Mayor
Derek Easterling
City Manager
Jeff Drobney, ICMA-CM
City Clerk
Lea Alvarez, CMC

Council
Madelyn Orochena
Tracey Viars
Pat Ferris
Antonio Jones
Anthony Gutierrez

Honoring Our Heritage - Forging Our Future
City of Kennesaw, GA

City Council
Meeting Agenda
May 5, 2025 6:30 PM
Council Chambers
(2529 J.O. Stephenson Avenue, Kennesaw, GA 30144)

Livestream: www.kennesaw-ga.gov/publicmeetings/

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1. **Invocation**
2. **Pledge of Allegiance**
3. **Call to Order**
4. **Announcements**
5. **Presentations**
6. **Public Comment (Items on the Agenda)**
7. **Old Business**
8. **New Business**
9. **Committee and Board Reports**
10. **Public Hearing(s)**
11. **Consent Agenda**

    A. **Minutes: April 14, 2025 Work Session**
    Approval of the April 14, 2025, City Council work session minutes.

    B. **Minutes: April 14, 2025 Executive Session**
    Approval of the April 14, 2025, City Council executive session minutes.

    C. **Minutes: April 21, 2025 Regular Meeting**
    Approval of the April 21, 2025, City Council regular meeting minutes.

    D. **Minutes: April 21, 2025 Executive Session**
    Approval of the April 21, 2025, City Council executive session minutes.

E. **Resolution: Intergovernmental Agreement for Fire Prevention District**
Consideration for approval of a Resolution authorizing the execution of an intergovernmental agreement with Cobb County for a fire prevention service district.

12. General and Administrative

A. **Certification of Estimated Rollback Rate for 2025 Notice of Assessment**
Certification of the estimated rollback rate for 2025 Notice of Assessment in compliance with HB 581 and HB 92.

B. **Audit Report: Fiscal Year ended September 30, 2024**
Consideration to accept the Audit Report for Fiscal Year ended September 30, 2024, for the City of Kennesaw as presented by Mauldin and Jenkins, LLC.

13. Public Safety

14. Information Technology

15. Public Works and Building Maintenance

16. Recreation and Culture

17. Community Development

18. Public Comment (General)

19. City Manager's Report

A. Reports, Discussions, and Updates

20. Mayor's Report

A. Mayor and Council (re)appointments to Boards and Commissions. This item is for (re)appointments made by the Mayor to any Board, Committee, Authority, or Commission requiring an appointment to fill any vacancies, resignations, and to create or dissolve boards and commissions, as deemed necessary.

21. Council Reports & Discussions

22. Executive Session

Pursuant to the provisions of O.C.G.A 50-14-3, the City Council could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney; and/or personnel matters; and/or real estate matters.

23. Adjourn

Item Report

TO: The Honorable Mayor and City Council

FROM: Lea Alvarez, City Clerk

DATE: May 5, 2025

TITLE: **Minutes: April 14, 2025 Work Session**
Approval of the April 14, 2025, City Council work session minutes.

Summary:

Recommendation:

Fiscal Impact:

Attachments:
1. 2025-04-14 City Council Draft Work Session Minutes

MINUTES OF CITY COUNCIL WORK SESSION MEETING
CITY OF KENNESAW
Council Chambers
(2529 J.O. Stephenson Avenue, Kennesaw, GA 30144)

Livestream: www.kennesaw-ga.gov/publicmeetings/
April 14, 2025
6:30 PM

Present	Mayor Derek Easterling Mayor Pro Tem Pat Ferris Councilmember Madelyn Orochena Councilmember Tracey Viars Councilmember Antonio Jones Councilmember Anthony Gutierrez City Clerk Lea Alvarez City Manager Jeff Drobney City Attorney Randall Bentley, Sr.

1. Invocation

2. Pledge of Allegiance

3. Call to Order

4. Announcements

5. Presentations

6. Old Business

7. New Business

A. **Resolution: Master Fee Schedule Updates**
Consideration for approval of a Resolution to update various portions of the Master Fee Schedule.

City Clerk Lea Alvarez presented a resolution updating various portions of the Master Fee Schedule regarding fees related to the Southern Museum and Smith-Gilbert Gardens.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

B. **Resolution: Update to Mayor and Council Meeting Procedures**
Consideration for approval of a Resolution to update the Mayor and Council Meeting Procedures document.

Ms. Alvarez presented a resolution to update the Mayor and Council meeting procedures document regarding public comment. The document was revised to clearly define mutual expectations and establish general guidelines for conduct during public comment. In addition, a public comment card was proposed to help organize the public comment process in alignment with other municipalities.

Councilmember Jones expressed his concern about the proposed changes and their impact on First Amendment rights.

Suggestions for changes include the addition of changing the public comment sign up from 6:00 p.m. to 6:20 p.m. to 6:00 p.m. to 6:30 p.m.; having speakers at 3 minutes each, for a total of 30 minutes; and including an online public comment form for those who cannot make it to the meeting in time to sign up before 6:30 p.m.

C. **Report: 2022-2024 Strategic Goals**
Update and close out of the City of Kennesaw's 2022-2024 Strategic Goals.

Assistant City Manager Marty Hughes provided a progress report on the adopted 2022-2024 Strategic Goals.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

D. **Resolution: 2025-2027 Strategic Goals**
Consideration for approval of a Resolution approving the City of Kennesaw's 2025-2027 Strategic Goals.

Mr. Hughes presented a resolution outlining the 2025-2027 Strategic Goals for the City of Kennesaw. These goals were created in collaboration with the Mayor and City Council, department heads, and members of the community. The five principal areas of focus are fiscal responsibility through efficient governance, talent development optimization, community engagement and commitment, advancement of quality-of-life indicators, and planned growth through data-driven planning, zoning and economic development.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

E. **Resolution: Chalker Park Design Proposal**
Consideration for approval of a Resolution authorizing the purchase of professional services from Patterson & Dewar Engineers for the phased design of the new Chalker Park.

Mr. Hughes presented a resolution authorizing the purchase of professional services from Patterson & Dewar Engineering for the phased design of the new Chalker Park. A while ago, the City was unable to construct the full design of Chalker Park due to budget constraints. Currently, the City is strategically phasing in this project, trying to optimize design elements to better align with the construction budget. Patterson & Dewar Engineers has submitted a proposal to the City that will build upon the existing design to develop a phased approach that will prioritize key park features such as the inclusive playground, the restrooms, and the parking lot.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

[Mayor Easterling added on Item 7. F, titled, "**Resolution: Intergovernmental Agreement with Georgia Department of Natural Resources**"].

City Manager Jeff Drobney presented a resolution for an intergovernmental agreement with the Georgia Department of Natural Resources (GDNR). City staff submitted proposals through the mid-year budget process and were able to receive $500,000 for the restoration and rehabilitation of the Hiram Butler House. State Representative Jordan Ridley submitted the proposal, and it was signed by Representative Lisa Campbell and Representative Devan Seabaugh. The City has to sign a memorandum of understanding with the GDNR and will receive the money within 30 days.

Councilmember Ferris asked about the term of the agreement, which is 20 years. Dr. Drobney shared that the state is giving the City 20 years to spend the money.

Dr. Drobney and the Council discussed the process for project submissions.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

8. Committee and Board Reports

9. Public Hearing(s)

A. **Ordinance: Amendment to Events, Parades, and Public Gatherings**
Consideration for approval of an Ordinance to amend Chapter 78, “Streets, Sidewalks, and Other Public Places,” Article III, “Events, Parades, and Public Gatherings,” as prescribed by the Code of Ordinances of the City of Kennesaw, Georgia.

City Clerk Lea Alvarez stated it would be recommended to postpone this ordinance to amend Chapter 78, "Streets, Sidewalks, and Other Public Places," Article III, "Events, Parades, and Public Gathers," in the Code of Ordinances until the June 30, 2025, City Council Work Session and the July 7, 2025, City Council meeting to allow staff more time to review and refine.

10. Consent Agenda

A. **Minutes: March 31, 2025 Work Session**
Approval of the March 31, 2025, City Council work session minutes.

B. **Minutes: March 31, 2025 Executive Session**
Approval of the March 31, 2025, City Council executive session minutes.

C. **Minutes: April 7, 2025 Regular Meeting**
Approval of the April 7, 2025, City Council regular meeting minutes.

D. **Minutes: April 7, 2025 Executive Session**
Approval of the April 7, 2025, City Council executive session minutes.

11. General and Administrative

12. Public Safety

A. **Crime Statistics: March 2025**
Consideration to accept the March 2025 Crime Statistics.

Chief Bill Westenberger presented the March 2025 crime statistics [See **Exhibit A**].

[Mayor Easterling tabled item 14. A until the end of the meeting].

13. Information Technology

15. Recreation and Culture

A. **Resolution: Playground Expansion**
Consideration for approval of a Resolution authorizing GameTime to complete playground expansions at Kennesaw Station and Adams Park.

Parks and Recreation Director Bill McNair presented a resolution authorizing GameTime to complete the playground expansions at Kennesaw Station and Adams Park. At Kennesaw Station, planned improvements include replacing an outdated swing set, adding a dome climber, a fox spring rider, and installing new and upgraded seating options. At Adams Park, staff would like to add a new playground structure, swing set, and zipline.

Councilmember Jones asked about the enhancements to the Kennesaw Station park, including whether it would be expanded. Mr. McNair shared it would be expanded, but would have a fence around it to protect it from the retention pond nearby. Councilmember Jones mentioned his interest in the Council collaborating more with Parks and Recreation on park design.

Councilmember Orochena asked if any of the trees would be removed in the Adams Park area. Mr. McNair responded there would not be any trees removed.

After receiving confirmation from the Council, Mayor Easterling suggested moving the item to the Consent Agenda for the regular meeting.

16. Community Development

18. City Manager's Report

A. Reports, Discussions, and Updates

Dr. Drobney thanked everyone who made the Big Shanty Festival a success.

19. Mayor's Report

A. Mayor and Council (re)appointments to Boards and Commissions. This item is for (re)appointments made by the Mayor to any Board, Committee, Authority, or Commission requiring an appointment to fill any vacancies, resignations, and to create or dissolve boards and commissions, as deemed necessary.

20. Council Reports & Discussions

Councilmember Gutierrez echoed Dr. Drobney's sentiments about the Big Shanty Festival. It was a great event.

Mayor Pro Tem Ferris also stated the Big Shanty Festival was a great event. He mentioned that in the Marietta Daily Journal, Cobb Chamber selected its top 25 businesses, which included some businesses here in Kennesaw or those that have influence on our community.

Councilmember Orochena mentioned several events going on in the City this week, including the Job Fair and Taco Time with the Kennesaw Police Department.

Councilmember Viars noted how busy the Big Shanty Festival was when there were tons of other events going on around the state on the same weekend. She reminded everyone that the Kennesaw Downtown Merchants are having a comedy show on May 2, 2025, in the Downtown Plaza.

21. Executive Session

Pursuant to the provisions of O.C.G.A 50-14-3, the City Council could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney; and/or personnel matters; and/or real estate matters.

[Councilmember Orochena recused herself from participating in Executive Session].

Motion by Councilmember Gutierrez to enter into Executive Session as allowed by O.C.G.A. Sec. 50-14-3 for the purpose of discussing land, motion seconded by Councilmember Viars.

Vote taken, motion approved 4-0 [Councilmember Orochena abstained]. Motion passed.

7:13 PM Recess to Executive Session

Mayor, City Council, City Manager, Assistant City Manager, City Clerk, and City Attorney attended Executive Session.

7:23 PM Reconvene to Open Session

Councilmember Gutierrez read the Board back into Open Session and directed the Mayor and City Council to execute an affidavit in compliance with O.C.G.A. Sec. 50-14-4, motion seconded by Councilmember Viars.

Vote taken, motion approved 4-0 [Councilmember Orochena abstained]. Motion passed.

14. Public Works and Building Maintenance

A. **Resolution: Offer for Abandoned Right-of-Way at 2995 and 2997 North Main Street**
Consideration for approval of a Resolution accepting the offer for the purchase of the right-of-way at 2995 and 2997 North Main Street.

Mayor Easterling shared that the item would be on the agenda for the regular meeting on Monday, April 21, 2025.

17. Public Comments

7:23 p.m. Floor Open for Public Comments

MARY WHITLOCK [City Resident]: Ms. Whitlock thanked the City for adding microphones to the work session so attendees in the back of the Council Chambers can hear the Council.

7:24 p.m. Floor Closed for Public Comments

22. Adjourn

Mayor Easterling adjourned the meeting at 7:26 p.m. The regular meeting will be held on Monday, April 21, 2025, at 6:30 p.m. in the Council Chambers. The public is encouraged to attend.

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Lea Alvarez, City Clerk

March 2025 Crime Statistics

Group A Crimes	Mar 2025	Mar 2024	YTD 2025	YTD 2024
AGGRAVATED ASSAULT	2 (+1)	1	11 (+4)	7
INTIMIDATION	14 (+9)	5	38 (+20)	18
SIMPLE ASSAULT	16 (+3)	13	41 (-11)	52
HOMICIDE OFFENSES	0 (-1)	1	0 (-1)	1
SEX OFFENSES	2 (+1)	1	7 (-2)	9
KIDNAPPING	0 (+0)	0	2 (+0)	2
MOTOR VEHICLE THEFT	2 (-1)	3	8 (+3)	5
BURGLARY	1 (+0)	1	8 (+0)	8
ANIMAL CRUELTY	0 (+0)	0	0 (+0)	0
EMBEZZLEMENT	0 (-1)	1	1 (-1)	2
BRIBERY	0 (+0)	0	0 (+0)	0
ARSON	0 (+0)	0	0 (+0)	0
ROBBERY	0 (+0)	0	2 (+2)	0
FORGERY	0 (-1)	1	3 (-3)	6
EXTORTION	0 (-1)	1	3 (-1)	4
FRAUD OFFENSES	20 (+14)	6	50 (+13)	37
LARCENY/ THEFT OFFENSES	15 (+6)	9	46 (+5)	41
VANDALISM	4 (-4)	8	13 (-6)	19
STOLEN PROPERTY OFFENSES	0 (-2)	2	5 (+1)	4
DRUG/ NARCOTICS OFFENSES	28 (+1)	27	86 (+5)	81
PORNOGRAPHY OBSCENE MATERIAL	0 (-2)	2	0 (-3)	3
WEAPONS LAW VIOLATIONS	3 (-1)	4	13 (+3)	10
Totals	**107**	**86**	**337**	**309**

	Mar 2025	Mar 2024	YTD 2025	YTD 2024
Auto Accidents	114 (-1)	115	296 (-5)	301
Accident w/ Injury	6 (-4)	10	36 (+12)	24
Hit and Run	13 (+0)	13	37 (+0)	37
Hit and Run w/ Injury	0 (+0)	0	2 (-1)	3
Person Hit by Auto w/ Injury	0 (+0)	0	1 (+1)	0

	Mar 2025	Mar 2024	YTD 2025	YTD 2024
Dispatched Calls for Service	788 (+41)	747	2,173 (-13)	2,186
Self-Initiated Activity	1,278 (-33)	1,311	3,834 (+582)	3,252
Traffic Citations	520 (-110)	630	1,661 (-32)	1,693
Traffic Warnings*	645 (-39)	684	2,098 (+450)	1,648
Arrests**	78 (-7)	85	249 (-6)	255

* Warnings do not include verbal warnings ** Arrests do not include juvenuile arrests

Names and Addresses will be disclosed in the Permanent Minutes of the City of Kennesaw

PLEASE MAKE SURE YOUR NAME IS LEGIBLE AND CLEAR

City Council Work Session
4/14/2025
Public Comment Sign-in

	Name	Address	Topic
1	Dean Klein	2995 + 2997 N. Main St.	ROW
2	Mary Klein	" " "	ROW
3	Mary Whittacta	2927 Lewis St	microphones
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DRAFT

Item Report

TO: The Honorable Mayor and City Council

FROM: Lea Alvarez, City Clerk

DATE: May 5, 2025

TITLE: **Minutes: April 14, 2025 Executive Session**
Approval of the April 14, 2025, City Council executive session minutes.

Summary:

Recommendation:

Fiscal Impact:

Attachments:
None

Item Report

TO: The Honorable Mayor and City Council

FROM: Lea Alvarez, City Clerk

DATE: May 5, 2025

TITLE: **Minutes: April 21, 2025 Regular Meeting**
Approval of the April 21, 2025, City Council regular meeting minutes.

Summary:

Recommendation:

Fiscal Impact:

Attachments:
1. 2025-04-21 City Council Draft Minutes

MINUTES OF CITY COUNCIL MEETING
CITY OF KENNESAW
Council Chambers
(2529 J.O. Stephenson Avenue, Kennesaw, GA 30144)

Livestream: www.kennesaw-ga.gov/publicmeetings/
April 21, 2025
6:30 PM

Present	Mayor Derek Easterling Mayor Pro Tem Pat Ferris Councilmember Madelyn Orochena Councilmember Tracey Viars Councilmember Antonio Jones Councilmember Anthony Gutierrez City Clerk Lea Alvarez City Manager Jeff Drobney City Attorney Randall Bentley, Sr.

1. Invocation

City Attorney Randall Bentley, Sr. led the Invocation.

2. Pledge of Allegiance

Kennesaw Mountain High School student Felicia Vuu led the Pledge of Allegiance.

3. Call to Order

Mayor Easterling called the meeting to order at 6:31 p.m.

4. Announcements

5. Presentations

6. Public Comment/Business from the Floor

6:31 p.m. Floor Open for Public Comments

TIMOTHY HEYING [City Resident]: Mr. Heying shared that a lot of people expressed to him that they could not be present at tonight's meeting, but are upset about the changes to public comment. Many are already uncomfortable with coming up to the podium to state their name and address on camera, and the changes make it much less likely that they will come and speak at all. Mr. Heying thinks that the City could use more formalized rules around public comment, but the ones that have been suggested seem restrictive. He requested more details as to the timing of the changes to public comment.

[Councilmember Orochena recused herself from the following comment related to item 15. A].

DEAN KLEIN [City Resident]: Mr. Klein said that it has come to his attention that the City is considering rejecting the offer to purchase the right of way at 2995 and 2997 North Main Street, but has agreed to reduce the price to the original appraisal. Mr. Klein had a couple of comments about the offer. He wanted to revisit the fact that this land should have been deeded to this property many decades ago when the purpose of the right of way was no longer necessary. After finding out the land was not theirs to maintain and that the City did not plan to maintain it any differently, the Kleins began the abandonment process. Based on the comments in the appraisal, any value that is assessed is only for the property if it is attached to their property. Further, they feel as though the diminished value of the appraisal, which is approximately $2,500, is nowhere near adequate to cover the remediation costs to rectify the current condition. A more accurate cost would exceed $7,000. One of the main benefits to the City is that it absolves any maintenance responsibilities and allows the Kleins to beautify this area as a gateway to downtown Kennesaw. He requested the City Council accept their offer as presented.

[Councilmember Orochena returned to the meeting].

SEBASTIAN RINEHART: Mr. Rinehart stated that in 2019, he raised his right hand and swore to defend the Constitution of the United States of America. He is concerned about the changes to the rules regarding public comment. As a member of the military, he recognizes that rules are important; however, denying someone the right to speak or to hold their representatives accountable is concerning. In the military, one of the things they are taught is extreme accountability. As a non-commissioned officer with soldiers that report directly to him, if any of his people do something against rules or regulations, he is held accountable for them because he represents them. Mr. Rinehart would hope that those below him in the chain of command would hold him accountable as well. He does not want to be in a community where that is not a right.

6:40 p.m. Floor Closed for Public Comments

7. Old Business

8. New Business

A. **Resolution: Update to Mayor and Council Meeting Procedures**
Consideration for approval of a Resolution to update the Mayor and Council Meeting Procedures document.

Mayor Easterling stated the resolution was regarding administrative changes to meeting procedures with no intention of affecting freedom of speech.

He requested a motion to withdraw the item and revisit the meeting procedures at a later date.

Motion by Councilmember Viars to withdraw item 8. A. Seconded by Councilmember Orochena.

Vote taken, motion unanimously approved 5-0. Motion passed.

9. Committee and Board Reports

10. Public Hearing(s)

A. **Ordinance: Amendment to Events, Parades, and Public Gatherings**
Consideration for approval of an Ordinance to amend Chapter 78, “Streets, Sidewalks, and Other Public Places,” Article III, “Events, Parades, and Public Gatherings,” as prescribed by the Code of Ordinances of the City of Kennesaw, Georgia.

Mayor Easterling stated that this ordinance would be postponed to the June 30, 2025, City Council work session and the July 7, 2025, City Council regular meeting. He opened the floor for public comment since the hearing was advertised.

6:43 p.m. Floor Open for Public Comments

No comment.

6:44 p.m. Floor Closed for Public Comments

Motion by Mayor Pro Tem Ferris to postpone the approval of an Ordinance to amend Chapter 78, "Streets, Sidewalks, and Other Public Places," Article III, "Events, Parades, and Public Gatherings," of the Code of Ordinances to the June 30, 2025, City Council work session and the July 7, 2025, City Council regular meeting. Seconded by Councilmember Jones.

Vote taken, motion unanimously approved 5-0. Motion passed.

11. Consent Agenda

A. **Minutes: March 31, 2025 Work Session**
Approval of the March 31, 2025, City Council work session minutes.

B. **Minutes: March 31, 2025 Executive Session**
Approval of the March 31, 2025, City Council executive session minutes.

C. **Minutes: April 7, 2025 Regular Meeting**
Approval of the April 7, 2025, City Council regular meeting minutes.

D. **Minutes: April 7, 2025 Executive Session**
Approval of the April 7, 2025, City Council executive session minutes.

E. **Resolution: Master Fee Schedule Updates**
Consideration for approval of a Resolution to update various portions of the Master Fee Schedule.

Resolution No. 2025-27

F. **Report: 2022-2024 Strategic Goals**
Update and close out of the City of Kennesaw's 2022-2024 Strategic Goals.

G. **Resolution: 2025-2027 Strategic Goals**
Consideration for approval of a Resolution approving the City of Kennesaw's 2025-2027 Strategic Goals.

Resolution No. 2025-28

H. **Resolution: Chalker Park Design Proposal**
Consideration for approval of a Resolution authorizing the purchase of professional services from Patterson & Dewar Engineers for the phased design of the new Chalker Park.

Resolution No. 2025-29

I. **Resolution: Playground Expansion**
Consideration for approval of a Resolution authorizing GameTime to complete playground expansions at Kennesaw Station and Adams Park.

Resolution No. 2025-30

J. **Resolution: Intergovernmental Agreement with Georgia Department of Natural Resources**
Consideration for approval of a Resolution authorizing an Intergovernmental Agreement with the Georgia Department of Natural Resources regarding the appropriation of $500,000 to be used for historic preservation of the Hiram Butler House.

Resolution No. 2025-26

Motion by Councilmember Gutierrez to approve the Consent Agenda engross. Seconded by Councilmember Jones.

Vote taken, motion unanimously approved 5-0. Motion passed.

12. General and Administrative

13. Public Safety

A. **Crime Statistics: March 2025**
Consideration to accept the March 2025 Crime Statistics.

Chief Bill Westenberger presented the March 2025 crime statistics [See **Exhibit A**].

Motion by Councilmember Jones to accept the March 2025 crime statistics as presented. Seconded by Councilmember Viars.

Vote taken, motion unanimously approved 5-0. Motion passed.

14. Information Technology

15. Public Works and Building Maintenance

A. **Resolution: Offer for Abandoned Right-of-Way at 2995 and 2997 North Main Street**
Consideration for approval of a Resolution accepting the offer for the purchase of the right-of-way at 2995 and 2997 North Main Street.

[Councilmember Orochena recused herself from discussion and vote regarding Item 15. A].

Public Works Director Ricky Stewart presented a resolution accepting the offer for the purchase of the right of way at 2995 and 2997 North Main Street. The property owners' formal offer to purchase the abandoned right of way was $5,000. There were two previous appraisals conducted for the right of way, the first being $9,000 and the second being $15,600. At the April 7, 2025, City Council meeting, the Council authorized the sale at $12,300. Based on that authorization, Mr. Stewart's recommendation is denial of the offer of $5,000.

Motion by Councilmember Viars to approve the Resolution accepting the offer of $5,000 for the right of way at 2995 and 2997 North Main Street. Seconded Mayor Pro Tem Ferris.

Vote taken, motion denied 1-3-1 [Mayor Pro Tem Ferris, Councilmember Jones, and Councilmember Gutierrez opposed and Councilmember Orochena abstained]. Motion failed.

16. Recreation and Culture

17. Community Development

18. Public Comment/Business from the Floor

6:49 p.m. Floor Open for Public Comments

ANDREW BRAMLETT [City Resident]: Mr. Bramlett presented a local history story regarding a wedding in front of the *General* [See **Exhibit B**].

6:50 p.m. Floor Closed for Public Comments

19. City Manager's Report

A. Reports, Discussions, and Updates

Dr. Drobney did not have any updates for tonight.

20. Mayor's Report

A. Mayor and Council (re)appointments to Boards and Commissions. This item is for (re)appointments made by the Mayor to any Board, Committee, Authority, or Commission requiring an appointment to fill any vacancies, resignations, and to create or dissolve boards and commissions, as deemed necessary.

Motion by Councilmember Viars to ratify the appointments of Jennifer Gordy [Finance], Lieutenant Adam Hainline [Police], and Kamil McElwee [Southern Museum] to the Benefits Committee. Seconded by Councilmember Orochena.

Vote taken, motion unanimously approved 5-0. Motion passed.

21. Council Reports & Discussions

Councilmember Jones thanked Chief Westenberger for the Taco Time event with the Kennesaw Police Department.

Councilmember Gutierrez had a fun weekend spending time with family. He has just finished up the last few tests for his EMT certification and will begin clinicals soon.

Mayor Pro Tem Ferris said it is Georgia Cities Week and asked everyone to come out to see all the things that the City of Kennesaw has to offer.

Councilmember Orochena shared all the events the City of Kennesaw has coming up, including the Grand Prix, the annual plant sale at Smith-Gilbert Gardens, and an outdoor movie at Swift-Cantrell.

Councilmember Viars noted Smith-Gilbert Gardens won two grants from Cobb EMC and Cherokee Garden Club to support the butterfly house and living laboratory garden. Congratulations to Smith-Gilbert Gardens!

22. Executive Session

Pursuant to the provisions of O.C.G.A 50-14-3, the City Council could, at any time during the meeting, vote to close the public meeting and move to executive session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney; and/or personnel matters; and/or real estate matters.

Motion by Councilmember Gutierrez to enter into Executive Session as allowed by O.C.G.A. Sec. 50-14-3 for the purpose of discussing land and legal, motion seconded by Councilmember Viars.

Vote taken, motion unanimously approved 5-0. Motion passed.

6:55 PM Recess to Executive Session

Mayor, City Council, City Manager, Assistant City Manager, City Clerk, Economic Development Director, and City Attorney attended Executive Session.

7:37 PM Reconvene to Open Session

Councilmember Gutierrez read the Board back into Open Session and directed the Mayor and City Council to execute an affidavit in compliance with O.C.G.A. Sec. 50-14-4, motion seconded by Councilmember Jones.

Vote taken, motion unanimously approved 5-0. Motion passed.

23. Adjourn

Mayor Easterling adjourned the meeting at 7:37 p.m. The next work session will be held on Monday, April 28, 2025, at 6:30 p.m. in the Council Chambers. The public is encouraged to attend.

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Lea Alvarez, City Clerk

March 2025 Crime Statistics

Group A Crimes	Mar 2025	Mar 2024	YTD 2025	YTD 2024
AGGRAVATED ASSAULT	2 (+1)	1	11 (+4)	7
INTIMIDATION	14 (+9)	5	38 (+20)	18
SIMPLE ASSAULT	16 (+3)	13	41 (-11)	52
HOMICIDE OFFENSES	0 (-1)	1	0 (-1)	1
SEX OFFENSES	2 (+1)	1	7 (-2)	9
KIDNAPPING	0 (+0)	0	2 (+0)	2
MOTOR VEHICLE THEFT	2 (-1)	3	8 (+3)	5
BURGLARY	1 (+0)	1	8 (+0)	8
ANIMAL CRUELTY	0 (+0)	0	0 (+0)	0
EMBEZZLEMENT	0 (-1)	1	1 (-1)	2
BRIBERY	0 (+0)	0	0 (+0)	0
ARSON	0 (+0)	0	0 (+0)	0
ROBBERY	0 (+0)	0	2 (+2)	0
FORGERY	0 (-1)	1	3 (-3)	6
EXTORTION	0 (-1)	1	3 (-1)	4
FRAUD OFFENSES	20 (+14)	6	50 (+13)	37
LARCENY/ THEFT OFFENSES	15 (+6)	9	46 (+5)	41
VANDALISM	4 (-4)	8	13 (-6)	19
STOLEN PROPERTY OFFENSES	0 (-2)	2	5 (+1)	4
DRUG/ NARCOTICS OFFENSES	28 (+1)	27	86 (+5)	81
PORNOGRAPHY OBSCENE MATERIAL	0 (-2)	2	0 (-3)	3
WEAPONS LAW VIOLATIONS	3 (-1)	4	13 (+3)	10
Totals	**107**	**86**	**337**	**309**

	Mar 2025	Mar 2024	YTD 2025	YTD 2024
Auto Accidents	114 (-1)	115	296 (-5)	301
Accident w/ Injury	6 (-4)	10	36 (+12)	24
Hit and Run	13 (+0)	13	37 (+0)	37
Hit and Run w/ Injury	0 (+0)	0	2 (-1)	3
Person Hit by Auto w/ Injury	0 (+0)	0	1 (+1)	0

	Mar 2025	Mar 2024	YTD 2025	YTD 2024
Dispatched Calls for Service	788 (+41)	747	2,173 (-13)	2,186
Self-Initiated Activity	1,278 (-33)	1,311	3,834 (+582)	3,252
Traffic Citations	520 (-110)	630	1,661 (-32)	1,693
Traffic Warnings*	645 (-39)	684	2,098 (+450)	1,648
Arrests**	78 (-7)	85	249 (-6)	255

* Warnings do not include verbal warnings ** Arrests do not include juvenuile arrests

KENNESAW HISTORY

Wedding with the *General*

Last week was the anniversary of the Great Locomotive Chase, that put our community on the map and made the locomotive *General* famous. Since that time, the famous engine has witnessed many historic events, from being on display at world's fairs to the Civil War Centennial. In 1972, it came back to Kennesaw permanently, and one local couple decided it would make the perfect backdrop for their wedding.

Glenn Skelton was a longtime Kennesaw resident and railroad employee, whose ancestors had worked for the railroad since before the Civil War. His grandfather, in fact, was a witness to the Great Locomotive Chase. When he and his fiancé, Mahala Williams, were discussing getting married, they realized the wedding could coincide with the *General*'s return on April 12, 1972. Just three days later, they were married in front of the engine.

According to newspaper accounts, Skelton wore his conductor's uniform, while Williams wore a dress resembling those of the 1860s. It was a small wedding, with only their grown children from previous marriages in attendance. Unfortunately, I have not yet found a photo of the event.

Wedding Set Before General

By SHARON BOSWELL
Journal Staff Writer

When the General was stolen from Big Shanty by Yankee Raiders on April 12, 1862 surely James A. Skelton didn't realize what a big part it would play in his grandson's life 110 years later.

Skelton was working on the L&N Railroad and was one of the Southerners who made history that cloudy, rainy morning when the Rebel troops had to set out on the greatest railroad chase of all times.

On April 15, 1972 his grandson, Glenn Skelton of Kennesaw, will marry Mahala Williams of Powder Springs as they stand before the General and the Rev. Donald Voyles of Fair Oakes Baptist Church.

The two have permission from Kennesaw Mayor Louis Watts to have their wedding ceremonies in the Big Shanty Museum, home of the General, during the midst of the five-day commemoration of the locomotive's return to Georgia.

Mrs. Williams will be given in marriage by her son Bryard Poer who is a student at Kennesaw Junior College. She will wear a blue gingham dress of 1860 style with a matching bonnet.

Skelton, who is a conductor with the L&N Railroad on runs from Atlanta to Chattanooga, will wear his conductor's uniform complete with an heirloom watch like those worn in his grandfather's days. Skelton has been with the railroad for 31 years.

His father, Elijah Skelton also worked with the railroad.

The two, who met through a mutual friend, had originally planned to be married on April 21 at the Macland Baptist Church, "but we were just driving down the road when this occurred to us," Mrs. Williams said.

"We got to talking about the idea and it just sort of ballooned," she added.

The two will send no formal invitations to the wedding and plan only to have her three children and his two at the ceremony.

April 11, 1972 *Marietta Daily Journal*

Presented by Andrew J. Bramlett at the April 21, 2025, City of Kennesaw Mayor & Council Meeting

Names and Addresses will be disclosed in the Permanent Minutes of the City of Kennesaw

PLEASE MAKE SURE YOUR NAME IS LEGIBLE AND CLEAR

City Council Meeting
4/21/2025
Public Comment Sign-in

	Name	Address	Topic
1	Andrew J. Bramlett	2990 Summerfield Ct.	Local history
2	DEAN KLEIN	2995 N. MAIN	ROW offer
3	Timothy H Sitz	2059 White Oak Circle	Public Comment
4	Sebastian Rinehart		
5			
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19			

DRAFT

Item Report

TO: The Honorable Mayor and City Council

FROM: Lea Alvarez, City Clerk

DATE: May 5, 2025

TITLE: **Minutes: April 21, 2025 Executive Session**
Approval of the April 21, 2025, City Council executive session minutes.

Summary:

Recommendation:

Fiscal Impact:

Attachments:
None

Item Report

TO: The Honorable Mayor and City Council

FROM: Jeff Drobney, City Manager

DATE: May 5, 2025

TITLE: **Resolution: Intergovernmental Agreement for Fire Prevention District**
Consideration for approval of a Resolution authorizing the execution of an intergovernmental agreement with Cobb County for a fire prevention service district.

Summary:
In compliance with Service Delivery Strategy (SDS) requirements, an intergovernmental agreement (IGA), attached as Exhibit A, was created between Cobb County and the cities within the county for a fire prevention service district. The IGA has been reviewed and approved by legal.

Recommendation:
The City Manager recommends approval of the Resolution authorizing execution of the IGA with Cobb County.

Fiscal Impact:

Attachments:
1. RES 2025 - Cobb Fire IGA
2. Fire Prevention Special Tax District IGA 2025

CITY OF KENNESAW
GEORGIA

RESOLUTION NO. 2025-__

RESOLUTION APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH COBB COUNTY FOR A FIRE PREVENTION SERVICE DISTRICT

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF KENNESAW, COBB COUNTY, GEORGIA, AS FOLLOWS:

WHEREAS the voters of Cobb County approved a local constitutional amendment (LCA) creating a Fire Prevention District to provide fire prevention services funded by up to five mills of property tax in accordance with 1937-38 Ga. Laws, Ex. Sess. p. 20, 1952 Ga. Laws 516; 1986 Ga. Laws 4501, and Cobb Enabling Legislation § 14-21; and

WHEREAS this LCA was continued in accordance with Ga. Const. Art. XI, Sec. I, Para. IV(a), in 1952, in accordance with 1952 Ga. Laws 516, and in 1986, in accordance with 1986 Ga. Laws 4501; and

WHEREAS the services provided in the Fire Prevention District are managed by the Cobb County Board of Commissioners pursuant to 1955 Ga. Laws, p. 2597; and

WHEREAS the Fire Prevention District currently consists of Acworth, Kennesaw, Powder Springs, and unincorporated Cobb County; and

WHEREAS on December 6, 1976, Cobb County entered into, and on February 14, 1977, signed a Fire Inspection Agreement with the City of Kennesaw to clarify that complete fire prevention and safety services includes fire inspection services; and

WHEREAS as part of fire prevention and safety services provided to the Fire Prevention District, the County also provides first responder emergency medical services and emergency rescue services; and

WHEREAS the County and the City desire to maintain a mutually beneficial, efficient and cooperative relationship that will promote the interests of the citizens, and the city desires to approve and authorize the Mayor to execute an intergovernmental agreement that addresses how Cobb County will provide fire prevention and related safety service within the City as well as comply with the provisions O.C.G.A. § 36-70-20 *et seq*.

NOW, THEREFORE, BE IT RESOLVED the Kennesaw City Council authorizes the Mayor to execute the Intergovernmental Agreement with Cobb County, attached as Exhibit A.

PASSED AND ADOPTED by the Kennesaw City Council on this __ day of May 2025.

ATTEST:	CITY OF KENNESAW
____________________________	____________________________
Lea Alvarez, City Clerk	Derek Easterling, Mayor

STATE OF GEORGIA
COUNTY OF COBB

INTERGOVERNMENTAL AGREEMENT FOR FIRE PREVENTION DISTRICT

THIS INTERGOVERNMENTAL AGREEMENT is made effective and entered into this 1st day of June, 2025, by and between COBB COUNTY, GEORGIA a political subdivision of the State of Georgia ("County"), the CITY OF ACWORTH, a municipal corporation of the State of Georgia, by and through its Mayor and City Council ("Acworth," specifically; "City," generally), the CITY OF KENNESAW, a municipal corporation of the State of Georgia, by and through its Mayor and City Council ("Kennesaw," specifically; "City" generally), the CITY OF POWDER SPRINGS, a municipal corporation of the State of Georgia, by and through its Mayor and City Council ("Powder Springs," specifically; "City" generally), and the CITY OF MABLETON, a municipal corporation of the State of Georgia, by and through its Mayor and City Council ("Mableton," specifically; "City," generally) (Acworth, Kennesaw, Powder Springs, and Mableton referred to collectively as "Cities"; and the County and Cities referred to collectively as "Parties").

RECITALS:

WHEREAS, the voters of Cobb County approved a local constitutional amendment (LCA) creating a Fire Prevention District to provide fire prevention services funded by up to five mills of property tax in accordance with 1937-38 Ga. Laws, Ex. Sess. p. 20, 1952 Ga. Laws 516; 1986 Ga. Laws 4501, and Cobb Enabling Legislation § 14-21;

WHEREAS, this LCA was continued in accordance with Ga. Const. Art. XI, Sec. I, Para. IV(a), in 1952, in accordance with 1952 Ga. Laws 516, and in 1986, in accordance with 1986 Ga. Laws 4501;

WHEREAS, the services provided in the Fire Prevention District are managed by the Cobb County Board of Commissioners pursuant to 1955 Ga. Laws, p. 2597;

WHEREAS, the Fire Prevention District currently consists of Acworth, Kennesaw, Powder Springs, and unincorporated Cobb County;

WHEREAS, since the creation of the Fire Prevention District, a portion of the previously unincorporated area of Cobb County has become the newly formed City of Mableton;

WHEREAS, Mableton does not currently provide fire protection, but desires to provide fire protection and fire safety services by contract with Cobb County as part of the Fire Prevention District and through this Agreement;

WHEREAS, Mableton has provided notice to Cobb County that it desires for the County to continue providing fire protection and fire safety services;

WHEREAS, on April 7, 1977, the County entered into a Fire Inspection Agreement with Acworth to clarify that complete fire prevention services includes fire inspection services;

WHEREAS, on December 6, 1976, the County entered into, and on February 14, 1977, signed a Fire Inspection Agreement with the Kennesaw to clarify that complete fire prevention and safety services includes fire inspection services;

WHEREAS, in or about 1972, Powder Springs adopted an ordinance to authorize the County to provide Fire Code Inspections in Powder Springs;

WHEREAS, as part of fire prevention and safety services provided to the Fire Prevention District, the County also provides first responder emergency medical services and emergency rescue services;

WHEREAS, the County and the Cities desire to maintain a mutually beneficial, efficient and cooperative relationship that will promote the interests of the citizens;

WHEREAS, the Parties are permitted by Article IX, Section III, Paragraph I of the Georgia Constitution to contract with one another any period not exceeding fifty (50) years for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, provided such contracts deal with activities, services or facilities the contracting parties are authorized by law to undertake or provide, and accordingly as a corollary are permitted to pay for such activities, services or facilities or to pay the cost of such services or to pay the costs of acquisition, construction, equipping, modernization or repairs of such facilities or equipment in accordance with the terms of any such contract and to pay the same from revenues derived from any source and, if necessary, to levy and collect ad valorem property taxes for such purpose;

WHEREAS, Article IX, Section II, Paragraph III of the Georgia Constitution requires a contract between the Parties in order for the County to provide certain services, including fire protection, emergency rescue services, and code enforcement; and

WHEREAS, to the extent required, this Agreement is intended to comply with O.C.G.A. § 25-3-5 relating to counties operating fire departments within a city;

WHEREAS, the Parties are authorized by O.C.G.A. §§ 8-2-26(a)(5) and (6) and 36-13-4 to provide issuance of building permits and enforcement of building and other codes;

WHEREAS, the County has adopted and enforces the state minimum fire safety standards pursuant to O.C.G.A. § 25-2-12(a) in the unincorporated area of the county;

WHEREAS, each City has adopted the state minimum fire safety standards and forwarded the resolution to the State Insurance and Safety Fire Commissioner pursuant to O.C.G.A. § 25-2-12(b) and has authorized the County to enforce the state minimum fire safety standards on the City's behalf within the municipality in accordance with O.C.G.A. § 25-2-12; and

WHEREAS, each City has adopted the state minimum standard codes related to fire protection and prevention (currently, the National Fire Protection Association's National Electrical Code and the International Code Council's International Fire Code) for enforcement pursuant to O.C.G.A. §

8-2-26 and has previously authorized the County to enforce them on its behalf within the municipality if the City desires such service.

NOW THEREFORE, for and in consideration of the mutual benefits, covenants and conditions contained herein, the parties agree as follows:

SECTION I

PURPOSE AND INTENT

The purpose of this Agreement is to address how the County provides fire prevention and related safety services within the Cities in accordance with the LCA, as well as to comply with the provisions O.C.G.A. § 36-70-20 *et seq*. and any other applicable statutory provisions or requirements related to said services.

SECTION II

DEFINITIONS

For the purposes of the Agreement, the following terms shall be defined as:

A. "Fire Chief" means the Director of the Cobb County Fire and Emergency Department or designee.

B. "Fire Codes" means those applicable provisions of state minimum fire safety standards adopted by the Insurance and Safety Fire Commissioner and state minimum codes adopted by the Department of Community Affairs, and as may be from time to time, related to fire safety including, but not limited to the International Code Council's International Fire Code and the National Fire Protection Association's National Electrical Code, that are enforceable by local governments.

C. "Fire Inspection Services" means and includes the following as related to applicable Fire Codes:

   1. Fire safety inspections of existing buildings and structures;
   2. Plan and specification review of proposed buildings and structures;
   3. Building permit approval;
   4. Fire safety inspections of buildings and structures; and
   5. Permanent and temporary certificates of occupancy approval.

D. "Fire Marshal" means the Cobb County Fire Marshal or their designee.

E. "Fire Prevention District" means the area consisting of the unincorporated area of Cobb County, the City of Acworth, the City of Kennesaw, the City of Mableton, and the City of

Powder Springs, as such area may be changed in accordance with 1955 Ga. Laws 2597 and 1961 Ga. Laws 3407.

F. "Fire Prevention Services" or "Services" mean the Fire Inspection Services and Fire Rescue Services offered and/or provided pursuant to the LCA and addressed by this Agreement.

G. "Fire Rescue Services" means fire suppression, community risk reduction, fire protection, disaster mitigation, fire rescue, hazardous material response, and first responder emergency medical service at the level regularly provided by County Fire and Emergency Department in unincorporated areas of the County.

H. "Public Safety Director" means the Cobb County Director of Public Safety.

I. "Special Fire Services" means fire watch, fire standby, EMS standby, hazardous material cleanup, lift assist and other services provided to residents, businesses, and visitors for which the Board of Commissioners has adopted a Special Fire Services Fee Schedule.

SECTION III

TERM OF AGREEMENT

The term of the Agreement is for fifty (50) years unless terminated in accordance with this Agreement.

SECTION IV

COMPENSATION AND CONSIDERATION

A. **Funding for the Fire Prevention District**.

1. Services provided to the Cities within the Fire Prevention District shall be funded as authorized by Section 14-26 of Cobb County's State Enabling Legislation so long as the Cities remain a part of the Fire Prevention District and so long as the funding authorized by Section 14-26 of Cobb County's State Enabling Legislation is sufficient to fund Services. Cobb County agrees to establish its budget for such services on a nondiscriminatory manner between the areas it serves.
2. In the event that implementation of the five mills authorized by Section 14-26 of Cobb County's State Enabling Legislation is determined by all Parties to be insufficient to provide Services, the Parties shall split the unfunded cost in proportion to the population of the unincorporated area and the population of each City or split the unfunded cost in any manner as agreed upon in writing by the Parties.
3. In the event that one or more Cities discontinue receiving Fire Code Services, then Fire Code Service shall cease to be funded by the LCA millage rate, and shall be

funded based upon permit fees, inspection fees, review fees and other revenue as identified by the County and City or Cities receiving Fire Code Services.

4. In the preparation of the budget for the Fire Prevention District, the Fire Chief or their designee shall meet with each of the Cities for input and advice. The County shall provide each City with a copy of the proposed budget prior to the County's initial public hearing on the budget.

B. **Additional Funding**. Other sources of revenue associated with the provision of Services include:

1. **Permit, Inspection, and Plan Review Fees**. Revenues resulting from permits, inspections and plan review associated with the Services provided under this Agreement shall belong to the Party issuing the permit, conducting the inspection or providing the plan review. Any permit, inspection or plan review fees imposed by the County shall approximate the cost of administering and regulating the permit, inspection or plan review and shall be equal to those charged in the unincorporated area. The current fee schedule is contained in **Exhibit "A" 2023 Cobb County Fire Marshal's Office Fee Schedule** attached and incorporated herein.

2. **Fees for Special Fire Services.** Special Fire Service Fees approximate the cost or providing Special Fire Services and charged by the County to recipients of Special Fire Services shall remain with the County. Current fees Special Fire Service Fees are contained in Section XVII of **Exhibit "A" 2023 Cobb County Fire Marshal's Office Fee Schedule**.

3. **Fines.** Fines originating from unincorporated area shall remain with the County. Fines originating from a Municipal Court case shall remain with the City in which the violation occurred so long as the case is prosecuted by the City and not the County. If a Municipal Court case is prosecuted by County, then any resulting fees shall remain with County.

4. **Sales Tax.** In conjunction with the creation of a list of proposed projects to be funded with a proposed local sales tax, the Fire Chief or their designee shall meet with each City for input and advice in developing such list.

SECTION V

FIRE RESCUE SERVICES

A. **Level of Service.** During the term of this Agreement, the County shall provide Fire Rescue Services to the Cities at the same level as provided in the unincorporated area of the County. The County shall provide Fire Rescue Services on a continual 24-hour per day basis. This Agreement does not govern or modify any mutual aid agreements that govern the parties in case of emergencies requiring assistance from neighboring fire departments not parties to this Agreement, except that any costs incurred for receiving mutual aid assistance from a jurisdiction not subject to this Agreement shall be paid with LCA millage rate funds or as provided for in this Agreement.

B. **Management of Service.** Fire Rescue Services will be overseen by the Fire Chief under the direction of the Public Safety Director and County Manager. The Public Safety Director will coordinate with the Cobb County Water System Director on interagency matters. The Cobb County Water System shall apprise the Fire Chief or their designee of planned and water outages that may affect fire protection or that may affect fire suppression ratings for insurance ratings purposes. The Public Safety Director or Fire Chief shall notify the City Manager of any affected City if such changes occur. Cobb County shall be responsible for any attendant costs to the Water System in order to restore the level of service and such shall be performed in a diligent and non-discriminatory manner .

C. **Standards.** All emergency incidents within a City shall operate under the National Response Plan (NRP) utilizing the National Incident Management System (NIMS), as well as the State Minimum Fire Safety Standards.

D. **Safety Requirements.** Each City acknowledges that the safety of the public and the safety of the County's employees performing services under this Agreement depends upon the City requiring strict adherence to all state minimum building codes, Fire Codes, and other laws and regulations related to safety.

E. **Reports.** The Fire Chief shall notify the City Manager or their designee in the event of a significant fire rescue or emergency situation within the City. Response reports will be provided by the Fire Chief upon request of the City.

F. **Exclusions.** This Agreement does not and is not intended to address or include ambulance services. Nothing in this Agreement shall preclude the County's right to collect, seek or request funding from third parties for ambulance transport or emergency calls originating from within the County or City.

SECTION VI

FIRE INSPECTION SERVICES

For each City electing to receive Fire Inspection Services, the County and City agree to the following:

A. **Level of Service.** For the Cities choosing to receive Fire Inspection Services, Fire Inspection Services shall be provided at the level regularly provided by the Fire Marshal or their designee in unincorporated areas of the County. The Fire Marshal shall conduct an initial review of permit applications to confirm jurisdictional boundaries and verify inclusion of all required safety information. The permit application shall then be forwarded to the City for permit issuance consideration. The Fire Marshal shall meet or exceed the permit review and processing requirements of O.C.G.A. § 25-2-14, and as may be amended from time to time. Additionally, the Fire Marshal shall provide timely written comments as to the bases for its rejection of any permit application. Should O.C.G.A. § 8-2-26 be amended to apply for the codes enforced by the Fire Marshal or be deemed by a court of competent jurisdiction to apply to the codes enforced by the Fire Marshal, then the Fire Marshal shall comply with those requirements to the extent applicable.

B. **Management of Service.** Each City shall appoint the Fire Marshal to serve as the City Fire Marshal and authorize the Fire Marshal to act as an agent of the City for the provision of Fire Inspection Services. The Fire Marshal shall serve at the pleasure of and direction by the Fire Chief, Public Safety Director, and County Manager.

C. **City Ordinance Review and Inspection.** For development occurring within the City, Fire Inspection Services include:

1. Review plans and land disturbance permits for new construction of commercial and multi-family uses and residential and commercial subdivisions in the City for fire lane, access, and fire hydrant coverage and compliance;
2. Review applications for City permits for gated access roads and entrances;
3. Notify the City of any fire lane issues, requirements or signage needs in compliance with applicable laws or Fire Codes in order to perform or provide Services under this Agreement;
4. To the extent allowed by Georgia law, review fireworks stands for temporary outdoor sales facilities and indoor display;
5. Review and approve temporary tents located in the City in accordance with State law;
6. Provide timely advice and recommendations to the Cities regarding consideration and updates to City Ordinances;
7. Evaluate alternate but equal code compliance methods for permit review and provide a representative to serve on the City's Construction and Adjustment Board of Review at no additional cost to the City.

D. **Safety Requirements.** The City acknowledges that the safety of the public and the safety of the County's employees depends upon strict adherence to all state minimum building codes and Fire Codes. The City shall not issue Certificates of Occupancy or Certificates of Completion for buildings and structures unless they are in compliance with state minimum building and have an approval (or an approved variance or approval by a third party engineer or fire safety expert engaged pursuant to O.C.G.A. § 25-2-14) from the Fire Marshal or their designee for compliance with Fire Codes. Once the building or structure meets state minimum building codes and has approval from the Fire Marshal or their designee, then the City shall issue the Certificate of Occupancy or Certificate Completion when the City is satisfied that the project has complied with all City requirements. The City shall provide a copy of all Certificates of Occupancy or Certificates of Completion issued within the City to the Fire Marshal within five (5) business days of issuance by the

City.

E. **Reports.** The Fire Marshal shall forward records of intermediate and final reviews and inspection reports and occupancy loads to the City for record-keeping purposes. The City will shall forward copies of Occupation Tax Certificate applicants and Certificate of Occupancy to the County. The Fire Marshal shall provide timely written comments as to its bases for any incomplete, failed or rejected plan or permit inspection in accordance with Georgia Law.

F. **Exclusions.** While the County may review plans and specifications, may conduct inspections to determine compliance with Fire Codes, and may testify as a witness on violations occurring within a City, nothing in this Agreement shall be interpreted as requiring the County to enforce City ordinances or Fire Codes in court or otherwise. The County shall not enforce ordinances of the Cities. The County shall not be responsible for review and/or enforcement of state minimums building code requirements other than Fire Codes. Retaining walls, fences, signs, greenhouses, satellite dishes, and similar projects or structures shall not be subject to the provisions of this Agreement. The Cities shall continue to review and issue permits and/or approvals for such projects. The City shall be responsible for inspections of all erosion control and site work on all projects within the City.

G. **Transition for Changes in Service.** The City acknowledges that Fire Inspection Services are provided and funded pursuant to the LCA through the imposition of up to five mills of property tax. In order to properly budget the resources and staff to provide Fire Inspection Services to the City, as well as to maintain tax equity of the Fire Prevention District, the County must have adequate time to provide adjustments to the budget and the millage rate whenever a City adds or discontinues Fire Inspection Services. Any City requesting to institute or discontinue Fire Code Services from the County shall provide at least thirty (30) days' advance written notice and agrees that any such change shall only occur on October 1st of any year in which such notice is provided, unless otherwise agreed to by the County.

Likewise, the County shall provide the Cities with at least thirty (30) days' advance written notice of any material change(s) to Fire Inspection Services or the method of delivery of said services. For the purposes of this section, "material change" shall mean any substantive modification to the scope, frequency, or manner of delivery of Fire Inspection Services that would directly impact service levels provided to the Cities. This shall not include internal operational adjustments, staffing reassignments, or emergency changes required to address immediate public safety needs, code compliance, or regulatory mandates.

H. **Acknowledgment of Deputized State Officials.** The Parties acknowledge that certain County employees have been deputized as a deputy state fire marshals by the state fire marshal in accordance with O.C.G.A. § 25-2-12.1. If provided to the City, such services shall be provided on behalf of the State of Georgia.

1. Perform arson and other investigations pursuant to O.C.G.A. § 25-2-9(a).
2. Inspect building, premises, and surrounding area where fire is in progress or has occurred pursuant to O.C.G.A. § 25-2-22.
3. Obtain inspection warrants pursuant to O.C.G.A. § 25-2-22.1.
4. Make arrest pursuant to O.C.G.A. § 25-2-9(b).

I. **Notification of Changes to Codes.** Should any City make changes to the codes utilized in the performance of this Agreement, the City shall provide notice that such a change is being considered at least ten days prior to the meeting where such change will be considered. If approved, the City shall provide a copy of the code amendments to County within ten days and submit the changes to the Georgia Department of Community Affairs as required by law.

SECTION VII

EQUIPMENT

The County shall provide the necessary equipment, gear, supplies, and motor vehicles in connection with this Agreement in order to perform the Services. The County agrees to maintain said equipment and vehicles and to provide replacements as necessary during the term of the Agreement. The assignment of equipment, gear, supplies, and motor vehicles between fire stations shall be data driven and guided by applicable ISO standards Center for Public Safety Excellence accreditation measures and/or other applicable guidelines to ensure equitable resource distribution and response planning based on risk assessments, population density, call volume, and other relevant criteria. Cobb County shall ensure impartial allocation of equipment and resources between the Cities and unincorporated areas, with all provisions aligned to established ISO standards and best practices. The development and application of ISO standards shall be objective, transparent, and non-discriminatory, ensuring all jurisdictions receive resources proportionate to their operational needs and risk profiles.

SECTION VIII

EMPLOYEES

A. **Compensation and Benefits.** The County shall provide staffing necessary to perform Services. The County shall be responsible for providing compensation and benefits to the employees providing Services pursuant to this Agreement.

B. **Management of Employees.** The employees providing Services pursuant to this Agreement shall be managed exclusively by the County. The County agrees to comply with applicable federal and state employment laws. Any fines or penalties imposed as a result of failure to comply with applicable federal or state employment laws shall not be paid from the funds generated by the LCA millage rate.

SECTION IX

RECORDKEEPING AND REPORTING

A. **Annual Report.** No later than March 1st of each year, the County will provide each City Manager with a copy of the written annual report from the previous calendar year, which shall include the following:

   a. Budget;

   b. Georgia Firefighter Standards and Training Council report, if any;

   c. Inventory of buildings and apparatus at each fire station, including the location, age and replacement schedules; and such information for any locations primarily supporting fire department operations (i.e., Fire Department Annex);

   d. ISO Rating;

   e. Positions assigned to each fire station, noting whether each position is vacant or staffed;

   f. Response times for each fire station; and

   g. Strategic Plan.

B. **Other Reports.** Within ten (10) business days of receiving a report following an inspection by Georgia Firefighter Standards and Training Council or the Insurance Services Office, such report shall be forwarded to the Cities.

C. **Record Retention.** During the term of this Agreement, the County will maintain all records and reports relating to Fire and Emergency Department activity within the Cities in accordance with the County's record retention schedule.

SECTION X

TERMINATION

This Agreement may terminate, in whole or in part, upon any one of the following conditions:

A. **Termination of LCA.** Should the LCA be repealed pursuant to Ga. Const. Art. XI, Sec. I, Para. IV(b) or determined unconstitutional by a court of competent jurisdiction without the creation of a subsequent special tax district pursuant to Ga. Const. Art. IX, Sec. II, Para. VI, this Agreement shall terminate; however, Cobb County Fire and Emergency Services shall continue to provide fire protection and other services for a period of one year following such termination or until a subsequent Agreement is reached between the parties hereto so long as a new special tax district is immediately created or an alternative, proportionate funding mechanism is put in place to fund such services.

B. **Upon Conclusion of Agreement**. At the conclusion of the Agreement, this Agreement shall be terminated unless a new contract is entered; provided, however, that the requirement, obligations, and funding of the LCA shall remain in effect unless repealed.

SECTION XI

TRANSITION

The County and Cities agree that at least ninety (90) days prior to the end date of this Agreement, the City Manager and County Manager shall meet and confer for a smooth transition.

SECTION XII

NOTICES

All notices required or permitted shall be given by certified first class U.S. Mail, return receipt requested, to the Parties at the addresses below, which address may be changed upon written notice to the other Parties:

County:

County Manager

100 Cherokee Street

Marietta, Georgia 30090

With a copy to:

Public Safety Director

100 Cherokee Street

Marietta, Georgia 30090

Acworth:

City of Acworth

4515 Center Street

Acworth, Georgia 30101

With a copy to:

Kennesaw:

City of Kennesaw

Attn: Dr. Jeff Drobney, City Manager

2529 J. O. Stephenson Ave.

Powder Springs:

City of Powder Springs

Attn: Pam Conner, City Manager

4426 Marietta Street

Kennesaw, Georgia 30144

Powder Springs, Georgia 30127

With a copy to:

City of Kennesaw

Attn: Derek Easterling, Mayor

2529 J. O. Stephenson Ave.

Kennesaw, Georgia 30144

With a copy to:

City of Powder Springs

Attn: Al Thurman, Mayor

4426 Marietta Street

Powder Springs, Georgia 30127

Mableton:

City of Mableton

Attn: William Bill Tanks, City Manager

135 Riverside Parkway

Austell, Georgia 30168

With a copy to:

City of Mableton

Attn: Michael Owens, Mayor

1400 Veterans Memorial Highway SE,
Suite 134-200

Mableton, Georgia 30126

SECTION XIII

NON-ASSIGNABILITY

No party shall assign any of the obligations or benefits of this Agreement.

SECTION XIV

ENTIRE AGREEMENT

The Parties acknowledge, one to the other, that the terms of this Agreement and the LCA constitute the entire understanding and Agreement of the parties regarding the subject matter of the Agreement. This Agreement supersedes all prior oral or written agreements or understandings. No representation oral or written not incorporated in this Agreement shall be binding upon the Parties.

SECTION XV

FORCE MAJEURE

The Parties shall not be liable for their respective non-negligent or non-willful failure to perform any of their respective duties or obligations under this Agreement or for any delay in such performance due to: (i) any cause beyond their respective reasonable control; (ii) any act of God; (iii) any change in applicable governmental rules or regulations rendering the performance of any portion of this Agreement legally impossible; (iv) earthquake, fire, explosion, or flood; (v) strike or labor dispute, excluding strikes or labor disputes by employees and/or agents of Parties; (vi) delay or failure to act by any governmental or military authority; or (vii) any war, hostility, embargo, sabotage, civil disturbance, riot, insurrection, or invasion. In such event, the time for performance shall be extended by an amount of time equal to the period of delay caused by such acts, and all other obligations shall remain intact.

SECTION XVI

PRESERVATION OF IMMUNITIES

No provision of this Agreement shall be construed or interpreted so as to waive any of the immunities or protections otherwise afforded the parties by the Constitution, statutes, rules and regulations of the State of Georgia. Nothing contained in this Agreement shall be construed to be a waiver of County's or City's sovereign immunity or any individual's qualified good faith or official immunities.

SECTION XVII

MISCELLANEOUS

A. **Governing Law and Jurisdiction.** This Agreement and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed, and interpreted according to the laws of the State of Georgia. The parties hereby submit to the exclusive jurisdiction of the Superior Court of Cobb County, Georgia for the purposes of all legal proceedings arising out of or relating to this Agreement, and the parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the venue of any such proceeding which is brought in such a court.

B. **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative or unenforceable under any particular circumstances because it conflicts with any provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement.

C. **Effective Date.** This Agreement shall become effective on June 1, 2025.

D. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

E. **Amendments in Writing.** No waiver, amendment, release, or modification of this Agreement shall be established by conduct, custom, or course of dealing, but solely by a document in writing duly executed and delivered by the Cities and the County.

F. **Headings.** All headings herein are intended for convenience and ease of reference purposes only and in no way define, limit, or describe the scope or intent thereof, or of this Agreement, or in any way affect this Agreement.

G. **Time is of the Essence.** All parties agree and understand that time is of the essence as to all deliverables including but not limited to level of services and obligation to perform.

ARTICLE XVIII
BINDING EFFECT

This Agreement shall inure to the benefit of, and be binding upon, the Parties' successors.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been executed by the County and Cities as of the date set forth above.

COBB COUNTY	CITY OF ACWORTH
______________________________	______________________________
Lisa N. Cupid, Chairwoman	Tommy Allegood, Mayor
Attest:	Attest:
______________________________	______________________________
Pamela L. Mabry, County Clerk	Regina Russell, City Clerk
Approved as to Form:	Approved as to Form:
______________________________	______________________________
County Attorney's Office	City Attorney

CITY OF KENNESAW	CITY OF POWDER SPRINGS
______________________________	______________________________
Derek Easterling, Mayor	Al Thurman, Mayor
Attest:	Attest:
______________________________	______________________________
Lea Alvarez, City Clerk	Kelly Axt, City Clerk
Approved as to Form:	Approved as to Form:
______________________________	______________________________
City Attorney	Julie K. Livingston City Attorney

CITY OF MABLETON

Michael Owens, Mayor

Attest:

Susan Hiott, City Clerk

Approved as to Form:

Emilia C. Walker-Ashby, City Attorney

Exhibit "A"
2023 Cobb County Fire Marshal's Office Fee Schedule
Adopted by and in the discretion of the Douglas County Board of Commissioners

SITE FEE SCHEDULE

I. Site Plan Review

a. Site plan reviews **$100**

b. Review of Engineering Reports, Engineering Judgements, Performance Based Designs or Equivalencies **$200**

c. Revisions to previously approved plans **$50**

d. Consultations **$100**

e. Expedite plan reviews (per site plan in addition to the normal fee) **$1,500**

f. Expedite inspections (4-hours maximum) **$1,000**

Special Notes:

- All fees are payable online by using the link provided on the invoice. Invoices will be sent through Mobile Eyes, all fees must be paid prior to reviews or inspections.
- Fees will not be refunded when cancelling previously made appointments or inspections within 48 hours of the appointment date. A refund request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec 54-53.
- Appeal request can be made by contacting the Cobb County Fire Marshal's Office in accordance with O.C.C.C 54-53 and 54-55 and may be granted in a case-by-case basis

II. New Building – Plan Review and Inspections

a. Single story up to 12,000 sq ft **$250**

b. Single store more than 12,000 sq ft **$350**

c. Multiple stories – fee per additional story **$100**

d. Review of Engineering Reports, Engineering Judgements, Performance Based Designs or Equivalencies **$200**

e. Revisions to previously approved plans **$50**

f. Re-Reviews: fee due for the third review if for the same deficiency **$50**

g. Consultations **$100**

h. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

i. Construction related inspections – all types **$75**

j. Expedite inspection (4-hours maximum) **$1,000**

III. Building Addition – Plan Review and Inspections

a. Single story up to 12,000 sq ft **$250**

b. Single story more than 12,000 sq ft **$350**

c. Multiple stories – fee per additional story **$100**

d. Review of Engineering Reports, Engineering Judgements, Performance Based Designs or Equivalencies **$200**

e. Revisions to previously approved plans **$50**

f. Re-Reviews: fee due for the third review if for the same deficiency **$50**

g. Consultations **$100**

h. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

i. Construction related inspections – all types **$75**

j. Expedite inspection (4-hours maximum) **$1,000**

IV. New Tenants/Tenant Addition/Tenant Remodels – Plan Review and Inspections

a. Floor area single level: less than 3,000 sq ft **$100**

b. Floor area single level: 3,000 to 12,000 sq ft **$200**

c. Floor area single level: greater than 12,000 sq ft **$300**

d. Multiple stories – fee per additional story **$100**

e. Review of Engineering Reports, Engineering Judgements, Performance Based Designs or Equivalencies **$200**

f. Revisions to previously approved plans **$50**

g. Re-Reviews: fee due for the third review if for the same deficiency **$50**

h. Consultations **$100**

i. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

k. Construction related inspections – all types **$75**

l. Expedite inspection (4-hours maximum) **$1,000**

V. Owner's Information Change or Names Changes1

a. A fee will be accessed for each Certificate of Occupancy (CO)* **$100**

b. Re-inspection per CO **$75**

c. Expedite plan review (per application plus the normal fee) **$1,500**

d. Expedite inspection (4-hours maximum) **$1,000**

***NOTE:** This fee includes one (1) related onsite inspection of each existing building

1 Kennesaw, Acworth, and Powder Springs may issue a new Certificate of Occupancy

Special Notes:

• All fees are payable online by using the link provided on the invoice. Invoices will be sent through Mobile Eyes, all fees must be paid prior to reviews or inspections.

• Fees will not be refunded when cancelling previously made appointments or inspections within 48 hours of the appointment date. A refund request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec 54-53.

• Appeal request can be made by contacting the Cobb County Fire Marshal's Office in accordance with O.C.C.C 54-53 and 54-55 and may be granted in a case-by-case basis

FIRE SUPPRESSION SYSTEMS/CPA FEE SCHEDULE

VI. Sprinkler Systems – Plan Review and Inspections

New sprinkler systems

a. New systems up to 12,000 sq ft **$200**

b. New systems more than 12,000 sq ft **$300**

c. Multiple stories – fee per additional story **$100**

Existing sprinkler systems

d. Number of sprinklers: 9 to 30 **$100**

e. Number of sprinklers: 31 to 100 **$175**

f. Number of sprinklers: more than 100 sprinklers **$250**

g. Limited work permit: 8 sprinklers or less (New risers, Fire Pumps, any alarm valve or new systems excluded) **$20**

h. Review of engineering reports, engineering judgements, performance-based designs or equivalencies **$200**

i. Revisions to previously approved plans **$50**

j. Re-Reviews: fee due for the third review if for the same deficiency **$50**

k. Consultations (New and Existing systems) **$100**

l. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

m. Inspection Testing & Maintenance (I.T.M) uploading annual inspection reports and inspection fixes* **$20**

m. Construction related inspections – all types **$75**

n. Expedite inspection (4-hours maximum) **$1,000**

NOTE: CCFMO shall determine the number of reports limit per ITM upload*

VII. Commodity Assessment/Racking

a. Commodity assessment/ racking review per permit **$200**

b. Revisions to previously approved commodity/racking plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Consultations **$100**

e. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

f. Construction related inspections **$75**

g. Expedite inspection (4-hours maximum) **$1,000**

VIII. Special Extinguishing Systems (Clean agent, dry chemical, fire pump)

a. Per permit **$200**

b. Revisions to previously approved plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Review of engineering reports, engineering judgements, performance-based designs or equivalencies **$200**

e. Consultations **$100**

f. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

g. Construction Related inspections **$75**

h. Expedite inspection (4-hours maximum) **$1,000**

Special Notes:

• All fees are payable online by using the link provided on the invoice. Invoices will be sent through Mobile Eyes, all fees must be paid prior to reviews or inspections.

• Fees will not be refunded when cancelling previously made appointments or inspections within 48 hours of the appointment date. A refund request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec 54-53.

• Appeal request can be made by contacting the Cobb County Fire Marshal's Office in accordance with O.C.C.C 54-53 and 54-55 and may be granted in a case-by-case basis

ALARM AND IFC 510 FEE SCHEDULE

IX. Fire Alarm Systems – Plan Review and Inspections

New fire alarm systems

a. New systems up to 12,000 sq ft **$200**

b. New systems more than 12,000 sq ft **$300**

c. Multiple stories – fee per additional story **$100**

Existing fire alarm systems

d. Number of components: 9 to 30 **$100**

e. Number of components: 31 to 100 **$175**

f. Number of components: more than 100 components **$250**

g. Limited work permit: 8 components or less (Not including panel replacement or new small systems) **$20**

h. Review of Engineering Reports, Engineering Judgements, Performance Based Designs or Equivalencies **$200**

i. Revisions to previously approved plans **$50**

j. Re-Reviews: fee due for the third review if for the same deficiency **$50**

k. Consultations **$100**

l. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

m. Inspection Testing & Maintenance (I.T.M) uploading annual inspection reports and inspection fixes* **$20**

n. Construction related inspections **$75**

o. Expedite inspection (4-hours maximum) **$1,000**

NOTE: CCFMO shall determine the number of reports limit per ITM upload*

X. IFC 510 Emergency Responder Radio System – Plan Review and Inspections

a. Per radio system (Active BDA/DAS fee is per amplifier) **$250**

b. Revisions to previously approved plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Consultations **$100**

e. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

f. Construction related inspections **$75**

g. Expedite inspection (4-hours maximum) **$1,000**

Special Notes:

• All fees are payable online by using the link provided on the invoice. Invoices will be sent through Mobile Eyes, all fees must be paid prior to reviews or inspections.

• Fees will not be refunded when cancelling previously made appointments or inspections within 48 hours of the appointment date. A refund request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec 54-53.

• Appeal request can be made by contacting the Cobb County Fire Marshal's Office in accordance with O.C.C.C 54-53 and 54-55 and may be granted in a case-by-case basis

MISCELLANEOUS/OTHER FEES

XI. NFPA 96 Hood System – Plan Review and Inspections

a. Per permit (can include multiple hood systems on one permit) **$100**

b. Revisions to previously approved plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Consultations **$100**

e. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

f. Construction related inspections **$75**

g. Expedite inspection (4-hours maximum) **$1,000**

XII. NFPA 33 Spray Booths – Plan Review and Inspections

a. Per permit (multiple booths included) **$100**

b. Revisions to previously approved plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Consultations **$100**

e. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

f. Construction related inspections **$75**

g. Expedite inspection (4-hours maximum) **$1,000**

XIII. Mechanical only permit (HVAC) – Plan Review and Inspections*

a. Per system **$100**

b. Consultations **$100**

c. Expedite plan review (per permit plus the normal plan review fee) **$1,500**

d. Construction related inspections – HVAC systems **$75**

e. Expedite inspection (4-hours maximum) **$1,000**

Note: HVAC plans refer to duct smoke detection, stair pressurization, smoke management systems. Normal HVAC system review is done by the Building Departments*

XIV. Tanks – Plan Review and Inspections (Includes flammable/combustible liquid, LPG, chemical)

a. Per site (can include multiple tanks on one site) **$300**

b. Revisions to previously approved plans **$50**

c. Re-Reviews: fee due for the third review if for the same deficiency **$50**

d. Consultations **$100**

e. Expedite plan review fee (per permit plus the normal plan review fee) **$1,500**

f. Construction related inspections **$75**

g. Expedite inspection (4-hours maximum) **$1,000**

XV. Plan Review Other

a. Fees for miscellaneous reviews not identified in the Fee Schedule **$100**

b. Consultations **$100**

c. Construction related inspections **$75**

d. Expedite plan review (per review/permit plus the normal plan review fee) **$1,500**

e. Expedite inspection (4-hours maximum) **$1,000**

XVI. Permit Splits

a. Obtaining an additional permit to a previously signed permit; additional requirements may apply **$250**

Special Notes:

• All fees are payable online by using the link provided on the invoice. Invoices will be sent through Mobile Eyes, all fees must be paid prior to reviews or inspections.

• Fees will not be refunded when cancelling previously made appointments or inspections within 48 hours of the appointment date. A refund request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec 54-53.

• Appeal request can be made by contacting the Cobb County Fire Marshal's Office in accordance with O.C.C.C 54-53 and 54-55 and may be granted in a case-by-case basis

XVII. Special Fire Services

a. Fire Safety Officer per professional fire watch per hour **$75**

b. Fire standby per apparatus per hour **$440**

c. EMS standby per fire personnel per hour **$75**

d. EMS standby per rescue per hour **$200**

e. Lift assist **$220**

f. 2021 F.E.M.A schedule of equipment rate

g. Other special rates **See below**

h. Non-Sworn administrative/billing per hour **$45**

Special Notes:

• A minimum of 3 hours will be assessed for all standby requests.

• EMS rescues includes non-transport-capable vehicles, and utility task vehicles.

• Lift assist assessments are calculated based on a 30-minute incident time frame. If the request for lift assistance extends beyond that time frame, the responsible party will be further assessed for each additional 30-minute time frame

• Other special fire services will be assessed on a case-by-case basis using the 2021 FEMA equipment rate and the pay rate of $75 per fire personnel per hour

• A minimum of four (4) hours will be assessed for a fire safety officer, the rates are subject to change based on staffing levels and holidays

XVIII. Additional NEW Plan Review Fees (Sec. 54-53.1)

Construction related inspection – All Types1,2 **$75**

Limited Work Permits & Uploaded I.T.M.3 Reports: all types, trades & disciplines per permit or upload. **$20**

Owners Information Changes or Name Changes – per each C. of O.4 **$100**

IFC 510 – Emergency Responder Radio Systems **$250**

Review of Engineering Report, Engineering Judgments, Performance Based Designs or Equivalencies **$200**

1. Canceling previously made appointments or inspections within 48 hours of the appointment date will not be refunded. A credit request can be made in writing to the Cobb County Fire Marshal and may be granted on a case-by-case basis. Related re-inspections shall be in accordance with Sec. 54-53. A $100 deposit will be collected for plan review.

2. Any deposited fee collected in advance will get credited towards the final total plan review cost. All types of projects deemed necessary to be reviewed, re-reviews, and revisions shall pay the minimum deposit of $100 except as listed above.

3. I.T.M. stands for Inspection Testing or Maintenance, and the Cobb County Fire Marshal shall determine the limit per upload.

4. This fee shall include one related onsite inspection of each existing building. Related re-inspections shall be in accordance with Sec. 54-53.

Item Report

TO: The Honorable Mayor and City Council

FROM: Jennifer Gordy, Finance Director

DATE: May 5, 2025

TITLE: **Certification of Estimated Rollback Rate for 2025 Notice of Assessment**
Certification of the estimated rollback rate for 2025 Notice of Assessment in compliance with HB 581 and HB 92.

Summary:
The estimated roll-back rate is a new concept that became law in 2025. It was created by HB 581 (November 2024) and revised by HB 92 (April 2025). HB 581 created the estimated roll-back rate, designed to provide local governments with more flexibility in accurately previewing that year's millage rate to the property owner on their Notice of Assessment. HB 92 added a deadline by which the estimated roll-back rate must be provided and added a fallback provision if a jurisdiction fails to certify and provide an estimated roll-back rate. ACCG and GMA guidance recommend conservative estimates, considering budget discussions have not occurred and 2025 Digest numbers have not been provided. Adoption of the millage rate will occur on August 4, 2025.

Recommendation:
Finance Director recommends certifying the current adopted M&O millage rate of 7.75 to provide our taxpayers with the most accurate Notice of Assessment. The estimated rollback rate does not apply to the Bond Millage rate.

Fiscal Impact:

Attachments:
1. Estimated_Rollback_Rate_Best_Practices

Estimated Roll-Back Rate Guidance and Best Practices

The estimated roll-back rate is a new concept that became law in 2025. It was created by HB 581 (2024) and revised by HB 92 (2025). Under prior law, a property owner's annual notice of assessment (NOA) automatically included the previous year's millage rate for each authority and an estimated tax liability based on that rate. HB 581 created the estimated roll-back rate, designed to provide local governments with more flexibility in accurately previewing that year's millage rate to the property owner on their NOA. HB 92 added deadline by which the estimated roll-back rate must be provided and added a fallback provision if a jurisdiction fails to certify and provide an estimated roll-back rate.

Guidance in Providing the Estimated Roll-Back Rate

Under HB 581 and HB 92, local governments are provided two options concerning the information that appears on property owner's NOA:

Option 1: A local government may certify an estimated roll-back rate to be included on the NOA. The estimated rollback rate is defined as "the current year's estimated millage rate for general maintenance and operations minus the millage equivalent of the total net assessed value added by reassessments." The levying or recommending authority must certify this rate by a formal vote and provide the rate to the county board of assessors and tax commissioner no less than 15 days prior to the postmark on the annual NOA. If the estimated roll-back rate is certified by the deadline, then the NOA for that taxing jurisdiction will show the current year's value, value of exemptions, net taxable value after exemptions have been applied, and the estimated roll-back rate. The NOA will **not** include the estimate of taxes owed.

Option 2: If a local government fails to certify and provide an estimated roll-back rate by the deadline, then the NOA for that specific jurisdiction will state the previous year's millage rate and provide an estimate of taxes owed based upon the property's current assessed value and the prior year's millage, which is similar to how NOA's were prepared prior to HB 581.

Practical Considerations and Best Practices for the Estimated Roll-Back Rate

Procedure and Timeline to Certify the Estimated Roll-Back Rate

O.C.G.A. § 48-5-306.2 provides "Each levying or recommending authority shall annually calculate its estimated roll-back rate for the current year and shall certify such rate to the county board of tax assessors and the county tax commissioner no less than 15 days prior to the postmark of the annual notice of assessment."

Although ‘certify’ in this instance is not a defined term in statute, ‘levying authority’ refers to the county board of commissioners (BOC) and the city council; ‘recommending authority’ refers to the school board. It is recommended that staff members of these bodies do not make an independent decision for their local government, and neither does the chairman. The decision to certify the estimated roll-back rate must be made via a vote of the entire board or city council; the only exception is in the case of a sole commissioner.

For jurisdictions that have submitted an estimated roll-back rate via the chairman or a staff member (such as the CFO), it is strongly encouraged to ratify that decision via a formal vote in a public meeting. It may be necessary to advertise and hold a special-called meeting of your elected body to certify the estimated roll-back rate to meet the deadline. If your jurisdiction has not yet submitted an estimated roll-back rate and wishes to do so, you are encouraged to communicate with your chief appraiser and BOA and hold a vote in a public meeting before the deadline 15 days prior to the postmark of the NOA.

<u>Calculating the Estimated Roll-Back Rate</u>

For guidance on setting an estimated roll-back rate, it is recommended to contact the county chief appraiser to obtain the most current preliminary data on how the digest may change in your community. Once the values have been updated and the NOA document mailed, the values may only be lowered upon appeal, never raised.

Accordingly, you may wish to be conservative when calculating your estimated roll-back rate and take into consideration current budget discussions and early estimates of reassessment growth which can change before you set your actual millage rate later in the year. Please keep in mind that if you do decide to certify an estimated roll-back rate and you later set a millage rate higher than the estimated roll-back rate published on the NOA, there will be a disclaimer added to the tax bill stating “the name of the governing authority that exceeded the estimated roll-back rate and that this will result in an increase of taxes owed.” Please keep in mind that the estimated roll-back rate applies only to the general fund M&O (maintenance and operations) rate and not any special service district millage levies or other levies.

<u>Estimated Roll-Back Compared to Taxpayer Bill of Rights Rollback</u>

Note that the estimated roll-back rate is a new concept that became law in 2025 and is completely separate and distinct from the actual roll-back rate calculation you are already used to on the PT 32.1 form when submitting your tax digest; if you exceed your actual roll-back rate, you will still have to advertise this as a tax increase and hold the three advertised public meetings. This means that depending on your estimated roll-back rate, actual roll-back rate, and final adopted millage rate, it is possible to have no advertised tax increase and no disclaimer on the tax bill, have either of them, or have both in any given year.

Item Report

TO: The Honorable Mayor and City Council

FROM: Jennifer Gordy, Finance Director

DATE: May 5, 2025

TITLE: **Audit Report: Fiscal Year ended September 30, 2024**
Consideration to accept the Audit Report for Fiscal Year ended September 30, 2024, for the City of Kennesaw as presented by Mauldin and Jenkins, LLC.

Summary:
The audit report is presented to the Mayor and Council each year. The presented report is for the Fiscal Year ended September 30, 2024, as presented by Mauldin and Jenkins, LLC.

Recommendation:
Finance Director recommends acceptance of the report.

Fiscal Impact:

Attachments:
1. City of Kennesaw, Georgia 2024 Auditor's Discussion & Analysis
2. City of Kennesaw FY 2024 ACFR

City of Kennesaw, Georgia

Auditor's Discussion & Analysis
Financial & Compliance Audit Summary
September 30, 2024

GOING FURTHER

Going Further.

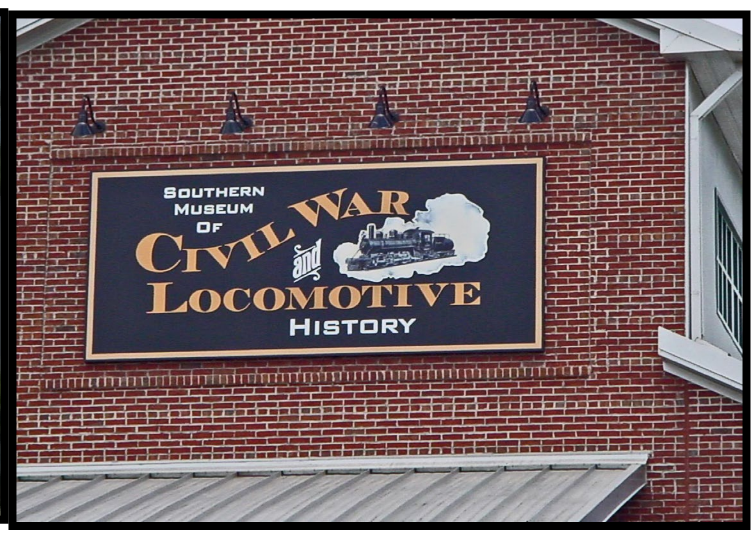
City of Kennesaw, Georgia

Auditor's Discussion & Analysis

Financial & Compliance Audit Summary

September 30, 2024

Presented by:
Christopher McKellar, CPA, Partner

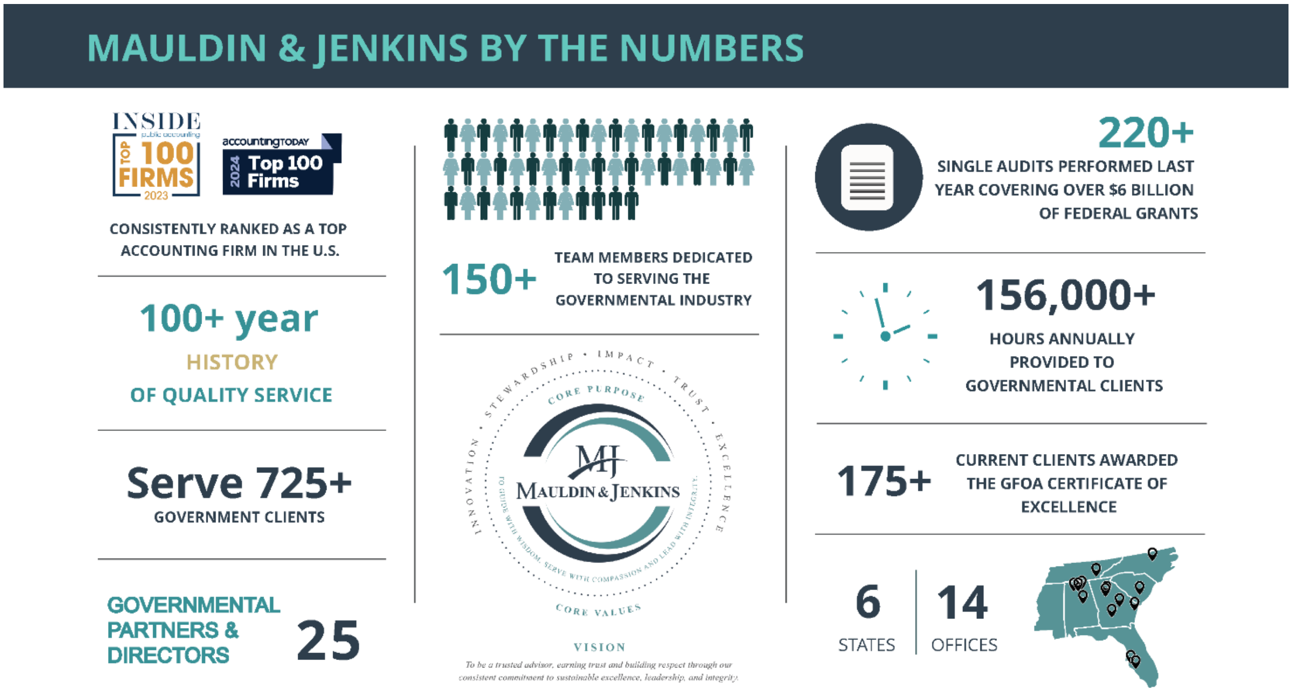


City of Kennesaw, Georgia

Auditor's Discussion & Analysis (AD&A)
September 30, 2024

PURPOSE OF ANNUAL AUDIT AGENDA

- Engagement Team and Firm Information.
- Overview of:
    - Audit Opinion;
    - Financial Statements, Footnotes, and Supplementary Information; and
    - Compliance Reports.
- Required Communications under Government Auditing Standards.
- Accounting Recommendations and Related Matters.
- Other Items and Closing Thoughts.
- Answer Questions.



Engagement Team Leaders for City of Kennesaw, Georgia Include:

- Christopher McKellar – Engagement Lead Partner – over 20 years' experience
- Meredith Lipson – Quality Assurance Review Partner – over 30 years' experience
- Will Derzis – Engagement Director – 9 years' experience

MAULDIN & JENKINS – ADDITIONAL INFORMATION

Other Industries & Services by Mauldin & Jenkins:

Each of Mauldin & Jenkins' offices provides a wide variety of services to a broad range of clientele. We have partners and managers who are responsible for specialized practice areas of auditing and accounting, taxes, and management advisory services. Their purpose, as leaders in the particular practice area, is to establish policies with respect to technical matters in these specific areas and ensure that the quality of the Firm's practice is maintained.

Industries Served: Over the years, our partners have developed expertise in certain industries representative of a cross section of the Georgia economy, including:

- Governmental Entities (state entities, cities, counties, school systems, business type operations, libraries, and other special purpose entities)
- SEC Registrants
- Wholesale Distribution
- Agri-Businesses
- Manufacturing
- Professional Services
- Employee Benefit Plans
- Financial Institutions (community banks, savings and loans, thrifts, credit unions, mortgage companies, and finance companies)
- Non-Profit Organizations
- Retail Businesses
- Long-term Healthcare
- Construction and Development
- Individuals, Estates and Trusts
- Real Estate Management

Services Provided: This diversity of practice enables our personnel to experience a wide variety of business, accounting, and tax situations. We provide the traditional and not-so-traditional services such as:

- Financial Audit/Review/Compilation
- Compliance Audits and Single Audits
- Agreed-Upon Procedures
- Forensic Audits
- Bond Issuance Services
- Performance Audits
- State Sales Tax Matters
- International Tax Matters
- Business and Strategic Planning
- Profitability Consulting
- Budgeting
- Buy-Sell Agreements and Business Valuation Issues
- Income Tax Planning and Preparation
- Multi-State Income Tax Issues
- Information Systems Consulting
- Cost Accounting Analysis
- Healthcare Cost Reimbursement
- Outsourced Billing Services
- Fixed Asset Inventories
- Succession and Exit Strategy Consulting
- Estate Planning
- Management Information Systems
- Employee Benefit Plan Administration
- Merger/Acquisition and Expansion Financing

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report has specific significance to readers of the financial report.

Management's Responsibility for the Financial Statements

The financial statements are the responsibility of management.

Auditor's Responsibility

Our responsibility, as external auditors, is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinions

We have issued an unmodified audit report (i.e., "clean opinions"). The respective financial statements are considered to present fairly the financial position and results of operations as of and for the year ended September 30, 2024.

Other Matters

Certain required supplementary information and other information is included in the financial report, and, as directed by relevant auditing standards, we have not expressed an opinion or provided any assurance on the respective information.

Other Reporting

Government Auditing Standards require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

General Information about the ACFR

An Annual Comprehensive Financial Report (ACFR) goes beyond the normal financial reporting required by accounting principles generally accepted in the United States. An ACFR includes at a minimum the following elements/sections:

- **Introductory Section:** general information on the City's structure and the services it provides.
  - Letter of Transmittal
  - Organizational Chart
  - Directory of Officials
  - Certificate of Achievement for Excellence in Financial Reporting

- **Financial Section:** basic financial statements, footnotes, and required supplementary information along with the auditor's report.
  - Independent Auditor's Report
  - Management's Discussion & Analysis (MD&A)
  - Financial Statements and Footnotes

- **Statistical Section:** broad range of financial and demographic information useful in assessing the City's economic condition, and this information covers multiple years.
  - Financial Trends Information
  - Revenue Capacity Information
  - Debt Capacity Information
  - Operating Information

An ACFR goes far beyond the basic requirements of annual financial reporting, and the City should be commended for going beyond the minimum and providing such a report.

City of Kennesaw, Georgia

Auditor's Discussion & Analysis (AD&A)

September 30, 2024

Recognition and Award

Once completed, the fiscal year 2023 ACFR was submitted to the Government Finance Officers Association (GFOA) for determination if the report would merit the GFOA's Certificate of Achievement for Excellence in Financial Reporting. We are happy to inform everyone that the GFOA did indeed review the ACFR and awarded the City with the sought after Certificate.

The GFOA Certificate has been made a part of the City's 2024 fiscal year ACFR and is included in the Introductory Section.

OVERVIEW OF FINANCIAL STATEMENTS

The City's basic financial statements include three components:

1) Government-wide financial statements;
2) Fund financial statements; and
3) Notes to the financial statements.

The **government-wide financial statements** provide a broad overview of all of the City's funds, as well as its discretely presented component unit – the City of Kennesaw Development Authority. The *Statement of Net Position* presents information on all assets (and deferred outflows) and liabilities (and deferred inflows) of the City, with the resulting difference reported as net position. The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. Revenues are categorized as program revenues or general revenues. Expenses are categorized by function.

The **fund financial statements** more closely resemble the financial statements as presented prior to the adoption of GASB issued Statement No. 34. All of the funds of the City can be divided into two (2) categories: governmental funds (includes the General Fund) and business-type funds.

The City also includes, as part of the ACFR, the following information:

1) Introductory Section (including Letter of Transmittal).
2) Special Purpose Local Option Sales Tax (SPLOST) Schedules.
3) Schedule of Expenditures of Federal Awards.
4) Statistical Section.
5) Single Audit Report.

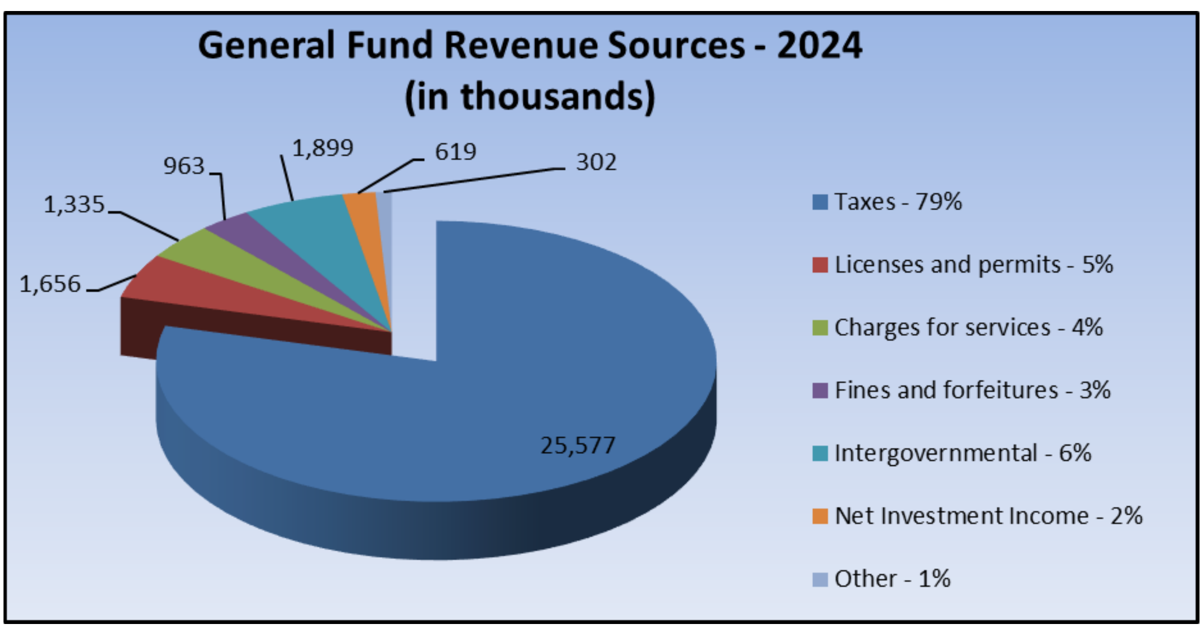
Government-Wide (Full-Accrual) Financial Statements

As noted above, the financial report of the City includes two (2) entity-wide financial statements: a *Statement of Net Position* and a *Statement of Activities*. Highlights of the government-wide statements notes total assets (and deferred outflows of resources) of approximately $227,400,000 offset by liabilities (and deferred inflows of resources) of approximately $35,100,000. This results in the City reported net position (or equity) of approximately $192,300,000. Also, a substantial element of the net position is composed of a net investment in capital assets in the approximate amount of $116,300,000. Restricted net position amounts to approximately $52,200,000 leaving unrestricted net position at approximately $23,800,000.

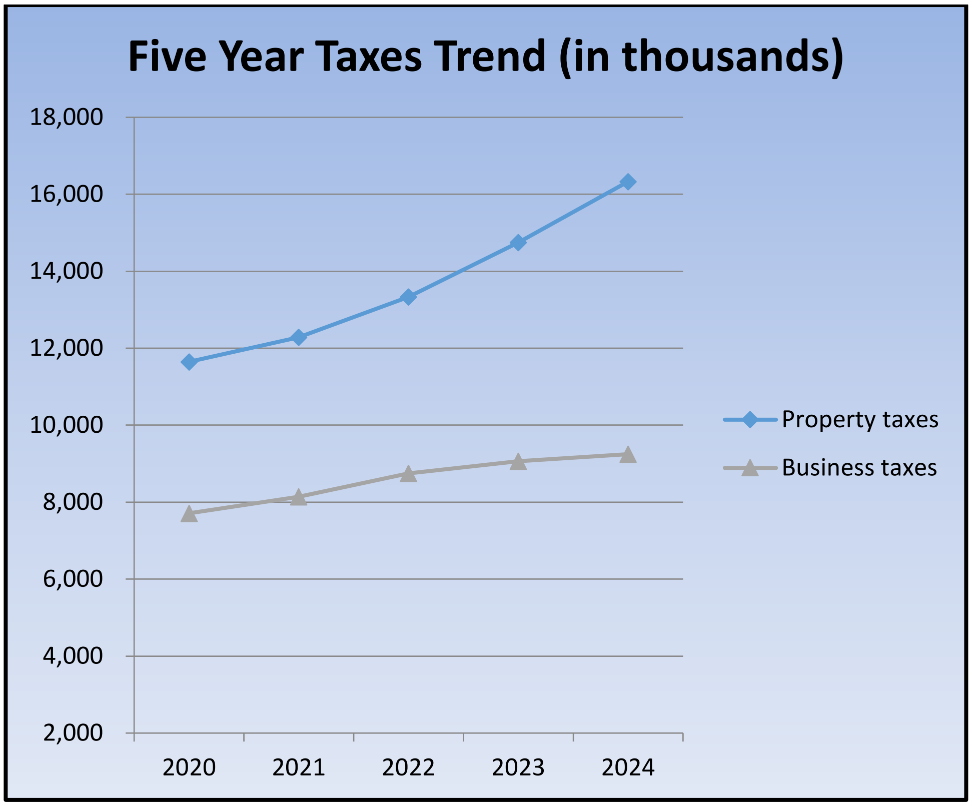
The *Statement of Activities* attempts to report expenses in the first column with direct offsetting program revenues to the adjacent columns to arrive at a net cost of the functional areas of operation. General revenues (primarily property taxes, insurance taxes, and franchise taxes) come to the rescue of the net cost of the functional areas resulting in the City reporting a change in net position of approximately $15,000,000 for the fiscal year ended September 30, 2024.

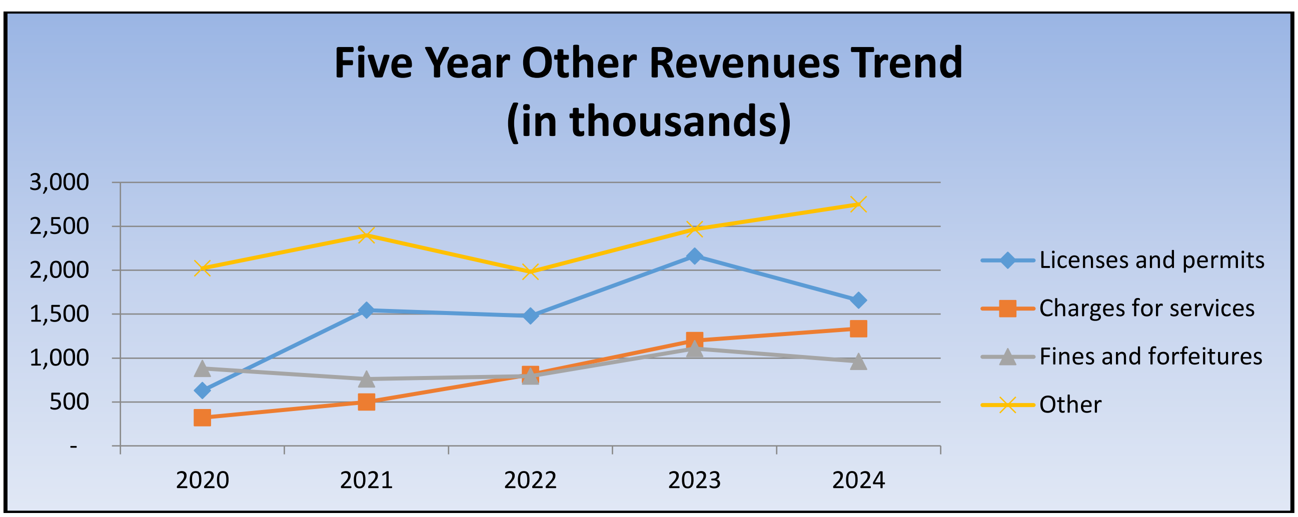
General Fund

Of primary interest to the City is the **General Fund**, which accounts for the majority of revenues received and funds expended in the operations of the City, including general government activities, judicial, public safety, public works, culture and recreation, and planning and zoning. The following charts present the sources of revenues and the expenditures of the General Fund for the fiscal year ended September 30, 2024:



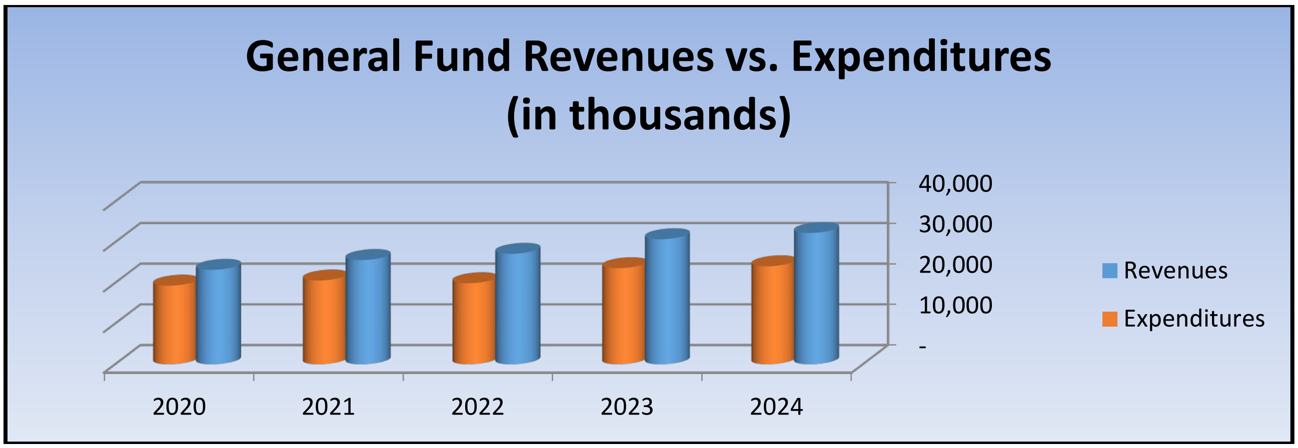
Total General Fund revenues for the fiscal year ended September 30, 2024 were approximately $32,400,000. Revenues of the prior year were approximately $30,700,000. The most significant variance was the increase in tax revenues of approximately $1,600,000. Below is a trending of the City's General Fund revenues over the past five (5) years:

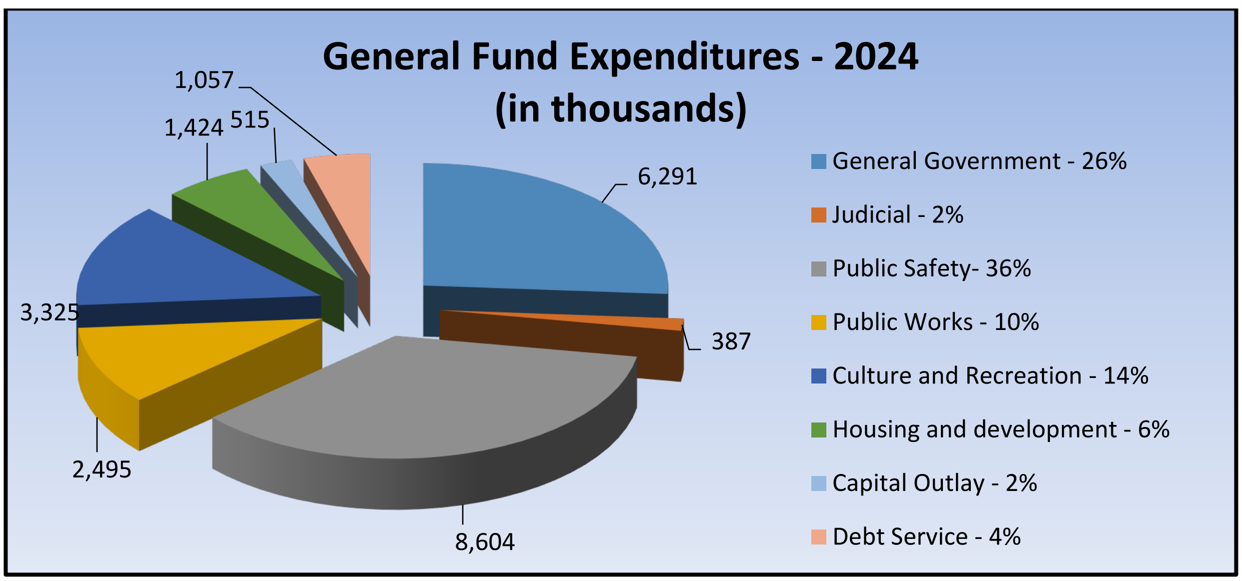




Total expenditures during the year ended September 30, 2024 were approximately $24,100,000. Expenditures of the prior year were approximately $23,600,000. This was an increase of approximately $500,000.

More detailed explanations of variances can be found in the Management's Discussion and Analysis section of the financial statements. An analysis of General Fund revenues and expenditures for each of the last five fiscal years is as follows:





Other Governmental Funds

The City also maintains eight (8) *special revenue funds.* These funds account for revenues derived from specific sources which are legally restricted to finance particular functions or activities. *Debt service funds* are used to account for the accumulation of resources for payment of the City's long-term debt. The City maintains two (2) debt service funds. *Capital projects funds* are used to account for revenues and expenditures related to the renovation and/or construction of major capital assets. One (1) capital projects fund is maintained by the City.

Business-Type Funds

The City maintains five (5) *enterprise funds,* which are used to account for operations in a manner similar to private business enterprises. The enterprise funds maintained are the Sanitation Fund, Museum Fund, Gardens Fund, Stormwater Fund, and Streetlight Fund.

The City also maintains one (1) *internal service fund* which is used to account for various programs and services for the benefit of the other funds of the City. The internal service fund maintained is the Employee Health Benefits Fund.

Footnotes

Note 1 - Accounting Policies: This footnote discusses the overall organization of the City and the nature of its operations. This note also discloses pertinent information regarding the governing body of the City.

This footnote continues by sharing with a reader of the financial statements the significant accounting policies and principles utilized in the preparation of the financial statements.

Note 2 - Reconciliation of Government-Wide Financial Statements and Fund Financial Statements: This footnote provides additional detailed information that is not already shown within the financial statements themselves on the differences between the City's fund level financial statements and its government-wide financial statements.

Note 3 - Legal Compliance – Budgets: This footnote discloses the City's procedures in establishing its annual budget and discloses any of the City's excesses of actual expenditures over appropriations for the year.

Note 4 - Deposits and Investments: This disclosure addresses common deposit and investment risks related to credit risk, concentration of credit risk, and interest rate risk.

Note 5 - Receivables: This footnote discloses the City's property tax calendar and detailed information on various receivable (and allowances for doubtful receivables) balances.

Note 6 - Lease Receivable: This footnote discloses the City's leasing arrangements as lessor under GASB Statement No. 87, *Leases*.

Note 7 - Capital Assets: This footnote discloses the City's capital asset activity and its related accumulated depreciation for the year.

Note 8 - Long-Term Debt: This footnote discloses the City's long-term debt activity for the year, and other information and maturities for this long-term debt.

Note 9 - Interfund Receivables, Payables, and Transfers: This footnote discloses detailed information on the City's interfund balances and transfers and the purpose for these balances and transactions.

Notes 10 and 11 - Defined Benefit Pension Plan and Other Postemployment Benefits: These footnotes disclose the details of the City's Defined Benefit Pension Plan and Other Postemployment Benefit Plan, which is now disclosed in accordance with the provisions of GASB issued Statement No. 75.

Note 12 - Defined Contribution Pension Plan: This footnote discloses the details of the City's Deferred Compensation Plan.

Note 13 - Joint Venture: This footnote discloses the City's relationships with the entities considered to be joint ventures for reporting purposes.

Note 14 - Risk Management: This footnote discloses the City's various risks of loss and the measures the City has taken to mitigate those potential losses.

Note 15 - Commitments and Contingencies: This footnote discloses the contingencies from potential litigation, claims, and assessments filed against the City and significant contractual commitments of the City at year end.

Note 16 - Hotel/Motel Lodging Tax: This footnote discloses the City's tax rate for hotel/motel taxes, along with the amounts and nature of these revenues and expenditures.

Note 17 - Restricted Fund Balance: This footnote discloses further details surrounding the City's restricted fund balance described as "Voter approved use."

COMPLIANCE REPORT

The financial report package contains the City's compliance reports.

Yellow Book Report: The first compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. The tests of internal controls were those we determined to be required as a basis for designing our financial statement auditing procedures. Such tests also considered the City's 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. In accordance with the respective standards, the report is **not** intended to provide an opinion, but to provide a form of negative assurance as to the City's internal controls and compliance with applicable rules and regulations.

Single Audit Report: The second compliance report is a report on our tests of the City's internal controls and compliance with laws, regulations, etc. relative to certain federal grant programs and the respective expenditures. Our tests were performed on the City's major programs (as defined by the relevant federal guidelines), and were not applied to each and every federal grant expended by the government. In accordance with the respective standards, we did provide an unmodified (or positive) opinion on the City's compliance based on our audit. However, we were not required to provide an opinion on the relevant internal controls, but to provide a form of negative assurance on such controls.

MAULDIN & JENKINS

CPAs & ADVISORS

City of Kennesaw, Georgia

Auditor's Discussion & Analysis (AD&A)
September 30, 2024

REQUIRED COMMUNICATIONS

The Auditor's Responsibility Under *Government Auditing Standards* and Auditing Standards Generally Accepted in the United States of America

Our audit of the financial statements of City of Kennesaw, Georgia (the "City") for the year ended September 30, 2024 was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error, fraudulent financial reporting, or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe our audit accomplishes that objective.

In accordance with *Government Auditing* Standards, we have also performed tests of controls and compliance with laws and regulations that contribute to the evidence supporting our opinion on the financial statements. However, they do not provide a basis for opining on the City's internal control or compliance with laws and regulations.

Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. There are several new accounting standards which will be required to be implemented in the coming years. These are discussed later in this document.

In considering the qualitative aspects of the City's accounting policies, we did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. The City's policies relative to the timing of recording of transactions are consistent with GAAP and typical government organizations.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. We considered this information and the qualitative aspects of management's calculations in evaluating the City's significant accounting policies. Estimates significant to the financial statements include such items as: actuarial assumptions and concepts relative to the benefit plans; the estimated incurred-but-not-reported liabilities; and the estimated allowance for uncollectible accounts.

Financial Statement Disclosures

The footnote disclosures to the financial statements are also an integral part of the financial statements. The process used by management to accumulate the information included in the disclosures was the same process used in accumulating the financial statements, and the accounting policies described above are included in those disclosures. The overall neutrality, consistency, and clarity of the disclosures was considered as part of our audit and in forming our opinion on the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Representation from Management

We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us, during the audit. Management provided those written representations without a problem.

Management's Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements. We are not aware of any consultations management had with us or other accountants about accounting or auditing matters. No major issues were discussed with management prior to our retention to perform the aforementioned audit.

Audit Adjustments

During our audit of the City's basic financial statements as of and for the year ended September 30, 2024, there were a few adjustments proposed to the funds of the City. The detail of all proposed adjustments for each fund are included with our AD&A package of information for your review and discussion. All adjustments have been discussed with management.

Uncorrected Misstatements

We had no passed adjustments.

Independence

We are independent of the City, and all related organizations, in accordance with auditing standards promulgated by the American Institute of Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited basic financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited statements of the City.

Required Supplementary Information

We applied certain limited procedures to the Management’s Discussion and Analysis, Schedule of Changes in the City’s Net Pension Liability and Related Ratios, the Schedule of City Contributions – Retirement Plan, and the Schedule of Changes in Total OPEB Liability and Related Ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, the schedules of projects constructed with proceeds from Special Purpose Local Option Sales Tax, and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

ACCOUNTING RECOMMENDATIONS AND RELATED MATTERS

Other Matters for Communication to the Board and Management

During our audit of the financial statements as of and for the year ended September 30, 2024, we noted an area within the accounting and internal control systems that we believe can be improved. Further we noted other matters which we wish to communicate to you in an effort to keep the City abreast of accounting matters that could present challenges in financial reporting in future periods. Our recommendations and proactive thoughts and communications are presented in the following paragraphs.

Recommendations for Improvement (Management Points)

Pension Census Data

During our testing of the City's pension census data, we noted one full-time employee was inadvertently excluded from the census data. We informed Human Resources and we recommend careful attention be paid to the data transmitted to the actuary to ensure accurate reporting. While this instance would have no material impact on the valuation of the City's net pension liability, we recommend that the City perform annual reviews to ensure the accuracy of the census data provided to the actuary.

1) New Governmental Accounting Standards Board (GASB) Pronouncements

As has been the case for the past 10 years, GASB has issued several other new pronouncements which will be effective in future years. The following is a brief summary of the new standards:

a) **Statement No. 102, *Certain Risk Disclosures*** was issued in December 2023 and is effective for fiscal years beginning after June 15, 2024 and all reporting periods thereafter.

   This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint.
- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

b) **Statement No. 103, *Financial Reporting Model Improvements*** was issued in April 2024 and is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter.

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

Management's Discussion and Analysis
This statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this

statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

Unusual or Infrequent Items

This statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position

This statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as: (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as: (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

Major Component Unit Information
This statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

Budgetary Comparison Information
This statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present: (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

c) **Statement No. 104, *Disclosure of Certain Capital Assets*,** was issued in September 2024 and is effective for fiscal years beginning after June 15, 2025 and all reporting periods thereafter. The objective of this statement is to clarify which types of capital assets must be disclosed separately in the notes to the financial statements as well as to establish disclosure requirements for capital assets that are held for sale.

The following types of capital assets should be disclosed separately in the capital asset rollforward in the notes to the financial statements:

- Lease assets reported in accordance with Statement No. 87 by major class of underlying asset,
- Intangible right-to-use assets recognized by an operator in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, by major class of underlying public-public partnership asset
- Subscription assets reported in accordance with Statement No. 96, and
- Intangible assets other than those three (3) items noted above; specifically, intangible assets that represent the right to use a type of underlying asset should not be disclosed in the same major class as any owned assets of that type.

In addition, the statement requires that a capital asset held for sale should continue to be reported in the capital asset rollforward within the appropriate major class of asset. However, a government should disclose the historical cost and accumulated depreciation, as of the financial statement date, of capital assets held for sale, by major class of asset. In order to be considered held for sale, the statement specifies that:

- A government has decided to pursue the sale of the asset; and
- It is probable (likely to occur) that the sale will be finalized within one year of the financial statement date.

d) **Other Pending or Current GASB Projects.** As noted by the numerous pronouncements issued by GASB over the past decade, the GASB continues to research various projects of interest to governmental units. Subjects of note include:

- **Going Concern Uncertainties and Severe Financial Stress** is a major project where the goal is to address issues related to disclosures regarding going concern uncertainties and severe financial stress. The project will consider: (1) improvements to existing guidance for going concern considerations to address diversity in practice and clarify the circumstances under which disclosure is appropriate, (2) developing a definition of severe financial stress and criteria for identifying when governments should disclose their exposure to severe financial stress, and (3) what information about a government's exposure to severe financial stress is necessary to disclose. This technical topic is being examined by the GASB due to a wide diversity in practice regarding required presentation on the face of the financial statements, disclosures, etc. A preliminary views document on this topic is expected by late 2024 with an exposure draft to follow in 2025.
- **Infrastructure Assets** is a project that will address issues related to accounting and financial reporting for infrastructure assets. The project will evaluate standard-setting options related to reporting infrastructure assets to make information: (1) more comparable across governments and more consistent over time, (2) more useful for making decisions and assessing government accountability, (3) more relevant to assessments of a government's economic condition, and (4) better reflect the capacity of those assets to provide service and how that capacity may change over time. Preliminary views document has been issued with comments due back to GASB by the end of January 2025.
- **Subsequent Events—Reexamination of Statement No. 56** is a project that will improve the accounting and financial reporting for subsequent events. The project will reexamine existing requirements related to subsequent events in Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, to address issues related to: (1) confusion about and challenges associated with applying the existing standards, (2) inconsistency in practice in the information provided about subsequent events, and (3) the usefulness of the information provided about subsequent events. Exposure draft on this topic is expected by late 2024.

- **Revenue and Expense Recognition** is a major project where the overall objective is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. Achieving that objective will include: (1) development of guidance applicable to topics for which existing guidance is limited, (2) improvement of existing guidance that has been identified as challenging to apply, (3) consideration of a performance obligation approach to the GASB's authoritative literature, and (4) assessment of existing and proposed guidance based on the conceptual framework. The expected outcome of the project is enhanced quality of information that users rely upon in making decisions and assessing accountability. The GASB is currently reviewing comments and other input received from the stakeholder community during the preliminary views stage that was completed in 2021. An exposure draft is expected in early 2025.

Summations of Thoughts Noted Above

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures.

FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free quarterly continuing education for all of our governmental clients. Each quarter, we pick a couple of significant topics tailored to be of interest to governmental entities and offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. We normally see approximately 100 people per quarter. We obtain the input and services of experienced outside speakers along with our in-house professionals.

> ***"I've been a CPA for 32 years. Today's CPE class by Mauldin & Jenkins has been the best of my career". Terry Nall, CPA, City of Dunwoody (GA) Council Member***
>
> ***"They are always on top of new accounting pronouncements and provide training well before implementation deadlines. This is a very valuable resource for our organization". Laurie Puckett, CPA, CPFO, Gwinnett County (GA), Accounting Director***

Examples of subjects addressed in past quarters include:

- Accounting for Debt Issuances
- Achieving Excellence in Financial Reporting
- Best Budgeting Practices, Policies and Processes
- Best Practices in Banking
- Budget Preparation
- ACFR Preparation (several times including a two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Closing Out and Audit Preparation
- Collateralization of Deposits and Investments
- Component Units
- Cybersecurity Risk Management
- Evaluating Financial and Non-Financial Health of a Local Government
- Financial Report Card – Where Does Your Government Stand?
- Financial Reporting Model Improvements
- GASB Nos. 74 & 75, New OPEB Standards
- GASB No. 77, Tax Abatement Disclosures
- GASB No. 84, Fiduciary Activities
- GASB No. 87, Leases
- GASB Projects & Updates (ongoing and several sessions)
- Grants (Accounting and Auditing)
- Human Capital Management
- Information Technology (IT) Risk Management
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- Internal Revenue Service (IRS) Compliance Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosure Requirements
- Policies and Procedures Manuals
- Presenting Financial Information to Non-Financial People
- Procurement Card Red Flags
- Risk, Efficiency, & Effectiveness in Governments
- Segregation of Duties
- Single Audits for Auditees
- SPLOST Accounting, Reporting & Compliance
- Uniform Grant Guidance

GASB
Governmental Accounting Standards Board

Governmental Newsletters. We periodically produce newsletters tailored to meet the needs of governments. The newsletters have addressed a variety of subjects and are intended to be timely in their subject matter. The newsletters are authored by Mauldin & Jenkins partners and managers and are not purchased from an outside agency. The newsletters are intended to keep you informed of current developments in the government finance environment.

In the past several years, the following topics have been addressed in our monthly newsletters:

- Are Your Government's Funds Secure?
- COVID-19 Updates (several)
- Cybersecurity Awareness
- Deposit Collateralization
- Employee vs Independent Contractor
- Escheat Laws on Unclaimed Property
- Federal Funding and Accountability Transparency Act
- Forensic Audit or Financial Audit?
- Form PT 440
- GASB Invitation to Comment – the New Financial Reporting Model
- GASB No. 72, Fair Value, It is Not Totally About Disclosure
- GASB Nos. 74 & 75, Other Postemployment Benefits (OPEB)
- GASB No. 77, Abatements – Go Viral with GASB No. 77
- GASB No. 84 Fiduciary Activities (Series)
- GASB No. 87, Leases
- GASB No. 89, Accounting for Interest Cost Incurred Before the End of Construction
- GASB No. 91, Conduit Debt Obligations
- GASB No. 93, Replacement of Interbank Offered Rates
- General Data Protection Regulation (GDPR)
- Grants Management
- OMB Compliance Supplements
- OPEB, What You Need to Know
- Public Funds and Secure Deposit Program
- Rotating or Not Rotating Auditors
- Property Tax Assessments
- Remote Auditing Best Practices
- Refunding Debt
- Sales & Use Taxes on Retail Sales of Jet Fuel
- Sales Tax Collections and Remittances by the State

You are the best auditors I have ever worked with over my career. It is a big difference having a group that is dedicated to governmental accounting.

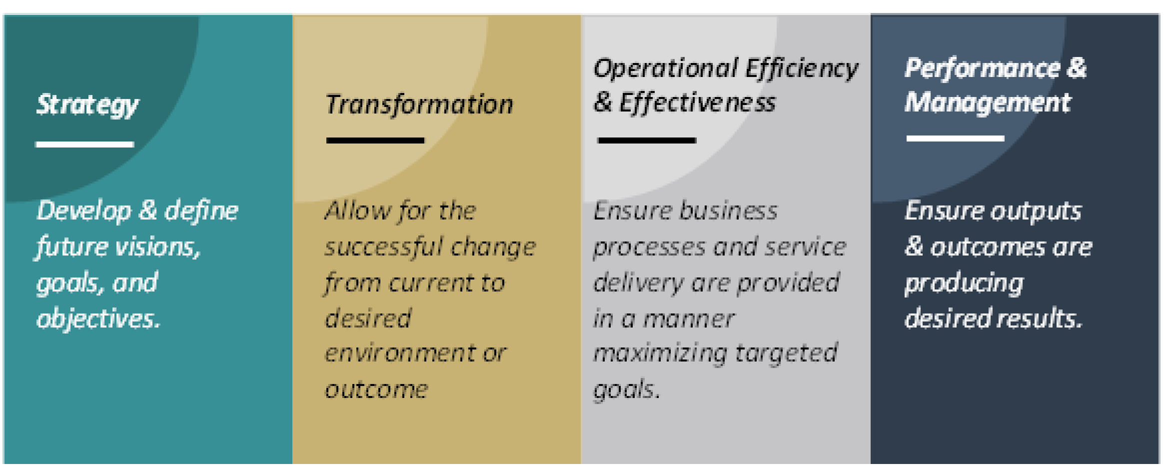
Wesley Ropp,
Charleston Water System,
Chief Financial Officer

- SAS Clarity Standards and Group Audits
- Single Audit, including Uniform Guidance (several)
- Social Security Administration (SSA) Incentive Payments
- Special Purpose Local Option Sales Taxes (SPLOST) Expenditures
- Subrecipient Risk Assessment Tool
- Supplemental Social Security for Inmates
- The New Tax Cuts and Jobs Act – Impact on Bond Refunding
- The Return of the Component Unit – GASB No. 61
- Uniform Guidance & New Procurement Requirements
- What's Happening with Property Tax Assessments

Communication. To better communicate our free continuing education plans and newsletters, please email Meredith Black at mblack@mjcpa.com (send corresponding copy to cmckellar@mjcpa.com), and provide individual names, mailing addresses, email addresses, and phone numbers of anyone you wish to participate and be included in our database.

Governmental Advisory Services

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies, and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized via the following bubbles.



David Roberts
Partner, Governmental Advisory Services

David Roberts has more than 22 years of experience as a consultant and trusted advisor providing operational/organizational assessments and similar transformational projects for federal, state, and local governments across the country. David's experience includes leading numerous enterprise-wide/departmental/functional assessments and transformations over his career measuring the efficiency and effectiveness of organizational structures and culture, performance management, technology systems and strategies, staffing models, service delivery models, and customer satisfaction.

David helps his clients turn visions and goals into reality. He has helped multiple clients win national government industry awards for innovation, transformation, and cost savings.

David leads our Government Advisory practice, where he focuses on helping governments and individual agencies fulfill and exceed their financial, operational, and regulatory obligations to the public.

David has completed hundreds of projects over his career. Below are representative sample management consulting projects demonstrating David's depth and breadth completed within the past 12 months:

Operational and Performance Assessment – *Walton County, Georgia*
David led a multidepartment Operational and Performance Assessment for Walton County. The scope included assessing organizational structure, operational efficiency, staffing levels and resource utilization, comparison to leading practices, and observations and recommendations to assist the County in achieving the desired future state. The final report included numerous observations with associated recommendations and a detailed Roadmap/Implementation Plan.

Outsourcing Feasibility Study – *City of Rocky Mount, North Carolina*
David led a feasibility study for the City of Rocky Mount to assess its current service delivery model for providing parks maintenance and landscaping services. City operations used a hybrid model of both internal resources and third-party contractors to provide parks maintenance and landscaping. The project evaluated the pros and cons (both financial and nonfinancial) of: 1) maintaining the hybrid model, 2) performing all services in-house, and 3) performing all services externally.

Finance Functional Assessment – *Richland County Library, South Carolina*
David led a functional assessment of the Library's finance department. The project consisted of understanding the current state – current service provision, performance, workflow, business processes, internal controls, organizational structure, reporting, and communications. The current state was compared to leading practices and gaps were identified. An implementation roadmap was created that aligned recommendations to leaderships' vision to help the organization achieve its desired future state.

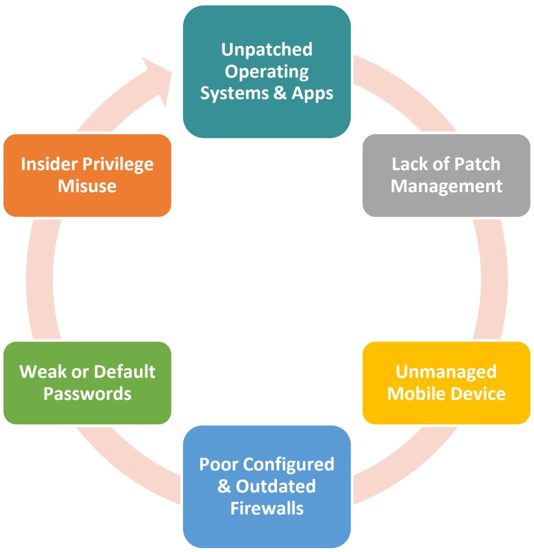
Technology Utilization Assessment – *Mt. Pleasant Waterworks, South Carolina*
David led an objective evaluation of the organization's system usage and governance related to the existing financial system (Microsoft Dynamics) and the existing workorder management system (Maximo). The organization wanted to maximize the efficiency and effectiveness of both systems while maintaining internal controls and system of record. The project consisted of numerous interviews, data review, system mapping, and a collaborative workshop among stakeholders to define a future state.

Grant Compliance Audit – *Decide DeKalb, Georgia*
David led a Grant Compliance Assessment of various development projects for Decide DeKalb. The project reviewed the established grant and contractual criteria to be maintained by developers and compared with tenant information related to low income occupants. The project identified areas of compliance, noncompliance, and recommendations for remediation.

Forensic Audit – *Confidential City*
David led a forensic investigation into questionable cash management activity for a City Parks and Recreation department. The project reviewed bank account activity, cancelled checks, cash withdrawals, and purchased item documentation as well as conducted interviews with account cardholders to determine the collection, handling, and use of several hundred thousand dollars collected in fees, sponsorships, and contributions made to the City. Numerous observations and corresponding recommendations were developed to enhance internal controls, written policies, and procedures to correct conflicts of interest, mishandling of funds, and misappropriation of funds.

Governmental IT Solutions

Beyond traditional audit and accounting services, Mauldin & Jenkins performs various IT attestation and nonattestation services. The following are three such services.



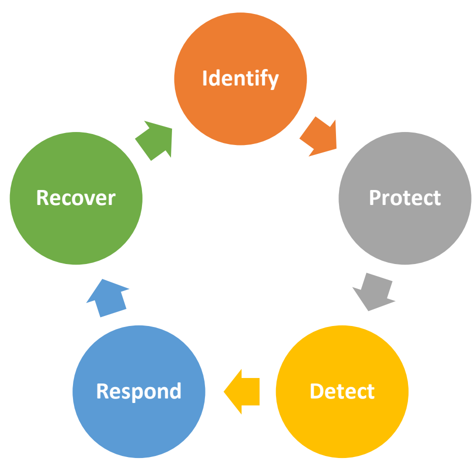
Cybersecurity Framework Engagements

With governments dealing with IT ransoms, cybersecurity is one of the top issues on the minds of nearly every government (large and small). Managing this business issue is especially challenging. A government with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner.

Services can be provided via: 1) attestation engagements or 2) consulting engagements. The AICPA has established standards for performing attestation engagements in this arena with the issuance of the SOC for Cybersecurity as part of its suite of System and Organization Controls (SOC) reporting. Consulting services can be provided while not compromising auditor independence.

System Vulnerability Assessments Engagements

This is the process of defining, identifying, classifying and prioritizing vulnerabilities in computer systems, applications, and network infrastructures, and providing an assessment with necessary knowledge, awareness, and risks to understand the threats to determine appropriate reactions. Using specialized tools and applications, we can access networks to scan with automated tools and interrogate every device connected to a City network with the objective of searching for misconfigurations, unsupported software, missing software updates and patches, etc.



Penetration Testing Engagements

This is the practice of testing a computer system to find security vulnerabilities that a hacker/attacker could exploit using automation or manual applications. The process involves gathering information about the target before the test, identifying possible entry points, attempting to break in – actually or virtually – and reporting back the findings. Tests come from external or internal angles of entry. Our main objective is to identify security weaknesses. Penetration testing can also be used to: test an organization's security policy; its adherence to compliance requirements; its employees' security awareness; and the government's ability to identify and respond to security incidents.

CLOSING

We believe the implementation of these suggestions will enhance both the control environment and the financial reporting process, making both more effective. We also believe these recommendations can be easily implemented, and all problems resolved quite timely should management elect to employ the corrective measures. If you have any questions regarding any comments, suggestions, or recommendations set forth in this memorandum, we will be pleased to discuss it with you at your convenience.

This information is intended solely for the use of the City's management, and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to serve the City of Kennesaw, Georgia and look forward to serving the City in the future. Thank you.

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.100 - General Fund Database***
Workpaper: ***0204.100 - General Fund Adjusting Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries JE # 1		**PBC**		
PBC JE to record GASB87 Adjustment				
100.0000.11.140000.00000	INTEREST RECEIVABLE		318.03	
100.0000.12.930000.00000	DEFERRED INFLOWS OF RESOURCES		28,511.65	
100.0000.34.736000.00000	RENTAL		9,600.00	
100.0000.38.100500.00000	WATER TNK CELL TOWER RENT		39,650.88	
100.0000.11.290000.00000	LEASE RECEIVABLE			26,154.95
100.0000.36.140000.00000	Interest Income			4,678.52
100.0000.38.100000.00000	Lease Revenue			47,247.09
Total			**78,080.56**	**78,080.56**
Adjusting Journal Entries JE # 2		**PBC**		
Correcting Tyler Payable posted to 10/07/2024 that should have been posted 09/30/2024				
100.1535.52.420500.00000	SOFTWARE MAINTENANCE		4,736.14	
100.0000.12.110000.00000	ACCOUNTS PAYABLE			4,736.14
Total			**4,736.14**	**4,736.14**
Adjusting Journal Entries JE # 3		**PBC**		
Report Raymond James restricted cash in separate account for reporting purposes.				
100.0000.11.133000.00000	Cash - Raymond James restricted		1,306,929.17	
100.0000.11.111300.00000	OPERATING ACCOUNT			1,306,929.17
Total			**1,306,929.17**	**1,306,929.17**
Adjusting Journal Entries JE # 4		**3004.000**		
Move cash from investment total for FS purposes.				
MJ Restricted Cash	MJ Restricted Cash		134,460.00	
100.0000.11.621000.00000	RAYMOND JAMES-PERM REST			134,460.00
Total			**134,460.00**	**134,460.00**
Adjusting Journal Entries JE # 5		**PBC**		
Correct due to due from.				
100.9100.61.109565.00000	Transfer Out - Streetlights		108,900.00	
100.0000.11.311565.00000	DUE FROM/TO STREET LIGHTS			108,900.00
Total			**108,900.00**	**108,900.00**

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.556 - Museum Fund Database***
Workpaper: ***Musuem Fund Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 1**		
PBC AJE 1				
56.6172.56.100000.0000	DEPRECIATION		210,796.28	
56.0000.11.741000.0000	ACCUM DEP-BUILDINGS			206,543.88
56.0000.11.751000.0000	ACCUM DEP-MACHINERY & EQP			1,910.04
56.0000.11.751400.0000	ACCUM DEP-FURNITURE & FIXTURES			2,342.36
Total			**210,796.28**	**210,796.28**
Adjusting Journal Entries JE # 2		**PBC AJE 3**		
PBC AJE 3				
56.0000.11.750300.0000	FURNITURE & FIXTURES		8,039.29	
56.6172.54.230000.0000	FURNITURE & FIXTURES			8,039.29
Total			**8,039.29**	**8,039.29**
	Total Adjusting Journal Entries		**218,835.57**	**218,835.57**
	Total All Journal Entries		**218,835.57**	**218,835.57**

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.213 - Opioid Settlement Fund Database***
Workpaper: ***OPIOD Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 2**		
PBC AJE 2				
:13.0000.11.190000.0000	Accounts Receivable		125,577.27	
:13.0000.12.250000.0000	Deferred Revenue			125,577.27
Total			**125,577.27**	**125,577.27**
	Total Adjusting Journal Entries		**125,577.27**	**125,577.27**
	Total All Journal Entries		**125,577.27**	**125,577.27**

Client:
Engagement:
Period Ending: *1/0/1900*
Trial Balance:
Workpaper:

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 1**		
PBC AJE 1				
565.4260.56.100000.00000	DEPRECIATION		279.96	
565.0000.11.751600.00000	ACCUM DEP-SOFTWARE			279.96
Total			**279.96**	**279.96**
Adjusting Journal Entries JE # 2		**PBC**		
Correct due to due from.				
565.0000.11.311100.00000	DUE FROM/TO GENERAL FUND		108,900.00	
565.0000.39.113000.00000	Transfer In - General Fund			108,900.00
Total			**108,900.00**	**108,900.00**
	Total Adjusting Journal Entries		**109,179.96**	**109,179.96**
	Total All Journal Entries		**109,179.96**	**109,179.96**

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.557 - Smith Gilbert Gardens Database***
Workpaper: ***Smith Gilbert Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 1**		
PBC AJE 1				
57.6171.56.100000.0000	DEPRECIATION		5,728.82	
57.0000.11.721000.0000	ACCUM DEP-SITE IMPROVEMNT			2,030.16
57.0000.11.751000.0000	ACCUM DEP-MACHINERY & EQP			3,698.66
Total			**5,728.82**	**5,728.82**
	Total Adjusting Journal Entries		**5,728.82**	**5,728.82**
	Total All Journal Entries		**5,728.82**	**5,728.82**

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.540 - Sanitation Fund Database***
Workpaper: ***Sanitation Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 1**		
PBC AJE 1				
540.4500.56.100000.0000	DEPRECIATION		6,157.50	
540.0000.11.751600.0000	ACCUM DEP-SOFTWARE			6,157.50
Total			**6,157.50**	**6,157.50**
Adjusting Journal Entries JE # 2		**6006.000**		
Adjust for allocation				
540.0000.12.145000.0000	NET PENSION LIABILITY		162,897.00	
540.0000.12.901000.0000	DEFERRED INFLOWS - INV EARNINGS		26,869.00	
540.0000.11.901000.0000	DEFERRED OUTFLOWS - EXPER DIFF			26,418.00
540.0000.11.901500.0000	DEFERRED OUTFLOWS - CONTRIB			19,725.00
540.0000.11.902000.0000	DEFERRED OUTFLOWS - INV. EARNINGS DIFF			101,770.00
540.4500.51.240000.0000	RETIREMENT CONTRIBUTIONS			41,853.00
Total			**189,766.00**	**189,766.00**
	Total Adjusting Journal Entries		**195,923.50**	**195,923.50**
	Total All Journal Entries		**195,923.50**	**195,923.50**

Client: ***03003328.000 - City of Kennesaw***
Engagement: ***9/30/2024 - City of Kennesaw***
Period Ending: ***9/30/2024***
Trial Balance: ***0200.560 - Stormwater Fund Database***
Workpaper: ***SW Journal Entries Report***

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1		**PBC AJE 1**		
PBC AJE 1				
60.4320.56.100000.0000	DEPRECIATION		364,085.42	
60.0000.11.721000.0000	ACCUM DEP - PARK IMPROVEMENT			4,914.00
60.0000.11.731000.0000	ACCUM DEP-INFRASTRUCTURE			242,432.99
60.0000.11.751000.0000	ACCUM DEP-MACHINERY & EQUIP			64,456.19
60.0000.11.751100.0000	ACCUM DEP - VEHICLES			43,831.30
60.0000.11.751600.0000	ACCUM DEP-SOFTWARE			8,450.94
Total			**364,085.42**	**364,085.42**
Adjusting Journal Entries JE # 2		**PBC AJE 3**		
PBC AJE 3				
60.0000.11.730000.0000	INFRASTRUCTURE		277,610.00	
60.0000.11.730000.0000	INFRASTRUCTURE		9,877.00	
60.0000.11.750500.0000	VEHICLES		43,509.70	
60.4320.54.142000.0000	STORM WATER CONST & IMPROVMENT			277,610.00
60.4320.54.142000.0000	STORM WATER CONST & IMPROVMENT			9,877.00
60.4320.54.220000.0000	VEHICLES			43,509.70
Total			**330,996.70**	**330,996.70**
Adjusting Journal Entries JE # 3		**6006.000**		
Adjust for allocation				
60.0000.12.145000.0000	NET PENSION LIABILITY		146,658.00	
60.0000.12.901000.0000	DEFERRED INFLOWS - INV EARNINGS		22,390.00	
60.0000.11.901000.0000	DEFERRED OUTFLOWS - EXPER DIFF			24,605.00
60.0000.11.901500.0000	DEFERRED OUTFLOWS - CONTRIB			17,159.00
60.0000.11.902000.0000	DEFERRED OUTFLOWS - INV. EARNINGS DIFF			93,952.00
60.4320.51.240000.0000	RETIREMENT CONTRIBUTIONS			33,332.00
Total			**169,048.00**	**169,048.00**
	Total Adjusting Journal Entries		**864,130.12**	**864,130.12**
	Total All Journal Entries		**864,130.12**	**864,130.12**

CITY OF KENNESAW, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

Finance Department
Gina Auld
Director of Finance and Administration

CITY OF KENNESAW, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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MAYOR
Derek Easterling

City Manager
Jeff Drobney, ICMA-CM

City Clerk
Lea Alvarez, CMC

COUNCIL
Mayor Pro Tem Pat Ferris
Madelyn Orochena
Tracey Viars
Antonio Jones
Anthony Gutierrez

March 13, 2025

To the Honorable Mayor, Members of the City Council
And Citizens of the City of Kennesaw

The Annual Comprehensive Financial Report (ACFR) of the City of Kennesaw, Georgia, for the fiscal year ended September 30, 2024, is submitted herewith. Georgia state law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial activities have been included.

Mauldin & Jenkins, LLC have issued an unmodified ("clean") opinion on the City of Kennesaw financial statements for the fiscal year ended September 30, 2024. The independent auditor's report is located at the front of the financial 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of Kennesaw receives financial assistance through various federal grant programs. The City of Kennesaw is responsible for insuring that adequate internal controls are in place to assure compliance with applicable laws and regulations related to those programs. The required reports on supplementary information, compliance, internal controls and various supplementary schedules are included under the Compliance Section.

Profile of the Government

The City of Kennesaw, originally named Big Shanty, was incorporated in 1887. It is situated in the northwest part of Georgia in the Atlanta Metropolitan Area. The City, located in Cobb County, is considered to be in the top growth rank of the country. The City currently has a land area of 9.83 square miles and a population of approximately

34,683. The City has the power, by State statute, to extend its corporate limits by annexation, which is done by request of citizens or at the City's initiation. Annexations must be approved by the City Council. A major priority, established by the City Council, is future growth potential that is accomplished through an aggressive policy of incremental annexations based on a comprehensive, planned strategy.

The City is a home-rule charter city in the State of Georgia and has operated under the Council-Manager form of government since September 1996. The Mayor and Council members are elected for four-year terms. Council member terms are staggered and members are elected at large. The Mayor and five Council members are vested with policymaking and legislative authority for the City. The Council is responsible for passing ordinances, adopting the budget, appointing committees, hiring the City Manager, making appointments of the City attorney, auditor and City engineer as well as other City employees. The City Manager is responsible for carrying out the policies and ordinances of the Council, overseeing the day-to-day operations of the City, and insuring fiscal stability.

The financial statements contained herein include all activities and functions of the City of Kennesaw that are under the jurisdiction of the Mayor and Council, as set forth in state and local law. Additionally, one discretely presented component unit is included in these financial statements because of its operational and financial relationship to the City. The Kennesaw Development Authority is dedicated to the sound economic development of the City of Kennesaw. It serves the retention and expansion needs of existing businesses and offers aid to businesses looking to locate in the Kennesaw area. Additional information on this legally separate entity can be found under the Basic Financial Statements section.

The City provides a broad range of municipal government and utility services. Included in these services are traditional city functions such as police protection, municipal court, road and street maintenance, culture and recreation, public improvements, planning and zoning, building inspection, code enforcement, and general administrative services. In addition to general government activities, the City has five enterprise operations including sanitation, stormwater, streetlights, museum and botanical gardens.

The City maintains extensive budgetary controls with the objective of compliance with legal provisions embodied in the annual budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amounts) is at the departmental level for the General Fund and at the total expenditure level for the remaining funds. The City's budget procedures are more fully explained in the notes to the financial statements.

The goals of the City's financial operations are to comply with legal requirements established by the State of Georgia, national standards for local government financial operations established by national organizations such as the Government Finance Officers Association, the Governmental Accounting Standards Board, the Association of Government Accountants and to provide accurate, timely financial information to elected officials, management, and the citizens.

Local Economy

Economic Conditions

Located 23 miles northwest of downtown Atlanta in northern Cobb County, Kennesaw is one of 149 cities in the 29-county Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area. The City has evolved from an exurban, bedroom community into a robust employment and civic center. While this evolution has been influenced by the economic fortunes of the Metro Atlanta region, Kennesaw, through good leadership, its commitment to quality of life and proximity to strategic infrastructure, continues to be one of the region's most desirable places to live, work and start a business.

Construction Activity

Major construction projects completed in 2024:

The City added about $200 million in residential, mixed-use and general commercial projects:

- **Bobcat of Atlanta Dealership –** Located at 2985 N. Cobb Pkwy., the 6-acre lot has been developed into a Bobcat equipment dealership and was recently completed.
- **East Park** – a massive 57+ acre mixed-use project, at Cherokee Street and McCollum Pkwy., completed their multi-family housing phase. This includes a total of 579 market rate apartments.
- **The Lacy at South Main Multi-Family** – a 20-acre, mixed-use redevelopment of a former industrial site, completed their multi-family and ground floor commercial build-out. This includes 318 apartment units and 10,000 square feet of office/ retail space. The project is located at 2652 South Main.
- **Sherwin Williams Commercial Paint Store** – This one-acre redevelopment of a vacant body shop (2569 Summers St.) was completed.

Another $350 million in construction projects are nearing completion (as of Feb. 2025):

- **Devinshire** – this is a 4-acre townhome development on Duncan Drive across from the Lacy at South Main. This is a John Wieland Homes project that will include 35 high-end townhomes. It should be completed in the first half of 2025.
- **Kennesaw Town Center** – a 396-unit multi-family and mixed-use development, along Summer Street, is nearing completion. The commercial portion includes 20,000 square feet of ground floor retail and a 0.6-acre commercial pad that already has a purchase-sale agreement in place. The project is located between Summers St. and School Dr.
- **Mazda Dealership** – Located at 3047 N. Cobb Pkwy., this 6.5-acre site is being developed for a Mazda dealership. The project will be completed later in 2025.
- **The Lacy at South Main Commercial** – The development includes a 1-acre commercial pad that has yet to start. The City expects construction to begin by the third quarter of 2025.
- **Town Kennesaw** – a 33-acre tract that was recently annexed, this will include 332 apartments and 63 townhomes. This project should be completed in the first half of 2025. The project is located between Old Hwy. 41 and Crater Lake Dr.

The City has another $300 million in proposed projects that it hopes will begin in 2025-26:

- **Common Grounds** – This is a 14,000 square foot brick and mortar proposal for 2861 and 2871 Main St. (Every Day People Group).
- **Kennesaw Square** – This a 10-acre redevelopment of the old Martha Moore School and former Budgetel Motel. It will include 400 multi-family units and 130,000 square feet of commercial.
- **The Arcade** – This is a traditional brick and mortar. It will include up to 21,000 square feet, multi-level and multi-tenant brick and mortar at 2831 and 2839 Main St. (Every Day People Group).
- **The Lacy at South Main Phase 2** – Combining 2615 and 2681 S. Main, this 7.5 acre development will be a second phase for the recently completed Lacy (across the street). It will include 300 multi-family units and 2,500 square feet of retail space.

Source: City of Kennesaw Community Development Department

Employment

For the year ended 2024, the City's unemployment rate of 3% – was slightly better than the metro (3.3%) and state (3.7%) levels. Statistically, it mirrors Cobb County at 2.9%. Overall, jobs have remained steady in comparison to 2023. Transportation/warehousing make up the bulk of employment. Top employers such as in the distribution sector continue to invest and grow.

Source: U.S. Bureau of Labor Statistics; City of Kennesaw Business License Office

Commercial Real Estate

Overall commercial vacancy rates, for year ended 2024, held steady at 3% - slightly down from 3.4% for the year ended 2023. With a 3.8% vacancy rate, industrial/ distribution, by far the largest land use, continues to perform well. Retail ended 2023 with 1.9% vacancy rate, continuing its downward trajectory. Overall, the City of Kennesaw fares better in every category compared to its submarket and the overall regional market.

Industrial Markets (Year Ended 2024)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	3.5%	$11.09
Metro Atlanta	8%	$9.17
North Cobb-Bartow Submarket	11.5%	$10.16

Office Markets (Year Ended 2023)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	4%	$21.22
Metro Atlanta Market	16.5%	$29.48
Kennesaw-Town Center Submarket	8.7%	$23.82

Retail Markets (Year Ended 2021)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	2%	$22.14
Metro Atlanta Market	3.8%	$22.77
Kennesaw-Town Center Submarket	2.8%	$21.21

Multi-Family Markets (Year Ended 2024)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	23%	$1,800
Metro Atlanta Market	12.5%	$1,600
Kennesaw-Town Center Submarket	13%	$1,650

Over 1,200 new apartments were delivered in 2024. The market needs time to absorb them. As a result, 2025 is unlikely to see any new deliveries. The Department does not expect new multi-family starts until late 2025 or more likely 2026.

Source: Costar

Business Licensing

The City ended 2024 with a total of 1,584 active businesses – an increase from 1,502 in 2023.

Source: City of Kennesaw Business License Office

Long term financial planning

In November 2020, voters approved a six-year one cent Special Purpose Local Option Sales Tax (SPLOST) that will be in effect from January 1, 2022 through December 31, 2027. This tax will fund various road projects, park and neighborhood improvements, facility improvements and a new public safety facility. The funding for these projects is $13,000,000, $6,785,000, $3,500,000 and $8,500,000, respectively. Grand total for these City projects is $31,785,000. Total revenue generated for this SPLOST program from inception through September 30, 2024 was $25,421,908 with expenditures totaling $6,061,130. Since inception, expenditures for facility improvements, parks, Sardis Street Overpass and Sardis Street Extension, and public safety facility were $707,649, $4,685,401, $62,888 and $605,193, respectively.

In November 2014, voters approved a six-year one cent Special Purpose Local Option Sales Tax (SPLOST) that was in effect from January 1, 2016 through December 31, 2021. This tax will fund various road projects, park improvements, facility improvements and police vehicles. Since this SPLOST began, the improvements total $11,900,374 for Road, Street and Bridge Projects, $6,763,223 for Parks and Facility Improvement Projects and $110,242 for police vehicles. Total revenue generated for this SPLOST program from inception through September 30, 2024 was $35,112,474 with expenditures totaling $18,773,839. Funds received of $35,112,474 exceed the current cost estimate of $26,454,770 due to actual collections exceeding original County projections. The use of the excess funds has not been identified; however, cost estimates will be developed and used for projects still not completed such as the Sardis Street Overpass and Sardis Street Extension, which will likely come in over original estimated budgeted costs. Once identified, those cost estimates will be updated.

In March 2011, voters approved the Special Purpose Local Option Sales Tax (SPLOST). This one-cent sales tax program funds various improvements around the City. Since this SPLOST began, the improvements total: $15,871,287 for Road, Street and Bridge Projects and $5,716,512 for Parks Projects. This SPLOST program ran from January 2012 until December 2015. Total revenue generated for the SPLOST program since this SPLOST began is $24,003,653 with expenditures totaling $21,587,799.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the total tax digest. The current debt limitation for the City is $230,235,911, which is in excess of the City's outstanding general obligation debt of $4,605,000.

Major Initiatives

- **2881 N. Main Street Purchase** – The Kennesaw Development Authority (KDA) bought a 3-story brick and mortar for $900,000 in September. The KDA combined $200,000 of its own money with a $700,000 loan from the City to purchase the 9,600 square feet facility. The property is currently being marketed.
- **Business Classes** – For the first year, the City partnered with the Kennesaw State University Small Business Development Center (SBDC) to offer free, quarterly business classes. The program will continue throughout 2025.
- **Business Networking** – The City hosted monthly networking events at different business establishments for the first time. This will also continue in 2025.
- **Job Fair** – The City hosted its second annual Job Fair in May. The event attracted over 300 participants. The event has grown so much that the 2025 iteration will be located at the Cobb Civic Center in Marietta.
- **Piedmont Bank Amphitheater** – The amphitheater at Depot Park held its first concert in June 2024. Downtown business saw an immediate boost to sales from the 2nd quarter through November.

Relevant Financial Policies

Financial policies established by the City are to provide a sound basis for future financial planning and conservative management. These policies include a balanced annual operating budget, a stable and diversified revenue structure, designation of fund balances and a multi-year capital improvement program.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. 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 judgments by management.

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

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded the City of Kennesaw its 24th consecutive Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the year ended September 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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 City also received national and regional recognition, including being named the best city to move to in Georgia by USA Today and earning a Moody's issuer rating upgrade to Aa1. Smith-Gilbert Gardens was awarded a Project Grant from the Georgia Council for the Arts and was recognized by the U.S. Botanic Garden and the American Public Gardens Association for its work in urban agriculture. The City celebrated several milestones, including the ribbon cuttings for the United Bankshares Amphitheater at Depot Park, the Dale Burrell Government Complex, and a new Fit Station at Swift-Cantrell Park. Additionally, Frank Boone Dog Park was named Best Dog Park in Cobb County for the sixth consecutive year, and Kennesaw Acworth 911 implemented innovative technology to enhance emergency response.

The Kennesaw Police Department was recognized for outstanding service, with officers receiving awards for acts of bravery, lifesaving efforts, and community service. Several Officers were honored by the Cobb County Law Enforcement Association for their quick response during a vehicle accident and fire, while another Officer received the Cobb Chamber Bravery Award for confronting an armed subject on a MARTA train. A Lieutenant was recognized for leadership in planning the Big Shanty Festival, and multiple Officers received Chief's Awards and Meritorious Service distinctions. The City remains committed to excellence in public service, financial stewardship, and community engagement.

We want to thank the Mayor and Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the City Manager and the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

Most of all, we would like to thank the citizens of Kennesaw and all the volunteer committees for their extraordinary level of community involvement, extending beyond personal interest, which continues to make the City of Kennesaw an excellent place to live, work and play.

Respectfully submitted,

Gina Auld

Gina Auld, CPA
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kennesaw
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF KENNESAW, GEORGIA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2024

ELECTED OFFICIALS

Derek Easterling	Mayor
Antonio Jones	Mayor Pro Tem/Council Member
Pat Ferris	Council Member
Anthony Gutierrez	Council Member
Madelyn Orochena	Council Member
Tracey Viars	Council Member

CITY ADMINISTRATION

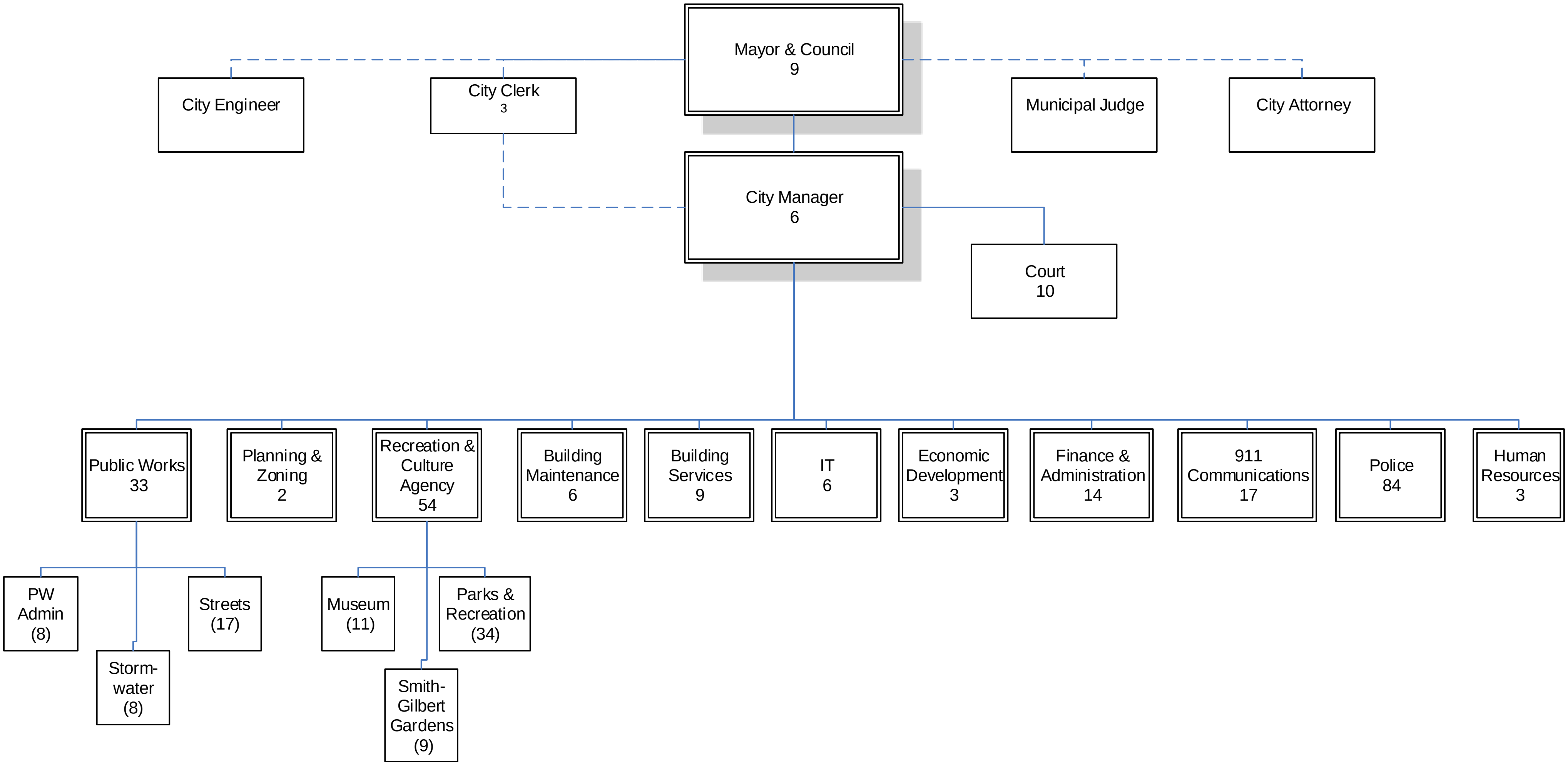
Jeff Drobney
City Manager

Bentley, Bentley, Bentley	Attorney
Luke Mayes	Municipal Court Judge
Brian Acker	Human Resources Director
Lea Alvarez	City Clerk
Gina Auld	Director of Finance and Administration
Robbie Balenger	Director of Building Facilities
Scott Banks	Director of Building Services
Richard Banz	Executive Director, Museum
Becca Graham	Director of Communications & Engagement
Luke Howe	Economic Development Director
Marty Hughes	Assistant City Manager
Nikki McGraw	E911 Director
David Simpson	Executive Director, Smith Gilbert Gardens
Bill McNair	Director of Parks and Recreation
Darryl Simmons	Planning and Zoning Administrator
Ricky Stewart	Public Works Director
Brittany Swiney	Clerk of Court
William Westenberger	Chief of Police

City of Kennesaw

Organization Chart- City Wide- 259

September 30, 2024



FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
Of City Council
City of Kennesaw, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Kennesaw, Georgia** (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GEORGIA 30339-5946 • 770-955-8600 • FAX 770-980-4489 • www.mjcpa.com
MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 City Contributions, and the Schedule of Changes in the City's Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management, and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia §48-8-121, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "supplementary information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the City'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 solely 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 the effectiveness of the City's 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’s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 13, 2025

This section of the City of Kennesaw, Georgia's (the "City") annual report provides readers with a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information in the letter of transmittal which can be found at the front of this report.

Financial Highlights

- The City's total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by $192,276,505 at the end of the year. This amount includes $116,264,158 invested in capital assets net of accumulated depreciation and related debt, restricted net position of $52,224,951, and unrestricted net position of $23,787,396.

- The City's total net position increased by $15,107,541 (8.5%) to $192,276,505. The net position for governmental activities increased by $15,491,733 (9.7%) and business-type net position decreased by $384,192 (2.2%).

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $84,624,765, an increase of $11,289,448. The net unassigned fund balance is $32,343,778.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund is $32,343,778.

- The City's total debt decreased by $2,324,473 (8.2%) during the current fiscal year due to principal reductions of general obligation and revenue bonds of $985,000, a decrease in the OPEB liability of $100,000, a decrease in the pension liability of $985,000, and an increase in compensated absences of $180,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent 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 this statement for some items that will only result in cash flow in future periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City are divided into three categories:

- **Governmental Activities** – These include the basic services provided by the City including General Administration, Judicial, Public Safety, Public Works, Culture and Recreation, and Housing and Development.

- **Business-Type Activities** – These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These include Sanitation (solid waste collection), the Southern

Museum of Civil War and Locomotive History, Stormwater (maintenance and upgrades to stormwater system), Streetlights, and the Smith-Gilbert Gardens.
- **Component Units** – Included in the discretely presented component units for the City is the Kennesaw Development Authority. Although this organization is a separate legal entity, the City is financially accountable for it.

Governmental activities and business-type activities are consolidated and add to the total for the primary government.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, American Rescue Plan fund and SPLOST fund which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts annual appropriated budgets for its governmental funds except for the SPLOST fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22-26 of 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 uses enterprise funds to account for its Sanitation, Museum, Stormwater, Streetlights, and Gardens. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it 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 the major funds: Sanitation, Museum, and Stormwater. Data from the nonmajor funds, Streetlights and Gardens, are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of *combining statements* elsewhere in this report. The internal service fund is also presented in proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 30 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 postemployment benefits to its employees. Required supplementary information can be found beginning on page 66 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found beginning on page 69 of this report.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for the current year. The City's net position increased $15,107,541 (8.5%) during fiscal year 2024. The net position of the governmental activities includes $103,163,614 net investments in capital assets which consists of land, buildings, infrastructure, other improvements, vehicles, machinery, and equipment net of accumulated depreciation. Related debt includes bonds of $9,737,488, financed purchases of $254,058, retainage payable of $7,668, and capital related accounts payable of $240,139.

The net position of the business-type activities includes $13,100,544 net investment in capital assets which consist of land, buildings, other improvements, vehicles, equipment, and museum artifacts, net of accumulated depreciation.

For more detailed information, see the Statement of Net Position on page 19 of the financial statements and the notes to the financial statements.

Table 1
Statement of Net Position
As of September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2023-24**
ASSETS							
Current and other assets	$ 88,932	$ 79,806	$ 6,145	$ 6,063	$ 95,077	$ 85,869	11%
Capital assets	113,403	109,414	13,101	13,311	126,504	122,725	3%
Total Assets	202,335	189,220	19,246	19,374	221,581	208,594	6%
Deferred Outflows of resources:							
Pension related items	3,340	5,140	150	383	3,490	5,523	-37%
OPEB Related Items	2,299	2,457		-	2,299	2,457	-6%
Total deferred outflows of resources	5,639	7,597	150	383	5,789	7,980	-27%
LIABILITIES							
Current and other liabilities	6,560	8,527	1,956	1,622	8,516	10,149	-16%
Long-term debt outstanding	22,763	25,099	367	677	23,130	25,776	-10%
Total Liabilities	29,323	33,626	2,323	2,299	31,646	35,925	-12%
Deferred Inflows of resources:							
OPEB Related Items	3,325	3,329	-	-	3,325	3,329	0%
Pension related items		-	-	-	-	-	0%
Leases	122	151	-	-	122	151	-19%
Total deferred inflows of resources	3,447	3,480	-	-	3,447	3,480	-1%
NET POSITION							
Net investment in capital assets	103,403	97,767	13,101	13,298	116,504	111,065	5%
Restricted	52,225	47,148	-	-	52,225	47,148	11%
Unrestricted	19,574	14,796	3,973	4,161	23,547	18,957	24%
Total Net Position	$ 175,202	$ 159,711	$ 17,074	$ 17,458	$ 192,276	$ 177,169	9%

Changes in Net Position

The City's total revenues before transfers were $51,606,736 in fiscal year 2024. Expenses before transfers were $36,499,195 during that same period. Governmental and business-type activities combined provided a $15,107,541 increase in net position.

Governmental activities revenues, before transfers, were $45,197,079 and included $6,379,041 charges for services, $12,401,501 grant and contribution revenues, and $17,693,737 in property taxes. Governmental expenses were $29,276,632. The largest governmental activities expenses were for public safety of $10,955,559 (Police and E911), general government of $6,905,838, Public Works of $5,076,470, and Culture and Recreation of $3,878,705. Expenses include depreciation expense as explained in the notes to the financial statements (Note 7).

Business-type activity revenues, before transfers, were $6,409,657 and included $6,295,006 charges for services and $57,945 grant and contribution revenues. Business-type expenses were $7,222,563. The largest business-type activity expenses were for salaries and wages of $3,756,883, The Museum of $1,325,512, and Stormwater of $927,391.

Table 2
Changes in Net Position
For The Fiscal Year Ended September 30
(in thousands)

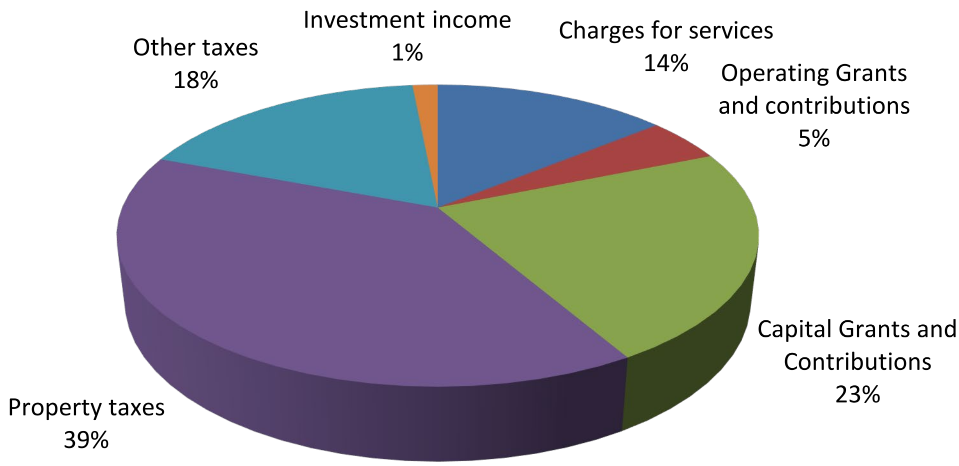
	Governmental Activities		Business-Type Activities		Total		Total % Change
	2024	2023	2024	2023	2024	2023	2023-24
Revenues							
Program Revenues							
Charges for services	$ 6,379	$ 7,924	$ 6,295	$ 6,372	$ 12,674	$ 14,296	-11%
Operating grants and contributions	2,127	10,049	20	10	2,147	10,059	-79%
Capital grants and contributions	10,275	12,913	37	19	10,312	12,932	-20%
General revenues							
Property taxes	17,694	16,308	-	-	17,694	16,308	8%
Other taxes	8,014	7,622	-	-	8,014	7,622	5%
Gain on sale of capital assets	22	208	-	-	22	208	-89%
Investment income (loss)	686	688	57	97	743	785	-5%
Total Revenues	45,197	55,712	6,409	6,498	51,606	62,211	-17%
Expenses							
General Government	6,906	6,949	-	-	6,906	6,949	-1%
Judicial	399	436	-	-	399	436	-8%
Public safety	10,955	10,702	-	-	10,955	10,702	2%
Public works	5,076	4,324	-	-	5,076	4,324	17%
Health and welfare	-	6	-	-	-	6	-100%
Culture and recreation	3,879	3,414	-	-	3,879	3,414	14%
Housing and development	1,726	1,776	-	-	1,726	1,776	-3%
Interest on long-term debt	335	399	-	-	335	399	-16%
Museum	-	-	1,326	1,257	1,326	1,257	5%
Sanitation	-	-	3,757	3,711	3,757	3,711	1%
Gardens	-	-	736	599	736	599	23%
Stormwater	-	-	927	926	927	926	0%
Streetlight	-	-	477	433	477	433	10%
Total Expenses	29,276	28,006	7,223	6,926	36,499	34,391	6%
Excess (Deficiency) before Transfers	15,921	27,706	(814)	(428)	15,107	27,278	-45%
Transfers	(429)	(297)	429	297	-	-	0%
Increase (Decrease) in Net Position	15,492	27,409	(385)	(131)	15,107	27,278	-45%
Beginning Net Position	159,711	132,302	17,458	17,589	177,169	149,891	18%
Ending Net Position	$ 175,203	$ 159,711	$ 17,073	$ 17,548	$ 192,276	$ 177,169	9%

Governmental Activities

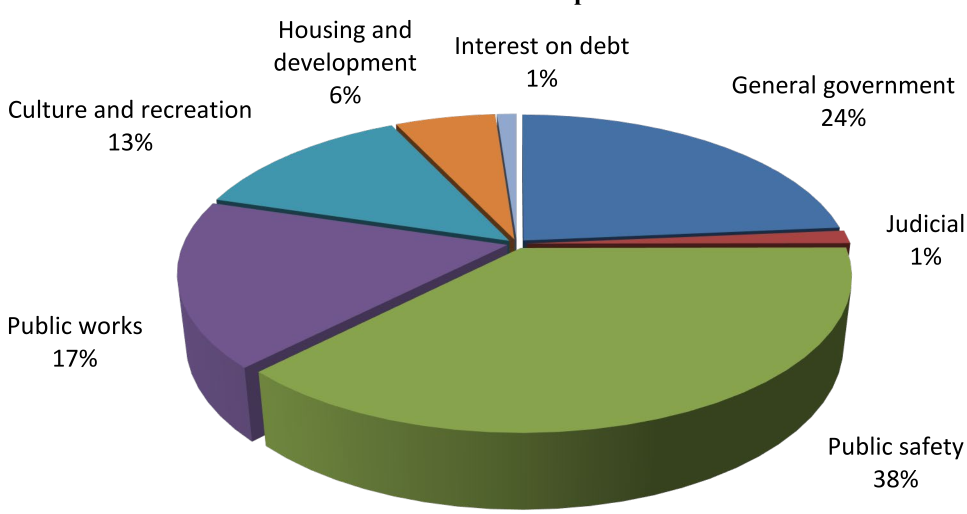
See pages 20 and 21 of the financial statements for the net cost (total cost, less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's governmental revenues and expenses.

Table 3 – Governmental Activities

Governmental Revenues



Governmental Expenses



Revenue Impacts:

- Property taxes of $17,693,737 provided 39% of governmental revenues for general operations. The M&O millage rate decreased to 7.75 mills. The bond millage rate remained at 1.50 mills. The bond millage is restricted to service the debt of the general obligation bond issue for recreation and transportation improvements. Property tax revenue was up approximately $1.4 million in 2024 due to an increase in real, bond, and personal assessed values.

- Other taxes such as business and occupational and insurance premium had a net increase of approximately $289,000 over the prior year while real estate transfer taxes had a net decrease of approximately $12,000 over the prior year. Franchise taxes had a net increase of $10,000. Electric and gas franchise taxes were up while electric, cable, television, and video were down. Intangible real estate tax was also down by $17,000.

- Charges for services for governmental activities include amounts charged for providing E911 service of $1,417,944, Culture and Recreation fees of $1,489,165, licenses and permits of $1,859,899, and fines and forfeitures of $1,026,303.

- Total operating grants and contributions for governmental activities decreased by approximately $7.9 million due to spending a large portion of the one-time grant funding in the prior year. These improvements included the Public Works second floor buildout, Museum second floor renovation, paving, and police vehicles and equipment.

- Capital grants and contributions for governmental activities decreased by approximately $2.6 million. SPLOST collections continue to exceed Cobb County projections. Our most notable decrease relates to the additional $3 million received from Cobb County during the fiscal year 2023 for the joint Recreation Center project as detailed in the Intergovernmental Agreement. The City did not receive similar funding this fiscal year. There was also an increase in CDBG (Community Development Block Grant) funding of $38,000. CDBG funds are received on a reimbursement basis from Cobb County and the City began the CDBG project scheduled for 2022 in the 2023 fiscal year.

- Charges for services revenue for business-type activities decreased $78,000 due to decreases in Sanitation, Stormwater, and Streetlight enterprise funds. Museum and Gardens had increases of approximately $8,000 and $34,000, respectively. Sanitation had the largest decrease of $80,000.

- Operating grants and contributions for business-type activities increased $10,000 due to grants received by the Smith-Gilbert Gardens. The Gardens received a grant from the United States Botanic Garden and American Public Gardens Association. Funds from this grant were used to engage with the community in urban agriculture, food-growing, and related education work.

- Capital grants and contributions for business-type activities increased by $19,000. The increase is due to additional artifacts that were donated to the Museum.

- Gain on sale of capital assets decreased by $185,000 from the prior fiscal year. This decrease is due to the selling of General Fund assets in the prior year exceeding expectations with the sale of twelve vehicles/pieces of equipment in fiscal year 2023 that did not occur in the current fiscal year.

- Investment income decreased by $42,000 due to changes in interest rates.

Expense Impacts:

The City approved a 3% COLA (Cost of Living Adjustment) for all employees effective with the first full payroll of the fiscal year. These two items would have increased salaries in all departments across the board for filled positions. The City did experience vacancies during the fiscal year in several departments due to challenges in recruitment and retention.

- General Government expenses remained consistent with the prior fiscal year with a decrease of approximately $43,000. This decrease is largely in Other Professional Services due to the cost of the Compensation and Classification Study in the prior year.

- Judicial expenses decreased by $37,000. A $27,000 decrease in employee and group insurance expenses can be attributed to vacancies in two positions within the court for part of the fiscal year. A $14,000 decrease in legal services can be attributed to a reduction of solicited legal services required by The City.

- Public Safety had a substantial increase in salaries due to filling police officer positions – almost reaching capacity. Group insurance and Insurance Retiree expenses went down this fiscal year by $89,000 and $15,000, respectively. There was also an increase in overtime due to increased events in The City. All police vehicle expenses were reallocated to Public Works for fiscal year 2024 for better tracking and management oversight.

- Public Works experienced an increase in salaries due to the 3% COLA. The largest change was the increase to vehicle repairs and maintenance and gasoline due to the reallocation of Police vehicle repair and maintenance to Public Works.

- Culture and Recreation experienced an increase in salaries and benefits due to reclassifying positions and the 3% COLA. There was an increase of $162,000 in special events due to increased activity at the Recreation Center. They experienced significant increases in contracted program services, summer and after-school teen programs, and other professional services of $179,000 due to hosting more events and classes.

- Housing and Development experienced an increase in salaries and benefits due to the 3% COLA. Development expenses were down by approximately $16,000 due to a reduction in group insurance. There were also decreases in planning services and other professional services.

- Interest on long-term debt of $335,000 is slightly less than the prior year's amount of $399,000. This is due to our reduction in long-term debts throughout the fiscal year.

- The Sanitation Fund experienced a decrease in salaries, group insurance, and retirement due to a position vacancy and freeze. There was a substantial decrease in net pension liability of $120,000. There was also an increase of $209,000 in other professional services due to rising costs for sanitation services from our third-party servicer.

- The Southern Museum expenses increased in salaries and benefits due to the 3% COLA. They also saw an increase in general small office equipment, alongside furniture and fixtures of $10,000 for additional shelving and storage. Utility expenses increased by $25,000 throughout the fiscal year due to the completion of the second floor.

- The Smith-Gilbert Garden's expenses increased in salaries and benefits due to hiring a new Director and the new Horticulture Technician position. Additional part-time positions such as education assistant front-facing admissions and gift shop assistants and 3% COLA contributed to the salary and benefit increase of $115,000. Marketing expenses were up by $13,000 due to the early opening of the Wing Butterfly Exhibit compared to previous years. Special event materials and supplies were up this year by $9,000.

- Stormwater Fund experienced expenses consistent with the prior fiscal year.

- Streetlight Fund increased slightly due to additional costs for roadway lighting and streetlight installations.

Table 4
Business-type Activities
For The Fiscal Year Ended September 30
(in thousands)

FUND	Program Revenues 2024	Program Revenues 2023	Program Expense 2024	Program Expense 2023	Program Income (Loss) 2024	Program Income (Loss) 2023
Museum	$ 589	$ 566	$ 1,325	$ 1,258	$ (736)	$ (692)
Sanitation	3,817	3,897	3,756	3,711	61	186
Stormwater	1,323	1,357	927	926	396	431
Gardens	219	171	736	599	(517)	(428)
Streetlight	404	411	477	433	(73)	(22)
Total	$ 6,352	$ 4,947	$ 7,221	$ 5,351	$ (869)	$ (404)

Analysis of individual major funds:

Museum - revenues were up $23,000 and expenses were up $68,000. Museum revenues increased in admissions, facility rental, and facility rentals. All increased due to increased travel and due to an increase in visits from schools and tour groups. Salaries and benefits increased $29,000 due to the 3% COLA.

Sanitation - revenues were down $80,000 (3%) and expenses were up $46,000 over the prior fiscal year. Sanitation experienced a decrease in salaries, group insurance, and retirement due to a position vacancy and freeze in the amount of $53,000. There was a substantial decrease in net pension liability of $120,000. The third-party provider raised their rates 5.31% or approximately $208,000 annually.

Stormwater - revenues were down $34,000 and expenses were consistent with the prior fiscal year.

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

FUND	Fund Balances 9/30/2023	Revenues/ Sources	Expenditures/ Uses	Revenues/Sources Over (Under) Expenditures/Uses	Fund Balances 9/30/2024
General Fund	$ 34,307	$ 33,099	$ 25,596	7,503	$ 41,810
ARP Fund	15	1,159	1,140	20	$ 34
SPLOST	34,914	9,608	6,203	3,405	$ 38,319

On September 30, 2024, the City's governmental funds reported a combined fund balance of $84,624,765, which is a net increase of $11,289,448 from the previous year.

General Fund

The General Fund's fund balance increased by $7,503,086 and was $41,809,860 at year end. Revenues exceeded the budget by approximately $3,841,096 and expenditures were under budget by approximately $4,134,000; thereby increasing fund balance.

Revenues increased approximately $1,678,000 (5%) over the prior year. General Fund revenue categories that increased include Taxes, Intergovernmental, Charges for Services, and Net Investment income. Taxes had an overall increase of $1,763,000 (7%). Real and personal property taxes increased $1,580,000, business/occupational taxes increased $66,000, insurance premium taxes increased $223,000, financial institution taxes increased $26,000, franchise taxes increased $9,000, penalty/interest on taxes increased $24,000, intangible taxes decreased $16,000, real estate transfer taxes decreased $12,000, alcohol beverage taxes decreased $71,000, and TAVT decreased $66,000. Most of the increases were due to a stable economy, increased property values and new development. Business and occupational taxes, which are calculated based on gross receipts, continue to improve by increasing $66,000. Licenses and permits decreased $506,000 due to fewer new developments in the City compared to the boom in growth during fiscal year 2023, bringing the City back in line with fiscal year 2022 development rates. Fines and forfeitures were down $145,000, charges for services were up $138,000, intergovernmental was up $365,000 primarily due to the timing of CDBG funded Public Works projects and LIMG for improvement of local roadway networks. Investment income remained consistent with the prior fiscal year.

Other Financing Sources decreased $153,000 due to a decrease in the selling of capital assets and proceeds from financed purchases from the prior fiscal year.

Expenditures increased approximately $471,000 (2%) over the prior fiscal year. Expenditures increased in all functions except City Manager, Human Resources, Planning and Zoning, Debt Service - Interest. The largest increases were in General Government, Public Safety, Culture and Recreation, and Public Works.

General Government increased $554,000 (9%) primarily in the following areas:

- Finance – Salaries and benefits – All positions filled for full fiscal year 3% COLA and other salary adjustments.
- Information Technology – Salaries and benefits – filling of vacant IT Director position, other technical services, software maintenance, radio repairs and maintenance, replacement computers.
- Building and Facilities Maintenance – Salaries and benefits – reclassify positions, cleaning (outsourced cleaning of all facilities), repairs and maintenance buildings, and safety committee (AED machines, security equipment).

Public Safety increased $303,000 (3.5%), Culture and Recreation increased $557,000 (16%), and Public Works increased $675,000 (27%) in the following areas:

- Public Safety (Police and E911) – Salaries and benefits for filling vacant police positions, increases in overtime due to additional city events throughout the year.
- Parks and Recreation – Salaries and benefits, increased programming and special events, merchant fees for online parks and recreation rentals and classes due to increased usage.
- Public Works – Salaries and benefits increases due to filled positions and 3% COLA, Increase to Vehicle Repairs and Maintenance due to consolidation of all City vehicle repairs and maintenance to Public Works for better City tracking and management.

Other Financing Uses increased $153,000 due to an increase in transfers to Museum and Streetlights. The Museum expenses exceeded prior fiscal year expenses and additional funds were required even with the increased revenues received by the Museum. The transfer to the Streetlight Fund was necessary due to revenue declines in that fund.

American Rescue Plan Fund

The American Rescue Plan (ARP) Fund's fund balance was $15,240 at year end. The ARP Fund, established during fiscal year 2021, is to account for the ARP revenues and expenditures related to the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). The City had revenue of approximately $1.1 million and incurred expenditures of $1.1 million during the year. The City has collected a total of $12.8 million in ARP funds since inception and is scheduling projects in accordance with Treasury guidelines.

SPLOST Fund

The SPLOST Fund's fund balance increased by $3,405,131 and was $38,319,394 at year end. The City collected approximately $9.6 million in revenues and incurred expenditures of $6.2 million. The City collected the last of the 2011 SPLOST distributions during fiscal year 2016 and has $2.4 million remaining to spend. Cherokee Street is the only remaining project from the 2011 SPLOST. The City has collected approximately $35 million in 2016 SPLOST dollars. The following larger 2016 projects are still in process: Sardis Street Overpass and Extension, Stormwater Infrastructure, Ben King Road improvements, Park improvements, Economic Development, and Resurfacing and sidewalks. The City has collected approximately $25.4 million in 2022 SPLOST dollars. The following projects are still in process and will continue to be funded by the 2022 SPLOST: Facility Improvements, Rutledge/Cathey Lane, Sardis Street Extension and Overpass, Neighborhood Improvements and Public Safety Facility. Depot Park was completed in fiscal year 2024. The 2022 SPLOST collections are exceeding expectations.

General Fund Budgetary Highlights

A statement comparing the original and final budgets and the variance from the final budget to actual results is included on page 26 of the financial statements.

In September 2023, the City Council appropriated $29,395,743 for General Fund expenditures in the 2024 fiscal year budget. The City's legal level of budgeting control is at the department level for the General Fund and at the total expenditure level for the remaining funds. The City made several budget transfers during the year, and any made between departments were approved by the Mayor and Council.

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

Revenues:

Overall revenues had a net favorable variance of approximately $3,841,000 with the largest variances as follows:

- Taxes exceeded the budget by approximately $2,034,000 due to favorable variances in real and personal, business/occupational, insurance premium, and franchise taxes. The City's property values have remained strong. The number of businesses increased 5.2% from the prior year and there has been an increase in gross receipts reported on business license renewals. Occupational tax is calculated based on gross receipts.
- Licenses and permits revenue came in over budget by $858,000 due to increases in building permits, architectural plan review services, electrical, plumbing and HVAC permits.
- Fine and forfeitures came in over budget by $188,000.
- Charges for services came in over budget by $224,000 due to increased participation in parks and recreation programs, summer camp and community classes. The new recreation center built in 2022, continues to experience growth in all athletic programs such as pickleball, basketball and volleyball. In addition, the recreation center has become a popular location for various tournaments.
- Intergovernmental revenue came in over budget by $393,000 due to an increase in CDBG and LMIG.
- Investment income exceeded the budget by $74,000 due to rising interest rates.
- Miscellaneous revenue came in over budget by $68,000.

Expenditures:

Overall expenditures had a net favorable variance of approximately $4,134,000.

The City had favorable budget expenditure variances in every function. The largest favorable variances were in the following departments: Mayor and Council, Police, Highways and Streets, Legal, and Culture and Recreation.

- Mayor and Council expenditures were below budget due to budgeting for working capital reserves.
- The Police department was under budget in salaries and benefits, inmate medical and housing, and small equipment. Vacant police officer positions are the main reason for these variances.
- Highways and Streets expenditures were under budget in salaries and benefits, vehicle repair and maintenance, and landscaping materials and supplies. Newer vehicles purchased in recent years decreased vehicle repairs.
- Legal expenditures were below budget due to less litigation and fewer revisions to ordinances.
- Culture and Recreation expenditures were below budget due to multiple vacancies in the department as well as increased revenue earnings resulted in a budget increase for contracted programmatic services.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to $126,503,511 (net of accumulated depreciation of $67,135,613). Investment in capital assets includes land, buildings, infrastructure, vehicles, museum artifacts, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 3%. For more detailed information concerning capital assets, see Note 7 to the financial statements.

Table 6
Capital Assets
September 30
(net of depreciation)
(in thousands)

	Governmental Activities 2024	Governmental Activities 2023	Business-Type Activities 2024	Business-Type Activities 2023	Total 2024	Total 2023
Land	$ 12,145	$ 12,145	$ 2,042	$ 2,042	$ 14,187	$ 14,187
Construction in progress	21,078	15,076	-	-	21,078	15,076
Museum artifacts	-	-	1,185	1,148	1,185	1,148
Buildings and improvements	22,695	23,215	9,298	9,467	31,993	32,682
Park land	10,193	10,317	-	-	10,193	10,317
Infrastructure	41,900	43,433	-	-	41,900	43,433
Furniture, machinery, and equipment	3,390	3,449	406	460	3,796	3,909
Vehicles	2,001	1,779	169	194	2,170	1,973
Total	$ 113,402	$ 109,414	$ 13,100	$ 13,311	$ 126,503	$ 122,725

This year's major capital asset additions included:

Governmental Activities:

- SPLOST Depot Park Amphitheater - $2,879,438
- SPLOST Sardis Street Overpass and Extension - $1,245,097
- SPLOST Cherokee Street - $953,328
- SPLOST Public Safety Facility - $588,585
- SPLOST Facility Improvements - $322,047
- SPLOST Tennis Courts - $130,902
- ARPA Public Works Second Floor Build - $128,419

Long-Term Debt

At the end of fiscal year 2024, the City had $25,908,596 in outstanding long-term debt. This is a net decrease of $2,324,473 compared to the prior year. More detailed information about the City's long-term liabilities is included in Note 8 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the total tax digest. The current debt limitation for the City is $230,235,911, which is in excess of the City's outstanding general obligation debt.

Table 7
Outstanding Debt at September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 4,605	$ 5,440	$ -	$ -	$ 4,605	$ 6,250
Revenue bonds	5,132	5,285	-	-	5,132	8,408
Financed purchases from direct borrowings	254	369	-	13	254	381
OPEB liability	6,193	6,293	-	-	6,193	7,776
Net pension liability	8,099	9,084	367	677	8,466	3,400
Compensated absences	1,155	974	103	98	1,258	824
Total	$ 25,438	$ 26,798	$ 470	$ 241	$ 25,908	$ 27,039

Economic and Next Year's Budget and Rates

The City's governmental activities are funded by property taxes, other taxes such as business, occupational, insurance premium and franchise taxes, grants and contributions, and charges for services, such as, parks and recreation program fees. During the budget process, the City considered projections from Cobb County to estimate tax revenues. The local economy and historical trends were used to project other revenues. The City's General Fund budget of $32,095,024 for fiscal year 2025 was approximately $2,699,281 (9%) more than fiscal year 2024 based on these projections.

Included in the fiscal year 2025 budget:

- Recommended millage rate remains steady at 7.75 mills
- Real, Bond and Personal Tax Revenue budgeted at 5% increase over Current Year Actual
- $2,099,898 to fund City's reserve account
- There is a 3% COLA proposed in the fiscal year 2025 budget
- Salary budgets in all departments include budgeting the cost of employees selling sick and vacation time as allowed by City policy, based on historical trends
- Fiscal Year 25 projected benefit and healthcare costs decreased by approximately $23,000 and retirement contributions increased by approximately $24,000 – both are spread throughout each department
  Increase of overall General Fund budget from fiscal year 2024 to fiscal year 2025 is approximately 9%

Revenue Highlights

Building Services revenues have continued a recent trend in exceeding all expectations in the current fiscal year or in this case fiscal year 2024. This is a strong indicator of the continued redevelopment and growth boom under way in the City of Kennesaw in the last several years. Eight (8) months into fiscal year 2024 building permit revenues are 190% above projected revenues, architectural plan review services are at 100% of projected revenue along with plumbing, HVAC and grading permits. Electrical permits are at 120% of the projected revenue. Annual revenues for these six (6) budget lines were projected to be $559,100. Actual revenue at eight (8) months into fiscal year 2024 is $1,255,036.

Other revenue lines such as Business and Occupation Tax, alcohol fees – both on premise and retail, recreation program fees, and recreation membership fees all reflect a healthy consumption economy and that both residents and non-residents are participating in our recreation programs in record numbers.

The State and Local Fiscal Funds (SLFRF), part of the American Rescue Plan, delivered over $350 billion to state, local and tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The SLFRF program provides substantial flexibility for each jurisdiction to meet local needs, including using the funds on government services up to the revenue loss amount, whether that be the standard allowance of $10,000,000 or the calculated amount. The City of Kennesaw received an allocated amount of approximately $12.8 million dollars which must be committed by December 2024. Previously approved projects included replacement of police radios, equipment and vehicles, paving City streets, restoring the historic railroad depot, adding/upgrading crosswalk signals downtown, and installing new scoreboards at Adams Park. The proposed fiscal year 2025 budget recommends usage of approximately $1,405,708 dollars of SLFRF funds for enhancing and improving public safety, providing ADA accessible pathways at SGG, and upgrading parks and recreation vehicles and equipment.

Senior Tax Exemption – The 100% Senior Property Tax Exemption continues to have a significant negative impact on the General Fund. Any resident over 65 years of age is exempt from the City of Kennesaw ad valorem property tax for the property on which they reside. This exemption has been in place since 1959, and, for fiscal year 2025, the total dollar amount not being collected into the General Fund is projected to total $1,711,454. This is approximately an 11.5% increase over the fiscal year 2024 amount of $1,534,445, a 28% increase over the fiscal year 2023 amount of $1,329,847 and approximately a 56.5% increase over the fiscal year 2022 amount of $1,093,851. This is an approximate 434% increase since 2012 when the amount totaled $320,576. With the youngest baby boomers (age 59) being born in 1965 and with 10,000 people a day turning 65 years of age, the impact of the 100% senior exemption will continue to grow and have a larger impact on the General Fund. The senior exemption surpassed $1 million dollars in fiscal year 2022. If present trends continue the total amount of the senior exemption will surpass $2 million dollars in fiscal year 27.

Rising costs charged by the Sanitation third-party provider forced the City to increase Sanitation rates charged to customers during fiscal year 2023 which was estimated to cover costs for a few years. The fiscal year 2025 budget did not include a rate increase that the City charges its customers, even though the third-party provider raised their rates 5.31%. The City will continue to monitor and adjust rates accordingly.

The special streetlight district established during fiscal year 2018 has proven to be a good financial decision for the City. The City has been able to maintain its millage rate by shifting these costs to this enterprise fund. The special streetlight district provides for the collection of a service fee to cover the cost of providing and maintaining the service of the provision of streetlights citywide, to establish standards for the construction of streetlights, and to establish procedures to be followed by developers in all new subdivisions. In FY24 the General Fund helped supplement streetlight expenses due to increased costs to maintain the streetlights. The fiscal year 2025 budget includes upgrades to existing street light equipment throughout the City.

The City's healthcare costs were down $190,000 during fiscal year 2024. Fixed costs increased $117,000 and claims decreased $307,000, respectively. In August 2020, the Mayor and Council passed a resolution authorizing the City to provide group health insurance single coverage with the employee portion of the premium specified by the City and to be paid by the retiree. All current regular full-time employees employed prior to August 31, 2020, and current retirees who meet the Rule of 75 and have retired from the City are eligible to participate in the plan. Employees hired after August 31, 2020, are not eligible to participate in the City's retiree health plan. Financially the City will not experience immediate positive effects from this change but will reduce the costs in the years to come.

The City has received $12.8 million in ARP Grant funds from The Treasury Department. The City Council has approved various projects to be funded with these grant monies such as: cyber security, public safety, and Public Works equipment, public safety vehicles, upgrade of the public announcement system, road and infrastructure improvements, build-out of the second floor of the Public Works facility, build-out of the second floor of the Museum, and additional touchless bathrooms and water fountains throughout City facilities. Per Treasury guidelines, these funds must be obligated by December 31, 2024, and expended by December 31, 2026. The City has remaining funds of $1.7 million to spend and is on track to spend all funds by the deadline.

The 2022 SPLOST was approved by the voters in November 2020 and collections began in January 2022. Total funding from this SPLOST is scheduled to be $31.8 million consisting of $4.7 million for the completion of Depot Park Phases 8-12; $4.2 million for facility improvements; $4 million for Rutledge Road/Cathey Lane; $9 million for Sardis Street extension and overpass; $1.4 million for neighborhood improvements; and $8.5 million for a new public safety facility for the police department, 911 and emergency operations center.

The City resurfaces streets under the Georgia Department of Transportation's Local Maintenance and Improvement Grant (LMIG). Under the LMIG program guidelines, the City is responsible for a 30% match of the City's total resurfacing cost to obtain the LMIG funds. The City received $737,053 in LMIG funding during fiscal year 2024 and has included $300,000 in the fiscal year 2025 budget. The City relies on SPLOST and LMIG funds for resurfacing projects.

Financial Contact

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 Director of Finance and Administration at 2529 J. O. Stephenson Avenue, Kennesaw, Georgia 30144.

CITY OF KENNESAW, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Unit
ASSETS	Governmental Activities	Business-Type Activities	Total	Development Authority
Cash and cash equivalents	$ 72,646,398	$ 5,255,846	$ 77,902,244	$ 620,004
Investments	164,188	-	164,188	-
Taxes receivable, net of allowances	3,315,868	-	3,315,868	-
Other receivables	198,884	-	198,884	-
Accounts receivable, net of allowances	-	720,002	720,002	-
Due from other governments	2,050,632	41,472	2,092,104	-
Due from component units, due within one year	173,000	-	173,000	-
Due from component units, due in more than one year	706,479	-	706,479	-
Internal balances	30,583	(30,583)	-	-
Lease receivable, due within one year	47,250	-	47,250	-
Lease receivable, due in more than one year	81,657	-	81,657	-
Inventory	10,760	123,692	134,452	-
Prepaid items	416,942	34,948	451,890	-
Restricted cash	6,648,393	-	6,648,393	-
Restricted investments	2,441,112	-	2,441,112	-
Land held for resale	-	-	-	910,000
Capital assets:				
Nondepreciable	33,223,356	3,227,639	36,450,995	-
Depreciable, net of accumulated depreciation	80,179,611	9,872,905	90,052,516	-
Total assets	202,335,113	19,245,921	221,581,034	1,530,004
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	2,298,639	-	2,298,639	-
Pension related items	3,339,926	151,355	3,491,281	-
Total deferred outflows of resources	5,638,565	151,355	5,789,920	-
LIABILITIES				
Accounts payable	804,855	625,599	1,430,454	2,091
Retainage payable	7,668	-	7,668	-
Accrued liabilities	1,340,619	802,404	2,143,023	-
Accrued interest payable	56,227	-	56,227	-
Unearned revenue	1,675,723	424,917	2,100,640	-
Compensated absences, due within one year	805,416	103,491	908,907	-
Compensated absences, due in more than one year	349,265	-	349,265	-
Due to primary government, due within one year	-	-	-	173,000
Due to primary government, due in more than one year	-	-	-	706,479
Financed purchases, due within one year	114,127	-	114,127	-
Financed purchases, due in more than one year	139,931	-	139,931	-
Bonds payable, due within one year	1,020,000	-	1,020,000	-
Bonds payable, due in more than one year	8,717,488	-	8,717,488	-
Net pension liability, due in more than one year	8,098,389	366,996	8,465,385	-
Total OPEB liability, due within one year	386,001	-	386,001	-
Total OPEB liability, due in more than one year	5,807,492	-	5,807,492	-
Total liabilities	29,323,201	2,323,407	31,646,608	881,570
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	3,325,744	-	3,325,744	-
Leases	122,097	-	122,097	-
Total deferred inflows of resources	3,447,841	-	3,447,841	-
NET POSITION				
Net investment in capital assets	103,163,614	13,100,544	116,264,158	-
Restricted for:				
Law enforcement	2,592,983	-	2,592,983	-
Health and welfare	175,387	-	175,387	-
Culture and recreation	17,748	-	17,748	-
Capital projects	40,367,532	-	40,367,532	-
Federal programs	34,943	-	34,943	-
Debt service	36,358	-	36,358	-
Voter approved use	9,000,000	-	9,000,000	-
Unrestricted	19,814,071	3,973,325	23,787,396	648,434
Total net position	$ 175,202,636	$ 17,073,869	$ 192,276,505	$ 648,434

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 6,905,838	$ 267,622	$ 938,705	$ -
Judicial	398,866	963,493	-	-
Public safety	10,955,559	1,530,601	1,062,565	55,622
Public works	5,076,470	597,021	-	10,132,135
Health and welfare	-	-	125,577	-
Culture and recreation	3,878,705	1,489,165	-	86,897
Housing and development	1,726,379	1,531,139	-	-
Interest on long-term debt	334,815	-	-	-
Total governmental activities	29,276,632	6,379,041	2,126,847	10,274,654
Business-type activities:				
Sanitation	3,756,883	3,816,582	-	-
Museum	1,325,512	551,478	-	37,570
Gardens	735,764	199,203	20,375	-
Stormwater	927,391	1,323,414	-	-
Streetlight	477,013	404,329	-	-
Total business-type activities	7,222,563	6,295,006	20,375	37,570
Total primary government	$ 36,499,195	$ 12,674,047	$ 2,147,222	$ 10,312,224
Component unit:				
Development Authority	$ 89,346	$ -	$ -	$ -
Total component unit	$ 89,346	$ -	$ -	$ -

General revenues:
- Property taxes
- Franchise taxes
- Insurance premium taxes
- Business taxes
- Other taxes
- Net investment income
- Miscellaneous
- Gain on sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Development Authority
$ (5,699,511)	$ -	$ (5,699,511)	$ -
564,627	-	564,627	-
(8,306,771)	-	(8,306,771)	-
5,652,686	-	5,652,686	-
125,577	-	125,577	-
(2,302,643)	-	(2,302,643)	-
(195,240)	-	(195,240)	-
(334,815)	-	(334,815)	-
(10,496,090)	-	(10,496,090)	-
-	59,699	59,699	-
-	(736,464)	(736,464)	-
-	(516,186)	(516,186)	-
-	396,023	396,023	-
-	(72,684)	(72,684)	-
-	(869,612)	(869,612)	-
(10,496,090)	(869,612)	(11,365,702)	-
-	-	-	(89,346)
-	-	-	(89,346)
17,693,737	-	17,693,737	-
2,005,931	-	2,005,931	-
3,170,688	-	3,170,688	-
1,801,097	-	1,801,097	-
1,036,848	-	1,036,848	-
686,222	56,706	742,928	6,899
-	-	-	414,120
22,014	-	22,014	-
(428,714)	428,714	-	-
25,987,823	485,420	26,473,243	421,019
15,491,733	(384,192)	15,107,541	331,673
159,710,903	17,458,061	177,168,964	316,761
$ 175,202,636	$ 17,073,869	$ 192,276,505	$ 648,434

CITY OF KENNESAW, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

ASSETS	General Fund	American Rescue Plan Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 29,523,930	$ 1,737,112	$ 37,019,362	$ 4,273,606	$ 72,554,010
Investments	164,188	-	-	-	164,188
Taxes receivable, net of allowance	3,291,099	-	-	24,769	3,315,868
Other receivables	65,979	-	-	132,905	198,884
Due from other governments	187,444	-	1,547,839	315,349	2,050,632
Due from component unit	879,479	-	-	-	879,479
Due from other funds	120,876	-	-	24,335	145,211
Restricted cash	6,648,393	-	-	-	6,648,393
Restricted investments	2,441,112	-	-	-	2,441,112
Lease receivable	128,907	-	-	-	128,907
Inventory	10,760	-	-	-	10,760
Prepaid items	344,564	-	-	11,935	356,499
Total assets	$ 43,806,731	$ 1,737,112	$ 38,567,201	$ 4,782,899	$ 88,893,943
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 498,327	$ 24,726	$ 240,139	$ 41,052	$ 804,244
Accrued liabilities	976,637	-	-	42,983	1,019,620
Unearned revenue	-	1,675,723	-	-	1,675,723
Due to other funds	297,004	1,720	-	112,719	411,443
Retainage payable	-	-	7,668	-	7,668
Total liabilities	1,771,968	1,702,169	247,807	196,754	3,918,698
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	102,806	-	-	-	102,806
Unavailable revenues - other	-	-	-	125,577	125,577
Leases	122,097	-	-	-	122,097
Total deferred inflows of resources	224,903	-	-	125,577	350,480
FUND BALANCES					
Fund balances:					
Nonspendable:					
Inventories	10,760	-	-	-	10,760
Prepaid items	344,564	-	-	11,935	356,499
Lease receivable, net	6,810	-	-	-	6,810
Restricted:					
Law enforcement	14,443	-	-	2,566,605	2,581,048
Health and welfare	-	-	-	49,810	49,810
Culture and recreation	-	-	-	17,748	17,748
Capital projects	-	-	38,319,394	1,800,331	40,119,725
Federal programs	-	34,943	-	-	34,943
Debt service	89,505	-	-	3,080	92,585
Voter approved use	9,000,000	-	-	-	9,000,000
Committed:					
Cemetery maintenance	-	-	-	11,059	11,059
Unassigned	32,343,778	-	-	-	32,343,778
Total fund balances	41,809,860	34,943	38,319,394	4,460,568	84,624,765
Total liabilities, deferred inflows of resources and fund balances	$ 43,806,731	$ 1,737,112	$ 38,567,201	$ 4,782,899	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	113,402,967
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	228,383
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(11,202,454)
The net pension liability, total OPEB liability, and related deferred inflows and outflows of resources related to the City's defined benefit pension and OPEB plans are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the governmental funds.	(11,979,061)
Internal service funds are used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities.	128,036
Net position of governmental activities	$ 175,202,636

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	General Fund	American Rescue Plan Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 25,577,157	$ -	$ -	$ 112,343	$ 25,689,500
Licenses and permits	1,656,119	-	-	203,780	1,859,899
Intergovernmental	1,899,024	1,139,739	9,227,318	-	12,266,081
Fines and forfeitures	963,493	-	-	62,810	1,026,303
Charges for services	1,334,703	-	-	1,475,687	2,810,390
Contributions	120	-	-	-	120
Net investment income	619,215	19,704	380,366	46,038	1,065,323
Miscellaneous	302,083	-	-	9,723	311,806
Total revenues	32,351,914	1,159,443	9,607,684	1,910,381	45,029,422
EXPENDITURES					
Current:					
General government	6,290,668	36,448	-	-	6,327,116
Judicial	386,887	-	-	-	386,887
Public safety	8,603,804	-	-	1,017,739	9,621,543
Public works	2,494,798	55,991	-	58,732	2,609,521
Culture and recreation	3,324,625	-	-	54,942	3,379,567
Housing and development	1,424,169	-	-	32,459	1,456,628
Capital outlay	514,587	1,047,301	6,202,553	334,570	8,099,011
Debt service:					
Principal retirements	949,503	-	-	150,000	1,099,503
Interest and fiscal charges	108,971	-	-	245,229	354,200
Total expenditures	24,098,012	1,139,740	6,202,553	1,893,671	33,333,976
Excess of revenues over expenditures	8,253,902	19,703	3,405,131	16,710	11,695,446
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	16,866	-	-	5,850	22,716
Transfers in	730,000	-	-	395,229	1,125,229
Transfers out	(1,497,682)	-	-	(56,261)	(1,553,943)
Total other financing sources (uses)	(750,816)	-	-	344,818	(405,998)
Net change in fund balance	7,503,086	19,703	3,405,131	361,528	11,289,448
FUND BALANCES, beginning of year	34,306,774	15,240	34,914,263	4,099,040	73,335,317
FUND BALANCES, end of year	$ 41,809,860	$ 34,943	$ 38,319,394	$ 4,460,568	$ 84,624,765

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, 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 SEPTEMBER 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	11,289,448
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. This is the amount by which capital outlay exceeded depreciation expense in the current period.		3,989,484
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		144,378
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net position.		(702)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the effect of principal retirement in the current fiscal year.		1,099,503
Internal service funds are used by management to charge the costs of health and workers' compensation insurance to individual funds. The net expenses of the internal service funds is reported with governmental activities.		136
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 governmental funds.		(1,030,514)
Change in net position - governmental activities	$	15,491,733

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 23,542,715	$ 23,542,715	$ 25,577,157	$ 2,034,442
Licenses and permits	797,750	797,750	1,656,119	858,369
Fines and forfeitures	775,000	775,000	963,493	188,493
Charges for services	1,000,696	1,110,696	1,334,703	224,007
Intergovernmental	1,452,500	1,505,805	1,899,024	393,219
Contributions	-	-	120	120
Net investment income	545,000	545,000	619,215	74,215
Miscellaneous	233,952	233,952	302,083	68,131
Total revenues	28,347,613	28,510,918	32,351,914	3,840,996
EXPENDITURES				
Current:				
General government:				
Mayor and council	2,690,982	2,690,982	442,923	2,248,059
City manager	915,654	915,654	872,723	42,931
Financial administration	1,210,761	1,221,761	1,221,247	514
Human resources	429,925	429,925	370,472	59,453
Legal and audit	346,500	346,500	189,458	157,042
Information technology	1,689,693	1,689,693	1,589,275	100,418
Buildings	1,660,906	1,680,906	1,604,570	76,336
Total general government	8,944,421	8,975,421	6,290,668	2,684,753
Judicial	484,220	484,220	386,887	97,333
Public safety:				
Police	8,961,011	8,961,011	8,603,017	357,994
E911	1,000	1,000	787	213
Total public safety	8,962,011	8,962,011	8,603,804	358,207
Public works:				
Central services	1,151,805	1,151,805	1,116,269	35,536
Highways and streets	1,633,731	1,585,231	1,378,529	206,702
Total public works	2,785,536	2,737,036	2,494,798	242,238
Culture and recreation	3,314,259	3,457,564	3,324,625	132,939
Housing and development:				
Construction and inspection	810,331	810,331	703,653	106,678
Planning and zoning	269,255	292,255	291,842	413
Economic development	416,836	428,836	428,674	162
Total housing and development	1,496,422	1,531,422	1,424,169	107,253
Capital outlay	852,300	1,022,907	514,587	508,320
Debt service:				
Principal	951,424	951,424	949,503	1,921
Interest	107,388	109,888	108,971	917
Total debt service	1,058,812	1,061,312	1,058,474	2,838
Total expenditures	27,897,981	28,231,893	24,098,012	4,133,881
Excess of revenues over expenditures	449,632	279,025	8,253,902	7,974,877
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	20,000	20,000	16,866	(3,134)
Transfers in	1,028,130	1,198,737	730,000	(468,737)
Transfers out	(1,497,762)	(1,497,762)	(1,497,682)	80
Total other financing sources (uses)	(449,632)	(279,025)	(750,816)	(471,791)
Net change in fund balances	-	-	7,503,086	7,503,086
FUND BALANCES, beginning of year	34,306,774	34,306,774	34,306,774	-
FUND BALANCES, end of year	$ 34,306,774	$ 34,306,774	$ 41,809,860	$ 7,503,086

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA
AMERICAN RESCUE PLAN FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,991,454	$ 1,161,353	$ 1,139,739	$ (21,614)
Interest	5,700	5,700	19,704	14,004
Total revenues	1,997,154	1,167,053	1,159,443	(7,610)
EXPENDITURES				
General government:				
Buildings	-	37,000	36,448	552
Total general government	-	37,000	36,448	552
Public works:				
Highways and streets	-	55,991	55,991	-
Total public works	-	55,991	55,991	-
Capital Outlay	1,997,154	1,074,062	1,047,301	26,761
Total expenditures	1,997,154	1,167,053	1,139,740	27,313
Excess of revenues over expenditures	-	-	19,703	19,703
Net change in fund balances	-	-	19,703	19,703
FUND BALANCES, beginning of year	15,240	15,240	15,240	-
FUND BALANCES, end of year	$ 15,240	$ 15,240	$ 34,943	$ 19,703

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024

ASSETS	Business-Type Activities - Enterprise Funds: Sanitation Fund	Museum Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Fund
CURRENT ASSETS						
Cash	$ 1,416,184	$ 499,137	$ 3,179,835	$ 160,690	$ 5,255,846	$ 92,388
Accounts receivable, net of allowance	495,610	-	172,337	52,055	720,002	-
Due from other funds	9,896	2,670	184,121	59,063	255,750	328,672
Due from other governments	-	-	-	41,472	41,472	-
Inventory	-	118,780	-	4,912	123,692	-
Prepaid items	23	19,194	14,910	821	34,948	60,443
Total current assets	1,921,713	639,781	3,551,203	319,013	6,431,710	481,503
NONCURRENT ASSETS						
Capital assets:						
Nondepreciable assets	-	1,192,260	14,325	2,021,054	3,227,639	-
Depreciable assets	316,690	8,768,103	12,608,102	119,610	21,812,505	-
	316,690	9,960,363	12,622,427	2,140,664	25,040,144	-
Accumulated depreciation	(290,380)	(4,536,580)	(7,016,860)	(95,780)	(11,939,600)	-
Total capital assets	26,310	5,423,783	5,605,567	2,044,884	13,100,544	-
Total noncurrent assets	26,310	5,423,783	5,605,567	2,044,884	13,100,544	-
Total assets	1,948,023	6,063,564	9,156,770	2,363,897	19,532,254	481,503
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	73,799	-	77,556	-	151,355	-
Total deferred outflows of resources	73,799	-	77,556	-	151,355	-
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	328,523	2,880	282,916	11,280	625,599	611
Accrued liabilities	1,893	22,441	14,952	18,872	58,158	320,999
Due to other funds	249,979	1,270	6,431	60,510	318,190	-
Deposits payable	744,246	-	-	-	744,246	-
Compensated absences payable	4,541	40,607	36,999	21,344	103,491	-
Unearned revenue	292,811	-	102,323	29,783	424,917	-
Total current liabilities	1,621,993	67,198	443,621	141,789	2,274,601	321,610
NONCURRENT LIABILITIES						
Net pension liability	178,943	-	188,053	-	366,996	-
Total noncurrent liabilities	178,943	-	188,053	-	366,996	-
Total liabilities	1,800,936	67,198	631,674	141,789	2,641,597	321,610
NET POSITION						
Investment in capital assets	26,310	5,423,783	5,605,567	2,044,884	13,100,544	-
Unrestricted	194,576	572,583	2,997,085	177,224	3,941,468	159,893
Total net position	$ 220,886	$ 5,996,366	$ 8,602,652	$ 2,222,108	17,042,012	$ 159,893
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					31,857	
Net position of business-type activities					$ 17,073,869	

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Sanitation Fund	Museum Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals	Internal Service Fund
OPERATING REVENUE						
Sanitation fees	$ 3,815,406	$ -	$ -	$ -	$ 3,815,406	$ -
Stormwater fees	-	-	1,323,414	-	1,323,414	-
Charges for sales and services	753	328,455	-	505,616	834,824	3,038,758
Miscellaneous	423	223,023	-	97,916	321,362	-
Total operating revenues	3,816,582	551,478	1,323,414	603,532	6,295,006	3,038,758
OPERATING EXPENSES						
Cost of sales and services	3,750,716	1,114,664	563,244	1,206,731	6,635,355	124,953
Claims	-	-	-	-	-	2,915,070
Depreciation	6,158	210,796	364,085	6,009	587,048	-
Total operating expenses	3,756,874	1,325,460	927,329	1,212,740	7,222,403	3,040,023
Operating income (loss)	59,708	(773,982)	396,085	(609,208)	(927,397)	(1,265)
NONOPERATING INCOME (EXPENSES)						
Interest income	18,542	4,956	30,956	2,252	56,706	1,265
Interest expense	-	-	(24)	-	(24)	-
Intergovernmental	-	-	-	20,375	20,375	-
Total nonoperating income	18,542	4,956	30,932	22,627	77,057	1,265
Income (loss) before transfers and contributions	78,250	(769,026)	427,017	(586,581)	(850,340)	-
Capital contributions	-	37,570	-	-	37,570	-
Transfers in	-	593,140	-	565,574	1,158,714	-
Transfers out	(350,000)	-	(380,000)	-	(730,000)	-
Total capital contributions and transfers	(350,000)	630,710	(380,000)	565,574	466,284	-
Change in net position	(271,750)	(138,316)	47,017	(21,007)	(384,056)	-
Total net position, beginning of year	492,636	6,134,682	8,555,635	2,243,115		159,893
Total net position, end of year	$ 220,886	$ 5,996,366	$ 8,602,652	$ 2,222,108		$ 159,893
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(136)	
Change in net position of business-type activities					$ (384,192)	

The accompanying notes are an integral part of these financial statements.

CITY OF KENNESAW, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds					
	Sanitation Fund	Museum Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 3,795,130	$ 551,478	$ 1,314,177	$ 557,643	$ 6,218,428	$ 2,882,305
Payments to suppliers	(3,252,669)	(425,181)	(150,516)	(629,278)	(4,457,644)	(3,105,572)
Payments to employees	(118,771)	(709,627)	(593,741)	(583,010)	(2,005,149)	-
Net cash provided by (used in) operating activities	423,690	(583,330)	569,920	(654,645)	(244,365)	(223,267)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants and contributions	-	-	-	20,374	20,374	-
Transfers in from other funds	-	593,140	-	565,574	1,158,714	-
Transfers out to other funds	(350,000)	-	(380,000)	-	(730,000)	-
Net cash provided by (used in) noncapital financing activities	(350,000)	593,140	(380,000)	585,948	449,088	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	-	(8,039)	(330,996)	-	(339,035)	-
Principal payments on financed purchases	-	-	(13,482)	-	(13,482)	-
Interest payments on financed purchases	-	-	(23)	-	(23)	-
Net cash used in capital and related financing activities	-	(8,039)	(344,501)	-	(352,540)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	18,542	4,956	30,956	2,252	56,706	1,265
Net cash provided by investing activities	18,542	4,956	30,956	2,252	56,706	1,265
Net increase (decrease) in cash	92,232	6,727	(123,625)	(66,445)	(91,111)	(222,002)
Cash, beginning of year	1,323,952	492,410	3,303,460	227,135	5,346,957	314,390
Cash, end of year	$ 1,416,184	$ 499,137	$ 3,179,835	$ 160,690	$ 5,255,846	$ 92,388
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 59,708	$ (773,982)	$ 396,085	$ (609,208)	$ (927,397)	$ (1,265)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	6,158	210,796	364,085	6,009	587,048	-
Change in assets and liabilities:						
Increase in accounts receivable	(48,111)	-	(11,660)	(45,889)	(105,660)	-
Decrease (increase) in due from other funds	(9,896)	16,081	(126,127)	(40,089)	(160,031)	(156,453)
Increase in prepaid items	(3)	(2,772)	(1,967)	(119)	(4,861)	(60,443)
Increase (decrease) in inventory	-	(3,271)	-	2,651	(620)	-
Decrease in pension related deferred outflows of resources	119,627	-	111,837	-	231,464	-
Increase (decrease) in accounts payable	315,411	(514)	(16,999)	1,667	299,565	611
Increase (decrease) in accrued liabilities	(1,657)	2,902	5,401	5,932	12,578	(5,717)
Increase in customer deposits payable	19,725	-	-	-	19,725	-
Increase (decrease) in compensated absences payable	(7,006)	6,479	(394)	6,542	5,621	-
Increase in unearned revenue	6,934	-	2,423	705	10,062	-
Increase (decrease) in due to other funds	125,697	(39,049)	(6,106)	17,154	97,696	-
Decrease in net pension liability	(162,897)	-	(146,658)	-	(309,555)	-
Net cash provided by (used in) operating activities	$ 423,690	$ (583,330)	$ 569,920	$ (654,645)	$ (244,365)	$ (223,267)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	$ -	$ 37,570	$ -	$ -	$ 37,570	$ -

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kennesaw, Georgia (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, health and welfare, and general and administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Unit

The Kennesaw Development Authority (the “KDA”) has been included as a discretely presented component unit in the accompanying financial statements due to the nature and significance of its relationship with the City. The City appoints its seven member board and all debt issuances must be first approved by the City Council. These factors, along with the eminent domain approval requirement per OCGA 36-42-8, demonstrate the City’s ability to impose its will on the KDA. Financial information with regard to the KDA can be obtained from Kennesaw City Hall. Separate financial statements for the Kennesaw Development Authority are not prepared.

Blended Component Unit

The Kennesaw Urban Redevelopment Agency (the “KURA”) has been included as a blended component unit in the accompanying financial statements. The City appoints its three member board. Although it is legally separate from the City, its sole purpose is to finance construction and acquisitions of the City. The debt and assets of the KURA have been reported as a form of the City’s debt and assets and all debt service activity is reported as debt service activity of the City and is repaid entirely with City resources. Separate financial statements for the Kennesaw Urban Redevelopment Agency are not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The Kennesaw Downtown Development Authority (the "KDDA") has been included as a blended component unit in the accompanying financial statements. The City appoints its seven member board and all debt issuances must be first approved by the City Council. The debt and assets of the KDDA have been reported as a form of the City's debt and assets and all debt service activity is reported as debt service activity of the City. Separate financial statements for the Kennesaw Downtown Development Authority are not prepared.

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 activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally 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 its discretely presented component unit. The statement of net position will include noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 considered program revenues are reported instead as general revenues.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resource 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of intergovernmental revenue, which is considered available if collected within 180 days of year end. Expenditures are generally 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 payment is due.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, 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, if available. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions,” the corresponding assets (receivables) in nonexchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **American Rescue Plan (ARP) Fund** accounts for the revenue and expenditures related to the American Rescue Plan Act grant provided to the City from the United States Department of the Treasury.

The **SPLOST Fund** accounts for the receipts of Special Purpose Local Option Sales Tax (SPLOST) funds and expenditures of money for capital projects approved in the SPLOST resolution.

The City reports the following major proprietary funds:

The **Sanitation Fund** accounts for the collection of fees for garbage collection, disposal and recycling programs, and related expenses.

The **Museum Fund** accounts for the activity related to the operation of the City's Museum.

The **Stormwater fund** accounts for the collection of fees for upgrades to stormwater drains and related expenses.

The City also reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as confiscations and forfeitures, opioid settlement funding, E911 revenues, hotel/motel tax revenues, charges for cemetery plot sales, charges for various impact fee permits, and various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Debt Service Funds** are used to account for the resources accumulated and payments made for principal and interest on long-term debt of the City.

The **Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent of the City is that the costs (including depreciation) of providing the goods and services be financed or recovered primarily through user charges.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The **Internal Service Fund** accounts for the accumulation of resources to be used for health insurance related costs, as the City is partially self-insured.

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. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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

Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not employed by the City.

E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States Government or one of its agencies; (4) obligations of any corporation of the United States Government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments made by the City in nonparticipating interest-earning contracts (such as certificates of deposit) are reported at cost. All other investments are reported at fair value and changes in fair value are reported as a component of investment income.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by a fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2024, are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value. The City has reported infrastructure consistent with the retroactive infrastructure reporting requirements of GASB Statement No. 34.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	30-50
Buildings	10-40
Land improvements	10-40
Machinery and equipment	3-20
Vehicles	3-10

J. Leases

Lessor

The City is a lessor for noncancellable leases of property. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. The City recognizes lease receivables with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Leases (Continued)

Lessor (Continued)

Key estimates and judgments related to leases include how the City determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The City uses the interest rate it charges to the lessee as the discount rate. When the City does not charge interest, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred inflows of resources related to leases are reported with other deferred inflows of resources and lease receivables are reported with noncurrent assets on the statement of net position.

K. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits until 160 hours of sick pay has been reached, then an employee can request to be paid out 40 hours of sick pay each calendar year. The City calculates the average sick leave used/sold over the past three years to determine the sick liability. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Based on historical data collected by the City, the City deems it appropriate to classify its entire business-type activities compensated absences payable balance as short term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Outflows/Inflows of Resources

In addition to liabilities, the financial statements 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first item, unavailable revenue, arises only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, franchise taxes, and other sources as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The second item is the City's deferred inflows of resources from leases.

The City also has deferred inflows of resources and deferred outflows of resources related to the recording of changes in its net pension liability and total other postemployment benefit (OPEB) liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed; for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense and OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan and OPEB plan before year end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources. This amount will reduce the net pension liability and total OPEB liability in the next fiscal year.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as expenses in the period in which they are incurred.

In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources and bond issuance costs as expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal resolution of the City Council. Only the City Council may modify or rescind the commitment through the passage of a resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through resolution, has expressly delegated to the City Manager the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Equity (Continued)

Net position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted. When both restricted and unrestricted amounts of net position are available for use for expenses incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Kennesaw Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Management Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $11,202,454 difference are as follows:

Financed purchases payable	$	(254,058)
Bonds payable		(9,715,000)
Premium on bonds		(22,488)
Accrued interest payable		(56,227)
Compensated absences		(1,154,681)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(11,202,454)

Another element of that reconciliation states that "deferred outflows of resources, deferred inflows of resources, the net pension liability and total OPEB liability are not expected to be liquidated with expendable available resources and therefore are not reported in the funds." The details of this $11,979,061 difference are as follows:

Net pension liability	$	(8,098,389)
Total OPEB liability		(6,193,493)
Deferred outflows of resources:		
Pension related items		3,339,926
OPEB related items		2,298,639
Deferred inflows of resources:		
OPEB related items		(3,325,744)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(11,979,061)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $3,989,484 difference are as follows:

Capital outlay	$	8,099,013
Depreciation expense		(4,109,529)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	3,989,484

Another element of that reconciliation explains that "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 governmental funds." The details of this $1,030,514 differences are as follows:

Compensated absences	$	(180,782)
Total OPEB liability and related deferred outflows and inflows of resources		(54,633)
Net pension liability and related deferred outflows and inflows of resources		(814,484)
Amortization of bond issuance premium		2,647
Accrued interest		16,738
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position of governmental activities*	$	(1,030,514)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City of Kennesaw, Georgia employs the following procedures in establishing its annual budget:

1. The City Manager submits a proposed operating budget to the City Council. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Council, the City publishes the proposed budget in the official legal organ, other community newspapers and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the City Council by October 1 each fiscal year.
5. Budgetary control is exercised at the department level for the General Fund and total expenditures for all other funds. The City Manager is authorized to transfer budget amounts within a department for the General Fund; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Council. The City Manager is authorized to transfer budget amounts within the fund for all other funds; however, a change in total expenditures requires a budget amendment by the City Council. Budget amounts shown in these financial statements reflect amendments approved by the City Council. Such amendments resulted in no supplemental appropriations.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. The City has adopted an investment policy (the "Policy") to minimize the inherent risks associated with deposits and investments. The primary objective of the Policy is to invest funds to provide for the maximum safety of principal and liquidity. The Policy also identifies certain provisions of the Official Code of Georgia Annotated (OCGA) that address credit risk, custodial risk, interest rate risk, concentration risk, and foreign currency risk. The Policy governs all cash and investments, both short and long-term debt.

Under the Policy, the City's investment portfolio, in aggregate, is to be diversified to limit its exposure to interest rate, credit and concentration risks by observing the above limitations, outlined under the Concentration of Credit Risk-Primary Government section, and to participate in maximum maturities as the City will attempt to match its investments with anticipated cash flow requirements. Unless matching to a specific cash flow, the City will not directly invest in securities maturity more than five years from the date of purchase.

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

As of September 30, 2024, information on the credit risk and interest rate risk related to the City's investments is disclosed as follows:

Investment	Maturities	Rating	Reported Value
Certificates of Deposit	1 - 5 years	N/A	$ 164,188
Federal National Mortgage Association	1 - 5 years	Aaa	436,572
Federal Home Loan Banks	1 - 5 years	Aaa	2,004,540
Total			$ 2,605,300

N/A - Not applicable

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2024:

Investment	Level 2	Fair Value
Federal National Mortgage Association	$ 436,572	$ 436,572
Federal Home Loan Banks	2,004,540	2,004,540
Total investments measured at fair value	$ 2,441,112	2,441,112
Investments not reported at fair value:		
Certificates of Deposit		164,188
Total investments		$ 2,605,300

The investments in the Federal National Mortgage Association and Federal Home Loan Banks are classified as Level 2 of the fair value hierarchy and valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Custodial Credit Risk – Deposits. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the state of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of September 30, 2024, the financial institutions holding all of the City's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, required participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of September 30, 2024, all of the City's bank balances were insured and/or collateralized as defined by GASB standards.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1. Tax bills are levied on October 1. The billings are considered due upon receipt by the taxpayer; however, the actual due date is December 1. After these dates, the bill becomes delinquent and penalties and interest may be assessed by the City. Property taxes are recorded as receivables and deferred inflows of resources when assessed. Revenues are recognized in governmental funds when available.

Receivables at September 30, 2024, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	SPLOST	Sanitation	Stormwater
Receivables:				
Taxes	$ 3,313,188	$ -	$ -	$ -
Accounts	65,979	-	538,723	182,546
Due from other governments	187,444	1,547,839	-	-
Less allowance for uncollectible	(22,089)	-	(43,113)	(10,209)
Net total receivable	$ 3,544,522	$ 1,547,839	$ 495,610	$ 172,337

	Other Nonmajor Governmental Funds	Other Nonmajor Proprietary Funds
Receivables:		
Taxes	$ 24,769	$ -
Due from other governments	315,349	41,472
Accounts	132,905	55,027
Less allowance for uncollectible	-	(2,972)
Net total receivable	$ 473,023	$ 93,527

NOTE 6. LEASE RECEIVABLE

The City is a lessor of a property parcel and telecommunications facility. The City receives monthly payments for which one lease escalates over the life of the lease terms. Payment terms on the two leases range from $800 to $3,602, respectively. These payments include the principal and interest components of the lease arrangements. As the leases do not contain a specified interest rate, the City has used an estimated discount rate ranging from 1.00% - 3.00%, approximating the 20-year Daily Treasury Long-Term Bond Rate based on the beginning date of the lease.

At September 30, 2024, the City's total receivable for future lease payments was $128,907. The City reports a deferred inflow of resources in the amount of $122,097 associated with these lease agreements that will be recognized over the combined lease terms, which terminate in August 2027.

The lease revenues and interest payments to maturity of the leases are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2025	$ 47,250	$ 3,190	$ 50,440
2026	42,626	1,839	44,465
2027	39,031	588	39,619
	$ 128,907	$ 5,617	$ 134,524

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2024, is as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 12,145,223	$ -	$ -	$ -	$ 12,145,223
Construction in progress	15,075,587	6,368,341	(365,795)	-	21,078,133
Total	27,220,810	6,368,341	(365,795)	-	33,223,356
Capital assets, being depreciated:					
Buildings	32,393,711	69,049	308,459	-	32,771,219
Infrastructure	73,947,292	176,227	-	-	74,123,519
Machinery and equipment	8,022,608	529,480	15,304	-	8,567,392
Land improvements	14,189,157	225,100	42,032	-	14,456,289
Vehicles	4,928,132	730,816	-	(201,743)	5,457,205
Total	133,480,900	1,730,672	365,795	(201,743)	135,375,624
Less accumulated depreciation for:					
Buildings	(9,178,519)	(897,002)	-	-	(10,075,521)
Infrastructure	(30,514,936)	(1,708,568)	-	-	(32,223,504)
Machinery and equipment	(4,573,678)	(604,090)	-	-	(5,177,768)
Land improvements	(3,871,665)	(391,089)	-	-	(4,262,754)
Vehicles	(3,148,727)	(508,780)	-	201,041	(3,456,466)
Total	(51,287,525)	(4,109,529)	-	201,041	(55,196,013)
Total capital assets, being depreciated, net	82,193,375	(2,378,857)	365,795	(702)	80,179,611
Governmental activities capital assets, net	$ 109,414,185	$ 3,989,484	$ -	$ (702)	$ 113,402,967

NOTE 7. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Museum artifacts	$ 1,147,690	$ 37,570	$ -	$ 1,185,260
Land	2,042,379	-	-	2,042,379
Total	3,190,069	37,570	-	3,227,639
Capital assets, being depreciated:				
Buildings and structures	19,356,066	287,486	-	19,643,552
Furniture and fixtures	95,800	8,039	-	103,839
Vehicles	500,955	43,510	-	544,465
Machinery and equipment	1,520,649	-	-	1,520,649
Total	21,473,470	339,035	-	21,812,505
Less accumulated depreciation for:				
Buildings and structures	(9,889,550)	(455,921)	-	(10,345,471)
Furniture and fixtures	(89,659)	(2,342)	-	(92,001)
Vehicles	(331,543)	(43,831)	-	(375,374)
Machinery and equipment	(1,041,800)	(84,954)	-	(1,126,754)
Total	(11,352,552)	(587,048)	-	(11,939,600)
Total capital assets, being depreciated, net	10,120,918	(248,013)	-	9,872,905
Business-type activities capital assets, net	$ 13,310,987	$ (210,443)	$ -	$ 13,100,544

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

Governmental activities:	
General government	$ 414,350
Public safety	773,252
Public works	2,343,502
Culture and recreation	364,679
Housing and development	213,746
Total depreciation expense - governmental activities	$ 4,109,529
Business-type activities:	
Sanitation	$ 6,158
Museum	210,796
Stormwater	364,085
Gardens	5,729
Streetlight	280
Total depreciation expense - business-type activities	$ 587,048

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds	$ 5,440,000	$ -	$ (835,000)	$ (835,000)	$ 4,605,000	$ 865,000
Revenue bonds	5,260,000	-	(150,000)	(150,000)	5,110,000	155,000
Premium on bonds	25,135	-	(2,647)	(2,647)	22,488	-
Financed purchases from direct borrowings	368,561	-	(114,503)	- (114,503)	254,058	114,127
Total OPEB liability	6,293,439	1,159,835	(1,259,781)	(99,946)	6,193,493	386,001
Net pension liability	9,084,132	3,249,661	(4,235,404)	(985,743)	8,098,389	-
Compensated absences	973,899	180,782	-	180,782	1,154,681	1,154,681
Governmental activity Long-term liabilities	$ 27,445,166	$ 4,590,278	$ (6,597,335)	$ (2,007,057)	$ 25,438,109	$ 2,674,809

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Business-type activities:						
Financed purchases from direct borrowings	$ 13,482	$ -	$ (13,482)	$ (13,482)	$ -	$ -
Net pension liability	676,551	147,265	(456,820)	(309,555)	366,996	-
Compensated absences	97,870	5,621	-	5,621	103,491	103,491
Business-type activity Long-term liabilities	$ 787,903	$ 152,886	$ (470,302)	$ (317,416)	$ 470,487	$ 103,491

For governmental activities, total OPEB liability and the net pension liability are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by all enterprise funds and the net pension liability is liquidated by the Sanitation and Stormwater funds. The City has reported 100% of the compensated absences liability for business-type activities as due in one year as historical usage patterns show employees use earned vacation within one year.

Financed Purchases from Direct Borrowings. The City has entered into financed purchase agreements for the acquisition of equipment (vehicles), machinery, and improvements used in general governmental activities. Annual depreciation of these assets is included in depreciation expense.

NOTE 8. LONG-TERM DEBT (Continued)

The City's total governmental activities financed purchase payable debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2025	$ 114,127	$ 9,778	$ 123,905
2026	72,146	5,467	77,613
2027	35,674	2,914	38,588
2028	32,111	1,390	33,501
Total	$ 254,058	$ 19,549	$ 273,607

General Obligation Bonds – Direct Placement.

In January 2020, the City issued $7,800,000 of Series 2020 direct placement General Obligation Refunding Bonds. The proceeds from the bonds were used to pay off the remaining outstanding principal for the former Series 2004 and 2005 General Obligation Bonds, as well as to pay for the costs of acquiring, constructing, and equipping recreation projects. The refunding resulted in debt service savings of $802,259 over the life of the new bonds, and a net, economic gain of approximately $724,707.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. The bonds were issued as 10-year serial bonds with interest rates of 1.885%. General obligation bond debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2025	$ 865,000	$ 78,652	$ 943,652
2026	890,000	62,111	952,111
2027	915,000	45,099	960,099
2028	955,000	27,474	982,474
2029	980,000	9,237	989,237
Total	$ 4,605,000	$ 222,573	$ 4,827,573

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds. In February 2014, the KURA issued $3,620,000 and $2,805,000 of Series 2014A and 2014B Revenue Bonds, respectively to finance the costs of acquiring a parking deck and adjacent surface parking in the downtown Kennesaw area. Series 2014A Revenue Bonds bear interest between 3.75% and 5.125% and are payable each February 1 and August 1 starting in 2014 through 2044. Series 2014B Revenue Bonds bear interest between 2.00% and 5.25% and are payable each February 1st and August 1st starting in 2014 through 2032. Future debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending September 30,			
2025	$ 155,000	$ 233,206	$ 388,206
2026	165,000	225,686	390,686
2027	170,000	217,814	387,814
2028	180,000	209,094	389,094
2029	190,000	199,381	389,381
2030-2034	1,120,000	839,006	1,959,006
2035-2039	1,400,000	575,675	1,975,675
2040-2044	1,730,000	225,778	1,955,778
Total	$ 5,110,000	$ 2,725,640	$ 7,835,640

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Fund	$ 773
General Fund	ARP Fund	1,720
General Fund	Nonmajor governmental funds	58,429
General Fund	Nonmajor enterprise funds	59,647
General Fund	Museum Fund	307
Nonmajor governmental funds	General Fund	24,335
Museum Fund	Nonmajor governmental funds	2,670
Sanitation Fund	General Fund	9,896
Nonmajor enterprise funds	Sanitation Fund	59,063
Internal Service Fund	General Fund	262,773
Internal Service Fund	Museum Fund	963
Internal Service Fund	Sanitation Fund	6,795
Internal Service Fund	Nonmajor governmental funds	51,620
Internal Service Fund	Nonmajor enterprise funds	863
Internal Service Fund	Stormwater Fund	5,658
Stormwater Fund	Sanitation Fund	184,121
		$ 729,633

All interfund balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Sanitation Fund	$ 350,000
General Fund	Stormwater Fund	380,000
Museum Fund	General Fund	536,879
Museum Fund	Nonmajor governmental funds	56,261
Nonmajor enterprise funds	General Fund	565,574
Nonmajor governmental funds	General Fund	395,229
		$ 2,283,943

Transfers from the Sanitation Fund and Stormwater Fund to the General Fund were used to move unrestricted Sanitation and Stormwater funds to the General Fund to provide revenue to forestall the need for property tax increases and use unrestricted revenues to finance various programs accounted for in these funds in accordance with budgetary authorizations. Transfers from the General Fund and Nonmajor governmental funds were used to assist the Museum with their operational costs. Transfers from the General Fund to the Nonmajor enterprise funds and Nonmajor governmental funds were used to assist these funds with their operational costs and pay debt service.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Kennesaw Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. Changes to these benefits would have to be authorized by City Council. All employees who work at least thirty hours a week and elected officials are eligible to participate with no waiting period. Benefits for employees vest after five years of service. Benefits for elected officials vest immediately if employed prior to January 1, 2016 and four years and one month if hired on or after January 1, 2016. A City employee who retires at age 65 with five years of service is entitled to benefits of 2.0% of final average earnings in excess of covered compensation. Under the old plan, which some employees are still participating, an employee may elect early retirement at the age of 55 provided he has a minimum of ten years total credited service. If he retires between the ages of 55-65, there will be a reduced monthly benefit. To receive full benefits, an employee must be employed until age 65. The benefit is calculated on the last five year's highest averaged earnings. The employees who are still under this plan do not contribute toward the plan.

Under the new plan of the Rule of 75, added in March 2003, an employee can retire with full benefits when their age plus years of service equal 75, and have ten years total credited service. The employees who are under the Rule of 75 are required to contribute 2% of their income every pay period toward the plan. The monthly benefit is calculated on the last three years' highest averaged earnings.

In 2021, an amendment was made that changed the plan to be under the Rule of 80 for new hires made beginning in 2021 and subsequent years. Under amended provisions, an employee's combined total credited service with the City and age must equal or exceed 80, with a minimum of 55 for the employee to qualify under the new Rule. In addition, employees under the new Rule are required to contribute 4% of their income every pay period towards the plan.

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Elected officials are entitled to $65 for each year of service after reaching normal retirement age.

Plan Membership. At January 1, 2024, the date of the most recent actuarial valuation, there were 375 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	94
Terminated vested participants not yet receiving benefits	95
Active employees - vested	88
Active employees - nonvested	98
Total	375

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan, which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the plan, as adopted by the City Council, is to contribute an amount equal to or greater than the recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended September 30, 2024, City contributions to the Plan were $1,487,747 and employee contributions to the Plan were $311,289 for the year ended September 30, 2024.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 with update procedures performed by the actuary to rollforward to the total pension liability measured as of September 30, 2023.

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% plus serviced based merit increases
Investment rate of return	7.375%, net of pension plan investment expense, including inflation

Mortality rates for the January 1, 2023 valuation were based on the sex-distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015–June 30, 2019.

Cost-of-living adjustments were assumed to be -%.

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the table below.

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20%	7.21
Global fixed income	5%	1.67
Domestic fixed income	20%	1.61
Real estate	10%	3.61
Cash	—%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation.

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

Discount Rate. The discount rate used to measure the total pension liability in the current year is 7.375%, which is the same as the prior year rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City. The changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/23	$ 31,848,022	$ 22,087,339	$ 9,760,683
Changes for the year:			
Service cost	703,293	-	703,293
Interest	2,340,517	-	2,340,517
Differences between expected and actual experience	302,730	-	302,730
Contributions—employer	-	1,420,710	(1,420,710)
Contributions—employee	-	311,289	(311,289)
Net investment income	-	2,960,225	(2,960,225)
Benefit payments, including refunds of employee contributions	(1,630,975)	(1,630,975)	-
Administrative expense	-	(50,386)	50,386
Other changes	-	-	-
Net changes	1,715,565	3,010,863	(1,295,298)
Balances at 9/30/24	$ 33,563,587	$ 25,098,202	$ 8,465,385

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

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 7.375%, 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 (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 12,642,889	$ 8,465,385	$ 4,980,323

Changes in the Net Pension Liability of the City. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2023 and the current sharing pattern of costs between employer and employee.

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

For the fiscal year ended September 30, 2024, the City recognized pension expense of $2,224,140. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 832,021
Net difference between projected and actual earnings on pension plan investments	1,171,513
City contributions subsequent to the measurement date	1,487,747
Total	$ 3,491,281

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of $1,487,747 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:		
2025	$	680,461
2026		527,619
2027		1,061,337
2028		(265,883)
Total	$	2,003,534

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits

The City of Kennesaw Other Postretirement Benefits Plan (the "OPEB Plan") is a single-employer defined benefit postretirement healthcare, dental and vision plan, or other postemployment benefit (OPEB) plan. The City has not elected to advance fund the plan, but rather maintains the plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. There are no separately issued financial statements related to the City's OPEB Plan.

Eligible retirees and former employees are offered the same Open Access Plus health, prescription drug and dental coverage as active employees. Retirees are not offered the Open Access Plus In Service plan. The City pays 85.04% of the employee premium and -% of family premium for the Open Access Plus plan. There is a maximum out-of-pocket cost to the employee of $5,000 per year per individual or $10,000 per family for the Open Access Plus plan. The individual limits of coverage by the City total $165,000 per individual per calendar year for the first claimant and $100,000 per individual per calendar year for subsequent claimants. The City only pays one aggregate claim totaling $165,000 for both the active employees and retirees combined. After individual limits are met, the insurance carrier covers additional claims.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Eligibility

Eligible participants for Other Postemployment Benefits include:

1. Retired employees meeting the rule of 70 (age + years of service = 70); and
2. Employee must be receiving a pension from GMA.
3. Employee must be employed prior to August 31, 2020. Plan coverage is frozen subsequent to this date.

Plan Membership

As of April 1, 2023, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees, beneficiaries, and dependents	8
Active participants	121
	129

City Contributions

The City has elected to fund the plan on a pay-as-you-go basis. For the year ended September 30, 2024, the City contributed $386,001 for the pay-as-you-go benefits for the OPEB plan.

Total OPEB Liability

The City's total OPEB liability of $6,193,493 was measured as of September 30, 2023 and was determined by an actuarial valuation as of April 1, 2023 using standard rollforward techniques.

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Inflation rate	2.25%
Salary increase, including wage inflation	3.00 - 8.50% plus serviced based merit increases
Discount rate	4.09%
Healthcare cost trends	
Medical	7.00% - 4.50%, Ultimate Trend over 10 years
Prescription drug	10.00% - 4.50%, Ultimate Trend over 10 years

Mortality rates for the April 1, 2023 valuation were based on the sex-distinct Pri-2012 Head-Count Weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.

The actuarial assumptions used in the April 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 to June 30, 2019.

The discount rate is based on the 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). Specifically, the chosen rate of the Bond Buyer General Obligation 20-year Municipal Bond Index published as of the measurement date of September 30, 2023. There was an increase in the discount rate from 4.02% at the previous measurement date to 4.09% at the current measurement date.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City for the fiscal year ended September 30, 2024 were as follows:

	Total OPEB Liability
Balance at September 30, 2023	$ 6,293,439
Service Cost	304,818
Interest	257,257
Experience differences	(858,182)
Assumption changes	597,760
Benefit payments	(401,599)
Balance at September 30, 2024	$ 6,193,493

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity for the Total OPEB Liability to Changes in the Discount Rate

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 (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	$ 6,796,344	$ 6,193,493	$ 5,651,675

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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 in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Total OPEB liability	$ 5,525,823	$ 6,193,493	$ 6,793,722

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2023 and the current sharing pattern of costs between employer and inactive employees.

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

For the year ended September 30, 2024 the City recognized OPEB expense of $440,634. At September 30, 2024, 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	$ 179,768	$ 1,169,605
Changes in plan assumptions	1,732,870	2,156,139
City contributions subsequent to the measurement date	386,001	-
Total	$ 2,298,639	$ 3,325,744

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

City contributions made subsequent to the measurement date of $386,001 are reported as deferred outflows of resources and will be recognized as a decrease of the total OPEB liability in the year ending September 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending September 30:		
2025	$	(121,440)
2026		(74,327)
2027		(519,317)
2028		(347,932)
2029		(312,887)
Thereafter		(37,203)
	$	(1,413,106)

NOTE 12. DEFINED CONTRIBUTION PENSION PLAN

The City of Kennesaw's Internal Revenue Code Section 457 and 401(a) Plans are deferred compensation plans and qualify as a defined contribution pension plan. The Plan is currently administered by The Standard for all full-time employees. Participants are required to contribute a minimum of 2% of their annual compensation and the City will match up to 1% of contributions. Plan provisions and contribution requirements are established and may be amended by the City Council. At September 30, 2024, there were 85 plan members. During the year ended September 30, 2024 employee contributions were $282,583 and employer contributions were $70,691, for both plans.

NOTE 13. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Cobb County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 229 Peachtree Street NE, STE 100, Atlanta, Georgia 30303.

NOTE 14. RISK MANAGEMENT

The City is exposed to various risks of losses related to: torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is partially self-insured for medical claims. The self-insurance plan is described below. The City has purchased insurance for all other risks of loss, including workers' compensation. The City uses Georgia Interlocal Risk Management Agency (GIRMA) and Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments, as their property/liability insurance and workers' compensation insurance providers.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool'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 pool'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 funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost 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.

Settled claims have not exceeded the coverages in the last three fiscal years.

Active Employees. The City is partially self-insured for employee medical, prescription drug and dental claims. Under the Open Access Plan 1000, the City pays 74%, 67%, 72% and 68% of the employee, employee/spouse, employee/child and employee/family premiums, respectively. Under the Open Access Plan 2000, the City pays 87%, 79%, 85% and 80% of the employee, employee/spouse, employee/child and employee/family premiums, respectively. Under the High Deductible Health Plan, the City pays 100%, 90%, 96% and 91% of the employee, employee/spouse, employee/child and employee/family premiums, respectively. There is a maximum out-of-pocket cost to the employee of $2,000 per year per individual or $6,000 per family for the Open Access Plan 750, $5,000 per year per individual or $10,000 per family for the Open Access Plan 2000 and $5,000 per year per individual or $10,000 per family for the High Deductible Health Plan. Each employee's portion of the medical premium cost is withheld from that employee's paycheck.

The City has a specific deductible of $100,000 and an aggregating corridor or split fund of $65,000. The City pays aggregate claims up to $165,000 for the first employee to reach this amount and pays up to $100,000 for each subsequent employee. In addition to the aggregate limit, the City's self – insurance is limited to $100,000 per individual calendar year. After the claims reach these amounts, a private insurance carrier will pay the remaining claims. The City has entered into a contract with a third party to administer the program. This activity is reported in the Self-Insurance Fund and in the government-wide financial statements.

NOTE 14. RISK MANAGEMENT (Continued)

The City has accrued a liability for medical claims that were incurred but not paid before fiscal year end.

Retirees. The City provides medical, prescription drug and dental coverage to current retirees who meet the Rule of 75 and have retired from the City and future retirees who were hired prior to August 31, 2020 and meet the Rule of 75. The coverage ends upon the retiree becoming eligible for Medicare. The coverage is for the retiree only.

Eligible retirees are covered by the Open Access Plan 2000. The City pays 85.04% of the employee premium and 0% of the family premium for this plan. There is a maximum out-of-pocket cost to the retiree of $5,000 per year per individual for the Retiree Open Access Plan 2000. The individual limits of coverage by the City total $165,000 per individual per calendar year for the first claimant and $100,000 per individual per calendar year for subsequent claimants. The City only pays one aggregate claim totaling $165,000 for both the active employees and retirees combined. After individual limits are met, the private insurance carrier covers additional claims, which is reported in the General Fund. The following table describes the activity related to employee and retiree medical claims. The end of year claims liability is reported as a current liability in the General Fund because it is anticipated to be paid within one fiscal year and includes consideration for claims that have been incurred but not reported. Currently, 24 retirees are eligible for postretirement benefits. These postretirement benefits are funded on a pay-as-you-go basis and totaled $386,001 for the year ended September 30, 2024.

Changes in the claims liability for the years ended September 30, 2024 and 2023 are as follows:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2024	$ 326,716	$ 2,903,636	$ 2,909,353	$ 320,999
2023	140,497	3,388,444	3,202,225	326,716

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments:

For the fiscal year ended September 30, 2024, contractual commitments on uncompleted contracts were $14,668.

Grant Contingencies:

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

NOTE 16. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were $111,918 for the year ended September 30, 2024. Of this amount, $111,203 was expended. Expenditures of the tax were used to promote tourism, conventions, and trade shows to operate, maintain, and market a conference center facility as required by O.C.G.A. 48-13-51.

NOTE 17. RESTRICTED FUND BALANCE

The City has reported $9,000,000 of the General Fund's fund balance as restricted for voter approved use. This amount is also reported as restricted in the government-wide statement of net position. In 2005, the City sold the infrastructure from its water and sewer system to Cobb County and these are the proceeds from that sale. The City deposited the funds into a restricted investment and enacted a City ordinance through an amendment to the City Charter, or enabling legislation, requiring the council to obtain voter approval, through a city-wide vote, for any and all uses of the proceeds, for which the purpose is required to be determined at that time. Council has no intentions or plans for the use of the funds as of September 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$ 703,293	$ 708,194	$ 665,121	$ 677,745	$ 599,636
Interest on total pension liability	2,340,517	2,190,760	2,022,332	1,859,426	1,649,424
Differences between expected and actual experience	302,730	716,603	986,681	902,835	644,101
Changes of assumptions	-	-	-	-	1,327,577
Other changes	-	4,577	(5,913)	-	-
Benefit payments, including refunds of employee contributions	(1,630,975)	(1,529,127)	(1,335,063)	(1,101,923)	(1,055,299)
Net change in total pension liability	1,715,565	2,091,007	2,333,158	2,338,083	3,165,439
Total pension liability - beginning	31,848,022	29,757,015	27,423,857	25,085,774	21,920,335
Total pension liability - ending (a)	$ 33,563,587	$ 31,848,022	$ 29,757,015	$ 27,423,857	$ 25,085,774
Plan fiduciary net position					
Contributions - employer	$ 1,420,710	$ 1,352,084	$ 1,234,838	$ 1,119,654	$ 966,171
Contributions - employee	311,289	268,038	220,868	208,839	198,988
Net investment income	2,960,225	(4,312,130)	5,124,766	1,881,569	559,055
Benefit payments, including refunds of member contributions	(1,630,975)	(1,529,127)	(1,335,063)	(1,101,923)	(1,055,299)
Administrative expenses	(50,386)	(48,355)	(54,388)	(47,237)	(43,002)
Net change in plan fiduciary net position	3,010,863	(4,269,490)	5,191,021	2,060,902	625,913
Plan fiduciary net position - beginning	22,087,339	26,356,829	21,165,808	19,104,906	18,478,993
Plan fiduciary net position - ending (b)	$ 25,098,202	$ 22,087,339	$ 26,356,829	$ 21,165,808	$ 19,104,906
City's net pension liability - ending (a) - (b)	$ 8,465,385	$ 9,760,683	$ 3,400,186	$ 6,258,049	$ 5,980,868
Plan fiduciary net position as a percentage of the total pension liability	74.78%	69.35%	88.57%	77.18%	76.16%
Covered payroll	$ 10,217,125	$ 9,536,259	$ 9,731,492	$ 8,763,879	$ 8,800,406
City's net pension liability as a percentage of covered payroll	82.85%	102.35%	34.94%	71.41%	67.96%

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 614,896	$ 628,152	$ 553,326	$ 539,391	$ 535,589
Interest on total pension liability	1,561,469	1,454,895	1,338,114	1,266,040	1,138,176
Differences between expected and actual experience	38,381	(28,336)	510,888	(82,401)	535,069
Changes of assumptions	-	325,845	-	-	131,867
Changes of benefit terms	-	-	(16,467)	-	-
Benefit payments, including refunds of employee contributions	(998,213)	(899,179)	(858,851)	(727,236)	(654,436)
Net change in total pension liability	1,216,533	1,481,377	1,527,010	995,794	1,686,265
Total pension liability - beginning	20,703,802	19,222,425	17,695,415	16,699,621	15,013,356
Total pension liability - ending (a)	$ 21,920,335	$ 20,703,802	$ 19,222,425	$ 17,695,415	$ 16,699,621
Plan fiduciary net position					
Contributions - employer	$ 1,007,920	$ 901,718	$ 936,241	$ 933,501	$ 812,088
Contributions - employee	178,209	193,852	177,656	167,673	155,925
Net investment income	1,658,110	2,167,067	1,430,888	127,762	1,231,684
Benefit payments, including refunds of member contributions	(998,213)	(899,179)	(858,851)	(727,236)	(654,436)
Administrative expenses	(45,244)	(47,560)	(25,835)	(29,787)	(23,504)
Net change in plan fiduciary net position	1,800,782	2,315,898	1,660,099	471,913	1,521,757
Plan fiduciary net position - beginning	16,678,211	14,362,313	12,702,214	12,230,301	10,708,544
Plan fiduciary net position - ending (b)	$ 18,478,993	$ 16,678,211	$ 14,362,313	$ 12,702,214	$ 12,230,301
City's net pension liability - ending (a) - (b)	$ 3,441,342	$ 4,025,591	$ 4,860,112	$ 4,993,201	$ 4,469,320
Plan fiduciary net position as a percentage of the total pension liability	84.30%	80.56%	74.72%	71.78%	73.24%
Covered payroll	$ 8,609,022	$ 8,162,506	$ 7,702,593	$ 7,386,752	$ 7,338,429
City's net pension liability as a percentage of covered payroll	39.97%	49.32%	63.10%	67.60%	60.90%

CITY OF KENNESAW, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 1,487,747	$ 1,420,710	$ 1,342,867	$ 1,234,838	$ 1,119,654
Contributions in relation to the actuarially determined contribution	1,487,747	1,420,710	1,342,867	1,234,838	1,119,654
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 10,419,526	$ 10,217,125	$ 9,536,259	$ 9,731,492	$ 8,763,879
Contributions as a percentage of covered payroll	14.28%	13.91%	14.08%	12.69%	12.78%

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 966,171	$ 1,007,920	$ 901,718	$ 936,241	$ 859,675
Contributions in relation to the actuarially determined contribution	966,171	1,007,920	901,718	936,241	933,501
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ (73,826)
Covered payroll	$ 8,800,406	$ 8,609,022	$ 8,162,506	$ 7,702,593	$ 7,386,752
Contributions as a percentage of covered payroll	10.98%	11.71%	11.05%	12.15%	12.64%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2023
Cost Method	Projected unit credit
Actuarial 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 amounts that the value exceeds or is less than the fair value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of fair value.
Assumed Rate of Return on Investments	7.375%
Projected Salary Increases	2.25% plus serviced based merit increases
Cost-of-Living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	Varies for the bases, with a net effective period of 10 years

CITY OF KENNESAW, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB HEALTHCARE BENEFIT PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 304,818	$ 463,391	$ 495,748	$ 527,660	$ 304,330	$ 313,279	$ 340,252
Interest on total OPEB liability	257,257	183,958	203,580	261,592	239,144	204,651	170,884
Difference between expected and actual experience	(858,182)	(115,253)	314,591	(131,988)	(865,727)	(120,315)	(141,642)
Changes of benefit terms	-	-	(1,261,581)	-	-	-	-
Changes of assumptions and other inputs	597,760	(1,814,530)	(559,908)	(1,067,711)	4,271,772	(212,393)	(235,266)
Benefit payments	(401,599)	(199,824)	(264,033)	(97,094)	(77,948)	(77,683)	(61,171)
Other changes	-	-	-	-	27,884	-	-
Net change in total OPEB liability	(99,946)	(1,482,258)	(1,071,603)	(507,541)	3,899,455	107,539	73,057
Total OPEB liability - beginning	6,293,439	7,775,697	8,847,300	9,354,841	5,455,386	5,347,847	5,274,790
Total OPEB liability - ending	$ 6,193,493	$ 6,293,439	$ 7,775,697	$ 8,847,300	$ 9,354,841	$ 5,455,386	$5,347,847
Covered-employee payroll	$ 7,872,265	$ 9,782,727	$ 9,567,459	$ 8,907,727	$ 8,711,713	$ 8,748,919	$8,539,074
Total OPEB liability as a percentage of covered-employee payroll	78.7%	64.3%	81.3%	99.3%	107.4%	62.4%	62.6%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

Amounts reported for the fiscal year ended September 30, 2024 and later reflect assumption changes based on an actuarial study conducted in November and December 2019. This study recommended changes in mortality tables, retirement rates, and inflation rate changes from 2.75% to 2.25%. In the current year, the discount rate also increased from 2.26% to 4.02%.

CITY OF KENNESAW, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds							Debt Service Funds		
ASSETS	**Asset Forfeiture Fund**	**Opioid Settlement Fund**	**Treasury Equitable Sharing Fund**	**E911 Fund**	**Hotel/Motel Fund**	**Cemetery Fund**	**Impact Fees Fund**	**Urban Redevelopment Agency**	**Downtown Development Authority**	**Total Nonmajor Governmental Funds**
Cash and cash equivalents	$ 83,327	$ 49,810	$ 34,880	$ 2,206,983	$ 5,153	$ 11,583	$ 1,777,718	$ 3,080	$ 101,072	$ 4,273,606
Taxes receivable	-	-	-	-	24,769	-	-	-	-	24,769
Accounts receivable	-	125,577	-	-	-	-	7,328	-	-	132,905
Due from other governments	-	-	-	315,349	-	-	-	-	-	315,349
Prepaid items	-	-	-	11,935	-	-	-	-	-	11,935
Due from other funds	-	-	18,850	1,357	3,155	-	-	-	973	24,335
Total assets	$ 83,327	$ 175,387	$ 53,730	$ 2,535,624	$ 33,077	$ 11,583	$ 1,785,046	$ 3,080	$ 102,045	$ 4,782,899
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ -	$ -	$ -	$ 2,538	$ 12,659	$ -	$ 23,567	$ -	$ 2,288	$ 41,052
Accrued liabilities	-	-	-	39,983	-	-	-	-	3,000	42,983
Due to other funds	-	-	-	51,620	2,670	524	57,905	-	-	112,719
Total liabilities	-	-	-	94,141	15,329	524	81,472	-	5,288	196,754
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - other	-	125,577	-	-	-	-	-	-	-	125,577
Total deferred inflows of resources	-	125,577	-	-	-	-	-	-	-	125,577
FUND BALANCES										
Fund Balances:										
Nonspendable:										
Prepaids	-	-	-	11,935	-	-	-	-	-	11,935
Restricted:										
Capital projects	-	-	-	-	-	-	1,703,574	-	96,757	1,800,331
Debt service	-	-	-	-	-	-	-	3,080	-	3,080
Law enforcement	83,327	-	53,730	2,429,548	-	-	-	-	-	2,566,605
Health and welfare	-	49,810	-	-	-	-	-	-	-	49,810
Culture and recreation	-	-	-	-	17,748	-	-	-	-	17,748
Committed:										
Cemetery maintenance	-	-	-	-	-	11,059	-	-	-	11,059
Total fund balances	83,327	49,810	53,730	2,441,483	17,748	11,059	1,703,574	3,080	96,757	4,460,568
					-					
Total liabilities, deferred inflows of resources and fund balances	$ 83,327	$ 175,387	$ 53,730	$ 2,535,624	$ 33,077	$ 11,583	$ 1,785,046	$ 3,080	$ 102,045	$ 4,782,899

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds							Debt Service Funds		
	Asset Forfeiture Fund	Opioid Settlement Fund	Treasury Equitable Sharing Fund	E911 Fund	Hotel/Motel Fund	Cemetery Fund	Impact Fees Fund	Urban Redevelopment Agency	Downtown Development Authority	Total Nonmajor Governmental Funds
REVENUES										
Taxes	$ -	$ -	$ -	$ 425	$ 111,918	$ -	$ -	$ -	$ -	$ 112,343
Licenses and permits	-	-	-	-	-	-	203,780	-	-	203,780
Fines and forfeitures	-	49,810	13,000	-	-	-	-	-	-	62,810
Charges for services	-	-	-	1,417,944	2,198	9,800	-	-	45,745	1,475,687
Miscellaneous	-	-	-	-	-	7,875	-	-	1,848	9,723
Interest	833	-	291	23,601	308	225	19,839	-	941	46,038
Total revenues	833	49,810	13,291	1,441,970	114,424	17,900	223,619	-	48,534	1,910,381
EXPENDITURES										
Current										
Public safety	1,936	-	-	1,015,803	-	-	-	-	-	1,017,739
Public works	-	-	-	-	-	58,732	-	-	-	58,732
Culture and recreation	-	-	-	-	54,942	-	-	-	-	54,942
Housing and development	-	-	-	-	-	-	-	-	32,459	32,459
Capital outlay	-	-	-	-	-	-	334,570	-	-	334,570
Debt service										
Principal retirements	-	-	-	-	-	-	-	150,000	-	150,000
Interest and fiscal charges	-	-	-	-	-	-	-	245,229	-	245,229
Total expenditures	1,936	-	-	1,015,803	54,942	58,732	334,570	395,229	32,459	1,893,671
Excess (deficiency) of revenues over expenditures	(1,103)	49,810	13,291	426,167	59,482	(40,832)	(110,951)	(395,229)	16,075	16,710
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of assets	-	-	5,850	-	-	-	-	-	-	5,850
Transfers in	-	-	-	-	-	-	-	395,229	-	395,229
Transfers out	-	-	-	-	(56,261)	-	-	-	-	(56,261)
Total other financing sources (uses)	-	-	5,850	-	(56,261)	-	-	395,229	-	344,818
Net change in fund balances	(1,103)	49,810	19,141	426,167	3,221	(40,832)	(110,951)	-	16,075	361,528
FUND BALANCES, beginning of year	84,430	-	34,589	2,015,316	14,527	51,891	1,814,525	3,080	80,682	4,099,040
FUND BALANCES, end of year	$ 83,327	$ 49,810	$ 53,730	$ 2,441,483	$ 17,748	$ 11,059	$ 1,703,574	$ 3,080	$ 96,757	$ 4,460,568

CITY OF KENNESAW, GEORGIA
ASSET FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ -	$ (20,000)
Interest	1,200	1,200	833	(367)
Total revenues	21,200	21,200	833	(20,367)
EXPENDITURES				
Public safety	21,200	21,200	1,936	19,264
Net change in fund balances	-	-	(1,103)	(1,103)
FUND BALANCES, beginning of year	84,430	84,430	84,430	-
FUND BALANCES, end of year	$ 84,430	$ 84,430	$ 83,327	$ (1,103)

CITY OF KENNESAW, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 50,000	$ 50,000	$ 49,810	$ (190)
Total revenues	50,000	50,000	49,810	(190)
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ 50,000	$ 50,000	$ 49,810	$ (190)

CITY OF KENNESAW, GEORGIA
TREASURY EQUITABLE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 13,000	$ (7,000)
Interest	500	500	291	(209)
Total revenues	20,500	20,500	13,291	(7,209)
EXPENDITURES				
Public safety	20,500	20,500	-	20,500
Excess of revenues over expenditures	-	-	13,291	13,291
OTHER FINANCING SOURCES				
Proceeds from sales of assets	-	-	5,850	5,850
Net change in fund balances	-	-	19,141	19,141
FUND BALANCES, beginning of year	34,589	34,589	34,589	-
FUND BALANCES, end of year	$ 34,589	$ 34,589	$ 53,730	$ 19,141

CITY OF KENNESAW, GEORGIA
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 400	$ 400	$ 425	$ 25
Charges for services	1,510,000	1,510,000	1,417,944	(92,056)
Interest	24,000	24,000	23,601	(399)
Total revenues	1,534,400	1,534,400	1,441,970	(92,430)
EXPENDITURES				
Current:				
Public safety	1,459,575	1,449,175	1,015,803	433,372
Total expenditures	1,459,575	1,449,175	1,015,803	433,372
Net change in fund balances	74,825	85,225	426,167	340,942
FUND BALANCES, beginning of year	2,015,316	2,015,316	2,015,316	-
FUND BALANCES, end of year	$ 2,090,141	$ 2,100,541	$ 2,441,483	$ 340,942

CITY OF KENNESAW, GEORGIA
HOTEL/MOTEL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 107,870	$ 108,470	$ 111,918	$ 3,448
Charges for services	2,200	2,200	2,198	(2)
Interest	850	850	308	(542)
Total revenues	110,920	111,520	114,424	2,904
EXPENDITURES				
Culture and recreation	54,375	54,975	54,942	33
Excess of revenues over expenditures	56,545	56,545	59,482	2,937
OTHER FINANCING USES				
Transfers out	(56,545)	(56,545)	(56,261)	284
Net change in fund balances	-	-	3,221	3,221
FUND BALANCES, beginning of year	14,527	14,527	14,527	-
FUND BALANCES, end of year	$ 14,527	$ 14,527	$ 17,748	$ 3,221

CITY OF KENNESAW, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 8,500	$ 9,400	$ 9,800	$ 400
Miscellaneous	3,500	3,500	7,875	4,375
Interest	1,030	1,030	225	(805)
Total revenues	13,030	13,930	17,900	3,970
EXPENDITURES				
Public works	57,865	58,765	58,732	33
Net change in fund balances	(44,835)	(44,835)	(40,832)	4,003
FUND BALANCES, beginning of year	51,891	51,891	51,891	-
FUND BALANCES, end of year	$ 7,056	$ 7,056	$ 11,059	$ 4,003

CITY OF KENNESAW ,GEORGIA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 202,412	$ 202,412	$ 203,780	$ 1,368
Interest	30,000	30,000	19,839	(10,161)
Total revenues	232,412	232,412	223,619	(8,793)
EXPENDITURES				
Capital outlay	200,000	338,412	334,570	3,842
Total expenditures	200,000	338,412	334,570	3,842
Net change in fund balances	32,412	(106,000)	(110,951)	(4,951)
FUND BALANCES, beginning of year	1,814,525	1,814,525	1,814,525	-
FUND BALANCES, end of year	$ 1,846,937	$ 1,708,525	$ 1,703,574	$ (4,951)

CITY OF KENNESAW ,GEORGIA
URBAN REDEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ 2	$ 2	$ -	$ (2)
Total revenues	2	2	-	(2)
EXPENDITURES				
Debt service				
Principal	150,000	150,000	150,000	-
Interest and fiscal charges	245,524	245,524	245,229	295
Total expenditures	395,524	395,524	395,229	295
Deficiency of revenues over expenditures	(395,522)	(395,522)	(395,229)	293
OTHER FINANCING SOURCES				
Transfers in	395,522	395,522	395,229	(293)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	3,080	3,080	3,080	-
FUND BALANCES, end of year	$ 3,080	$ 3,080	$ 3,080	$ -

CITY OF KENNESAW ,GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 48,518	$ 48,518	$ 45,745	$ (2,773)
Miscellaneous	25	25	1,848	1,823
Investment income	1,200	1,200	941	(259)
Total revenues	49,743	49,743	48,534	(1,209)
EXPENDITURES				
Current:				
Housing and development	49,743	49,743	32,459	17,284
Total expenditures	49,743	49,743	32,459	17,284
Net change in fund balances	-	-	16,075	16,075
FUND BALANCES, beginning of year	80,682	80,682	80,682	-
FUND BALANCES, end of year	$ 80,682	$ 80,682	$ 96,757	$ 16,075

CITY OF KENNESAW, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2024

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PERCENTAGE OF COMPLETION
SPLOST II - 2011 SPLOST						
Pine Mountain Road	$ 6,492,254	$ 7,583,698	$ 7,583,698	$ -	$ 7,583,698	100.00 %
Cherokee Street	5,000,000	5,786,632	2,417,451	953,328	3,370,779	58.25
Stanley Road/Collins Road	1,150,032	3,536,950	3,536,950	-	3,536,950	100.00
McCollum Parkway	388,000	388,001	388,001	-	388,001	100.00
Cobb International Blvd	1,500,000	27,353	27,353	-	27,353	100.00
Sidewalk Projects	535,353	1,229	1,229	-	1,229	100.00
Resurfacing Projects	413,650	461,733	461,733	-	461,733	100.00
Infrastructure Preservation	1,101,710	501,544	501,544	-	501,544	100.00
Skate Park	750,000	984,094	984,094	-	984,094	100.00
Depot Park Improvements	2,100,000	1,870,131	1,870,131	-	1,870,131	100.00
Smith Gilbert Gardens Event Building	1,800,000	1,800,000	1,800,000	-	1,800,000	100.00
Swift Cantrell Park Parking	650,000	836,906	836,906	-	836,906	100.00
Community Center Renovation	226,999	225,382	225,381	-	225,381	100.00
TOTAL 2011 SPLOST	$ 22,107,998	$ 24,003,653	$ 20,634,471	$ 953,328	$ 21,587,799	

Continued

CITY OF KENNESAW, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	ESTIMATED COST		EXPENDITURES			PERCENTAGE
PROJECT	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	OF COMPLETION
SPLOST III - 2016 SPLOST						
Sardis Street Overpass	$ 6,000,000	$ 6,000,000	$ -	$ 1,081,439	$ 1,081,439	18.02 %
Stormwater Infrastructure	3,000,000	1,020,707	677,156	-	677,156	66.34
Ben King Road Improvements	3,133,431	3,133,431	1,098,093	11,314	1,109,407	35.41
Sardis Street Extension Project	2,500,000	2,500,000	2,394,353	100,770	2,495,123	99.80
Property Acquisition	3,000,000	1,229,100 (1)	1,229,062	-	1,229,062	100.00
Park Improvements	1,790,000	1,790,000	1,658,967	130,902	1,789,869	99.99
Dallas/Watts Drive Improvements	2,619,072	5,147,671 (1)	5,147,482	-	5,147,482	100.00
Facility Improvements	1,200,000	743,870	740,571	850	741,421	99.67
Economic Development	1,500,000	3,500,000	3,456,840	29,631	3,486,471	99.61
Smith Gilbert Garden	750,000	750,000	745,462	-	745,462	99.39
Resurfacing and Sidewalks	698,867	529,691	160,705	-	160,705	30.34
Police Vehicles	125,000	110,300 (1)	110,242	-	110,242	99.95
TOTAL 2016 SPLOST	$ 26,316,370	$ 26,454,770	$ 17,418,933	$ 1,354,906	$ 18,773,839	
SPLOST IV - 2022 SPLOST						
Depot Park	$ 6,000,000	$ 4,693,263	$ 1,805,963	$ 2,879,438	$ 4,685,401	99.83 %
Facility Improvements	3,500,000	4,159,692	385,602	322,047	707,649	17.01
Rutledge/Cathy Lane	4,000,000	4,000,000	-	-	-	-
Sardis Street Extension and Overpass	9,000,000	9,000,000	-	62,888	62,888	0.70
Neighborhood Improvements	785,000	1,432,045	-	-	-	-
Public Safety Facility	8,500,000	8,500,000	16,608	588,585	605,193	7.12
TOTAL 2022 SPLOST	$ 31,785,000	$ 31,785,000	$ 2,208,173	$ 3,852,958	$ 6,061,131	
			Total SPLOST expenditures	$ 6,161,192		
				41,361 (1)		
			Total SPLOST Fund expenditures	$ 6,202,553		

(1) Per Mayor and Council approval on 7/6/2020, the City allocated $76,000 from Dallas Watts; $14,700 from Police Vehicles; and $1,770,900 from Property Acquisition to the Cobb County Recreational Center Project, which is not listed on the City's SPLOST Schedule. The City's share of expenditures was $41,361 in fiscal year 2024.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Asset Forfeiture Fund – This fund is used to account for the City's share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.

Opioid Settlement Fund – This fund is used to account for the restricted funds received from legal settlements related to the nationwide opioid epidemic.

Treasury Equitable Sharing Fund – This fund is used to account for the City's share of monies that have been forfeited through the court system that are restricted for law enforcement purposes.

E911 Fund – To account for the collection and expenditures of E911 fees, which are restricted by state law.

Hotel/Motel Fund – To account for the 8% lodging tax levied in the City which are restricted by state law.

Cemetery Fund – To account for sales of cemetery plots and the cost of maintenance associated with them, as committed by the City Council.

Impact Fees Fund – To account for collections of various development impact fees and the related capital expenditures, which are restricted by state law.

Debt Service Funds

Urban Redevelopment Agency – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the City and the activity of the Urban Redevelopment Agency blended component unit.

Downtown Development Authority – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the City and the activity of the Downtown Development Authority blended component unit.

CITY OF KENNESAW, GEORGIA

NONMAJOR PROPRIETARY FUNDS

Smith-Gilbert Gardens Fund – This fund accounts for the activity related to the operations of the City's botanical gardens.

Streetlight Fund – This fund accounts for the collection of fees for upgrades to streetlights and related expenses.

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2024

ASSETS	Gardens Fund	Streetlight Fund	Totals
CURRENT ASSETS			
Cash	$ 117,299	$ 43,391	$ 160,690
Accounts receivable, net of allowance	-	52,055	52,055
Due from other governments	41,472	-	41,472
Due from other funds	-	59,063	59,063
Inventory	4,912	-	4,912
Prepaid items	821	-	821
Total current assets	164,504	154,509	319,013
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable assets	2,021,054	-	2,021,054
Depreciable assets	115,410	4,200	119,610
	2,136,464	4,200	2,140,664
Accumulated depreciation	(95,243)	(537)	(95,780)
Total capital assets	2,041,221	3,663	2,044,884
Total noncurrent assets	2,041,221	3,663	2,044,884
Total assets	2,205,725	158,172	2,363,897
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	5,567	5,713	11,280
Accrued liabilities	18,872	-	18,872
Due to other funds	863	59,647	60,510
Compensated absences payable	21,344	-	21,344
Unearned revenue	-	29,783	29,783
Total current liabilities	46,646	95,143	141,789
Total liabilities	46,646	95,143	141,789
NET POSITION			
Investment in capital assets	2,041,221	3,663	2,044,884
Unrestricted	117,858	59,366	177,224
Total net position	$ 2,159,079	$ 63,029	$ 2,222,108

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Gardens Fund	Streetlight Fund	Totals
OPERATING REVENUE			
Charges for sales and services	$ 101,287	$ 404,329	$ 505,616
Miscellaneous	97,916	-	97,916
Total operating revenues	199,203	404,329	603,532
OPERATING EXPENSES			
Cost of sales and services	729,998	476,733	1,206,731
Depreciation	5,729	280	6,009
Total operating expenses	735,727	477,013	1,212,740
Operating loss	(536,524)	(72,684)	(609,208)
NONOPERATING INCOME			
Intergovernmental	20,375	-	20,375
Interest income	1,290	962	2,252
Total nonoperating income	21,665	962	22,627
Loss before transfers	(514,859)	(71,722)	(586,581)
Transfers in	456,674	108,900	565,574
Total transfers	456,674	108,900	565,574
Change in net position	(58,185)	37,178	(21,007)
Total net position, beginning of year	2,217,264	25,851	2,243,115
Total net position, end of year	$ 2,159,079	$ 63,029	$ 2,222,108

CITY OF KENNESAW, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Gardens Fund	Streetlight Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 157,731	$ 399,912	$ 557,643
Payments to suppliers	(159,565)	(469,713)	(629,278)
Payments to employees	(583,010)	-	(583,010)
Net cash used in operating activities	(584,844)	(69,801)	(654,645)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	456,674	108,900	565,574
Receipts from state grants	20,374	-	20,374
Net cash provided by noncapital financing activities	477,048	108,900	585,948
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,290	962	2,252
Net cash provided by investing activities	1,290	962	2,252
Net increase (decrease) in cash	(106,506)	40,061	(66,445)
Cash, beginning of year	223,805	3,330	227,135
Cash, end of year	$ 117,299	$ 43,391	$ 160,690
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	$ (536,524)	$ (72,684)	$ (609,208)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	5,729	280	6,009
Change in assets and liabilities:			
Increase in accounts receivable	(41,472)	(4,417)	(45,889)
Decrease (increase) in due from other funds	164	(40,253)	(40,089)
Increase in prepaid items	(119)	-	(119)
Decrease in inventory	2,651	-	2,651
Increase in accounts payable	920	747	1,667
Increase in accrued liabilities	5,932	-	5,932
Increase in compensated absences payable	6,542	-	6,542
Increase in unearned revenue	-	705	705
Increase (decrease) in due to other funds	(28,667)	45,821	17,154
Net cash used in operating activities	$ (584,844)	$ (69,801)	$ (654,645)

COMPONENT UNIT –
DEVELOPMENT AUTHORITY

CITY OF KENNESAW, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2024

ASSETS	
Cash	$ 620,004
Land held for resale	910,000
Total assets	1,530,004
LIABILITIES	
Accounts payable	2,091
Due to primary government, current	173,000
Due to primary government, noncurrent	706,479
Total liabilities	881,570
FUND BALANCE	
Unassigned	648,434
Total fund balance	$ 648,434

CITY OF KENNESAW, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES	
Interest income	$ 6,899
Miscellaneous	414,120
Total revenues	421,019
EXPENDITURES	
Housing and development	89,346
Total expenditures	89,346
Net change in fund balance	331,673
FUND BALANCE, beginning of year	316,761
FUND BALANCE, end of year	$ 648,434

STATISTICAL SECTION

This part of the City of Kennesaw's annual comprehensive 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.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF KENNESAW, GEORGIA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020
Governmental activities					
Net investment in capital assets	**$ 103,163,614**	$ 97,767,024	$ 82,058,068	$ 79,484,202	$ 66,558,159
Restricted	**52,224,951**	47,147,564	40,742,837	34,413,582	38,422,467
Unrestricted	**19,814,071**	14,796,315	9,500,651	2,347,778	(791,928)
Total governmental activities net position	**$ 175,202,636**	$ 159,710,903	$ 132,301,556	$ 116,245,562	$ 104,188,698
Business-type activities					
Net investment in capital assets	**$ 13,100,544**	$ 13,297,505	$ 13,511,667	$ 13,485,656	$ 13,651,044
Unrestricted	**3,973,325**	4,160,556	4,076,887	4,161,424	3,742,078
Total business-type activities net position	**$ 17,073,869**	$ 17,458,061	$ 17,588,554	$ 17,647,080	$ 17,393,122
Primary government					
Net investment in capital assets	**$ 116,264,158**	$ 111,064,529	$ 95,569,735	$ 92,969,858	$ 80,209,203
Restricted	**52,224,951**	47,147,564	40,742,837	34,413,582	38,422,467
Unrestricted	**23,787,396**	18,956,871	13,577,538	6,509,202	2,950,150
Total primary government net position	**$ 192,276,505**	$ 177,168,964	$ 149,890,110	$ 133,892,642	$ 121,581,820

2019		2018		2017		2016		2015	
$	63,615,691	$	58,213,192	$	53,342,130	$	44,270,008	$	41,353,883
	35,040,568		28,431,367		29,647,981		33,586,055		30,325,102
	(3,291,667)		(6,886,057)		(8,001,192)		(9,162,559)		(8,857,613)
$	95,364,592	$	79,758,502	$	74,988,919	$	68,693,504	$	62,821,372
$	13,696,093	$	13,716,793	$	12,117,034	$	12,395,483	$	12,729,505
	3,497,538		2,686,620		1,069,980		1,493,066		1,009,187
$	17,193,631	$	16,403,413	$	13,187,014	$	13,888,549	$	13,738,692
$	77,311,784	$	71,929,985	$	65,459,164	$	56,665,491	$	54,083,388
	35,040,568		28,431,367		29,647,981		33,586,055		30,325,102
	205,871		(4,199,437)		(6,931,212)		(7,669,493)		(7,848,426)
$	112,558,223	$	96,161,915	$	88,175,933	$	82,582,053	$	76,560,064

CITY OF KENNESAW, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020
Expenses					
Governmental activities:					
General government	**$ 6,905,838**	$ 6,949,018	$ 5,491,836	$ 6,018,287	$ 5,878,342
Judicial	**398,866**	435,479	394,132	412,151	390,403
Public safety	**10,955,559**	10,701,664	9,240,253	9,402,997	9,296,626
Public works	**5,076,470**	4,324,390	3,563,674	3,690,826	3,726,845
Health and welfare	**-**	6,459	7,149	538	-
Culture and recreation	**3,878,705**	3,413,831	2,507,700	2,129,431	1,911,729
Housing and development	**1,726,379**	1,776,292	1,359,324	1,484,520	1,311,722
Interest on long-term debt	**334,815**	398,695	477,426	476,359	840,096
Total governmental activities expenses	**29,276,632**	28,005,828	23,041,494	23,615,109	23,355,763
Business-type activities:					
Sanitation	**3,756,883**	3,711,091	2,353,740	2,307,993	2,211,371
Museum	**1,325,512**	1,257,518	1,108,395	1,048,711	1,081,715
Gardens	**735,764**	598,549	538,187	511,980	467,114
Stormwater	**927,391**	926,066	931,549	824,697	748,458
Streetlight	**477,013**	433,245	419,270	334,296	341,136
Total business-type activities expenses	**7,222,563**	6,926,469	5,351,141	5,027,677	4,849,794
Total primary government expenses	**$ 36,499,195**	$ 34,932,297	$ 28,392,635	$ 28,642,786	$ 28,205,557
Program Revenues					
Governmental activities:					
Charges for services:					
General government	**$ 267,622**	$ 275,897	$ 253,473	$ 210,714	$ 201,241
Judicial	**963,493**	1,108,845	795,464	760,992	882,811
Public safety	**1,530,601**	1,580,442	1,498,085	1,394,552	1,481,219
Public works	**597,021**	1,575,068	698,582	681,393	739,717
Culture and recreation	**1,489,165**	1,351,182	914,863	552,039	298,630
Housing and development	**1,531,139**	2,032,221	1,446,250	1,420,047	475,943
Operating grants and contributions (1)	**2,126,847**	10,049,290	1,469,699	1,840,206	1,765,704
Capital grants and contributions (1)	**10,274,654**	12,912,723	9,641,027	8,230,073	7,085,752
Total governmental activities program revenues	**18,780,542**	30,885,668	16,717,443	15,090,016	12,931,017
Business-type activities:					
Charges for services:					
Sanitation	**3,816,582**	3,897,083	2,627,176	2,686,744	2,578,490
Museum	**551,478**	543,267	503,904	354,546	342,413
Gardens	**199,203**	165,179	156,988	123,302	71,923
Stormwater	**1,323,414**	1,356,656	1,259,187	1,251,997	1,249,632
Streetlight	**404,329**	410,785	374,735	368,124	363,462
Operating grants and contributions (1)	**20,375**	10,000	6,000	-	-
Capital grants and contributions (1)	**37,570**	18,730	19,275	48,976	64,235
Total business-type activities program revenues	**6,352,951**	6,401,700	4,947,265	4,833,689	4,670,155
Total primary government program revenues	**$ 25,133,493**	$ 37,287,368	$ 21,664,708	$ 19,923,705	$ 17,601,172

2019	2018	2017	2016	2015
$ 4,663,769	$ 4,805,604	$ 4,350,340	$ 4,442,795	$ 4,460,850
393,208	371,714	364,977	367,386	348,800
8,635,869	8,179,820	8,443,734	8,384,410	7,410,419
3,404,917	3,533,601	3,611,163	4,064,973	3,699,120
-	-	-	-	-
2,015,047	2,021,197	2,359,893	2,348,921	2,265,865
1,249,238	1,246,740	1,601,184	1,019,160	957,354
713,667	794,695	835,336	878,715	928,138
21,075,715	20,953,371	21,566,627	21,506,360	20,070,546
1,906,567	1,817,328	1,649,452	1,667,997	1,518,213
1,154,357	1,134,753	1,079,904	1,110,487	1,136,658
509,156	483,513	416,664	414,334	414,602
639,354	737,511	865,031	879,164	775,836
334,296	54,737	-	-	-
4,543,730	4,227,842	4,011,051	4,071,982	3,845,309
$ 25,619,445	$ 25,181,213	$ 25,577,678	$ 25,578,342	$ 23,915,855
$ 202,471	$ 191,633	$ 179,081	$ 158,210	$ 181,499
1,099,181	1,075,479	988,238	849,434	946,319
1,474,411	1,657,277	1,495,481	1,406,576	1,555,379
729,847	145,401	167,018	498,692	217,117
622,568	762,913	898,948	821,495	828,019
821,706	327,073	460,742	724,819	470,269
784,965	755,413	740,693	721,052	741,944
10,975,883	6,758,032	5,528,449	5,867,805	6,643,379
16,711,032	11,673,221	10,458,650	11,048,083	11,583,925
2,542,701	2,532,804	2,198,573	2,182,106	2,206,876
460,022	457,598	445,964	440,604	413,818
153,211	121,806	124,479	130,779	115,540
1,242,284	1,271,204	1,256,170	1,208,615	906,877
359,190	61,530	-	-	-
-	-	-	-	-
131,930	39,608	44,401	100,269	709,771
4,889,338	4,484,550	4,069,587	4,062,373	4,352,882
$ 21,600,370	$ 16,157,771	$ 14,528,237	$ 15,110,456	$ 15,936,807

CITY OF KENNESAW, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020
Net (Expense)/Revenue					
Governmental activities	**$ (10,496,090)**	$ 2,879,840	$ (6,324,051)	$ (8,525,093)	$ (10,424,746)
Business-type activities	**(869,612)**	(524,769)	(403,876)	(193,988)	(179,639)
Total primary government net expense	**$ (11,365,702)**	$ 2,355,071	$ (6,727,927)	$ (8,719,081)	$ (10,604,385)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	**$ 17,693,737**	$ 16,308,902	$ 14,716,982	$ 13,543,437	$ 12,209,466
Franchise taxes	**2,005,931**	1,870,984	1,822,258	1,835,507	1,890,813
Insurance premium taxes	**3,170,688**	2,947,924	2,708,125	2,539,487	2,457,772
Business taxes	**1,801,097**	1,734,801	1,652,621	1,410,570	1,495,919
Other taxes	**1,036,848**	1,068,447	1,211,365	1,188,741	1,030,091
Unrestricted investment earnings	**686,222**	687,604	485,873	422,873	401,544
Gain on sale of capital assets	**22,014**	207,550	35,389	-	51,603
Transfers	**(428,714)**	(296,705)	(252,568)	(358,658)	(288,356)
Total governmental activities	**25,987,823**	24,529,507	22,380,045	20,581,957	19,248,852
Business-type activities:					
Unrestricted investment earnings	**56,706**	97,571	92,782	89,288	90,774
Gain on sale of capital assets	**-**	-	-	-	-
Transfers	**428,714**	296,705	252,568	358,658	288,356
Total business-type activities	**485,420**	394,276	345,350	447,946	379,130
Total primary government	**$ 26,473,243**	$ 24,923,783	$ 22,725,395	$ 21,029,903	$ 19,627,982
Change in Net Position					
Governmental activities	**$ 15,491,733**	$ 27,409,347	$ 16,055,994	$ 12,056,864	$ 8,824,106
Business-type activities	**(384,192)**	(130,493)	(58,526)	253,958	199,491
Total primary government	**$ 15,107,541**	$ 27,278,854	$ 15,997,468	$ 12,310,822	$ 9,023,597

NOTES: (1) Grant revenues vary from year to year depending on the federal and state funding received by the City.

2019	2018	2017	2016	2015
$ (4,364,683)	$ (9,280,150)	$ (11,107,977)	$ (10,458,277)	$ (8,486,621)
345,608	256,708	58,536	(9,609)	507,573
$ (4,019,075)	$ (9,023,442)	$ (11,049,441)	$ (10,467,886)	$ (7,979,048)
$ 12,584,176	$ 11,445,412	$ 10,555,252	$ 10,077,543	$ 9,743,961
1,905,748	1,778,733	1,864,149	1,815,579	1,788,362
2,329,114	2,192,680	2,032,044	1,909,498	1,745,554
1,465,211	1,402,407	1,246,047	1,248,304	1,235,665
966,156	1,001,737	1,028,432	964,204	753,443
1,105,382	(97,065)	(122,623)	326,929	527,663
-	-	38,015	146,531	-
(385,014)	(2,379,021)	762,076	(158,179)	(278,662)
19,970,773	15,344,883	17,403,392	16,330,409	15,515,986
57,946	2,542	2,005	1,287	1,135
1,650	-	-	-	-
385,014	2,379,021	(762,076)	158,179	278,662
444,610	2,381,563	(760,071)	159,466	279,797
$ 20,415,383	$ 17,726,446	$ 16,643,321	$ 16,489,875	$ 15,795,783
$ 15,606,090	$ 6,064,733	$ 6,295,415	$ 5,872,132	$ 7,029,365
790,218	2,638,271	(701,535)	149,857	787,370
$ 16,396,308	$ 8,703,004	$ 5,593,880	$ 6,021,989	$ 7,816,735

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

	2024	2023	2022	2021	2020
General fund					
Nonspendable:					
Long-term advances	$ -	$ -	$ 16,093	$ 47,917	$ 79,268
Inventories	10,760	9,483	9,994	6,616	5,172
Prepaid items	344,564	263,630	261,173	192,682	182,485
Lease receivable, net	6,810	4,453	3	-	-
Restricted:					
Public safety	14,443	14,289	14,042	13,798	13,459
Capital projects	-	-	-	-	-
Debt service	89,505	88,560	87,025	85,517	7,448
Voter approved use	9,000,000	7,587,563	7,546,845	7,632,861	7,664,101
Assigned:					
Capital projects	-	-	-	-	-
Unassigned	32,343,778	26,338,796	19,848,453	13,501,762	9,327,645
Total general fund	$ 41,809,860	$ 34,306,774	$ 27,783,628	$ 21,481,153	$ 17,279,578
All other governmental funds					
Nonspendable:					
Long-term advances	$ -	$ -	$ -	$ -	$ -
Prepaid items	11,935	10,212	13,028	9,967	8,585
Notes receivable	-	-	-	-	-
Restricted:					
Public safety	2,566,605	2,124,123	1,590,547	1,040,324	966,548
Health and welfare	49,810	-	-	-	-
Culture and recreation	17,748	14,527	13,710	13,075	12,415
Capital projects	40,119,725	36,809,470	31,541,819	24,860,550	29,294,943
Federal Programs	34,943	15,240	10,131	9,818	
Debt service	3,080	3,080	3,078	3,077	3,075
Committed:					
Cemetery maintenance	11,059	51,891	58,948	66,517	54,094
Assigned:					
Capital projects	-	-	-	-	77,474
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 42,814,905	$ 39,028,543	$ 33,231,261	$ 26,003,328	$ 30,417,134

2019	2018	2017	2016	2015
$ 110,152	$ 298,854	$ 556,263	$ 825,669	$ 958,972
7,811	8,577	8,062	7,473	4,447
180,024	253,898	229,135	257,964	185,029
-	-	-	-	-
14,473	11,287	36,132	36,096	36,060
-	-	-	-	-
639,744	631,301	630,672	630,044	779,410
7,703,313	7,092,269	7,533,313	8,019,456	7,965,332
-	-	-	264,186	-
5,469,476	1,464,101	(1,269,638)	(3,197,165)	(3,893,417)
$ 14,124,993	$ 9,760,287	$ 7,723,939	$ 6,843,723	$ 6,035,833
$ -	$ -	$ -	$ -	$ 496,756
8,294	13,134	9,653	11,129	5,985
-	-	-	-	186,500
708,176	398,349	39,401	66,526	88,627
-	-	-	-	-
12,035	11,793	11,780	11,751	11,713
25,370,782	20,046,089	20,645,186	24,834,329	27,657,315
3,046	3,025	8,502	-	-
39,151	32,151	17,548	28,577	23,686
76,145	65,149	65,074	157,070	409,033
-	58,953	83,639	-	-
(54,361)	-	(177,475)	(398,789)	(695,873)
$ 26,163,268	$ 20,628,643	$ 20,703,308	$ 24,710,593	$ 28,183,742

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

	2024	2023	2022	2021	2020
Revenues					
Taxes	**$ 25,689,500**	$ 23,909,088	$ 22,180,116	$ 20,466,531	$ 19,380,206
Licenses and permits	**1,859,899**	3,156,955	1,737,184	1,754,576	855,843
Intergovernmental	**12,266,081**	22,948,217	11,047,458	10,060,279	8,759,248
Fines and forfeitures	**1,026,303**	1,193,853	821,484	765,299	1,021,084
Charges for services	**2,810,390**	2,717,483	2,387,950	1,920,574	1,652,351
Contributions	**120**	10,022	50,000	10,000	-
Net investment income (loss)	**1,065,323**	1,233,272	892,582	851,738	850,250
Other revenues	**311,806**	307,462	263,111	147,634	192,702
Total revenues	**45,029,422**	55,476,352	39,379,885	35,976,631	32,711,684
Expenditures					
General government	**6,327,116**	6,269,417	5,249,598	4,937,870	4,707,490
Judicial	**386,887**	409,044	412,798	407,963	382,087
Public safety	**9,621,543**	9,673,155	9,140,207	8,851,264	8,729,279
Public works	**2,609,521**	6,229,556	1,721,361	1,961,990	2,205,955
Health and welfare	**-**	195,850	7,149	538	
Culture and recreation	**3,379,567**	2,972,508	2,331,993	1,763,601	1,497,119
Housing and development	**1,456,628**	1,509,455	1,184,648	1,160,297	1,098,252
Capital outlay	**8,099,011**	11,552,685	3,638,566	15,010,871	7,553,074
Debt service					
Principal retirements	**1,099,503**	4,054,698	1,478,973	1,481,880	1,382,483
Interest and fiscal charges	**354,200**	405,893	491,029	530,838	831,598
Bond issuance costs	**-**	-	-	-	-
Total expenditures	**33,333,976**	43,272,261	25,656,322	36,107,112	28,387,337
Excess (deficiency) of revenues over expenditures	**11,695,446**	12,204,091	13,723,563	(130,481)	4,324,347
Other financing sources (uses)					
Proceeds from financed purchases	**-**	147,640	22,712	179,339	205,003
Issuance of long-term debt	**-**	-	-	-	10,775,000
Deposits with escrow agent	**-**	-	-	-	(7,675,000)
Proceeds from sale of capital assets	**22,716**	265,402	36,701	97,569	67,457
Proceeds from insurance recoveries	**-**	-	-	-	-
Transfers in	**1,125,229**	1,366,446	1,637,356	1,545,034	1,462,235
Transfers out	**(1,553,943)**	(1,663,151)	(1,889,924)	(1,903,692)	(1,750,591)
Total other financing sources (uses)	**(405,998)**	116,337	(193,155)	(81,750)	3,084,104
Net change in fund balances	**$ 11,289,448**	$ 12,320,428	$ 13,530,408	$ (212,231)	$ 7,408,451
Debt service as a percentage of noncapital expenditures	**5.76%**	16.44%	8.97%	9.54%	10.67%

2019	2018	2017	2016	2015
$ 18,956,810	$ 17,903,060	$ 16,899,665	$ 16,157,523	$ 15,259,733
1,158,751	501,349	619,747	1,021,664	546,277
11,740,544	7,367,107	6,226,083	6,578,785	7,459,301
1,239,307	1,252,470	1,273,309	1,023,977	1,229,629
2,028,941	2,197,437	2,074,738	2,214,625	2,160,110
6,099	500	40,000	6,652	57,030
1,428,654	(47,135)	(65,324)	382,654	574,015
212,533	159,343	167,422	146,553	216,175
36,771,639	29,334,131	27,235,640	27,532,433	27,502,270
4,156,524	4,185,383	4,044,074	4,087,000	4,206,658
399,548	371,684	359,187	356,493	343,440
8,369,791	7,859,170	7,991,684	7,865,595	7,159,379
2,283,769	2,343,064	2,453,357	2,791,593	2,516,441
1,707,830	1,729,176	2,047,715	2,009,199	1,985,909
1,163,741	1,056,365	1,392,855	957,711	933,895
6,315,422	7,226,205	10,574,153	10,168,328	4,422,545
1,579,692	1,485,700	1,492,053	1,727,076	1,333,036
725,682	811,191	851,670	898,444	932,058
-	-	-	-	-
26,701,999	27,067,938	31,206,748	30,861,439	23,833,361
10,069,640	2,266,193	(3,971,108)	(3,329,006)	3,668,909
191,014	51,557	43,948	331,140	761,265
-	-	-	-	-
-	-	-	-	-
23,691	1,900	38,015	490,786	6,520
-	-	-	-	-
1,620,702	1,531,509	2,443,370	1,675,696	2,125,549
(2,005,716)	(1,889,476)	(1,681,294)	(1,833,875)	(2,404,211)
(170,309)	(304,510)	844,039	663,747	489,123
$ 9,899,331	$ 1,961,683	$ (3,127,069)	$ (2,665,259)	$ 4,158,032
11.45%	11.65%	11.42%	12.70%	11.68%

CITY OF KENNESAW, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal	Real Property						Public
Year	Residential	Agricultural	Commercial	Industrial	Historical	Conservation	Utility
2015	$ 503,625,147	$ 128,488	$ 326,699,884	$ 20,260,590	$ 147,900	$ 497,382	$ 11,300,106
2016	544,822,699	128,488	347,217,207	21,127,544	-	497,832	11,408,739
2017	599,615,340	135,828	364,331,546	20,693,720	-	497,500	12,074,923
2018	658,356,108	180,068	402,931,231	21,726,760	-	509,260	13,570,174
2019	720,847,225	211,488	452,189,240	23,380,464	-	551,552	14,530,065
2020	777,233,242	99,676	456,553,224	22,409,804	-	110,876	15,848,061
2021	831,864,492	107,112	498,346,084	23,626,332	-	117,916	16,362,822
2022	907,737,436	107,112	550,784,900	25,589,732	622,404	129,656	17,106,893
2023	1,128,265,024	284,286	592,467,843	26,567,800	653,404	164,578	17,820,462
2024	**1,314,015,763**	**284,286**	**680,551,920**	**27,766,556**	**843,200**	**218,566**	**19,249,831**

Source: Cobb County Tax Commissioner

Note: Tax rates are per $1,000 of assessed value.

Note: Source is from Property Tax Digest 2023

Personal Property	Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
$ 226,498,967	$ 2,844	$ 144,188,291	$ 944,973,017	9.50	$ 2,362,432,543	40.00%
212,127,794	25,309	163,009,693	974,345,919	9.50	2,435,864,798	40.00%
222,919,735	9,894	175,434,964	1,044,843,522	9.50	2,612,108,805	40.00%
225,874,489	-	180,364,288	1,142,783,802	9.50	2,856,959,505	40.00%
244,428,682	2,614	276,955,288	1,179,186,042	9.50	2,947,965,105	40.00%
260,871,329	8,526	305,346,338	1,227,788,400	9.50	3,069,471,000	40.00%
268,454,275	30,741	334,808,625	1,304,101,149	9.50	3,260,252,873	40.00%
247,902,012	7,873	321,498,717	1,428,489,301	9.50	3,571,223,253	40.00%
260,775,861	87,115	466,305,125	1,560,781,248	9.50	3,901,953,120	40.00%
259,392,480	**36,503**	**537,172,801**	**1,765,186,304**	**9.25**	**4,412,965,760**	**40.00%**

CITY OF KENNESAW, GEORGIA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $1000 of Assessed Value)
LAST TEN YEARS

	City of Kennesaw		Total		Cobb		Total Direct and
Fiscal Year	Operating Millage	Debt Service Millage	Direct Rate	Cobb County	County Schools	State	Overlapping Rates
2015	8.00	1.50	9.50	10.51	18.90	0.05	38.96
2016	8.00	1.50	9.50	9.85	18.90	0.00	38.25
2017	8.00	1.50	9.50	9.85	18.90	0.00	38.25
2018	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2019	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2020	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2021	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2022	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2023	8.00	1.50	9.50	11.45	18.90	0.00	39.85
2024	**7.75**	**1.50**	**9.25**	**11.45**	**18.70**	**0.00**	**39.40**

Source: Cobb County Tax Commissioner

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Kennesaw.

CITY OF KENNESAW, GEORGIA

PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

	2024			2015		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Taxable Assessed Value**
Bell Fund VI Kennesaw LLC	$ **30,620,800**	**1**	**1.73** %			
SREIT Revival on Main LLC	**30,000,000**	**2**	**1.70**			
West 22 LL LLC	**29,403,720**	**3**	**1.67**			
Pac Ellison LLC	**23,200,000**	**4**	**1.31**			
HM Kennesaw LLC & Columbia Kennesaw LLC	**21,000,000**	**5**	**1.19**	$ 12,480,000	3	1.32 %
GEP X Kennesaw LLC	**20,000,000**	**6**	**1.13**			
Owens & Minor Distribution Inc	**18,020,091**	**7**	**1.02**	8,283,384	7	0.88
CRP GREP Overture Barrett Owner LLC	**17,000,000**	**8**	**0.96**			
WOP Charlestowne LLC	**16,420,000**	**9**	**0.93**			
Alta Ridenour LLC	**16,142,160**	**10**	**0.91**			
CCAL 2 3615 Cherokee Street LLC				20,572,930	1	2.18
Kennesaw 450 LLC				18,260,800	2	1.93
Kennesaw Gardens Associates LLC				10,000,064	4	1.06
ACC OP Frey LLC				9,596,890	5	1.02
Atlanta RDC Co.				8,622,972	6	0.91
Alta Ridenour LLC				7,195,611	8	0.76
Park at Kennesaw LLC				6,920,000	9	0.73
Lakeside Vista Apartments LP				6,189,200	10	0.65
	$ **221,806,771**		**12.57** %	$ 108,121,851		11.44 %

Source: Cobb County Tax Commissioner

CITY OF KENNESAW, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

		Collected within the Fiscal Year of the Levy		Collections in	Total Collections to Date	
Fiscal Year	**Total Tax Levy**	**Amount**	**Percentage of Levy**	**Subsequent Years**	**Amount**	**Percentage of Levy**
2015	$ 8,194,415	$ 8,067,586	98.5%	$ 123,653	$ 8,191,239	99.96%
2016	8,896,627	8,826,150	99.2%	68,364	8,894,514	99.98%
2017	9,484,399	9,408,893	99.2%	73,145	9,482,038	99.98%
2018	9,988,179	9,956,440	99.7%	27,201	9,983,641	99.95%
2019	10,804,271	10,767,151	99.7%	33,661	10,800,812	99.97%
2020	11,376,491	11,345,434	99.7%	23,020	11,368,454	99.93%
2021	12,051,494	11,991,821	99.5%	51,281	12,043,102	99.93%
2022	13,032,018	13,015,712	99.9%	12,264	13,027,976	99.97%
2023	14,567,638	14,486,840	99.4%	71,675	14,558,515	99.94%
2024	**16,175,829**	**16,115,259**	**99.6%**	**-**	**16,115,259**	**99.63%**

Source: Cobb County Tax Commissioner and City of Kennesaw Tax Department.

CITY OF KENNESAW, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Notes Payable	Revenue Bonds	Financed Purchases	Bonds Payable	Notes Payable	Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2015	$ 10,640,000	$ 320,916	$ 9,635,068	$ 932,846	$ -	$ -	$ 36,246	$ 21,565,076	2.19%	$ 626
2016	10,105,000	-	9,031,695	992,828	-	-	29,342	20,158,865	2.10%	600
2017	9,540,000	-	8,403,369	734,723	-	-	42,384	18,720,476	1.72%	516
2018	8,945,000	-	7,750,102	545,581	-	-	214,081	17,454,764	1.54%	481
2019	8,325,000	-	7,066,909	456,904	-	-	157,998	16,006,811	1.33%	441
2020	7,800,000	-	9,523,804	444,421	-	-	122,471	17,890,696	1.57%	525
2021	7,035,000	-	8,975,801	451,878	-	-	86,176	16,548,855	1.48%	501
2022	6,250,000	-	8,407,909	345,616	-	-	35,416	15,038,941	1.21%	455
2023	5,440,000	-	5,285,135	368,561	-	-	13,482	11,107,178	0.82%	331
2024	**4,605,000**	**-**	**5,110,000**	**254,058**	**-**	**-**	**-**	**9,969,058**	**0.70%**	**288**

(1) See the Demographic and Economic Statistics for personal income and population data.

CITY OF KENNESAW, GEORGIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Obligation Bonds (3)	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2015	$ 10,640,000	$ 779,410	$ 9,860,590	0.46%	286
2016	10,105,000	630,044	9,474,956	0.42%	282
2017	9,540,000	630,672	8,909,328	0.39%	246
2018	8,945,000	631,301	8,313,699	0.34%	229
2019	8,325,000	514,818	7,810,182	0.29%	215
2020	7,800,000	-	7,800,000	0.24%	229
2021	7,035,000	495	7,034,505	0.22%	213
2022	6,250,000	12,715	6,237,285	0.17%	189
2023	5,440,000	18,675	5,421,325	0.14%	162
2024	**4,605,000**	36,358	**4,568,642**	**0.10%**	**132**

(1) See the Assessed Value and Estimated Actual Value of Taxable Property for property tax data.
(2) See the Demographic and Economic Statistics for population data.
(3) Net bonded debt consists of total bonded debt less resources restricted for the repayment of principal.

CITY OF KENNESAW, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024

Governmental Unit	Governmental Activities Debt Outstanding	Percentage Applicable to City of Kennesaw (1)	Amount Applicable to City of Kennesaw
City direct debt	$ 9,969,058	100.00%	$ 9,969,058
Total direct and overlapping debt	$ 9,969,058		$ 9,969,058

Source: Assessed value data used to estimate applicable percentages provided by the Cobb County Board of Equalization and Assessment. Debt outstanding data provided by Cobb County.

Note: 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 Kennesaw, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by 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) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF KENNESAW, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	$ 108,916,176	$ 113,735,561	$ 122,027,849	$ 132,314,809	$ 145,614,133
Total net debt applicable to limit	10,010,590	9,474,956	8,909,328	8,313,699	7,810,182
Legal debt margin	$ 98,905,586	$ 104,260,605	$ 113,118,521	$ 124,001,110	$ 137,803,951
Total net debt applicable to the limit as a percentage of debt limit	9.19%	8.33%	7.30%	6.28%	5.36%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	$ 153,313,474	$ 163,890,977	$ 174,998,802	$ 202,708,637	**$ 230,235,911**
Total net debt applicable to limit	7,800,000	7,035,000	6,237,285	5,421,325	**4,568,642**
Legal debt margin	$ 145,513,474	$ 156,855,977	$ 168,761,517	$ 197,287,312	**$ 225,630,911**
Total net debt applicable to the limit as a percentage of debt limit	5.09%	4.29%	3.56%	2.67%	**2.00%**

Assessed Value	**$ 1,765,186,304**
Add back: exempt real property	**537,172,801**
Total assessed value	**2,302,359,105**
Debt limit (10% of total assessed value)	**230,235,911**
Debt applicable to limit:	
General obligation bonds	**4,568,642**
Less: Amount set aside for repayment of general obligation debt	**36,358**
Total net debt applicable to limit	**4,532,284**
Legal debt margin	**$ 225,703,627**

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF KENNESAW, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
2015	34,432	$ 984,789	$ 28,601	33.6	5.2%
2016	33,584	960,535	28,601	32.0	4.7%
2017	36,258	1,091,547	30,105	34.6	3.4%
2018	36,300	1,131,725	31,177	32.0	3.9%
2019	36,300	1,200,949	33,084	33.1	2.7%
2020	34,077	1,140,591	33,471	33.3	4.1%
2021	33,036	1,121,902	33,960	33.3	2.0%
2022	33,049	1,242,906	37,608	34.1	2.3%
2023	33,552	1,354,863	40,381	35.6	2.7%
2024	**34,683**	**1,418,742**	**40,906**	**35.6**	**2.9%**

Source: U.S. Census, Georgia Department of Labor, and Cobb County Chamber of Commerce

CITY OF KENNESAW, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2024			2015		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atlanta Bonded Warehouse	**294**	**1**	**1.23 %**	351	1	1.44 %
Walton Communities LLC	**214**	**2**	**0.89**			
NOVA Engineering and Environmental LLC	**182**	**3**	**0.76**			
Shady Grove Rest Home	**180**	**4**	**0.75**	125	6	0.51
Publix Super Market, Inc. # 559	**172**	**5**	**0.72**	142	4	0.58
Publix Super Market, Inc. # 1077	**163**	**6**	**0.68**	116	8	0.48
Publix Super Market, Inc. # 769	**160**	**7**	**0.67**	123	7	0.51
Whole Foods	**150**	**8**	**0.63**			
Avient Corporation	**128**	**9**	**0.53**			
Strategic Health Partners LLC	**111**	**10**	**0.46**			
Fabric.com Inc				249	2	1.02
Tug Technologies Corporation				193	3	0.79
Cintas Corporation				126	5	0.52
Crane Nucler Inc				86	9	0.35
Owens & Minor Distribution				80	10	0.33
	1,754		**7.32 %**	1,591		6.53 %

Source: Various City departments

CITY OF KENNESAW, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Function					
General government	**44**	35	34	32	32
Judicial	**3**	3	3	3	3
Public safety:					
Police Administration	**9**	9	7	5	4
Police Officers	**78**	74	74	72	73
911 Operators	**17**	8	17	15	17
Public works	**24**	26	26	34	33
Culture and recreation	**51**	44	42	36	37
Housing and development	**14**	13	12	11	12
Sanitation	**2**	2	2	2	2
Total	**242**	214	217	210	213

Source: City of Kennesaw department records

Prior to 2018, Public Safety included Corrections Facility operated by the City of Kennesaw

2019	2018	2017	2016	2015
32	23	24	26	29
3	3	3	3	3
5	6	10	12	12
70	59	59	66	68
17	15	15	17	17
34	22	28	29	33
42	26	34	40	39
11	9	11	9	10
2	2	1	1	1
216	165	185	203	212

CITY OF KENNESAW, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Function					
Police:					
Physical arrests	**645**	1,064	969	1,035	950
Parking violations	**192**	303	403	523	295
Traffic violations	**13,558**	12,507	10,077	11,102	10,544
Culture and recreation					
Admissions/fees	**$ 1,967,602**	$ 1,713,589	$ 1,402,042	$ 894,285	$ 617,016
Housing and development					
Building permits issued	**705**	1,860	610	473	357
Sanitation					
Number of customers	**10,852**	10,690	9,744	9,700	9,400

Source: City of Kennesaw Departments

N/A - Information not available

Note: Operating indicators are not available for general government, judicial, or public works.

2019	2018	2017	2016	2015
1,497	1,473	876	832	959
419	381	742	981	1,184
16,297	16,284	13,493	12,891	13,721
$ 1,081,730	$ 1,186,928	$ 1,321,345	$ 1,242,649	$ 1,203,404
95	365	385	443	417
9,300	9,486	9,329	9,104	9,010

CITY OF KENNESAW, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Function					
Public safety					
Police:					
Stations	**1**	1	1	1	1
Vehicles	**83**	80	78	80	84
Public works					
Miles of streets	**105**	105	105	105	105
Culture and recreation					
Acreage	**123**	123	121	121	121
Baseball/softball fields	**10**	10	10	10	10
Soccer/football fields	**-**	-	-	-	-

Source: Various City departments

Note: Capital asset indicators are not available for the general government, judicial, and housing and development functions.

2019	2018	2017	2016	2015
1	1	1	1	1
89	93	84	84	86
103	102	99	99	99
121	121	121	121	121
10	10	10	11	11
1	1	1	1	1

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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 Mayor and Members
of the City Council of
Kennesaw, 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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kennesaw, Georgia (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Kennesaw, Georgia's basic financial statements, and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Kennesaw, Georgia's internal control over financial reporting (internal control) as a basis for designing 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 Kennesaw, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Kennesaw, 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.

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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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Kennesaw, 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 financial statements. 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 13, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**The Honorable Mayor and Members
of the City Council of
Kennesaw, Georgia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Kennesaw, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2024. The City's major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 13, 2025

CITY OF KENNESAW, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-through Grantor Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Cobb County, Georgia			
Community Development Block Grant - Entitlement Grants Cluster	14.218	CD21-C21C3-F	$ 146,837
Community Development Block Grant - Entitlement Grants Cluster	14.218	CD22-C22C3-F	20,927
Total Community Development Block Grant - Entitlement Grants Cluster			167,764
Total U.S. Department of Housing and Urban Development			167,764
U.S. DEPARTMENT OF JUSTICE			
Equitable Sharing Program	16.922	N/A	13,000
Office of Justice Programs	16.710	2023BUBX23034912	8,340
Office of Justice Programs - Criminal Justice Coordinating Council	16.710	N50-8-065	2,952
Total U.S. Department of Justice			24,292
U.S. DEPARTMENT OF TREASURY			
Equitable Sharing Program	21.016	N/A	2,383
Drug Enforcement Agency	21.016	N/A	6,534
Passed Through State of Georgia			
COVID-19: Coronavirus State and Local Fiscal Recovery Fund	21.027	GA-0005011	1,139,739
COVID-19: Coronavirus State and Local Fiscal Recovery Fund - Public Safety and Community Violence Reduction Program	21.027	GA-0013920	75,000
Total Coronavirus State and Local Fiscal Recovery Fund			1,214,739
Total U.S. Department of Treasury			1,223,656
Total Expenditures of Federal Awards			$ 1,415,712

See notes to Schedule of Expenditures of Federal Awards.

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to federal regulations promulgated by the federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not utilize the 10% de minimus indirect cost rate permitted by the Uniform Guidance.

The City did not pass through any federal funds to subrecipients.

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified?	____ yes __X__ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major federal programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes __X__ no

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF KENNESAW, GEORGIA
STATUS OF PRIOR AUDIT FINDINGS
SEPTEMBER 30, 2024

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

None reported.