

City of Adairsville, Georgia

Annual Financial Report

for the

Fiscal Year Ended December 31, 2024

By Authority of

The Mayor and City Council

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CITY OF ADAIRSVILLE, GEORGIA
Annual Financial Report
Year Ended December 31, 2024

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Council
City of Adairsville
Adairsville, 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 unit, each major fund, and the aggregate remaining fund information of the City of Adairsville, Georgia, as of and for the year ended December 31, 2024, 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 accompanying 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 unit, each major fund, and the aggregate remaining fund information of the City of Adairsville, Georgia, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity 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 Adairsville, 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 Adairsville, 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 GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Our responsibility is to express opinions on these financial statements based on our audit. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 GAAS 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'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'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

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios on page 36 and the Schedule of Contributions – Pension Plan on page 37 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 Adairsville, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Special Purpose Local Option Sales Tax Expenditures 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 relate 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 nonmajor fund financial statements and schedules and the Schedule of Special Purpose Local Option Sales Tax Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025, on our consideration of the City of Adairsville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Adairsville, Georgia's internal control over financial reporting and compliance.

Williamson and Company
Certified Public Accountants
June 20, 2025

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BASIC FINANCIAL STATEMENTS

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CITY OF ADAIRSVILLE, GEORGIA
Statement of Net Position
For the Year Ended December 31, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	$ 5,709,606	$ 3,210,514	$ 8,920,120
Receivables - Net	818,189	1,038,339	1,856,528
Prepaid Items	125,395	81,356	206,751
Inventory	-	180,645	180,645
Due from Other Governments	406,165	-	406,165
Capital Assets			
Land and Construction in Progress	1,357,721	64,802	1,422,523
Other Capital Assets-Net	11,446,831	33,396,636	44,843,467
Total Assets	19,863,907	37,972,292	57,836,199
Deferred Outflows of Resources			
Pension Plan	419,109	247,012	666,121
Total Deferred Outflows of Resources	419,109	247,012	666,121
Total Assets and Deferred Outflows of Resources	20,283,016	38,219,304	58,502,320
Liabilities			
Accounts Payable	248,496	524,748	773,244
Salaries & Wages Payable	48,219	16,518	64,737
Customer Deposits	-	618,342	618,342
Unearned Revenue	1,008,896	-	1,008,896
Interest Payable	-	27,978	27,978
Net Pension Liability	1,110,884	655,227	1,766,111
Noncurrent Liabilities			
Due Within One Year	117,228	472,393	589,621
Due In More Than One Year	3,337	12,503,390	12,506,727
Total Liabilities	2,537,060	14,818,596	17,355,656
Deferred Inflows of Resources			
Pension Plan	108,750	64,143	172,893
Total Deferred Inflows of Resources	108,750	64,143	172,893
Net Position			
Net Investment in Capital Assets	12,804,552	20,569,812	33,374,364
Restricted For			
Capital Projects	1,198,124	-	1,198,124
Tourism	53,565	-	53,565
Law Enforcement Activities	28,445	-	28,445
Unrestricted	3,552,520	2,766,753	6,319,273
Total Net Position	$ 17,637,206	$ 23,336,565	$ 40,973,771

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Mayor and Council	$ 160,226	$ -	$ -	$ -
Administration	1,515,332	631,156	-	1,328,738
Police	2,473,599	72,911	-	1,173
Court Services	245,983	365,045	-	-
Contracted Public Safety Services	488,941	338,411	-	-
Streets and Roads	1,429,613	-	-	164,620
Culture and Recreation	360,592	79,368	-	-
Community Development	538,553	209,785	-	-
Water and Sewer	-	-	-	241,282
Total Governmental Activities	7,212,839	1,696,676	-	1,735,813
Business-type Activities:				
Gas	4,231,388	4,363,008	-	-
Water/Sewer	4,686,238	4,873,935	-	1,709,341
Total Business-type Activities	8,917,626	9,236,943	-	1,709,341
Total Primary Government	$ 16,130,465	$ 10,933,619	$ -	$ 3,445,154

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Totals
Primary Government:			
Governmental Activities:			
Mayor and Council	$ (160,226)		$ (160,226)
Administration	444,562		444,562
Police	(2,399,515)		(2,399,515)
Court Services	119,062		119,062
Contracted Public Safety Services	(150,530)		(150,530)
Streets and Roads	(1,264,993)		(1,264,993)
Culture and Recreation	(281,224)		(281,224)
Community Development	(328,768)		(328,768)
Water and Sewer	241,282		241,282
Total Governmental Activities	(3,780,350)		(3,780,350)
Business-type Activities:			
Gas		$ 131,620	131,620
Water/Sewer		1,897,038	1,897,038
Total Business-type Activities		2,028,658	2,028,658
Total Primary Government			(1,751,692)
General Revenues:			
Taxes:			
Property	865,007	-	865,007
Sales	1,679,649	-	1,679,649
Motor Vehicle	168,601	-	168,601
Hotel/Motel	346,703	-	346,703
Insurance Premium	464,922	-	464,922
Malt & Mixed Beverage	134,298	-	134,298
Franchise	596,092	-	596,092
Occupational	10,194	-	10,194
Intangible	16,518	-	16,518
Excise	106,427	-	106,427
Transfer	17,351	-	17,351
Miscellaneous	42,311	23,709	66,020
Investment Earnings	193,756	96,932	290,688
Gas Rebates	-	176,357	176,357
Transfers	(1,139,399)	1,139,399	-
Total General Revenues and Transfers	3,502,430	1,436,397	4,938,827
Change in Net Position	(277,920)	3,465,055	3,187,135
Net Position - Beginning	17,915,126	19,871,510	37,786,636
Net Position - Ending	$ 17,637,206	$ 23,336,565	$ 40,973,771

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	American Rescue Plan	Capital Projects SPLOST 2020	Nonmajor Special Revenue Funds	Total Governmental Funds
Assets					
Cash	$ 3,612,338	$ 1,015,343	$ 1,000,984	$ 80,941	$ 5,709,606
Receivables, Net					
Accounts	49,223	-	-	-	49,223
Taxes	663,002	-	-	22,618	685,620
Loan	83,346	-	-	-	83,346
Prepaid Items	125,395	-	-	-	125,395
Due From Other Governments	180,487	-	225,678	-	406,165
Due From Other Funds	7,738	-	-	-	7,738
Total Assets	$ 4,721,529	$ 1,015,343	$ 1,226,662	$ 103,559	$ 7,067,093
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts Payable	$ 199,700	$ 6,447	$ 28,538	$ 13,811	$ 248,496
Due to Other Funds	-	-	-	7,738	7,738
Unearned Grant Revenue	-	1,008,896	-	-	1,008,896
Accrued Wages Payable and Withholdings	48,219	-	-	-	48,219
Total Liabilities	247,919	1,015,343	28,538	21,549	1,313,349
Deferred Inflows of Resources:					
Unearned Tax Revenue	18,134	-	-	-	18,134
Total Deferred Inflows of Resources	18,134	-	-	-	18,134
Fund Balance:					
Nonspendable:					
Prepaid Items	125,395	-	-	-	125,395
Loans Receivable	83,346	-	-	-	83,346
Restricted For:					
Law Enforcement Activities	-	-	-	28,445	28,445
Construction	-	-	1,198,124	-	1,198,124
Tourism Promotion	-	-	-	53,565	53,565
Unassigned	4,246,735	-	-	-	4,246,735
Total Fund Balances	4,455,476	-	1,198,124	82,010	5,735,610
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,721,529	$ 1,015,343	$ 1,226,662	$ 103,559	$ 7,067,093

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2024

Fund Balances - Total Governmental Funds		$ 5,735,610
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		
Governmental Capital Assets	19,561,836	
Less Accumulated Depreciation	(6,757,284)	12,804,552
Unearned tax revenue in the general fund represents property tax billed but uncollected and is eliminated in the Statement of Net Position.		18,134
A portion of pension plan contributions and changes in value are for future use and are considered deferred outflows of resources.		419,109
Differences between expected and actual returns on pension plan investments are not recognized at the fund level, yet presented as a deferred inflow of resources on the Statement of Net Position.		(108,750)
Long-term liabilites are not due and payable in the current perod and therefore are not reported in the governmental funds.		
Compensated Absences	(120,565)	
Net Pension Liability	(1,110,884)	(1,231,449)
Net Position of Governmental Activities		$ 17,637,206

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	American Rescue Plan	Capital Projects SPLOST 2020	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 4,071,280	$ -	$ -	$ 346,703	$ 4,417,983
Licenses and Permits	216,101	-	-	-	216,101
Intergovernmental	165,793	241,282	1,301,339	-	1,708,414
Fines and Forfeitures	476,485	-	-	3,748	480,233
Charges for Services	1,000,342	-	-	-	1,000,342
Miscellaneous Income	42,312	-	-	-	42,312
Interest Income	193,743	-	27,399	12	221,154
Total Revenues	6,166,056	241,282	1,328,738	350,463	8,086,539
Expenditures					
Current:					
Mayor and Council	165,226	-	-	-	165,226
Administration	1,203,616	-	-	209,272	1,412,888
Police	2,257,098	-	24,067	954	2,282,119
Court Service	242,232	-	-	-	242,232
Contracted Public Safety Services	488,941	-	-	-	488,941
Streets and Roads	1,440,922	-	53,981	-	1,494,903
Culture and Recreation	252,365	-	26,775	-	279,140
Community Development	535,449	-	-	-	535,449
Capital Outlay:					
Police	-	-	257,895	-	257,895
Culture and Recreation	-	-	579,028	-	579,028
Water and Sewer	-	241,282	898,117	-	1,139,399
Total Expenditures	6,585,849	241,282	1,839,863	210,226	8,877,220
Excess of Revenues Over Expenditures	(419,793)	-	(511,125)	140,237	(790,681)
Other Financing Sources (Uses)					
Transfers - Out	-	-	-	(130,016)	(130,016)
Transfers - In	130,016	-	-	-	130,016
Total Other Financing Sources (Uses)	130,016	-	-	(130,016)	-
Net Change in Fund Balances	(289,777)	-	(511,125)	10,221	(790,681)
Fund Balance - Beginning of Year	4,745,253	-	1,709,249	71,789	6,526,291
Fund Balance - End of Year	$ 4,455,476	$ -	$ 1,198,124	$ 82,010	$ 5,735,610

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities for the Year Ended December 31, 2024

Net Change in Fund Balances - Total Governmental Funds		$ (790,681)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for Capital Assets	2,373,338	
Less Current Year Depreciation	(590,032)	1,783,306
Purchases of proprietary fund capital assets by a governmental fund are recorded as capital outlays in the governmental funds but are recognized as transfers between governmental funds and proprietary funds at the entity-wide level.		(1,139,399)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable Deferred Property Tax Revenue		(12,221)
Governmental funds report monthly pension plan premiums as current period expenditures while governmental activities record a portion of those payments as deferred outflow of resources.		41,856
Changes in the net pension liability are not reflected in the governmental funds, however they are accounted for in the governmental activities.		(64,654)
Changes in the deferred inflows of resources associated with the pension plan are not reflected in the Governmental Funds, but are presented in the governmental activities.		(77,494)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.		
Net Change in Long-term Compensated Absences		(18,633)
Change in Net Position of Governmental Activities		$ (277,920)

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 3,579,100	$ 3,929,100	$ 4,071,280	$ 142,180
Licenses and Permits	105,500	205,500	216,101	10,601
Intergovernmental	118,000	118,000	165,793	47,793
Fines and Forfeitures	275,000	425,000	476,485	51,485
Charges for Services	853,100	943,100	1,000,342	57,242
Miscellaneous Income	14,000	14,000	42,312	28,312
Interest Income	80,000	180,000	193,743	13,743
Total Revenues	5,024,700	5,814,700	6,166,056	351,356
Expenditures				
Current:				
Mayor and Council	178,975	178,975	165,226	13,749
Administration	997,805	1,247,805	1,203,616	44,189
Police	2,177,500	2,327,500	2,257,098	70,402
Court Services	207,490	247,490	242,232	5,258
Contracted Public Safety Services	438,000	508,000	488,941	19,059
Streets and Roads	1,503,955	1,503,955	1,440,922	63,033
Culture and Recreation	179,500	309,500	252,365	57,135
Community Development	431,985	581,985	535,449	46,536
Total Expenditures	6,115,210	6,905,210	6,585,849	319,361
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,090,510)	(1,090,510)	(419,793)	670,717
Other Financing Sources (Uses)				
Fund Balance Reserves	940,510	940,510	-	(940,510)
Transfers - In	150,000	150,000	130,016	(19,984)
Total Other Financing Sources (Uses)	1,090,510	1,090,510	130,016	(960,494)
Net Change in Fund Balance	-	-	(289,777)	(289,777)
Fund Balance - Beginning of Year	4,745,253	4,745,253	4,745,253	-
Fund Balance - End of Year	$ 4,745,253	$ 4,745,253	$ 4,455,476	$ (289,777)

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA

Statement of Revenues, Expenditures, and Change in Fund Balance
American Rescue Plan Special Revenue Fund - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ 250,000	$ 241,282	$ (8,718)
Total Revenues	-	250,000	241,282	(8,718)
Expenditures				
Capital Outlay:				
Water and Sewer	1,731,657	250,000	241,282	8,718
Total Expenditures	1,731,657	250,000	241,282	8,718
Excess of Revenues Over Expenditures	(1,731,657)	-	-	-
Other Financing Sources (Uses)				
Appropriated Fund Balance Reserves	1,731,657	-	-	-
Total Other Financing Sources (Uses)	1,731,657	-	-	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance - Beginning of Year			-	
Fund Balance - End of Year			$ -	

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Statement of Net Position
Proprietary Funds
December 31, 2024

	Gas	Water & Sewer	Total
Assets			
Current Assets:			
Cash	$ 1,073,535	$ 2,136,979	$ 3,210,514
Accounts Receivable - Net	560,636	477,703	1,038,339
Prepaid Items	18,876	62,480	81,356
Inventory	26,036	154,609	180,645
Total Current Assets	1,679,083	2,831,771	4,510,854
Noncurrent Assets:			
Capital Assets:			
Land and Easements	3,500	16,852	20,352
Construction in Progress	-	44,450	44,450
Equipment	1,515,323	2,386,497	3,901,820
Buildings and Structures	245,889	205,729	451,618
Distribution and Collection Systems	4,007,204	41,789,183	45,796,387
Less Accumulated Depreciation	(2,812,091)	(13,941,098)	(16,753,189)
Total Non-Current Assets	2,959,825	30,501,613	33,461,438
Total Assets	4,638,908	33,333,384	37,972,292
Deferred Outflows of Resources			
Pension Contributions	72,620	174,392	247,012
Total Deferred Outflows of Resources	72,620	174,392	247,012
Total Assets and Deferred Outflows of Resources	$ 4,711,528	$ 33,507,776	$ 38,219,304
Liabilities			
Current Liabilities:			
Accounts Payable	$ 357,885	$ 166,863	$ 524,748
Salaries and Wages Payable	4,723	11,795	16,518
Customer Deposits	229,116	389,226	618,342
Interest Payable	-	27,978	27,978
Compensated Absences	16,933	44,391	61,324
Notes Payable	-	411,069	411,069
Total Current Liabilities	608,657	1,051,322	1,659,979
Noncurrent Liabilities:			
Compensated Absences	1,060	21,773	22,833
Net Pension Liability	192,506	462,721	655,227
Notes Payable	-	12,480,557	12,480,557
Total Noncurrent Liabilities	193,566	12,965,051	13,158,617
Total Liabilities	802,223	14,016,373	14,818,596
Deferred Inflows of Resources			
Pension Contributions	18,845	45,298	64,143
Total Deferred Inflows of Resources	18,845	45,298	64,143
Net Position			
Net Investment in Capital Assets	2,959,825	17,609,987	20,569,812
Unrestricted	930,635	1,836,118	2,766,753
Total Net Position	$ 3,890,460	$ 19,446,105	$ 23,336,565

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Gas	Water & Sewer	Total
Operating Revenues			
Charges for Services	$ 4,318,099	$ 3,731,161	$ 8,049,260
Fees	44,909	1,142,774	1,187,683
Other Revenues	8,495	15,214	23,709
Total Operating Revenues	4,371,503	4,889,149	9,260,652
Operating Expenses			
Salaries, Wages and Employee Benefits	629,323	1,614,095	2,243,418
Cost of Gas for Resale	2,914,367	-	2,914,367
Services and Supplies	343,831	1,608,732	1,952,563
Insurance Expense	28,347	91,996	120,343
Administrative Expense	210,000	210,000	420,000
Depreciation Expense	105,520	823,803	929,323
Total Operating Expenses	4,231,388	4,348,626	8,580,014
Operating Income	140,115	540,523	680,638
Nonoperating Revenues (Expenses)			
Interest Revenue	24,053	72,879	96,932
Interest Expense	-	(337,612)	(337,612)
Gas Rebates	176,357	-	176,357
Total Nonoperating Revenues (Expenses)	200,410	(264,733)	(64,323)
Income Before Capital Contributions	340,525	275,790	616,315
Capital Contributions	-	2,848,740	2,848,740
Change in Net Position	340,525	3,124,530	3,465,055
Net Position - Beginning	3,549,935	16,321,575	19,871,510
Net Position - Ending	$ 3,890,460	$ 19,446,105	$ 23,336,565

The accompanying notes are an integral part of this financial statement.

CITY OF ADAIRSVILLE, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Gas	Water & Sewer	Total
Cash Flows From Operations			
Receipts from Customers and Users	$ 4,231,947	$ 4,729,324	$ 8,961,271
Payments to Suppliers	(3,301,646)	(1,834,967)	(5,136,613)
Payments to/for Employees	(639,570)	(1,571,766)	(2,211,336)
Net Cash From Operating Activities	290,731	1,322,591	1,613,322
Cash Flows from Noncapital Financing Activities			
Payments to Other Funds	-	-	-
Payments from Other Funds	-	-	-
Net Cash From Noncapital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities			
Principal Payments - Notes	-	(441,841)	(441,841)
Capital Contributions	-	1,709,341	1,709,341
Acquisition and Construction of Capital Assets	(519,919)	(1,760,656)	(2,280,575)
Interest Paid	-	(340,677)	(340,677)
Net Cash From Capital and Related Financing Activities	(519,919)	(833,833)	(1,353,752)
Cash Flows from Investing Activities			
Interest Received	24,053	72,879	96,932
Net Increase in Cash	(205,135)	561,637	356,502
Cash - January 1 (Including $0 in Restricted Cash)	1,278,670	1,575,342	2,854,012
Cash - December 31 (Including $0 in Restricted Cash)	$ 1,073,535	$ 2,136,979	$ 3,210,514
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income	$ 140,115	$ 540,523	$ 680,638
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	105,520	823,803	929,323
Gas Rebates	176,357	-	176,357
(Increase) Decrease in Accounts Receivable	(139,906)	(187,315)	(327,221)
(Increase) Decrease in Prepaid Items	(2,889)	(9,423)	(12,312)
(Increase) Decrease in Inventory	4,691	(581)	4,110
(Increase) Decrease in Deferred Outflows of Resources	8,264	(15,094)	(6,830)
Increase (Decrease) in Accounts Payable	16,740	85,765	102,505
Increase (Decrease) in Accrued Payables	(2,627)	(5,840)	(8,467)
Increase (Decrease) in Compensated Absences	3,780	10,222	14,002
Increase (Decrease) in Customer Deposits	350	27,490	27,840
Increase (Decrease) in Net Pension Liability	(31,808)	20,941	(10,867)
Increase (Decrease) in Deferred Inflows of Resources	12,144	32,100	44,244
Net Cash Provided by (Used in) Operating Activities	$ 290,731	$ 1,322,591	$ 1,613,322
Noncash Capital and Related Financing Activities			
Utility System Improvements	$ -	$ 1,094,949	$ 1,094,949
Acquisition of Capital Assets	-	(1,139,399)	(1,139,399)
Construction in Progress	-	44,450	44,450
Net Noncash Activities	$ -	$ -	$ -

The accompanying notes are an integral part of this financial statement.

Note 1. Summary of Significant Accounting Policies

The City of Adairsville was incorporated in February 1854. The City operates under an elected Mayor and Council. The City provides the following services: Public Works (Streets), Public Utilities (Gas and Water), Public Safety (Police), Contracted Public Services (County Agreements), Culture and Recreation (Includes Library), Community Development (Planning and Zoning), and General and Administrative Services.

A. Reporting Entity

The financial statements of the reporting entity include those of the City (the primary government) and its component units. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. As required by generally accepted accounting principles, certain potential component units are considered for inclusion in the reporting entity because of the significance of their operational or financial relationships with the City. The discretely presented component unit described below is presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government:

Related Organization

The Etowah Area Consolidated Housing Authority is a related organization that has not been included in the reporting entity. The Etowah Area Consolidated Housing Authority was formed when the Adairsville Housing Authority and the Cartersville Housing Authority were consolidated on April 1, 1998. The Authority provides low-income housing to eligible families in the Cities of Adairsville and Cartersville. The Authority's Board consists of five members, two appointed by the Adairsville City Council and three that are appointed by the Cartersville City Council. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type. Fiduciary funds (if any) are not included in the government-wide 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. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, permits and fines, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide Statement of Net Position, governmental and business-type activities are presented on a consolidated basis and reflect full accrual, economic resources basis, which includes long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements emphasize major funds in either the governmental or business-type category. Non-major governmental funds (if any) are reported as a separate column in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The financial transactions of the City are recorded in individual funds which provide a separate set of self-balancing accounts that is comprised of assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues, and expenditures.

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

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 judgements, are recorded only when payment is due.

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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, nonexchange transactions are recognized in accordance with GASB Statement 33.

The General Fund, the 2020 SPLOST Capital Projects Fund, and the American Rescue Plan Fund are the major governmental funds that the City reports. The City has elected to present two nonmajor special revenue funds – Confiscated Assets and Hotel/Motel Tax as nonmajor funds.

The General Fund is the primary fund of the City and accounts for all financial resources of the general government except those required to be reported in the other funds.

The 2020 SPLOST Capital Projects Funds account for the collection and use of the 1% SPLOST collections.

The American Rescue Plan Fund accounts for the receipt and use of the City's portion of federal funds related to the American Rescue Plan passed by Congress on March 10, 2021.

The Confiscated Assets Fund accounts for cash received from confiscation or sale of assets acquired through confiscation.

The Hotel/Motel Tax Fund accounts for the collections and expenditures of the City's hotel/motel taxes.

The City reports the following major proprietary funds:

> The Water and Sewer Fund accounts for those operations of the City which involve water distribution, sewage pumping stations and collection systems, and the sewage treatment plant. A fee is charged to external users for goods or services and the activity is intended to be self-supporting.
>
> The Gas Fund accounts for those operations of the City which involve natural gas distribution, including gas line and meter maintenance and additions. A fee is charged to external users for goods or services and this activity is also intended to be self-supporting.

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 gas and water/sewer enterprise funds are charges to customers for sales and services. Both funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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 nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and unrestricted as needed.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets were adopted for the General Fund and the Confiscated Assets, Hotel/Motel Tax, and American Rescue Plan special revenue funds. Annual appropriations lapse at fiscal year-end.

The 2020 SPLOST Capital Projects Fund has a project length budget that was adopted when voters approved the SPLOST referendum and is based on anticipated collections over the life of the referendum.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, Net Position or Fund Balances

1. **Cash and Investments.** Cash includes amounts in demand and time deposits that must be by law insured or collateralized, and investments, if any, are limited by law and bond ordinances, to federal and state securities and stated at fair value.

2. **Receivables.** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise funds are recognized at the end of the year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

3. **Internal Balances.** During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered, or interfund loans. The balances which represent receivables and payables between governmental and business-type activities are reported as internal balances. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges between the general fund and the gas and water/sewer funds.

   Elimination of these charges would distort the direct costs and revenues reported for the two funds. In the government-wide financial statements these balances are reported as internal balances.

4. **Restricted Cash.** Demand and time deposits set-aside for certain payments are classified as restricted on the Balance Sheet and the Statement of Net Position because their use is limited by funding sources, debt covenants, or legal regulations. The SPLOST cash is used to report proceeds restricted for voter approved capital expenditures. The confiscated asset cash is restricted for use by the City's police department. The Hotel/Motel cash is restricted for tourism promotion within the City. The American Rescue Plan cash is restricted for expenses approved under federal legislation.

5. **Inventories and Prepaid Items.** The Water and Sewer Fund and Gas Fund inventories, if applicable, are valued at lower of cost or market using the first-in, first-out method. Prepaid items represent the amount paid in advance for insurance.

6. **Capital Assets.** Capital assets that cost more than $5,000 with an estimated useful life of more than one year are capitalized and depreciated. Capital assets, including property, plant, vehicles, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide statements. All capital assets are carried at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date of acquisition. Depreciation is computed on the straight-line basis over the estimated useful life of the asset.

   The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

   General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003.

7. **Compensated Absences.** Vested or accumulated vacation leave is recorded as an expense and a liability when incurred in the proprietary fund financial statements and as a liability in the governmental funds only in the government-wide financial statements. For governmental activities, compensated absences are generally liquidated by the General Fund. The City's current policy allows employees to carry over a maximum of 240 hours of unused vacation.

8. **Long-term Debt, Bond Discounts/Premiums, and Issuance Costs.** Outstanding debt and other obligations are reported as a liability in the government-wide and proprietary financial statements. In the Entity-wide statements, bond premiums and discounts, as well as the gain or loss on bond refundings are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are recognized as an outflow of resources in the fiscal year in which the bonds are issued. Bonds payable are reported net of the applicable bond premium or discount and the gain or loss on the bond refunding.

   In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the fiscal period the bonds are issued. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. **Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees Benefit System (GMEBS) and additions to/deductions from the GMEBS fiduciary net position have been determined on the same basis as they are reported to GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. **Deferred Outflows/Inflows Of Resources.** In addition to assets, the Statement of Net Position and/or the Balance Sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. As of December 31, 2024, the City's deferred outflows of resources were only reported in the Statement of Net Position for the governmental activities and the business-type activities. The sources of the deferred outflows are pension contributions made during the fiscal year that are to be used for future period benefits and other relative changes that affect the value of the City's pension plan and net pension liability.

    In addition to liabilities, the Statement of Net Position and/or the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

    The City has one item under the modified accrual basis of accounting that qualifies as a deferred inflow of resources for fiscal 2024. It is property tax revenue that is considered unavailable at year end. The deferred inflows of resources in the Statement of Net Position at the entity-wide level and the Statement of Net Position at the proprietary fund level are the result of changes in actuarial assumptions and the differences between expected and actual actuarial amounts as they relate to the City's pension plan and net pension liability.

11. **Fund Equity/Net Position.** The governmental fund financial statements report restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The unassigned portion represents an amount available for future operations.

Unrestricted net position for proprietary funds represents the net position available for future operation. Restricted net position represents assets that have been legally identified for specific purposes.

The City sometimes funds outlays from both restricted and unrestricted resources. 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 City'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.

Note 2. Legal Compliance - Budgets

Georgia Law requires an annual balanced budget for the general and special revenue funds and a project length budget for each capital project fund. All departments of the City submit requests for appropriation to the City Finance Director so that a budget may be prepared. The budget is prepared by fund, function (department), and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

No later than 45 days prior to the beginning of the fiscal year, the proposed budget is presented to the Mayor and Council for review. The Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Department heads may make transfers of appropriations within a department. The legal level of budgetary control is at the department level. Transfers of appropriations between departments must be approved by an affirmative vote of a majority of the Council, except for emergencies as defined by the charter and unanimously voted by Council. The 2024 General Fund, Hotel/Motel Tax Fund, American Rescue Plan Fund, and Confiscated Asset Fund budgets were voted upon and adopted by the City Council.

Note 3. Deposits and Investments

Primary Government: Governmental and Business-type

Cash as of December 31, 2024 is as follows:

Statement of Net Position	
Cash	$ 6,822,852
Restricted Cash	2,097,268
Total	$ 8,920,120

The City has no investments other than cash. The City does not have a formal policy that addresses custodial credit risk.

Note 4. Receivables

Receivables as of December 31, 2024 consist of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Gas	Water and Sewer	Total
Receivables:						
Accounts	$ 49,223	$ -	$ -	$ 595,246	$ 634,686	$ 1,279,155
Taxes	663,002	-	22,618	-	-	685,620
Loans	83,346	-	-	-	-	83,346
Intergovernmental	180,487	225,678	-	-	-	406,165
Total	976,058	225,678	22,618	595,246	634,686	2,454,286
Less: Allowance for Uncollectibles	-	-	-	(34,610)	(156,983)	(191,593)
Net Total Receivables	$ 976,058	$ 225,678	$ 22,618	$ 560,636	$ 477,703	$ 2,262,693

Amounts recorded on the Balance Sheet and Statement of Net Position as Due From Other Governments includes $149,936 of Local Option Sales Taxes due from the State of Georgia, and $256,229 due from Bartow County for SPLOST collections, automobile taxes, and other miscellaneous taxes that are collected by Bartow County and remitted to the City on a monthly basis.

Note 5. Property Tax

Bartow County bills and collects the City's real and personal property taxes. The Bartow County Tax Assessors Office assesses property values as of January 1 each year. The City's millage rate of 1.987 mils was approved by the City Council August 8, 2024. The levy date was September 15, 2024 and taxes were due by November 15, 2024. After the due date, interest and penalties begin to accrue on unpaid balances and property is subject to lien.

All property tax revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period, and collected no later than 60 days after the close of the fiscal year.

Note 6. Interfund Receivables, Payables, and Transfers

Due To/From Other Funds:

Interfund balances consist of routine transfers for payroll and related benefits that are reimbursed on a monthly basis.

As of December 31, 2024, the City's interfund balances were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Hotel/Motel Tax	$ 7,738

Transfers:

Routine transfers and payments between funds are to subsidize operations and fund capital asset acquisitions. Interfund transfers for the year ending December 31, 2024 were as follows:

Between Governmental Funds:

Source Fund	Transfer to Fund	Amount
Hotel/Motel Tax Fund	General Fund	$ 130,016

Note 7. Capital Assets

The following is a summary of the primary government capital asset activity during the fiscal year:

Governmental Activities

Capital Assets Not Being Depreciated	January 1 2024	Additions and Transfers	Deletions and Transfers	December 31 2024
Land	$ 1,352,721	$ 5,000	$ -	$ 1,357,721
Construction in Progress	68,307	48,967	(117,274)	-
Total Capital Assets Not Being Depreciated	1,421,028	53,967	(117,274)	1,357,721
Capital Assets Being Depreciated				
Buildings	5,932,158	608,605	-	6,540,763
Infrastructure	8,521,119	1,348,275	(1,022,125)	8,847,269
Equipment	2,562,725	362,491	(109,133)	2,816,083
Total Capital Assets Being Depreciated	17,016,002	2,319,371	(1,131,258)	18,204,115
Less Accumulated Depreciation For				
Buildings	(2,242,127)	(163,456)	-	(2,405,583)
Infrastructure	(2,257,618)	(258,888)	-	(2,516,506)
Equipment	(1,776,640)	(167,688)	109,133	(1,835,195)
Total Accumulated Depreciation	(6,276,385)	(590,032)	109,133	(6,757,284)
Total Capital Assets Being Depreciated, Net	10,739,617	1,729,339	(1,022,125)	11,446,831
Governmental Activities Capital Assets, Net	$ 12,160,645	$ 1,783,306	$ (1,139,399)	$ 12,804,552

Significant capital improvements and acquisitions for the City's governmental activities in 2024 included the renovation of the community center, three equipped trucks for the police department, and sidewalk installations throughout the City.

Total governmental activities depreciation expense charged to functions/programs of the government are as follows:

Administration	$ 124,014
Court Services	262
Police	132,588
Culture and Recreation	81,452
Streets and Roads	251,716
Total Depreciation Expense	$ 590,032

Business-type Activities

Capital Assets Not Being Depreciated	January 1 2024	Additions and Transfers	Deletions and Transfers	December 31 2024
Land	$ 20,352	$ -	$ -	$ 20,352
Construction in Progress - System	1,330,602	1,695,042	(2,981,194)	44,450
Total Capital Assets Not Being Depreciated	1,350,954	1,695,042	(2,981,194)	64,802
Capital Assets Being Depreciated				
Buildings	451,618	-	-	451,618
Infrastructure	41,464,063	211,731	4,120,593	45,796,387
Equipment	3,543,960	374,949	(17,089)	3,901,820
Total Capital Assets Being Depreciated	45,459,641	586,680	4,103,504	50,149,825
Less Accumulated Depreciation For				
Buildings	(208,442)	(15,339)	-	(223,781)
Infrastructure	(12,682,899)	(60,220)	-	(12,743,119)
Equipment	(2,949,614)	(853,764)	17,089	(3,786,289)
Total Accumulated Depreciation	(15,840,955)	(929,323)	17,089	(16,753,189)
Total Capital Assets Being Depreciated, Net	29,618,686	(342,643)	4,120,593	33,396,636
Business-type Activities Capital Assets, Net	$ 30,969,640	$ 1,352,399	$ 1,139,399	$ 33,461,438

In 2024 the City completed water distribution, collection, and treatment projects that were started in 2023.

The primary government uses the following estimated useful lives to compute depreciation (straight-line method):

Equipment	3-10 years
Buildings	20-50 years
Utility System	20-75 years
Infrastructure	50 years

Note 8. Outstanding Debt

Debt outstanding as of December 31, 2024 is composed of the following:

Water and Sewer Fund Notes Payable

	Date of Issue	Interest Rate	Date Final Payment Due	Amount Issued	Amount Outstanding
Business-type Activities:					
Water and Sewer Fund					
GEFA Note – System Additions	07-01-2022	2.70%	07-01-2052	$12,088,551	$11,435,081
GEFA Note – System Additions	08-25-2003	3.98%	10-01-2024	1,172,080	41,928
GEFA Note – System Additions	02-26-2019	1.55%	03-01-2039	1,845,053	1,414,617
Total Water and Sewer Fund					$12,891,626

As of December 31, 2024, there were three GEFA notes that were closed and being amortized totaling $12,891,626.

The following schedule presents debt service requirements to maturity for the closed GEFA notes payable:

	Business-type Activities - Water Sewer		
Year Ending December 31	Principal	Interest	Total
2025	$ 411,069	$ 327,204	$ 738,273
2026	378,223	317,496	695,719
2027	387,538	308,181	695,719
2028	397,092	298,627	695,719
2029	406,890	288,829	695,719
2030-2034	2,190,461	1,288,133	3,478,594
2035-2039	2,449,198	1,002,561	3,451,759
2040-2044	2,240,027	701,284	2,941,311
2045-2049	2,563,987	377,867	2,941,854
2050-2052	1,467,141	53,387	1,520,528
	$ 12,891,626	$ 4,963,569	$ 17,855,195

Changes in long-term liabilities

The following is a summary of the City's debt transactions for the year ended December 31, 2024:

	Balance January 1	Additions	Reductions	Balance December 31	Due Within One Year
Governmental Activities					
Compensated Absences	$ 101,932	$ 135,861	$ (117,228)	$ 120,565	$ 117,228
Total Governmental Activities	$ 101,932	$ 135,861	$ (117,228)	$ 120,565	$ 117,228
Business-type Activities					
Notes Payable	$ 13,333,467	$ -	$ (441,841)	$ 12,891,626	$ 411,069
Compensated Absences	70,540	74,941	(61,324)	84,157	61,324
Total Business-type Activities	$ 13,404,007	$ 74,941	$ (503,165)	$ 12,975,783	$ 472,393

Compensated absences for governmental activities are liquidated in the General Fund.

Note 9. Pension Plan

Plan Description. The City has a non-contributory defined benefit plan covering all full time employees. The plan, the City of Adairsville Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS), a statewide, agent multiple-employer type plan. GMEBS policy direction and oversight for the fund is provided by a 15 member board comprised of elected and appointed officials from the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The City established its plan effective June 1, 1985, and the authority to establish, amend or discontinue the plan remains with the City. The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year. Members may retire at 65 years of age with 5 years of service or 60 years of age with 25 years of service. Early retirement is possible at age 55 with 10 years of service. Elected officials may retire at age 65. Benefits are calculated at 1.25% to 2.0% of the average monthly earnings for the period of the five highest years prior to retirement.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Funding Policy and Annual Contributions. The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of the Statement No. 27. The annual minimum contribution is the sum of 1) the normal cost, 2) the level dollar amortization of the unfunded actuarial accrued liability (initial unfunded accrued liability over 30 years from 1985 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year which such changes arise, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). These amortization periods, if applicable, are closed for this plan year.

As of July 1, 2023, employee membership data related to the City's pension plan was as follows:

Number of retirees and beneficiaries currently receiving benefits	32
Number of terminated employees entitled to benefits, but not yet receiving them	27
Number of Active Plan Participants	
Vested	28
Nonvested	37
Total	124

The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section §47-20-10).

According to the annual plan valuation dated July 1, 2023, the recommended contribution to the plan for fiscal year 2024 was $327,772 ($0 employee and $327,772 employer; 0% employee and 10.49% employer of expected payroll respectively), and the recommended contribution to the plan for the previous year was $283,264 ($0 employee and $283,264 employer, 0% employee and 10.21% employer of expected payroll). Expected payroll for the fiscal years ending December 31, 2023 and 2024 was calculated at $2,743,054 and $3,090,359 respectively.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of March 31, 2023, along with the Total Pension Liability (TPL) and Fiduciary Net Position (FNP) used to calculate the NPL. These actuarial assumptions are based on the results of an actuarial measurement date of March 31, 2023.

Actuarial Assumptions: The City's total pension liability for the fiscal period was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.25%, plus service based merit increases
Investment Rate of Return	7.375%, net of pension plan investment expense, including inflation
Cost of Living Adjustment	2.25% for participants employed or taking office prior to May 1, 2018 2.00% for participants employed or taking office or non-vested participants reemployed on or after May 1, 2018

The mortality tables (other than the one used for the plan termination basis) are projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

Actuarial Methods:

Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Closed level dollar for remaining unfunded liability
Asset Valuation Method	Sum of the actuarial value at the beginning of the year and the cash flow during year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

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 employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 weighting 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45%	6.91%
International Equity	20%	7.21%
Real Estate	10%	3.61%
Global Fixed Income	5%	1.67%
Domestic Fixed Income	20%	1.61%
Cash	0%	
Total	100%	

Changes in Net Pension Liability

	(a) (TPL) Total Pension Liability	(b) (FNP) Fiduciary Net Position	(a)-(b) (NPL) Net Pension Liability
Balances at March 31, 2023	$ 6,230,492	$ 4,518,168	$ 1,712,324
Changes for the Year			
Service Cost	175,800	-	175,800
Interest	462,024	-	462,024
Differences Between Expected and Actual Experience	315,890	-	315,890
Contributions-Employer	-	295,641	(295,641)
Net Investment Income	-	761,423	(761,423)
Benefit Payments, Including Refunds of Employee Contributions	(283,122)	(283,122)	-
Administrative Expense	-	(14,368)	14,368
Other	142,769	-	142,769
Net Changes	813,361	759,574	$ 53,787
Balances at March 31, 2024	$ 7,043,853	$ 5,277,742	$ 1,766,111

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.375 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.375percent) or 1 percentage point higher (8.375 percent) than the current rate:

	Sensitivity of the NPL to Change in Discount Rate		
	1% Decrease 6.375%	Current Discount Rate 7.375%	1% Increase 8.375%
Total Net Pension Liability	$ 2,774,676	$ 1,766,111	$ 941,982

For the year ended December 31, 2024, the City recognized pension expense of $482,342. At December 31, 2024, the City reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions for Future Periods	$ 272,313	$ -
Differences Between Expected and Actual Experience	393,808	(25,578)
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(147,315)
Total as of December 31, 2024	$ 666,121	$ (172,893)

City contributions subsequent to the measurement date of $272,313 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Amount
2025	($86,177)
2026	170,655
2027	158,914
2028	(22,477)
2029 and After	-

The required *Schedule of Changes in the City's Net Pension Liability and Related Ratios* and the *Schedule of City Contributions* immediately follow the notes to the financial statements.

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained.

Note 10. Restricted Assets and Restricted Net Position

Restricted Assets

The City is required to establish and maintain restricted cash accounts to comply with external legal requirements. The cash accounts of the confiscated asset special revenue fund, the hotel/motel tax special revenue fund, the 2020 SPLOST capital projects fund, and the American Rescue Plan fund are such accounts.

Restricted Net Position

Restrictions on net position are used to indicate that a portion of the net position is only available for a specific future use. The City uses the following restrictions on its net position:

Governmental Activities:

Restricted for law enforcement – Created to segregate unspent funds received from federal or state sources that restrict use for law enforcement purposes only.

Restricted for capital projects – Created to segregate the unspent funds available required to be used on approved capital projects

Restricted for tourism – Created to segregate the unspent funds that are required to be used to promote tourism in and around the City

Note 11. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 12. Other Information

Vacation and Sick Leave

City employee's vacation days accrue at a rate of 6.67 hours per month for one through nine years of service; 10 hours per month for ten through nineteen years of service; and 13.38 hours per month for twenty years of service and above. Up to a maximum of 240 hours of vacation may be accrued. Sick leave accrues at a rate of 5 hours per month.

Note 13. Risk Management

At year-end, there were no legal actions taken by or against the City that would have an adverse effect on the City's financial condition. The City is exposed to various risk of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. This City is self insured related to unemployment compensation. There have been no significant reductions in insurance coverage from the prior year. Workers compensation claims are paid by an independent carrier under a fully-insured program. Settlements have not exceeded coverages for each of the past three fiscal years.

Note 14. Joint Venture

The City of Adairsville is a member of the Northwest Regional Commission (NWRGC). The NWRGC was created under the laws of the State of Georgia and cities and counties in the area served by the NWRGC are required to be members. The membership of the NWRGC includes 15 counties and 49 municipalities. Bartow County pays annual membership dues on behalf of the City. The City has no equity interest in the NWRGC nor does the City materially contribute to the continued existence of the NWRGC. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the NWRGC ceases operation, the membership can be assessed for any debt or obligation of the NWRGC. Separate financial statements may be obtained from the Northwest Regional Commission, P. O. Box 1798, Rome, Georgia 30162.

Note 15. Hotel/Motel Tax Revenues and Tourism Expenditures

The City of Adairsville levies a hotel/motel tax in accordance with the provisions of the Official Code of Georgia section §48-13-51. This code section requires that the City expend an amount equal to the amount by which the total taxes collected under this section exceed the taxes that would be collected at a rate of 3 percent on tourism promotion for the City. For the year ended December 31, 2024, the total amount of hotel/motel tax the City collected was $346,703. In accordance with a contractual agreement, the City paid $43,339 to the Cartersville-Bartow County Convention and Visitor's Bureau. The City also spent $165,933 self-promoting and sponsoring local events throughout the fiscal year.

Note 16. Special Purpose Local Option Sales Tax

In January 2018, Bartow County voters approved a referendum for the continuation of a special one percent sales and use tax to be imposed in Bartow County for a period of time not to exceed twenty four calendar quarters, or until there is collected net proceeds of $160,000,000, for various capital outlay purposes. Actual collection of the tax began January 1, 2020 and is projected to end December 31, 2025. The City of Adairsville's distributive share of this amount is projected to be $5,846,000. The City is to use the proceeds from the tax for various building and infrastructure projects and water/sewer improvements.

Note 17. Post Employment Health Care Benefits

The City does not have any other post-employment benefit plans other than the pension plan discussed in Note 9.

Note 18. Construction Commitments

As of December 31, 2024 the City was not obligated under any construction commitments.

Note 19. Tax Abatements

The City has adopted Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose the following information; (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. For the year ended December 31, 2024, this statement does not have a significant impact on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ADAIRSVILLE, GEORGIA

Required Supplementary Information

Schedule of Changes in the Net Pension Liability and Related Ratios

For the Previous Ten Fiscal Periods

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2014
Total Pension Liability										
Service Cost	$ 175,800	$ 156,064	$ 168,033	$ 162,307	$ 158,340	$ 149,824	$ 106,141	$ 85,101	$ 83,908	*
Interest	462,024	421,411	406,503	382,130	362,044	322,464	247,676	243,935	240,130	*
Differences Between Expected and Actual Experience	315,890	230,176	(102,312)	14,954	16,245	261,435	172,139	(88,328)	(74,914)	*
Changes of Assumptions	-	-	-	-	-	-	-	-	-	*
Benefit Payments, Including Refunds	(283,122)	(270,292)	(245,931)	(223,328)	(221,858)	(207,160)	(191,278)	(193,610)	(206,436)	*
Other	142,769	-	-	-	36,164	-	627,147	-	-	*
Net Change in Total Pension Liability	813,361	537,359	226,293	336,063	350,935	526,563	961,825	47,098	42,688	*
Total Pension Liability - Beginning	6,230,492	5,693,133	5,466,840	5,130,777	4,779,842	4,253,279	3,291,454	3,244,356	3,201,668	*
Total Pension Liability - Ending	$ 7,043,853	$6,230,492	$5,693,133	$5,466,840	$5,130,777	$4,779,842	$4,253,279	$ 3,291,454	$3,244,356	*
Plan Net Position										
Contributions - Employer	$ 295,641	$ 296,672	$ 294,679	$ 287,712	$ 242,751	$ 140,411	$ 99,050	$ 94,630	$ 82,232	*
Contributions - Member	-	-	-	-	-	-	-	-	-	*
Net Investment Income	761,423	(320,342)	275,733	1,399,340	(233,728)	115,638	368,901	341,395	7,049	*
Benefit Payments, Including Refunds	(283,122)	(270,292)	(245,931)	(223,328)	(221,858)	(207,160)	(191,278)	(193,610)	(206,436)	*
Administrative Expense	(14,368)	(15,417)	(14,591)	(13,883)	(14,868)	(13,859)	(15,910)	(14,106)	(9,982)	*
Other	-	-	-	-	-	-	-	-	-	*
Net Change in Plan Net Position	759,574	(309,379)	309,890	1,449,841	(227,703)	35,030	260,763	228,309	(127,137)	*
Plan Net Position - Beginning	4,518,168	4,827,547	4,517,657	3,067,816	3,295,519	3,260,489	2,999,726	2,771,417	2,898,554	*
Plan Net Position - Ending	$ 5,277,742	$4,518,168	$4,827,547	$4,517,657	$3,067,816	$3,295,519	$3,260,489	$ 2,999,726	$2,771,417	*
Net Pension Liability - Ending	$ 1,766,111	$1,712,324	$ 865,586	$ 949,183	$2,062,961	$1,484,323	$ 992,790	$ 291,728	$ 472,939	*
Total Pension Liability	$ 7,043,853	$6,230,492	$5,693,133	$5,466,840	$5,130,777	$4,779,842	$4,253,279	$ 3,291,454	$3,244,356	*
Plan Net Position	5,277,742	4,518,168	4,827,547	4,517,657	3,067,816	3,295,519	3,260,489	2,999,726	2,771,417	*
Net Pension Liability	$ 1,766,111	$1,712,324	$ 865,586	$ 949,183	$2,062,961	$1,484,323	$ 992,790	$ 291,728	$ 472,939	*
Ratio of Plan Net Position to Total Pension Liability	74.93%	72.52%	84.80%	82.64%	59.79%	68.95%	76.66%	91.14%	85.42%	*
Covered Payroll	$ 3,662,592	$3,090,359	$2,743,054	$2,792,888	$2,686,793	$2,478,845	$2,151,129	$ 1,894,086	$1,674,402	*
Net Pension Liability as a Percentage of Covered Payroll	48.22%	55.41%	33.99%	76.78%	59.88%	46.15%	15.40%	28.25%	20.12%	*

CITY OF ADAIRSVILLE, GEORGIA
Required Supplementary Information
Schedule of Contributions - Pension Plan
For the Previous Ten Fiscal Periods

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 327,772	$ 283,264	$ 301,141	$ 292,525	$ 286,108	$ 228,298	$ 111,115	$ 92,095	$ 95,475	$ 77,817
Contributions in Relation to the Actuarially Determined Contribution	327,772	283,264	301,141	292,525	286,108	228,298	111,115	92,095	95,475	77,817
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,090,359	$ 2,792,888	$ 2,686,793	$ 2,478,845	$ 2,151,129	$ 1,894,086	$ 1,674,402	$ 1,506,371	$ 1,160,323	931,931
Contributions As a Percentage of Covered Payroll	10.61%	10.14%	10.89%	11.54%	10.61%	5.87%	5.50%	6.34%	6.71%	8.70%

Notes to the Schedule of Contributions:

Valuation Date: The actuarially determined contribution rate was determined July 1, 2023 with an interest rate adjustment to the fiscal year.

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	Net effective amortization of 19 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 the end of the year. The actuarial value is adjusted, if necessary to be within 20% of market value.
Cost of Living Adjustments	2.75% for participants employed or taking office prior to May 1, 2018 2.75% for participants employed or taking office or non-vested participants reemployed on or after May 1, 2018
Salary Increases	2.75% plus service based merit increases
Investment Rate of Return	7.375% net pension plan investment expense, including inflation
Retirement Age	Officials Early 65, Full 70; Employees Early 55, Full 70
Mortality	The RP-2000 mortality tables were determined to contain sufficient provision appropriate to reasonably reflect future mortality improvement, based on a four-year review of mortality experience for the period January 1, 2010 to June 30, 2014. Mortality experience will be reviewed periodically and updated if necessary.
Other Information	The investment return and inflation assumptions used in the July 1, 2023 valuation were approved by the Board in December 2017 based on the results of an actuarial study conducted by Segal in September 2019. The mortality and other actuarial assumptions used in July 1, 2023 valuation were approved by the Board in December 2014 based on the resultes of an actuarial experience study for the period January 1, 2010, through June 30, 2014 conducted by Segal Consulting.

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COMBINING AND INDIVIDUAL FUNDS

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CITY OF ADAIRSVILLE, GEORGIA

Schedule of Revenues, Expenditures, and Change in Fund Balance
2020 SPLOST Capital Projects Fund Budget and Actual
From Inception and For the Year Ended December 31, 2024

	Acutal			
	Prior Years	Current Year	Total to Date	Project Authorization
Revenues				
Intergovernmental	$ 4,479,940	$ 1,301,339	$ 5,781,279	$ 5,846,000
Interest Income	3,872	27,399	31,271	-
Total Revenues	4,483,812	1,328,738	5,812,550	5,846,000
Expenditures				
Current:				
Police	56,272	24,067	80,339	-
Streets and Roads	57,375	53,981	111,356	111,356
Culture and Recreation	7,436	26,775	34,211	34,211
Water and Sewer	30,730	-	30,730	30,730
Capital Outlays:				
Police	262,495	257,895	520,390	250,000
Streets and Roads	807,487	-	807,487	2,119,644
Culture and Recreation	502,586	579,028	1,081,614	1,830,789
Water and Sewer	1,050,182	898,117	1,948,299	1,469,270
Total Expenditures	2,774,563	1,839,863	4,614,426	5,846,000
Excess of Revenues Over Expenditures	1,709,249	(511,125)	1,198,124	-
Net Change in Fund Balance	$ 1,709,249	(511,125)	$ 1,198,124	$ -
Fund Balance - Beginning of Year		1,709,249		
Fund Balance - End of Year		$ 1,198,124		

CITY OF ADAIRSVILLE, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds		
	Confiscated Assets	Hotel/Motel Tax	Total Nonmajor Governmental Funds
Assets			
Cash	$ 30,543	$ 50,398	$ 80,941
Receivables, Net			
Taxes	-	22,618	22,618
Total Assets	30,543	73,016	103,559
Liabilities			
Accounts Payable	2,098	11,713	13,811
Due to Other Funds	-	7,738	7,738
Total Liabilities	2,098	19,451	21,549
Fund Balances			
Restricted For:			
Law Enforcement Activities	28,445	-	28,445
Tourism Promotion	-	53,565	53,565
Total Fund Balances	28,445	53,565	82,010
Total Liabilities and Fund Balances	$ 30,543	$ 73,016	$ 103,559

CITY OF ADAIRSVILLE, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds		
	Confiscated Assets	Hotel/Motel Tax	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ -	$ 346,703	$ 346,703
Fines and Forfeitures	3,748	-	3,748
Interest Income	12	-	12
Total Revenues	3,760	346,703	350,463
Expenditures			
Current:			
Administration	-	209,272	209,272
Police	954	-	954
Total Expenditures	954	209,272	210,226
Excess of Revenues Over Expenditures	2,806	137,431	140,237
Other Financing Sources (Uses)			
Transfers - Out	-	(130,016)	(130,016)
Total Other Financing Sources (Uses)	-	(130,016)	(130,016)
Net Change in Fund Balances	2,806	7,415	10,221
Fund Balance - Beginning of Year	25,639	46,150	71,789
Fund Balance - End of Year	$ 28,445	$ 53,565	$ 82,010

CITY OF ADAIRSVILLE, GEORGIA

Schedule of Revenues, Expenditures, and Change in Fund Balance
Confiscated Asset Special Revenue Fund - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ -	$ 5,000	$ 3,748	$ (1,252)
Interest Income	-	-	12	12
Total Revenues	-	5,000	3,760	(1,240)
Expenditures				
Current:				
Police	-	5,000	954	4,046
Total Expenditures	-	5,000	954	4,046
Excess of Revenues Over Expenditures	-	-	2,806	2,806
Net Change in Fund Balance	$ -	$ -	2,806	$ 2,806
Fund Balance - Beginning of Year			25,639	
Fund Balance - End of Year			$ 28,445	

CITY OF ADAIRSVILLE, GEORGIA

Schedule of Revenues, Expenditures, and Change In Fund Balance
Hotel/Motel Tax Special Revenue Fund - Budget and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes	$ 400,000	$ 400,000	$ 346,703	$ (53,297)
Total Revenues	400,000	400,000	346,703	(53,297)
Expenditures				
Current:				
Administration	250,000	250,000	209,272	40,728
Total Expenditures	250,000	250,000	209,272	40,728
Excess of Revenues Over Expenditures	150,000	150,000	137,431	(12,569)
Other Financing Sources (Uses)				
Transfers - Out	(150,000)	(150,000)	(130,016)	19,984
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(130,016)	19,984
Net Change in Fund Balance	$ -	$ -	7,415	$ 7,415
Fund Balance - Beginning of Year			46,150	
Fund Balance - End of Year			$ 53,565	

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COMPLIANCE SECTION

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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN HATCH

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*

To the Honorable Mayor and Council
City of Adairsville, Georgia

We have audited, in accordance with the 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 unit, each major fund, and the aggregate remaining fund information of the City of Adairsville, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise City of Adairsville, Georgia's basic financial statements and have issued our report thereon dated June 20, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Adairsville, Georgia's internal control over financial reporting (internal control) to determine the 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 Adairsville, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Adairsville, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Adairsville, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Williamson and Company
Certified Public Accountants
June 20, 2025

CITY OF ADAIRSVILLE, GEORGIA

Schedule of Special Purpose Local Option Sales Tax Expenditures

Year Ended December 31, 2024

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST IV (2020-2025)					
Public Safety Facilities Projects					
Public Safety Facilities Projects	$ 250,000	$ 250,000	$ 318,767	$ 281,962	$ 600,729
Water and Wastewater Improvements					
Repair and Replacement of Distribution and Collection Infrastructure	1,500,000	1,500,000	1,080,912	898,117	1,979,029
Recreational and Cultural Facilities Projects					
Recreational and Cultural Facilities Projects	1,865,000	1,865,000	510,023	605,803	1,115,826
Roads, Streets and Stormwater Projects					
Roads, Streets, Bridges, Sidewalks, Bicycle Paths, and Stormwater Projects	2,231,000	2,231,000	864,862	53,981	918,843
Total for SPLOST IV Projects	$ 5,846,000	$ 5,846,000	$ 2,774,564	$ 1,839,863	$ 4,614,427

This schedule is presented on the modified accrual basis of accounting.