

CITY OF TALLAPOOSA, GEORGIA

Annual Financial Report

For the fiscal year ended August 31, 2021

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CITY OF TALLAPOOSA, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended August 31, 2021

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Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Tallapoosa, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tallapoosa, Georgia, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Tallapoosa, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tallapoosa, Georgia, as of August 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund and the American Rescue Plan Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 11 and 67 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tallapoosa, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Tallapoosa, Georgia's basic financial statements for the year ended August 31, 2020, which are not presented with the accompanying financial statements. In our report dated February 19, 2021, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Tallapoosa's basic financial statements as a whole.

The combining and individual fund financial statements and schedules related to the 2020 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2020 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022 on our consideration of the City of Tallapoosa, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Tallapoosa, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
February 24, 2022

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CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

Our discussion and analysis of the City of Tallapoosa's financial performance provides an overview of the City's financial activities for the year ended August 31, 2021. Please read it in conjunction with the City's financial statements, which begin on page 12.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and user charges from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer system, gas system, sanitation services and operation of the municipal golf course.

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

The City's financial reporting includes the funds of the City (primary government) and, additionally, organizations for which the City is accountable (component units). These component units operate independently or provide services directly to the citizens, though the City remains accountable for their activities. These component units are governed by a board of directors that the City Council has appointed. These organizations are reported separately from the primary government though included in the City's overall reporting entity.

The government-wide financial statements are presented on pages 12 to 14 of this report.

Fund Financial Statements

A fund is an accountable unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-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 assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 to 21 of this report.

Proprietary funds are reported in the fund financial statements the same way the business-type activities are reported in the Statement of Net Position and the Statement of Activities. The basic proprietary fund financial statements are presented on pages 22 to 26 of this report.

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

Fiduciary funds are reported in the fund financial statements only. They are accounted for using the accrual basis of accounting and are presented on pages 27 to 28 of this report.

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 31 to 66 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's defined benefit pension plan. The required supplementary information can be found on pages 67 to 73 of this report.

Other Information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report.

Financial Analysis of the City as a Whole

The City's net position at year-end is \$21,078,655. This is a \$1,263,335 increase from last year's net position of \$19,815,320.

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

The following table provides a summary of the City's net position.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 6,461,509	\$ 5,214,663	\$ 3,514,810	\$ 3,251,363	\$ 9,976,319	\$ 8,466,026
Noncurrent assets	<u>3,544,454</u>	<u>3,093,899</u>	<u>14,454,598</u>	<u>14,677,943</u>	<u>17,999,052</u>	<u>17,771,842</u>
Total assets	<u>10,005,963</u>	<u>8,308,562</u>	<u>17,969,408</u>	<u>17,929,306</u>	<u>27,975,371</u>	<u>26,237,868</u>
Deferred outflows of resources	<u>63,501</u>	<u>68,734</u>	<u>69,028</u>	<u>50,498</u>	<u>132,529</u>	<u>119,232</u>
Current liabilities	917,426	164,013	543,072	519,539	1,460,498	683,552
Noncurrent liabilities	<u>32,555</u>	<u>98,093</u>	<u>5,408,282</u>	<u>5,627,311</u>	<u>5,440,837</u>	<u>5,725,404</u>
Total liabilities	<u>949,981</u>	<u>262,106</u>	<u>5,951,354</u>	<u>6,146,850</u>	<u>6,901,335</u>	<u>6,408,956</u>
Deferred inflows of resources	<u>74,945</u>	<u>94,426</u>	<u>52,965</u>	<u>38,398</u>	<u>127,910</u>	<u>132,824</u>
Net position:						
Net investment in capital assets	3,411,137	3,071,903	8,860,894	8,924,504	12,272,031	11,996,407
Restricted for:						
Law enforcement	643	1,523	0	0	643	1,523
Urban development	685,047	681,675	0	0	685,047	681,675
Capital outlay	1,489,022	1,343,443	0	0	1,489,022	1,343,443
Debt service	0	0	1,161,168	1,156,094	1,161,168	1,156,094
Unrestricted	<u>3,458,689</u>	<u>2,922,220</u>	<u>2,012,055</u>	<u>1,713,958</u>	<u>5,470,744</u>	<u>4,636,178</u>
Total net position	<u>\$ 9,044,538</u>	<u>\$ 8,020,764</u>	<u>\$ 12,034,117</u>	<u>\$ 11,794,556</u>	<u>\$ 21,078,655</u>	<u>\$ 19,815,320</u>

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

The following table provides a summary of changes in net position.

Summary of Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 199,026	\$ 200,594	\$ 3,926,882	\$ 3,644,924	\$ 4,125,908	\$ 3,845,518
Operating grants and contributions	24,230	221,941	0	0	24,230	221,941
Capital grants and contributions	725,885	521,321	96	413	725,981	521,734
General revenues:						
Property taxes	1,034,008	963,004	0	0	1,034,008	963,004
Sales taxes	716,257	1,072,244	0	0	716,257	1,072,244
Insurance premium taxes	254,989	241,043	0	0	254,989	241,043
Other taxes	519,044	548,113	0	0	519,044	548,113
Other	43,146	70,862	52,963	37,104	96,109	107,966
Total revenues	<u>3,516,585</u>	<u>3,839,122</u>	<u>3,979,941</u>	<u>3,682,441</u>	<u>7,496,526</u>	<u>7,521,563</u>
Expenses:						
General government	436,629	422,340			436,629	422,340
Public safety	1,283,906	1,242,491			1,283,906	1,242,491
Public works	458,738	410,902			458,738	410,902
Health and welfare	47,693	52,177			47,693	52,177
Culture and recreation	397,491	384,920			397,491	384,920
Housing and development	8,734	7,927			8,734	7,927
Total	<u>2,633,191</u>	<u>2,520,757</u>				
Water and sewer			1,662,531	1,685,561	1,662,531	1,685,561
Gas			1,083,318	1,095,016	1,083,318	1,095,016
Golf			533,955	499,804	533,955	499,804
Sanitation			320,196	304,198	320,196	304,198
Total			<u>3,600,000</u>	<u>3,584,579</u>		
Total expenses					<u>6,233,191</u>	<u>6,105,336</u>
Change in net position before transfers	883,394	1,318,365	379,941	97,862	1,263,335	1,416,227
Transfers	<u>140,380</u>	<u>(273,980)</u>	<u>(140,380)</u>	<u>273,980</u>	<u>0</u>	<u>0</u>
Change in net position	<u>1,023,774</u>	<u>1,044,385</u>	<u>239,561</u>	<u>371,842</u>	<u>1,263,335</u>	<u>1,416,227</u>
Beginning net position	8,020,764	6,976,379	11,794,556	11,422,714	19,815,320	18,399,093
Ending net position	<u>\$ 9,044,538</u>	<u>\$ 8,020,764</u>	<u>\$ 12,034,117</u>	<u>\$ 11,794,556</u>	<u>\$ 21,078,655</u>	<u>\$ 19,815,320</u>

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

Financial Analysis of the City's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$5,548,284. The total ending fund balances of governmental funds show an increase of \$473,383 over the prior year balance of \$5,074,901.

Major Governmental Funds

The General Fund is the City's primary operating fund. The fund balance of the General Fund increased from \$3,114,563 to \$3,430,837. The increase was smaller than the increase in the prior year. The General Fund showed a decrease in revenues (predominantly in intergovernmental, fines, fees, and forfeitures, as well as contributions), and there was an increase in expenditures. There was also an increase in transfers from other funds in the current fiscal year. The fund balance of the 2015 SPLOST Fund decreased from \$639,732 to \$527,583 due to the 2015 SPLOST referendum ending in the current year. The fund balance of the 2018 TSPLOST Fund increased from \$512,638 to \$577,942. The new 2021 SPLOST Fund ended the fiscal year with a fund balance of \$207,998. The new American Rescue Plan fund ended the fiscal year with a fund balance \$16, due to grant proceeds being unearned as of fiscal year-end.

Proprietary funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds

The water and gas systems provide services to both residential and commercial customers. The City also operates a golf course for public use.

General Fund Budgetary Highlights

The budget was approved by the Council with expenditures totaling \$2,492,710. Amendments were made to the budget during the year to increase total budgeted expenditures to \$2,913,316. For the current fiscal year, revenues were under amended budget projections by \$97,005 and expenditures were under amended budgets by \$192,203.

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2021, the City had \$17,999,052 invested in a broad range of capital assets including buildings, police and fire equipment, recreation facilities, and water, sewer and gas infrastructure. Please refer to our analysis below for a breakdown of the City's capital assets and to Note 8 in the notes to the financial statements for more information.

The following table provides a summary of Capital Assets.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 598,778	\$ 456,132	\$ 142,816	\$ 142,816	\$ 741,594	\$ 598,948
Construction in progress	78,685	65,849	8,378	3,429	87,063	69,278
Buildings and improvements	996,610	1,007,828	1,480	1,480	998,090	1,009,308
Equipment and Vehicles	340,748	381,167	230,773	257,350	571,521	638,517
Water/Sewer Distribution	0	0	12,494,720	12,719,347	12,494,720	12,719,347
Gas Distribution	0	0	1,576,431	1,553,521	1,576,431	1,553,521
Infrastructure	1,529,633	1,182,923	0	0	1,529,633	1,182,923
Totals	\$ 3,544,454	\$ 3,093,899	\$ 14,454,598	\$ 14,677,943	\$ 17,999,052	\$ 17,771,842

Debt

The total long-term debt of the City outstanding at August 31, 2021 was \$5,591,915. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems. Please refer to our analysis below for the breakdown of the City's outstanding debt and to Note 10 to the basic financial statements.

The following table provides a summary of Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Capital leases	\$ 0	\$ 0	\$ 108,267	\$ 146,718	\$ 108,267	\$ 146,718
Notes payable	0	0	5,483,648	5,610,841	5,483,648	5,610,841
Totals	\$ 0	\$ 0	\$ 5,591,915	\$ 5,757,559	\$ 5,591,915	\$ 5,757,559

CITY OF TALLAPOOSA, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2021

Next Year's Budget

The General Fund budget for the year ending August 31, 2022 reflects expenditures of \$2,750,904. This is an approximate 6.5% decrease from the final budget for the year ended August 31, 2021.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Finance Department at 25 E. Alabama Street, Tallapoosa, Georgia 30176.

BASIC FINANCIAL STATEMENTS

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF NET POSITION
August 31, 2021

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Total	Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,843,838	\$ 20,042	\$ 5,863,880	\$ 1,847,491
Certificates of deposit	815,445	260,467	1,075,912	665,611
Restricted assets				
Cash and cash equivalents	0	95,862	95,862	0
Certificates of deposit	0	1,200,831	1,200,831	0
Receivables (net)				
Accounts	0	390,483	390,483	0
Intergovernmental	116,266	1,003,007	1,119,273	17,805
Taxes	121,009	0	121,009	0
Inventory	0	23,697	23,697	0
Prepaid items	57,162	28,210	85,372	0
Internal balances	(492,211)	492,211	0	0
Total current assets	6,461,509	3,514,810	9,976,319	2,530,907
Noncurrent assets				
Capital assets				
Non-depreciable	677,463	151,194	828,657	1,789,198
Depreciable (net)	2,866,991	14,303,404	17,170,395	0
Total noncurrent assets	3,544,454	14,454,598	17,999,052	1,789,198
Total assets	10,005,963	17,969,408	27,975,371	4,320,105
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	63,501	69,028	132,529	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	244,861	158,346	403,207	0
Intergovernmental	17,805	0	17,805	985,574
Retainage	0	1,000	1,000	0
Accrued liabilities	12,774	11,739	24,513	0
Compensated absences	33,388	31,658	65,046	0
Unearned revenue	608,598	0	608,598	0
Capital lease payable	0	40,163	40,163	0
Liabilities payable from restricted assets				
Customer deposits payable	0	122,820	122,820	0
Accrued interest payable	0	9,159	9,159	0
Notes payable	0	168,187	168,187	0
Total current liabilities	917,426	543,072	1,460,498	985,574

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF NET POSITION
August 31, 2021

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
Noncurrent liabilities				
Net pension liability	\$ 32,555	\$ 24,717	\$ 57,272	\$ 0
Capital lease payable	0	68,104	68,104	0
Notes payable	0	5,315,461	5,315,461	0
Total noncurrent liabilities	32,555	5,408,282	5,440,837	0
Total liabilities	949,981	5,951,354	6,901,335	985,574
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	74,945	52,965	127,910	0
NET POSITION				
Net investment in capital assets	3,411,137	8,860,894	12,272,031	1,789,198
Restricted for:				
Law enforcement	643	0	643	0
Urban development	685,047	0	685,047	0
Capital outlay	1,489,022	0	1,489,022	0
Debt service	0	1,161,168	1,161,168	0
Unrestricted	3,458,689	2,012,055	5,470,744	1,545,333
Total net position	<u>\$ 9,044,538</u>	<u>\$ 12,034,117</u>	<u>\$ 21,078,655</u>	<u>\$ 3,334,531</u>

FUNCTIONS/PROGRAMS	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	\$ 436,629	\$ 12,008	\$ 5,071	\$ 40,963	\$ (378,587)
Public Safety	1,283,906	128,759	19,159	19,503	(1,116,485)
Public Works	458,738	37,950	0	637,200	216,412
Health and Welfare	47,693	1,656	0	2,598	(43,439)
Culture and Recreation	397,491	18,653	0	16,905	(361,933)
Housing and Development	8,734	0	0	8,716	(18)
Total governmental activities	2,633,191	199,026	24,230	725,885	(1,684,050)
Business-type activities					
Water and Sewer	1,662,531	1,713,547	0	96	51,112
Gas	1,083,318	1,357,117	0	0	273,799
Golf	533,955	497,721	0	0	(36,234)
Sanitation	320,196	358,497	0	0	38,301
Total business-type activities	3,600,000	3,926,882	0	96	326,978
Total primary government	6,233,191	4,125,908	24,230	725,981	(1,357,072)
Component Units					
Tallapoosa Development Authority	0	0	0	0	0
Tallapoosa Recreation Authority	0	0	0	0	0
Downtown Development Authority	0	0	30	0	30
Total component units	0	0	30	0	30

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Change in net position				
Net (expense) revenue	\$ (1,684,050)	\$ 326,978	\$ (1,357,072)	\$ 30
General revenues				
Taxes				
Property	1,034,008	0	1,034,008	0
Sales	716,257	0	716,257	0
Hotel/Motel	21,834	0	21,834	0
Insurance premium	254,989	0	254,989	0
Franchise	343,369	0	343,369	0
Other	153,841	0	153,841	0
Interest and investment earnings	4,504	5,876	10,380	1,860
Miscellaneous	38,642	47,087	85,729	0
Transfers	140,380	(140,380)	0	0
Total general revenues and transfers	2,707,824	(87,417)	2,620,407	1,860
Change in net position	1,023,774	239,561	1,263,335	1,890
Net position - beginning	8,020,764	11,794,556	19,815,320	3,332,641
Net position - ending	\$ 9,044,538	\$ 12,034,117	\$ 21,078,655	\$ 3,334,531

CITY OF TALLAPOOSA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2021

	General	American Rescue Plan	2015 SPLOST	2021 SPLOST	2018 TSPLOST	Nonmajor Governmental Funds	Totals
ASSETS							
Cash and cash equivalents	\$ 3,197,903	\$ 594,714	\$ 1,047,950	\$ 119,857	\$ 652,075	\$ 231,339	\$ 5,843,838
Certificates of deposit	142,871	0	0	0	0	672,574	815,445
Receivables (net)							
Intergovernmental	0	0	0	82,141	34,125	0	116,266
Taxes	119,241	0	0	0	0	1,768	121,009
Due from other funds	4,661	0	0	0	0	0	4,661
Advances to other funds	92,805	0	0	0	0	0	92,805
Prepaid items	57,162	0	0	0	0	0	57,162
Total assets	\$ 3,614,643	\$ 594,714	\$ 1,047,950	\$ 201,998	\$ 686,200	\$ 905,681	\$ 7,051,186
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 110,140	\$ 0	\$ 25,756	\$ 0	\$ 108,258	\$ 707	\$ 244,861
Intergovernmental payables	17,805	0	0	0	0	0	17,805
Accrued liabilities	12,774	0	0	0	0	0	12,774
Due to other funds	0	0	494,611	0	0	2,261	496,872
Advances from other funds	0	0	0	0	0	92,805	92,805
Unearned revenue	13,900	594,698	0	0	0	0	608,598
Total liabilities	154,619	594,698	520,367	0	108,258	95,773	1,473,715
Deferred inflows of resources							
Unavailable revenue - property taxes	29,187	0	0	0	0	0	29,187
Fund balances							
Nonspendable:							
Advances to other funds	92,805	0	0	0	0	0	92,805
Prepaid items	57,162	0	0	0	0	0	57,162
Restricted for:							
Law enforcement	0	0	0	0	0	643	643
Urban development	0	0	0	0	0	685,047	685,047
Grant specifications	0	16	0	0	0	0	16
Capital outlay	63,816	0	527,583	201,998	577,942	117,683	1,489,022
Committed for:							
Museum operations	0	0	0	0	0	5,096	5,096
Community planning	0	0	0	0	0	1,439	1,439
Unassigned	3,217,054	0	0	0	0	0	3,217,054
Total fund balances	3,430,837	16	527,583	201,998	577,942	809,908	5,548,284
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,614,643	\$ 594,714	\$ 1,047,950	\$ 201,998	\$ 686,200	\$ 905,681	\$ 7,051,186

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CITY OF TALLAPOOSA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
August 31, 2021

Total fund balance - total governmental funds **\$ 5,548,284**

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

Some assets are not financial resources and, therefore, are not reported in the funds.

These are:

Capital assets	\$ 7,595,456	
Accumulated depreciation	<u>(4,051,002)</u>	3,544,454

Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds. These are unavailable property taxes.	29,187
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

These are:

Deferred outflows of resources - pension	\$ 63,501	
Deferred inflows of resources - pension	<u>(74,945)</u>	(11,444)

Long-term liabilities are not due and payable in the current period and are not reported in the funds.

These are:

Compensated absences	\$ (33,388)	
Net pension liability	<u>(32,555)</u>	<u>(65,943)</u>

Net position of the governmental activities		<u><u>\$ 9,044,538</u></u>
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CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended August 31, 2021

	<u>General</u>	<u>American Rescue Plan</u>	<u>2015 SPLOST</u>	<u>2021 SPLOST</u>
REVENUES				
Taxes	\$ 2,495,302	\$ 0	\$ 0	\$ 0
Licenses and permits	18,100	0	0	0
Fines, fees and forfeitures	115,450	0	0	0
Charges for services	50,531	0	0	0
Intergovernmental	96,875	0	62,383	202,005
Interest	1,115	16	553	9
Contributions	2,451	0	0	0
Other	38,642	0	0	0
Total revenues	<u>2,818,466</u>	<u>16</u>	<u>62,936</u>	<u>202,014</u>
EXPENDITURES				
Current				
General Government	404,166	0	0	0
Public Safety	1,298,150	0	0	0
Public Works	409,268	0	0	0
Health and Welfare	47,693	0	0	0
Culture and Recreation	561,836	0	0	0
Housing and Development	0	0	0	0
Capital Outlay	0	0	36,230	16
Total expenditures	<u>2,721,113</u>	<u>0</u>	<u>36,230</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,353</u>	<u>16</u>	<u>26,706</u>	<u>201,998</u>
Other financing sources (uses)				
Transfers in	630,718	0	0	0
Transfers out	(411,797)	0	(138,855)	0
Total other financing sources (uses)	<u>218,921</u>	<u>0</u>	<u>(138,855)</u>	<u>0</u>
Net change in fund balances	316,274	16	(112,149)	201,998
Fund balances, September 1	<u>3,114,563</u>	<u>0</u>	<u>639,732</u>	<u>0</u>
Fund balances, August 31	<u>\$ 3,430,837</u>	<u>\$ 16</u>	<u>\$ 527,583</u>	<u>\$ 201,998</u>

2018 TSPLOST	Nonmajor Governmental Funds	Totals
\$ 0	\$ 21,834	\$ 2,517,136
0	0	18,100
0	0	115,450
0	1,046	51,577
397,095	0	758,358
0	3,397	5,090
0	2,620	5,071
0	0	38,642
<u>397,095</u>	<u>28,897</u>	<u>3,509,424</u>
0	0	404,166
0	3,500	1,301,650
0	0	409,268
0	0	47,693
0	1,623	563,459
0	8,734	8,734
<u>405,205</u>	<u>0</u>	<u>441,451</u>
<u>405,205</u>	<u>13,857</u>	<u>3,176,421</u>
<u>(8,110)</u>	<u>15,040</u>	<u>333,003</u>
73,414	0	704,132
<u>0</u>	<u>(13,100)</u>	<u>(563,752)</u>
<u>73,414</u>	<u>(13,100)</u>	<u>140,380</u>
65,304	1,940	473,383
<u>512,638</u>	<u>807,968</u>	<u>5,074,901</u>
<u>\$ 577,942</u>	<u>\$ 809,908</u>	<u>\$ 5,548,284</u>

CITY OF TALLAPOOSA, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended August 31, 2021

Net change in fund balances - total governmental funds **\$ 473,383**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 661,872	
Depreciation	<u>(211,317)</u>	450,555

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenues. 7,162

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$ 58,940	
Cost of benefits earned net of employee contributions	<u>20,846</u>	79,786

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These include the net change in compensated absences. 12,888

Change in net position of governmental activities	<u>\$ 1,023,774</u>	
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CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended August 31, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,285,360	\$ 2,477,488	\$ 2,495,302	\$ 17,814
Licenses and permits	18,207	18,100	18,100	0
Fines, fees and forfeitures	151,500	111,550	115,450	3,900
Charges for services	50,960	43,695	50,531	6,836
Intergovernmental	84,054	227,483	96,875	(130,608)
Interest	0	51	1,115	1,064
Contributions	25,000	11,670	2,451	(9,219)
Other	13,225	25,434	38,642	13,208
Total revenues	2,628,306	2,915,471	2,818,466	(97,005)
EXPENDITURES				
Current				
General Government				
Administration	342,543	302,056	321,233	(19,177)
Mayor and Council	80,710	80,710	62,617	18,093
Other General Government	24,333	24,333	20,316	4,017
Public Safety				
Police Department	933,485	961,409	1,047,147	(85,738)
Fire Department	260,000	251,003	251,003	0
Public Works				
Highways and Streets	383,791	671,295	388,670	282,625
Cemetery	24,100	18,478	20,598	(2,120)
Health and Welfare				
Senior Center	55,171	57,533	47,693	9,840
Culture and Recreation				
Recreation	186,748	178,958	188,041	(9,083)
Museum	57,770	41,461	42,915	(1,454)
Library	144,059	326,080	330,880	(4,800)
Total expenditures	2,492,710	2,913,316	2,721,113	192,203
Excess (deficiency) of revenues over (under) expenditures	135,596	2,155	97,353	95,198
Other financing sources (uses)				
Transfers in	11,142	13,224	630,718	617,494
Transfers out	0	0	(411,797)	(411,797)
Total other financing sources (uses)	11,142	13,224	218,921	205,697
Net change in fund balance	146,738	15,379	316,274	300,895
Fund balances, September 1	(146,738)	(15,379)	3,114,563	3,129,942
Fund balances, August 31	\$ 0	\$ 0	\$ 3,430,837	\$ 3,430,837

CITY OF TALLAPOOSA, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended August 31, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 0	\$ 0	\$ 16	\$ 16
Total revenues	0	0	16	16
EXPENDITURES	0	0	0	0
Net change in fund balance	0	0	16	16
Fund balances, September 1	0	0	0	0
Fund balances, August 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ 16</u>

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2021

	Business-Type Activities				
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	Totals
ASSETS					
Current assets					
Cash and cash equivalents	\$ 0	\$ 19,842	\$ 200	\$ 0	\$ 20,042
Certificates of deposit	0	260,467	0	0	260,467
Restricted assets					
Cash and cash equivalents	87,672	8,190	0	0	95,862
Certificates of deposit	1,158,506	42,325	0	0	1,200,831
Accounts receivable (net)	250,504	102,113	9,512	28,354	390,483
Intergovernmental receivables	17,433	0	985,574	0	1,003,007
Due from other funds	492,211	0	0	0	492,211
Inventory	5,000	18,697	0	0	23,697
Prepaid items	11,730	6,682	6,088	3,710	28,210
Total current assets	2,023,056	458,316	1,001,374	32,064	3,514,810
Noncurrent assets					
Capital assets					
Non-depreciable	8,378	0	142,816	0	151,194
Depreciable (net)	12,527,549	1,594,330	181,525	0	14,303,404
Total noncurrent assets	12,535,927	1,594,330	324,341	0	14,454,598
Total assets	14,558,983	2,052,646	1,325,715	32,064	17,969,408
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources - pension	37,994	26,423	4,611	0	69,028
LIABILITIES					
Current liabilities					
Payables					
Accounts	97,283	21,010	14,344	25,709	158,346
Retainage	1,000	0	0	0	1,000
Accrued liabilities	1,926	4,078	5,735	0	11,739
Compensated absences	11,638	18,485	1,535	0	31,658
Capital lease payable	0	0	40,163	0	40,163
Liabilities payable from restricted assets					
Customer deposits payable	72,305	50,515	0	0	122,820
Accrued interest payable	9,159	0	0	0	9,159
Notes payable	168,187	0	0	0	168,187
Total current liabilities	361,498	94,088	61,777	25,709	543,072

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
August 31, 2021

	Business-Type Activities				
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	Totals
Noncurrent liabilities					
Net pension liability	\$ 9,366	\$ 12,300	\$ 3,051	\$ 0	\$ 24,717
Capital lease payable	0	0	68,104	0	68,104
Notes payable	5,315,461	0	0	0	5,315,461
Total noncurrent liabilities	5,324,827	12,300	71,155	0	5,408,282
Total liabilities	5,686,325	106,388	132,932	25,709	5,951,354
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - pension	17,306	22,726	12,933	0	52,965
NET POSITION					
Net investment in capital assets	7,050,490	1,594,330	216,074	0	8,860,894
Restricted for debt service	1,161,168	0	0	0	1,161,168
Unrestricted	681,688	355,625	968,387	6,355	2,012,055
Total net position	\$ 8,893,346	\$ 1,949,955	\$ 1,184,461	\$ 6,355	\$ 12,034,117

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended August 31, 2021

	Business-Type Activities				
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	Totals
OPERATING REVENUES					
Charges for sales and services	\$ 1,713,547	\$ 1,357,117	\$ 497,721	\$ 358,497	\$ 3,926,882
Other	20,094	19,103	7,890	0	47,087
Total operating revenues	1,733,641	1,376,220	505,611	358,497	3,973,969
OPERATING EXPENSES					
Costs of sales and services	957,239	628,549	265,600	308,348	2,159,736
Personal services	360,921	417,782	221,237	11,848	1,011,788
Depreciation	260,559	36,987	42,991	0	340,537
Total operating expenses	1,578,719	1,083,318	529,828	320,196	3,512,061
Operating income (loss)	154,922	292,902	(24,217)	38,301	461,908
Non-operating revenues (expenses)					
Intergovernmental revenue	96	0	0	0	96
Interest revenue	5,076	800	0	0	5,876
Interest expense	(83,812)	0	(4,127)	0	(87,939)
Total non-operating revenues (expenses)	(78,640)	800	(4,127)	0	(81,967)
Net income (loss) before transfers	76,282	293,702	(28,344)	38,301	379,941
Transfers in (out)					
Transfers in	138,855	0	338,383	0	477,238
Transfers out	(291,056)	(286,927)	0	(39,635)	(617,618)
Total transfers in (out)	(152,201)	(286,927)	338,383	(39,635)	(140,380)
Change in net position	(75,919)	6,775	310,039	(1,334)	239,561
Net position, September 1	8,969,265	1,943,180	874,422	7,689	11,794,556
Net position, August 31	\$ 8,893,346	\$ 1,949,955	\$ 1,184,461	\$ 6,355	\$ 12,034,117

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended August 31, 2021

	Business-Type Activities				Totals
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	
Cash flows from operating activities:					
Receipts from customers	\$ 1,690,456	\$ 1,358,430	\$ 233,254	\$ 358,473	\$ 3,640,613
Payments to suppliers	(951,278)	(588,037)	(264,584)	(306,990)	(2,110,889)
Payments to employees	(376,847)	(451,620)	(232,010)	(11,848)	(1,072,325)
Other receipts	20,094	19,103	7,890	0	47,087
Net cash provided (used) by operating activities	382,425	337,876	(255,450)	39,635	504,486
Cash flows from non-capital financing activities:					
Receipts from other funds	0	0	338,383	0	338,383
Payments to other funds	(291,056)	(286,927)	0	(39,635)	(617,618)
Net cash provided (used) by non-capital financing activities	(291,056)	(286,927)	338,383	(39,635)	(279,235)
Cash flows from capital and related financing activities:					
Receipts from other funds	138,855	0	0	0	138,855
Payments for acquisitions of capital assets	(20,938)	(50,950)	(40,355)	0	(112,243)
Payment of capital related accounts payable	(901)	0	0	0	(901)
Principal payments - capital lease payable	0	0	(38,451)	0	(38,451)
Principal payments - promissory notes	(132,046)	0	0	0	(132,046)
Interest paid	(74,653)	0	(4,127)	0	(78,780)
Net cash provided (used) by capital and related financing activities	(89,683)	(50,950)	(82,933)	0	(223,566)
Cash flows from investing activities:					
Purchases of certificates of deposit	(5,074)	(785)	0	0	(5,859)
Interest received	5,076	800	0	0	5,876
Net cash provided (used) by investing activities	2	15	0	0	17
Net increase (decrease) in cash and cash equivalents	1,688	14	0	0	1,702
Cash and cash equivalents, September 1	85,984	28,018	200	0	114,202
Cash and cash equivalents, August 31	\$ 87,672	\$ 28,032	\$ 200	\$ 0	\$ 115,904

CITY OF TALLAPOOSA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended August 31, 2021

	Business-Type Activities				Totals
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 154,922	\$ 292,902	\$ (24,217)	\$ 38,301	\$ 461,908
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	260,559	36,987	42,991	0	340,537
(Increase) decrease in accounts receivable	(24,776)	1,438	(1,193)	(24)	(24,555)
(Increase) decrease in intergovernmental receivables	0	0	(263,274)	0	(263,274)
(Increase) decrease in inventory	0	41,039		0	41,039
(Increase) decrease in prepaid items	(1,763)	(1,072)	(934)	(378)	(4,147)
(Increase) decrease in deferred outflows of resources - pension	(21,086)	522	2,034	0	(18,530)
Increase (decrease) in accounts payable	6,590	(580)	1,338	1,736	9,084
Increase (decrease) in accrued liabilities	1,134	1,125	612	0	2,871
Increase (decrease) in customer deposits payable	1,685	(125)	0	0	1,560
Increase (decrease) in compensated absences	1,515	(5,321)	(1,486)	0	(5,292)
Increase (decrease) in net pension liability	(8,871)	(30,419)	(11,992)	0	(51,282)
Increase (decrease) in deferred inflows of resources - pension	12,516	1,380	671	0	14,567
Total adjustments	227,503	44,974	(231,233)	1,334	42,578
Net cash provided (used) by operating activities	<u>\$ 382,425</u>	<u>\$ 337,876</u>	<u>\$ (255,450)</u>	<u>\$ 39,635</u>	<u>\$ 504,486</u>
Cash and cash equivalents reconciliation:					
Cash and cash equivalents	\$ 0	\$ 19,842	\$ 200	\$ 0	\$ 20,042
Restricted assets					
Cash and cash equivalents	87,672	8,190	0	0	95,862
Total cash and cash equivalents	<u>\$ 87,672</u>	<u>\$ 28,032</u>	<u>\$ 200</u>	<u>\$ 0</u>	<u>\$ 115,904</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through capital-related payables totaled \$4,949.
Increase in notes payable through intergovernmental receivable totaled \$4,853.

**CITY OF TALLAPOOSA GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2021**

ASSETS

Cash and cash equivalents	\$ 3,587
	<hr/>

LIABILITIES

Due to others	3,587
	<hr/>

NET POSITION

Restricted for individuals, organizations, and other governments	\$ 0
	<hr/> <hr/>

CITY OF TALLAPOOSA, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended August 31, 2021

ADDITIONS

Fines and forfeitures collected for other governments	\$	35,076
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DEDUCTIONS

Distributions of fines and forfeitures to other governments		35,076
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Change in net position		0
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Net position, September 1		0
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Net position, August 31	\$	0
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CITY OF TALLAPOOSA, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
August 31, 2021

	Tallapoosa Development Authority	Tallapoosa Recreation Authority	Downtown Development Authority	Totals
ASSETS				
Current assets				
Cash and cash equivalents	\$ 737,608	\$ 1,090,722	\$ 19,161	\$ 1,847,491
Certificates of deposit	665,611	0	0	665,611
Intergovernmental receivables	17,805	0	0	17,805
Total current assets	1,421,024	1,090,722	19,161	2,530,907
Noncurrent assets				
Capital assets				
Non-depreciable	44,848	1,733,846	10,504	1,789,198
Total assets	1,465,872	2,824,568	29,665	4,320,105
LIABILITIES				
Current liabilities				
Intergovernmental payables	0	985,574	0	985,574
NET POSITION				
Investment in capital assets	44,848	1,733,846	10,504	1,789,198
Unrestricted	1,421,024	105,148	19,161	1,545,333
Total net position	\$ 1,465,872	\$ 1,838,994	\$ 29,665	\$ 3,334,531

CITY OF TALLAPOOSA, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended August 31, 2021

	Tallapoosa Development Authority	Tallapoosa Recreational Authority	Downtown Development Authority	Totals
Expenses				
Housing and Development	\$ 0	\$ 0	\$ 0	\$ 0
Total expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program revenues				
Operating grants and contributions	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
Total program revenues	<u>0</u>	<u>0</u>	<u>30</u>	<u>30</u>
Net (expense) revenue	0	0	30	30
General revenues				
Interest and investment earnings	<u>1,667</u>	<u>193</u>	<u>0</u>	<u>1,860</u>
Change in net position	1,667	193	30	1,890
Net position, September 1	<u>1,464,205</u>	<u>1,838,801</u>	<u>29,635</u>	<u>3,332,641</u>
Net position, August 31	<u><u>\$ 1,465,872</u></u>	<u><u>\$ 1,838,994</u></u>	<u><u>\$ 29,665</u></u>	<u><u>\$ 3,334,531</u></u>

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CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

1. Description of Government Unit

The City of Tallapoosa, Georgia (the City) is located in Haralson County about 50 miles west of Atlanta. The City provides a full range of governmental services, including public safety, highways and streets, recreational and cultural programs, and general administrative services, as well as water and sewer, natural gas, and sanitation services provided through enterprise funds. The City is governed by an elected Mayor-Council form of government.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Tallapoosa, Georgia (the primary government) and material component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of the following component units have been included as either blended or discretely presented component units.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Tallapoosa Development Authority

The Tallapoosa Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The City Council appoints all board members. The Development Authority was created to promote and expand industry, welfare and trade for the public good and welfare of the City of Tallapoosa.

The Tallapoosa Development Authority is reported in a separate column to emphasize that it is legally separate from the City. The Tallapoosa Development Authority has a August 31st year-end. Individual financial statements may be obtained by contacting the Tallapoosa Development Authority, 25 E. Alabama Street, Tallapoosa, GA 30176.

Tallapoosa Downtown Development Authority

The Tallapoosa Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The City Council appoints all board members. The Downtown Development Authority was created to promote and expand industry, welfare and trade for the public good and welfare of the City of Tallapoosa.

The Tallapoosa Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. The Tallapoosa Downtown Development Authority has a August 31st year-end. Individual financial statements may be obtained by contacting the Tallapoosa Downtown Development Authority, 25 E. Alabama Street, Tallapoosa, GA 30176.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Tallapoosa Recreational Authority

The Tallapoosa Recreational Authority was established as a legally separate entity. The City Council appoints all board members. The Recreational Authority was created to assist the City in providing quality recreation programs for the citizens.

The Tallapoosa Recreational Authority is reported in a separate column to emphasize that it is legally separate from the City. The Tallapoosa Recreational Authority has a August 31th year-end. Individual financial statements may be obtained by contacting the Tallapoosa Recreational Authority, 25 E. Alabama Street, Tallapoosa, GA 30176.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units, which are combined in one column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Water and Sewer, Gas and Sanitation Enterprise Funds and the other functions of the government. Elimination of these charges would distort the direct costs of program revenues reported for the various functions concerned.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general operating fund of the City is used to account for all financial resources except those required to be accounted for and reported in another fund.

American Rescue Plan – Accounts for revenues and expenditures of the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund.

2015 SPLOST Fund – Accounts for long-term projects financed by the passage of the Haralson County, Georgia 2015 special purpose local option sales tax.

2021 SPLOST Fund – Accounts for long-term projects financed by the passage of the Haralson County, Georgia 2021 special purpose local option sales tax.

2018 TSPLOST Fund – Accounts for long-term projects financed by the passage of the Haralson County, Georgia 2018 transportation special purpose local option sales tax.

The City reports the following major proprietary funds:

Water and Sewer Enterprise Fund - Accounts for activities in providing water and sewer services to the public.

Gas Enterprise Fund - Accounts for activities in providing gas utilities to the public.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Golf Enterprise Fund - Accounts for activities in operating the Municipal Golf Course.

Additionally, the City reports the following fund types:

Governmental Fund Types

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

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Custodial Funds – Custodial Funds are custodial in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others. They City has a custodial fund to account for the activity of the Municipal Court.

Interfund Activity

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

The 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

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Water and Sewer, Gas, Sanitation and Golf Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

The City Council adopts an operating budget for all governmental fund types, except for the Capital Projects Funds, for the upcoming fiscal year, prior to September 1. Capital budgets are adopted for Capital Projects Funds. The budgets are prepared based on requests made by various department heads. The adopted budgets include proposed expenditures and the means of financing them. Prior to budgets being legally enacted through passage of an ordinance, public hearings are held to obtain taxpayer comments. The budgets are prepared on the modified accrual basis of accounting. The City does not use an encumbrance system which records commitments related to unperformed contracts for goods and services.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories of the Water and Sewer Enterprise Fund and Gas Enterprise Fund are valued at cost on the first-in, first-out method.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended August 31, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City is a Phase 3 entity and is not required to record infrastructure from years prior to implementation to the reporting model.

Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value.

Land and construction-in-progress are not depreciated. The other property, plant equipment and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	<u>Useful Life in Years</u>
Water and sewer distribution system	5 to 100
Gas distribution system	6 to 75
Buildings and improvements	10 to 40
Vehicles, machinery, and equipment	5 to 20
Infrastructure	15 to 40

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources related to their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources for unavailable revenues, which 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plan.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

P. Restricted Assets and Restricted Net Position

Restricted assets consist of cash included in the City's Water and Sewerage System which reflect restrictions for future construction of facilities, retainages, revenue bond and note payable retirement.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

The City of Tallapoosa implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution or motion. The City Council also may modify or rescind the commitment.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Through resolution or motion, the City Council has authorized the City's finance committee to assign fund balances.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

R. 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 life of the bonds using the straight-line method. Issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

S. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

2. Summary of Significant Accounting Policies (continued)

U. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by GMEBS. 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.

V. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of the changes in the City's financial position and operations. Certain prior fiscal year amounts have been reclassified to conform with the current fiscal year presentation.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City investment policies require that all deposits be federally insured or fully collateralized.

Investment policies - Credit, concentration of credit, and interest rate risk

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The City has no investment policy that would further limit its investment choices. The City places no limits on the amount the City may invest in any one issuer of equity or debt securities. Investments are reported at fair market value.

Foreign currency risk

The City has no investments denominated in a foreign currency.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

Enterprise funds

Water and Sewer Fund	\$ 259,368	
Less: Allowance for Uncollectibles	(8,864)	
Gas Fund	105,812	
Less: Allowance for Uncollectibles	(3,699)	
Golf Fund	<u>9,512</u>	\$ 362,129

Nonmajor Enterprise Funds

Sanitation Fund	29,846	
Less: Allowance for Uncollectibles	<u>(1,492)</u>	<u>28,354</u>

Total primary government		<u><u>\$ 390,483</u></u>
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5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

Governmental Funds

2021 SPLOST Capital Projects Fund	\$ 82,141	
2018 TSPLOST Capital Projects Fund	<u>34,125</u>	116,266

Enterprise Funds

Water and Sewer Fund	\$ 17,433	
Golf Fund	<u>985,574</u>	<u>1,003,007</u>

Total primary government		<u><u>\$ 1,119,273</u></u>
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Component Units:

Tallapoosa Development Authority		<u><u>\$ 17,805</u></u>
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CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2020, based upon the assessments of January 1, 2020, were levied on September 9, 2020, billed on October 19, 2020, and due on December 31, 2020.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables at the end of the current fiscal year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	2015 SPLOST	\$ 2,400
	Nonmajor Governmental	95,066
Water and Sewer	2015 SPLOST	492,211
		<u>\$ 589,677</u>

Interfund balances at the end of the current fiscal year consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. Included above is an amount of \$92,805 due from the nonmajor UDAG Fund to the General Fund that is not expected to be repaid within one year. Other interfund balances are expected to be repaid within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

7. Interfund Receivables, Payables, and Transfers (continued)

A summary of interfund transfers for the current fiscal year is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Golf	\$ 338,383
	2018 TSPLOST	73,414
2015 SPLOST	Water and Sewer	138,855
Nonmajor Governmental	General	13,100
Water and Sewer	General	291,056
Gas	General	286,927
Nonmajor Enterprise	General	<u>39,635</u>
		<u>\$ 1,181,370</u>

Interfund transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer City matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. The transfers from the Water and Sewer, Gas and Sanitation Funds to the General Fund are in accordance with City policy, and are common practice for government-owned utility systems. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

8. Capital Assets

Capital asset activity for the primary government for the current fiscal year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	\$ 456,132	\$ 142,646	\$ 0	\$ 598,778
Construction in progress	65,849	12,836	0	78,685
Total non-depreciable assets	521,981	155,482	0	677,463
Depreciable assets				
Buildings and improvements	2,663,019	64,955	0	2,727,974
Machinery and equipment	1,141,313	36,230	0	1,177,543
Vehicles	752,010	0	0	752,010
Infrastructure	1,855,261	405,205	0	2,260,466
Total depreciable assets	6,411,603	506,390	0	6,917,993
Accumulated depreciation				
Buildings and improvements	(1,655,191)	(76,173)	0	(1,731,364)
Machinery and equipment	(834,696)	(49,839)	0	(884,535)
Vehicles	(677,460)	(26,810)	0	(704,270)
Infrastructure	(672,338)	(58,495)	0	(730,833)
Total accumulated depreciation	(3,839,685)	(211,317)	0	(4,051,002)
Total depreciable assets, net	2,571,918	295,073	0	2,866,991
Governmental activities capital assets, net	\$ 3,093,899	\$ 450,555	\$ 0	\$ 3,544,454
Business-type activities				
Non-depreciable assets				
Land	\$ 142,816	\$ 0	\$ 0	\$ 142,816
Construction in progress	3,429	4,949	0	8,378
Total non-depreciable assets	146,245	4,949	0	151,194
Depreciable assets				
Land improvements	15,656	0	0	15,656
Water and sewer distribution system	16,821,049	20,936	0	16,841,985
Gas distribution system	2,216,212	50,950	0	2,267,162
Buildings	205,008	0	0	205,008
Vehicles, machinery and equipment	964,981	40,357	0	1,005,338
Total depreciable assets	20,222,906	112,243	0	20,335,149
Accumulated depreciation				
Land improvements	(15,656)	0	0	(15,656)
Water and sewer distribution system	(4,101,702)	(245,563)	0	(4,347,265)
Gas distribution system	(662,691)	(28,040)	0	(690,731)
Buildings	(203,528)	0	0	(203,528)
Vehicles, machinery and equipment	(707,631)	(66,934)	0	(774,565)
Total accumulated depreciation	(5,691,208)	(340,537)	0	(6,031,745)
Total depreciable assets, net	14,531,698	(228,294)	0	14,303,404
Business-type activities capital assets, net	\$ 14,677,943	\$ (223,345)	\$ 0	\$ 14,454,598

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

8. Capital Assets (continued)

Capital asset activity for the component units for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Tallapoosa Development Authority				
Nondepreciable assets				
Land	<u>\$ 44,848</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,848</u>
Tallapoosa Recreational Authority				
Nondepreciable assets				
Land	<u>\$ 1,733,846</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,733,846</u>
Tallapoosa Downtown Development Authority				
Nondepreciable assets				
Land	<u>\$ 10,504</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,504</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 45,712
Public Safety	43,474
Public Works	72,627
Culture and Recreation	<u>49,504</u>
Total depreciation expense for governmental activities	<u>\$ 211,317</u>

Business-type activities

Water and Sewer	\$ 260,559
Gas	36,987
Golf	<u>42,991</u>
Total depreciation expense for business-type activities	<u>\$ 340,537</u>

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

9. Capital Lease Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of the leases at the end of the current fiscal year is \$108,267 for the business-type activities.

Total assets leased under the capital leases totaled \$118,118 for the business-type activities. Total accumulated depreciation on assets leased under the capital lease is \$51,687 for business-type activities. The assets are included in vehicles, machinery and equipment.

Amortization of leased equipment under capital leases is included with depreciation expense and totaled \$37,624 for the current fiscal year.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current fiscal year:

Fiscal Year Ending	Business-type
August 31,	Activities
2022	43,048
2023	37,937
2024	32,329
Total minimum lease payments	113,314
Less amounts representing interest	(5,047)
Present value of minimum lease payments	<u><u>\$ 108,267</u></u>

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

10. Long-Term Liabilities

Notes from Direct Borrowings

Georgia Environmental Facilities Authority Note Payable - Water and Sewer Fund – DW10-

029: The original amount of the loan is \$287,250 with a 3% interest rate.

Georgia Environmental Facilities Authority Notes Payable – Water and Sewer Fund – 2000-

L58-WJ: The original amount of the loan was \$581,790 with a 3.4% interest rate.

Georgia Environmental Facilities Authority Notes Payable – Water and Sewer Fund – 2005-

L30-WJ: The original amount of the loan was \$1,740,632 with a 4.2% interest rate.

Georgia Environmental Facilities Authority Notes Payable – Water and Sewer Fund – 2005-

L30-WJA: The original amount of the loan was \$204,642 with a 4.2% interest rate.

Georgia Environmental Facilities Authority Notes Payable – Water and Sewer Fund –

DW14-009: The original amount of the loan was \$988,452 with a 1.4% interest rate.

Georgia Environmental Facilities Authority Note Payable – Water and Sewer Fund –

CWSRF-13-011: The modified amount of the loan is \$3,730,000 of which \$3,257,999 has been drawn down to date. The construction rate and permanent rate is 1.4%. There will be no payments until construction is complete. The maturity schedule below does not include this note.

In response to the COVID-19 pandemic, the Georgia Environmental Finance Authority (GEFA) has allowed the City to modify all GEFA notes payable. The modification allows the City to defer all principal and interest payments for six months beginning July 1, 2020 through December 31, 2020 with payments resuming January 1, 2021. The unpaid principal balances of the notes shall not bear any interest during the period commencing on June 1, 2020 and ending on November 30, 2020. The maturity schedule below includes these modifications.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

10. Long-Term Liabilities (continued)

Notes from Direct Borrowings, continued

Annual debt service requirements for notes from direct borrowings are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2022	\$ 168,187	\$ 61,152	\$ 229,339
2023	163,547	55,758	219,305
2024	169,062	50,243	219,305
2025	174,790	44,515	219,305
2026	180,740	38,565	219,305
2027-2031	825,086	99,722	924,808
2032-2036	325,153	25,722	350,875
2037-2040	219,084	5,955	225,039
Totals	\$ 2,225,649	\$ 381,632	\$ 2,607,281

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated absences	\$ 46,276	\$ 33,388	\$ 46,276	\$ 33,388	\$ 33,388
Business-type Activities					
Notes from direct borrowings	\$ 5,610,841	\$ 4,853	\$ 132,046	\$ 5,483,648	\$ 168,187
Capital lease obligations	146,718	0	38,451	108,267	40,163
Compensated absences	36,950	31,658	36,950	31,658	31,658
Total Business-type Activities	\$ 5,794,509	\$ 36,511	\$ 207,447	\$ 5,623,573	\$ 240,008

Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

Total interest incurred and expensed in the business-type activities for the current fiscal year was \$87,939.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

11. Conduit Debt

Tallapoosa Development Authority

In November 2014, the Tallapoosa Development Authority adopted a bond resolution authorizing the issuance of \$245,000,000 of taxable revenue bonds, Series 2014. The project is referred to as Honda Precision Parts of Georgia, LLC Project and is to finance the acquisition, construction, equipping and installation of a manufacturing facility which is to be leased to the Company. The Company's rental payments under the lease shall be an amount sufficient to permit the payment of principal and interest on the bonds. At the end of the lease period the Company will have the obligation to purchase the leased property for a nominal amount. The bonds will constitute only limited obligations of the Authority and will be payable solely from the revenues assigned and pledged to the payment thereof and will not constitute a debt or general obligation; therefore, debts are not reflected on the Authority's financial statements.

In November 2018, the Tallapoosa Development Authority adopted a bond resolution authorizing the issuance of \$55,000,000 of taxable revenue bonds, Series 2018. The project is referred to as Honda Precision Parts of Georgia, LLC Project and is to finance the acquisition, construction, equipping and installation of a manufacturing facility which is to be leased to the Company. The Company's rental payments under the lease shall be an amount sufficient to permit the payment of principal and interest on the bonds. At the end of the lease period the Company will have the obligation to purchase the leased property for a nominal amount. The bonds will constitute only limited obligations of the Authority and will be payable solely from the revenues assigned and pledged to the payment thereof and will not constitute a debt or general obligation; therefore, debts are not reflected on the Authority's financial statements.

In November 2019, the Tallapoosa Development Authority adopted a bond resolution authorizing the issuance of \$77,100,835 of taxable revenue bonds, Series 2019A and \$160,000,000 of taxable revenue bonds, Series 2019B. The projects are referred to as Honda Precision Parts of Georgia, LLC Projects. The Series 2019A bonds are issued to refinance the portions of the Series 2014 Bond and the Series 2018 Bond allocable to the leased land and buildings and to finance certain improvements to the buildings. The Series 2019B bonds are issued to finance equipment. The Company's rental payments under the lease shall be an amount sufficient to permit the payment of principal and interest on the bonds. At the end of the lease period the Company will have the obligation to purchase the leased property for a nominal amount. The bonds will constitute only limited obligations of the Authority and will be payable solely from the revenues

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

11. Conduit Debt (continued)

Tallapoosa Development Authority

assigned and pledged to the payment thereof and will not constitute a debt or general obligation; therefore, debts are not reflected on the Authority's financial statements.

12. Restricted and Committed Fund Balances

The following is a summary of restricted and committed fund balances of the governmental funds at the end of the current fiscal year:

	<u>General</u>	<u>American Rescue Plan</u>	<u>2015 SPLOST</u>	<u>2021 SPLOST</u>	<u>2018 TSPLOST</u>	<u>Nonmajor Governmental Funds</u>
Restricted for:						
Law enforcement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 643
Urban development	0	0	0	0	0	685,047
Grant specifications	0	16	0	0	0	0
Capital outlay	63,816	0	527,583	201,998	577,942	117,683
	<u>\$ 63,816</u>	<u>\$ 16</u>	<u>\$ 527,583</u>	<u>\$ 201,998</u>	<u>\$ 577,942</u>	<u>\$ 803,373</u>
Committed for:						
Museum operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,096
Community planning	0	0	0	0	0	1,439
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,535</u>

13. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Cost of capital assets	\$ 7,595,456	\$ 20,486,343
Accumulated depreciation	(4,051,002)	(6,031,745)
Book value	3,544,454	14,454,598
Capital-related accounts payable	(133,317)	(13,493)
Retainage payable	0	(1,000)
Notes payable	0	(5,483,648)
Capital lease payable	0	(108,267)
Unspent note proceeds	0	12,704
Net investment in capital assets	<u>\$ 3,411,137</u>	<u>\$ 8,860,894</u>

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

14. Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System, a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The Commission has established provisions, which assign the authority to the City council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are not covered under the plan.

There are no loans to any of the City officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Tallapoosa. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

At January 1, 2021, the date of the most recent actuarial valuation, there were 74 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	26
Terminated vested participants entitled to but not yet receiving benefits	16
Active participants	32
Total number of participants	<u>74</u>

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

14. Pension Plan (continued)

Benefits Provided. The plan provides retirement, disability and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65. Members are eligible for early retirement at age 55 after 10 years of service. The benefit formula is 1.25% - 2.00% with a ten year vesting schedule.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current fiscal year was \$103,690, or 6.70% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$57,272. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the City recognized pension expense of (\$31,344). For the governmental activities, the net pension liability is liquidated by the General Fund.

At the end of the current fiscal year, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,749	\$ (19,174)
Changes of assumptions	0	(30,201)
Net difference between projected and actual earnings on pension plan investments	0	(56,444)
Changes in participant fund allocation	22,091	(22,091)
City contributions subsequent to the measurement date	103,689	0
Totals	<u>\$ 132,529</u>	<u>\$ (127,910)</u>

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

14. Pension Plan (continued)

The \$103,689 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending August 31	
2022	\$ (100,784)
2023	1,259
2024	21,469
2025	(21,014)
Totals	<u>\$ (99,070)</u>

Actuarial Assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	2.00%
Net investment rate of return	7.375%

Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participant mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

The mortality and economic actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

14. Pension Plan (continued)

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate on the ongoing basis is a margin for adverse deviation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45%	6.40%
International equity	20%	7.05%
Real estate	10%	4.50%
Global fixed income	5%	1.25%
Domestic fixed income	20%	1.15%
Cash	0%	
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

14. Pension Plan (continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at September 30, 2019	\$ 4,884,645	\$ 4,710,553	\$ 174,092
Changes for the year:			
Service cost	47,722	0	47,722
Interest	354,844	0	354,844
Differences between expected and actual experience	3,721	0	3,721
Contributions—employer	0	90,289	(90,289)
Net investment income	0	446,384	(446,384)
Benefit payments, including refunds of employee contributions	(241,853)	(241,853)	0
Administrative expense	0	(13,566)	13,566
Other	0	0	0
Net changes	164,434	281,254	(116,820)
Balances at September 30, 2020	\$ 5,049,079	\$ 4,991,807	\$ 57,272

Plan fiduciary net position as a percentage of the total pension liability	98.87%
Covered payroll	\$ 1,418,378
Net pension liability as a percentage of covered payroll	4.04%

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.375 percent) or one percentage-point higher (8.375 percent) than the current rate:

	Discount Rate	Net Pension Liability (Asset)
1% decrease	6.375%	\$ 591,381
Current discount rate	7.375%	57,272
1% increase	8.375%	(396,452)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans. In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. This plan is immaterial to the financial statements.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

15. Hotel/Motel Lodging Tax

The City has levied a 5% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3.7). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	\$ 21,834	
Disbursements and transfers	\$ 8,734	40% of tax receipts

16. Tax Abatements

The City of Tallapoosa is subject to tax incentives granted by various authorities in the City. These incentives are negotiated on an individual basis as a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing business activity and employment in the City by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government's geographic area and have various requirements regarding job creation and capital investments. Each of the incentive agreements contains a recapture provision that requires repayment of a portion of the abatement for that year if the business fails to meet its jobs and/or investment goals. The City has not made any commitments as part of the agreements other than to reduce taxes.

For the current fiscal year, City of Tallapoosa property taxes were abated totaling \$446,243 under this program through authorities as follows: \$415,907 through the Tallapoosa Development Authority and \$30,336 under this program through the Haralson County Development Authority.

17. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Northwest Georgia Regional Commission and is required to pay annual dues thereto. During the current fiscal year, the city paid \$3,185 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

17. Joint Ventures (continued)

A copy of the NWGRC financial statements can be obtained from the Northwest Georgia Regional Commission, 1 Jackson Hill Drive, Rome, Georgia 30162.

18. Related Organizations

The City of Tallapoosa Housing Authority is considered a related organization to the City of Tallapoosa. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Tallapoosa. The City collects revenue in lieu of taxes for City services provided to Housing Authority residents. The City received \$13,900 for the current fiscal year.

19. 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 for which the City carries commercial insurance. The City joined the Georgia Interlocal Risk Management Agency on December 31, 1988. This membership allows the City to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Tallapoosa participates at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

To pay all contributions, assessments, or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

19. Risk Management (continued)

To select a person to serve as a Member representative.

To allow GIRMA and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.

To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.

To assist and cooperate in the defense and settlement of claims against the City.

To furnish full cooperation to GIRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of GIRMA relating to the purposes of GIRMA.

To follow all loss reduction and prevention procedures established by GIRMA.

To furnish to GIRMA such budget, operating and underwriting information as may be requested.

To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Tallapoosa retains the first \$1,000 of each risk of loss in the form of deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$1,000 deductible.

The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The pool is administered by the Georgia Municipal Association (GMA).

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

19. Risk Management (continued)

As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, 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 worker's 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 in the last three years have not exceeded insurance coverage.

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the City, its performance, and its financial results.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

20. Commitments and Contingencies

Commitments

The City has active construction projects at the end of the current fiscal year. At fiscal year end, the City's commitments with contractors are as follows:

Project	Amount	
	Expended to Date	Remaining Commitment
Wastewater Rehabilitation Project	<u>\$ 392,059</u>	<u>\$ 251,179</u>

Contingencies

The City is a defendant in a lawsuit, which Management intends to contest vigorously. The City's legal counsel has stated that any recovery is expected to be covered by insurance.

The City of Tallapoosa participates in a number of Revenue Sharing Grants. Expenditures financed by Revenue Sharing Grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the City may be required to reimburse the grantor government. The City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the City.

21. Material Budget Violations

The following General Fund department's expenditures exceeded its budgeted appropriations by more than three percent:

Administration	\$ 19,177
Police	\$ 85,738
Cemetery	\$ 2,120
Recreation	\$ 9,083
Museum	\$ 1,454

The City did not adopt budgets for its special revenue funds. These include the American Rescue Plan, Museum, Tallapoosa Community Planning Committee, Drug Forfeiture, Hotel/Motel Tax, and Urban Development Action Grant special revenue funds.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2021

21. Material Budget Violations, continued

In the future, budgets will be adopted for all funds legally required to adopt budgets, and actual expenditures will be compared to budgeted expenditures and budget amendments will be made when appropriate.

22. Transportation Expenditures

Amounts expended on transportation include transportation maintenance and operation costs and correspond with classifications and subclassifications specified in the local government uniform chart of accounts under subsection (e) of Code Section 36-81-3 within section 4200, including noncapital expenditures within sections 4210-4290.

Total general fund expenditures within these categories totaled \$388,670 for the current fiscal year.

23. New Accounting Pronouncement

The City implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
August 31, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Total pension liability			
Service cost	\$ 47,722	\$ 53,965	\$ 44,684
Interest	354,844	354,321	347,257
Differences between expected and actual experience	3,721	12,806	(76,694)
Changes of assumptions	0	(90,603)	0
Benefit payments, including refunds of employee contributions	(241,853)	(232,307)	(228,399)
Other	0	0	0
Net change in total pension liability	164,434	98,182	86,848
Total pension liability - beginning	4,884,645	4,786,463	4,699,615
Total pension liability - ending (a)	\$ 5,049,079	\$ 4,884,645	\$ 4,786,463
Plan fiduciary net position			
Contributions - employer	\$ 90,289	\$ 105,173	\$ 105,217
Net investment income	446,384	135,940	433,491
Benefit payments, including refunds of employee contributions	(241,853)	(232,307)	(228,399)
Administrative expense	(13,566)	(13,134)	(13,788)
Net change in plan fiduciary net position	281,254	(4,328)	296,521
Plan fiduciary net position - beginning	4,710,553	4,714,881	4,418,360
Plan fiduciary net position - ending (b)	\$ 4,991,807	\$ 4,710,553	\$ 4,714,881
Net pension liability (asset) - ending : (a) - (b)	\$ 57,272	\$ 174,092	\$ 71,582
Plan's fiduciary net position as a percentage of the total pension liability	98.87%	96.44%	98.50%
Covered payroll	\$ 1,418,378	\$ 1,438,720	\$ 1,406,648
Net pension liability as a percentage of covered payroll	4.04%	12.10%	5.09%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

Fiscal Year End			
2018	2017	2016	2015
\$ 45,446	\$ 49,861	\$ 49,101	\$ 55,570
337,085	342,267	326,813	324,513
(5,738)	(250,378)	24,528	(121,811)
81,613	0	0	(38,829)
(216,556)	(200,672)	(201,388)	(178,144)
0	0	0	0
241,850	(58,922)	199,054	41,299
4,457,765	4,516,687	4,317,633	4,276,334
<u>\$ 4,699,615</u>	<u>\$ 4,457,765</u>	<u>\$ 4,516,687</u>	<u>\$ 4,317,633</u>
\$ 145,536	\$ 155,578	\$ 200,375	\$ 257,851
585,096	396,794	40,135	358,931
(216,556)	(200,672)	(201,388)	(178,144)
(14,933)	(8,361)	(9,684)	(7,513)
499,143	343,339	29,438	431,125
3,919,217	3,575,878	3,546,440	3,115,315
<u>\$ 4,418,360</u>	<u>\$ 3,919,217</u>	<u>\$ 3,575,878</u>	<u>\$ 3,546,440</u>
<u>\$ 281,255</u>	<u>\$ 538,548</u>	<u>\$ 940,809</u>	<u>\$ 771,193</u>
94.02%	87.92%	79.17%	82.14%
\$ 1,324,089	\$ 1,314,431	\$ 1,362,102	\$ 1,254,372
21.24%	40.97%	69.07%	61.48%

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
August 31, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 103,690	\$ 98,497	\$ 105,780
Contributions in relation to the actuarially determined contribution	<u>(103,690)</u>	<u>(98,497)</u>	<u>(105,780)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,547,842	\$ 1,506,710	\$ 1,424,229
Contributions as a percentage of covered payroll	6.70%	6.54%	7.43%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

Fiscal Year End			
2018	2017	2016	2015
\$ 45,446	\$ 49,861	\$ 49,101	\$ 55,570
337,085	342,267	326,813	324,513
(5,738)	(250,378)	24,528	(121,811)
81,613	0	0	(38,829)
(216,556)	(200,672)	(201,388)	(178,144)
0	0	0	0
241,850	(58,922)	199,054	41,299
4,457,765	4,516,687	4,317,633	4,276,334
<u>\$ 4,699,615</u>	<u>\$ 4,457,765</u>	<u>\$ 4,516,687</u>	<u>\$ 4,317,633</u>
\$ 145,536	\$ 155,578	\$ 200,375	\$ 257,851
585,096	396,794	40,135	358,931
(216,556)	(200,672)	(201,388)	(178,144)
(14,933)	(8,361)	(9,684)	(7,513)
499,143	343,339	29,438	431,125
3,919,217	3,575,878	3,546,440	3,115,315
<u>\$ 4,418,360</u>	<u>\$ 3,919,217</u>	<u>\$ 3,575,878</u>	<u>\$ 3,546,440</u>
<u>\$ 281,255</u>	<u>\$ 538,548</u>	<u>\$ 940,809</u>	<u>\$ 771,193</u>
94.02%	87.92%	79.17%	82.14%
\$ 1,324,089	\$ 1,314,431	\$ 1,362,102	\$ 1,254,372
21.24%	40.97%	69.07%	61.48%

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2021

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2021, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending August 31, 2022.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = N/A

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.375%

Projected salary increases = 2.25% plus service-based merit increases

Cost of living adjustments = 2.00%

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participant mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.

3. Changes in Benefits

There were no changes in benefit provisions in the last two fiscal years.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2021

4. Changes of Assumptions

Amounts reported for the fiscal year ending in 2020 and later reflect the following assumption changes based on an actuarial study conducted in November and December of 2019:

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct rates under the 2019 OASDI Trustees Report used for the immediate alternative. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.
- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early retirement or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older.

CITY OF TALLAPOOSA, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
August 31, 2021

4. Changes of Assumptions, continued

- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% and 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at fifteen years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.
- The cost-of-living assumption was decreased from 2.50% to 2.00%.

COMBINING STATEMENTS

Nonmajor Governmental Funds

CITY OF TALLAPOOSA, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
August 31, 2021

	Special Revenue			
	Museum	Tallapoosa Community Planning Committee	Drug Forfeiture	Hotel/Motel Tax
ASSETS				
Cash and cash equivalents	\$ 5,096	\$ 1,439	\$ 643	\$ 0
Certificates of deposit	0	0	0	0
Taxes receivable	0	0	0	1,768
Total assets	<u>\$ 5,096</u>	<u>\$ 1,439</u>	<u>\$ 643</u>	<u>\$ 1,768</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 707
Due to other funds	0	0	0	1,061
Advances to other funds	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,768</u>
Fund balances				
Restricted for:				
Law enforcement	0	0	643	0
Capital outlay	0	0	0	0
Urban development	0	0	0	0
Committed for:				
Museum operations	5,096	0	0	0
Community planning	0	1,439	0	0
Total fund balances	<u>5,096</u>	<u>1,439</u>	<u>643</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 5,096</u>	<u>\$ 1,439</u>	<u>\$ 643</u>	<u>\$ 1,768</u>

Special Revenue	Capital Projects	
Urban Development Action Grant	2010 SPLOST	Total Nonmajor Governmental Funds
\$ 105,278	\$ 118,883	\$ 231,339
672,574	0	672,574
0	0	1,768
<u>\$ 777,852</u>	<u>\$ 118,883</u>	<u>\$ 905,681</u>
\$ 0	\$ 0	\$ 707
0	1,200	2,261
92,805	0	92,805
<u>92,805</u>	<u>1,200</u>	<u>95,773</u>
0	0	643
0	117,683	117,683
685,047	0	685,047
0	0	5,096
0	0	1,439
<u>685,047</u>	<u>117,683</u>	<u>809,908</u>
<u>\$ 777,852</u>	<u>\$ 118,883</u>	<u>\$ 905,681</u>

CITY OF TALLAPOOSA, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended August 31, 2021

	Special Revenue			
		Tallapoosa Community Planning Committee	Drug Forfeiture	Hotel/Motel Tax
REVENUES	Museum			
Taxes	\$ 0	\$ 0	\$ 0	\$ 21,834
Charges for services	1,046	0	0	0
Contributions	0	0	2,620	0
Interest	0	1	0	0
Total revenues	<u>1,046</u>	<u>1</u>	<u>2,620</u>	<u>21,834</u>
EXPENDITURES				
Current				
Public Safety	0	0	3,500	0
Culture and Recreation	1,623	0	0	0
Housing and Development	0	0	0	8,734
Total expenditures	<u>1,623</u>	<u>0</u>	<u>3,500</u>	<u>8,734</u>
Excess (deficiency) of revenues over (under) expenditures	(577)	1	(880)	13,100
Other financing sources (uses)				
Transfers out	0	0	0	(13,100)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(577)	1	(880)	0
Fund balances, September 1	5,673	1,438	1,523	0
Fund balances, August 31	<u>\$ 5,096</u>	<u>\$ 1,439</u>	<u>\$ 643</u>	<u>\$ 0</u>

<u>Special Revenue</u>	<u>Capital Projects</u>	
<u>Urban</u>		<u>Total</u>
<u>Development</u>		<u>Nonmajor</u>
<u>Action</u>	<u>2010</u>	<u>Governmental</u>
<u>Grant</u>	<u>TSPLOST</u>	<u>Funds</u>
\$ 0	\$ 0	\$ 21,834
0	0	1,046
0	0	2,620
3,372	24	3,397
<u>3,372</u>	<u>24</u>	<u>28,897</u>
0	0	3,500
0	0	1,623
<u>0</u>	<u>0</u>	<u>8,734</u>
<u>0</u>	<u>0</u>	<u>13,857</u>
3,372	24	15,040
<u>0</u>	<u>0</u>	<u>(13,100)</u>
3,372	24	1,940
<u>681,675</u>	<u>117,659</u>	<u>807,968</u>
<u>\$ 685,047</u>	<u>\$ 117,683</u>	<u>\$ 809,908</u>

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GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020**

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 3,197,903	\$ 2,666,172
Certificates of deposit	142,871	141,808
Receivables (net)		
Accounts	0	11,105
Intergovernmental	0	116,709
Taxes	119,241	159,214
Due from other funds	4,661	4,663
Advances to other funds	92,805	92,805
Prepaid items	57,162	48,695
Total assets	\$ 3,614,643	\$ 3,241,171
LIABILITIES		
Accounts payable	\$ 110,140	\$ 78,689
Intergovernmental payables	17,805	17,805
Accrued liabilities	12,774	8,089
Unearned revenue	13,900	0
Total liabilities	154,619	104,583
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	29,187	22,025
FUND BALANCES		
Nonspendable:		
Advances to other funds	92,805	92,805
Prepaid items	57,162	48,695
Restricted for capital outlay	63,816	73,414
Unassigned	3,217,054	2,899,649
Total fund balances	3,430,837	3,114,563
Total liabilities, deferred inflows of resources and fund balances	\$ 3,614,643	\$ 3,241,171

CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended August 31, 2021 and 2020

	2021	2020
REVENUES		
Taxes	\$ 2,495,302	\$ 2,440,023
Licenses and permits	18,100	18,207
Fines, fees and forfeitures	115,450	124,987
Charges for services	50,531	39,304
Intergovernmental	96,875	271,438
Interest	1,115	2,894
Contributions	2,451	33,271
Other	38,642	35,598
Total revenues	2,818,466	2,965,722
EXPENDITURES		
Current		
General Government	404,166	385,961
Public Safety	1,298,150	1,222,154
Public Works	409,268	389,577
Health and Welfare	47,693	52,176
Culture and Recreation	561,836	341,982
Total expenditures	2,721,113	2,391,850
Excess of revenues over expenditures	97,353	573,872
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	13,100	12,044
2018 TSPLOST Fund	(73,414)	(73,451)
Water and Sewer Fund	291,056	145,682
Gas Fund	286,927	60,595
Sanitation Fund	39,635	39,677
Golf Fund	(338,383)	(299,192)
Proceeds from sale of assets	0	30,396
Total other financing sources (uses)	218,921	(84,249)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	316,274	489,623
Fund balances, September 1	3,114,563	2,624,940
Fund balances, August 31	\$ 3,430,837	\$ 3,114,563

CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 886,809	\$ 881,393	\$ (5,416)	\$ 826,395
Motor vehicle tax	138,205	135,017	(3,188)	117,696
Mobile home tax	287	2,808	2,521	756
Cost, penalties and interest	7,628	7,628	0	6,284
Total general property taxes	1,032,929	1,026,846	(6,083)	951,131
Local option sales tax	699,884	716,257	16,373	719,707
Franchise tax	341,049	343,369	2,320	368,365
Insurance premium tax	264,829	254,989	(9,840)	241,043
Intangibles tax	16,358	22,935	6,577	26,307
Beer and wine tax	73,771	72,398	(1,373)	77,111
Occupational tax	34,343	44,183	9,840	45,787
Energy excise tax	14,325	14,325	0	10,572
Total taxes	2,477,488	2,495,302	17,814	2,440,023
Licenses and permits				
Alcohol licenses	10,400	10,400	0	10,075
Building permits	7,100	7,100	0	7,202
Other permits	600	600	0	930
Total licenses and permits	18,100	18,100	0	18,207
Fines, fees and forfeitures	111,550	115,450	3,900	124,987
Charges for Services				
Cemetery charges	30,850	30,850	0	7,750
Senior center charges	0	1,656	1,656	18,530
Recreation fees	11,837	17,017	5,180	13,024
Other charges for services	1,008	1,008	0	0
Total charges for services	43,695	50,531	6,836	39,304
Intergovernmental	227,483	96,875	(130,608)	271,438
Interest	51	1,115	1,064	2,894
Contributions	11,670	2,451	(9,219)	33,271
Other				
Rental Income	750	750	0	3,150
Miscellaneous	24,684	37,892	13,208	32,448
Total other	25,434	38,642	13,208	35,598
Total revenues	<u>\$ 2,915,471</u>	<u>\$ 2,818,466</u>	<u>\$ (97,005)</u>	<u>\$ 2,965,722</u>

CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Administration				
Personal services	\$ 226,217	\$ 226,557	\$ (340)	\$ 219,113
Contract services	44,175	48,261	(4,086)	54,778
Materials and supplies	29,776	46,415	(16,639)	33,344
Capital Outlay	1,888	0	1,888	0
Total Administration	302,056	321,233	(19,177)	307,235
Mayor and Council				
Personal services	32,510	33,562	(1,052)	31,108
Contract services	48,200	29,055	19,145	29,664
Total Mayor and Council	80,710	62,617	18,093	60,772
Other General Government				
Personal services	24,333	20,316	4,017	17,954
Total General Government	407,099	404,166	2,933	385,961
Public Safety				
Police Department				
Personal services	806,677	884,360	(77,683)	807,185
Contract services	81,260	81,535	(275)	82,062
Materials and supplies	65,472	81,252	(15,780)	61,469
Capital outlay	8,000	0	8,000	0
Total Police Department	961,409	1,047,147	(85,738)	950,716
Fire Department				
Contract services	251,003	251,003	0	271,438
Total Fire Department	251,003	251,003	0	271,438
Total Public Safety	1,212,412	1,298,150	(85,738)	1,222,154
Public Works				
Highways and Streets				
Personal services	109,110	125,519	(16,409)	106,623
Contract services	91,206	99,551	(8,345)	92,384
Materials and supplies	141,199	150,764	(9,565)	135,201
Capital outlay	329,780	12,836	316,944	20,945
Total Highways and Streets	671,295	388,670	282,625	355,153

CITY OF TALLAPOOSA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Public Works, continued				
Cemetery				
Personal services	\$ 11,242	\$ 11,682	\$ (440)	\$ 6,709
Contract services	2,948	4,581	(1,633)	2,506
Materials and supplies	1,288	1,335	(47)	3,459
Capital outlay	3,000	3,000	0	21,750
Total Cemetery	18,478	20,598	(2,120)	34,424
Total Public Works	689,773	409,268	280,505	389,577
Health and Welfare				
Senior Center				
Personal services	32,505	25,328	7,177	25,101
Contract services	8,790	7,765	1,025	12,496
Materials and supplies	15,738	14,600	1,138	14,579
Capital outlay	500	0	500	0
Total Senior Center	57,533	47,693	9,840	52,176
Total Health and Welfare	57,533	47,693	9,840	52,176
Culture and Recreation				
Recreation				
Personal services	87,826	92,291	(4,465)	93,902
Contract services	56,384	50,032	6,352	28,180
Materials and supplies	31,248	36,218	(4,970)	45,144
Capital outlay	3,500	9,500	(6,000)	0
Total Recreation	178,958	188,041	(9,083)	167,226
Museum				
Personal services	17,505	16,073	1,432	17,276
Contract services	8,873	11,188	(2,315)	9,112
Materials and supplies	15,083	15,654	(571)	16,682
Total Museum	41,461	42,915	(1,454)	43,070
Library				
Personal services	98,443	99,434	(991)	89,456
Contract services	11,176	13,490	(2,314)	13,575
Materials and supplies	20,080	22,855	(2,775)	28,655
Capital outlay	196,381	195,101	1,280	0
Total Library	326,080	330,880	(4,800)	131,686
Total Culture and Recreation	546,499	561,836	(15,337)	341,982
Total Expenditures	\$ 2,913,316	\$ 2,721,113	\$ 192,203	\$ 2,391,850

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Museum - Used to account for specific revenue sources committed for the museum.

Tallapoosa Community Planning Committee - Used to account for activities of the Planning Committee.

Drug Forfeiture - Used to account for revenues and expenditures from drug seizure activity.

Hotel/Motel Tax - Used to account for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of tourism and downtown development.

Urban Development Action Grant (UDAG) - Used to account for revenues and expenditures of promoting urban economic development.

American Rescue Plan Fund (ARPA) – This is used to account for revenues and expenditures of the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund.

**CITY OF TALLAPOOSA, GEORGIA
MUSEUM
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 5,096	\$ 5,673
Total assets	<u>\$ 5,096</u>	<u>\$ 5,673</u>
 FUND BALANCES		
Committed for museum operations	\$ 5,096	\$ 5,673
Total liabilities and fund balances	<u>\$ 5,096</u>	<u>\$ 5,673</u>

CITY OF TALLAPOOSA, GEORGIA
MUSEUM
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 0	\$ 1,046	\$ 1,046	\$ 4,043
Total revenues	<u>0</u>	<u>1,046</u>	<u>1,046</u>	<u>4,043</u>
EXPENDITURES				
Current				
Culture and Recreation				
Contract services	0	1,154	(1,154)	1,053
Materials and supplies	0	469	(469)	1,058
Total expenditures	<u>0</u>	<u>1,623</u>	<u>(1,623)</u>	<u>2,111</u>
Excess (deficiency) of revenues over (under) expenditures	0	(577)	(577)	1,932
Fund balances, September 1	0	5,673	5,673	3,741
Fund balances, August 31	<u>\$ 0</u>	<u>\$ 5,096</u>	<u>\$ 5,096</u>	<u>\$ 5,673</u>

**CITY OF TALLAPOOSA, GEORGIA
TALLAPOOSA COMMUNITY PLANNING COMMITTEE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	<u>\$ 1,439</u>	<u>\$ 1,438</u>
Total assets	<u><u>\$ 1,439</u></u>	<u><u>\$ 1,438</u></u>
 FUND BALANCES		
Committed for community planning	<u>\$ 1,439</u>	<u>\$ 1,438</u>
Total liabilities and fund balances	<u><u>\$ 1,439</u></u>	<u><u>\$ 1,438</u></u>

CITY OF TALLAPOOSA, GEORGIA
TALLAPOOSA COMMUNITY PLANNING COMMITTEE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Interest	\$ 0	\$ 1	\$ 1	\$ 1
Total revenues	0	1	1	1
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	1	1	1
Fund balances, September 1	0	1,438	1,438	1,437
Fund balances, August 31	<u>\$ 0</u>	<u>\$ 1,439</u>	<u>\$ 1,439</u>	<u>\$ 1,438</u>

**CITY OF TALLAPOOSA, GEORGIA
DRUG FORFEITURE
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 643	\$ 1,523
Total assets	<u>\$ 643</u>	<u>\$ 1,523</u>
 FUND BALANCES		
Restricted for law enforcement	<u>\$ 643</u>	<u>\$ 1,523</u>

CITY OF TALLAPOOSA, GEORGIA
DRUG FORFEITURE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Contributions	\$ 0	\$ 2,620	\$ 2,620	\$ 4,702
Total revenues	<u>0</u>	<u>2,620</u>	<u>2,620</u>	<u>4,702</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	3,500	(3,500)	3,240
Total expenditures	<u>0</u>	<u>3,500</u>	<u>(3,500)</u>	<u>3,240</u>
Excess (deficiency) of revenues over (under) expenditures	0	(880)	(880)	1,462
Fund balances, September 1	<u>0</u>	<u>1,523</u>	<u>1,523</u>	<u>61</u>
Fund balances, August 31	<u>\$ 0</u>	<u>\$ 643</u>	<u>\$ 643</u>	<u>\$ 1,523</u>

CITY OF TALLAPOOSA, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Taxes receivable	\$ 1,768	\$ 1,771
Total assets	<u>\$ 1,768</u>	<u>\$ 1,771</u>
LIABILITIES		
Accounts payable	\$ 707	\$ 708
Due to other funds	<u>1,061</u>	<u>1,063</u>
Total liabilities	<u>1,768</u>	<u>1,771</u>
Total liabilities	<u>\$ 1,768</u>	<u>\$ 1,771</u>

CITY OF TALLAPOOSA, GEORGIA
HOTEL/MOTEL TAX
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 0	\$ 21,834	\$ 21,834	\$ 19,971
Total revenues	<u>0</u>	<u>21,834</u>	<u>21,834</u>	<u>19,971</u>
EXPENDITURES				
Current				
Housing and Development				
Payments to others	0	8,734	(8,734)	7,927
Total expenditures	<u>0</u>	<u>8,734</u>	<u>(8,734)</u>	<u>7,927</u>
Excess (deficiency) of revenues over (under) expenditures	0	13,100	13,100	12,044
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(13,100)	(13,100)	(12,044)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, September 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, August 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**CITY OF TALLAPOOSA, GEORGIA
URBAN DEVELOPMENT ACTION GRANT
SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 105,278	\$ 105,225
Certificates of deposit	<u>672,574</u>	<u>669,255</u>
Total assets	<u><u>\$ 777,852</u></u>	<u><u>\$ 774,480</u></u>
 LIABILITIES		
Advances from other funds	\$ 92,805	\$ 92,805
 FUND BALANCES		
Restricted for urban development	<u>685,047</u>	<u>681,675</u>
Total liabilities and fund balances	<u><u>\$ 777,852</u></u>	<u><u>\$ 774,480</u></u>

**CITY OF TALLAPOOSA, GEORGIA
URBAN DEVELOPMENT ACTION GRANT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021
(With comparative actual amounts for the fiscal year ended August 31, 2020)**

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Interest	\$ 0	\$ 3,372	\$ 3,372	\$ 1,973
Total revenues	0	3,372	3,372	1,973
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	3,372	3,372	1,973
Fund balances, September 1	0	681,675	681,675	679,702
Fund balances, August 31	<u>\$ 0</u>	<u>\$ 685,047</u>	<u>\$ 685,047</u>	<u>\$ 681,675</u>

**CITY OF TALLAPOOSA, GEORGIA
AMERICAN RESCUE PLAN
SPECIAL REVENUE FUND
BALANCE SHEET
August 31, 2021**

ASSETS

Cash and cash equivalents	\$ 594,714
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Total assets	<u>\$ 594,714</u>
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LIABILITIES

Unearned revenue	\$ 594,698
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FUND BALANCES

Restricted for grant specifications	<u>16</u>
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Total liabilities and fund balances	<u>\$ 594,714</u>
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**CITY OF TALLAPOOSA, GEORGIA
AMERICAN RESCUE PLAN
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended August 31, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 0	\$ 16	\$ 16
Total revenues	<u>0</u>	<u>16</u>	<u>16</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	16	16
Fund balances, September 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, August 31	<u><u>\$ 0</u></u>	<u><u>\$ 16</u></u>	<u><u>\$ 16</u></u>

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CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

2010 SPLOST - Used to account for long-term projects financed by the passage of the Haralson County, Georgia 2010 special purpose local option sales tax.

2015 SPLOST - Used to account for long-term projects financed by the passage of the Haralson County, Georgia 2015 special purpose local option sales tax.

2021 SPLOST – Used to account for long-term projects financed by the passage of the Haralson County, Georgia 2021 special purpose local option sales tax.

2018 TSPLOST - Used to account for projects financed by the passage of the Haralson County, Georgia 2018 transportation special purpose local option sales tax.

CITY OF TALLAPOOSA, GEORGIA
2010 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 118,883	\$ 118,859
Total assets	<u><u>\$ 118,883</u></u>	<u><u>\$ 118,859</u></u>
 LIABILITIES		
Due to other funds	\$ 1,200	\$ 1,200
 FUND BALANCES		
Restricted for capital outlay	<u>117,683</u>	<u>117,659</u>
Total liabilities and fund balances	<u><u>\$ 118,883</u></u>	<u><u>\$ 118,859</u></u>

CITY OF TALLAPOOSA, GEORGIA
2010 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Interest	\$ 24	\$ 24
Total revenues	<u>24</u>	<u>24</u>
EXPENDITURES	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	24	24
Fund balances, September 1	<u>117,659</u>	<u>117,635</u>
Fund balances, August 31	<u><u>\$ 117,683</u></u>	<u><u>\$ 117,659</u></u>

CITY OF TALLAPOOSA, GEORGIA
2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,047,950	\$ 1,012,634
Intergovernmental receivables	<u>0</u>	<u>134,155</u>
Total assets	<u><u>\$ 1,047,950</u></u>	<u><u>\$ 1,146,789</u></u>
LIABILITIES		
Accounts payable	\$ 25,756	\$ 12,446
Due to other funds	<u>494,611</u>	<u>494,611</u>
Total liabilities	520,367	507,057
FUND BALANCES		
Restricted for capital outlay	<u>527,583</u>	<u>639,732</u>
Total liabilities and fund balances	<u><u>\$ 1,047,950</u></u>	<u><u>\$ 1,146,789</u></u>

CITY OF TALLAPOOSA, GEORGIA
2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 62,383	\$ 434,821
Interest	553	462
Total revenues	<u>62,936</u>	<u>435,283</u>
EXPENDITURES		
Capital outlay		
General Government	10,474	3,496
Public Safety	25,756	44,582
Culture and Recreation	0	16,450
Total expenditures	<u>36,230</u>	<u>64,528</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,706</u>	<u>370,755</u>
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	<u>(138,855)</u>	<u>(220,742)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(112,149)	150,013
Fund balances, September 1	<u>639,732</u>	<u>489,719</u>
Fund balances, August 31	<u><u>\$ 527,583</u></u>	<u><u>\$ 639,732</u></u>

CITY OF TALLAPOOSA, GEORGIA
2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
August 31, 2021

ASSETS

Cash and cash equivalents	\$ 119,857
Intergovernmental receivables	<u>82,141</u>
Total assets	<u>\$ 201,998</u>

FUND BALANCES

Restricted for capital outlay	<u>\$ 201,998</u>
Total fund balances	<u>\$ 201,998</u>

CITY OF TALLAPOOSA, GEORGIA
2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended August 31, 2021

REVENUES

Intergovernmental	\$ 202,005
Interest	<u>9</u>
Total revenues	<u>202,014</u>

EXPENDITURES

Capital outlay	
Public Safety	<u>16</u>
Total expenditures	<u>16</u>

Excess (deficiency) of revenues over (under) expenditures	<u>201,998</u>
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Fund balances, September 1	<u>0</u>
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Fund balances, August 31	<u><u>\$ 201,998</u></u>
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CITY OF TALLAPOOSA, GEORGIA
2018 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 652,075	\$ 481,412
Intergovernmental receivables	<u>34,125</u>	<u>31,226</u>
Total assets	<u><u>\$ 686,200</u></u>	<u><u>\$ 512,638</u></u>
LIABILITIES		
Accounts payable	\$ 108,258	\$ 0
FUND BALANCES		
Restricted for capital outlay	<u>577,942</u>	<u>512,638</u>
Total liabilities and fund balances	<u><u>\$ 686,200</u></u>	<u><u>\$ 512,638</u></u>

CITY OF TALLAPOOSA, GEORGIA
2018 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 397,095	\$ 352,537
Total revenues	<u>397,095</u>	<u>352,537</u>
EXPENDITURES		
Capital outlay		
Public Works	<u>405,205</u>	<u>292,312</u>
Excess (deficiency) of revenues over (under) expenditures	(8,110)	60,225
Other financing sources (uses)		
Transfers in (out)		
General Fund	<u>73,414</u>	<u>73,451</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	65,304	133,676
Fund balances, September 1	<u>512,638</u>	<u>378,962</u>
Fund balances, August 31	<u><u>\$ 577,942</u></u>	<u><u>\$ 512,638</u></u>

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Tallapoosa.

Sanitation - Used to account for activities connected with the collection and disposal of residential, commercial, industrial and institutional solid waste in the City of Tallapoosa.

Gas - Used to account for activities connected with the development, operation and maintenance of natural gas services in the City of Tallapoosa.

Golf - Used to account for the activities connected with operating the Municipal Golf Course in the City of Tallapoosa.

CITY OF TALLAPOOSA, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
August 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Accounts receivable (net)	\$ 250,504	\$ 225,728
Intergovernmental receivable	17,433	12,484
Due from other funds	492,211	492,211
Inventory	5,000	5,000
Prepaid items	11,730	9,967
Total current assets	<u>776,878</u>	<u>745,390</u>
Restricted assets		
Customer deposits		
Cash and cash equivalents	72,305	70,620
Debt redemption		
Cash and cash equivalents	2,663	2,662
Certificates of deposit	1,158,506	1,153,432
Construction fund		
Cash and cash equivalents	12,704	12,702
Total restricted assets	<u>1,246,178</u>	<u>1,239,416</u>
Capital assets		
Nondepreciable	8,378	3,429
Depreciable (net)	12,527,549	12,767,170
Total capital assets (net of accumulated depreciation)	<u>12,535,927</u>	<u>12,770,599</u>
Total assets	<u>14,558,983</u>	<u>14,755,405</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	<u>37,994</u>	<u>16,908</u>
LIABILITIES		
Current liabilities		
Accounts payable	97,283	86,645
Accrued liabilities	1,926	792
Retainage payable	1,000	1,000
Compensated absences	11,638	10,123
Total current liabilities	<u>111,847</u>	<u>98,560</u>
Current liabilities payable from restricted assets		
Customer deposits payable	72,305	70,620
Accrued interest payable	9,159	0
Notes payable	168,187	167,347
Total current liabilities payable from restricted assets	<u>249,651</u>	<u>237,967</u>

CITY OF TALLAPOOSA, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Noncurrent liabilities		
Net pension liability	\$ 9,366	\$ 18,237
Notes payable	<u>5,315,461</u>	<u>5,443,494</u>
Total noncurrent liabilities	<u>5,324,827</u>	<u>5,461,731</u>
Total liabilities	<u>5,686,325</u>	<u>5,798,258</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	<u>17,306</u>	<u>4,790</u>
NET POSITION		
Net investment in capital assets	7,050,490	7,163,878
Restricted for debt service	1,161,168	1,156,094
Unrestricted	<u>681,688</u>	<u>649,293</u>
Total net position	<u><u>\$ 8,893,346</u></u>	<u><u>\$ 8,969,265</u></u>

CITY OF TALLAPOOSA, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Water charges	\$ 1,009,999	\$ 977,046
Sewer charges	697,298	689,055
Tap fees	6,250	4,150
Other	20,094	13,037
Total operating revenues	<u>1,733,641</u>	<u>1,683,288</u>
OPERATING EXPENSES		
Costs of sales and services	957,239	993,302
Personal services	360,921	344,954
Depreciation	260,559	260,017
Total operating expenses	<u>1,578,719</u>	<u>1,598,273</u>
Operating income (loss)	<u>154,922</u>	<u>85,015</u>
Non-operating revenues (expenses)		
Intergovernmental revenue	96	413
Interest revenue	5,076	10,019
Interest expense	(83,812)	(87,509)
Total non-operating revenues (expenses)	<u>(78,640)</u>	<u>(77,077)</u>
Net income (loss) before transfers	<u>76,282</u>	<u>7,938</u>
Transfers in (out)		
General Fund	(291,056)	(145,682)
2015 SPLOST Fund	138,855	220,742
Total transfers in (out)	<u>(152,201)</u>	<u>75,060</u>
Change in net position	(75,919)	82,998
Net position, September 1	<u>8,969,265</u>	<u>8,886,267</u>
Net position, August 31	<u><u>\$ 8,893,346</u></u>	<u><u>\$ 8,969,265</u></u>

CITY OF TALLAPOOSA, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 1,690,456	\$ 1,671,167
Payments to suppliers	(951,278)	(1,005,518)
Payments to employees	(376,847)	(368,983)
Other receipts	20,094	12,816
	<hr/>	<hr/>
Net cash provided (used) by operating activities	382,425	309,482
	<hr/>	<hr/>
Cash flows from non-capital financing activities:		
Payments to other funds	(291,056)	(145,682)
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Receipts from other funds	138,855	220,742
Receipts from other governments	0	12,090
Payments for acquisitions of capital assets	(20,938)	(196,487)
Payment of capital related accounts payable	(901)	(102,707)
Payment of retainage payable	0	(26,142)
Proceeds from promissory notes	0	161,230
Principal payments - promissory notes	(132,046)	(132,332)
Interest paid	(74,653)	(97,263)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(89,683)	(160,869)
	<hr/>	<hr/>
Cash flows from investing activities:		
Purchases of certificates of deposit	(5,074)	(9,994)
Interest received	5,076	10,019
	<hr/>	<hr/>
Net cash provided (used) by investing activities	2	25
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	1,688	2,956
	<hr/>	<hr/>
Cash and cash equivalents, September 1	85,984	83,028
	<hr/>	<hr/>
Cash and cash equivalents, August 31	\$ 87,672	\$ 85,984
	<hr/>	<hr/>

CITY OF TALLAPOOSA, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 154,922	\$ 85,015
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	260,559	260,017
(Increase) decrease in accounts receivable	(24,776)	(2,075)
(Increase) decrease in prepaid items	(1,763)	(1,240)
(Increase) decrease in deferred outflows of resources - pension	(21,086)	2,482
Increase (decrease) in accounts payable	6,590	(11,989)
Increase (decrease) in accrued liabilities	1,134	792
Increase (decrease) in customer deposits payable	1,685	2,991
Increase (decrease) in compensated absences	1,515	1,154
Increase (decrease) in net pension liability	(8,871)	16,196
Increase (decrease) in deferred inflows of resources - pension	12,516	(43,861)
Total adjustments	<u>227,503</u>	<u>224,467</u>
Net cash provided (used) by operating activities	<u>\$ 382,425</u>	<u>\$ 309,482</u>
Cash and cash equivalents reconciliation:		
Restricted for:		
Customer deposits		
Cash and cash equivalents	\$ 72,305	\$ 70,620
Debt redemption		
Cash and cash equivalents	2,663	2,662
Construction fund		
Cash and cash equivalents	<u>12,704</u>	<u>12,702</u>
Total cash and cash equivalents	<u>\$ 87,672</u>	<u>\$ 85,984</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through capital-related payables totaled \$4,949 and \$7,582 for the fiscal years ended August 31, 2021 and 2020, respectively.

Increase in notes payable through intergovernmental receivable totaled \$4,853 and \$7,435 for the fiscal years ended August 31, 2021 and 2020, respectively.

**CITY OF TALLAPOOSA, GEORGIA
GAS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 19,842	\$ 19,388
Certificates of deposit	260,467	259,997
Accounts receivable (net)	102,113	103,551
Inventory	18,697	59,736
Prepaid items	6,682	5,610
Total current assets	<u>407,801</u>	<u>448,282</u>
Restricted assets		
Customer deposits		
Cash and cash equivalents	8,190	8,630
Certificates of deposit	42,325	42,010
Total restricted assets	<u>50,515</u>	<u>50,640</u>
Capital assets		
Depreciable (net)	<u>1,594,330</u>	<u>1,580,367</u>
Total assets	<u>2,052,646</u>	<u>2,079,289</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	<u>26,423</u>	<u>26,945</u>
LIABILITIES		
Current liabilities		
Accounts payable	21,010	21,590
Accrued liabilities	4,078	2,953
Compensated absences	18,485	23,806
Total current liabilities	<u>43,573</u>	<u>48,349</u>
Current liabilities payable from restricted assets		
Customer deposits payable	50,515	50,640
Noncurrent liabilities		
Net pension liability	<u>12,300</u>	<u>42,719</u>
Total liabilities	<u>106,388</u>	<u>141,708</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	<u>22,726</u>	<u>21,346</u>
NET POSITION		
Investment in capital assets	1,594,330	1,580,367
Unrestricted	<u>355,625</u>	<u>362,813</u>
Total net position	<u>\$ 1,949,955</u>	<u>\$ 1,943,180</u>

CITY OF TALLAPOOSA, GEORGIA
GAS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Gas charges	\$ 1,355,917	\$ 1,232,567
Tap fees	1,200	750
Other	19,103	8,742
Total operating revenues	<u>1,376,220</u>	<u>1,242,059</u>
OPERATING EXPENSES		
Costs of sales and services	628,549	618,181
Personal services	417,782	439,933
Depreciation	36,987	36,902
Total operating expenses	<u>1,083,318</u>	<u>1,095,016</u>
Operating income (loss)	292,902	147,043
Non-operating revenues (expenses)		
Interest revenue	800	1,327
Net income (loss) before transfers	293,702	148,370
Transfers in (out)		
General Fund	<u>(286,927)</u>	<u>(60,595)</u>
Change in net position	6,775	87,775
Net position, September 1	<u>1,943,180</u>	<u>1,855,405</u>
Net position, August 31	<u><u>\$ 1,949,955</u></u>	<u><u>\$ 1,943,180</u></u>

CITY OF TALLAPOOSA, GEORGIA
GAS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 1,358,430	\$ 1,230,726
Payments to suppliers	(588,037)	(593,814)
Payments to employees	(451,620)	(464,761)
Other receipts	19,103	8,742
	<u>337,876</u>	<u>180,893</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Payments to other funds	<u>(286,927)</u>	<u>(60,595)</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	<u>(50,950)</u>	<u>(120,297)</u>
Net cash provided (used) by capital and related financing activities	<u>(50,950)</u>	<u>(120,297)</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(785)	(1,315)
Interest received	800	1,327
	<u>15</u>	<u>12</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	14	13
Cash and cash equivalents, September 1	<u>28,018</u>	<u>28,005</u>
Cash and cash equivalents, August 31	<u><u>\$ 28,032</u></u>	<u><u>\$ 28,018</u></u>

CITY OF TALLAPOOSA, GEORGIA
GAS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 292,902	\$ 147,043
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	36,987	36,902
(Increase) decrease in accounts receivable	1,438	(2,266)
(Increase) decrease in inventory	41,039	38,175
(Increase) decrease in prepaid items	(1,072)	(690)
(Increase) decrease in deferred outflows of resources - pension	522	2,839
Increase (decrease) in accounts payable	(580)	(16,071)
Increase (decrease) in accrued liabilities	1,125	2,953
Increase (decrease) in customer deposits payable	(125)	(325)
Increase (decrease) in compensated absences	(5,321)	7,488
Increase (decrease) in net pension liability	(30,419)	20,065
Increase (decrease) in deferred inflows of resources - pension	1,380	(55,220)
Total adjustments	<u>44,974</u>	<u>33,850</u>
Net cash provided (used) by operating activities	<u>\$ 337,876</u>	<u>\$ 180,893</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 19,842	\$ 19,388
Restricted for customer deposits		
Cash and cash equivalents	<u>8,190</u>	<u>8,630</u>
Total cash and cash equivalents	<u>\$ 28,032</u>	<u>\$ 28,018</u>

CITY OF TALLAPOOSA, GEORGIA
GOLF ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 200	\$ 200
Accounts receivable (net)	9,512	8,319
Intergovernmental receivables	985,574	722,300
Prepaid items	6,088	5,154
	<u>1,001,374</u>	<u>735,973</u>
Capital assets		
Nondepreciable	142,816	142,816
Depreciable (net)	181,525	184,161
	<u>324,341</u>	<u>326,977</u>
Total assets	<u>1,325,715</u>	<u>1,062,950</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension	4,611	6,645
	<u>4,611</u>	<u>6,645</u>
LIABILITIES		
Current liabilities		
Accounts payable	14,344	13,006
Accrued liabilities	5,735	5,123
Compensated absences	1,535	3,021
Capital lease payable	40,163	38,900
	<u>61,777</u>	<u>60,050</u>
Noncurrent liabilities		
Net pension liability	3,051	15,043
Capital lease payable	68,104	107,818
	<u>71,155</u>	<u>122,861</u>
Total liabilities	<u>132,932</u>	<u>182,911</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension	12,933	12,262
	<u>12,933</u>	<u>12,262</u>
NET POSITION		
Net investment in capital assets	216,074	180,259
Unrestricted	968,387	694,163
	<u>968,387</u>	<u>694,163</u>
Total net position	<u>\$ 1,184,461</u>	<u>\$ 874,422</u>

CITY OF TALLAPOOSA, GEORGIA
GOLF ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Golf charges	\$ 497,721	\$ 394,119
Other	7,890	4,200
Total operating revenues	<u>505,611</u>	<u>398,319</u>
OPERATING EXPENSES		
Costs of sales and services	265,600	242,663
Personal services	221,237	218,340
Depreciation	42,991	37,850
Total operating expenses	<u>529,828</u>	<u>498,853</u>
Operating income (loss)	(24,217)	(100,534)
Non-operating revenues (expenses)		
Interest expense	(4,127)	(951)
Net income (loss) before transfers	(28,344)	(101,485)
Transfers in (out)		
General Fund	338,383	299,192
Change in net position	310,039	197,707
Net position, September 1	874,422	676,715
Net position, August 31	<u><u>\$ 1,184,461</u></u>	<u><u>\$ 874,422</u></u>

CITY OF TALLAPOOSA, GEORGIA
GOLF ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 233,254	\$ 203,615
Payments to suppliers	(264,584)	(245,110)
Payments to employees	(232,010)	(219,578)
Other receipts	7,890	4,200
	<u>(255,450)</u>	<u>(256,873)</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other funds	338,383	299,192
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(40,355)	(6,900)
Principal payments - capital lease payable	(38,451)	(34,468)
Interest paid	(4,127)	(951)
	<u>(82,933)</u>	<u>(42,319)</u>
Net cash provided (used) by capital and related financing activities		
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, September 1	200	200
Cash and cash equivalents, August 31	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (24,217)	\$ (100,534)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	42,991	37,850
(Increase) decrease in accounts receivable	(1,193)	(468)
(Increase) decrease in intergovernmental receivables	(263,274)	(190,036)
(Increase) decrease in prepaid items	(934)	(639)
(Increase) decrease in deferred outflows of resources - pension	2,034	3,225
Increase (decrease) in accounts payable	1,338	(3,951)
Increase (decrease) in accrued liabilities	612	2,143
Increase (decrease) in compensated absences	(1,486)	735
Increase (decrease) in net pension liability	(11,992)	7,575
Increase (decrease) in deferred inflows of resources - pension	671	(12,773)
	<u>(231,233)</u>	<u>(156,339)</u>
Total adjustments		
Net cash provided (used) by operating activities	<u><u>\$ (255,450)</u></u>	<u><u>\$ (256,873)</u></u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through issuance of capital leases totaled \$0 and \$139,150, and through the related like-kind exchange totaled \$0 and \$27,716, for the fiscal years ended August 31, 2021 and 2020, respectively.

**CITY OF TALLAPOOSA, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
August 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Accounts receivable (net)	\$ 28,354	\$ 28,330
Prepaid items	<u>3,710</u>	<u>3,332</u>
Total assets	<u>32,064</u>	<u>31,662</u>
LIABILITIES		
Current liabilities		
Accounts payable	<u>25,709</u>	<u>23,973</u>
Total liabilities	<u>25,709</u>	<u>23,973</u>
NET POSITION		
Unrestricted	<u>6,355</u>	<u>7,689</u>
Total net position	<u><u>\$ 6,355</u></u>	<u><u>\$ 7,689</u></u>

CITY OF TALLAPOOSA, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation charges	\$ 358,497	\$ 347,237
Total operating revenues	<u>358,497</u>	<u>347,237</u>
OPERATING EXPENSES		
Costs of sales and services	308,348	298,785
Personal services	11,848	5,413
Total operating expenses	<u>320,196</u>	<u>304,198</u>
Operating income (loss)	38,301	43,039
Transfers in (out)		
General Fund	<u>(39,635)</u>	<u>(39,677)</u>
Change in net position	(1,334)	3,362
Net position, September 1	<u>7,689</u>	<u>4,327</u>
Net position, August 31	<u><u>\$ 6,355</u></u>	<u><u>\$ 7,689</u></u>

CITY OF TALLAPOOSA, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended August 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 358,473	\$ 344,998
Payments to suppliers	(306,990)	(299,908)
Payments to employees	(11,848)	(5,413)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	39,635	39,677
Cash flows from non-capital financing activities:		
Payments to other funds	(39,635)	(39,677)
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, September 1	0	0
	<hr/>	<hr/>
Cash and cash equivalents, August 31	\$ 0	\$ 0
	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 38,301	\$ 43,039
	<hr/>	<hr/>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	(24)	(2,239)
(Increase) decrease in prepaid items	(378)	(437)
Increase (decrease) in accounts payable	1,736	(686)
	<hr/>	<hr/>
Total adjustments	1,334	(3,362)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	\$ 39,635	\$ 39,677
	<hr/> <hr/>	<hr/> <hr/>

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City as a custodian to be expended in accordance with the conditions of its custodial capacity.

Municipal Court Custodial Fund - Used to account, on a temporary basis, for fines collected by the Municipal Court that are ultimately disbursed to other parties.

**CITY OF TALLAPOOSA, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
August 31, 2021**

ASSETS

Cash and cash equivalents	\$ 3,587
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LIABILITIES

Due to others	3,587
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NET POSITION

Restricted for individuals, organizations, and other governments	\$ 0
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CITY OF TALLAPOOSA, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended August 31, 2021

ADDITIONS

Fines and forfeitures collected for other governments	\$ 35,076
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DEDUCTIONS

Distributions of fines and forfeitures to other governments	35,076
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Change in net position	0
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Net position, September 1	0
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Net position, August 31	\$ 0
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OTHER REPORTING SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Honorable Mayor and
Members of the City Council
City of Tallapoosa, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tallapoosa, Georgia, as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Tallapoosa, Georgia's basic financial statements and have issued our report thereon dated February 24, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Tallapoosa, 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 Tallapoosa, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Tallapoosa, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City's internal control to be material weaknesses:

2021-001

Condition: The City does not currently have the resources to prepare the City's financial statements and related notes in accordance with generally accepted accounting principles. Though it is not unusual for governments of this size to rely on the auditor to assist with the preparation of the financial statements, the inability of the staff to prepare the complete financial statements, including the required note disclosures, without the auditor's assistance, indicates a material weakness over the year-end reporting process.

Criteria: Internal controls should be in place to ensure the City can perform timely and accurate year-end close procedures to enable reporting in accordance with Generally Accepted Accounting Principles.

2021-001, continued

Effect: Failure to properly design and implement internal controls over year-end close may lead to financial statements that are materially misstated and may result in delays in the City's reporting process.

Cause: City personnel do not have the necessary training in the application of generally accepted accounting principles and the preparation of financial statements.

Recommendation: We recommend that the City continue its efforts to provide the specialized training and experience necessary for the Finance Director to perform these duties and also continue to implement and/or strengthen controls over the year-end closeout procedures.

Management Response: Management concurs with this finding. The City has not yet had time to provide the specialized training and experience necessary for the Finance Director to perform these duties. The City will continue its efforts to provide this training and continue to implement and/or strengthen controls over the year-end closeout procedures. This action was implemented immediately upon receipt of the comment from our auditors.

2021-002

Condition: The employer portion of group insurance cost is automatically posted to the general ledger through the payroll function. Amounts disbursed by the City were not reconciled to these postings during the year, thereby requiring material adjustment. The payroll function is not posting the employer expense/expenditure for all employees.

Criteria: Differences between the automated expenditure/expense postings and amounts disbursed by the City require reconciliation due to timing differences and invoice adjustments. In addition, the expenditures for all employees should be recorded.

Effect: Failure to perform the reconciliation on a regular basis and failure to expense certain premiums resulted in an understatement of group insurance expenditure/expense.

Cause: The automated postings of the expenditure/expense to the general ledger excluded employees who did not contribute toward their premiums through payroll withholding.

Recommendation: Reconciliation between the automated expenditure/expense postings and amounts disbursed by the City should be reconciled on a timely bases and the general ledger adjusted as needed. In addition, cost for all employees should be recorded as an expenditure/expense.

Management Response: Management concurs with this finding. City management will perform the necessary reconciliation on a regular basis and either correct the automated process or otherwise properly record the complete expense/expenditures. This action was implemented immediately upon receipt of the comment from our auditors.

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. We consider the following deficiency in the City's internal control to be a significant deficiency:

2021-003

Condition: The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. As a result, there is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component units of the City.

2021-003, continued

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the City to a greater risk of loss due to fraud.

Cause: There are several departments and component units of the City in which the segregation of duties could be improved.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management concurs with this finding. The size of the City's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. City management will work to continually improve and implement as many procedures as possible to improve internal controls in this area. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Tallapoosa, 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 the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

2021-004

Condition: The City experienced a material excess of expenditures over appropriations in the General Fund. In addition, the City did not adopt budgets for its special revenue funds.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to maintain expenditures within the balanced budget for the General Fund, and failure to properly adopt an annual budget for the special revenue funds, as required by OCGA Code Section 36-81-3, will place the City in violation of state law.

Cause: The City did not make the necessary amendments to increase appropriations for expenditures during the year and did not prepare and adopt budgets for its special revenue funds.

Recommendation: Budget to actual comparisons should be periodically reviewed by City management and budgets amended as needed to ensure that the City remains in compliance with state law. City management should also ensure that annual budgets are adopted for all funds legally required to operate under an approved annual budget. The budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

Management Response: We concur with this finding. City staff will review the budget to actual comparisons and recommend any necessary budget revisions to the Mayor and City Council and will prepare and adopt budgets for all funds legally required to operate under an approved annual budget.

City of Tallapoosa, Georgia's Responses to Findings

City of Tallapoosa, Georgia's responses to the findings identified in our audit are described above. City of Tallapoosa, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
February 24, 2022

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended August 31, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2010 Referendum					
Old high school - Art Center	\$ 250,000	\$ 250,000	\$ 193,332	\$ 0	\$ 193,332
Street paving, storm drainage, signs and sidewalks	100,000	100,000	19,004	0	19,004
Cemetery - paving, clean-up and new lay-out	40,000	40,000	0	0	0
Fire department	200,000	200,000	0	0	0
Recreation complex	250,000	250,000	316,702	0	316,702
Library - match (grant to expand)	65,000	65,000	0	0	0
Senior property - bank renovation and paving	40,000	40,000	0	0	0
Police department	260,000	260,000	142,284	0	142,284
Water and sewer debt	780,000	780,000	1,183,899	0	1,183,899
Administrative buildings - Police/ City Hall area	425,000	425,000	12,330	0	12,330
Recreation equipment	100,000	100,000	4,203	0	4,203
Data processing	80,000	80,000	9,699	0	9,699
Public works - vehicles	100,000	100,000	70,016	0	70,016
Equipment purchase PW (backhoe)	75,000	75,000	4,977	0	4,977
Utility expenses - water, gas and sewer	150,000	150,000	63,573	0	63,573
Grant match - TEA, ARC, CDBG	150,000	150,000	44,861	0	44,861
Municipal building repairs	40,000	40,000	31,252	0	31,252
Helton-Howland Park and drain pipes for lake	20,000	20,000	0	0	0
Economic projects	100,000	100,000	0	0	0
Capital outlay projects	100,000	100,000	2,972	0	2,972
Acquisition of property	100,000	100,000	0	0	0
Scientific and planning studies	50,000	50,000	19,410	0	19,410
Total	<u>\$ 3,475,000</u>	<u>\$ 3,475,000</u>	<u>\$ 2,118,514</u>	<u>\$ 0</u>	<u>\$ 2,118,514</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended August 31, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 Referendum					
Water and sewer debt	\$ 850,000	\$ 850,000	\$ 1,002,713	\$ 138,855	\$ 1,141,568
Police vehicles	150,000	150,000	142,888	25,756	168,644
Public works - vehicles	165,000	165,000	142,886	0	142,886
Old high school renovation	150,000	150,000	0	0	0
Public street improvements	110,000	110,000	0	0	0
Recreation complex	75,000	75,000	2,400	0	2,400
Museum and Senior property	40,000	40,000	0	0	0
Grant match - TEA, ARC, CDBG	75,000	75,000	0	0	0
Municipal building repairs and expansion	135,000	135,000	0	0	0
Recreation equipment and repairs	25,000	25,000	16,450	0	16,450
Utility expansion	115,000	115,000	0	0	0
Data processing	30,000	30,000	3,496	10,474	13,970
Economic projects	67,000	67,000	0	0	0
New cemetery	40,000	40,000	0	0	0
Lake	10,000	10,000	0	0	0
Total	<u>\$ 2,037,000</u>	<u>\$ 2,037,000</u>	<u>\$ 1,310,833</u>	<u>\$ 175,085</u>	<u>\$ 1,485,918</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended August 31, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2021 Referendum</u>					
City of Tallapoosa Projects	\$ 2,154,600	\$ 2,154,600			
Water, Sewer and Gas, City Dept. Building			\$ 0	\$ 0	\$ 0
Police vehicles and equipment			0	16	16
Public works vehicles/equipment			0	0	0
Old high school renovation			0	0	0
Public street improvements			0	0	0
Recreation complex			0	0	0
maintenance/improvements					
Museum and Senior Center facility			0	0	0
renovations and Library					
Grant matches for various capital			0	0	0
outlay projects					
Municipal buildings repairs and expansion					
Recreation equipment					
and repairs			0	0	0
Utility expansion			0	0	0
New computers and Technology/			0	0	0
Communications Upgrades					
Economic development projects and			0	0	0
business recruiting and retention					
Cemetery expansion			0	0	0
Lake repair					
Planning and development promotion			0	0	0
Total	<u>\$ 2,154,600</u>	<u>\$ 2,154,600</u>	<u>\$ 0</u>	<u>\$ 16</u>	<u>\$ 16</u>

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

CITY OF TALLAPOOSA, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended August 31, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2018 Referendum					
Fund crew for ROW maintenance - grass, trees, litter, etc.	\$ 175,000	\$ 175,000	\$ 0	\$ 0	\$ 0
Purchase equipment/material/other labor for ROW/road upkeep/repair	340,730	340,730	66,909	0	66,909
Repave Helton Howland drive way and parking lot	45,796	45,796	0	0	0
Repave collector roads:					
West Atlanta Street	124,000	124,000	0	98,479	98,479
Arbacoochee Road	93,500	93,500	130,429	0	130,429
Golf Coarse Road	138,000	138,000	0	0	0
Ivy Pope Road	97,000	97,000	0	0	0
Improvements to West Atlanta Street	255,204	255,204	0	0	0
Improvements to Arbacoochee Road	176,288	176,288	0	0	0
Improvements to Golf Course Road	111,506	111,506	0	0	0
Improvements to Ivy Pope Road	127,506	127,506	0	0	0
Improvements to various City roads	0	285,824	78,033	181,430	259,463
**Other collector roads with priority for paving:					
Broad Street	352,400	352,400	0	0	0
Stone Mountain Street	570,651	570,651	0	51,882	51,882
Cedartown Road	255,000	255,000	0	0	0
Providence Church Road	625,000	625,000	0	0	0
McDonald Road	386,105	386,105	0	0	0
Steadman Road	300,000	300,000	0	0	0
Magnolia Drive	315,000	315,000	0	0	0
Total	<u>\$ 4,488,686</u>	<u>\$ 4,774,510</u>	<u>\$ 275,371</u>	<u>\$ 331,791</u>	<u>\$ 607,162</u>
Current year expenditures				\$ 405,205	
Improvements to various City roads financed through other revenues				<u>(73,414)</u>	
Total expenditures and transfers out				<u>\$ 331,791</u>	

* Estimated cost represents the portion of these projects to be financed with Transportation Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

**If these specific roads show increased deterioration or if revenue from TSPLOST exceeds estimates or there are remaining funds available after the completion of the above list, these listed roads may replace those previously listed. Amounts listed for these roads include repaving and quality improvement costs.

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