185,202	51,932
Total Revenues	24,528,781	21,776,036	15,311,123	15,436,914	39,839,904	37,212,950
Expenses:						
General Government	3,379,469	3,267,821	-	-	3,379,469	3,267,821
Judicial	432,251	434,219	-	-	432,251	434,219
Health and Welfare	540	4,954	-	-	540	4,954
Public works	5,114,375	4,503,538	-	-	5,114,375	4,503,538
Culture and Recreation	3,538,062	3,460,774	-	-	3,538,062	3,460,774
Public safety	6,681,590	6,312,018	-	-	6,681,590	6,312,018
Housing and Development	1,210,781	1,087,930	-	-	1,210,781	1,087,930
Interest and fiscal charges on long-term debt	667,707	982,901	-	-	667,707	982,901
Electric	-	-	10,512,965	10,878,263	10,512,965	10,878,263
Sanitation	-	-	1,797,136	1,687,567	1,797,136	1,687,567
Total Expenses	21,024,775	20,054,155	12,310,101	12,565,830	33,334,876	32,619,985
Change in Net Position before Transfers	3,504,006	1,721,881	3,001,022	2,871,084	6,505,028	4,592,965
Transfers	1,720,367	2,602,578	(1,720,367)	(2,602,578)	-	-
Change in net position	5,224,373	4,324,459	1,280,655	268,506	6,505,028	4,592,965
Net Position - Beginning	45,239,887	40,915,428	14,582,171	14,313,665	59,822,058	55,229,093
Restatement	(6,415,090)	-	(2,244,156)	-	(8,659,246)	-
Net Position - Ending	\$ 44,049,170	\$ 45,239,887	\$ 13,618,670	\$ 14,582,171	\$ 57,667,840	\$ 59,822,058

(1) - The effect of implementing GASB Statement No. 75 to previously reported changes in net position has not been determined.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

Governmental Activities

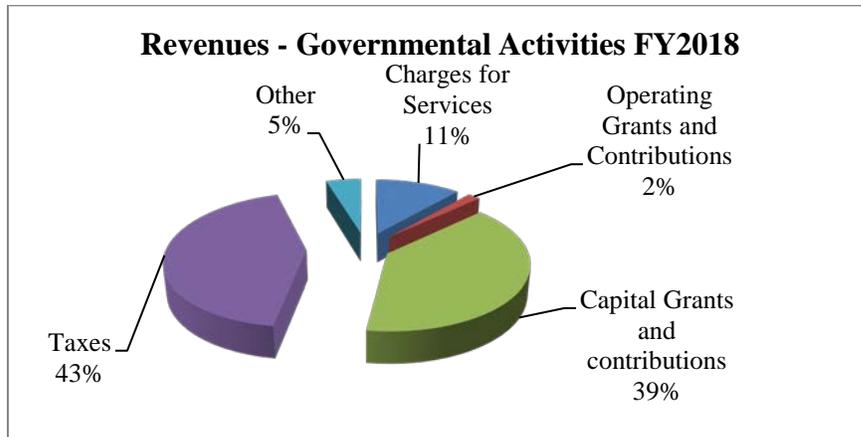
The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities increased the City’s net position by \$3,504,006 before transfers. Governmental activities increased the City’s net position by \$5,224,373 after net transfers of \$1,720,367. This accounts for 80% of the total growth in net position prior to restatement.

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

Governmental Activities		
	FY 2018 Total Expenses	FY 2018 Net (Expense) Revenue and Change in Net Position
General Government	\$ 3,379,469	\$ (3,051,927)
Judicial	432,251	413,715
Health and Welfare	540	(540)
Public Works	5,114,375	(109,084)
Culture and Recreation	3,538,062	1,549,988
Public Safety	6,681,590	(5,665,169)
Housing and Development	1,210,781	(649,686)
Interest and Fiscal Charges	667,707	(667,707)
Total	\$ 21,024,775	\$ (8,180,410)

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:

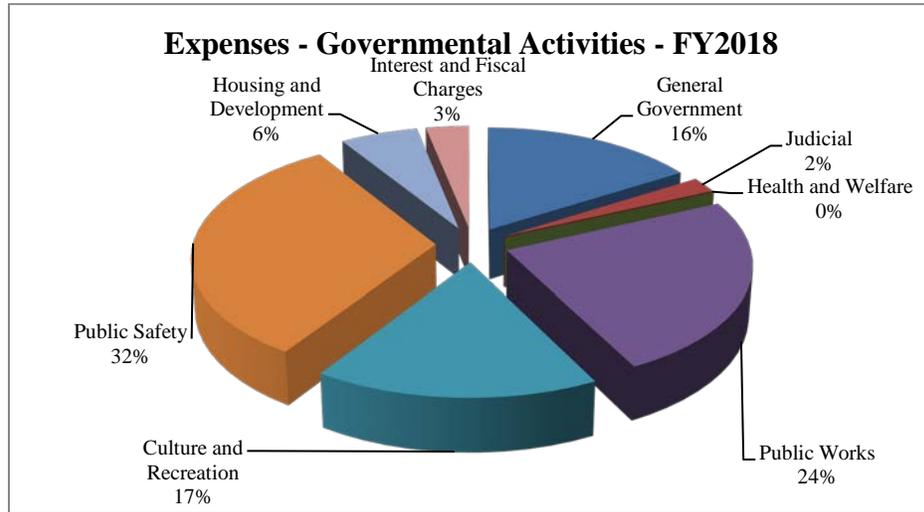
- Taxes of \$10,540,429 provided 43% of governmental revenues of general operations. Property Taxes in the amount of \$6,121,477 represent 58% of taxes. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$9,636,603 provided 39% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax and grants related to infrastructure.
- Charges for services of \$2,788,325 provides 11% of governmental revenues of general operations and include municipal court fines of \$845,966 culture and recreation fees of \$772,717.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

- The transfers from business-type activities in the amount of \$1,720,367 decreased from prior year of \$2,602,578.



Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments, additional employees and timing of filling positions.
- Public Safety expenses of \$6,681,590 account for 32% of governmental expenses. This is an increase of 6% from prior year as a result of operating costs related to inmate boarding, operating supplies, and purchase of vehicles.
- Public Works expenses of \$5,114,375 account for 24% of governmental expenses. The 14% increase from prior year is the result of the timing of capital projects. Most of the public works projects are funded through SPLOST, capital grants and bond proceeds from FY2017 debt issuance for a downtown project.
- General government expenses of \$3,379,469 represent 16% of governmental expenses and increased 3% from prior year primarily due to increased personnel related costs.
- Culture and recreation expenses of \$3,538,062 increased 2% from prior year and represents 17% of governmental expenses. The change is primarily the result of the timing of capital projects.
- Interest and fiscal service charges on debt service decreased \$315,194 due to debt issuance costs as well as the final amortization of a prior refunding in FY2017.
- Total expenses increased \$970,620 (approximately 5%) 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 \$3,001,022 before net transfers out of \$1,720,367.

Business Activities		
	FY 2018 Total Expenses	FY 2018 Net (Expense) Revenue and Change in Net Position
Electric	\$ 10,512,965	\$ 2,840,733
Sanitation	1,797,136	62,283
Total	\$ 12,310,101	\$ 2,903,016

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

Program revenues for business-type activities for fiscal year 2018 were \$15,213,117; a decrease of \$187,158 from prior year as the result of a decrease in KWH sold to electric customers. Sanitation revenues increased based upon a rate adjustment as well as an increase in 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 06/30/2017	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2018
General Fund	\$ 7,884,187	\$ 14,617,407	\$ 14,593,279	\$ 24,128	\$ 7,908,315
Capital Improvement Fund	7,156,518	2,093,977	4,308,893	(2,214,916)	4,941,602
SPLOST	5,851,713	8,088,241	4,966,765	3,121,476	8,973,189

As of June 30, 2018, the City’s governmental funds reported combined ending fund balances of \$22,580,907, an increase of \$1,136,847 in comparison with the prior year. The General Fund had an increase in fund balance of \$24,128. 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 decreased of \$2,214,916 primarily due to use of those bond proceeds. The SPLOST Fund is also a major fund and had an increase in fund balance of \$3,121,476 as a result of the timing of capital projects beginning in comparison of receipt of SPLOST revenues. Other non-major Governmental Funds had a net increase of \$206,159 to a total of \$757,801; 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, 2018, Acworth’s total fund balance for General Fund was \$7,908,315 and consisted of the following:

- Nonspendable – \$97,749 for prepaid insurance and \$54,856 for other prepaids for future services
- Restricted – \$2,128 for Public Safety, \$34 for General Government, \$1,075 for Culture and Recreation, \$1,040 for Public Works; and \$3,000,000 for voter appropriation
- Assigned – \$7,208 for Housing and Development, \$9,859 for Public Safety, and \$17,011 for Culture and Recreation.
- Unassigned – \$4,717,355 which is a decrease of \$9,998 from prior year
-

Total Fund balance for the General fund increased \$24,128 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 35% of the total fiscal year 2018 expenditures before transfers, while total fund balance is 59% of the same amount.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

General Fund - Revenues by Source						
	FY2018		FY2017		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 10,386,223	79%	\$ 9,911,283	81%	\$ 474,940	5%
License & Permits	678,587	5%	334,165	3%	344,422	103%
Intergovernmental	39,073	0%	39,501	0%	(428)	-1%
Charges for Services	959,880	7%	754,377	6%	205,503	27%
Fines & Forfeitures	845,966	7%	1,024,440	9%	(178,474)	-17%
Investment Earnings	65,637	1%	14,034	0%	51,603	368%
Contributions & Donations	48,809	0%	46,197	0%	2,612	6%
Other	149,753	1%	83,826	1%	65,927	79%
Total	\$ 13,173,928	100%	\$ 12,207,823	100%	\$ 966,105	8%

The following provides an explanation of revenues by source changes from FY2017 to FY2018:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$6,242,868 and represent 61% of tax revenues. The taxable digest increased 6.67%. The millage rate remained stable at 7.60 mills. Insurance Premium Taxes increased 7% to \$1,360,988. Franchise Taxes decreased 3% in part due to decreased revenue from electrical power suppliers. Occupational Taxes are based on gross receipts and increased by 20% as a result of growth in the local economy as well as a rate adjustment from prior year.
- **Licenses and permits.** License and permits saw an increase of \$344,422 (103%). Building permits make up the bulk of the increase at \$344,951 higher than prior year; due to the permitting of several commercial housing developments. Licenses and permits represent 5% of the total General Fund revenues before transfers.
- **Intergovernmental.** Intergovernmental revenue saw little change with a decrease of \$428 to \$39,073; 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 27% to \$959,880. 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 \$213,970; which is an increase of 111% from prior year. The administrative fee associated with the Tax Allocation District increased from prior year 5% to \$51,701 since the amounts available for excess disbursement increased as the increment in assessment increased approximately 1%.
- **Fines and forfeitures.** Fines and forfeitures represent 6% of total General Fund revenues and decreased 17% to \$845,966. Decreased traffic violations as well as the timing of payments received and adjudication of cases attribute to the change from prior year.
- **Investment earnings.** Investment earnings increased 368% from the prior year; this revenue is dependent on availability of funds for investments as well as market rates which are out of the control of the City.
- **Contributions and donations.** Contributions and donations increased 6% to \$48,809; donations are used to fund programs such as Acworth Achievers and Expanding Horizons.
- **Other.** Other revenue increased \$65,927. The 79% increase 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, 2018

City of Acworth, Georgia

General Fund - Expenditures by Function							
	FY2018		FY2017		Increase/(Decrease)		% of Change
	Amount	% of Total	Amount	% of Total	Amount		
General Government	\$ 3,020,174	22%	\$ 2,432,748	19%	\$ 587,426		24%
Public Safety	5,110,957	38%	5,056,949	40%	54,008		1%
Public Works	1,148,041	9%	1,155,046	9%	(7,005)		-1%
Health & welfare	540	0%	4,954	0%	(4,414)		-89%
Housing & Development	1,047,402	8%	1,005,063	8%	42,339		4%
Judicial	385,566	3%	412,535	3%	(26,969)		-7%
Culture & recreation	2,469,383	18%	2,380,850	19%	88,533		4%
Debt Service	327,501	2%	327,626	3%	(125)		0%
Total	\$ 13,509,564	100%	\$ 12,775,771	100%	\$ 733,793		6%

The following provides an explanation of expenditures by function changes from FY2017 to FY2018:

Overall, personnel costs increased 3%. During the year, the effects of pay adjustments, personnel re-organization, added positions and prior year changes to a fully insured health insurance program accounted for the bulk of the net change.

- **General government.** Increased \$587,426 or 24% from prior year. This is primarily attributed to personnel related costs mentioned earlier of \$294,873 and capital outlay costs of \$118,201. The human resources department re-classification and re-organization had a total impact of \$190,467 (which is also a portion of the personnel related cost increase). Purchased service costs had a net increase of \$141,935 primarily due to attorney fee increases of \$136,403. Insurance other than employee benefits increased \$11,386.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2018 had an increase of \$54,008 or 1%. Personnel costs decreased \$39,221 due to timing of filling open positions and group insurance costs mentioned earlier. Purchased services increased \$48,335; included in this amount is \$24,573 related to inmate medical costs. Operating supplies increased \$48,659 and included vehicle repair increases of \$14,369 and fuel increases of \$6,038. Capital Outlay costs changed slightly with a decrease of \$3,520.
- **Public Works.** Public works decreased \$7,005 or 1%. The decrease is primarily the result of the reclassification and re-organization of building maintenance in FY2017, the full effect of which was seen in FY2018. Personnel cost decreases of \$30,863 are related to the aforementioned changes, including insurance benefit renewal costs. Capital Outlay costs increased \$16,983 from prior year.
- **Housing and Development.** Housing and development had an increase of \$42,339 or 4%. Personnel costs increased by \$37,565 primarily due to the timing of filling open positions. A FY2017 transfer to a component unit of \$10,000 did not occur in FY2018. Excess funds disbursed from the Tax Allocation District that are not related to debt service increased by \$13,438 from prior year.
- **Judicial.** Municipal court operations decreased by \$26,969 or 7%. Personnel related costs saw little change. Purchased services decreased \$9,540; which is comprised mostly of attorney fees. Fine refunds decreased \$14,286 to \$49,007.
- **Culture and Recreation.** Culture and recreation cost increases of \$88,533 or 4% were the result of increased personnel related costs of \$36,899 to cover services. Purchased services increases of \$29,249 includes contracted facility maintenance and repair costs. Operating supplies increased \$31,716 and include energy and water and sewer costs. Capital outlay decreased \$3,588 from prior year.

Capital Improvement

At June 30, 2018, the fund balance was a \$4,941,602. Nonspendable Fund Balance is related to prepaid services. Restricted Fund Balance of \$4,303,343 relates to proceeds from debt issuance in FY2017 for the Downtown Project. Committed Fund Balance of \$71,906 includes commitments that were approved by the Mayor and Board of Aldermen for purchases. Assigned Fund Balance of \$372,516 includes funds assigned for future projects and purchases. During

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

FY2018, CDBG funding was received for the purchase of a bus at a cost of \$40,376. Grant funds were received from the Georgia Transportation Infrastructure Bank in the amount of \$1.5 million that were used for the Lemon Street Reconfiguration. Additional costs totaling \$2,554,113 are related to the Downtown Street and Enhancement Project and will include a pedestrian overpass to allow passage over the railroad tracks. Recreation Facilities improvements totaled \$44,048 and included repairs and improvements to Cauble Park, Roberts School and Dallas Landing Beach and Park. Proceeds from a settlement in the amount of \$150,000 were received to complete the infrastructure improvements in the related development.

SPLOST

At June 30, 2018, SPLOST fund balance was \$8,973,189. SPLOST proceeds are received monthly and the levy will continue through December 2021. SPLOST receipts totaling \$7,871,286 were received during the year. Among the expenditures for the year are Logan Farm Park Expansion, Newberry Park Improvements, and the continuation of the Community Recreation Center which will be completed in FY2019. Infrastructure improvements including miscellaneous paving, sidewalks and stormwater continue throughout the City.

Non Major Governmental Funds

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

Special revenue funds

- **Hotel Motel Tax Fund** – Levied at a rate of 8%. Taxes received were \$432,264; an increase of \$123,850 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 \$151,500. Expenditures of \$15,748 were for the Logan Farm Park Expansion Project. Fund Balance is \$142,301 at June 30, 2018.
- **Confiscated Asset Fund** – Total revenues of \$158,268 related to the seizure of property associated with illegal substances or activities. Fund balance is \$564,093 at June 30, 2018.
- **Soil Erosion Fees Fund** – Fees received in FY2018 were \$850. Fund balance is \$10,425 at June 30, 2018.
- **Acworth Lake Authority** – Fund Balance at June 30, 2018 is \$36,753. 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.
- **Acworth Downtown Development Authority** – Fund Balance at June 30, 2018 is \$4,229. The Authority is blended with the primary government based on the debt relationship. 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, 2018 is \$3,705,000 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 FY2018 was \$1,280,655 before the restatement of beginning net position pertaining to the implementation of GASB statement No. 75.

Acworth Power provides electrical service to over 6,500 residential and commercial customers. Operating revenues of Acworth Power decreased 2% from the prior year. Operating expenses decreased 2% in fiscal year 2018. Therefore, the operating income saw a decrease of \$98,592. Kilowatt hours sold decreased less than 2% to 97,490,363. Wholesale power costs decreased \$364,824 due to the gas margin credits received as of the MEAG power costs. As a participant of MEAG, the City incurs costs related to the Vogtle Construction Project which are part of the wholesale power costs. Net position for Acworth Power increased \$1,449,113 to \$14,215,381. As a result of implementing GASBS No. 75, Acworth Power recognized a restatement to FY2017 net position which was a decrease of \$1,027,447 to \$12,766,268.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

Acworth Sanitation provides solid waste sanitation services to over 6,900 residential and commercial customers; collecting 8,309 tons of refuse. Sanitation rates were adjusted during the year. Operating revenues increased \$69,327 from prior year while operating expenses increased by \$106,411 as well. Landfill tipping fees increased 30% as a result of contract pricing to guarantee capacity of refuse. Net position for Acworth Sanitation decreased \$168,458 to a negative \$707,593. As a result of implementing GASBS No. 75, Acworth Sanitation recognized a restatement to FY2017 net position which was a decrease of \$1,216,709 to a negative \$539,135 in net position.

Enterprise Net Operating Income (Loss)		
Non-Operating Revenues (Expenses)		
and Transfers In (Out)		
	Fiscal Year	
	2018	2017
Operating Income (Loss):		
Acworth Power	\$ 2,712,553	\$ 2,811,145
Acworth Sanitation	69,132	106,216
Total	<u>2,781,685</u>	<u>2,917,361</u>
Non-Operating Revenues (Expenses)	<u>84,150</u>	<u>(110,734)</u>
Contributed Capital	<u>47,383</u>	<u>23,153</u>
Income (Loss) Before Transfers	<u>2,913,218</u>	<u>2,829,780</u>
Transfers In (Out)	<u>(1,632,563)</u>	<u>(2,522,578)</u>
Change in Net Position	<u>\$ 1,280,655</u>	<u>\$ 307,202</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 no change in net position; 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 FY2017, the City transitioned from a self-funded health insurance program for health care coverage to a fully insured health insurance program on January 1, 2017. Costs decreased in FY2018 as this was a full year of being fully insured; while in FY2017 the City was exposed to costs in excess of insurance. Costs were allocated to the related 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, 2018 can be found in Required Supplementary Information.

During June 2017, the City adopted a General Fund budget of \$13,991,199 for General Fund expenditures (excluding transfers out) for FY2018. At the end of the fiscal year, the final actual expenditures were \$13,509,564 (excluding transfers out) which was a decrease of \$481,635 from the original adopted budget. The final amended budget expenditures were \$13,805,710 (excluding transfers). The difference between the original budget and the final amended budget is an overall decrease of \$185,489.

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 were less than 1% lower than final projections.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

- Alcohol Excise Taxes were 1% less than final projections.
- License and permits were at final anticipated revenue.

Expenditures:

- Health Insurance costs allocated were less than final projections due to the renewal at January 2018 being less than originally anticipated which affected most all departments.
- Financial Administration expenditures were less than projected due to lower than expected maintenance agreement fees and operating costs.
- Attorney/Legal Services expenditures were 2% less than final budget as a result of lower training costs and billed services.
- Municipal Court overall costs were under final budget primarily as a result of lower than expected personnel costs.
- Police and Jail were under budget based on timing of personnel changes and contracted service costs coming in less than projected.
- Highways and Streets was under budget primarily due to lower than anticipated repair supply costs and contracted service costs.
- Recreation costs were under budget due to lower than budgeted costs related to personnel and facility energy costs.

Other Financing Sources (Uses):

- Transfers in from other funds were less than final anticipated projections.

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, 2018, amounts to \$55,788,952 and \$5,767,335 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

	2018 Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Construction in Progress	\$ 7,324,846	\$ 1,028,861	\$ 272,205	\$ -	\$ 7,597,051	\$ 1,028,861
Land	7,425,979	7,425,979	239,372	239,372	7,665,351	7,665,351
Buildings and improvements	11,570,278	11,135,642	27,767	33,802	11,598,045	11,169,444
Electrical System	-	-	4,146,314	4,295,912	4,146,314	4,295,912
Improvements other than buildings	7,725,168	8,165,703	42,860	4,315	7,768,028	8,170,018
Intangible Assets	89,868	91,883	-	-	89,868	91,883
Vehicles and Equipment	1,724,381	2,038,159	1,038,817	736,104	2,763,198	2,774,263
Infrastructure	19,928,432	22,298,004	-	-	19,928,432	22,298,004
Total	\$ 55,788,952	\$ 52,184,231	\$ 5,767,335	\$ 5,309,505	\$ 61,556,287	\$ 57,493,736

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

Governmental activities:

- Infrastructure \$146,473
- Construction In Progress – Infrastructure - \$154,468, Lemon Street Downtown Project - \$3,245,531 and the Community Recreation Center - \$3,505,573
- Logan Farm Park – Art House - \$461,244 and Farm House - \$664,481.
- Newberry Park – Hitting Facility - \$110,000 and Parking Lot - \$254,840.
- Public Safety Vehicles - \$165,342.
- Public Works Equipment - \$29,041.
- Culture and Recreation Vehicles and Equipment - \$56,258.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

Business-type activities:

- Construction In Progress - \$272,205.
- Electrical Infrastructure - \$206,951.
- Sanitation Truck - \$175,958.
- Power Vehicles and Equipment - \$280,636.

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 2018 fiscal year, the City had \$22,174,678 in outstanding long-term debt. This is a decrease of \$1,803,842 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 \$77,328,524 which is in excess of the City's outstanding general obligation debt.

Debt outstanding at June 30, 2018 is as follows:

- Tax Allocation District Bonds - \$3,705,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$1,770,000
- Acworth Downtown Development Authority – Revenue Bonds - \$5,840,000
- Acworth Downtown Development Authority – Series 2017 Bonds - \$7,105,000
- Installment Sales Agreement through Georgia Municipal Association - \$2,996,736
- Capital Leases – Vehicles - \$566,621
- IGA Cobb County – SPLOST Radios - \$191,321

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 considered many factors when adopting the fiscal year ending June 30, 2019 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 \$15,694,707. The expected unassigned fund balance for the General Fund at the end of the FY2018 to remain relatively unchanged at \$4.7 million.
- Transfers out for debt service was budgeted at \$717,661.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2018 remained at 7.60. The adopted budget for FY 2019 has the millage rate remaining stable.
- The 2017 taxable digest was \$717,078,133; which was 7% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2018 approved taxable digest increased just over 6%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2018 population is estimated at 24,881 by the Acworth Economic Development Department. This is an increase of approximately 22% from the 2010 census of 20,425.
- 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 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 - Mature July 2028; interest rate of 3.97% - 06/30/2018 balance \$5,840,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2018

City of Acworth, Georgia

- Acworth City Hall/Sports Complex - Mature April 2023; interest rate of 1.74% - 06/30/2018 balance \$1,770,000.
- City of Acworth Street Project - Mature July 2031; interest rate 2.25% - 06/30/2018 balance \$7,105,000.
- Debt service payments in the General Fund are related to the Court/Jail Services renovation/addition and mature 01/07/2029 with an interest rate of 3.41% - 06/30/2018 balance \$2,996,736.
- 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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Acworth Tourism Bureau Authority
Assets:				
Cash and cash equivalents	\$ 2,821,295	\$ 5,641,710	\$ 8,463,005	\$ -
Investments	3,889,357	2,814,199	6,703,556	-
Receivables, net	96,545	1,940,082	2,036,627	-
Due from other governments	1,158,490	-	1,158,490	43,705
Due from primary government	-	-	-	54,247
Internal balances	(413,568)	413,568	-	-
Inventories	-	1,020,632	1,020,632	-
Prepaid items	1,246,324	32,119	1,278,443	1,667
Restricted assets	17,359,071	7,690,567	25,049,638	-
Capital assets, non depreciated	14,750,825	511,577	15,262,402	-
Capital assets, depreciated, net	41,038,127	5,255,758	46,293,885	640
Total assets	81,946,466	25,320,212	107,266,678	100,259
Deferred outflows of resources:				
Related to OPEB	29,550	10,929	40,479	-
Related to pensions	617,693	174,222	791,915	-
Total deferred outflows of resources	647,243	185,151	832,394	-
Liabilities:				
Accounts payable and other current liabilities	2,440,447	753,275	3,193,722	2,080
Due to component unit	54,247	-	54,247	-
Customer deposits	-	1,258,209	1,258,209	-
Unearned revenue	547,847	-	547,847	-
Noncurrent liabilities:				
Due within one year	1,941,639	250,452	2,192,091	-
Due in more than one year	31,823,068	4,591,299	36,414,367	-
Total liabilities	36,807,248	6,853,235	43,660,483	2,080
Deferred inflows of resources:				
Deferred regulatory credits	-	4,423,674	4,423,674	-
Related to OPEB	1,364,028	504,504	1,868,532	-
Related to pensions	373,263	105,280	478,543	-
Total deferred inflows of resources	1,737,291	5,033,458	6,770,749	-
Net position:				
Net investment in capital assets	47,017,712	5,196,702	52,214,414	640
Restricted for:				
General government	34	-	34	-
Capital projects	4,497,180	-	4,497,180	-
Public works	1,573,766	-	1,573,766	-
Culture and recreation	7,548,821	-	7,548,821	97,539
Public safety	571,664	-	571,664	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(20,160,007)	8,421,968	(11,738,039)	-
Total net position	\$ 44,049,170	\$ 13,618,670	\$ 57,667,840	\$ 98,179

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government			Acworth Tourism Bureau Authority
						Business-type Activities	Total		
Primary Government									
Governmental activities:									
General government	\$ 3,379,469	\$ 327,542	\$ -	\$ -	\$ (3,051,927)	\$ -	\$ (3,051,927)		
Public safety	6,681,590	251,655	169,892	594,874	(5,665,169)	-	(5,665,169)		
Public works	5,114,375	29,350	150,000	4,825,941	(109,084)	-	(109,084)		
Health and welfare	540	-	-	-	(540)	-	(540)		
Housing and development	1,210,781	561,095	-	-	(649,686)	-	(649,686)		
Judicial	432,251	845,966	-	-	413,715	-	413,715		
Culture and recreation	3,538,062	772,717	99,545	4,215,788	1,549,988	-	1,549,988		
Interest & fiscal charges on long-term debt	667,707	-	-	-	(667,707)	-	(667,707)		
Total governmental activities	21,024,775	2,788,325	419,437	9,636,603	(8,180,410)	-	(8,180,410)		
Business-type activities:									
Electric	10,512,965	13,306,315	-	47,383	-	2,840,733	2,840,733		
Sanitation	1,797,136	1,859,419	-	-	-	62,283	62,283		
Total business-type activities	12,310,101	15,165,734	-	47,383	-	2,903,016	2,903,016		
Total Primary Government	\$ 33,334,876	\$ 17,954,059	\$ 419,437	\$ 9,683,986	(8,180,410)	2,903,016	(5,277,394)		
Component Unit	\$ 68,361	\$ -	\$ 112,226	\$ -			\$ 43,865		
General Revenues:									
Property taxes					6,121,477	-	6,121,477	-	
Insurance premium tax					1,360,988	-	1,360,988	-	
Alcohol taxes					534,902	-	534,902	-	
Hotel/motel tax					432,264	-	432,264	-	
Franchise taxes					1,414,927	-	1,414,927	-	
Financial institution tax					41,460	-	41,460	-	
Business taxes					634,411	-	634,411	-	
Contributions not restricted to a specific program					601,143	-	601,143	-	
Operating grants not restricted to a specific program					455,648	-	455,648	-	
Unrestricted investment earnings					87,196	98,006	185,202	-	
Transfers					1,720,367	(1,720,367)	-	-	
Total general revenues and transfers					13,404,783	(1,622,361)	11,782,422	-	
Change in net position					5,224,373	1,280,655	6,505,028	43,865	
Net position - beginning					45,239,887	14,582,171	59,822,058	54,314	
Restatement					(6,415,090)	(2,244,156)	(8,659,246)	-	
Net position - beginning, after restatement					38,824,797	12,338,015	51,162,812	54,314	
Net position - ending					\$ 44,049,170	\$ 13,618,670	\$ 57,667,840	\$ 98,179	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 2,809,103	\$ 12,192	\$ -	\$ -	\$ 2,821,295
Investments	3,829,816	59,541	-	-	3,889,357
Receivables, net	41,743	3,289	-	-	45,032
Due from other governments	12,054	107,795	999,936	38,705	1,158,490
Due from other funds	194,772	422,875	-	41,602	659,249
Prepaid items	152,605	193,837	625,000	-	971,442
Restricted assets	3,100,587	5,044,975	8,459,919	753,590	17,359,071
Total assets	\$ 10,140,680	\$ 5,844,504	\$ 10,084,855	\$ 833,897	\$ 26,903,936
Liabilities:					
Accounts payable	\$ 306,761	\$ 424,266	\$ 725,793	\$ 55,263	\$ 1,512,083
Retainage payable	-	342,788	281,892	-	624,680
Accrued liabilities	282,113	-	-	-	282,113
Due to other funds	1,089,696	64,349	103,981	4,100	1,262,126
Due to component unit	54,247	-	-	-	54,247
Unearned revenue	459,615	71,499	-	16,733	547,847
Total liabilities	2,192,432	902,902	1,111,666	76,096	4,283,096
Deferred inflows of resources:					
Unavailable revenue	39,933	-	-	-	39,933
Fund balances:					
Nonspendable	152,605	193,837	625,000	-	971,442
Restricted	3,004,277	4,303,343	8,348,189	716,819	16,372,628
Committed	-	71,906	-	21,528	93,434
Assigned	34,078	372,516	-	19,454	426,048
Unassigned	4,717,355	-	-	-	4,717,355
Total fund balances	7,908,315	4,941,602	8,973,189	757,801	22,580,907
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,140,680	\$ 5,844,504	\$ 10,084,855	\$ 833,897	

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.	55,788,952
Property tax revenue earned but unavailable is not reported in the funds.	39,933
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	
Related to pensions	617,693
Related to OPEB	29,550
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.	494,133
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	(21,608,057)
Deferred inflows of resources related to pensions	(373,263)
Deferred inflows of resources related to OPEB	(1,364,028)
Accrued compensated absences	(260,836)
Total OPEB liability	(9,294,646)
Net pension liability	(2,601,168)
Net position of governmental activities	\$ 44,049,170

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 10,386,223	\$ -	\$ -	\$ 591,896	\$ 10,978,119
Licenses and permits	678,587	-	-	-	678,587
Intergovernmental	39,073	1,584,328	8,088,241	601,143	10,312,785
Charges for services	959,880	-	-	152,350	1,112,230
Fines and forfeitures	845,966	150,000	-	157,938	1,153,904
Investment earnings	65,637	20,243	-	1,316	87,196
Contributions and donations	48,809	-	-	-	48,809
Other	149,753	-	-	4,094	153,847
Total revenues	13,173,928	1,754,571	8,088,241	1,508,737	24,525,477
Expenditures:					
Current:					
General government	3,020,174	-	-	-	3,020,174
Public safety	5,110,957	-	-	70,790	5,181,747
Public works	1,148,041	-	-	2,691	1,150,732
Health and welfare	540	-	-	-	540
Housing and development	1,047,402	-	-	39,413	1,086,815
Judicial	385,566	-	-	-	385,566
Culture and recreation	2,469,383	-	-	294,600	2,763,983
Capital outlay	-	4,308,893	4,729,940	-	9,038,833
Debt service	327,501	-	236,825	1,937,116	2,501,442
Total expenditures	13,509,564	4,308,893	4,966,765	2,344,610	25,129,832
Excess (deficiency) of revenues over (under) expenditures	(335,636)	(2,554,322)	3,121,476	(835,873)	(604,355)
Other financing sources (uses):					
Transfers in	1,422,644	339,406	-	1,450,528	3,212,578
Transfers out	(1,083,715)	-	-	(408,496)	(1,492,211)
Sale of capital assets	20,835	-	-	-	20,835
Total other financing sources (uses)	359,764	339,406	-	1,042,032	1,741,202
Net change in fund balance	24,128	(2,214,916)	3,121,476	206,159	1,136,847
Fund balance - beginning	7,884,187	7,156,518	5,851,713	551,642	21,444,060
Fund balance - ending	\$ 7,908,315	\$ 4,941,602	\$ 8,973,189	\$ 757,801	\$ 22,580,907

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, 2018

Net change in fund balances - total governmental funds \$ 1,136,847

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	(4,736,336)	
Capital outlay	8,363,668	
Loss on disposal of assets	<u>(22,611)</u>	3,604,721

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

Principal payments on debt	1,833,735
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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.	3,304
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The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds.	138,571
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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.

Net pension liability and changes in related deferred inflows/outflows of resources	(716,128)	
Total OPEB liability and changes in related deferred inflows/outflows of resources	(741,664)	
Accrued compensated absences	<u>(35,013)</u>	<u>(1,492,805)</u>

Change in net position of governmental activities	<u><u>\$ 5,224,373</u></u>
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CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Enterprise Funds			
	Major			
	Electrical Power	Sanitation	Totals	Internal Service Funds
Assets:				
Current assets:				
Cash	\$ 4,756,301	\$ 775,083	\$ 5,531,384	\$ 110,326
Investments	2,814,199	-	2,814,199	-
Receivables, net				
Utility accounts	1,792,576	144,621	1,937,197	-
Other	-	-	-	54,398
Due from other funds	338,786	283,693	622,479	386,489
Inventory	1,020,632	-	1,020,632	-
Prepaid items	28,668	-	28,668	278,333
Restricted assets:				
Cash	1,236,796	-	1,236,796	-
Investments	6,453,771	-	6,453,771	-
Total current assets	<u>18,441,729</u>	<u>1,203,397</u>	<u>19,645,126</u>	<u>829,546</u>
Noncurrent assets:				
Property, plant and equipment, net	5,116,774	646,549	5,763,323	4,012
Total assets	<u>23,558,503</u>	<u>1,849,946</u>	<u>25,408,449</u>	<u>833,558</u>
Deferred outflows of resources:				
Related to pensions	87,111	47,515	134,626	39,596
Related to OPEB	6,072	4,857	10,929	-
Total deferred outflows of resources	<u>93,183</u>	<u>52,372</u>	<u>145,555</u>	<u>39,596</u>
Liabilities:				
Current liabilities:				
Accounts and claims payable	642,052	26,356	668,408	29,731
Accrued liabilities	41,930	19,310	61,240	15,467
Accrued compensated absences	55,826	15,261	71,087	11,890
Due to other funds	361,120	27,561	388,681	17,410
Capital lease obligations	87,513	79,962	167,475	-
Customer deposits	978,287	279,922	1,258,209	-
Total current liabilities	<u>2,166,728</u>	<u>448,372</u>	<u>2,615,100</u>	<u>74,498</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	13,957	3,815	17,772	2,972
Total OPEB liability	1,909,859	1,527,887	3,437,746	-
Net pension liability	366,831	200,090	566,921	166,742
Capital lease obligations	222,336	176,810	399,146	-
Total long-term liabilities	<u>2,512,983</u>	<u>1,908,602</u>	<u>4,421,585</u>	<u>169,714</u>
Total liabilities	<u>4,679,711</u>	<u>2,356,974</u>	<u>7,036,685</u>	<u>244,212</u>
Deferred inflows of resources:				
Deferred regulatory credits	4,423,674	-	4,423,674	-
Related to pensions	52,640	28,713	81,353	23,927
Related to OPEB	280,280	224,224	504,504	-
Total deferred inflows of resources	<u>4,756,594</u>	<u>252,937</u>	<u>5,009,531</u>	<u>23,927</u>
Net Position:				
Net investment in capital assets	4,806,925	389,777	5,196,702	4,012
Unrestricted	9,408,456	(1,097,370)	8,311,086	601,003
Total net position	<u>\$ 14,215,381</u>	<u>\$ (707,593)</u>	<u>13,507,788</u>	<u>\$ 605,015</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>\$ 13,618,670</u>	

See accompanying notes to financial statements.

CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Operating revenues:				
Charges for services	\$ 12,796,907	\$ 1,859,419	\$ 14,656,326	\$ 3,579,766
Other	509,408	-	509,408	29,729
Total operating revenues	<u>13,306,315</u>	<u>1,859,419</u>	<u>15,165,734</u>	<u>3,609,495</u>
Operating expenses:				
Personal services	1,724,623	966,509	2,691,132	601,027
Operating	8,324,953	676,249	9,001,202	2,781,043
Depreciation	544,186	147,529	691,715	1,050
Total operating expenses	<u>10,593,762</u>	<u>1,790,287</u>	<u>12,384,049</u>	<u>3,383,120</u>
Operating income	<u>2,712,553</u>	<u>69,132</u>	<u>2,781,685</u>	<u>226,375</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	383	-	383	-
Interest income	98,006	-	98,006	-
Interest expense	(7,390)	(6,849)	(14,239)	-
Total nonoperating revenues (expenses)	<u>90,999</u>	<u>(6,849)</u>	<u>84,150</u>	<u>-</u>
Income before contributions and transfers	<u>2,803,552</u>	<u>62,283</u>	<u>2,865,835</u>	<u>226,375</u>
Capital contributions	47,383	-	47,383	-
Transfers out	<u>(1,401,822)</u>	<u>(230,741)</u>	<u>(1,632,563)</u>	<u>(87,804)</u>
Increase (decrease) in net position	1,449,113	(168,458)	1,280,655	138,571
Net position at beginning of year - before restatement	13,793,715	677,574		466,444
Restatement	<u>(1,027,447)</u>	<u>(1,216,709)</u>		<u>-</u>
Net position at beginning of year	<u>12,766,268</u>	<u>(539,135)</u>		<u>466,444</u>
Net position at end of year	<u>\$ 14,215,381</u>	<u>\$ (707,593)</u>		<u>\$ 605,015</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>-</u>	
Change in net position of business-type activities			<u>\$ 1,280,655</u>	

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$ 13,158,670	\$ 1,858,646	\$ 15,017,316	\$ 3,410,297
Cash payments for goods and services	(7,255,806)	(681,888)	(7,937,694)	(103,312)
Cash payments for benefits and claims	-	-	-	(2,753,753)
Cash payments for employee services and fringe benefits	(1,459,937)	(813,002)	(2,272,939)	(534,013)
Net cash from (to) operating activities	<u>4,442,927</u>	<u>363,756</u>	<u>4,806,683</u>	<u>19,219</u>
Cash flows from (to) noncapital financing activities:				
Transfers out	(1,401,822)	(230,741)	(1,632,563)	(87,804)
Net cash from (to) noncapital financing activities	<u>(1,401,822)</u>	<u>(230,741)</u>	<u>(1,632,563)</u>	<u>(87,804)</u>
Cash flows from (to) capital and related financing activities:				
Contributed capital	47,383	-	47,383	-
Proceeds from sale of capital assets	383	-	383	-
Interest paid	(7,390)	(6,849)	(14,239)	-
Payments for capital acquisitions	(765,473)	(186,587)	(952,060)	-
Principal payments on long-term obligations	(90,176)	(78,464)	(168,640)	-
Net cash from (to) capital and related financing activities	<u>(815,273)</u>	<u>(271,900)</u>	<u>(1,087,173)</u>	<u>-</u>
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(1,775,050)	-	(1,775,050)	-
Interest received from investments	98,006	-	98,006	-
Net cash from (to) investing activities	<u>(1,677,044)</u>	<u>-</u>	<u>(1,677,044)</u>	<u>-</u>
Net increase (decrease) in cash	548,788	(138,885)	409,903	(68,585)
Cash at beginning 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>
Cash at end of year (including \$1,236,796 in restricted cash)	<u>\$ 5,993,097</u>	<u>\$ 775,083</u>	<u>\$ 6,768,180</u>	<u>\$ 110,326</u>

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 2,712,553	\$ 69,132	\$ 2,781,685	\$ 226,375
Adjustments to reconcile operating income to net cash to operating activities:				
Depreciation	544,186	147,529	691,715	1,050
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(145,772)	(13,950)	(159,722)	(46,529)
(Increase) decrease in due from other governments	93,715	-	93,715	-
(Increase) decrease in due from other funds	218,416	(11,117)	207,299	(152,669)
(Increase) decrease in inventory	(148,219)	-	(148,219)	-
(Increase) decrease in prepaid items	(6,013)	514	(5,499)	(5,391)
(Increase) decrease in deferred outflows of resources	(25,608)	(8,379)	(33,987)	(17,223)
Increase (decrease) in accounts payable	29,504	(1,094)	28,410	(3,058)
Increase (decrease) in accrued liabilities	11,298	(2,465)	8,833	75
Increase (decrease) in due to other funds	94,375	6,058	100,433	(67,573)
Increase (decrease) in customer deposits	(1,873)	13,177	11,304	-
Increase (decrease) in total OPEB liability	(127,861)	(102,289)	(230,150)	-
Increase (decrease) in net pension liability	74,704	14,191	88,895	60,514
Increase (decrease) in deferred inflows of resources	1,119,522	252,449	1,371,971	23,648
Net cash from (to) operating activities	\$ 4,442,927	\$ 363,756	\$ 4,806,683	\$ 19,219
Supplemental disclosure of noncash investing and financing activities:				
Equipment purchased through capital lease	\$ 198,533	\$ -	\$ 198,533	\$ -

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, 2018**

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, 2018

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, 2018

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, 2018

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

Debt Service Fund - The Debt Service Fund is used to accumulate resources that are restricted, committed, or assigned for the principal and interest payments on long-term obligations of the governmental funds.

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, 2018**

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, 2018

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, 2018

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.

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

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018

K. Long-Term Obligations

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

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

L. Deferred Outflows/Inflows of Resources

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. The committed fund balance classification includes amounts that can only be used for specific purposes determined by a formal action of the government's highest level of decision-making authority.

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

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

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

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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, 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, 2018, the City had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Total Fair Value
		Less than 1	1-5	6-10	More than 10	
Georgia Fund 1	AAAf	\$ 5,694,439	\$ -	\$ -	\$ -	\$ 5,694,439
Municipal Competitive Trust	not rated	6,886,058	281,661	384,357	58,538	7,610,614
Total		\$ 12,580,497	\$ 281,661	\$384,357	\$ 58,538	\$ 13,305,053

The above table of investments includes \$6,601,497 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
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018 are classified as follows:

		Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Georgia Fund 1	\$ 5,694,439	\$ 5,694,439	\$ -	\$ -
Municipal Competitive Trust	7,610,614	648,655	6,961,959	-
	<u>\$ 13,305,053</u>	<u>\$ 6,343,094</u>	<u>\$ 6,961,959</u>	<u>\$ -</u>

3. RECEIVABLES

Receivables at June 30, 2018 consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 34,263	\$ 12,787	\$ -	\$ 464	\$ (5,771)	\$ 41,743
Capital Improvement Fund	-	3,289	-	-	-	3,289
Electrical Power Fund	-	-	1,861,600	-	(69,024)	1,792,576
Sanitation Fund	-	-	171,140	-	(26,519)	144,621
Internal Service Funds	-	-	-	54,398	-	54,398
Total	<u>\$ 34,263</u>	<u>\$ 16,076</u>	<u>\$ 2,032,740</u>	<u>\$ 54,862</u>	<u>\$(101,314)</u>	<u>\$ 2,036,627</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2018 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	State of Georgia Department of Transportation	Other	Total
General Fund	\$ -	\$ -	\$ -	\$ 12,054	\$ 12,054
Capital Improvement Fund	71,499	-	36,296	-	107,795
SPLOST Fund	999,936	-	-	-	999,936
Nonmajor Governmental Funds	-	38,705	-	-	38,705
	<u>\$ 1,071,435</u>	<u>\$ 38,705</u>	<u>\$ 36,296</u>	<u>\$ 12,054</u>	<u>\$ 1,158,490</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered “available spendable resources”. Such balances at June 30, 2018 include Due from (to) and Interfund receivable (payable) and are summarized as follows:

Payable From	Receivable To						Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Electrical Power Fund	Sanitation Fund	Internal Service Funds	
General Fund	\$ -	\$ 422,875	\$ 41,602	\$ 338,786	\$ 3,771	\$ 282,662	\$ 1,089,696
Capital Improvement Fund	64,349	-	-	-	-	-	64,349
SPLOST Fund	103,981	-	-	-	-	-	103,981
Nonmajor Governmental Funds	4,100	-	-	-	-	-	4,100
Electrical Power Fund	-	-	-	-	279,922	81,198	361,120
Sanitation Fund	4,932	-	-	-	-	22,629	27,561
Internal Service Funds	17,410	-	-	-	-	-	17,410
Total	<u>\$ 194,772</u>	<u>\$ 422,875</u>	<u>\$ 41,602</u>	<u>\$ 338,786</u>	<u>\$ 283,693</u>	<u>\$ 386,489</u>	<u>\$ 1,668,217</u>

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

Interfund transfers for the current year were as follows:

TRANSFER IN TO	TRANSFER OUT FROM					Total
	General Fund	Nonmajor Governmental Funds	Electrical Power Fund	Sanitation Fund	Internal Service Funds	
General Fund	\$ -	\$ 408,496	\$ 695,603	\$ 230,741	\$ 87,804	\$ 1,422,644
Capital Improvement Fund	339,406	-	-	-	-	339,406
Nonmajor Governmental Funds	744,309	-	706,219	-	-	1,450,528
Total	<u>\$ 1,083,715</u>	<u>\$ 408,496</u>	<u>\$ 1,401,822</u>	<u>\$ 230,741</u>	<u>\$ 87,804</u>	<u>\$ 3,212,578</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018 are restricted for the following:

Governmental Funds	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
General Fund:			
Municipal court bonds	\$ 58,802	\$ -	\$ 58,802
Development performance bonds	12,068	-	12,068
Proceeds from sale of water & sewer system	3,000,000	-	3,000,000
Bail bond escrow	25,440	-	25,440
Other	4,277	-	4,277
	<u>3,100,587</u>	<u>-</u>	<u>3,100,587</u>
SPLOST Fund:			
Unspent SPLOST proceeds	8,242,964	-	8,242,964
Unspent grant proceeds	216,955	-	216,955
	<u>8,459,919</u>	<u>-</u>	<u>8,459,919</u>
Capital Projects Fund:			
Unspent bond proceeds	5,044,975	-	5,044,975
	<u>5,044,975</u>	<u>-</u>	<u>5,044,975</u>
Nonmajor governmental funds:			
Hotel Motel tax	12,411	-	12,411
Unspent TAD proceeds	1,500	-	1,500
Recreational impact fee	5,000	137,301	142,301
Soil erosion fee	-	10,425	10,425
Confiscated assets	586,953	-	586,953
	<u>605,864</u>	<u>147,726</u>	<u>753,590</u>
Total governmental funds	<u>\$ 17,211,345</u>	<u>\$ 147,726</u>	<u>\$ 17,359,071</u>
Proprietary Funds			
Power Fund:			
MEAG Power project	\$ -	\$ 6,453,771	\$ 6,453,771
Customer deposits	1,236,796	-	1,236,796
	<u>1,236,796</u>	<u>6,453,771</u>	<u>7,690,567</u>
Total proprietary funds	<u>\$ 1,236,796</u>	<u>\$ 6,453,771</u>	<u>\$ 7,690,567</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

7. CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,425,979	\$ -	\$ -	\$ 7,425,979
Construction in progress	1,028,861	6,905,572	(609,587)	7,324,846
Total capital assets not being depreciated	<u>8,454,840</u>	<u>6,905,572</u>	<u>(609,587)</u>	<u>14,750,825</u>
Capital assets, being depreciated:				
Buildings	15,719,402	1,123,842	-	16,843,244
Improvements other than buildings	13,461,510	376,486	(59,929)	13,778,067
Intangible Assets	199,505	12,731	-	212,236
Vehicles and equipment	6,751,568	408,151	(71,394)	7,088,325
Infrastructure (streets)	66,821,206	146,473	(48,279)	66,919,400
Total capital assets being depreciated	<u>102,953,191</u>	<u>2,067,683</u>	<u>(179,602)</u>	<u>104,841,272</u>
Less accumulated depreciation for:				
Buildings	(4,583,760)	(689,206)	-	(5,272,966)
Improvements other than buildings	(5,295,807)	(796,693)	39,602	(6,052,898)
Intangible Assets	(107,622)	(14,746)	-	(122,368)
Vehicles and equipment	(4,713,409)	(721,930)	71,394	(5,363,945)
Infrastructure (streets)	(44,523,202)	(2,513,761)	45,995	(46,990,968)
Total accumulated depreciation	<u>(59,223,800)</u>	<u>(4,736,336)</u>	<u>156,991</u>	<u>(63,803,145)</u>
Total capital assets being depreciated, net	<u>43,729,391</u>	<u>(2,668,653)</u>	<u>(22,611)</u>	<u>41,038,127</u>
Governmental activities capital assets, net	<u>\$ 52,184,231</u>	<u>\$ 4,236,919</u>	<u>\$ (632,198)</u>	<u>\$ 55,788,952</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 239,372	\$ -	\$ -	\$ 239,372
Construction in progress	-	272,205	-	272,205
Total capital assets not being depreciated	<u>239,372</u>	<u>272,205</u>	<u>-</u>	<u>511,577</u>
Capital assets, being depreciated:				
Buildings	166,369	-	-	166,369
Improvements other than buildings	7,560	43,482	-	51,042
Electrical System	10,362,952	206,951	-	10,569,903
Vehicles and equipment	4,282,798	627,957	34,197	4,944,952
Total capital assets being depreciated	<u>14,819,679</u>	<u>878,389</u>	<u>34,197</u>	<u>15,732,266</u>
Less accumulated depreciation for:				
Buildings	(132,567)	(6,035)	-	(138,602)
Improvements other than buildings	(3,245)	(4,937)	-	(8,182)
Electrical System	(6,067,040)	(356,549)	-	(6,423,589)
Vehicles and equipment	(3,546,694)	(325,244)	(34,197)	(3,906,135)
Total accumulated depreciation	<u>(9,749,546)</u>	<u>(692,765)</u>	<u>(34,197)</u>	<u>(10,476,508)</u>
Total capital assets being depreciated, net	<u>5,070,133</u>	<u>185,624</u>	<u>-</u>	<u>5,255,758</u>
Business-type activities capital assets, net	<u>\$ 5,309,505</u>	<u>\$ 457,829</u>	<u>\$ -</u>	<u>\$ 5,767,335</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

Governmental Activities:	
General government	\$ 415,331
Public safety	792,667
Public works, including depreciation of general infrastructure	2,679,674
Housing and development	11,830
Judicial	11,505
Culture and recreation	825,329
Total depreciation expense - governmental activities	<u>\$ 4,736,336</u>
Business-type activities:	
Electric	\$ 544,186
Sanitation	147,529
Capital assets held by the government's internal services fund are charged to the various functions based on their usage of the assets	1,050
Total depreciation expense - business-type activities	<u>\$ 692,765</u>

8. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

	Beginning Balance (As restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 15,681,000	\$ -	\$ (966,000)	14,715,000	\$ 1,007,000
Installment sales agreement	3,218,271	-	(221,535)	2,996,736	229,089
Tax allocation district bonds	4,120,000	-	(415,000)	3,705,000	425,000
Intergovernmental contracts	266,005	-	(74,684)	191,321	75,759
Capital leases	156,516	-	(156,516)	-	-
Net pension liability	2,071,443	2,004,400	(1,474,675)	2,601,168	-
Total OPEB liability	9,916,905	998,556	(1,620,815)	9,294,646	-
Compensated absences	225,823	351,969	(316,956)	260,836	204,791
Governmental activities long-term liabilities	<u>\$ 35,655,963</u>	<u>\$ 3,354,925</u>	<u>\$ (5,246,181)</u>	<u>\$ 33,764,707</u>	<u>\$ 1,941,639</u>
Business-type activities:					
Capital leases	\$ 536,728	\$ 198,533	\$ (168,640)	\$ 566,621	\$ 167,475
Net pension liability	584,254	565,343	(415,934)	733,663	-
Total OPEB liability	3,667,896	369,329	(599,479)	3,437,746	-
Compensated absences	99,636	124,594	(120,509)	103,721	82,977
Business-type activities long-term liabilities	<u>\$ 4,888,514</u>	<u>\$ 1,257,799</u>	<u>\$ (1,304,562)</u>	<u>\$ 4,841,751</u>	<u>\$ 250,452</u>

For Governmental Activities, compensated absences, pension and other post-employment benefits (OPEB) liabilities are typically liquidated in the General Fund.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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
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>\$ 1,770,000</u>	<u>\$ 93,438</u>	<u>\$ 1,863,438</u>

Cable/Fiber Optic System

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

The bonds issued by the Authority were refinanced to allow for the sale of the system. In June 2008 the Authority issued \$9,645,000 in Series 2008 Refunding Revenue Bond (City of Acworth Cable Project) for the purpose of refunding the existing bonds. As a result of the refunding, the City increased its total debt service requirements by

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

\$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
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	565,000	150,662	715,662
2024 - 2028	3,230,000	395,610	3,625,610
Total	<u>\$ 5,840,000</u>	<u>\$ 1,356,152</u>	<u>\$ 7,196,152</u>

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
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	195,000	143,212	338,212
2024 - 2028	2,910,000	565,650	3,475,650
2029 - 2031	3,260,000	121,275	3,381,275
Total	<u>\$ 7,105,000</u>	<u>\$ 1,444,613</u>	<u>\$ 8,549,613</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

B. Installment Sales Agreement

Public Safety and Court Services

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

The debt service requirements on this agreement are as follows:

Year Ending June 30,	Principal	Interest	Total
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	261,972	64,839	326,811
2024 - 2028	1,450,108	181,557	1,631,665
2028 - 2029	320,354	5,461	325,815
Total	<u>\$ 2,996,736</u>	<u>\$ 596,225</u>	<u>\$ 3,592,961</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 \$514,377 and \$760,774, respectively.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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
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	470,000	43,434	513,434
2024 - 2026	1,475,000	56,839	1,531,839
Total	<u>\$ 3,705,000</u>	<u>\$ 388,565</u>	<u>\$ 4,093,565</u>

D. Intergovernmental Contract

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

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

Year Ending June 30,	Principal	Interest	Total
2019	75,759	2,241	78,000
2020	76,846	1,154	78,000
2021	38,716	284	39,000
Total	<u>\$ 191,321</u>	<u>\$ 3,679</u>	<u>\$ 195,000</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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
2019	\$ 167,475	\$ 13,234	\$ 180,709
2020	171,996	8,714	180,710
2021	137,413	4,387	141,800
2022	82,647	1,384	84,031
2023	7,090	26	7,116
Total	<u>\$ 566,621</u>	<u>\$ 27,745</u>	<u>\$ 594,366</u>

The gross amount of Business-type Activities capital assets on the balance sheet recorded under capital leases is \$847,850 and the accumulated depreciation is \$308,673. This year \$166,198 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 \$6,471,864 from the Authority during the period ended June 30, 2018.

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 \$207,862 during the period ended June 30, 2018.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Encumbrances

Encumbrances outstanding as of June 30, 2018 are as follows:

SPLOST Fund	\$ 9,124,620
Capital Improvement Fund	4,543,870
Non-major Governmental Funds	236,647
Total	\$ 13,905,137

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, 2017 were \$685,188,978 and \$54,599,037 respectively.

Based on the 2017 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$5,143,051 for the fiscal year ended June 30, 2018 were 98.99% of the levy.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

11. FUND BALANCE

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

	General Fund	Capital Improvements Fund	SPLOST Fund	Non-major Governmental Funds	Total
Nonspendable:					
Prepays	\$ 152,605	\$ 193,837	\$ 625,000	\$ -	\$ 971,442
Restricted for:					
Capital projects - Downtown Project	-	4,303,343	-	-	4,303,343
Public safety - Police	2,128	-	5,443	564,093	571,664
Culture and recreation	1,075	-	7,405,445	142,301	7,548,821
Public works	1,040	-	937,301	10,425	948,766
General government	34	-	-	-	34
Voter appropriation	3,000,000	-	-	-	3,000,000
Committed for:					
Public Works	-	12,070	-	-	12,070
General Government	-	32,198	-	-	32,198
Culture and recreation	-	27,638	-	21,528	49,166
Assigned for:					
Capital projects	-	733	-	-	733
General government	-	218,200	-	-	218,200
Public safety	9,859	50,000	-	-	59,859
Public works	-	26,169	-	-	26,169
Culture and recreation	17,011	48,914	-	15,225	81,150
Housing and development - Historic Preservation	7,208	28,500	-	4,229	39,937
Unassigned	4,717,355	-	-	-	4,717,355
	<u>\$ 7,908,315</u>	<u>\$ 4,941,602</u>	<u>\$ 8,973,189</u>	<u>\$ 757,801</u>	<u>\$ 22,580,907</u>

12. EMPLOYEE RETIREMENT SYSTEM

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

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

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	77
Active employees	160
Elected Officials	<u>6</u>
Total	<u><u>293</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, 2018, the actuarially determined rate was 6.33% of annual pay. The City’s contributions to the Plan totaled \$466,903 for the year ended June 30, 2018.

Net Pension Liability - The City’s net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Actuarial assumptions - The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25% - 8.25% including inflation
Investment rate of return	7.50%
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, 2018 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%	6.71%
International equity	20%	7.71%
Real estate	10%	5.21%
Global fixed income	5%	3.36%
Domestic fixed income	20%	2.11%
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2016	\$ 10,578,243	\$ 7,922,546	\$ 2,655,697
Changes for the year:			
Service cost	379,852	-	379,852
Interest	807,823	-	807,823
Differences between expected and actual experience	142,465	-	142,465
Contributions - employer	-	423,979	(423,979)
Contributions - employee	-	248,431	(248,431)
Net investment income	-	1,218,198	(1,218,198)
Benefit payments, including refunds of employee contributions	(309,431)	(309,431)	
Administrative expense	-	(42,337)	42,337
Other	1,197,265	-	1,197,265
Net changes	2,217,974	1,538,840	679,134
Balances at 9/30/2017	<u>\$ 12,796,217</u>	<u>\$ 9,461,386</u>	<u>\$ 3,334,831</u>

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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 5,114,512	\$ 3,334,831	\$ 1,888,634

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018, the City recognized pension expense of \$466,093. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 245,926	\$ (2,298)
Changes of assumptions	156,893	(1,954)
Net difference between projected and actual earnings on pension plan investments		(474,291)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	<u>389,096</u>	<u>-</u>
Total	<u>\$ 791,915</u>	<u>\$ (478,543)</u>

\$389,096 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Year ended June 30,		
2018	\$	25,906
2019		47,813
2020		(98,804)
2021		(50,639)
2022		-
Thereafter		-

13. POST-EMPLOYMENT HEALTHCARE PLAN

Postemployment Benefits Other Than Pensions (OPEB) - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Acworth OPEB Plan and additions to/deductions from City of Acworth OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by City of Acworth OPEB Plan. For this purpose, the City of Acworth OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

authority to establish and amend benefit provisions. As of June 30, 2018, there were 8 employees and spouses receiving benefits.

Employees Covered by Benefit Terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members of beneficiaries currently receiving benefit payments	8
Active plan members	168
 Total	 176

Contributions - 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, 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. Benefits cease upon reaching Medicare eligibility.

Total OPEB Liability - The City’s total OPEB liability was measured as of June 30, 2017 by an actuarial valuation as of that date.

Actuarial assumptions - The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.25%
Salary increases	3.75% to 8.75% including inflation
Investment rate of return	3.58%
Healthcare cost trend rates	Medical: 7.00% trended down to 4.50% by 2022 Prescription Drug: 7.00% trended down to 4.50% by 2022
Healthy mortality rates	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Discount rate - Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.58%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2017.

Changes in Total OPEB Liability

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2016	\$ 13,584,802	\$ -	\$ 13,584,802
Changes for the year:			
Service cost	954,101	-	954,101
Interest	413,784	-	413,784
Differences between expected and actual experience	(77,885)	-	(77,885)
Changes of assumptions	(2,102,074)	-	(2,102,074)
Contributions - employer	-	40,336	(40,336)
Net investment income	-	-	-
Benefit payments	(40,336)	(40,336)	-
Administrative expense	-	-	-
Net changes	(852,410)	-	(852,410)
Balances at 6/30/2017	<u>\$ 12,732,392</u>	<u>\$ -</u>	<u>\$ 12,732,392</u>

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentagepoint higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ 15,724,177	\$ 12,732,392	\$ 10,440,552

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 10,228,203	\$ 12,732,392	\$ 16,076,495

OPEB plan fiduciary net position. Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued SCERS financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$1,056,458. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 66,756
Changes of assumptions	-	1,801,776
Net difference between projected and actual earnings on OPEB plan investments	-	
Employer contributions to the OPEB plan subsequent to the measurement date of the total OPEB liability	40,479	-
Total	\$ 40,479	\$1,868,532

\$40,479 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Year ended June 30,	
2019	\$ (311,422)
2020	(311,422)
2021	(311,422)
2022	(311,422)
2023	(311,422)
Thereafter	(311,422)

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. As of June 30, 2018, there were 157 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 schedule. Elected officials participating after October 1, 2007 become fully vested after four (4) years of participation.

Effective January 01, 2018, the City amended the Plan. Employees not already contributing to the 401(a) plan may elect to contribute to a 457 plan and the City will fund the match of their contributions into the 401(a) plan. Employees may contribute into both plans provided the City’s total percentage match does not exceed the specified percentage for employee type. Employees participating prior to January 01, 2018 will continue to have their contributions placed in the 401(a) plan. The vesting schedule was also amended to a five (5) year tiered vesting. All new employees may contribute to the 457 plan with the employer match in the 401(a) plan.

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 balances 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, 2018 was \$3,638. The City made total contributions during the year of \$419,901. The participant’s portion of the contributions during the year was \$215,387. The plan held no securities of the City or other

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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.

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

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

was responsible for premium payments, medical claims payments and providing eligibility information. The City has not incurred a liability for potential claims while self-insured as the run-out period has passed. Any potential claims are believed to be minimal.

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%.

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, 229 Peachtree Street #100, Atlanta, Georgia 30303.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

17. RESTATEMENT

The City implemented GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions” during fiscal year 2018. Statement No. 75 requires governments providing defined postemployment benefit plans to recognize their long-term obligation for OPEB benefits as a liability. The effect of these restatements to beginning net position is as follows:

	Governmental Activities	Business-Type Activities	Electrical Power Fund	Sanitation Fund
Beginning Net Position before Restatement	\$ 45,239,887	\$ 14,582,171	\$ 13,793,715	\$ 677,574
Restatement - Deferred Outflows of Resources	29,445	10,890	6,050	4,840
Restatement - Total OPEB Liability	(9,916,905)	(3,667,896)	(2,037,720)	(1,630,176)
Restatement - Previously reported net OPEB obligation	3,472,370	1,412,850	1,004,223	408,627
Beginning Net Position after Restatement	<u>\$ 38,824,797</u>	<u>\$ 12,338,015</u>	<u>\$ 12,766,268</u>	<u>\$ (539,135)</u>

The effect of implementing GASB Statement No. 75 to previously reported changes in net position has not been determined.

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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

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 379,852	\$ 364,831	\$ 292,812	\$ 281,368
Interest	807,823	745,988	672,423	616,661
Differences between expected and actual experience	142,465	(3,829)	278,675	102,420
Changes of assumptions	196,116	-	-	(9,772)
Changes of benefit terms	1,001,149	-	-	-
Benefit payments, including refunds of employee contributions	(309,431)	(308,809)	(280,555)	(261,769)
Net change in total pension liability	<u>2,217,974</u>	<u>798,181</u>	<u>963,355</u>	<u>728,908</u>
Total pension liability - beginning	<u>10,578,243</u>	<u>9,780,062</u>	<u>8,816,707</u>	<u>8,087,799</u>
Total pension liability - ending (a)	<u><u>\$ 12,796,217</u></u>	<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	\$ 423,979	\$ 406,534	\$ 434,039	\$ 369,318
Contributions - employee	248,431	193,653	164,243	146,390
Net investment income	1,218,198	780,159	62,237	648,207
Benefit payments including refunds of employee contributions	(309,431)	(308,809)	(280,555)	(261,769)
Administrative expense	(42,337)	(23,770)	(25,428)	(20,118)
Net change in plan fiduciary net position	<u>1,538,840</u>	<u>1,047,767</u>	<u>354,536</u>	<u>882,028</u>
Plan fiduciary net position - beginning	<u>7,922,546</u>	<u>6,874,779</u>	<u>6,520,243</u>	<u>5,638,215</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 9,461,386</u></u>	<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>\$ 3,334,831</u></u>	<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	73.94%	74.89%	70.29%	73.95%
Covered payroll	\$ 7,363,065	\$ 7,264,396	\$ 6,891,178	\$ 5,949,453
Net pension liability as a percentage of covered payroll	45.29%	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. Schedule will show additional years as they become available.

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

	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 466,903	\$ 465,298	\$ 396,393	\$ 394,148
Contributions in relation to the actuarially determined contribution	<u>466,903</u>	<u>465,298</u>	<u>396,393</u>	<u>433,563</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,415)</u>
Covered payroll	\$ 8,023,610	\$ 7,881,656	\$ 7,383,239	\$ 6,681,136
Contributions as a percentage of covered payroll	5.82%	5.90%	5.37%	6.49%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution rate was determined as of January 1, 2018, 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	Remaining mortization period varies for the bases, with a net effective amortization period of 12 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	2.75%
Salary increases	3.25% - 8.25% including inflation
Investment rate of return	7.50%
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 was the first fiscal year that data has been measured in accordance with GASB Statement 68. Schedule will show additional years as they become available.

CITY OF ACWORTH, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND
RELATED RATIOS

	2018
Total OPEB liability	
Service cost	\$ 954,101
Interest	413,784
Changes of benefit terms	-
Differences between expected and actual experience	(77,885)
Changes of assumptions	(2,102,074)
Benefit payments	(40,336)
Net change in total OPEB liability	(852,410)
Total OPEB liability - beginning	13,584,802
Total OPEB liability - ending (a)	\$ 12,732,392
Plan fiduciary net position	
Contributions - employer	\$ 40,336
Net investment income	-
Benefit payments	(40,336)
Administrative expense	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	\$ -
Net OPEB liability - ending (a) - (b)	\$ 12,732,392
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	\$ 7,140,512
Total OPEB liability as a percentage of covered employee payroll	178.31%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

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

	2018
Actuarially determined contribution	\$ 1,235,320
Contributions in relation to the actuarially determined contribution	40,479
Contribution deficiency (excess)	\$ 1,194,841
Covered-employee payroll	\$ 8,023,610
Contributions as a percentage of covered-employee payroll	0.50%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions to determine contribution rates:

Discount rate	3.58%
Actuarial cost method	Entry age
Amortization method	Open 30 years, level percent of payroll
Amortization period	30 years
Asset valuation method	Market value

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 10,045,992	\$ 10,408,980	\$ 10,386,223	\$ (22,757)
Licenses and Permits	397,090	679,120	678,587	(533)
Intergovernmental	36,860	40,575	39,073	(1,502)
Charges for Services	795,015	977,424	959,880	(17,544)
Fines and Forfeitures	1,144,000	850,000	845,966	(4,034)
Investment Earnings	15,000	66,800	65,637	(1,163)
Contributions and Donations	47,000	48,360	48,809	449
Other	47,140	149,767	149,753	(14)
Total Revenues	12,528,097	13,221,026	13,173,928	(47,098)
Expenditures:				
General Government				
Board of Aldermen	223,558	216,345	211,784	4,561
Administration - City Manager's Office	645,430	446,009	437,122	8,887
Elections	7,010	325	301	24
Financial Administration	646,937	665,718	657,835	7,883
Attorney/Legal Services	98,750	209,250	205,564	3,686
Information Systems	298,519	388,523	379,834	8,689
Human Resources	-	194,898	190,467	4,431
Insurance/Risk Management	313,000	315,000	314,452	548
External Auditors	33,020	33,020	32,993	27
General Government Building Maintenance	258,383	284,434	276,654	7,780
Government Bldg - City Hall	98,600	144,550	139,953	4,597
Government Bldg - 4406 Acworth Ind Dr	121,000	106,200	102,389	3,811
Government Bldg - 4406/4440 Acworth Ind	61,940	52,465	48,180	4,285
Government Bldg - Other City Property	5,275	9,450	8,616	834
Government Bldg - Old Jail	2,400	2,000	1,940	60
Public Information	4,160	2,360	1,818	542
General Administration Fees	10,700	10,700	10,272	428
Judicial				
Municipal Court	462,154	400,146	385,566	14,580
Public Safety				
Police	4,304,609	4,152,966	4,096,700	56,266
Police Explorers	5,000	5,000	2,274	2,726
Jail	1,112,468	1,047,192	1,011,983	35,209
Public Works				
Public Works Administration	251,678	249,300	242,898	6,402
Highways and Streets	757,967	686,239	667,372	18,867
Right of Way Mowing	-	65,000	61,801	3,199
Storm Drainage	10,314	7,064	6,570	494
Fleet Maintenance	174,411	155,112	149,079	6,033
Cemetery	33,613	21,480	20,321	1,159
Health and Welfare				
Mosquito Control	7,107	1,125	540	585

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Culture and Recreation				
Recreation	1,770,387	1,726,733	1,708,730	18,003
Athletics	89,080	86,580	82,369	4,211
Acworth Achievers/Expanding Horizons	46,500	47,500	46,096	1,404
Roberts School Recreation Ctr.	36,200	38,200	35,844	2,356
Rosenwald School Community Center	8,975	8,130	7,300	830
Neighborhood Playgrounds	3,625	2,375	1,916	459
Southshore Park and Beach	18,400	21,567	19,930	1,637
Dallas Landing Beach and park	33,350	31,760	30,012	1,748
Proctor Landing Beach and Park	34,650	31,120	28,173	2,947
Acworth Sports Complex	126,950	138,555	128,903	9,652
Bobby Van Newberry Park	15,860	20,281	19,717	564
Cauble Park Facilities	63,260	65,389	61,051	4,338
Logan Farm Park Facilities	73,050	87,280	82,480	4,800
Summer Camp Operations	110,590	105,750	102,735	3,015
Special Events Activities	79,500	71,800	69,054	2,746
Senior Citizen Luncheon/Programs	54,800	37,600	33,374	4,226
Parks	15,475	13,350	11,519	1,831
Tree Commission	1,750	1,750	180	1,570
Housing and Development				
Soil Erosion Agricultural Res.	77,507	75,393	73,032	2,361
Protective Building Inspection	341,141	331,108	321,458	9,650
Planning and Zoning	283,022	274,731	266,745	7,986
Historic Preservation	1,030	1,030	-	1,030
Economic Development	137,305	141,958	139,770	2,188
TAD (Disbursement Funds)	261,287	246,397	246,397	-
Debt Service	359,502	327,502	327,501	1
Total Expenditures	<u>13,991,199</u>	<u>13,805,710</u>	<u>13,509,564</u>	<u>296,146</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,463,102)</u>	<u>(584,684)</u>	<u>(335,636)</u>	<u>249,048</u>
Other Financing Sources (uses):				
Transfers In	2,196,041	1,643,552	1,422,644	(220,908)
Transfers Out	(738,319)	(1,083,748)	(1,083,715)	33
Sale of Capital Assets	-	20,835	20,835	-
Total Other Financing Sources (uses)	<u>1,457,722</u>	<u>580,639</u>	<u>359,764</u>	<u>(220,875)</u>
Net Change in Fund Balance	<u>\$ (5,380)</u>	<u>\$ (4,045)</u>	<u>\$ 24,128</u>	<u>\$ 28,173</u>
Fund Balance at Beginning of Year - GAAP Basis			<u>7,884,187</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,908,315</u>	

GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

**CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

		Special Revenue Funds									
		Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor		
Assets:											
Due from other governments		\$ 38,705	-	\$ -	\$ -	-	-	\$ -	-	\$ 38,705	
Due from other funds		-	-	-	-	36,777	4,825	-	-	41,602	
Restricted assets:											
Cash		12,411	5,000	586,953	-	-	-	-	1,500	605,864	
Investments		-	137,301	-	10,425	-	-	-	-	147,726	
Total assets		\$ 51,116	\$ 142,301	\$ 586,953	\$ 10,425	\$ 36,777	\$ 4,825	\$ 1,500	\$ 833,897		
Liabilities:											
Accounts payable		\$ 51,116	-	\$ 3,527	\$ -	24	596	\$ -	-	\$ 55,263	
Due to other funds		-	-	2,600	-	-	-	1,500	-	4,100	
Unearned revenue		-	-	16,733	-	-	-	-	-	16,733	
Total liabilities		51,116	-	22,860	-	24	596	1,500	76,096		
Fund balances:											
Restricted		-	142,301	564,093	10,425	-	-	-	-	716,819	
Committed		-	-	-	-	21,528	-	-	-	21,528	
Assigned		-	-	-	-	15,225	4,229	-	-	19,454	
Total fund balances		-	142,301	564,093	10,425	36,753	4,229	-	757,801		
Total liabilities, deferred inflows of resources, and fund balances		\$ 51,116	\$ 142,301	\$ 586,953	\$ 10,425	\$ 36,777	\$ 4,825	\$ 1,500	\$ 833,897		

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, 2018

	Special Revenue Funds							Total Nonmajor
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	
Revenues:								
Taxes	\$ 432,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,632	\$ 591,896
Intergovernmental	-	-	-	-	-	-	601,143	601,143
Charges for services	-	151,500	-	850	-	-	-	152,350
Fines and forfeitures	-	-	157,938	-	-	-	-	157,938
Investment earnings	-	1,165	-	151	-	-	-	1,316
Other	-	-	330	-	-	3,764	-	4,094
Total revenues	432,264	152,665	158,268	1,001	-	3,764	760,775	1,508,737
Expenditures:								
Current:								
Public safety	-	-	70,790	-	-	-	-	70,790
Public works	-	-	-	2,691	-	-	-	2,691
Housing and development	-	-	-	-	-	39,413	-	39,413
Culture and recreation	270,165	15,748	-	-	5,187	3,500	-	294,600
Debt service	-	-	-	-	119,107	1,303,631	514,378	1,937,116
Total expenditures	270,165	15,748	70,790	2,691	124,294	1,346,544	514,378	2,344,610
Excess (deficiency) of revenues over (under) expenditures	162,099	136,917	87,478	(1,690)	(124,294)	(1,342,780)	246,397	(835,873)
Other financing sources (uses):								
Transfers in	-	-	-	-	129,107	1,321,421	-	1,450,528
Transfers out	(162,099)	-	-	-	-	-	(246,397)	(408,496)
Total other financing sources (uses)	(162,099)	-	-	-	129,107	1,321,421	(246,397)	1,042,032
Net change in fund balance	-	136,917	87,478	(1,690)	4,813	(21,359)	-	206,159
Fund balance at beginning of year	-	5,384	476,615	12,115	31,940	25,588	-	551,642
Fund balance at end of year	\$ -	\$ 142,301	\$ 564,093	\$ 10,425	\$ 36,753	\$ 4,229	\$ -	\$ 757,801

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, 2018 AND 2017**

	2018	2017
Assets:		
Cash	\$ 2,809,103	\$ 3,436,729
Investments	3,829,816	2,947,411
Receivables (net of allowance for estimated uncollectibles):		
Taxes	28,492	24,335
Interest	12,787	13,428
Other	464	5,156
Due from other governments	12,054	187
Due from other funds	194,772	321,833
Prepaid items	152,605	113,343
Restricted assets:		
Cash	3,100,587	3,208,662
Total assets	\$ 10,140,680	\$ 10,071,084
Liabilities:		
Accounts payable	\$ 306,761	\$ 382,344
Accrued liabilities	282,113	241,303
Due to other funds	1,089,696	974,286
Due to component unit	54,247	23,389
Unearned revenue	459,615	528,946
Total liabilities	2,192,432	2,150,268
Deferred inflows of resources:		
Unavailable revenue - property taxes	39,933	36,629
Fund balances:		
Nonspendable	152,605	113,343
Restricted	3,004,277	3,013,675
Assigned	34,078	29,816
Unassigned	4,717,355	4,727,353
Total fund balance	7,908,315	7,884,187
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,140,680	\$ 10,071,084

CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Revenues:		
Taxes	\$ 10,386,223	\$ 9,911,283
Licenses and permits	678,587	334,165
Intergovernmental	39,073	39,501
Charges for services	959,880	754,377
Fines and forfeitures	845,966	1,024,440
Investment earnings	65,637	14,034
Contributions and donations	48,809	46,197
Other	149,753	83,826
Total revenues	13,173,928	12,207,823
Expenditures:		
Current:		
General government	3,020,174	2,432,748
Public safety	5,110,957	5,056,949
Public works	1,148,041	1,155,046
Health and welfare	540	4,954
Housing and development	1,047,402	1,005,063
Judicial	385,566	412,535
Culture and recreation	2,469,383	2,380,850
Debt service	327,501	327,626
Total expenditures	13,509,564	12,775,771
Excess (deficiency) of revenues over (under) expenditures	(335,636)	(567,948)
Other financing sources (uses):		
Transfers in	1,422,644	2,243,614
Transfers out	(1,083,715)	(1,642,126)
Sale of capital assets	20,835	8,178
Total other financing sources (uses)	359,764	609,666
Net change in fund balance	24,128	41,718
Fund balance at beginning of year	7,884,187	7,842,469
Fund balance at end of year	\$ 7,908,315	\$ 7,884,187

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.

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.

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.

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Due from other governments	\$ 38,705	\$ 35,129
Due from other funds	-	397
Restricted assets:		
Cash	12,411	8,410
Total assets	\$ 51,116	\$ 43,936
Liabilities:		
Accounts payable	\$ 51,116	\$ 43,936
Total liabilities	\$ 51,116	\$ 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, 2018 AND 2017

	2018	2017
Revenues:		
Taxes	\$ 432,264	\$ 308,414
Expenditures:		
Current:		
Culture and recreation	270,165	192,759
Excess (deficiency) of revenues over (under) expenditures	162,099	115,655
Other financing sources (uses):		
Transfers out	(162,099)	(115,655)
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, 2018**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 435,000	\$ 432,264	\$ (2,736)
Expenditures:			
Current:			
Culture and recreation	271,875	270,165	1,710
Excess (deficiency) of revenues over (under) expenditures	163,125	162,099	(1,026)
Other financing sources (uses):			
Transfers out	(163,125)	(162,099)	1,026
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, 2018 AND 2017**

	2018	2017
Assets:		
Restricted assets:		
Cash	\$ 5,000	\$ -
Investments	137,301	5,384
Total assets	\$ 142,301	\$ 5,384
Fund balance:		
Restricted	142,301	5,384
Total fund balance	\$ 142,301	\$ 5,384

**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, 2018 AND 2017**

	2018	2017
Revenues:		
Charges for services	\$ 151,500	\$ 12,000
Investment earnings	1,165	794
	152,665	12,794
Total revenues		
Expenditures:		
Current:		
Culture and recreation	15,748	159,000
	136,917	(146,206)
Excess (deficiency) of revenues over (under) expenditures		
	136,917	(146,206)
Net change in fund balance		
	5,384	151,590
Fund balance at beginning of year		
	\$ 142,301	\$ 5,384
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, 2018**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 148,000	\$ 151,500	\$ 3,500
Investment earnings	950	1,165	215
	Total revenues	148,950	152,665
			3,715
Expenditures:			
Current:			
Culture and recreation	150,484	15,748	134,736
	Excess (deficiency) of revenues over (under) expenditures	(1,534)	136,917
			138,451
Net change in fund balance	\$ (1,534)	136,917	\$ 138,451
Fund balance at beginning of year		5,384	
Fund balance at end of year		\$ 142,301	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Restricted assets:		
Cash	\$ 586,953	\$ 488,723
Total assets	\$ 586,953	\$ 488,723
Liabilities:		
Accounts payable	\$ 3,527	\$ 293
Due to other funds	2,600	2,381
Unearned revenue	16,733	9,434
Total liabilities	22,860	12,108
Fund balance:		
Restricted	564,093	476,615
Total fund balance	564,093	476,615
Total liabilities and fund balances	\$ 586,953	\$ 488,723

**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, 2018 AND 2017**

	2018	2017
Revenues:		
Fines and forfeitures	\$ 157,938	\$ 218,298
Other	330	-
	158,268	218,298
Total revenues		
Expenditures:		
Current:		
Public safety	70,790	201,077
	87,478	17,221
Excess (deficiency) of revenues over (under) expenditures		
	87,478	17,221
Net change in fund balance		
	87,478	17,221
Fund balance at beginning of year		
	476,615	459,394
Fund balance at end of year		
	\$ 564,093	\$ 476,615

**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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 127,980	\$ 157,938	\$ 29,958
Other	<u>330</u>	<u>330</u>	<u>-</u>
Total revenues	<u>128,310</u>	<u>158,268</u>	<u>29,958</u>
Expenditures:			
Current:			
Public safety	<u>317,484</u>	<u>70,790</u>	<u>246,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,174)</u>	<u>87,478</u>	<u>276,652</u>
Net change in fund balance	<u>\$ (189,174)</u>	<u>87,478</u>	<u>\$ 276,652</u>
Fund balance at beginning of year		<u>476,615</u>	
Fund balance at end of year		<u>\$ 564,093</u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Restricted assets:		
Investments	\$ 10,425	\$ 14,477
Total assets	\$ 10,425	\$ 14,477
Liabilities:		
Accounts payable	\$ -	\$ 1,963
Due to other funds	-	399
Total liabilities	-	2,362
Fund balance:		
Restricted	10,425	12,115
Total fund balance	10,425	12,115
Total liabilities and fund balance	\$ 10,425	\$ 14,477

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, 2018 AND 2017

	2018	2017
Revenues:		
Charges for services	\$ 850	\$ 1,183
Investment earnings	151	81
	1,001	1,264
Total revenues	1,001	1,264
Expenditures:		
Current:		
Public works	2,691	2,795
	2,691	2,795
Total expenditures	2,691	2,795
Excess (deficiency) of revenues over (under) expenditures	(1,690)	(1,531)
Net change in fund balance	(1,690)	(1,531)
Fund balance at beginning of year	12,115	13,646
Fund balance at end of year	\$ 10,425	\$ 12,115

**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, 2018**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 850	\$ 850	\$ -
Investment earnings	110	151	41
Total revenues	960	1,001	41
Expenditures:			
Current:			
Public works	3,325	2,691	634
Excess (deficiency) of revenues over (under) expenditures	(2,365)	(1,690)	675
Net change in fund balance	\$ (2,365)	(1,690)	\$ 675
Fund balance at beginning of year		12,115	
Fund balance at end of year		\$ 10,425	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Due from other funds	\$ 36,777	\$ 31,975
Total assets	\$ 36,777	\$ 31,975
Liabilities:		
Accounts payable	\$ 24	\$ 35
Total liabilities	24	35
Fund balance:		
Committed	21,528	5,985
Assigned	15,225	25,955
Total fund balance	36,753	31,940
Total liabilities and fund balance	\$ 36,777	\$ 31,975

**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, 2018 AND 2017**

	2018	2017
Revenues:		
Intergovernmental	\$ -	\$ -
Expenditures:		
Current:		
Culture and recreation	5,187	4,699
Debt service	119,107	118,100
Total expenditures	124,294	122,799
Excess (deficiency) of revenues over (under) expenditures	(124,294)	(122,799)
Other financing sources (uses):		
Transfers in	129,107	128,100
Total other financing sources (uses)	129,107	128,100
Net change in fund balance	4,813	5,301
Fund balance at beginning of year	31,940	26,639
Fund balance at end of year	\$ 36,753	\$ 31,940

**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, 2018**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Expenditures:			
Current:			
Culture and recreation	\$ 35,389	\$ 5,187	\$ 30,202
Debt service	<u>119,140</u>	<u>119,107</u>	<u>33</u>
Total expenditures	<u>154,529</u>	<u>124,294</u>	<u>30,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,529)</u>	<u>(124,294)</u>	<u>30,235</u>
Other financing sources (uses):			
Transfers in	<u>129,140</u>	<u>129,107</u>	<u>(33)</u>
Total other financing sources (uses)	<u>129,140</u>	<u>129,107</u>	<u>(33)</u>
Net change in fund balance	<u><u>\$ (25,389)</u></u>	4,813	<u><u>\$ 30,202</u></u>
Fund balance at beginning of year		<u>31,940</u>	
Fund balance at end of year		<u><u>\$ 36,753</u></u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Due from other funds	\$ 4,825	\$ 26,038
Restricted assets:		
Cash	-	7,008,382
Total assets	\$ 4,825	\$ 7,034,420
Liabilities:		
Accounts payable	\$ 596	\$ 450
Due to other funds	-	7,008,382
Total liabilities	596	7,008,832
Fund balance:		
Assigned	4,229	25,588
Total fund balance	4,229	25,588
Total liabilities and fund balance	\$ 4,825	\$ 7,034,420

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, 2018 AND 2017

	2018	2017
Revenues:		
Investment earnings	\$ -	\$ 3
Other	3,764	14,722
	3,764	14,725
Total revenues	3,764	14,725
Expenditures:		
Current:		
Housing and development	39,413	41,033
Culture and recreation	3,500	3,500
Debt service	1,303,631	1,231,582
	1,346,544	1,276,115
Total expenditures	1,346,544	1,276,115
Excess (deficiency) of revenues over (under) expenditures	(1,342,780)	(1,261,390)
Other financing sources (uses):		
Transfers in	1,321,421	1,094,932
Transfers out	-	(7,008,382)
Issuance of debt	-	7,160,000
	1,321,421	1,246,550
Total other financing sources (uses)	1,321,421	1,246,550
Net change in fund balance	(21,359)	(14,840)
Fund balance at beginning of year	25,588	40,428
Fund balance at end of year	\$ 4,229	\$ 25,588

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, 2018

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Other	\$ 3,745	\$ 3,764	\$ 19
Total revenues	<u>3,745</u>	<u>3,764</u>	<u>19</u>
Expenditures:			
Current:			
Housing and development	43,555	39,413	4,142
Culture and recreation	3,500	3,500	-
Debt service	<u>1,303,777</u>	<u>1,303,631</u>	<u>146</u>
Total expenditures	<u>1,350,832</u>	<u>1,346,544</u>	<u>4,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,347,087)</u>	<u>(1,342,780)</u>	<u>4,307</u>
Other financing sources (uses):			
Transfers in	<u>1,321,567</u>	<u>1,321,421</u>	<u>(146)</u>
Total other financing sources (uses)	<u>1,321,567</u>	<u>1,321,421</u>	<u>(146)</u>
Net change in fund balance	<u>\$ (25,520)</u>	(21,359)	<u>\$ 4,161</u>
Fund balance at beginning of year		<u>25,588</u>	
Fund balance at end of year		<u>\$ 4,229</u>	

DEBT SERVICE FUND

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

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

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Restricted assets:		
Cash	\$ 1,500	\$ 1,500
Total assets	\$ 1,500	\$ 1,500
Liabilities:		
Due to other funds	\$ 1,500	\$ 1,500
Total liabilities	1,500	1,500
Fund balance:		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 1,500	\$ 1,500

CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Revenues:		
Taxes	\$ 159,632	\$ 157,339
Intergovernmental	601,143	590,435
Total revenues	760,775	747,774
Expenditures:		
Current:		
Housing and development	-	24
Debt service	514,378	514,792
Total expenditures	514,378	514,816
Excess (deficiency) of revenues over (under) expenditures	246,397	232,958
Other financing sources (uses):		
Transfers out	(246,397)	(232,959)
Total other financing sources (uses)	(246,397)	(232,959)
Net change in fund balance	-	(1)
Fund balance at beginning of year	-	1
Fund balance at end of year	\$ -	\$ -

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, 2018

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 159,632	\$ 159,632	\$ -
Intergovernmental	601,143	601,143	-
Total revenues	<u>760,775</u>	<u>760,775</u>	<u>-</u>
Expenditures:			
Current:			
Debt service	514,378	514,378	-
Total expenditures	<u>514,378</u>	<u>514,378</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246,397</u>	<u>246,397</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	(246,397)	(246,397)	-
Total other financing sources (uses)	<u>(246,397)</u>	<u>(246,397)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year		<u>-</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 2011 and 2016.

**CITY OF ACWORTH, GEORGIA
CAPITAL IMPROVEMENT
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Assets:		
Cash	\$ 12,192	\$ -
Investments	59,541	58,754
Receivables, net	3,289	-
Due from other governments	107,795	3,150
Due from other funds	422,875	7,128,720
Prepaid items	193,837	-
Restricted cash	<u>5,044,975</u>	<u>-</u>
Total assets	<u><u>\$ 5,844,504</u></u>	<u><u>\$ 7,190,624</u></u>
Liabilities:		
Accounts payable	\$ 424,266	\$ 21,724
Retainage payable	342,788	-
Due to other funds	64,349	12,382
Deferred revenue	<u>71,499</u>	<u>-</u>
Total liabilities	<u>902,902</u>	<u>34,106</u>
Fund balance:		
Nonspendable	193,837	-
Restricted	4,303,343	7,008,382
Committed	71,906	1,950
Assigned	<u>372,516</u>	<u>146,186</u>
Total fund balance	<u>4,941,602</u>	<u>7,156,518</u>
Total liabilities and fund balance	<u><u>\$ 5,844,504</u></u>	<u><u>\$ 7,190,624</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, 2018 AND 2017**

	2018	2017
Revenues:		
Forfeitures	\$ 150,000	\$ -
Intergovernmental	1,584,328	27,673
Investment earnings	20,243	381
Total revenues	1,754,571	28,054
Expenditures:		
Capital outlay	4,308,893	722,471
Total expenditures	4,308,893	722,471
Excess (deficiency) of revenues over (under) expenditures	(2,554,322)	(694,417)
Other financing sources (uses):		
Transfers in	339,406	8,135,054
Total other financing sources (uses)	339,406	8,135,054
Net change in fund balance	(2,214,916)	7,440,637
Fund balance at beginning of year	7,156,518	(284,119)
Fund balance at end of year	\$ 4,941,602	\$ 7,156,518

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2018 AND 2017**

	2018	2017
Assets:		
Due from other governments	\$ 999,936	\$ 1,445,759
Prepaid items	625,000	375,000
Restricted assets:		
Cash	8,459,919	4,374,090
Investments	-	-
Total assets	\$ 10,084,855	\$ 6,194,849
Liabilities:		
Accounts payable	\$ 725,793	\$ 114,635
Retainage payable	281,892	28,501
Due to other funds	103,981	200,000
Total liabilities	1,111,666	343,136
Fund balance:		
Nonspendable	625,000	375,000
Restricted	8,348,189	5,476,713
Total fund balance	8,973,189	5,851,713
Total liabilities and fund balances	\$ 10,084,855	\$ 6,194,849

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Revenues:		
Intergovernmental	\$ 8,088,241	\$ 8,228,347
Investment earnings	<u>-</u>	<u>98</u>
Total revenues	<u>8,088,241</u>	<u>8,228,445</u>
Expenditures:		
Capital outlay	4,729,940	5,935,204
Debt service	<u>236,825</u>	<u>164,802</u>
Total expenditures	<u>4,966,765</u>	<u>6,100,006</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,121,476</u>	<u>2,128,439</u>
Net change in fund balance	3,121,476	2,128,439
Fund balance at beginning of year	<u>5,851,713</u>	<u>3,723,274</u>
Fund balance at end of year	<u><u>\$ 8,973,189</u></u>	<u><u>\$ 5,851,713</u></u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017 (As Restated)
Assets:		
Current assets:		
Cash	\$ 4,756,301	\$ 4,216,570
Investments	2,814,199	1,945,138
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,792,576	1,646,804
Due from other governments	-	93,715
Due from other funds	338,786	557,202
Inventory	1,020,632	872,413
Prepaid items	28,668	22,655
Restricted assets:		
Cash	1,236,796	1,227,739
Investments	6,453,771	5,547,784
	<u>18,441,729</u>	<u>16,130,020</u>
Noncurrent assets:		
Property, plant and equipment, net	5,116,774	4,696,952
Total assets	<u>23,558,503</u>	<u>20,826,972</u>
Deferred outflows of resources:		
Related to pensions	87,111	61,525
Related to OPEB	6,072	6,050
Total deferred outflows of resources	<u>93,183</u>	<u>67,575</u>
Liabilities:		
Current liabilities:		
Accounts payable	642,052	612,548
Accrued liabilities	41,930	38,023
Due to other funds	361,120	266,745
Customer deposits	978,287	980,160
Accrued compensated absences	55,826	49,914
Capital lease obligations	87,513	58,864
Total current liabilities	<u>2,166,728</u>	<u>2,006,254</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	13,957	12,478
Total OPEB obligation/liability	1,909,859	2,037,720
Net pension liability	366,831	292,127
Capital lease obligations	222,336	142,628
Total long-term liabilities	<u>2,512,983</u>	<u>2,484,953</u>
Total liabilities	<u>4,679,711</u>	<u>4,491,207</u>
Deferred inflows of resources:		
Deferred regulatory credits	4,423,674	3,636,305
Related to pensions	52,640	767
Related to OPEB	280,280	-
Total deferred inflows of resources	<u>4,756,594</u>	<u>3,637,072</u>
Net position:		
Net investment in capital assets	4,806,925	4,495,460
Unrestricted	9,408,456	8,270,808
Total net position	<u>\$ 14,215,381</u>	<u>\$ 12,766,268</u>

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017 (1)
Operating revenues:		
Charges for services	\$ 12,796,907	\$ 12,980,245
Other	509,408	606,785
Total operating revenues	13,306,315	13,587,030
Operating expenses:		
Personal services	1,724,623	1,686,678
Operating	8,324,953	8,591,037
Depreciation	544,186	498,170
Total operating expenses	10,593,762	10,775,885
Operating income	2,712,553	2,811,145
Nonoperating revenues (expenses):		
Gain (loss) on disposal of capital assets	383	(138,671)
Interest income	98,006	36,639
Interest expense	(7,390)	(5,011)
Total nonoperating revenues (expenses)	90,999	(107,043)
Income before contributions and transfers	2,803,552	2,704,102
Capital contributions	47,383	23,153
Transfers out	(1,401,822)	(2,307,578)
Increase (decrease) in net position	1,449,113	419,677
Net position at beginning of year - before restatement	13,793,715	13,374,038
Restatement	(1,027,447)	-
Net position at beginning of year - after restatement	12,766,268	13,374,038
Net position at end of year	\$ 14,215,381	\$ 13,793,715

(1) The effect of implementing GASB No. 75 to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017 (1)
Cash flows from (to) operating activities:		
Cash received from customers	\$13,158,670	\$ 13,790,669
Cash payments for goods and services	(7,255,806)	(8,281,390)
Cash payments for employee services and fringe benefits	(1,459,937)	(1,368,415)
Net cash from operating activities	4,442,927	4,140,864
Cash flows from (to) noncapital financing activities:		
Transfers out	(1,401,822)	(2,307,578)
Net cash to noncapital financing activities	(1,401,822)	(2,307,578)
Cash flows from (to) capital and related financing activities:		
Contributed capital	47,383	23,153
Proceeds from sale of capital assets	383	64,000
Interest paid	(7,390)	(5,011)
Payments for capital acquisitions	(765,474)	(392,895)
Principal payments on long-term obligations	(90,176)	(88,562)
Net cash from (to) capital and related financing activities	(815,274)	(399,315)
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(1,775,049)	(153,785)
Interest received from investments	98,006	36,639
Net cash from (to) investing activities	(1,677,043)	(117,146)
Net increase (decrease) in cash	548,788	1,316,825
Cash at beginning of year (including \$1,227,739 and \$1,193,089 in restricted cash)	5,444,309	4,127,484
Cash at end of year (including and \$1,236,796 \$1,227,739 in restricted cash)	\$ 5,993,097	\$ 5,444,309

(1) The effect of implementing GASB No. 75 to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017 (1)
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 2,712,553	\$ 2,811,145
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	544,186	498,170
(Increase) decrease in utility accounts receivable	(145,772)	183,928
(Increase) decrease in due from other governments	93,715	(65,926)
(Increase) decrease in due from other funds	218,416	(127,105)
(Increase) decrease in inventory	(148,219)	(107,461)
(Increase) decrease in prepaid items	(6,013)	(881)
(Increase) decrease in deferred outflows of resources	(25,608)	29,104
Increase (decrease) in accounts payable	29,504	(79,770)
Increase (decrease) in accrued liabilities	11,298	16,422
Increase (decrease) in due to other funds	94,375	(112,754)
Increase (decrease) in customer deposits	(1,873)	19,711
Increase (decrease) in total OPEB obligation/liability	(127,861)	300,069
Increase (decrease) in net pension liability	74,704	(27,454)
Increase (decrease) in deferred inflows of resources	1,119,522	803,666
Net cash from operating activities	\$ 4,442,927	\$ 4,140,864
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchased through capital lease	\$ 198,533	\$ -

(1) The effect of implementing GASB No. 75 to previously reported changes in net position has not been determined.

**CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017**

	2018	2017 (As Restated)
Assets:		
Current assets:		
Cash	\$ 775,083	\$ 913,968
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	144,621	130,671
Due from other funds	283,693	272,576
Prepaid items	-	514
Total current assets	1,203,397	1,317,729
Noncurrent assets:		
Property, plant and equipment, net	646,549	607,491
Total assets	1,849,946	1,925,220
 Deferred outflows of resources:		
Related to pensions	47,515	39,153
Related to OPEB	4,857	4,840
Total deferred outflows of resources	52,372	43,993
 Liabilities:		
Current liabilities:		
Accounts payable	26,356	27,450
Accrued liabilities	19,310	18,664
Accrued compensated absences	15,261	17,750
Due to other funds	27,561	21,503
Customer deposits	279,922	266,745
Capital lease obligations	79,962	78,578
Total current liabilities	448,372	430,690
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,815	4,437
Total OPEB obligation/liability	1,527,887	1,630,176
Net pension liability	200,090	185,899
Capital lease obligations	176,810	256,658
Total long-term liabilities	1,908,602	2,077,170
Total liabilities	2,356,974	2,507,860
 Deferred inflows of resources:		
Related to pensions	28,713	488
Related to OPEB	224,224	-
Total deferred inflows of resources	252,937	488
 Net position:		
Net investment in capital assets	389,777	272,255
Unrestricted	(1,097,370)	(811,390)
Total net position	\$ (707,593)	\$ (539,135)

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017 (1)
Operating revenues:		
Charges for services	\$ 1,859,419	\$ 1,790,092
Total operating revenues	1,859,419	1,790,092
Operating expenses:		
Personal services	966,509	954,602
Operating	676,249	591,514
Depreciation	147,529	137,760
Total operating expenses	1,790,287	1,683,876
Operating income (loss)	69,132	106,216
Nonoperating revenues (expenses):		
Interest expense	(6,849)	(3,691)
Total nonoperating revenues (expenses)	(6,849)	(3,691)
Income (loss) before transfers	62,283	102,525
Transfers out	(230,741)	(215,000)
Increase (decrease) in net position	(168,458)	(112,475)
Net position at beginning of year - before restatement	677,574	790,049
Restatement	(1,216,709)	-
Net position at beginning of year - after restatement	(539,135)	790,049
Net position at end of year	\$ (707,593)	\$ 677,574

(1) The effect of implementing GASB No. 75 to previously reported changes in net position has not been determined.

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017 (1)</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,858,646	\$ 1,818,060
Cash payments for goods and services	(681,888)	(544,633)
Cash payments for employee services and fringe benefits	<u>(813,002)</u>	<u>(806,077)</u>
Net cash from (to) operating activities	<u>363,756</u>	<u>467,350</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	<u>(230,741)</u>	<u>(215,000)</u>
Net cash from (to) noncapital financing activities	<u>(230,741)</u>	<u>(215,000)</u>
Cash flows from (to) capital and related financing activities:		
Interest paid	(6,849)	(3,691)
Payments for capital acquisitions	(186,587)	(7,873)
Principal payments on long-term obligations	<u>(78,464)</u>	<u>(40,543)</u>
Net cash from (to) capital and related financing activities	<u>(271,900)</u>	<u>(52,107)</u>
Net increase (decrease) in cash	(138,885)	200,243
Cash at beginning of year	<u>913,968</u>	<u>713,725</u>
Cash at end of year	<u>\$ 775,083</u>	<u>\$ 913,968</u>
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 69,132	\$ 106,216
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	147,529	137,760
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(13,950)	12,360
(Increase) decrease in due from other funds	(11,117)	48,305
(Increase) decrease in prepaid items	514	(514)
(Increase) decrease in deferred outflows of resources	(8,379)	18,520
Increase (decrease) in accounts payable	(1,094)	(6,475)
Increase (decrease) in accrued liabilities	(2,465)	6,740
Increase (decrease) in due to other funds	6,058	5,565
Increase (decrease) in customer deposits	13,177	15,608
Increase (decrease) in total OPEB obligation/liability	(102,289)	140,658
Increase (decrease) in net pension liability	14,191	(17,471)
Increase (decrease) in deferred inflows of resources	<u>252,449</u>	<u>78</u>
Net cash from operating activities	<u>\$ 363,756</u>	<u>\$ 467,350</u>
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchased through capital lease	<u>\$ -</u>	<u>\$ 232,457</u>

(1) The effect of implementing GASB No. 75 to previously reported changes in net position has not been determined.

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INTERNAL SERVICE FUNDS

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

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

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

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Customer Service		Totals
	Fund	Insurance	
Assets:			
Current assets:			
Cash	\$ 110,326	\$ -	\$ 110,326
Accounts receivable	2,885	51,513	54,398
Due from other funds	136,761	249,728	386,489
Prepaid items	3,451	274,882	278,333
	<hr/>	<hr/>	<hr/>
Total current assets	253,423	576,123	829,546
Noncurrent assets:			
Property, plant and equipment, net	4,012	-	4,012
	<hr/>	<hr/>	<hr/>
Total assets	<hr/> 257,435	<hr/> 576,123	<hr/> 833,558
Deferred outflows of resources:			
Related to pensions	39,596	-	39,596
	<hr/>	<hr/>	<hr/>
Liabilities:			
Current liabilities:			
Accounts and claims payable	8,160	21,571	29,731
Accrued liabilities	15,467	-	15,467
Due to other funds	-	17,410	17,410
Accrued compensated absences	11,890	-	11,890
	<hr/>	<hr/>	<hr/>
Total current liabilities	35,517	38,981	74,498
Long-term liabilities (net of current portion):			
Accrued compensated absences	2,972	-	2,972
Net pension liability	166,742	-	166,742
	<hr/>	<hr/>	<hr/>
Total long-term liabilities	169,714	-	169,714
	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/> 205,231	<hr/> 38,981	<hr/> 244,212
Deferred inflows of resources:			
Related to pensions	23,927	-	23,927
	<hr/>	<hr/>	<hr/>
Net position:			
Invested in capital assets	4,012	-	4,012
Unrestricted	63,861	537,142	601,003
	<hr/>	<hr/>	<hr/>
Total net position	<hr/> \$ 67,873	<hr/> \$ 537,142	<hr/> \$ 605,015

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 761,812	\$ 2,817,954	\$ 3,579,766
Other	29,729	-	29,729
Total operating revenues	<u>791,541</u>	<u>2,817,954</u>	<u>3,609,495</u>
Operating expenses:			
Personal services	601,027	-	601,027
Operating	101,660	2,679,383	2,781,043
Depreciation	1,050	-	1,050
Total operating expenses	<u>703,737</u>	<u>2,679,383</u>	<u>3,383,120</u>
Operating income (loss)	<u>87,804</u>	<u>138,571</u>	<u>226,375</u>
Income (loss) before transfers	87,804	138,571	226,375
Transfers out	<u>(87,804)</u>	<u>-</u>	<u>(87,804)</u>
Increase (decrease) in net position	-	138,571	138,571
Net position at beginning of year	<u>67,873</u>	<u>398,571</u>	<u>466,444</u>
Net position at end of year	<u><u>\$ 67,873</u></u>	<u><u>\$ 537,142</u></u>	<u><u>\$ 605,015</u></u>

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 656,544	\$ 2,753,753	\$ 3,410,297
Cash payments for goods and services	(103,312)	-	(103,312)
Cash payments for benefits and claims	-	(2,753,753)	(2,753,753)
Cash payments for employee services and fringe benefits	(534,013)	-	(534,013)
Net cash from (to) operating activities	<u>19,219</u>	<u>-</u>	<u>19,219</u>
Cash flows from (to) noncapital financing activities:			
Transfers out	(87,804)	-	(87,804)
Net cash from (to) noncapital financing activities	<u>(87,804)</u>	<u>-</u>	<u>(87,804)</u>
Net increase (decrease) in cash	(68,585)	-	(68,585)
Cash at beginning of year	<u>178,911</u>	<u>-</u>	<u>178,911</u>
Cash at end of year	<u>\$ 110,326</u>	<u>\$ -</u>	<u>\$ 110,326</u>
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 87,804	\$ 138,571	\$ 226,375
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:			
Depreciation	1,050	-	1,050
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(966)	(45,563)	(46,529)
(Increase) decrease in due from other funds	(134,031)	(18,638)	(152,669)
(Increase) decrease in prepaid items	(62)	(5,329)	(5,391)
(Increase) decrease in deferred outflows of resources	(17,223)	-	(17,223)
Increase (decrease) in accounts and claims payable	(1,590)	(1,468)	(3,058)
Increase (decrease) in accrued liabilities	75	-	75
Increase (decrease) in due to other funds	-	(67,573)	(67,573)
Increase (decrease) in net pension liability	60,514	-	60,514
Increase (decrease) in deferred inflows of resources	23,648	-	23,648
Net cash from (to) operating activities	<u>\$ 19,219</u>	<u>\$ -</u>	<u>\$ 19,219</u>

CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017

Assets:	2018	2017
Current assets:		
Cash	\$ 110,326	\$ 178,911
Accounts receivable	2,885	1,919
Due from other funds	136,761	2,730
Prepaid items	3,451	3,389
Total current assets	253,423	186,949
Noncurrent assets:		
Property, plant and equipment, net	4,012	5,062
Total assets	257,435	192,011
Deferred outflows of resources:		
Related to pensions	39,596	22,373
Liabilities:		
Current liabilities:		
Accounts payable	8,160	9,750
Accrued liabilities	15,467	15,197
Accrued compensated absences	11,890	12,046
Total current liabilities	35,517	36,993
Long-term liabilities (net of current portion):		
Accrued compensated absences	2,972	3,011
Net pension liability	166,742	106,228
Total long-term liabilities	169,714	109,239
Total liabilities	205,231	146,232
Deferred inflows of resources:		
Related to pensions	23,927	279
Net position:		
Net investment in capital assets	4,012	5,062
Unrestricted	63,861	62,811
Total net position	\$ 67,873	\$ 67,873

**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, 2018 AND 2017**

	2018	2017
Operating revenues:		
Charges for services	\$ 761,812	\$ 718,000
Other	29,729	21,324
	791,541	739,324
Operating expenses:		
Personal services	601,027	544,818
Operating	101,660	104,853
Depreciation	1,050	187
	703,737	649,858
Operating income (loss)	87,804	89,466
Income (loss) before transfers	87,804	89,466
Transfers out	(87,804)	(80,000)
Increase (decrease) in net position	-	9,466
Net position at beginning of year	67,873	58,407
Net position at end of year	\$ 67,873	\$ 67,873

**CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 656,544	\$ 793,065
Cash payments for goods and services	(103,312)	(101,330)
Cash payments for employee services and fringe benefits	<u>(534,013)</u>	<u>(540,640)</u>
 Net cash from (to) operating activities	 <u>19,219</u>	 <u>151,095</u>
 Cash flows from (to) noncapital financing activities:		
Transfers out	<u>(87,804)</u>	<u>(80,000)</u>
 Net cash from (to) noncapital financing activities	 <u>(87,804)</u>	 <u>(80,000)</u>
 Cash flows from (to) capital and related financing activities:		
Payments for capital acquisitions	<u>-</u>	<u>(5,249)</u>
 Net increase (decrease) in cash	 (68,585)	 65,846
 Cash at beginning of year	 <u>178,911</u>	 <u>113,065</u>
 Cash at end of year	 <u><u>\$ 110,326</u></u>	 <u><u>\$ 178,911</u></u>
 Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 87,804	\$ 89,466
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Depreciation	1,050	187
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(966)	(58)
(Increase) decrease in due from other funds	(134,031)	53,799
(Increase) decrease in prepaid items	(62)	433
(Increase) decrease in deferred outflows of resources	(17,223)	10,583
Increase (decrease) in accounts payable	(1,590)	3,090
Increase (decrease) in accrued liabilities	75	3,533
Increase (decrease) in net pension liability	60,514	(9,983)
Increase (decrease) in deferred inflows of resources	<u>23,648</u>	<u>45</u>
 Net cash from (to) operating activities	 <u><u>\$ 19,219</u></u>	 <u><u>\$ 151,095</u></u>

CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017

Assets:	2018	2017
Current assets:		
Accounts receivable	\$ 51,513	\$ 5,950
Due from other funds	249,728	231,090
Prepaid items	274,882	269,553
Total current assets	576,123	506,593
Total assets	576,123	506,593
Liabilities:		
Current liabilities:		
Accounts and claims payable	21,571	23,039
Due to other funds	17,410	84,983
Total liabilities	38,981	108,022
Net position:		
Unrestricted	537,142	398,571
Total net position	\$ 537,142	\$ 398,571

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Charges for services	\$ 2,817,954	\$ 3,139,721
Total operating revenues	<u>2,817,954</u>	<u>3,139,721</u>
Operating expenses:		
Operating	<u>2,679,383</u>	<u>3,366,144</u>
Total operating expenses	<u>2,679,383</u>	<u>3,366,144</u>
Operating income (loss)	<u>138,571</u>	<u>(226,423)</u>
Increase (decrease) in net position	138,571	(226,423)
Net position at beginning of year	<u>398,571</u>	<u>624,994</u>
Net position at end of year	<u>\$ 537,142</u>	<u>\$ 398,571</u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$ 2,753,753	\$ 3,605,431
Cash payments for benefits and claims	(2,753,753)	(3,605,431)
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)	\$ 138,571	\$ (226,423)
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(45,563)	20,031
(Increase) decrease in due from other funds	(18,638)	445,679
(Increase) decrease in prepaid items	(5,329)	(120,080)
Increase (decrease) in accounts and claims payable	(1,468)	(204,190)
Increase (decrease) in due to other funds	(67,573)	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, 2018

	Acworth Tourism Bureau Authority
Assets:	
Due from other governments	\$ 43,705
Due from primary government	54,247
Prepaid items	1,667
Total assets	\$ 99,619
Liabilities:	
Accounts payable	\$ 2,080
Total liabilities	2,080
Fund balances:	
Nonspendable	1,667
Restricted	95,872
Total fund balances	97,539
Total liabilities and fund balances	\$ 99,619
Total fund balance	\$ 97,539
Capital assets used in the component unit are not financial resources and, therefore, are not reported in the funds.	640
Net position of component unit	\$ 98,179

**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, 2018**

	Acworth Tourism Bureau Authority
Revenues:	
Intergovernmental	\$ 111,566
Investment earnings	660
Total revenues	112,226
Expenditures:	
Culture and recreation	66,532
Total expenditures	66,532
Excess (deficiency) of revenues over (under) expenditures	45,694
Net change in fund balance	45,694
Fund balance at beginning of year	51,845
Fund balance at end of year	\$ 97,539

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	\$ (1,829)
Net change in fund balance	45,694
Change in net position of component unit on the statement of activities	\$ 43,865

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
Tax Allocation District Bonds - Series 2013	12/01/18	\$ 472,054	\$ 47,054	\$ 425,000
Lakeside Project ;\$5,595,000	06/01/19	41,656	41,656	-
bi-annual debt service; 2.54%	12/01/19	476,656	41,656	435,000
Debt service is paid from tax increment within district.	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	6,417	-
		<u>\$ 4,093,564</u>	<u>\$ 388,565</u>	<u>\$ 3,705,000</u>
Jail & Court Services Facility Renovations and Addition	1/7/2019	\$ 280,183	\$ 51,094	\$ 229,089
\$3,840,000; Fixed Rate - 3.41%	7/7/2019	47,188	47,188	-
Mature - 01/07/2029	1/7/2020	284,089	47,188	236,901
	7/7/2020	43,149	43,149	-
	1/7/2021	288,129	43,149	244,979
	7/7/2021	38,972	38,972	-
	1/7/2022	292,306	38,972	253,333
	7/7/2022	34,653	34,653	-
	1/7/2023	296,625	34,653	261,972
	7/7/2023	30,186	30,186	-
	1/7/2024	301,091	30,186	270,905
	7/7/2024	25,567	25,567	-
	1/7/2025	305,710	25,567	280,143
	7/7/2025	20,791	20,791	-
	1/7/2026	310,487	20,791	289,696
	7/7/2026	15,852	15,852	-
	1/7/2027	315,426	15,852	299,574
	7/7/2027	10,744	10,744	-
	1/7/2028	320,534	10,744	309,790
	7/7/2028	5,462	5,462	-
	1/7/2029	325,815	5,462	320,353
		<u>\$ 3,592,961</u>	<u>\$ 596,226</u>	<u>\$ 2,996,736</u>
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2018	\$ 15,399	\$ 15,399	\$ -
Interest payment semi-annual; Principal payment annually	4/1/2019	357,399	15,399	342,000
1.74% Interest Rate	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
	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>\$ 1,863,438</u>	<u>\$ 93,438</u>	<u>\$ 1,770,000</u>

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
CableNET Project Refunding Bonds; Series 2008	1/1/2019	\$ 115,924	\$ 115,924	\$ -
\$9,645,000; Fixed Rate - 3.97%	7/1/2019	595,924	115,924	480,000
Mature - 07/01/2028	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>\$ 7,196,152</u>	<u>\$ 1,356,152</u>	<u>\$ 5,840,000</u>
Downtown Project Series 2017	1/1/2019	\$ 79,931	\$ 79,931	\$ -
\$7,160,000; Fixed Rate - 2.250%	7/1/2019	264,931	79,931	185,000
Mature - 07/01/2031	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	217,419	2,419	215,000
		<u>\$ 8,549,613</u>	<u>\$ 1,444,613</u>	<u>\$ 7,105,000</u>
Police Radios - IGA Cobb County	9/1/2018	\$ 6,500.0	\$ 232.4	\$ 6,267.6
\$373,397.45 @ 1.43% withheld from monthly disbursements	10/1/2018	6,500	218	6,282
60 Months	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

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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
	12/1/2019	6,500	113	6,387
	1/1/2020	6,500	109	6,391
	2/1/2020	6,500	102	6,398
	3/1/2020	6,500	88	6,412
	4/1/2020	6,500	86	6,414
	5/1/2020	6,500	76	6,424
	6/1/2020	6,500	70	6,430
	7/1/2020	6,500	61	6,439
	8/1/2020	6,500	55	6,445
	9/1/2020	6,500	47	6,453
	10/1/2020	6,500	38	6,462
	11/1/2020	6,500	31	6,469
	12/1/2020	6,500	23	6,477
	1/1/2021	6,500	16	6,484
	2/1/2021	6,500	129	6,371
		<u>\$ 195,000</u>	<u>\$ 3,679</u>	<u>\$ 191,321</u>
Net pension liability				\$ 2,601,168
Net OPEB liability				9,294,646
Accrued compensated absences				260,836
TOTAL GENERAL LONG-TERM DEBT				<u><u>\$ 33,764,707</u></u>
ENTERPRISE FUNDS				
Electrical Power Fund				
2017 Bucket Truck	7/18/2018	\$ 3,558	\$ 412	\$ 3,146
09/18/2017 - \$198,533; 2.440%; 60 months	8/18/2018	3,558	405	3,153
\$3,518.19.60/monthly	9/18/2018	3,558	397	3,161
*Note April 4,2018 interest rate changed 2.960% 53 months	10/18/2018	3,558	389	3,169
\$3,557.95/monthly	11/18/2018	3,558	381	3,177
	12/18/2018	3,558	373	3,185
	1/18/2019	3,558	366	3,192
	2/18/2019	3,558	358	3,200
	3/18/2019	3,558	350	3,208
	4/18/2019	3,558	342	3,216
	5/18/2019	3,558	334	3,224
	6/18/2019	3,558	326	3,232
	7/18/2019	3,558	318	3,240
	8/18/2019	3,558	310	3,248
	9/18/2019	3,558	302	3,256
	10/18/2019	3,558	294	3,264
	12/18/2019	3,558	278	3,280
	1/18/2020	3,558	270	3,288
	2/18/2020	3,558	262	3,296
	3/18/2020	3,558	253	3,304
	4/18/2020	3,558	245	3,313
	5/18/2020	3,558	237	3,321
	6/18/2020	3,558	229	3,329
	7/18/2020	3,558	221	3,337
	8/18/2020	3,558	213	3,345
	9/18/2020	3,558	204	3,354
	10/18/2020	3,558	196	3,362
	11/18/2020	3,558	188	3,370
	12/18/2020	3,558	179	3,379

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	1/18/2021	3,558	171	3,387
	2/18/2021	3,558	163	3,395
	3/18/2021	3,558	154	3,404
	4/18/2021	3,558	146	3,412
	5/18/2021	3,558	138	3,420
	6/18/2021	3,558	129	3,429
	7/18/2021	3,558	121	3,437
	8/18/2021	3,558	112	3,446
	9/18/2021	3,558	104	3,454
	10/18/2021	3,558	95	3,463
	11/18/2021	3,558	87	3,471
	12/18/2021	3,558	78	3,480
	1/18/2022	3,558	69	3,489
	2/18/2022	3,558	61	3,497
	3/18/2022	3,558	52	3,506
	4/18/2022	3,558	44	3,514
	5/18/2022	3,558	35	3,523
	6/18/2022	3,558	26	3,532
	7/18/2022	3,558	17	3,540
	8/18/2022	3,558	9	3,549
		<u>\$ 177,898</u>	<u>\$ 10,727</u>	<u>\$ 167,171</u>
04/25/2016; \$246,429; 1.98%; 60 months	8/25/2018	\$ 4,346	\$ 279	\$ 4,067
\$4,317.19/monthly	9/25/2018	4,346	271	4,075
*Note April 4,2018 interest rate changed 2.410% 34 months	10/25/2018	4,346	262	4,084
\$4,345.55/monthly	11/25/2018	4,346	254	4,092
	12/25/2018	4,346	246	4,100
	1/25/2019	4,346	238	4,108
	2/25/2019	4,346	230	4,116
	3/25/2019	4,346	221	4,125
	4/25/2019	4,346	213	4,133
	5/25/2019	4,346	205	4,141
	6/25/2019	4,346	196	4,150
	7/25/2019	4,346	188	4,158
	8/25/2019	4,346	180	4,166
	9/25/2019	4,346	171	4,175
	10/25/2019	4,346	163	4,183
	11/25/2019	4,346	155	4,191
	12/25/2019	4,346	146	4,200
	1/25/2020	4,346	138	4,208
	2/25/2020	4,346	129	4,217
	3/25/2020	4,346	121	4,225
	4/25/2020	4,346	112	4,234
	5/25/2020	4,346	104	4,242
	6/25/2020	4,346	95	4,251
	7/25/2020	4,346	87	4,259
	8/25/2020	4,346	78	4,268
	9/25/2020	4,346	70	4,276
	10/25/2020	4,346	61	4,285
	11/25/2020	4,346	52	4,294
	12/25/2020	4,346	44	4,302
	1/25/2021	4,346	35	4,311
	2/25/2021	4,346	27	4,319
	3/25/2021	4,346	18	4,328
	4/25/2021	4,346	11	4,335
		<u>\$ 147,764</u>	<u>\$ 5,086</u>	<u>\$ 142,678</u>
Net pension liability				366,831
Total OPEB liability				1,909,859

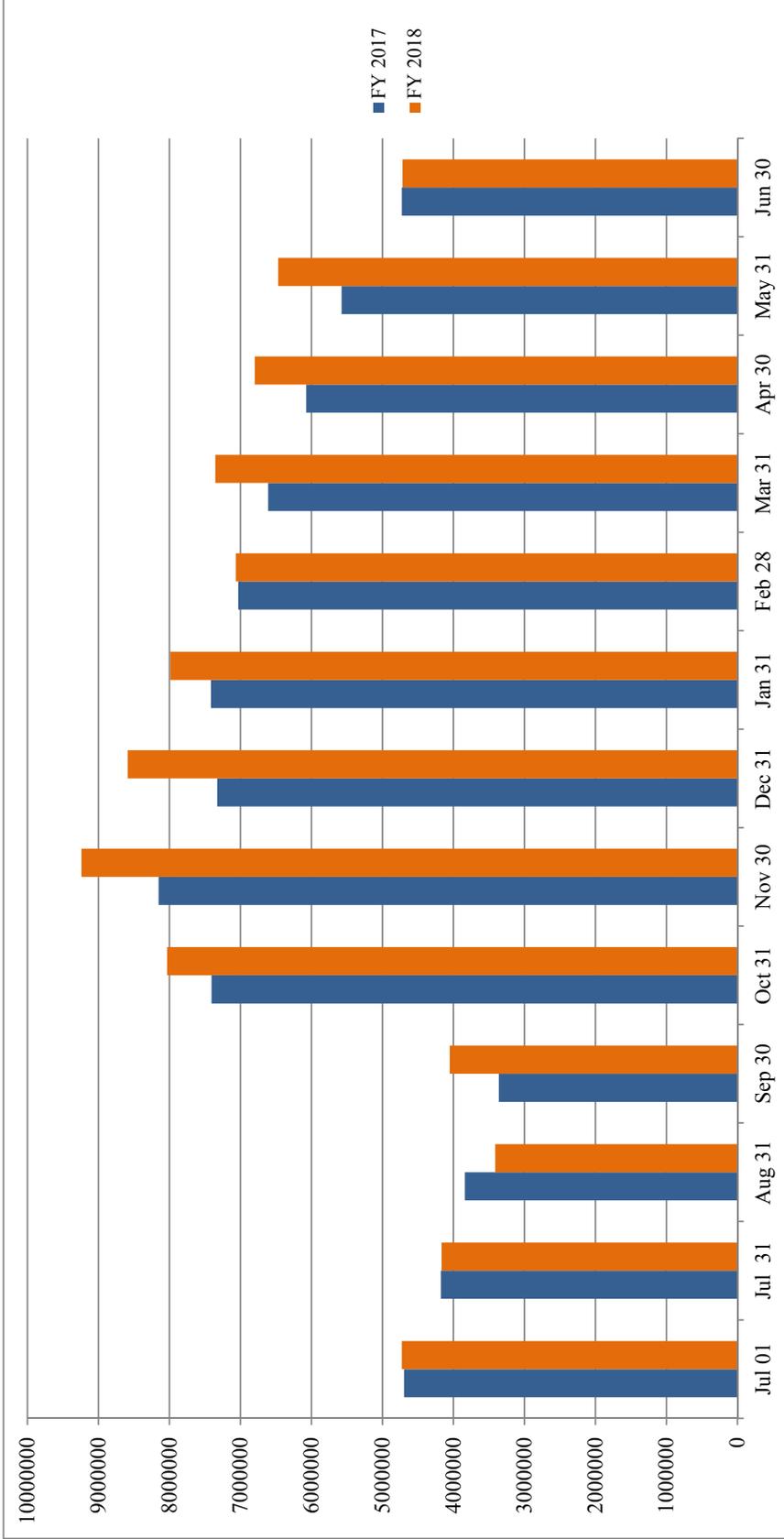
**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
Compensated Absences				69,783
Total Electrical Power Fund				\$ 2,656,322
Sanitation Fund				
2016 Freightliner Sanitation Truck	8/4/2018	\$ 3,022	\$ 172	\$ 2,850
09/04/2015 - \$170,431; 2.22%; 60 months	9/4/2018	3,022	165	2,856
\$3,003.71/monthly	10/4/2018	3,022	159	2,863
*Note April 4,2018 interest rate changed 2.70% 26 months	11/4/2018	3,022	152	2,869
\$3,021.57/monthly	12/4/2018	3,022	146	2,876
	1/4/2019	3,022	139	2,882
	2/4/2019	3,022	133	2,889
	3/4/2019	3,022	126	2,895
	4/4/2019	3,022	120	2,902
	5/4/2019	3,022	113	2,908
	6/4/2019	3,022	107	2,915
	7/4/2019	3,022	100	2,921
	8/4/2019	3,022	94	2,928
	9/4/2019	3,022	87	2,935
	10/4/2019	3,022	80	2,941
	11/4/2019	3,022	74	2,948
	1/4/2020	3,022	61	2,961
	4/4/2020	3,022	40	2,981
	5/4/2020	3,022	34	2,988
	6/4/2020	3,022	27	2,995
	7/4/2020	3,022	20	3,001
	8/4/2020	3,022	14	3,008
	9/4/2020	3,022	7	3,015
		\$ 78,561	\$ 2,337	\$ 76,224
2017 Freightliner Street Sweeper	7/12/2018	\$ 4,134	\$ 402	\$ 3,732
04/12/2017 - \$232,457; 2.20%; 60 months	8/12/2018	4,134	393	3,740
\$4,094.82/monthly	9/12/2018	4,134	385	3,749
*Note April 4,2018 interest rate changed 2.670% 46 months	10/12/2018	4,134	377	3,757
\$4,133.59/monthly	11/12/2018	4,134	368	3,765
	12/12/2018	4,134	360	3,774
	1/12/2019	4,134	352	3,782
	2/12/2019	4,134	343	3,790
	3/12/2019	4,134	335	3,799
	4/12/2019	4,134	326	3,807
	5/12/2019	4,134	318	3,816
	6/12/2019	4,134	309	3,824
	7/12/2019	4,134	301	3,833
	8/12/2019	4,134	292	3,841
	9/12/2019	4,134	284	3,850
	10/12/2019	4,134	275	3,858
	11/12/2019	4,134	267	3,867
	12/12/2019	4,134	258	3,876
	1/12/2020	4,134	249	3,884
	2/12/2020	4,134	241	3,893
	3/12/2020	4,134	232	3,902
	4/12/2020	4,134	223	3,910
	5/12/2020	4,134	215	3,919
	6/12/2020	4,134	206	3,928
	7/12/2020	4,134	197	3,936
	8/12/2020	4,134	188	3,945
	9/12/2020	4,134	180	3,954
	10/12/2020	4,134	171	3,963
	11/12/2020	4,134	162	3,971

**CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2018**

DESCRIPTION	PAYMENT DATE	DEBT		
		SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	12/12/2020	4,134	153	3,980
	1/12/2021	4,134	144	3,989
	2/12/2021	4,134	136	3,998
	3/12/2021	4,134	127	4,007
	4/12/2021	4,134	118	4,016
	5/12/2021	4,134	109	4,025
	6/12/2021	4,134	100	4,034
	7/12/2021	4,134	91	4,043
	8/12/2021	4,134	82	4,052
	9/12/2021	4,134	73	4,061
	10/12/2021	4,134	64	4,070
	11/12/2021	4,134	55	4,079
	12/12/2021	4,134	46	4,088
	1/12/2022	4,134	37	4,097
	2/12/2022	4,134	27	4,106
	3/12/2022	4,134	18	4,115
	4/12/2022	4,134	9	4,124
		<u>\$ 190,145</u>	<u>\$ 9,597</u>	<u>\$ 180,548</u>
Net pension liability				\$ 200,090
Total OPEB liability				1,527,887
Compensated Absences				19,076
Total Solid Waste Sanitation Fund				<u>\$ 2,003,825</u>
TOTAL ENTERPRISE FUNDS				<u>\$ 4,660,146</u>
INTERNAL SERVICE FUNDS				
Customer Service Fund				
Net pension liability				\$ 166,742
Compensated Absences				14,862
TOTAL INTERNAL SERVICE FUNDS				<u>\$ 181,604</u>

**CITY OF ACWORTH, GEORGIA
GENERAL FUND SCHEDULE OF UNASSIGNED FUND BALANCE BY MONTH
FISCAL YEARS 2017 AND 2018**



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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	2009 (2)	2010	2011	2012 (1)	2013	2014 (1)	2015	2016	2017 (1)	2018
Fiscal Year Ended June 30,										
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 47,017,712
Restricted	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	17,191,465
Unrestricted	(3,303,952)	(3,244,415)	(2,696,525)	(10,054,498)	(8,995,080)	(10,419,765)	(9,883,096)	(10,654,546)	(16,705,531)	(20,160,007)
Subtotal Governmental Activities Net Position	36,431,341	36,610,531	36,576,948	30,073,864	32,350,873	37,198,231	39,861,825	40,915,428	38,824,797	44,049,170
Business-Type Activities										
Net investment in capital assets	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	5,196,702
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(4,105,802)	(3,438,357)	(2,047,477)	5,289,983	5,993,873	6,707,323	7,782,477	9,237,222	7,565,238	8,421,968
Subtotal Business-Type Activities Net Position	1,989,547	2,517,830	3,623,005	10,730,993	11,147,691	11,759,845	12,629,427	14,313,665	12,338,015	13,618,670
Primary Government										
Net investment in capital assets	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	52,214,414
Restricted	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	17,191,465
Unrestricted	(7,409,754)	(6,682,772)	(4,744,002)	(4,764,515)	(3,001,207)	(3,712,442)	(2,100,619)	(1,417,324)	(9,140,293)	(11,738,039)
Total Primary Government Net Position	\$ 38,420,888	\$ 39,128,361	\$ 40,199,953	\$ 40,804,857	\$ 43,498,564	\$ 48,958,076	\$ 52,491,252	\$ 55,229,093	\$ 51,162,812	\$ 57,667,840

NOTES:

- (1) As restated.
(2) The City changed Fiscal Years. Prior to 2009, the years ended December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 forward end June 30.

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

Fiscal Year Ended June 30,

	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017 (3)	2018
Expenses:										
Governmental activities	\$ 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	\$ 21,024,775
Business-type activities	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	12,310,101
Total Expenses	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	33,334,876
Program Revenues:										
Governmental activities	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	12,844,365
Business-type activities	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	15,213,117
Total Program Revenues	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	28,057,482
Net (Expense) Revenue	(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)	(5,277,394)
General Revenues and Transfers:										
Governmental activities	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	13,404,783
Business-type activities	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)	(1,738,431)	(2,565,939)	(1,622,361)
Total General Revenues and Transfers	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	11,782,422
Changes in Net Position	\$ (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	\$ 6,503,028

NOTES:

- (1) The City changed Fiscal Years. Prior to 2009, the years 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 and FY2017 have been restated and the effect of those restatements to previously reported changes in net position have not been determined.

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

	Fiscal Year Ended June 30,									
	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017 (3)	2018
Expenses:										
General government	\$ 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	\$ 3,379,469
Judicial	237,822	423,891	371,570	350,971	376,499	395,493	414,891	458,293	434,219	432,251
Health and welfare	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954	540
Public works	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	5,114,375
Culture and recreation	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	3,538,062
Public safety	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	6,681,590
Housing and development	349,078	1,162,929	945,222	981,001	994,734	1,032,121	926,219	1,060,788	1,087,930	1,210,781
Interest and fiscal charges	313,112	603,875	573,085	1,131,515	1,181,927	1,125,283	882,928	846,670	982,901	667,707
Total Expenses	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	21,024,775
Program Revenues:										
Charges for Services:										
General government	71,358	167,312	190,155	217,284	214,352	238,294	231,605	263,686	268,382	327,542
Judicial	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	845,966
Public works	6,820	9,090	26,793	20,982	18,866	33,375	28,481	22,733	14,258	29,350
Culture and recreation	171,720	353,160	457,073	394,608	430,099	463,883	569,999	623,672	577,614	772,717
Public safety	11,401	25,312	22,526	27,389	23,440	65,333	95,102	71,254	117,051	251,655
Housing and development	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612	561,095
Operating grants and contributions	52,761	185,071	51,166	100,439	122,508	291,322	235,434	301,743	294,117	419,437
Capital grants and contributions	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	9,636,603
Total Program Revenues	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	12,844,365
Net (Expense) Revenue	(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)	(8,180,410)
General Revenues and Transfers:										
General revenues:										
Property taxes	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	6,121,477
Insurance premium tax	-	744,158	722,530	958,018	1,017,576	1,053,603	1,102,373	1,177,704	1,276,993	1,360,988
Alcohol taxes	222,419	434,368	430,223	458,547	466,203	466,400	468,573	538,892	536,334	534,902
Hotel, motel tax	49,262	109,608	115,272	112,969	126,816	139,982	188,530	206,648	308,414	432,264
Franchise taxes	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	1,414,927
Financial institution tax	50,373	20,287	29,702	25,798	37,504	33,745	33,761	77,875	34,785	41,460
Business Taxes	823	401,509	392,470	409,776	442,094	456,762	451,893	500,078	527,302	634,411
Contributions not restricted to a specific program	17,767	743,031	663,575	638,610	680,784	600,130	591,414	608,173	590,435	601,143
Operating grants not restricted to a specific programs	-	369,494	247,293	246,349	252,388	245,977	433,818	439,279	441,522	455,648
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	77,005	125,116	64,460	13,097	19,345	18,339	19,514	19,564	15,293	87,196
Gain on sale of capital assets	77,387	-	-	-	-	-	-	-	-	-
Transfers	-	96,083	247,000	1,094,754	1,478,491	1,310,000	2,139,518	1,824,117	2,602,578	1,720,367
Total General Revenues and Transfers	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	13,404,783
Change in Net Position	\$ (3,250,137)	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009	\$ 2,010,934	\$ 2,663,594	\$ 1,053,603	\$ 4,324,459	\$ 5,224,373

NOTES:
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 (2) As restated.
 (3) FY2014 and FY2017 have been restated and the effect of those restatements to previously reported changes in net position have not been determined.

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

	Fiscal Year Ended June 30,									
	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017 (3)	2018
Expenses:										
Electrical Power	\$ 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	\$ 10,512,965
Sanitation	567,482	1,177,529	1,192,180	1,221,425	1,229,860	1,299,983	1,467,278	1,542,945	1,687,567	1,797,136
Total Expenses	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	12,310,101
Program Revenues:										
Charges for Services:										
Electrical Power	4,898,922	10,971,454	12,198,127	12,280,471	13,103,125	13,546,217	13,622,247	13,010,289	13,387,030	13,306,315
Sanitation	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	1,859,419
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	9,531	2,125	9,025	15,295	5,019	1,870	1,300	26,008	23,153	47,383
Total Program Revenues	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	15,213,117
Net (Expense) Revenue	(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	2,903,016
General Revenues and Transfers:										
Unrestricted investment earnings	17,360	15,813	14,787	14,640	11,033	40,881	37,845	85,686	36,639	98,006
Gain on sale of capital assets	-	-	-	-	1,154	-	-	-	-	-
Transfers	(77,387)	(96,083)	(247,000)	(1,094,754)	(1,478,491)	(1,310,000)	(2,139,518)	(1,824,117)	(2,602,578)	(1,720,367)
Total General Revenues and Transfers	(60,027)	(80,270)	(232,213)	(1,080,114)	(1,466,304)	(1,269,119)	(2,101,673)	(1,738,431)	(2,565,939)	(1,622,361)
Changes in Net Position	\$ (255,714)	\$ 500,476	\$ 1,105,175	\$ 279,060	\$ 416,698	\$ 1,087,616	\$ 869,582	\$ 1,684,238	\$ 268,506	\$ 1,280,655

NOTES:
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 (2) As restated.
 (3) FY2014 and FY2017 have been restated and the effect of those restatements to previously reported changes in net position have not been determined.

CITY OF ACWORTH, GEORGIA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Program/Function	Fiscal Year Ended June 30,									
	2009 (1)	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017 (3)	2018
Governmental Activities										
General government	\$ 71,358	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294	\$ 231,605	\$ 263,686	\$ 268,382	\$ 327,542
Judicial	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	845,966
Public works (2)	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	5,005,291
Culture and recreation	328,999	626,495	486,815	463,083	625,403	584,902	1,061,642	3,012,751	4,897,767	5,088,050
Public safety	64,162	152,132	94,241	99,836	98,632	290,220	1,704,853	1,156,314	911,924	1,016,421
Housing and development	70,775	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612	561,095
Subtotal governmental activities	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	12,844,365
Business-type activities										
Electric	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	13,353,698
Sanitation	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	1,859,419
Subtotal business-type activities	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	15,213,117
Total Primary Government	\$ 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	\$ 28,057,482

NOTES:
(1) The City changed Fiscal Years. Prior to 2009, the years 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 and FY2017 have been restated and the effect of those restatements to previously reported changes in net position have not been determined.

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

	Fiscal Year Ended June 30,									
	2009 (1)	2010 (2)	2011 (2)	2012 (3)	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 4,014,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,324,058	-	-	-	-	-	-	-	-	-
Non-spendable	-	253,995	269,441	245,943	237,982	272,111	61,309	91,878	113,343	152,605
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	3,004,277
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	34,078
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	4,717,355
Total General Fund	\$ 6,338,457	\$ 6,544,741	\$ 6,809,225	\$ 7,060,000	\$ 7,031,742	\$ 7,601,581	\$ 7,806,030	\$ 7,842,469	\$ 7,884,187	\$ 7,908,315
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Funds	186,617	-	-	-	-	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Unreserved	260,841	-	-	-	-	-	-	-	-	-
Special Revenue Funds	1,609,492	-	-	-	-	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Non-spendable	-	1,250	1,250	1,250	1,250	77,162	868,138	125,000	375,000	818,837
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	13,368,351
Committed	-	10,167	498,442	264,315	330,351	10,245	99,486	1,600	7,935	93,434
Assigned	-	507,681	318,403	224,237	742,228	1,038,632	879,274	67,067	197,729	391,970
Unassigned	-	-	-	-	-	-	-	(285,719)	-	-
Total All Other Governmental Funds	\$ 2,056,950	\$ 3,700,122	\$ 4,264,793	\$ 4,482,206	\$ 6,171,991	\$ 7,599,139	\$ 5,006,353	\$ 4,130,853	\$ 13,559,873	\$ 14,672,592

NOTES:
(1) The City changed Fiscal Years. Prior to 2009, the years 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) 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)

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012 (2)	2013	2014	2015	2016	2017	2018
Revenues:										
Taxes	\$ 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	\$ 10,978,119
Licenses and permits	89,141	217,691	228,062	248,398	337,662	262,984	498,578	448,147	334,165	678,587
Intergovernmental	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	10,312,785
Charges for services	205,484	491,125	517,494	511,358	541,620	645,122	747,805	776,663	767,560	1,112,230
Fines and forfeitures	585,684	1,074,817	1,250,253	980,759	1,224,165	1,368,753	1,247,837	1,242,738	1,242,738	1,153,904
Investment earnings	77,005	125,120	72,914	16,560	24,155	21,191	20,705	20,953	15,391	87,196
Contributions and donations	96,781	77,857	29,742	60,289	49,856	90,765	61,340	62,343	46,197	48,809
Other	37,539	64,073	76,279	98,138	85,512	111,321	87,290	115,343	98,548	153,847
Total revenues	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	24,525,477
Expenditures:										
Current										
General Government	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	3,020,174
Public Safety	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	5,181,747
Public Works	419,362	930,192	949,323	926,744	961,549	1,023,966	1,044,454	1,190,492	1,157,841	1,150,732
Health and Welfare	1,456	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954	540
Housing and development	326,572	1,121,819	911,945	930,902	952,545	983,906	916,713	1,071,000	1,046,120	1,086,815
Judicial	237,142	413,747	358,569	338,509	376,499	387,141	410,749	441,673	412,535	385,566
Culture and recreation	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	2,763,983
Capital Projects	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	9,038,833
Debt Service	449,331	678,889	678,078	1,062,523	1,005,211	1,102,000	1,414,334	1,499,675	1,656,146	1,833,735
Principal	307,961	607,036	562,781	875,445	929,097	908,813	626,838	590,600	700,756	667,707
Interest	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	25,129,832
Total Expenditures	(3,114,009)	1,752,072	570,941	(834,319)	473,534	(4,206,633)	(4,503,903)	(3,301,263)	(300,018)	(604,355)
Excess (deficiency) of revenues over expenditures										
Other financing sources (uses):										
Transfers in	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	3,212,578
Transfers out	(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)	(1,492,211)
Payment to refunding agent	-	-	-	-	(3,300,000)	(5,285,000)	-	-	-	-
Debt Issued	244,635	-	-	-	3,407,000	9,435,000	-	626,947	7,160,000	-
Sale of capital assets	4,720	1,301	11,214	20,035	10,993	743,620	76,048	11,138	8,178	20,835
Total other financing sources (uses)	326,742	97,384	258,214	1,055,035	1,187,993	6,203,620	2,115,566	2,462,202	9,770,756	1,741,202
Total Net change in fund balance	(2,787,267)	1,849,456	829,155	220,716	1,661,527	1,996,987	(2,388,337)	(839,061)	9,470,738	1,136,847
Debt service as a percentage of noncapital expenditures (1)	14.4%	11.7%	11.5%	16.8%	16.5%	16.3%	15.4%	12.9%	14.6%	14.9%

NOTES:
(1) The City changed Fiscal Years. Prior to 2009, the years 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) Fiscal Years 2010, 2012, 2013 and 2016 percentages have been adjusted and may differ from previously issued reports.
(2) As restated

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

(1) Fiscal Year	Property Tax	Insurance Premium Tax	Intangible Tax	Alcoholic Beverage Excise Tax	Hotel Motel Tax	Real Estate Transfer Tax	(2) Franchise Fees	(3) Other	Total
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
2018	6,402,500	1,360,988	135,530	534,902	432,264	21,136	1,414,927	675,871	10,978,118

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

(1) The City changed Fiscal Years. Prior to 2009, the years ended December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 forward end June 30.

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

(2) 2010 - 2013 Includes franchise taxes previously classified as fees in prior years.

(3) 2010 - 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	Amounts													Annual Percentage Change
	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Historical Property	Conservation Use Property	Public Utility	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	(1) Total Taxable Assessed Value	(2) Total Direct Tax Rate	Estimated Actual Value	
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	-	218,656,819	6,338,402	-	-	9,819,691	48,217,553	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	372,402,549	-	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	339,566,538	-	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	5,605,536	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%
2017	454,296,722	-	224,494,868	6,285,536	111,852	-	19,203,405	14,271,201	54,621,653	56,207,104	717,078,133	7.600	1,792,695,333	6.7%

NOTES:

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

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

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

Overlapping Rates (1)

Tax Digest Year	City of Acworth		Cobb County			Cobb County School District			State of Georgia		Total Overlapping and Direct
	Operating Millage	Total City Millage	General Millage	Bond Millage	Fire Millage	General Millage	School Bond	School Millage	General Millage	State Millage	
2008	7.600	7.600	6.820	0.220	2.560	18.900	-	18.900	0.250	0.250	36.350
2009	7.600	7.600	6.820	0.220	2.560	18.900	-	18.900	0.250	0.250	36.350
2010	7.600	7.600	6.820	0.220	2.560	18.900	-	18.900	0.250	0.250	36.350
2011	7.600	7.600	7.720	0.330	3.060	18.900	-	18.900	0.250	0.250	37.860
2012 (2)	7.600	7.600	7.720	0.330	3.060	18.900	-	18.900	0.200	0.200	37.810
2013	7.600	7.600	7.520	0.330	3.060	18.900	-	18.900	0.150	0.150	37.560
2014	7.600	7.600	7.320	0.330	3.060	18.900	-	18.900	0.100	0.100	37.310
2015	7.600	7.600	7.120	0.330	3.060	18.900	-	18.900	0.050	0.050	37.060
2016	7.600	7.600	6.660	0.230	2.960	18.900	-	18.900	-	-	36.350
2017	7.600	7.600	6.760	0.130	2.960	18.900	-	18.900	-	-	36.350

NOTES:

- (1) Overlapping 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 AND NINE YEARS PRIOR
(unaudited)**

	2017				2008			
	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 Telecommunications	\$ 14,923,082	1	2.08%	WRI Lakeside Marketplace LLC	\$ 13,010,760	1	1.88%	
Walmart Real Estate Business Trust	11,251,996	2	1.57%	Wal-Mart (3826 N Cobb Pkwy)	10,362,156	2	1.49%	
WRI Lakeside Marketplace LLC	8,696,840	3	1.21%	Target	9,594,550	3	1.38%	
Walden Ridge UCM Michelson LLC	8,614,116	4	1.20%	Wal-Mart (3105 N Cobb Pkwy)	9,291,100	4	1.34%	
Landing at Acworth LLC	6,122,538	5	0.85%	Lowe's Home Centers Inc.	7,598,331	5	1.10%	
Monarch at Acworth Crossing LLC	5,801,400	6	0.81%	Stanton Place Apartments	7,104,160	6	1.02%	
Target Corporation	5,737,116	7	0.80%	Home Depot	6,849,618	7	0.99%	
Celebration Village Acworth LLC	4,482,084	8	0.63%	Walden Ridge	6,752,000	8	0.97%	
Cobblestone Landing LP	4,403,200	9	0.61%	Bellsouth Telecommunications	5,620,285	9	0.81%	
Wingate Falls Partners LLC	4,339,200	10	0.61%	Kohls	5,526,513	10	0.80%	
Total Principal Taxpayers	74,371,572		10.37%		81,709,473		11.78%	
All Other Taxpayers	642,706,561		89.63%		612,191,007		88.22%	
Total	\$ 717,078,133		100.00%		\$ 693,900,480		100.00%	

Source: Cobb County Tax Commissioners Office (2008) and City of Acworth Finance Department (2017)

**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 (2)	Total Collections to Date	
	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy
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%	142,523	4,716,270	99.73%
2011	4,468,702	4,326,349	96.81%	140,799	4,467,148	99.97%
2012	4,161,136	4,085,201	98.18%	33,709	4,118,910	98.99%
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%	18,691	4,205,496	98.78%
2015	4,543,730	4,491,087	98.84%	(3,810)	4,487,277	98.76%
2016	4,814,790	4,781,829	99.32%	8,796	4,790,625	99.50%
2017	5,195,372	5,143,051	98.99%	-	5,143,051	98.99%

NOTE: Real and Personal Property.

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

(2) Includes refunds due to settlement of appeals for respective digest year.

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

CITY OF ACWORTH, GEORGIA
ELECTRIC RATE HISTORY PER SEASON
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Kilowatt Hours Sold All Customer Types	Summer (1) (3)			Winter (2) (3)		
		Base Rate	Tier 1	Tier 2	Base Rate	Tier 1	Tier 2
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
2018	97,490,363	8.45	0.0900	0.1240	8.45	0.0900	0.0840

Source : City of Acworth Utility Billing

*The City changed Fiscal Years. Prior to 2009, the years ended December 31. Fiscal Year 2009 is an interim (6 month) reporting period ending June 30, 2009. Fiscal Years 2010 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) Effective 04/01/2010, summer rates are May through October. Prior to 04/01/2010, summer rates were June through October.

(2) Effective 04/01/2010, winter rates are November through April. Prior to 04/01/2010, winter rates were November through May.

(3) Seasonal rate periods have been updated. Previously issued reports will differ.

CITY OF ACWORTH, GEORGIA
PRINCIPAL ELECTRIC REVENUE CUSTOMERS
(unaudited)

		2018				2010 (1)			
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	3,587,793	1	3.68%	Target Stores	Retail	4,013,400	1	4.19%
Target Stores	Retail	3,403,800	2	3.49%	Ingles Market	Retail	3,782,263	2	3.95%
Bellsouth	Telecommunications	1,841,960	3	1.89%	Bellsouth	Telecommunications	1,523,136	3	1.59%
City of Acworth	Government	1,582,060	4	1.62%	City of Acworth	Government	1,429,132	4	1.49%
NCG Acworth Inc	Theater	1,476,240	5	1.51%	H and L Lands	Theater	1,374,813	5	1.44%
Dogwood Forest of Acworth	Assisted Living	1,165,600	6	1.20%	Glenncast Inc.	Manufacturing	923,520	6	0.97%
Cobb County	Government	1,131,382	7	1.16%	Cobb County Board of Ed.	School District	800,240	7	0.84%
Glenncast Inc.	Manufacturing	880,640	8	0.90%	Sav A Lot	Retail	646,590	8	0.68%
Raceitrac Petroleum	Retail	705,280	9	0.72%	Big Lots	Retail	635,700	9	0.66%
Cobb County Board of Ed.	School District	686,040	10	0.70%	Cobb County	Government	634,838	10	0.66%
	Total	16,460,795		16.88%			15,763,632		16.47%

Source : City of Acworth Utility Billing

(1) The City changed Fiscal Years and 2009 was a six-month interim reporting period. Fiscal Year 2010 data is presented.

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

Fiscal Year (1)	Governmental Activities					Business-type Activities						
	(2) Revenue Bonds	Intergovernmental Contracts	Certificates of Participation	Installment Sales Agreement	(3) Tax Allocation Bonds	Total Governmental Activities	(4) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities		
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	-	-	3,659,666	4,920,000	18,810,666	-	91,585	-	91,585		
2016	9,401,000	339,629	-	3,452,501	239,808	17,937,938	-	433,376	-	433,376		
2017	15,681,000	266,005	-	3,218,271	156,516	23,441,792	-	536,728	-	536,728		
2018	14,715,000	191,321	-	2,996,736	3,705,000	21,608,057	-	566,621	-	566,621		
Total Outstanding Debt												
					(5) Percentage of Personal Income	(5) Population	Total Primary Government	(8) Resources Restricted for Repayment of Debt	Net Primary Government	Estimated Actual Value of Taxable Property (9)	(6) Percentage of Estimated Actual Value of Taxable Property	(5) Per Capita
2009 (1)	\$ 11,835,070	\$ 9,623,817	\$ 21,458,887	\$ 541,955,000	3.96%	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%	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%	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%	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%	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%	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%	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%	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%	24,275	15,947,005	-	15,947,005	1,680,653,205	0.95%	657
2018	21,608,057	566,621	22,174,678	856,354,000	2.59%	24,881	14,906,321	-	14,906,321	1,792,695,333	0.83%	599

NOTES:
(1) The City changed Fiscal Years. Prior to 2009, the years 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) FY2012 and prior included capital leases and intergovernmental agreements with the Downtown Development Authority and Acworth Lake Authority.
(3) Tax Allocation Bonds - Debt Service is paid by the tax increment received from within the tax allocation district.
(4) Intergovernmental agreement (capital lease) with the Downtown Development Authority concerning bonds for the CableNET Project which was sold in 2005; reclassified in 2013 under GASB 61.
(5) See economic and demographic schedule for population and personal income information.
(6) See taxable assessed value schedule for estimated actual value.
(7) Amounts previously listed in Business-Type activities have been reclassified in 2013 and on as governmental activities under GASB 61.
(8) Resources related to the TAD Increment have been excluded - previously issued reports will differ.
(9) Values have been updated and may differ from previously issued reports.

**CITY OF ACWORTH, GEORGIA
DIRECT, OVERLAPPING AND GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018**

<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	\$ 21,090,000	2.20%	\$ 463,307
Cobb County School District	-	2.20%	-
Other Debt			
Cobb County Parking Deck Certificates	7,965,000	2.20%	174,976
Cobb - Revenue Bonds	454,095,000	2.20%	9,975,596
Cobb County Revenue Anticipation Certificates	5,565,000	2.20%	<u>122,252</u>
Subtotal, overlapping debt			10,736,131
City direct debt:			
Direct Governmental Activities Debt (2)			<u>21,608,057</u>
Total direct and overlapping debt			<u>\$ 32,344,188</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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross Assessed Value	\$ 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	\$ 773,285,237
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	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	77,328,524
Total net debt applicable to limit (1)	515,786	250,396	62,293	-	10,867,720	14,920,000	13,890,666	13,412,938	19,321,792	17,903,057
Legal Debt Margin	\$ 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	\$ 59,425,467
Total net debt applicable to the limit as a percentage of debt limit	0.69%	0.33%	0.09%	0.00%	17.54%	24.61%	22.13%	20.15%	27.21%	23.15%

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2018

Total Taxable Assessed Value	\$ 717,078,133
Add back: exempt real property	56,207,104
Total assessed value	\$ 773,285,237
Debt limit (10% of total assessed value)	77,328,524
Debt applicable to limit	17,903,057
Less: Resources restricted to paying principal	-
Legal debt margin	\$ 59,425,467

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

Fiscal Year (1)	Tax Allocation Bonds						Coverage
	Tax Increment Revenue (2)	Less: Operating Expenses (3)	Net Available Revenue	Debt Service		Interest	
				Principal			
2009	119	1,500	(1,381)	-	184,531	184,531	-1%
2010	942,710	6,500	936,210	140,000	364,688	140,000	186%
2011	841,903	3,000	838,903	150,000	355,625	150,000	166%
2012	801,380	3,000	798,380	160,000	345,938	160,000	158%
2013	809,435	3,000	806,435	170,000	335,625	170,000	159%
2014 (4)	757,056	1,250	755,806	290,000	283,058	290,000	132%
2015	744,923	-	744,923	385,000	129,858	385,000	145%
2016	767,118	-	767,118	395,000	119,951	395,000	149%
2017	747,774	24	747,750	405,000	109,792	405,000	145%
2018	760,774	-	760,774	415,000	99,377	415,000	148%

NOTES:

- (1) The City changed Fiscal Years. Prior to 2009, the years 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) 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
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%
2018	24,881	856,354	34,418	6,999	*	36	3.4%

* Information not available

NOTES:

- (1) 2010 Population from U S Census Bureau - differs from prior issued report. All other years are Acworth Community Development Department Estimates.
- (2) Personal Income is derived by multiplying population statistics by Per Capita Income.
- (3) Per Capita Personal Income for year 2009 provided by Cobb Chamber of Commerce. Years 2010 through 2018 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 :Acworth Economic Development Estimates (2009 to 2018)

CITY OF ACWORTH, GEORGIA
PRINCIPAL EMPLOYERS
2018 and 2010
(unaudited)

2018		2010 (1)					
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	583	1	6.20%	Cobb County School System	466	1	7.54%
Walmart Super Center #3471	307	2	3.26%	Walmart Super Center #3748	306	2	4.95%
Walmart Super Center #3748	305	3	3.24%	Walmart Super Center #3471	264	3	4.27%
Target Store T-2091	294	4	3.13%	Target Store T-2091	212	4	3.43%
North Cobb Christian School	177	5	1.88%	Home Depot #156	149	5	2.41%
United Parcel Services Inc.	177	6	1.88%	City of Acworth	145	6	2.35%
City of Acworth	173	7	1.84%	Kohl's Department Store #441	140	7	2.27%
Home Depot #156	173	8	1.84%	Cobb Pediatric Therapy	135	8	2.19%
Henry's Louisiana Grill	147	9	1.56%	North Cobb Christian School	133	9	2.15%
United States Postal Service	124	10	1.32%	United States Postal Service	130	10	2.10%
Total Principal Employers	2,460		26.16%		2,080		33.67%
Other Employers	6,945		73.84%		4,097		66.33%
Total Employers	9,405		100.00%		6,177		100.00%

Source: City Occupational Tax Department

(1) The City changed Fiscal Years and 2009 was a six-month interim reporting period. Fiscal Year 2010 data is presented.

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

Function/Program	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 (3)	2018
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	3
Finance	4	4	4	4	4	4	4	4	5	5
Information Systems	3	3	2	2	2	2	2	2	2	2
Human Resources	0	0	0	0	0	0	0	0	0	2
Building Maintenance	0	0	0	0	0	0	0	0	2	5
Customer Service (2)	8	8	8	6	7	7	7	9	8	8
Total General Government	26	26	25	23	24	24	24	26	28	31
Judicial										
Municipal Court	3	3	3	3	3	3	3	3	3	3
Public Safety (2)										
Police	40	40	40	40	40	40	40	44	43	44
Support Staff	3	3	3	3	3	3	4	4	4	4
Detention/Jail	10	10	10	10	10	10	13	15	16	15
Total Public Safety	53	53	53	53	53	53	57	63	63	63
Public Works										
Public Works	12	12	11	10	10	10	10	11	10	10
Culture & Recreation										
Culture and Recreation	13	13	15	15	15	17	21	22	24	24
Housing and Development										
Economic Development (2)	2	2	2	2	2	1	1	1	1	1
Community Development (2)	1	1	2	2	2	2	2	2	3	3
Zoning	1	0	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	0	0	0	0	0	0	0	0	0
Total Housing and Development	10	8	9	9	9	8	8	8	9	9
Electrical Power										
Electrical Power	14	13	13	14	14	14	15	17	17	17
Sanitation										
Sanitation	16	16	16	17	17	17	16	18	18	16
Total	147	144	145	144	145	146	154	168	172	173

Source : City Payroll Department

NOTES:

- (1) The City changed Fiscal Years. Prior to 2009, the years 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) A historical review of Public Safety, Customer Service Community Development and Economic Development positions were conducted and data updated; previously issued reports may differ.
- (3) Building Maintenance Department classified in Culture and Recreation in previous report. Previously issued report will differ.

CITY OF ACWORTH, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

Function/Program	Fiscal Year Ended June 30,									
	2009 (3)	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Business Licenses Issued (1)	*	788	936	957	920	901	885	898	917	920
Purchase Orders Issued	1,050	2,010	2,004	2,013	2,048	2,436	3,087	3,510	3,717	3,856
Public Safety										
Physical arrests	809	1,441	1,731	1,595	1,839	1,474	1,456	1,592	1,355	1,496
Parking violations	5	103	284	114	86	238	391	106	351	502
Traffic violations	3,349	7,041	7,180	7,519	7,876	7,026	6,549	7,765	7,625	5,146
Parks and Recreation										
Summer Camp Participant Capacity	110	100	120	120	120	130	120	140	140	140
Concerts / Movies	1	3	2	2	3	4	4	3	1	2
Youth Basketball Participants	398	400	385	385	399	405	452	463	470	447
Housing and Development										
Building Code Permits Issued	61	110	29	74	89	158	273	181	110	235
Other Code Permits Issued	300	606	516	699	725	483	999	652	466	447
Total Code Inspections Conducted	1,600	4,286	3,045	2,197	3,125	2,646	2,453	3,461	1,468	2,714
Plan Reviews Conducted	6	3	4	3	3	22	8	15	110	191
Sanitation										
Refuse collected (tons)	3,963	8,886	7,972	7,658	7,943	8,292	8,075	8,103	8,469	8,309
Sanitation Customers - Residential	6,279	6,382	6,359	6,410	6,433	6,488	6,564	6,784	6,875	6,955
Power										
Kilowatt hours sold	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	97,490,363
Electrical Power Customers (2)	6,252	6,283	6,220	6,314	6,367	6,325	6,334	6,389	6,337	6,512

Sources: Various City Departments

* Information not available

NOTES:

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

(2) A historical review was conducted and yielded the following differences from prior reports: a) 2011 Electrical Power Customers.

(3) The City changed Fiscal Years. Prior to 2009, the years ended 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
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2009 (1)	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	43	44	45	45	45	47	50	63	63	65
Sanitation										
Collection trucks	5	5	5	5	6	6	6	8	6	6
Highways and streets										
(2) Streets (miles)	172	172	172	172	172	172	179	181	181	182
Streetslights	1,271	1,384	1,396	1,396	1,408	1,422	1,451	1,529	1,529	1,581
Culture and recreation (3)										
Park acreage	540.25	542.25	542.25	542.25	542.25	542.25	542.25	545.00	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	3	3	3
Baseball Fields	9	11	11	11	11	12	12	12	12	12
Community Centers	2	2	2	2	2	2	2	2	2	2
Electric										
Number of distribution stations	2	2	3	3	3	3	3	3	3	3
Miles of service lines	94.1	94.1	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5

NOTES:

- (1) The City changed Fiscal Years. Prior to 2009, the years 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) 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.
- (3) 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, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Acworth, Georgia, as of and for the year ended June 30, 2018, 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 12, 2018.

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 12, 2018

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$3,059,785	\$432,264	\$3,492,049	\$3,059,785	\$432,264	\$3,492,049

* 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, 2018

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
<u>Recreational Impact Fee Collections</u>	\$ 1,905,260	\$ 151,500	\$ 2,056,760
Other Funding Sources			
Interest	46,213	1,165	47,378
Local Funding	134,229	-	134,229
Grants/Contributions	46,262	-	46,262
Total Funding - All Sources	2,131,964	152,665	2,284,629
<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	243,898	159,000	15,748
Total Uses - All Funding Sources	2,126,580	15,748	2,142,328
Fees Encumbered	-	142,301	142,301
Future Projects	\$ -	\$ -	\$ -

CITY OF ACWORTH, GEORGIA
1 PERCENT SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project	Original Estimated Cost	Revised Estimated Cost (1)	Expenditures			Estimated Percentage of Completion
			Prior Years (2)	Current Year	Total	
2011 SPLOST Program:						
Road Improvement Projects	\$ 7,403,141	\$ 9,069,818	\$ 9,069,818	\$ -	\$ 9,069,818	100.00%
Parks Projects	1,170,000	1,678,952	1,371,936	307,015	1,678,951	100.00%
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>\$ 15,433,505</u>	<u>\$ 307,015</u>	<u>\$ 15,740,520</u>	
2016 SPLOST Program:						
Road Improvement Projects	\$ 12,583,827	12,100,427	\$ 869,688	\$ 533,514	\$ 1,403,202	11.60%
Judicial	25,000	25,000	-	-	-	0.00%
Parks Projects (3)	6,550,000	15,831,246	3,540,909	3,766,541	7,307,450	46.16%
Public Safety Projects	2,050,000	2,028,605	1,210,374	122,870	1,333,244	65.72%
	<u>\$ 21,208,827</u>	<u>\$ 29,985,278</u>	\$ 5,620,971	\$ 4,422,925	\$ 10,043,896	
		Debt Service Expenditures	218,269	236,825	455,094	
			<u>\$ 5,839,240</u>	<u>\$ 4,659,750</u>	<u>\$ 10,498,990</u>	

(1) - Revised Estimated Cost includes revisions in original SPLOST budget and other funding sources including interest, grants and local government funds.

(2) - As revised

(3) - Includes Joint Project Funds for Recreation Center \$8,500,000 from Cobb County.

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