

CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2020

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION:

Page (s)

Table of Contents	i-v
-------------------	-----

FINANCIAL SECTION:

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11

BASIC FINANCIAL STATEMENTS

Exhibit

Government-wide Statements

A-1	Statement of Net Position	12-13
A-2	Statement of Activities	14

Fund Financial Statements

A-3	Balance Sheet – Governmental Funds	15
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP) and Actual – General Fund	19
A-8	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (GAAP) and Actual – West Metro Regional Drug Enforcement Special Revenue Fund	20
A-9	Statement of Net Position – Proprietary Funds	21-22
A-10	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	23
A-11	Statement of Cash Flows – Proprietary Funds	24-25

CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

<u>Exhibit</u>		<u>Page(s)</u>
A-12	Notes to the Financial Statements	26-65
	Item #	Page #
	1. Description of Government Unit	26
	2. Summary of Significant Accounting Policies	26-38
	3. Deposit and Investment Risk	39
	4. Accounts Receivable	39
	5. Intergovernmental Receivables	40
	6. Property Taxes	40
	7. Interfund Receivables and Payables, and Transfers	40-41
	8. Capital Assets	42-43
	9. Capital and Operating Leases Agreements	43-45
	10. Long-Term Debt	45-47
	11. Changes in Long-Term Liabilities	48
	12. Conduit Debt	48-50
	13. Nonspendable, Restricted, Committed, and Assigned Fund Balances	50
	14. Pension Plans	51-56
	15. Post-Employment Benefits Other Than Pensions	56-60
	16. Hotel/Motel Lodging Tax	60
	17. Tax Abatements	61
	18. Joint Ventures	62
	19. Related Organizations	62
	20. Lease Agreement	62
	21. Risk Management	63
	22. Commitments and Contingencies	64
	23. Material Budget Violations	64-65
	24. Subsequent Events	65

CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

Table of Contents, continued

REQUIRED SUPPLEMENTARY INFORMATION

<u>Exhibit</u>	<u>Page(s)</u>
B-1 Schedule of Changes in the Net Pension Liability and Related Ratios	66-67
B-2 Schedule of Pension Contributions	68-69
B-3 Schedule of Changes in the Net OPEB Liability and Related Ratios	70
B-4 Schedule of OPEB Contributions	71
B-5 Notes to the Required Supplementary Information	72-77

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

C-1 Combining Balance Sheet – Nonmajor Governmental Funds	78-79
C-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	80-81

GENERAL FUND

D-1 Comparative Balance Sheets	82
D-2 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	83
D-3 Schedule of Revenues - Budget (GAAP Basis) and Actual	84
D-4 Schedule of Expenditures - Budget (GAAP Basis) and Actual	85-88

SPECIAL REVENUE FUNDS

E-1 Hotel/Motel Tax Special Revenue Fund Comparative Balance Sheets	89
E-2 Hotel/Motel Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	90
E-3 Drug Seizure Special Revenue Fund Comparative Balance Sheets	91
E-4 Drug Seizure Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual	92
E-5 Regional Hazardous Material Team Special Revenue Fund Comparative Balance Sheets	93
E-6 Regional Hazardous Material Team Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	94

CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>	<u>Page(s)</u>
 <i>SPECIAL REVENUE FUNDS, continued</i>	
E-7 West Metro Regional Drug Enforcement Special Revenue Fund Comparative Balance Sheets	95
E-8 West Metro Regional Drug Enforcement Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	96
E-9 Neighborhood Stabilization Program Special Revenue Fund Comparative Balance Sheets	97
E-10 Neighborhood Stabilization Program Special Revenue Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual	98
E-11 Budgetary Comparison Schedule – Major Neighborhood Stabilization Program Fund NSP 1 Project Budget and Actual, Project to Date	99
E-12 Budgetary Comparison Schedule – Major Neighborhood Stabilization Program Fund NSP 3 Project Budget and Actual, Project to Date	100
 <i>CAPITAL PROJECTS FUNDS</i>	
F-1 2015 SPLOST Capital Projects Fund Comparative Balance Sheets	101
F-2 2015 SPLOST Capital Projects Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	102
F-3 Capital Projects Fund for Public Roads Comparative Balance Sheets	103
F-4 Capital Projects Fund for Public Roads Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances	104
 <i>ENTERPRISE FUNDS</i>	
G-1 Water and Sewerage Enterprise Fund Comparative Statements of Net Position	105-106
G-2 Water and Sewerage Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	107
G-3 Water and Sewerage Enterprise Fund Comparative Statements of Cash Flows	108-109

CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2020

Table of Contents, continued

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>	<u>Page(s)</u>
<i>ENTERPRISE FUNDS, continued</i>	
G-4 Sanitation Enterprise Fund Comparative Statements of Net Position	110
G-5 Sanitation Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	111
G-6 Sanitation Enterprise Fund Comparative Statements of Cash Flows	112

OTHER REPORTING SECTION:

SINGLE AUDIT SECTION

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 <i>Government Auditing Standards</i>	113-114
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	115-116
H-1 Schedule of Expenditures of Federal Awards	117
H-2 Notes to the Schedule of Expenditures of Federal Awards	118
H-3 Schedule of Findings and Questions Costs	119-122

STATE REPORTING SECTION

I-1 Schedule of Projects Financed with Special Purpose Local Option Sales Tax	123
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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund and West Metro Regional Drug Enforcement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 11 and 66 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the 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 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 expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Carrollton, Georgia's basic financial statements for the year ended June 30, 2019, which are not presented with the accompanying financial statements. In our report dated February 24, 2020, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, 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 Carrollton, Georgia's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2019 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2019 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 2019 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 2019 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 December 18, 2020 on our consideration of the City of Carrollton, 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 Carrollton, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia

December 18, 2020

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CITY OF CARROLLTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020



MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Carrollton's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the City's financial statements, which begin on page 12.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (pages 12 and 14) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 12. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors; however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, streets, general government, and recreation departments. Property tax, franchise fees, sales tax, occupation tax, and fines and forfeitures finance most of these activities.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City water/sewer and sanitation operations are reported here.
- Component units – The City includes two separate legal entities in its report – Main Street Carrollton and Carrollton Redevelopment Authority. Although legally separate, these component units are important because the City is financially accountable for them.

CITY OF CARROLLTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020



Reporting the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 15 and provides detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

•**Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

•**Proprietary Funds** – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. These funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

The City as a Whole

Net Position

The City's combined net position increased from \$195,338,304 in 2019 to \$198,953,419 in 2020, an increase of \$3,615,115 (1.8%). Our analysis below focuses on the net position (Table 1) of the City's governmental and business-type activities.

The net position for governmental activities increased from \$117,153,089 in 2019 to \$118,297,151 in 2020, an increase of \$1,144,062 (0.9%). Unrestricted net position for governmental activities increased from \$7,782,546 in 2019 to \$8,496,333 in 2020, an increase of \$713,787 (9.1%).

Total net position for business-type activities increased from \$78,185,215 in 2019 to \$80,656,268 in 2020, an increase of \$2,471,053 (3.1%). Unrestricted net position for business-type activities increased from \$5,353,851 in 2019, to \$6,815,518 in 2020, an increase of \$1,461,667 (27.3%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



Table 1 - Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 23,667,169	\$ 24,299,055	\$ 10,529,497	9,582,685	\$ 34,196,666	\$ 33,881,740
Restricted assets	140,544	2,522,794	683,099	956,238	823,643	3,479,032
Capital assets, net	105,360,096	105,446,908	78,541,406	78,042,459	183,901,502	183,489,367
Total assets	129,167,809	132,268,757	89,754,002	88,581,382	218,921,811	220,850,139
Total deferred outflows	3,069,723	1,937,348	1,065,243	828,497	4,134,966	2,765,845
Current liabilities	4,699,476	7,849,072	1,950,496	2,671,499	6,649,972	10,520,571
Noncurrent liabilities	8,234,892	7,772,932	7,739,079	8,044,885	15,973,971	15,817,817
Total liabilities	12,934,368	15,622,004	9,689,575	10,716,384	22,623,943	26,338,388
Total deferred inflows	1,006,013	1,431,012	473,402	508,280	1,479,415	1,939,292
Net position:						
Net investment in capital assets	102,691,374	101,574,945	73,819,652	72,550,421	176,511,026	174,125,366
Restricted						
Capital projects	3,644,996	3,794,403	0	259,861	3,644,996	4,054,264
Debt service	0	0	21,098	21,082	21,098	21,082
Other purposes	3,464,448	4,001,195	0	0	3,464,448	4,001,195
Unrestricted	8,496,333	7,782,546	6,815,518	5,353,851	15,311,851	13,136,397
Total net position	\$ 118,297,151	\$ 117,153,089	\$ 80,656,268	\$ 78,185,215	\$ 198,953,419	\$ 195,338,304

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



Changes in Net Position

The City's combined change in net position decreased from \$5,035,155 in 2019 to \$3,615,115 in 2020. Our analysis below focuses on the changes in net assets (Table 2) of the City's governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities totaled \$30,420,236 (excluding transfers and special items). This total represents an increase of \$388,882 (1.2%) over the FY 2019 total of \$30,031,354. The majority of this increase is due to increases in capital grants and contributions related to the completion of City infrastructure projects, increase in sales tax revenues, and an increase in other tax revenues. Several of these increases were offset by decreases in charges for services related to reductions in recreation activity revenue and fines and forfeitures in the police department as a result of the COVID-19 pandemic.

Expenditures for the City's governmental activities totaled \$34,667,586 (excluding transfers and special items). This total represents an increase of \$3,495,467 (11.2%) over the FY 2019 total of \$31,172,119. The majority of this increase is due to multiple economic development projects currently underway and the acquisition of public safety capital equipment on behalf of other agencies and jurisdictions with drug funds.

Business-Type Activities

Revenues for the City's business-type activities totaled \$22,469,011. This represents an increase of \$2,212,457 (10.9%) over the FY 2019 total of \$20,226,804. Operating expenses for the City's business-type activities totaled \$14,606,546 (excluding transfers), an increase of \$555,662 (3.9%) over the FY 2019 total of \$14,050,884. Revenue changes are primarily related to significant increases in water and sewer tap fees related to new construction. Expense increases are related to significant contract labor costs related to various asphalt repairs completed within the City.

The operating revenues are as follows:

	<u>2020</u>	<u>2019</u>
Charges for services:		
Water and sewer fees & charges	\$ 17,541,420	\$ 15,443,817
Garbage and landfill fees	<u>4,860,147</u>	<u>4,726,249</u>
Total	<u>\$ 22,167,552</u>	<u>\$ 20,170,066</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 3,747,646	\$ 4,859,700	\$ 22,167,552	\$ 20,043,887	\$ 25,915,198	\$ 24,903,587
Operating grants and contributions	747,394	1,670,844	0	0	747,394	1,670,844
Capital grants and contributions	8,426,085	6,200,292	0	0	8,426,085	6,200,292
General revenues						
Property taxes	4,694,015	4,650,175	0	0	4,694,015	4,650,175
Franchise & public service taxes	2,672,124	2,558,212	0	0	2,672,124	2,558,212
Sales taxes	4,829,839	4,658,202	0	0	4,829,839	4,658,202
Other taxes	4,954,257	3,965,493	0	0	4,954,257	3,965,493
Interest and investment earnings	176,277	176,160	37,694	56,738	213,971	232,898
Gain on sale of assets	0	0	29,750	0	29,750	0
Miscellaneous	172,598	1,292,276	234,015	126,179	406,613	1,418,455
Total revenues	30,420,235	30,031,354	22,469,011	20,226,804	52,889,246	50,258,158
Expenses						
Program Expenses						
General government	3,395,889	2,755,241	0	0	3,395,889	2,755,241
Public safety	14,864,214	13,981,556	0	0	14,864,214	13,981,556
Public works	4,003,149	3,682,607	0	0	4,003,149	3,682,607
Culture and recreation	7,572,347	7,866,187	0	0	7,572,347	7,866,187
Housing and development	4,646,799	2,655,832	0	0	4,646,799	2,655,832
Water and sewer	0	0	10,594,723	10,294,850	10,594,723	10,294,850
Sanitation	0	0	4,011,823	3,756,034	4,011,823	3,756,034
Interest on long-term debt	185,187	230,696	0	0	185,187	230,696
Total expenses	34,667,585	31,172,119	14,606,546	14,050,884	49,274,131	45,223,003
Indirect costs	(2,812,313)	(2,962,357)	2,812,313	2,962,357	0	0
Excess (deficiency) before transfers	(1,435,037)	1,821,592	5,050,152	3,213,563	3,615,115	5,035,155
Transfers	2,579,099	2,871,947	(2,579,099)	(2,871,947)	0	0
Change in net position	1,144,062	4,693,539	2,471,053	341,616	3,615,115	5,035,155
Net position, beginning of year	117,153,089	112,459,550	78,185,215	77,843,599	195,338,304	190,303,149
Net position, end of year	\$ 118,297,151	\$ 117,153,089	\$ 80,656,268	\$ 78,185,215	\$ 198,953,419	\$ 195,338,304

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



The City's Funds

As the City completed FY2020, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$21,406,370. This total represents an increase of \$379,077 (1.8%) over the FY2019 combined fund balance of \$21,027,293. The City's proprietary funds (as presented in the statement of net position on page 22) reported combined unrestricted net position available for appropriation in the amount of \$6,815,518. This total represents an increase of \$1,461,667 (27.3%) from the FY2019 amount of \$5,353,851.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

General Fund revenue highlights discussed below are shown in Table 3. Total actual revenue was under total budgeted revenue in the amount of \$1,210,396. Of this amount, tax revenue realized on property was under budget in the amount of \$246,709. Local option sales tax revenue exceeded budgeted revenue in the amount of \$229,839. Franchise Tax revenue was under total budgeted revenue in the amount of \$102,876. Due to the COVID-19 pandemic, recreation fee revenue was under projections by \$191,839. Cultural arts fees were \$136,000 under budgeted revenue. Additionally, police fine and forfeiture revenue was under total budgeted revenue by \$230,426. Interest income was under budgeted revenue in the amount of \$77,982. Other income related to facility rentals and miscellaneous items were down \$259,221 from budgeted projections. In summary, the City's overall negative revenue variance of \$1,210,396 is a result of the COVID-19 pandemic, but the City remains in a strong financial position due to fiscal management of budgeted expenditures as discussed below.

Table 3 - General Fund Revenues

	2020			2019		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 16,536,832	\$ 16,441,894	\$ (94,938)	\$ 15,864,806	\$ 16,023,263	\$ 158,457
Licenses and permits	525,000	524,661	(339)	410,000	520,330	110,330
Intergovernmental	981,580	1,069,415	87,835	936,580	1,068,677	132,097
Charges for services	4,940,989	4,278,372	(662,617)	4,735,140	4,818,559	83,419
Contributions	0	27,292	27,292	0	39,360	39,360
Fines and forfeitures	1,100,000	869,574	(230,426)	1,100,000	999,563	(100,437)
Interest on invested funds	250,000	172,018	(77,982)	10,000	172,354	162,354
Other	424,264	165,043	(259,221)	383,627	231,981	(151,646)
Total	\$ 24,758,665	\$ 23,548,269	\$ (1,210,396)	\$ 23,440,153	\$ 23,874,087	\$ 433,934

Expenditures

General Fund expenditure highlights are in Table 4. The City completed FY2020 with a total of \$26,450,270 in General Fund operating expenditures. The operating budget for these expenditures totaled \$28,863,311 resulting in expenditures being realized at an amount of \$2,413,041 under budget.

General Government

Expenditures for General Administration came in at \$308,402 under budget. These positive budget variances can be attributed to budgeted vacant personnel positions that will be filled in the coming fiscal year. Detailed variances can be found on page 85 of our report.

Public Safety

Expenditures for the Police Department were \$223,263 under budget. Expenditures for the Fire Department came in at \$461,345 under budget. These positive budget variances can be attributed to budgeted vacant personnel positions that will be filled in the coming fiscal year. See page 86 for more details.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



Street Department

Expenditures for the City's Street Department totaled \$629,287 coming in at \$69,886 under budget. The majority of these expenditures were for capital outlay infrastructure projects throughout the City. Please refer to page 86 of our report for a detailed analysis of these variances.

Engineering

Expenditures for Engineering totaled \$1,393,969 coming in at \$18,820 under budget. Please refer to page 86 of our report for a detailed analysis of these variances.

Cultural Arts & Recreation

Expenditures for Cultural Arts and Recreation totaled \$5,918,027, coming in at \$954,824 under budget. Of this amount, expenditures for Recreation & Parks came in at \$335,207 under budget. Expenditures in these departments were significantly reduced as a result of operations being shut down from March 2020 through June 2020 as a result of the COVID-19 pandemic. Please refer to page 87 of our report for a detailed analysis of these variances.

Table 4 - General Fund Operating Expenditures

	2020			2019		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 3,438,443	\$ 3,086,451	\$ 351,992	\$ 2,832,210	\$ 2,561,081	\$ 271,129
Public safety	14,796,657	14,112,049	684,608	13,404,209	12,605,933	798,276
Public works	2,475,882	2,344,178	131,704	2,288,981	2,259,261	29,720
Cultural and recreation	6,872,851	5,918,027	954,824	7,043,746	6,542,014	501,732
Housing and development	1,081,558	828,121	253,437	1,178,736	992,022	186,714
Debt service	197,920	161,444	36,476	101,800	0	101,800
Total operating expenditures	\$ 28,863,311	\$ 26,450,270	\$ 2,413,041	\$ 26,849,682	\$ 24,960,311	\$ 1,889,371

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2020, the City had \$183,901,502 invested in a broad range of capital assets, including public safety equipment, buildings, recreation and cultural arts facilities, and water and sewer infrastructure. Please refer to our analysis below for a breakdown of the City's capital assets and the notes to the financial statements for more information.

Table 5 - Capital Assets at June 30, 2020, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 11,164,060	\$ 11,164,060	\$ 8,933,978	\$ 8,933,978	\$ 20,098,038	\$ 20,098,038
Land improvements	18,841,436	19,984,755	0	0	18,841,436	19,984,755
Buildings and improvements	31,075,815	31,243,681	3,103,224	3,180,884	34,179,039	34,424,565
Equipment	4,528,101	4,004,297	2,582,071	2,201,106	7,110,172	6,205,403
Infrastructure	37,567,992	38,302,038	63,202,262	62,380,542	100,770,254	100,682,580
Construction in progress	2,182,692	748,077	719,871	1,345,949	2,902,563	2,094,026
Totals	\$ 105,360,096	\$ 105,446,908	\$ 78,541,406	\$ 78,042,459	\$ 183,901,502	\$ 183,489,367

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020



DEBT

The total long-term debt of the City outstanding at June 30, 2020 was \$7,405,523. The City had \$4,460,000 in revenue bond debt outstanding. Amounts reported as intergovernmental debt of \$1,768,750 related to advance funding of construction costs for recreation, sidewalks, public safety, and green space/green belt financed by the 2015 Special Purpose Local Option Sales Tax. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems. Please refer to our analysis below for the breakdown of the City's outstanding debt and notes to the financial statements for more information.

Table 6 - Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Bonds from direct placement \$	0	\$ 0	\$ 4,460,000	\$ 4,893,000	\$ 4,460,000	\$ 4,893,000
Capital lease obligations	735,938	0	199,168	265,557	935,106	265,557
Notes from direct borrowing	0	0	241,667	266,667	241,667	266,667
Contracts payable	1,768,750	3,488,750	0	0	1,768,750	3,488,750
Totals	\$ 2,504,688	\$ 3,488,750	\$ 4,900,835	\$ 5,425,224	\$ 7,405,523	\$ 8,913,974

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2021 budget, millage rates, and user fees that will be charged for business-type activities. The growth in the property tax digest, as well as the projected collection rate in property taxes is taken into account when the millage rate is approved by the Mayor and City Council. Also, growth rates in other General Fund revenue categories such as sales tax, automobile tax, utility franchise fees, and occupation tax are taken into account when preparing the General Fund budget.

The above indicators were taken into account when adopting the General Fund budget for FY 2021. The fiscal year 2021 General Fund budget totals \$28,572,494, an increase of \$567,536 (2%) over the FY 2020 budget.

If these estimates are realized, the City's General Fund balance is expected to remain unchanged for FY 2021. These results are expected to be achieved without selling capital assets or using one-time sources of funds.

As for the City's business-type activities, we expect that the FY 2021 results will continue to show solid financial performance.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's financial position, and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the Finance Office at the City of Carrollton, 315 Bradley Street, Carrollton, GA. 30117.

BASIC FINANCIAL STATEMENTS

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 19,673,036	\$ 7,556,843	\$ 27,229,879
Restricted assets			
Cash and cash equivalents	140,544	683,099	823,643
Receivables (net)			
Accounts	310,012	2,441,214	2,751,226
Intergovernmental	2,359,209	0	2,359,209
Taxes	850,423	0	850,423
Internal balances	(25,397)	25,397	0
Inventories	0	452,438	452,438
Prepaid items	102,697	53,605	156,302
Property held for resale	397,189	0	397,189
Total current assets	23,807,713	11,212,596	35,020,309
Noncurrent assets			
Capital assets			
Non-depreciable	13,346,752	9,653,849	23,000,601
Depreciable (net)	92,013,344	68,887,557	160,900,901
Total noncurrent assets	105,360,096	78,541,406	183,901,502
Total assets	129,167,809	89,754,002	218,921,811
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,759,743	1,013,173	3,772,916
Deferred outflows of resources related to OPEB	309,980	52,070	362,050
Total deferred outflows of resources	3,069,723	1,065,243	4,134,966
LIABILITIES			
Current liabilities			
Accounts payable	1,015,660	915,827	1,931,487
Accrued liabilities	12,162	0	12,162
Retainages payable	19,000	0	19,000
Accrued salaries and payroll liabilities	324,116	104,336	428,452
Compensated absences	402,895	102,898	505,793
Accrued interest payable	25,234	0	25,234
Unearned revenue	114,222	196,240	310,462
Due to others	879,271	0	879,271
Capital leases payable	138,166	66,389	204,555
Contracts payable	1,768,750	0	1,768,750
Liabilities payable from restricted assets			
Customer deposits payable	0	318,806	318,806
Notes payable	0	25,000	25,000
Bonds payable	0	221,000	221,000
Total current liabilities	4,699,476	1,950,496	6,649,972

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Noncurrent liabilities			
Net pension liability	\$ 5,931,461	\$ 2,582,081	\$ 8,513,542
Net OPEB liability	1,705,659	568,552	2,274,211
Capital leases payable	597,772	132,779	730,551
Notes payable	0	216,667	216,667
Bonds payable	0	4,239,000	4,239,000
Total noncurrent liabilities	8,234,892	7,739,079	15,973,971
Total liabilities	12,934,368	9,689,575	22,623,943
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	177,274	43,386	220,660
Deferred inflows of resources related to OPEB	828,739	430,016	1,258,755
Total deferred inflows of resources	1,006,013	473,402	1,479,415
NET POSITION			
Net investment in capital assets	102,691,374	73,819,652	176,511,026
Restricted for:			
Public Safety	2,071,231	0	2,071,231
Culture and Recreation	6,811	0	6,811
Housing and Development	1,386,406	0	1,386,406
Capital outlay	3,644,996	0	3,644,996
Debt service	0	21,098	21,098
Unrestricted	8,496,333	6,815,518	15,311,851
Total net position	\$ 118,297,151	\$ 80,656,268	\$ 198,953,419

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities						
General Government	\$ 3,395,889	\$ (2,812,313)	\$ 248,271	\$ 0	\$ 148,287	\$ (187,018)
Public Safety	14,864,214	0	1,939,328	394,413	1,398,802	(11,131,671)
Public Works	4,003,149	0	25,485	0	3,135,889	(841,775)
Culture and Recreation	7,572,347	0	1,172,337	339,816	1,108,812	(4,951,382)
Housing and Development	4,646,799	0	362,225	13,165	2,634,295	(1,637,114)
Interest on long-term debt	185,187	0	0	0	0	(185,187)
Total governmental activities	34,667,585	(2,812,313)	3,747,646	747,394	8,426,085	(18,934,147)
Business-type activities						
Water and Sewerage	10,594,723	2,039,167	17,323,332	0	0	4,689,442
Sanitation	4,011,823	773,146	4,844,220	0	0	59,251
Total business-type activities	14,606,546	2,812,313	22,167,552	0	0	4,748,693
Total primary government	49,274,131	0	25,915,198	747,394	8,426,085	(14,185,454)
Change in net position						
Net (expense) revenue			\$ (18,934,147)	\$ 4,748,693	\$ (14,185,454)	
General revenues						
Taxes						
Property			4,694,015	0	4,694,015	
Sales			4,829,839	0	4,829,839	
Insurance premium			1,855,099	0	1,855,099	
Alcohol excise			812,181	0	812,181	
Franchise			2,672,124	0	2,672,124	
Occupational			1,397,227	0	1,397,227	
Other			889,750	0	889,750	
Interest and investment earnings			176,277	37,694	213,971	
Gain on sale of assets			0	29,750	29,750	
Other			172,598	234,015	406,613	
Transfers			2,579,099	(2,579,099)	0	
Total general revenues and transfers			20,078,209	(2,277,640)	17,800,569	
Change in net position			1,144,062	2,471,053	3,615,115	
Net position - beginning			117,153,089	78,185,215	195,338,304	
Net position - ending			\$ 118,297,151	\$ 80,656,268	\$ 198,953,419	

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	West Metro Regional Drug Enforcement	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 13,986,504	\$ 2,160,284	\$ 1,401,351	\$ 2,124,897	\$ 19,673,036
Restricted assets					
Cash and cash equivalents	140,544	0	0	0	140,544
Receivables (net)					
Accounts	310,012	0	0	0	310,012
Intergovernmental	53,678	129,071	2,149,286	27,174	2,359,209
Taxes	798,983	0	0	51,440	850,423
Prepaid items	102,697	0	0	0	102,697
Due from other funds	95,171	0	10,441	18,820	124,432
Property held for resale	0	0	0	397,189	397,189
Total assets	\$ 15,487,589	\$ 2,289,355	\$ 3,561,078	\$ 2,619,520	\$ 23,957,542
LIABILITIES					
Accounts payable	\$ 769,451	\$ 6,410	\$ 204,612	\$ 35,187	\$ 1,015,660
Accrued liabilities	12,162	0	0	0	12,162
Retainage payable	0	0	19,000	0	19,000
Accrued salaries and payroll liabilities	324,116	0	0	0	324,116
Unearned revenue	50,798	22,000	41,424	0	114,222
Due to other funds	27,973	17,418	29,414	75,024	149,829
Due to others	200,336	593,571	0	85,364	879,271
Total liabilities	1,384,836	639,399	294,450	195,575	2,514,260
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	36,912	0	0	0	36,912
FUND BALANCES					
Nonspendable:					
Prepaid items	102,697	0	0	0	102,697
Property held for resale	0	0	0	397,189	397,189
Restricted for:					
Public Safety	0	1,649,956	0	421,275	2,071,231
Culture and Recreation	6,811	0	0	0	6,811
Housing and Development	107,976	0	0	881,241	989,217
Capital outlay	0	0	3,266,628	378,368	3,644,996
Assigned for:					
Housing and Development	0	0	0	345,872	345,872
Unassigned	13,848,357	0	0	0	13,848,357
Total fund balances	14,065,841	1,649,956	3,266,628	2,423,945	21,406,370
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,487,589	\$ 2,289,355	\$ 3,561,078	\$ 2,619,520	\$ 23,957,542

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2020

Total fund balances - total governmental funds **\$ 21,406,370**

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

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

These are:

Capital assets, net of accumulated depreciation	105,360,096
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

These are:

Property taxes	36,912
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Related to pensions	2,759,743
Related to OPEB	309,980

Deferred inflows of resources:

Related to pensions	(177,274)
Related to OPEB	(828,739)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	\$	(402,895)	
Contracts payable		(1,768,750)	
Capital leases payable		(735,938)	
Accrued interest payable		(25,234)	
Net pension liability		(5,931,461)	
Net OPEB liability		(1,705,659)	
		(10,569,937)	

Net position of governmental activities	\$	118,297,151	
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CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	General	West Metro Regional Drug Enforcement	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 16,441,894	\$ 0	\$ 0	\$ 709,449	\$ 17,151,343
Licenses and permits	524,661	0	0	0	524,661
Fines, fees and forfeitures	869,574	823,723	0	50,568	1,743,865
Charges for services	4,278,372	0	0	8,002	4,286,374
Intergovernmental	1,069,415	707,434	8,074,224	316,987	10,168,060
Contributions	27,292	0	0	0	27,292
Interest	172,018	2,446	876	1,813	177,153
Other	165,043	4,781	0	2,774	172,598
Total revenues	23,548,269	1,538,384	8,075,100	1,089,593	34,251,346
EXPENDITURES					
Current					
General Government	3,086,451	0	0	0	3,086,451
Public Safety	14,112,049	1,954,662	0	110,507	16,177,218
Public Works	2,344,178	0	0	0	2,344,178
Culture and Recreation	5,918,027	0	0	0	5,918,027
Housing and Development	828,121	0	0	282,455	1,110,576
Capital outlay	0	0	8,152,702	386,319	8,539,021
Debt service	161,444	0	0	0	161,444
Total expenditures	26,450,270	1,954,662	8,152,702	779,281	37,336,915
Excess (deficiency) of revenues over (under) expenditures	(2,902,001)	(416,278)	(77,602)	310,312	(3,085,569)
Other financing sources (uses)					
Transfers in	2,749,487	0	0	0	2,749,487
Transfers out	0	0	0	(177,362)	(177,362)
Issuance of capital leases	892,521	0	0	0	892,521
Total other financing sources (uses)	3,642,008	0	0	(177,362)	3,464,646
Net change in fund balance	740,007	(416,278)	(77,602)	132,950	379,077
Fund balances, July 1	13,325,834	2,066,234	3,344,230	2,290,995	21,027,293
Fund balances, June 30	\$ 14,065,841	\$ 1,649,956	\$ 3,266,628	\$ 2,423,945	\$ 21,406,370

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2020

Net change in fund balances - total governmental funds **\$ 379,077**

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	\$ 5,165,609	
Depreciation	<u>(5,293,395)</u>	(127,786)

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	(145,777)	
Related accumulated depreciation	<u>145,777</u>	0

Contributions of capital assets from other governments and business-type activities increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Other governments		34,000
Business-type activities	24,302	
Related accumulated depreciation	<u>(17,328)</u>	6,974

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	1,009,578	
Cost of benefits earned, net of employee contributions	<u>(1,122,654)</u>	(113,076)

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

OPEB contributions	28,219	
Cost of benefits earned, net of employee contributions	<u>9,296</u>	37,515

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Accrued interest	(11,140)	
Capital lease proceeds	(892,521)	
Debt principal payments	<u>1,876,583</u>	972,922

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable revenue		(1,106)
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences		<u>(44,458)</u>
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Change in net position of governmental activities	<u>\$ 1,144,062</u>	
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CITY OF CARROLLTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 16,511,000	\$ 16,536,832	\$ 16,441,894	\$ (94,938)
Licenses and permits	525,000	525,000	524,661	(339)
Fines, fees and forfeitures	1,100,000	1,100,000	869,574	(230,426)
Charges for services	4,940,989	4,940,989	4,278,372	(662,617)
Intergovernmental	981,580	981,580	1,069,415	87,835
Contributions	0	0	27,292	27,292
Interest	250,000	250,000	172,018	(77,982)
Other	424,264	424,264	165,043	(259,221)
Total revenues	24,732,833	24,758,665	23,548,269	(1,210,396)
EXPENDITURES				
Current				
General Government				
Mayor and Council	136,615	136,615	100,480	36,135
City Manager	351,533	351,533	304,370	47,163
General Administration	1,267,172	1,267,172	1,212,181	54,991
Finance and Purchasing	304,130	304,130	234,285	69,845
Human Resources	340,910	340,910	338,889	2,021
Information Technology	462,094	462,094	418,504	43,590
General Maintenance	91,200	91,200	67,881	23,319
Marketing-Public Relations	299,789	299,789	230,516	69,273
Legal	185,000	185,000	179,345	5,655
Public Safety				
Police Department	7,864,530	8,757,051	8,533,788	223,263
Fire Department	6,039,606	6,039,606	5,578,261	461,345
Public Works				
Street Department	699,173	699,173	629,287	69,886
Engineering	1,412,789	1,412,789	1,393,969	18,820
Garage	363,920	363,920	320,922	42,998
Culture and Recreation				
Library	300,035	300,035	300,036	(1)
Recreation Administration	1,014,293	1,014,293	963,420	50,873
Recreation Parks	1,914,768	1,940,600	1,605,393	335,207
Recreation Programs	1,193,430	1,193,430	1,091,207	102,223
Cultural Arts	1,145,845	1,145,845	1,026,259	119,586
Recreation Athletics	1,278,648	1,278,648	931,712	346,936
Housing and Development				
Planning Administration	383,316	383,316	357,241	26,075
Code Enforcement	92,763	92,763	83,689	9,074
Convention and Visitor's Bureau	304,902	304,902	252,331	52,571
Main Street Division	300,577	300,577	134,860	165,717
Debt Service				
Police Department	167,920	167,920	161,444	6,476
Engineering	30,000	30,000	0	30,000
Total expenditures	27,944,958	28,863,311	26,450,270	2,413,041
Excess (deficiency) of revenues over expenditures	(3,212,125)	(4,104,646)	(2,902,001)	1,202,645
Other financing sources (uses)				
Transfers in	3,072,125	3,072,125	2,749,487	(322,638)
Issuance of capital leases	140,000	1,032,521	892,521	(140,000)
Total other financing sources (uses)	3,212,125	4,104,646	3,642,008	(462,638)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	740,007	740,007
Fund balances, July 1	0	0	13,325,834	13,325,834
Fund balances, June 30	\$ 0	\$ 0	\$ 14,065,841	\$ 14,065,841

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, fees and forfeitures	\$ 150,000	\$ 150,000	\$ 823,723	\$ 673,723
Intergovernmental	632,839	632,839	707,434	74,595
Interest	0	0	2,446	2,446
Other	0	0	4,781	4,781
Total revenues	<u>782,839</u>	<u>782,839</u>	<u>1,538,384</u>	<u>755,545</u>
EXPENDITURES				
Current				
Public Safety	<u>782,839</u>	<u>782,839</u>	<u>1,954,662</u>	<u>(1,171,823)</u>
Total expenditures	<u>782,839</u>	<u>782,839</u>	<u>1,954,662</u>	<u>(1,171,823)</u>
Excess (deficiency) of revenues over expenditures	0	0	(416,278)	(416,278)
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>2,066,234</u>	<u>2,066,234</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,649,956</u></u>	<u><u>\$ 1,649,956</u></u>

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,661,470	\$ 1,895,373	\$ 7,556,843
Restricted assets			
Cash and cash equivalents	683,099	0	683,099
Accounts receivable, net	1,767,340	673,874	2,441,214
Inventories	452,438	0	452,438
Prepaid items	35,099	18,506	53,605
Due from other funds	29,414	0	29,414
Total current assets	8,628,860	2,587,753	11,216,613
Noncurrent assets			
Capital assets			
Non-depreciable	9,653,849	0	9,653,849
Depreciable (net)	68,080,895	806,662	68,887,557
Total noncurrent assets	77,734,744	806,662	78,541,406
Total assets	86,363,604	3,394,415	89,758,019
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	743,044	270,129	1,013,173
Deferred outflows of resources related to OPEB	35,759	16,311	52,070
Total deferred outflows of resources	778,803	286,440	1,065,243
LIABILITIES			
Current liabilities			
Accounts payable	734,620	181,207	915,827
Accrued salaries and payroll liabilities	73,704	30,632	104,336
Compensated absences	75,364	27,534	102,898
Unearned revenue	196,240	0	196,240
Due to other funds	1,635	2,382	4,017
Capital leases	0	66,389	66,389
Liabilities payable from restricted assets			
Customer deposits payable	318,806	0	318,806
Notes payable	25,000	0	25,000
Bonds payable	221,000	0	221,000
Total current liabilities	1,646,369	308,144	1,954,513
Noncurrent liabilities			
Net pension liability	1,890,159	691,922	2,582,081
Net OPEB liability	390,452	178,100	568,552
Capital leases	0	132,779	132,779
Notes payable	216,667	0	216,667
Bonds payable	4,239,000	0	4,239,000
Total noncurrent liabilities	6,736,278	1,002,801	7,739,079
Total liabilities	8,382,647	1,310,945	9,693,592

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	\$ 29,444	\$ 13,942	\$ 43,386
Deferred inflows of resources related to OPEB	324,185	105,831	430,016
Total deferred inflows of resources	353,629	119,773	473,402
NET POSITION			
Net investment in capital assets	73,212,158	607,494	73,819,652
Restricted for Debt Service	21,098	0	21,098
Unrestricted	5,172,875	1,642,643	6,815,518
Total net position	\$ 78,406,131	\$ 2,250,137	\$ 80,656,268

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 17,323,332	\$ 4,844,220	\$ 22,167,552
Other	218,088	15,927	234,015
Total operating revenues	17,541,420	4,860,147	22,401,567
OPERATING EXPENSES			
Costs of sales and services	6,094,418	2,783,588	8,878,006
Personal services	4,009,476	1,799,545	5,809,021
Depreciation	2,402,223	196,525	2,598,748
Total operating expenses	12,506,117	4,779,658	17,285,775
Operating income (loss)	5,035,303	80,489	5,115,792
Non-operating revenues (expenses)			
Interest and investment earnings	20,634	17,060	37,694
Interest expense	(127,773)	(5,311)	(133,084)
Transfer of capital assets to governmental activities	(6,974)	0	(6,974)
Gain (loss) on sale of capital assets	17,150	12,600	29,750
Total non-operating revenues (expenses)	(96,963)	24,349	(72,614)
Net income (loss) before transfers	4,938,340	104,838	5,043,178
Transfers in (out)			
Transfers out	(2,572,125)	0	(2,572,125)
Change in net position	2,366,215	104,838	2,471,053
Net position, July 1	76,039,916	2,145,299	78,185,215
Net position, June 30	\$ 78,406,131	\$ 2,250,137	\$ 80,656,268

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 16,945,754	\$ 4,842,463	\$ 21,788,217
Payments to suppliers	(6,302,171)	(2,678,922)	(8,981,093)
Payments to employees	(4,033,331)	(1,810,963)	(5,844,294)
Other receipts	218,088	15,927	234,015
Net cash provided (used) by operating activities	6,828,340	368,505	7,196,845
Cash flows from non-capital financing activities:			
Receipts from other funds	0	2,382	2,382
Payments to other funds	(2,622,650)	0	(2,622,650)
Net cash provided (used) by non-capital financing activities	(2,622,650)	2,382	(2,620,268)
Cash flows from capital and related financing activities:			
Payments for acquisitions of capital assets	(2,721,658)	(218,896)	(2,940,554)
Payment of capital related payables	(409,683)	0	(409,683)
Principal payments - capital leases	0	(66,389)	(66,389)
Principal payments - promissory notes	(25,000)	0	(25,000)
Principal payments - bonds payable	(433,000)	0	(433,000)
Proceeds from sale of capital assets	17,150	12,600	29,750
Interest paid	(127,773)	(5,311)	(133,084)
Net cash provided (used) by capital and related financing activities	(3,699,964)	(277,996)	(3,977,960)
Cash flows from investing activities			
Interest and investment earnings received	20,634	17,060	37,694
Net increase (decrease) in cash and cash equivalents	526,360	109,951	636,311
Cash and cash equivalents, July 1	5,818,209	1,785,422	7,603,631
Cash and cash equivalents, June 30	\$ 6,344,569	\$ 1,895,373	\$ 8,239,942

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2020

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 5,035,303	\$ 80,489	\$ 5,115,792
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,402,223	196,525	2,598,748
(Increase) decrease in accounts receivable	89,262	(1,757)	87,505
(Increase) decrease in inventories	(84,521)	0	(84,521)
(Increase) decrease in prepaid items	5,338	2,459	7,797
(Increase) decrease in deferred outflows related to pensions	(144,778)	(52,635)	(197,413)
(Increase) decrease in deferred outflows related to OPEB	(33,572)	(5,761)	(39,333)
Increase (decrease) in accounts payable	(127,310)	102,207	(25,103)
Increase (decrease) in unearned revenue	(453,220)	0	(453,220)
Increase (decrease) in accrued liabilities	(1,260)	0	(1,260)
Increase (decrease) in accrued salaries and payroll liabilities	(267)	766	499
Increase (decrease) in compensated absences	11,772	(503)	11,269
Increase (decrease) in customer deposits	(13,620)	0	(13,620)
Increase (decrease) in net pension liability	417,226	152,705	569,931
Increase (decrease) in net OPEB liability	(261,005)	(84,343)	(345,348)
Increase (decrease) in deferred inflows related to pensions	(255,728)	72,762	(182,966)
Increase (decrease) in deferred inflows related to OPEB	242,497	(94,409)	148,088
Total adjustments	1,793,037	288,016	2,081,053
Net cash provided (used) by operating activities	\$ 6,828,340	\$ 368,505	\$ 7,196,845
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 5,661,470	\$ 1,895,373	\$ 7,556,843
Restricted assets			
Cash and cash equivalents	683,099	0	683,099
	\$ 6,344,569	\$ 1,895,373	\$ 8,239,942

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$164,115.

Distributions of capital assets to governmental activities totaled \$6,974.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

1. Description of Government Unit

The City of Carrollton, Georgia (the City) is located in Carroll 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 economic development, as well as water and sewer and sanitation services. The City is governed by an elected mayor and four-member council.

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 Carrollton, 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.

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides service entirely to the City.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

The activity and assets of the following component unit (Carrollton Area Convention and Visitors Bureau) which are functions of Housing and Development, were blended in the City's General Fund financial statements. Component unit financial statements are available at the office of City Hall, 315 Bradley St., Carrollton, Georgia 30117.

Carrollton Area Convention and Visitors Bureau

This entity superseded the Carroll County Area Convention and Visitors Bureau. The Bureau is organized under Internal Revenue Code Section 501(c)(6) and is funded from a portion of the tax assessed on area hotel and motel receipts. Approximately \$253,674 was expended to promote tourism in the area this year.

The discretely presented component units are separate legal entities that meet the component unit criteria described above but does not meet the criteria for blending.

Carrollton Redevelopment Authority

The Carrollton Redevelopment Authority, a Georgia non-profit organization, was created by the General Assembly of Georgia to provide for revenue bonds and other funding sources for construction in Carrollton, Georgia. The Authority operates under a board of nine directors, which are appointed by the Mayor and City Council of the City of Carrollton, Georgia. There was no activity for the Authority during the fiscal year.

Main Street Carrollton

Main Street Carrollton is a Georgia non-profit organization created to assist in the revitalization and economic development of the Carrollton main street area. This entity provides operational and promotional assistance for two downtown City owned facilities (the AMP and the Historic Train Depot). Main Street Carrollton operates under a board of nine directors, which are appointed by the Mayor and City Council of the City of Carrollton, Georgia. Main Street was reorganized by the Mayor and City Council to account for Main Street operations within the City's General Fund beginning October 2015. There was no activity for Main Street Carrollton during the fiscal year.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

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 two discretely presented component units, which are combined in a column in the government-wide financial statements. For the current year, the Carrollton Redevelopment Authority had no activity to report in the 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 City's Water and Sewerage 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.

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 in another fund.

2015 SPLOST Capital Projects Fund - accounts for projects funded by the 2015 special one percent local option sales tax levies.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

West Metro Drug Regional Enforcement Special Revenue Fund - accounts for local and federal monies restricted for the West Metro Drug Enforcement Unit.

The City reports the following major proprietary funds:

Water and Sewerage Fund - accounts for activities in providing water and wastewater services to the public.

Sanitation Fund - accounts for activities in providing sanitation services to the public.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by the proprietary or fiduciary 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.

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. Balances between the funds included in governmental activities (i.e., the governmental funds) are

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Interfund Activity, continued

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 they are collectible within the current period or soon enough thereafter to pay liabilities of the

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

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 and Sanitation 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 July 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.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables for state, federal, and local governments 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 Sewerage 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 in subsequent years, are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

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.

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are among the largest asset classes of the City. Prior to July 1, 2006, neither their historical costs, nor related depreciation, had been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Capital assets are defined by the government 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 valued at their acquisition value on the date donated.

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:

	Useful Life <u>in Years</u>
Buildings	20 to 50
Improvements	10 to 50
Furnishings, vehicles, machinery and equipment	3 to 20
Utility System	20 to 50
Infrastructure	10 to 50

All land will be valued and capitalized. 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. Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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 for deferred charges on bond refunding and their defined benefit pension and other postemployment benefit plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, 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 and other postemployment benefit plans.

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 CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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.

Q. Fund Balances – Governmental Funds

The City of Carrollton 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

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 Mayor and City Council through the adoption of a resolution or motion. The Mayor and 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 Mayor and City Council has authorized the City's Finance Officer 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 this category of fund balance.

R. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation leave which will be paid to the employees upon separation from City service. Accumulated unpaid vacation leave amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary 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 (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

2. Summary of Significant Accounting Policies (continued)

S. 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, as well as issuance costs, 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.

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.

U. 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 2019 amounts have been reclassified to conform with the 2020 presentation.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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's 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.

4. Accounts Receivable

Net accounts receivable at June 30, 2020 consist of the following:

Primary Government:

Major Funds

General Fund		\$ 310,012
Water and Sewerage Enterprise Fund	\$ 1,792,744	
Less: Allowance for Uncollectibles	<u>(25,404)</u>	1,767,340
Sanitation Enterprise Fund	683,058	
Less: Allowance for Uncollectibles	<u>(9,184)</u>	<u>673,874</u>
Total Primary Government		<u>\$ 2,751,226</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2020 consist of the following:

Primary Government:	
Major Funds	
General Fund	\$ 53,678
West Metro Regional Drug Enforcement Fund	129,071
2015 SPLOST Fund	2,149,286
Nonmajor Funds	
Special Revenue Funds	
Neighborhood Stabilization Program	27,174
Total Primary Government	<u>\$ 2,359,209</u>

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 2019, based upon the assessments of January 1, 2019, were levied on September 23, 2019, billed on October 1, 2019, and due on December 1, 2019. The Carroll County tax commissioner bills and collects the City's property taxes.

7. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 1,635
	Sanitation	2,382
	West Metro Regional	
	Drug Enforcement	17,418
	Nonmajor Governmental	73,736
2015 SPLOST	General	9,153
	Nonmajor Governmental	1,288
Nonmajor Governmental	General	18,820
Water and Sewerage	2015 SPLOST	29,414
		<u>\$ 153,846</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

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

Interfund balances at June 30, 2020, 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. The City expects to repay all interfund balances 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".

The interfund receivables in the 2015 SPLOST Fund are for non-SPLOST revenues needed to supplement SPLOST capital projects. These amounts will be moved from these funds in subsequent periods.

A summary of interfund transfers is as follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
Water and Sewerage	General	\$ 2,572,125
Nonmajor Governmental	General	<u>177,362</u>
		2,749,487
Transfers of capital assets		
Water and Sewerage	Governmental Activities	<u>6,974</u>
		<u><u>\$ 2,756,461</u></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 Sewerage and Sanitation Funds to the General Fund is in accordance with City policy, and is 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 CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2020 was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 11,164,060	\$ 0	\$ 0	\$ 11,164,060
Construction in progress	748,077	1,663,941	(229,326)	2,182,692
Total non-depreciable assets	<u>11,912,137</u>	<u>1,663,941</u>	<u>(229,326)</u>	<u>13,346,752</u>
Depreciable assets				
Land improvements	25,727,132	106,993	0	25,834,125
Buildings and improvements	42,516,588	607,856	0	43,124,444
Furnishings, vehicles, machinery and equipment	14,640,118	1,497,679	(145,777)	15,992,020
Infrastructure	75,787,282	1,576,768	0	77,364,050
Total depreciable assets	<u>158,671,120</u>	<u>3,789,296</u>	<u>(145,777)</u>	<u>162,314,639</u>
Less accumulated depreciation				
Land improvements	(5,742,377)	(1,250,312)	0	(6,992,689)
Buildings and improvements	(11,272,907)	(775,722)	0	(12,048,629)
Furnishings, vehicles, machinery and equipment	(10,635,821)	(973,875)	145,777	(11,463,919)
Infrastructure	(37,485,244)	(2,310,814)	0	(39,796,058)
Total accumulated depreciation	<u>(65,136,349)</u>	<u>(5,310,723)</u>	<u>145,777</u>	<u>(70,301,295)</u>
Total depreciable assets, net	<u>93,534,771</u>	<u>(1,521,427)</u>	<u>0</u>	<u>92,013,344</u>
Governmental activities capital assets, net	<u>\$ 105,446,908</u>	<u>\$ 142,514</u>	<u>\$ (229,326)</u>	<u>\$ 105,360,096</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,933,978	\$ 0	\$ 0	\$ 8,933,978
Construction in progress	1,345,949	1,178,284	(1,804,362)	719,871
Total non-depreciable assets	<u>10,279,927</u>	<u>1,178,284</u>	<u>(1,804,362)</u>	<u>9,653,849</u>
Depreciable assets				
Buildings and improvements	7,535,080	57,163	0	7,592,243
Distribution system	98,658,565	2,776,922	0	101,435,487
Vehicles, machinery and equipment	7,398,356	896,662	(181,047)	8,113,971
Total depreciable assets	<u>113,592,001</u>	<u>3,730,747</u>	<u>(181,047)</u>	<u>117,141,701</u>
Less accumulated depreciation				
Buildings and improvements	(4,354,196)	(134,823)	0	(4,489,019)
Distribution system	(36,278,023)	(1,955,202)	0	(38,233,225)
Vehicles and equipment	(5,197,250)	(508,723)	174,073	(5,531,900)
Total accumulated depreciation	<u>(45,829,469)</u>	<u>(2,598,748)</u>	<u>174,073</u>	<u>(48,254,144)</u>
Total depreciable assets, net	<u>67,762,532</u>	<u>1,131,999</u>	<u>(6,974)</u>	<u>68,887,557</u>
Business-type activities capital assets, net	<u>\$ 78,042,459</u>	<u>\$ 2,310,283</u>	<u>\$ (1,811,336)</u>	<u>\$ 78,541,406</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 287,426
Public Safety	838,938
Public Works	2,296,727
Culture and Recreation	<u>1,870,304</u>

Total depreciation expense for governmental activities	<u><u>\$ 5,293,395</u></u>
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Business-type activities

Water and Sewerage	\$ 2,402,223
Sanitation	<u>196,525</u>

Total depreciation expense for business-type activities	<u><u>\$ 2,598,748</u></u>
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	Primary Government	
	Governmental Activities	Business-type Activities
Current year depreciation expense	\$ 5,293,395	\$ 2,598,748
Prior accumulated depreciation on assets transferred between governmental and business-type activities	17,328	0
Additions to accumulated depreciation	<u><u>\$ 5,310,723</u></u>	<u><u>\$ 2,598,748</u></u>

9. Capital and Operating Lease Agreements

The City has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at June 30, 2020, are \$199,168 for business-type activities and \$735,938 for governmental activities.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

9. Capital and Operating Lease Agreements (continued)

Total assets leased under capital leases are \$331,946 for business-type activities and \$870,767 for governmental activities. Total accumulated depreciation on assets leased under capital leases are \$94,842 for business-type activities and \$0 for governmental activities. The assets are included in vehicles, machinery and equipment for business-type activities and furnishings, vehicles, machinery and equipment for governmental activities.

Amortization of leased equipment under capital leases is included with depreciation expense.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2020:

Year Ending June 30,	Business-type Activities	Governmental Activities
2021	\$ 70,373	\$ 161,444
2022	69,045	161,444
2023	67,717	161,444
2024	0	161,444
2025	0	161,444
	<u>207,135</u>	<u>807,220</u>
Less amounts representing interest	<u>(7,967)</u>	<u>(71,282)</u>
Present value of minimum lease payments	<u><u>\$ 199,168</u></u>	<u><u>\$ 735,938</u></u>

The City has entered into an agreement to participate in a pooled lease program sponsored by the Georgia Municipal Association. Certificates of Participation in the amount of \$150,126,000 were issued in connection with the lease program, with the City's pro rata share of the principal being \$2,644,000. At June 30, 2020, the City has a balance of \$199,168 of the certificate proceeds for the purpose of financing the acquisition of equipment and is included above. These amounts are presented as capital leases in the business-type activities on the Government-wide Statement of Net Position. The remaining balance of the certificate proceeds is held in trust pursuant to the certificate, and is not considered legal debt of the City.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

10. Long-Term Debt

Bonds from Direct Placement

Revenue bonds from direct placement have been issued for business-type activities and are comprised of the following individual issues at June 30, 2020:

Water and Sewerage Revenue Bond Series 2014: In December 2014, the City issued Water and Sewerage Revenue Refunding and Improvement Bonds Series 2014 totaling \$6,705,000 to refinance the Water and Sewerage Revenue Bond Series 1997 and the GEFA Note 2008-LO3WJ, and to pay the costs of certain improvements to the City's water and sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable and the bondholders may proceed to protect and enforce the rights of the bondholders by a suit, action or special proceeding in equity, or at law, either for the appointment of a receiver of the water system. The bonds are secured by a pledge of the net revenues derived from the operation of the water system. The bonds are payable over a period of fifteen years at 2.67% interest. Semi-annual payments of principal and interest are due January 1 and July 1. Bond issuance costs of \$145,011 were incurred relative to the sale.

Annual debt service requirements to maturity for bonds from direct placement are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 221,000	\$ 59,541	\$ 280,541
2022	450,000	110,204	560,204
2023	463,000	98,096	561,096
2024	476,000	85,654	561,654
2025	487,000	72,864	559,864
2026-2030	2,363,000	160,467	2,523,467
Totals	<u>\$ 4,460,000</u>	<u>\$ 586,826</u>	<u>\$ 5,046,826</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

10. Long-Term Debt (continued)

Notes from Direct Borrowings

Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 08-001 and DW 08-001: On November 4, 2009, the City signed an agreement with the Georgia Environmental Facilities Authority to obtain a promissory note for \$500,000, to procure four membrane filtration units. The note will be repaid in 240 monthly installments of \$2,083 with an interest rate of 0.0%, beginning March 2010. Closing cost of \$10,000 was financed through a second note with 0.0% interest to be paid in twelve annual installment payments of \$833 beginning January 1, 2010 and ending December 1, 2029. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. The balance at June 30, 2020 was \$241,667.

The City's debt service requirements to maturity for the GEFA notes payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 25,000	\$0	\$ 25,000
2022	25,000	0	25,000
2023	25,000	0	25,000
2024	25,000	0	25,000
2025	25,000	0	25,000
2026-2030	116,667	0	116,667
Totals	<u>\$ 241,667</u>	<u>\$0</u>	<u>\$ 241,667</u>

Contracts Payable

Intergovernmental Debt, Carroll County, Georgia, 2013: During the year ended June 30, 2014, Carroll County, Georgia issued \$40,000,000 of General Obligation Sales Tax Bonds, Series 2013. The proceeds from the bonds are to be used to fund a portion of the 2015 SPLOST Carroll County projects and City of Carrollton projects.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

10. Long-Term Debt (continued)

Contracts Payable, continued

The City of Carrollton received \$10,485,000 from the bond proceeds, (including \$485,000 in bond premiums). This debt is reflected as a payable to Carroll County because the bonds issued are a general obligation of the County and secured by and first payable from the proceeds of the Special Sales Tax. Therefore, the full amount of bonds payable is reflected in the County's liabilities. If the Special Sales Tax is insufficient to satisfy the debt service requirements of the bond, the City of Carrollton would be required to remit their pro rata share of the principal and interest due on the bonds. The City of Carrollton will pay 25% of the bond interest and principal each year. Interest paid by the City will be recognized as interest expense on the payable, and the County will recognize the full amount of interest expense on the bonds. The City's portion of bond principal paid will decrease the payable to the County, while the County will use the proceeds to pay down its bonds payable balance. The balance at June 30, 2020 was \$1,768,750.

The City's debt service requirements to maturity, including interest varying from 2.37% to 5.0%, is as follows:

Fiscal Year			
Ending			
June 30,	Principal	Interest	Total
<u>2021</u>	<u>\$ 1,768,750</u>	<u>\$ 83,188</u>	<u>\$ 1,851,938</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

11. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for fiscal year ended June 30, 2020:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Contracts payable	\$ 3,488,750	\$ 0	\$ (1,720,000)	\$ 1,768,750	\$ 1,768,750
Capital lease obligations	0	892,521	(156,583)	735,938	138,166
Compensated absences	358,437	570,311	(525,853)	402,895	402,895
Total governmental activities	<u>\$ 3,847,187</u>	<u>\$ 1,462,832</u>	<u>\$ (2,402,436)</u>	<u>\$ 2,907,583</u>	<u>\$ 2,309,811</u>
Business-type activities					
Bonds from direct placement	\$ 4,893,000	\$ 0	\$ (433,000)	\$ 4,460,000	\$ 221,000
Notes from direct borrowings	266,667	0	(25,000)	241,667	25,000
Capital lease obligations	265,557	0	(66,389)	199,168	66,389
Compensated absences	91,629	153,047	(141,778)	102,898	102,898
Total business-type activities	<u>\$ 5,516,853</u>	<u>\$ 153,047</u>	<u>\$ (666,167)</u>	<u>\$ 5,003,733</u>	<u>\$ 415,287</u>

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. 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 governmental activities and the business-type activities for the fiscal ended June 30, 2020 was \$185,187 and \$133,084, respectively.

12. Conduit Debt

Carrollton Redevelopment Authority

In August 2010, Carrollton Redevelopment Authority issued \$8,000,000 in Series 2010 Federally Taxable Qualified School Construction Bonds – Direct Pay for the Carrollton Independent School System Project for the construction, renovation, modernization and revitalization of the Carrollton Independent School System facilities. These bonds are payable solely from the Trust Estate (bank) and the Authority has no obligation for these debts; therefore, debts are not reflected on the Authority's financial statements. The balance owed on these bonds was \$8,000,000 at June 30, 2020.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

12. Conduit Debt (continued)

On July 7, 2014, Carrollton Redevelopment Authority authorized the receipt of a loan of \$217,235 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Chad P. Properties, LLC, for the purpose of renovating a building located at 310 Adamson Square. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 2% interest with monthly payments of \$1,406 beginning September 1, 2014, and a balloon payment of \$58,538 on August 1, 2024. The outstanding loan balance at June 30, 2020 was \$141,552.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of \$250,000 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of acquiring and renovating a building located at 210 Bradley Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 2% interest with monthly payments of \$1,608 beginning December 1, 2016, and a balloon payment of all unpaid principal on November 1, 2026. The outstanding loan balance at June 30, 2020 was \$200,733.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of \$250,000 from the Georgia Cities Foundation Loan Program. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of renovating a building located at 117 Newnan Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is fifteen years at 3% interest with monthly payments of \$1,746 beginning December 1, 2016, and a balloon payment of \$97,564 on November 1, 2026. The outstanding loan balance at June 30, 2020 was \$203,725.

On February 27, 2018, Carrollton Redevelopment Authority authorized the receipt of a loan of \$197,480 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Jason & Laura Colquitt for the purpose of renovating a building located at

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

12. Conduit Debt (continued)

306 A1-B Rome Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is fifteen years at 2% interest with monthly payments of \$1,270 beginning March 1, 2018. The outstanding loan balance at June 30, 2020 was \$171,496.

13. Nonspendable, Restricted, Committed, and Assigned Fund Balances

The following is a summary of nonspendable, restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2020:

	General	West Metro Regional Drug Enforcement	2015 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 102,697	\$ 0	\$ 0	\$ 0	\$ 102,697
Property held for resale	0	0	0	397,189	397,189
	<u>\$ 102,697</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 397,189</u>	<u>\$ 499,886</u>
Restricted for:					
Public Safety					
Police facilities and equipment	\$ 0	\$ 1,649,956	\$ 0	\$ 398,246	\$ 2,048,202
Hazardous material team	0	0	0	23,029	23,029
Culture and Recreation					
Recreation facilities and equipment	6,811	0	0	0	6,811
Housing and Development					
Neighborhood improvements	0	0	0	740,907	740,907
Promotion of tourism, conventions and trade shows	107,976	0	0	140,334	248,310
Capital Projects	0	0	3,266,628	378,368	3,644,996
	<u>\$ 114,787</u>	<u>\$ 1,649,956</u>	<u>\$ 3,266,628</u>	<u>\$ 1,680,884</u>	<u>\$ 6,712,255</u>
Assigned for:					
Housing and Development					
Economic Development	\$ 0	\$ 0	\$ 0	\$ 345,872	\$ 345,872

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans

Defined Benefit Pension Plans

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), 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 City 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.

At January 1, 2020, the date of the most recent actuarial valuation, there were 593 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	175
Terminated vested participants entitled to but not yet receiving benefits	85
Active participants	<u>333</u>
Total number of participants	<u><u>593</u></u>

Benefits Provided. Regular full-time employees who are non-civil service and who are not eligible to participate in any other retirement program of the City may participate immediately. Employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten years of total service are eligible to retire at age 65 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement at age 55 with ten years of total service. The benefit formula is 1.25% - 2.00% with a five-year vesting schedule.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans (continued)

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 fiscal year ended June 30, 2020 was \$1,612,553, or 10.46% of covered payroll. Covered payroll for employees participating in the plan as of January 1, 2020 (the most recent actuarial valuation date) was \$15,414,227 (based on covered earnings for the preceding year). The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, the City reported a net pension liability of \$8,513,542. The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. For the fiscal year ended June 30, 2020, the City recognized pension expense of \$1,486,375. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans (continued)

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2018	\$ 32,720,724	\$ 26,741,451	\$ 5,979,273
Changes for the year:			
Service cost	359,881	0	359,881
Interest	2,409,298	0	2,409,298
Differences between expected and actual experience	540,068	0	540,068
Contributions-employer	0	1,453,508	(1,453,508)
Net investment income	0	781,879	(781,879)
Benefit payments, including refunds of employee contribution	(1,913,261)	(1,913,261)	0
Administrative expense	0	(50,844)	50,844
Other	1,409,565	0	1,409,565
Net changes	<u>2,805,551</u>	<u>271,282</u>	<u>2,534,269</u>
Balances at 9/30/2019	<u>\$ 35,526,275</u>	<u>\$ 27,012,733</u>	<u>\$ 8,513,542</u>
Plan fiduciary net position as a percentage of the total pension liability		76.04%	
Covered payroll		\$ 15,414,227	
Net pension liability as a percentage of covered payroll		55.23%	

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,305,668	\$ (40,808)
Changes of assumptions	1,455,520	0
Net difference between projected and actual earnings on pension plan investments	0	(179,852)
Contributions subsequent to the measurement date	<u>1,011,728</u>	<u>0</u>
Totals	<u>\$ 3,772,916</u>	<u>\$ (220,660)</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans (continued)

The \$1,011,728 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 pension liability in the subsequent. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2021	\$ 450,670
2022	490,024
2023	600,090
2024	662,024
2025	<u>337,720</u>
Totals	<u>\$ 2,540,528</u>

Actuarial Assumptions. The total pension liability in the January 1, 2020 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	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar
Remaining amortization period	11 years

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, 2020 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans (continued)

(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.

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.41%
International equity	20%	6.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Domestic fixed income	20%	1.96%
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.

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

	Discount Rate	Net Pension Liability
1% decrease	6.375%	\$ 12,912,054
Current discount rate	7.375%	8,513,542
1% increase	8.375%	4,825,338

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

14. Pension Plans (continued)

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 pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the City's financial statements.

15. Post-Employment Benefits Other Than Pensions

Plan Description. The City of Carrollton Other Postemployment Benefits Plan (the "OPEB Plan") is a defined benefit postretirement health care, prescription drug, and life insurance plan. The OPEB plan is administered through the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer OPEB Plan administered by the Georgia Municipal Association (GMA). The City has established provisions, which assign the authority to the City council members to establish and amend the benefit provisions of the plan.

At January 1, 2019, the date of the most recent actuarial valuation, there were 351 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	49
Inactive plan members entitled to but not yet receiving benefit payments	0
Active members	<u>302</u>
Total number of participants	<u><u>351</u></u>

Benefits Provided. City employees become eligible after they reach age 62 with 20 years of service and receiving a pension benefit from Georgia Municipal Benefits System (age 60 if a Public Service employee). The City pays 100% of the medical premiums until the participant becomes eligible for Medicare. A \$10,000 life insurance benefit is provided.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

15. Post-Employment Benefits Other Than Pensions (continued)

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a “pay-as-you-go” basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City’s contribution for the fiscal year ended June 30, 2020 was \$52,900, or 0.33% of covered payroll. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, the City reported a net OPEB liability of \$2,274,211. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2019. For the fiscal year ended June 30, 2020, the City recognized OPEB expense of (\$63,652). For the Governmental Activities, the net OPEB liability is liquidated by the General Fund.

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2018	\$ 2,950,960	\$0	\$ 2,950,960
Changes for the year:			
Service cost	93,323	0	93,323
Interest	116,790	0	116,790
Changes of benefit terms	(112,209)	0	(112,209)
Differences between expected and actual experience	188,568	0	188,568
Contributions-employer	0	52,900	(52,900)
Changes in assumptions	(910,321)	0	(910,321)
Benefit payments, including refunds of member contributions	(52,900)	(52,900)	0
Net changes	(676,749)	0	(676,749)
Balances at 6/30/2019	\$ 2,274,211	\$0	\$ 2,274,211
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%	
Covered employee payroll		\$ 13,152,183	
Plan net OPEB liability as a percentage of covered employee payroll		17.29%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

15. Post-Employment Benefits Other Than Pensions (continued)

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,997	\$ (82,503)
Changes of assumptions	0	(1,022,482)
Changes in participant fund allocation	153,770	(153,770)
Contributions subsequent to the measurement date	43,283	0
Totals	<u>\$ 362,050</u>	<u>\$ (1,258,755)</u>

The \$43,283 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 OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2021	\$ (161,555)
2022	(161,555)
2023	(161,555)
2024	(161,555)
2025	(113,329)
Thereafter	<u>(180,439)</u>
Totals	<u>\$ (939,988)</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

15. Post-Employment Benefits Other Than Pensions (continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	3.00% to 8.50%, including inflation
Actuarial cost method	Entry age
Discount rate	3.50%. This changed from 3.87% the previous year
Healthcare cost trend rates	Medical: 7.00% trended down to 4.5% by 2029 Prescription Drug: 7.00% trended down to 4.5% by 2029
Mortality rates	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.
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

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

Development of Long-Term Rate. Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.50%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2019.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.50%) or one percentage-point higher (4.50%) than the current rate.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

15. Post-Employment Benefits Other Than Pensions (continued)

Also shown is the Net OPEB Liability as if it were calculated using healthcare cost trend rates that were one percentage point lower or one percentage point higher than the current healthcare trend rates:

<u>Discount Rate</u>		<u>Net OPEB Liability</u>
1% decrease	2.50%	\$ 2,560,965
Current discount rate	3.50%	2,274,211
1% increase	4.50%	2,026,036

<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$ 2,061,870
Current discount rate		2,274,211
1% increase		2,528,259

OPEB 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.

16. Hotel/Motel Lodging Tax

The City levied an occupancy tax of 8% beginning August 1, 2017 for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated O.C.G.A. 48-13-51(b). Local governments imposing a tax under this code section are required to expend, in each fiscal year, an amount equal to not less than 50% of the total amount of taxes collected that exceed the amount of taxes that would have been collected at the rate of 5% for promoting tourism, conventions, and trade shows by the destination marketing organization designated by the municipality levying the tax (for the City, the Carrollton Area Convention and Visitors Bureau or the Carroll County Chamber of Commerce). For the fiscal year ended June 30, 2020, the City collected \$709,449 in hotel/motel tax revenues, of which \$266,043 was disbursed to the Carrollton Area Convention and Visitors Bureau and the Carroll County Chamber of Commerce, and \$44,341 is held for future disbursement for promoting tourism, conventions and trade shows (43.75% of tax receipts). The remaining amount of taxes collected that exceed the amount of taxes that would be collected at the rate of 5% which are not otherwise expended above shall be expended for tourism product development. For the fiscal year ended June 30, 2020, the City expended \$133,022 (18.75%) of tax receipts for tourism product development.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

17. Tax Abatements

The City of Carrollton 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 fiscal year ended June 30, 2020, the City of Carrollton property taxes were abated totaling \$287,160 under this program through the Carrollton Payroll Development Authority.

Individual tax abatement agreements that each exceeded ten percent of the total amount abated are as follows:

- Property tax abatement (ranging from 40% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$133,210.
- Property tax abatement (ranging from 80% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$45,204.
- 100% property tax abatement for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$40,048.
- Property tax abatement (ranging from 80% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$36,605.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

18. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Three Rivers Regional Commission (TRRC). The membership dues are paid annually by the City of Carrollton. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs 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. A copy of the TRCC financial statements can be obtained from TRRC, P.O. Box 818, Griffin, Georgia 30224.

19. Related Organizations

The City of Carrollton Housing Authority is considered a related organization to the City of Carrollton. 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 Carrollton. The City collects revenue in lieu of taxes for City services provided to Housing Authority residents.

20. Lease Agreement

The City has entered into a lease agreement with the Carrollton Independent School System for a three-year term. The Carrollton Independent School System shall pay rental in the amount of one dollar (\$1.00) per year, due on the commencement date and each anniversary thereafter, for the use of premises owned by the City. Due to the nature of the lease, the land and building, net of accumulated depreciation, are included in the City's capital assets at \$125,000 and \$860,149, respectively.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

21. 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 purchased commercial insurance to cover property and professional liability claims. 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.

As part of these risks, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the last three years have not exceeded insurance coverage.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

22. Commitments and Contingencies

Commitments

The State revolving loan agreement requires that in the event the loan cannot be repaid from water fund revenues; the City has a general obligation to collect and apply sufficient tax to repay the principal and interest on the loan as required in the loan agreement.

Utility Repair: The City has budgeted \$1,000,000 for utility repair for the next fiscal year.

Library Expansion Project: The City committed up to \$1,500,000 to West Georgia Regional Library to assist with major renovations to its Carrollton facility. The City funded this commitment with 2015 SPLOST funds. As of June 30, 2020, the City has expended approximately \$1,200,000 toward this commitment. The project was completed in September 2020.

Bankhead Corridor Beautification Project: The City has committed \$2,670,507 for infrastructure improvements for the first phase of this project. The City has been awarded \$1,500,000 from a Georgia Department of Transportation Grant to assist with this project. As of June 30, 2020, the City has expended \$1,682,574 toward this project with state grant funding of \$978,700 from the State of Georgia.

Contingencies

The City is a defendant in several lawsuits. Management intends to contest these open cases vigorously. The City's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

23. Material Budget Violations

The following Special Revenue Funds had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2020:

West Metro Regional Drug Enforcement	\$	1,171,823
Regional Hazardous Material Team	\$	18,150

The City did not adopt a budget for its Neighborhood Stabilization Program Special Revenue Fund.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

23. Material Budget Violations (continued)

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

24. Subsequent Events

Subsequent to June 30, 2020, the City received \$1,426,946 of funding as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. These funds were reimbursements to the City for expenditures related to public safety and various items during the COVID-19 pandemic.

On August 13, 2020, the City awarded a bid in the amount of \$597,043 for the construction of a Greenbelt Spur. The City was awarded grant in the amount of \$200,000 to be applied to this project.

On October 15, 2020, the City approved the purchase of approximately two acres of land in the amount of \$475,000 for the future construction of a fire station.

On October 15, 2020, the City approved the purchase of approximately 2.7 acres of land in the amount of \$1,800,000 for future economic development in the downtown area.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Total pension liability			
Service cost	\$ 359,881	\$ 348,429	\$ 397,257
Interest	2,409,298	2,311,482	2,266,445
Differences between expected and actual experience	540,068	500,330	(81,618)
Changes in assumptions	0	0	433,947
Benefit payments, including refunds of employee contributions	(1,913,261)	(1,821,688)	(1,756,630)
Other changes	1,409,565	0	0
Net change in total pension liability	2,805,551	1,338,553	1,259,401
Total pension liability - beginning	32,720,724	31,382,171	30,122,770
Total pension liability - ending (a)	\$ 35,526,275	\$ 32,720,724	\$ 31,382,171
Plan fiduciary net position			
Contributions - employer	\$ 1,453,508	\$ 1,340,534	\$ 1,121,807
Net investment income	781,879	2,445,629	3,301,957
Benefit payments, including refunds of employee contributions	(1,913,261)	(1,821,689)	(1,756,630)
Administrative expense	(50,844)	(56,317)	(58,143)
Net change in plan fiduciary net position	271,282	1,908,157	2,608,991
Plan fiduciary net position - beginning	26,741,451	24,833,294	22,224,303
Plan fiduciary net position - ending (b)	\$ 27,012,733	\$ 26,741,451	\$ 24,833,294
Net pension liability (asset) - ending : (a) - (b)	\$ 8,513,542	\$ 5,979,273	\$ 6,548,877
Plan's fiduciary net position as a percentage of the total pension liability	76.04%	81.73%	79.13%
Covered payroll	\$ 15,414,227	\$ 13,152,183	\$ 12,765,322
Net pension liability as a percentage of covered payroll	55.23%	45.46%	51.30%

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

Fiscal Year End		
2017	2016	2015
\$ 362,710	\$ 377,227	\$ 334,167
2,106,841	1,989,841	1,911,478
1,267,311	597,738	356,908
0	0	0
(1,565,620)	(1,344,634)	(1,272,573)
(16,333)	0	(282,808)
2,154,909	1,620,172	1,047,172
27,967,861	26,347,689	25,300,517
<u>\$ 30,122,770</u>	<u>\$ 27,967,861</u>	<u>\$ 26,347,689</u>
\$ 1,188,985	\$ 1,208,604	\$ 1,248,419
2,258,137	235,211	2,085,904
(1,565,620)	(1,344,634)	(1,272,573)
(33,118)	(36,856)	(29,317)
1,848,384	62,325	2,032,433
20,375,919	20,313,594	18,281,161
<u>\$ 22,224,303</u>	<u>\$ 20,375,919</u>	<u>\$ 20,313,594</u>
<u>\$ 7,898,467</u>	<u>\$ 7,591,942</u>	<u>\$ 6,034,095</u>
73.78%	72.85%	77.10%
\$ 13,618,889	\$ 12,426,773	\$ 11,901,447
58.00%	61.09%	50.70%

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Actuarially determined contribution	\$ 1,612,553	\$ 1,348,970	\$ 1,341,205
Contributions in relation to the actuarially determined contribution	(1,612,553)	(1,348,970)	(1,229,438)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 111,767</u>
Covered payroll	\$ 15,860,745	\$ 14,248,681	\$ 14,711,933
Contributions as a percentage of covered payroll	10.17%	9.47%	8.36%

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

Fiscal Year End		
2017	2016	2015
\$ 1,195,231	\$ 1,186,903	\$ 1,215,838
(1,197,081)	(1,187,953)	(1,215,838)
<u>\$ (1,850)</u>	<u>\$ (1,050)</u>	<u>\$ 0</u>
\$ 13,395,252	\$ 12,662,435	\$ 11,687,687
8.94%	9.38%	10.40%

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Total OPEB liability			
Service cost	\$ 93,323	\$ 94,178	\$ 111,817
Interest	116,790	108,759	92,935
Change of benefit terms	(112,209)	0	0
Differences between expected and actual experience	188,568	(60,250)	(69,070)
Changes in assumptions	(910,321)	(101,521)	(268,511)
Benefit payments, including refunds of member contributions	(52,900)	(67,970)	(76,910)
Net change in total OPEB liability	(676,749)	(26,804)	(209,739)
Total OPEB liability - beginning	2,950,960	2,977,764	3,187,503
Total OPEB liability - ending (a)	\$ 2,274,211	\$ 2,950,960	\$ 2,977,764
Plan fiduciary net position			
Contributions - employer	\$ 52,900	\$ 67,970	\$ 76,910
Benefit payments, including refunds of member contributions	(52,900)	(67,970)	(76,910)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	\$ 0	\$ 0	\$ 0
Net OPEB liability (asset) - ending : (a) - (b)	\$ 2,274,211	\$ 2,950,960	\$ 2,977,764
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 13,152,183	\$ 13,397,582	\$ 13,397,582
Plan net OPEB liability as a percentage of covered employee payroll	17.29%	22.03%	22.23%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2020
(Unaudited)

	Fiscal Year End		
	2020	2019	2018
Actuarially determined contribution	\$ 205,788	\$ 203,537	\$ 265,320
Contributions in relation to the actuarially determined contribution	(52,900)	(67,970)	(76,910)
Contribution deficiency (excess)	<u>\$ 152,888</u>	<u>\$ 135,567</u>	<u>\$ 188,410</u>
Covered employee payroll	\$ 15,860,745	\$ 14,248,681	\$ 14,711,933
Contributions as a percentage of covered employee payroll	0.33%	0.48%	0.52%

Note: Fiscal year 2018 was the first year of implementation. Therefore, years prior are not reported.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Pension Plan

1. Valuation Date

The actuarially determined contribution was determined as of January 1, 2020, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending June 30, 2021.

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 = Remaining amortization period varies for the bases, with a net effective amortization period of 11 years

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Pension Plan (continued)

3. Changes in Benefits

Amounts reported for the fiscal years ending in 2020 and later reflect the plan amendment effective January 1, 2019 changing vesting for employees from five years to ten years, and early retirement eligibility from age 55 with ten years of service to age 55 with five years of service.

4. Changes of Assumptions

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

- The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
- The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
- Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Pension Plan (continued)

4. Changes of Assumptions, continued

- The new assumption relates to when a given participant is eligible for normal retirement (either regular normal retirement or alternative normal retirement). Retirement rates do not apply if a participant is not eligible for either early retirement or normal retirement. The retirement rates where normal retirement is available on or after age 65 are 5% at ages 55 to 59, 7% at ages 60 and 61, 20% at age 62, 10% at ages 63 and 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older.
- Where normal retirement is available to a given participant at age 62, 63, or 64, the new retirement rates are 3% when first eligible for early retirement through age 60, 10% at ages 61 to 64, 35% at age 65, 25% at ages 66 to 71, and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 30%.
- Where normal retirement is available at age 60 or 61, the new retirement rates are 3% when first eligible for early retirement through age 59, 10% at ages 60 to 64, 35% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 20%.
- Where normal retirement is available prior to age 60, the new retirement rates are 3% when first eligible for early retirement through the year prior to normal eligibility, 10% from normal retirement eligibility through age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65, 25% at ages 66 to 71 and 100% at ages 72 and older. In addition, in the first year a participant is eligible for normal retirement, the rate is increased by 10%.
- The turnover rates were changed from the greater of age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% and 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years of service with an ultimate rate of 3.00% at fifteen years of service.
- The investment return assumption was decreased from 7.50% to 7.375%.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

OPEB Plan

1. Valuation Date

The actuarially determined contribution rates are determined as of June 30, based on the most recent valuation date, two years prior to the end of the fiscal year in which contributions are reported.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

Projected salary increases = 3.00 to 8.50%, including inflation

Inflation = 2.25%

Discount rate = 3.50%. This changed from 3.87% the previous year

Healthcare cost trend rates = Medical: 7.00% trended down to 4.5% by 2029
Prescription Drug: 7.00% trended down to 4.5% by 2029

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

OPEB Plan (continued)

3. Changes in Benefits

There have been no benefit changes since GASB 75 implementation.

4. Changes of Assumptions

- The discount rate effective for June 30, 2019 was 3.50%. For June 30, 2018 the effective rate was 3.87%.
- Per capita health costs were updated to reflect the most recent claims experience.
- Trend rates were reset to 7.0% in 2019 grading down by 0.25% annually to 4.50% based on recent experience.
- The excise tax regulation was repealed by Congress in December 2019.
- A comprehensive Actuarial Review was conducted November-December 2019. As a result of that study, the following assumption changes were proposed and subsequently approved. These changes are reflected for the first time in this valuation.
 - The mortality table for healthy retirees and beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year for females to the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25.
 - The mortality table for disabled participants was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table to the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25.
 - The mortality table for active participants, terminated vested participants, and deferred beneficiaries was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years in age for males and one year in age for females to the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
 - Future mortality improvement is based on projecting generationally from 2012 using 60% of the sex-distinct Scale SSA2019. Previously future mortality improvements were not explicitly projected.
 - The retirement assumptions were revised with the new rates based on expected Normal Retirement Age.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

OPEB Plan (continued)

4. Changes of Assumptions, continued

- The turnover rates were changed from the greater age-based rates and select rates for the first five years of service followed by age-based rates thereafter to service-based rates only.
- The disability rates were changed to 50% of the rates in the prior age-based table.
- The inflation assumption was decreased from 2.75% to 2.25%.
- The salary increase assumption was changed from a service-based salary scale starting at 8.25% for the first two years of service with an ultimate rate of 3.25% at ten years of service to a service-based scale starting at 8.50% for the first two years with an ultimate rate of 3.00% at 15 years of service.

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SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
ASSETS				
Cash and cash equivalents	\$ 542,414	\$ 484,885	\$ 23,029	\$ 694,913
Receivables				
Intergovernmental	0	0	0	27,174
Taxes	51,440	0	0	0
Due from other funds	0	0	0	18,820
Property held for resale	0	0	0	397,189
Total assets	<u>\$ 593,854</u>	<u>\$ 484,885</u>	<u>\$ 23,029</u>	<u>\$ 1,138,096</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 33,912	\$ 1,275	\$ 0	\$ 0
Due to other funds	73,736	0	0	0
Due to others	0	85,364	0	0
Total liabilities	<u>107,648</u>	<u>86,639</u>	<u>0</u>	<u>0</u>
Fund balances				
Nonspendable:				
Property held for resale	0	0	0	397,189
Restricted for:				
Public Safety	0	398,246	23,029	0
Housing and Development	140,334	0	0	740,907
Capital outlay	0	0	0	0
Assigned for:				
Housing and Development	345,872	0	0	0
Total fund balances	<u>486,206</u>	<u>398,246</u>	<u>23,029</u>	<u>1,138,096</u>
Total liabilities and fund balances	<u>\$ 593,854</u>	<u>\$ 484,885</u>	<u>\$ 23,029</u>	<u>\$ 1,138,096</u>

Capital Projects	
Capital Projects Fund for Public Roads	Total Nonmajor Governmental Funds
\$ 379,656	\$ 2,124,897
0	27,174
0	51,440
0	18,820
0	397,189
<u>\$ 379,656</u>	<u>\$ 2,619,520</u>

\$ 0	\$ 35,187
1,288	75,024
0	85,364
<u>1,288</u>	<u>195,575</u>

0	397,189
0	421,275
0	881,241
378,368	378,368
0	345,872
<u>378,368</u>	<u>2,423,945</u>
<u>\$ 379,656</u>	<u>\$ 2,619,520</u>

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2020

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ 709,449	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	50,568	0	0
Charges for services	0	0	8,002	0
Intergovernmental	0	0	0	2,804
Interest	423	0	12	1,047
Other	2,704	0	0	70
Total revenues	<u>712,576</u>	<u>50,568</u>	<u>8,014</u>	<u>3,921</u>
EXPENDITURES				
Current				
Public Safety	0	88,857	21,650	0
Housing and Development	278,454	0	0	4,001
Capital Outlay	0	0	0	0
Total expenditures	<u>278,454</u>	<u>88,857</u>	<u>21,650</u>	<u>4,001</u>
Excess (deficiency) of revenues over (under) expenditures	434,122	(38,289)	(13,636)	(80)
Other financing sources (uses)				
Transfers out	(177,362)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	256,760	(38,289)	(13,636)	(80)
Fund balances, July 1	<u>229,446</u>	<u>436,535</u>	<u>36,665</u>	<u>1,138,176</u>
Fund balances, June 30	<u><u>\$ 486,206</u></u>	<u><u>\$ 398,246</u></u>	<u><u>\$ 23,029</u></u>	<u><u>\$ 1,138,096</u></u>

Capital Projects		Total
Capital		Nonmajor
Projects		Governmental
Fund for		Funds
Public Roads		
\$ 0	\$ 709,449	
0	50,568	
0	8,002	
314,183	316,987	
331	1,813	
0	2,774	
<u>314,514</u>	<u>1,089,593</u>	
0	110,507	
0	282,455	
<u>386,319</u>	<u>386,319</u>	
<u>386,319</u>	<u>779,281</u>	
(71,805)	310,312	
<u>0</u>	<u>(177,362)</u>	
(71,805)	132,950	
<u>450,173</u>	<u>2,290,995</u>	
<u>\$ 378,368</u>	<u>\$ 2,423,945</u>	

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GENERAL FUND

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

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 13,986,504	\$ 13,435,584
Receivables (net)		
Accounts	310,012	220,704
Intergovernmental	53,678	59,046
Taxes	798,983	814,498
Prepaid items	102,697	109,896
Due from other funds	95,171	144,445
Restricted assets		
Cash and cash equivalents	140,544	2,522,794
Total assets	<u><u>\$ 15,487,589</u></u>	<u><u>\$ 17,306,967</u></u>
LIABILITIES		
Accounts payable	\$ 769,451	\$ 917,819
Accrued liabilities	12,162	20,001
Accrued salaries and payroll liabilities	324,116	233,834
Unearned revenue	50,798	228,837
Due to others	200,336	2,517,405
Due to other funds	27,973	25,219
Total liabilities	<u>1,384,836</u>	<u>3,943,115</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>36,912</u>	<u>38,018</u>
FUND BALANCES		
Nonspendable		
Prepaid items	102,697	109,896
Restricted for Culture and Recreation	6,811	6,826
Restricted for Housing and Development	107,976	98,563
Unassigned	13,848,357	13,110,549
Total fund balances	<u>14,065,841</u>	<u>13,325,834</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 15,487,589</u></u>	<u><u>\$ 17,306,967</u></u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Taxes	\$ 16,441,894	\$ 16,023,263
Licenses and permits	524,661	520,330
Fines, fees and forfeitures	869,574	999,563
Charges for services	4,278,372	4,818,559
Intergovernmental	1,069,415	1,068,677
Interest	172,018	172,354
Contributions	27,292	39,360
Other	165,043	231,981
Total revenues	<u>23,548,269</u>	<u>23,874,087</u>
EXPENDITURES		
Current		
General Government	3,086,451	2,561,081
Public Safety	14,112,049	12,605,933
Public Works	2,344,178	2,259,261
Culture and Recreation	5,918,027	6,542,014
Housing and Development	828,121	992,022
Total current	<u>26,288,826</u>	<u>24,960,311</u>
Debt Service		
Public Safety	161,444	0
Total expenditures	<u>26,450,270</u>	<u>24,960,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,902,001)</u>	<u>(1,086,224)</u>
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	177,362	157,806
Water and Sewerage Fund	2,572,125	2,596,265
Sanitation Fund	0	262,070
Issuance of capital leases	892,521	0
Total other financing sources (uses)	<u>3,642,008</u>	<u>3,016,141</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	740,007	1,929,917
Fund balances, July 1	<u>13,325,834</u>	<u>11,395,917</u>
Fund balances, June 30	<u><u>\$ 14,065,841</u></u>	<u><u>\$ 13,325,834</u></u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 4,031,832	\$ 4,130,868	\$ 99,036	\$ 3,762,087
Motor vehicle tax	860,000	545,058	(314,942)	863,646
Cost, penalties and interest	50,000	19,197	(30,803)	40,824
Total general property taxes	4,941,832	4,695,123	(246,709)	4,666,557
Local option sales tax	4,600,000	4,829,839	229,839	4,658,202
Insurance premium tax	1,870,000	1,855,099	(14,901)	1,747,722
Intangibles tax	30,000	42,226	12,226	28,875
Franchise tax	2,775,000	2,672,124	(102,876)	2,558,212
Alcohol excise tax	800,000	812,181	12,181	793,344
Occupational tax	1,400,000	1,397,227	(2,773)	1,424,427
Energy excise tax	120,000	138,075	18,075	145,924
Total taxes	16,536,832	16,441,894	(94,938)	16,023,263
Licenses and permits				
Alcohol licenses	300,000	248,273	(51,727)	286,317
Building permits	225,000	276,388	51,388	234,013
Total licenses and permits	525,000	524,661	(339)	520,330
Fines, fees and forfeitures	1,100,000	869,574	(230,426)	999,563
Charges for Services				
Reimbursement of joint expenses	3,215,814	2,812,313	(403,501)	2,962,357
Recreation fees	1,065,900	874,061	(191,839)	1,193,418
Main Street events	75,000	86,837	11,837	72,841
Cemetery charges	25,000	24,485	(515)	29,920
Cultural arts fees	434,275	298,275	(136,000)	354,350
Other	125,000	182,401	57,401	205,673
Total charges for services	4,940,989	4,278,372	(662,617)	4,818,559
Intergovernmental	981,580	1,069,415	87,835	1,068,677
Interest	250,000	172,018	(77,982)	172,354
Contributions	0	27,292	27,292	39,360
Other				
Rental Income	100,000	19,425	(80,575)	59,990
Miscellaneous	324,264	145,618	(178,646)	171,991
Total other	424,264	165,043	(259,221)	231,981
Total revenues	<u>\$ 24,758,665</u>	<u>\$ 23,548,269</u>	<u>\$ (1,210,396)</u>	<u>\$ 23,874,087</u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 86,615	\$ 71,158	\$ 15,457	\$ 44,701
Contract services	50,000	29,322	20,678	24,019
Total Mayor and Council	136,615	100,480	36,135	68,720
City Manager				
Personal services	343,697	299,227	44,470	323,532
Contract services	7,586	5,143	2,443	6,964
Materials and supplies	250	0	250	307
Total City Manager	351,533	304,370	47,163	330,803
General Administration				
Personal services	140,967	70,713	70,254	61,173
Contract services	694,705	687,869	6,836	634,289
Materials and supplies	231,500	248,599	(17,099)	231,083
Capital outlay	0	0	0	76,299
Payments to others	200,000	205,000	(5,000)	95,000
Total General Administration	1,267,172	1,212,181	54,991	1,097,844
Finance and Purchasing				
Personal services	287,244	222,913	64,331	212,812
Contract services	16,886	11,217	5,669	8,097
Materials and supplies	0	155	(155)	0
Total Finance and Purchasing	304,130	234,285	69,845	220,909
Human Resources				
Personal services	321,849	316,411	5,438	310,466
Contract services	16,061	22,478	(6,417)	12,220
Materials and supplies	3,000	0	3,000	192
Total Human Resources	340,910	338,889	2,021	322,878
Information Technology				
Personal services	237,094	204,960	32,134	202,828
Contract services	50,000	213,544	(163,544)	68,743
Capital outlay	175,000	0	175,000	0
Total Information Technology	462,094	418,504	43,590	271,571
General Maintenance				
Personal services	87,114	63,799	23,315	89,655
Contract services	4,086	4,082	4	4,441
Total General Maintenance	91,200	67,881	23,319	94,096
Marketing-Public Relations				
Personal services	115,264	104,540	10,724	0
Contract services	95,775	66,433	29,342	0
Material and supplies	88,750	59,543	29,207	0
Total Marketing-Public Relations	299,789	230,516	69,273	0
Legal				
Contract services	185,000	179,345	5,655	154,260
Total General Government	3,438,443	3,086,451	351,992	2,561,081

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
Public Safety				
Police Department				
Personal services	6,675,448	6,426,536	248,912	6,091,439
Contract services	760,867	873,166	(112,299)	838,354
Materials and supplies	297,915	306,376	(8,461)	368,875
Capital outlay	1,022,821	927,710	95,111	183,058
Total Police Department	<u>8,757,051</u>	<u>8,533,788</u>	<u>223,263</u>	<u>7,481,726</u>
Fire Department				
Personal services	5,422,354	4,970,457	451,897	4,647,355
Contract services	278,560	355,119	(76,559)	244,005
Materials and supplies	240,225	200,859	39,366	188,220
Capital outlay	98,467	51,826	46,641	44,627
Total Fire Department	<u>6,039,606</u>	<u>5,578,261</u>	<u>461,345</u>	<u>5,124,207</u>
Total Public Safety	<u>14,796,657</u>	<u>14,112,049</u>	<u>684,608</u>	<u>12,605,933</u>
Public Works				
Street Department				
Contract services	93,173	71,432	21,741	87,280
Materials and supplies	106,000	83,694	22,306	56,563
Capital outlay	500,000	474,161	25,839	774,112
Total Street Department	<u>699,173</u>	<u>629,287</u>	<u>69,886</u>	<u>917,955</u>
Engineering				
Personal services	602,203	578,486	23,717	531,845
Contract services	219,586	205,255	14,331	115,533
Materials and supplies	421,000	440,503	(19,503)	378,639
Capital outlay	170,000	169,725	275	7,225
Total Engineering	<u>1,412,789</u>	<u>1,393,969</u>	<u>18,820</u>	<u>1,033,242</u>
Garage				
Personal services	322,684	269,436	53,248	294,505
Contract services	21,086	15,716	5,370	4,194
Materials and supplies	20,150	35,770	(15,620)	9,365
Total Garage	<u>363,920</u>	<u>320,922</u>	<u>42,998</u>	<u>308,064</u>
Total Public Works	<u>2,475,882</u>	<u>2,344,178</u>	<u>131,704</u>	<u>2,259,261</u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	\$ 300,035	\$ 300,036	\$ (1)	\$ 300,036
Recreation Administration				
Personal services	430,150	438,830	(8,680)	442,569
Contract services	130,373	135,934	(5,561)	133,944
Materials and supplies	453,770	388,656	65,114	399,548
Total Recreation Administration	1,014,293	963,420	50,873	976,061
Recreation Parks				
Personal services	1,163,513	1,007,581	155,932	990,044
Contract services	428,620	376,234	52,386	373,234
Materials and supplies	160,635	96,114	64,521	99,332
Capital outlay	187,832	125,464	62,368	549,307
Total Recreation Parks	1,940,600	1,605,393	335,207	2,011,917
Recreation Programs				
Personal services	832,272	701,126	131,146	772,941
Contract services	132,115	114,188	17,927	83,703
Materials and supplies	199,043	275,893	(76,850)	293,675
Capital outlay	30,000	0	30,000	0
Total Recreation Programs	1,193,430	1,091,207	102,223	1,150,319
Cultural Arts				
Personal services	611,827	513,070	98,757	479,353
Contract services	253,610	230,257	23,353	308,467
Materials and supplies	192,408	169,465	22,943	218,307
Capital outlay	88,000	113,467	(25,467)	0
Total Cultural Arts	1,145,845	1,026,259	119,586	1,006,127
Recreation Athletics				
Personal services	971,011	783,252	187,759	894,147
Contract services	128,584	67,413	61,171	72,800
Materials and supplies	179,053	81,047	98,006	130,607
Total Recreation Athletics	1,278,648	931,712	346,936	1,097,554
Total Culture and Recreation	6,872,851	5,918,027	954,824	6,542,014

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	\$ 352,230	\$ 334,158	\$ 18,072	\$ 380,177
Contract services	28,086	22,771	5,315	35,562
Materials and supplies	3,000	312	2,688	461
Total Planning Administration	<u>383,316</u>	<u>357,241</u>	<u>26,075</u>	<u>416,200</u>
Code Enforcement				
Personal services	78,027	74,499	3,528	62,519
Contract services	10,586	6,195	4,391	5,527
Materials and supplies	4,150	2,995	1,155	1,444
Total Code Enforcement	<u>92,763</u>	<u>83,689</u>	<u>9,074</u>	<u>69,490</u>
Convention and Visitor's Bureau				
Personal services	162,732	102,491	60,241	81,353
Contract services	87,210	95,035	(7,825)	118,296
Materials and supplies	54,960	54,805	155	62,984
Total Convention and Visitor's Bureau	<u>304,902</u>	<u>252,331</u>	<u>52,571</u>	<u>262,633</u>
Main Street Division				
Personal services	138,252	78,601	59,651	120,702
Contract services	90,845	41,141	49,704	59,897
Materials and supplies	65,480	15,118	50,362	63,100
Capital outlay	6,000	0	6,000	0
Total Main Street Division	<u>300,577</u>	<u>134,860</u>	<u>165,717</u>	<u>243,699</u>
Total Housing and Development	<u>1,081,558</u>	<u>828,121</u>	<u>253,437</u>	<u>992,022</u>
Total Current	<u>28,665,391</u>	<u>26,288,826</u>	<u>2,376,565</u>	<u>24,960,311</u>
Debt Service				
Police Department	167,920	161,444	6,476	0
Engineering	30,000	0	30,000	0
Total Debt Service	<u>197,920</u>	<u>161,444</u>	<u>36,476</u>	<u>0</u>
Total Expenditures	<u>\$ 28,863,311</u>	<u>\$ 26,450,270</u>	<u>\$ 2,413,041</u>	<u>\$ 24,960,311</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Hotel/Motel Tax Fund - Used to collect Hotel/Motel taxes which are used to support trade and tourism in the City of Carrollton.

Drug Seizure Fund - Used to account for the assets received from a drug confiscation.

Regional Hazardous Material Team Fund - Used to account for revenues and expenditures restricted for use by the Hazardous Material Team.

West Metro Regional Drug Enforcement Fund - Used to account for local and federal monies restricted for the West Metro Drug Enforcement Unit.

Neighborhood Stabilization Program Fund - Used to account for intergovernmental revenue and contributions received for impoverished housing and development projects in the City of Carrollton.

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 542,414	\$ 245,418
Taxes receivable	51,440	138,324
Prepaid items	<u>0</u>	<u>11,250</u>
Total assets	<u><u>\$ 593,854</u></u>	<u><u>\$ 394,992</u></u>
LIABILITIES		
Accounts payable	\$ 33,912	\$ 62,638
Due to other funds	<u>73,736</u>	<u>102,908</u>
Total liabilities	<u>107,648</u>	<u>165,546</u>
FUND BALANCES		
Nonspendable		
Prepaid items	0	11,250
Restricted for Housing and Development	140,334	0
Assigned for Housing and Development	345,872	0
Unassigned	<u>0</u>	<u>218,196</u>
Total fund balances	<u>486,206</u>	<u>229,446</u>
Total liabilities and fund balances	<u><u>\$ 593,854</u></u>	<u><u>\$ 394,992</u></u>

CITY OF CARROLLTON, 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 June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 820,000	\$ 709,449	\$ (110,551)	\$ 872,823
Interest	0	423	423	244
Other	0	2,704	2,704	865
Total revenues	<u>820,000</u>	<u>712,576</u>	<u>(107,424)</u>	<u>873,932</u>
EXPENDITURES				
Current				
Housing and Development				
Contract services	461,250	121,925	339,325	176,727
Capital outlay	0	67,848	(67,848)	71,209
Payments to other agencies	358,750	88,681	270,069	112,562
Total expenditures	<u>820,000</u>	<u>278,454</u>	<u>541,546</u>	<u>360,498</u>
Excess (deficiency) of revenues over (under) expenditures	0	434,122	434,122	513,434
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(177,362)	(177,362)	(157,806)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	256,760	256,760	355,628
Fund balance, July 1	0	229,446	229,446	(126,182)
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 486,206</u>	<u>\$ 486,206</u>	<u>\$ 229,446</u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 484,885	\$ 452,518
Intergovernmental receivable	<u>0</u>	<u>1,302</u>
Total assets	<u><u>\$ 484,885</u></u>	<u><u>\$ 453,820</u></u>
 LIABILITIES		
Accounts payable	\$ 1,275	\$ 0
Due to others	<u>85,364</u>	<u>17,285</u>
Total liabilities	86,639	17,285
 FUND BALANCES		
Restricted for Public Safety	<u>398,246</u>	<u>436,535</u>
Total liabilities and fund balances	<u><u>\$ 484,885</u></u>	<u><u>\$ 453,820</u></u>

**CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020**

(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 100,000	\$ 50,568	\$ (49,432)	\$ 439,720
Total revenues	<u>100,000</u>	<u>50,568</u>	<u>(49,432)</u>	<u>439,720</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	8,634	(8,634)	20,129
Materials and supplies	100,000	31,785	68,215	59,661
Capital outlay	0	41,901	(41,901)	42,550
Payments to others	<u>0</u>	<u>6,537</u>	<u>(6,537)</u>	<u>10,952</u>
Total expenditures	<u>100,000</u>	<u>88,857</u>	<u>11,143</u>	<u>133,292</u>
Excess (deficiency) of revenues over (under) expenditures	0	(38,289)	(38,289)	306,428
Other financing sources (uses)				
Transfers in (out)				
West Metro Regional				
Drug Enforcement Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,160</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(38,289)	(38,289)	322,588
Fund balance, July 1	<u>0</u>	<u>436,535</u>	<u>436,535</u>	<u>113,947</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 398,246</u></u>	<u><u>\$ 398,246</u></u>	<u><u>\$ 436,535</u></u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 23,029	\$ 36,665
Total assets	<u>\$ 23,029</u>	<u>\$ 36,665</u>
FUND BALANCES		
Restricted for Public Safety	\$ 23,029	\$ 36,665
Total liabilities and fund balances	<u>\$ 23,029</u>	<u>\$ 36,665</u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 3,000	\$ 8,002	\$ 5,002	\$ 3,000
Interest	500	12	(488)	26
Total revenues	<u>3,500</u>	<u>8,014</u>	<u>4,514</u>	<u>3,026</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	1,750	0	1,750	827
Materials and supplies	1,750	2,686	(936)	1,518
Capital outlay	0	18,964	(18,964)	0
Total expenditures	<u>3,500</u>	<u>21,650</u>	<u>(18,150)</u>	<u>2,345</u>
Excess (deficiency) of revenues over (under) expenditures	0	(13,636)	(13,636)	681
Fund balance, July 1	<u>0</u>	<u>36,665</u>	<u>36,665</u>	<u>35,984</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 23,029</u></u>	<u><u>\$ 23,029</u></u>	<u><u>\$ 36,665</u></u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 2,160,284	\$ 2,973,006
Intergovernmental receivable	<u>129,071</u>	<u>137,442</u>
Total assets	<u><u>\$ 2,289,355</u></u>	<u><u>\$ 3,110,448</u></u>
LIABILITIES		
Accounts payable	\$ 6,410	\$ 6,418
Due to other funds	17,418	36,059
Unearned revenue	22,000	23,000
Due to others	<u>593,571</u>	<u>978,737</u>
Total liabilities	639,399	1,044,214
FUND BALANCES		
Restricted for Public Safety	<u>1,649,956</u>	<u>2,066,234</u>
Total liabilities and fund balances	<u><u>\$ 2,289,355</u></u>	<u><u>\$ 3,110,448</u></u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	2020			2019
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 150,000	\$ 823,723	\$ 673,723	\$ 1,034,887
Intergovernmental	632,839	707,434	74,595	593,721
Interest	0	2,446	2,446	2,060
Other	0	4,781	4,781	121
Total revenues	<u>782,839</u>	<u>1,538,384</u>	<u>755,545</u>	<u>1,630,789</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	519,663	511,221	8,442	431,133
Contract services	112,447	129,333	(16,886)	192,621
Materials and supplies	90,729	107,038	(16,309)	74,918
Capital outlay	60,000	155,830	(95,830)	118,992
Payments to others	0	1,051,240	(1,051,240)	2,687
Total expenditures	<u>782,839</u>	<u>1,954,662</u>	<u>(1,171,823)</u>	<u>820,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(416,278)</u>	<u>(416,278)</u>	<u>810,438</u>
Other financing sources (uses)				
Transfers in (out)				
Drug Seizure Fund	0	0	0	(16,160)
Proceeds from sale of assets	0	0	0	10,200
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,960)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(416,278)	(416,278)	804,478
Fund balance, July 1	<u>0</u>	<u>2,066,234</u>	<u>2,066,234</u>	<u>1,261,756</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 1,649,956</u></u>	<u><u>\$ 1,649,956</u></u>	<u><u>\$ 2,066,234</u></u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 694,913	\$ 1,090,985
Intergovernmental receivable	27,174	24,370
Due from other funds	18,820	22,821
Property held for resale	<u>397,189</u>	<u>0</u>
Total assets	<u><u>\$ 1,138,096</u></u>	<u><u>\$ 1,138,176</u></u>
FUND BALANCES		
Nonspendable		
Property held for resale	\$ 397,189	\$ 0
Restricted for Housing and Development	<u>740,907</u>	<u>1,138,176</u>
Total fund balances	<u><u>\$ 1,138,096</u></u>	<u><u>\$ 1,138,176</u></u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2020
(With comparative actual amounts for the fiscal year ending June 30, 2019)

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 2,804	\$ 0
Interest	1,047	1,096
Other	<u>70</u>	<u>1,381</u>
Total revenues	3,921	2,477
EXPENDITURES		
Current		
Housing and Development	<u>4,001</u>	<u>12,789</u>
Excess (deficiency) of revenues over (under) expenditures	(80)	(10,312)
Fund balance, July 1	<u>1,138,176</u>	<u>1,148,488</u>
Fund balances, June 30	<u><u>\$ 1,138,096</u></u>	<u><u>\$ 1,138,176</u></u>

City of Carrollton, Georgia
Budgetary Comparison Schedule - Major Neighborhood Stabilization Program Fund NSP 1
Project Budget and Actual, Project to Date
For the fiscal year ended June 30, 2020

	<u>Activity Number</u>	<u>Project Budget</u>	<u>Prior Project to Date Total</u>	<u>Current Year</u>	<u>Project to Date Total</u>	<u>Variance</u>
REVENUES						
Grant Income	N/A	\$ 3,406,991	\$ 3,276,758	\$ 0	\$ 3,276,758	\$ (130,233)
Program Income	N/A	0	5,095,964	132,985	5,228,949	5,228,949
Other	N/A	0	97,466	70	97,536	97,536
Interest Income	N/A	0	11,481	714	12,195	12,195
Total Revenues		<u>3,406,991</u>	<u>8,481,669</u>	<u>133,769</u>	<u>8,615,438</u>	<u>5,208,447</u>
Expenditures						
Acquisition	5050-001-B-H	740,749	2,197,769	132,985	2,330,754	(1,590,005)
Acquisition	5050-001-B-I	1,715,156	2,572,706	0	2,572,706	(857,550)
House Rehabilitation	5050-14A-B-H	139,712	722,647	0	722,647	(582,935)
House Rehabilitation	5050-14AB-I	242,811	661,808	0	661,808	(418,997)
Down payment and closing cost	5050-013-A-H	28,337	208,626	0	208,626	(180,289)
Down payment and closing cost	505-013-A-I	63,185	392,417	0	392,417	(329,232)
Clearance	505-004-D-I	272,622	322,385	0	322,385	(49,763)
Administration	5050-21A-X	204,419	356,065	2,078	358,143	(153,724)
Other		0	66,410	0	66,410	(66,410)
Selling costs paid by seller		0	427,649	0	427,649	(427,649)
Total Expenditures		<u>3,406,991</u>	<u>7,928,482</u>	<u>135,063</u>	<u>8,063,545</u>	<u>(4,656,554)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ 553,187</u>	<u>\$ (1,294)</u>	<u>\$ 551,893</u>	<u>\$ 551,893</u>

City of Carrollton, Georgia
Budgetary Comparison Schedule - Major Neighborhood Stabilization Program Fund NSP 3
Project Budget and Actual, Project to Date
For the fiscal year ended June 30, 2020

	Activity Number	Project Budget	Prior Project to Date Total	Current Year	Project to Date Total	Variance
REVENUES						
Grant Income	N/A	\$ 1,142,774	\$ 1,009,311	\$ 2,804	\$ 1,012,115	\$ (130,659)
Program Income	N/A	0	1,211,531	264,204	1,475,735	1,475,735
Other	N/A	0	5,653	0	5,653	5,653
Interest Income	N/A	0	1,308	333	1,641	1,641
Total Revenues		<u>1,142,774</u>	<u>2,227,803</u>	<u>267,341</u>	<u>2,495,144</u>	<u>1,352,370</u>
Expenditures						
Acquisition	6012-001-B-H	225,000	672,523	264,204	936,727	(711,727)
Acquisition	6012-001-B-I	572,000	493,202	0	493,202	78,798
House Rehabilitation	6012-14A-B-H	135,599	647,475	0	647,475	(511,876)
House Rehabilitation	6012-14A-B-I	118,752	143,664	0	143,664	(24,912)
Down payment and closing cost	6012-013-A-H	15,000	108,048	0	108,048	(93,048)
Down payment and closing cost	6012-013-A-I	5,000	53,400	0	53,400	(48,400)
Administration	6012-21A-X	71,423	137,577	1,923	139,500	(68,077)
Other		0	77,136	0	77,136	(77,136)
Selling costs paid by seller		0	88,891	0	88,891	(88,891)
Total Expenditures		<u>1,142,774</u>	<u>2,421,916</u>	<u>266,127</u>	<u>2,688,043</u>	<u>(1,545,269)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ (194,113)</u>	<u>\$ 1,214</u>	<u>\$ (192,899)</u>	<u>\$ (192,899)</u>

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CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects

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

Capital Projects Fund for Public Roads – Used to account for road construction projects financed by LMIG and other resources.

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,401,351	\$ 1,986,204
Accounts receivable	0	23,187
Intergovernmental receivable	2,149,286	1,977,899
Due from other funds	<u>10,441</u>	<u>26,431</u>
Total assets	<u><u>\$ 3,561,078</u></u>	<u><u>\$ 4,013,721</u></u>
LIABILITIES		
Accounts payable	\$ 204,612	\$ 566,498
Retainages payable	19,000	56,091
Due to other funds	29,414	5,478
Unearned revenue	<u>41,424</u>	<u>41,424</u>
Total liabilities	294,450	669,491
FUND BALANCES		
Restricted for capital outlay	<u>3,266,628</u>	<u>3,344,230</u>
Total liabilities and fund balances	<u><u>\$ 3,561,078</u></u>	<u><u>\$ 4,013,721</u></u>

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 8,074,224	\$ 5,732,503
Contributions	0	77,200
Interest	<u>876</u>	<u>500</u>
Total revenues	<u>8,075,100</u>	<u>5,810,203</u>
EXPENDITURES		
Capital outlay		
General Government	0	49,987
Public Safety	31,567	57,867
Public Works	2,112,693	1,197,026
Culture and Recreation	452,122	167,495
Housing and Development	3,667,132	1,371,322
Debt service	<u>1,889,188</u>	<u>1,913,788</u>
Total expenditures	<u>8,152,702</u>	<u>4,757,485</u>
Excess (deficiency) of revenues over (under) expenditures	(77,602)	1,052,718
Fund balances, July 1	<u>3,344,230</u>	<u>2,291,512</u>
Fund balances, June 30	<u><u>\$ 3,266,628</u></u>	<u><u>\$ 3,344,230</u></u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 379,656	\$ 538,011
	<u> </u>	<u> </u>
 LIABILITIES		
Accounts payable	\$ 0	\$ 86,551
Due to other funds	1,288	1,287
	<u> </u>	<u> </u>
Total liabilities	1,288	87,838
 FUND BALANCES		
Restricted for capital outlay	378,368	450,173
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 379,656</u>	<u>\$ 538,011</u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
Intergovernmental	\$ 314,183	\$ 365,276
Interest	<u>331</u>	<u>381</u>
Total revenues	<u>314,514</u>	<u>365,657</u>
EXPENDITURES		
Capital outlay		
Public Works	<u>386,319</u>	<u>197,884</u>
Total expenditures	<u>386,319</u>	<u>197,884</u>
Excess (deficiency) of revenues over (under) expenditures	(71,805)	167,773
Fund balances, July 1	<u>450,173</u>	<u>282,400</u>
Fund balances, June 30	<u><u>\$ 378,368</u></u>	<u><u>\$ 450,173</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 Sewerage Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Carrollton.

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

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,661,470	\$ 4,861,971
Accounts receivable, net	1,767,340	1,856,602
Inventories	452,438	367,917
Prepaid items	35,099	40,437
Due from other funds	29,414	2,398
	<hr/>	<hr/>
Total current assets	7,945,761	7,129,325
	<hr/>	<hr/>
Restricted assets		
Extension and Renewal		
Cash and cash equivalents	0	259,861
Debt Redemption		
Cash and cash equivalents	21,098	21,082
Construction Projects		
Cash and cash equivalents	343,195	342,869
Customer Deposits		
Cash and cash equivalents	318,806	332,426
	<hr/>	<hr/>
Total restricted assets	683,099	956,238
	<hr/>	<hr/>
Capital assets		
Land	8,933,978	8,933,978
Construction in progress	719,871	1,345,949
Buildings	7,340,040	7,282,875
Infrastructure	186,060	186,060
Distribution system	101,435,486	98,658,565
Vehicles and equipment	5,258,267	4,604,804
Accumulated depreciation	(46,138,958)	(43,754,063)
	<hr/>	<hr/>
Total capital assets (net of accumulated depreciation)	77,734,744	77,258,168
	<hr/>	<hr/>
Total assets	86,363,604	85,343,731
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	743,044	598,266
Deferred outflows of resources related to OPEB	35,759	2,187
	<hr/>	<hr/>
Total deferred outflows of resources	778,803	600,453
	<hr/>	<hr/>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
LIABILITIES		
Current liabilities		
Accounts payable	\$ 734,620	\$ 1,099,543
Retainages payable	0	7,955
Accrued liabilities	0	1,260
Accrued salaries and payroll liabilities	73,704	73,971
Compensated absences	75,364	63,592
Unearned revenue	196,240	649,460
Due to other funds	1,635	25,144
Current liabilities payable from restricted assets		
Customer deposits payable	318,806	332,426
Notes payable	25,000	25,000
Bonds payable	221,000	215,000
Total current liabilities	<u>1,646,369</u>	<u>2,493,351</u>
Long-term liabilities		
Net pension liability	1,890,159	1,472,933
Net OPEB liability	390,452	651,457
Notes payable	216,667	241,667
Bonds payable	4,239,000	4,678,000
Total long-term liabilities	<u>6,736,278</u>	<u>7,044,057</u>
Total liabilities	<u>8,382,647</u>	<u>9,537,408</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	29,444	285,172
Deferred inflows of resources related to OPEB	324,185	81,688
Total deferred inflows of resources	<u>353,629</u>	<u>366,860</u>
NET POSITION		
Net investment in capital assets	73,212,158	72,031,687
Restricted for Debt Service	21,098	21,082
Restricted for Capital Outlay	0	259,861
Unrestricted	5,172,875	3,727,286
Total net position	<u>\$ 78,406,131</u>	<u>\$ 76,039,916</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 8,716,522	\$ 8,604,518
Sewer sales	6,073,625	5,971,215
Tap fees	2,533,185	741,905
Other	218,088	126,179
Total operating revenues	<u>17,541,420</u>	<u>15,443,817</u>
OPERATING EXPENSES		
Costs of sales and services	6,094,418	5,933,889
Personal services	4,009,476	3,917,755
Depreciation	2,402,223	2,294,123
Total operating expenses	<u>12,506,117</u>	<u>12,145,767</u>
Operating income (loss)	<u>5,035,303</u>	<u>3,298,050</u>
Non-operating revenues (expenses)		
Interest and investment earnings	20,634	25,109
Interest expense	(127,773)	(139,094)
Transfer of capital assets to governmental activities	(6,974)	(13,612)
Gain (loss) on sale of capital assets	17,150	0
Total non-operating revenues (expenses)	<u>(96,963)</u>	<u>(127,597)</u>
Net income (loss) before transfers	4,938,340	3,170,453
Transfers in (out)		
General Fund	<u>(2,572,125)</u>	<u>(2,596,265)</u>
Change in net position	2,366,215	574,188
Net position, July 1	<u>76,039,916</u>	<u>75,465,728</u>
Net position, June 30	<u><u>\$ 78,406,131</u></u>	<u><u>\$ 76,039,916</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Receipts from customers	\$ 16,945,754	\$ 15,420,235
Payments to suppliers	(6,302,171)	(5,681,659)
Payments to employees	(4,033,331)	(3,987,662)
Other receipts	218,088	126,179
	<hr/>	<hr/>
Net cash provided (used) by operating activities	6,828,340	5,877,093
	<hr/>	<hr/>
Cash flows from non-capital financing activities:		
Payments to other funds	(2,622,650)	(2,596,265)
	<hr/>	<hr/>
Net cash provided (used) by operating activities	(2,622,650)	(2,596,265)
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Receipts from other governments	0	67,746
Payments for acquisitions of capital assets	(2,721,658)	(2,902,983)
Payment of capital related payables	(409,683)	(345,435)
Principal payments - promissory notes	(25,000)	(25,000)
Principal payments - bonds payable	(433,000)	(421,000)
Proceeds from sale of capital assets	17,150	0
Interest paid	(127,773)	(139,094)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(3,699,964)	(3,765,766)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and investment earnings received	20,634	25,109
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	526,360	(459,829)
	<hr/>	<hr/>
Cash and cash equivalents, July 1	5,818,209	6,278,038
	<hr/>	<hr/>
Cash and cash equivalents, June 30	\$ 6,344,569	\$ 5,818,209
	<hr/> <hr/>	<hr/> <hr/>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 5,035,303	\$ 3,298,050
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,402,223	2,294,123
(Increase) decrease in accounts receivable	89,262	2,812
(Increase) decrease in inventories	(84,521)	(3,853)
(Increase) decrease in prepaid items	5,338	113,159
(Increase) decrease in deferred outflows related to pensions	(144,778)	5,519
(Increase) decrease in deferred outflows related to OPEB	(33,572)	(2,187)
Increase (decrease) in accounts payable	(127,310)	142,201
Increase (decrease) in unearned revenue	(453,220)	105,970
Increase (decrease) in accrued liabilities	(1,260)	723
Increase (decrease) in accrued salaries and payroll liabilities	(267)	(104)
Increase (decrease) in compensated absences	11,772	5,042
Increase (decrease) in customer deposits	(13,620)	(6,185)
Increase (decrease) in net pension liability	417,226	(108,172)
Increase (decrease) in net OPEB liability	(261,005)	(5,185)
Increase (decrease) in deferred inflows related to pensions	(255,728)	17,826
Increase (decrease) in deferred inflows related to OPEB	242,497	17,354
Total adjustments	<u>1,793,037</u>	<u>2,579,043</u>
Net cash provided (used) by operating activities	<u>\$ 6,828,340</u>	<u>\$ 5,877,093</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 5,661,470	\$ 4,861,971
Extension and Renewal		
Cash and cash equivalents	0	259,861
Debt Redemption		
Cash and cash equivalents	21,098	21,082
Construction Projects		
Cash and cash equivalents	343,195	342,869
Customer Deposits		
Cash and cash equivalents	<u>318,806</u>	<u>332,426</u>
Total cash and cash equivalents	<u>\$ 6,344,569</u>	<u>\$ 5,818,209</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$164,115 for 2020 and \$401,728 for 2019.

Acquisition of capital assets through retainages payable totaled \$0 for 2020 and \$7,955 for 2019.

Distributions of capital assets to governmental activities totaled \$6,974 for 2020 and \$13,612 for 2019.

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,895,373	\$ 1,785,422
Accounts receivable, net	673,874	672,117
Prepaid items	18,506	20,965
Total current assets	<u>2,587,753</u>	<u>2,478,504</u>
Capital assets		
Buildings	66,148	66,148
Vehicles and equipment	2,855,702	2,793,551
Accumulated depreciation	<u>(2,115,188)</u>	<u>(2,075,408)</u>
Total capital assets (net of accumulated depreciation)	<u>806,662</u>	<u>784,291</u>
Total assets	<u>3,394,415</u>	<u>3,262,795</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	270,129	217,494
Deferred outflows of resources related to OPEB	<u>16,311</u>	<u>10,550</u>
Total deferred outflows of resources	<u>286,440</u>	<u>228,044</u>
LIABILITIES		
Current liabilities		
Accounts payable	181,207	79,000
Accrued salaries and payroll liabilities	30,632	29,866
Compensated absences	27,534	28,037
Capital leases	66,389	66,389
Due to other funds	<u>2,382</u>	<u>0</u>
Total current liabilities	<u>308,144</u>	<u>203,292</u>
Long-term liabilities		
Net pension liability	691,922	539,217
Net OPEB liability	178,100	262,443
Capital leases	<u>132,779</u>	<u>199,168</u>
Total long-term liabilities	<u>1,002,801</u>	<u>1,000,828</u>
Total liabilities	<u>1,310,945</u>	<u>1,204,120</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	13,942	108,351
Deferred inflows of resources related to OPEB	<u>105,831</u>	<u>33,069</u>
Total deferred inflows of resources	<u>119,773</u>	<u>141,420</u>
NET POSITION		
Net investment in capital assets	607,494	518,734
Unrestricted	<u>1,642,643</u>	<u>1,626,565</u>
Total net position	<u>\$ 2,250,137</u>	<u>\$ 2,145,299</u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 4,844,220	\$ 4,726,249
Other	15,927	0
	<u>4,860,147</u>	<u>4,726,249</u>
OPERATING EXPENSES		
Costs of sales and services	2,783,588	2,916,344
Personal services	1,799,545	1,610,004
Depreciation	196,525	188,202
	<u>4,779,658</u>	<u>4,714,550</u>
Operating income (loss)	<u>80,489</u>	<u>11,699</u>
Non-operating revenues (expenses)		
Interest and investment earnings	17,060	31,629
Interest expense	(5,311)	(13,830)
Gain (loss) of sale of capital assets	12,600	0
	<u>24,349</u>	<u>17,799</u>
Net income (loss) before transfers	104,838	29,498
Transfers in (out)		
General Fund	<u>0</u>	<u>(262,070)</u>
Change in net position	104,838	(232,572)
Net position, July 1	<u>2,145,299</u>	<u>2,377,871</u>
Net position, June 30	<u><u>\$ 2,250,137</u></u>	<u><u>\$ 2,145,299</u></u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Receipts from customers	\$ 4,842,463	\$ 4,644,842
Payments to suppliers	(2,678,922)	(3,123,150)
Payments to employees	(1,810,963)	(1,629,157)
Other receipts	<u>15,927</u>	<u>0</u>
Net cash provided (used) by operating activities	<u>368,505</u>	<u>(107,465)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	2,382	0
Payments to other funds	<u>0</u>	<u>(262,070)</u>
Net cash provided (used) by non-capital financing activities	<u>2,382</u>	<u>(262,070)</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(218,896)	(217,800)
Principal payments - capital leases	(66,389)	(110,705)
Proceeds from capital leases	0	331,946
Proceeds from sale of capital assets	12,600	0
Interest paid	<u>(5,311)</u>	<u>(13,830)</u>
Net cash provided (used) by capital and related financing activities	<u>(277,996)</u>	<u>(10,389)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>17,060</u>	<u>31,629</u>
Net increase (decrease) in cash and cash equivalents	109,951	(348,295)
Cash and cash equivalents, July 1	<u>1,785,422</u>	<u>2,133,717</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,895,373</u></u>	<u><u>\$ 1,785,422</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 80,489</u>	<u>\$ 11,699</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	196,525	188,202
(Increase) decrease in accounts receivable	(1,757)	(81,407)
(Increase) decrease in prepaid items	2,459	33,742
(Increase) decrease in deferred outflows related to pensions	(52,635)	2,015
(Increase) decrease in deferred outflows related to OPEB	(5,761)	(2,452)
Increase (decrease) in accounts payable	102,207	(240,548)
Increase (decrease) in accrued salaries and payroll liabilities	766	1,460
Increase (decrease) in compensated absences	(503)	7,605
Increase (decrease) in net pension liability	152,705	(39,490)
Increase (decrease) in net OPEB liability	(84,343)	(2,192)
Increase (decrease) in deferred inflows related to pensions	72,762	6,508
Increase (decrease) in deferred inflows related to OPEB	<u>(94,409)</u>	<u>7,393</u>
Total adjustments	<u>288,016</u>	<u>(119,164)</u>
Net cash provided (used) by operating activities	<u><u>\$ 368,505</u></u>	<u><u>\$ (107,465)</u></u>

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OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

**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 Carrollton, 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, each major fund, and the aggregate remaining fund information of City of Carrollton, Georgia, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Carrollton, Georgia's basic financial statements and have issued our report thereon dated December 18, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carrollton, Georgia's financial statements are free of 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 are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003.

City of Carrollton, Georgia's Response to Findings

The City of Carrollton, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Carrollton, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City of Carrollton, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 18, 2020

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 Carrollton, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Carrollton, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Carrollton, Georgia's major federal programs for the year ended June 30, 2020. The City of Carrollton, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Carrollton, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Carrollton, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Carrollton, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Carrollton, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the City of Carrollton, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Carrollton, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the

purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Carrollton, Georgia's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 & Company, LLC

Certified Public Accountants

Gainesville, Georgia
December 18, 2020

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2020

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass- Through Number	Expenditures
Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs:			
Community Development Block Grants/State's Program	14.228	08-ns-5050	\$ 135,063
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grants/Entitlement Grants	14.218	11-ns-6012	263,323
Total Department of Justice			398,386
Department of Justice			
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	60,642
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Formula Grant Program	16.738	B17-8-025	23,743
		B18-8-015	225,714
		B17-8-020	102,725
			352,182
Total Department of Justice			412,824
Department of Health and Human Services			
<u>Aging Cluster</u>			
Passed through Three Rivers Regional Commission:			
Title III, Part C, Nutrition Services	93.045	SFY2020	110,589
Nutrition Services Incentive Program	93.053	SFY2020	52,933
Total Aging Cluster of Programs			163,522
Passed through Three Rivers Regional Commission:			
Social Services Block Grant	93.667	SFY2020	8,375
Total Department of Health and Human Services			171,897
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters)	97.036	FEMA-DR-1858-DR-GA	132,880
		FEMA-DR-4338-DR-GA	34,798
Total Department of Homeland Security			167,678
Total Federal Awards			\$ 1,150,785

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Carrollton, Georgia, under programs for the federal government for the current fiscal year. The information in this schedule is presented in accordance with the 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). 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 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 Carrollton, 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 Carrollton, Georgia did not pass federal funds through to subrecipients.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2020

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?	No
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:	
14.228 Community Development Block Grants/State's Program	
16.738 Edward Byrne Memorial Formula Grant Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2020

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2020-001

Condition: There is not adequate 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: Segregation of duties could be improved if the size of the City's accounting and administrative staff were large enough to provide optimum segregation of duties.

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. City management will continue to improve upon internal control procedures and assess the cost-benefit relationship of maintaining adequate staff to fully segregate duties.

Comment 2020-002

Condition: The City experienced a material excess of expenditures over appropriations in the West Metro Regional Drug Enforcement and Regional Hazardous Material Team Special Revenue Funds. In addition, the City did not adopt a budget for the Neighborhood Stabilization Program Special Revenue Fund.

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 Special Revenue Funds, and failure to properly adopt an annual budget for the Neighborhood Stabilization Program Special Revenue Fund, 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 for the Special Revenue Funds and did not prepare and adopt a budget for the Neighborhood Stabilization Program Special Revenue Fund.

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.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2020

2. Financial Statement Findings

A. Current Year Audit Findings, continued

Comment 2020-002, continued

Management Response: Management concurs with this finding. City management regularly reviews budgets in relation to major funds for the City. We will work with decentralized programs and agencies for City grants such as NSP and the West Metro Regional Drug Enforcement Office to make any necessary adjustments to maintain compliance with State law for budgets as deemed appropriate.

Comment 2020-003

Condition: The City deposited reimbursements for portions of 2015 SPLOST projects received from others in the General Fund and Nonmajor Governmental Funds.

Criteria: OCGA Code Section 48-8-121 requires that SPLOST proceeds shall not be commingled with other funds of the City.

Effect: Failure to comply with OCGA Code Section 48-8-121 places the City in violation of state law.

Cause: City staff did not record reimbursements for portions of 2015 SPLOST projects received from others in the 2015 SPLOST Fund.

Recommendation: All revenues and expenditures should be accounted for within the appropriate fund. The amounts due from the General Fund and Nonmajor Governmental Funds should be deposited into this account promptly.

Management Response: Management concurs with this finding. A reimbursement from a portion of a project that was initially funded with SPLOST funds was inadvertently deposited and recorded in the General Fund during the fiscal year ended June 30, 2020. The City recorded an amount due to the 2015 SPLOST Fund at year-end and will make the appropriate transfers to correct. City management will also make sure that future amounts are correctly deposited and reported in the correct fund.

B. Prior Year Audit Findings Follow-Ups

Comment 2019-001

Condition: There is not adequate 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

Comment 2019-002

Condition: The City experienced a material excess of expenditures over appropriations in the General Fund, Drug Seizure Special Revenue Fund, Hotel/Motel Tax Special Revenue Fund, and Regional Hazardous Material Team Special Revenue Fund. In addition, the City did not adopt a budget for the Neighborhood Stabilization Program Special Revenue Fund.

Not corrected

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2020

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 Audit Requirements for Federal Awards*.

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STATE REPORTING SECTION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2020

Project	Estimated Cost *		Prior Years	Expenditures	
	Original	Current		Current Year	Total
<u>2015 SPLOST</u>					
City of Carrollton Projects	\$ 21,187,200	\$ 21,187,200			
Sidewalk & Street Improvement Projects			\$ 6,201,516	\$ 834,762	\$ 7,036,278
Public Safety Projects			4,607,581	31,567	4,639,148
Water Impoundment Improvements			61,955	0	61,955
Recreation/Cultural Arts Improvements			2,399,830	452,122	2,851,952
Economic Development			696,056	768,327	1,464,383
Greenspace Projects			1,386,806	0	1,386,806
Public Utilities (Telecommunications) Improvements			544,317	67,577	611,894
Debt Service-Carroll County, Georgia			7,748,914	1,889,188	9,638,102
	<u>\$ 21,187,200</u>	<u>\$ 21,187,200</u>	<u>\$ 23,646,975</u>	<u>\$ 4,043,543</u>	<u>\$ 27,690,518</u>
Current year expenditures				\$ 4,043,543	
Sidewalk & Street Improvement expenditures financed through other revenues				1,277,932	
Economic Development expenditures financed through other revenues				2,831,227	
Total expenditures and transfers out				<u>\$ 8,152,702</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.