

CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2021

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2021

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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, 2021, 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, 2021, 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 67 through 79 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, 2020, which are not presented with the accompanying financial statements. In our report dated December 18, 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 2020 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 2020 financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the 2020 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2022 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.

Rushion, LLC

Certified Public Accountants

Gainesville, Georgia

January 6, 2022

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CITY OF CARROLLTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021



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, 2021. 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 three separate legal entities in its report – Carrollton Area Convention & Visitors' Bureau, 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, 2021



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 \$198,953,419 in 2020 to \$205,312,817 in 2021, an increase of \$6,359,398 (3.1%). 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 \$118,297,151 in 2020 to \$123,935,299 in 2021, an increase of \$5,638,148 (4.8%). Unrestricted net position for governmental activities increased from \$8,496,333 in 2020 to \$11,651,212 in 2021, an increase of \$3,154,879 (37.1%).

Total net position for business-type activities increased from \$80,656,268 in 2020 to \$81,377,518, an increase of \$721,250 (0.9%). Unrestricted net position for business-type activities increased from \$6,815,518 in 2020 to \$7,968,344 in 2021, an increase of \$1,152,826 (16.9%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



Table 1 - Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 25,623,622	\$ 23,667,169	\$ 11,652,944	10,529,497	\$ 37,276,566	\$ 34,196,666
Restricted assets	152,797	140,544	317,246	683,099	470,043	823,643
Capital assets, net	108,412,852	105,360,096	77,841,526	78,541,406	186,254,378	183,901,502
Total assets	134,189,271	129,167,809	89,811,716	89,754,002	224,000,987	218,921,811
Total deferred outflows	3,318,865	3,069,723	976,545	1,065,243	4,295,410	4,134,966
Current liabilities	4,233,869	4,699,476	1,954,637	1,950,496	6,188,506	6,649,972
Noncurrent liabilities	8,354,078	8,234,892	6,693,630	7,739,079	15,047,708	15,973,971
Total liabilities	12,587,947	12,934,368	8,648,267	9,689,575	21,236,214	22,623,943
Total deferred inflows	984,890	1,006,013	762,476	473,402	1,747,366	1,479,415
Net position:						
Net investment in						
capital assets	106,980,348	102,691,374	73,409,174	73,819,652	180,389,522	176,511,026
Restricted						
Capital projects	2,155,413	3,644,996	0	0	2,155,413	3,644,996
Debt service	0	0	0	21,098	0	21,098
Other purposes	3,148,326	3,464,448	0	0	3,148,326	3,464,448
Unrestricted	11,651,212	8,496,333	7,968,344	6,815,518	19,619,556	15,311,851
Total net position	\$ 123,935,299	\$ 118,297,151	\$ 81,377,518	\$ 80,656,268	\$ 205,312,817	\$ 198,953,419

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



Changes in Net Position

The City's combined change in net position increased from \$3,615,115 in 2020 to \$6,359,398 in 2021. 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 \$32,738,267 (excluding transfers). This total represents an increase of \$2,318,032 (7.6%) over the FY 2020 total of \$30,420,235. The majority of this increase is due to a major increase in operating grants and contributions related to CARES Act receipts of \$1.4 million from COVID-19 relief funding, an increase in property taxes as a result of legislative changes related to revenue sharing of title ad valorem taxes, 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, reductions in cultural arts revenue, and decreases in capital grants and contributions as a result of the COVID-19 pandemic.

Expenditures for the City's governmental activities totaled \$33,601,648 (excluding transfers). This total represents a decrease of \$1,065,937 (3.1%) over the FY 2020 total of \$34,667,585. The majority of this decrease is due to multiple economic development projects incurred in the prior year that were completed in FY20.

Business-Type Activities

Revenues for the City's business-type activities totaled \$21,533,260. This represents a decrease of \$935,751 (4.2%) over the FY 2020 total of \$22,469,011. Expenses for the City's business-type activities totaled \$14,310,481 (excluding transfers), an decrease of \$296,065 (2.0%) over the FY 2020 total of \$14,606,546. Revenue changes are primarily related to significant increases in water and sewer tap fees related to new construction that incurred in FY20, but not in FY21. Expense decreases are related to significant contract labor costs related to various asphalt repairs completed in FY20, but not in FY21.

The operating revenues are as follows:

	<u>2021</u>	<u>2020</u>
Charges for services:		
Water and sewer fees & charges	\$ 16,388,651	\$ 17,541,420
Garbage and landfill fees	<u>5,088,486</u>	<u>4,860,147</u>
Total	<u>\$ 21,477,137</u>	<u>\$ 22,401,567</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 3,356,728	\$ 3,747,646	\$ 21,282,735	\$ 22,167,552	\$ 24,639,463	\$ 25,915,198
Operating grants and contributions	3,305,121	747,394	0	0	3,305,121	747,394
Capital grants and contributions	6,794,047	8,426,085	0	0	6,794,047	8,426,085
General revenues						
Property taxes	5,349,358	4,694,015	0	0	5,349,358	4,694,015
Franchise & public service taxes	2,537,417	2,672,124	0	0	2,537,417	2,672,124
Sales taxes	5,756,736	4,829,839	0	0	5,756,736	4,829,839
Other taxes	5,364,215	4,954,257	0	0	5,364,215	4,954,257
Interest and investment earnings	27,956	176,277	28,229	37,694	56,185	213,971
Gain on sale of assets	26,587	0	27,894	29,750	54,481	29,750
Other	220,102	172,598	194,402	234,015	414,504	406,613
Total revenues	32,738,267	30,420,235	21,533,260	22,469,011	54,271,527	52,889,246
Expenses						
Program Expenses						
General government	3,828,884	3,395,889	0	0	3,828,884	3,395,889
Public safety	15,246,108	14,864,214	0	0	15,246,108	14,864,214
Public works	4,155,915	4,003,149	0	0	4,155,915	4,003,149
Culture and recreation	7,841,130	7,572,347	0	0	7,841,130	7,572,347
Housing and development	2,433,513	4,646,799	0	0	2,433,513	4,646,799
Water and sewer	0	0	10,325,144	10,594,723	10,325,144	10,594,723
Sanitation	0	0	3,985,337	4,011,823	3,985,337	4,011,823
Interest on long-term debt	96,098	185,187	0	0	96,098	185,187
Total expenses	33,601,648	34,667,585	14,310,481	14,606,546	47,912,129	49,274,131
Indirect costs	(3,324,404)	(2,812,313)	3,324,404	2,812,313	0	0
Excess (deficiency) before transfers	2,461,023	(1,435,037)	3,898,375	5,050,152	6,359,398	3,615,115
Transfers	3,177,125	2,579,099	(3,177,125)	(2,579,099)	0	0
Change in net position	5,638,148	1,144,062	721,250	2,471,053	6,359,398	3,615,115
Net position, beginning of year	118,297,151	117,153,089	80,656,268	78,185,215	198,953,419	195,338,304
Net position, end of year	\$ 123,935,299	\$ 118,297,151	\$ 81,377,518	\$ 80,656,268	\$ 205,312,817	\$ 198,953,419

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



The City's Funds

As the City completed FY2021, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$22,048,546. This total represents an increase of \$642,176 (3.0%) over the FY2020 combined fund balance of \$21,406,370. 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 \$7,968,344. This total represents an increase of \$1,152,826 (16.9%) from the FY2020 amount of \$6,815,518.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

General Fund revenue highlights discussed below are shown in Table 3. Total actual revenue was over total budgeted revenue in the amount of \$2,843,802. Of this amount, tax revenue realized on property was over budget in the amount of \$314,618. Local option sales tax revenue exceeded budgeted revenue in the amount of \$1,032,766. Franchise Tax revenue was under total budgeted revenue in the amount of \$147,583. Due to the COVID-19 pandemic, recreation fee revenue was under projections by \$224,299. Cultural arts fees were \$159,363 under budgeted revenue. Intergovernmental revenue was over budget by \$1,709,704, related primarily to CARES Act COVID-19 relief funding. Interest income was under budgeted revenue in the amount of \$25,233. Other income related to facility rentals and miscellaneous items were down \$189,110 from budgeted projections. In summary, the City's overall positive revenue variance of \$2,843,802 is a result of the financial impacts of the COVID-19 pandemic not having as detrimental of an impact as anticipated. The City remains in a strong financial position due to these revenue results and the fiscal management of budgeted expenditures as discussed below.

Table 3 - General Fund Revenues

	2021			2020		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 16,652,970	\$ 18,230,016	\$ 1,577,046	\$ 16,536,832	\$ 16,441,894	\$ (94,938)
Licenses and permits	525,000	564,099	39,099	525,000	524,661	(339)
Intergovernmental	1,041,580	2,751,284	1,709,704	981,580	1,069,415	87,835
Charges for services	5,121,353	4,765,129	(356,224)	4,940,989	4,278,372	(662,617)
Contributions	0	0	0	0	27,292	27,292
Fines and forfeitures	1,000,000	1,088,520	88,520	1,100,000	869,574	(230,426)
Interest on invested funds	50,000	24,767	(25,233)	250,000	172,018	(77,982)
Other	405,436	216,326	(189,110)	424,264	165,043	(259,221)
Total	\$ 24,796,339	\$ 27,640,141	\$ 2,843,802	\$ 24,758,665	\$ 23,548,269	\$ (1,210,396)

Expenditures

General Fund expenditure highlights are in Table 4. The City completed FY2021 with a total of \$28,993,507 in General Fund operating expenditures. The operating budget for these expenditures totaled \$31,243,859 resulting in expenditures being realized at an amount of \$2,250,352 under budget.

General Government

Expenditures for General Administration came in at \$284,101 under budget. These positive budget variances can be attributed to budgeted vacant personnel positions that will be filled in the coming fiscal year and decreased contract services expenditures. Detailed variances can be found on page 87 of our report.

Public Safety

Expenditures for the Police Department were \$314,439 under budget. Expenditures for the Fire Department came in at \$356,961 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 88 for more details.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



Street Department

Expenditures for the City's Street Department totaled \$693,590 coming in at \$10,098 under budget. The majority of these expenditures were for capital outlay infrastructure projects throughout the City. Please refer to page 88 of our report for a detailed analysis of these variances.

Engineering

Expenditures for Engineering totaled \$1,400,901 coming in at \$66,850 under budget. Please refer to page 89 of our report for a detailed analysis of these variances.

Cultural Arts & Recreation

Expenditures for Cultural Arts and Recreation totaled \$6,064,730, coming in at \$844,981 under budget. Of this amount, expenditures for Recreation Athletics came in at \$305,911 under budget. Expenditures in these departments were significantly reduced as a result of reduced operations as a result of the COVID-19 pandemic. Please refer to page 89 of our report for a detailed analysis of these variances.

Table 4 - General Fund Operating Expenditures

	2021			2020		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 5,719,197	\$ 5,435,096	\$ 284,101	\$ 3,438,443	\$ 3,086,451	\$ 351,992
Public safety	14,834,098	14,162,698	671,400	14,796,657	14,112,049	684,608
Public works	2,581,637	2,446,668	134,969	2,475,882	2,344,178	131,704
Cultural and recreation	6,909,711	6,064,730	844,981	6,872,851	5,918,027	954,824
Housing and development	1,031,296	722,871	308,425	1,081,558	828,121	253,437
Debt service	167,920	161,444	6,476	197,920	161,444	36,476
Total operating expenditures	<u>\$ 31,243,859</u>	<u>\$ 28,993,507</u>	<u>\$ 2,250,352</u>	<u>\$ 28,863,311</u>	<u>\$ 26,450,270</u>	<u>\$ 2,413,041</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2021, the City had \$186,254,378 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, 2021, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,316,080	\$ 11,164,060	\$ 8,933,978	\$ 8,933,978	\$ 22,250,058	\$ 20,098,038
Land improvements	18,174,506	18,841,436	0	0	18,174,506	18,841,436
Buildings and improvements	29,779,358	31,075,815	2,957,605	3,103,224	32,736,963	34,179,039
Equipment	4,100,115	4,528,101	2,725,891	2,582,071	6,826,006	7,110,172
Infrastructure	37,674,202	37,567,992	62,472,705	63,202,262	100,146,907	100,770,254
Construction in progress	5,368,591	2,182,692	751,347	719,871	6,119,938	2,902,563
Totals	<u>\$ 108,412,852</u>	<u>\$ 105,360,096</u>	<u>\$ 77,841,526</u>	<u>\$ 78,541,406</u>	<u>\$ 186,254,378</u>	<u>\$ 183,901,502</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021



DEBT

The total long-term debt of the City outstanding at June 30, 2021 was \$4,963,179. The City had \$4,016,000 in revenue bond debt outstanding. Amounts previously reported as contracts payable for 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 were paid off in FY2021. 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	
	2021	2020	2021	2020	2021	2020
Bonds from direct placemer \$	0	\$ 0	\$ 4,016,000	\$ 4,460,000	\$ 4,016,000	\$ 4,460,000
Capital lease obligations	597,733	735,938	132,779	199,168	730,512	935,106
Notes from direct borrowings	0	0	216,667	241,667	216,667	241,667
Contracts payable	-	1,768,750	0	0	-	1,768,750
Totals	\$ 597,733	\$ 2,504,688	\$ 4,365,446	\$ 4,900,835	\$ 4,963,179	\$ 7,405,523

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2022 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 2022. The fiscal year 2022 General Fund budget totals \$30,999,595, an increase of \$2,427,101 (8.5%) over the FY 2021 budget.

If these estimates are realized, the City's General Fund balance is expected to decrease for FY 2022. These results are expected to be achieved by utilizing current resources as well as approximately \$1.1 million of fund balance reserve. However, the City expects that with a rebounding economy and prudent financial management, the budgeted deficit can be absorbed.

As for the City's business-type activities, we expect that the FY 2022 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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 21,595,053	\$ 8,174,438	\$ 29,769,491
Restricted assets			
Cash and cash equivalents	152,797	317,246	470,043
Receivables (net)			
Accounts	154,055	2,803,654	2,957,709
Intergovernmental	2,105,227	0	2,105,227
Taxes	1,138,835	0	1,138,835
Internal balances	(26,990)	26,990	0
Inventories	0	402,441	402,441
Prepaid items	500,839	245,421	746,260
Property held for resale	156,603	0	156,603
Total current assets	25,776,419	11,970,190	37,746,609
Noncurrent assets			
Capital assets			
Non-depreciable	18,684,671	9,685,325	28,369,996
Depreciable (net)	89,728,181	68,156,201	157,884,382
Total noncurrent assets	108,412,852	77,841,526	186,254,378
Total assets	134,189,271	89,811,716	224,000,987
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	2,822,498	834,826	3,657,324
Deferred outflows of resources related to OPEB	496,367	141,719	638,086
Total deferred outflows of resources	3,318,865	976,545	4,295,410
LIABILITIES			
Current liabilities			
Accounts payable	1,716,639	809,767	2,526,406
Accrued liabilities	123,703	0	123,703
Retainages payable	159,833	45,211	205,044
Accrued salaries and payroll liabilities	448,061	118,657	566,718
Compensated absences	391,245	101,292	492,537
Accrued interest payable	14,867	0	14,867
Unearned revenue	117,185	244,075	361,260
Due to others	1,119,800	0	1,119,800
Capital leases payable	142,536	66,389	208,925
Liabilities payable from restricted assets			
Customer deposits payable	0	317,246	317,246
Notes payable	0	25,000	25,000
Bonds payable	0	227,000	227,000
Total current liabilities	4,233,869	1,954,637	6,188,506

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Noncurrent liabilities			
Net pension liability	\$ 5,917,003	\$ 1,959,989	\$ 7,876,992
Net OPEB liability	1,981,838	686,584	2,668,422
Capital leases payable	455,237	66,390	521,627
Notes payable	0	191,667	191,667
Bonds payable	0	3,789,000	3,789,000
Total noncurrent liabilities	8,354,078	6,693,630	15,047,708
Total liabilities	12,587,947	8,648,267	21,236,214
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	262,371	389,153	651,524
Deferred inflows of resources related to OPEB	722,519	373,323	1,095,842
Total deferred inflows of resources	984,890	762,476	1,747,366
NET POSITION			
Net investment in capital assets	106,980,348	73,409,174	180,389,522
Restricted for:			
Public Safety	1,972,231	0	1,972,231
Housing and Development	1,176,095	0	1,176,095
Capital outlay	2,155,413	0	2,155,413
Unrestricted	11,651,212	7,968,344	19,619,556
Total net position	\$ 123,935,299	\$ 81,377,518	\$ 205,312,817

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2021

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	\$ 3,828,884	\$ (3,324,404)	\$ 288,987	\$ 0	\$ 131,341	\$ (84,152)
Public Safety	15,246,108	0	1,567,718	2,846,325	1,209,498	(9,622,567)
Public Works	4,155,915	0	59,233	0	3,457,887	(638,795)
Culture and Recreation	7,841,130	0	1,091,283	440,113	1,393,843	(4,915,891)
Housing and Development	2,433,513	0	349,507	18,683	601,478	(1,463,845)
Interest on long-term debt	96,098	0	0	0	0	(96,098)
Total governmental activities	33,601,648	(3,324,404)	3,356,728	3,305,121	6,794,047	(16,821,348)
Business-type activities						
Water and Sewerage	10,325,144	2,072,542	16,195,439	0	0	3,797,753
Sanitation	3,985,337	1,251,862	5,087,296	0	0	(149,903)
Total business-type activities	14,310,481	3,324,404	21,282,735	0	0	3,647,850
Total primary government	47,912,129	0	24,639,463	3,305,121	6,794,047	(13,173,498)
Primary Government						
			Governmental Activities	Business-Type Activities	Total	
Change in net position						
Net (expense) revenue			\$ (16,821,348)	\$ 3,647,850	\$ (13,173,498)	
General revenues						
Taxes						
Property			5,349,358	0	5,349,358	
Sales			5,756,736	0	5,756,736	
Insurance premium			1,957,994	0	1,957,994	
Alcohol excise			842,424	0	842,424	
Franchise			2,537,417	0	2,537,417	
Occupational			1,550,331	0	1,550,331	
Other			1,013,466	0	1,013,466	
Interest and investment earnings			27,956	28,229	56,185	
Gain on sale of assets			26,587	27,894	54,481	
Other			220,102	194,402	414,504	
Transfers			3,177,125	(3,177,125)	0	
Total general revenues and transfers			22,459,496	(2,926,600)	19,532,896	
Change in net position			5,638,148	721,250	6,359,398	
Net position - beginning			118,297,151	80,656,268	198,953,419	
Net position - ending			\$ 123,935,299	\$ 81,377,518	\$ 205,312,817	

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	West Metro			Nonmajor		
	General	Regional Drug Enforcement	2015 SPLOST	2021 SPLOST	Governmental Funds	Totals
ASSETS						
Cash and cash equivalents	\$ 16,052,906	\$ 2,332,100	\$ 1,068,692	\$ 0	\$ 2,141,355	\$ 21,595,053
Restricted assets						
Cash and cash equivalents	152,797	0	0	0	0	152,797
Receivables (net)						
Accounts	154,055	0	0	0	0	154,055
Intergovernmental	86,144	125,666	521,847	1,344,396	27,174	2,105,227
Taxes	973,807	0	0	0	165,028	1,138,835
Prepaid items	500,839	0	0	0	0	500,839
Due from other funds	263,863	0	10,441	0	0	274,304
Property held for resale	0	0	0	0	156,603	156,603
Total assets	\$ 18,184,411	\$ 2,457,766	\$ 1,600,980	\$ 1,344,396	\$ 2,490,160	\$ 26,077,713
LIABILITIES						
Accounts payable	\$ 907,321	\$ 7,982	\$ 682,809	\$ 0	\$ 118,527	\$ 1,716,639
Accrued liabilities	123,703	0	0	0	0	123,703
Retainage payable	0	0	159,833	0	0	159,833
Accrued salaries and payroll liabilities	448,061	0	0	0	0	448,061
Unearned revenue	94,185	23,000	0	0	0	117,185
Due to other funds	9,287	18,639	29,414	0	243,954	301,294
Due to others	215,336	800,856	0	0	103,608	1,119,800
Total liabilities	1,797,893	850,477	872,056	0	466,089	3,986,515
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	42,652	0	0	0	0	42,652
FUND BALANCES						
Nonspendable:						
Prepaid items	500,839	0	0	0	0	500,839
Restricted for:						
Public Safety	0	1,607,289	0	0	364,942	1,972,231
Housing and Development	133,174	0	0	0	1,042,921	1,176,095
Capital outlay	0	0	728,924	1,344,396	82,093	2,155,413
Assigned for:						
General Government	1,180,468			0		1,180,468
Housing and Development	0	0	0	0	534,115	534,115
Unassigned	14,529,385	0	0	0	0	14,529,385
Total fund balances	16,343,866	1,607,289	728,924	1,344,396	2,024,071	22,048,546
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,184,411	\$ 2,457,766	\$ 1,600,980	\$ 1,344,396	\$ 2,490,160	\$ 26,077,713

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2021

Total fund balances - total governmental funds **\$ 22,048,546**

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 108,412,852

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 42,652

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 2,822,498

Related to OPEB 496,367

Deferred inflows of resources:

Related to pensions (262,371)

Related to OPEB (722,519)

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

Compensated absences	\$	(391,245)	
Capital leases payable		(597,773)	
Accrued interest payable		(14,867)	
Net pension liability		(5,917,003)	
Net OPEB liability		(1,981,838)	
		(8,902,726)	

Net position of governmental activities \$ 123,935,299

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2021

	West Metro				Nonmajor	
	General	Regional Drug Enforcement	2015 SPLOST	2021 SPLOST	Governmental Funds	Totals
REVENUES						
Taxes	\$ 18,230,016	\$ 0	\$ 0	\$ 0	\$ 771,970	\$ 19,001,986
Licenses and permits	564,099	0	0	0	0	564,099
Fines, fees and forfeitures	1,088,520	141,459	0	0	87,291	1,317,270
Charges for services	4,765,129	0	0	0	9,000	4,774,129
Intergovernmental	2,751,284	592,805	4,599,402	1,344,396	690,140	9,978,027
Contributions	0	0	110,858	0	0	110,858
Interest	24,767	1,572	1,019	0	1,617	28,975
Other	216,326	3,776	0	0	0	220,102
Total revenues	27,640,141	739,612	4,711,279	1,344,396	1,560,018	35,995,446
EXPENDITURES						
Current						
General Government	5,435,096	0	0	0	0	5,435,096
Public Safety	14,162,698	782,279	0	0	143,132	15,088,109
Public Works	2,446,668	0	0	0	0	2,446,668
Culture and Recreation	6,064,730	0	0	0	0	6,064,730
Housing and Development	722,871	0	0	0	748,284	1,471,155
Capital outlay	0	0	7,252,783	0	661,775	7,914,558
Debt service	161,444	0	0	0	0	161,444
Total expenditures	28,993,507	782,279	7,252,783	0	1,553,191	38,581,760
Excess (deficiency) of revenues over (under) expenditures	(1,353,366)	(42,667)	(2,541,504)	1,344,396	6,827	(2,586,314)
Other financing sources (uses)						
Transfers in	3,583,826	0	0	0	0	3,583,826
Transfers out	0	0	0	0	(406,701)	(406,701)
Proceeds from sale of assets	47,565	0	3,800	0	0	51,365
Total other financing sources (uses)	3,631,391	0	3,800	0	(406,701)	3,228,490
Net change in fund balance	2,278,025	(42,667)	(2,537,704)	1,344,396	(399,874)	642,176
Fund balances, July 1	14,065,841	1,649,956	3,266,628	0	2,423,945	21,406,370
Fund balances, June 30	\$ 16,343,866	\$ 1,607,289	\$ 728,924	\$ 1,344,396	\$ 2,024,071	\$ 22,048,546

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, 2021

Net change in fund balances - total governmental funds **\$ 642,176**

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	\$ 9,466,796	
Depreciation	<u>(5,398,273)</u>	4,068,523

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	(1,556,822)	
Related accumulated depreciation	<u>506,155</u>	(1,050,667)

Contributions of capital assets from others increases net position in the statement of activities, but does not appear in the governmental funds because they are not financial resources.

Others		34,900
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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	1,512,210	
Cost of benefits earned, net of employee contributions	<u>(1,520,095)</u>	(7,885)

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	18,568	
Cost of benefits earned, net of employee contributions	<u>(2,141)</u>	16,427

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	10,369	
Debt principal payments	<u>1,906,915</u>	1,917,284

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

Unavailable revenue		5,740
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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>11,650</u>
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Change in net position of governmental activities	<u>\$ 5,638,148</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, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 16,175,000	\$ 16,652,970	\$ 18,230,016	\$ 1,577,046
Licenses and permits	525,000	525,000	564,099	39,099
Fines, fees and forfeitures	1,000,000	1,000,000	1,088,520	88,520
Charges for services	5,121,353	5,121,353	4,765,129	(356,224)
Intergovernmental	1,041,580	1,041,580	2,751,284	1,709,704
Interest	50,000	50,000	24,767	(25,233)
Other	405,436	405,436	216,326	(189,110)
Total revenues	24,318,369	24,796,339	27,640,141	2,843,802
EXPENDITURES				
Current				
General Government				
Mayor and Council	119,025	119,025	119,717	(692)
City Manager	345,950	422,950	466,070	(43,120)
General Administration	1,151,186	3,134,298	3,087,997	46,301
Finance and Purchasing	358,306	358,306	331,752	26,554
Human Resources	435,078	435,078	309,495	125,583
Information Technology	552,688	552,688	455,868	96,820
General Maintenance	72,828	72,828	60,524	12,304
Marketing-Public Relations	360,024	360,024	311,461	48,563
Legal	185,000	264,000	292,212	(28,212)
Public Safety				
Police Department	8,264,525	8,281,702	7,967,263	314,439
Fire Department	6,074,113	6,552,396	6,195,435	356,961
Public Works				
Street Department	703,688	703,688	693,590	10,098
Engineering	1,467,751	1,467,751	1,400,901	66,850
Garage	410,198	410,198	352,177	58,021
Culture and Recreation				
Library	300,035	300,035	300,036	(1)
Recreation Administration	1,005,539	1,005,539	935,106	70,433
Recreation Parks	1,926,440	2,040,233	1,869,468	170,765
Recreation Programs	1,164,044	1,164,044	1,112,367	51,677
Cultural Arts	1,197,188	1,197,188	950,992	246,196
Recreation Athletics	1,202,672	1,202,672	896,761	305,911
Housing and Development				
Planning Administration	324,676	324,676	301,583	23,093
Code Enforcement	165,796	165,796	90,522	75,274
Convention and Visitor's Bureau	285,743	285,743	215,153	70,590
Main Street Division	255,081	255,081	115,613	139,468
Debt Service				
Police Department	167,920	167,920	161,444	6,476
Total expenditures	28,495,494	31,243,859	28,993,507	2,250,352
Excess (deficiency) of revenues over expenditures	(4,177,125)	(6,447,520)	(1,353,366)	5,094,154
Other financing sources (uses)				
Transfers in	4,177,125	4,177,125	3,583,826	(593,299)
Gain on sale of assets	0	0	47,565	47,565
Total other financing sources (uses)	4,177,125	4,177,125	3,631,391	(545,734)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(2,270,395)	2,278,025	4,548,420
Fund balances, July 1	0	2,270,395	14,065,841	11,795,446
Fund balances, June 30	\$ 0	\$ 0	\$ 16,343,866	\$ 16,343,866

See accompanying notes to financial statements.

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, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, fees and forfeitures	\$ 112,000	\$ 112,000	\$ 141,459	\$ 29,459
Intergovernmental	733,694	733,694	592,805	(140,889)
Interest	0	0	1,572	1,572
Other	0	0	3,776	3,776
Total revenues	<u>845,694</u>	<u>845,694</u>	<u>739,612</u>	<u>(106,082)</u>
EXPENDITURES				
Current				
Public Safety	845,694	845,694	782,279	63,415
Total expenditures	<u>845,694</u>	<u>845,694</u>	<u>782,279</u>	<u>63,415</u>
Excess (deficiency) of revenues over expenditures	0	0	(42,667)	(42,667)
Fund balances, July 1	0	0	1,649,956	1,649,956
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,607,289</u>	<u>\$ 1,607,289</u>

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,686,345	\$ 1,488,093	\$ 8,174,438
Restricted assets			
Cash and cash equivalents	317,246	0	317,246
Accounts receivable, net	2,090,436	713,218	2,803,654
Inventories	402,441	0	402,441
Prepaid items	175,815	69,606	245,421
Due from other funds	29,548	0	29,548
Total current assets	9,701,831	2,270,917	11,972,748
Noncurrent assets			
Capital assets			
Non-depreciable	9,685,325	0	9,685,325
Depreciable (net)	67,248,090	908,111	68,156,201
Total noncurrent assets	76,933,415	908,111	77,841,526
Total assets	86,635,246	3,179,028	89,814,274
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	605,363	229,463	834,826
Deferred outflows of resources related to OPEB	91,741	49,978	141,719
Total deferred outflows of resources	697,104	279,441	976,545
LIABILITIES			
Current liabilities			
Accounts payable	645,440	164,327	809,767
Retainages payable	45,211	0	45,211
Accrued salaries and payroll liabilities	83,645	35,012	118,657
Compensated absences	72,298	28,994	101,292
Unearned revenue	244,075	0	244,075
Due to other funds	1,635	923	2,558
Capital leases	0	66,389	66,389
Liabilities payable from restricted assets			
Customer deposits payable	317,246	0	317,246
Notes payable	25,000	0	25,000
Bonds payable	227,000	0	227,000
Total current liabilities	1,661,550	295,645	1,957,195
Noncurrent liabilities			
Net pension liability	1,421,258	538,731	1,959,989
Net OPEB liability	469,375	217,209	686,584
Capital leases	0	66,390	66,390
Notes payable	191,667	0	191,667
Bonds payable	3,789,000	0	3,789,000
Total noncurrent liabilities	5,871,300	822,330	6,693,630
Total liabilities	7,532,850	1,117,975	8,650,825

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	\$ 288,130	\$ 101,023	\$ 389,153
Deferred inflows of resources related to OPEB	278,698	94,625	373,323
Total deferred inflows of resources	566,828	195,648	762,476
NET POSITION			
Net investment in capital assets	72,633,842	775,332	73,409,174
Unrestricted	6,598,830	1,369,514	7,968,344
Total net position	\$ 79,232,672	\$ 2,144,846	\$ 81,377,518

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 16,195,439	\$ 5,087,296	\$ 21,282,735
Other	193,212	1,190	194,402
Total operating revenues	16,388,651	5,088,486	21,477,137
OPERATING EXPENSES			
Costs of sales and services	5,986,222	3,267,910	9,254,132
Personal services	3,826,811	1,780,857	5,607,668
Depreciation	2,468,521	184,449	2,652,970
Total operating expenses	12,281,554	5,233,216	17,514,770
Operating income (loss)	4,107,097	(144,730)	3,962,367
Non-operating revenues (expenses)			
Interest and investment earnings	8,640	19,589	28,229
Interest expense	(116,132)	(3,983)	(120,115)
Gain (loss) on sale of capital assets	4,061	23,833	27,894
Total non-operating revenues (expenses)	(103,431)	39,439	(63,992)
Net income (loss) before transfers	4,003,666	(105,291)	3,898,375
Transfers in (out)			
Transfers out	(3,177,125)	0	(3,177,125)
Change in net position	826,541	(105,291)	721,250
Net position, July 1	78,406,131	2,250,137	80,656,268
Net position, June 30	\$ 79,232,672	\$ 2,144,846	\$ 81,377,518

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 15,918,618	\$ 5,047,952	\$ 20,966,570
Payments to suppliers	(6,026,402)	(3,335,890)	(9,362,292)
Payments to employees	(3,915,016)	(1,806,225)	(5,721,241)
Other receipts	193,212	1,190	194,402
Net cash provided (used) by operating activities	6,170,412	(92,973)	6,077,439
Cash flows from non-capital financing activities:			
Payments to other funds	(3,177,259)	(1,459)	(3,178,718)
Cash flows from capital and related financing activities:			
Payments for acquisitions of capital assets	(1,620,724)	(285,898)	(1,906,622)
Payment of capital related payables	(161,415)	0	(161,415)
Principal payments - capital leases	0	(66,389)	(66,389)
Principal payments - promissory notes	(25,000)	0	(25,000)
Principal payments - bonds payable	(444,000)	0	(444,000)
Proceeds from sale of capital assets	24,500	23,833	48,333
Interest paid	(116,132)	(3,983)	(120,115)
Net cash provided (used) by capital and related financing activities	(2,342,771)	(332,437)	(2,675,208)
Cash flows from investing activities			
Interest and investment earnings received	8,640	19,589	28,229
Net increase (decrease) in cash and cash equivalents	659,022	(407,280)	251,742
Cash and cash equivalents, July 1	6,344,569	1,895,373	8,239,942
Cash and cash equivalents, June 30	\$ 7,003,591	\$ 1,488,093	\$ 8,491,684

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2021

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 4,107,097	\$ (144,730)	\$ 3,962,367
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,468,521	184,449	2,652,970
(Increase) decrease in accounts receivable	(323,096)	(39,344)	(362,440)
(Increase) decrease in inventories	49,997	0	49,997
(Increase) decrease in prepaid items	(140,716)	(51,100)	(191,816)
(Increase) decrease in deferred outflows related to pensions	137,681	40,666	178,347
(Increase) decrease in deferred outflows related to OPEB	(55,982)	(33,667)	(89,649)
Increase (decrease) in accounts payable	5,328	(16,880)	(11,552)
Increase (decrease) in noncapital retainage payable	45,211	0	45,211
Increase (decrease) in unearned revenue	47,835	0	47,835
Increase (decrease) in accrued salaries and payroll liabilities	9,941	4,380	14,321
Increase (decrease) in compensated absences	(3,066)	1,460	(1,606)
Increase (decrease) in customer deposits	(1,560)	0	(1,560)
Increase (decrease) in net pension liability	(468,901)	(153,191)	(622,092)
Increase (decrease) in net OPEB liability	78,923	39,109	118,032
Increase (decrease) in deferred inflows related to pensions	258,686	87,081	345,767
Increase (decrease) in deferred inflows related to OPEB	(45,487)	(11,206)	(56,693)
Total adjustments	2,063,315	51,757	2,115,072
Net cash provided (used) by operating activities	\$ 6,170,412	\$ (92,973)	\$ 6,077,439
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 6,686,345	\$ 1,488,093	\$ 8,174,438
Restricted assets			
Cash and cash equivalents	317,246	0	317,246
	\$ 7,003,591	\$ 1,488,093	\$ 8,491,684
Noncash investing, capital, and financing activities:			
Acquisition of capital assets through accounts payable totaled \$66,907.			

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

ASSETS

Cash and cash equivalents	\$ 19,714
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LIABILITIES

Due to others	19,714
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NET POSITION

Restricted for individuals, organizations and other governments	\$ 0
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CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

ADDITIONS

Fines and forfeitures collected for other governments	\$ 307,838
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DEDUCTIONS

Distributions of fines and forfeitures to other governments	<u>307,838</u>
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Change in net position	0
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Net position, July 1	<u>0</u>
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Net position, June 30	<u><u>\$ 0</u></u>
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CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021

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 \$214,531 was expended to promote tourism in the area this year.

The following 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, 2021

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 and Main Street Carrollton 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.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

2021 SPLOST Capital Projects Fund - accounts for projects funded by the 2021 special one percent local option sales tax levies.

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).

Fiduciary Fund Types

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

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

I. Intergovernmental Receivables

Receivables for state, 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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources 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, 2021

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

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

P. Restricted Assets and Restricted Net Position

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

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

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, 2021

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, 2021

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 2020 amounts have been reclassified to conform with the 2021 presentation.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021 consist of the following:

Primary Government:

Major Funds

General Fund		\$ 154,055
Water and Sewerage Enterprise Fund	\$ 2,123,563	
Less: Allowance for Uncollectibles	<u>(33,127)</u>	2,090,436
Sanitation Enterprise Fund	722,932	
Less: Allowance for Uncollectibles	<u>(9,714)</u>	<u>713,218</u>
Total Primary Government		<u><u>\$ 2,957,709</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2021 consist of the following:

Primary Government:

Major Funds

General Fund	\$ 86,144
West Metro Regional Drug Enforcement Fund	125,666
2015 SPLOST Fund	521,847
2021 SPLOST Fund	1,344,396

Nonmajor Funds

Special Revenue Funds	
Neighborhood Stabilization Program	27,174
Total Primary Government	<u>\$ 2,105,227</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 2020, based upon the assessments of January 1, 2020, were levied on September 27, 2020, billed on October 1, 2020, and due on December 1, 2020. 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, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water and Sewerage	\$ 1,635
	Sanitation	923
	West Metro Regional	
	Drug Enforcement	18,639
	Nonmajor Governmental	242,666
2015 SPLOST	General	9,153
	Nonmajor Governmental	1,288
Water and Sewerage	General	134
	2015 SPLOST	29,414
		<u>\$ 303,852</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

Interfund balances at June 30, 2021, 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	\$ 3,177,125
Nonmajor Governmental	General	406,701
		<u>\$ 3,583,826</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, 2021

8. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2021 was as follows:

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 11,164,060	\$ 2,277,020	\$ (125,000)	\$ 13,316,080
Construction in progress	2,182,692	3,555,090	(369,191)	5,368,591
Total non-depreciable assets	<u>13,346,752</u>	<u>5,832,110</u>	<u>(494,191)</u>	<u>18,684,671</u>
Depreciable assets				
Land improvements	25,834,125	575,105	0	26,409,230
Buildings and improvements	43,124,444	432,124	(1,231,638)	42,324,930
Furnishings, vehicles, machinery and equipment	15,992,020	652,761	(200,184)	16,444,597
Infrastructure	77,364,050	2,378,787	0	79,742,837
Total depreciable assets	<u>162,314,639</u>	<u>4,038,777</u>	<u>(1,431,822)</u>	<u>164,921,594</u>
Less accumulated depreciation				
Land improvements	(6,992,689)	(1,242,035)	0	(8,234,724)
Buildings and improvements	(12,048,629)	(868,431)	371,488	(12,545,572)
Furnishings, vehicles, machinery and equipment	(11,463,919)	(1,015,230)	134,667	(12,344,482)
Infrastructure	(39,796,058)	(2,272,577)	0	(42,068,635)
Total accumulated depreciation	<u>(70,301,295)</u>	<u>(5,398,273)</u>	<u>506,155</u>	<u>(75,193,413)</u>
Total depreciable assets, net	<u>92,013,344</u>	<u>(1,359,496)</u>	<u>(925,667)</u>	<u>89,728,181</u>
Governmental activities capital assets, net	<u>\$ 105,360,096</u>	<u>\$ 4,472,614</u>	<u>\$ (1,419,858)</u>	<u>\$ 108,412,852</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,933,978	\$ 0	\$ 0	\$ 8,933,978
Construction in progress	719,871	189,174	(157,698)	751,347
Total non-depreciable assets	<u>9,653,849</u>	<u>189,174</u>	<u>(157,698)</u>	<u>9,685,325</u>
Depreciable assets				
Buildings and improvements	7,592,243	0	0	7,592,243
Distribution system	101,435,487	1,319,313	0	102,754,800
Vehicles, machinery and equipment	8,113,971	622,740	(35,768)	8,700,943
Total depreciable assets	<u>117,141,701</u>	<u>1,942,053</u>	<u>(35,768)</u>	<u>119,047,986</u>
Less accumulated depreciation				
Buildings and improvements	(4,489,019)	(145,619)	0	(4,634,638)
Distribution system	(38,233,225)	(2,048,870)	0	(40,282,095)
Vehicles and equipment	(5,531,900)	(458,481)	15,329	(5,975,052)
Total accumulated depreciation	<u>(48,254,144)</u>	<u>(2,652,970)</u>	<u>15,329</u>	<u>(50,891,785)</u>
Total depreciable assets, net	<u>68,887,557</u>	<u>(710,917)</u>	<u>(20,439)</u>	<u>68,156,201</u>
Business-type activities capital assets, net	<u>\$ 78,541,406</u>	<u>\$ (521,743)</u>	<u>\$ (178,137)</u>	<u>\$ 77,841,526</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 306,582
Public Safety	892,002
Public Works	2,319,607
Culture and Recreation	<u>1,880,082</u>

Total depreciation expense for governmental activities	<u><u>\$ 5,398,273</u></u>
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Business-type activities

Water and Sewerage	\$ 2,468,521
Sanitation	<u>184,449</u>

Total depreciation expense for business-type activities	<u><u>\$ 2,652,970</u></u>
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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, 2021, are \$132,779 for business-type activities and \$597,773 for governmental activities.

Total assets leased under capital leases are \$331,946 for business-type activities and \$829,302 for governmental activities. Total accumulated depreciation on assets leased under capital leases are \$142,263 for business-type activities and \$165,860 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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

9. Capital and Operating Lease Agreements (continued)

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, 2021:

Year Ending June 30,	Business-type Activities	Governmental Activities
2022	\$ 69,045	\$ 161,444
2023	67,717	161,444
2024	0	161,444
2025	0	161,444
2026	0	0
	136,762	645,776
Less amounts representing interest	(3,983)	(48,003)
Present value of minimum lease payments	\$ 132,779	\$ 597,773

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, 2021, the City has a balance of \$132,779 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.

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, 2021:

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-

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

10. Long-Term Debt (continued)

Bonds from Direct Placement, continued

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
2022	\$ 227,000	\$ 110,204	\$ 337,204
2023	463,000	98,096	561,096
2024	476,000	85,654	561,654
2025	487,000	72,864	559,864
2026	502,000	59,755	561,755
2027-2030	1,861,000	100,712	1,961,712
Totals	<u>\$ 4,016,000</u>	<u>\$ 527,285</u>	<u>\$ 4,543,285</u>

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, 2021 was \$216,667.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

10. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	25,000	0	25,000
2027-2030	91,667	0	91,667
Totals	<u>\$ 216,667</u>	<u>\$0</u>	<u>\$ 216,667</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.

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 was paid in full during the current fiscal year.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021:

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Contracts payable	\$ 1,768,750	\$ 0	\$ (1,768,750)	\$ 0	\$ 0
Capital lease obligations	735,938	0	(138,165)	597,773	142,536
Compensated absences	402,895	554,491	(566,141)	391,245	391,245
Total governmental activities	<u>\$ 2,907,583</u>	<u>\$ 554,491</u>	<u>\$ (2,473,056)</u>	<u>\$ 989,018</u>	<u>\$ 533,781</u>
Business-type activities					
Bonds from direct placement	\$ 4,460,000	\$ 0	\$ (444,000)	\$ 4,016,000	\$ 227,000
Notes from direct borrowings	241,667	0	(25,000)	216,667	25,000
Capital lease obligations	199,168	0	(66,389)	132,779	66,389
Compensated absences	102,898	162,112	(163,718)	101,292	101,292
Total business-type activities	<u>\$ 5,003,733</u>	<u>\$ 162,112</u>	<u>\$ (699,107)</u>	<u>\$ 4,466,738</u>	<u>\$ 419,681</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, 2021 was \$96,098 and \$120,115, 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, 2021.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021 was \$132,202.

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, 2021 was \$189,188.

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 \$1,726 beginning December 1, 2016, and a balloon payment of \$97,564 on November 1, 2026. The outstanding loan balance at June 30, 2021 was \$192,660.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

12. Conduit Debt (continued)

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 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, 2021 was \$160,571.

13. Nonspendable, Restricted, and Assigned Fund Balances

The following is a summary of nonspendable, restricted, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2021:

	General	West Metro Regional Drug Enforcement	2015 SPLOST	2021 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 500,839	\$ 0	\$ 0	\$	\$ 0	\$ 500,839
Restricted for:						
Public Safety						
Police facilities and equipment	\$ 0	\$ 1,607,289	\$ 0	\$	\$ 332,913	\$ 1,940,202
Hazardous material team	0	0	0		32,029	32,029
Housing and Development						
Neighborhood improvements	0	0	0		1,042,921	1,042,921
Promotion of tourism, conventions and trade shows	133,174	0	0		0	133,174
Capital Projects	0	0	728,924	1,344,396	82,093	2,155,413
	<u>\$ 133,174</u>	<u>\$ 1,607,289</u>	<u>\$ 728,924</u>	<u>\$ 1,344,396</u>	<u>\$ 1,489,956</u>	<u>\$ 5,303,739</u>
Assigned for:						
General Government						
Pension contributions	\$ 1,180,468	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,180,468
Housing and Development						
Economic Development	0	0	0		534,115	534,115
	<u>\$ 1,180,468</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 534,115</u>	<u>\$ 1,714,583</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021, the date of the most recent actuarial valuation, there were 583 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	178
Terminated vested participants entitled to but not yet receiving benefits	94
Active participants	<u>311</u>
Total number of participants	<u><u>583</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, 2021

14. Pension Plans (continued)

Defined Benefit 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, 2021 was \$1,641,131, or 10.35% of covered payroll. 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, 2021, the City reported a net pension liability of \$7,876,992. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the fiscal year ended June 30, 2021, the City recognized pension expense of \$1,525,384. 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, 2021

14. Pension Plans (continued)

Defined Benefit 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 9/30/2019	\$ 35,526,275	\$ 27,012,733	\$ 8,513,542
Changes for the year:			
Service cost	478,953	0	478,953
Interest	2,583,027	0	2,583,027
Differences between expected and actual experience	234,846	0	234,846
Contributions-employer	0	1,416,916	(1,416,916)
Net investment income	0	2,572,781	(2,572,781)
Benefit payments, including refunds of employee contribution	(1,962,267)	(1,962,267)	0
Administrative expense	0	(56,321)	56,321
Net changes	<u>1,334,559</u>	<u>1,971,109</u>	<u>(636,550)</u>
Balances at 9/30/2020	<u>\$ 36,860,834</u>	<u>\$ 28,983,842</u>	<u>\$ 7,876,992</u>
Plan fiduciary net position as a percentage of the total pension liability		78.63%	
Covered payroll		\$ 15,189,414	
Net pension liability as a percentage of covered payroll		51.86%	

At June 30, 2021, 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	\$ 1,009,303	\$ (27,206)
Changes of assumptions	1,135,486	0
Net difference between projected and actual earnings on pension plan investments	0	(322,073)
Changes in participant fund allocation	302,245	(302,245)
Contributions subsequent to the measurement date	<u>1,210,290</u>	<u>0</u>
Totals	<u>\$ 3,657,324</u>	<u>\$ (651,524)</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

The \$1,210,290 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	
2022	\$ 416,436
2023	526,502
2024	588,437
2025	264,135
Totals	<u>\$ 1,795,510</u>

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

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar
Remaining amortization period	10 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, 2021 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2019.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

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:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.375%	\$ 12,414,346
Current discount rate	7.375%	7,876,992
1% increase	8.375%	4,071,764

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

14. Pension Plans (continued)

Defined Benefit 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, 2021

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, 2021 was \$43,283, or 0.27% of covered employee 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, 2021, the City reported a net OPEB liability of \$2,668,422. 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, 2021, the City recognized OPEB expense of (\$6,931). 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 6/30/2019	\$ 2,274,211	\$0	\$ 2,274,211
Changes for the year:			
Service cost	71,323	0	71,323
Interest	81,343	0	81,343
Changes of benefit terms	(38,450)	0	(38,450)
Differences between expected and actual experience	(60,538)	0	(60,538)
Contributions-employer	0	43,283	(43,283)
Changes in assumptions	383,816	0	383,816
Benefit payments, including refunds of member contributions	(43,283)	(43,283)	0
Net changes	<u>394,211</u>	<u>0</u>	<u>394,211</u>
Balances at 6/30/2020	\$ 2,668,422	\$0	\$ 2,668,422
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%	
Covered employee payroll		\$ 13,448,107	
Plan net OPEB liability as a percentage of covered employee payroll		19.84%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

At June 30, 2021, 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	\$ 141,426	\$ (116,998)
Changes of assumptions	335,839	(855,828)
Changes in participant fund allocation	123,016	(123,016)
Contributions subsequent to the measurement date	37,805	0
Totals	<u>\$ 638,086</u>	<u>\$ (1,095,842)</u>

The \$37,805 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	
2022	\$ (121,145)
2023	(121,145)
2024	(121,145)
2025	(72,919)
2026	(49,809)
Thereafter	(9,398)
Totals	<u>\$ (495,561)</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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	2.21%. This changed from 3.5% the previous year
Healthcare cost trend rates	Medical: 6.75% trended down to 4.5% over 9 years Prescription Drug: 6.75% 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 2.21%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2020.

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 (1.21%) or one percentage-point higher (3.21%) than the current rate.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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	1.21%	\$ 3,014,430
Current discount rate	2.21%	2,668,422
1% increase	3.21%	2,368,600

<u>Healthcare Cost Trend Rates</u>		<u>Net OPEB Liability</u>
1% decrease		\$ 2,398,238
Current trend rate		2,668,422
1% increase		2,994,911

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, 2021, the City collected \$771,970 in hotel/motel tax revenues, of which \$337,737 was disbursed to the Carrollton Area Convention and Visitors Bureau and the Carroll County Chamber of Commerce. Also disbursed was \$155,968 that was previously held for future disbursement for promoting tourism, conventions and trade shows (43.75% of tax receipts in prior years). As of June 30, 2021, \$44,725 was held for future disbursement for promoting tourism, conventions and trade shows. 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, 2021, the City expended \$140,500 and held \$4,244 for future disbursement (18.75%) of tax receipts for tourism product development.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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, 2021, the City of Carrollton property taxes were abated totaling \$266,930 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 10% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$121,648.
- 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 \$39,615.
- 100% property tax abatement for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$33,457.
- 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 \$28,966.
- 80% property tax abatement for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$29,738.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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. The lease ended during the current fiscal year and the City contributed the land and building to the Carrollton Independent School System.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

21. Risk Management (continued)

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, 2021

22. Commitments and Contingencies

Commitments

The City has active construction projects as of June 30, 2021. At fiscal year end, the City's commitments with contractors are as follows:

Project	Amount Expended to Date	Remaining Commitment
Bankhead Streetscape	\$ 2,816,162	\$ 171,367
2021 Milling and Resurfacing	1,378,668	655,878

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 General Fund departments had expenditures in excess of appropriations by more than three percent for the fiscal year ended June 30, 2021:

City Manager	\$ 466,070
Legal	\$ 292,212

The City did not adopt a budget for its Neighborhood Stabilization Program and Drug Seizure Special Revenue Funds.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

24. Subsequent Events

Subsequent to June 30, 2021, the City received \$5,089,750 of funding as part of the American Rescue Plan Act ("ARPA"), which was signed into law on March 11, 2021 and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to state, territorial, local, and tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

25. New Accounting Pronouncements

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

The City implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the City's current fiscal year

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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, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Total pension liability			
Service cost	\$ 478,953	\$ 359,881	\$ 348,429
Interest	2,583,027	2,409,298	2,311,482
Differences between expected and actual experience	234,846	540,068	500,330
Changes in assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(1,962,267)	(1,913,261)	(1,821,688)
Other changes	0	1,409,565	0
Net change in total pension liability	1,334,559	2,805,551	1,338,553
Total pension liability - beginning	35,526,275	32,720,724	31,382,171
Total pension liability - ending (a)	\$ 36,860,834	\$ 35,526,275	\$ 32,720,724
Plan fiduciary net position			
Contributions - employer	\$ 1,416,916	\$ 1,453,508	\$ 1,340,534
Net investment income	2,572,781	781,879	2,445,629
Benefit payments, including refunds of employee contributions	(1,962,267)	(1,913,261)	(1,821,689)
Administrative expense	(56,321)	(50,844)	(56,317)
Net change in plan fiduciary net position	1,971,109	271,282	1,908,157
Plan fiduciary net position - beginning	27,012,733	26,741,451	24,833,294
Plan fiduciary net position - ending (b)	\$ 28,983,842	\$ 27,012,733	\$ 26,741,451
Net pension liability (asset) - ending : (a) - (b)	\$ 7,876,992	\$ 8,513,542	\$ 5,979,273
Plan's fiduciary net position as a percentage of the total pension liability	78.63%	76.04%	81.73%
Covered payroll	\$ 15,189,914	\$ 15,414,227	\$ 13,152,183
Net pension liability as a percentage of covered payroll	51.86%	55.23%	45.46%

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

Fiscal Year End			
2018	2017	2016	2015
\$ 397,257	\$ 362,710	\$ 377,227	\$ 334,167
2,266,445	2,106,841	1,989,841	1,911,478
(81,618)	1,267,311	597,738	356,908
433,947	0	0	0
(1,756,630)	(1,565,620)	(1,344,634)	(1,272,573)
0	(16,333)	0	(282,808)
1,259,401	2,154,909	1,620,172	1,047,172
30,122,770	27,967,861	26,347,689	25,300,517
<u>\$ 31,382,171</u>	<u>\$ 30,122,770</u>	<u>\$ 27,967,861</u>	<u>\$ 26,347,689</u>
\$ 1,121,807	\$ 1,188,985	\$ 1,208,604	\$ 1,248,419
3,301,957	2,258,137	235,211	2,085,904
(1,756,630)	(1,565,620)	(1,344,634)	(1,272,573)
(58,143)	(33,118)	(36,856)	(29,317)
2,608,991	1,848,384	62,325	2,032,433
22,224,303	20,375,919	20,313,594	18,281,161
<u>\$ 24,833,294</u>	<u>\$ 22,224,303</u>	<u>\$ 20,375,919</u>	<u>\$ 20,313,594</u>
<u>\$ 6,548,877</u>	<u>\$ 7,898,467</u>	<u>\$ 7,591,942</u>	<u>\$ 6,034,095</u>
79.13%	73.78%	72.85%	77.10%
\$ 12,765,322	\$ 13,618,889	\$ 12,426,773	\$ 11,901,447
51.30%	58.00%	61.09%	50.70%

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 1,641,131	\$ 1,612,553	\$ 1,348,970
Contributions in relation to the actuarially determined contribution	(1,641,131)	(1,612,553)	(1,348,970)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 15,861,803	\$ 15,860,745	\$ 14,248,681
Contributions as a percentage of covered payroll	10.35%	10.17%	9.47%

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

Fiscal Year End			
2018	2017	2016	2015
\$ 1,341,205 (1,229,438)	\$ 1,195,231 (1,197,081)	\$ 1,186,903 (1,187,953)	\$ 1,215,838 (1,215,838)
<u>\$ 111,767</u>	<u>\$ (1,850)</u>	<u>\$ (1,050)</u>	<u>\$ 0</u>
\$ 14,711,933	\$ 13,395,252	\$ 12,662,435	\$ 11,687,687
8.36%	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, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Total OPEB liability			
Service cost	\$ 71,323	\$ 93,323	\$ 94,178
Interest	81,343	116,790	108,759
Change of benefit terms	(38,450)	(112,209)	0
Differences between expected and actual experience	(60,538)	188,568	(60,250)
Changes in assumptions	383,816	(910,321)	(101,521)
Benefit payments, including refunds of member contributions	(43,283)	(52,900)	(67,970)
Net change in total OPEB liability	394,211	(676,749)	(26,804)
Total OPEB liability - beginning	2,274,211	2,950,960	2,977,764
Total OPEB liability - ending (a)	\$ 2,668,422	\$ 2,274,211	\$ 2,950,960
Plan fiduciary net position			
Contributions - employer	\$ 43,283	\$ 52,900	\$ 67,970
Benefit payments, including refunds of member contributions	(43,283)	(52,900)	(67,970)
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)	\$ 2,668,422	\$ 2,274,211	\$ 2,950,960
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 13,448,107	\$ 13,152,183	\$ 13,397,582
Plan net OPEB liability as a percentage of covered employee payroll	19.84%	17.29%	22.03%

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

Fiscal Year End	
2018	
\$	111,817
	92,935
	0
	(69,070)
	(268,511)
	(76,910)
	(209,739)
	3,187,503
\$	2,977,764

\$	76,910
	(76,910)
	0
	0
\$	0

\$ 2,977,764

0.00%

\$ 13,397,582

22.23%

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2021
(Unaudited)

	Fiscal Year End		
	2021	2020	2019
Actuarially determined contribution	\$ 163,115	\$ 205,788	\$ 203,537
Contributions in relation to the actuarially determined contribution	(43,283)	(52,900)	(67,970)
Contribution deficiency (excess)	<u>\$ 119,832</u>	<u>\$ 152,888</u>	<u>\$ 135,567</u>
Covered employee payroll	\$ 15,861,803	\$ 15,860,745	\$ 14,248,681
Contributions as a percentage of covered employee payroll	0.27%	0.33%	0.48%

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

Fiscal Year End	
2018	
\$	265,320
	(76,910)
\$	188,410
\$	14,711,933
	0.52%

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Pension Plan

1. Valuation Date

The actuarially determined contribution was determined as of January 1, 2021, 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, 2022.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected Unit Credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 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, 2021

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 rates under the 2019 OASDI Trustees Report used for the immediate alternative. Previously future mortality improvements were not explicitly projected.
- The prior retirement assumption was based on the Plan's normal retirement eligibility. If normal retirement eligibility was only available on or after age 65, the prior assumption was 60% at ages 65 to 69 and 100% at age 70 and older. If normal retirement eligibility was available prior to age 65, the rates were 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at ages 70 and older as long as a participant was at least eligible for early retirement.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

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, 2021

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 level percent of pay

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 = 2.21%. This changed from 3.50% the previous year

Healthcare cost trend rates = Medical: 6.75% trended down to 4.5% by 2029
Prescription Drug: 6.75% 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, 2021

OPEB Plan (continued)

3. Changes in Benefits

The deductible increased from \$2,000/\$6,000 (individual/family) to \$3,000/\$8,000 for in-network and from \$4,000/\$12,000 to \$6,000/\$18,000 for out of network.

4. Changes of Assumptions

- The discount rate effective from the Bond Buyer 20-Bond GO Index for June 30, 2020 was 2.21%. For June 30, 2019, the effective rate was 3.50%.

SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
ASSETS				
Cash and cash equivalents	\$ 728,355	\$ 436,521	\$ 32,029	\$ 861,069
Receivables				
Intergovernmental	0	0	0	27,174
Taxes	165,028	0	0	0
Property held for resale	0	0	0	156,603
Total assets	<u>\$ 893,383</u>	<u>\$ 436,521</u>	<u>\$ 32,029</u>	<u>\$ 1,044,846</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 118,027	\$ 0	\$ 0	\$ 500
Due to other funds	241,241	0	0	1,425
Due to others	0	103,608	0	0
Total liabilities	<u>359,268</u>	<u>103,608</u>	<u>0</u>	<u>1,925</u>
Fund balances				
Restricted for:				
Public Safety	0	332,913	32,029	0
Housing and Development	0	0	0	1,042,921
Capital outlay	0	0	0	0
Assigned for:				
Housing and Development	534,115	0	0	0
Total fund balances	<u>534,115</u>	<u>332,913</u>	<u>32,029</u>	<u>1,042,921</u>
Total liabilities and fund balances	<u>\$ 893,383</u>	<u>\$ 436,521</u>	<u>\$ 32,029</u>	<u>\$ 1,044,846</u>

Capital Projects		
Capital Projects Fund for Public Roads	Total Nonmajor Governmental Funds	
\$ 83,381	\$ 2,141,355	
0	27,174	
0	165,028	
0	156,603	
<u>\$ 83,381</u>	<u>\$ 2,490,160</u>	

\$ 0	\$ 118,527
1,288	243,954
0	103,608
<u>1,288</u>	<u>466,089</u>

0	364,942
0	1,042,921
82,093	82,093
0	534,115
<u>82,093</u>	<u>2,024,071</u>
<u>\$ 83,381</u>	<u>\$ 2,490,160</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, 2021

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ 771,970	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	87,291	0	0
Charges for services	0	0	9,000	0
Intergovernmental	0	0	0	325,126
Interest	412	0	0	719
Total revenues	<u>772,382</u>	<u>87,291</u>	<u>9,000</u>	<u>325,845</u>
EXPENDITURES				
Current				
Public Safety	0	143,132	0	0
Housing and Development	327,264	0	0	421,020
Capital Outlay	0	0	0	0
Total expenditures	<u>327,264</u>	<u>143,132</u>	<u>0</u>	<u>421,020</u>
Excess (deficiency) of revenues over (under) expenditures	445,118	(55,841)	9,000	(95,175)
Other financing sources (uses)				
Transfers out	(397,209)	(9,492)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	47,909	(65,333)	9,000	(95,175)
Fund balances, July 1	<u>486,206</u>	<u>398,246</u>	<u>23,029</u>	<u>1,138,096</u>
Fund balances, June 30	<u><u>\$ 534,115</u></u>	<u><u>\$ 332,913</u></u>	<u><u>\$ 32,029</u></u>	<u><u>\$ 1,042,921</u></u>

<u>Capital Projects</u>		<u>Total</u>
Capital		Nonmajor
Projects		Governmental
Fund for		Funds
Public Roads		
\$ 0	\$	771,970
0		87,291
0		9,000
365,014		690,140
486		1,617
<u>365,500</u>		<u>1,560,018</u>
0		143,132
0		748,284
<u>661,775</u>		<u>661,775</u>
<u>661,775</u>		<u>1,553,191</u>
(296,275)		6,827
<u>0</u>		<u>(406,701)</u>
(296,275)		(399,874)
<u>378,368</u>		<u>2,423,945</u>
<u>\$ 82,093</u>	<u>\$</u>	<u>2,024,071</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 16,052,906	\$ 13,986,629
Receivables (net)		
Accounts	154,055	310,012
Intergovernmental	86,144	53,678
Taxes	973,807	798,983
Prepaid items	500,839	102,697
Due from other funds	263,863	95,171
Restricted assets		
Cash and cash equivalents	152,797	140,419
Total assets	<u><u>\$ 18,184,411</u></u>	<u><u>\$ 15,487,589</u></u>
LIABILITIES		
Accounts payable	\$ 907,321	\$ 769,451
Accrued liabilities	123,703	12,162
Accrued salaries and payroll liabilities	448,061	324,116
Unearned revenue	94,185	50,798
Due to others	215,336	200,336
Due to other funds	9,287	27,973
Total liabilities	<u>1,797,893</u>	<u>1,384,836</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>42,652</u>	<u>36,912</u>
FUND BALANCES		
Nonspendable		
Prepaid items	500,839	102,697
Restricted for Culture and Recreation	0	6,811
Restricted for Housing and Development	133,174	107,976
Assigned for General Government	1,180,468	0
Unassigned	14,529,385	13,848,357
Total fund balances	<u>16,343,866</u>	<u>14,065,841</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 18,184,411</u></u>	<u><u>\$ 15,487,589</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, 2021 and 2020

	2021	2020
REVENUES		
Taxes	\$ 18,230,016	\$ 16,441,894
Licenses and permits	564,099	524,661
Fines, fees and forfeitures	1,088,520	869,574
Charges for services	4,765,129	4,278,372
Intergovernmental	2,751,284	1,069,415
Interest	24,767	172,018
Contributions	0	27,292
Other	216,326	165,043
Total revenues	27,640,141	23,548,269
EXPENDITURES		
Current		
General Government	5,435,096	3,086,451
Public Safety	14,162,698	14,112,049
Public Works	2,446,668	2,344,178
Culture and Recreation	6,064,730	5,918,027
Housing and Development	722,871	828,121
Total current	28,832,063	26,288,826
Debt Service		
Public Safety	161,444	161,444
Total expenditures	28,993,507	26,450,270
Excess (deficiency) of revenues over (under) expenditures	(1,353,366)	(2,902,001)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Tax Fund	397,209	177,362
Drug Seizure Fund	9,492	0
Water and Sewerage Fund	3,177,125	2,572,125
Proceeds from sale of assets	47,565	0
Issuance of capital leases	0	892,521
Total other financing sources (uses)	3,631,391	3,642,008
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,278,025	740,007
Fund balances, July 1	14,065,841	13,325,834
Fund balances, June 30	\$ 16,343,866	\$ 14,065,841

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 4,429,000	\$ 4,338,369	\$ (90,631)	\$ 4,130,868
Motor vehicle tax	550,000	973,409	423,409	545,058
Cost, penalties and interest	50,000	31,840	(18,160)	19,197
Total general property taxes	5,029,000	5,343,618	314,618	4,695,123
Local option sales tax	4,723,970	5,756,736	1,032,766	4,829,839
Insurance premium tax	1,900,000	1,957,994	57,994	1,855,099
Intangibles tax	45,000	95,692	50,692	42,226
Real estate transfer tax	0	18,438	18,438	0
Franchise tax	2,685,000	2,537,417	(147,583)	2,672,124
Alcohol excise tax	750,000	842,424	92,424	812,181
Occupational tax	1,400,000	1,550,331	150,331	1,397,227
Energy excise tax	120,000	127,366	7,366	138,075
Total taxes	16,652,970	18,230,016	1,577,046	16,441,894
Licenses and permits				
Alcohol licenses	300,000	288,987	(11,013)	248,273
Building permits	225,000	275,112	50,112	276,388
Total licenses and permits	525,000	564,099	39,099	524,661
Fines, fees and forfeitures	1,000,000	1,088,520	88,520	869,574
Charges for Services				
Reimbursement of joint expenses	3,324,408	3,324,404	(4)	2,812,313
Recreation fees	1,082,400	858,101	(224,299)	874,061
Main Street events	75,000	75,395	395	86,837
Cemetery charges	25,000	58,233	33,233	24,485
Cultural arts fees	392,545	233,182	(159,363)	298,275
Other	222,000	215,814	(6,186)	182,401
Total charges for services	5,121,353	4,765,129	(356,224)	4,278,372
Intergovernmental	1,041,580	2,751,284	1,709,704	1,069,415
Interest	50,000	24,767	(25,233)	172,018
Contributions	0	0	0	27,292
Other				
Rental Income	100,000	26,620	(73,380)	19,425
Miscellaneous	305,436	189,706	(115,730)	145,618
Total other	405,436	216,326	(189,110)	165,043
Total revenues	\$ 24,796,339	\$ 27,640,141	\$ 2,843,802	\$ 23,548,269

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 69,025	\$ 88,397	\$ (19,372)	\$ 71,158
Contract services	50,000	31,320	18,680	29,322
Total Mayor and Council	119,025	119,717	(692)	100,480
City Manager				
Personal services	408,856	447,006	(38,150)	299,227
Contract services	13,844	19,014	(5,170)	5,143
Materials and supplies	250	50	200	0
Total City Manager	422,950	466,070	(43,120)	304,370
General Administration				
Personal services	148,176	104,626	43,550	70,713
Contract services	762,510	704,415	58,095	687,869
Materials and supplies	238,500	267,806	(29,306)	248,599
Capital outlay	1,885,112	1,892,400	(7,288)	0
Payments to others	100,000	118,750	(18,750)	205,000
Total General Administration	3,134,298	3,087,997	46,301	1,212,181
Finance and Purchasing				
Personal services	343,477	323,960	19,517	222,913
Contract services	14,829	7,687	7,142	11,217
Materials and supplies	0	105	(105)	155
Total Finance and Purchasing	358,306	331,752	26,554	234,285
Human Resources				
Personal services	417,894	294,250	123,644	316,411
Contract services	13,184	14,674	(1,490)	22,478
Materials and supplies	4,000	571	3,429	0
Total Human Resources	435,078	309,495	125,583	338,889
Information Technology				
Personal services	267,688	230,939	36,749	204,960
Contract services	180,000	194,754	(14,754)	208,677
Materials and supplies	5,000	8,275	(3,275)	4,867
Capital outlay	100,000	21,900	78,100	0
Total Information Technology	552,688	455,868	96,820	418,504
General Maintenance				
Personal services	69,484	57,784	11,700	63,799
Contract services	3,344	2,740	604	4,082
Total General Maintenance	72,828	60,524	12,304	67,881
Marketing-Public Relations				
Personal services	118,299	119,170	(871)	104,540
Contract services	152,975	113,259	39,716	66,433
Material and supplies	88,750	79,032	9,718	59,543
Total Marketing-Public Relations	360,024	311,461	48,563	230,516

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Legal				
Contract services	\$ 264,000	\$ 292,212	\$ (28,212)	\$ 179,345
Total General Government	5,719,197	5,435,096	284,101	3,086,451
Public Safety				
Police Department				
Personal services	7,064,440	6,561,692	502,748	6,426,536
Contract services	844,775	972,646	(127,871)	873,166
Materials and supplies	319,810	366,594	(46,784)	306,376
Capital outlay	52,677	66,331	(13,654)	927,710
Total Police Department	8,281,702	7,967,263	314,439	8,533,788
Fire Department				
Personal services	5,521,568	5,179,922	341,646	4,970,457
Contract services	305,223	247,561	57,662	355,119
Materials and supplies	247,322	215,736	31,586	200,859
Capital outlay	478,283	552,216	(73,933)	51,826
Total Fire Department	6,552,396	6,195,435	356,961	5,578,261
Total Public Safety	14,834,098	14,162,698	671,400	14,112,049
Public Works				
Street Department				
Contract services	96,688	81,494	15,194	71,432
Materials and supplies	107,000	65,791	41,209	83,694
Capital outlay	500,000	546,305	(46,305)	474,161
Total Street Department	703,688	693,590	10,098	629,287
Engineering				
Personal services	722,907	726,296	(3,389)	578,486
Contract services	218,844	195,734	23,110	205,255
Materials and supplies	446,000	412,839	33,161	440,503
Capital outlay	80,000	66,032	13,968	169,725
Total Engineering	1,467,751	1,400,901	66,850	1,393,969
Garage				
Personal services	341,254	322,242	19,012	269,436
Contract services	24,044	10,362	13,682	15,716
Materials and supplies	44,900	19,573	25,327	35,770
Total Garage	410,198	352,177	58,021	320,922
Total Public Works	2,581,637	2,446,668	134,969	2,344,178

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	\$ 300,035	\$ 300,036	\$ (1)	\$ 300,036
Recreation Administration				
Personal services	421,598	416,968	4,630	438,830
Contract services	137,471	135,618	1,853	135,934
Materials and supplies	446,470	382,520	63,950	388,656
Total Recreation Administration	1,005,539	935,106	70,433	963,420
Recreation Parks				
Personal services	1,327,756	1,196,380	131,376	1,007,581
Contract services	620,477	541,564	78,913	376,234
Materials and supplies	92,000	83,192	8,808	96,114
Capital outlay	0	48,332	(48,332)	125,464
Total Recreation Parks	2,040,233	1,869,468	170,765	1,605,393
Recreation Programs				
Personal services	811,510	769,941	41,569	701,126
Contract services	138,794	30,158	108,636	114,188
Materials and supplies	213,740	277,631	(63,891)	275,893
Capital outlay	0	34,637	(34,637)	0
Total Recreation Programs	1,164,044	1,112,367	51,677	1,091,207
Cultural Arts				
Personal services	652,751	451,242	201,509	513,070
Contract services	323,179	324,741	(1,562)	230,257
Materials and supplies	206,913	155,509	51,404	169,465
Capital outlay	14,345	19,500	(5,155)	113,467
Total Cultural Arts	1,197,188	950,992	246,196	1,026,259
Recreation Athletics				
Personal services	947,546	754,276	193,270	783,252
Contract services	90,913	63,571	27,342	67,413
Materials and supplies	164,213	78,914	85,299	81,047
Total Recreation Athletics	1,202,672	896,761	305,911	931,712
Total Culture and Recreation	6,909,711	6,064,730	844,981	5,918,027

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	\$ 297,832	\$ 286,526	\$ 11,306	\$ 334,158
Contract services	25,844	14,158	11,686	22,771
Materials and supplies	1,000	899	101	312
Total Planning Administration	324,676	301,583	23,093	357,241
Code Enforcement				
Personal services	151,302	82,227	69,075	74,499
Contract services	9,844	7,478	2,366	6,195
Materials and supplies	4,650	817	3,833	2,995
Total Code Enforcement	165,796	90,522	75,274	83,689
Convention and Visitor's Bureau				
Personal services	143,573	146,807	(3,234)	102,491
Contract services	87,210	56,298	30,912	95,035
Materials and supplies	54,960	12,048	42,912	54,805
Total Convention and Visitor's Bureau	285,743	215,153	70,590	252,331
Main Street Division				
Personal services	150,698	59,258	91,440	78,601
Contract services	32,903	34,558	(1,655)	41,141
Materials and supplies	65,480	21,797	43,683	15,118
Capital outlay	6,000	0	6,000	0
Total Main Street Division	255,081	115,613	139,468	134,860
Total Housing and Development	1,031,296	722,871	308,425	828,121
Total Current	31,075,939	28,832,063	2,243,876	26,288,826
Debt Service				
Police Department	167,920	161,444	6,476	161,444
Total Expenditures	\$ 31,243,859	\$ 28,993,507	\$ 2,250,352	\$ 26,450,270

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 728,355	\$ 542,414
Taxes receivable	<u>165,028</u>	<u>51,440</u>
Total assets	<u><u>\$ 893,383</u></u>	<u><u>\$ 593,854</u></u>
 LIABILITIES		
Accounts payable	\$ 118,027	\$ 33,912
Due to other funds	<u>241,241</u>	<u>73,736</u>
 Total liabilities	<u>359,268</u>	<u>107,648</u>
 FUND BALANCES		
Restricted for Housing and Development	0	140,334
Assigned for Housing and Development	<u>534,115</u>	<u>345,872</u>
 Total fund balances	<u>534,115</u>	<u>486,206</u>
 Total liabilities and fund balances	<u><u>\$ 893,383</u></u>	<u><u>\$ 593,854</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, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 700,000	\$ 771,970	\$ 71,970	\$ 709,449
Interest	0	412	412	423
Other	0	0	0	2,704
Total revenues	<u>700,000</u>	<u>772,382</u>	<u>72,382</u>	<u>712,576</u>
EXPENDITURES				
Current				
Housing and Development				
Contract services	394,000	93,378	300,622	121,925
Capital outlay	0	137,390	(137,390)	67,848
Payments to other agencies	306,000	96,496	209,504	88,681
Total expenditures	<u>700,000</u>	<u>327,264</u>	<u>372,736</u>	<u>278,454</u>
Excess (deficiency) of revenues over (under) expenditures	0	445,118	445,118	434,122
Other financing sources (uses)				
Transfers in (out)				
General Fund	<u>0</u>	<u>(397,209)</u>	<u>(397,209)</u>	<u>(177,362)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	47,909	47,909	256,760
Fund balance, July 1	<u>0</u>	<u>486,206</u>	<u>486,206</u>	<u>229,446</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 534,115</u></u>	<u><u>\$ 534,115</u></u>	<u><u>\$ 486,206</u></u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 436,521	\$ 484,885
Total assets	<u>\$ 436,521</u>	<u>\$ 484,885</u>
 LIABILITIES		
Accounts payable	\$ 0	\$ 1,275
Due to others	<u>103,608</u>	<u>85,364</u>
Total liabilities	103,608	86,639
 FUND BALANCES		
Restricted for Public Safety	<u>332,913</u>	<u>398,246</u>
Total liabilities and fund balances	<u>\$ 436,521</u>	<u>\$ 484,885</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, 2021**

(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 0	\$ 87,291	\$ 87,291	\$ 50,568
Total revenues	<u>0</u>	<u>87,291</u>	<u>87,291</u>	<u>50,568</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	0	12,747	(12,747)	8,634
Materials and supplies	0	14,138	(14,138)	31,785
Capital outlay	0	98,359	(98,359)	41,901
Payments to others	0	17,888	(17,888)	6,537
Total expenditures	<u>0</u>	<u>143,132</u>	<u>(143,132)</u>	<u>88,857</u>
Excess (deficiency) of revenues over (under) expenditures	0	(55,841)	(55,841)	(38,289)
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	(9,492)	9,492	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(65,333)	(65,333)	(38,289)
Fund balance, July 1	0	398,246	398,246	436,535
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 332,913</u>	<u>\$ 332,913</u>	<u>\$ 398,246</u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 32,029	\$ 23,029
Total assets	<u>\$ 32,029</u>	<u>\$ 23,029</u>
FUND BALANCES		
Restricted for Public Safety	\$ 32,029	\$ 23,029
Total fund balances	<u>\$ 32,029</u>	<u>\$ 23,029</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, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 3,000	\$ 9,000	\$ 6,000	\$ 8,002
Interest	500	0	(500)	12
Total revenues	3,500	9,000	5,500	8,014
EXPENDITURES				
Current				
Public Safety				
Contract services	1,750	0	1,750	0
Materials and supplies	1,750	0	1,750	2,686
Capital outlay	0	0	0	18,964
Total expenditures	3,500	0	3,500	21,650
Excess (deficiency) of revenues over (under) expenditures	0	9,000	9,000	(13,636)
Fund balance, July 1	0	23,029	23,029	36,665
Fund balances, June 30	\$ 0	\$ 32,029	\$ 32,029	\$ 23,029

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 2,332,100	\$ 2,160,284
Intergovernmental receivable	<u>125,666</u>	<u>129,071</u>
Total assets	<u><u>\$ 2,457,766</u></u>	<u><u>\$ 2,289,355</u></u>
LIABILITIES		
Accounts payable	\$ 7,982	\$ 6,410
Due to other funds	18,639	17,418
Unearned revenue	23,000	22,000
Due to others	<u>800,856</u>	<u>593,571</u>
Total liabilities	850,477	639,399
FUND BALANCES		
Restricted for Public Safety	<u>1,607,289</u>	<u>1,649,956</u>
Total liabilities and fund balances	<u><u>\$ 2,457,766</u></u>	<u><u>\$ 2,289,355</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, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	2021			2020
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 112,000	\$ 141,459	\$ 29,459	\$ 823,723
Intergovernmental	733,694	592,805	(140,889)	707,434
Interest	0	1,572	1,572	2,446
Other	0	3,776	3,776	5,227
Total revenues	<u>845,694</u>	<u>739,612</u>	<u>(106,082)</u>	<u>1,538,830</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	581,918	419,039	162,879	511,221
Contract services	126,341	191,586	(65,245)	129,333
Materials and supplies	77,435	116,743	(39,308)	107,038
Capital outlay	60,000	54,911	5,089	155,830
Payments to others	0	0	0	1,051,686
Total expenditures	<u>845,694</u>	<u>782,279</u>	<u>63,415</u>	<u>1,955,108</u>
Excess (deficiency) of revenues over (under) expenditures	0	(42,667)	(42,667)	(416,278)
Fund balance, July 1	<u>0</u>	<u>1,649,956</u>	<u>1,649,956</u>	<u>1,649,956</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 1,607,289</u>	<u>\$ 1,607,289</u>	<u>\$ 1,649,956</u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 861,069	\$ 694,913
Intergovernmental receivable	27,174	27,174
Due from other funds	0	18,820
Property held for resale	<u>156,603</u>	<u>397,189</u>
Total assets	<u><u>\$ 1,044,846</u></u>	<u><u>\$ 1,138,096</u></u>
LIABILITIES		
Accounts payable	\$ 500	\$ 0
Due to other funds	<u>1,425</u>	<u>0</u>
Total liabilities	1,925	0
FUND BALANCES		
Restricted for Housing and Development	<u>1,042,921</u>	<u>1,138,096</u>
Total liabilities and fund balances	<u><u>\$ 1,044,846</u></u>	<u><u>\$ 1,138,096</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, 2021
(With comparative actual amounts for the fiscal year ending June 30, 2020)

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 325,126	\$ 2,804
Interest	719	1,047
Other	<u>0</u>	<u>70</u>
Total revenues	325,845	3,921
EXPENDITURES		
Current		
Housing and Development	<u>421,020</u>	<u>4,001</u>
Excess (deficiency) of revenues over (under) expenditures	(95,175)	(80)
Fund balance, July 1	<u>1,138,096</u>	<u>1,138,176</u>
Fund balances, June 30	<u><u>\$ 1,042,921</u></u>	<u><u>\$ 1,138,096</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, 2021

	Activity Number	Project Budget	Prior Project to Date Total	Current Year	Project to Date Total	Variance
REVENUES						
Grant Income	N/A	\$ 3,406,991	\$ 3,276,758	\$ 0	\$ 3,276,758	\$ (130,233)
Program Income	N/A	0	5,228,949	160,126	5,389,075	5,389,075
Other	N/A	0	97,536	0	97,536	97,536
Interest Income	N/A	0	12,195	623	12,818	12,818
Total Revenues		<u>3,406,991</u>	<u>8,615,438</u>	<u>160,749</u>	<u>8,776,187</u>	<u>5,369,196</u>
Expenditures						
Acquisition	5050-001-B-H	740,749	2,330,754	204,814	2,535,568	(1,794,819)
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	358,143	7,030	365,173	(160,754)
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>8,063,545</u>	<u>211,844</u>	<u>8,275,389</u>	<u>(4,868,398)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ 551,893</u>	<u>\$ (51,095)</u>	<u>\$ 500,798</u>	<u>\$ 500,798</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, 2021

	Activity Number	Project Budget	Prior Project to Date Total	Current Year	Project to Date Total	Variance
REVENUES						
Grant Income	N/A	\$ 1,142,774	\$ 1,012,115	\$ 0	\$ 1,012,115	\$ (130,659)
Program Income	N/A	0	1,475,735	165,000	1,640,735	1,640,735
Other	N/A	0	5,653	0	5,653	5,653
Interest Income	N/A	0	1,641	96	1,737	1,737
Total Revenues		<u>1,142,774</u>	<u>2,495,144</u>	<u>165,096</u>	<u>2,660,240</u>	<u>1,517,466</u>
Expenditures						
Acquisition	6012-001-B-H	225,000	936,727	197,000	1,133,727	(908,727)
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	139,500	12,176	151,676	(80,253)
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>2,688,043</u>	<u>209,176</u>	<u>2,897,219</u>	<u>(1,754,445)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ (192,899)</u>	<u>\$ (44,080)</u>	<u>\$ (236,979)</u>	<u>\$ (236,979)</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.

2021 SPLOST Fund – Used to account for long-term projects financed by the passage of the Carroll County, Georgia 2021 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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,068,692	\$ 1,401,351
Intergovernmental receivable	521,847	2,149,286
Due from other funds	<u>10,441</u>	<u>10,441</u>
Total assets	<u><u>\$ 1,600,980</u></u>	<u><u>\$ 3,561,078</u></u>
 LIABILITIES		
Accounts payable	\$ 682,809	\$ 204,612
Retainages payable	159,833	19,000
Due to other funds	29,414	29,414
Unearned revenue	<u>0</u>	<u>41,424</u>
 Total liabilities	872,056	294,450
 FUND BALANCES		
Restricted for capital outlay	<u>728,924</u>	<u>3,266,628</u>
 Total liabilities and fund balances	<u><u>\$ 1,600,980</u></u>	<u><u>\$ 3,561,078</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 4,599,402	\$ 8,074,224
Contributions	110,858	0
Interest	<u>1,019</u>	<u>876</u>
Total revenues	<u>4,711,279</u>	<u>8,075,100</u>
EXPENDITURES		
Capital outlay		
General Government	86,595	0
Public Safety	153,364	31,567
Public Works	3,465,895	2,112,693
Culture and Recreation	1,578,581	452,122
Housing and Development	116,410	3,667,132
Debt service	<u>1,851,938</u>	<u>1,889,188</u>
Total expenditures	<u>7,252,783</u>	<u>8,152,702</u>
Excess (deficiency) of revenues over (under) expenditures	(2,541,504)	(77,602)
Other financing sources (uses)		
Proceeds from sale of assets	<u>3,800</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses	(2,537,704)	(77,602)
Fund balances, July 1	<u>3,266,628</u>	<u>3,344,230</u>
Fund balances, June 30	<u><u>\$ 728,924</u></u>	<u><u>\$ 3,266,628</u></u>

CITY OF CARROLLTON, GEORGIA
2021 SPLOST CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2021

ASSETS

Intergovernmental receivable

\$ 1,344,396

FUND BALANCES

Restricted for capital outlay

\$ 1,344,396

CITY OF CARROLLTON, GEORGIA
2021 SPLOST CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2021

REVENUES

Intergovernmental	<u>\$ 1,344,396</u>
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EXPENDITURES

Excess (deficiency) of revenues over (under) expenditures	1,344,396
---	-----------

Fund balances, July 1	<u>0</u>
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Fund balances, June 30	<u><u>\$ 1,344,396</u></u>
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CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 83,381	\$ 379,656
	<u>83,381</u>	<u>379,656</u>
 LIABILITIES		
Due to other funds	\$ 1,288	\$ 1,288
	<u>1,288</u>	<u>1,288</u>
 FUND BALANCES		
Restricted for capital outlay	82,093	378,368
	<u>82,093</u>	<u>378,368</u>
 Total liabilities and fund balances	 \$ 83,381	 \$ 379,656
	<u>83,381</u>	<u>379,656</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Intergovernmental	\$ 365,014	\$ 314,183
Interest	486	331
Total revenues	<u>365,500</u>	<u>314,514</u>
EXPENDITURES		
Capital outlay		
Public Works	<u>661,775</u>	<u>386,319</u>
Total expenditures	<u>661,775</u>	<u>386,319</u>
Excess (deficiency) of revenues over (under) expenditures	(296,275)	(71,805)
Fund balances, July 1	<u>378,368</u>	<u>450,173</u>
Fund balances, June 30	<u><u>\$ 82,093</u></u>	<u><u>\$ 378,368</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,686,345	\$ 5,661,470
Accounts receivable, net	2,090,436	1,767,340
Inventories	402,441	452,438
Prepaid items	175,815	35,099
Due from other funds	<u>29,548</u>	<u>29,414</u>
Total current assets	<u>9,384,585</u>	<u>7,945,761</u>
Restricted assets		
Debt Redemption		
Cash and cash equivalents	0	21,098
Construction Projects		
Cash and cash equivalents	0	343,195
Customer Deposits		
Cash and cash equivalents	<u>317,246</u>	<u>318,806</u>
Total restricted assets	<u>317,246</u>	<u>683,099</u>
Capital assets		
Land	8,933,978	8,933,978
Construction in progress	751,347	719,871
Buildings	7,340,040	7,340,040
Infrastructure	186,060	186,060
Distribution system	102,754,800	101,435,486
Vehicles and equipment	5,559,340	5,258,267
Accumulated depreciation	<u>(48,592,150)</u>	<u>(46,138,958)</u>
Total capital assets (net of accumulated depreciation)	<u>76,933,415</u>	<u>77,734,744</u>
Total assets	<u>86,635,246</u>	<u>86,363,604</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	605,363	743,044
Deferred outflows of resources related to OPEB	<u>91,741</u>	<u>35,759</u>
Total deferred outflows of resources	<u>697,104</u>	<u>778,803</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 645,440	\$ 734,620
Retainages payable	45,211	0
Accrued salaries and payroll liabilities	83,645	73,704
Compensated absences	72,298	75,364
Unearned revenue	244,075	196,240
Due to other funds	1,635	1,635
Current liabilities payable from restricted assets		
Customer deposits payable	317,246	318,806
Notes payable	25,000	25,000
Bonds payable	<u>227,000</u>	<u>221,000</u>
Total current liabilities	<u>1,661,550</u>	<u>1,646,369</u>
Long-term liabilities		
Net pension liability	1,421,258	1,890,159
Net OPEB liability	469,375	390,452
Notes payable	191,667	216,667
Bonds payable	<u>3,789,000</u>	<u>4,239,000</u>
Total long-term liabilities	<u>5,871,300</u>	<u>6,736,278</u>
Total liabilities	<u>7,532,850</u>	<u>8,382,647</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	288,130	29,444
Deferred inflows of resources related to OPEB	<u>278,698</u>	<u>324,185</u>
Total deferred inflows of resources	<u>566,828</u>	<u>353,629</u>
NET POSITION		
Net investment in capital assets	72,633,842	73,212,158
Restricted for Debt Service	0	21,098
Unrestricted	<u>6,598,830</u>	<u>5,172,875</u>
Total net position	<u>\$ 79,232,672</u>	<u>\$ 78,406,131</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 8,802,625	\$ 8,716,522
Sewer sales	6,354,979	6,073,625
Tap fees	1,037,835	2,533,185
Other	193,212	218,088
Total operating revenues	<u>16,388,651</u>	<u>17,541,420</u>
OPERATING EXPENSES		
Costs of sales and services	5,986,222	6,094,418
Personal services	3,826,811	4,009,476
Depreciation	2,468,521	2,402,223
Total operating expenses	<u>12,281,554</u>	<u>12,506,117</u>
Operating income (loss)	<u>4,107,097</u>	<u>5,035,303</u>
Non-operating revenues (expenses)		
Interest and investment earnings	8,640	20,634
Interest expense	(116,132)	(127,773)
Transfer of capital assets to governmental activities	0	(6,974)
Gain (loss) on sale of capital assets	4,061	17,150
Total non-operating revenues (expenses)	<u>(103,431)</u>	<u>(96,963)</u>
Net income (loss) before transfers	4,003,666	4,938,340
Transfers in (out)		
General Fund	<u>(3,177,125)</u>	<u>(2,572,125)</u>
Change in net position	826,541	2,366,215
Net position, July 1	<u>78,406,131</u>	<u>76,039,916</u>
Net position, June 30	<u><u>\$ 79,232,672</u></u>	<u><u>\$ 78,406,131</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from customers	\$ 15,918,618	\$ 16,945,754
Payments to suppliers	(6,026,402)	(6,302,171)
Payments to employees	(3,915,016)	(4,033,331)
Other receipts	193,212	218,088
	<hr/>	<hr/>
Net cash provided (used) by operating activities	6,170,412	6,828,340
	<hr/>	<hr/>
Cash flows from non-capital financing activities:		
Payments to other funds	(3,177,259)	(2,622,650)
	<hr/>	<hr/>
Net cash provided (used) by non-capital financing activities	(3,177,259)	(2,622,650)
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(1,620,724)	(2,721,658)
Payment of capital related payables	(161,415)	(409,683)
Principal payments - promissory notes	(25,000)	(25,000)
Principal payments - bonds payable	(444,000)	(433,000)
Proceeds from sale of capital assets	24,500	17,150
Interest paid	(116,132)	(127,773)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(2,342,771)	(3,699,964)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and investment earnings received	8,640	20,634
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	659,022	526,360
Cash and cash equivalents, July 1	6,344,569	5,818,209
	<hr/>	<hr/>
Cash and cash equivalents, June 30	\$ 7,003,591	\$ 6,344,569
	<hr/>	<hr/>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 4,107,097	\$ 5,035,303
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,468,521	2,402,223
(Increase) decrease in accounts receivable	(323,096)	89,262
(Increase) decrease in inventories	49,997	(84,521)
(Increase) decrease in prepaid items	(140,716)	5,338
(Increase) decrease in deferred outflows related to pensions	137,681	(144,778)
(Increase) decrease in deferred outflows related to OPEB	(55,982)	(33,572)
Increase (decrease) in accounts payable	5,328	(127,310)
Increase (decrease) in noncapital retainage payable	45,211	0
Increase (decrease) in unearned revenue	47,835	(453,220)
Increase (decrease) in accrued liabilities	0	(1,260)
Increase (decrease) in accrued salaries and payroll liabilities	9,941	(267)
Increase (decrease) in compensated absences	(3,066)	11,772
Increase (decrease) in customer deposits	(1,560)	(13,620)
Increase (decrease) in net pension liability	(468,901)	417,226
Increase (decrease) in net OPEB liability	78,923	(261,005)
Increase (decrease) in deferred inflows related to pensions	258,686	(255,728)
Increase (decrease) in deferred inflows related to OPEB	(45,487)	242,497
Total adjustments	<u>2,063,315</u>	<u>1,793,037</u>
Net cash provided (used) by operating activities	<u>\$ 6,170,412</u>	<u>\$ 6,828,340</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 6,686,345	\$ 5,661,470
Debt Redemption		
Cash and cash equivalents	0	21,098
Construction Projects		
Cash and cash equivalents	0	343,195
Customer Deposits		
Cash and cash equivalents	<u>317,246</u>	<u>318,806</u>
Total cash and cash equivalents	<u>\$ 7,003,591</u>	<u>\$ 6,344,569</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled \$66,907 for 2021 and \$161,415 for 2020.

Distributions of capital assets to governmental activities totaled \$0 for 2021 and \$6,974 for 2020.

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,488,093	\$ 1,895,373
Accounts receivable, net	713,218	673,874
Prepaid items	69,606	18,506
Total current assets	<u>2,270,917</u>	<u>2,587,753</u>
Capital assets		
Buildings	66,148	66,148
Vehicles and equipment	3,141,600	2,855,702
Accumulated depreciation	<u>(2,299,637)</u>	<u>(2,115,188)</u>
Total capital assets (net of accumulated depreciation)	<u>908,111</u>	<u>806,662</u>
Total assets	<u>3,179,028</u>	<u>3,394,415</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	229,463	270,129
Deferred outflows of resources related to OPEB	<u>49,978</u>	<u>16,311</u>
Total deferred outflows of resources	<u>279,441</u>	<u>286,440</u>
LIABILITIES		
Current liabilities		
Accounts payable	164,327	181,207
Accrued salaries and payroll liabilities	35,012	30,632
Compensated absences	28,994	27,534
Capital leases	66,389	66,389
Due to other funds	<u>923</u>	<u>2,382</u>
Total current liabilities	<u>295,645</u>	<u>308,144</u>
Long-term liabilities		
Net pension liability	538,731	691,922
Net OPEB liability	217,209	178,100
Capital leases	<u>66,390</u>	<u>132,779</u>
Total long-term liabilities	<u>822,330</u>	<u>1,002,801</u>
Total liabilities	<u>1,117,975</u>	<u>1,310,945</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	101,023	13,942
Deferred inflows of resources related to OPEB	<u>94,625</u>	<u>105,831</u>
Total deferred inflows of resources	<u>195,648</u>	<u>119,773</u>
NET POSITION		
Net investment in capital assets	775,332	607,494
Unrestricted	<u>1,369,514</u>	<u>1,642,643</u>
Total net position	<u><u>\$ 2,144,846</u></u>	<u><u>\$ 2,250,137</u></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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 5,087,296	\$ 4,844,220
Other	1,190	15,927
	<u>5,088,486</u>	<u>4,860,147</u>
OPERATING EXPENSES		
Costs of sales and services	3,267,910	2,783,588
Personal services	1,780,857	1,799,545
Depreciation	184,449	196,525
	<u>5,233,216</u>	<u>4,779,658</u>
Operating income (loss)	<u>(144,730)</u>	<u>80,489</u>
Non-operating revenues (expenses)		
Interest and investment earnings	19,589	17,060
Interest expense	(3,983)	(5,311)
Gain (loss) of sale of capital assets	23,833	12,600
	<u>39,439</u>	<u>24,349</u>
Change in net position	(105,291)	104,838
Net position, July 1	<u>2,250,137</u>	<u>2,145,299</u>
Net position, June 30	<u><u>\$ 2,144,846</u></u>	<u><u>\$ 2,250,137</u></u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers	\$ 5,047,952	\$ 4,842,463
Payments to suppliers	(3,335,890)	(2,678,922)
Payments to employees	(1,806,225)	(1,810,963)
Other receipts	<u>1,190</u>	<u>15,927</u>
Net cash provided (used) by operating activities	<u>(92,973)</u>	<u>368,505</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	0	2,382
Payments to other funds	<u>(1,459)</u>	<u>0</u>
Net cash provided (used) by non-capital financing activities	<u>(1,459)</u>	<u>2,382</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(285,898)	(218,896)
Principal payments - capital leases	(66,389)	(66,389)
Proceeds from sale of capital assets	23,833	12,600
Interest paid	<u>(3,983)</u>	<u>(5,311)</u>
Net cash provided (used) by capital and related financing activities	<u>(332,437)</u>	<u>(277,996)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>19,589</u>	<u>17,060</u>
Net increase (decrease) in cash and cash equivalents	(407,280)	109,951
Cash and cash equivalents, July 1	<u>1,895,373</u>	<u>1,785,422</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,488,093</u></u>	<u><u>\$ 1,895,373</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (144,730)</u>	<u>\$ 80,489</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	184,449	196,525
(Increase) decrease in accounts receivable	(39,344)	(1,757)
(Increase) decrease in prepaid items	(51,100)	2,459
(Increase) decrease in deferred outflows related to pensions	40,666	(52,635)
(Increase) decrease in deferred outflows related to OPEB	(33,667)	(5,761)
Increase (decrease) in accounts payable	(16,880)	102,207
Increase (decrease) in accrued salaries and payroll liabilities	4,380	766
Increase (decrease) in compensated absences	1,460	(503)
Increase (decrease) in net pension liability	(153,191)	152,705
Increase (decrease) in net OPEB liability	39,109	(84,343)
Increase (decrease) in deferred inflows related to pensions	87,081	72,762
Increase (decrease) in deferred inflows related to OPEB	<u>(11,206)</u>	<u>(94,409)</u>
Total adjustments	<u>51,757</u>	<u>288,016</u>
Net cash provided (used) by operating activities	<u><u>\$ (92,973)</u></u>	<u><u>\$ 368,505</u></u>

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CUSTODIAL FUND

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

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

**CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021**

ASSETS

Cash and cash equivalents	\$ 19,714
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LIABILITIES

Due to others	19,714
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NET POSITION

Restricted for individuals, organizations and other governments	\$ 0
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CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2021

ADDITIONS

Fines and forfeitures collected for other governments	\$ 307,838
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DEDUCTIONS

Distributions of fines and forfeitures to other governments	307,838
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Change in net position	0
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Net position, July 1	0
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Net position, June 30	\$ 0
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SINGLE AUDIT SECTION

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

Honorable Mayor and
Members of the City Council
City of 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, 2021, 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 January 6, 2022.

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 2021-001 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 2021-002 and 2021-003.

City of Carrollton, Georgia's Response to Findings

The City of Carrollton, Georgia's response to the findings identified in our audit is 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, LLC

Certified Public Accountants

Gainesville, Georgia
January 6, 2022

**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, 2021. 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, 2021.

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, LLC

Certified Public Accountants

Gainesville, Georgia
January 6, 2022

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2021

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Expenditures
U.S. 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	\$ 71,991
<u>CDBG - Entitlement Grants Cluster</u>			
Community Development Block Grants/Entitlement Grants	14.218	11-ns-6012	93,353
Total U.S. Department of Housing and Urban Development			165,344
U.S. Department of Justice			
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	103,449
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Formula Grant Program	16.738	B18-8-024	24,185
		B18-8-015	103,954
		B19-8-010	244,567
			372,706
Total U.S. Department of Justice			476,155
U.S. Department of Treasury			
Passed through the Georgia Governor's Office of Planning and Budget:			
COVID-19 Coronavirus Relief Fund	21.019	14412-CRF	1,426,946
Passed through Three Rivers Regional Commission:			
COVID-19 Coronavirus Relief Fund	21.019	SFY2021	62,745
Total U.S. Department of Treasury			1,489,691
U.S. Department of Health and Human Services			
<u>Aging Cluster</u>			
Passed through Three Rivers Regional Commission:			
Title III, Part C, Nutrition Services	93.045	SFY2021	124,476
Nutrition Services Incentive Program	93.053	SFY2021	60,624
Total Aging Cluster of Programs			185,100
Passed through Three Rivers Regional Commission:			
Social Services Block Grant	93.667	SFY2021	828
Medical Assistance Program	93.778	SFY2021	11,214
Total U.S. Department of Health and Human Services			197,142
U.S. Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-04-GA-4259	330,559
Assistance to Firefighters Grant	97.044	EMW-2019FG-03455	51,661
Total U.S. Department of Homeland Security			382,220
Total Federal Awards			\$ 2,710,552

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, 2021

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, 2021

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:	
21.019 COVID-19 Coronavirus Relief Fund	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2021-001

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 2021-002

Condition: The City experienced a material excess of expenditures over appropriations in the General Fund. In addition, the City did not adopt a budget for the Neighborhood Stabilization Program and Drug Seizure 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, 2021

2. Financial Statement Findings

A. Current Year Audit Findings, continued

Comment 2021-002, 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 such as NSP and Drug Seizure to make any necessary adjustments to maintain compliance with State law for budgets as deemed appropriate.

Comment 2021-003

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 in the prior year 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 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.

Not corrected

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.

Not corrected

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2021

2. Financial Statement Findings

B. Prior Year Audit Findings Follow-Ups, continued

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.

Not corrected

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*.

STATE REPORTING SECTION

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CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2015 SPLOST</u>					
City of Carrollton Projects	\$ 21,187,200	\$ 21,187,200			
Sidewalk & Street					
Improvement Projects			\$ 7,036,278	\$ 2,643,837	\$ 9,680,115
Public Safety Projects			4,639,148	153,364	4,792,512
Water Impoundment					
Improvements			61,955	0	61,955
Recreation/Cultural Arts					
Improvements			2,851,952	516,617	3,368,569
Economic Development			1,464,383	116,410	1,580,793
Greenspace Projects			1,386,806	1,051,964	2,438,770
Public Utilities					
(Telecommunications)					
Improvements			611,894	86,595	698,489
Debt Service-Carroll					
County, Georgia			9,638,102	1,851,938	11,490,040
	<u>\$ 21,187,200</u>	<u>\$ 21,187,200</u>	<u>\$ 27,690,518</u>	<u>\$ 6,420,725</u>	<u>\$ 34,111,243</u>
Current year expenditures				\$ 6,420,725	
Sidewalk & Street Improvement expenditures financed through other revenues				<u>832,058</u>	
Total expenditures and transfers out				<u>\$ 7,252,783</u>	

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

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2021 SPLOST</u>					
Fire	\$ 6,500,000	\$ 6,500,000	\$ 0	\$ 0	\$ 0
Replace Fire Station #23					
Fire Department Equipment					
Parks and Recreation	8,163,300	8,163,300	0	0	0
Pool and Water Park Renovations					
Remodeling and Renovate Existing Facilities					
Land Purchases					
Senior Center Renovations					
Tennis Facility Improvements					
Engineering	10,400,000	10,400,000	0	0	0
Traffic/Street Improvements					
GreenBelt Spurs					
Parking					
Paving					
Sidewalk Extensions/Repairs					
Stormwater Improvements					
Police Equipment	900,000	900,000	0	0	0
IT Equipment	300,000	300,000	0	0	0
	<u>\$ 26,263,300</u>	<u>\$ 26,263,300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</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.