



CITY OF ACWORTH, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2019

Comprehensive Annual Financial Report

City of Acworth, Georgia



For the Fiscal Year Ended June 30, 2019

DEPARTMENT OF FINANCE

Lindy Tisdell, CPA

City Treasurer

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INTRODUCTORY SECTION

Thomas W. Allegood, Mayor

Board of Aldermen:

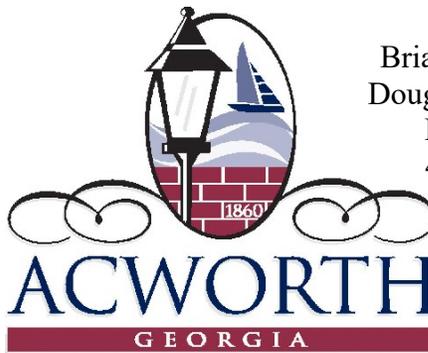
Tim Houston

Albert L. Price

Gene Pugliese

Tim Richardson

Brett North



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

November 25, 2019

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, 2019 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 is 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 2019 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 25,379 as of June 30, 2019.

The local economy of Acworth is growing through redevelopment and new commercial businesses. The unemployment rate in Acworth was 3.3% in 2019, down from 3.4% the previous year. Acworth has approximately 934 licensed businesses that employ over 9,400 workers. Employment numbers have increased by 20 jobs. Developments in the surrounding area impact the local economy favorably.

The City of Acworth continues to benefit from the positive economic climate. The 2018 tax digest of the City increased by 6.33% to a total assessed taxable value of \$762,502,176. This increase is a sign that the economy is stable. The 2019 tax digest was approved by the Cobb County Board of Equalization at the end of June 2019 and had an increase of 4.31%. 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 in FY2019 included multiple residential and commercial developments. Dogwood Forest and Celebration Village completed the expansion of their campuses providing additional living options for an active adult population. The Dogwood Senior Living Facility added 185 units in FY19 with healthcare, restaurants and other services included. Dogwood II added 26 units with 13 duplexes to complete the Dogwood campus. Several new Brew Pub restaurants are planned within walking distance of downtown. Meanwhile, Brickmont, an assisted living facility, will bring an additional 120 units of housing. 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. The former K-Mart building at the Cherokee Street and I-75 interchange was purchased and demolished in fiscal year 2019. The Logan mixed use development is in the planning stages for this location.

These facilities and development opportunities add value to the City and the community by not only providing options for alternative living arrangements; but also creating jobs and generating 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.

Initiatives created through the Special Local Option Sales Tax (SPLOST) approved in November 2014 by Cobb County voters, allowed the City to complete additional projects in fiscal year 2019. The Acworth Community Center, an \$11 Million joint SPLOST project between the City and Cobb County was completed and opened for business in fiscal year 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 that began in fiscal year 2018 saw a few of the projects to completion in fiscal year 2019. Depot Park was opened in fiscal year 2019. The depot replica Museum was opened to the public and the surrounding grounds were finished to connect the Museum and Caboose. The re-alignment of Lemon Street was also completed along with a roundabout, additional parking and pedestrian plaza/courtyard. The pedestrian overpass bridge extending over the CSX railroad neared completion in fiscal year 2019. The project changes the dynamics of the thriving downtown to join both sides of the railroad tracks. The completion has already brought commercial growth to the park side of the City 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 and 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 30% of general fund operating expenditures. This balance would cover just over 3 months of the City operating expenses and is within the Government Finance Officers Association (GFOA) recommendation of a minimum of 2 months.

The City's long-term financial status is dependent on continued growth and diversification of the City's tax base. Efforts for redevelopment and revitalization in the City continue.

Relevant Financial Policies

The City has positioned itself over the years to weather economic downturns. The City will continue to move forward in this renewed focus and begin to look into establishing additional fiscal policies. The City's Fund Balance Policy 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 a 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, 2019. 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, 2018. This was the nineteenth 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 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 that reads "Lindy Tisdel". The signature is written in a cursive, flowing style.

Lindy Tisdel, CPA
City Treasurer
City of Acworth



Government Finance Officers Association

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

Presented to

**City of Acworth
Georgia**

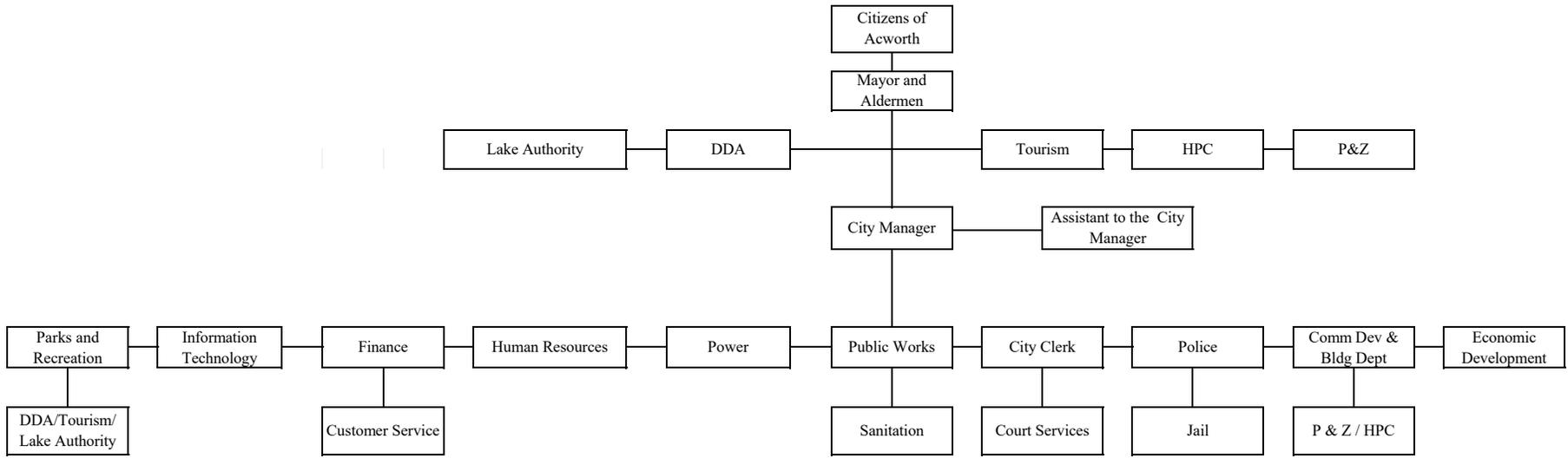
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

City of Acworth Organizational Chart



**CITY OF ACWORTH, GEORGIA
CITY OFFICIALS AND ADMINISTRATION
June 30, 2019**

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

Alex Almodovar
Regina R. Russell
Lindy Tisdell
Christine Dobbs
Loyd Fasselt
Angie Luna
James Albright
G. Wayne Dennard
Keith Wilson
Rachelle Ballard

Assistant to the 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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of Acworth, Georgia, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios, the Schedule of Pension Contributions, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios and the budgetary comparison information on pages 4-16 and 61-65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming 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 Recreational Impact Fees Schedule of 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 November 25, 2019, 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
November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

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, 2019. 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 \$58,803,502 at the end of the year. This amount includes \$59,218,952 net investment in capital assets, a restricted portion of \$6,246,325 and an unrestricted net position of a negative \$6,661,775.
- The City's total net position increased by \$1,135,662. Net position for governmental activities decreased by \$55,295 or (.1) % and business-type net position increased by \$1,191,057 or 8%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,513,526, a decrease of \$11,067,381. The net unassigned fund balance of \$4,549,902 is comprised wholly of the General Fund.
- The City's total debt decreased \$1,767,856.

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

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

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

Fund Financial Statements. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. Fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds are provided in the form of combining statements in a later section of the report. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

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

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

The City maintains eleven 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 **19** 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 **22** of this report.

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

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

The City reports major funds in the basic financial statements. Combining and individual fund statements and schedules for non-major funds are presented following the notes to the financial statements and begins on page **66** of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

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 \$1,135,662 in fiscal year 2019. The net position of the governmental activities includes a \$54,070,531 net investment in capital assets. Capital Assets of \$65,709,749 include land, buildings, park improvements, infrastructure, machinery and equipment net of accumulated depreciation. Related debt includes bonds of \$13,708,000.

The net position of the business-type activities includes \$5,148,421 net investment in capital assets. Capital assets of \$5,550,544 include land, building, electrical infrastructure, other improvements, machinery and equipment, net of accumulated depreciation. Related debt includes capital leases of \$399,161.

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

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Total % Change 2019-2018
	2019	2018	2019	2018	2019	2018	
Assets:							
Current and Other Assets	\$ 15,505,634	\$ 26,157,514	\$ 21,796,351	\$ 19,552,877	\$ 37,301,985	\$ 45,710,391	-18.39%
Capital Assets	65,709,749	55,788,952	5,550,544	5,767,335	71,260,293	61,556,287	15.76%
Total Assets	81,215,383	81,946,466	27,346,895	25,320,212	108,562,278	107,266,678	1.21%
Deferred outflows of resources:							
Related to OPEB	30,054	29,550	11,116	10,929	41,170	40,479	1.71%
Related to pensions	805,235	617,693	239,144	174,222	1,044,379	791,915	31.88%
Total Deferred Outflows of Resources	835,289	647,243	250,260	185,151	1,085,549	832,394	30.41%
Liabilities:							
Current liabilities	5,548,558	4,984,180	2,255,772	2,261,936	7,804,330	7,246,116	7.70%
Long-term liabilities	30,358,480	31,823,068	4,533,029	4,591,299	34,891,509	36,414,367	-4.18%
Total Liabilities	35,907,038	36,807,248	6,788,801	6,853,235	42,695,839	43,660,483	-2.21%
Deferred inflows of resources:							
MEAG project	-	-	5,234,054	4,423,674	5,234,054	4,423,674	18.32%
Related to OPEB	1,730,246	1,364,028	639,954	504,504	2,370,200	1,868,532	26.85%
Related to pensions	419,613	373,263	124,619	105,280	544,232	478,543	13.73%
Total Deferred Inflows of Resources	2,149,859	1,737,291	5,998,627	5,033,458	8,148,486	6,770,749	20.35%
Net position:							
Net investment in capital assets	54,070,531	47,017,712	5,148,421	5,196,702	59,218,952	52,214,414	13.41%
Restricted	6,246,325	17,191,465	-	-	6,246,325	17,191,465	-63.67%
Unrestricted	(16,323,081)	(20,160,007)	9,661,306	8,421,968	(6,661,775)	(11,738,039)	-43.25%
Net Position	\$ 43,993,775	\$ 44,049,170	\$ 14,809,727	\$ 13,618,670	\$ 58,803,502	\$ 57,667,840	1.97%

Changes in Net Position

The City's total revenues before transfers were \$37,185,173 in fiscal year 2019. Expenses before transfers were \$36,049,511 for the same period. Governmental and business-type activities combined provided a \$1,135,662 increase in net position.

Governmental activities revenues, before transfers, were \$21,477,217 and included \$3,353,680 in charges for services, operating grants and contributions of \$366,880 and capital grants and contributions of \$4,875,182. The largest governmental activities expenses were for public safety \$7,469,115, public works of \$6,149,459, culture and recreation of \$4,169,791, and general government of \$3,306,624. Expenses include depreciation expense as explained in the notes to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

Business-type activity revenues, before transfers, were \$15,707,956, and included \$15,411,815 in charges for services and \$7,550 capital grant and contribution revenues. The largest business-type activity expenses were for electric of \$10,865,674 which included wholesale power expenses of \$6,937,177 and personal services of \$1,687,797. Sanitation services include expenses of \$886,246 for personal services and \$392,367 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services	\$ 3,353,680	\$ 2,788,325	\$ 15,411,815	\$ 15,165,734	\$ 18,765,495	\$ 17,954,059
Operating Grants and Contributions	366,880	419,437	-	-	366,880	419,437
Capital Grants and Contributions	4,875,182	9,636,603	7,550	47,383	4,882,732	9,683,986
General:						
Property taxes	6,546,327	6,121,477	-	-	6,546,327	6,121,477
Insurance premium taxes	1,465,968	1,360,988	-	-	1,465,968	1,360,988
Alcohol taxes	522,948	534,902	-	-	522,948	534,902
Hotel/motel taxes	405,486	432,264	-	-	405,486	432,264
Franchise taxes	1,476,003	1,414,927	-	-	1,476,003	1,414,927
Financial Institution tax	48,208	41,460	-	-	48,208	41,460
Business Taxes	640,558	634,411	-	-	640,558	634,411
Contributions not restricted	650,284	601,143	-	-	650,284	601,143
Operating Grants not restricted	454,529	455,648	-	-	454,529	455,648
Unrestricted Interest	129,238	87,196	287,238	98,006	416,476	185,202
Miscellaneous	541,926	-	1,353	-	543,279	-
Total Revenues	21,477,217	24,528,781	15,707,956	15,311,123	37,185,173	39,839,904
Expenses:						
General Government	3,306,624	3,379,469	-	-	3,306,624	3,379,469
Judicial	465,947	432,251	-	-	465,947	432,251
Health and Welfare	5,239	540	-	-	5,239	540
Public works	6,149,459	5,114,375	-	-	6,149,459	5,114,375
Culture and Recreation	4,169,791	3,538,062	-	-	4,169,791	3,538,062
Public safety	7,469,115	6,681,590	-	-	7,469,115	6,681,590
Housing and Development	1,315,407	1,210,781	-	-	1,315,407	1,210,781
Interest and fiscal charges on long-term debt	553,973	667,707	-	-	553,973	667,707
Electric	-	-	10,865,674	10,512,965	10,865,674	10,512,965
Sanitation	-	-	1,748,282	1,797,136	1,748,282	1,797,136
Total Expenses	23,435,555	21,024,775	12,613,956	12,310,101	36,049,511	33,334,876
Change in Net Position before Transfers	(1,958,338)	3,504,006	3,094,000	3,001,022	1,135,662	6,505,028
Transfers	1,902,943	1,720,367	(1,902,943)	(1,720,367)	-	-
Change in net position	(55,395)	5,224,373	1,191,057	1,280,655	1,135,662	6,505,028
Net Position - Beginning	44,049,170	45,239,887	13,618,670	14,582,171	57,667,840	59,822,058
Restatement	-	(6,415,090)	-	(2,244,156)	-	(8,659,246)
Net Position - Ending	\$ 43,993,775	\$ 44,049,170	\$ 14,809,727	\$ 13,618,670	\$ 58,803,502	\$ 57,667,840

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

Governmental Activities

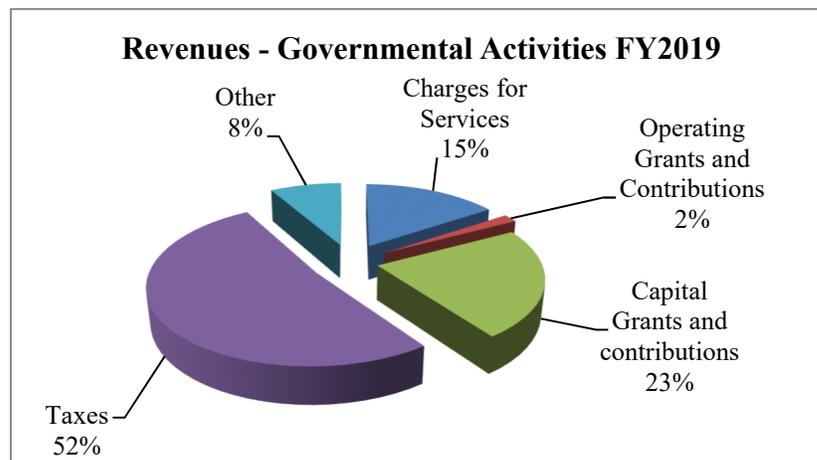
The City’s governmental activities are heavily reliant on property taxes to support governmental operations. The governmental activities decreased the City’s net position by \$1,958,338 before transfers. Governmental activities decreased the City’s net position by \$55,395 after net transfers of \$1,902,943 due to the timing of capital project expenses. The total increase in net position was attributed to business-type activities as discussed below.

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

Governmental Activities		FY 2019 Net (Expense) Revenue and Change in Net
	<u>FY 2019 Total Expenses</u>	<u>Revenue and Change in Net</u>
General Government	\$ 3,306,624	\$ (3,040,832)
Judicial	465,947	620,204
Health and Welfare	5,239	(5,239)
Public Works	6,149,459	(3,919,658)
Culture and Recreation	4,169,791	(890,303)
Public Safety	7,469,115	(6,133,260)
Housing and Development	1,315,407	(916,752)
Interest and Fiscal Charges	553,973	(553,973)
Total	<u><u>\$ 23,435,555</u></u>	<u><u>\$ (14,839,813)</u></u>

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

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



Revenue Impacts:

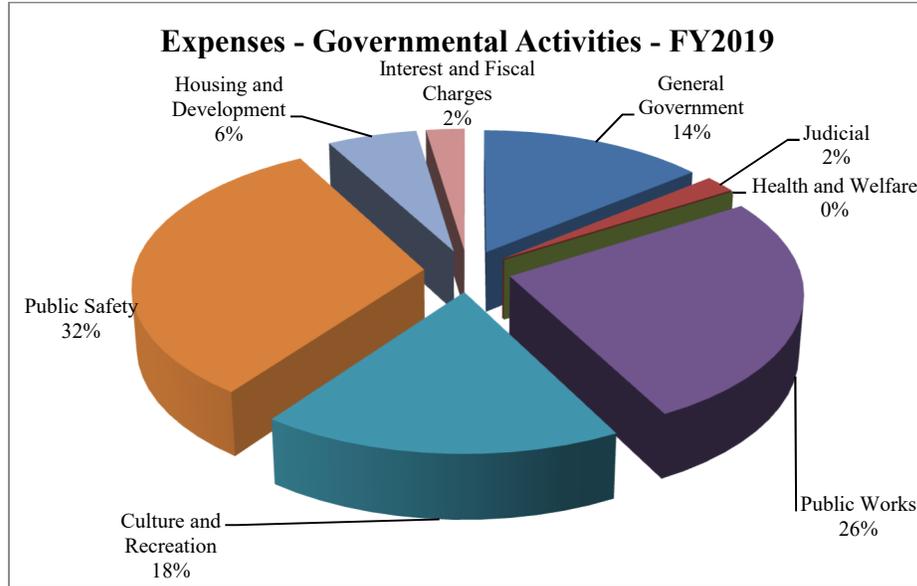
- Taxes of \$11,105,498 provided 52% of governmental revenues of general operations. Property Taxes in the amount of \$6,546,327 represent 59% of taxes. The M&O millage remained at 7.60 mills.
- Capital Grants and Contributions of \$4,875,182 provided 23% of governmental revenues of general operations and includes intergovernmental proceeds related Special Purpose Local Options Sales Tax and grants related to infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

- Charges for services of \$3,353,680 provides 15% of governmental revenues of general operations and include municipal court fines of \$1,086,151 culture and recreation fees of \$839,757.
- The transfers from business-type activities in the amount of \$1,902,943 increased \$182,576 from prior year of 1,720,367.



Expense Impacts:

- Personnel expenses overall increased as a result of pay adjustments, additional employees and timing of filling positions.
- Public Safety expenses of \$7,469,115 account for 32% of governmental expenses. This is an increase of 12% from prior year as a result of operating costs related to inmate boarding, operating supplies, and purchase of vehicles.
- Public Works expenses of \$6,149,459 account for 26% of governmental expenses. The 20% 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 \$3,306,624 represent 14% of governmental expenses and decreased 2% from prior year primarily due to decreased personnel related costs.
- Culture and recreation expenses of \$4,169,791 increased 18% from prior year and represents 18% of governmental expenses. The change is primarily the result of the timing of capital projects.
- Interest and fiscal service charges on debt service decreased \$113,734 due to debt issuance costs.
- Total expenses increased \$2,410,780 (approximately 11%) 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 \$3,094,000 before net transfers out of \$1,902,943.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

Business Activities		
	FY 2019 Total Expenses	FY 2019 Net (Expense) Revenue and Change in Net Position
Electric	\$ 10,865,674	\$ 2,631,643
Sanitation	1,748,282	173,766
Total	\$ 12,613,956	\$ 2,805,409

Program revenues for business-type activities for fiscal year 2019 were \$15,419,365; an increase of \$206,248 from prior year as the result of an increase in KWH sold to electric customers. Sanitation revenues increased based upon a rate adjustment 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.

Financial Analysis of the City's Major Governmental Funds					
Fund	Fund Balances 06/30/2018	Revenues / Sources	Expenditures / Uses	Revenues/Sources or (Under) Expenditures/Uses	Fund Balances 06/30/2019
General Fund	\$ 7,908,315	\$ 16,280,303	\$ 16,268,965	\$ 11,338	\$ 7,919,653
Capital Improvement Fund	4,941,602	562,660	4,459,761	(3,897,101)	1,044,501
SPLOST	8,973,189	5,182,675	12,480,974	(7,298,299)	1,674,890

As of June 30, 2019, the City’s governmental funds reported combined ending fund balances of \$11,513,526, a decrease of \$11,067,381 in comparison with the prior year. The General Fund had an increase in fund balance of \$11,338. 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 \$3,897,101 primarily due to use of those bond proceeds. The SPLOST Fund is also a major fund and had a decrease in fund balance of \$7,298,299 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 \$116,681 for a total fund balance of \$874,482; 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, 2019, Acworth’s total fund balance for General Fund was \$7,919,653 and consisted of the following:

- Nonspendable – \$248,843 for prepaid insurance and \$78,658 for other prepaids for future services

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

- Restricted – \$2,853 for Public Safety, \$30 for General Government, \$498 for Culture and Recreation, \$899 for Public Works; and \$3,000,000 for voter appropriation.
- Assigned – \$7,208 for Housing and Development, \$7,208 for Public Safety, and \$17,614 for Culture and Recreation.
- Unassigned – \$4,549,902 which is a decrease of \$167,453 from prior year

Total Fund balance for the General fund increased \$11,338 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 30% of the total fiscal year 2019 expenditures before transfers, while total fund balance is 52% of the same amount.

General Fund - Revenues by Source						
	FY2019		FY2018		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Taxes	\$ 10,975,050	79%	\$ 10,386,223	79%	\$ 588,827	6%
License & Permits	493,986	4%	678,587	5%	(184,601)	-27%
Intergovernmental	51,415	0%	39,073	0%	12,342	32%
Charges for Services	1,106,748	8%	959,880	7%	146,868	15%
Fines & Forfeitures	1,086,151	8%	845,966	6%	240,185	28%
Investment Earnings	86,951	1%	65,637	0%	21,314	32%
Contributions & Donations	60,473	0%	48,809	0%	11,664	24%
Other	85,379	1%	149,753	1%	(64,374)	-43%
Total	\$ 13,946,153	100%	\$ 13,173,928	100%	\$ 772,225	6%

The following provides an explanation of revenues by source changes from FY2018 to FY2019:

- **Taxes.** Property taxes are the most significant revenue source during the year at \$6,661,488 and represent 61% of tax revenues. The taxable digest increased 6.33%. The millage rate remained stable at 7.60 mills. Insurance Premium Taxes increased 8% to \$1,465,968. Franchise Taxes increased 4% to \$1,476,003.
- **Licenses and permits.** License and permits saw a decrease of \$184,601 (27%). Building permits make up the bulk of the decrease at \$190,021 lower than prior year; due to the permitting of several commercial housing developments in fiscal year 2018. Licenses and permits represent 4% of the total General Fund revenues before transfers.
- **Intergovernmental.** Intergovernmental revenue saw little change with an increase of \$12,342 to \$51,415; the increase is related to the increase 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 7% to \$1,106,748. 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 an additional summer camp program. The administrative fee associated with the Tax Allocation District increased from prior year 17% to \$60,308 since the amounts available for excess disbursement increased as the increment in assessment increased approximately 7%.
- **Fines and forfeitures.** Fines and forfeitures represent 8% of total General Fund revenues and increased 28% to \$1,086,151. Increased traffic violations as well as the timing of payments received attribute to the change from prior year.
- **Investment earnings.** Investment earnings increased 32% 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 24% to \$60,473; donations are used to fund programs such as Acworth Achievers and Expanding Horizons.
- **Other.** Other revenue decreased \$64,374. The 43% decrease is attributed predominantly to reimbursements in the prior year for damaged property.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

General Fund - Expenditures by Function							
	FY2019		FY2018		Increase/(Decrease)		% of Change
	Amount	% of Total	Amount	% of Total	Amount		
General Government	\$ 2,945,373	18%	\$ 3,020,174	18%	\$ (74,801)		-2%
Public Safety	5,868,982	39%	5,110,957	38%	758,025		15%
Public Works	1,525,389	10%	1,148,041	8%	377,348		33%
Health & welfare	5,239	0%	540	0%	4,699		870%
Housing & Development	1,209,504	8%	1,047,402	8%	162,102		15%
Judicial	439,560	3%	385,566	3%	53,994		14%
Culture & recreation	2,868,882	19%	2,469,383	18%	399,499		16%
Debt Service	354,215	2%	327,501	2%	26,714		8%
Total	\$ 15,217,144	100%	\$ 13,509,564	96%	\$ 1,707,580		13%

The following provides an explanation of expenditures by function changes from FY2018 to FY2019:

Overall, personnel costs increased 12%. During the year, the effects of pay adjustments, personnel re-organization, and added positions accounted for the bulk of the net change.

- **General government.** Decreased \$74,801 or 2% from prior year. Purchased service costs decreased primarily due to attorney fee decreases of \$83,651.
- **Public Safety.** Public safety consists of the police department and the jail operations. FY2019 had an increase of \$758,025 or 15%. Personnel costs increased \$626,105 due to timing of filling open positions and group insurance costs. Purchased services increased \$53,913; included in this amount is \$22,115 related to inmate medical costs and \$27,747 of contract maintenance costs. Operating supplies increased \$19,830 and included fuel increases of \$16,604. Capital Outlay increased \$57,439 due to computer equipment purchases.
- **Public Works.** Public works increased \$377,348 or 33%. Personnel cost increased by \$64,195 due to personnel re-organization and increases in group insurance costs. Capital Outlay costs increased \$394,931 from prior year due to the purchase of a new dump truck and boom with side arm.
- **Housing and Development.** Housing and development had an increase of \$162,102 or 15%. Capital outlay costs increased \$97,737 due to a site acquisition on Southside Drive in FY2019. Excess funds disbursed from the Tax Allocation District that are not related to debt service increased by \$53,715 from prior year.
- **Judicial.** Municipal court operations increased by \$53,994 or 14%. Personnel related costs saw little change. Purchased services increased \$14,705; which is comprised mostly of attorney fees. Fine refunds increased \$34,062 to \$83,069.
- **Culture and Recreation.** Culture and recreation cost increases of \$399,499 or 16% were the result of increased personnel related costs of \$257,338 to cover services and increases in group insurance costs. Purchased services increases of \$113,356 includes contracted facility maintenance and repair costs. Operating supplies increased \$23,623 and include energy and water and sewer costs. Capital outlay saw little change.

Capital Improvement

At June 30, 2019, the fund balance was \$1,044,501. Nonspendable Fund Balance is related to prepaid services. Restricted Fund Balance of \$758,260 relates to proceeds from debt issuance in FY2017 for the Downtown Project. Committed Fund Balance of \$740 includes commitments that were approved by the Mayor and Board of Aldermen for purchases. Assigned Fund Balance of \$147,917 includes funds assigned for future projects and purchases. During FY2019, CDBG funding of \$156,934 was received for site improvements. In FY2018, 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. That project was completed in FY2019. The Downtown Street and Enhancement Project continued in FY2019 and included a pedestrian bridge to allow passage over the railroad tracks and to link the park side of the City to Downtown. The bridge was subsequently opened in FY2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

SPLOST

At June 30, 2019, SPLOST fund balance was \$1,674,890. SPLOST proceeds are received monthly and the levy will continue through December 2021. SPLOST receipts totaling \$4,628,469 were received during the year. Among the expenditures for the year are The Lemon Street project and the continuation of the Community Recreation Center which was 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 \$405,486; a decrease of \$26,778 or 6%.
- **Recreational Impact Fee Fund** – Assessed at \$500 per residential dwelling for recreational purposes. Fees received were \$78,000. Expenditures of \$184,775 were for the Logan Farm Park Expansion and Community Center Projects. Fund Balance is \$37,994 at June 30, 2019.
- **Confiscated Asset Fund** – Total revenues of \$279,316 are related to the seizure of property associated with illegal substances or activities. Fund balance is \$740,694 at June 30, 2019.
- **Soil Erosion Fees Fund** – Fees received in FY2019 were \$2,140. Fund balance is \$11,100 at June 30, 2019.
- **Emergency Telephone System Fund** – Total revenues of \$499,484 account for the receipt of prepaid wireless 911 fees and non-prepaid wireless 911 fees from the Georgia Department of Revenue.
- **Acworth Lake Authority** – Fund Balance at June 30, 2019 is \$27,206. The Authority is blended with the primary government based upon the debt relationship concerning recreational facilities.
- **Acworth Downtown Development Authority** – Fund Balance at June 30, 2019 is \$57,488. 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, 2019 is \$3,280,000 and will be paid off June 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 FY2019 was \$1,191,057.

Acworth Power provides electrical service to over 6,500 residential and commercial customers. Operating revenues of Acworth Power increased 1% from the prior year. Operating expenses increased 4% in fiscal year 2019. Therefore, the operating income saw a decrease of \$210,101. Kilowatt hours sold increased 3% to 100,250,686. Wholesale power costs increased \$465,313. Gas margin credits received in FY2018 reduced MEAG power costs in the prior year. 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 \$1,235,545 to \$15,450,926.

Acworth Sanitation provides solid waste sanitation services to over 7,000 residential and commercial customers; collecting 8,814 tons of refuse. Sanitation rates were adjusted during the year. Operating revenues increased \$62,629 from prior year while operating expenses decreased \$47,920. Vacancies in positions during FY2019 accounted for the majority of this decrease. Net position for Acworth Sanitation decreased \$44,488 to a negative \$752,081.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

Enterprise Net Operating Income (Loss) Non-Operating Revenues (Expenses) and Transfers In (Out)		
	Fiscal Year	
	2019	2018
Operating Income (Loss):		
Acworth Power	\$ 2,502,452	\$ 2,712,553
Acworth Sanitation	179,681	69,132
Total	<u>2,682,133</u>	<u>2,781,685</u>
Non-Operating Revenues (Expenses)	<u>238,384</u>	<u>84,150</u>
Contributed Capital	<u>7,550</u>	<u>47,383</u>
Income (Loss) Before Transfers	<u>2,928,067</u>	<u>2,913,218</u>
Transfers In (Out)	<u>(1,737,010)</u>	<u>(1,632,563)</u>
Change in Net Position	<u>\$ 1,191,057</u>	<u>\$ 1,280,655</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. Health insurance costs increased in FY2019 as the City saw an overall increase of 16%. 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, 2019 can be found in Required Supplementary Information.

During June 2018, the City adopted a General Fund budget of \$14,991,616 for General Fund expenditures (excluding transfers out) for FY2019. At the end of the fiscal year, the final actual expenditures were \$15,217,144 (excluding transfers out) which was an increase of \$225,528 from the original adopted budget. The final amended budget expenditures were \$15,228,577 (excluding transfers). The difference between the original budget and the final amended budget is an overall increase of \$236,961.

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

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, 2019, amounts to \$65,709,749 and \$5,550,544 respectively. These are net of accumulated depreciation and related debt. This investment includes land, buildings, vehicles and equipment as well as infrastructure.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

2019 Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Construction in Progress	\$ 4,754,537	\$ 7,324,846	\$ -	\$ 272,205	\$ 4,754,537	\$ 7,597,051
Land	7,218,671	7,425,979	202,408	239,372	7,421,079	7,665,351
Buildings and improvements	20,273,092	11,570,278	23,491	27,767	20,296,583	11,598,045
Electrical System	-	-	4,541,205	4,146,314	4,541,205	4,146,314
Improvements other than buildings	8,148,605	7,725,168	34,854	42,860	8,183,459	7,768,028
Intangible Assets	72,632	89,868	-	-	72,632	89,868
Vehicles and Equipment	3,032,017	1,724,381	748,586	1,038,817	3,780,603	2,763,198
Infrastructure	22,210,195	19,928,432	-	-	22,210,195	19,928,432
Total	\$65,709,749	\$55,788,952	\$ 5,550,544	\$ 5,767,335	\$71,260,293	\$61,556,287

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

Governmental activities:

- Infrastructure \$3,136,468 Downtown Project including Roundabout, School, and Lemon Streets
- Construction In Progress – Infrastructure - \$2,712,613 Pedestrian Bridge and Towers.
- Buildings - Community Center - \$8,789,045 – Depot Park \$645,083.
- Public Safety Vehicles and Equipment - \$200,944.
- Public Works Vehicles and Equipment - \$467,332.
- Culture and Recreation Vehicles and Equipment - \$1,436,641.

Business-type activities:

- Electrical Infrastructure - \$756,073.
- Power Vehicles and Equipment - \$23,752.

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 2019 fiscal year, the City had \$20,406,822 in outstanding long-term debt. This is a decrease of \$1,767,856 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 \$83,256,635 which is in excess of the City’s outstanding general obligation debt.

Debt outstanding at June 30, 2019 is as follows:

- Tax Allocation District Bonds - \$3,280,000
- Acworth Downtown Development Authority – City Hall / Sports Complex - \$1,428,000
- Acworth Downtown Development Authority – Revenue Bonds - \$5,360,000
- Acworth Downtown Development Authority – Series 2017 Bonds - \$6,920,000
- Installment Sales Agreement through Georgia Municipal Association - \$2,767,647
- Capital Leases – Vehicles and equipment - \$535,613
- IGA Cobb County – SPLOST Radios - \$115,562

More detailed information about the City’s long-term liabilities is included in Note 8 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

June 30, 2019

City of Acworth, Georgia

Economic Factors Affecting the City of Acworth

The Mayor and Board of Aldermen considered many factors when adopting the fiscal year ending June 30, 2020 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 \$16,572,723. The expected unassigned fund balance for the General Fund at the end of the FY2020 to remain relatively unchanged at \$4.7 million.
- Transfers out for debt service was budgeted at \$762,003.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for fiscal year 2019 remained at 7.60. The adopted budget for FY 2020 has the millage rate remaining stable.
- The 2018 taxable digest was \$762,502,176; which was 6% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. The 2019 approved taxable digest increased just over 4%. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- The 2019 population is estimated at 25,379 by the Acworth Economic Development Department. This is an increase of approximately 24.25% 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% - 06/30/2019 balance \$5,360,000.
 - Acworth City Hall/Sports Complex - Mature April 2023; interest rate of 1.74% - 06/30/2019 balance \$1,428,000.
 - City of Acworth Street Project - Mature July 2031; interest rate 2.25% - 06/30/2019 balance \$6,920,000.
- 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% - 06/30/2019 balance \$2,767,647.
- 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.

BASIC FINANCIAL STATEMENTS

CITY OF ACWORTH, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Acworth Tourism Bureau Authority
Assets:				
Cash and cash equivalents	\$ 3,819,303	\$ 5,798,459	\$ 9,617,762	\$ -
Investments	3,264,195	3,013,229	6,277,424	-
Receivables, net	53,643	1,977,795	2,031,438	117
Due from other governments	877,858	-	877,858	34,556
Due from primary government	-	-	-	73,515
Internal balances	(1,377,073)	1,377,073	-	-
Inventories	-	832,100	832,100	-
Prepaid items	787,537	32,459	819,996	1,667
Restricted assets	8,080,171	8,765,236	16,845,407	-
Capital assets, non depreciated	11,973,208	202,408	12,175,616	-
Capital assets, depreciated, net	53,736,541	5,348,136	59,084,677	-
Total assets	81,215,383	27,346,895	108,562,278	109,855
Deferred outflows of resources:				
Related to OPEB	30,054	11,116	41,170	-
Related to pensions	805,235	239,144	1,044,379	-
Total deferred outflows of resources	835,289	250,260	1,085,549	-
Liabilities:				
Accounts payable and other current liabilities	2,779,046	732,484	3,511,530	68
Due to component unit	73,515	-	73,515	-
Due to other governments	117,305	-	117,305	-
Customer deposits	-	1,270,272	1,270,272	-
Unearned revenue	536,706	-	536,706	-
Noncurrent liabilities:				
Due within one year:				
Long-term obligations	2,041,986	253,016	2,295,002	-
Due in more than one year:				
Net pension liability	2,635,690	782,764	3,418,454	-
Total OPEB liability	9,470,044	3,502,620	12,972,664	-
Long-term obligations	18,252,746	247,645	18,500,391	-
Total liabilities	35,907,038	6,788,801	42,695,839	68
Deferred inflows of resources:				
Deferred regulatory credits	-	5,234,054	5,234,054	-
Related to OPEB	1,730,246	639,954	2,370,200	-
Related to pensions	419,613	124,619	544,232	-
Total deferred inflows of resources	2,149,859	5,998,627	8,148,486	-
Net position:				
Net investment in capital assets	54,070,531	5,148,421	59,218,952	-
Restricted for:				
General government	30	-	30	-
Capital projects	777,367	-	777,367	-
Public works	635,040	-	635,040	-
Culture and recreation	1,021,786	-	1,021,786	109,787
Public safety	812,102	-	812,102	-
Voter appropriation	3,000,000	-	3,000,000	-
Unrestricted	(16,323,081)	9,661,306	(6,661,775)	-
Total net position	\$ 43,993,775	\$ 14,809,727	\$ 58,803,502	\$ 109,787

See accompanying notes to financial statements.

**CITY OF ACWORTH, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

See accompanying notes to financial statements.

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit Acworth Tourism Bureau Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities:								
General government	\$ 3,306,624	\$ 265,792	\$ -	\$ -	\$ (3,040,832)	\$ -	\$ (3,040,832)	
Public safety	7,469,115	728,085	296,171	311,599	(6,133,260)	-	(6,133,260)	
Public works	6,149,459	35,240	-	2,194,561	(3,919,658)	-	(3,919,658)	
Health and welfare	5,239	-	-	-	(5,239)	-	(5,239)	
Housing and development	1,315,407	398,655	-	-	(916,752)	-	(916,752)	
Judicial	465,947	1,086,151	-	-	620,204	-	620,204	
Culture and recreation	4,169,791	839,757	70,709	2,369,022	(890,303)	-	(890,303)	
Interest & fiscal charges on long-term debt	553,973	-	-	-	(553,973)	-	(553,973)	
Total governmental activities	23,435,555	3,353,680	366,880	4,875,182	(14,839,813)	-	(14,839,813)	
Business-type activities:								
Electric	10,865,674	13,489,767	-	7,550	-	2,631,643	2,631,643	
Sanitation	1,748,282	1,922,048	-	-	-	173,766	173,766	
Total business-type activities	12,613,956	15,411,815	-	7,550	-	2,805,409	2,805,409	
Total Primary Government	\$ 36,049,511	\$ 18,765,495	\$ 366,880	\$ 4,882,732	(14,839,813)	2,805,409	(12,034,404)	
Component Unit	\$ 95,275	\$ -	\$ 106,883	\$ -				\$ 11,608
General Revenues:								
Property taxes					6,546,327	-	6,546,327	-
Insurance premium tax					1,465,968	-	1,465,968	-
Alcohol taxes					522,948	-	522,948	-
Hotel/motel tax					405,486	-	405,486	-
Franchise taxes					1,476,003	-	1,476,003	-
Financial institution tax					48,208	-	48,208	-
Business taxes					640,558	-	640,558	-
Contributions not restricted to a specific program					650,284	-	650,284	-
Operating grants not restricted to a specific program					454,529	-	454,529	-
Unrestricted investment earnings					129,238	287,238	416,476	-
Miscellaneous					541,926	1,353	543,279	-
Transfers					1,902,943	(1,902,943)	-	-
Total general revenues and transfers					14,784,418	(1,614,352)	13,170,066	-
Change in net position					(55,395)	1,191,057	1,135,662	11,608
Net position - beginning					44,049,170	13,618,670	57,667,840	98,179
Net position - ending					\$ 43,993,775	\$ 14,809,727	\$ 58,803,502	\$ 109,787

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 3,801,804	\$ 17,499	\$ -	\$ -	\$ 3,819,303
Investments	3,203,288	60,907	-	-	3,264,195
Receivables, net	53,350	-	-	117	53,467
Due from other governments	1,873	18,685	704,485	152,815	877,858
Due from other funds	133,747	61,309	-	104,777	299,833
Prepaid items	327,501	137,584	-	-	465,085
Restricted assets	3,581,072	1,687,577	2,012,850	798,672	8,080,171
Total assets	\$ 11,102,635	\$ 1,983,561	\$ 2,717,335	\$ 1,056,381	\$ 16,859,912
Liabilities:					
Accounts payable	\$ 289,663	\$ 338,200	\$ 929,442	\$ 51,622	\$ 1,608,927
Retainage payable	-	580,803	113,003	-	693,806
Accrued liabilities	331,328	-	-	-	331,328
Due to other governments	-	-	-	117,305	117,305
Due to other funds	1,928,275	20,057	-	2,578	1,950,910
Due to component unit	73,515	-	-	-	73,515
Unearned revenue	526,312	-	-	10,394	536,706
Total liabilities	3,149,093	939,060	1,042,445	181,899	5,312,497
Deferred inflows of resources:					
Unavailable revenue	33,889	-	-	-	33,889
Fund balances:					
Nonspendable	327,501	137,584	-	-	465,085
Restricted	3,004,280	758,260	1,674,890	789,788	6,227,218
Committed	-	740	-	856	1,596
Assigned	37,970	147,917	-	83,838	269,725
Unassigned	4,549,902	-	-	-	4,549,902
Total fund balances	7,919,653	1,044,501	1,674,890	874,482	11,513,526
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,102,635	\$ 1,983,561	\$ 2,717,335	\$ 1,056,381	

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.	65,709,749
Property tax revenue earned but unavailable is not reported in the funds.	33,889
Deferred outflows of resources are not an available resource and, therefore, are not reported in the funds.	
Related to pensions	805,235
Related to OPEB	30,054
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.	451,647
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	(20,007,661)
Deferred inflows of resources related to pensions	(419,613)
Deferred inflows of resources related to OPEB	(1,730,246)
Accrued compensated absences	(287,071)
Total OPEB liability	(9,470,044)
Net pension liability	(2,635,690)
Net position of governmental activities	\$ 43,993,775

CITY OF ACWORTH, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Capital Improvement	SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 10,975,050	\$ -	\$ -	\$ 569,025	\$ 11,544,075
Licenses and permits	493,986	-	-	-	493,986
Intergovernmental	51,415	234,433	4,628,469	650,284	5,564,601
Charges for services	1,106,748	-	-	579,624	1,686,372
Fines and forfeitures	1,086,151	-	-	276,878	1,363,029
Investment earnings	86,951	37,127	12,280	5,160	141,518
Contributions and donations	60,473	-	-	-	60,473
Other	85,379	-	-	1,902	87,281
Total revenues	13,946,153	271,560	4,640,749	2,082,873	20,941,335
Expenditures:					
Current:					
General government	2,945,373	-	-	-	2,945,373
Public safety	5,868,982	-	-	602,199	6,471,181
Public works	1,525,389	-	-	1,719	1,527,108
Health and welfare	5,239	-	-	-	5,239
Housing and development	1,209,504	-	-	38,307	1,247,811
Judicial	439,560	-	-	-	439,560
Culture and recreation	2,868,882	-	-	461,251	3,330,133
Capital outlay	-	4,459,761	11,861,048	-	16,320,809
Debt service	354,215	-	78,000	1,943,116	2,375,331
Total expenditures	15,217,144	4,459,761	11,939,048	3,046,592	34,662,545
Excess (deficiency) of revenues over (under) expenditures	(1,270,991)	(4,188,201)	(7,298,299)	(963,719)	(13,721,210)
Other financing sources (uses):					
Transfers in	2,148,227	291,100	-	1,472,569	3,911,896
Transfers out	(1,051,821)	-	(541,926)	(452,169)	(2,045,916)
Issuance of debt	160,962	-	-	-	160,962
Sale of capital assets	24,961	-	-	60,000	84,961
Total other financing sources (uses)	1,282,329	291,100	(541,926)	1,080,400	2,111,903
Extraordinary item (Note 17)	-	-	541,926	-	541,926
Net change in fund balance	11,338	(3,897,101)	(7,298,299)	116,681	(11,067,381)
Fund balance - beginning	7,908,315	4,941,602	8,973,189	757,801	22,580,907
Fund balance - ending	\$ 7,919,653	\$ 1,044,501	\$ 1,674,890	\$ 874,482	\$ 11,513,526

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, 2019

Net change in fund balances - total governmental funds \$ (11,067,381)

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

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

Capital assets transferred from proprietary funds 36,963

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	(4,579,335)	
Capital outlay	15,347,607	
Loss on disposal of assets	<u>(884,438)</u>	9,883,834

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.

Proceeds from capital lease	(160,962)	
Principal payments on debt	<u>1,761,358</u>	1,600,396

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. (6,044)

The Insurance Internal Service Fund is used by management to charge the cost of insurance to individual funds. (42,486)

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	106,670	
Total OPEB liability and changes in related deferred inflows/outflows of resources	(541,112)	
Accrued compensated absences	<u>(26,235)</u>	<u>(460,677)</u>

Change in net position of governmental activities \$ (55,395)

**CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Enterprise Funds			Internal Service Funds
	Major			
	Electrical Power	Sanitation	Totals	
Assets:				
Current assets:				
Cash	\$ 5,050,787	\$ 656,328	\$ 5,707,115	\$ 91,344
Investments	3,013,229	-	3,013,229	-
Receivables, net				
Utility accounts	1,825,548	149,392	1,974,940	-
Other	-	-	-	3,031
Due from other funds	1,224,152	518,400	1,742,552	438,242
Inventory	832,100	-	832,100	-
Prepaid items	28,985	-	28,985	325,926
Restricted assets:				
Cash	1,249,450	-	1,249,450	-
Investments	7,515,786	-	7,515,786	-
Total current assets	<u>20,740,037</u>	<u>1,324,120</u>	<u>22,064,157</u>	<u>858,543</u>
Noncurrent assets:				
Property, plant and equipment, net	5,034,261	513,321	5,547,582	2,962
Total assets	<u>25,774,298</u>	<u>1,837,441</u>	<u>27,611,739</u>	<u>861,505</u>
Deferred outflows of resources:				
Related to pensions	133,636	63,229	196,865	42,279
Related to OPEB	6,176	4,940	11,116	-
Total deferred outflows of resources	<u>139,812</u>	<u>68,169</u>	<u>207,981</u>	<u>42,279</u>
Liabilities:				
Current liabilities:				
Accounts and claims payable	629,707	20,871	650,578	152,697
Accrued liabilities	41,031	18,899	59,930	14,264
Accrued compensated absences	57,070	13,030	70,100	11,100
Due to other funds	481,153	48,564	529,717	-
Capital lease obligations	89,682	82,134	171,816	-
Customer deposits	975,082	295,190	1,270,272	-
Total current liabilities	<u>2,273,725</u>	<u>478,688</u>	<u>2,752,413</u>	<u>178,061</u>
Long-term liabilities (net of current portion):				
Accrued compensated absences	14,268	3,257	17,525	2,775
Total OPEB liability	1,945,900	1,556,720	3,502,620	-
Net pension liability	437,415	206,962	644,377	138,387
Capital lease obligations	132,654	94,691	227,345	-
Total long-term liabilities	<u>2,530,237</u>	<u>1,861,630</u>	<u>4,391,867</u>	<u>141,162</u>
Total liabilities	<u>4,803,962</u>	<u>2,340,318</u>	<u>7,144,280</u>	<u>319,223</u>
Deferred inflows of resources:				
Deferred regulatory credits	5,234,054	-	5,234,054	-
Related to pensions	69,638	32,949	102,587	22,032
Related to OPEB	355,530	284,424	639,954	-
Total deferred inflows of resources	<u>5,659,222</u>	<u>317,373</u>	<u>5,976,595</u>	<u>22,032</u>
Net Position:				
Net investment in capital assets	4,811,925	336,496	5,148,421	2,962
Unrestricted	10,639,001	(1,088,577)	9,550,424	559,567
Total net position	<u>\$ 15,450,926</u>	<u>\$ (752,081)</u>	<u>14,698,845</u>	<u>\$ 562,529</u>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds			<u>110,882</u>	
Net position of business-type activities			<u>\$ 14,809,727</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, 2019

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Operating revenues:				
Charges for services	\$ 12,973,166	\$ 1,922,048	\$ 14,895,214	\$ 3,927,237
Other	516,601	-	516,601	37,510
Total operating revenues	<u>13,489,767</u>	<u>1,922,048</u>	<u>15,411,815</u>	<u>3,964,747</u>
Operating expenses:				
Personal services	1,687,797	886,246	2,574,043	513,814
Operating	8,746,349	722,893	9,469,242	3,363,399
Depreciation	553,169	133,228	686,397	1,050
Total operating expenses	<u>10,987,315</u>	<u>1,742,367</u>	<u>12,729,682</u>	<u>3,878,263</u>
Operating income	<u>2,502,452</u>	<u>179,681</u>	<u>2,682,133</u>	<u>86,484</u>
Nonoperating revenues (expenses):				
Interest income	287,238	-	287,238	-
Interest expense	(7,329)	(5,915)	(13,244)	-
Miscellaneous	(36,913)	1,303	(35,610)	-
Total nonoperating revenues (expenses)	<u>242,996</u>	<u>(4,612)</u>	<u>238,384</u>	<u>-</u>
Income before contributions and transfers	<u>2,745,448</u>	<u>175,069</u>	<u>2,920,517</u>	<u>86,484</u>
Capital contributions	7,550	-	7,550	-
Transfers out	<u>(1,517,453)</u>	<u>(219,557)</u>	<u>(1,737,010)</u>	<u>(128,970)</u>
Increase (decrease) in net position	<u>1,235,545</u>	<u>(44,488)</u>	<u>1,191,057</u>	<u>(42,486)</u>
Net position at beginning of year	<u>14,215,381</u>	<u>(707,593)</u>		<u>605,015</u>
Net position at end of year	<u>\$ 15,450,926</u>	<u>\$ (752,081)</u>		<u>\$ 562,529</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>\$ 1,191,057</u>	

See accompanying notes to financial statements.

CITY OF ACWORTH, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Enterprise Funds			Internal Service Funds
	Major		Totals	
	Electrical Power	Sanitation		
Cash flows from (to) operating activities:				
Cash received from contributions and services provided	\$ 13,453,590	\$ 1,932,545	\$ 15,386,135	\$ 3,964,361
Cash payments for goods and services	(8,525,432)	(942,082)	(9,467,514)	(101,919)
Cash payments for benefits and claims	-	-	-	(3,203,517)
Cash payments for employee services and fringe benefits	(1,534,897)	(805,102)	(2,339,999)	(548,937)
Net cash from (to) operating activities	<u>3,393,261</u>	<u>185,361</u>	<u>3,578,622</u>	<u>109,988</u>
Cash flows from (to) noncapital financing activities:				
Transfers out	(1,517,453)	(219,557)	(1,737,010)	(128,970)
Net cash from (to) noncapital financing activities	<u>(1,517,453)</u>	<u>(219,557)</u>	<u>(1,737,010)</u>	<u>(128,970)</u>
Cash flows from (to) capital and related financing activities:				
Contributed capital	7,550	-	7,550	-
Proceeds from sale of capital assets	50	1,303	1,353	-
Interest paid	(7,329)	(5,915)	(13,244)	-
Payments for capital acquisitions	(507,620)	-	(507,620)	-
Principal payments on long-term obligations	(87,513)	(79,947)	(167,460)	-
Net cash from (to) capital and related financing activities	<u>(594,862)</u>	<u>(84,559)</u>	<u>(679,421)</u>	<u>-</u>
Cash flows from (to) investing activities:				
(Purchases) proceeds from sale of investments	(1,261,044)	-	(1,261,044)	-
Interest received from investments	287,238	-	287,238	-
Net cash from (to) investing activities	<u>(973,806)</u>	<u>-</u>	<u>(973,806)</u>	<u>-</u>
Net increase (decrease) in cash	307,140	(118,755)	188,385	(18,982)
Cash at beginning 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>
Cash at end of year (including \$1,249,450 in restricted cash)	<u>\$ 6,300,237</u>	<u>\$ 656,328</u>	<u>\$ 6,956,565</u>	<u>\$ 91,344</u>

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

**CITY OF ACWORTH, GEORGIA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Enterprise Funds			Internal Service Funds
	Major			
	Electrical Power	Sanitation	Totals	
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 2,502,452	\$ 179,681	\$ 2,682,133	\$ 86,484
Adjustments to reconcile operating income to net cash to operating activities:				
Depreciation	553,169	133,228	686,397	1,050
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(32,972)	(4,771)	(37,743)	51,367
(Increase) decrease in due from other funds	(885,366)	(234,707)	(1,120,073)	(51,753)
(Increase) decrease in inventory	188,532	-	188,532	-
(Increase) decrease in prepaid items	(317)	-	(317)	(47,593)
(Increase) decrease in deferred outflows of resources	(46,629)	(15,797)	(62,426)	(2,683)
Increase (decrease) in accounts payable	(12,345)	(5,485)	(17,830)	122,966
Increase (decrease) in accrued liabilities	656	(3,200)	(2,544)	(2,190)
Increase (decrease) in due to other funds	120,033	21,003	141,036	(17,410)
Increase (decrease) in customer deposits	(3,205)	15,268	12,063	-
Increase (decrease) in total OPEB liability	36,041	28,833	64,874	-
Increase (decrease) in net pension liability	70,584	6,872	77,456	(28,355)
Increase (decrease) in deferred inflows of resources	902,628	64,436	967,064	(1,895)
Net cash from (to) operating activities	\$ 3,393,261	\$ 185,361	\$ 3,578,622	\$ 109,988

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, 2019**

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, 2019

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, 2019

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, 2019

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, 2019

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 budgets.

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, 2019**

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, 2019**

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, 2019**

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, 2019

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. Amounts that are restricted to specific purposes either by a) constraints placed on the

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. As of June 30, 2019, 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, 2019, the City had the following investments:

Type of Investment	Rating	Investment Maturities (in Years)				Total
		Less than 1	1-5	6-10	More than 10	
Georgia Fund 1	AAAf	\$ 6,062,256	\$ -	\$ -	\$ -	\$ 6,062,256
Municipal Competitive Trust	not rated	8,105,909	396,526	291,808	39,370	8,833,613
Total		\$ 14,168,165	\$ 396,526	\$ 291,808	\$ 39,370	\$ 14,895,869

The above table of investments includes \$8,618,445 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

The City has 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, 2019

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, 2019 are classified as follows:

	Fair Value Measurement Using			
		Level 1	Level 2	Level 3
Municipal Competitive Trust	\$ 8,833,613	\$ 19,734	\$ 8,813,879	\$ -
	\$ 8,833,613	\$ 19,734	\$ 8,813,879	\$ -

3. RECEIVABLES

Receivables at June 30, 2019 consist of the following:

	Taxes and Fines	Accrued Interest	Utility Accounts	Other	Allowance for Uncollectibles	Net Receivables
General Fund	\$ 31,420	\$ 14,118	\$ -	\$ 13,942	\$ (6,130)	\$ 53,350
Nonmajor Governmental Funds	-	-	-	117	-	117
Electrical Power Fund	-	-	1,911,457	-	(85,909)	1,825,548
Sanitation Fund	-	-	173,472	-	(24,080)	149,392
Internal Service Funds	-	-	-	3,031	-	3,031
Total	\$ 31,420	\$ 14,118	\$ 2,084,929	\$ 17,090	\$(116,119)	\$ 2,031,438

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

4. DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2019 consist of the following:

	Cobb County, GA	Cobb County Tax Commissioner	State of Georgia Department of Transportation	Other	Total
General Fund	\$ -	\$ -	\$ -	\$ 1,873	\$ 1,873
Capital Improvement Fund	2,750	-	15,935	-	18,685
SPLOST Fund	704,485	-	-	-	704,485
Nonmajor Governmental Funds	-	152,815	-	-	152,815
	<u>\$ 707,235</u>	<u>\$ 152,815</u>	<u>\$ 15,935</u>	<u>\$ 1,873</u>	<u>\$ 877,858</u>

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund loans receivable are considered “available spendable resources”. Such balances at June 30, 2019 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	\$ -	\$ 61,309	\$ 104,777	\$ 1,224,152	\$ 219,733	\$ 318,304	\$ 1,928,275
Capital Improvement Fund	20,057	-	-	-	-	-	20,057
Nonmajor Governmental Funds	2,578	-	-	-	-	-	2,578
Electrical Power Fund	93,960	-	-	-	298,667	88,526	481,153
Sanitation Fund	17,152	-	-	-	-	31,412	48,564
Total	<u>\$ 133,747</u>	<u>\$ 61,309</u>	<u>\$ 104,777</u>	<u>\$ 1,224,152</u>	<u>\$ 518,400</u>	<u>\$ 438,242</u>	<u>\$ 2,480,627</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	SPLOST Fund	Nonmajor Governmental Funds	Electrical Power Fund	Sanitation Fund	Internal Service Funds	
General Fund	\$ -	\$ 541,926	\$ 452,169	\$ 805,605	\$ 219,557	\$ 128,970	\$ 2,148,227
Capital Improvement Fund	291,100	-	-	-	-	-	291,100
Nonmajor Governmental Funds	760,721	-	-	711,848	-	-	1,472,569
Total	<u>\$ 1,051,821</u>	<u>\$ 541,926</u>	<u>\$ 452,169</u>	<u>\$ 1,517,453</u>	<u>\$ 219,557</u>	<u>\$ 128,970</u>	<u>\$ 3,911,896</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Transfer out from SPLOST Fund to General Fund was related to a SPLOST refund received by the City for an overpayment on a project in a previous year.

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, 2019 are restricted for the following:

Governmental Funds	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
General Fund:			
Municipal court bonds	\$ 529,673	\$ -	\$ 529,673
Development performance bonds	12,068	-	12,068
Proceeds from sale of water & sewer system	3,000,000	-	3,000,000
Bail bond escrow	35,051	-	35,051
Other	4,280	-	4,280
	<u>3,581,072</u>	<u>-</u>	<u>3,581,072</u>
SPLOST Fund:			
Unspent SPLOST proceeds	795,287	780,578	1,575,865
Unspent grant proceeds	436,985	-	436,985
	<u>1,232,272</u>	<u>780,578</u>	<u>2,012,850</u>
Capital Projects Fund:			
Unspent bond proceeds	1,687,577	-	1,687,577
Nonmajor governmental funds:			
Unspent TAD proceeds	1,500	-	1,500
Recreational impact fee	-	33,494	33,494
Soil erosion fee	-	11,268	11,268
Confiscated assets	475,091	277,319	752,410
	<u>476,591</u>	<u>322,081</u>	<u>798,672</u>
Total governmental funds	<u>\$ 6,977,512</u>	<u>\$ 1,102,659</u>	<u>\$ 8,080,171</u>
Proprietary Funds			
Power Fund:			
MEAG Power project	\$ -	\$ 7,515,786	\$ 7,515,786
Customer deposits	1,249,450	-	1,249,450
	<u>1,249,450</u>	<u>7,515,786</u>	<u>8,765,236</u>
Total proprietary funds	<u>\$ 1,249,450</u>	<u>\$ 7,515,786</u>	<u>\$ 8,765,236</u>

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

7. CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Reclassifications/ Reductions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,425,979	\$ 136,963	\$ (344,271)	\$ 7,218,671
Construction in progress	7,324,846	4,624,937	(7,195,246)	4,754,537
Total capital assets not being depreciated	<u>14,750,825</u>	<u>4,761,900</u>	<u>(7,539,517)</u>	<u>11,973,208</u>
Capital assets, being depreciated:				
Buildings	16,843,244	9,434,128	(301,359)	25,976,013
Improvements other than buildings	13,778,067	1,220,109	-	14,998,176
Intangible Assets	212,236	-	-	212,236
Vehicles and equipment	7,088,325	2,104,917	(264,524)	8,928,718
Infrastructure (streets)	66,919,400	5,058,762	(1,760,627)	70,217,535
Total capital assets being depreciated	<u>104,841,272</u>	<u>17,817,916</u>	<u>(2,326,510)</u>	<u>120,332,678</u>
Less accumulated depreciation for:				
Buildings	(5,272,966)	(647,594)	217,639	(5,702,921)
Improvements other than buildings	(6,052,898)	(796,673)	-	(6,849,571)
Intangible Assets	(122,368)	(17,236)	-	(139,604)
Vehicles and equipment	(5,363,945)	(794,984)	262,228	(5,896,701)
Infrastructure (streets)	(46,990,968)	(2,322,848)	1,306,476	(48,007,340)
Total accumulated depreciation	<u>(63,803,145)</u>	<u>(4,579,335)</u>	<u>1,786,343</u>	<u>(66,596,137)</u>
Total capital assets being depreciated, net	<u>41,038,127</u>	<u>13,238,581</u>	<u>(540,167)</u>	<u>53,736,541</u>
Governmental activities capital assets, net	<u>\$ 55,788,952</u>	<u>\$ 18,000,481</u>	<u>\$ (8,079,684)</u>	<u>\$ 65,709,749</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 239,372	\$ -	\$ (36,964)	\$ 202,408
Construction in progress	272,205	-	(272,205)	-
Total capital assets not being depreciated	<u>511,577</u>	<u>-</u>	<u>(309,169)</u>	<u>202,408</u>
Capital assets, being depreciated:				
Buildings	166,369	-	-	166,369
Improvements other than buildings	51,042	-	-	51,042
Electrical System	10,569,903	756,073	-	11,325,976
Vehicles and equipment	4,944,952	23,752	(241,560)	4,727,144
Total capital assets being depreciated	<u>15,732,266</u>	<u>779,825</u>	<u>(241,560)</u>	<u>16,270,531</u>
Less accumulated depreciation for:				
Buildings	(138,602)	(4,276)	-	(142,878)
Improvements other than buildings	(8,182)	(8,006)	-	(16,188)
Electrical System	(6,423,589)	(361,182)	-	(6,784,771)
Vehicles and equipment	(3,906,135)	(313,983)	241,560	(3,978,558)
Total accumulated depreciation	<u>(10,476,508)</u>	<u>(687,447)</u>	<u>241,560</u>	<u>(10,922,395)</u>
Total capital assets being depreciated, net	<u>5,255,758</u>	<u>92,378</u>	<u>-</u>	<u>5,348,136</u>
Business-type activities capital assets, net	<u>\$ 5,767,335</u>	<u>\$ 92,378</u>	<u>\$ (309,169)</u>	<u>\$ 5,550,544</u>

CITY OF ACWORTH, GEORGIA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 379,627
Public safety	809,271
Public works, including depreciation of general infrastructure	2,512,430
Housing and development	11,830
Judicial	11,505
Culture and recreation	854,672
Total depreciation expense - governmental activities	<u>\$ 4,579,335</u>
Business-type activities:	
Electric	\$ 553,169
Sanitation	133,228
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>\$ 687,447</u>

8. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Debt:					
Revenue bonds	\$ 14,715,000	\$ -	\$ (1,007,000)	13,708,000	\$ 1,033,000
Installment sales agreement	2,996,736	-	(229,089)	2,767,647	236,901
Tax allocation district bonds	3,705,000	-	(425,000)	3,280,000	435,000
Intergovernmental contracts	191,321	-	(75,759)	115,562	76,846
Capital leases	-	160,962	(24,510)	136,452	30,582
Total Debt	21,608,057	160,962	(1,761,358)	20,007,661	1,812,329
Compensated absences	260,836	344,268	(318,033)	287,071	229,657
Governmental activities long-term liabilities	<u>\$ 21,868,893</u>	<u>\$ 505,230</u>	<u>\$ (2,079,391)</u>	<u>\$ 20,294,732</u>	<u>\$ 2,041,986</u>
Business-type activities:					
Capital leases	\$ 566,621	\$ -	\$ (167,460)	\$ 399,161	\$ 171,816
Compensated absences	103,721	119,864	(122,085)	101,500	81,200
Business-type activities long-term liabilities	<u>\$ 670,342</u>	<u>\$ 119,864</u>	<u>\$ (289,545)</u>	<u>\$ 500,661</u>	<u>\$ 253,016</u>

For Governmental Activities, compensated absences are typically liquidated in the General Fund.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Governmental Activities:

A. Revenue Bonds (Direct Borrowing/Placements)

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
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>\$ 1,428,000</u>	<u>\$ 62,640</u>	<u>\$ 1,490,640</u>

Cable/Fiber Optic System

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

The bonds issued by the Authority were refinanced to allow for the sale of the system. In June 2008 the Authority issued \$9,645,000 in Series 2008 Refunding Revenue Bond (City of Acworth Cable Project) for the purpose of refunding the existing bonds. As a result of the refunding, the City increased its total debt service requirements by \$200,000 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$958,903.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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
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	590,000	128,331	718,331
2025 - 2029	2,640,000	267,379	2,907,379
Total	<u>\$ 5,360,000</u>	<u>\$ 1,124,404</u>	<u>\$ 6,484,404</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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 185,000	\$ 155,700	\$ 340,700
2021	185,000	151,538	336,538
2022	185,000	147,375	332,375
2023	195,000	143,213	338,213
2024	565,000	138,825	703,825
2025 - 2029	3,690,000	500,175	4,190,175
2030 - 2031	1,915,000	47,925	1,962,925
Total	<u>\$ 6,920,000</u>	<u>\$ 1,284,751</u>	<u>\$ 8,204,751</u>

B. Installment Sales Agreement (Direct Borrowing/Placement)

Public Safety and Court Services (Direct Borrowing)

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
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	270,905	55,754	326,659
2025 - 2029	1,499,557	131,265	1,630,822
Total	<u>\$ 2,767,647</u>	<u>\$ 497,943</u>	<u>\$ 3,265,590</u>

C. Tax Allocation District Bonds (Direct Borrowing/Placement)

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

CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 \$513,710 and \$813,823, respectively.

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

Year Ending June 30,	Principal	Interest	Total
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	480,000	31,370	511,370
2025 - 2026	995,000	25,471	1,020,471
Total	<u>\$ 3,280,000</u>	<u>\$ 299,857</u>	<u>\$ 3,579,857</u>

D. Intergovernmental Contract (Direct Borrowing/Placement)

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
2020	\$ 76,846	\$ 1,154	\$ 78,000
2021	38,716	284	39,000
Total	<u>\$ 115,562</u>	<u>\$ 1,438</u>	<u>\$ 117,000</u>

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

E. Capital Leases (Direct Borrowing/Placement)

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
2020	\$ 30,582	\$ 5,209	\$ 35,791
2021	31,908	3,883	35,791
2022	33,293	2,500	35,793
2023	34,735	1,051	35,786
2024	5,934	32	5,966
Total	<u>\$ 136,452</u>	<u>\$ 12,675</u>	<u>\$ 149,127</u>

The gross amount of Governmental Activities capital assets on the balance sheet recorded under capital leases is \$160,974 and the accumulated depreciation is \$14,729. This year \$14,729 was included in depreciation expense.

F. Legal Debt Margin

The City is subject to a debt limit that is 10% of its total assessed taxable property valuation. At June 30, 2019 that amount was \$83,256,635. As of June 30, 2019 the total outstanding debt applicable to the limit was \$16,475,647.

Business-type Activities:

A. Capital Leases (Direct Borrowing/Placement)

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
2020	\$ 171,816	\$ 8,714	\$ 180,530
2021	137,413	4,387	141,800
2022	82,647	1,384	84,031
2023	7,285	26	7,311
Total	<u>\$ 399,161</u>	<u>\$ 14,511</u>	<u>\$ 413,672</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 \$478,243. This year \$169,550 was included in depreciation expense.

**CITY OF ACWORTH, GEORGIA
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$6,937,177 from the Authority during the period ended June 30, 2019.

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 \$211,730 during the period ended June 30, 2019.

Encumbrances

Encumbrances outstanding as of June 30, 2019 are as follows:

General Fund	\$	2,331
SPLOST Fund		367,512
Capital Improvement Fund		820,434
Non-major Governmental Funds		856
Total	<u>\$</u>	<u>1,191,133</u>

10. PROPERTY TAXES

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

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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, 2018 were \$745,977,913 and \$56,677,599 respectively.

Based on the 2018 digest millage levy of 7.60, a property tax owner would pay \$7.60 per \$1,000 of assessed valuation. Current tax collections of \$5,493,950 for the fiscal year ended June 30, 2019 were 98.66% of the levy.

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	\$ 327,501	\$ 137,584	\$ -	\$ -	\$ 465,085
Restricted for:					
Capital projects - Downtown Project	-	758,260	-	-	758,260
Public safety - Police	2,853	-	68,555	740,694	812,102
Culture and recreation	498	-	983,294	37,994	1,021,786
Public works	899	-	623,041	11,100	635,040
General government	30	-	-	-	30
Voter appropriation	3,000,000	-	-	-	3,000,000
Committed for:					
General Government	-	740	-	-	740
Culture and recreation	-	-	-	856	856
Assigned for:					
Capital projects	-	24,314	-	-	24,314
General government	-	3,201	-	-	3,201
Public safety	13,148	-	-	-	13,148
Public works	-	26,259	-	-	26,259
Culture and recreation	17,614	48,143	-	26,350	92,107
Housing and development	7,208	46,000	-	57,488	110,696
Unassigned	4,549,902	-	-	-	4,549,902
	<u>\$ 7,919,653</u>	<u>\$ 1,044,501</u>	<u>\$ 1,674,890</u>	<u>\$ 874,482</u>	<u>\$ 11,513,526</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

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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%.

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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	52
Inactive employees entitled to but not yet receiving benefits	80
Active employees	163
Elected Officials	<u>6</u>
Total	<u><u>301</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, 2019, the actuarially determined rate was 7.82% of annual pay. The City's contributions to the Plan totaled \$583,845 for the year ended June 30, 2019.

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Net Pension Liability - The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions - The total pension liability in the January 1, 2019 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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	7.40%
Real estate	10%	5.10%
Global fixed income	5%	3.03%
Domestic fixed income	20%	1.75%
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.

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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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/2017	\$ 12,796,217	\$ 9,461,386	\$ 3,334,831
Changes for the year:			
Service cost	402,865	-	402,865
Interest	976,492	-	976,492
Differences between expected and actual experience	434,513	-	434,513
Contributions - employer	-	534,171	(534,171)
Contributions - employee	-	281,419	(281,419)
Net investment income	-	954,892	(954,892)
Benefit payments, including refunds of employee contributions	(358,384)	(358,384)	-
Administrative expense	-	(40,235)	40,235
Net changes	<u>1,455,486</u>	<u>1,371,863</u>	<u>83,623</u>
Balances at 9/30/2018	<u>\$ 14,251,703</u>	<u>\$ 10,833,249</u>	<u>\$ 3,418,454</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	\$ 5,375,917	\$ 3,418,454	\$ 1,823,316

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

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accounting. Contributions are recognized as revenues in the period in which the contributions are received. Investment income is recognized as earned by the GMEBS. The net appreciation (depreciation) in the fair value of investments held by the GMEBS is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the Statement of Net Position. Plan refunds, transfers and benefits to participants are recorded as they are received or paid. Other expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Investments are reported at fair value as of the Statement of Net Position date.

Investments of the System consist of common and preferred stocks, corporate fixed income securities, equity and fixed income mutual funds, governmental and governmental agency securities, and real estate. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in real estate funds are valued based on appraisals and valuations prepared by Morgan Stanley Real Estate Advisors. Temporary cash and cash equivalent investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

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

For the year ended June 30, 2019, the City recognized pension expense of \$479,808. At June 30, 2019, 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	\$ 488,826	\$ (1,532)
Changes of assumptions	117,669	-
Net difference between projected and actual earnings on pension plan investments	-	(542,700)
Employer contributions to the pension plan subsequent to the measurement date of the net pension liability	<u>437,884</u>	<u>-</u>
Total	<u>\$ 1,044,379</u>	<u>\$ (544,232)</u>

\$437,884 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30,	
2020	\$ 88,786
2021	(57,831)
2022	(9,666)
2023	40,974
2024	-
Thereafter	-

13. POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description - The City of Acworth OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Acworth. The plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. 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.

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.

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

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and spouses receiving benefits, and 168 current and active employees. The City has the authority to establish and amend benefit provisions.

Employees Covered by Benefit Terms – At June 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members of beneficiaries currently receiving benefit payments	8
Active plan members	<u>168</u>
Total	<u><u>176</u></u>

Total OPEB Liability - The City’s total OPEB liability was measured as of June 30, 2018 by an actuarial valuation as of that date.

Actuarial assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.25% to 8.25% including inflation
Investment rate of return	3.87%
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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

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 3.87%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2018.

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Changes in Total OPEB Liability

	Total OPEB Liability
Balances at 6/30/2017	\$ 12,732,392
Changes for the year:	
Service cost	747,507
Interest	481,856
Differences between expected and actual experience	(474,028)
Changes of assumptions	(474,584)
Contributions - employer	-
Net investment income	-
Benefit payments	(40,479)
Administrative expense	-
Net changes	240,272
Balances at 6/30/2018	\$ 12,972,664

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 (2.87 percent) or 1-percentagepoint higher (4.87 percent) than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	\$ 15,934,134	\$ 12,972,664	\$ 10,697,166

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 10,410,828	\$ 12,972,664	\$ 16,392,286

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$782,419. At June 30, 2019, 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	\$ -	\$ 461,938
Changes of assumptions	-	1,908,262
Employer contributions to the OPEB plan subsequent to the measurement date of the total OPEB liability	41,170	-
Total	\$ 41,170	\$2,370,200

\$41,170 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2020	\$ (446,937)
2021	(446,937)
2022	(446,937)
2023	(446,937)
2024	(446,937)
Thereafter	(135,515)

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, 2019, there were 156 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.

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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 1, 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, 2019 was \$3,696. The City made total contributions during the year of \$489,139. The participant's portion of the contributions during the year was \$255,612. The plan held no securities of the City or other related parties during the year.

15. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The City participates in a public entity risk pool managed by the Georgia Interlocal Risk Management Agency (GIRMA) whereby the risk is pooled with other entities. The retention of the pool is \$1,000,000 for property and \$750,000 for liability. Coverage is subject to a per occurrence deductible of \$2,500.

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

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

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative.
- To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purpose of GIRMA.
- To follow all loss reduction and prevention procedures established by GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City is also exposed to risks of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a group self-insurance fund managed by the Georgia Municipal Association Workers' Compensation Self-Insurance Fund whereby the risk is pooled with other entities. The policy is 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 OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 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.

**CITY OF ACWORTH, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

17. EXTRAORDINARY ITEM

An extraordinary item has been recognized by the City as a result of a refund of previously expended 2011 SPLOST funds, which has since been closed, in the amount of \$541,926. The refund was recognized in the SPLOST Fund and transferred into the General Fund to fund debt service.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	\$ 402,865	\$ 379,852	\$ 364,831	\$ 292,812	\$ 281,368
Interest	976,492	807,823	745,988	672,423	616,661
Differences between expected and actual experience	434,513	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	(358,384)	(309,431)	(308,809)	(280,555)	(261,769)
Net change in total pension liability	1,455,486	2,217,974	798,181	963,355	728,908
Total pension liability - beginning	12,796,217	10,578,243	9,780,062	8,816,707	8,087,799
Total pension liability - ending (a)	\$ 14,251,703	\$ 12,796,217	\$ 10,578,243	\$ 9,780,062	\$ 8,816,707
Plan fiduciary net position					
Contributions - employer	\$ 534,171	\$ 423,979	\$ 406,534	\$ 434,039	\$ 369,318
Contributions - employee	281,419	248,431	193,653	164,243	146,390
Net investment income	954,892	1,218,198	780,159	62,237	648,207
Benefit payments including refunds of employee contributions	(358,384)	(309,431)	(308,809)	(280,555)	(261,769)
Administrative expense	(40,235)	(42,337)	(23,770)	(25,428)	(20,118)
Net change in plan fiduciary net position	1,371,863	1,538,840	1,047,767	354,536	882,028
Plan fiduciary net position - beginning	9,461,386	7,922,546	6,874,779	6,520,243	5,638,215
Plan fiduciary net position - ending (b)	\$ 10,833,249	\$ 9,461,386	\$ 7,922,546	\$ 6,874,779	\$ 6,520,243
Net pension liability - ending (a) - (b)	\$ 3,418,454	\$ 3,334,831	\$ 2,655,697	\$ 2,905,283	\$ 2,296,464
Plan fiduciary net position as a percentage of the total pension liability	76.01%	73.94%	74.89%	70.29%	73.95%
Covered payroll	\$ 8,018,235	\$ 7,363,065	\$ 7,264,396	\$ 6,891,178	\$ 5,949,453
Net pension liability as a percentage of covered payroll	42.63%	45.29%	36.56%	42.16%	38.60%

Notes to Schedule:

Changes of assumptions : Amounts reported for the fiscal year ending in 2018 and later reflect the following assumption changes based on an actuarial study conducted in September 2017:

The investment return assumption was decreased from 7.75% to 7.50%.

The inflation assumption was decreased from 3.25% to 2.75%

Benefit changes : Effective January 1, 2017, the employee contribution rate for Classes 1 and 3 was increased to 4%. In addition, the benefit formula for Class 2 changed from using a table breakpoint to a \$5,000 breakpoint. Also, the benefit formula for Classes 1 and 3 was changed from the table breakpoint formula to a flat 2.09% formula. Employees hired on or after January 1, 2017 will become vested in their benefits after ten years.

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**

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Actuarially determined contribution	\$ 583,845	\$ 466,903	\$ 465,298	\$ 396,393	\$ 394,148
Contributions in relation to the actuarially determined contribution	583,845	466,903	465,298	396,393	433,563
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,415)</u>
Covered payroll	\$ 8,801,412	\$ 8,023,610	\$ 7,881,656	\$ 7,383,239	\$ 6,681,136
Contributions as a percentage of covered payroll	6.63%	5.82%	5.90%	5.37%	6.49%

Notes to Schedule:

Valuation Date:

The actuarially determined contribution rate for fiscal year 2019 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 amortization 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.
Projected salary increases	2.75% plus service based merit increases
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

	2019	2018
Total OPEB liability		
Service cost	\$ 747,507	\$ 954,101
Interest	481,856	413,784
Differences between expected and actual experience	(474,028)	(77,885)
Changes of assumptions	(474,584)	(2,102,074)
Benefit payments	(40,479)	(40,336)
Net change in total OPEB liability	240,272	(852,410)
Total OPEB liability - beginning	12,732,392	13,584,802
Total OPEB liability - ending (a)	\$ 12,972,664	\$ 12,732,392
Covered employee payroll	\$ 8,023,610	\$ 7,140,512
Total OPEB liability as a percentage of covered employee payroll	161.68%	178.31%

Notes to Schedule

Changes of assumptions: The discount rate changed from 3.58% to 3.87% for the year ending June 30, 2019.
The inflation assumption changed from 3.25% to 2.75%.
The salary scale increases changed from a range of 3.75% - 8.75% to the range 3.25% - 8.25%.

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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
Taxes	\$ 10,692,754	\$ 10,975,047	\$ 10,975,050	\$ 3
Licenses and Permits	343,390	493,986	493,986	-
Intergovernmental	27,860	51,415	51,415	-
Charges for Services	988,115	1,106,748	1,106,748	-
Fines and Forfeitures	950,000	1,086,151	1,086,151	-
Investment Earnings	52,000	86,951	86,951	-
Contributions and Donations	49,500	59,120	60,473	1,353
Other	47,000	85,434	85,379	(55)
Total Revenues	13,150,619	13,944,852	13,946,153	1,301
Expenditures:				
General Government				
Board of Aldermen	229,459	224,600	224,581	19
Administration - City Manager's Office	464,044	483,600	483,541	59
Elections	910	1,250	1,241	9
Financial Administration	631,230	649,858	649,857	1
Attorney/Legal Services	99,250	119,835	119,835	-
Information Systems	316,622	305,170	305,170	-
Human Resources	242,515	260,480	260,479	1
Insurance/Risk Management	315,000	315,400	315,386	14
External Auditors	33,020	33,280	33,280	-
General Government Building Maintenance	279,818	292,230	292,201	29
Government Bldg - City Hall	92,300	72,960	72,957	3
Government Bldg - 4406/4440 Acworth Ind Dr	117,500	117,556	117,531	25
Government Bldg - 4406/4440 Acworth Ind]	62,730	52,110	52,109	1
Government Bldg - Other City Property	15,500	3,800	3,791	9
Government Bldg - Old Jail	1,400	1,275	1,274	1
Public Information	4,160	1,580	1,575	5
General Administration Fees	10,590	10,600	10,565	35
Judicial				
Municipal Court	452,249	439,600	439,560	40
Public Safety				
Police	4,942,797	4,838,000	4,837,018	982
Police Explorers	5,000	5,000	3,984	1,016
Jail	1,127,087	1,027,990	1,027,980	10
Public Works				
Public Works Administration	262,978	280,400	280,358	42
Highways and Streets	522,019	948,200	948,180	20
Right of Way Mowing	75,000	72,000	72,000	-
Storm Drainage	10,314	6,400	6,392	8
Fleet Maintenance	151,779	193,000	192,975	25
Cemetery	28,330	25,500	25,484	16
Health and Welfare				
Mosquito Control	6,907	5,300	5,239	61

**CITY OF ACWORTH
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Culture and Recreation				
Recreation	2,070,267	2,020,000	2,019,317	683
Athletics	88,630	101,500	101,242	258
Acworth Achievers/Expanding Horizons	46,500	49,062	47,458	1,604
Roberts School Recreation Ctr.	30,570	28,600	28,571	29
Rosenwald School Community Center	10,981	6,750	6,703	47
Neighborhood Playgrounds	65,825	27,000	26,988	12
Southshore Park and Beach	3,620	3,600	3,568	32
Dallas Landing Beach and park	22,285	16,850	16,815	35
Proctor Landing Beach and Park	33,080	33,700	33,627	73
Acworth Sports Complex	42,700	40,000	39,811	189
Bobby Van Newberry Park	118,350	108,000	107,722	278
Cauble Park Facilities	18,610	10,700	10,661	39
Logan Farm Park Facilities	62,762	64,000	63,752	248
Summer Camp Operations	113,850	75,300	75,269	31
Special Events Activities	111,350	142,500	142,245	255
Senior Citizen Luncheon/Programs	76,900	80,000	79,639	361
Parks	54,800	48,100	48,077	23
Tree Commission	29,500	15,800	15,703	97
Transfers to Component Units	8,500	2,000	1,714	286
Housing and Development				
Soil Erosion Agricultural Res.	64,070	60,500	60,278	222
Protective Building Inspection	361,443	346,000	345,920	80
Planning and Zoning	287,994	299,100	299,089	11
Historic Preservation	1,030	1,030	-	1,030
Economic Development	148,611	204,200	204,105	95
TAD (Disbursement Funds)	255,041	300,113	300,112	1
Debt Service	363,839	357,198	354,215	2,983
Total Expenditures	<u>14,991,616</u>	<u>15,228,577</u>	<u>15,217,144</u>	<u>11,433</u>
Excess (deficiency) of Revenues over Expenditures	<u>(1,840,997)</u>	<u>(1,283,725)</u>	<u>(1,270,991)</u>	<u>12,734</u>
Other Financing Sources (uses):				
Transfers In	2,590,588	2,148,227	2,148,227	-
Transfers Out	(760,721)	(1,051,821)	(1,051,821)	-
Sale of Capital Assets	-	24,961	24,961	-
Issuance of debt	-	160,962	160,962	-
Total Other Financing Sources (uses)	<u>1,829,867</u>	<u>1,282,329</u>	<u>1,282,329</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (11,130)</u>	<u>\$ (1,396)</u>	11,338	<u>\$ 12,734</u>
Fund Balance at Beginning of Year - GAAP Basis			<u>7,908,315</u>	
Fund Balance at End of Year - GAAP Basis			<u>\$ 7,919,653</u>	

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GOVERNMENTAL FUNDS

NONMAJOR COMBINING STATEMENTS

CITY OF ACWORTH, GEORGIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

Special Revenue Funds									
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Emergency Telephone System	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor
Assets:									
Receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117	\$ -	\$ 117
Due from other governments	35,510	-	-	-	117,305	-	-	-	152,815
Due from other funds	9,777	4,500	-	304	-	27,239	62,957	-	104,777
Restricted assets:									
Cash	-	-	475,091	-	-	-	-	1,500	476,591
Investments	-	33,494	277,319	11,268	-	-	-	-	322,081
Total assets	\$ 45,287	\$ 37,994	\$ 752,410	\$ 11,572	\$ 117,305	\$ 27,239	\$ 63,074	\$ 1,500	\$ 1,056,381
Liabilities:									
Accounts payable	\$ 45,287	\$ -	\$ 327	\$ 389	\$ -	\$ 33	\$ 5,586	\$ -	\$ 51,622
Due to other funds	-	-	995	83	-	-	-	1,500	2,578
Due to other governments	-	-	-	-	117,305	-	-	-	117,305
Unearned revenue	-	-	10,394	-	-	-	-	-	10,394
Total liabilities	45,287	-	11,716	472	117,305	33	5,586	1,500	181,899
Fund balances:									
Restricted	-	37,994	740,694	11,100	-	-	-	-	789,788
Committed	-	-	-	-	-	856	-	-	856
Assigned	-	-	-	-	-	26,350	57,488	-	83,838
Total fund balances	-	37,994	740,694	11,100	-	27,206	57,488	-	874,482
Total liabilities and fund balances	\$ 45,287	\$ 37,994	\$ 752,410	\$ 11,572	\$ 117,305	\$ 27,239	\$ 63,074	\$ 1,500	\$ 1,056,381

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, 2019

	Special Revenue Funds								
	Hotel/Motel Tax	Recreational Impact Fee	Confiscated Assets	Soil Erosion Fees	Emergency Telephone System	Acworth Lake Authority	Acworth Downtown Development Authority	Debt Service	Total Nonmajor
Revenues:									
Taxes	\$ 405,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,539	\$ 569,025
Intergovernmental	-	-	-	-	-	-	-	650,284	650,284
Charges for services	-	78,000	-	2,140	499,484	-	-	-	579,624
Fines and forfeitures	-	-	276,878	-	-	-	-	-	276,878
Investment earnings	-	2,468	2,438	254	-	-	-	-	5,160
Other	-	-	-	-	-	-	1,902	-	1,902
Total revenues	405,486	80,468	279,316	2,394	499,484	-	1,902	813,823	2,082,873
Expenditures:									
Current:									
Public safety	-	-	102,715	-	499,484	-	-	-	602,199
Public works	-	-	-	1,719	-	-	-	-	1,719
Housing and development	-	-	-	-	-	-	38,307	-	38,307
Culture and recreation	253,429	184,775	-	-	-	19,547	3,500	-	461,251
Debt service	-	-	-	-	-	-	1,429,405	513,711	1,943,116
Total expenditures	253,429	184,775	102,715	1,719	499,484	19,547	1,471,212	513,711	3,046,592
Excess (deficiency) of revenues over (under) expenditures	152,057	(104,307)	176,601	675	-	(19,547)	(1,469,310)	300,112	(963,719)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	10,000	1,462,569	-	1,472,569
Transfers out	(152,057)	-	-	-	-	-	-	(300,112)	(452,169)
Sale of capital assets	-	-	-	-	-	-	60,000	-	60,000
Total other financing sources (uses)	(152,057)	-	-	-	-	10,000	1,522,569	(300,112)	1,080,400
Net change in fund balance	-	(104,307)	176,601	675	-	(9,547)	53,259	-	116,681
Fund balance at beginning of year	-	142,301	564,093	10,425	-	36,753	4,229	-	757,801
Fund balance at end of year	\$ -	\$ 37,994	\$ 740,694	\$ 11,100	\$ -	\$ 27,206	\$ 57,488	\$ -	\$ 874,482

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, 2019 AND 2018**

	2019	2018
Assets:		
Cash	\$ 3,801,804	\$ 2,809,103
Investments	3,203,288	3,829,816
Receivables (net of allowance for estimated uncollectibles):		
Taxes	25,290	28,492
Interest	14,118	12,787
Other	13,942	464
Due from other governments	1,873	12,054
Due from other funds	133,747	194,772
Prepaid items	327,501	152,605
Restricted assets:		
Cash	3,581,072	3,100,587
Total assets	\$ 11,102,635	\$ 10,140,680
Liabilities:		
Accounts payable	\$ 289,663	\$ 306,761
Accrued liabilities	331,328	282,113
Due to other funds	1,928,275	1,089,696
Due to component unit	73,515	54,247
Unearned revenue	526,312	459,615
Total liabilities	3,149,093	2,192,432
Deferred inflows of resources:		
Unavailable revenue - property taxes	33,889	39,933
Fund balances:		
Nonspendable	327,501	152,605
Restricted	3,004,280	3,004,277
Assigned	37,970	34,078
Unassigned	4,549,902	4,717,355
Total fund balance	7,919,653	7,908,315
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,102,635	\$ 10,140,680

CITY OF ACWORTH, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Revenues:		
Taxes	\$ 10,975,050	\$ 10,386,223
Licenses and permits	493,986	678,587
Intergovernmental	51,415	39,073
Charges for services	1,106,748	959,880
Fines and forfeitures	1,086,151	845,966
Investment earnings	86,951	65,637
Contributions and donations	60,473	48,809
Other	85,379	149,753
Total revenues	13,946,153	13,173,928
Expenditures:		
Current:		
General government	2,945,373	3,020,174
Public safety	5,868,982	5,110,957
Public works	1,525,389	1,148,041
Health and welfare	5,239	540
Housing and development	1,209,504	1,047,402
Judicial	439,560	385,566
Culture and recreation	2,868,882	2,469,383
Debt service	354,215	327,501
Total expenditures	15,217,144	13,509,564
Excess (deficiency) of revenues over (under) expenditures	(1,270,991)	(335,636)
Other financing sources (uses):		
Transfers in	2,148,227	1,422,644
Transfers out	(1,051,821)	(1,083,715)
Issuance of debt	160,962	-
Sale of capital assets	24,961	20,835
Total other financing sources (uses)	1,282,329	359,764
Net change in fund balance	11,338	24,128
Fund balance at beginning of year	7,908,315	7,884,187
Fund balance at end of year	\$ 7,919,653	\$ 7,908,315

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.

Emergency Telephone System Fund – To account for the receipt of prepaid wireless 9-1-1 fees and non-prepaid wireless 9-1-1 fees from the Georgia Department of Revenue who is the contracted collection partner of the Georgia Emergency Communications Authority.

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, 2019 AND 2018**

	2019	2018
Assets:		
Due from other governments	\$ 35,510	\$ 38,705
Due from other funds	9,777	-
Restricted assets:		
Cash	-	12,411
	Total assets	Total assets
	\$ 45,287	\$ 51,116
Liabilities:		
Accounts payable	\$ 45,287	\$ 51,116
	Total liabilities	Total liabilities
	\$ 45,287	\$ 51,116

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Taxes	<u>\$ 405,486</u>	<u>\$ 432,264</u>
Expenditures:		
Current:		
Culture and recreation	<u>253,429</u>	<u>270,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>152,057</u>	<u>162,099</u>
Other financing sources (uses):		
Transfers out	<u>(152,057)</u>	<u>(162,099)</u>
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 410,000	\$ 405,486	\$ (4,514)
Expenditures:			
Current:			
Culture and recreation	256,250	253,429	2,821
Excess (deficiency) of revenues over (under) expenditures	153,750	152,057	(1,693)
Other financing sources (uses):			
Transfers out	(153,750)	(152,057)	1,693
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, 2019 AND 2018**

	2019	2018
Assets:		
Due from other funds	\$ 4,500	\$ -
Restricted assets:		
Cash	-	5,000
Investments	33,494	137,301
Total assets	\$ 37,994	\$ 142,301
Fund balance:		
Restricted	37,994	142,301
Total fund balance	\$ 37,994	\$ 142,301

**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, 2019 AND 2018**

	2019	2018
Revenues:		
Charges for services	\$ 78,000	\$ 151,500
Investment earnings	2,468	1,165
	80,468	152,665
Total revenues		
Expenditures:		
Current:		
Culture and recreation	184,775	15,748
	(104,307)	136,917
Excess (deficiency) of revenues over (under) expenditures		
	(104,307)	136,917
Net change in fund balance		
	142,301	5,384
Fund balance at beginning of year		
	\$ 37,994	\$ 142,301
Fund balance at end of year		
	\$ 37,994	\$ 142,301

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 73,000	\$ 78,000	\$ 5,000
Investment earnings	<u>2,750</u>	<u>2,468</u>	<u>(282)</u>
Total revenues	<u>75,750</u>	<u>80,468</u>	<u>4,718</u>
Expenditures:			
Current:			
Culture and recreation	<u>184,777</u>	<u>184,775</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,027)</u>	<u>(104,307)</u>	<u>4,720</u>
Net change in fund balance	<u>\$ (109,027)</u>	<u>(104,307)</u>	<u>\$ 4,720</u>
Fund balance at beginning of year		<u>142,301</u>	
Fund balance at end of year		<u>\$ 37,994</u>	

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Restricted assets:		
Cash	\$ 475,091	\$ 586,953
Investments	277,319	-
	Total assets	\$ 586,953
	\$ 752,410	\$ 586,953
Liabilities:		
Accounts payable	\$ 327	\$ 3,527
Due to other funds	995	2,600
Unearned revenue	10,394	16,733
	Total liabilities	22,860
	11,716	22,860
Fund balance:		
Restricted	740,694	564,093
	Total fund balance	564,093
	740,694	564,093
Total liabilities and fund balances	\$ 752,410	\$ 586,953

**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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Revenues:		
Fines and forfeitures	\$ 276,878	\$ 157,938
Investment earnings	2,438	-
Other	<u>-</u>	<u>330</u>
Total revenues	<u>279,316</u>	<u>158,268</u>
Expenditures:		
Current:		
Public safety	<u>102,715</u>	<u>70,790</u>
Excess (deficiency) of revenues over (under) expenditures	<u>176,601</u>	<u>87,478</u>
Net change in fund balance	176,601	87,478
Fund balance at beginning of year	<u>564,093</u>	<u>476,615</u>
Fund balance at end of year	<u><u>\$ 740,694</u></u>	<u><u>\$ 564,093</u></u>

**CITY OF ACWORTH, GEORGIA
CONFISCATED ASSETS FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 249,221	\$ 276,878	\$ 27,657
Investment earnings	<u>1,800</u>	<u>2,438</u>	<u>638</u>
Total revenues	<u>251,021</u>	<u>279,316</u>	<u>28,295</u>
Expenditures:			
Current:			
Public safety	<u>288,840</u>	<u>102,715</u>	<u>186,125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,819)</u>	<u>176,601</u>	<u>214,420</u>
Net change in fund balance	<u><u>\$ (37,819)</u></u>	<u>176,601</u>	<u><u>\$ 214,420</u></u>
Fund balance at beginning of year		<u>564,093</u>	
Fund balance at end of year		<u><u>\$ 740,694</u></u>	

**CITY OF ACWORTH, GEORGIA
SOIL EROSION FEES
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Due from other funds	\$ 304	\$ -
Restricted assets:		
Investments	11,268	10,425
Total assets	\$ 11,572	\$ 10,425
Liabilities:		
Accounts payable	\$ 389	\$ -
Due to other funds	83	-
Total liabilities	472	-
Fund balance:		
Restricted	11,100	10,425
Total fund balance	11,100	10,425
Total liabilities and fund balance	\$ 11,572	\$ 10,425

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, 2019 AND 2018

	2019	2018
Revenues:		
Charges for services	\$ 2,140	\$ 850
Investment earnings	254	151
	2,394	1,001
Total revenues	2,394	1,001
Expenditures:		
Current:		
Public works	1,719	2,691
	1,719	2,691
Total expenditures	1,719	2,691
Excess (deficiency) of revenues over (under) expenditures	675	(1,690)
Net change in fund balance	675	(1,690)
Fund balance at beginning of year	10,425	12,115
Fund balance at end of year	\$ 11,100	\$ 10,425

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 1,736	\$ 2,140	\$ 404
Investment earnings	<u>210</u>	<u>254</u>	<u>44</u>
Total revenues	<u>1,946</u>	<u>2,394</u>	<u>448</u>
Expenditures:			
Current:			
Public works	<u>6,825</u>	<u>1,719</u>	<u>5,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,879)</u>	<u>675</u>	<u>5,554</u>
Net change in fund balance	<u><u>\$ (4,879)</u></u>	675	<u><u>\$ 5,554</u></u>
Fund balance at beginning of year		<u>10,425</u>	
Fund balance at end of year		<u><u>\$ 11,100</u></u>	

**CITY OF ACWORTH, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Due from other governments	\$ 117,305	\$ -
Total assets	\$ 117,305	\$ -
Liabilities:		
Due to other governments	\$ 117,305	\$ -
Total liabilities	117,305	-
Fund balance:		
Restricted	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 117,305	\$ -

CITY OF ACWORTH, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SPECIAL REVENUE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Revenues:		
Charges for services	\$ 499,484	\$ -
Total revenues	499,484	-
Expenditures:		
Current:		
Public safety	499,484	-
Total expenditures	499,484	-
Net change in fund balance	-	-
Fund balance at beginning of year	-	-
Fund balance at end of year	\$ -	\$ -

**CITY OF ACWORTH, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Charges for services	\$ 561,100	\$ 499,484	\$ (61,616)
Total revenues	561,100	499,484	(61,616)
Expenditures:			
Current:			
Public safety	561,100	499,484	61,616
Total expenditures	561,100	499,484	61,616
Excess (deficiency) of revenues over (under) expenditures	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund balance at beginning of year		-	
Fund balance at end of year		\$ -	

**CITY OF ACWORTH, GEORGIA
ACWORTH LAKE AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Due from other funds	\$ 27,239	\$ 36,777
Total assets	\$ 27,239	\$ 36,777
Liabilities:		
Accounts payable	\$ 33	\$ 24
Total liabilities	33	24
Fund balance:		
Committed	856	21,528
Assigned	26,350	15,225
Total fund balance	27,206	36,753
Total liabilities and fund balance	\$ 27,239	\$ 36,777

**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, 2019 AND 2018**

	2019	2018
Revenues:		
Intergovernmental	\$ -	\$ -
Expenditures:		
Current:		
Culture and recreation	19,547	5,187
Debt service	-	119,107
Total expenditures	19,547	124,294
Excess (deficiency) of revenues over (under) expenditures	(19,547)	(124,294)
Other financing sources (uses):		
Transfers in	10,000	129,107
Total other financing sources (uses)	10,000	129,107
Net change in fund balance	(9,547)	4,813
Fund balance at beginning of year	36,753	31,940
Fund balance at end of year	\$ 27,206	\$ 36,753

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures:			
Current:			
Culture and recreation	<u>\$ 22,778</u>	<u>\$ 19,547</u>	<u>\$ 3,231</u>
Total expenditures	<u>22,778</u>	<u>19,547</u>	<u>3,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,778)</u>	<u>(19,547)</u>	<u>3,231</u>
Other financing sources (uses):			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (12,778)</u></u>	<u>(9,547)</u>	<u><u>\$ 3,231</u></u>
Fund balance at beginning of year		<u>36,753</u>	
Fund balance at end of year		<u><u>\$ 27,206</u></u>	

**CITY OF ACWORTH, GEORGIA
ACWORTH DOWNTOWN DEVELOPMENT AUTHORITY
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Accounts receivable	\$ 117	\$ -
Due from other funds	62,957	4,825
Total assets	\$ 63,074	\$ 4,825
Liabilities:		
Accounts payable	\$ 5,586	\$ 596
Total liabilities	5,586	596
Fund balance:		
Assigned	57,488	4,229
Total fund balance	57,488	4,229
Total liabilities and fund balance	\$ 63,074	\$ 4,825

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, 2019 AND 2018

	2019	2018
Revenues:		
Other	\$ 1,902	\$ 3,764
Total revenues	1,902	3,764
Expenditures:		
Current:		
Housing and development	38,307	39,413
Culture and recreation	3,500	3,500
Debt service	1,429,405	1,303,631
Total expenditures	1,471,212	1,346,544
Excess (deficiency) of revenues over (under) expenditures	(1,469,310)	(1,342,780)
Other financing sources (uses):		
Transfers in	1,462,569	1,321,421
Sale of capital assets	60,000	-
Total other financing sources (uses)	1,522,569	1,321,421
Net change in fund balance	53,259	(21,359)
Fund balance at beginning of year	4,229	25,588
Fund balance at end of year	\$ 57,488	\$ 4,229

**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, 2019**

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Other	\$ 1,155	\$ 1,902	\$ 747
Total revenues	<u>1,155</u>	<u>1,902</u>	<u>747</u>
Expenditures:			
Current:			
Housing and development	45,748	38,307	7,441
Culture and recreation	3,500	3,500	-
Debt service	<u>1,429,509</u>	<u>1,429,405</u>	<u>104</u>
Total expenditures	<u>1,478,757</u>	<u>1,471,212</u>	<u>7,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,477,602)</u>	<u>(1,469,310)</u>	<u>8,292</u>
Other financing sources (uses):			
Transfers in	1,462,569	1,462,569	-
Gain on disposal of assets	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,522,569</u>	<u>1,522,569</u>	<u>-</u>
Net change in fund balance	<u>\$ 44,967</u>	53,259	<u>\$ 8,292</u>
Fund balance at beginning of year		<u>4,229</u>	
Fund balance at end of year		<u>\$ 57,488</u>	

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DEBT SERVICE FUND

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

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

**CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
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

CITY OF ACWORTH, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Revenues:		
Taxes	\$ 163,539	\$ 159,632
Intergovernmental	650,284	601,143
Total revenues	813,823	760,775
Expenditures:		
Current:		
Debt service	513,711	514,378
Total expenditures	513,711	514,378
Excess (deficiency) of revenues over (under) expenditures	300,112	246,397
Other financing sources (uses):		
Transfers out	(300,112)	(246,397)
Total other financing sources (uses)	(300,112)	(246,397)
Net change in fund balance	-	-
Fund balance at beginning of year	-	-
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, 2019

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:			
Taxes	\$ 163,539	\$ 163,539	\$ -
Intergovernmental	650,284	650,284	-
Total revenues	<u>813,823</u>	<u>813,823</u>	<u>-</u>
Expenditures:			
Current:			
Debt service	513,711	513,711	-
Total expenditures	<u>513,711</u>	<u>513,711</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>300,112</u>	<u>300,112</u>	<u>-</u>
Other financing sources (uses):			
Transfers out	(300,112)	(300,112)	-
Total other financing sources (uses)	<u>(300,112)</u>	<u>(300,112)</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 2005, 2011 and 2016.

**CITY OF ACWORTH, GEORGIA
CAPITAL IMPROVEMENT
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Cash	\$ 17,499	\$ 12,192
Investments	60,907	59,541
Receivables, net	-	3,289
Due from other governments	18,685	107,795
Due from other funds	61,309	422,875
Prepaid items	137,584	193,837
Restricted cash	1,687,577	5,044,975
Total assets	\$ 1,983,561	\$ 5,844,504
Liabilities:		
Accounts payable	\$ 338,200	\$ 424,266
Retainage payable	580,803	342,788
Due to other funds	20,057	64,349
Deferred revenue	-	71,499
Total liabilities	939,060	902,902
Fund balance:		
Nonspendable	137,584	193,837
Restricted	758,260	4,303,343
Committed	740	71,906
Assigned	147,917	372,516
Total fund balance	1,044,501	4,941,602
Total liabilities and fund balance	\$ 1,983,561	\$ 5,844,504

**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, 2019 AND 2018**

	2019	2018
Revenues:		
Forfeitures	\$ -	\$ 150,000
Intergovernmental	234,433	1,584,328
Investment earnings	37,127	20,243
Total revenues	271,560	1,754,571
Expenditures:		
Capital outlay	4,459,761	4,308,893
Total expenditures	4,459,761	4,308,893
Excess (deficiency) of revenues over (under) expenditures	(4,188,201)	(2,554,322)
Other financing sources (uses):		
Transfers in	291,100	339,406
Total other financing sources (uses)	291,100	339,406
Net change in fund balance	(3,897,101)	(2,214,916)
Fund balance at beginning of year	4,941,602	7,156,518
Fund balance at end of year	\$ 1,044,501	\$ 4,941,602

**CITY OF ACWORTH, GEORGIA
SPLOST
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 2019 AND 2018**

	2019	2018
Assets:		
Due from other governments	\$ 704,485	\$ 999,936
Prepaid items	-	625,000
Restricted assets:		
Cash	1,232,272	8,459,919
Investments	780,578	-
Total assets	\$ 2,717,335	\$ 10,084,855
Liabilities:		
Accounts payable	\$ 929,442	\$ 725,793
Retainage payable	113,003	281,892
Due to other funds	-	103,981
Total liabilities	1,042,445	1,111,666
Fund balance:		
Nonspendable	-	625,000
Restricted	1,674,890	8,348,189
Total fund balance	1,674,890	8,973,189
Total liabilities and fund balances	\$ 2,717,335	\$ 10,084,855

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Intergovernmental	\$ 4,628,469	\$ 8,088,241
Investment earnings	12,280	-
Total revenues	<u>4,640,749</u>	<u>8,088,241</u>
Expenditures:		
Capital outlay	11,861,048	4,729,940
Debt service	78,000	236,825
Total expenditures	<u>11,939,048</u>	<u>4,966,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,298,299)</u>	<u>3,121,476</u>
Other financing sources (uses):		
Transfers out	<u>(541,926)</u>	<u>-</u>
Extraordinary item (Note 17)	<u>541,926</u>	<u>-</u>
Net change in fund balance	(7,298,299)	3,121,476
Fund balance at beginning of year	<u>8,973,189</u>	<u>5,851,713</u>
Fund balance at end of year	<u><u>\$ 1,674,890</u></u>	<u><u>\$ 8,973,189</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, 2019 AND 2018

Assets:	2019	2018
Current assets:		
Cash	\$ 5,050,787	\$ 4,756,301
Investments	3,013,229	2,814,199
Receivables (net of allowance for estimated uncollectibles)		
Utility accounts	1,825,548	1,792,576
Due from other funds	1,224,152	338,786
Inventory	832,100	1,020,632
Prepaid items	28,985	28,668
Restricted assets:		
Cash	1,249,450	1,236,796
Investments	7,515,786	6,453,771
Total current assets	20,740,037	18,441,729
Noncurrent assets:		
Property, plant and equipment, net	5,034,261	5,116,774
Total assets	25,774,298	23,558,503
Deferred outflows of resources:		
Related to pensions	133,636	87,111
Related to OPEB	6,176	6,072
Total deferred outflows of resources	139,812	93,183
Liabilities:		
Current liabilities:		
Accounts payable	629,707	642,052
Accrued liabilities	41,031	41,930
Due to other funds	481,153	361,120
Customer deposits	975,082	978,287
Accrued compensated absences	57,070	55,826
Capital lease obligations	89,682	87,513
Total current liabilities	2,273,725	2,166,728
Long-term liabilities (net of current portion):		
Accrued compensated absences	14,268	13,957
Total OPEB liability	1,945,900	1,909,859
Net pension liability	437,415	366,831
Capital lease obligations	132,654	222,336
Total long-term liabilities	2,530,237	2,512,983
Total liabilities	4,803,962	4,679,711
Deferred inflows of resources:		
Deferred regulatory credits	5,234,054	4,423,674
Related to pensions	69,638	52,640
Related to OPEB	355,530	280,280
Total deferred inflows of resources	5,659,222	4,756,594
Net position:		
Net investment in capital assets	4,811,925	4,806,925
Unrestricted	10,639,001	9,408,456
Total net position	\$ 15,450,926	\$ 14,215,381

**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, 2019 AND 2018**

	2019	2018
Operating revenues:		
Charges for services	\$ 12,973,166	\$ 12,796,907
Other	516,601	509,408
Total operating revenues	13,489,767	13,306,315
Operating expenses:		
Personal services	1,687,797	1,724,623
Operating	8,746,349	8,324,953
Depreciation	553,169	544,186
Total operating expenses	10,987,315	10,593,762
Operating income	2,502,452	2,712,553
Nonoperating revenues (expenses):		
Interest income	287,238	98,006
Interest expense	(7,329)	(7,390)
Miscellaneous	(36,913)	383
Total nonoperating revenues (expenses)	242,996	90,999
Income before contributions and transfers	2,745,448	2,803,552
Capital contributions	7,550	47,383
Transfers out	(1,517,453)	(1,401,822)
Increase (decrease) in net position	1,235,545	1,449,113
Net position at beginning of year	14,215,381	12,766,268
Net position at end of year	\$ 15,450,926	\$ 14,215,381

**CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$13,453,590	\$ 13,158,670
Cash payments for goods and services	(8,525,432)	(7,255,806)
Cash payments for employee services and fringe benefits	(1,534,897)	(1,459,937)
	<u>3,393,261</u>	<u>4,442,927</u>
Cash flows from (to) noncapital financing activities:		
Transfers out	(1,517,453)	(1,401,822)
	<u>(1,517,453)</u>	<u>(1,401,822)</u>
Cash flows from (to) capital and related financing activities:		
Contributed capital	7,550	47,383
Proceeds from sale of capital assets	50	383
Interest paid	(7,329)	(7,390)
Payments for capital acquisitions	(507,620)	(765,474)
Principal payments on long-term obligations	(87,513)	(90,176)
	<u>(594,862)</u>	<u>(815,274)</u>
Cash flows from (to) investing activities:		
(Purchases) proceeds from sale of investments	(1,261,044)	(1,775,049)
Interest received from investments	287,238	98,006
	<u>(973,806)</u>	<u>(1,677,043)</u>
Net increase (decrease) in cash	307,140	548,788
Cash at beginning of year (including \$1,236,796 and \$1,227,739 in restricted cash)	<u>5,993,097</u>	<u>5,444,309</u>
Cash at end of year (including \$1,249,450 and \$1,236,796 in restricted cash)	<u>\$ 6,300,237</u>	<u>\$ 5,993,097</u>

CITY OF ACWORTH, GEORGIA
ELECTRICAL POWER
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 2,502,452	\$ 2,712,553
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	553,169	544,186
(Increase) decrease in utility accounts receivable	(32,972)	(145,772)
(Increase) decrease in due from other governments	-	93,715
(Increase) decrease in due from other funds	(885,366)	218,416
(Increase) decrease in inventory	188,532	(148,219)
(Increase) decrease in prepaid items	(317)	(6,013)
(Increase) decrease in deferred outflows of resources	(46,629)	(25,608)
Increase (decrease) in accounts payable	(12,345)	29,504
Increase (decrease) in accrued liabilities	656	11,298
Increase (decrease) in due to other funds	120,033	94,375
Increase (decrease) in customer deposits	(3,205)	(1,873)
Increase (decrease) in total OPEB liability	36,041	(127,861)
Increase (decrease) in net pension liability	70,584	74,704
Increase (decrease) in deferred inflows of resources	902,628	1,119,522
Net cash from operating activities	\$ 3,393,261	\$ 4,442,927
Supplemental disclosure of noncash investing and financing activities:		
Equipment purchased through capital lease	\$ -	\$ 198,533

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

Assets:	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 656,328	\$ 775,083
Receivables (net of allowance for estimated uncollectibles):		
Utility accounts	149,392	144,621
Due from other funds	518,400	283,693
Total current assets	<u>1,324,120</u>	<u>1,203,397</u>
Noncurrent assets:		
Property, plant and equipment, net	<u>513,321</u>	<u>646,549</u>
Total assets	<u>1,837,441</u>	<u>1,849,946</u>
 Deferred outflows of resources:		
Related to pensions	63,229	47,515
Related to OPEB	4,940	4,857
Total deferred outflows of resources	<u>68,169</u>	<u>52,372</u>
 Liabilities:		
Current liabilities:		
Accounts payable	20,871	26,356
Accrued liabilities	18,899	19,310
Accrued compensated absences	13,030	15,261
Due to other funds	48,564	27,561
Customer deposits	295,190	279,922
Capital lease obligations	<u>82,134</u>	<u>79,962</u>
Total current liabilities	<u>478,688</u>	<u>448,372</u>
Long-term liabilities (net of current portion):		
Accrued compensated absences	3,257	3,815
Total OPEB liability	1,556,720	1,527,887
Net pension liability	206,962	200,090
Capital lease obligations	<u>94,691</u>	<u>176,810</u>
Total long-term liabilities	<u>1,861,630</u>	<u>1,908,602</u>
Total liabilities	<u>2,340,318</u>	<u>2,356,974</u>
 Deferred inflows of resources:		
Related to pensions	32,949	28,713
Related to OPEB	284,424	224,224
Total deferred inflows of resources	<u>317,373</u>	<u>252,937</u>
 Net position:		
Net investment in capital assets	336,496	389,777
Unrestricted	<u>(1,088,577)</u>	<u>(1,097,370)</u>
Total net position	<u>\$ (752,081)</u>	<u>\$ (707,593)</u>

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Operating revenues:		
Charges for services	\$ 1,922,048	\$ 1,859,419
Total operating revenues	1,922,048	1,859,419
Operating expenses:		
Personal services	886,246	966,509
Operating	722,893	676,249
Depreciation	133,228	147,529
Total operating expenses	1,742,367	1,790,287
Operating income (loss)	179,681	69,132
Nonoperating revenues (expenses):		
Miscellaneous	1,303	-
Interest expense	(5,915)	(6,849)
Total nonoperating revenues (expenses)	(4,612)	(6,849)
Income (loss) before transfers	175,069	62,283
Transfers out	(219,557)	(230,741)
Increase (decrease) in net position	(44,488)	(168,458)
Net position at beginning of year	(707,593)	(539,135)
Net position at end of year	\$ (752,081)	\$ (707,593)

CITY OF ACWORTH, GEORGIA
SANITATION
ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from (to) operating activities:		
Cash received from customers	\$ 1,932,545	\$ 1,858,646
Cash payments for goods and services	(942,082)	(681,888)
Cash payments for employee services and fringe benefits	(805,102)	(813,002)
Net cash from (to) operating activities	185,361	363,756
Cash flows from (to) noncapital financing activities:		
Transfers out	(219,557)	(230,741)
Net cash from (to) noncapital financing activities	(219,557)	(230,741)
Cash flows from (to) capital and related financing activities:		
Proceeds from insurance	1,303	-
Interest paid	(5,915)	(6,849)
Payments for capital acquisitions	-	(186,587)
Principal payments on long-term obligations	(79,947)	(78,464)
Net cash from (to) capital and related financing activities	(84,559)	(271,900)
Net increase (decrease) in cash	(118,755)	(138,885)
Cash at beginning of year	775,083	913,968
Cash at end of year	\$ 656,328	\$ 775,083
Reconciliation of operating income to net cash from operating activities:		
Operating income	\$ 179,681	\$ 69,132
Adjustments to reconcile operating income to net cash to operating activities:		
Depreciation	133,228	147,529
Change in assets and liabilities:		
(Increase) decrease in utility accounts receivable	(4,771)	(13,950)
(Increase) decrease in due from other funds	(234,707)	(11,117)
(Increase) decrease in prepaid items	-	514
(Increase) decrease in deferred outflows of resources	(15,797)	(8,379)
Increase (decrease) in accounts payable	(5,485)	(1,094)
Increase (decrease) in accrued liabilities	(3,200)	(2,465)
Increase (decrease) in due to other funds	21,003	6,058
Increase (decrease) in customer deposits	15,268	13,177
Increase (decrease) in total OPEB liability	28,833	(102,289)
Increase (decrease) in net pension liability	6,872	14,191
Increase (decrease) in deferred inflows of resources	64,436	252,449
Net cash from operating activities	\$ 185,361	\$ 363,756

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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, 2019

	Customer Service		Totals
	Fund	Insurance	
Assets:			
Current assets:			
Cash	\$ 91,344	\$ -	\$ 91,344
Accounts receivable	2,855	176	3,031
Due from other funds	121,229	317,013	438,242
Prepaid items	3,474	322,452	325,926
	<hr/>	<hr/>	<hr/>
Total current assets	218,902	639,641	858,543
Noncurrent assets:			
Property, plant and equipment, net	2,962	-	2,962
	<hr/>	<hr/>	<hr/>
Total assets	<hr/>	<hr/>	<hr/>
	221,864	639,641	861,505
Deferred outflows of resources:			
Related to pensions	42,279	-	42,279
	<hr/>	<hr/>	<hr/>
Liabilities:			
Current liabilities:			
Accounts and claims payable	7,712	144,985	152,697
Accrued liabilities	14,264	-	14,264
Accrued compensated absences	11,100	-	11,100
	<hr/>	<hr/>	<hr/>
Total current liabilities	33,076	144,985	178,061
Long-term liabilities (net of current portion):			
Accrued compensated absences	2,775	-	2,775
Net pension liability	138,387	-	138,387
	<hr/>	<hr/>	<hr/>
Total long-term liabilities	141,162	-	141,162
	<hr/>	<hr/>	<hr/>
Total liabilities	<hr/>	<hr/>	<hr/>
	174,238	144,985	319,223
Deferred inflows of resources:			
Related to pensions	22,032	-	22,032
	<hr/>	<hr/>	<hr/>
Net position:			
Invested in capital assets	2,962	-	2,962
Unrestricted	64,911	494,656	559,567
	<hr/>	<hr/>	<hr/>
Total net position	<hr/>	<hr/>	<hr/>
	\$ 67,873	\$ 494,656	\$ 562,529

**CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Customer Service Fund	Insurance	Totals
Operating revenues:			
Charges for services	\$ 707,784	\$ 3,219,453	\$ 3,927,237
Other	37,498	12	37,510
Total operating revenues	<u>745,282</u>	<u>3,219,465</u>	<u>3,964,747</u>
Operating expenses:			
Personal services	513,814	-	513,814
Operating	101,448	3,261,951	3,363,399
Depreciation	1,050	-	1,050
Total operating expenses	<u>616,312</u>	<u>3,261,951</u>	<u>3,878,263</u>
Operating income (loss)	<u>128,970</u>	<u>(42,486)</u>	<u>86,484</u>
Income (loss) before transfers	128,970	(42,486)	86,484
Transfers out	<u>(128,970)</u>	<u>-</u>	<u>(128,970)</u>
Increase (decrease) in net position	-	(42,486)	(42,486)
Net position at beginning of year	<u>67,873</u>	<u>537,142</u>	<u>605,015</u>
Net position at end of year	<u>\$ 67,873</u>	<u>\$ 494,656</u>	<u>\$ 562,529</u>

CITY OF ACWORTH, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Customer Service Fund	Insurance	Totals
Cash flows from (to) operating activities:			
Cash received from contributions and services provided	\$ 760,844	\$ 3,203,517	\$ 3,964,361
Cash payments for goods and services	(101,919)	-	(101,919)
Cash payments for benefits and claims	-	(3,203,517)	(3,203,517)
Cash payments for employee services and fringe benefits	(548,937)	-	(548,937)
Net cash from (to) operating activities	109,988	-	109,988
Cash flows from (to) noncapital financing activities:			
Transfers out	(128,970)	-	(128,970)
Net cash from (to) noncapital financing activities	(128,970)	-	(128,970)
Net increase (decrease) in cash	(18,982)	-	(18,982)
Cash at beginning of year	110,326	-	110,326
Cash at end of year	\$ 91,344	\$ -	\$ 91,344
Reconciliation of operating income (loss) to net cash from (to) operating activities:			
Operating income (loss)	\$ 128,970	\$ (42,486)	\$ 86,484
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	30	51,337	51,367
(Increase) decrease in due from other funds	15,532	(67,285)	(51,753)
(Increase) decrease in prepaid items	(23)	(47,570)	(47,593)
(Increase) decrease in deferred outflows of resources	(2,683)	-	(2,683)
Increase (decrease) in accounts and claims payable	(448)	123,414	122,966
Increase (decrease) in accrued liabilities	(2,190)	-	(2,190)
Increase (decrease) in due to other funds	-	(17,410)	(17,410)
Increase (decrease) in net pension liability	(28,355)	-	(28,355)
Increase (decrease) in deferred inflows of resources	(1,895)	-	(1,895)
Net cash from (to) operating activities	\$ 109,988	\$ -	\$ 109,988

CITY OF ACWORTH, GEORGIA
CUSTOMER SERVICE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018

Assets:	2019	2018
Current assets:		
Cash	\$ 91,344	\$ 110,326
Accounts receivable	2,855	2,885
Due from other funds	121,229	136,761
Prepaid items	3,474	3,451
Total current assets	218,902	253,423
Noncurrent assets:		
Property, plant and equipment, net	2,962	4,012
Total assets	221,864	257,435
Deferred outflows of resources:		
Related to pensions	42,279	39,596
Liabilities:		
Current liabilities:		
Accounts payable	7,712	8,160
Accrued liabilities	14,264	15,467
Accrued compensated absences	11,100	11,890
Total current liabilities	33,076	35,517
Long-term liabilities (net of current portion):		
Accrued compensated absences	2,775	2,972
Net pension liability	138,387	166,742
Total long-term liabilities	141,162	169,714
Total liabilities	174,238	205,231
Deferred inflows of resources:		
Related to pensions	22,032	23,927
Net position:		
Net investment in capital assets	2,962	4,012
Unrestricted	64,911	63,861
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, 2019 AND 2018**

	2019	2018
Operating revenues:		
Charges for services	\$ 707,784	\$ 761,812
Other	37,498	29,729
	745,282	791,541
Operating expenses:		
Personal services	513,814	601,027
Operating	101,448	101,660
Depreciation	1,050	1,050
	616,312	703,737
Operating income (loss)	128,970	87,804
Income (loss) before transfers	128,970	87,804
Transfers out	(128,970)	(87,804)
Increase (decrease) in net position	-	-
Net position at beginning of year	67,873	67,873
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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash flows from (to) operating activities:		
Cash received from customers	\$ 760,844	\$ 656,544
Cash payments for goods and services	(101,919)	(103,312)
Cash payments for employee services and fringe benefits	<u>(548,937)</u>	<u>(534,013)</u>
 Net cash from (to) operating activities	 <u>109,988</u>	 <u>19,219</u>
 Cash flows from (to) noncapital financing activities:		
Transfers out	<u>(128,970)</u>	<u>(87,804)</u>
 Net cash from (to) noncapital financing activities	 <u>(128,970)</u>	 <u>(87,804)</u>
 Net increase (decrease) in cash	 (18,982)	 (68,585)
 Cash at beginning of year	 <u>110,326</u>	 <u>178,911</u>
 Cash at end of year	 <u><u>\$ 91,344</u></u>	 <u><u>\$ 110,326</u></u>
 Reconciliation of operating income (loss) to net cash from (to) operating activities:		
Operating income (loss)	\$ 128,970	\$ 87,804
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	30	(966)
(Increase) decrease in due from other funds	15,532	(134,031)
(Increase) decrease in prepaid items	(23)	(62)
(Increase) decrease in deferred outflows of resources	(2,683)	(17,223)
Increase (decrease) in accounts payable	(448)	(1,590)
Increase (decrease) in accrued liabilities	(2,190)	75
Increase (decrease) in due to other funds	-	-
Increase (decrease) in net pension liability	(28,355)	60,514
Increase (decrease) in deferred inflows of resources	<u>(1,895)</u>	<u>23,648</u>
 Net cash from (to) operating activities	 <u><u>\$ 109,988</u></u>	 <u><u>\$ 19,219</u></u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2019 AND 2018**

Assets:	2019	2018
Current assets:		
Accounts receivable	\$ 176	\$ 51,513
Due from other funds	317,013	249,728
Prepaid items	322,452	274,882
Total current assets	639,641	576,123
Total assets	639,641	576,123
Liabilities:		
Current liabilities:		
Accounts and claims payable	144,985	21,571
Due to other funds	-	17,410
Total liabilities	144,985	38,981
Net position:		
Unrestricted	494,656	537,142
Total net position	\$ 494,656	\$ 537,142

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 3,219,453	\$ 2,817,954
Other	12	-
Total operating revenues	<u>3,219,465</u>	<u>2,817,954</u>
Operating expenses:		
Operating	<u>3,261,951</u>	<u>2,679,383</u>
Total operating expenses	<u>3,261,951</u>	<u>2,679,383</u>
Operating income (loss)	<u>(42,486)</u>	<u>138,571</u>
Increase (decrease) in net position	(42,486)	138,571
Net position at beginning of year	<u>537,142</u>	<u>398,571</u>
Net position at end of year	<u><u>\$ 494,656</u></u>	<u><u>\$ 537,142</u></u>

**CITY OF ACWORTH, GEORGIA
INSURANCE
INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flows from (to) operating activities:		
Cash received from contributions and services provided	\$ 3,203,517	\$ 2,753,753
Cash payments for benefits and claims	(3,203,517)	(2,753,753)
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)	\$ (42,486)	\$ 138,571
Adjustments to reconcile operating income (loss) to net cash from (to) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	51,337	(45,563)
(Increase) decrease in due from other funds	(67,285)	(18,638)
(Increase) decrease in prepaid items	(47,570)	(5,329)
Increase (decrease) in accounts and claims payable	123,414	(1,468)
Increase (decrease) in due to other funds	(17,410)	(67,573)
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, 2019

	Acworth Tourism Bureau Authority
Assets:	
Accounts receivable	\$ 117
Due from other governments	34,556
Due from primary government	73,515
Prepaid items	1,667
Total assets	\$ 109,855
Liabilities:	
Accounts payable	\$ 68
Total liabilities	68
Fund balances:	
Nonspendable	1,667
Restricted	108,120
Total fund balances	109,787
Total liabilities and fund balances	\$ 109,855

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, 2019

	Acworth Tourism Bureau Authority
Revenues:	
Intergovernmental	\$ 104,871
Investment earnings	1,895
Other	117
	106,883
Total revenues	106,883
Expenditures:	
Culture and recreation	94,635
	94,635
Total expenditures	94,635
Excess (deficiency) of revenues over (under) expenditures	12,248
Net change in fund balance	12,248
Fund balance at beginning of year	97,539
Fund balance at end of year	\$ 109,787

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	\$ (640)
Net change in fund balance	12,248
Change in net position of component unit on the statement of activities	\$ 11,608

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
GENERAL LONG-TERM DEBT				
Tax Allocation District Bonds - Series 2013	12/01/19	\$ 476,656	\$ 41,656	\$ 435,000
Lakeside Project ;\$5,595,000	06/01/20	36,132	36,132	-
bi-annual debt service; 2.54%	12/01/20	481,132	36,132	445,000
Debt service is paid from tax increment within district.	06/01/21	30,480	30,480	-
261-80000	12/01/21	485,480	30,480	455,000
	06/01/22	24,702	24,702	-
	12/01/22	494,702	24,702	470,000
	06/01/23	18,733	18,733	-
	12/01/23	498,733	18,733	480,000
	06/01/24	12,637	12,637	-
	12/01/24	502,637	12,637	490,000
	06/01/25	6,417	6,417	-
	12/01/25	511,414	6,414	505,000
		<u>\$ 3,579,855</u>	<u>\$ 299,855</u>	<u>\$ 3,280,000</u>
Jail & Court Services Facility Renovations and Addition	1/7/2020	284,090	47,189	236,901
\$3,840,000; Fixed Rate - 3.41%	7/7/2020	43,149	43,149	-
Mature - 01/07/2029	1/7/2021	288,129	43,150	244,979
100-80000	7/7/2021	38,972	38,972	-
	1/7/2022	292,305	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	25,568	25,568	-
	1/7/2025	305,710	25,567	280,143
	7/7/2025	20,791	20,791	-
	1/7/2026	310,487	20,791	289,696
	7/7/2026	15,852	15,852	-
	1/7/2027	315,426	15,852	299,574
	7/7/2027	10,744	10,744	-
	1/7/2028	320,534	10,744	309,790
	7/7/2028	5,462	5,462	-
	1/7/2029	325,816	5,462	320,354
		<u>\$ 3,265,590</u>	<u>\$ 497,943</u>	<u>\$ 2,767,647</u>
City Hall and Sports Complex 06/28/2013; \$3,407,000	10/1/2019	12,424	12,424	-
Interest payment semi-annual; Principal payment annually	4/1/2020	360,424	12,424	348,000
1.74% Interest Rate	10/1/2020	9,396	9,396	-
190-80000	4/1/2021	363,396	9,396	354,000
	10/1/2021	6,316	6,316	-
	4/1/2022	366,316	6,316	360,000
	10/1/2022	3,184	3,184	-
	4/1/2023	369,184	3,184	366,000
		<u>\$ 1,490,640</u>	<u>\$ 62,640</u>	<u>\$ 1,428,000</u>

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
CableNET Project Refunding Bonds; Series 2008 \$9,645,000; Fixed Rate - 3.97% Mature - 07/01/2028 190-80000	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	64,165	64,165	-
	7/1/2024	654,066	64,066	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>\$ 6,484,304</u>	<u>\$ 1,124,304</u>
Downtown Project Series 2017 \$7,160,000; Fixed Rate - 2.250% Mature - 07/01/2031 190-80000	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	258,687	73,687	185,000
	1/1/2023	71,606	71,606	-
	7/1/2023	266,607	71,607	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>\$ 8,204,751</u>	<u>\$ 1,284,751</u>	<u>\$ 6,920,000</u>
Police Radios - IGA Cobb County \$373,397.45 @ 1.43% withheld from monthly disbursements 363-32002	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

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	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>\$ 117,000</u>	<u>\$ 1,438</u>	<u>\$ 115,562</u>
2017 Mower Max/SideArm	8/1/2019	2,983	483	2,500
09/18/2018 - \$178,953; 4.2499%; 60 months	9/1/2019	2,982	474	2,508
\$2,982.55 60/monthly	10/1/2019	2,983	466	2,517
100-80000	11/1/2019	2,982	457	2,525
	12/1/2019	2,983	448	2,535
	1/1/2020	2,982	439	2,543
	2/1/2020	2,983	430	2,553
	3/1/2020	2,982	421	2,561
	4/1/2020	2,983	412	2,571
	5/1/2020	2,982	402	2,580
	6/1/2020	2,983	393	2,590
	7/1/2020	2,983	384	2,599
	8/1/2020	2,983	375	2,608
	9/1/2020	2,982	366	2,616
	10/1/2020	2,983	356	2,627
	11/1/2020	2,982	347	2,635
	12/1/2020	2,983	338	2,645
	1/1/2021	2,982	328	2,654
	2/1/2021	2,983	319	2,664
	3/1/2021	2,982	310	2,672
	4/1/2021	2,983	300	2,683
	5/1/2021	2,982	291	2,691
	6/1/2021	2,983	281	2,702
	7/1/2021	2,983	272	2,711
	8/1/2021	2,983	262	2,721
	9/1/2021	2,982	252	2,730
	10/1/2021	2,983	243	2,740
	11/1/2021	2,982	233	2,749
	12/1/2021	2,983	223	2,760
	1/1/2022	2,982	213	2,769
	2/1/2022	2,983	204	2,779
	3/1/2022	2,983	194	2,789
	4/1/2022	2,983	184	2,799
	5/1/2022	2,983	174	2,809
	6/1/2022	2,983	164	2,819
	7/1/2022	2,983	153	2,830
	8/1/2022	2,983	144	2,840
	9/1/2022	2,982	133	2,849
	10/1/2022	2,982	123	2,859

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	11/1/2022	2,982	113	2,869
	12/1/2022	2,982	103	2,879
	1/1/2023	2,982	93	2,889
	2/1/2023	2,982	83	2,899
	3/1/2023	2,982	73	2,909
	4/1/2023	2,982	62	2,920
	5/1/2023	2,982	52	2,930
	6/1/2023	2,982	42	2,940
	7/1/2023	2,983	31	2,951
	8/1/2023	2,983	21	2,962
	9/1/2023	2,983	11	2,972
		<u>\$ 149,127</u>	<u>\$ 12,675</u>	<u>\$ 136,452</u>

TOTAL GENERAL LONG-TERM DEBT

\$ 20,007,661

ENTERPRISE FUNDS

Electrical Power Fund

2017 Bucket Truck	7/18/2019	3,558	318	3,240
09/18/2017 - \$198,533; 2.440%; 60 months	8/18/2019	3,558	310	3,248
\$3,518.19.60/monthly	9/18/2019	3,558	302	3,256
*Note April 4,2018 interest rate changed 2.960% 53 months	10/18/2019	3,558	294	3,264
\$3,557.95/monthly	11/18/2019	3,558	286	3,272
510-46110	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	3,305
	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
	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

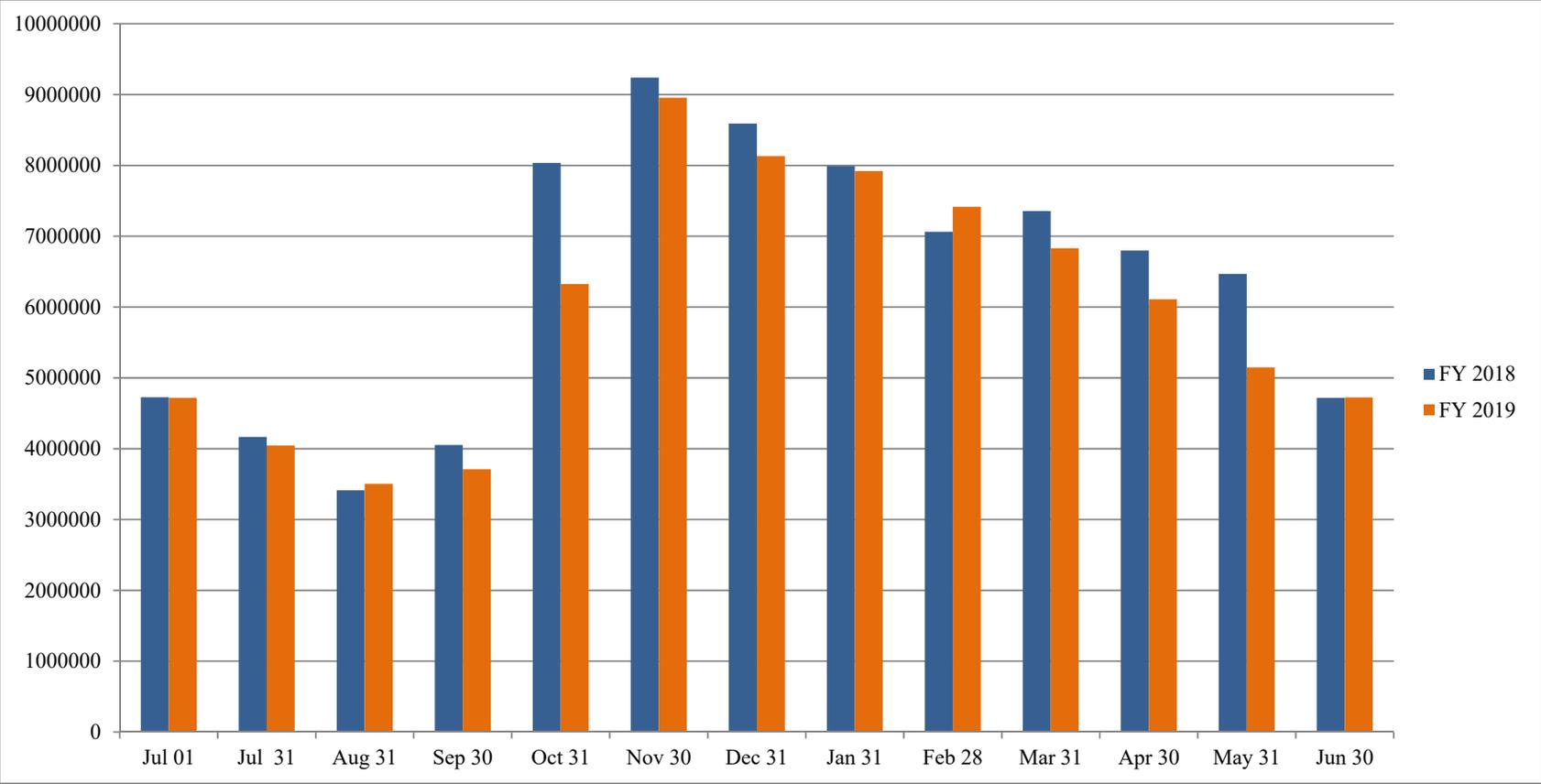
CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
	6/18/2022	3,557	26	3,531
	7/18/2022	3,558	17	3,541
	8/18/2022	3,557	7	3,550
		<u>\$ 135,202</u>	<u>\$ 6,294</u>	<u>\$ 128,908</u>
2016 Freightliner Power Line Truck	7/25/2019	4,346	188	4,158
04/25/2016; \$246,429; 1.98%; 60 months	8/25/2019	4,346	180	4,166
\$4,317.19/monthly	9/25/2019	4,346	171	4,175
*Note April 4,2018 interest rate changed 2.410% 34 months	10/25/2019	4,346	163	4,183
\$4,345.55/monthly	11/25/2019	4,346	155	4,191
510-46110	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	4,345	9	4,336
		<u>\$ 95,611</u>	<u>\$ 2,183</u>	<u>\$ 93,428</u>
Total Electrical Power Fund				<u>\$ 222,336</u>
Sanitation Fund				
2016 Freightliner Sanitation Truck	8/4/2019	3,022	93	2,929
09/04/2015 - \$170,431; 2.22%; 60 months	9/4/2019	3,022	86	2,936
\$3,003.71/monthly	10/4/2019	3,022	79	2,943
*Note April 4,2018 interest rate changed 2.70% 26 months	11/4/2019	3,022	73	2,949
\$3,021.57/monthly	12/4/2019	3,022	66	2,956
	1/4/2020	3,022	60	2,962
	2/4/2020	3,022	53	2,969
	3/4/2020	3,022	46	2,976
	4/4/2020	3,022	39	2,983
	5/4/2020	3,022	33	2,989
	6/4/2020	3,022	26	2,996
	7/4/2020	3,021	19	3,002
	8/4/2020	3,021	13	3,008
	9/4/2020	3,021	7	3,014
		<u>\$ 42,305</u>	<u>\$ 693</u>	<u>\$ 41,612</u>

CITY OF ACWORTH, GEORGIA
SCHEDULE OF INDEBTEDNESS
JUNE 30, 2019

DESCRIPTION	PAYMENT DATE	DEBT SERVICE PAYMENT	INTEREST PORTION	PRINCIPAL PORTION
2017 Freightliner Street Sweeper	7/12/2019	4,134	301	3,833
04/12/2017 - \$232,457; 2.20%; 60 months	8/12/2019	4,134	293	3,841
\$4,094.82/monthly	9/12/2019	4,134	284	3,850
*Note April 4,2018 interest rate changed 2.670% 46 months	10/12/2019	4,134	276	3,858
\$4,133.59/monthly	11/12/2019	4,134	267	3,867
	12/12/2019	4,134	258	3,876
	1/12/2020	4,134	250	3,884
	2/12/2020	4,134	241	3,893
	3/12/2020	4,134	232	3,902
	4/12/2020	4,134	224	3,910
	5/12/2020	4,134	215	3,919
	6/12/2020	4,134	206	3,928
	7/12/2020	4,134	198	3,936
	8/12/2020	4,134	189	3,945
	9/12/2020	4,134	180	3,954
	10/12/2020	4,134	171	3,963
	11/12/2020	4,134	163	3,971
	12/12/2020	4,134	154	3,980
	1/12/2021	4,134	145	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	28	4,106
	3/12/2022	4,133	19	4,114
	4/12/2022	4,133	9	4,124
		\$ 140,554	\$ 5,341	\$ 135,213
Total Solid Waste Sanitation Fund				\$ 176,825
TOTAL ENTERPRISE FUNDS				\$ 399,161

**CITY OF ACWORTH, GEORGIA
GENERAL FUND SCHEDULE OF UNASSIGNED FUND BALANCE BY MONTH
FISCAL YEARS 2018 AND 2019**



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STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012 (1)	2013	2014 (1)	2015	2016	2017 (1)	2018	2019
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 54,070,531
Restricted	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	6,246,325
Unrestricted	(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)	(16,323,081)
Subtotal Governmental Activities Net Position	<u>36,610,531</u>	<u>36,576,948</u>	<u>30,073,864</u>	<u>32,350,873</u>	<u>37,198,231</u>	<u>39,861,825</u>	<u>40,915,428</u>	<u>38,824,797</u>	<u>44,049,170</u>	<u>43,993,775</u>
Business-Type Activities										
Net investment in capital assets	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	5,148,421
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(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	9,661,306
Subtotal Business-Type Activities Net Position	<u>2,517,830</u>	<u>3,623,005</u>	<u>10,730,993</u>	<u>11,147,691</u>	<u>11,759,845</u>	<u>12,629,427</u>	<u>14,313,665</u>	<u>12,338,015</u>	<u>13,618,670</u>	<u>14,809,727</u>
Primary Government										
Net investment in capital assets	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	59,218,952
Restricted	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	6,246,325
Unrestricted	(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)	(6,661,775)
Total Primary Government Net Position	<u>\$ 39,128,361</u>	<u>\$ 40,199,953</u>	<u>\$ 40,804,857</u>	<u>\$ 43,498,564</u>	<u>\$ 48,958,076</u>	<u>\$ 52,491,252</u>	<u>\$ 55,229,093</u>	<u>\$ 51,162,812</u>	<u>\$ 57,667,840</u>	<u>\$ 58,803,502</u>

NOTES:
(1) As restated.

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

	Fiscal Year Ended June 30,									
	2010	2011	2012 (1)	2013	2014 (2)	2015	2016	2017 (2)	2018	2019
Expenses:										
Governmental activities	\$ 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	\$ 23,435,555
Business-type activities	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	12,613,956
Total Expenses	<u>25,719,432</u>	<u>26,001,844</u>	<u>26,745,742</u>	<u>26,390,201</u>	<u>28,388,355</u>	<u>29,181,781</u>	<u>31,332,002</u>	<u>32,619,985</u>	<u>33,334,876</u>	<u>36,049,511</u>
Program Revenues:										
Governmental activities	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	8,595,742
Business-type activities	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	15,419,365
Total Program Revenues	<u>17,057,106</u>	<u>17,888,566</u>	<u>18,395,029</u>	<u>19,850,726</u>	<u>21,832,778</u>	<u>22,664,797</u>	<u>23,492,918</u>	<u>26,172,751</u>	<u>28,057,482</u>	<u>24,015,107</u>
Net (Expense) Revenue	<u>(8,662,326)</u>	<u>(8,113,278)</u>	<u>(8,350,713)</u>	<u>(6,539,475)</u>	<u>(6,555,577)</u>	<u>(6,516,984)</u>	<u>(7,839,084)</u>	<u>(6,447,234)</u>	<u>(5,277,394)</u>	<u>(12,034,404)</u>
General Revenues and Transfers:										
Governmental activities	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	14,784,418
Business-type activities	(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)	(1,614,352)
Total General Revenues and Transfers	<u>9,572,677</u>	<u>9,184,870</u>	<u>9,134,937</u>	<u>9,233,182</u>	<u>9,654,117</u>	<u>10,050,160</u>	<u>10,576,925</u>	<u>11,040,199</u>	<u>11,782,422</u>	<u>13,170,066</u>
Changes in Net Position	<u>\$ 910,351</u>	<u>\$ 1,071,592</u>	<u>\$ 784,224</u>	<u>\$ 2,693,707</u>	<u>\$ 3,098,540</u>	<u>\$ 3,533,176</u>	<u>\$ 2,737,841</u>	<u>\$ 4,592,965</u>	<u>\$ 6,505,028</u>	<u>\$ 1,135,662</u>

NOTES:

- (1) As restated.
(2) 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,									
	2010	2011	2012 (2)	2013	2014 (3)	2015	2016	2017 (3)	2018	2019
Expenses:										
General government	\$ 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	\$ 3,306,624
Judicial	423,891	371,570	350,971	376,499	395,493	414,891	458,293	434,219	432,251	465,947
Health and welfare	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954	540	5,239
Public works	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	6,149,459
Culture and recreation	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	4,169,791
Public safety	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	7,469,115
Housing and development	1,162,929	945,222	981,001	994,734	1,032,121	926,219	1,060,788	1,087,930	1,210,781	1,315,407
Interest and fiscal charges	603,875	573,085	1,131,515	1,181,927	1,125,283	882,928	846,670	982,901	667,707	553,973
Total Expenses	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	23,435,555
Program Revenues:										
Charges for Services:										
General government	167,312	190,155	217,284	214,352	238,294	231,605	263,686	268,382	327,542	265,792
Judicial	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	1,086,151
Public works	9,090	26,793	20,982	18,866	33,375	28,481	22,733	14,258	29,350	35,240
Culture and recreation	353,160	457,073	394,608	430,099	463,883	569,999	623,672	577,614	772,717	839,757
Public safety	25,312	22,526	27,389	23,440	65,333	95,102	71,254	117,051	251,655	728,085
Housing and development	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612	561,095	398,655
Operating grants and contributions	185,071	51,166	100,439	122,508	291,322	235,434	301,743	294,117	419,437	366,880
Capital grants and contributions	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	4,875,182
Total Program Revenues	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	8,595,742
Net (Expense) Revenue	(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)	(14,839,813)
General Revenues and Transfers:										
General revenues:										
Property taxes	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	6,546,327
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	1,465,968
Alcohol taxes	434,368	430,223	458,547	466,203	466,400	468,573	538,892	536,334	534,902	522,948
Hotel, motel tax	109,608	115,272	112,969	126,816	139,982	188,530	206,648	308,414	432,264	405,486
Franchise taxes	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	1,476,003
Financial institution tax	20,287	29,702	25,798	37,504	33,745	33,761	77,875	34,785	41,460	48,208
Business Taxes	401,509	392,470	409,776	442,094	456,762	451,893	500,078	527,302	634,411	640,558
Contributions not restricted to a specific program	743,031	663,575	638,610	680,784	600,130	591,414	608,173	590,435	601,143	650,284
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	454,529
Insurance Proceeds	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	125,116	64,460	13,097	19,345	18,339	19,514	19,564	15,293	87,196	129,238
Miscellaneous	-	-	-	-	-	-	-	-	-	541,926
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	1,902,943
Total General Revenues and Transfers	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	14,784,418
Change in Net Position	\$ 409,875	\$ (33,583)	\$ 505,164	\$ 2,277,009	\$ 2,010,934	\$ 2,663,594	\$ 1,053,603	\$ 4,324,459	\$ 5,224,373	\$ (55,395)

NOTES:
-1 As restated.
-2 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,									
	2010	2011	2012 (1)	2013	2014 (2)	2015	2016	2017 (2)	2018	2019
Expenses:										
Electrical Power	\$ 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	\$ 10,865,674
Sanitation	1,177,329	1,192,180	1,221,425	1,229,860	1,299,983	1,467,278	1,542,945	1,687,567	1,797,136	1,748,282
Total Expenses	<u>11,827,593</u>	<u>12,355,258</u>	<u>12,436,270</u>	<u>12,756,520</u>	<u>12,788,057</u>	<u>12,334,462</u>	<u>11,330,037</u>	<u>12,565,830</u>	<u>12,310,101</u>	<u>12,613,956</u>
Program Revenues:										
Charges for Services:										
Electrical Power	10,971,454	12,198,127	12,280,471	13,103,125	13,548,217	13,622,247	13,010,289	13,587,030	13,306,315	13,489,767
Sanitation	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	1,922,048
Capital grants and contributions	2,125	9,025	15,295	5,019	1,870	1,300	26,008	23,153	47,383	7,550
Total Program Revenues	<u>12,408,339</u>	<u>13,692,646</u>	<u>13,795,444</u>	<u>14,639,522</u>	<u>15,144,792</u>	<u>15,305,717</u>	<u>14,752,706</u>	<u>15,400,275</u>	<u>15,213,117</u>	<u>15,419,365</u>
Net (Expense) Revenue	<u>580,746</u>	<u>1,337,388</u>	<u>1,359,174</u>	<u>1,883,002</u>	<u>2,356,735</u>	<u>2,971,255</u>	<u>3,422,669</u>	<u>2,834,445</u>	<u>2,903,016</u>	<u>2,805,409</u>
General Revenues and Transfers:										
Unrestricted investment earnings	15,813	14,787	14,640	11,033	40,881	37,845	85,686	36,639	98,006	287,238
Gain on sale of capital assets	-	-	-	1,154	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	1,353
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)	(1,902,943)
Total General Revenues and Transfers	<u>(80,270)</u>	<u>(232,213)</u>	<u>(1,080,114)</u>	<u>(1,466,304)</u>	<u>(1,269,119)</u>	<u>(2,101,673)</u>	<u>(1,738,431)</u>	<u>(2,565,939)</u>	<u>(1,622,361)</u>	<u>(1,614,352)</u>
Changes in Net Position	<u>\$ 500,476</u>	<u>\$ 1,105,175</u>	<u>\$ 279,060</u>	<u>\$ 416,698</u>	<u>\$ 1,087,616</u>	<u>\$ 869,582</u>	<u>\$ 1,684,238</u>	<u>\$ 268,506</u>	<u>\$ 1,280,655</u>	<u>\$ 1,191,057</u>

NOTES:

- (1) As restated.
(2) 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,									
	2010	2011	2012 (1)	2013	2014 (2)	2015	2016	2017 (2)	2018	2019
Governmental Activities										
General government	\$ 167,312	\$ 190,155	\$ 217,284	\$ 214,352	\$ 238,294	\$ 231,605	\$ 263,686	\$ 268,382	\$ 327,542	\$ 265,792
Judicial	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	1,086,151
Public works (2)	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	2,229,801
Culture and recreation	626,495	486,815	463,083	625,403	584,902	1,061,642	3,012,751	4,897,767	5,088,050	3,279,488
Public safety	152,132	94,241	99,836	98,632	290,220	1,704,853	1,156,314	911,924	1,016,421	1,335,855
Housing and development	215,680	125,153	193,495	276,632	216,779	406,544	358,863	220,612	561,095	398,655
Subtotal governmental activities	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	8,595,742
Business-type activities										
Electric	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	13,497,317
Sanitation	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	1,922,048
Subtotal business-type activities	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	15,419,365
Total Primary Government	\$ 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	\$ 24,015,107

NOTES:

- (1) As restated.
- (2) 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,									
	2010 (1)	2011 (1)	2012 (2)	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Non-spendable	253,995	269,441	245,943	237,982	272,111	61,309	91,878	113,343	152,605	327,501
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	3,004,280
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	37,970
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	4,549,902
Total General Fund	<u>\$ 6,544,741</u>	<u>\$ 6,809,225</u>	<u>\$ 7,060,000</u>	<u>\$ 7,031,742</u>	<u>\$ 7,601,581</u>	<u>\$ 7,806,030</u>	<u>\$ 7,842,469</u>	<u>\$ 7,884,187</u>	<u>\$ 7,908,315</u>	<u>\$ 7,919,653</u>
All Other Governmental Funds										
Reserved										
Special Revenue Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Unreserved										
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Projects/Improvements	-	-	-	-	-	-	-	-	-	-
Non-spendable	1,250	1,250	1,250	1,250	77,162	868,138	125,000	375,000	818,837	137,584
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	3,222,938
Committed	10,167	498,442	264,315	330,351	10,245	99,486	1,600	7,935	93,434	1,596
Assigned	507,681	318,403	224,237	742,228	1,038,632	879,274	67,067	197,729	391,970	231,755
Unassigned	-	-	-	-	-	-	(285,719)	-	-	-
Total All Other Governmental Funds	<u>\$ 3,700,122</u>	<u>\$ 4,264,793</u>	<u>\$ 4,482,206</u>	<u>\$ 6,171,991</u>	<u>\$ 7,599,139</u>	<u>\$ 5,006,353</u>	<u>\$ 4,130,853</u>	<u>\$ 13,559,873</u>	<u>\$ 14,672,592</u>	<u>\$ 3,593,873</u>

NOTES:

- (1) 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.
(2) 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,

	2010	2011	2012 (2)	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 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	\$ 11,544,075
Licenses and permits	217,691	228,062	248,398	337,662	262,984	498,578	448,147	334,165	678,587	493,986
Intergovernmental	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	5,564,601
Charges for services	491,125	517,494	511,358	541,620	645,122	747,805	776,663	767,560	1,112,230	1,686,372
Fines and forfeitures	1,074,817	1,250,253	980,759	1,224,165	1,368,753	1,247,837	1,427,823	1,242,738	1,153,904	1,363,029
Investment earnings	125,120	72,914	16,560	24,155	21,191	20,705	20,953	15,391	87,196	141,518
Contributions and donations	77,857	29,742	60,289	49,856	90,765	61,340	62,343	46,197	48,809	60,473
Other	64,073	76,279	98,138	85,512	111,321	87,290	115,343	98,548	153,847	87,281
Total revenues	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	\$ 20,941,335
Expenditures:										
Current:										
General Government	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	2,945,373
Public Safety	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	6,471,181
Public Works	930,192	949,323	926,744	961,549	1,023,966	1,044,454	1,190,492	1,157,841	1,150,732	1,527,108
Health and Welfare	1,749	1,052	6,272	991	1,089	1,668	3,640	4,954	540	5,239
Housing and development	1,121,819	911,945	930,902	952,545	983,906	916,713	1,071,000	1,046,120	1,086,815	1,247,811
Judicial	413,747	358,569	338,509	376,499	387,141	410,749	441,673	412,535	385,566	439,560
Culture and recreation	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	3,330,133
Capital Projects	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	16,320,809
Debt Service										
Principal	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	1,761,658
Interest	607,036	562,781	875,445	929,097	908,813	626,858	590,600	700,756	667,707	613,673
Total Expenditures	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	34,662,545
Excess (deficiency) of revenues over expenditures	1,752,072	570,941	(834,319)	473,534	(4,206,633)	(4,503,903)	(3,301,263)	(300,018)	(604,355)	(13,721,210)
Other financing sources (uses):										
Transfers in	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	3,911,896
Transfers out	(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)	(2,045,916)
Payment to refunding agent	-	-	-	(3,300,000)	(5,285,000)	-	-	-	-	-
Debt Issued	-	-	-	3,407,000	9,435,000	-	626,947	7,160,000	-	160,962
Sale of capital assets	1,301	11,214	20,035	10,993	743,620	76,048	11,138	8,178	20,835	84,961
Total other financing sources (uses)	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	2,111,903
Extraordinary item	-	-	-	-	-	-	-	-	-	541,926
Total Net change in fund balance	1,849,456	829,155	220,716	1,661,527	1,996,987	(2,388,337)	(839,061)	9,470,738	1,136,847	(11,067,381)
Debt service as a percentage of noncapital expenditures (1)	11.7%	11.5%	16.8%	16.5%	16.3%	15.4%	12.9%	14.6%	14.9%	15.6%

NOTES:

(1) 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	(1) Franchise Fees	(2) Other	Total
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
2019	6,654,378	1,465,968	120,222	522,948	405,486	39,655	1,476,003	688,492	11,373,152

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

(1) 2010 - 2013 Includes franchise taxes previously classified as fees in prior years.

(2) 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)

Amounts														
Digest Year	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Historical Property	Conservation Use Property	Public Utility	Motor Vehicles and Mobile Homes	Other Property	Less: Tax Exempt Property	(1) Total Taxable Assessed Value	(2) Total Direct Tax Rate	Estimated Actual Value	Annual Percentage Change
2009	426,874,961	-	218,636,819	6,338,402	-	-	9,819,691	48,217,353	44,029,568	50,601,899	703,314,895	7.600	1,758,287,238	1.4%
2010	394,104,040	-	211,377,375	6,155,962	82,288	-	11,951,190	41,122,877	42,372,226	41,169,246	665,996,712	7.600	1,664,991,780	-5.3%
2011	372,302,549	-	194,290,388	6,161,082	100,458	-	11,870,518	39,684,262	41,638,334	26,318,183	639,729,408	7.600	1,599,323,520	-3.9%
2012	319,165,277	-	200,401,561	6,018,673	97,952	-	7,372,761	41,787,427	44,841,050	16,324,969	603,359,732	7.600	1,508,399,330	-5.7%
2013	313,876,166	-	186,926,383	6,141,426	97,952	-	8,158,889	46,035,491	45,020,601	15,545,389	590,711,519	7.600	1,476,778,798	-2.1%
2014	339,366,538	-	186,174,264	6,091,618	97,952	-	9,878,058	39,077,345	47,106,016	18,657,078	609,134,713	7.600	1,522,836,783	3.1%
2015	366,573,387	-	200,037,635	5,820,460	97,952	-	16,589,303	27,249,939	49,130,904	23,800,897	641,698,683	7.600	1,604,246,708	5.3%
2016	411,861,509	-	200,927,799	5,605,336	97,952	-	18,943,448	19,752,856	52,794,265	37,729,083	672,254,082	7.600	1,680,635,205	4.8%
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%
2018	485,798,830	-	253,528,359	6,538,872	111,852	-	19,412,027	10,476,917	56,699,493	70,064,174	762,502,176	7.600	1,906,255,440	6.3%

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)

Tax Digest Year	Overlapping Rates (1)												Total Overlapping and Direct
	City of Acworth		Cobb County				Cobb County School District			State of Georgia			
	Operating Millage	Total City Millage	General Millage	Bond Millage	Fire Millage	Total County Millage	General Millage	School Bond	Total School Millage	General Millage	Total State Millage		
2009	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350	
2010	7.600	7.600	6.820	0.220	2.560	9.600	18.900	-	18.900	0.250	0.250	36.350	
2011	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	18.900	0.250	0.250	37.860	
2012 (2)	7.600	7.600	7.720	0.330	3.060	11.110	18.900	-	18.900	0.200	0.200	37.810	
2013	7.600	7.600	7.520	0.330	3.060	10.910	18.900	-	18.900	0.150	0.150	37.560	
2014	7.600	7.600	7.320	0.330	3.060	10.710	18.900	-	18.900	0.100	0.100	37.310	
2015	7.600	7.600	7.120	0.330	3.060	10.510	18.900	-	18.900	0.050	0.050	37.060	
2016	7.600	7.600	6.660	0.230	2.960	9.850	18.900	-	18.900	-	-	36.350	
2017	7.600	7.600	6.760	0.130	2.960	9.850	18.900	-	18.900	-	-	36.350	
2018	7.600	7.600	8.460	0.130	2.860	11.450	18.900	-	18.900	-	-	37.950	

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 YEAR AND NINE YEARS PRIOR
(unaudited)**

2018				2009			
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	\$ 15,175,787	1	1.99%	WRI Lakeside Marketplace LLC	\$ 13,010,760	1	1.85%
Broadtree Walden Ridge LLC	14,237,480	2	1.87%	Wal-Mart (3826 N Cobb Pkwy)	10,362,156	2	1.47%
Walmart Real Estate Business Trust	10,487,244	3	1.38%	Wal-Mart (3105 N Cobb Pkwy)	9,594,550	3	1.36%
Landing at Acworth LLC	10,400,000	4	1.36%	Target	9,291,100	4	1.32%
WRI Lakeside Marketplace LLC	9,415,000	5	1.23%	Bellsouth Telecommunications	8,254,548	5	1.17%
Monarch at Acworth Crossing LLC	6,008,000	6	0.79%	Lowes Home Centers Inc	7,399,012	6	1.05%
Celebration Village Acworth LLC	5,920,000	7	0.78%	Walden Ridge Apartments	6,549,439	7	0.93%
Target Corporation	5,578,308	8	0.73%	Home Depot Inc	6,260,845	8	0.89%
Cobblestone Landing LP	4,403,200	9	0.58%	Stanton Place Apartments	6,251,680	9	0.89%
Wingate Falls Partners LLC	4,339,200	10	0.57%	Kohls	5,273,188	10	0.75%
Total Principal Taxpayers	85,964,219		11.27%		82,247,278		11.68%
All Other Taxpayers	676,537,957		88.73%		621,067,617		88.32%
Total	<u>\$ 762,502,176</u>		<u>100.00%</u>		<u>\$ 703,314,895</u>		<u>100.00%</u>

Source: Cobb County Tax Commissioners Office (2009) and City of Acworth Finance Department (2018)

**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	Percentage of Levy		Amount	Percentage of Levy
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%	70,868	4,156,069	99.88%
2013 (1)	4,077,294	4,020,616	98.61%	50,705	4,071,321	99.85%
2014	4,257,241	4,186,805	98.35%	65,760	4,252,565	99.89%
2015	4,543,730	4,491,087	98.84%	47,967	4,539,054	99.90%
2016	4,814,790	4,781,829	99.32%	18,854	4,800,683	99.71%
2017	5,195,372	5,143,051	98.99%	41,592	5,184,643	99.79%
2018	5,568,779	5,493,950	98.66%	-	5,493,950	98.66%

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
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
2019	100,250,686	8.45	0.0900	0.1240	8.45	0.0900	0.0840

Source : City of Acworth Utility Billing

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)**

2019					2010				
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	3,524,800	1	3.62%	Target Stores	Retail	4,013,400	1	4.19%
Target Stores	Retail	3,409,000	2	3.50%	Ingles Market	Retail	3,782,263	2	3.95%
Bellsouth	Telecommunications	1,912,203	3	1.96%	Bellsouth	Telecommunications	1,523,136	3	1.59%
City of Acworth	Government	1,641,813	4	1.68%	City of Acworth	Government	1,429,132	4	1.49%
NCG Acworth Inc	Theater	1,447,120	5	1.48%	H and L Lands	Theater	1,374,813	5	1.44%
Cobb County Parks & Rec	Government	1,297,871	6	1.33%	Glenncast Inc.	Manufacturing	923,520	6	0.97%
Dogwood	Assisted Living	1,204,100	7	1.24%	Cobb County Board of Ed.	School District	800,240	7	0.84%
Glenncast Inc.	Manufacturing	1,008,160	8	1.03%	Sav A Lot	Retail	646,590	8	0.68%
Cobb County Board of Ed.	School District	733,440	9	0.75%	Big Lots	Retail	635,700	9	0.66%
Racetrac Petroleum	Retail	670,320	10	0.69%	Cobb County	Government	634,838	10	0.66%
Total		<u>16,848,827</u>		<u>17.28%</u>			<u>15,763,632</u>		<u>16.47%</u>

Source : City of Acworth Utility Billing

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

Governmental Activities								Business-type Activities					
Fiscal Year	(1) Revenue Bonds	Intergovernmental Contracts	Certificates of Participation	Installment Sales Agreement	Capital Leases	(2) Tax Allocation Bonds	Total Governmental Activities	(3) Revenue Bonds	Capital Leases	Loans Payable	Total Business-type Activities		
2010	4,890,000	-	487,716	-	-	5,765,000	11,142,716	9,015,000	182,462	-	9,197,462		
2011	4,550,000	-	299,638	-	-	5,615,000	10,464,638	8,675,000	114,645	-	8,789,645		
2012	4,200,000	-	102,115	-	-	5,455,000	9,757,115	8,320,000	72,454	-	8,392,454		
2013 (7)	11,892,000	-	-	-	-	5,285,000	17,177,000	-	207,988	-	207,988		
2014	11,080,000	-	-	3,840,000	-	5,305,000	20,225,000	-	142,481	-	142,481		
2015	10,251,000	-	-	3,639,666	-	4,920,000	18,810,666	-	91,585	-	91,585		
2016	9,401,000	339,629	-	3,432,501	239,808	4,525,000	17,937,938	-	433,376	-	433,376		
2017	15,681,000	266,005	-	3,218,271	156,516	4,120,000	23,441,792	-	536,728	-	536,728		
2018	14,715,000	191,321	-	2,996,736	-	3,705,000	21,608,057	-	566,621	-	566,621		
2019	13,708,000	115,562	-	2,767,647	136,452	3,280,000	20,007,661	-	399,161	-	399,161		
Total Outstanding Debt								General Bonded Debt					
Fiscal Year	Governmental Activities	Business-type Activities	Total Primary Government	(4) Personal Income	(4) Percentage of Personal Income	(4) Per Capita	(4) Population	Total Primary Government	(7) Resources Restricted for Repayment of Debt	Net Primary Government	Estimated Actual Value of Taxable Property (8)	(5) Percentage of Estimated Actual Value of Taxable Property	(4) Per Capita
2010	11,142,716	9,197,462	20,340,178	577,006,250	3.53%	996	20,425	14,392,716	652,343	13,740,373	1,758,287,238	0.78%	673
2011	10,464,638	8,789,645	19,254,283	606,193,860	3.18%	920	20,935	13,524,638	652,345	12,872,293	1,664,991,780	0.77%	615
2012	9,757,115	8,392,454	18,149,569	636,873,440	2.85%	846	21,458	12,622,115	652,596	11,969,519	1,599,323,520	0.75%	558
2013 (6)	17,177,000	207,988	17,384,988	669,101,468	2.60%	790	21,994	11,892,000	-	11,892,000	1,508,399,330	0.79%	541
2014	20,225,000	142,481	20,367,481	702,935,826	2.90%	903	22,543	11,080,000	-	11,080,000	1,476,778,798	0.75%	492
2015	18,810,666	91,585	18,902,251	738,490,866	2.56%	818	23,106	10,251,000	-	10,251,000	1,522,836,783	0.67%	444
2016	17,937,938	433,376	18,371,314	775,855,080	2.37%	776	23,683	9,740,629	-	9,740,629	1,604,246,708	0.61%	411
2017	23,441,792	536,728	23,978,520	815,130,000	2.94%	988	24,275	15,947,005	-	15,947,005	1,680,635,205	0.95%	657
2018	21,608,057	566,621	22,174,678	856,634,000	2.59%	891	24,881	14,906,321	-	14,906,321	1,792,695,333	0.83%	599
2019	20,007,661	399,161	20,406,822	890,955,000	2.29%	804	25,379	13,823,562	-	13,823,562	1,906,255,440	0.73%	545

- NOTES:
(1) FY2012 and prior included capital leases and intergovernmental agreements with the Downtown Development authority and Acworth Lake Authority
(2) Tax Allocation Bonds - Debt Service is paid by the tax increment received from within the tax allocation district
(3) 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 6
(4) See economic and demographic schedule for population and personal income information
(5) See taxable assessed value schedule for estimated actual value
(6) Amounts previously listed in Business-Type activities have been reclassified in 2013 and on as governmental activities under GASB 6
(7) Resources related to the TAD Increment have been excluded - previously issued reports will differ
(8) 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, 2019

<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	\$ 17,290,000	2.19%	\$ 377,941
Cobb County School District	-	2.19%	-
Other Debt			
Cobb County Parking Deck Certificates	7,965,000	2.19%	174,106
Cobb - Revenue Bonds	444,850,000	2.19%	9,723,947
Cobb County Revenue Anticipation Certificates	5,565,000	2.19%	<u>121,645</u>
Subtotal, overlapping debt			10,397,639
City direct debt:			
Direct Governmental Activities Debt (2)			<u>20,007,661</u>
Total direct and overlapping debt			<u>\$ 30,405,300</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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gross Assessed Value	\$ 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	\$ 832,566,350
Legal Debt Margin										
Debt Limit: 10 percent of assessed value	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	83,256,635
Total net debt applicable to limit (1)	250,396	62,293	-	10,867,720	14,920,000	13,890,666	13,412,938	19,321,792	17,903,057	16,475,647
Legal Debt Margin	\$ 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	\$ 66,780,988
Total net debt applicable to the limit as a percentage of debt limit	0.33%	0.09%	0.00%	17.54%	24.61%	22.13%	20.15%	27.21%	23.15%	19.79%

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 2019

Total Taxable Assessed Value	\$ 762,502,176
Add back: exempt real property	<u>70,064,174</u>
Total assessed value	\$ 832,566,350
Debt limit (10% of total assessed value)	83,256,635
Debt applicable to limit	16,475,647
Less: Resources restricted to paying principal	<u>-</u>
	<u>16,475,647</u>
Legal debt margin	<u>\$ 66,780,988</u>

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

Tax Allocation Bonds						
Fiscal Year	Tax Increment Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	942,710	6,500	936,210	140,000	364,688	186%
2011	841,903	3,000	838,903	150,000	355,625	166%
2012	801,380	3,000	798,380	160,000	345,938	158%
2013	809,435	3,000	806,435	170,000	335,625	159%
2014 (3)	757,056	1,250	755,806	290,000	283,058	132%
2015	744,923	-	744,923	385,000	129,858	145%
2016	767,118	-	767,118	395,000	119,951	149%
2017	747,774	24	747,750	405,000	109,792	145%
2018	760,774	-	760,774	415,000	99,377	148%
2019	813,823	-	813,823	425,000	88,709	158%

NOTES:

- (1) Includes interest income. FY2012 and FY2014 differ from previously issued reports to include interest earnings.
- (2) Excludes disbursement of Bond Proceeds to Tax Allocation District, distribution of excess funds and debt issuance costs.
- (3) 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
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%
2019	25,379	890,955	35,106	6,997	*	36	3.3%

* Information not available

NOTES:

- (1) 2010 Population from U S Census Bureau - differs from prior issued report. All other years are Acworth Community Development Department Estimates.
- (2) Personal Income is derived by multiplying population statistics by Per Capita Income.
- (3) Per Capita Personal Income 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

CITY OF ACWORTH, GEORGIA
PRINCIPAL EMPLOYERS
2019 and 2010
(unaudited)

2019				2010			
Employer	Number of Employees	Rank	Percentage of Total City Employment	Employer	Number of Employees	Rank	Percentage of Total City Employment
Cobb County School System	577	1	6.13%	Cobb County School System	466	1	7.54%
Walmart Super Center #3471	309	2	3.28%	Walmart Super Center #3748	306	2	4.95%
Walmart Super Center #3748	305	3	3.24%	Walmart Super Center #3471	264	3	4.27%
United Parcel Services Inc.	191	4	2.03%	Target Store T-2091	212	4	3.43%
Home Depot	185	5	1.96%	Home Depot #156	149	5	2.41%
North Cobb Christian	179	6	1.90%	City of Acworth	145	6	2.35%
City of Acworth	177	7	1.88%	Kohl's Department Store #441	140	7	2.27%
Target Store	164	8	1.74%	Cobb Pediatric Therapy	135	8	2.19%
United States Postal Service	134	9	1.42%	North Cobb Christian School	133	9	2.15%
Henry's Louisiana Grill	128	10	1.36%	United States Postal Service	130	10	2.10%
Total Principal Employers	2,349		24.94%		2,080		33.67%
Other Employers	7,071		75.06%		4,097		66.33%
Total Employers	9,420		100.00%		6,177		100.00%

Source: City Occupational Tax Department

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

Function/Program	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017 (3)	2018	2019
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	3	4
Finance	4	4	4	4	4	4	4	5	5	5
Information Systems	3	2	2	2	2	2	2	2	2	2
Human Resources	0	0	0	0	0	0	0	0	2	2
Building Maintenance	0	0	0	0	0	0	0	2	5	5
Customer Service (2)	8	8	6	7	7	7	9	8	8	7
Total General Government	26	25	23	24	24	24	26	28	31	31
Judicial										
Municipal Court	3	3	3	3	3	3	3	3	3	3
Public Safety (2)										
Police	40	40	40	40	40	40	44	43	44	46
Support Staff	3	3	3	3	3	4	4	4	4	6
Detention/Jail	10	10	10	10	10	13	15	16	15	15
Total Public Safety	53	53	53	53	53	57	63	63	63	67
Public Works										
Public Works	12	11	10	10	10	10	11	10	10	12
Culture & Recreation										
Culture and Recreation	13	15	15	15	17	21	22	24	24	25
Housing and Development										
Economic Development (2)	2	2	2	2	1	1	1	1	1	0
Community Development (2)	1	2	2	2	2	2	2	3	3	3
Zoning	0	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	0	0	0	0	0	0	0	0	0	0
Total Housing and Development	8	9	9	9	8	8	8	9	9	8
Electrical Power										
Electrical Power	13	13	14	14	14	15	17	17	17	17
Sanitation										
Sanitation	16	16	17	17	17	16	18	18	16	14
Total	144	145	144	145	146	154	168	172	173	177

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Business Licenses Issued (1)	788	936	957	920	901	885	898	917	920	934
Purchase Orders Issued	2,010	2,004	2,013	2,048	2,436	3,087	3,510	3,717	3,856	3,811
Public Safety										
Physical arrests	1,441	1,731	1,595	1,839	1,474	1,456	1,592	1,355	1,496	1,440
Parking violations	103	284	114	86	238	391	106	351	502	265
Traffic violations	7,041	7,180	7,519	7,876	7,026	6,549	7,765	7,625	5,146	6,320
Parks and Recreation										
Summer Camp Participant Capacity	100	120	120	120	130	120	140	140	140	240
Concerts / Movies	3	2	2	3	4	4	3	1	2	5
Youth Basketball Participants	400	385	385	399	405	452	463	470	447	443
Housing and Development										
Building Code Permits Issued	110	29	74	89	158	273	181	110	235	277
Other Code Permits Issued	606	516	699	725	483	999	652	466	447	695
Total Code Inspections Conducted	4,286	3,045	2,197	3,125	2,646	2,453	3,461	1,468	2,714	3,809
Plan Reviews Conducted	3	4	3	3	22	8	15	110	191	164
Sanitation										
Refuse collected (tons)	8,886	7,972	7,658	7,943	8,292	8,075	8,103	8,469	8,309	8,814
Sanitation Customers - Residential	6,382	6,359	6,410	6,433	6,488	6,564	6,784	6,875	6,955	7,082
Power										
Kilowatt hours sold	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	100,250,686
Electrical Power Customers (2)	6,283	6,220	6,314	6,367	6,325	6,334	6,389	6,337	6,512	6,531

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.

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

Function	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	44	45	45	45	47	50	63	63	65	69
Sanitation										
Collection trucks	5	5	5	6	6	6	8	6	6	6
Highways and streets										
(1) Streets (miles)	172	172	172	172	172	179	181	181	182	178
Streetlights	1,384	1,396	1,396	1,408	1,422	1,451	1,529	1,529	1,581	2291
Culture and recreation (2)										
Park acreage	542.25	542.25	542.25	542.25	542.25	542.25	545.00	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	3	3	3	3
Baseball Fields	11	11	11	11	12	12	12	12	12	12
Community Centers	2	2	2	2	2	2	2	2	2	4
Electric										
Number of distribution stations	2	3	3	3	3	3	3	3	3	3
Miles of service lines	94.1	94.5	94.5	94.5	94.5	94.5	94.5	94.5	94.5	100.7

NOTES:

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

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

Sources: Various City Departments

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SPECIAL REPORTS



NICHOLS, CAULEY & ASSOCIATES, LLC

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

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 25, 2019.

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

November 25, 2019

**CITY OF ACWORTH, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUE RECEIVED AND EXPENDITURES INCURRED
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Revenues			Expenditures		
Prior Years	Current Year	Total	Prior Years	Current Year	Total
\$3,492,049	\$405,486	\$3,897,535	\$3,492,049	\$405,486	\$3,897,535

* 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 FEES
AS OF JUNE 30, 2019

<u>Recreational Impact Fee Collections</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
	\$ 2,056,760	\$ 78,000	\$ 2,134,760
Other Funding Sources			
Interest	47,378	2,468	49,846
Local Funding	134,229	-	134,229
Grants/Contributions	46,262	-	46,262
Total Funding - All Sources	2,284,629	80,468	2,365,097
<u>Fund Uses</u>			
<u>Actual Project Expenditures</u>	<u>Project Budget</u>		
Repayment of Capital			
Improvements Element	9,290	9,290	9,290
Cauble Park Gazebo	123,088	123,088	123,088
Logan Road Property	150,000	150,000	150,000
Logan Horsefarm	708,838	708,838	708,838
Recreation Master Plan	9,000	9,000	9,000
Logan Farm Farmhouse	12,472	12,472	12,472
Cauble Park Boardwalk	56,530	56,530	56,530
Southshore Park	7,757	7,757	7,757
Acworth Sports Complex	196,503	196,503	196,503
Cowan Road	5,450	5,450	5,450
Amos Durr Field	6,004	6,004	6,004
School Street Property	3,847	3,847	3,847
Recreation Office - Logan	131,192	131,192	131,192
Cowan Trail	17,300	17,300	17,300
Multi-Use Lake Trail	166,146	166,146	166,146
Facility Needs Assessment	20,683	20,683	20,683
Tanyard Park Trail	4,400	4,400	4,400
Park Land Acquisition	110,740	110,740	110,740
Rosenwald School	10,066	10,066	10,066
Field 7 Sports Complex	140,032	140,032	140,032
Joint Use Parking Lot	78,242	78,242	78,242
Logan Farm Park Expansion	258,524	174,748	83,775
Community Center	101,000	-	101,000
Total Uses - All Funding Sources	2,142,328	184,775	2,327,103
Fees Encumbered	-	37,994	37,994
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, 2019

Project	Original Estimated Cost	Revised Estimated Cost (1)	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2016 SPLOST Program:						
Road Improvement Projects	\$ 12,583,827	\$ 13,957,537	\$ 1,403,202	\$ 3,329,274	\$ 4,732,476	33.91%
Judicial	25,000	25,000	-	-	-	0.00%
Parks Projects (2)	6,550,000	16,196,422	7,307,450	8,192,952	15,500,402	95.70%
Public Safety Projects	2,050,000	2,288,504	1,333,244	338,822	1,672,066	73.06%
	<u>\$ 21,208,827</u>	<u>\$ 32,467,463</u>	\$ 10,043,896	\$ 11,861,048	\$ 21,904,944	
		Debt Service Expenditures	<u>455,094</u>	<u>78,000</u>	<u>533,094</u>	
			<u>\$ 10,498,990</u>	<u>\$ 11,939,048</u>	<u>\$ 22,438,038</u>	

- (1) - Revised Estimated Cost includes revisions in original SPLOST budget and other funding sources including interest, grants and local government funds.
(2) - Includes Joint Project Funds for Recreation Center \$8,500,000 from Cobb County.

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