CITY OF KENNESAW, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Finance Department
Jennifer Gordy
Director of Finance and Administration

CITY OF KENNESAW, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

MAYOR
Derek Easterling

City Manager
Jeff Drobney, ICMA-CM

City Clerk
Lea Alvarez, CMC

COUNCIL
Mayor Pro Tem Antonio Jones
Madelyn Orochena
Tracey Viars
Jonathon Bothers
Anthony Gutierrez-Leon

March 17, 2026

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, 2025, 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, 2025. 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 ensuring 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 37,734. 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 ensuring 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 or near completed for 2025:

$350 million in construction projects completed or near completion:

- **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.
- **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 was developed for a Mazda dealership. The project was completed in late 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 soon.
- **Town Kennesaw –** a 33-acre tract that was recently annexed, this will include 332 apartments and 63 townhomes. This project was 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 2026:

- **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 is 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 2025, 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 2024. 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 2025, increased to 5.5% - up from 3% for the year ended 2024. With a 6.5% vacancy rate, industrial/ distribution, by far the largest land use, ended the year on a sluggish note compared to 2024 (3%). Retail ended 2025 with 2% vacancy rate, holding steady from 2024. Overall, the City of Kennesaw fares better in every category compared to its submarket and the overall regional market. Vacancy rates for office increased from 4% to 7% from 2024 to 2025. The multi-family market ended 2025 with 14.5% vacancy – down 8.5% for the year ended 2024. Multi-family rents have maintained at $1,800 per month.

Industrial Markets (Year Ending 2025)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	6.5%	$11.00
Metro Atlanta	8%	$10.00
North Cobb-Bartow Submarket	10.7%	$10.26

Office Markets (Year Ending 2025)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	7%	$21.61
Metro Atlanta Market	17%	$30.00
Kennesaw-Town Center Submarket	17%	$25.29

Retail Markets (Year Ending 2025)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	2%	$24.31
Metro Atlanta Market	4.5%	$24.28
Kennesaw-Town Center Submarket	6.3%	$25.00

Multi-Family Markets (Year Ending 2025)	Vacancy Rate	Avg. Rent
City of Kennesaw (corporate boundaries)	14.7%	$1,800
Metro Atlanta Market	12%	$1,650
Kennesaw-Town Center Submarket	10%	$1,650

Source: Costar

Business Licensing

The City ended 2025 with a total of 1,565 active businesses – a decrease from 1,584 in 2024.

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, 2025 was $34,985,882 with expenditures totaling $11,558,454. Since inception, expenditures for parks, facility improvements, Rutledge and Cathy Lane, Sardis Street Extension and Sardis Street Overpass, and public safety facility were $4,693,263, $2,248,943, $18,230, $62,888 and $4,535,130, 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 $11,940,914 for Road, Street and Bridge Projects, $6,763,222 for Parks and Facility Improvement Projects and $110,242 for police vehicles. Total revenue generated for this SPLOST program from inception through September 30, 2025 was $35,112,474 with expenditures totaling $18,814,378. Funds received of $35,112,474 exceed the current cost estimate of $27,502,257 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: $15,901,261 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 $21,617,773.

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 $250,511,049, which is in excess of the City's outstanding general obligation debt of $3,740,000.

Major Initiatives

- **2881 N. Main Street Purchase** – The Kennesaw Development Authority (KDA) bought a 3-story brick and mortar for $900,000 in 2024. The property is currently being marketed.
- **Business Classes –** The City partnered with the Kennesaw State University Small Business Development Center (SBDC) to offer free, quarterly business classes in 2024. The program has continued throughout 2025.
- **Business Networking –** The City hosted monthly networking events at different business establishments in 2024. This has also continued through 2025.
- **Job Fair –** The City hosted its annual Job Fair located at the Cobb Civic Center in Marietta.
- **United Bankshares Amphitheater –** The amphitheater at Depot Park has continued to hold concert boosting sales in the Downtown business area.

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 25th consecutive Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the year ended September 30, 2024. 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.

During the past year, the City of Kennesaw earned significant recognition at the local, state, and national levels for excellence in placemaking, historic preservation, tourism, and public safety. Downtown Kennesaw was honored with the Outstanding Placemaking

Project Award at the Georgia Downtown Conference for Art Blooms, a collaborative initiative with Smith-Gilbert Gardens that enhanced public spaces and highlighted community creativity in the historic downtown district. The City was also recognized with a 2025 Cobb Landmarks Historic Preservation Award for the restoration of the historic Kennesaw Depot, underscoring Kennesaw's continued commitment to preserving its architectural heritage while investing in the future.

The City received additional recognition for quality of life and community appeal, with Money Inc. naming Kennesaw one of the best suburbs to live in Georgia. This designation highlighted the City's strong sense of community, access to parks and recreation, highly rated schools, and proximity to metropolitan Atlanta.

Kennesaw Parks & Recreation was recognized by Cobb Travel & Tourism with a Spot-On Award for the Kennesaw Grand Prix 5K Series, named Cobb Sports Alliance Event of the Year.

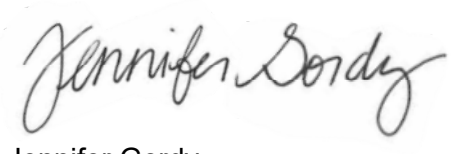
The Kennesaw Police Department achieved notable professional accomplishments during the year. Chief Bill Westenberger received the Egon Bittner Award from the Commission on Accreditation for Law Enforcement Agencies (CALEA®), recognizing more than 15 consecutive years of leadership of a CALEA-accredited agency and his lasting contributions to the law enforcement profession. Additionally, several officers earned Brazilian Jiu Jitsu Officer Certification through Georgia P.O.S.T., a rare distinction held by only a small number of active peace officers statewide. This advanced training supports officer safety, control techniques, and de-escalation practices, reinforcing the department's commitment to professionalism and responsible policing.

Together, these achievements reflect the City of Kennesaw's continued focus on community investment, historic preservation, public safety excellence, and quality of life for residents, businesses, and visitors.

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,



Jennifer Gordy
Director of Finance and Administration

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, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF KENNESAW, GEORGIA
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025

ELECTED OFFICIALS

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

CITY ADMINISTRATION

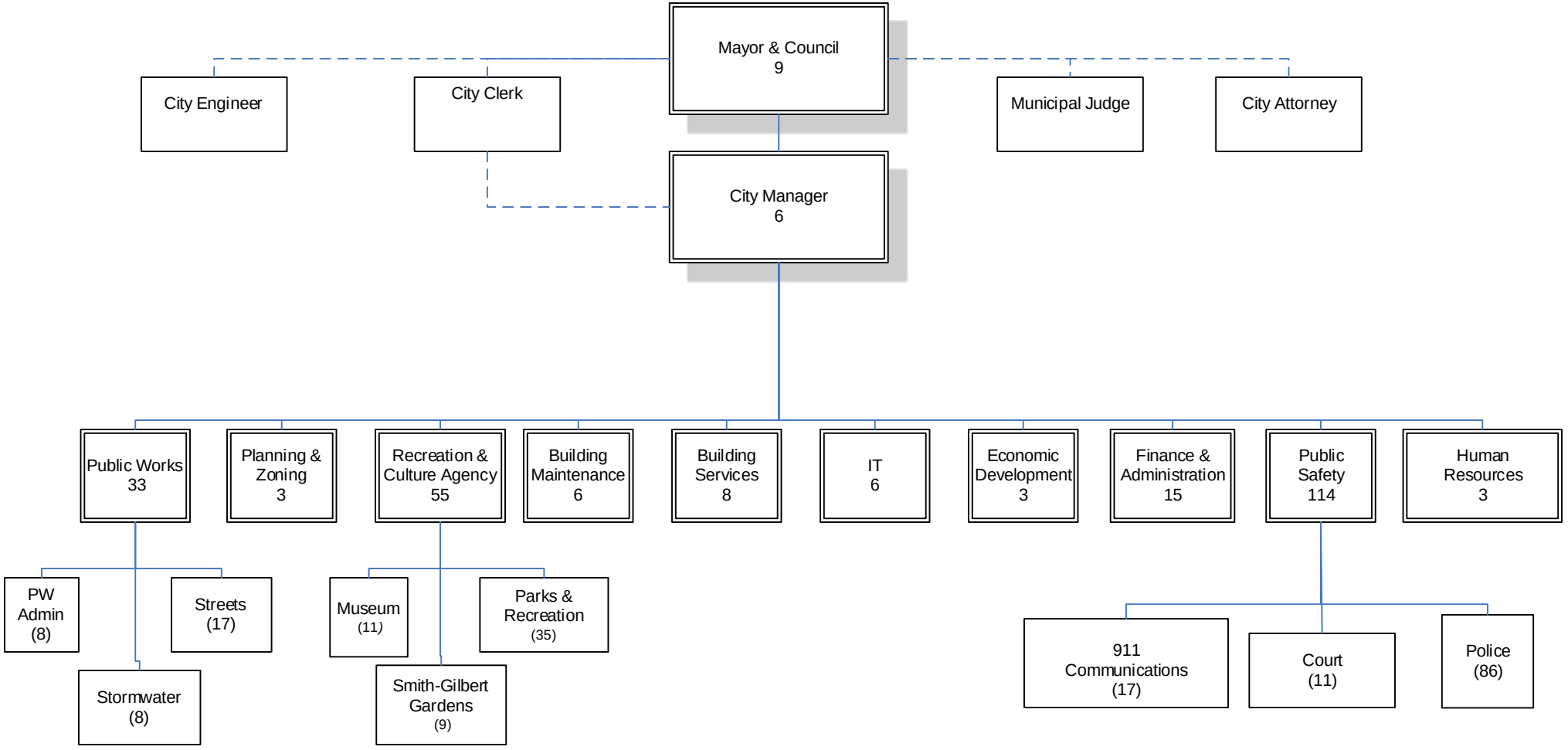
Jeff Drobney
City Manager

Bentley, Bentley, Bentley	Attorney
Luke Mayes	Municipal Court Judge
Brian Acker	Human Resources Director
Lea Alvarez	City Clerk
Robbie Balenger	Director of Building Facilities
Scott Banks	Director of Building Services
Richard Banz	Executive Director, Museum
Jennifer Gordy	Director of Finance and Administration
Becca Graham	Director of Communications & Engagement
Luke Howe	Economic Development Director
Marty Hughes	Assistant City Manager
Nikki McGraw	E911 Director
Bill McNair	Director of Parks and Recreation
Darryl Simmons	Executive Director, Smith Gilbert Gardens
David Simpson	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 - 261

September 30, 2025



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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General 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.

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 17, 2026, 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 17, 2026

The purpose of management's discussion and analysis (MD&A) is to help City of Kennesaw residents and other readers understand what the financial statements and notes in this financial report say about the City's financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the City's finances.

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.

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 (See the diagram in Figure A-1):

- **Governmental Activities** – Includes the basic services provided by the City including General Administration, Judicial, Public Safety, Public Works, Culture and Recreation, Health and Welfare and Housing and Development.
- **Business-Type Activities** – Includes 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 twelve 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 and SPLOST Fund which are considered to be major funds. Data from the other ten 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.

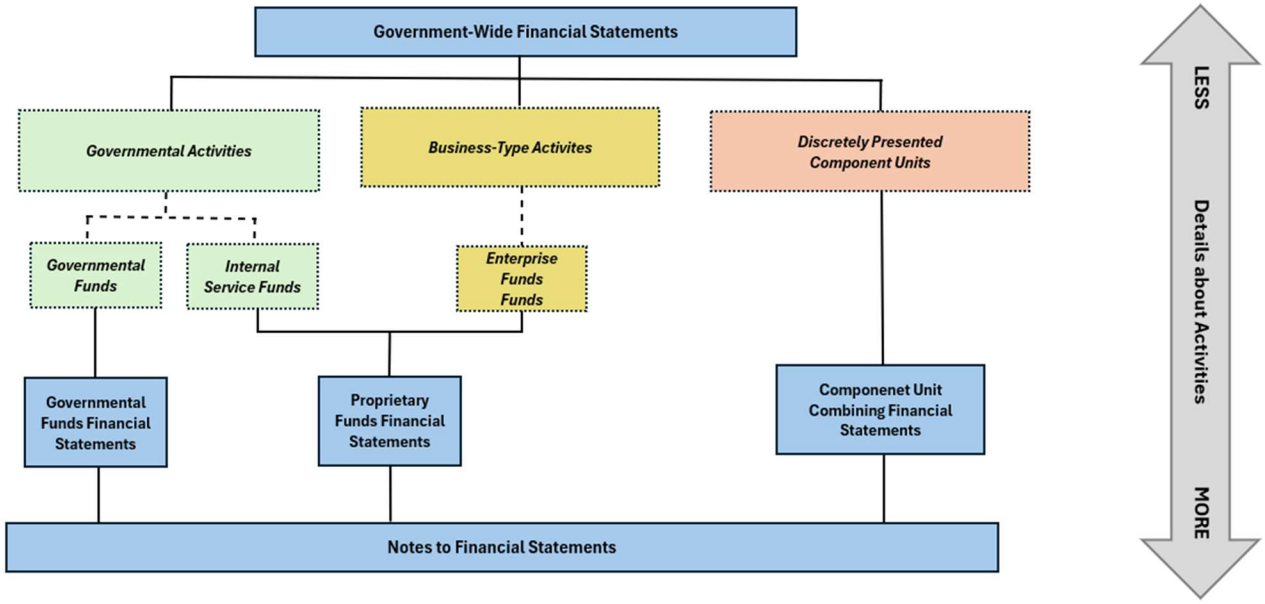
The basic governmental fund financial statements can be found on pages 24-27 of this report.

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 28-30 of this report.

Figure A-1. Contents of the City's Basic Financial Statements



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 31 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found beginning on page 68 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 post-employment benefits. Combining and individual fund statements and schedules can be found beginning on page 71 of this report.

Types of Information in the Financial Statements

All of the City's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting.* (See Figure A-2.) In other words, they comprehensively report all types of financial statement elements:

- *Assets* - resources the City controls, from short-term assets like cash to long-term assets like roads and bridges.
- *Liabilities* - amounts the City owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees for pensions.
- *Deferred outflows of resources* and *deferred inflows of resources* - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses* - inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as general obligation bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a City building.

Figure A-2. Types of Information Reported in the City's Financial Statements

	Financial Statements			
	Government-Wide	Proprietary Fund	Component Unit	Governmental Fund
Types of assets and liabilites	All assets and liabilites, both financial and nonfinancial, short term and long term			Only current financial resources, such as cash, taxes receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received			Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/ expenditures	All types of expenses/deductions that flow out of the governmenet during the year that relate to that year, regardless of when cash is paid			Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year			Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies, beginning on page 31.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position for the current year and shows a total net position of approximately $209,531,000, an increase of $17.25 million or 9% compared to 2024. The City's net position increased during fiscal year 2025 primarily due to the following city-wide activities:

- Increases to current and other assets related to cash equivalents from the result of the financial performance of governmental activities.
- Decreases to city-wide long-term debt outstanding.
- Increases to unrestricted net position.

For more detailed information, see the Statement of Net Position on page 21 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
	2025	2024	2025	2024	2025	2024	2024-25
ASSETS							
Current and other assets	$ 100,239	$ 88,932	$ 6,777	$ 6,145	$ 107,016	$ 95,077	13%
Capital assets	117,110	113,403	13,558	13,101	130,668	126,504	3%
Total Assets	217,349	202,335	20,335	19,246	237,684	221,581	7%
Deferred Outflows of resources:							
Pension related items	2,094	3,340	95	150	$ 2,189	$ 3,490	-37%
OPEB related Items	1,643	2,299	-	-	1,643	2,299	-29%
Total deferred outflows of resources	3,737	5,639	95	150	3,832	5,789	-34%
LIABILITIES							
Current and other liabilities	6,424	6,560	2,043	1,956	8,467	8,516	-1%
Long-term debt outstanding	18,413	22,763	191	367	18,604	23,130	-20%
Total Liabilities	24,837	29,323	2,234	2,323	27,071	31,646	-14%
Deferred Inflows of resources:							
OPEB related Items	2,534	3,325	-	-	2,534	3,325	-24%
Pension related items	2,205	-	100	-	2,305	-	0%
Leases	75	122	-	-	75	122	-39%
Total deferred inflows of resources	4,814	3,447	100	-	4,914	3,447	43%
NET POSITION							
Net investment in capital assets	106,676	103,403	13,558	13,101	120,234	116,504	3%
Restricted	58,657	52,225	-	-	58,657	52,225	12%
Unrestricted	26,102	19,574	4,538	3,973	30,640	23,547	30%
Total Net Position	$ 191,435	$ 175,202	$ 18,096	$ 17,074	$ 209,531	$ 192,276	9%

Changes in Net Position

Table 2 shows that The City's overall increase in net position for fiscal year 2025 can be attributed to several of the following factors.

- City received an increased amount of Capital grants and contributions related to city-wide public projects.
- Property Tax Revenues increased as new properties were constructed, prior year balances are paid, and increased assessed values occur.
- City-wide expenses increased as anticipated with some departments coming in below prior year expenses.

Due to the City's anticipation of needs, increased property tax revenues, and increased capital grants and contributions, the City was able to maintain an overall increase in net position.

For more detailed information, see the Statement of Activities on page 22-23 of the financial statements and the notes to the financial statements.

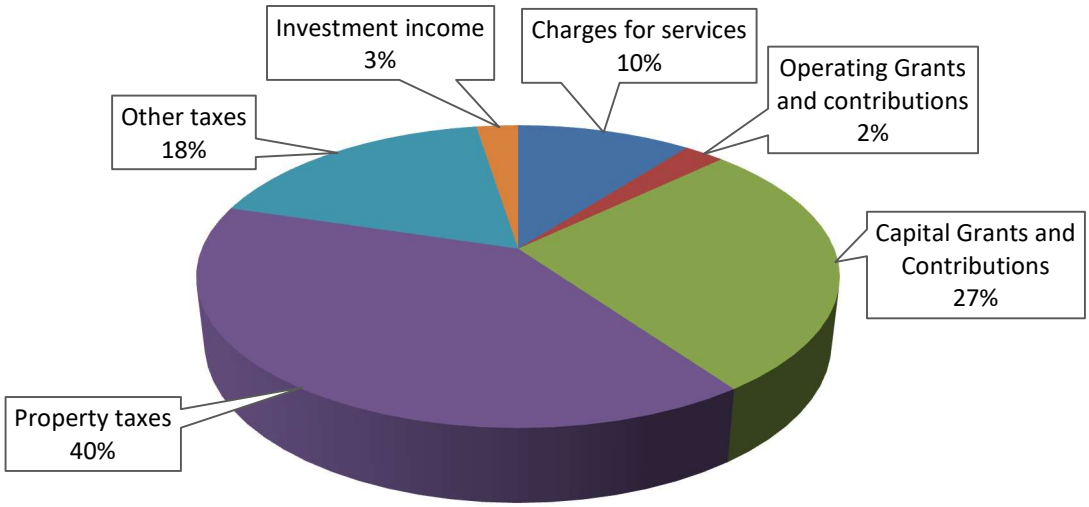
Table 2
Changes in Net Position
For The Fiscal Year Ended September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2025	2024	2025	2024	2025	2024	2024-25
Revenues							
Program revenues							
Charges for services	$ 5,015	$ 6,379	$ 6,470	$ 6,295	$ 11,485	$ 12,674	-9%
Operating grants and contributions	1,168	2,127	508	20	1,676	2,147	-22%
Capital grants and contributions	13,056	10,275	7	37	13,063	10,312	27%
General revenues							
Property taxes	18,922	17,694	-	-	18,922	17,694	7%
Other taxes	8,533	8,014	-	-	8,533	8,014	6%
Gain on sale of capital assets	39	22	-	-	39	22	77%
Investment income (loss)	1,200	685	112	58	1,312	743	77%
Total Revenues	47,933	45,196	7,097	6,410	55,030	51,606	7%
Expenses							
General Government	6,967	6,906	-	-	6,967	6,906	1%
Judicial	466	399	-	-	466	399	17%
Public Safety	11,638	10,955	-	-	11,638	10,955	6%
Public Works	4,826	5,076	-	-	4,826	5,076	-5%
Culture and Recreation	4,131	3,879	-	-	4,131	3,879	6%
Housing and Development	1,733	1,726	-	-	1,733	1,726	0%
Interest on long-term debt	317	335	-	-	317	335	-5%
Museum	-	-	1,359	1,326	1,359	1,326	2%
Sanitation	-	-	4,010	3,757	4,010	3,757	7%
Gardens	-	-	807	736	807	736	10%
Stormwater	-	-	1,057	927	1,057	927	14%
Streetlight	-	-	464	477	464	477	-3%
Total Expenses	30,078	29,276	7,697	7,223	37,775	36,499	3%
Excess (Deficiency) before Transfers	17,855	15,920	(600)	(813)	17,255	15,107	14%
Transfers	(1,623)	(429)	1,623	429	-	-	0%
Increase (Decrease) in Net Position	16,232	15,491	1,023	(384)	17,255	15,107	14%
Beginning Net Position	175,203	159,711	17,073	17,458	192,276	177,169	9%
Ending Net Position	$ 191,435	$ 175,202	$ 18,096	$ 17,074	$ 209,531	$ 192,276	9%

Governmental Activities

See pages 22-23 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 Revenues



Revenue Impacts:

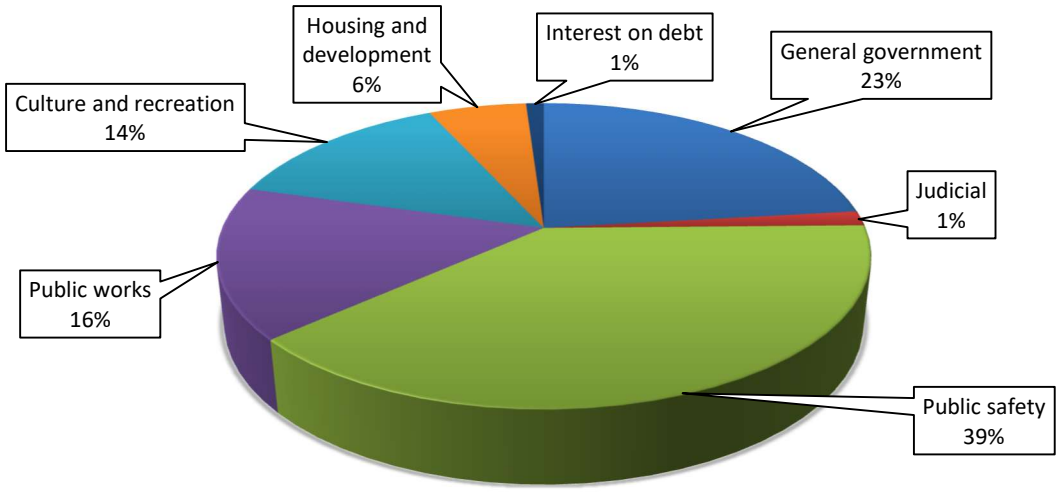
- Property taxes of approximately $18.9 million provided 40% of governmental revenues for general operations. The M&O millage rate remained the same at 7.75 mills. The bond millage rate remained at 1.50 mills. The bond millage is restricted to service the debt of the general obligation bond issue for recreation and transportation improvements. Property tax revenue was up approximately $1.23 million in 2025 due to an increase in real, bond, and personal assessed values.

- Capital grants and contributions for governmental activities increased by approximately $2.75 million from the prior year. Highlights include:
  - SPLOST collections continue to exceed Cobb County projections with an increase in funds received by approximately $337,000.
  - House Bill 489 Service Delivery Strategy provided additional funding to the City in the amount of approximately $164,000 over prior year.
  - An increase in CDBG (Community Development Block Grant) funding of $114,000. CDBG funds are received on a reimbursement basis from Cobb County.

- Other taxes such as business and occupational, insurance premium, and franchise taxes increased by approximately $592,000 due to increased participation from businesses within the City. While real estate transfer and intangible taxes had a net decrease of approximately $73,000 over the prior year.

- Investment income increased by approximately $568,000 due to changes in interest rates from 1% to 2.25% as well as the increase in the City's unrealized gains reinvested for Georgia Fund 1 and Raymond James Investments.

Table 4 - Governmental Expenses



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 increased salaries in all departments across the board for filled positions.

- Public Safety accounts for 39% of the City's governmental expenses and incurred a $1.23 million or 6% increase in expenses for fiscal year 2025. These expenses relate to the following highlighted categories:
  - Group insurance increased by $245,000 compared to prior fiscal year. This can be attributed to additional participation as well as increased rates overall for the City.
  - Equipment repairs and maintenance increased by $40,000 compared to the prior fiscal year due to our implementation of 15 additional Flock Safety Camera systems throughout the City.
  - Travel expenses increased by approximately $32,000 compared to the prior fiscal year due to the City's continued commitment to supporting education and training for our police officers and public safety officials.

- Culture and Recreation expenses increased by approximately $460,000 or 6% for fiscal year 2025. These expenses relate to the following highlighted categories:
  - Special Event expenses increased by approximately $220,000 compared to prior fiscal year. The City's amphitheater concert series expenses increased by approximately $160,000 as we added more concerts in this fiscal year due to the completion of the amphitheater. The Pigs and Peaches BBQ Festival incurred additional expenses in

fiscal year 2025 in the amount of approximately $60,000 due to increased artist fees and rental of additional equipment.
  - Group Insurance increased by approximately $86,000 compared to the prior fiscal year related to the additional participation as well as increased rates overall for the City.

- The City's IT Department expenses increased by approximately $191,000 or 12% for fiscal year 2025. These expenses relate to the following highlighted categories:
  - Computer supplies expenses increased by approximately $49,000 compared to the prior fiscal year related to the purchase of replacement data switches which assist with internet connectivity.
  - Software costs increased by approximately $31,000 due to increased costs of software used throughout the City as well as additional costs related to Microsoft migration services to implement additional security features and expanded retention capabilities.
  - Connectivity fees increased by approximately $20,000 due to increased cost of the City's internet service.

- The City's Finance Department had increased expenses of approximately $108,000 or 9% for fiscal year 2025.
  - Group Insurance expenses increased by approximately $20,000 due to an overall increase in city-wide insurance expenses.
  - Other Professional Services increased by approximately $15,000 due to a biannual actuarial service related to requirements of reporting other post-employment benefits.

- Election Expenses decreased by approximately $73,000 as Cobb County did not hold any special elections compared to the prior fiscal year.

- Human Resources had decreased expenses of approximately $33,000 for fiscal year 2025 which was the result of the following:
  - Employee benefits decreased by approximately $20,000 due to the department being only partially staffed for the first half of the year. It is expected to increase in the following fiscal year as the department was fully staffed at fiscal year-end.
  - Travel and Education and Training expenses decreased by approximately $5,000 due to the partially vacant positions throughout the first half of the year.

- Building maintenance had decreased cleaning and repairs/maintenance expenses in the amounts of approximately $22,000 and approximately $21,000, respectively. These are the direct results of the following:
  - Cleaning expenses for the City decreased by approximately $22,000 from prior fiscal year due to a reduction in weekend overtime cleaning. This is a result of the City's contracted cleaning company's continued improvements in efficiency and ability to provide the City with consistent cleaning services throughout normal business hours.
  - Repairs and maintenance expenses decreased by approximately $21,000 from prior fiscal year due to a reduction in roof and HVAC repairs from prior year.

- Highway and Streets had a decrease in Landscaping Materials/Supplies expenses of approximately $41,000. This was the result of the reduction in the need to remove, replant, and sod trees.

- The City's debt service interest expense decreased by approximately $20,000 from prior fiscal year due to a reduction in debt obligations.

Governmental Funds

The City reports two major funds individually in the governmental fund financial statements. Those funds are the General Fund and the Special Purpose Local Sales Tax (SPLOST) Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the City's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There are two major funds shown in Table 5 and highlights are in more detail below.

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

FUND	Fund Balances 9/30/2024	Revenues/ Sources	Expenditures/ Uses	Revenues/Sources Over (Under) Expenditures/Uses	Fund Balances 9/30/2025
General Fund	$ 41,810	$ 34,067	$ 28,002	6,065	$ 47,875
SPLOST	38,319	10,318	5,588	4,730	$ 43,049

On September 30, 2025, the City's governmental funds reported a combined fund balance of $95,737,788, which is a net change in fund balance of $11,113,023 from the previous year.

General Fund

The General Fund is the City's primary operating fund and accounts for most governmental activities.

At the end of fiscal year 2025:

- Fund balance totaled approximately $47.9 million.
- Revenues totaled approximately $34 million.
- Expenditures and transfers out totaled approximately $28 million.

The resulting increase in fund balance of approximately $6 million reflects strong fiscal performance and careful budget management.

Additional notes related to transfers out of General Fund:

- Transfers of approximately $1.62 million from Governmental funds to proprietary funds reduced the overall fund balance of governmental funds.
    - The Southern Museum's expenses exceeded prior fiscal year expenses and revenues declined from prior fiscal year revenues requiring additional transfers from General Fund.
    - The transfer to the Streetlight Fund was necessary even with additional revenues received. Although the fund collected increased revenues, the fund operated at a net loss. See Table 6 for more details related to Business-Type Activities.

SPLOST Fund

The SPLOST Fund is a major governmental fund related to major improvements within the City related to voter-approved projects.

At the end of fiscal year 2025:

- Fund Balance totaled approximately $43.05 million
- Revenues totaled approximately $10.32 million
- Expenditures totaled approximately $5.59 million

The resulting increase in fund balance of approximately $4.7 million reflects the City's focus on diligently maintaining records, communication within the City regarding receipt of funds, and fund balances for specific projects.

American Rescue Plan Fund

The American Rescue Plan (ARP) Fund was a major fund in fiscal year 2024. The ARP Fund accounts for federal funds related to the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) and may be applied to infrastructure improvements, public health initiatives, and economic stabilization programs. The City has collected a total of $12.8 million in ARP funds since inception.

- During fiscal year 2025 the City had $1.6 million of ARP funds remaining.
- The City incurred expenditures of $1.6 million.
- All projects have been completed in accordance with Treasury guidelines, therefore, due to the reduction in activity, this fund is no longer a major fund.

Business-Type Activities and Enterprise Funds

The total net position of the City's business-type activities increased in 2025, though more modestly than that of the governmental activities.

- Business-type activities' net position increased by approximately $1 million or 6 percent to approximately $18.1 million.
    - The increase reflects the previously noted transfer of $1.62 million from governmental activities.

- Absent the transfer, total net position would have declined by approximately $602,000, meaning expenses would have exceeded revenues for the year.

See pages 22-23 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 business-type revenues and expenses.

Table 6
Business-Type Activities
For The Fiscal Year Ended September 30
(in thousands)

	Program Revenues		Program Expense		Program Income (Loss)	
FUND	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Museum	$ 579	$ 589	$ 1,359	$ 1,325	$ (780)	$ (736)
Sanitation	4,118	3,817	4,010	3,756	108	61
Stormwater	1,308	1,323	1,057	927	251	396
Gardens	565	219	807	736	(242)	(517)
Streetlight	415	404	465	477	(50)	(73)
Total	$ 6,985	$ 6,352	$ 7,698	$ 7,221	$ (713)	$ (869)

Analysis of individual major funds:

Museum

- Revenues decreased by approximately $10,000 and expenses increased by approximately $34,000.
- The revenues for services increased by approximately $20,000 from prior fiscal year due to increased travel and visits from schools and tour groups.
- Donated artifacts are associated with program revenues and decreased approximately $30,000 from prior year resulting in an overall loss of revenue.

Sanitation

- Revenues were up approximately $301,000 (7.8%) and expenses were up approximately $254,000 (6.8%) over the prior fiscal year.
- The revenue for Residential Collection Charges increased by approximately $283,000 or 8%. This was the result of an increase in the number of residential customers and collection of delinquent balances.
- Other Professional Service expenses increased by approximately $218,000 due to increased cost of service by the City's contracted waste disposal company (Republic).
- Retirement contributions increased by approximately $24,000 due to the retirement of a long-term employee in the prior fiscal year.

Stormwater

- Revenues were down approximately $15,000 and expenses increased by approximately $130,000 from the prior fiscal year.
- Revenue remained consistent with a slight decrease of $15,000 (approximately 1%).
- Employee benefits increased by approximately $121,000 from prior fiscal year. This increase is related to the City's Stormwater department being fully staffed for a majority of the year, increasing insurance costs, and increased participation in retirement plans.

Analysis of individual nonmajor funds:

Gardens

- Revenues increased by approximately $346,000 and expenses increased by approximately $71,000 from the prior fiscal year.
- Smith Gilbert Gardens received a grant in the amount of approximately $500,000 from the Georgia Department of Natural Resources in order to update and renovate the Hiram Butler House.
- Without the above-mentioned grant, the revenues for Smith Gilbert Gardens were drastically reduced by approximately $161,000 due to the garden being closed for major improvements throughout the fiscal year.
- Employee benefits including Regular Employee pay, Overtime, and group insurance increased by approximately $63,000 from prior fiscal year due to the 3% COLA and increased costs of insurance.
- Repairs and Maintenance expenses increased by approximately $11,000 due to additional mulch and pine straw required following major improvements.

Streetlight

- Revenues and Expenses remained consistent with the prior fiscal year with revenues increasing by approximately $11,000 or 2.7% and expenses decreasing by $12,000 or 2.3%.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

The City's investment in capital assets for the governmental and business-type activities as of September 30, 2025, is amounted to $130,668,595 (net of accumulated depreciation of $71,750,568). 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 in the financial statements.

Table 7
Capital Assets
September 30
(net of depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 12,145	$ 12,145	$ 2,042	$ 2,042	$ 14,187	$ 14,187
Construction in progress	15,772	21,078	-	-	15,772	21,078
Museum artifacts	-	-	1,192	1,185	1,192	1,185
Buildings and improvements	24,061	22,695	9,859	9,298	33,920	31,993
Park land	18,240	10,193		-	18,240	10,193
Infrastructure	41,265	41,900		-	41,265	41,900
Furniture, machinery and equipment	3,367	3,390	337	406	3,704	3,796
Vehicles	2,260	2,001	128	169	2,388	2,170
Total	$ 117,110	$ 113,402	$ 13,558	$ 13,100	$ 130,668	$ 126,503

This year's major capital asset additions included:

Governmental Activities

- ARP funds of $1,680,338 for Park Improvements, Sidewalk Improvements and Police Vehicles and Upfitting
- SPLOST Public Safety Facility - $3,929,937
- SPLOST Facility Improvements - $1,541,294

Long-Term Debt

The City continues to manage debt responsibly while financing long-term capital improvements.

- During fiscal year 2025 payments totaled $1.13 million.
- General obligation debt issuance is limited by State statutes.
- The current debt limitation for the City is approximately $247 million, which is in excess of the City's outstanding general obligation debt.
- The City maintains conservative debt levels and continues to monitor long-term obligations to ensure fiscal sustainability.

Information about the City's long-term liabilities is included in Note 8 of the financial statements and a summary is included in Table 8 of this report.

Table 8
Outstanding Debt at September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 3,740	$ 4,605	$ -	$ -	$ 3,740	$ 4,605
Revenue bonds	4,975	5,132	-	-	4,975	5,132
Financed purchases from direct borrowings	140	254	-	-	140	254
Total OPEB liability	6,411	6,193	-	-	6,411	6,193
Net pension liability	4,219	8,099	191	367	4,410	8,466
Compensated absences	1,306	1,155	98	103	1,404	1,258
Total	$ 20,791	$ 25,438	$ 289	$ 470	$ 21,080	$ 25,908

Currently Known Facts, Decisions, or Conditions

Economic Factors

The City of Kennesaw continues to benefit from its location within the Atlanta metropolitan area and remains an attractive location for residential and commercial development.

The fiscal year 2026 budget was developed with consideration for anticipated economic conditions, service demands, and infrastructure needs.

The City will continue to prioritize:

- Public safety
- Infrastructure investment
- Economic development
- Community amenities

These priorities will help ensure continued growth while maintaining fiscal responsibility.

Next Year's Budget

Included in the fiscal year 2026 budget:

- Recommended millage rate remains steady at 7.75 mills.
- Real, Bond and Personal Property Tax Revenue budgeted at a 2% increase over current year actual.
- There is a 3% COLA in the fiscal year 2026 budget
- Fiscal year 2026 projected benefit and healthcare costs increased by approximately 7%.
- Increase of overall General Fund budget from fiscal year 2025 to fiscal year 2026 is approximately 7.7%.

We are seeing a decrease in Building Services revenues in fiscal year 2025 and project these revenues will continue to fall in fiscal year 2026. This is primarily due to a slowdown in development activity. This decrease is largely driven by rising construction costs, influenced by inflation and increased tariffs on building materials, and higher interest rates. These financial pressures have caused developers to delay or to scale back projects, resulting in fewer permit applications and reduced revenue for the City.

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

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 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 2026, the total dollar amounts not being collected into the General Fund is projected to total $1,811,906. Since 2012 when the amount of the senior exemption totaled $320,576 there has been a 465% increase. 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 2027.

CITY OF KENNESAW, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
Cash and cash equivalents	$ 83,145,378	$ 6,102,051	$ 89,247,429	$ 538,013
Investments	164,649	-	164,649	52,786
Taxes receivable, net of allowances	3,875,421	-	3,875,421	-
Other receivables	517,004	-	517,004	-
Accounts receivable, net of allowances	-	576,916	576,916	-
Due from other governments	2,112,598	-	2,112,598	-
Due from component units, due in more than one year	706,479	-	706,479	-
Internal balances	81,079	(81,079)	-	-
Lease receivable, due within one year	42,626	-	42,626	-
Lease receivable, due in more than one year	39,031	-	39,031	-
Inventory	8,806	141,191	149,997	-
Prepaid items	389,331	38,156	427,487	-
Restricted cash	8,730,369	-	8,730,369	-
Restricted investments	426,316	-	426,316	-
Land held for resale	-	-	-	1,110,000
Capital assets:				
Nondepreciable	27,916,782	3,234,706	31,151,488	-
Depreciable, net of accumulated depreciation	89,193,707	10,323,400	99,517,107	-
Total assets	217,349,576	20,335,341	237,684,917	1,700,799
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	1,642,734	-	1,642,734	-
Pension related items	2,094,448	95,023	2,189,471	-
Total deferred outflows of resources	3,737,182	95,023	3,832,205	-
LIABILITIES				
Accounts payable	2,378,509	694,973	3,073,482	-
Retainage payable	358,919	-	358,919	-
Accrued liabilities	1,257,151	827,469	2,084,620	-
Accrued interest payable	51,415	-	51,415	-
Unearned revenue	-	423,061	423,061	-
Compensated absences, due within one year	937,134	97,733	1,034,867	-
Compensated absences, due in more than one year	369,541	-	369,541	-
Due to primary government, due in more than one year	-	-	-	706,479
Financed purchases, due within one year	72,146	-	72,146	-
Financed purchases, due in more than one year	67,785	-	67,785	-
Bonds payable, due within one year	1,055,000	-	1,055,000	-
Bonds payable, due in more than one year	7,659,982	-	7,659,982	-
Net pension liability, due in more than one year	4,219,033	191,413	4,410,446	-
Total OPEB liability, due within one year	313,797	-	313,797	-
Total OPEB liability, due in more than one year	6,097,057	-	6,097,057	-
Total liabilities	24,837,469	2,234,649	27,072,118	706,479
DEFERRED INFLOWS OF RESOURCES				
OPEB related items	2,533,813	-	2,533,813	-
Pension related items	2,205,266	100,051	2,305,317	-
Leases	74,882	-	74,882	-
Total deferred inflows of resources	4,813,961	100,051	4,914,012	-
NET POSITION				
Net investment in capital assets	106,676,052	13,558,106	120,234,158	-
Restricted for:				
Law enforcement	2,886,055	-	2,886,055	-
Health and welfare	178,731	-	178,731	-
Culture and recreation	37,334	-	37,334	-
Capital projects	46,406,047	-	46,406,047	-
Federal programs	40,737	-	40,737	-
Debt service	42,858	-	42,858	-
Voter approved use	9,065,530	-	9,065,530	-
Unrestricted	26,101,984	4,537,558	30,639,542	994,320
Total net position	$ 191,435,328	$ 18,095,664	$ 209,530,992	$ 994,320

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, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 6,967,328	$ 284,073	$ 1,024,482	$ 1,420,678
Judicial	466,226	1,121,553	-	-
Public safety	11,638,087	1,509,187	27,992	45,110
Public works	4,825,626	90,796	-	11,351,545
Health and welfare	-	-	115,367	-
Culture and recreation	4,131,118	1,400,096	-	238,826
Housing and development	1,733,386	609,432	-	-
Interest on long-term debt	315,930	-	-	-
Total governmental activities	30,077,701	5,015,137	1,167,841	13,056,159
Business-type activities:				
Sanitation	4,010,770	4,117,773	-	-
Museum	1,359,143	571,760	-	7,067
Gardens	806,792	57,259	508,300	-
Stormwater	1,056,856	1,307,949	-	-
Streetlight	464,684	415,311	-	-
Total business-type activities	7,698,245	6,470,052	508,300	7,067
Total primary government	$ 37,775,946	$ 11,485,189	$ 1,676,141	$ 13,063,226
Component unit:				
Development Authority	$ 6,803	$ -	$ 2,091	$ 200,000
Total component unit	$ 6,803	$ -	$ 2,091	$ 200,000
General revenues:				
Property taxes				
Franchise taxes				
Insurance premium taxes				
Business taxes				
Other taxes				
Net investment income				
Miscellaneous				
Gain on sale of capital 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
$ (4,238,095)	$ -	$ (4,238,095)	$ -
655,327	-	655,327	-
(10,055,798)	-	(10,055,798)	-
6,616,715	-	6,616,715	-
115,367	-	115,367	-
(2,492,196)	-	(2,492,196)	-
(1,123,954)	-	(1,123,954)	-
(315,930)	-	(315,930)	-
(10,838,564)	-	(10,838,564)	-
-	107,003	107,003	-
-	(780,316)	(780,316)	-
-	(241,233)	(241,233)	-
-	251,093	251,093	-
-	(49,373)	(49,373)	-
-	(712,826)	(712,826)	-
(10,838,564)	(712,826)	(11,551,390)	-
-	-	-	195,288
-	-	-	195,288
18,922,399	-	18,922,399	-
2,145,069	-	2,145,069	-
3,615,573	-	3,615,573	-
1,809,035	-	1,809,035	-
963,566	-	963,566	-
1,199,917	111,267	1,311,184	10,260
-	-	-	140,338
39,051	-	39,051	-
(1,623,354)	1,623,354	-	-
27,071,256	1,734,621	28,805,877	150,598
16,232,692	1,021,795	17,254,487	345,886
175,202,636	17,073,869	192,276,505	648,434
$ 191,435,328	$ 18,095,664	$ 209,530,992	$ 994,320

CITY OF KENNESAW, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 35,285,581	$ 42,937,941	$ 4,715,236	$ 82,938,758
Investments	164,649	-	-	164,649
Taxes receivable, net of allowance	3,850,652	-	24,769	3,875,421
Other receivables	401,637	-	115,367	517,004
Due from other governments	157,331	1,676,499	278,768	2,112,598
Due from component unit	706,479	-	-	706,479
Due from other funds	130,711	-	13,100	143,811
Restricted cash	8,730,369	-	-	8,730,369
Restricted investments	426,316	-	-	426,316
Lease receivable	81,657	-	-	81,657
Inventory	8,806	-	-	8,806
Prepaid items	376,783	-	12,548	389,331
Total assets	$ 50,320,971	$ 44,614,440	$ 5,159,788	$ 100,095,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 938,454	$ 1,220,605	$ 112,178	$ 2,271,237
Accrued liabilities	929,251	-	40,900	970,151
Due to other funds	299,892	-	78,697	378,589
Retainage payable	14,832	344,087	-	358,919
Total liabilities	2,182,429	1,564,692	231,775	3,978,896
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	188,266	-	-	188,266
Unavailable revenues - other	-	-	115,367	115,367
Leases	74,882	-	-	74,882
Total deferred inflows of resources	263,148	-	115,367	378,515
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventories	8,806	-	-	8,806
Prepaid items	376,783	-	12,548	389,331
Lease receivable, net	6,775	-	-	6,775
Restricted:				
Law enforcement	32,439	-	2,841,068	2,873,507
Health and welfare	-	-	63,364	63,364
Culture and recreation	-	-	37,334	37,334
Capital projects	-	43,049,748	1,776,775	44,826,523
Federal programs	-	-	40,737	40,737
Debt service	91,155	-	3,118	94,273
Voter-approved use	9,065,530	-	-	9,065,530
Committed:				
Cemetery maintenance	-	-	37,702	37,702
Unassigned	38,293,906	-	-	38,293,906
Total fund balances	47,875,394	43,049,748	4,812,646	95,737,788
Total liabilities, deferred inflows of resources and fund balances	$ 50,320,971	$ 44,614,440	$ 5,159,788	

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.	117,110,489
Some receivables are not available to pay for current-period expenditures and, therefore, are unavailable in the governmental funds.	303,633
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(10,213,003)
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.	(11,631,784)
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.	128,205
Net position of governmental activities	$ 191,435,328

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, 2025

	General Fund	*(Previously Major)* American Rescue Plan Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 27,376,271	$ -	$ -	$ 119,488	$ 27,495,759
Licenses and permits	763,497	-	-	49,596	813,093
Intergovernmental	2,082,733	-	9,563,974	1,675,723	13,322,430
Fines and forfeitures	1,121,553	-	-	76,676	1,198,229
Charges for services	1,320,920	-	-	1,444,398	2,765,318
Contributions	20,000	-	-	-	20,000
Net investment income	1,099,910	-	754,430	98,420	1,952,760
Miscellaneous	238,497	-	-	11,773	250,270
Total revenues	34,023,381	-	10,318,404	3,476,074	47,817,859
EXPENDITURES					
Current:					
General government	6,591,732	-	-	-	6,591,732
Judicial	473,724	-	-	-	473,724
Public safety	9,614,504	-	-	1,240,423	10,854,927
Public works	2,505,334	-	-	5,575	2,510,909
Culture and recreation	3,730,088	-	-	45,266	3,775,354
Housing and development	1,498,082	-	-	29,583	1,527,665
Capital outlay	563,871	-	5,588,050	1,781,617	7,933,538
Debt service:					
Principal retirements	979,127	-	-	155,000	1,134,127
Interest and fiscal charges	88,429	-	-	234,819	323,248
Total expenditures	26,044,891	-	5,588,050	3,492,283	35,125,224
Excess (deficiency) of revenues over expenditures	7,978,490	-	4,730,354	(16,209)	12,692,635
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	43,742	-	-	-	43,742
Transfers in	-	-	-	389,819	389,819
Transfers out	(1,956,698)	-	-	(56,475)	(2,013,173)
Total other financing sources (uses)	(1,912,956)	-	-	333,344	(1,579,612)
Net change in fund balance	6,065,534	-	4,730,354	317,135	11,113,023
FUND BALANCES, beginning of year	41,809,860	34,943	38,319,394	4,460,568	84,624,765
Adjustment - change within reporting entity	-	(34,943)	-	34,943	-
FUND BALANCES, beginning of year, as adjusted	41,809,860	-	38,319,394	4,495,511	84,624,765
FUND BALANCES, end of year	$ 47,875,394	$ -	$ 43,049,748	$ 4,812,646	$ 95,737,788

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, 2025

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

Net change in fund balances - total governmental funds	$	11,113,023
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.		3,712,213
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		75,250
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to decrease net position.		(4,691)
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.		1,134,127
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.		169
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.		202,601
Change in net position - governmental activities	$	16,232,692

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 25,587,785	$ 25,587,785	$ 27,376,271	$ 1,788,486
Licenses and permits	1,074,000	1,074,000	763,497	(310,503)
Fines and forfeitures	935,000	935,000	1,121,553	186,553
Charges for services	1,141,440	1,141,440	1,320,920	179,480
Intergovernmental	1,603,028	1,603,028	2,082,733	479,705
Contributions	-	-	20,000	20,000
Net investment income	545,000	545,000	1,099,910	554,910
Miscellaneous	744,139	744,139	238,497	(505,642)
Total revenues	31,630,392	31,630,392	34,023,381	2,392,989
EXPENDITURES				
Current:				
General government:				
Mayor and council	2,943,460	2,943,460	387,871	2,555,589
City manager	980,412	980,412	904,679	75,733
Financial administration	1,322,473	1,332,473	1,297,861	34,612
Human resources	448,743	408,743	333,339	75,404
Legal and audit	346,500	276,500	247,447	29,053
Information technology	1,767,964	1,782,964	1,766,020	16,944
Buildings	1,810,995	1,730,995	1,654,515	76,480
Total general government	9,620,547	9,455,547	6,591,732	2,863,815
Judicial	555,037	525,037	473,724	51,313
Public safety:				
Police	9,690,801	9,840,798	9,613,501	227,297
E911	1,000	1,003	1,003	-
Total public safety	9,691,801	9,841,801	9,614,504	227,297
Public works:				
Central services	1,218,718	1,178,718	1,144,596	34,122
Highways and streets	1,757,681	1,442,681	1,360,738	81,943
Total public works	2,976,399	2,621,399	2,505,334	116,065
Culture and recreation	3,763,544	3,793,544	3,730,088	63,456
Housing and development:				
Construction and inspection	791,096	791,096	726,594	64,502
Planning and zoning	350,219	350,219	331,308	18,911
Economic development	513,761	465,852	440,180	25,672
Total housing and development	1,655,076	1,607,167	1,498,082	109,085
Capital outlay	1,225,000	1,225,000	563,871	661,129
Debt service:				
Principal	979,130	979,130	979,127	3
Interest	88,431	88,431	88,429	2
Total debt service	1,067,561	1,067,561	1,067,556	5
Total expenditures	30,554,965	30,137,056	26,044,891	4,092,165
Excess of revenues over expenditures	1,075,427	1,493,336	7,978,490	6,485,154
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,000	15,000	43,742	28,742
Transfers in	449,632	449,632	-	(449,632)
Transfers out	(1,540,059)	(1,957,968)	(1,956,698)	1,270
Total other financing sources (uses)	(1,075,427)	(1,493,336)	(1,912,956)	(419,620)
Net change in fund balances	-	-	6,065,534	6,065,534
FUND BALANCES, beginning of year	41,809,860	41,809,860	41,809,860	-
FUND BALANCES, end of year	$ 41,809,860	$ 41,809,860	$ 47,875,394	$ 6,065,534

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

CITY OF KENNESAW, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

ASSETS	Business-Type Activities - Enterprise Funds: Sanitation Fund	Museum Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Fund
CURRENT ASSETS						
Cash	$ 1,888,395	$ 863,512	$ 2,665,245	$ 684,899	$ 6,102,051	$ 206,620
Accounts receivable, net of allowance	395,733	-	137,524	43,659	576,916	-
Due from other funds	5,146	2,925	92,853	31,139	132,063	347,545
Due from other governments	-	-	-	-	-	-
Inventory	-	130,576	-	10,615	141,191	-
Prepaid items	28	20,173	17,093	862	38,156	-
Total current assets	2,289,302	1,017,186	2,912,715	771,174	6,990,377	554,165
NONCURRENT ASSETS						
Capital assets:						
Nondepreciable assets	-	1,199,327	14,325	2,021,054	3,234,706	-
Depreciable assets	296,587	8,773,488	13,628,436	128,662	22,827,173	-
	296,587	9,972,815	13,642,761	2,149,716	26,061,879	-
Accumulated depreciation	(276,435)	(4,748,451)	(7,377,531)	(101,356)	(12,503,773)	-
Total capital assets	20,152	5,224,364	6,265,230	2,048,360	13,558,106	-
Total noncurrent assets	20,152	5,224,364	6,265,230	2,048,360	13,558,106	-
Total assets	2,309,454	6,241,550	9,177,945	2,819,534	20,548,483	554,165
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	46,387	-	48,636	-	95,023	-
Total deferred outflows of resources	46,387	-	48,636	-	95,023	-
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	667,334	8,204	67	17,158	692,763	107,272
Accrued liabilities	2,153	26,070	13,214	23,081	64,518	287,000
Due to other governments	-	-	-	2,210	2,210	-
Due to other funds	130,787	26,971	19,782	67,290	244,830	-
Deposits payable	762,951	-	-	-	762,951	-
Compensated absences payable	3,507	37,250	29,298	27,678	97,733	-
Unearned revenue	291,532	-	101,876	29,653	423,061	-
Total current liabilities	1,858,264	98,495	164,237	167,070	2,288,066	394,272
NONCURRENT LIABILITIES						
Net pension liability	93,442	-	97,971	-	191,413	-
Total noncurrent liabilities	93,442	-	97,971	-	191,413	-
Total liabilities	1,951,706	98,495	262,208	167,070	2,479,479	394,272
DEFERRED INFLOWS OF RESOURCES						
Pension related items	48,841	-	51,210	-	100,051	-
Total deferred inflows of resources	48,841	-	51,210	-	100,051	-
NET POSITION						
Investment in capital assets	20,152	5,224,364	6,265,230	2,048,360	13,558,106	-
Unrestricted	335,142	918,691	2,647,933	604,104	4,505,870	159,893
Total net position	$ 355,294	$ 6,143,055	$ 8,913,163	$ 2,652,464	18,063,976	$ 159,893
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					31,688	
Net position of business-type activities					$ 18,095,664	

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, 2025

	Business-Type Activities - Enterprise Funds					
	Sanitation Fund	Museum Fund	Stormwater Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Fund
OPERATING REVENUE						
Sanitation fees	$ 4,112,020	$ -	$ -	$ -	$ 4,112,020	$ -
Stormwater fees	-	-	1,307,949	-	1,307,949	-
Charges for sales and services	-	326,650	-	452,505	779,155	3,230,208
Miscellaneous	5,753	245,110	-	20,065	270,928	-
Total operating revenues	4,117,773	571,760	1,307,949	472,570	6,470,052	3,230,208
OPERATING EXPENSES						
Cost of sales and services	4,004,601	1,147,207	696,138	1,265,854	7,113,800	143,556
Claims	-	-	-	-	-	3,088,239
Depreciation	6,158	211,871	360,671	5,576	584,276	-
Total operating expenses	4,010,759	1,359,078	1,056,809	1,271,430	7,698,076	3,231,795
Operating income (loss)	107,014	(787,318)	251,140	(798,860)	(1,228,024)	(1,587)
NONOPERATING INCOME (EXPENSES)						
Interest income	27,394	13,429	59,371	11,073	111,267	1,587
Intergovernmental	-	-	-	508,300	508,300	-
Total nonoperating income	27,394	13,429	59,371	519,373	619,567	1,587
Income (loss) before transfers and contributions	134,408	(773,889)	310,511	(279,487)	(608,457)	-
Capital contributions	-	7,067	-	-	7,067	-
Transfers in	-	913,511	-	709,843	1,623,354	-
Total capital contributions and transfers	-	920,578	-	709,843	1,630,421	-
Change in net position	134,408	146,689	310,511	430,356	1,021,964	-
Total net position, beginning of year	220,886	5,996,366	8,602,652	2,222,108		159,893
Total net position, end of year	$ 355,294	$ 6,143,055	$ 8,913,163	$ 2,652,464		$ 159,893
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(169)	
Change in net position of business-type activities					$ 1,021,795	

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, 2025

	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	$ 4,235,076	$ 571,760	$ 1,342,315	$ 522,438	$ 6,671,589	$ 3,211,335
Payments to suppliers	(3,695,801)	(378,671)	(428,460)	(618,638)	(5,121,570)	(3,098,690)
Payments to employees	(94,458)	(750,269)	(467,482)	(599,755)	(1,911,964)	-
Net cash provided by (used in) operating activities	444,817	(557,180)	446,373	(695,955)	(361,945)	112,645
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants and contributions	-	-	-	508,300	508,300	-
Transfers in from other funds	-	913,511	-	709,843	1,623,354	-
Net cash provided by noncapital financing activities	-	913,511	-	1,218,143	2,131,654	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	-	(5,385)	(1,020,334)	(9,052)	(1,034,771)	-
Net cash used in capital and related financing activities	-	(5,385)	(1,020,334)	(9,052)	(1,034,771)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	27,394	13,429	59,371	11,073	111,267	1,587
Net cash provided by investing activities	27,394	13,429	59,371	11,073	111,267	1,587
Net increase (decrease) in cash	472,211	364,375	(514,590)	524,209	846,205	114,232
Cash, beginning of year	1,416,184	499,137	3,179,835	160,690	5,255,846	92,388
Cash, end of year	$ 1,888,395	$ 863,512	$ 2,665,245	$ 684,899	$ 6,102,051	$ 206,620
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	$ 107,014	$ (787,318)	$ 251,140	$ (798,860)	$ (1,228,024)	$ (1,587)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	6,158	211,871	360,671	5,576	584,276	-
Change in assets and liabilities:						
Decrease in accounts receivable	99,877	-	34,813	49,868	184,558	-
(Increase) decrease in due from other funds	4,750	(255)	91,268	27,924	123,687	(18,873)
(Increase) decrease in prepaid items	(5)	(979)	(2,183)	(41)	(3,208)	60,443
Increase in inventory	-	(11,796)	-	(5,703)	(17,499)	-
Decrease in pension related deferred outflows of resources	27,412	-	28,920	-	56,332	-
Increase in pension related deferred inflows of resources	48,841	-	51,210	-	100,051	-
Increase (decrease) in accounts payable	338,811	5,324	(282,849)	5,878	67,164	106,661
Increase in due to other governments	-	-	-	2,210	2,210	-
Increase (decrease) in accrued liabilities	260	3,629	(1,738)	4,209	6,360	(33,999)
Increase in customer deposits payable	18,705	-	-	-	18,705	-
Increase (decrease) in compensated absences payable	(1,034)	(3,357)	(7,701)	6,334	(5,758)	-
Decrease in unearned revenue	(1,279)	-	(447)	(130)	(1,856)	-
Increase (decrease) in due to other funds	(119,192)	25,701	13,351	6,780	(73,360)	-
Decrease in net pension liability	(85,501)	-	(90,082)	-	(175,583)	-
Net cash provided by (used in) operating activities	$ 444,817	$ (557,180)	$ 446,373	$ (695,955)	$ (361,945)	$ 112,645
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	$ -	$ 7,067	$ -	$ -	$ 7,067	$ -

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, culture 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 **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, 2025, 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 current and 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, 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 Balance

Fund balance at the governmental fund financial reporting level is classified as "fund balance." Fund balance 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 Balance (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 $10,213,003 difference are as follows:

Financed purchases payable	$ (139,931)
Bonds payable	(8,695,000)
Premium on bonds	(19,982)
Accrued interest payable	(51,415)
Compensated absences	(1,306,675)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (10,213,003)

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 $11,631,784 difference are as follows:

Net pension liability	$ (4,219,033)
Total OPEB liability	(6,410,854)
Deferred outflows of resources:	
Pension related items	2,094,448
OPEB related items	1,642,734
Deferred inflows of resources:	
Pension related items	(2,205,266)
OPEB related items	(2,533,813)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (11,631,784)

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 $3,712,213 difference are as follows:

Capital outlay	$	7,933,539
Depreciation expense		(4,221,326)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	3,712,213

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 $202,601 difference are as follows:

Compensated absences	$	(151,994)
Total OPEB liability and related deferred outflows and inflows of resources		(81,335)
Net pension liability and related deferred outflows and inflows of resources		428,612
Amortization of bond issuance premium		2,506
Accrued interest		4,812
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position of governmental activities*	$	202,601

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, 2025, 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	$ 164,649
Federal National Mortgage Association	1 - 5 years	Aa1	426,316
Total			$ 590,965

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, 2025:

Investment	Level 2	Fair Value
Federal National Mortgage Association	$ 426,316	$ 426,316
Total investments measured at fair value	$ 426,316	426,316
Investments not reported at fair value:		
Certificates of Deposit		164,649
Total investments		$ 590,965

The investment in the Federal National Mortgage Association is 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, 2025, 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, 2025, 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, 2025, 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	$ 3,884,973	$ -	$ -	$ -
Accounts	401,637	-	425,471	143,035
Due from other governments	157,331	1,676,499	-	-
Less allowance for uncollectible	(34,321)	-	(29,738)	(5,511)
Net total receivable	$ 4,409,620	$ 1,676,499	$ 395,733	$ 137,524

	Other Nonmajor Governmental Funds	Other Nonmajor Proprietary Funds
Receivables:		
Taxes	$ 24,769	$ -
Due from other governments	278,768	-
Accounts	115,367	45,263
Less allowance for uncollectible	-	(1,604)
Net total receivable	$ 418,904	$ 43,659

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. 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, 2025, the City's total receivable for future lease payments was $81,657. The City reports a deferred inflow of resources in the amount of $74,882 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
2026	$ 42,626	$ 1,839	$ 44,465
2027	39,031	588	39,619
	$ 81,657	$ 2,427	$ 84,084

NOTE 7. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended September 30, 2025 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	21,078,133	5,707,775	(11,014,349)	-	15,771,559
Total	33,223,356	5,707,775	(11,014,349)	-	27,916,782
Capital assets, being depreciated:					
Buildings	32,771,219	223,058	2,043,207	-	35,037,484
Infrastructure	74,123,519	466,656	597,759	-	75,187,934
Machinery and equipment	8,567,392	666,408	8,789	(34,322)	9,208,267
Land improvements	14,456,289	77,820	8,364,594	(5,034)	22,893,669
Vehicles	5,457,205	791,822	-	(135,879)	6,113,148
Total	135,375,624	2,225,764	11,014,349	(175,235)	148,440,502
Less accumulated depreciation for:					
Buildings	(10,075,521)	(900,695)	-	-	(10,976,216)
Infrastructure	(32,223,504)	(1,698,956)	-	-	(33,922,460)
Machinery and equipment	(5,177,768)	(693,182)	-	29,631	(5,841,319)
Land improvements	(4,262,754)	(395,878)	-	5,034	(4,653,598)
Vehicles	(3,456,466)	(532,615)	-	135,879	(3,853,202)
Total	(55,196,013)	(4,221,326)	-	170,544	(59,246,795)
Total capital assets, being depreciated, net	80,179,611	(1,995,562)	11,014,349	(4,691)	89,193,707
Governmental activities capital assets, net	$ 113,402,967	$ 3,712,213	$ -	$ (4,691)	$ 117,110,489

NOTE 7. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Museum artifacts	$ 1,185,260	$ 7,067	$ -	$ 1,192,327
Land	2,042,379	-	-	2,042,379
Total	3,227,639	7,067	-	3,234,706
Capital assets, being depreciated:				
Buildings and structures	19,643,552	1,020,953	-	20,664,505
Furniture and fixtures	103,839	5,385	-	109,224
Vehicles	544,465	-	(20,103)	524,362
Machinery and equipment	1,520,649	8,433	-	1,529,082
Total	21,812,505	1,034,771	(20,103)	22,827,173
Less accumulated depreciation for:				
Buildings and structures	(10,345,471)	(460,070)	-	(10,805,541)
Furniture and fixtures	(92,001)	(3,417)	-	(95,418)
Vehicles	(375,374)	(41,190)	20,103	(396,461)
Machinery and equipment	(1,126,754)	(79,599)	-	(1,206,353)
Total	(11,939,600)	(584,276)	20,103	(12,503,773)
Total capital assets, being depreciated, net	9,872,905	450,495	-	10,323,400
Business-type activities capital assets, net	$ 13,100,544	$ 457,562	$ -	$ 13,558,106

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

Governmental activities:	
General government	$ 415,976
Public safety	835,687
Public works	2,364,301
Culture and recreation	389,292
Housing and development	216,070
Total depreciation expense - governmental activities	$ 4,221,326
Business-type activities:	
Sanitation	$ 6,158
Museum	211,871
Stormwater	360,671
Gardens	5,296
Streetlight	280
Total depreciation expense - business-type activities	$ 584,276

NOTE 8. LONG-TERM DEBT

Primary Government

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds	$ 4,605,000	$ -	$ (865,000)	$ (865,000)	$ 3,740,000	$ 890,000
Revenue bonds	5,110,000	-	(155,000)	(155,000)	4,955,000	165,000
Premium on bonds	22,488	-	(2,506)	(2,506)	19,982	-
Financed purchases from direct borrowings	254,058	-	(114,127)	(114,127)	139,931	72,146
Total OPEB liability	6,193,493	685,144	(467,783)	217,361	6,410,854	313,797
Net pension liability	8,098,389	3,598,291	(7,477,647)	(3,879,356)	4,219,033	-
Compensated absences*	1,154,681	151,994	-	151,994	1,306,675	937,134
Governmental activity Long-term liabilities	$ 25,438,109	$ 4,435,429	$ (9,082,063)	$ (4,646,634)	$ 20,791,475	$ 2,378,077

	Beginning Balance	Additions	Reductions	Net Changes	Ending Balance	Due Within One Year
Business-type activities:						
Net pension liability	$ 366,996	$ 163,251	$ (338,834)	$ (175,583)	$ 191,413	$ -
Compensated absences*	103,491	-	(5,758)	(5,758)	97,733	97,733
Business-type activity Long-term liabilities	$ 470,487	$ 163,251	$ (344,592)	$ (181,341)	$ 289,146	$ 97,733

* The change in compensated absences is reported as a net change.

For governmental activities, total OPEB liability and the net pension liability are liquidated by the General Fund. For business-type activities, 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 PTO 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)

Primary Government (Continued)

Financed Purchases from Direct Borrowings. (Continued) The City's total governmental activities financed purchase payable debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2026	$ 72,146	$ 5,467	$ 77,613
2027	35,674	2,914	38,588
2028	32,111	1,390	33,501
Total	$ 139,931	$ 9,771	$ 149,702

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:

Fiscal Year Ending September 30,	Principal	Interest	Total
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	$ 3,740,000	$ 143,921	$ 3,883,921

NOTE 8. LONG-TERM DEBT (Continued)

Primary Government (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,			
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	200,000	189,144	389,144
2031-2035	1,175,000	787,581	1,962,581
2036-2040	1,460,000	515,500	1,975,500
2041-2044	1,415,000	148,234	1,563,234
Total	$ 4,955,000	$ 2,492,434	$ 7,447,434

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2025, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Stormwater Fund	$ 14,124
General Fund	Nonmajor governmental funds	24,152
General Fund	Nonmajor enterprise funds	66,427
General Fund	Museum Fund	26,008
Nonmajor governmental funds	General Fund	13,100
Museum Fund	Nonmajor governmental funds	2,925
Sanitation Fund	General Fund	5,146
Nonmajor enterprise funds	Sanitation Fund	31,139
Internal Service Fund	General Fund	281,646
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	92,853
		$ 623,419

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. The balance between the General Fund and Stormwater Fund, Nonmajor governmental funds and Nonmajor enterprise funds relate to allocated expenditures/expenses paid from the General Fund operating account. The balance between the Nonmajor governmental funds and the General Fund relates to Treasury grant funds deposited into the General Fund bank account to be transferred to the appropriate Treasury account. The balance between the Museum Fund and Nonmajor governmental funds relates to hotel/motel excise taxes. The balance between the Sanitation Fund and General Fund relates to payable initially paid from Sanitation that are allocated to the General Fund. The balance between Nonmajor enterprise funds, Stormwater Fund and the Sanitation Fund relate to the timing in streetlight and stormwater enterprise revenue collected in the Sanitation bank account to be transferred to the streetlight and stormwater accounts monthly. The balance between the Internal Service Fund and other funds is for health benefits paid from the City's self-insured fund and allocated to participating funds.

Interfund transfers:

Transfers In	Transfers Out	Amount
Museum Fund	General Fund	$ 857,036
Museum Fund	Nonmajor governmental funds	56,475
Nonmajor enterprise funds	General Fund	709,843
Nonmajor governmental funds	General Fund	389,819
		$ 2,013,173

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)

Plan Description (Continued)

Elected officials are entitled to $65 for each year of service after reaching normal retirement age.

Plan Membership. At January 1, 2025, the date of the most recent actuarial valuation, there were 395 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	99
Terminated vested participants not yet receiving benefits	101
Active employees - vested	91
Active employees - nonvested	104
Total	395

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, 2025, City contributions to the Plan were $1,509,089 and employee contributions to the Plan were $354,917.

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 with update procedures performed by the actuary to rollforward to the total pension liability measured as of September 30, 2024.

NOTE 10. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability of the City (Continued)

Actuarial assumptions. The total pension liability in the January 1, 2024 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, 2024 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, 2024 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, 2024 are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.60%
International equity	20%	7.03
Global fixed income	5%	3.70
Domestic fixed income	20%	2.70
Real estate	10%	3.40
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, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 9/30/24	$ 33,563,587	$ 25,098,202	$ 8,465,385
Changes for the year:			
Service cost	783,451	-	783,451
Interest	2,467,265	-	2,467,265
Differences between expected and actual experience	466,489	-	466,489
Contributions—employer	-	1,487,747	(1,487,747)
Contributions—employee	-	354,917	(354,917)
Net investment income	-	5,973,816	(5,973,816)
Benefit payments, including refunds of employee contributions	(1,785,205)	(1,785,205)	-
Administrative expense	-	(44,336)	44,336
Other changes	-	-	-
Net changes	1,932,000	5,986,939	(4,054,939)
Balances at 9/30/25	$ 35,495,587	$ 31,085,141	$ 4,410,446

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	$ 8,810,027	$ 4,410,446	$ 750,030

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, 2024 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, 2025, the City recognized pension expense of $1,061,275. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 680,382	$ -
Net difference between projected and actual earnings on pension plan investments	-	2,305,317
City contributions subsequent to the measurement date	1,509,089	-
Total	$ 2,189,471	$ 2,305,317

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 $1,509,089 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, 2026. 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:		
2026	$	(180,227)
2027		353,491
2028		(973,729)
2029		(824,470)
Total	$	(1,624,935)

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 87% 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, 2025, the City contributed $313,797 for the pay-as-you-go benefits for the OPEB plan.

Total OPEB Liability

The City's total OPEB liability of $6,410,854 was measured as of September 30, 2024 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	3.81%
Healthcare cost trends	
Medical	8.22% - 4.50%, Ultimate Trend over 9 years
Prescription drug	(8.78%) - 4.50%, Ultimate Trend over 21 years
Dental	9.78% - 3.00%, Ultimate Trend per year
Administrative expenses	3.00% Ultimate Trend per year

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, 2024. There was a decrease in the discount rate from 4.09% at the previous measurement date to 3.81% 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, 2025 were as follows:

	Total OPEB Liability
Balance at September 30, 2024	$ 6,193,493
Service cost	246,525
Interest	255,582
Experience differences	183,037
Assumption changes	(81,782)
Benefit payments	(386,001)
Balance at September 30, 2025	$ 6,410,854

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 (2.81%) or 1-percentage-point higher (4.81%) than the current discount rate:

	1% Decrease (2.81%)	Current Discount Rate (3.81%)	1% Increase (4.81%)
Total OPEB liability	$ 7,017,168	$ 6,410,854	$ 5,864,282

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	$ 5,679,680	$ 6,410,854	$ 7,268,516

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, 2024 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, 2025 the City recognized OPEB expense of $395,132. At September 30, 2025, 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	$ 291,714	$ 855,269
Changes in plan assumptions	1,037,223	1,678,544
City contributions subsequent to the measurement date	313,797	-
Total	$ 1,642,734	$ 2,533,813

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 $313,797 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending September 30:	
2026	$ (59,862)
2027	(504,852)
2028	(333,467)
2029	(298,422)
2030	(22,738)
Thereafter	14,465
	$ (1,204,876)

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, 2025, there were 99 plan members. During the year ended September 30, 2025 employee contributions were $311,289 and employer contributions were $75,376, 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 75%, 68%, 84%, and 69% 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 81% 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 $2,520 per year per individual or $6,250 per family for the Open Access Plan 1000, $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 87% 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, 23 retirees are eligible for postretirement benefits. These postretirement benefits are funded on a pay-as-you-go basis and totaled $313,797 for the year ended September 30, 2025.

Changes in the claims liability for the years ended September 30, 2025 and 2024 are as follows:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Claims Liability
2025	$ 320,999	$ 2,534,095	$ 2,568,094	$ 287,000
2024	326,716	2,903,636	2,909,353	320,999

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, 2025, contractual commitments on uncompleted contracts were $10,278,039.

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 $119,073 for the year ended September 30, 2025. Of this amount, $101,741 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 $9,065,530 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, 2025.

NOTE 18. ACCOUNTING CHANGES

Change Within the Financial Reporting Entity – Change in Major Funds

In the current year, the City's American Rescue Plan Fund no longer meets the definition of a major fund. The effect of this change within the financial reporting entity is shown in the table below.

	Reporting Units Affected by Adjustments to Beginning Fund Balances	
	Nonmajor Governmental Funds	American Rescue Plan Fund
September 30, 2024, as previously reported	$ 4,460,568	$ 34,943
Change from major fund to nonmajor fund	34,943	(34,943)
September 30, 2024, as adjusted	$ 4,495,511	$ -

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 783,451	$ 703,293	$ 708,194	$ 665,121	$ 677,745
Interest on total pension liability	2,467,265	2,340,517	2,190,760	2,022,332	1,859,426
Differences between expected and actual experience	466,489	302,730	716,603	986,681	902,835
Other changes	-	-	4,577	(5,913)	-
Benefit payments, including refunds of employee contributions	(1,785,205)	(1,630,975)	(1,529,127)	(1,335,063)	(1,101,923)
Net change in total pension liability	1,932,000	1,715,565	2,091,007	2,333,158	2,338,083
Total pension liability - beginning	33,563,587	31,848,022	29,757,015	27,423,857	25,085,774
Total pension liability - ending (a)	$ 35,495,587	$ 33,563,587	$ 31,848,022	$ 29,757,015	$ 27,423,857
Plan fiduciary net position					
Contributions - employer	$ 1,487,747	$ 1,420,710	$ 1,352,084	$ 1,234,838	$ 1,119,654
Contributions - employee	354,917	311,289	268,038	220,868	208,839
Net investment income	5,973,816	2,960,225	(4,312,130)	5,124,766	1,881,569
Benefit payments, including refunds of member contributions	(1,785,205)	(1,630,975)	(1,529,127)	(1,335,063)	(1,101,923)
Administrative expenses	(44,336)	(50,386)	(48,355)	(54,388)	(47,237)
Net change in plan fiduciary net position	5,986,939	3,010,863	(4,269,490)	5,191,021	2,060,902
Plan fiduciary net position - beginning	25,098,202	22,087,339	26,356,829	21,165,808	19,104,906
Plan fiduciary net position - ending (b)	$ 31,085,141	$ 25,098,202	$ 22,087,339	$ 26,356,829	$ 21,165,808
City's net pension liability - ending (a) - (b)	$ 4,410,446	$ 8,465,385	$ 9,760,683	$ 3,400,186	$ 6,258,049
Plan fiduciary net position as a percentage of the total pension liability	87.57%	74.78%	69.35%	88.57%	77.18%
Covered payroll	$ 10,419,526	$ 10,217,125	$ 9,536,259	$ 9,731,492	$ 8,763,879
City's net pension liability as a percentage of covered payroll	42.33%	82.85%	102.35%	34.94%	71.41%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 599,636	$ 614,896	$ 628,152	$ 553,326	$ 539,391
Interest on total pension liability	1,649,424	1,561,469	1,454,895	1,338,114	1,266,040
Differences between expected and actual experience	644,101	38,381	(28,336)	510,888	(82,401)
Changes of assumptions	1,327,577	-	325,845	-	-
Changes of benefit terms	-	-	-	(16,467)	-
Benefit payments, including refunds of employee contributions	(1,055,299)	(998,213)	(899,179)	(858,851)	(727,236)
Net change in total pension liability	3,165,439	1,216,533	1,481,377	1,527,010	995,794
Total pension liability - beginning	21,920,335	20,703,802	19,222,425	17,695,415	16,699,621
Total pension liability - ending (a)	$ 25,085,774	$ 21,920,335	$ 20,703,802	$ 19,222,425	$ 17,695,415
Plan fiduciary net position					
Contributions - employer	$ 966,171	$ 1,007,920	$ 901,718	$ 936,241	$ 933,501
Contributions - employee	198,988	178,209	193,852	177,656	167,673
Net investment income	559,055	1,658,110	2,167,067	1,430,888	127,762
Benefit payments, including refunds of member contributions	(1,055,299)	(998,213)	(899,179)	(858,851)	(727,236)
Administrative expenses	(43,002)	(45,244)	(47,560)	(25,835)	(29,787)
Net change in plan fiduciary net position	625,913	1,800,782	2,315,898	1,660,099	471,913
Plan fiduciary net position - beginning	18,478,993	16,678,211	14,362,313	12,702,214	12,230,301
Plan fiduciary net position - ending (b)	$ 19,104,906	$ 18,478,993	$ 16,678,211	$ 14,362,313	$ 12,702,214
City's net pension liability - ending (a) - (b)	$ 5,980,868	$ 3,441,342	$ 4,025,591	$ 4,860,112	$ 4,993,201
Plan fiduciary net position as a percentage of the total pension liability	76.16%	84.30%	80.56%	74.72%	71.78%
Covered payroll	$ 8,800,406	$ 8,609,022	$ 8,162,506	$ 7,702,593	$ 7,386,752
City's net pension liability as a percentage of covered payroll	67.96%	39.97%	49.32%	63.10%	67.60%

CITY OF KENNESAW, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 1,509,089	$ 1,487,747	$ 1,420,710	$ 1,342,867	$ 1,234,838
Contributions in relation to the actuarially determined contribution	1,509,089	1,487,747	1,420,710	1,342,867	1,234,838
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,283,412	$ 10,419,526	$ 10,217,125	$ 9,536,259	$ 9,731,492
Contributions as a percentage of covered payroll	13.37%	14.28%	13.91%	14.08%	12.69%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,119,654	$ 966,171	$ 1,007,920	$ 901,718	$ 936,241
Contributions in relation to the actuarially determined contribution	1,119,654	966,171	1,007,920	901,718	936,241
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,763,879	$ 8,800,406	$ 8,609,022	$ 8,162,506	$ 7,702,593
Contributions as a percentage of covered payroll	12.78%	10.98%	11.71%	11.05%	12.15%

Notes to the Schedule:

(1) Actuarial Assumptions:

Valuation Date	January 1, 2024
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

	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	$ 246,525	$ 304,818	$ 463,391	$ 495,748	$ 527,660
Interest on total OPEB liability	255,582	257,257	183,958	203,580	261,592
Difference between expected and actual experience	183,037	(858,182)	(115,253)	314,591	(131,988)
Changes of benefit terms	-	-	-	(1,261,581)	-
Changes of assumptions and other inputs	(81,782)	597,760	(1,814,530)	(559,908)	(1,067,711)
Benefit payments	(386,001)	(401,599)	(199,824)	(264,033)	(97,094)
Net change in total OPEB liability	217,361	(99,946)	(1,482,258)	(1,071,603)	(507,541)
Total OPEB liability - beginning	6,193,493	6,293,439	7,775,697	8,847,300	9,354,841
Total OPEB liability - ending	$ 6,410,854	$ 6,193,493	$ 6,293,439	$ 7,775,697	$ 8,847,300
Covered-employee payroll	$ 8,049,391	$ 7,872,265	$ 9,782,727	$ 9,567,459	$ 8,907,727
Total OPEB liability as a percentage of covered-employee payroll	79.6%	78.7%	64.3%	81.3%	99.3%

	2020	2019	2018
Total OPEB liability			
Service cost	$ 304,330	$ 313,279	$ 340,252
Interest on total OPEB liability	239,144	204,651	170,884
Difference between expected and actual experience	(865,727)	(120,315)	(141,642)
Changes of benefit terms	-	-	-
Changes of assumptions and other inputs	4,271,772	(212,393)	(235,266)
Benefit payments	(77,948)	(77,683)	(61,171)
Other changes	27,884	-	-
Net change in total OPEB liability	3,899,455	107,539	73,057
Total OPEB liability - beginning	5,455,386	5,347,847	5,274,790
Total OPEB liability - ending	$ 9,354,841	$ 5,455,386	$ 5,347,847
Covered-employee payroll	$ 8,711,713	$ 8,748,919	$ 8,539,074
Total OPEB liability as a percentage of covered-employee payroll	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, 2025 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 decreased from 4.09% to 3.81%.

CITY OF KENNESAW, GEORGIA

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.

American Rescue Plan (ARP) Fund – To account 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.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds								Debt Service Funds		
ASSETS	Asset Forfeiture Fund	Opioid Settlement Fund	Treasury Equitable Sharing Fund	E911 Fund	American Rescue Plan Fund	Hotel/Motel Fund	Cemetery Fund	Impact Fees Fund	Urban Redevelopment Agency	Downtown Development Authority	Total Nonmajor Governmental Funds
Cash and cash equivalents	$ 121,362	$ 63,364	$ 46,991	$ 2,502,925	$ 51,126	$ 28,149	$ 37,944	$ 1,742,824	$ 3,118	$ 117,433	$ 4,715,236
Taxes receivable	-	-	-	-	-	24,769	-	-	-	-	24,769
Accounts receivable	-	115,367	-	-	-	-	-	-	-	-	115,367
Due from other governments	-	-	-	278,768	-	-	-	-	-	-	278,768
Prepaid items	-	-	-	12,548	-	-	-	-	-	-	12,548
Due from other funds	-	-	13,000	-	-	-	-	-	-	100	13,100
Total assets	$ 121,362	$ 178,731	$ 59,991	$ 2,794,241	$ 51,126	$ 52,918	$ 37,944	$ 1,742,824	$ 3,118	$ 117,533	$ 5,159,788
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES											
LIABILITIES											
Accounts payable	$ -	$ -	$ -	$ 8,573	$ 10,389	$ 12,659	$ -	$ 79,863	$ -	$ 694	$ 112,178
Accrued liabilities	-	-	-	37,900	-	-	-	-	-	3,000	40,900
Due to other funds	-	-	-	75,505	-	2,925	242	25	-	-	78,697
Total liabilities	-	-	-	121,978	10,389	15,584	242	79,888	-	3,694	231,775
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - other	-	115,367	-	-	-	-	-	-	-	-	115,367
Total deferred inflows of resources	-	115,367	-	-	-	-	-	-	-	-	115,367
FUND BALANCES											
Fund Balances:											
Nonspendable:											
Prepaids	-	-	-	12,548	-	-	-	-	-	-	12,548
Restricted:											
Capital projects	-	-	-	-	-	-	-	1,662,936	-	113,839	1,776,775
Federal programs	-	-	-	-	40,737	-	-	-	-	-	40,737
Debt service	-	-	-	-	-	-	-	-	3,118	-	3,118
Law enforcement	121,362	-	59,991	2,659,715	-	-	-	-	-	-	2,841,068
Health and welfare	-	63,364	-	-	-	-	-	-	-	-	63,364
Culture and recreation	-	-	-	-	-	37,334	-	-	-	-	37,334
Committed:											
Cemetery maintenance	-	-	-	-	-	-	37,702	-	-	-	37,702
Total fund balances	121,362	63,364	59,991	2,672,263	40,737	37,334	37,702	1,662,936	3,118	113,839	4,812,646
Total liabilities, deferred inflows of resources and fund balances	$ 121,362	$ 178,731	$ 59,991	$ 2,794,241	$ 51,126	$ 52,918	$ 37,944	$ 1,742,824	$ 3,118	$ 117,533	$ 5,159,788

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds								Debt Service Funds		
	Asset Forfeiture Fund	Opioid Settlement Fund	Treasury Equitable Sharing Fund	E911 Fund	*(Previously Major)* American Rescue Plan Fund	Hotel/Motel Fund	Cemetery Fund	Impact Fees Fund	Urban Redevelopment Agency	Downtown Development Authority	Total Nonmajor Governmental Funds
REVENUES											
Taxes	$ -	$ -	$ -	$ 415	$ -	$ 119,073	$ -	$ -	$ -	$ -	$ 119,488
Licenses and permits	-	-	-	-	-	-	-	49,596	-	-	49,596
Intergovernmental	-	-	-	-	1,675,723	-	-	-	-	-	1,675,723
Fines and forfeitures	58,690	12,863	5,123	-	-	-	-	-	-	-	76,676
Charges for services	-	-	-	1,378,362	-	1,625	31,500	-	-	32,911	1,444,398
Miscellaneous	-	-	-	-	-	-	100	-	-	11,673	11,773
Interest	2,637	691	1,138	48,300	10,409	629	618	31,879	38	2,081	98,420
Total revenues	61,327	13,554	6,261	1,427,077	1,686,132	121,327	32,218	81,475	38	46,665	3,476,074
EXPENDITURES											
Current											
Public safety	23,292	-	-	1,196,297	20,834	-	-	-	-	-	1,240,423
Public works	-	-	-	-	-	-	5,575	-	-	-	5,575
Culture and recreation	-	-	-	-	-	45,266	-	-	-	-	45,266
Housing and development	-	-	-	-	-	-	-	-	-	29,583	29,583
Capital outlay	-	-	-	-	1,659,504	-	-	122,113	-	-	1,781,617
Debt service											
Principal retirements	-	-	-	-	-	-	-	-	155,000	-	155,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	234,819	-	234,819
Total expenditures	23,292	-	-	1,196,297	1,680,338	45,266	5,575	122,113	389,819	29,583	3,492,283
Excess (deficiency) of revenues over expenditures	38,035	13,554	6,261	230,780	5,794	76,061	26,643	(40,638)	(389,781)	17,082	(16,209)
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	389,819	-	389,819
Transfers out	-	-	-	-	-	(56,475)	-	-	-	-	(56,475)
Total other financing sources (uses)	-	-	-	-	-	(56,475)	-	-	389,819	-	333,344
Net change in fund balances	38,035	13,554	6,261	230,780	5,794	19,586	26,643	(40,638)	38	17,082	317,135
FUND BALANCES, beginning 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
Adjustment - change within reporting entity	-	-	-	-	34,943	-	-	-	-	-	34,943
FUND BALANCES, beginning of year, as adjusted	83,327	49,810	53,730	2,441,483	34,943	17,748	11,059	1,703,574	3,080	96,757	4,495,511
FUND BALANCES, end of year	$ 121,362	$ 63,364	$ 59,991	$ 2,672,263	$ 40,737	$ 37,334	$ 37,702	$ 1,662,936	$ 3,118	$ 113,839	$ 4,812,646

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 22,092	$ 58,690	$ 36,598
Interest	1,200	1,200	2,637	1,437
Total revenues	21,200	23,292	61,327	38,035
EXPENDITURES				
Public safety	21,200	23,292	23,292	-
Net change in fund balances	-	-	38,035	38,035
FUND BALANCES, beginning of year	83,327	83,327	83,327	-
FUND BALANCES, end of year	$ 83,327	$ 83,327	$ 121,362	$ 38,035

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ -	$ 12,863	$ 12,863	$ -
Interest	-	-	691	691
Total revenues	-	12,863	13,554	691
FUND BALANCES, beginning of year	49,810	49,810	49,810	-
FUND BALANCES, end of year	$ 49,810	$ 62,673	$ 63,364	$ 691

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	$ 5,123	$ (14,877)
Interest	500	500	1,138	638
Total revenues	20,500	20,500	6,261	(14,239)
EXPENDITURES				
Public safety	20,500	20,500	-	20,500
Net change in fund balances	-	-	6,261	6,261
FUND BALANCES, beginning of year	53,730	53,730	53,730	-
FUND BALANCES, end of year	$ 53,730	$ 53,730	$ 59,991	$ 6,261

CITY OF KENNESAW, GEORGIA
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 400	$ 400	$ 415	$ 15
Charges for services	1,510,000	1,510,000	1,378,362	(131,638)
Interest	24,000	24,000	48,300	24,300
Total revenues	1,534,400	1,534,400	1,427,077	(107,323)
EXPENDITURES				
Current:				
Public safety	1,454,424	1,454,424	1,196,297	258,127
Capital outlay	79,976	79,976	-	79,976
Total expenditures	1,534,400	1,534,400	1,196,297	338,103
Net change in fund balances	-	-	230,780	230,780
FUND BALANCES, beginning of year	2,441,483	2,441,483	2,441,483	-
FUND BALANCES, end of year	$ 2,441,483	$ 2,441,483	$ 2,672,263	$ 230,780

CITY OF KENNESAW, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,400,008	$ 1,675,723	$ 1,675,723	$ -
Interest	5,700	5,700	10,409	4,709
Total revenues	1,405,708	1,681,423	1,686,132	4,709
EXPENDITURES				
Public safety				
Police	21,919	21,919	20,834	1,085
Total public safety	21,919	21,919	20,834	1,085
Public works				
Highways and streets	71,000	-	-	-
Total public works	71,000	-	-	-
Capital Outlay	1,312,789	1,659,504	1,659,504	-
Total expenditures	1,405,708	1,681,423	1,680,338	1,085
Net change in fund balances	-	-	5,794	5,794
FUND BALANCES, beginning of year	34,943	34,943	34,943	-
FUND BALANCES, end of year	$ 34,943	$ 34,943	$ 40,737	$ 5,794

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 98,500	$ 98,700	$ 119,073	$ 20,373
Charges for services	2,200	2,200	1,625	(575)
Interest	850	850	629	(221)
Total revenues	101,550	101,750	121,327	19,577
EXPENDITURES				
Culture and recreation	48,000	48,200	45,266	2,934
Excess of revenues over expenditures	53,550	53,550	76,061	22,511
OTHER FINANCING USES				
Transfers out	(53,550)	(53,550)	(56,475)	(2,925)
Net change in fund balances	-	-	19,586	19,586
FUND BALANCES, beginning of year	17,748	17,748	17,748	-
FUND BALANCES, end of year	$ 17,748	$ 17,748	$ 37,334	$ 19,586

CITY OF KENNESAW, GEORGIA
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 10,000	$ 10,000	$ 31,500	$ 21,500
Miscellaneous	3,500	3,500	100	(3,400)
Interest	500	500	618	118
Total revenues	14,000	14,000	32,218	18,218
EXPENDITURES				
Public works	22,000	22,000	5,575	16,425
Net change in fund balances	(8,000)	(8,000)	26,643	34,643
FUND BALANCES, beginning of year	11,059	11,059	11,059	-
FUND BALANCES, end of year	$ 3,059	$ 3,059	$ 37,702	$ 34,643

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Licenses and permits	$ 74,412	$ 74,412	$ 49,596	$ (24,816)
Interest	30,000	30,000	31,879	1,879
Total revenues	104,412	104,412	81,475	(22,937)
EXPENDITURES				
Capital outlay	450,000	450,000	122,113	327,887
Total expenditures	450,000	450,000	122,113	327,887
Net change in fund balances	(345,588)	(345,588)	(40,638)	304,950
FUND BALANCES, beginning of year	1,703,574	1,703,574	1,703,574	-
FUND BALANCES, end of year	$ 1,357,986	$ 1,357,986	$ 1,662,936	$ 304,950

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ -	$ 38	$ 38
Total revenues	-	-	38	38
EXPENDITURES				
Debt service				
Principal	155,000	155,000	155,000	-
Interest and fiscal charges	238,507	238,507	234,819	3,688
Total expenditures	393,507	393,507	389,819	3,688
Deficiency of revenues over expenditures	(393,507)	(393,507)	(389,781)	3,726
OTHER FINANCING SOURCES				
Transfers in	393,507	393,507	389,819	(3,688)
Net change in fund balances	-	-	38	38
FUND BALANCES, beginning of year	3,080	3,080	3,080	-
FUND BALANCES, end of year	$ 3,080	$ 3,080	$ 3,118	$ 38

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, 2025

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 50,018	$ 50,018	$ 32,911	$ (17,107)
Miscellaneous	25	25	11,673	11,648
Investment income	1,200	1,200	2,081	881
Total revenues	51,243	51,243	46,665	(4,578)
EXPENDITURES				
Current:				
Housing and development	51,243	51,243	29,583	21,660
Total expenditures	51,243	51,243	29,583	21,660
Net change in fund balances	-	-	17,082	17,082
FUND BALANCES, beginning of year	96,757	96,757	96,757	-
FUND BALANCES, end of year	$ 96,757	$ 96,757	$ 113,839	$ 17,082

CITY OF KENNESAW, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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	3,370,779	29,972	3,400,751	58.77
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	$ 21,587,799	$ 29,972	$ 21,617,771	

Continued

CITY OF KENNESAW, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PERCENTAGE OF COMPLETION
SPLOST III - 2016 SPLOST						
Sardis Street Overpass	$ 6,000,000	$ 1,083,304	$ 1,081,439	$ 1,865	$ 1,083,304	100.00 %
Stormwater Infrastructure	3,000,000	677,156	677,156	-	677,156	100.00
Ben King Road Improvements	3,133,431	9,441,201	1,109,407	9,942	1,119,349	11.86
Sardis Street Extension Project	2,500,000	2,499,964	2,495,123	4,841	2,499,964	100.00
Property Acquisition	3,000,000	1,229,062	1,229,062	-	1,229,062	100.00
Park Improvements	1,790,000	1,789,868	1,789,869	-	1,789,869	100.00
Dallas/Watts Drive Improvements	2,619,072	5,147,482	5,147,482	-	5,147,482	100.00
Facility Improvements	1,200,000	741,421	741,421	-	741,421	100.00
Economic Development	1,500,000	3,486,471	3,486,471	-	3,486,471	100.00
Smith Gilbert Garden	750,000	750,000	745,462	-	745,462	99.39
Resurfacing and Sidewalks	698,867	546,086	160,705	23,892	184,597	33.80
Police Vehicles	125,000	110,242	110,242	-	110,242	100.00
TOTAL 2016 SPLOST	$ 26,316,370	$ 27,502,257	$ 18,773,839	$ 40,540	$ 18,814,379	
SPLOST IV - 2022 SPLOST						
Depot Park	$ 6,000,000	$ 4,693,263	$ 4,685,401	$ 7,862	$ 4,693,263	100.00 %
Facility Improvements	3,500,000	4,159,692	707,649	1,541,293	2,248,942	54.07
Rutledge/Cathy Lane	4,000,000	6,500,000	-	18,230	18,230	0
Sardis Street Extension and Overpass	9,000,000	62,888	62,888	-	62,888	100.00
Neighborhood Improvements	785,000	13,432,045	-	-	-	-
Public Safety Facility	8,500,000	16,500,000	605,193	3,929,937	4,535,130	27.49
TOTAL 2022 SPLOST	$ 31,785,000	$ 45,347,888	$ 6,061,131	$ 5,497,322	$ 11,558,453	
			Total SPLOST expenditures	$ 5,567,834		
				20,216 (1)		
			Total SPLOST Fund expenditures	$ 5,588,050		

(1) Cobb County provided funding to support a joint project between the City and County for design and construction of a Recreation Center under the 2016 Parks SPLOST Program. The City's share of expenditures was $20,216 in fiscal year 2025.

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, 2025

ASSETS	Gardens Fund	Streetlight Fund	Totals
CURRENT ASSETS			
Cash	$ 611,552	$ 73,347	$ 684,899
Accounts receivable, net of allowance	-	43,659	43,659
Due from other funds	-	31,139	31,139
Inventory	10,615	-	10,615
Prepaid items	862	-	862
Total current assets	623,029	148,145	771,174
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable assets	2,021,054	-	2,021,054
Depreciable assets	124,462	4,200	128,662
	2,145,516	4,200	2,149,716
Accumulated depreciation	(100,539)	(817)	(101,356)
Total capital assets	2,044,977	3,383	2,048,360
Total noncurrent assets	2,044,977	3,383	2,048,360
Total assets	2,668,006	151,528	2,819,534
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	11,445	5,713	17,158
Accrued liabilities	23,081	-	23,081
Due to other governments	2,210	-	2,210
Due to other funds	17,290	50,000	67,290
Compensated absences payable	27,678	-	27,678
Unearned revenue	-	29,653	29,653
Total current liabilities	81,704	85,366	167,070
Total liabilities	81,704	85,366	167,070
NET POSITION			
Investment in capital assets	2,044,977	3,383	2,048,360
Unrestricted	541,325	62,779	604,104
Total net position	$ 2,586,302	$ 66,162	$ 2,652,464

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Gardens Fund	Streetlight Fund	Totals
OPERATING REVENUE			
Charges for sales and services	$ 37,194	$ 415,311	$ 452,505
Miscellaneous	20,065	-	20,065
Total operating revenues	57,259	415,311	472,570
OPERATING EXPENSES			
Cost of sales and services	801,450	464,404	1,265,854
Depreciation	5,296	280	5,576
Total operating expenses	806,746	464,684	1,271,430
Operating loss	(749,487)	(49,373)	(798,860)
NONOPERATING INCOME			
Intergovernmental	508,300	-	508,300
Interest income	6,837	4,236	11,073
Total nonoperating income	515,137	4,236	519,373
Loss before transfers	(234,350)	(45,137)	(279,487)
Transfers in	661,573	48,270	709,843
Total transfers	661,573	48,270	709,843
Change in net position	427,223	3,133	430,356
Total net position, beginning of year	2,159,079	63,029	2,222,108
Total net position, end of year	$ 2,586,302	$ 66,162	$ 2,652,464

CITY OF KENNESAW, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Gardens Fund	Streetlight Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 98,731	$ 423,707	$ 522,438
Payments to suppliers	(172,381)	(446,257)	(618,638)
Payments to employees	(599,755)	-	(599,755)
Net cash used in operating activities	(673,405)	(22,550)	(695,955)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	661,573	48,270	709,843
Receipts from state grants	508,300	-	508,300
Net cash provided by noncapital financing activities	1,169,873	48,270	1,218,143
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(9,052)	-	(9,052)
Net cash used in capital and related financing activities	(9,052)	-	(9,052)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,837	4,236	11,073
Net cash provided by investing activities	6,837	4,236	11,073
Net increase in cash	494,253	29,956	524,209
Cash, beginning of year	117,299	43,391	160,690
Cash, end of year	$ 611,552	$ 73,347	$ 684,899
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating loss	$ (749,487)	$ (49,373)	$ (798,860)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	5,296	280	5,576
Change in assets and liabilities:			
Decrease in accounts receivable	41,472	8,396	49,868
Decrease in due from other governments	2,210	-	2,210
Decrease in due from other funds	-	27,924	27,924
Increase in prepaid items	(41)	-	(41)
Increase in inventory	(5,703)	-	(5,703)
Increase in accounts payable	5,878	-	5,878
Increase in accrued liabilities	4,209	-	4,209
Increase in compensated absences payable	6,334	-	6,334
Decrease in unearned revenue	-	(130)	(130)
Increase (decrease) in due to other funds	16,427	(9,647)	6,780
Net cash used in operating activities	$ (673,405)	$ (22,550)	$ (695,955)

COMPONENT UNIT –
DEVELOPMENT AUTHORITY

CITY OF KENNESAW, GEORGIA
BALANCE SHEET
COMPONENT UNIT - DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2025

ASSETS	
Cash	$ 538,013
Investments	52,786
Land held for resale	1,110,000
Total assets	1,700,799
LIABILITIES	
Due to primary government, noncurrent	706,479
Total liabilities	706,479
FUND BALANCE	
Unassigned	994,320
Total fund balance	$ 994,320

CITY OF KENNESAW, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES		
Intergovernmental	$	202,091
Interest income		10,260
Miscellaneous		140,338
Total revenues		352,689
EXPENDITURES		
Housing and development		6,803
Total expenditures		6,803
Net change in fund balance		345,886
FUND BALANCE, beginning of year		648,434
FUND BALANCE, end of year	$	994,320

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.

Page

Financial Trends **90**

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

Revenue Capacity **100**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **105**

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

Demographic and Economic Information **109**

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

Operating Information **113**

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

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)

	2025	2024	2023	2022	2021
Governmental activities					
Net investment in capital assets	**$ 106,676,052**	$ 103,163,614	$ 97,767,024	$ 82,058,068	$ 79,484,202
Restricted	**58,657,292**	52,224,951	47,147,564	40,742,837	34,413,582
Unrestricted	**26,101,984**	19,814,071	14,796,315	9,500,651	2,347,778
Total governmental activities net position	**$ 191,435,328**	$ 175,202,636	$ 159,710,903	$ 132,301,556	$ 116,245,562
Business-type activities					
Net investment in capital assets	**$ 13,558,106**	$ 13,100,544	$ 13,297,505	$ 13,511,667	$ 13,485,656
Unrestricted	**4,537,558**	3,973,325	4,160,556	4,076,887	4,161,424
Total business-type activities net position	**$ 18,095,664**	$ 17,073,869	$ 17,458,061	$ 17,588,554	$ 17,647,080
Primary government					
Net investment in capital assets	**$ 120,234,158**	$ 116,264,158	$ 111,064,529	$ 95,569,735	$ 92,969,858
Restricted	**58,657,292**	52,224,951	47,147,564	40,742,837	34,413,582
Unrestricted	**30,639,542**	23,787,396	18,956,871	13,577,538	6,509,202
Total primary government net position	**$ 209,530,992**	$ 192,276,505	$ 177,168,964	$ 149,890,110	$ 133,892,642

2020	2019	2018	2017	2016
$ 66,558,159	$ 63,615,691	$ 63,615,691	$ 58,213,192	$ 53,342,130
38,422,467	35,040,568	35,040,568	28,431,367	29,647,981
(791,928)	(3,291,667)	(3,291,667)	(6,886,057)	(8,001,192)
$ 104,188,698	$ 95,364,592	$ 79,758,502	$ 74,988,919	$ 68,693,504
$ 13,651,044	$ 13,696,093	$ 13,696,093	$ 13,716,793	$ 12,117,034
3,742,078	3,497,538	3,497,538	2,686,620	1,069,980
$ 17,393,122	$ 17,193,631	$ 16,403,413	$ 13,187,014	$ 13,888,549
$ 80,209,203	$ 77,311,784	$ 71,929,985	$ 65,459,164	$ 56,665,491
38,422,467	35,040,568	28,431,367	29,647,981	33,586,055
2,950,150	205,871	(4,199,437)	(6,931,212)	(7,669,493)
$ 121,581,820	$ 112,558,223	$ 96,161,915	$ 88,175,933	$ 82,582,053

CITY OF KENNESAW, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	**$ 6,967,328**	$ 6,905,838	$ 6,949,018	$ 5,491,836	$ 6,018,287
Judicial	**466,226**	398,866	435,479	394,132	412,151
Public safety	**11,638,087**	10,955,559	10,701,664	9,240,253	9,402,997
Public works	**4,825,626**	5,076,470	4,324,390	3,563,674	3,690,826
Health and welfare	**-**	-	6,459	7,149	538
Culture and recreation	**4,131,118**	3,878,705	3,413,831	2,507,700	2,129,431
Housing and development	**1,733,386**	1,726,379	1,776,292	1,359,324	1,484,520
Interest on long-term debt	**315,930**	334,815	398,695	477,426	476,359
Total governmental activities expenses	**30,077,701**	29,276,632	28,005,828	23,041,494	23,615,109
Business-type activities:					
Sanitation	**4,010,770**	3,756,883	3,711,091	2,353,740	2,307,993
Museum	**1,359,143**	1,325,512	1,257,518	1,108,395	1,048,711
Gardens	**806,792**	735,764	598,549	538,187	511,980
Stormwater	**1,056,856**	927,391	926,066	931,549	824,697
Streetlight	**464,684**	477,013	433,245	419,270	334,296
Total business-type activities expenses	**7,698,245**	7,222,563	6,926,469	5,351,141	5,027,677
Total primary government expenses	**$ 37,775,946**	$ 36,499,195	$ 34,932,297	$ 28,392,635	$ 28,642,786
Program Revenues					
Governmental activities:					
Charges for services:					
General government	**$ 284,073**	$ 267,622	$ 275,897	$ 253,473	$ 210,714
Judicial	**1,121,553**	963,493	1,108,845	795,464	760,992
Public safety	**1,509,187**	1,530,601	1,580,442	1,498,085	1,394,552
Public works	**90,796**	597,021	1,575,068	698,582	681,393
Culture and recreation	**1,400,096**	1,489,165	1,351,182	914,863	552,039
Housing and development	**609,432**	1,531,139	2,032,221	1,446,250	1,420,047
Operating grants and contributions (1)	**1,167,841**	2,126,847	10,049,290	1,469,699	1,840,206
Capital grants and contributions (1)	**13,056,159**	10,274,654	12,912,723	9,641,027	8,230,073
Total governmental activities program revenues	**19,239,137**	18,780,542	30,885,668	16,717,443	15,090,016
Business-type activities:					
Charges for services:					
Sanitation	**4,117,773**	3,816,582	3,897,083	2,627,176	2,686,744
Museum	**571,760**	551,478	543,267	503,904	354,546
Gardens	**57,259**	199,203	165,179	156,988	123,302
Stormwater	**1,307,949**	1,323,414	1,356,656	1,259,187	1,251,997
Streetlight	**415,311**	404,329	410,785	374,735	368,124
Operating grants and contributions (1)	**508,300**	20,375	10,000	6,000	-
Capital grants and contributions (1)	**7,067**	37,570	18,730	19,275	48,976
Total business-type activities program revenues	**6,985,419**	6,352,951	6,401,700	4,947,265	4,833,689
Total primary government program revenues	**$ 26,224,556**	$ 25,133,493	$ 37,287,368	$ 21,664,708	$ 19,923,705

2020	2019	2018	2017	2016
$ 5,878,342	$ 4,663,769	$ 4,805,604	$ 4,350,340	$ 4,442,795
390,403	393,208	371,714	364,977	367,386
9,296,626	8,635,869	8,179,820	8,443,734	8,384,410
3,726,845	3,404,917	3,533,601	3,611,163	4,064,973
-	-	-	-	-
1,911,729	2,015,047	2,021,197	2,359,893	2,348,921
1,311,722	1,249,238	1,246,740	1,601,184	1,019,160
840,096	713,667	794,695	835,336	878,715
23,355,763	21,075,715	20,953,371	21,566,627	21,506,360
2,211,371	1,906,567	1,817,328	1,649,452	1,667,997
1,081,715	1,154,357	1,134,753	1,079,904	1,110,487
467,114	509,156	483,513	416,664	414,334
748,458	639,354	737,511	865,031	879,164
341,136	334,296	54,737	-	-
4,849,794	4,543,730	4,227,842	4,011,051	4,071,982
$ 28,205,557	$ 25,619,445	$ 25,181,213	$ 25,577,678	$ 25,578,342
$ 201,241	$ 202,471	$ 191,633	$ 179,081	$ 158,210
882,811	1,099,181	1,075,479	988,238	849,434
1,481,219	1,474,411	1,657,277	1,495,481	1,406,576
739,717	729,847	145,401	167,018	498,692
298,630	622,568	762,913	898,948	821,495
475,943	821,706	327,073	460,742	724,819
1,765,704	784,965	755,413	740,693	721,052
7,085,752	10,975,883	6,758,032	5,528,449	5,867,805
12,931,017	16,711,032	11,673,221	10,458,650	11,048,083
2,578,490	2,542,701	2,532,804	2,198,573	2,182,106
342,413	460,022	457,598	445,964	440,604
71,923	153,211	121,806	124,479	130,779
1,249,632	1,242,284	1,271,204	1,256,170	1,208,615
363,462	359,190	61,530	-	-
-	-	-	-	-
64,235	131,930	39,608	44,401	100,269
4,670,155	4,889,338	4,484,550	4,069,587	4,062,373
$ 17,601,172	$ 21,600,370	$ 16,157,771	$ 14,528,237	$ 15,110,456

CITY OF KENNESAW, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2025	2024	2023	2022	2021
Net (Expense)/Revenue					
Governmental activities	**$ (10,838,564)**	$ (10,496,090)	$ 2,879,840	$ (6,324,051)	$ (8,525,093)
Business-type activities	**(712,826)**	(869,612)	(524,769)	(403,876)	(193,988)
Total primary government net expense	**$ (11,551,390)**	$ (11,365,702)	$ 2,355,071	$ (6,727,927)	$ (8,719,081)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	**$ 18,922,399**	$ 17,693,737	$ 16,308,902	$ 14,716,982	$ 13,543,437
Franchise taxes	**2,145,069**	2,005,931	1,870,984	1,822,258	1,835,507
Insurance premium taxes	**3,615,573**	3,170,688	2,947,924	2,708,125	2,539,487
Business taxes	**1,809,035**	1,801,097	1,734,801	1,652,621	1,410,570
Other taxes	**963,566**	1,036,848	1,068,447	1,211,365	1,188,741
Unrestricted investment earnings	**1,199,917**	686,222	687,604	485,873	422,873
Gain on sale of capital assets	**39,051**	22,014	207,550	35,389	-
Transfers	**(1,623,354)**	(428,714)	(296,705)	(252,568)	(358,658)
Total governmental activities	**27,071,256**	25,987,823	24,529,507	22,380,045	20,581,957
Business-type activities:					
Unrestricted investment earnings	**111,267**	56,706	97,571	92,782	89,288
Gain on sale of capital assets	**-**	-	-	-	-
Transfers	**1,623,354**	428,714	296,705	252,568	358,658
Total business-type activities	**1,734,621**	485,420	394,276	345,350	447,946
Total primary government	**$ 28,805,877**	$ 26,473,243	$ 24,923,783	$ 22,725,395	$ 21,029,903
Change in Net Position					
Governmental activities	**$ 16,232,692**	$ 15,491,733	$ 27,409,347	$ 16,055,994	$ 12,056,864
Business-type activities	**1,021,795**	(384,192)	(130,493)	(58,526)	253,958
Total primary government	**$ 17,254,487**	$ 15,107,541	$ 27,278,854	$ 15,997,468	$ 12,310,822

NOTES: (1) Grant revenues vary from year to year depending on the federal and state funding received by the City.

2020	2019	2018	2017	2016
$ (10,424,746)	$ (4,364,683)	$ (9,280,150)	$ (11,107,977)	$ (10,458,277)
(179,639)	345,608	256,708	58,536	(9,609)
$ (10,604,385)	$ (4,019,075)	$ (9,023,442)	$ (11,049,441)	$ (10,467,886)
$ 12,209,466	$ 12,584,176	$ 11,445,412	$ 10,555,252	$ 10,077,543
1,890,813	1,905,748	1,778,733	1,864,149	1,815,579
2,457,772	2,329,114	2,192,680	2,032,044	1,909,498
1,495,919	1,465,211	1,402,407	1,246,047	1,248,304
1,030,091	966,156	1,001,737	1,028,432	964,204
401,544	1,105,382	(97,065)	(122,623)	326,929
51,603	-	-	38,015	146,531
(288,356)	(385,014)	(2,379,021)	762,076	(158,179)
19,248,852	19,970,773	15,344,883	17,403,392	16,330,409
90,774	57,946	2,542	2,005	1,287
-	1,650	-	-	-
288,356	385,014	2,379,021	(762,076)	158,179
379,130	444,610	2,381,563	(760,071)	159,466
$ 19,627,982	$ 20,415,383	$ 17,726,446	$ 16,643,321	$ 16,489,875
$ 8,824,106	$ 15,606,090	$ 6,064,733	$ 6,295,415	$ 5,872,132
199,491	790,218	2,638,271	(701,535)	149,857
$ 9,023,597	$ 16,396,308	$ 8,703,004	$ 5,593,880	$ 6,021,989

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

	2025	2024	2023	2022	2021
General fund					
Nonspendable:					
Long-term advances	**$ -**	$ -	$ -	$ 16,093	$ 47,917
Inventories	**8,806**	10,760	9,483	9,994	6,616
Prepaid items	**376,783**	344,564	263,630	261,173	192,682
Lease receivable, net	**6,775**	6,810	4,453	3	-
Restricted:					
Public safety	**32,439**	14,443	14,289	14,042	13,798
Capital projects	**-**	-	-	-	-
Debt service	**91,155**	89,505	88,560	87,025	85,517
Voter-approved use	**9,065,530**	9,000,000	7,587,563	7,546,845	7,632,861
Assigned:					
Capital projects	**-**	-	-	-	-
Unassigned	**38,293,906**	32,343,778	26,338,796	19,848,453	13,501,762
Total general fund	**$ 47,875,394**	$ 41,809,860	$ 34,306,774	$ 27,783,628	$ 21,481,153
All other governmental funds					
Nonspendable:					
Long-term advances	**$ -**	$ -	$ -	$ -	$ -
Prepaid items	**12,548**	11,935	10,212	13,028	9,967
Notes receivable	**-**	-	-	-	-
Restricted:					
Public safety	**2,841,068**	2,566,605	2,124,123	1,590,547	1,040,324
Health and welfare	**63,364**	49,810	-	-	-
Culture and recreation	**37,334**	17,748	14,527	13,710	13,075
Capital projects	**44,826,523**	40,119,725	36,809,470	31,541,819	24,860,550
Federal programs	**40,737**	34,943	15,240	10,131	9,818
Debt service	**3,118**	3,080	3,080	3,078	3,077
Committed:					
Cemetery maintenance	**37,702**	11,059	51,891	58,948	66,517
Assigned:					
Capital projects	**-**	-	-	-	-
Debt service	**-**	-	-	-	-
Unassigned	**-**	-	-	-	-
Total all other governmental funds	**$ 47,862,394**	$ 42,814,905	$ 39,028,543	$ 33,231,261	$ 26,003,328

2020	2019	2018	2017	2016
$ 79,268	$ 110,152	$ 298,854	$ 556,263	$ 825,669
5,172	7,811	8,577	8,062	7,473
182,485	180,024	253,898	229,135	257,964
-	-	-	-	-
13,459	14,473	11,287	36,132	36,096
-	-	-	-	-
7,448	639,744	631,301	630,672	630,044
7,664,101	7,703,313	7,092,269	7,533,313	8,019,456
-	-	-	-	264,186
9,327,645	5,469,476	1,464,101	(1,269,638)	(3,197,165)
$ 17,279,578	$ 14,124,993	$ 9,760,287	$ 7,723,939	$ 6,843,723
$ -	$ -	$ -	$ -	$ -
8,585	8,294	13,134	9,653	11,129
-	-	-	-	-
966,548	708,176	398,349	39,401	66,526
-	-	-	-	-
12,415	12,035	11,793	11,780	11,751
29,294,943	25,370,782	20,046,089	20,645,186	24,834,329
3,075	3,046	3,025	8,502	-
54,094	39,151	32,151	17,548	28,577
77,474	76,145	65,149	65,074	157,070
-	-	58,953	83,639	-
-	(54,361)	-	(177,475)	(398,789)
$ 30,417,134	$ 26,163,268	$ 20,628,643	$ 20,703,308	$ 24,710,593

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

	2025	2024	2023	2022	2021
Revenues					
Taxes	**$ 27,495,759**	$ 25,689,500	$ 23,909,088	$ 22,180,116	$ 20,466,531
Licenses and permits	**813,093**	1,859,899	3,156,955	1,737,184	1,754,576
Intergovernmental	**13,322,430**	12,266,081	22,948,217	11,047,458	10,060,279
Fines and forfeitures	**1,198,229**	1,026,303	1,193,853	821,484	765,299
Charges for services	**2,765,318**	2,810,390	2,717,483	2,387,950	1,920,574
Contributions	**20,000**	120	10,022	50,000	10,000
Net investment income (loss)	**1,952,760**	1,065,323	1,233,272	892,582	851,738
Other revenues	**250,270**	311,806	307,462	263,111	147,634
Total revenues	**47,817,859**	45,029,422	55,476,352	39,379,885	35,976,631
Expenditures					
General government	**6,591,732**	6,327,116	6,269,417	5,249,598	4,937,870
Judicial	**473,724**	386,887	409,044	412,798	407,963
Public safety	**10,854,927**	9,621,543	9,673,155	9,140,207	8,851,264
Public works	**2,510,909**	2,609,521	6,229,556	1,721,361	1,961,990
Health and welfare	**-**	-	195,850	7,149	538
Culture and recreation	**3,775,354**	3,379,567	2,972,508	2,331,993	1,763,601
Housing and development	**1,527,665**	1,456,628	1,509,455	1,184,648	1,160,297
Capital outlay	**7,933,538**	8,099,011	11,552,685	3,638,566	15,010,871
Debt service					
Principal retirements	**1,134,127**	1,099,503	4,054,698	1,478,973	1,481,880
Interest and fiscal charges	**323,248**	354,200	405,893	491,029	530,838
Bond issuance costs	**-**	-	-	-	-
Total expenditures	**35,125,224**	33,333,976	43,272,261	25,656,322	36,107,112
Excess (deficiency) of revenues over expenditures	**12,692,635**	11,695,446	12,204,091	13,723,563	(130,481)
Other financing sources (uses)					
Proceeds from financed purchases	**-**	-	147,640	22,712	179,339
Issuance of long-term debt	**-**	-	-	-	-
Deposits with escrow agent	**-**	-	-	-	-
Proceeds from sale of capital assets	**43,742**	22,716	265,402	36,701	97,569
Proceeds from insurance recoveries	**-**	-	-	-	-
Transfers in	**389,819**	1,125,229	1,366,446	1,637,356	1,545,034
Transfers out	**(2,013,173)**	(1,553,943)	(1,663,151)	(1,889,924)	(1,903,692)
Total other financing sources (uses)	**(1,579,612)**	(405,998)	116,337	(193,155)	(81,750)
Net change in fund balances	**$ 11,113,023**	$ 11,289,448	$ 12,320,428	$ 13,530,408	$ (212,231)
Debt service as a percentage of noncapital expenditures	**5.36%**	5.76%	16.44%	8.97%	9.54%

2020	2019	2018	2017	2016
$ 19,380,206	$ 18,956,810	$ 17,903,060	$ 16,899,665	$ 16,157,523
855,843	1,158,751	501,349	619,747	1,021,664
8,759,248	11,740,544	7,367,107	6,226,083	6,578,785
1,021,084	1,239,307	1,252,470	1,273,309	1,023,977
1,652,351	2,028,941	2,197,437	2,074,738	2,214,625
-	6,099	500	40,000	6,652
850,250	1,428,654	(47,135)	(65,324)	382,654
192,702	212,533	159,343	167,422	146,553
32,711,684	36,771,639	29,334,131	27,235,640	27,532,433
4,707,490	4,156,524	4,185,383	4,044,074	4,087,000
382,087	399,548	371,684	359,187	356,493
8,729,279	8,369,791	7,859,170	7,991,684	7,865,595
2,205,955	2,283,769	2,343,064	2,453,357	2,791,593
1,497,119	1,707,830	1,729,176	2,047,715	2,009,199
1,098,252	1,163,741	1,056,365	1,392,855	957,711
7,553,074	6,315,422	7,226,205	10,574,153	10,168,328
1,382,483	1,579,692	1,485,700	1,492,053	1,727,076
831,598	725,682	811,191	851,670	898,444
-	-	-	-	-
28,387,337	26,701,999	27,067,938	31,206,748	30,861,439
4,324,347	10,069,640	2,266,193	(3,971,108)	(3,329,006)
205,003	191,014	51,557	43,948	331,140
10,775,000	-	-	-	-
(7,675,000)	-	-	-	-
67,457	23,691	1,900	38,015	490,786
-	-	-	-	-
1,462,235	1,620,702	1,531,509	2,443,370	1,675,696
(1,750,591)	(2,005,716)	(1,889,476)	(1,681,294)	(1,833,875)
3,084,104	(170,309)	(304,510)	844,039	663,747
$ 7,408,451	$ 9,899,331	$ 1,961,683	$ (3,127,069)	$ (2,665,259)
10.67%	11.45%	11.65%	11.42%	12.70%

CITY OF KENNESAW, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property						Public Utility
	Residential	Agricultural	Commercial	Industrial	Historical	Conservation	
2016	$ 544,822,699	$ 128,488	$ 347,217,207	$ 21,127,544	$ -	$ 497,382	$ 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
2025	**1,472,747,842**	**288,358**	**725,635,236**	**29,028,440**	**843,200**	**265,518**	**18,091,925**

Source: Cobb County Tax Commissioner
Note: Tax rates are per $1,000 of assessed value.
Note: Source is from Property Tax Digest 2024

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
$ 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%
258,177,629	**32,339**	**609,207,363**	**1,895,903,124**	**9.25**	**4,739,757,810**	**40.00%**

CITY OF KENNESAW, GEORGIA
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $1000 of Assessed Value)
LAST TEN YEARS

Fiscal Year	City of Kennesaw Operating Millage	City of Kennesaw Debt Service Millage	Total Direct Rate	Cobb County	Cobb County Schools	State	Total Direct and Overlapping Rates
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
2025	**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

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Taxable Assessed Value
BELL FUND VI KENNESAW LLC	$ **32,800,000**	**1**	**1.86** %	$		
WEST 22 LL LLC	**28,422,000**	**2**	**1.61**			
SREIT REVIVAL ON MAIN LLC	**27,680,000**	**3**	**1.57**			
PAC ELLISON LLC	**23,200,000**	**4**	**1.31**			
HM KENNESAW LLC & COLUMBIA KENNESAW LLC	**21,388,800**	**5**	**1.21**	14,744,000	3	1.51 %
GEP X KENNESAW LLC	**20,000,000**	**6**	**1.13**			
CRP GREP OVERTURE BARRETT OWNER LLC	**17,000,000**	**7**	**0.96**			
OWENS & MINOR DISTRIBUTION INC	**16,428,880**	**8**	**0.93**	8,769,132	7	0.90
WAH15 CHARLESTOWNE LLC	**16,420,000**	**9**	**0.93**			
ARRIS KENNESAW LLC	**16,308,912**	**10**	**0.92**			
CCAL 2 3615 CHEROKEE STREET LLC				20,572,930	1	2.11
KENNESAW 450 LLC				18,620,040	2	1.91
KENNESAW GARDENS ASSOCIATES LLC				11,500,000	4	1.18
ACC OP FREY LLC				10,381,156	5	1.07
ATLANTA RD CO.				9,184,080	6	0.94
ALTA RIDENOUR LLC				7,481,028	8	0.77
SG CHARLESTOWNE LLC				7,448,000	9	0.76
PARK AT KENNESAW LLC				7,240,000	10	0.74
	$ **219,648,592**		**12.43** %	$ 115,940,366		11.89 %

Source: Cobb County Tax Commissioner

CITY OF KENNESAW, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	27,570	9,984,010	99.96%
2019	10,804,271	10,767,151	99.7%	34,224	10,801,375	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%	53,267	12,045,088	99.95%
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%	37,601	16,152,860	99.86%
2025	**17,534,413**	**17,386,126**	**99.2%**	-	**17,386,126**	**99.15%**

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)
2016	$ 10,105,000	$ -	$ 9,031,695	$ 992,828	$ -	$ -	$ 29,342	$ 20,158,865	2.10%	$ 626
2017	9,540,000	-	8,403,369	734,723	-	-	42,384	18,720,476	1.72%	600
2018	8,945,000	-	7,750,102	545,581	-	-	214,081	17,454,764	1.54%	516
2019	8,325,000	-	7,066,909	456,904	-	-	157,998	16,006,811	1.33%	481
2020	7,800,000	-	9,523,804	444,421	-	-	122,471	17,890,696	1.57%	441
2021	7,035,000	-	8,975,801	451,878	-	-	86,176	16,548,855	1.48%	525
2022	6,250,000	-	8,407,909	345,616	-	-	35,416	15,038,941	1.21%	501
2023	5,440,000	-	5,285,135	368,561	-	-	13,482	11,107,178	0.82%	455
2024	4,605,000	-	5,132,487	254,056	-	-	-	9,991,543	0.70%	288
2025	**3,740,000**	**-**	**4,974,982**	**139,931**	-	-	**-**	**8,854,913**	**0.62%**	**235**

(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)
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
2025	**3,740,000**	42,858	**3,697,142**	**0.08%**	**98**

(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, 2025

Governmental Unit	Governmental Activities Debt Outstanding	Percentage Applicable to City of Kennesaw (1)	Amount Applicable to City of Kennesaw
City direct debt	$ 8,854,913	100.00%	$ 8,854,913
Total direct and overlapping debt	$ 8,854,913		$ 8,854,913

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				
	2016	**2017**	**2018**	**2019**	**2020**
Debt Limit	$ 113,735,561	$ 122,027,849	$ 132,314,809	$ 145,614,133	$ 153,313,474
Total net debt applicable to limit	9,474,956	8,909,328	8,313,699	7,810,182	7,800,000
Legal debt margin	$ 104,260,605	$ 113,118,521	$ 124,001,110	$ 137,803,951	$ 145,513,474
Total net debt applicable to the limit as a percentage of debt limit	8.33%	7.30%	6.28%	5.36%	5.09%

	Fiscal Year				
	2021	**2022**	**2023**	**2024**	**2025**
Debt Limit	$ 163,890,977	$ 174,998,802	$ 202,708,637	$ 230,235,911	**$ 250,511,049**
Total net debt applicable to limit	7,035,000	6,237,285	5,421,325	4,568,642	**3,697,142**
Legal debt margin	$ 156,855,977	$ 168,761,517	$ 197,287,312	$ 225,630,911	**$ 246,807,407**
Total net debt applicable to the limit as a percentage of debt limit	4.29%	3.56%	2.67%	2.00%	**1.48%**

Assessed Value	**$ 1,895,903,124**
Add back: exempt real property	**609,207,363**
Total assessed value	**2,505,110,487**
Debt limit (10% of total assessed value)	**250,511,049**
Debt applicable to limit:	
General obligation bonds	**3,740,000**
Less: Amount set aside for repayment of general obligation debt	**42,858**
Total net debt applicable to limit	**3,697,142**
Legal debt margin	**$ 246,813,907**

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
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%
2025	**37,734**	**1,418,742**	**40,906**	**34.3**	**3.4%**

Source: U.S. Census, Georgia Department of Labor, and Cobb County Chamber of Commerce
Note: Personal income (in thousands) and per capital personal income statistics reflect 2024 values as the 2025 data was not available in the 2025 U.S. Census, Georgia Department of Labor and Cobb County Chamber of Commerce.

CITY OF KENNESAW, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atlanta Bonded Warehouse	**294**	**1**	**1.13 %**	270	2	1.07 %
Walton Communities, LLC	**214**	**2**	**0.82**			
Cintas Corporation	**180**	**3**	**0.69**	137	5	0.54
Publix Super Market, Inc. # 559	**172**	**4**	**0.66**	142	4	0.56
Publix Super Market, Inc. # 1077	**163**	**5**	**0.63**	116	9	0.46
Publix Super Market, Inc. # 769	**160**	**6**	**0.62**	123	7	0.49
TE Certified Electrical, Plumb	**150**	**7**	**0.58**			
Whole Foods	**150**	**8**	**0.58**			
ID Logistics Warehousing, LLC	**144**	**9**	**0.55**			
NOVA Engineering and Environmental, LLC	**136**	**10**	**0.52**			
Fabric.com, Inc.				317	1	1.25
Tug Technologies Corporation				152	3	0.60
Owens & Minor Distribution				127	6	0.50
Shady Grove Rest Home				120	8	0.47
Crane Nuclear, Inc.				97	10	0.38
	1,763		**6.78 %**	1,601		6.32 %

Source: Various City departments

CITY OF KENNESAW, GEORGIA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Function					
General government	**37**	44	35	34	32
Judicial	**3**	3	3	3	3
Public safety					
Police Administration	**13**	9	9	7	5
Police Officers	**68**	78	74	74	72
911 Operators	**17**	17	8	17	15
Public works	**28**	24	26	26	34
Culture and recreation	**55**	51	44	42	36
Housing and development	**14**	14	13	12	11
Sanitation	**2**	2	2	2	2
Total	**237**	242	214	217	210

Source: City of Kennesaw department records

Prior to 2018, Public Safety included Corrections Facility operated by the City of Kennesaw

2020	2019	2018	2017	2016
32	32	23	24	26
3	3	3	3	3
4	5	6	10	12
73	70	59	59	66
17	17	15	15	17
33	34	22	28	29
37	42	26	34	40
12	11	9	11	9
2	2	2	1	1
213	216	165	185	203

CITY OF KENNESAW, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Function					
Police					
Physical arrests	**941**	645	1,064	969	1,035
Parking violations	**316**	192	303	403	523
Traffic violations	**17,211**	13,558	12,507	10,077	11,102
Culture and recreation					
Admissions/fees	**$ 1,774,299**	$ 1,967,602	$ 1,713,589	$ 1,402,042	$ 894,285
Housing and development					
Building permits issued	**583**	705	1,860	610	473
Sanitation					
Number of customers	**10,901**	10,852	10,690	9,744	9,700

Source: City of Kennesaw Departments

Note: Operating indicators are not available for general government, judicial, or public works.

2020	2019	2018	2017	2016
950	1,497	1,473	876	832
295	419	381	742	981
10,544	16,297	16,284	13,493	12,891
$ 617,016	$ 1,081,730	$ 1,186,928	$ 1,321,345	$ 1,242,649
357	95	365	385	443
9,400	9,300	9,486	9,329	9,104

CITY OF KENNESAW, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
Function					
Public safety					
Police					
Stations	**1**	1	1	1	1
Vehicles	**97**	83	80	78	80
Public works					
Miles of streets	**105**	105	105	105	105
Culture and recreation					
Total acreage	**129**	123	123	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.

2020	2019	2018	2017	2016
1	1	1	1	1
84	89	93	84	84
105	103	102	99	99
121	121	121	121	121
10	10	10	10	11
-	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, 2025, 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 17, 2026.

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.

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 17, 2026

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, 2025. 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, 2025.

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 17, 2026

CITY OF KENNESAW, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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	$ 8,846
Community Development Block Grant - Entitlement Grants Cluster	14.218	CD21-C21C3-F	97,097
Community Development Block Grant - Entitlement Grants Cluster	14.218	CD21-C21C3-F	175,871
Total Community Development Block Grant - Entitlement Grants Cluster			281,814
Total U.S. Department of Housing and Urban Development			281,814
U.S. DEPARTMENT OF JUSTICE			
Equitable Sharing Program	16.922	DEA/USMS	12,153
Equitable Sharing Program	16.922	DEA/USMS	12,957
Total U.S. Department of Justice			25,110
U.S. DEPARTMENT OF TREASURY			
Equitable Sharing Program	21.016	GA-0330600	5,123
Drug Enforcement Agency	21.016	JOPS	5,000
Drug Enforcement Agency	21.016	J4YKU2MKWE5	3,655
Passed Through State of Georgia			
COVID-19: Coronavirus State and Local Fiscal Recovery Fund	21.027	GA-0005011	1,675,723
Total U.S. Department of Treasury			1,689,501
Total Expenditures of Federal Awards			$ 1,996,425

See notes to Schedule of Expenditures of Federal Awards.

CITY OF KENNESAW, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(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.

CITY OF KENNESAW, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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:	$1,000,000
Auditee qualified as low-risk auditee?	__X__ yes ____ no

CITY OF KENNESAW, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2025

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, 2025

SECTION IV
STATUS OF PRIOR AUDIT FINDINGS

None reported.