



CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2023

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund, West Metro Regional Drug Enforcement Fund, and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 11 and 72 through 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton, Georgia's basic financial statements. The accompanying 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 basic financial statements. The schedule of expenditures of federal awards is presented for

purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Carrollton, Georgia's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the financial statements for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 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 2022 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Carrollton, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Carrollton, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 29, 2023

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CITY OF CARROLLTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023



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, 2023. 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 on 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' Association, Inc., 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, 2023



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 three kinds of funds – governmental, proprietary, and fiduciary – 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.

•**Fiduciary Funds** – When the City collects funds on behalf of others and holds them in trust, these services are reported in fiduciary funds. Fiduciary funds are not reported in the Statement of Net Position. However, these funds consist of assets and liabilities and the associated changes in those net positions. The City has a custodial fund for its Municipal Court fines as reported on page 27 of this report.

The City as a Whole

Net Position

The City's combined net position increased from \$204,186,774 in 2022 to \$213,900,150 in 2023, an increase of \$9,713,376 (4.8%). Our analysis below focuses on the net position (Table 1) of the City's governmental and business-type activities.

The net position for governmental activities increased from \$124,711,583 in 2022 to \$131,590,848, an increase of \$6,879,265 (5.5%). Unrestricted net position for governmental activities increased from \$6,754,162 in 2022 to \$10,658,480 in 2023, an increase of \$3,904,318 (57.8%).

Total net position for business-type activities increased from \$79,475,191 in 2022 to \$82,309,302, an increase of \$2,834,111 (3.6%). Unrestricted net position for business-type activities increased from \$6,981,181 in 2022 to \$8,773,769 in 2023, an increase of \$1,792,588 (20.4%).

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023



Table 1 - Net Position

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 32,489,596	\$ 32,274,300	\$ 20,034,893	12,612,613	\$ 52,524,489	\$ 44,886,913
Restricted assets	20,163	19,623	305,441	288,031	325,604	307,654
Capital assets, net	<u>116,130,926</u>	<u>114,203,510</u>	<u>81,436,470</u>	<u>76,463,792</u>	<u>197,567,396</u>	<u>190,667,302</u>
Total assets	<u>148,640,685</u>	<u>146,497,433</u>	<u>101,776,804</u>	<u>89,364,436</u>	<u>250,417,489</u>	<u>235,861,869</u>
Total deferred outflows	<u>6,917,552</u>	<u>4,175,715</u>	<u>2,236,852</u>	<u>1,264,850</u>	<u>9,154,404</u>	<u>5,440,565</u>
Current liabilities	4,390,466	9,353,476	6,943,951	2,025,381	11,334,417	11,378,857
Noncurrent liabilities	<u>18,661,337</u>	<u>12,837,795</u>	<u>14,339,278</u>	<u>7,622,654</u>	<u>33,000,615</u>	<u>20,460,449</u>
Total liabilities	<u>23,051,803</u>	<u>22,191,271</u>	<u>21,283,229</u>	<u>9,648,035</u>	<u>44,335,032</u>	<u>31,839,306</u>
Total deferred inflows	<u>915,586</u>	<u>3,770,294</u>	<u>421,125</u>	<u>1,506,060</u>	<u>1,336,711</u>	<u>5,276,354</u>
Net position:						
Net investment in capital assets	115,170,439	112,539,097	73,535,533	72,494,010	188,705,972	185,033,107
Restricted						
Capital projects	2,205,664	2,050,310	0	0	2,205,664	2,050,310
Other purposes	3,556,265	3,368,014	0	0	3,556,265	3,368,014
Unrestricted	<u>10,658,480</u>	<u>6,754,162</u>	<u>8,773,769</u>	<u>6,981,181</u>	<u>19,432,249</u>	<u>13,735,343</u>
Total net position	<u>\$ 131,590,848</u>	<u>\$ 124,711,583</u>	<u>\$ 82,309,302</u>	<u>\$ 79,475,191</u>	<u>\$ 213,900,150</u>	<u>\$ 204,186,774</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023



Changes in Net Position

The City's combined change in net position increased from \$(1,126,043) in 2022 to \$9,713,376 in 2023. 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 \$47,928,518 (excluding transfers). This total represents an increase of \$10,432,756 (27.8%) over the FY 2022 total of \$37,495,762. This increase is a result of \$10 million in Federal operating grants and contributions received to recoup revenue losses from the COVID-19 pandemic under the American Rescue Plan. Additionally, the City experienced an increase in property taxes from an increased tax digest, increases in sales tax revenues and other tax revenues. The City has also experienced increased recreation activity revenues and cultural arts revenues coming out of the COVID-19 pandemic by providing new programs and exhibits. These increases were offset by a major decrease in capital grants and contributions related to a one-time \$2.9 million land contribution in FY22.

Program expenses for the City's governmental activities totaled \$48,117,196 (excluding transfers). This total represents an increase of \$4,846,270 (11.2%) over the FY 2022 total of \$43,270,926. The majority of this increase is due to a one-time \$10 million intergovernmental transfer within the general government function in FY 2023 that heavily impacted current year figures. This increase was offset by decreases resulting from changes in benefit terms in the City's defined benefit pension plan implemented during FY 2022. The City reported pension expense of \$11,582,513 in FY 2022 compared to \$2,889,798 in FY23. The increased liability from FY 2022 will be funded by future governmental funds and employee contributions. However, the full liability was recorded at June 30, 2022 to capture the benefit change, which impacted previous year expenses. Detailed information about the plan is found on pages 56-61 in the notes to the financial statements.

Business-Type Activities

Service revenues for the City's business-type activities totaled \$25,938,660. This represents an increase of \$3,391,538 (15.0%) over the FY 2022 total of \$22,547,122. Expenses for the City's business-type activities totaled \$16,541,593 (excluding transfers), a decrease of \$1,589,880 (8.8%) over the FY 2022 total of \$18,131,473. Revenue changes are primarily related to standard increases in utility rates as well as water and sewer tap fees related to new construction in FY23. Expense decreases are related to changes in the City's defined benefit pension plan as described above in the governmental activities section. The decreases are offset by significant increases in chemical costs and landfill fees.

The operating revenues are as follows:

	<u>2022</u>	<u>2021</u>
Charges for services:		
Water and sewer fees & charges	\$ 19,786,093	\$ 17,176,983
Garbage and landfill fees	<u>6,152,567</u>	<u>5,370,139</u>
Total	<u>\$ 25,938,660</u>	<u>\$ 22,547,122</u>

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023



Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 5,101,893	\$ 4,141,369	\$ 25,938,660	\$ 22,547,122	\$ 31,040,553	\$ 26,688,491
Operating grants and contributions	12,589,190	2,171,674	0	0	12,589,190	2,171,674
Capital grants and contributions	7,076,796	10,215,972	169,225	0	7,246,021	10,215,972
General revenues						
Property taxes	6,330,617	5,724,277	0	0	6,330,617	5,724,277
Franchise & public service taxes	2,957,635	2,656,804	0	0	2,957,635	2,656,804
Sales taxes	6,764,688	6,425,610	0	0	6,764,688	6,425,610
Other taxes	6,380,688	5,815,203	0	0	6,380,688	5,815,203
Interest and investment earnings	479,501	25,537	151,947	37,191	631,448	62,728
Gain on sale of assets	18,107	138,176	0	0	18,107	138,176
Other	229,403	181,140	183,815	196,281	413,218	377,421
Total revenues	47,928,518	37,495,762	26,443,647	22,780,594	74,372,165	60,276,356
Expenses						
Program Expenses						
General government	14,133,812	4,977,125	0	0	14,133,812	4,977,125
Public safety	18,487,726	21,601,182	0	0	18,487,726	21,601,182
Public works	4,670,733	4,858,495	0	0	4,670,733	4,858,495
Culture and recreation	8,840,376	9,774,640	0	0	8,840,376	9,774,640
Housing and development	1,973,807	2,044,122	0	0	1,973,807	2,044,122
Water and sewer	0	0	11,960,530	13,376,250	11,960,530	13,376,250
Sanitation	0	0	4,581,063	4,755,223	4,581,063	4,755,223
Interest on long-term debt	10,742	15,362	0	0	10,742	15,362
Total expenses	48,117,196	43,270,926	16,541,593	18,131,473	64,658,789	61,402,399
Indirect costs	(4,032,111)	(3,078,081)	4,032,111	3,078,081	0	0
Excess (deficiency) before transfers	3,843,433	(2,697,083)	5,869,943	1,571,040	9,713,376	(1,126,043)
Transfers	3,035,832	3,473,367	(3,035,832)	(3,473,367)	0	0
Change in net position	6,879,265	776,284	2,834,111	(1,902,327)	9,713,376	(1,126,043)
Net position, beginning of year	124,711,583	123,935,299	79,475,191	81,377,518	204,186,774	205,312,817
Net position, end of year	\$ 131,590,848	\$ 124,711,583	\$ 82,309,302	\$ 79,475,191	\$ 213,900,150	\$ 204,186,774

CITY OF CARROLLTON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023



The City's Funds

As the City completed FY2023, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of \$28,093,732. This total represents an increase of \$4,649,479 (19.8%) over the FY 2022 combined fund balance of \$23,444,253. 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 \$8,773,769. This total represents an increase of \$1,792,588 (25.7%) from the FY2022 amount of \$6,981,181.

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 \$1,614,988. Of this amount, tax revenue realized on property was over budget in the amount of \$1,459,693. Property and motor vehicle taxes exceeded the budget by \$338,666 and \$144,637 respectively as a result of digest increases and rising cost of automobiles. Local option sales tax revenue exceeded budgeted revenue in the amount of \$489,688. Revenue from service charges was over budget by \$572,49 comprised of recreation fee revenue over projections of \$331,012 and cultural arts fees that were \$106,625 over budgeted revenue. Fines and forfeiture revenues were \$22,447 under budget. Intergovernmental revenue was under budget by \$7,094. Interest income was under budgeted revenue in the amount of \$5,784. Other income related to facility rentals and miscellaneous items were down \$366,153 from budgeted projections. 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

	2023			2022		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	\$ 19,838,109	\$ 21,297,802	\$ 1,459,693	\$ 18,890,000	\$ 19,603,397	\$ 713,397
Licenses and permits	675,000	659,276	(15,724)	690,000	703,254	13,254
Intergovernmental	2,031,025	2,023,931	(7,094)	1,096,580	1,502,907	406,327
Charges for services	5,546,116	6,118,613	572,497	5,068,963	4,919,481	(149,482)
Contributions	0	0	0	2,899,950	2,899,950	0
Fines and forfeitures	1,000,000	977,553	(22,447)	1,000,000	1,065,628	65,628
Interest on invested funds	406,500	400,716	(5,784)	30,000	22,459	(7,541)
Other	565,656	199,503	(366,153)	455,000	176,692	(278,308)
Total	\$ 30,062,406	\$ 31,677,394	\$ 1,614,988	\$ 30,130,493	\$ 30,893,768	\$ 763,275

Expenditures

General Fund expenditure highlights are in Table 4. The City completed FY2023 with a total of \$40,606,498 in General Fund operating expenditures. The operating budget for these expenditures totaled \$43,182,043 resulting in expenditures being realized at an amount of \$2,575,545 under budget.

General Government

Expenditures for General Government came in at \$1,136,755 under budget. These positive budget variances can be attributed to budgeted vacant personnel positions that are anticipated to be filled in the coming fiscal year and capital outlays that were unspent or transferred to other departments. Detailed variances can be found on page 88 of our report.

Public Safety

Expenditures for Public Safety were \$403,750 under budget. Expenditures for the Police Department were \$5,836 over budget. The Mental Crisis Response Unit and Fire Department came in at \$2,413 and \$407,173 under budget, respectively. These positive budget variances can be attributed to budgeted vacant personnel positions that will be filled in the coming fiscal year. See page 89 for more details.

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023



Street Department

Expenditures for the City's Street Department totaled \$192,596 coming in at \$11,688 under budget. Capital outlay infrastructure projects throughout the City were funded during the year with 2021 SPLOST funds. Please refer to page 89 of our report for a detailed analysis of these variances.

Engineering

Expenditures for Engineering totaled \$1,321,439 coming in at \$224,348 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 \$7,290,283, coming in at \$274,087 under budget. Of this amount, expenditures for Recreation Programs & Athletics came in at \$117,727 and \$156,745 under budget, respectively. Expenditures in these departments significantly increased over prior year as a result of increased operations coming out of the COVID-19 pandemic. Please refer to page 90 of our report for a detailed analysis of these variances.

Table 4 - General Fund Operating Expenditures

	2023			2022		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	\$ 14,900,852	\$ 13,764,097	\$ 1,136,755	\$ 8,849,029	\$ 8,513,715	\$ 335,314
Public safety	17,080,912	16,677,162	403,750	15,917,891	15,505,106	412,785
Public works	2,257,624	1,954,760	302,864	2,272,407	2,048,920	223,487
Cultural and recreation	7,564,370	7,290,283	274,087	7,369,685	6,685,232	684,453
Housing and development	1,216,785	758,752	458,033	1,136,501	832,243	304,258
Debt service	161,500	161,444	56	167,920	161,444	6,476
Total operating expenditures	\$ 43,182,043	\$ 40,606,498	\$ 2,575,545	\$ 35,713,433	\$ 33,746,660	\$ 1,966,773

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2023, the City had \$197,567,396 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, 2023, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 17,394,022	\$ 16,942,445	\$ 8,933,978	\$ 8,933,978	\$ 26,328,000	\$ 25,876,423
Land Improvements	17,945,655	18,060,090	-	-	17,945,655	18,060,090
Buildings and improvements	33,694,581	31,086,231	2,797,959	2,935,446	36,492,540	34,021,677
Equipment	4,556,685	4,098,463	2,037,008	2,271,923	6,593,693	6,370,386
Infrastructure	39,864,674	39,881,257	61,563,595	60,997,708	101,428,269	100,878,965
Construction in progress	2,675,309	4,135,024	6,103,930	1,324,737	8,779,239	5,459,761
Totals	\$ 116,130,926	\$ 114,203,510	\$ 81,436,470	\$ 76,463,792	\$ 197,567,396	\$ 190,667,302

CITY OF CARROLLTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023



DEBT

The total long-term debt of the City outstanding at June 30, 2023 was \$8,954,321. The City has \$3,090,000 in revenue bond debt outstanding. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems. The debt increase is attributable to a \$15 million note payable on construction in progress of a pre-settlement pond with a 0.13% interest rate through the Georgia Environmental Finance Authority. 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	
	2023	2022	2023	2022	2023	2022
Bonds from direct placement	\$ 0	\$ 0	\$ 3,090,000	\$ 3,559,000	\$ 3,090,000	\$ 3,559,000
Notes from direct borrowings	308,191	455,236	5,556,130	399,246	5,864,321	854,482
Totals	<u>\$ 308,191</u>	<u>\$ 455,236</u>	<u>\$ 8,646,130</u>	<u>\$ 3,958,246</u>	<u>\$ 8,954,321</u>	<u>\$ 4,413,482</u>

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2024 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 2024. The fiscal year 2024 General Fund budget totals \$33,071,173, an increase of \$988,594 (3.1%) over the FY 2023 original budget.

If these estimates are realized, the City's General Fund balance is expected to remain flat for FY 2024. These results are expected to be achieved by utilizing current resources and no fund balance reserve. With a rebounding economy and prudent financial management, the City expects that the financial condition for the City's general funds should continue to thrive.

As for the City's business-type activities, we expect that the FY 2024 results will continue to show solid financial performance with moderate utility increases being utilized to fund new debt for infrastructure needs to assist with water supply.

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, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	\$ 28,943,153	\$ 10,270,034	\$ 39,213,187	\$ 337,321
Restricted assets				
Cash and cash equivalents	20,163	305,441	325,604	0
Receivables (net)				
Accounts	173,511	3,884,252	4,057,763	0
Intergovernmental	1,943,847	5,042,610	6,986,457	116,034
Taxes	1,177,836	0	1,177,836	0
Internal balances	(46,716)	46,716	0	0
Inventories	0	593,378	593,378	0
Prepaid items	297,965	197,903	495,868	0
Total current assets	32,509,759	20,340,334	52,850,093	453,355
Noncurrent assets				
Capital assets				
Non-depreciable	20,069,331	15,037,908	35,107,239	0
Depreciable (net)	96,061,595	66,398,562	162,460,157	0
Total noncurrent assets	116,130,926	81,436,470	197,567,396	0
Total assets	148,640,685	101,776,804	250,417,489	453,355
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	6,626,378	2,102,855	8,729,233	0
Deferred outflows of resources related to OPEB	291,174	133,997	425,171	0
Total deferred outflows of resources	6,917,552	2,236,852	9,154,404	0
LIABILITIES				
Current liabilities				
Accounts payable	1,608,237	4,762,153	6,370,390	94,930
Accrued liabilities	627,212	231,350	858,562	0
Retainages payable	553,812	524,827	1,078,639	0
Compensated absences	393,957	82,125	476,082	0
Accrued interest payable	7,665	0	7,665	0
Unearned revenue	98,715	773,055	871,770	0
Due to others	949,172	0	949,172	0
Notes payable	151,696	25,000	176,696	0
Bonds payable	0	240,000	240,000	0
Liabilities payable from restricted assets				
Customer deposits payable	0	305,441	305,441	0
Total current liabilities	4,390,466	6,943,951	11,334,417	94,930

Exhibit A-1, continued

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Net pension liability	\$ 16,832,919	\$ 5,468,327	\$ 22,301,246	\$ 0
Net OPEB liability	1,671,923	489,821	2,161,744	0
Notes payable	156,495	5,531,130	5,687,625	0
Bonds payable	0	2,850,000	2,850,000	0
Total noncurrent liabilities	18,661,337	14,339,278	33,000,615	0
Total liabilities	23,051,803	21,283,229	44,335,032	94,930
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	0	153,247	153,247	0
Deferred inflows of resources related to OPEB	915,586	267,878	1,183,464	0
Total deferred inflows of resources	915,586	421,125	1,336,711	0
NET POSITION				
Net investment in capital assets	115,170,439	73,535,533	188,705,972	0
Restricted for:				
Public Safety	2,521,904	0	2,521,904	0
Housing and Development	1,034,361	0	1,034,361	0
Capital outlay	2,205,664	0	2,205,664	0
Unrestricted	10,658,480	8,773,769	19,432,249	358,425
Total net position	\$ 131,590,848	\$ 82,309,302	\$ 213,900,150	\$ 358,425

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2023

	Program Revenues					
	Expenses	Indirect Costs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
FUNCTIONS/PROGRAMS						
Primary government						
Governmental activities						
General Government	\$ 14,133,812	\$ (4,032,111)	\$ 257,667	\$ 10,032,460	\$ 70,504	\$ 258,930
Public Safety	18,487,726	0	2,601,135	2,096,152	1,788,543	(12,001,896)
Public Works	4,670,733	0	47,023	0	3,299,278	(1,324,432)
Culture and Recreation	8,840,376	0	1,689,642	360,256	1,918,471	(4,872,007)
Health and Welfare	0	0	0	90,322	0	90,322
Housing and Development	1,973,807	0	506,426	10,000	0	(1,457,381)
Interest on long-term debt	10,742	0	0	0	0	(10,742)
Total governmental activities	48,117,196	(4,032,111)	5,101,893	12,589,190	7,076,796	(19,317,206)
Business-type activities						
Water and Sewerage	11,960,530	2,461,668	19,786,093	0	169,225	5,533,120
Sanitation	4,581,063	1,570,443	6,152,567	0	0	1,061
Total business-type activities	16,541,593	4,032,111	25,938,660	0	169,225	5,534,181
Total primary government	64,658,789	0	31,040,553	12,589,190	7,246,021	(13,783,025)
Component Unit						
Carrollton Area Convention & Visitors' Association, Inc.	343,169	0	0	0	0	(343,169)
Carrollton Redevelopment Authority	1,015	0	0	10,000	0	8,985
Total component units	344,184	0	0	10,000	0	(334,184)
Change in net position						
Net (expense) revenue			\$ (19,317,206)	\$ 5,534,181	\$ (13,783,025)	\$ (334,184)
General revenues						
Taxes						
Property			6,330,617	0	6,330,617	0
Sales			6,764,688	0	6,764,688	0
Insurance premium			2,252,852	0	2,252,852	0
Alcohol excise			844,520	0	844,520	0
Franchise			2,957,635	0	2,957,635	0
Occupational			1,842,175	0	1,842,175	0
Other			1,441,141	0	1,441,141	0
Interest and investment earnings			479,501	151,947	631,448	76
Gain on sale of assets			18,107	0	18,107	0
Other			229,403	183,815	413,218	0
Payments from City of Carrollton			0	0	0	396,206
Transfers			3,035,832	(3,035,832)	0	0
Total general revenues and transfers			26,196,471	(2,700,070)	23,496,401	396,282
Change in net position			6,879,265	2,834,111	9,713,376	62,098
Net position - beginning			124,711,583	79,475,191	204,186,774	296,327
Net position - ending			\$ 131,590,848	\$ 82,309,302	\$ 213,900,150	\$ 358,425

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	West Metro Regional Drug Enforcement	American Rescue Plan	2021 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and cash equivalents	\$ 21,578,043	\$ 2,575,557	\$ 82,833	\$ 1,873,724	\$ 2,832,996	\$ 28,943,153
Restricted assets						
Cash and cash equivalents	20,163	0	0	0	0	20,163
Receivables (net)						
Accounts	173,511	0	0	0	0	173,511
Intergovernmental	201,027	118,248	0	1,071,945	552,627	1,943,847
Taxes	977,369	0	0	0	200,467	1,177,836
Prepaid items	269,150	0	0	0	28,815	297,965
Due from other funds	43,985	0	0	0	0	43,985
Total assets	\$ 23,263,248	\$ 2,693,805	\$ 82,833	\$ 2,945,669	\$ 3,614,905	\$ 32,600,460
LIABILITIES						
Accounts payable	\$ 783,578	\$ 75,662	\$ 0	\$ 570,122	\$ 178,875	\$ 1,608,237
Accrued liabilities	627,212	0	0	0	0	627,212
Retainage payable	0	0	0	553,812	0	553,812
Unearned revenue	52,705	15,500	30,510	0	0	98,715
Due to other funds	47,639	16,629	0	11,752	14,681	90,701
Due to others	228,581	583,462	0	0	137,129	949,172
Total liabilities	1,739,715	691,253	30,510	1,135,686	330,685	3,927,849
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	61,781	0	0	0	0	61,781
Unavailable revenue-fines, fees, and forfeitures	0	0	0	0	517,098	517,098
Total deferred inflows of resources	61,781	0	0	0	517,098	578,879
FUND BALANCES						
Nonspendable:						
Prepaid items	269,150	0	0	0	28,815	297,965
Restricted for:						
Public Safety	0	2,002,552	0	0	519,352	2,521,904
Housing and Development	0	0	0	0	1,034,361	1,034,361
Capital outlay	0	0	0	1,809,983	395,681	2,205,664
Grant specifications	0	0	52,323	0	0	52,323
Assigned for:						
Housing and Development	0	0	0	0	788,913	788,913
Unassigned	21,192,602	0	0	0	0	21,192,602
Total fund balances	21,461,752	2,002,552	52,323	1,809,983	2,767,122	28,093,732
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,263,248	\$ 2,693,805	\$ 82,833	\$ 2,945,669	\$ 3,614,905	\$ 32,600,460

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2023

Total fund balances - total governmental funds \$ 28,093,732

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	116,130,926	
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

These are:

Property taxes	\$ 61,781	
Fines, fees and forfeitures	517,098	578,879

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	6,626,378	
Related to OPEB	291,174	6,917,552
Deferred inflows of resources:		
Related to pensions	0	
Related to OPEB	(915,586)	(915,586)

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

Compensated absences	(393,957)	
Notes payable	(308,191)	
Accrued interest payable	(7,665)	
Net pension liability	(16,832,919)	
Net OPEB liability	(1,671,923)	(19,214,655)

Net position of governmental activities	\$ 131,590,848	

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2023

	<u>General</u>	<u>West Metro Regional Drug Enforcement</u>	<u>American Rescue Plan</u>	<u>2021 SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES						
Taxes	\$ 21,297,802	\$ 0	\$ 0	\$ 0	\$ 1,133,252	\$ 22,431,054
Licenses and permits	659,276	0	0	0	0	659,276
Fines, fees and forfeitures	977,553	506,126	0	0	338,011	1,821,690
Charges for services	6,118,613	0	0	0	9,000	6,127,613
Intergovernmental	2,023,931	531,124	10,032,460	6,573,808	316,172	19,477,495
Contributions	0	0	0	0	10,000	10,000
Interest	400,716	12,771	51,644	8,231	14,370	487,732
Other	199,503	1,100	0	0	28,800	229,403
Total revenues	<u>31,677,394</u>	<u>1,051,121</u>	<u>10,084,104</u>	<u>6,582,039</u>	<u>1,849,605</u>	<u>51,244,263</u>
EXPENDITURES						
Current						
General Government	13,764,097	0	0	0	0	13,764,097
Public Safety	16,677,162	987,749	0	0	203,248	17,868,159
Public Works	1,954,760	0	0	0	0	1,954,760
Culture and Recreation	7,290,283	0	0	0	0	7,290,283
Housing and Development	758,752	0	0	0	1,079,545	1,838,297
Capital outlay	0	0	0	6,437,057	309,223	6,746,280
Debt service	161,444	0	0	0	0	161,444
Total expenditures	<u>40,606,498</u>	<u>987,749</u>	<u>0</u>	<u>6,437,057</u>	<u>1,592,016</u>	<u>49,623,320</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,929,104)</u>	<u>63,372</u>	<u>10,084,104</u>	<u>144,982</u>	<u>257,589</u>	<u>1,620,943</u>
Other financing sources (uses)						
Transfers in	13,000,000	0	0	0	0	13,000,000
Transfers out	0	0	(10,032,460)	0	0	(10,032,460)
Proceeds from sale of assets	2,058	38,000	0	0	20,938	60,996
Total other financing sources (uses)	<u>13,002,058</u>	<u>38,000</u>	<u>(10,032,460)</u>	<u>0</u>	<u>20,938</u>	<u>3,028,536</u>
Net change in fund balance	<u>4,072,954</u>	<u>101,372</u>	<u>51,644</u>	<u>144,982</u>	<u>278,527</u>	<u>4,649,479</u>
Fund balances, July 1	<u>17,388,798</u>	<u>1,901,180</u>	<u>679</u>	<u>1,665,001</u>	<u>2,488,595</u>	<u>23,444,253</u>
Fund balances, June 30	<u>\$ 21,461,752</u>	<u>\$ 2,002,552</u>	<u>\$ 52,323</u>	<u>\$ 1,809,983</u>	<u>\$ 2,767,122</u>	<u>\$ 28,093,732</u>

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, 2023

Net change in fund balances - total governmental funds **\$ 4,649,479**

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	\$ 8,133,026	
Depreciation	<u>(5,986,364)</u>	2,146,662

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	(700,281)	
Related accumulated depreciation	<u>283,615</u>	(416,666)

Distributions of capital assets to/from business-type activities decrease/increase net position in the statement of activities, but do not appear in the governmental funds because they do not provide or use financial resources.

Cost of assets transferred to business-type activities	(6,538)	
Related accumulated depreciation	6,538	
Cost of assets transferred from business-type activities	113,452	
Related accumulated depreciation	<u>(45,160)</u>	68,292

Contributions of capital assets from developers increase net position in the statement of activities, but do not appear in the governmental funds because they do not provide or use financial resources.

129,128

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	2,468,495	
Cost of benefits earned, net of employee contributions	<u>(2,887,717)</u>	(419,222)

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	89,771	
Cost of benefits earned, net of employee contributions	<u>(49,243)</u>	40,528

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	3,657	
Debt principal payments	<u>147,045</u>	150,702

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

Unavailable revenue		519,672
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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>10,690</u>
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Change in net position of governmental activities		<u><u>\$ 6,879,265</u></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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 19,095,000	\$ 19,838,109	\$ 21,297,802	\$ 1,459,693
Licenses and permits	675,000	675,000	659,276	(15,724)
Fines, fees and forfeitures	1,000,000	1,000,000	977,553	(22,447)
Charges for services	5,546,116	5,546,116	6,118,613	572,497
Intergovernmental	1,971,170	2,031,025	2,023,931	(7,094)
Interest	30,000	406,500	400,716	(5,784)
Other	565,656	565,656	199,503	(366,153)
Total revenues	28,882,942	30,062,406	31,677,394	1,614,988
EXPENDITURES				
Current				
General Government				
Mayor and Council	201,779	202,872	209,902	(7,030)
City Manager	723,794	737,116	385,291	351,825
General Administration	1,282,902	11,735,641	11,203,685	531,956
Finance and Purchasing	387,217	394,117	381,983	12,134
Human Resources	456,480	462,505	414,332	48,173
Information Technology	709,281	714,038	531,906	182,132
General Maintenance	28,600	28,600	29,206	(606)
Marketing-Public Relations	383,357	385,963	374,373	11,590
Legal	240,000	240,000	233,419	6,581
Public Safety				
Police Department	9,359,547	9,660,676	9,666,512	(5,836)
Mental Health Crisis Response Unit	289,997	449,852	447,439	2,413
Fire Department	6,839,545	6,970,384	6,563,211	407,173
Public Works				
Street Department	204,284	204,284	192,596	11,688
Engineering	1,530,446	1,545,787	1,321,439	224,348
Garage	500,980	507,553	440,725	66,828
Culture and Recreation				
Library	312,000	312,000	312,000	0
Recreation Administration	1,055,696	1,063,189	1,061,827	1,362
Recreation Parks	2,486,633	2,511,582	2,512,052	(470)
Recreation Programs	1,262,007	1,273,645	1,155,918	117,727
Cultural Arts	1,139,785	1,148,017	1,149,294	(1,277)
Recreation Athletics	1,244,321	1,255,937	1,099,192	156,745
Housing and Development				
Planning Administration	443,095	450,638	439,071	11,567
Code Enforcement	188,735	191,530	179,891	11,639
Convention and Visitor's Association, Inc.	385,250	387,771	0	387,771
Main Street Division	185,348	186,846	139,790	47,056
Debt Service				
Police Department	161,500	161,500	161,444	56
Total expenditures	32,002,579	43,182,043	40,606,498	2,575,545
Excess (deficiency) of revenues over expenditures	(3,119,637)	(13,119,637)	(8,929,104)	4,190,533
Other financing sources (uses)				
Transfers in	3,000,000	13,000,000	13,000,000	0
Gain on sale of assets	0	0	2,058	2,058
Total other financing sources (uses)	3,000,000	13,000,000	13,002,058	2,058
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(119,637)	(119,637)	4,072,954	4,192,591
Fund balances, July 1	119,637	119,637	17,388,798	17,269,161
Fund balances, June 30	\$ 0	\$ 0	\$ 21,461,752	\$ 21,461,752

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, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, fees and forfeitures	\$ 308,218	\$ 308,218	\$ 506,126	\$ 197,908
Intergovernmental	353,413	353,413	531,124	177,711
Interest	0	0	12,771	12,771
Other	0	0	1,100	1,100
Total revenues	<u>661,631</u>	<u>661,631</u>	<u>1,051,121</u>	<u>389,490</u>
EXPENDITURES				
Current				
Public Safety	<u>661,631</u>	<u>661,631</u>	<u>987,749</u>	<u>(326,118)</u>
Total expenditures	<u>661,631</u>	<u>661,631</u>	<u>987,749</u>	<u>(326,118)</u>
Excess (deficiency) of revenues over expenditures	0	0	63,372	63,372
Other financing sources (uses)				
Proceeds from sale of assets	<u>0</u>	<u>0</u>	<u>38,000</u>	<u>38,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	101,372	101,372
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>1,901,180</u>	<u>1,901,180</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 2,002,552</u></u>	<u><u>\$ 2,002,552</u></u>

CITY OF CARROLLTON, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 0	\$ 10,032,460	\$ 10,032,460	\$ 0
Interest	0	0	51,644	51,644
Total revenues	<u>0</u>	<u>10,032,460</u>	<u>10,084,104</u>	<u>51,644</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over expenditures	0	10,032,460	10,084,104	51,644
Other financing sources (uses)				
Transfers out	<u>0</u>	<u>(10,032,460)</u>	<u>(10,032,460)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	51,644	51,644
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>679</u>	<u>679</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 52,323</u></u>	<u><u>\$ 52,323</u></u>

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 8,311,156	\$ 1,958,878	\$ 10,270,034
Restricted assets			
Cash and cash equivalents	305,441	0	305,441
Accounts receivable, net	3,000,145	884,107	3,884,252
Intergovernmental receivable	5,042,610	0	5,042,610
Inventories	593,378	0	593,378
Prepaid items	151,096	46,807	197,903
Due from other funds	38,513	9,126	47,639
Total current assets	17,442,339	2,898,918	20,341,257
Noncurrent assets			
Capital assets			
Non-depreciable	15,037,908	0	15,037,908
Depreciable (net)	65,870,551	528,011	66,398,562
Total noncurrent assets	80,908,459	528,011	81,436,470
Total assets	98,350,798	3,426,929	101,777,727
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,527,523	575,332	2,102,855
Deferred outflows of resources related to OPEB	90,061	43,936	133,997
Total deferred outflows of resources	1,617,584	619,268	2,236,852
LIABILITIES			
Current liabilities			
Accounts payable	4,593,337	168,816	4,762,153
Retainage payable	524,827	0	524,827
Accrued liabilities	116,201	115,149	231,350
Compensated absences	54,687	27,438	82,125
Unearned revenue	773,055	0	773,055
Due to other funds	0	923	923
Notes payable	25,000	0	25,000
Bonds payable	240,000	0	240,000
Liabilities payable from restricted assets			
Customer deposits payable	305,441	0	305,441
Total current liabilities	6,632,548	312,326	6,944,874
Noncurrent liabilities			
Net pension liability	3,972,218	1,496,109	5,468,327
Net OPEB liability	365,733	124,088	489,821
Notes payable	5,531,130	0	5,531,130
Bonds payable	2,850,000	0	2,850,000
Total noncurrent liabilities	12,719,081	1,620,197	14,339,278
Total liabilities	19,351,629	1,932,523	21,284,152

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	\$ 79,684	\$ 73,563	\$ 153,247
Deferred inflows of resources related to OPEB	200,015	67,863	267,878
Total deferred inflows of resources	279,699	141,426	421,125
NET POSITION			
Net investment in capital assets	73,007,522	528,011	73,535,533
Unrestricted	7,329,532	1,444,237	8,773,769
Total net position	\$ 80,337,054	\$ 1,972,248	\$ 82,309,302

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 19,786,093	\$ 6,152,567	\$ 25,938,660
Other	183,815	0	183,815
Total operating revenues	19,969,908	6,152,567	26,122,475
OPERATING EXPENSES			
Costs of sales and services	7,361,076	4,157,366	11,518,442
Personal services	4,465,198	1,749,643	6,214,841
Depreciation	2,504,009	188,216	2,692,225
Total operating expenses	14,330,283	6,095,225	20,425,508
Operating income (loss)	5,639,625	57,342	5,696,967
Non-operating revenues (expenses)			
Interest and investment earnings	83,596	68,351	151,947
Interest expense	(91,915)	(56,281)	(148,196)
Reassignment of capital assets to governmental activities	(68,292)	0	(68,292)
Total non-operating revenues (expenses)	(76,611)	12,070	(64,541)
Net income (loss) before capital contributions	5,563,014	69,412	5,632,426
Capital contributions	169,225	0	169,225
Net income (loss) before transfers	5,732,239	69,412	5,801,651
Transfers in (out)			
Transfers in	940,759	314,960	1,255,719
Transfers out	(3,908,299)	(314,960)	(4,223,259)
Total transfers in (out)	(2,967,540)	0	(2,967,540)
Change in net position	2,764,699	69,412	2,834,111
Net position, July 1	77,572,355	1,902,836	79,475,191
Net position, June 30	\$ 80,337,054	\$ 1,972,248	\$ 82,309,302

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 19,056,981	\$ 6,040,441	\$ 25,097,422
Payments to suppliers	(7,113,331)	(4,109,409)	(11,222,740)
Payments to employees	(4,538,034)	(1,686,973)	(6,225,007)
Other receipts	183,815	0	183,815
Net cash provided (used) by operating activities	7,589,431	244,059	7,833,490
Cash flows from non-capital financing activities:			
Receipts from other funds	940,759	(324,086)	616,673
Payments to other funds	(3,948,313)	314,960	(3,633,353)
Net cash provided (used) by non-capital financing activities	(3,007,554)	(9,126)	(3,016,680)
Cash flows from capital and related financing activities:			
Payments for acquisitions of capital assets	(3,266,553)	0	(3,266,553)
Payment of capital related payables	(11,536)	0	(11,536)
Principal payments - promissory notes	(25,000)	(66,389)	(91,389)
Principal payments - bonds payable	(469,000)	0	(469,000)
Proceeds from notes payable	205,663	0	205,663
Interest paid	(91,915)	(56,281)	(148,196)
Net cash provided (used) by capital and related financing activities	(3,658,341)	(122,670)	(3,781,011)
Cash flows from investing activities			
Interest and investment earnings received	83,596	68,351	151,947
Net increase (decrease) in cash and cash equivalents	1,007,132	180,614	1,187,746
Cash and cash equivalents, July 1	7,609,465	1,778,264	9,387,729
Cash and cash equivalents, June 30	\$ 8,616,597	\$ 1,958,878	\$ 10,575,475

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2023

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 5,639,625	\$ 57,342	\$ 5,696,967
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,504,009	188,216	2,692,225
(Increase) decrease in accounts receivable	(887,142)	(112,126)	(999,268)
(Increase) decrease in inventories	(201,793)	0	(201,793)
(Increase) decrease in prepaid items	24,032	16,835	40,867
(Increase) decrease in deferred outflows related to pensions	(716,889)	(241,930)	(958,819)
(Increase) decrease in deferred outflows related to OPEB	(9,720)	(3,463)	(13,183)
Increase (decrease) in accounts payable	425,506	31,122	456,628
Increase (decrease) in unearned revenue	140,620	0	140,620
Increase (decrease) in accrued salaries and payroll liabilities	7,583	80,979	88,562
Increase (decrease) in compensated absences	(12,041)	899	(11,142)
Increase (decrease) in customer deposits	17,410	0	17,410
Increase (decrease) in net pension liability	1,543,643	497,274	2,040,917
Increase (decrease) in net OPEB liability	(53,436)	(18,130)	(71,566)
Increase (decrease) in deferred inflows related to pensions	(795,932)	(646)	(796,578)
Increase (decrease) in deferred inflows related to OPEB	(36,044)	(252,313)	(288,357)
Total adjustments	1,949,806	186,717	2,136,523
Net cash provided (used) by operating activities	\$ 7,589,431	\$ 244,059	\$ 7,833,490
Cash and cash equivalents reconciliation			
Cash and cash equivalents	\$ 8,311,156	\$ 1,958,878	\$ 10,270,034
Restricted assets			
Cash and cash equivalents	305,441	0	305,441
	\$ 8,616,597	\$ 1,958,878	\$ 10,575,475

Noncash investing, capital, and financing activities:

Acquisition of capital assets through capital related payables totaled \$3,772,590.
Acquisition of capital assets through retainage payable totaled \$524,827.
Acquisition of capital assets through developer noncash contributions totaled \$169,225 for 2023.
Increase in notes payable through intergovernmental receivable totaled \$5,042,610.
Cost of transferred assets to governmental activities totaled \$113,452.
Cost of transferred assets from governmental activities totaled \$6,538.

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 20,852
	<hr/>

LIABILITIES

Due to others	20,852
	<hr/>

NET POSITION

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

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2023

ADDITIONS

Fines and forfeitures collected for other governments	\$ 347,969
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DEDUCTIONS

Distributions of fines and forfeitures to other governments	<u>347,969</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
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023

	Carrollton Area Convention & Visitors Association, Inc.	Carrollton Redevelopment Authority	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 337,321	\$ 0	\$ 337,321
Intergovernmental receivables	106,034	10,000	116,034
	<u>443,355</u>	<u>10,000</u>	<u>453,355</u>
LIABILITIES			
Current liabilities			
Accounts payable	93,915	1,015	94,930
	<u>349,440</u>	<u>8,985</u>	<u>358,425</u>
NET POSITION			
Unrestricted	349,440	8,985	358,425
	<u>349,440</u>	<u>8,985</u>	<u>358,425</u>
Total net position	<u>\$ 349,440</u>	<u>\$ 8,985</u>	<u>\$ 358,425</u>

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended June 30, 2023

	Carrollton Area Convention & Visitors Association, Inc.	Carrollton Redevelopment Authority	Totals
Expenses			
Housing and Development	\$ 343,169	\$ 1,015	\$ 344,184
Total expenses	<u>343,169</u>	<u>1,015</u>	<u>344,184</u>
Program revenues			
Operating grants and contributions	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Total program revenues	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Net (expense) revenue	<u>(343,169)</u>	<u>8,985</u>	<u>(334,184)</u>
General revenues			
Interest and investment earnings	76	0	76
Payments from City of Carrollton	<u>396,206</u>	<u>0</u>	<u>396,206</u>
	<u>396,282</u>	<u>0</u>	<u>396,282</u>
Change in net position	53,113	8,985	62,098
Net position, July 1	<u>296,327</u>	<u>0</u>	<u>296,327</u>
Net position, June 30	<u><u>\$ 349,440</u></u>	<u><u>\$ 8,985</u></u>	<u><u>\$ 358,425</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Component unit financial statements are available at the office of City Hall, 315 Bradley St., Carrollton, Georgia 30117.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Carrollton Area Convention and Visitors Association, Inc.

This entity superseded the Carroll County Area Convention and Visitors Association, Inc. The Association 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.

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.

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.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

American Rescue Plan Special Revenue Fund - accounts for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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 fiduciary 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, 2023

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, 2023

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 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.

The custodial 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, 2023

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, 2023

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

The City 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, 2023

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

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 and fines, fees, and forfeitures. 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, 2023

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, 2023

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, 2023

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 2022 amounts have been reclassified to conform with the 2023 presentation.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund		\$ 173,511
Water and Sewerage Enterprise Fund	\$ 3,042,633	
Less: Allowance for Uncollectibles	<u>(42,488)</u>	3,000,145
Sanitation Enterprise Fund	898,012	
Less: Allowance for Uncollectibles	<u>(13,905)</u>	<u>884,107</u>
Total Primary Government		<u><u>\$ 4,057,763</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

5. Intergovernmental Receivables

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

Primary Government:

Major Funds

General Fund	\$ 201,027
West Metro Regional Drug Enforcement Fund	118,248
2021 SPLOST Fund	1,071,945
Water and Sewerage	5,042,610

Nonmajor Funds

Special Revenue Funds

Neighborhood Stabilization Program	27,174
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Opioid Settlement	<u>525,453</u>
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Total Primary Government	<u><u>\$ 6,986,457</u></u>
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Component Unit:

Carrollton Area Convention and Visitors

Association, Inc.	\$ 106,034
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Carrollton Redevelopment Authority	<u>10,000</u>
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Total Component Units	<u><u>\$ 116,034</u></u>
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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 2022, based upon the assessments of January 1, 2022, were levied on September 22, 2022, billed on September 29, 2022, and due on December 1, 2022. The Carroll County Tax Commissioner bills and collects the City's property taxes.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

7. Interfund Receivables, Payables, and Transfers

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sanitation	\$ 923
	2021 SPLOST	11,752
	West Metro Regional	
	Drug Enforcement	16,629
	Nonmajor Governmental	14,681
Water and Sewerage	General	38,513
Sanitation	General	9,126
		<u>\$ 91,624</u>

Interfund balances at the end of the current fiscal year, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. 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".

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	\$ 3,908,299
Sanitation	General	314,960
American Rescue Plan	General	8,776,741
	Water and Sewerage	940,759
	Sanitation	314,960
		<u>\$ 14,255,719</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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

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, 2023

8. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	\$ 16,942,445	\$ 451,577	\$ 0	\$ 17,394,022
Construction in progress	4,135,024	5,551,883	(7,011,598)	2,675,309
Total non-depreciable assets	21,077,469	6,003,460	(7,011,598)	20,069,331
Depreciable assets				
Land improvements	27,719,179	1,345,811	0	29,064,990
Buildings and improvements	43,639,677	3,908,330	(420,455)	47,127,552
Furnishings, vehicles, machinery and equipment	16,912,404	1,592,220	(286,364)	18,218,260
Infrastructure	85,121,172	2,537,383	0	87,658,555
Total depreciable assets	173,392,432	9,383,744	(706,819)	182,069,357
Less accumulated depreciation				
Land improvements	(9,659,089)	(1,460,246)	0	(11,119,335)
Buildings and improvements	(12,553,446)	(879,525)	0	(13,432,971)
Furnishings, vehicles, machinery and equipment	(12,813,941)	(1,137,787)	290,153	(13,661,575)
Infrastructure	(45,239,915)	(2,553,966)	0	(47,793,881)
Total accumulated depreciation	(80,266,391)	(6,031,524)	290,153	(86,007,762)
Total depreciable assets, net	93,126,041	3,352,220	(416,666)	96,061,595
Governmental activities capital assets, net	<u>\$ 114,203,510</u>	<u>\$ 9,355,680</u>	<u>\$ (7,428,264)</u>	<u>\$ 116,130,926</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 8,933,978	\$ 0	\$ 0	\$ 8,933,978
Construction in progress	1,324,737	5,875,514	(1,096,321)	6,103,930
Total non-depreciable assets	10,258,715	5,875,514	(1,096,321)	15,037,908
Depreciable assets				
Buildings and improvements	7,716,159	12,173	0	7,728,332
Distribution system	103,353,174	2,652,058	0	106,005,232
Vehicles, machinery and equipment	8,762,015	228,017	(45,160)	8,944,872
Total depreciable assets	119,831,348	2,892,248	(45,160)	122,678,436
Less accumulated depreciation				
Buildings and improvements	(4,780,713)	(149,660)	0	(4,930,373)
Distribution system	(42,355,466)	(2,086,171)	0	(44,441,637)
Vehicles and equipment	(6,490,092)	(462,932)	45,160	(6,907,864)
Total accumulated depreciation	(53,626,271)	(2,698,763)	45,160	(56,279,874)
Total depreciable assets, net	66,205,077	193,485	0	66,398,562
Business-type activities capital assets, net	<u>\$ 76,463,792</u>	<u>\$ 6,068,999</u>	<u>\$ (1,096,321)</u>	<u>\$ 81,436,470</u>

Decreases in construction in progress for the business-type activities include \$68,292 transferred to governmental activities.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 383,351
Public Safety	977,514
Public Works	2,671,250
Culture and Recreation	1,954,249
	<hr/>
Total depreciation expense for governmental activities	\$ 5,986,364
	<hr/>

Business-type activities

Water and Sewerage	\$ 2,504,009
Sanitation	188,216
	<hr/>
Total depreciation expense for business-type activities	\$ 2,692,225
	<hr/>

	Governmental Activities	Business-type Activities
Current year depreciation expense	\$ 5,986,364	\$ 2,692,225
Prior accumulated depreciation on assets transferred between governmental and business-type activities	45,160	6,538
	<hr/>	<hr/>
	\$ 6,031,524	\$ 2,698,763
	<hr/>	<hr/>

9. 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 the end of the current fiscal year:

Water and Sewerage Revenue Bond Series 2014: In December 2014, the City issued Water and Sewerage Revenue Refunding and Improvement Bonds Series 2014 totaling \$6,705,000 to refinance the Water and Sewerage Revenue Bond Series 1997 and the GEFA Note 2008-LO3WJ, and to pay the costs of certain improvements to the City's water and sewer system.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Debt (continued)

Bonds from Direct Placement, continued

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
2024	\$ 240,000	\$ 41,252	\$ 281,252
2025	487,000	72,864	559,864
2026	502,000	59,755	561,755
2027	514,000	46,284	560,284
2028	528,000	32,454	560,454
2029-2030	819,000	21,974	840,974
Totals	\$ 3,090,000	\$ 274,583	\$ 3,364,583

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 the end of the current fiscal year was \$166,667.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 2020-042 and DW 2020-042: On December 13, 2021, the City signed an agreement with the Georgia Environmental Facilities Authority, the modified amount of the loan is \$15,000,000, of which there was \$5,389,463 has been drawn as of the end of the current fiscal year. The construction rate and permanent rate is 0.13%. There will be no payments until the project is complete. This construction completion date is estimated as June 2025. The maturity schedule below does not include this note.

On September 3, 2018, the City entered into an agreement with a financial institution to finance the purchase of sanitation equipment. The note bears interest at a rate of 4.75% billed separately on a monthly basis and requires annual principal payments (November 30th) of \$66,389. The debt was paid in full during the current year.

The City's debt service requirements to maturity for notes from direct borrowings for the business-type activities is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 25,000	\$ 0	\$ 25,000
2025	25,000	0	25,000
2026	25,000	0	25,000
2027	25,000	0	25,000
2028	25,000	0	25,000
2029-2030	41,667	0	41,667
Totals	\$ 166,667	\$ 0	\$ 166,667

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

9. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

On July 16, 2019, the City entered into an agreement with a financial institution to finance the purchase of police equipment. Upon an event of default, (1) all outstanding principal and accrued interest may be declared immediately due and payable and (2) the financial institution may repossess or require the return of all equipment. The note bears interest at a rate of 3.163% and requires annual payments (September 16th) of \$161,444. The remaining principal balance at the end of the current fiscal year is \$308,191 for the governmental activities.

The City's debt service requirements to maturity for notes from direct borrowings for the governmental activities is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 151,696	\$ 9,748	\$ 161,444
2025	156,495	4,950	161,445
Totals	<u>\$ 308,191</u>	<u>\$ 14,698</u>	<u>\$ 322,889</u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

10. Changes in Long-Term Liabilities

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

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Notes from direct borrowings	\$ 455,236	\$ 0	\$ (147,045)	\$ 308,191	\$ 151,696
Compensated absences	404,647	393,957	(404,647)	393,957	393,957
Total governmental activities	<u>\$ 859,883</u>	<u>\$ 393,957</u>	<u>\$ (551,692)</u>	<u>\$ 702,148</u>	<u>\$ 545,653</u>
Business-type activities					
Bonds from direct placement	\$ 3,559,000	\$ 0	\$ (469,000)	\$ 3,090,000	\$ 240,000
Notes from direct borrowings	399,246	5,248,273	(91,389)	5,556,130	25,000
Compensated absences	93,267	82,125	(93,267)	82,125	82,125
Total business-type activities	<u>\$ 4,051,513</u>	<u>\$ 5,330,398</u>	<u>\$ (653,656)</u>	<u>\$ 8,728,255</u>	<u>\$ 347,125</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 current fiscal year was \$10,742 and \$148,196, respectively.

11. 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 the end of the current fiscal year.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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11. 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 the end of the current fiscal year was \$102,166.

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 the end of the current fiscal year was \$158,887.

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 the end of the current fiscal year was \$161,910.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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11. Conduit Debt (continued)

306 A1-B Rome Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is fifteen years at 2% interest with monthly payments of \$1,270 beginning March 1, 2018. The outstanding loan balance at the end of the current fiscal year was \$136,027.

12. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Cost of capital assets	\$ 202,138,688	\$ 137,716,344
Accumulated depreciation	<u>(86,007,762)</u>	<u>(56,279,874)</u>
Book value	116,130,926	81,436,470
Capital-related accounts payable	(118,647)	(3,772,590)
Retainage payable	(553,812)	(524,827)
Capital-related notes payable	(308,191)	(5,556,130)
Capital-related bonds payable	0	(3,090,000)
Unspent note proceeds	20,163	0
Accrued intergovernmental receivable	<u>0</u>	<u>5,042,610</u>
Net investment in capital assets	<u><u>\$ 115,170,439</u></u>	<u><u>\$ 73,535,533</u></u>

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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13. Nonspendable, Restricted, and Assigned Fund Balances

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

	General	West Metro Regional Drug Enforcement	American Rescue Plan	2021 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	\$ 269,150	\$ 0	\$ 0	\$ 0	\$ 28,815	\$ 297,965
Restricted for:						
Public Safety						
Police facilities and equipment	\$ 0	\$ 2,002,552	\$ 0	\$ 0	\$ 340,528	\$ 2,343,080
Hazardous material team	0	0	0	0	38,919	38,919
Police technology	0	0	0	0	8,775	8,775
Opioid remediation	0	0	0	0	131,130	131,130
Housing and Development						
Neighborhood improvements	0	0	0	0	1,034,361	1,034,361
Capital Projects	0	0	0	1,809,983	395,681	2,205,664
Grant specifications	0	0	52,323	0	0	52,323
	<u>\$ 0</u>	<u>\$ 2,002,552</u>	<u>\$ 52,323</u>	<u>\$ 1,809,983</u>	<u>\$ 1,949,394</u>	<u>\$ 5,814,252</u>
Assigned for:						
Housing and Development						
Economic Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 788,913	\$ 788,913

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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, 2023, the date of the most recent actuarial valuation, there were 623 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	182
Terminated vested participants entitled to but not yet receiving benefits	118
Active participants	<u>323</u>
Total number of participants	<u><u>623</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 2.00% - 2.50% with a five-year vesting schedule for Class 0 and Class 1 employees respectively and immediate vesting for elected officials.

Contributions. 3% employee contributions are required for employees in pay grades less than 20 and 6% for employees in pay grades 20 or higher. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current fiscal year was \$2,436,723, or 14.51% of covered payroll. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of \$22,301,246. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. For the current fiscal year, the City recognized pension expense of \$2,889,798. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

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 9/30/2021	\$ 49,614,091	\$ 35,573,279	\$ 14,040,812
Changes for the year:			
Service cost	854,691	0	854,691
Interest	3,638,879	0	3,638,879
Differences between expected and actual experience	1,749,839	0	1,749,839
Contributions-employer	0	3,494,084	(3,494,084)
Contributions-employee	0	744,005	(744,005)
Net investment income	0	(6,193,827)	6,193,827
Benefit payments, including refunds of employee contribution	(2,256,093)	(2,256,093)	0
Administrative expense	0	(61,287)	61,287
Net changes	<u>3,987,316</u>	<u>(4,273,118)</u>	<u>8,260,434</u>
Balances at 9/30/2022	\$ 53,601,407	\$ 31,300,161	\$ 22,301,246
Plan fiduciary net position as a percentage of the total pension liability		58.39%	
Covered payroll		\$ 16,611,141	
Net pension liability as a percentage of covered payroll		134.25%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,042,787	\$ 0
Changes of assumptions	495,418	0
Net difference between projected and actual earnings on pension plan investments	4,182,379	0
Changes in participant fund allocation	153,247	(153,247)
Contributions subsequent to the measurement date	1,855,402	0
Totals	<u>\$ 8,729,233</u>	<u>\$ (153,247)</u>

The \$1,855,402 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	
2024	\$ 1,835,240
2025	1,510,936
2026	1,246,803
2027	2,127,605
Totals	<u>\$ 6,720,584</u>

Actuarial Assumptions. The total pension liability in the January 1, 2023 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	13 years

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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, 2023 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.40%
International equity	20%	6.80%
Real estate	10%	3.90%
Global fixed income	5%	0.46%
Domestic fixed income	20%	0.40%
Cash	0%	
Total	100%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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%	\$ 29,247,635
Current discount rate	7.375%	22,301,246
1% increase	8.375%	16,506,161

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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14. Pension Plans (continued)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The City does not contribute to this plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Employee contributions for the current fiscal year were \$505,285.

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, 2021, the date of the most recent actuarial valuation, there were 357 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	46
Inactive plan members entitled to but not yet receiving benefit payments	0
Active members	<u>311</u>
Total number of participants	<u><u>357</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
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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 current fiscal year was \$35,425, or 0.22% 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 the end of the current fiscal year, the City reported a net OPEB liability of \$2,161,744. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the City recognized OPEB income of \$72,192. 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 6/30/2021	\$ 2,477,589	\$0	\$ 2,477,589
Changes for the year:			
Service cost	88,899	0	88,899
Interest	55,056	0	55,056
Changes of benefit terms	(4,617)	0	(4,617)
Differences between expected and actual experience	(63,943)	0	(63,943)
Contributions-employer	0	35,425	(35,425)
Changes in assumptions	(355,815)	0	(355,815)
Benefit payments, including refunds of member contributions	(35,425)	(35,425)	0
Net changes	(315,845)	0	(315,845)
Balances at 6/30/2022	\$ 2,161,744	\$0	\$ 2,161,744
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%	
Covered employee payroll		\$ 15,531,687	
Plan net OPEB liability as a percentage of covered employee payroll		13.92%	

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
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15. Post-Employment Benefits Other Than Pensions (continued)

At the end of the current fiscal year, 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	\$ 94,284	\$ (1,049,630)
Changes of assumptions	239,885	(132,603)
Changes in participant fund allocation	1,231	(1,231)
Contributions subsequent to the measurement date	89,771	0
Totals	<u>\$ 425,171</u>	<u>\$ (1,183,464)</u>

The \$89,771 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	
2024	\$ (211,532)
2025	(163,306)
2026	(140,196)
2027	(140,196)
2028	(49,977)
Thereafter	<u>(142,857)</u>
Totals	<u>\$ (848,064)</u>

Actuarial Assumptions. The total OPEB 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	3.00% to 8.50%, including inflation
Actuarial cost method	Entry age
Discount rate	2.16%. This changed from 2.21% the previous year

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

Healthcare cost trend rates	Medical: 2.4% for CY2021, 12% for CY2022, then 6.25% trended down to 4.5% by 2030 Prescription Drug: 2.4% for CY2021, 12% for CY2022, then 6.25% trended down to 4.5% by 2030
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, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

Development of Long-Term Rate. Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 3.54%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2022.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.54%) or one percentage-point higher (4.54%) than the current rate.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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>		Net OPEB Liability
1% decrease	2.54%	\$ 2,425,430
Current discount rate	3.54%	2,161,744
1% increase	4.54%	1,933,481

<u>Healthcare Cost Trend Rates</u>		Net OPEB Liability
1% decrease		\$ 1,958,822
Current trend rate		2,161,744
1% increase		2,404,704

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 Association, Inc. or the Carroll County Chamber of Commerce). For the current fiscal year, the City collected \$1,133,252 in hotel/motel tax revenues, of which \$510,004 was disbursed to the Carrollton Area Convention and Visitors Association, Inc. and the Carroll County Chamber of Commerce. Amounts held for future disbursements for promoting tourism, conventions, and trade shows are included in restricted fund balance. 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 current fiscal year, the City expended \$569,541 for tourism product development. Amounts held for future disbursements for tourism product development are included in restricted fund balance.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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 current fiscal year, the City of Carrollton property taxes were abated totaling \$211,942 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 90% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$118,968.
- Property tax abatement (ranging from 40% to 80% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to \$29,733.

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

18. Joint Ventures (continued)

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. Risk Management

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City purchased commercial insurance to cover property and professional liability claims. The City has joined together with other municipalities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

20. Risk Management (continued)

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.

21. Commitments and Contingencies

Commitments

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

Project	Amount Expended to Date	Remaining Commitment
City of Carrollton Raw Water Holding Pond	\$ 5,248,273	\$ 9,741,441
Lake Carroll Park Phase 2	1,680,204	1,846,360
Membrane Contract	206,250	1,443,750

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.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

22. Material Budget Violations

The following General Fund departments and Special Revenue Funds had expenditures in excess of appropriations by more than three percent for the current fiscal year:

	<u>Budget</u>		<u>Actual</u>		<u>Variance</u>
General Fund Departments					
Mayor and Council	\$ 202,872	\$	209,902	\$	(7,030)
Special Revenue Funds					
West Metro Regional					
Drug Enforcement	\$ 661,631	\$	987,749	\$	(326,118)
Drug Seizure	\$ 100,000	\$	192,510	\$	(92,510)
Regional Hazardous Material Team	\$ 3,500	\$	6,680	\$	(3,180)
Hotel/Motel Tax	\$ 880,000	\$	1,079,545	\$	(199,545)

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

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.

23. New Accounting Pronouncements

The City implemented GASB Statement No. 91, *Conduit Debt*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

CITY OF CARROLLTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

23. New Accounting Pronouncements (continued)

The City implemented GASB Statement No. 99, *Omnibus 2022*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the City's net position.

24. Subsequent Events

The City created a Tax Allocation District (TAD) pursuant to the Redevelopment Powers Law as approved by a majority of the voters in a referendum held on November 8, 2022. The TAD became effective on December 31, 2022 and begins with the tax digest for calendar year 2023.

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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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Total pension liability			
Service cost	\$ 854,691	\$ 452,033	\$ 478,953
Interest	3,638,879	2,678,589	2,583,027
Differences between expected and actual experience	1,749,839	475,943	234,846
Changes in assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(2,256,093)	(1,986,032)	(1,962,267)
Changes of benefit terms	0	11,132,724	0
Other changes	0	0	0
Net change in total pension liability	3,987,316	12,753,257	1,334,559
Total pension liability - beginning	49,614,091	36,860,834	35,526,275
Total pension liability - ending (a)	\$ 53,601,407	\$ 49,614,091	\$ 36,860,834
Plan fiduciary net position			
Contributions - employer	\$ 3,494,084	\$ 1,479,049	\$ 1,416,916
Contributions - employee	744,005	152,288	0
Net investment income	(6,193,827)	7,002,288	2,572,781
Benefit payments, including refunds of employee contributions	(2,256,093)	(1,986,032)	(1,962,267)
Administrative expense	(61,287)	(58,156)	(56,321)
Net change in plan fiduciary net position	(4,273,118)	6,589,437	1,971,109
Plan fiduciary net position - beginning	35,573,279	28,983,842	27,012,733
Plan fiduciary net position - ending (b)	\$ 31,300,161	\$ 35,573,279	\$ 28,983,842
Net pension liability (asset) - ending : (a) - (b)	\$ 22,301,246	\$ 14,040,812	\$ 7,876,992
Plan's fiduciary net position as a percentage of the total pension liability	58.39%	71.70%	78.63%
Covered payroll	\$ 16,611,141	\$ 16,110,704	\$ 15,189,914
Net pension liability as a percentage of covered payroll	134.25%	87.15%	51.86%

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

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 359,881	\$ 348,429	\$ 397,257	\$ 362,710	\$ 377,227	\$ 334,167
2,409,298	2,311,482	2,266,445	2,106,841	1,989,841	1,911,478
540,068	500,330	(81,618)	1,267,311	597,738	356,908
0	0	433,947	0	0	0
(1,913,261)	(1,821,688)	(1,756,630)	(1,565,620)	(1,344,634)	(1,272,573)
0	0	0	0	0	0
1,409,565	0	0	(16,333)	0	(282,808)
2,805,551	1,338,553	1,259,401	2,154,909	1,620,172	1,047,172
32,720,724	31,382,171	30,122,770	27,967,861	26,347,689	25,300,517
<u>\$ 35,526,275</u>	<u>\$ 32,720,724</u>	<u>\$ 31,382,171</u>	<u>\$ 30,122,770</u>	<u>\$ 27,967,861</u>	<u>\$ 26,347,689</u>
\$ 1,453,508	\$ 1,340,534	\$ 1,121,807	\$ 1,188,985	\$ 1,208,604	\$ 1,248,419
0	0	0	0	0	0
781,879	2,445,629	3,301,957	2,258,137	235,211	2,085,904
(1,913,261)	(1,821,689)	(1,756,630)	(1,565,620)	(1,344,634)	(1,272,573)
(50,844)	(56,317)	(58,143)	(33,118)	(36,856)	(29,317)
271,282	1,908,157	2,608,991	1,848,384	62,325	2,032,433
26,741,451	24,833,294	22,224,303	20,375,919	20,313,594	18,281,161
<u>\$ 27,012,733</u>	<u>\$ 26,741,451</u>	<u>\$ 24,833,294</u>	<u>\$ 22,224,303</u>	<u>\$ 20,375,919</u>	<u>\$ 20,313,594</u>
<u>\$ 8,513,542</u>	<u>\$ 5,979,273</u>	<u>\$ 6,548,877</u>	<u>\$ 7,898,467</u>	<u>\$ 7,591,942</u>	<u>\$ 6,034,095</u>
76.04%	81.73%	79.13%	73.78%	72.85%	77.10%
\$ 15,414,227	\$ 13,152,183	\$ 12,765,322	\$ 13,618,889	\$ 12,426,773	\$ 11,901,447
55.23%	45.46%	51.30%	58.00%	61.09%	50.70%

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Actuarially determined contribution	\$ 2,436,723	\$ 1,641,131	\$ 1,612,553
Contributions in relation to the actuarially determined contribution	(2,436,723)	(3,181,519)	(1,612,553)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (1,540,388)</u>	<u>\$ 0</u>
Covered payroll	\$ 16,788,423	\$ 17,071,537	\$ 15,861,803
Contributions as a percentage of covered payroll	14.51%	18.64%	10.17%

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

Fiscal Year End					
2020	2019	2018	2017	2016	2015
\$ 1,348,970 (1,462,452)	\$ 1,337,179 (1,339,464)	\$ 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>\$ (113,482)</u>	<u>\$ (2,285)</u>	<u>\$ 111,767</u>	<u>\$ (1,850)</u>	<u>\$ (1,050)</u>	<u>\$ 0</u>
\$ 15,860,745	\$ 14,248,681	\$ 14,711,933	\$ 13,395,252	\$ 12,662,435	\$ 11,687,687
9.22%	9.40%	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, 2023
(Unaudited)

	Fiscal Year End		
	2023	2022	2021
Total OPEB liability			
Service cost	\$ 88,899	\$ 98,472	\$ 71,323
Interest	55,056	60,733	81,343
Change of benefit terms	(4,617)	(8,904)	(38,450)
Differences between expected and actual experience	(63,943)	(15,645)	(60,538)
Changes in assumptions	(355,815)	(287,684)	383,816
Benefit payments, including refunds of member contributions	(35,425)	(37,805)	(43,283)
Net change in total OPEB liability	(315,845)	(190,833)	394,211
Total OPEB liability - beginning	2,477,589	2,668,422	2,274,211
Total OPEB liability - ending (a)	\$ 2,161,744	\$ 2,477,589	\$ 2,668,422
Plan fiduciary net position			
Contributions - employer	\$ 35,425	\$ 37,805	\$ 43,283
Benefit payments, including refunds of member contributions	(35,425)	(37,805)	(43,283)
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)	\$ 2,161,744	\$ 2,477,589	\$ 2,668,422
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 15,531,687	\$ 15,189,914	\$ 13,448,107
Plan net OPEB liability as a percentage of covered employee payroll	13.92%	16.31%	19.84%

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

Fiscal Year End		
2020	2019	2018
\$ 93,323	\$ 94,178	\$ 111,817
116,790	108,759	92,935
(112,209)	0	0
188,568	(60,250)	(69,070)
(910,321)	(101,521)	(268,511)
(52,900)	(67,970)	(76,910)
(676,749)	(26,804)	(209,739)
2,950,960	2,977,764	3,187,503
\$ 2,274,211	\$ 2,950,960	\$ 2,977,764
\$ 52,900	\$ 67,970	\$ 76,910
(52,900)	(67,970)	(76,910)
0	0	0
0	0	0
\$ 0	\$ 0	\$ 0
\$ 2,274,211	\$ 2,950,960	\$ 2,977,764
0.00%	0.00%	0.00%
\$ 13,152,183	\$ 13,397,582	\$ 13,397,582
17.29%	22.03%	22.23%

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

Pension Plan

1. Valuation Date

The actuarially determined contribution was determined as of January 1, 2023, 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, 2024.

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 13 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, 2023

Pension Plan (continued)

3. Changes in Benefits

Amounts reported for the fiscal years ending in 2022 and later reflect that effective January 1, 2021:

- The benefit multiplier changed from 1.25% to 2.00% with a dynamic breakpoint to a flat 2.50% for Employees in pay grades 20 and above and to 2.00% for all other employees.
- Employees in pay grades 20 and above are required to contribute at a 6% rate while all other Employees are required to contribute at a 3% rate.
- Officials elected or appointed on or after February 1, 2016 become eligible to participate in the plan on January 1, 2021 but will not be granted any service for any purpose for service between February 1, 2016 and December 31, 2020.

4. Changes of Assumptions

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

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

Exhibit B-4, continued

CITY OF CARROLLTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

OPEB Plan (continued)

Inflation = 2.25%

Discount rate = 2.16%. This changed from 2.21% 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% over 9 years

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

3. Changes in Benefits

Effective 1/1/2022 the Out Of Pocket Maximum for both plans increased by \$500 for individual coverage and by \$1,000 for family.

4. Changes of Assumptions

- The discount rate from the Bond Buyer 20-Bond GO Index for June 30, 2022 was 3.54%. For June 30, 2021 it was 2.16%.
- Trend rates were updated to reflect most recent experience.

SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS
NONMAJOR GOVERNMENTAL FUNDS

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
ASSETS				
Cash and cash equivalents	\$ 766,821	\$ 477,657	\$ 38,919	\$ 1,021,080
Receivables				
Intergovernmental	0	0	0	27,174
Taxes	200,467	0	0	0
Prepaid items	28,815	0	0	0
Total assets	\$ 996,103	\$ 477,657	\$ 38,919	\$ 1,048,254
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 178,375	\$ 0	\$ 0	\$ 500
Due to other funds	0	0	0	13,393
Due to others	0	137,129	0	0
Total liabilities	178,375	137,129	0	13,893
Deferred Inflows of Resources				
Unavailable revenue - fines, fees, and forfeitures	0	0	0	0
Fund balances				
Nonspendable for:				
Prepaid items	28,815	0	0	0
Restricted for:				
Public Safety	0	340,528	38,919	0
Housing and Development	0	0	0	1,034,361
Capital outlay	0	0	0	0
Assigned for:				
Housing and Development	788,913	0	0	0
Total fund balances	817,728	340,528	38,919	1,034,361
Total liabilities, deferred inflows of resources and fund balances	\$ 996,103	\$ 477,657	\$ 38,919	\$ 1,048,254

<u>Special Revenue</u>		<u>Capital Projects</u>	
<u>Police Technology</u>	<u>Opioid Settlement</u>	<u>Capital Projects Fund for Public Roads</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 8,775	\$ 122,775	\$ 396,969	\$ 2,832,996
0	525,453	0	552,627
0	0	0	200,467
0	0	0	28,815
<u>\$ 8,775</u>	<u>\$ 648,228</u>	<u>\$ 396,969</u>	<u>\$ 3,614,905</u>
\$ 0	\$ 0	\$ 0	\$ 178,875
0	0	1,288	14,681
0	0	0	137,129
<u>0</u>	<u>0</u>	<u>1,288</u>	<u>330,685</u>
<u>0</u>	<u>517,098</u>	<u>0</u>	<u>517,098</u>
0	0	0	28,815
8,775	131,130	0	519,352
0	0	0	1,034,361
0	0	395,681	395,681
0	0	0	788,913
<u>8,775</u>	<u>131,130</u>	<u>395,681</u>	<u>2,767,122</u>
<u>\$ 8,775</u>	<u>\$ 648,228</u>	<u>\$ 396,969</u>	<u>\$ 3,614,905</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, 2023

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
REVENUES				
Taxes	\$ 1,133,252	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	0	194,122	0	0
Charges for services	0	0	9,000	0
Intergovernmental	0	0	0	0
Interest	4,339	0	279	6,255
Contributions	10,000	0	0	0
Other	0	0	0	28,800
Total revenues	<u>1,147,591</u>	<u>194,122</u>	<u>9,279</u>	<u>35,055</u>
EXPENDITURES				
Current				
Public Safety	0	192,510	6,680	0
Housing and Development	1,079,545	0	0	0
Capital Outlay	0	0	0	0
Total expenditures	<u>1,079,545</u>	<u>192,510</u>	<u>6,680</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	68,046	1,612	2,599	35,055
Other financing sources (uses)				
Proceeds from sale of assets	0	20,938	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	68,046	22,550	2,599	35,055
Fund balances, July 1	<u>749,682</u>	<u>317,978</u>	<u>36,320</u>	<u>999,306</u>
Fund balances, June 30	<u><u>\$ 817,728</u></u>	<u><u>\$ 340,528</u></u>	<u><u>\$ 38,919</u></u>	<u><u>\$ 1,034,361</u></u>

<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Police Technology</u>	<u>Opioid Settlement</u>	<u>Capital Projects Fund for Public Roads</u>	
\$ 0	\$ 0	\$ 0	\$ 1,133,252
8,770	135,119	0	338,011
0	0	0	9,000
0	0	316,172	316,172
5	69	3,423	14,370
0	0	0	10,000
0	0	0	28,800
<u>8,775</u>	<u>135,188</u>	<u>319,595</u>	<u>1,849,605</u>
0	4,058	0	203,248
0	0	0	1,079,545
0	0	309,223	309,223
<u>0</u>	<u>4,058</u>	<u>309,223</u>	<u>1,592,016</u>
8,775	131,130	10,372	257,589
0	0	0	20,938
8,775	131,130	10,372	278,527
0	0	385,309	2,488,595
<u>\$ 8,775</u>	<u>\$ 131,130</u>	<u>\$ 395,681</u>	<u>\$ 2,767,122</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 21,578,043	\$ 17,121,940
Receivables (net)		
Accounts	173,511	120,131
Intergovernmental	201,027	120,130
Taxes	977,369	988,178
Prepaid items	269,150	508,926
Due from other funds	43,985	40,814
Restricted assets		
Cash and cash equivalents	<u>20,163</u>	<u>19,623</u>
Total assets	<u><u>\$ 23,263,248</u></u>	<u><u>\$ 18,919,742</u></u>
LIABILITIES		
Accounts payable	\$ 783,578	\$ 555,148
Accrued liabilities	41,993	87,063
Accrued salaries and payroll liabilities	585,219	497,272
Unearned revenue	52,705	64,469
Due to others	228,581	267,650
Due to other funds	<u>47,639</u>	<u>134</u>
Total liabilities	<u>1,739,715</u>	<u>1,471,736</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>61,781</u>	<u>59,208</u>
FUND BALANCES		
Nonspendable		
Prepaid items	269,150	508,926
Unassigned	<u>21,192,602</u>	<u>16,879,872</u>
Total fund balances	<u>21,461,752</u>	<u>17,388,798</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 23,263,248</u></u>	<u><u>\$ 18,919,742</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Taxes	\$ 21,297,802	\$ 19,603,397
Licenses and permits	659,276	703,254
Fines, fees and forfeitures	977,553	1,065,628
Charges for services	6,118,613	4,919,481
Intergovernmental	2,023,931	1,502,907
Interest	400,716	22,459
Contributions	0	2,899,950
Other	199,503	176,692
Total revenues	<u>31,677,394</u>	<u>30,893,768</u>
EXPENDITURES		
Current		
General Government	13,764,097	8,513,715
Public Safety	16,677,162	15,505,106
Public Works	1,954,760	2,048,920
Culture and Recreation	7,290,283	6,685,232
Housing and Development	758,752	832,243
Total current	<u>40,445,054</u>	<u>33,585,216</u>
Debt Service		
Public Safety	161,444	161,444
Total expenditures	<u>40,606,498</u>	<u>33,746,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,929,104)</u>	<u>(2,852,892)</u>
Other financing sources (uses)		
Transfers in (out)		
American Rescue Plan Fund	8,776,741	92,310
2015 SPLOST Fund	0	(18,974)
Water and Sewerage Fund	3,908,299	3,725,397
Sanitation Fund	314,960	(1,085)
Proceeds from sale of assets	2,058	100,176
Total other financing sources (uses)	<u>13,002,058</u>	<u>3,897,824</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,072,954	1,044,932
Fund balances, July 1	<u>17,388,798</u>	<u>16,343,866</u>
Fund balances, June 30	<u><u>\$ 21,461,752</u></u>	<u><u>\$ 17,388,798</u></u>

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 4,868,109	\$ 5,206,775	\$ 338,666	\$ 4,644,010
Motor vehicle tax	925,000	1,069,637	144,637	1,025,895
Cost, penalties and interest	25,000	51,631	26,631	37,815
Total general property taxes	5,818,109	6,328,043	509,934	5,707,720
Local option sales tax	6,275,000	6,764,688	489,688	6,425,610
Insurance premium tax	2,125,000	2,252,852	127,852	2,022,018
Intangibles tax	115,000	76,159	(38,841)	91,442
Real estate transfer tax	0	37,026	37,026	43,938
Franchise tax	2,775,000	2,957,635	182,635	2,656,804
Alcohol excise tax	900,000	844,520	(55,480)	864,141
Occupational tax	1,700,000	1,842,175	142,175	1,636,888
Energy excise tax	130,000	194,704	64,704	154,836
Total taxes	19,838,109	21,297,802	1,459,693	19,603,397
Licenses and permits				
Alcohol licenses	325,000	257,667	(67,333)	264,315
Building permits	350,000	401,609	51,609	438,939
Total licenses and permits	675,000	659,276	(15,724)	703,254
Fines, fees and forfeitures	1,000,000	977,553	(22,447)	1,065,628
Charges for Services				
Reimbursement of joint expenses	4,032,111	4,032,111	0	3,078,081
Recreation fees	838,635	1,169,647	331,012	1,080,615
Main Street events	20,000	106,317	86,317	108,556
Cemetery charges	20,000	45,523	25,523	36,089
Cultural arts fees	413,370	519,995	106,625	397,785
Other	222,000	245,020	23,020	218,355
Total charges for services	5,546,116	6,118,613	572,497	4,919,481
Intergovernmental	2,031,025	2,023,931	(7,094)	1,502,907
Interest	406,500	400,716	(5,784)	22,459
Contributions	0	0	0	2,899,950
Other				
Rental Income	75,000	16,560	(58,440)	26,650
Miscellaneous	490,656	182,943	(307,713)	150,042
Total other	565,656	199,503	(366,153)	176,692
Total revenues	\$ 30,062,406	\$ 31,677,394	\$ 1,614,988	\$ 30,893,768

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	\$ 91,372	\$ 104,546	\$ (13,174)	\$ 96,340
Contract services	111,500	105,356	6,144	81,666
Total Mayor and Council	202,872	209,902	(7,030)	178,006
City Manager				
Personal services	711,224	365,397	345,827	553,057
Contract services	25,642	19,894	5,748	14,514
Materials and supplies	250	0	250	0
Total City Manager	737,116	385,291	351,825	567,571
General Administration				
Personal services	170,903	146,344	24,559	107,765
Contract services	694,738	661,900	32,838	784,226
Materials and supplies	320,000	273,426	46,574	275,911
Capital outlay	450,000	37,015	412,985	4,484,213
Payments to others	10,100,000	10,085,000	15,000	205,000
Total General Administration	11,735,641	11,203,685	531,956	5,857,115
Finance and Purchasing				
Personal services	373,475	370,672	2,803	373,000
Contract services	20,642	11,311	9,331	11,245
Materials and supplies	0	0	0	71
Total Finance and Purchasing	394,117	381,983	12,134	384,316
Human Resources				
Personal services	441,224	404,935	36,289	345,149
Contract services	16,681	9,397	7,284	12,632
Materials and supplies	4,600	0	4,600	92
Total Human Resources	462,505	414,332	48,173	357,873
Information Technology				
Personal services	266,771	265,458	1,313	262,031
Contract services	287,491	256,876	30,615	323,198
Materials and supplies	5,000	599	4,401	6,855
Capital outlay	154,776	8,973	145,803	0
Total Information Technology	714,038	531,906	182,132	592,084
General Maintenance				
Personal services	25,089	25,554	(465)	27,175
Contract services	3,511	3,652	(141)	594
Total General Maintenance	28,600	29,206	(606)	27,769
Marketing-Public Relations				
Personal services	140,438	146,379	(5,941)	130,370
Contract services	156,775	135,990	20,785	115,755
Material and supplies	88,750	92,004	(3,254)	80,889
Total Marketing-Public Relations	385,963	374,373	11,590	327,014
Legal				
Contract services	240,000	233,419	6,581	221,967
Total General Government	14,900,852	13,764,097	1,136,755	8,513,715

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
Public Safety				
Police Department				
Personal services	\$ 7,961,218	\$ 7,880,510	\$ 80,708	\$ 7,606,063
Contract services	1,126,764	1,129,360	(2,596)	1,029,717
Materials and supplies	479,585	483,169	(3,584)	483,510
Capital outlay	93,109	173,473	(80,364)	72,898
Total Police Department	9,660,676	9,666,512	(5,836)	9,192,188
Mental Crisis Response Unit				
Personal services	349,852	288,295	61,557	0
Contract services	0	910	(910)	0
Materials and supplies	100,000	112,149	(12,149)	0
Capital outlay	0	46,085	(46,085)	0
Total Mental Crisis Response Unit	449,852	447,439	2,413	0
Fire Department				
Personal services	6,296,350	5,863,085	433,265	5,754,542
Contract services	382,638	411,958	(29,320)	261,491
Materials and supplies	291,396	270,171	21,225	271,838
Capital outlay	0	17,997	(17,997)	25,047
Total Fire Department	6,970,384	6,563,211	407,173	6,312,918
Total Public Safety	17,080,912	16,677,162	403,750	15,505,106
Public Works				
Street Department				
Contract services	97,284	109,350	(12,066)	114,001
Materials and supplies	107,000	83,246	23,754	70,640
Total Street Department	204,284	192,596	11,688	184,641
Engineering				
Personal services	883,145	711,868	171,277	846,223
Contract services	221,642	202,378	19,264	191,762
Materials and supplies	441,000	407,193	33,807	409,139
Total Engineering	1,545,787	1,321,439	224,348	1,447,124
Garage				
Personal services	393,536	383,931	9,605	381,741
Contract services	24,342	17,427	6,915	13,786
Materials and supplies	40,775	39,367	1,408	21,628
Capital outlay	48,900	0	48,900	0
Total Garage	507,553	440,725	66,828	417,155
Total Public Works	2,257,624	1,954,760	302,864	2,048,920

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	\$ 312,000	\$ 312,000	\$ 0	\$ 300,036
Recreation Administration				
Personal services	481,789	465,974	15,815	463,773
Contract services	140,950	150,975	(10,025)	147,267
Materials and supplies	440,450	444,878	(4,428)	390,090
Total Recreation Administration	1,063,189	1,061,827	1,362	1,001,130
Recreation Parks				
Personal services	1,721,597	1,292,825	428,772	1,260,215
Contract services	693,985	672,342	21,643	565,296
Materials and supplies	96,000	92,641	3,359	114,222
Capital outlay	0	454,244	(454,244)	0
Total Recreation Parks	2,511,582	2,512,052	(470)	1,939,733
Recreation Programs				
Personal services	944,384	756,866	187,518	823,506
Contract services	74,564	49,823	24,741	29,249
Materials and supplies	254,697	349,229	(94,532)	316,560
Total Recreation Programs	1,273,645	1,155,918	117,727	1,169,315
Cultural Arts				
Personal services	629,782	584,355	45,427	585,315
Contract services	312,472	375,398	(62,926)	334,450
Materials and supplies	205,763	189,541	16,222	174,134
Capital outlay	0	0	0	35,646
Total Cultural Arts	1,148,017	1,149,294	(1,277)	1,129,545
Recreation Athletics				
Personal services	985,865	904,481	81,384	984,157
Contract services	111,298	82,856	28,442	53,691
Materials and supplies	158,774	111,855	46,919	107,625
Total Recreation Athletics	1,255,937	1,099,192	156,745	1,145,473
Total Culture and Recreation	7,564,370	7,290,283	274,087	6,685,232

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	\$ 424,996	\$ 423,533	\$ 1,463	\$ 309,223
Contract services	24,642	14,865	9,777	17,315
Materials and supplies	1,000	673	327	1,723
Total Planning Administration	<u>450,638</u>	<u>439,071</u>	<u>11,567</u>	<u>328,261</u>
Code Enforcement				
Personal services	177,638	173,265	4,373	86,076
Contract services	10,242	5,309	4,933	5,327
Materials and supplies	3,650	1,317	2,333	2,956
Total Code Enforcement	<u>191,530</u>	<u>179,891</u>	<u>11,639</u>	<u>94,359</u>
Convention and Visitor's Association Inc.				
Personal services	140,771	0	140,771	0
Contract services	97,040	0	97,040	0
Materials and supplies	149,960	0	149,960	0
Payments to others	0	0	0	277,914
Total Convention and Visitor's Association, Inc.	<u>387,771</u>	<u>0</u>	<u>387,771</u>	<u>277,914</u>
Main Street Division				
Personal services	104,499	85,999	18,500	94,401
Contract services	23,247	18,501	4,746	8,538
Materials and supplies	53,100	35,290	17,810	28,770
Capital outlay	6,000	0	6,000	0
Total Main Street Division	<u>186,846</u>	<u>139,790</u>	<u>47,056</u>	<u>131,709</u>
Total Housing and Development	<u>1,216,785</u>	<u>758,752</u>	<u>458,033</u>	<u>832,243</u>
Total Current	<u>43,020,543</u>	<u>40,445,054</u>	<u>2,575,489</u>	<u>33,585,216</u>
Debt Service				
Police Department	<u>161,500</u>	<u>161,444</u>	<u>56</u>	<u>161,444</u>
Total Expenditures	<u>\$ 43,182,043</u>	<u>\$ 40,606,498</u>	<u>\$ 2,575,545</u>	<u>\$ 33,746,660</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

Police Technology Fund – This fund is used to account for funds restricted for Police technology.

Opioid Settlement Fund – This fund is used to account for proceeds from national opioid settlements.

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 766,821	\$ 662,268
Taxes receivable	200,467	198,629
Prepaid items	<u>28,815</u>	<u>11,500</u>
Total assets	<u><u>\$ 996,103</u></u>	<u><u>\$ 872,397</u></u>
LIABILITIES		
Accounts payable	<u>\$ 178,375</u>	<u>\$ 122,715</u>
FUND BALANCES		
Nonspendable		
Prepaid items	28,815	11,500
Restricted for Housing and Development	0	113,230
Assigned for Housing and Development	<u>788,913</u>	<u>624,952</u>
Total fund balances	<u>817,728</u>	<u>749,682</u>
Total liabilities and fund balances	<u><u>\$ 996,103</u></u>	<u><u>\$ 872,397</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, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	\$ 880,000	\$ 1,133,252	\$ 253,252	\$ 1,001,940
Interest	0	4,339	4,339	48
Contributions	0	10,000	10,000	5,528
Total revenues	<u>880,000</u>	<u>1,147,591</u>	<u>267,591</u>	<u>1,007,516</u>
EXPENDITURES				
Current				
Housing and Development				
Contract services	330,000	324,790	5,210	292,246
Capital outlay	165,000	244,751	(79,751)	75,560
Payments to other agencies	385,000	510,004	(125,004)	424,143
Total expenditures	<u>880,000</u>	<u>1,079,545</u>	<u>(199,545)</u>	<u>791,949</u>
Excess (deficiency) of revenues over (under) expenditures	0	68,046	68,046	215,567
Fund balance, July 1	0	749,682	749,682	534,115
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 817,728</u>	<u>\$ 817,728</u>	<u>\$ 749,682</u>

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 477,657	\$ 526,040
Total assets	<u>\$ 477,657</u>	<u>\$ 526,040</u>
 LIABILITIES		
Due to others	\$ 137,129	\$ 208,062
 FUND BALANCES		
Restricted for Public Safety	<u>340,528</u>	<u>317,978</u>
 Total liabilities and fund balances	<u>\$ 477,657</u>	<u>\$ 526,040</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, 2023**

(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 100,000	\$ 194,122	\$ 94,122	\$ 105,409
Total revenues	<u>100,000</u>	<u>194,122</u>	<u>94,122</u>	<u>105,409</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	100,000	27,231	72,769	3,471
Materials and supplies	0	41,402	(41,402)	36,518
Capital outlay	0	92,939	(92,939)	128,287
Payments to others	0	30,938	(30,938)	23,587
Total expenditures	<u>100,000</u>	<u>192,510</u>	<u>(92,510)</u>	<u>191,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>1,612</u>	<u>1,612</u>	<u>(86,454)</u>
Other financing sources (uses)				
Transfers in (out)				
West Metro Regional Drug Enforcement Fund	0	0	0	33,519
Proceeds from sale of assets	0	20,938	20,938	38,000
Total other financing sources (uses)	<u>0</u>	<u>20,938</u>	<u>20,938</u>	<u>71,519</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>22,550</u>	<u>22,550</u>	<u>(14,935)</u>
Fund balance, July 1	<u>0</u>	<u>317,978</u>	<u>317,978</u>	<u>332,913</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 340,528</u></u>	<u><u>\$ 340,528</u></u>	<u><u>\$ 317,978</u></u>

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 38,919	\$ 36,320
Total assets	<u>\$ 38,919</u>	<u>\$ 36,320</u>
 FUND BALANCES		
Restricted for Public Safety	\$ 38,919	\$ 36,320
Total fund balances	<u>\$ 38,919</u>	<u>\$ 36,320</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, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 3,000	\$ 9,000	\$ 6,000	\$ 9,000
Interest	500	279	(221)	0
Total revenues	<u>3,500</u>	<u>9,279</u>	<u>5,779</u>	<u>9,000</u>
EXPENDITURES				
Current				
Public Safety				
Contract services	1,750	487	1,263	0
Materials and supplies	<u>1,750</u>	<u>6,193</u>	<u>(4,443)</u>	<u>4,709</u>
Total expenditures	<u>3,500</u>	<u>6,680</u>	<u>(3,180)</u>	<u>4,709</u>
Excess (deficiency) of revenues over (under) expenditures	0	2,599	2,599	4,291
Fund balance, July 1	<u>0</u>	<u>36,320</u>	<u>36,320</u>	<u>32,029</u>
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 38,919</u>	<u>\$ 38,919</u>	<u>\$ 36,320</u>

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 2,575,557	\$ 2,634,658
Intergovernmental receivable	<u>118,248</u>	<u>107,812</u>
Total assets	<u><u>\$ 2,693,805</u></u>	<u><u>\$ 2,742,470</u></u>
 LIABILITIES		
Accounts payable	\$ 75,662	\$ 14,772
Due to other funds	16,629	11,823
Unearned revenue	15,500	21,000
Due to others	<u>583,462</u>	<u>793,695</u>
 Total liabilities	691,253	841,290
 FUND BALANCES		
Restricted for Public Safety	<u>2,002,552</u>	<u>1,901,180</u>
 Total liabilities and fund balances	<u><u>\$ 2,693,805</u></u>	<u><u>\$ 2,742,470</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, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	\$ 308,218	\$ 506,126	\$ 197,908	\$ 409,896
Intergovernmental	353,413	531,124	177,711	553,490
Interest	0	12,771	12,771	1,416
Other	0	1,100	1,100	4,448
Total revenues	<u>661,631</u>	<u>1,051,121</u>	<u>389,490</u>	<u>969,250</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	661,631	350,580	311,051	401,417
Contract services	0	164,086	(164,086)	157,360
Materials and supplies	0	103,363	(103,363)	83,063
Capital outlay	0	369,720	(369,720)	0
Total expenditures	<u>661,631</u>	<u>987,749</u>	<u>(326,118)</u>	<u>641,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>63,372</u>	<u>63,372</u>	<u>327,410</u>
Other financing sources (uses)				
Proceeds from sale of assets	0	38,000	38,000	0
Transfers in (out)				
Drug Seizure Fund	0	0	0	(33,519)
Total other financing sources (uses)	<u>0</u>	<u>38,000</u>	<u>38,000</u>	<u>(33,519)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>101,372</u>	<u>101,372</u>	<u>293,891</u>
Fund balance, July 1	<u>0</u>	<u>1,901,180</u>	<u>1,901,180</u>	<u>1,607,289</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 2,002,552</u></u>	<u><u>\$ 2,002,552</u></u>	<u><u>\$ 1,901,180</u></u>

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,021,080	\$ 986,025
Intergovernmental receivable	<u>27,174</u>	<u>27,174</u>
Total assets	<u><u>\$ 1,048,254</u></u>	<u><u>\$ 1,013,199</u></u>
LIABILITIES		
Accounts payable	\$ 500	\$ 500
Due to other funds	<u>13,393</u>	<u>13,393</u>
Total liabilities	13,893	13,893
FUND BALANCES		
Restricted for Housing and Development	<u>1,034,361</u>	<u>999,306</u>
Total liabilities and fund balances	<u><u>\$ 1,048,254</u></u>	<u><u>\$ 1,013,199</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, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental	\$ 0	\$ 163,740
Interest	6,255	771
Other	<u>28,800</u>	<u>0</u>
Total revenues	35,055	164,511
EXPENDITURES		
Current		
Housing and Development	<u>0</u>	<u>208,126</u>
Excess (deficiency) of revenues over (under) expenditures	35,055	(43,615)
Fund balance, July 1	<u>999,306</u>	<u>1,042,921</u>
Fund balances, June 30	<u><u>\$ 1,034,361</u></u>	<u><u>\$ 999,306</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, 2023

	<u>Activity Number</u>	<u>Project Budget</u>	<u>Prior Project to Date Total</u>	<u>Current Year</u>	<u>Project to Date Total</u>	<u>Variance</u>
REVENUES						
Grant Income	N/A	\$ 3,406,991	\$ 3,276,758	\$ 0	\$ 3,276,758	\$ (130,233)
Program Income	N/A	0	5,389,075	0	5,389,075	5,389,075
Other	N/A	0	97,536	0	97,536	97,536
Interest Income	N/A	0	13,365	4,344	17,709	17,709
Total Revenues		<u>3,406,991</u>	<u>8,776,734</u>	<u>4,344</u>	<u>8,781,078</u>	<u>5,374,087</u>
Expenditures						
Acquisition	5050-001-B-H	740,749	2,535,568	0	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	365,198	0	365,198	(160,779)
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>8,275,414</u>	<u>0</u>	<u>8,275,414</u>	<u>(4,868,423)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ 501,320</u>	<u>\$ 4,344</u>	<u>\$ 505,664</u>	<u>\$ 505,664</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, 2023

	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	1,804,475	0	1,804,475	1,804,475
Other	N/A	0	5,653	28,800	34,453	34,453
Interest Income	N/A	0	1,961	1,911	3,872	3,872
Total Revenues		<u>1,142,774</u>	<u>2,824,204</u>	<u>30,711</u>	<u>2,854,915</u>	<u>1,712,141</u>
Expenditures						
Acquisition	6012-001-B-H	225,000	1,290,331	0	1,290,331	(1,065,331)
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	163,644	0	163,644	(92,221)
Other		0	77,136	0	77,136	(77,136)
Selling costs paid by seller		0	128,420	0	128,420	(128,420)
Total Expenditures		<u>1,142,774</u>	<u>3,105,320</u>	<u>0</u>	<u>3,105,320</u>	<u>(1,962,546)</u>
Excess (deficiency) of revenues over (under) expenditures		<u>\$ 0</u>	<u>\$ (281,116)</u>	<u>\$ 30,711</u>	<u>\$ (250,405)</u>	<u>\$ (250,405)</u>

CITY OF CARROLLTON, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 82,833	\$ 4,973,898
Total assets	<u><u>\$ 82,833</u></u>	<u><u>\$ 4,973,898</u></u>
LIABILITIES		
Unearned revenue	\$ 30,510	\$ 4,973,219
FUND BALANCES		
Restricted for capital outlay	<u>52,323</u>	<u>679</u>
Total liabilities and fund balances	<u><u>\$ 82,833</u></u>	<u><u>\$ 4,973,898</u></u>

CITY OF CARROLLTON, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023
(With comparative actual amounts for the fiscal year ending June 30, 2022)

	2023			2022
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	\$ 10,032,460	\$ 10,032,460	\$ 0	\$ 116,531
Interest	0	51,644	51,644	679
Total revenues	<u>10,032,460</u>	<u>10,084,104</u>	<u>51,644</u>	<u>117,210</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,032,460</u>	<u>10,084,104</u>	<u>51,644</u>	<u>117,210</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	(8,776,741)	(8,776,741)	0	(92,310)
Water and Sewerage Fund	(940,759)	(940,759)	0	(18,839)
Sanitation Fund	<u>(314,960)</u>	<u>(314,960)</u>	<u>0</u>	<u>(5,382)</u>
Total other financing sources (uses)	<u>(10,032,460)</u>	<u>(10,032,460)</u>	<u>0</u>	<u>(116,531)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	51,644	51,644	679
Fund balances, July 1	<u>0</u>	<u>679</u>	<u>679</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 52,323</u></u>	<u><u>\$ 52,323</u></u>	<u><u>\$ 679</u></u>

CITY OF CARROLLTON, GEORGIA
POLICE TECHNOLOGY SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 8,775
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Total assets	\$ 8,775
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LIABILITIES

FUND BALANCES

Restricted for public safety	8,775
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Total liabilities and fund balances	\$ 8,775
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CITY OF CARROLLTON, GEORGIA
POLICE TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 8,000	\$ 8,770	\$ 770
Interest	<u>0</u>	<u>5</u>	<u>5</u>
Total revenues	<u>8,000</u>	<u>8,775</u>	<u>775</u>
EXPENDITURES	<u>8,000</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	8,775	8,775
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 8,775</u></u>	<u><u>\$ 8,775</u></u>

CITY OF CARROLLTON, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 122,775
Intergovernmental receivable	<u>525,453</u>

Total assets	\$ 648,228
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LIABILITIES

Unavailable revenue - fines, fees, forfeitures	\$ 517,098
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FUND BALANCES

Restricted for public safety	<u>131,130</u>
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Total liabilities and fund balances	\$ 648,228
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CITY OF CARROLLTON, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 135,000	\$ 135,119	\$ 119
Interest	<u>0</u>	<u>69</u>	<u>69</u>
Total revenues	<u>135,000</u>	<u>135,188</u>	<u>188</u>
EXPENDITURES			
Current			
Public safety			
Materials and supplies	<u>135,000</u>	<u>4,058</u>	<u>130,942</u>
Excess (deficiency) of revenues over (under) expenditures	0	131,130	131,130
Fund balances, July 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 131,130</u></u>	<u><u>\$ 131,130</u></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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES	<u>\$ 0</u>	<u>\$ 0</u>
FUND BALANCES		
Restricted for capital outlay	<u>0</u>	<u>0</u>
Total liabilities and fund balances	<u>\$ 0</u>	<u>\$ 0</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Contributions	\$ 0	\$ 132,987
Interest	0	72
	<u>0</u>	<u>133,059</u>
Total revenues	<u>0</u>	<u>133,059</u>
EXPENDITURES		
Capital outlay		
Public Safety	0	99,871
Public Works	0	462,836
Culture and Recreation	0	251,449
Housing and Development	0	59,901
	<u>0</u>	<u>874,057</u>
Total expenditures	<u>0</u>	<u>874,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>(740,998)</u>
Other financing sources (uses)		
Transfers in (out)		
General Fund	0	18,974
Water and Sewerage	0	(6,900)
	<u>0</u>	<u>12,074</u>
Total other financing sources (uses)	<u>0</u>	<u>12,074</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(728,924)
Fund balances, July 1	0	728,924
Fund balances, June 30	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CARROLLTON, GEORGIA
2021 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 1,873,724	\$ 1,151,024
Intergovernmental receivable	<u>1,071,945</u>	<u>1,710,626</u>
Total assets	<u><u>\$ 2,945,669</u></u>	<u><u>\$ 2,861,650</u></u>
LIABILITIES		
Payables		
Accounts	570,122	904,549
Retainages	553,812	280,348
Due to other funds	<u>11,752</u>	<u>11,752</u>
Total liabilities	1,135,686	1,196,649
FUND BALANCES		
Restricted for capital outlay	<u>1,809,983</u>	<u>1,665,001</u>
Total liabilities and fund balances	<u><u>\$ 2,945,669</u></u>	<u><u>\$ 2,861,650</u></u>

CITY OF CARROLLTON, GEORGIA
2021 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental	\$ 6,573,808	\$ 6,708,972
Interest	8,231	1,028
Total revenues	<u>6,582,039</u>	<u>6,710,000</u>
EXPENDITURES		
Capital outlay		
Public Safety	3,147,569	2,103,329
Public Works	669,131	1,486,150
Culture and Recreation	2,620,357	2,580,092
Total expenditures	<u>6,437,057</u>	<u>6,169,571</u>
Excess (deficiency) of revenues over (under) expenditures	144,982	540,429
Other financing sources (uses)		
Transfers in (out)		
Water and Sewerage Fund	<u>0</u>	<u>(219,824)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	144,982	320,605
Fund balances, July 1	<u>1,665,001</u>	<u>1,344,396</u>
Fund balances, June 30	<u><u>\$ 1,809,983</u></u>	<u><u>\$ 1,665,001</u></u>

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 396,969	\$ 386,597
	<u> </u>	<u> </u>
 LIABILITIES		
Due to other funds	\$ 1,288	\$ 1,288
 FUND BALANCES		
Restricted for capital outlay	395,681	385,309
	<u> </u>	<u> </u>
 Total liabilities and fund balances	 \$ 396,969	 \$ 386,597
	<u> </u>	<u> </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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental	\$ 316,172	\$ 309,222
Interest	<u>3,423</u>	<u>164</u>
Total revenues	<u>319,595</u>	<u>309,386</u>
EXPENDITURES		
Capital outlay		
Public Works	<u>309,223</u>	<u>6,170</u>
Total expenditures	<u>309,223</u>	<u>6,170</u>
Excess (deficiency) of revenues over (under) expenditures	10,372	303,216
Fund balances, July 1	<u>385,309</u>	<u>82,093</u>
Fund balances, June 30	<u><u>\$ 395,681</u></u>	<u><u>\$ 385,309</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, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,311,156	\$ 7,321,434
Accounts receivable, net	3,000,145	2,113,003
Intergovernmental receivable	5,042,610	0
Inventories	593,378	391,585
Prepaid items	151,096	175,128
Due from other funds	38,513	134
Total current assets	<u>17,136,898</u>	<u>10,001,284</u>
Restricted assets		
Customer Deposits		
Cash and cash equivalents	<u>305,441</u>	<u>288,031</u>
Total restricted assets	<u>305,441</u>	<u>288,031</u>
Capital assets		
Land	8,933,978	8,933,978
Construction in progress	6,103,930	1,324,737
Buildings	7,427,085	7,427,085
Infrastructure	235,105	222,932
Distribution system	106,005,231	103,353,174
Vehicles and equipment	5,780,186	5,597,328
Accumulated depreciation	<u>(53,577,056)</u>	<u>(51,111,669)</u>
Total capital assets (net of accumulated depreciation)	<u>80,908,459</u>	<u>75,747,565</u>
Total assets	<u>98,350,798</u>	<u>86,036,880</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	1,527,523	810,634
Deferred outflows of resources related to OPEB	<u>90,061</u>	<u>80,341</u>
Total deferred outflows of resources	<u>1,617,584</u>	<u>890,975</u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 4,593,337	\$ 406,777
Retainages payable	524,827	0
Accrued liabilities	116,201	108,618
Compensated absences	54,687	66,728
Unearned revenue	773,055	632,435
Due to other funds	0	1,635
Notes payable	25,000	25,000
Bonds payable	240,000	233,000
Current liabilities payable from restricted assets		
Customer deposits payable	305,441	288,031
	<u>6,632,548</u>	<u>1,762,224</u>
Long-term liabilities		
Net pension liability	3,972,218	2,428,575
Net OPEB liability	365,733	419,169
Notes payable	5,531,130	307,857
Bonds payable	2,850,000	3,326,000
	<u>12,719,081</u>	<u>6,481,601</u>
Total liabilities	<u>19,351,629</u>	<u>8,243,825</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	79,684	875,616
Deferred inflows of resources related to OPEB	200,015	236,059
	<u>279,699</u>	<u>1,111,675</u>
NET POSITION		
Net investment in capital assets	73,007,522	71,844,172
Unrestricted	7,329,532	5,728,183
Total net position	<u>\$ 80,337,054</u>	<u>\$ 77,572,355</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 10,942,305	\$ 9,480,712
Sewer sales	7,736,407	6,629,368
Tap fees	1,107,381	1,066,903
Other	183,815	196,281
Total operating revenues	<u>19,969,908</u>	<u>17,373,264</u>
OPERATING EXPENSES		
Costs of sales and services	7,361,076	6,635,979
Personal services	4,465,198	5,617,883
Depreciation	2,504,009	2,499,994
Total operating expenses	<u>14,330,283</u>	<u>14,753,856</u>
Operating income (loss)	<u>5,639,625</u>	<u>2,619,408</u>
Non-operating revenues (expenses)		
Interest and investment earnings	83,596	4,306
Interest expense	(91,915)	(104,197)
Debt issuance costs	0	(100,000)
Payments to others	0	(600,000)
Reassignment of capital assets to governmental activities	(68,292)	0
Total non-operating revenues (expenses)	<u>(76,611)</u>	<u>(799,891)</u>
Net income (loss) before capital contributions	5,563,014	1,819,517
Capital contributions	<u>169,225</u>	<u>0</u>
Net income (loss) before transfers	<u>5,732,239</u>	<u>1,819,517</u>
Transfers in (out)		
General Fund	(3,908,299)	(3,725,397)
American Rescue Plan Fund	940,759	6,900
2015 SPLOST Fund	0	18,839
2021 SPLOST Fund	0	219,824
Total transfers in (out)	<u>(2,967,540)</u>	<u>(3,479,834)</u>
Change in net position	2,764,699	(1,660,317)
Net position, July 1	<u>77,572,355</u>	<u>79,232,672</u>
Net position, June 30	<u><u>\$ 80,337,054</u></u>	<u><u>\$ 77,572,355</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 19,056,981	\$ 17,513,561
Payments to suppliers	(7,113,331)	(6,852,939)
Payments to employees	(4,538,034)	(4,290,393)
Other receipts	183,815	196,281
	<hr/>	<hr/>
Net cash provided (used) by operating activities	7,589,431	6,566,510
	<hr/>	<hr/>
Cash flows from non-capital financing activities:		
Receipts from other funds	940,759	48,253
Payments to other funds	(3,948,313)	(3,725,397)
Payments to others	0	(600,000)
	<hr/>	<hr/>
Net cash provided (used) by non-capital financing activities	(3,007,554)	(4,277,144)
	<hr/>	<hr/>
Cash flows from capital and related financing activities:		
Receipts from other funds	0	226,724
Payments for acquisitions of capital assets	(3,266,553)	(1,302,608)
Payment of capital related payables	(11,536)	(66,907)
Principal payments - promissory notes	(25,000)	(25,000)
Principal payments - bonds payable	(469,000)	(457,000)
Proceeds from notes payable	205,663	141,190
Debt issuance costs paid	0	(100,000)
Interest paid	(91,915)	(104,197)
	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(3,658,341)	(1,687,798)
	<hr/>	<hr/>
Cash flows from investing activities:		
Interest and investment earnings received	83,596	4,306
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	1,007,132	605,874
Cash and cash equivalents, July 1	7,609,465	7,003,591
	<hr/>	<hr/>
Cash and cash equivalents, June 30	<u><u>\$ 8,616,597</u></u>	<u><u>\$ 7,609,465</u></u>

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 5,639,625	\$ 2,619,408
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,504,009	2,499,994
(Increase) decrease in accounts receivable	(887,142)	(22,567)
(Increase) decrease in inventories	(201,793)	10,856
(Increase) decrease in prepaid items	24,032	687
(Increase) decrease in deferred outflows related to pensions	(716,889)	(205,271)
(Increase) decrease in deferred outflows related to OPEB	(9,720)	11,400
Increase (decrease) in accounts payable	425,506	(183,292)
Increase (decrease) in noncapital retainage payable	0	(45,211)
Increase (decrease) in unearned revenue	140,620	388,360
Increase (decrease) in accrued liabilities	7,583	24,973
Increase (decrease) in compensated absences	(12,041)	(5,570)
Increase (decrease) in customer deposits	17,410	(29,215)
Increase (decrease) in net pension liability	1,543,643	1,007,317
Increase (decrease) in net OPEB liability	(53,436)	(50,206)
Increase (decrease) in deferred inflows related to pensions	(795,932)	587,486
Increase (decrease) in deferred inflows related to OPEB	(36,044)	(42,639)
Total adjustments	<u>1,949,806</u>	<u>3,947,102</u>
Net cash provided (used) by operating activities	<u>\$ 7,589,431</u>	<u>\$ 6,566,510</u>
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	\$ 8,311,156	\$ 7,321,434
Customer Deposits		
Cash and cash equivalents	<u>305,441</u>	<u>288,031</u>
Total cash and cash equivalents	<u>\$ 8,616,597</u>	<u>\$ 7,609,465</u>

Noncash investing, capital, and financing activities:

Acquisition of capital assets through capital related payables totaled \$3,772,590 for 2023 and \$11,536 for 2022.
Acquisition of capital assets through retainage payable totaled \$524,827 for 2023 and \$0 for 2022.
Acquisition of capital assets through developer noncash contributions totaled \$169,225 for 2023 and \$0 for 2022.
Increase in notes payable through intergovernmental receivable totaled \$5,042,610 for 2023 and \$0 for 2022.
Cost of transferred assets to governmental activities totaled \$113,452 for 2023 and \$0 for 2022.
Cost of transferred assets from governmental activities totaled \$6,538 for 2023 and \$18,033 for 2022.

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,958,878	\$ 1,778,264
Accounts receivable, net	884,107	771,981
Prepaid items	46,807	63,642
Due from other funds	9,126	0
Total current assets	<u>2,898,918</u>	<u>2,613,887</u>
Capital assets		
Buildings	66,148	66,148
Vehicles and equipment	3,152,336	3,152,336
Accumulated depreciation	<u>(2,690,473)</u>	<u>(2,502,257)</u>
Total capital assets (net of accumulated depreciation)	<u>528,011</u>	<u>716,227</u>
Total assets	<u>3,426,929</u>	<u>3,330,114</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	575,332	333,402
Deferred outflows of resources related to OPEB	<u>43,936</u>	<u>40,473</u>
Total deferred outflows of resources	<u>619,268</u>	<u>373,875</u>
LIABILITIES		
Current liabilities		
Accounts payable	168,816	137,694
Accrued liabilities	115,149	34,170
Compensated absences	27,438	26,539
Notes payable	0	66,389
Due to other funds	<u>923</u>	<u>923</u>
Total current liabilities	<u>312,326</u>	<u>265,715</u>
Long-term liabilities		
Net pension liability	1,496,109	998,835
Net OPEB liability	<u>124,088</u>	<u>142,218</u>
Total long-term liabilities	<u>1,620,197</u>	<u>1,141,053</u>
Total liabilities	<u>1,932,523</u>	<u>1,406,768</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	73,563	325,876
Deferred inflows of resources related to OPEB	<u>67,863</u>	<u>68,509</u>
Total deferred inflows of resources	<u>141,426</u>	<u>394,385</u>
NET POSITION		
Net investment in capital assets	528,011	649,838
Unrestricted	<u>1,444,237</u>	<u>1,252,998</u>
Total net position	<u>\$ 1,972,248</u>	<u>\$ 1,902,836</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 6,152,567	\$ 5,370,139
Total operating revenues	<u>6,152,567</u>	<u>5,370,139</u>
OPERATING EXPENSES		
Costs of sales and services	4,157,366	3,014,492
Personal services	1,749,643	2,403,512
Depreciation	188,216	216,459
Total operating expenses	<u>6,095,225</u>	<u>5,634,463</u>
Operating income (loss)	<u>57,342</u>	<u>(264,324)</u>
Non-operating revenues (expenses)		
Interest and investment earnings	68,351	32,885
Interest expense	(56,281)	(17,038)
Total non-operating revenues (expenses)	<u>12,070</u>	<u>15,847</u>
Net income (loss) before transfers	<u>69,412</u>	<u>(248,477)</u>
Transfers in (out)		
General Fund	(314,960)	1,085
American Rescue Plan Fund	314,960	5,382
Total transfers in (out)	<u>0</u>	<u>6,467</u>
Change in net position	69,412	(242,010)
Net position, July 1	<u>1,902,836</u>	<u>2,144,846</u>
Net position, June 30	<u><u>\$ 1,972,248</u></u>	<u><u>\$ 1,902,836</u></u>

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Receipts from customers	\$ 6,040,441	\$ 5,311,376
Payments to suppliers	(4,109,409)	(3,035,161)
Payments to employees	(1,686,973)	(1,917,393)
Net cash provided (used) by operating activities	<u>244,059</u>	<u>358,822</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	(324,086)	6,467
Payments to other funds	314,960	0
Net cash provided (used) by non-capital financing activities	<u>(9,126)</u>	<u>6,467</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	0	(24,575)
Principal payments - promissory notes	(66,389)	(66,390)
Interest paid	(56,281)	(17,038)
Net cash provided (used) by capital and related financing activities	<u>(122,670)</u>	<u>(108,003)</u>
Cash flows from investing activities:		
Interest and investment earnings received	<u>68,351</u>	<u>32,885</u>
Net increase (decrease) in cash and cash equivalents	180,614	290,171
Cash and cash equivalents, July 1	<u>1,778,264</u>	<u>1,488,093</u>
Cash and cash equivalents, June 30	<u><u>\$ 1,958,878</u></u>	<u><u>\$ 1,778,264</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 57,342</u>	<u>\$ (264,324)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	188,216	216,459
(Increase) decrease in accounts receivable	(112,126)	(58,763)
(Increase) decrease in prepaid items	16,835	5,964
(Increase) decrease in deferred outflows related to pensions	(241,930)	(103,939)
(Increase) decrease in deferred outflows related to OPEB	(3,463)	9,505
Increase (decrease) in accounts payable	31,122	(26,633)
Increase (decrease) in accrued liabilities	80,979	(842)
Increase (decrease) in compensated absences	899	(2,455)
Increase (decrease) in net pension liability	497,274	460,104
Increase (decrease) in net OPEB liability	(18,130)	(74,991)
Increase (decrease) in deferred inflows related to pensions	(646)	224,853
Increase (decrease) in deferred inflows related to OPEB	<u>(252,313)</u>	<u>(26,116)</u>
Total adjustments	<u>186,717</u>	<u>623,146</u>
Net cash provided (used) by operating activities	<u><u>\$ 244,059</u></u>	<u><u>\$ 358,822</u></u>

Exhibit G-6

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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
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 20,852	\$ 27,819
 LIABILITIES		
Due to others	<u>20,852</u>	<u>27,819</u>
 NET POSITION		
Restricted for individuals, organizations and other governments	<u>\$ 0</u>	<u>\$ 0</u>

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Fines and forfeitures collected for other governments	\$ 347,969	\$ 370,334
DEDUCTIONS		
Distributions of fines and forfeitures to other governments	<u>347,969</u>	<u>370,334</u>
Change in net position	0	0
Net position, July 1	<u>0</u>	<u>0</u>
Net position, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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COMPONENT UNITS

Carrollton Area Convention and Visitors Association, Inc. – used to account for revenues and expenditures reserved for promotion of tourism in the area.

Carrollton Redevelopment Authority – used to account for revenues and expenditures reserved for revitalization and redevelopment of the urban, central city, and downtown areas of the City of Carrollton.

CITY OF CARROLLTON, GEORGIA
CARROLLTON AREA CONVENTION & VISITORS' ASSOCIATION, INC.
(A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 337,321	\$ 269,952
Intergovernmental receivable	<u>106,034</u>	<u>89,808</u>
Total assets	<u><u>\$ 443,355</u></u>	<u><u>359,760</u></u>
LIABILITIES		
Accounts payable	\$ 93,915	\$ 63,433
FUND BALANCES		
Unassigned	<u>349,440</u>	<u>296,327</u>
Total liabilities and fund balances	<u><u>\$ 443,355</u></u>	<u><u>\$ 359,760</u></u>

CITY OF CARROLLTON, GEORGIA
CARROLLTON AREA CONVENTION & VISITORS' ASSOCIATION, INC.
(A COMPONENT UNIT)
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the fiscal years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Intergovernmental	\$ 396,206	\$ 622,781
Interest	76	56
		0
Total revenues	<u>396,282</u>	<u>622,837</u>
EXPENDITURES		
Current		
Housing and Development		
Personal services	155,724	159,703
Contract services	149,737	143,480
Materials and supplies	<u>37,708</u>	<u>23,327</u>
Total expenditures	<u>343,169</u>	<u>326,510</u>
Excess (deficiency) of revenues over (under) expenditures	53,113	296,327
Fund balances, July 1	<u>296,327</u>	<u>0</u>
Fund balances, June 30	<u><u>\$ 349,440</u></u>	<u><u>\$ 296,327</u></u>

**CITY OF CARROLLTON, GEORGIA
CARROLLTON REDEVELOPMENT AUTHORITY
(A COMPONENT UNIT)
BALANCE SHEET
June 30, 2023**

ASSETS

Intergovernmental receivable	\$ 10,000
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LIABILITIES

Accounts payable	\$ 1,015
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FUND BALANCES

Unassigned	8,985
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Total liabilities and fund balances	\$ 10,000
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**CITY OF CARROLLTON, GEORGIA
CARROLLTON REDEVELOPMENT AUTHORITY
(A COMPONENT UNIT)
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the fiscal year ended June 30, 2023**

REVENUES

Intergovernmental	\$	10,000
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EXPENDITURES

Current

Housing and Development		
Contract services		1,015
		1,015

Excess (deficiency) of revenues over (under) expenditures		8,985
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Fund balances, July 1		0
		0

Fund balances, June 30	\$	8,985
		8,985

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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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Carrollton, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Carrollton, Georgia's basic financial statements and have issued our report thereon dated December 29, 2023.

Report on 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 2023-001 that we consider to be a significant deficiency.

Report on 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 item 2023-002.

City of Carrollton, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on 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
December 29, 2023

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

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

Report on Compliance for Each Major Federal Program

Opinion on 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Carrollton, Georgia's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 29, 2023

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CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Expenditures
U.S. Department of Justice			
Passed through the Criminal Justice Coordinating Council: Edward Byrne Memorial Formula Grant Program	16.738	B22-8-001 B21-8-020 B19-8-020	\$ 27,215 197,960 116,762 <u>341,937</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	111,014
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	<u>23,503</u>
Total U.S. Department of Justice			<u>476,454</u>
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation: <u>Highway Planning and Construction Cluster</u> Highway Planning and Construction	20.205	13710	<u>401,626</u>
U.S. Department of Treasury			
Passed through Three Rivers Regional Commission: COVID-19 Coronavirus Relief Funds	21.019	SF2023	<u>8,001</u>
Passed through Three Rivers Regional Commission: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SF2023	3,844
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>10,032,460</u> <u>10,036,304</u>
Total U.S. Department of Treasury			<u>10,044,305</u>
U.S. Department of Environmental Protection Agency			
Passed through the Georgia Environmental Finance Authority: <u>Drinking Water State Revolving Fund (DWSRF) Cluster</u> Drinking Water State Revolving Fund	66.468	DW2020042	<u>5,248,273</u>

Exhibit J-1, continued

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass- Through Number	Expenditures
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	SFY2023	\$ 143,931
Nutrition Services Incentive Program	93.053	SFY2023	55,032
Total Aging Cluster of Programs			<u>198,963</u>
Passed through Three Rivers Regional Commission:			
Social Services Block Grant	93.667	SFY2023	828
Medical Assistance Program	93.778	SFY2023	550
Total U.S. Department of Health and Human Services			<u>200,341</u>
Total Federal Awards			<u><u>\$ 16,370,999</u></u>

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, 2023

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, 2023

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:	
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
<u>Drinking Water State Revolving Fund (DWSRF) Cluster</u>	
66.468 Drinking Water State Revolving 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, 2023

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2023-001

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 2023-002

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

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, 2023

2. Financial Statement Findings

A. Current Year Audit Findings, continued

Comment 2023-002, 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.

B. Prior Year Audit Findings Follow-Ups

Comment 2022-001

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 2022-002

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

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, 2023

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2021 SPLOST</u>					
Fire	\$ 6,500,000	\$ 6,500,000			
Replace Fire Station #23			\$ 948,318	\$ 2,662,437	\$ 3,610,755
Fire Training Center			121,429	0	121,429
Fire Department Equipment			234,153	0	234,153
Parks and Recreation	8,163,300	8,163,300			
Pool and Water Park Renovations			63,108	1,686	64,794
Remodeling and Renovate Existing Facilities			1,105,481	2,323,492	3,428,973
Land Purchases			1,774	3,680	5,454
Senior Center Renovations			0	0	0
Tennis Facility Improvements			0	0	0
Vehicles and Equipment			52,001	163,428	215,429
Engineering	10,400,000	11,288,539			
Traffic/Street Improvements			1,486,150	669,131	2,155,281
GreenBelt Spurs			1,357,728	128,071	1,485,799
Parking			0	0	0
Paving			0	0	0
Sidewalk Extensions/Repairs			0	0	0
Stormwater Improvements			57,071	0	57,071
Water/Sewer Improvements			162,753	0	162,753
Police Equipment	900,000	900,000	799,429	485,132	1,284,561
IT Equipment	300,000	300,000	0	0	0
	<u>\$ 26,263,300</u>	<u>\$ 27,151,839</u>	<u>\$ 6,389,395</u>	<u>\$ 6,437,057</u>	<u>\$ 12,826,452</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.

Note: Prior years expenditures have been restated by project. Total prior years expenditures did not change.

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