

***CITY OF TALLAPOOSA, GEORGIA***

***Annual Financial Report***

***For the fiscal year ended August 31, 2022***

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**CITY OF TALLAPOOSA, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
*For the fiscal year ended August 31, 2022*

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## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, 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.

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, 2022, 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.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Tallapoosa, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Tallapoosa, Georgia's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 11 and 67 through 72 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, and schedule of expenditures of federal awards 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, 2021, which are not presented with the accompanying financial statements. In our report dated February 24, 2022, 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 2021 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 2021 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 2021 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 27, 2023 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 27, 2023

**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

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, 2022. 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, 2022**

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, 2022**

*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 32 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 \$22,931,487. This is a \$1,852,832 increase from last year's net position of \$21,078,655.



**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

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

**Summary of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 7,467,564	\$ 6,461,509	\$ 3,413,909	\$ 3,514,810	\$ 10,881,473	\$ 9,976,319
Noncurrent assets	5,054,333	3,544,454	14,657,868	14,454,598	19,712,201	17,999,052
Total assets	12,521,897	10,005,963	18,071,777	17,969,408	30,593,674	27,975,371
Deferred outflows of resources	71,223	63,501	90,687	69,028	161,910	132,529
Current liabilities	1,144,775	917,426	650,494	543,072	1,795,269	1,460,498
Noncurrent liabilities	0	32,555	5,324,996	5,408,282	5,324,996	5,440,837
Total liabilities	1,144,775	949,981	5,975,490	5,951,354	7,120,265	6,901,335
Deferred inflows of resources	401,755	74,945	302,077	52,965	703,832	127,910
Net position:						
Net investment in capital assets	4,528,615	3,411,137	8,747,860	8,860,894	13,276,475	12,272,031
Restricted for:						
Law enforcement	143	643	0	0	143	643
Urban development	686,216	685,047	0	0	686,216	685,047
Grant specifications	139	0	0	0	139	
Capital outlay	2,271,604	1,489,022	0	0	2,271,604	1,489,022
Debt service	0	0	1,155,166	1,161,168	1,155,166	1,161,168
Unrestricted	3,559,873	3,458,689	1,981,871	2,012,055	5,541,744	5,470,744
Total net position	\$ 11,046,590	\$ 9,044,538	\$ 11,884,897	\$ 12,034,117	\$ 22,931,487	\$ 21,078,655

**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

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

	Summary of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 261,920	\$ 199,026	\$ 4,335,468	\$ 3,926,882	\$ 4,597,388	\$ 4,125,908
Operating grants and contributions	62,160	24,230	0	0	62,160	24,230
Capital grants and contributions	1,643,893	725,885	11,900	96	1,655,793	725,981
General revenues:						
Property taxes	1,156,827	1,034,008	0	0	1,156,827	1,034,008
Sales taxes	859,389	716,257	0	0	859,389	716,257
Insurance premium taxes	263,338	254,989	0	0	263,338	254,989
Other taxes	560,673	519,044	0	0	560,673	519,044
Other	42,640	43,146	41,230	52,963	83,870	96,109
Total revenues	<u>4,850,840</u>	<u>3,516,585</u>	<u>4,388,598</u>	<u>3,979,941</u>	<u>9,239,438</u>	<u>7,496,526</u>
Expenses:						
General government	556,689	436,629			556,689	436,629
Public safety	1,453,620	1,283,906			1,453,620	1,283,906
Public works	581,138	458,738			581,138	458,738
Health and welfare	59,977	47,693			59,977	47,693
Culture and recreation	516,017	397,491			516,017	397,491
Housing and development	11,644	8,734			11,644	8,734
Total	<u>3,179,085</u>	<u>2,633,191</u>				
Water and sewer			1,749,818	1,662,531	1,749,818	1,662,531
Gas			1,375,389	1,083,318	1,375,389	1,083,318
Golf			763,363	533,955	763,363	533,955
Sanitation			318,951	320,196	318,951	320,196
Total			<u>4,207,521</u>	<u>3,600,000</u>		
Total expenses					<u>7,386,606</u>	<u>6,233,191</u>
Change in net position before transfers	1,671,755	883,394	181,077	379,941	1,852,832	1,263,335
Transfers	<u>330,297</u>	<u>140,380</u>	<u>(330,297)</u>	<u>(140,380)</u>	<u>0</u>	<u>0</u>
Change in net position	<u>2,002,052</u>	<u>1,023,774</u>	<u>(149,220)</u>	<u>239,561</u>	<u>1,852,832</u>	<u>1,263,335</u>
Beginning 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>
Ending net position	<u>\$ 11,046,590</u>	<u>\$ 9,044,538</u>	<u>\$ 11,884,897</u>	<u>\$ 12,034,117</u>	<u>\$ 22,931,487</u>	<u>\$ 21,078,655</u>

**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

**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 \$6,326,869. The total ending fund balances of governmental funds show an increase of \$345,065 over the prior year balance of \$5,548,284.

***Major Governmental Funds***

The General Fund is the City's primary operating fund. The fund balance of the General Fund increased from \$3,430,837 to \$3,430,899. The American Rescue Plan fund ended the fiscal year with a fund balance \$139, due to grant proceeds being unearned as of fiscal year-end. The 2021 SPLOST Fund ended the fiscal year with a fund balance of \$753,182. The fund balance of the 2018 TSPLOST Fund increased from \$577,942 to \$721,091.

***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 \$2,913,311. Amendments were made to the budget during the year to increase total budgeted expenditures to \$3,743,211. For the current fiscal year, revenues were over amended budget projections by \$277,231 and expenditures were over amended budgets by \$135,319.

**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

**Capital Asset and Debt Administration**

**Capital Assets**

At the end of fiscal year 2022, the City had \$18,938,343 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 649,428	\$ 598,778	\$ 142,816	\$ 142,816	\$ 792,244	\$ 741,594
Construction in progress	0	78,685	162,749	8,378	162,749	87,063
Buildings and improvements	1,262,119	996,610	237	1,480	1,262,356	998,090
Equipment and Vehicles	463,627	340,748	207,276	230,773	670,903	571,521
Water/Sewer Distribution	0	0	12,249,157	12,494,720	12,249,157	12,494,720
Gas Distribution	0	0	1,547,457	1,576,431	1,547,457	1,576,431
Infrastructure	2,253,477	1,529,633	0	0	2,253,477	1,529,633
Totals	\$ 4,628,651	\$ 3,544,454	\$ 14,309,692	\$ 14,454,598	\$ 18,938,343	\$ 17,999,052

**Debt**

The total long-term debt of the City outstanding at August 31, 2022 was \$5,520,859. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems and equipment for golf course operations. Please refer to our analysis below for the breakdown of the City's outstanding debt and to Note 9 to the basic financial statements.

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

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Notes payable	\$ 0	\$ 0	\$ 5,520,859	\$ 5,591,915	\$ 5,520,859	\$ 5,591,915

**CITY OF TALLAPOOSA, GEORGIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2022**

**Next Year's Budget**

The General Fund budget for the year ending August 31, 2022 reflects expenditures of \$2,935,515. This is an approximate 21.57% decrease from the final budget for the year ended August 31, 2022. This decrease is primarily due to completion of the Streetscape Project in the current fiscal year.

**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.

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## ***BASIC FINANCIAL STATEMENTS***

**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**August 31, 2022**

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 6,056,365	\$ 20,576	\$ 6,076,941	\$ 2,105,766
Certificates of deposit	817,134	260,939	1,078,073	667,531
Restricted assets				
Cash and cash equivalents	0	95,783	95,783	0
Certificates of deposit	0	1,203,799	1,203,799	0
Receivables (net)				
Accounts	0	442,653	442,653	0
Intergovernmental	337,309	1,315,086	1,652,395	17,805
Taxes	134,639	0	134,639	0
Other	12,108	0	12,108	0
Inventory	0	17,272	17,272	0
Prepaid items	110,009	57,801	167,810	0
Total current assets	7,467,564	3,413,909	10,881,473	2,791,102
Noncurrent assets				
Net pension asset	425,682	348,176	773,858	0
Capital assets				
Non-depreciable	649,428	305,565	954,993	1,789,198
Depreciable (net)	3,979,223	14,004,127	17,983,350	0
Total noncurrent assets	5,054,333	14,657,868	19,712,201	1,789,198
Total assets	12,521,897	18,071,777	30,593,674	4,580,300
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	71,223	90,687	161,910	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	209,724	262,419	472,143	0
Intergovernmental	17,805	0	17,805	1,246,121
Retainage	0	7,261	7,261	0
Accrued liabilities	15,422	17,245	32,667	0
Compensated absences	27,439	35,995	63,434	0
Unearned revenue	874,385	0	874,385	0
Notes payable	0	32,316	32,316	0
Liabilities payable from restricted assets				
Customer deposits payable	0	122,909	122,909	0
Accrued interest payable	0	8,802	8,802	0
Notes payable	0	163,547	163,547	0
Total current liabilities	1,144,775	650,494	1,795,269	1,246,121
Noncurrent liabilities				
Notes payable	0	5,324,996	5,324,996	0
Total liabilities	1,144,775	5,975,490	7,120,265	1,246,121



**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**August 31, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - pension	\$ 401,755	\$ 302,077	\$ 703,832	\$ 0
<b>NET POSITION</b>				
Net investment in capital assets	4,528,615	8,747,860	13,276,475	1,789,198
Restricted for:				
Law enforcement	143	0	143	0
Urban development	686,216	0	686,216	0
Grant specifications	139	0	139	0
Capital outlay	2,271,604	0	2,271,604	0
Debt service	0	1,155,166	1,155,166	0
Unrestricted	3,559,873	1,981,871	5,541,744	1,544,981
<b>Total net position</b>	<u>\$ 11,046,590</u>	<u>\$ 11,884,897</u>	<u>\$ 22,931,487</u>	<u>\$ 3,334,179</u>

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**CITY OF TALLAPOOSA, GEORGIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**August 31, 2022**

	<u>General</u>	<u>American Rescue Plan</u>	<u>2021 SPLOST</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,990,691	\$ 874,524	\$ 655,096
Certificates of deposit	143,443	0	0
Receivables (net)			
Intergovernmental	198,570	0	98,086
Taxes	131,885	0	0
Other	12,108	0	0
Due from other funds	16,596	0	0
Advances to other funds	92,805	0	0
Prepaid items	110,009	0	0
<b>Total assets</b>	<u><u>\$ 3,696,107</u></u>	<u><u>\$ 874,524</u></u>	<u><u>\$ 753,182</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 208,622	\$ 0	\$ 0
Intergovernmental payables	17,805	0	0
Accrued liabilities	15,422	0	0
Due to other funds	0	0	0
Advances from other funds	0	0	0
Unearned revenue	0	874,385	0
<b>Total liabilities</b>	<u>241,849</u>	<u>874,385</u>	<u>0</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	<u>23,359</u>	<u>0</u>	<u>0</u>
<b>Fund balances</b>			
Nonspendable:			
Advances to other funds	92,805	0	0
Prepaid items	110,009	0	0
Restricted for:			
Law enforcement	0	0	0
Urban development	0	0	0
Grant specifications	0	139	0
Capital outlay	70,408	0	753,182
Committed for:			
Museum operations	0	0	0
Community planning	0	0	0
Unassigned	<u>3,157,677</u>	<u>0</u>	<u>0</u>
<b>Total fund balances</b>	<u>3,430,899</u>	<u>139</u>	<u>753,182</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u><u>\$ 3,696,107</u></u>	<u><u>\$ 874,524</u></u>	<u><u>\$ 753,182</u></u>

<b>2018 TSPLOST</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 680,438	\$ 855,616	\$ 6,056,365
0	673,691	817,134
40,653	0	337,309
0	2,754	134,639
0	0	12,108
0	0	16,596
0	0	92,805
0	0	110,009
<u>\$ 721,091</u>	<u>\$ 1,532,061</u>	<u>\$ 7,576,965</u>

\$ 0	\$ 1,102	\$ 209,724
0	0	17,805
0	0	15,422
0	16,596	16,596
0	92,805	92,805
0	0	874,385
<u>0</u>	<u>110,503</u>	<u>1,226,737</u>

<u>0</u>	<u>0</u>	<u>23,359</u>
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0	0	92,805
0	0	110,009
0	143	143
0	686,216	686,216
0	0	139
721,091	726,923	2,271,604
0	6,836	6,836
0	1,440	1,440
0	0	3,157,677
<u>721,091</u>	<u>1,421,558</u>	<u>6,326,869</u>
<u>\$ 721,091</u>	<u>\$ 1,532,061</u>	<u>\$ 7,576,965</u>

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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, 2022**

<b>Total fund balance - total governmental funds</b>	<b>\$ 6,326,869</b>
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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:

Net pension asset	425,682
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Capital assets	\$ 8,941,266	
Accumulated depreciation	<u>(4,312,615)</u>	4,628,651

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.	23,359
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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	\$ 71,223	
Deferred inflows of resources - pension	<u>(401,755)</u>	(330,532)

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

These are:

Compensated absences	<u>(27,439)</u>
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Net position of the governmental activities	<u><u>\$ 11,046,590</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, 2022**

	<b>General</b>	<b>American Rescue Plan</b>	<b>2021 SPLOST</b>
<b>REVENUES</b>			
Taxes	\$ 2,816,944	\$ 0	\$ 0
Licenses and permits	20,788	0	0
Fines, fees and forfeitures	151,188	0	0
Charges for services	72,191	0	0
Intergovernmental	454,143	330,082	551,085
Interest	623	123	195
Contributions	41,860	0	0
Other	25,956	0	0
<b>Total revenues</b>	<b>3,583,693</b>	<b>330,205</b>	<b>551,280</b>
<b>EXPENDITURES</b>			
Current			
General Government	544,437	0	0
Public Safety	1,761,615	0	0
Public Works	984,095	0	0
Health and Welfare	59,977	0	0
Culture and Recreation	528,406	0	0
Housing and Development	0	0	0
Capital Outlay	0	0	96
<b>Total expenditures</b>	<b>3,878,530</b>	<b>0</b>	<b>96</b>
Excess (deficiency) of revenues over (under) expenditures	(294,837)	330,205	551,184
Other financing sources (uses)			
Transfers in	923,433	0	0
Transfers out	(628,534)	(330,082)	0
Proceeds from sale of assets	0	0	0
<b>Total other financing sources (uses)</b>	<b>294,899</b>	<b>(330,082)</b>	<b>0</b>
Net change in fund balances	62	123	551,184
Fund balances, September 1	3,430,837	16	201,998
<b>Fund balances, August 31</b>	<b>\$ 3,430,899</b>	<b>\$ 139</b>	<b>\$ 753,182</b>



2018	Nonmajor	
TSPLOST	Governmental	
	Funds	Totals
\$ 0	\$ 29,111	\$ 2,846,055
0	0	20,788
0	0	151,188
0	3,852	76,043
340,957	0	1,676,267
0	1,600	2,541
0	1,200	43,060
0	0	25,956
<u>340,957</u>	<u>35,763</u>	<u>4,841,898</u>
0	0	544,437
0	239,772	2,001,387
0	0	984,095
0	0	59,977
0	16,712	545,118
0	11,644	11,644
<u>261,624</u>	<u>0</u>	<u>261,720</u>
<u>261,624</u>	<u>268,128</u>	<u>4,408,378</u>
<u>79,333</u>	<u>(232,365)</u>	<u>433,520</u>
63,816	492,211	1,479,460
0	(190,547)	(1,149,163)
<u>0</u>	<u>14,768</u>	<u>14,768</u>
<u>63,816</u>	<u>316,432</u>	<u>345,065</u>
143,149	84,067	778,585
<u>577,942</u>	<u>1,337,491</u>	<u>5,548,284</u>
<u>\$ 721,091</u>	<u>\$ 1,421,558</u>	<u>\$ 6,326,869</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, 2022**

**Net change in fund balances - total governmental funds** **\$ 778,585**

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	\$ 1,371,532	
Depreciation	<u>(287,335)</u>	1,084,197

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. (5,828)

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	\$ 59,357	
Cost of benefits earned net of employee contributions	<u>79,791</u>	139,148

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. 5,950

Change in net position of governmental activities	<u>\$</u>	<u><u>2,002,052</u></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, 2022**

	<b>Budget</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 2,477,488	\$ 2,783,955	\$ 2,816,944	\$ 32,989
Licenses and permits	18,100	19,619	20,788	1,169
Fines, fees and forfeitures	111,550	145,230	151,188	5,958
Charges for services	43,695	56,277	72,191	15,914
Intergovernmental	227,483	246,248	454,143	207,895
Interest	51	51	623	572
Contributions	11,670	32,535	41,860	9,325
Other	25,434	22,547	25,956	3,409
<b>Total revenues</b>	<b>2,915,471</b>	<b>3,306,462</b>	<b>3,583,693</b>	<b>277,231</b>
<b>EXPENDITURES</b>				
Current				
General Government				
Administration	441,701	445,926	443,221	2,705
Mayor and Council	80,710	97,716	85,723	11,993
Other General Government	24,333	16,356	15,493	863
Public Safety				
Police Department	961,409	1,538,957	1,506,203	32,754
Fire Department	251,003	255,424	255,412	12
Public Works				
Highways and Streets	671,295	812,841	968,141	(155,300)
Cemetery	18,477	18,373	15,954	2,419
Health and Welfare				
Senior Center	57,532	62,640	59,977	2,663
Culture and Recreation				
Recreation	178,958	281,932	320,959	(39,027)
Museum	41,460	67,036	64,926	2,110
Library	186,433	146,010	142,521	3,489
<b>Total expenditures</b>	<b>2,913,311</b>	<b>3,743,211</b>	<b>3,878,530</b>	<b>(135,319)</b>
Excess (deficiency) of revenues over (under) expenditures	2,160	(436,749)	(294,837)	141,912
Other financing sources (uses)				
Transfers in	13,224	528,790	923,433	394,643
Transfers out	0	0	(628,534)	(628,534)
<b>Total other financing sources (uses)</b>	<b>13,224</b>	<b>528,790</b>	<b>294,899</b>	<b>(233,891)</b>
Net change in fund balance	15,384	92,041	62	(91,979)
Fund balances, September 1	(15,384)	(92,041)	3,430,837	3,522,878
<b>Fund balances, August 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,430,899</b>	<b>\$ 3,430,899</b>

**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, 2022**

	<b>Budget</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ 0	\$ 0	\$ 330,082	\$ 330,082
Interest	0	0	123	123
<b>Total revenues</b>	0	0	330,205	330,205
<b>EXPENDITURES</b>	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	330,205	330,205
Other financing sources (uses)				
Transfers out	0	(330,082)	(330,082)	0
Net change in fund balance	0	0	123	330,205
Fund balances, September 1	0	330,082	16	(330,066)
<b>Fund balances, August 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 139</b>	<b>\$ 139</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**August 31, 2022**

	Business-Type Activities				
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	Totals
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 0	\$ 20,376	\$ 200	\$ 0	\$ 20,576
Certificates of deposit	0	260,939	0	0	260,939
Restricted assets					
Cash and cash equivalents	88,112	7,671	0	0	95,783
Certificates of deposit	1,161,305	42,494	0	0	1,203,799
Accounts receivable (net)	249,055	154,960	10,583	28,055	442,653
Intergovernmental receivables	68,965	0	1,246,121	0	1,315,086
Inventory	5,000	12,272	0	0	17,272
Prepaid items	23,436	16,454	11,692	6,219	57,801
Total current assets	1,595,873	515,166	1,268,596	34,274	3,413,909
<b>Noncurrent assets</b>					
Net pension asset	136,531	171,886	39,759	0	348,176
Capital assets					
Non-depreciable	162,749	0	142,816	0	305,565
Depreciable (net)	12,271,043	1,556,409	176,675	0	14,004,127
Total noncurrent assets	12,570,323	1,728,295	359,250	0	14,657,868
<b>Total assets</b>	<b>14,166,196</b>	<b>2,243,461</b>	<b>1,627,846</b>	<b>34,274</b>	<b>18,071,777</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources - pension	31,987	45,551	13,149	0	90,687
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables					
Accounts	129,670	78,389	27,729	26,631	262,419
Retainage	7,261	0	0	0	7,261
Accrued liabilities	3,323	4,836	9,086	0	17,245
Compensated absences	14,706	19,629	1,660	0	35,995
Notes payable	0	0	32,316	0	32,316
Liabilities payable from restricted assets					
Customer deposits payable	72,744	50,165	0	0	122,909
Accrued interest payable	8,802	0	0	0	8,802
Notes payable	163,547	0	0	0	163,547
Total current liabilities	400,053	153,019	70,791	26,631	650,494
<b>Noncurrent liabilities</b>					
Notes payable	5,293,187	0	31,809	0	5,324,996
<b>Total liabilities</b>	<b>5,693,240</b>	<b>153,019</b>	<b>102,600</b>	<b>26,631</b>	<b>5,975,490</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**August 31, 2022**

	<b>Business-Type Activities</b>				
	<b>Water and Sewer</b>	<b>Gas</b>	<b>Golf</b>	<b>(Non-major) Sanitation</b>	<b>Totals</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - pension	\$ 118,454	\$ 149,128	\$ 34,495	\$ 0	\$ 302,077
<b>NET POSITION</b>					
Net investment in capital assets	6,936,085	1,556,409	255,366	0	8,747,860
Restricted for debt service	1,155,166	0	0	0	1,155,166
Unrestricted	295,238	430,456	1,248,534	7,643	1,981,871
<b>Total net position</b>	<b>\$ 8,386,489</b>	<b>\$ 1,986,865</b>	<b>\$ 1,503,900</b>	<b>\$ 7,643</b>	<b>\$ 11,884,897</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended August 31, 2022**

	Business-Type Activities				
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	Totals
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 1,802,523	\$ 1,659,576	\$ 506,951	\$ 366,418	\$ 4,335,468
Other	5,922	20,720	11,133	0	37,775
<b>Total operating revenues</b>	<b>1,808,445</b>	<b>1,680,296</b>	<b>518,084</b>	<b>366,418</b>	<b>4,373,243</b>
<b>OPERATING EXPENSES</b>					
Costs of sales and services	1,019,121	986,046	408,694	318,951	2,732,812
Personal services	367,581	351,422	296,732	0	1,015,735
Depreciation	256,506	37,921	54,881	0	349,308
<b>Total operating expenses</b>	<b>1,643,208</b>	<b>1,375,389</b>	<b>760,307</b>	<b>318,951</b>	<b>4,097,855</b>
Operating income (loss)	165,237	304,907	(242,223)	47,467	275,388
Non-operating revenues (expenses)					
Intergovernmental revenue	11,900	0	0	0	11,900
Interest revenue	2,800	655	0	0	3,455
Interest expense	(106,610)	0	(3,056)	0	(109,666)
Total non-operating revenues (expenses)	(91,910)	655	(3,056)	0	(94,311)
Net income (loss) before transfers	73,327	305,562	(245,279)	47,467	181,077
Transfers in (out)					
Transfers in	173,080	0	564,718	0	737,798
Transfers out	(753,264)	(268,652)	0	(46,179)	(1,068,095)
Total transfers in (out)	(580,184)	(268,652)	564,718	(46,179)	(330,297)
Change in net position	(506,857)	36,910	319,439	1,288	(149,220)
Net position, September 1	8,893,346	1,949,955	1,184,461	6,355	12,034,117
<b>Net position, August 31</b>	<b>\$ 8,386,489</b>	<b>\$ 1,986,865</b>	<b>\$ 1,503,900</b>	<b>\$ 7,643</b>	<b>\$ 11,884,897</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended August 31, 2022**

	<b>Business-Type Activities</b>				
	<b>Water and Sewer</b>	<b>Gas</b>	<b>Golf</b>	<b>(Non-major) Sanitation</b>	<b>Totals</b>
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 1,804,411	\$ 1,606,379	\$ 245,333	\$ 366,717	\$ 4,022,840
Payments to suppliers	(1,038,512)	(931,256)	(397,562)	(320,538)	(2,687,868)
Payments to employees	(403,255)	(427,190)	(326,393)	0	(1,156,838)
Other receipts	5,923	20,720	11,133	0	37,776
Net cash provided (used) by operating activities	368,567	268,653	(467,489)	46,179	215,910
<b>Cash flows from non-capital financing activities:</b>					
Receipts from other funds	0	0	564,718	0	564,718
Payments to other funds	(261,053)	(268,652)	0	(46,179)	(575,884)
Net cash provided (used) by non-capital financing activities	(261,053)	(268,652)	564,718	(46,179)	(11,166)
<b>Cash flows from capital and related financing activities:</b>					
Receipts from other funds	173,080	0	0	0	173,080
Receipts from other governments	10,901	0	0	0	10,901
Payments for acquisitions of capital assets	(100,693)	0	(50,031)	0	(150,724)
Payment of capital related accounts payable	(4,949)	0	0	0	(4,949)
Payment of retainage payable	(1,000)	0	0	0	(1,000)
Proceeds from promissory notes	90,740	0	0	0	90,740
Principal payments - promissory notes	(168,187)	0	(44,142)	0	(212,329)
Interest paid	(106,967)	0	(3,056)	0	(110,023)
Net cash provided (used) by capital and related financing activities	(107,075)	0	(97,229)	0	(204,304)
<b>Cash flows from investing activities:</b>					
Purchases of certificates of deposit	(2,799)	(641)	0	0	(3,440)
Interest received	2,800	655	0	0	3,455
Net cash provided (used) by investing activities	1	14	0	0	15
Net increase (decrease) in cash and cash equivalents	440	15	0	0	455
Cash and cash equivalents, September 1	87,672	28,032	200	0	115,904
<b>Cash and cash equivalents, August 31</b>	<b>\$ 88,112</b>	<b>\$ 28,047</b>	<b>\$ 200</b>	<b>\$ 0</b>	<b>\$ 116,359</b>



**CITY OF TALLAPOOSA, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the fiscal year ended August 31, 2022**

	Business-Type Activities				Totals
	Water and Sewer	Gas	Golf	(Non-major) Sanitation	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 165,237	\$ 304,907	\$ (242,223)	\$ 47,467	\$ 275,388
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	256,506	37,921	54,881	0	349,308
(Increase) decrease in accounts receivable	1,449	(52,847)	(1,071)	299	(52,170)
(Increase) decrease in intergovernmental receivables	0	0	(260,547)	0	(260,547)
(Increase) decrease in inventory	0	6,425		0	6,425
(Increase) decrease in prepaid items	(11,706)	(9,772)	(5,604)	(2,509)	(29,591)
(Increase) decrease in net pension asset	(145,897)	(184,186)	(42,810)	0	(372,893)
(Increase) decrease in deferred outflows of resources - pension	6,007	(19,128)	(8,538)	0	(21,659)
Increase (decrease) in accounts payable	(9,081)	57,379	13,385	922	62,605
Increase (decrease) in accrued liabilities	1,397	758	3,351	0	5,506
Increase (decrease) in customer deposits payable	439	(350)	0	0	89
Increase (decrease) in compensated absences	3,068	1,144	125	0	4,337
Increase (decrease) in deferred inflows of resources - pension	101,148	126,402	21,562	0	249,112
Total adjustments	203,330	(36,254)	(225,266)	(1,288)	(59,478)
Net cash provided (used) by operating activities	\$ 368,567	\$ 268,653	\$ (467,489)	\$ 46,179	\$ 215,910
<b>Cash and cash equivalents reconciliation:</b>					
Cash and cash equivalents	\$ 0	\$ 20,376	\$ 200	\$ 0	\$ 20,576
Restricted assets					
Cash and cash equivalents	88,112	7,671	0	0	95,783
Total cash and cash equivalents	\$ 88,112	\$ 28,047	\$ 200	\$ 0	\$ 116,359

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through capital-related accounts payable totaled \$46,417.  
Acquisition of capital assets through retainage payable totaled \$7,261  
Increase in notes payable through intergovernmental receivable totaled \$50,533.  
Decrease in due from other funds through transfers out totaled \$492,211.

**CITY OF TALLAPOOSA GEORGIA  
MUNICIPAL COURT CUSTODIAL FUND  
STATEMENT OF FIDUCIARY NET POSITION  
August 31, 2022**

**ASSETS**

Cash and cash equivalents	\$ 4,112
	<u>          </u>

**LIABILITIES**

Due to others	4,112
	<u>          </u>

**NET POSITION**

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

**CITY OF TALLAPOOSA, GEORGIA**  
**MUNICIPAL COURT CUSTODIAL FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
*For the year ended August 31, 2022*

**ADDITIONS**

Fines and forfeitures collected for other governments	\$	50,984
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**DEDUCTIONS**

Distributions of fines and forfeitures to other governments		50,984
		0

Change in net position		0
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Net position, September 1		0
		0

<b>Net position, August 31</b>	<b>\$</b>	<b>0</b>
		0

**CITY OF TALLAPOOSA, GEORGIA**  
**COMBINING STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**August 31, 2022**

	<b>Tallapoosa Development Authority</b>	<b>Tallapoosa Recreation Authority</b>	<b>Downtown Development Authority</b>	<b>Totals</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 737,598	\$ 1,351,507	\$ 16,661	\$ 2,105,766
Certificates of deposit	667,531	0	0	667,531
Intergovernmental receivables	17,805	0	0	17,805
Total current assets	1,422,934	1,351,507	16,661	2,791,102
<b>Noncurrent assets</b>				
Capital assets				
Non-depreciable	44,848	1,733,846	10,504	1,789,198
<b>Total assets</b>	<b>1,467,782</b>	<b>3,085,353</b>	<b>27,165</b>	<b>4,580,300</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Intergovernmental payables	0	1,246,121	0	1,246,121
<b>NET POSITION</b>				
Investment in capital assets	44,848	1,733,846	10,504	1,789,198
Unrestricted	1,422,934	105,386	16,661	1,544,981
<b>Total net position</b>	<b>\$ 1,467,782</b>	<b>\$ 1,839,232</b>	<b>\$ 27,165</b>	<b>\$ 3,334,179</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**COMBINING STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**For the fiscal year ended August 31, 2022**

	<b>Tallapoosa Development Authority</b>	<b>Tallapoosa Recreational Authority</b>	<b>Downtown Development Authority</b>	<b>Totals</b>
<b>Expenses</b>				
Housing and Development	\$ 10	\$ 0	\$ 2,500	\$ 2,510
<b>Total expenses</b>	10	0	2,500	2,510
Net (expense) revenue	(10)	0	(2,500)	(2,510)
<b>General revenues</b>				
Interest and investment earnings	1,920	238	0	2,158
Change in net position	1,910	238	(2,500)	(352)
Net position, September 1	1,465,872	1,838,994	29,665	3,334,531
<b>Net position, August 31</b>	<b>\$ 1,467,782</b>	<b>\$ 1,839,232</b>	<b>\$ 27,165</b>	<b>\$ 3,334,179</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**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, 2022**

**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 31<sup>st</sup> 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 31<sup>st</sup> 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, 2022**

**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 31<sup>th</sup> 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, 2022**

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

**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, 2022**

**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, 2022**

**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, 2022**

**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 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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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, 2022**

**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**  
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**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	\$ 257,340	
Less: Allowance for Uncollectibles	(8,285)	
Gas Fund	159,951	
Less: Allowance for Uncollectibles	(4,991)	
Golf Fund	<u>10,583</u>	\$ 414,598

**Nonmajor Enterprise Funds**

Sanitation Fund	29,531	
Less: Allowance for Uncollectibles	<u>(1,476)</u>	<u>28,055</u>

Total primary government		<u><u>\$ 442,653</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

General Fund	\$ 198,570	
2021 SPLOST Capital Projects Fund	98,086	
2018 TSPLOST Capital Projects Fund	<u>40,653</u>	337,309

Enterprise Funds

Water and Sewer Fund	\$ 68,965	
Golf Fund	<u>1,246,121</u>	<u>1,315,086</u>

Total primary government		<u><u>\$ 1,652,395</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, 2022**

**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 2021, based upon the assessments of January 1, 2021, were levied on August 24, 2021, billed on October 15, 2021, and due on December 31, 2021.

**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	Nonmajor Governmental	<u>\$ 109,401</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, 2022*

**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	\$ 564,718
	2018 TSPLOST	63,816
American Rescue Plan	General	330,082
Nonmajor Governmental	General	17,467
	Water and Sewer	173,080
Water and Sewer	General	261,053
	Nonmajor Governmental	492,211
Gas	General	268,652
Nonmajor Enterprise	General	<u>46,179</u>
		<u>\$ 2,217,258</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, 2022**

**8. Capital Assets**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 598,778	\$ 50,650	\$ 0	\$ 649,428
Construction in progress	78,685	466,601	(545,286)	0
Total non-depreciable assets	<u>677,463</u>	<u>517,251</u>	<u>(545,286)</u>	<u>649,428</u>
Depreciable assets				
Buildings and improvements	2,727,974	352,661	0	3,080,635
Machinery and equipment	1,177,543	22,415	0	1,199,958
Vehicles	752,010	220,747	(25,722)	947,035
Infrastructure	2,260,466	803,744	0	3,064,210
Total depreciable assets	<u>6,917,993</u>	<u>1,399,567</u>	<u>(25,722)</u>	<u>8,291,838</u>
Accumulated depreciation				
Buildings and improvements	(1,731,364)	(87,152)	0	(1,818,516)
Machinery and equipment	(884,535)	(54,322)	0	(938,857)
Vehicles	(704,270)	(65,961)	25,722	(744,509)
Infrastructure	(730,833)	(79,900)	0	(810,733)
Total accumulated depreciation	<u>(4,051,002)</u>	<u>(287,335)</u>	<u>25,722</u>	<u>(4,312,615)</u>
Total depreciable assets, net	<u>2,866,991</u>	<u>1,112,232</u>	<u>0</u>	<u>3,979,223</u>
Governmental activities capital assets, net	<u>\$ 3,544,454</u>	<u>\$ 1,629,483</u>	<u>\$ (545,286)</u>	<u>\$ 4,628,651</u>
<b>Business-type activities</b>				
Non-depreciable assets				
Land	\$ 142,816	\$ 0	\$ 0	\$ 142,816
Construction in progress	8,378	154,371	0	162,749
Total non-depreciable assets	<u>151,194</u>	<u>154,371</u>	<u>0</u>	<u>305,565</u>
Depreciable assets				
Land improvements	15,656	0	0	15,656
Water and sewer distribution system	16,841,985	0	0	16,841,985
Gas distribution system	2,267,162	0	0	2,267,162
Buildings	205,008	0	0	205,008
Vehicles, machinery and equipment	1,005,338	50,031	0	1,055,369
Total depreciable assets	<u>20,335,149</u>	<u>50,031</u>	<u>0</u>	<u>20,385,180</u>
Accumulated depreciation				
Land improvements	(15,656)	0	0	(15,656)
Water and sewer distribution system	(4,347,265)	(245,563)	0	(4,592,828)
Gas distribution system	(690,731)	(28,974)	0	(719,705)
Buildings	(203,528)	(1,243)	0	(204,771)
Vehicles, machinery and equipment	(774,565)	(73,528)	0	(848,093)
Total accumulated depreciation	<u>(6,031,745)</u>	<u>(349,308)</u>	<u>0</u>	<u>(6,381,053)</u>
Total depreciable assets, net	<u>14,303,404</u>	<u>(299,277)</u>	<u>0</u>	<u>14,004,127</u>
Business-type activities capital assets, net	<u>\$ 14,454,598</u>	<u>\$ (144,906)</u>	<u>\$ 0</u>	<u>\$ 14,309,692</u>



**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**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>
<b>Tallapoosa Development Authority</b>				
Nondepreciable assets				
Land	<u>\$ 44,848</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,848</u>
<b>Tallapoosa Recreational Authority</b>				
Nondepreciable assets				
Land	<u>\$ 1,733,846</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,733,846</u>
<b>Tallapoosa Downtown Development Authority</b>				
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	94,233
Public Works	95,181
Culture and Recreation	<u>52,209</u>
Total depreciation expense for governmental activities	<u>\$ 287,335</u>

**Business-type activities**

Water and Sewer	\$ 256,506
Gas	37,921
Golf	<u>54,881</u>
Total depreciation expense for business-type activities	<u>\$ 349,308</u>

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**9. 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 \$3,399,272 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.

***Wells Fargo Note Payable – Golf Fund:*** The original amount of the loan was \$21,252 with a

3.6% interest rate.

***De Lage Landen Public Finance Note Payable – Golf Fund:*** The original amount of the loan

was \$139,149 with a 3.1% interest rate.

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**9. Long-Term Liabilities (continued)**

**Notes from Direct Borrowings, continued**

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

<b>Fiscal Year Ending August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 195,863	\$ 57,230	\$ 253,093
2024	200,870	50,764	251,634
2025	174,790	44,515	219,305
2026	180,740	38,565	219,305
2027	186,921	32,384	219,305
2028-2032	720,965	75,056	796,021
2033-2037	296,045	20,572	316,617
2038-2040	165,393	3,387	168,780
Totals	<u>\$ 2,121,587</u>	<u>\$ 322,473</u>	<u>\$ 2,444,060</u>

**Changes in Long-Term Liabilities**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Compensated absences	<u>\$ 33,388</u>	<u>\$ 27,439</u>	<u>\$ 33,388</u>	<u>\$ 27,439</u>	<u>\$ 27,439</u>
<b>Business-type Activities</b>					
Notes from direct borrowings	\$ 5,591,915	\$ 141,273	\$ 212,329	\$ 5,520,859	\$ 195,863
Compensated absences	<u>31,658</u>	<u>35,995</u>	<u>31,658</u>	<u>35,995</u>	<u>35,995</u>
Total Business-type Activities	<u>\$ 5,623,573</u>	<u>\$ 177,268</u>	<u>\$ 243,987</u>	<u>\$ 5,556,854</u>	<u>\$ 231,858</u>

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 \$109,666.

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**10. 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**  
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**10. 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.

**11. 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:

	<b>General</b>	<b>American Rescue Plan</b>	<b>2021 SPLOST</b>	<b>2018 TSPLOST</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Restricted for:</b>						
Law enforcement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 143	\$ 143
Urban development	0	0	0	0	686,216	686,216
Grant specifications	0	139	0	0	0	139
Capital outlay	70,408	0	753,182	721,091	726,923	2,271,604
	<u>\$ 70,408</u>	<u>\$ 139</u>	<u>\$ 753,182</u>	<u>\$ 721,091</u>	<u>\$ 1,413,282</u>	<u>\$ 2,958,102</u>
<b>Committed for:</b>						
Museum operations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,836	\$ 6,836
Community planning	0	0	0	0	1,440	1,440
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,276</u>	<u>\$ 8,276</u>

**12. 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:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Cost of capital assets	\$ 8,941,266	\$ 20,690,745
Accumulated depreciation	(4,312,615)	(6,381,053)
Book value	4,628,651	14,309,692
Capital-related accounts payable	(100,036)	(46,417)
Retainage payable	0	(7,261)
Notes payable	0	(5,520,859)
Unspent note proceeds	0	12,705
Net investment in capital assets	<u>\$ 4,528,615</u>	<u>\$ 8,747,860</u>

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. 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, 2022, the date of the most recent actuarial valuation, there were 77 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	26
Terminated vested participants entitled to but not yet receiving benefits	20
Active participants	31
Total number of participants	<u>77</u>

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. 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 \$95,737, or 5.63% of covered payroll.

*Pension Assets/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 asset of \$773,858. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. For the current fiscal year, the City recognized pension expense of (\$188,852). 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 33,740	\$ 0
Changes of assumptions	0	
Net difference between projected and actual earnings on pension plan investments	0	0 (671,398)
Changes in participant fund allocation	32,434	(32,434)
City contributions subsequent to the measurement date	95,736	0
Totals	<u>\$ 161,910</u>	<u>\$ (703,832)</u>

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**13. Pension Plan (continued)**

The \$95,736 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:

<b>Fiscal Year Ending August 31</b>	
2023	(150,459)
2024	(130,249)
2025	(188,982)
2026	(167,968)
Totals	<u>\$ (637,658)</u>

*Actuarial Assumptions.* The total pension liability in the January 1, 2022 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, 2022 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, 2022**

**13. 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	45%	6.55%
International equity	20%	7.30%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Cash	0%	
Total	100%	

*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, 2022**

**13. Pension Plan (continued)**

*Changes in Net Pension Liability (Asset)*

	<b>Total Pension Liability (Asset)</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability (Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
<b>Balances at September 30, 2020</b>	\$ 5,049,079	\$ 4,991,807	\$ 57,272
<b>Changes for the year:</b>			
Service cost	45,723	0	45,723
Interest	367,676	0	367,676
Differences between expected and actual experience	48,751	0	48,751
Contributions—employer	0	103,690	(103,690)
Net investment income	0	1,203,242	(1,203,242)
Benefit payments, including refunds of employee contributions	(218,729)	(218,729)	0
Administrative expense	0	(13,652)	13,652
Other	0	0	0
<b>Net changes</b>	<u>243,421</u>	<u>1,074,551</u>	<u>(831,130)</u>
<b>Balances at September 30, 2021</b>	<u>\$ 5,292,500</u>	<u>\$ 6,066,358</u>	<u>\$ (773,858)</u>

Plan fiduciary net position as a percentage of the total pension liability	114.62%
Covered payroll	\$ 1,427,248
Net pension liability as a percentage of covered payroll	-54.22%

*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:

	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease	6.375%	\$ (211,194)
Current discount rate	7.375%	(773,858)
1% increase	8.375%	(1,251,061)

*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, 2022**

**14. 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	\$ 29,111	
Disbursements and transfers	\$ 11,644	40% of tax receipts

**15. 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 \$199,512 under this program through the Tallapoosa Development Authority.

**16. 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 \$3,247 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, 2022**

**16. 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.

**17. 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.

**18. 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, 2022**

**18. 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, 2022**

**18. 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.

**19. 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:

<b>Project</b>	<b>Expended to Date</b>	<b>Remaining Commitment</b>
Streetscape Improvements Project	\$ 381,701	5,251
Wastewater Rehabilitation Project	\$ 537,275	\$ 105,963

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**19. Commitments and Contingencies (continued)**

**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.

**20. Material Budget Violations**

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

Highways and Streets	\$	155,300
Recreation	\$	39,027

The City did not adopt budgets for certain special revenue funds. These include the Museum, Drug Forfeiture, and Hotel/Motel Tax special revenue funds.

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.

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2022**

**21. 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 \$968,141 for the current fiscal year.

**22. New Accounting Pronouncement**

The City implemented GASB Statement No. 87, *Leases*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. This had no effect on beginning net position.



***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, 2022**  
**(Unaudited)**

	Fiscal Year End			
	2022	2021	2020	2019
<b>Total pension liability</b>				
Service cost	\$ 45,723	\$ 47,722	\$ 53,965	\$ 44,684
Interest	367,676	354,844	354,321	347,257
Differences between expected and actual experience	48,751	3,721	12,806	(76,694)
Changes of assumptions	0	0	(90,603)	0
Benefit payments, including refunds of employee contributions	(218,729)	(241,853)	(232,307)	(228,399)
Other	0	0	0	0
Net change in total pension liability	243,421	164,434	98,182	86,848
Total pension liability - beginning	5,049,079	4,884,645	4,786,463	4,699,615
<b>Total pension liability - ending (a)</b>	<b>\$ 5,292,500</b>	<b>\$ 5,049,079</b>	<b>\$ 4,884,645</b>	<b>\$ 4,786,463</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 103,690	\$ 90,289	\$ 105,173	\$ 105,217
Net investment income	1,203,242	446,384	135,940	433,491
Benefit payments, including refunds of employee contributions	(218,729)	(241,853)	(232,307)	(228,399)
Administrative expense	(13,652)	(13,566)	(13,134)	(13,788)
Net change in plan fiduciary net position	1,074,551	281,254	(4,328)	296,521
Plan fiduciary net position - beginning	4,991,807	4,710,553	4,714,881	4,418,360
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,066,358</b>	<b>\$ 4,991,807</b>	<b>\$ 4,710,553</b>	<b>\$ 4,714,881</b>
<b>Net pension liability (asset) - ending : (a) - (b)</b>	<b>\$ (773,858)</b>	<b>\$ 57,272</b>	<b>\$ 174,092</b>	<b>\$ 71,582</b>
Plan's fiduciary net position as a percentage of the total pension liability	114.62%	98.87%	96.44%	98.50%
Covered payroll	\$ 1,427,248	\$ 1,418,378	\$ 1,438,720	\$ 1,406,648
Net pension liability as a percentage of covered payroll	-54.22%	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, 2022**  
**(Unaudited)**

	<b>Fiscal Year End</b>			
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Actuarially determined contribution	\$ 95,737	\$ 103,690	\$ 98,497	\$ 105,780
Contributions in relation to the actuarially determined contribution	<u>(95,737)</u>	<u>(103,690)</u>	<u>(98,497)</u>	<u>(105,780)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 1,701,969	\$ 1,547,842	\$ 1,506,710	\$ 1,424,229
Contributions as a percentage of covered payroll	5.63%	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
\$ 105,166	\$ 149,206	\$ 156,157	\$ 204,395
(105,166)	(149,206)	(156,157)	(204,395)
\$ 0	\$ 0	\$ 0	\$ 0
\$ 1,478,999	\$ 1,325,373	\$ 1,342,761	\$ 1,349,856
7.11%	11.26%	11.63%	15.14%

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**August 31, 2022**

**1. Valuation Date**

The actuarially determined contribution rate was determined as of January 1, 2022, 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, 2023.

**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, 2022**

**4. Changes of Assumptions**

There were no changes in assumptions in the last two fiscal years.

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***COMBINING STATEMENTS***

***Nonmajor Governmental Funds***

**CITY OF TALLAPOOSA, GEORGIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**August 31, 2022**

	Special Revenue			
	Museum	Tallapoosa Community Planning Committee	Drug Forfeiture	Hotel/Motel Tax
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,836	\$ 1,440	\$ 143	\$ 0
Certificates of deposit	0	0	0	0
Taxes receivable	0	0	0	2,754
<b>Total assets</b>	<b>\$ 6,836</b>	<b>\$ 1,440</b>	<b>\$ 143</b>	<b>\$ 2,754</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 1,102
Due to other funds	0	0	0	1,652
Advances to other funds	0	0	0	0
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,754</b>
<b>Fund balances</b>				
Restricted for:				
Law enforcement	0	0	143	0
Capital outlay	0	0	0	0
Urban development	0	0	0	0
Committed for:				
Museum operations	6,836	0	0	0
Community planning	0	1,440	0	0
<b>Total fund balances</b>	<b>6,836</b>	<b>1,440</b>	<b>143</b>	<b>0</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,836</b>	<b>\$ 1,440</b>	<b>\$ 143</b>	<b>\$ 2,754</b>

Special Revenue	Capital Projects		Total Nonmajor Governmental Funds
	2010 SPLOST	2015 SPLOST	
Urban Development Action Grant			
\$ 105,330	\$ 81,791	\$ 660,076	\$ 855,616
673,691	0	0	673,691
0	0	0	2,754
<u>\$ 779,021</u>	<u>\$ 81,791</u>	<u>\$ 660,076</u>	<u>\$ 1,532,061</u>
\$ 0	\$ 0	\$ 0	\$ 1,102
0	14,944	0	16,596
92,805	0	0	92,805
<u>92,805</u>	<u>14,944</u>	<u>\$ 0</u>	<u>110,503</u>
0	0	0	143
0	66,847	660,076	726,923
686,216	0	0	686,216
0	0	0	6,836
0	0	0	1,440
<u>686,216</u>	<u>66,847</u>	<u>660,076</u>	<u>1,421,558</u>
<u>\$ 779,021</u>	<u>\$ 81,791</u>	<u>\$ 660,076</u>	<u>\$ 1,532,061</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, 2022**

	Special Revenue			
		Tallapoosa Community Planning Committee	Drug Forfeiture	Hotel/Motel Tax
REVENUES	Museum			
Taxes	\$ 0	\$ 0	\$ 0	\$ 29,111
Charges for services	3,852	0	0	0
Contributions	0	0	1,200	0
Interest	0	1	0	0
<b>Total revenues</b>	<b>3,852</b>	<b>1</b>	<b>1,200</b>	<b>29,111</b>
<b>EXPENDITURES</b>				
Current				
Public Safety	0	0	1,700	0
Culture and Recreation	2,112	0	0	0
Housing and Development	0	0	0	11,644
<b>Total expenditures</b>	<b>2,112</b>	<b>0</b>	<b>1,700</b>	<b>11,644</b>
Excess (deficiency) of revenues over (under) expenditures	<b>1,740</b>	<b>1</b>	<b>(500)</b>	<b>17,467</b>
Other financing sources (uses)				
Transfers in	0	0	0	0
Transfers out	0	0	0	(17,467)
Proceeds from sale of assets	0	0	0	0
Total other financing sources (uses)	<b>0</b>	<b>0</b>	<b>0</b>	<b>(17,467)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<b>1,740</b>	<b>1</b>	<b>(500)</b>	<b>0</b>
Fund balances, September 1	<b>5,096</b>	<b>1,439</b>	<b>643</b>	<b>0</b>
<b>Fund balances, August 31</b>	<b>\$ 6,836</b>	<b>\$ 1,440</b>	<b>\$ 143</b>	<b>\$ 0</b>

Special Revenue	Capital Projects		Total Nonmajor Governmental Funds
	2010 SPLOST	2015 SPLOST	
Urban Development Action Grant			
\$ 0	\$ 0	\$ 0	\$ 29,111
0	0	0	3,852
0	0	0	1,200
1,169	24	406	1,600
1,169	24	406	35,763
0	50,860	187,212	239,772
0	0	14,600	16,712
0	0	0	11,644
0	50,860	201,812	268,128
1,169	(50,836)	(201,406)	(232,365)
0	0	492,211	492,211
0	0	(173,080)	(190,547)
0	0	14,768	14,768
0	0	333,899	316,432
1,169	(50,836)	132,493	84,067
685,047	117,683	527,583	1,337,491
\$ 686,216	\$ 66,847	\$ 660,076	\$ 1,421,558

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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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,990,691	\$ 3,197,903
Certificates of deposit	143,443	142,871
Receivables (net)		
Intergovernmental	198,570	0
Taxes	131,885	119,241
Other	12,108	0
Due from other funds	16,596	4,661
Advances to other funds	92,805	92,805
Prepaid items	110,009	57,162
	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u><u>\$ 3,696,107</u></u>	<u><u>\$ 3,614,643</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 208,622	\$ 110,140
Intergovernmental payables	17,805	17,805
Accrued liabilities	15,422	12,774
Unearned revenue	0	13,900
	<u>                    </u>	<u>                    </u>
<b>Total liabilities</b>	<u>241,849</u>	<u>154,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	<u>23,359</u>	<u>29,187</u>
<b>FUND BALANCES</b>		
Nonspendable:		
Advances to other funds	92,805	92,805
Prepaid items	110,009	57,162
Restricted for capital outlay	70,408	63,816
Unassigned	3,157,677	3,217,054
	<u>                    </u>	<u>                    </u>
<b>Total fund balances</b>	<u>3,430,899</u>	<u>3,430,837</u>
<b>Total liabilities, deferred inflows of     resources and fund balances</b>	<u><u>\$ 3,696,107</u></u>	<u><u>\$ 3,614,643</u></u>



**CITY OF TALLAPOOSA, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
*For the fiscal years ended August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Taxes	\$ 2,816,944	\$ 2,495,302
Licenses and permits	20,788	18,100
Fines, fees and forfeitures	151,188	115,450
Charges for services	72,191	50,531
Intergovernmental	454,143	96,875
Interest	623	1,115
Contributions	41,860	2,451
Other	25,956	38,642
<b>Total revenues</b>	<u>3,583,693</u>	<u>2,818,466</u>
<b>EXPENDITURES</b>		
Current		
General Government	544,437	404,166
Public Safety	1,761,615	1,298,150
Public Works	984,095	409,268
Health and Welfare	59,977	47,693
Culture and Recreation	528,406	561,836
<b>Total expenditures</b>	<u>3,878,530</u>	<u>2,721,113</u>
Excess of revenues over expenditures	<u>(294,837)</u>	<u>97,353</u>
Other financing sources (uses)		
Transfers in (out)		
American Rescue Plan Fund	330,082	0
Hotel/Motel Tax Fund	17,467	13,100
2018 TSPLOST Fund	(63,816)	(73,414)
Water and Sewer Fund	261,053	291,056
Gas Fund	268,652	286,927
Sanitation Fund	46,179	39,635
Golf Fund	(564,718)	(338,383)
Total other financing sources (uses)	<u>294,899</u>	<u>218,921</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	62	316,274
Fund balances, September 1	<u>3,430,837</u>	<u>3,114,563</u>
<b>Fund balances, August 31</b>	<u><u>\$ 3,430,899</u></u>	<u><u>\$ 3,430,837</u></u>

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**CITY OF TALLAPOOSA, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended August 31, 2022**  
**(With comparative actual amounts for the fiscal year ended August 31, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
General property taxes				
Real and personal tax	\$ 1,017,079	\$ 1,025,069	\$ 7,990	\$ 881,393
Motor vehicle tax	133,412	131,178	(2,234)	135,017
Mobile home tax	2,146	2,146	0	2,808
Cost, penalties and interest	4,261	4,262	1	7,628
Total general property taxes	1,156,898	1,162,655	5,757	1,026,846
Local option sales tax	840,000	859,389	19,389	716,257
Franchise tax	353,288	353,217	(71)	343,369
Insurance premium tax	273,057	263,338	(9,719)	254,989
Intangibles tax	32,000	37,112	5,112	22,935
Beer and wine tax	76,781	78,768	1,987	72,398
Occupational tax	36,112	46,645	10,533	44,183
Energy excise tax	15,819	15,820	1	14,325
Total taxes	2,783,955	2,816,944	32,989	2,495,302
<b>Licenses and permits</b>				
Alcohol licenses	12,025	12,025	0	10,400
Building permits	7,294	8,463	1,169	7,100
Other permits	300	300	0	600
Total licenses and permits	19,619	20,788	1,169	18,100
<b>Fines, fees and forfeitures</b>	145,230	151,188	5,958	115,450
<b>Charges for Services</b>				
Cemetery charges	15,150	15,150	0	30,850
Senior center charges	8,620	13,825	5,205	1,656
Recreation fees	32,291	43,000	10,709	17,017
Other charges for services	216	216	0	1,008
Total charges for services	56,277	72,191	15,914	50,531
<b>Intergovernmental</b>	246,248	454,143	207,895	96,875
<b>Interest</b>	51	623	572	1,115
<b>Contributions</b>	32,535	41,860	9,325	2,451
<b>Other</b>				
Rental Income	5,150	5,150	0	750
Miscellaneous	17,397	20,806	3,409	37,892
Total other	22,547	25,956	3,409	38,642
<b>Total revenues</b>	<b>\$ 3,306,462</b>	<b>\$ 3,583,693</b>	<b>\$ 277,231</b>	<b>\$ 2,818,466</b>

**CITY OF TALLAPOOSA, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended August 31, 2022**  
**(With comparative actual amounts for the fiscal year ended August 31, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Administration				
Personal services	\$ 305,358	\$ 305,127	\$ 231	\$ 226,557
Contract services	100,384	96,904	3,480	48,261
Materials and supplies	37,384	41,190	(3,806)	46,415
Capital Outlay	2,800	0	2,800	0
Total Administration	445,926	443,221	2,705	321,233
Mayor and Council				
Personal services	21,947	21,946	1	33,562
Contract services	75,769	63,777	11,992	29,055
Total Mayor and Council	97,716	85,723	11,993	62,617
Other General Government				
Personal services	13,935	13,399	536	20,316
Contract services	2,421	2,094	2,094	0
Total Other General Government	16,356	15,493	2,630	20,316
Total General Government	559,998	544,437	17,328	404,166
<b>Public Safety</b>				
Police Department				
Personal services	941,373	933,933	7,440	884,360
Contract services	450,713	127,718	322,995	81,535
Materials and supplies	104,371	124,450	(20,079)	81,252
Capital outlay	42,500	320,102	(277,602)	0
Total Police Department	1,538,957	1,506,203	32,754	1,047,147
Fire Department				
Contract services	255,424	255,412	12	251,003
Total Fire Department	255,424	255,412	12	251,003
Total Public Safety	1,794,381	1,761,615	32,766	1,298,150
<b>Public Works</b>				
Highways and Streets				
Personal services	120,666	118,339	2,327	125,519
Contract services	199,253	197,171	2,082	99,551
Materials and supplies	182,822	168,530	14,292	150,764
Capital outlay	310,100	484,101	(174,001)	12,836
Total Highways and Streets	812,841	968,141	(155,300)	388,670

**CITY OF TALLAPOOSA, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the fiscal year ended August 31, 2022**  
**(With comparative actual amounts for the fiscal year ended August 31, 2021)**

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Public Works, continued</b>				
Cemetery				
Personal services	\$ 0	\$ 0	\$ 0	\$ 11,682
Contract services	8,816	6,661	2,155	4,581
Materials and supplies	2,057	9,293	(7,236)	1,335
Capital outlay	7,500	0	7,500	3,000
Total Cemetery	18,373	15,954	2,419	20,598
Total Public Works	831,214	984,095	(152,881)	409,268
<b>Health and Welfare</b>				
Senior Center				
Personal services	25,515	24,800	715	25,328
Contract services	15,232	13,943	1,289	7,765
Materials and supplies	19,993	21,234	(1,241)	14,600
Capital outlay	1,900	0	1,900	0
Total Senior Center	62,640	59,977	2,663	47,693
Total Health and Welfare	62,640	59,977	2,663	47,693
<b>Culture and Recreation</b>				
Recreation				
Personal services	99,055	98,390	665	92,291
Contract services	108,312	104,317	3,995	50,032
Materials and supplies	58,165	78,202	(20,037)	36,218
Capital outlay	16,400	40,050	(23,650)	9,500
Total Recreation	281,932	320,959	(39,027)	188,041
Museum				
Personal services	13,470	13,313	157	16,073
Contract services	30,818	15,749	15,069	11,188
Materials and supplies	20,863	22,864	(2,001)	15,654
Capital outlay	1,885	13,000	(11,115)	0
Total Museum	67,036	64,926	2,110	42,915
Library				
Personal services	95,857	95,533	324	99,434
Contract services	21,223	18,890	2,333	13,490
Materials and supplies	24,545	28,098	(3,553)	22,855
Capital outlay	4,385	0	4,385	195,101
Total Library	146,010	142,521	3,489	330,880
Total Culture and Recreation	494,978	528,406	(33,428)	561,836
Total Expenditures	\$ 3,743,211	\$ 3,878,530	\$ (133,552)	\$ 2,721,113

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### ***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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,836	\$ 5,096
<b>Total assets</b>	<u>\$ 6,836</u>	<u>\$ 5,096</u>
<b>FUND BALANCES</b>		
Committed for museum operations	\$ 6,836	\$ 5,096
<b>Total liabilities and fund balances</b>	<u>\$ 6,836</u>	<u>\$ 5,096</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, 2022**  
*(With comparative actual amounts for the fiscal year ended August 31, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 0	\$ 3,852	\$ 3,852	\$ 1,046
<b>Total revenues</b>	<u>0</u>	<u>3,852</u>	<u>3,852</u>	<u>1,046</u>
<b>EXPENDITURES</b>				
Current				
Culture and Recreation				
Contract services	0	1,347	(1,347)	1,154
Materials and supplies	<u>0</u>	<u>765</u>	<u>(765)</u>	<u>469</u>
<b>Total expenditures</b>	<u>0</u>	<u>2,112</u>	<u>(2,112)</u>	<u>1,623</u>
Excess (deficiency) of revenues over (under) expenditures	0	1,740	1,740	(577)
Fund balances, September 1	<u>0</u>	<u>5,096</u>	<u>5,096</u>	<u>5,673</u>
<b>Fund balances, August 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 6,836</u></u>	<u><u>\$ 6,836</u></u>	<u><u>\$ 5,096</u></u>

**CITY OF TALLAPOOSA, GEORGIA  
TALLAPOOSA COMMUNITY PLANNING COMMITTEE  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,440	\$ 1,439
<b>Total assets</b>	<u>\$ 1,440</u>	<u>\$ 1,439</u>
 <b>FUND BALANCES</b>		
Committed for community planning	\$ 1,440	\$ 1,439
<b>Total liabilities and fund balances</b>	<u>\$ 1,440</u>	<u>\$ 1,439</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, 2022**  
*(With comparative actual amounts for the fiscal year ended August 31, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Interest	\$ 1	\$ 1	\$ 0	\$ 1
<b>Total revenues</b>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>
<b>EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	1	1	0	1
Fund balances, September 1	<u>(1)</u>	<u>1,439</u>	<u>1,440</u>	<u>1,438</u>
<b>Fund balances, August 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 1,440</u></u>	<u><u>\$ 1,440</u></u>	<u><u>\$ 1,439</u></u>

**CITY OF TALLAPOOSA, GEORGIA  
DRUG FORFEITURE  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 143	\$ 643
<b>Total assets</b>	<u>\$ 143</u>	<u>\$ 643</u>
 <b>FUND BALANCES</b>		
Restricted for law enforcement	<u>\$ 143</u>	<u>\$ 643</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, 2022**  
*(With comparative actual amounts for the fiscal year ended August 31, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Contributions	\$ 0	\$ 1,200	\$ 1,200	\$ 2,620
<b>Total revenues</b>	<u>0</u>	<u>1,200</u>	<u>1,200</u>	<u>2,620</u>
<b>EXPENDITURES</b>				
Current				
Public Safety				
Contract services	<u>0</u>	<u>1,700</u>	<u>(1,700)</u>	<u>3,500</u>
<b>Total expenditures</b>	<u>0</u>	<u>1,700</u>	<u>(1,700)</u>	<u>3,500</u>
Excess (deficiency) of revenues over (under) expenditures	0	(500)	(500)	(880)
Fund balances, September 1	<u>0</u>	<u>643</u>	<u>643</u>	<u>1,523</u>
<b>Fund balances, August 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 143</u></u>	<u><u>\$ 143</u></u>	<u><u>\$ 643</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**HOTEL/MOTEL TAX**  
**SPECIAL REVENUE FUND**  
**COMPARATIVE BALANCE SHEETS**  
*August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Taxes receivable	\$ 2,754	\$ 1,768
<b>Total assets</b>	<u>\$ 2,754</u>	<u>\$ 1,768</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,102	\$ 707
Due to other funds	<u>1,652</u>	<u>1,061</u>
<b>Total liabilities</b>	<u>\$ 2,754</u>	<u>\$ 1,768</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, 2022**  
*(With comparative actual amounts for the fiscal year ended August 31, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes	\$ 0	\$ 29,111	\$ 29,111	\$ 21,834
<b>Total revenues</b>	<b>0</b>	<b>29,111</b>	<b>29,111</b>	<b>21,834</b>
<b>EXPENDITURES</b>				
Current				
Housing and Development				
Payments to others	0	11,644	(11,644)	8,734
<b>Total expenditures</b>	<b>0</b>	<b>11,644</b>	<b>(11,644)</b>	<b>8,734</b>
Excess (deficiency) of revenues over (under) expenditures	0	17,467	17,467	13,100
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(17,467)	(17,467)	(13,100)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	0
Fund balances, September 1	0	0	0	0
<b>Fund balances, August 31</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**CITY OF TALLAPOOSA, GEORGIA  
URBAN DEVELOPMENT ACTION GRANT  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 105,330	\$ 105,278
Certificates of deposit	<u>673,691</u>	<u>672,574</u>
<b>Total assets</b>	<u><u>\$ 779,021</u></u>	<u><u>\$ 777,852</u></u>
 <b>LIABILITIES</b>		
Advances from other funds	\$ 92,805	\$ 92,805
 <b>FUND BALANCES</b>		
Restricted for urban development	<u>686,216</u>	<u>685,047</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 779,021</u></u>	<u><u>\$ 777,852</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, 2022**  
*(With comparative actual amounts for the fiscal year ended August 31, 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
Interest	\$ 26	\$ 1,169	\$ 1,143	\$ 3,372
<b>Total revenues</b>	<u>26</u>	<u>1,169</u>	<u>1,143</u>	<u>3,372</u>
<b>EXPENDITURES</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	26	1,169	1,143	3,372
Fund balances, September 1	<u>(26)</u>	<u>685,047</u>	<u>685,073</u>	<u>681,675</u>
<b>Fund balances, August 31</b>	<u>\$ 0</u>	<u>\$ 686,216</u>	<u>\$ 686,216</u>	<u>\$ 685,047</u>

**CITY OF TALLAPOOSA, GEORGIA  
AMERICAN RESCUE PLAN  
SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEETS  
August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 874,524	\$ 594,714
<b>Total assets</b>	<u>\$ 874,524</u>	<u>\$ 594,714</u>
<b>LIABILITIES</b>		
Unearned revenue	\$ 874,385	\$ 594,698
<b>FUND BALANCES</b>		
Restricted for grant specifications	<u>139</u>	<u>16</u>
<b>Total liabilities and fund balances</b>	<u>\$ 874,524</u>	<u>\$ 594,714</u>

**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, 2022  
(With comparative actual amounts for the fiscal year ended August 31, 2021)**

	2022			2021
	Final Budget	Actual	Variance	Actual
<b>REVENUES</b>				
Intergovernmental	\$ 0	\$ 330,082	\$ 330,082	\$ 0
Interest	0	123	123	16
<b>Total revenues</b>	0	330,205	330,205	16
<b>EXPENDITURES</b>	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	330,205	330,205	16
Other financing sources (uses)				
Transfers in (out)				
General Fund	(330,082)	(330,082)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(330,082)	123	330,205	16
Fund balances, September 1	330,082	16	(330,066)	0
<b>Fund balances, August 31</b>	<u>\$ 0</u>	<u>\$ 139</u>	<u>\$ 139</u>	<u>\$ 16</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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 81,791	\$ 118,883
<b>Total assets</b>	<u><u>\$ 81,791</u></u>	<u><u>\$ 118,883</u></u>
 <b>LIABILITIES</b>		
Due to other funds	\$ 14,944	\$ 1,200
 <b>FUND BALANCES</b>		
Restricted for capital outlay	<u>66,847</u>	<u>117,683</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 81,791</u></u>	<u><u>\$ 118,883</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Interest	\$ 24	\$ 24
<b>Total revenues</b>	<u>24</u>	<u>24</u>
<b>EXPENDITURES</b>		
Capital outlay		
Public Safety	<u>50,860</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,836)</u>	<u>24</u>
Fund balances, September 1	<u>117,683</u>	<u>117,659</u>
<b>Fund balances, August 31</b>	<u><u>\$ 66,847</u></u>	<u><u>\$ 117,683</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**2015 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 660,076	\$ 1,047,950
<b>Total assets</b>	<u>\$ 660,076</u>	<u>\$ 1,047,950</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 25,756
Due to other funds	<u>0</u>	<u>494,611</u>
Total liabilities	0	520,367
<b>FUND BALANCES</b>		
Restricted for capital outlay	<u>660,076</u>	<u>527,583</u>
<b>Total liabilities and fund balances</b>	<u>\$ 660,076</u>	<u>\$ 1,047,950</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Intergovernmental	\$ 0	\$ 62,383
Interest	<u>406</u>	<u>553</u>
Total revenues	<u>406</u>	<u>62,936</u>
<b>EXPENDITURES</b>		
Capital outlay		
General Government	0	10,474
Public Safety	187,212	25,756
Culture and Recreation	<u>14,600</u>	<u>0</u>
Total expenditures	<u>201,812</u>	<u>36,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201,406)</u>	<u>26,706</u>
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Fund	492,211	0
Water and Sewer Fund	(173,080)	(138,855)
Proceeds from sale of assets	<u>14,768</u>	<u>0</u>
Total other financing sources (uses)	<u>333,899</u>	<u>(138,855)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	132,493	(112,149)
Fund balances, September 1	<u>527,583</u>	<u>639,732</u>
<b>Fund balances, August 31</b>	<u><u>\$ 660,076</u></u>	<u><u>\$ 527,583</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**2021 SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
*August 31, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 655,096	\$ 119,857
Intergovernmental receivables	<u>98,086</u>	<u>82,141</u>
<b>Total assets</b>	<u><u>\$ 753,182</u></u>	<u><u>\$ 201,998</u></u>
 <b>FUND BALANCES</b>		
Restricted for capital outlay	<u><u>\$ 753,182</u></u>	<u><u>\$ 201,998</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**2021 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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Intergovernmental	\$ 551,085	\$ 202,005
Interest	195	9
Total revenues	<u>551,280</u>	<u>202,014</u>
<b>EXPENDITURES</b>		
Capital outlay		
Public Safety	<u>96</u>	<u>16</u>
Total expenditures	<u>96</u>	<u>16</u>
Excess (deficiency) of revenues over (under) expenditures	<u>551,184</u>	<u>201,998</u>
Fund balances, September 1	<u>201,998</u>	<u>0</u>
<b>Fund balances, August 31</b>	<u><u>\$ 753,182</u></u>	<u><u>\$ 201,998</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**2018 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX**  
**CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEETS**  
**August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 680,438	\$ 652,075
Intergovernmental receivables	<u>40,653</u>	<u>34,125</u>
<b>Total assets</b>	<u><u>\$ 721,091</u></u>	<u><u>\$ 686,200</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 0	\$ 108,258
<b>FUND BALANCES</b>		
Restricted for capital outlay	<u>721,091</u>	<u>577,942</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 721,091</u></u>	<u><u>\$ 686,200</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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>REVENUES</b>		
Intergovernmental	\$ 340,957	\$ 397,095
Total revenues	<u>340,957</u>	<u>397,095</u>
<b>EXPENDITURES</b>		
Capital outlay		
Public Works	<u>261,624</u>	<u>405,205</u>
Excess (deficiency) of revenues over (under) expenditures	79,333	(8,110)
Other financing sources (uses)		
Transfers in (out)		
General Fund	<u>63,816</u>	<u>73,414</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	143,149	65,304
Fund balances, September 1	<u>577,942</u>	<u>512,638</u>
<b>Fund balances, August 31</b>	<u><u>\$ 721,091</u></u>	<u><u>\$ 577,942</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, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable (net)	\$ 249,055	\$ 250,504
Intergovernmental receivable	68,965	17,433
Due from other funds	0	492,211
Inventory	5,000	5,000
Prepaid items	23,436	11,730
Total current assets	<u>346,456</u>	<u>776,878</u>
<b>Restricted assets</b>		
Customer deposits		
Cash and cash equivalents	72,744	72,305
Debt redemption		
Cash and cash equivalents	2,663	2,663
Certificates of deposit	1,161,305	1,158,506
Construction fund		
Cash and cash equivalents	12,705	12,704
Total restricted assets	<u>1,249,417</u>	<u>1,246,178</u>
<b>Noncurrent assets</b>		
Net pension asset	136,531	0
Capital assets		
Nondepreciable	162,749	8,378
Depreciable (net)	12,271,043	12,527,549
Total noncurrent assets	<u>12,570,323</u>	<u>12,535,927</u>
<b>Total assets</b>	<u>14,166,196</u>	<u>14,558,983</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	<u>31,987</u>	<u>37,994</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	129,670	97,283
Accrued liabilities	3,323	1,926
Retainage payable	7,261	1,000
Compensated absences	14,706	11,638
Total current liabilities	<u>154,960</u>	<u>111,847</u>
<b>Current liabilities payable from restricted assets</b>		
Customer deposits payable	72,744	72,305
Accrued interest payable	8,802	9,159
Notes payable	163,547	168,187
Total current liabilities payable from restricted assets	<u>245,093</u>	<u>249,651</u>



**CITY OF TALLAPOOSA, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Noncurrent liabilities</b>		
Net pension liability	\$ 0	\$ 9,366
Notes payable	<u>5,293,187</u>	<u>5,315,461</u>
Total noncurrent liabilities	<u>5,293,187</u>	<u>5,324,827</u>
<b>Total liabilities</b>	<u>5,693,240</u>	<u>5,686,325</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	<u>118,454</u>	<u>17,306</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,936,085	7,050,490
Restricted for debt service	1,155,166	1,161,168
Unrestricted	<u>295,238</u>	<u>681,688</u>
<b>Total net position</b>	<u><u>\$ 8,386,489</u></u>	<u><u>\$ 8,893,346</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, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Water charges	\$ 1,074,156	\$ 1,009,999
Sewer charges	707,867	697,298
Tap fees	20,500	6,250
Other	5,922	20,094
	<u>1,808,445</u>	<u>1,733,641</u>
<b>Total operating revenues</b>	<u>1,808,445</u>	<u>1,733,641</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	1,019,121	957,239
Personal services	367,581	360,921
Depreciation	256,506	260,559
	<u>1,643,208</u>	<u>1,578,719</u>
<b>Total operating expenses</b>	<u>1,643,208</u>	<u>1,578,719</u>
Operating income (loss)	<u>165,237</u>	<u>154,922</u>
Non-operating revenues (expenses)		
Intergovernmental revenue	11,900	96
Interest revenue	2,800	5,076
Interest expense	(106,610)	(83,812)
	<u>(91,910)</u>	<u>(78,640)</u>
<b>Total non-operating revenues (expenses)</b>	<u>(91,910)</u>	<u>(78,640)</u>
Net income (loss) before transfers	<u>73,327</u>	<u>76,282</u>
Transfers in (out)		
General Fund	(261,053)	(291,056)
2015 SPLOST Fund	(492,211)	0
2015 SPLOST Fund	173,080	138,855
	<u>(580,184)</u>	<u>(152,201)</u>
<b>Total transfers in (out)</b>	<u>(580,184)</u>	<u>(152,201)</u>
Change in net position	(506,857)	(75,919)
Net position, September 1	<u>8,893,346</u>	<u>8,969,265</u>
<b>Net position, August 31</b>	<u><u>\$ 8,386,489</u></u>	<u><u>\$ 8,893,346</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,804,411	\$ 1,690,456
Payments to suppliers	(1,038,512)	(951,278)
Payments to employees	(403,255)	(376,847)
Other receipts	5,923	20,094
	<hr/>	<hr/>
Net cash provided (used) by operating activities	368,567	382,425
	<hr/>	<hr/>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	(261,053)	(291,056)
	<hr/>	<hr/>
<b>Cash flows from capital and related financing activities:</b>		
Receipts from other funds	173,080	138,855
Receipts from other governments	10,901	0
Payments for acquisitions of capital assets	(100,693)	(20,938)
Payment of capital related accounts payable	(4,949)	(901)
Payment of retainage payable	(1,000)	0
Proceeds from promissory notes	90,740	0
Principal payments - promissory notes	(168,187)	(132,046)
Interest paid	(106,967)	(74,653)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(107,075)	(89,683)
	<hr/>	<hr/>
<b>Cash flows from investing activities:</b>		
Purchases of certificates of deposit	(2,799)	(5,074)
Interest received	2,800	5,076
	<hr/>	<hr/>
Net cash provided (used) by investing activities	1	2
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	440	1,688
Cash and cash equivalents, September 1	87,672	85,984
	<hr/>	<hr/>
<b>Cash and cash equivalents, August 31</b>	<b>\$ 88,112</b>	<b>\$ 87,672</b>
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**CITY OF TALLAPOOSA, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 165,237	\$ 154,922
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	256,506	260,559
(Increase) decrease in accounts receivable	1,449	(24,776)
(Increase) decrease in prepaid items	(11,706)	(1,763)
(Increase) decrease in net pension asset	(145,897)	0
(Increase) decrease in deferred outflows of resources - pension	6,007	(21,086)
Increase (decrease) in accounts payable	(9,081)	6,590
Increase (decrease) in accrued liabilities	1,397	1,134
Increase (decrease) in customer deposits payable	439	1,685
Increase (decrease) in compensated absences	3,068	1,515
Increase (decrease) in net pension liability	0	(8,871)
Increase (decrease) in deferred inflows of resources - pension	101,148	12,516
Total adjustments	<u>203,330</u>	<u>227,503</u>
Net cash provided (used) by operating activities	<u>\$ 368,567</u>	<u>\$ 382,425</u>
<b>Cash and cash equivalents reconciliation:</b>		
Restricted for:		
Customer deposits		
Cash and cash equivalents	\$ 72,744	\$ 72,305
Debt redemption		
Cash and cash equivalents	2,663	2,663
Construction fund		
Cash and cash equivalents	<u>12,705</u>	<u>12,704</u>
Total cash and cash equivalents	<u>\$ 88,112</u>	<u>\$ 87,672</u>

**Noncash investing, capital, and financing activities:**

Acquisition of capital assets through capital-related payables totaled \$46,417 and \$4,949 for the fiscal years ended August 31, 2022 and 2021, respectively.

Acquisition of capital assets through retainage payable totaled \$7,261 and \$0 for the fiscal years ended August 31, 2022 and 2021, respectively.

Increase in notes payable through intergovernmental receivable totaled \$50,533 and \$4,853 for the fiscal years ended August 31, 2022 and 2021, respectively.

Decrease in due from other funds through transfers out totaled \$492,211 and \$0 for

**CITY OF TALLAPOOSA, GEORGIA**  
**GAS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 20,376	\$ 19,842
Certificates of deposit	260,939	260,467
Accounts receivable (net)	154,960	102,113
Inventory	12,272	18,697
Prepaid items	16,454	6,682
Total current assets	<u>465,001</u>	<u>407,801</u>
<b>Restricted assets</b>		
Customer deposits		
Cash and cash equivalents	7,671	8,190
Certificates of deposit	42,494	42,325
Total restricted assets	<u>50,165</u>	<u>50,515</u>
<b>Noncurrent assets</b>		
Net pension asset	171,886	0
Capital assets		
Depreciable (net)	1,556,409	1,594,330
Total noncurrent assets	<u>1,728,295</u>	<u>1,594,330</u>
<b>Total assets</b>	<u>2,243,461</u>	<u>2,052,646</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	<u>45,551</u>	<u>26,423</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	78,389	21,010
Accrued liabilities	4,836	4,078
Compensated absences	19,629	18,485
Total current liabilities	102,854	43,573
<b>Current liabilities payable from restricted assets</b>		
Customer deposits payable	50,165	50,515
<b>Noncurrent liabilities</b>		
Net pension liability	0	12,300
<b>Total liabilities</b>	<u>153,019</u>	<u>106,388</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	<u>149,128</u>	<u>22,726</u>
<b>NET POSITION</b>		
Investment in capital assets	1,556,409	1,594,330
Unrestricted	430,456	355,625
<b>Total net position</b>	<u>\$ 1,986,865</u>	<u>\$ 1,949,955</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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Gas charges	\$ 1,654,526	\$ 1,355,917
Tap fees	5,050	1,200
Other	20,720	19,103
<b>Total operating revenues</b>	<u>1,680,296</u>	<u>1,376,220</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	986,046	628,549
Personal services	351,422	417,782
Depreciation	37,921	36,987
<b>Total operating expenses</b>	<u>1,375,389</u>	<u>1,083,318</u>
Operating income (loss)	304,907	292,902
Non-operating revenues (expenses)		
Interest revenue	655	800
Net income (loss) before transfers	305,562	293,702
Transfers in (out)		
General Fund	<u>(268,652)</u>	<u>(286,927)</u>
Change in net position	36,910	6,775
Net position, September 1	<u>1,949,955</u>	<u>1,943,180</u>
<b>Net position, August 31</b>	<u><u>\$ 1,986,865</u></u>	<u><u>\$ 1,949,955</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**GAS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 1,606,379	\$ 1,358,430
Payments to suppliers	(931,256)	(588,037)
Payments to employees	(427,190)	(451,620)
Other receipts	<u>20,720</u>	<u>19,103</u>
Net cash provided (used) by operating activities	<u>268,653</u>	<u>337,876</u>
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>(268,652)</u>	<u>(286,927)</u>
<b>Cash flows from capital and related financing activities:</b>		
Payments for acquisitions of capital assets	<u>0</u>	<u>(50,950)</u>
Net cash provided (used) by capital and related financing activities	<u>0</u>	<u>(50,950)</u>
<b>Cash flows from investing activities:</b>		
Purchases of certificates of deposit	(641)	(785)
Interest received	<u>655</u>	<u>800</u>
Net cash provided (used) by investing activities	<u>14</u>	<u>15</u>
Net increase (decrease) in cash and cash equivalents	15	14
Cash and cash equivalents, September 1	<u>28,032</u>	<u>28,018</u>
<b>Cash and cash equivalents, August 31</b>	<u><u>\$ 28,047</u></u>	<u><u>\$ 28,032</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**GAS ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 304,907	\$ 292,902
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	37,921	36,987
(Increase) decrease in accounts receivable	(52,847)	1,438
(Increase) decrease in inventory	6,425	41,039
(Increase) decrease in prepaid items	(9,772)	(1,072)
(Increase) decrease in net pension asset	(184,186)	0
(Increase) decrease in deferred outflows of resources - pension	(19,128)	522
Increase (decrease) in accounts payable	57,379	(580)
Increase (decrease) in accrued liabilities	758	1,125
Increase (decrease) in customer deposits payable	(350)	(125)
Increase (decrease) in compensated absences	1,144	(5,321)
Increase (decrease) in net pension liability	0	(30,419)
Increase (decrease) in deferred inflows of resources - pension	126,402	1,380
Total adjustments	<u>(36,254)</u>	<u>44,974</u>
Net cash provided (used) by operating activities	<u>\$ 268,653</u>	<u>\$ 337,876</u>
<b>Cash and cash equivalents reconciliation:</b>		
Cash and cash equivalents	\$ 20,376	\$ 19,842
Restricted for customer deposits		
Cash and cash equivalents	<u>7,671</u>	<u>8,190</u>
Total cash and cash equivalents	<u>\$ 28,047</u>	<u>\$ 28,032</u>



**CITY OF TALLAPOOSA, GEORGIA**  
**GOLF ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 200	\$ 200
Accounts receivable (net)	10,583	9,512
Intergovernmental receivables	1,246,121	985,574
Prepaid items	11,692	6,088
Total current assets	<u>1,268,596</u>	<u>1,001,374</u>
<b>Noncurrent assets</b>		
Net pension asset	39,759	0
Capital assets		
Nondepreciable	142,816	142,816
Depreciable (net)	176,675	181,525
Total noncurrent assets	<u>359,250</u>	<u>324,341</u>
<b>Total assets</b>	<u>1,627,846</u>	<u>1,325,715</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pension	<u>13,149</u>	<u>4,611</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	27,729	14,344
Accrued liabilities	9,086	5,735
Compensated absences	1,660	1,535
Notes payable	32,316	40,163
Total current liabilities	<u>70,791</u>	<u>61,777</u>
<b>Noncurrent liabilities</b>		
Net pension liability	0	3,051
Notes payable	31,809	68,104
Total noncurrent liabilities	<u>31,809</u>	<u>71,155</u>
<b>Total liabilities</b>	<u>102,600</u>	<u>132,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - pension	<u>34,495</u>	<u>12,933</u>
<b>NET POSITION</b>		
Net investment in capital assets	255,366	216,074
Unrestricted	1,248,534	968,387
<b>Total net position</b>	<u>\$ 1,503,900</u>	<u>\$ 1,184,461</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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Golf charges	\$ 506,951	\$ 497,721
Other	11,133	7,890
<b>Total operating revenues</b>	<u>518,084</u>	<u>505,611</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	408,694	265,600
Personal services	296,732	221,237
Depreciation	54,881	42,991
<b>Total operating expenses</b>	<u>760,307</u>	<u>529,828</u>
Operating income (loss)	(242,223)	(24,217)
Non-operating revenues (expenses)		
Interest expense	<u>(3,056)</u>	<u>(4,127)</u>
Net income (loss) before transfers	(245,279)	(28,344)
Transfers in (out)		
General Fund	<u>564,718</u>	<u>338,383</u>
Change in net position	319,439	310,039
Net position, September 1	<u>1,184,461</u>	<u>874,422</u>
<b>Net position, August 31</b>	<u><u>\$ 1,503,900</u></u>	<u><u>\$ 1,184,461</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**GOLF ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 245,333	\$ 233,254
Payments to suppliers	(397,562)	(264,584)
Payments to employees	(326,393)	(232,010)
Other receipts	11,133	7,890
	<u>(467,489)</u>	<u>(255,450)</u>
<b>Cash flows from non-capital financing activities:</b>		
Receipts from other funds	564,718	338,383
<b>Cash flows from capital and related financing activities:</b>		
Payments for acquisitions of capital assets	(50,031)	(40,355)
Principal payments - notes payable	(44,142)	(38,451)
Interest paid	(3,056)	(4,127)
	<u>(97,229)</u>	<u>(82,933)</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
<b>Cash and cash equivalents, August 31</b>	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (242,223)	\$ (24,217)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	54,881	42,991
(Increase) decrease in accounts receivable	(1,071)	(1,193)
(Increase) decrease in intergovernmental receivables	(260,547)	(263,274)
(Increase) decrease in prepaid items	(5,604)	(934)
(Increase) decrease in net pension asset	(42,810)	0
(Increase) decrease in deferred outflows of resources - pension	(8,538)	2,034
Increase (decrease) in accounts payable	13,385	1,338
Increase (decrease) in accrued liabilities	3,351	612
Increase (decrease) in compensated absences	125	(1,486)
Increase (decrease) in net pension liability	0	(11,992)
Increase (decrease) in deferred inflows of resources - pension	21,562	671
	<u>(225,266)</u>	<u>(231,233)</u>
Total adjustments		
Net cash provided (used) by operating activities	<u><u>\$ (467,489)</u></u>	<u><u>\$ (255,450)</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF NET POSITION**  
**August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable (net)	\$ 28,055	\$ 28,354
Prepaid items	<u>6,219</u>	<u>3,710</u>
<b>Total assets</b>	<u>34,274</u>	<u>32,064</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	<u>26,631</u>	<u>25,709</u>
<b>Total liabilities</b>	<u>26,631</u>	<u>25,709</u>
<b>NET POSITION</b>		
Unrestricted	<u>7,643</u>	<u>6,355</u>
<b>Total net position</b>	<u><u>\$ 7,643</u></u>	<u><u>\$ 6,355</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, 2022 and 2021*

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Charges for sales and services		
Sanitation charges	\$ 366,418	\$ 358,497
<b>Total operating revenues</b>	<u>366,418</u>	<u>358,497</u>
<b>OPERATING EXPENSES</b>		
Costs of sales and services	318,951	308,348
Personal services	<u>0</u>	<u>11,848</u>
<b>Total operating expenses</b>	<u>318,951</u>	<u>320,196</u>
Operating income (loss)	47,467	38,301
Transfers in (out)		
General Fund	<u>(46,179)</u>	<u>(39,635)</u>
Change in net position	1,288	(1,334)
Net position, September 1	<u>6,355</u>	<u>7,689</u>
<b>Net position, August 31</b>	<u><u>\$ 7,643</u></u>	<u><u>\$ 6,355</u></u>

**CITY OF TALLAPOOSA, GEORGIA**  
**SANITATION ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**For the fiscal years ended August 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 366,717	\$ 358,473
Payments to suppliers	(320,538)	(306,990)
Payments to employees	<u>0</u>	<u>(11,848)</u>
Net cash provided (used) by operating activities	46,179	39,635
<b>Cash flows from non-capital financing activities:</b>		
Payments to other funds	<u>(46,179)</u>	<u>(39,635)</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, September 1	<u>0</u>	<u>0</u>
<b>Cash and cash equivalents, August 31</b>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	<u>\$ 47,467</u>	<u>\$ 38,301</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in accounts receivable	299	(24)
(Increase) decrease in prepaid items	(2,509)	(378)
Increase (decrease) in accounts payable	<u>922</u>	<u>1,736</u>
Total adjustments	<u>(1,288)</u>	<u>1,334</u>
Net cash provided (used) by operating activities	<u><u>\$ 46,179</u></u>	<u><u>\$ 39,635</u></u>

### ***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, 2022**

**ASSETS**

Cash and cash equivalents	\$ 4,112
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**LIABILITIES**

Due to others	4,112
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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, 2022*

**ADDITIONS**

Fines and forfeitures collected for other governments	\$ 50,984
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**DEDUCTIONS**

Distributions of fines and forfeitures to other governments	50,984
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Change in net position	0
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Net position, September 1	0
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<b>Net position, August 31</b>	<b>\$ 0</b>
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***OTHER REPORTING SECTION***

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## ***SINGLE AUDIT SECTION***

This section contains reports required by the Uniform Guidance and grantor agencies.

**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, 2022, 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 27, 2023.

**Report on 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 deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be material weaknesses.

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 deficiency described in the accompanying schedule of findings and questioned cost as item 2022-003 to be a significant deficiency.

**Report on 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 instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-004.

### **City of Tallapoosa, Georgia's Responses to Findings**

City of Tallapoosa, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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.

*Rushion, LLC*

Certified Public Accountants

Gainesville, Georgia  
February 27, 2023

**Independent Auditor's Report on Compliance for Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Tallapoosa, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Tallapoosa's major federal programs for the year ended August 31, 2022. The City of Tallapoosa, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Tallapoosa, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Tallapoosa, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Tallapoosa, Georgia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Tallapoosa, Georgia's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Tallapoosa, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may



involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about City of Tallapoosa, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Tallapoosa, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Tallapoosa, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Tallapoosa, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rushton, LLC*

Certified Public Accountants

Gainesville, Georgia  
February 27, 2023

**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the fiscal year ended August 31, 2022**

<b>Federal Grant/Pass-Through Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass- Through Number</b>	<b>Expenditures</b>
<b>Department of Transportation</b>			
Passed through the Georgia Department of Transportation: <u>Highway Planning and Construction Cluster</u> Highway Planning and Construction (Federal-Aid Highway Program)	20.205	PI 0009089	\$ 356,481
<b>Department of the Treasury</b>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	315,011
Passed through the Georgia Governor's Office of Planning and Budget: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	14412-CRF	15,071
Total Department of the Treasury			330,082
<b>United States Environmental Protection Agency</b>			
Passed through the Georgia Environmental Finance Authority: <u>Clean Water State Revolving Fund Cluster</u> Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 13-011	92,555
<b>Department of Homeland Security</b>			
Passed through the Georgia Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4579-DR-GA	7,804
<b>Total Federal Awards</b>			<b>\$ 786,922</b>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

**CITY OF TALLAPOOSA, GEORGIA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2022**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Tallapoosa, Georgia, under programs for the federal government for the year ended August 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. De Minimis Indirect Cost Rate**

The City of Tallapoosa, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

**4. Payments to Subrecipients**

For the current fiscal year, City of Tallapoosa, Georgia did not pass federal funds through to subrecipients.

**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended August 31, 2022**

**1. Summary of the Auditor's Results**

**A. Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

**B. Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
21.027 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended August 31, 2022**

**2. Financial Statement Findings and Responses**

**A. Current Year Audit Findings**

**2022-001**

*Condition:* The City does not currently have the means 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.

*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.

**2022-002**

*Condition:* The employer portion of group insurance is automatically posted to the general ledger through the payroll function. Amounts disbursed by the City were not completely 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:* Difference between the automated expenditure/expense postings and amounts disbursed by the City require reconciliation due to timing difference 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 through payroll withholding.

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

**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended August 31, 2022**

**2. Financial Statement Findings and Responses (continued)**

**2022-002, continued**

*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 expenditure/expense. This action was implemented immediately upon receipt of the comment from our auditors.

**2022-003**

*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.

*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.

**2022-004**

*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 Museum, Drug Forfeiture, and Hotel/Motel 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 annual budgets for its Museum, Drug Forfeiture, and Hotel/Motel 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 Museum, Drug Forfeiture, and Hotel/Motel special revenue funds.

**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the fiscal year ended August 31, 2022**

**2. Financial Statement Findings and Responses (continued)**

**2022-004, continued**

*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.

**B. Prior Year Audit Findings Follow-Ups**

**2021-001**

*Condition:* The City does not currently have the means 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.

Not corrected

**2021-002**

*Condition:* The employer portion of group insurance 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.

Not corrected

**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.

Not corrected

**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.

Not corrected



**CITY OF TALLAPOOSA, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
***For the fiscal year ended August 31, 2022***

**3. Federal Award Findings and Questioned Costs**

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards*.

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### ***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, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>2010 Referendum</u></b>					
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	50,860	193,144
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>\$ 50,860</u>	<u>\$ 2,169,374</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, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>2015 Referendum</u></b>					
Water and sewer debt	\$ 850,000	\$ 850,000	\$ 649,357	\$ 173,080	\$ 822,437
Police vehicles	150,000	150,000	168,644	172,444	341,088
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	14,600	17,000
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	13,970	0	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>\$ 993,707</u>	<u>\$ 360,124</u>	<u>\$ 1,353,831</u>
Current year expenditures and transfers out				\$ 374,892	
2015 SPLOST expenditures financed through other revenues				(14,768)	
Total expenditures and transfers in (out)				<u>\$ 360,124</u>	
Prior year expenditures financed through transfers in and restated above				<u>\$ 492,211</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, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>2021 Referendum</u></b>					
City of Tallapoosa Projects	\$ 2,154,600	\$ 2,154,600			
Water, Sewer and Gas, City Dept. Building			\$ 0	\$ 0	\$ 0
Police vehicles and equipment			16	96	112
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>\$ 16</u>	<u>\$ 96</u>	<u>\$ 112</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, 2022**

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<b><u>2018 Referendum</u></b>					
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	98,479	0	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	259,463	197,808	457,271
**Other collector roads with priority for paving:					
Broad Street	352,400	352,400	0	0	0
Stone Mountain Street	570,651	570,651	51,882	0	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>\$ 607,162</u>	<u>\$ 197,808</u>	<u>\$ 804,970</u>
Current year expenditures				\$ 261,624	
Improvements to various City roads financed through other revenues				(63,816)	
Total expenditures and transfers out				<u>\$ 197,808</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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