

Est 1834

CANTON

GEORGIA

Annual Comprehensive Financial Report

Fiscal Year October 1, 2023 -September 30, 2024

Prepared by: City of Canton Finance Department

CITY OF CANTON, GEORGIA

Annual Comprehensive Financial Report

For the fiscal year ended
September 30, 2024

Submitted By:
Finance Department
Nathan Ingram, CPA
Assistant City Manager

This page intentionally left blank.

CITY OF CANTON, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended September 30, 2024

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
City Officials	vii
Organization Chart	viii
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13-14
Statement of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	16-17
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19-20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
Statement of Net Position	22
Statement of Revenues, Expenses and Changes in Net Position	23
Statement of Cash Flows	24
Fiduciary Funds:	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Component Units:	
Combining Statement of Net Position	27
Combining Statement of Activities	28
Notes to the Financial Statements	29-67
Required Supplementary Information:	
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual	68-69
American Rescue Plan Act of 2021 Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual	70
Impact Fees Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual	71
Schedule of Changes in the Net Pension Liability and Related Ratios	72
Schedule of Contributions	73
Notes to the Required Supplementary Information	74-75
Supplementary Information:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	77
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Hotel/Motel Tax Fund	78
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Rental Car Tax Fund	79

CITY OF CANTON, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the fiscal year ended September 30, 2024

TABLE OF CONTENTS

	PAGE
Combining and Individual Fund Statements and Schedules, continued:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Tax Allocation District Fund	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Confiscated Assets Fund	81
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Road & Sidewalk Fund	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP) and Actual - Canton Building Authority	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual - SPLOST VII Fund	84
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual - SPLOST VIII Fund	85
Schedule of Projects Financed with Special Purpose Local Option Sales Tax	86
Balance Sheet - Canton Tourism - Component Unit	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP) and Actual - Canton Tourism - Component Unit	88
STATISTICAL SECTION	
Net Position by Component	89
Changes in Net Position	90-91
Fund Balances of Governmental Funds	92
Changes in Fund Balances of Governmental Funds	93-94
Assessed Value and Estimated Actual Value - All Taxable Property	95
Property Tax Rates - Direct and Overlapping	96
Principal Taxpayers	97
Property Tax Levies and Collections	98
Ten Largest Water & Wastewater System Customers	99
Current Water & Wastewater Service Rates	100
Water & Wastewater System Demand and Discharge	101
Water & Wastewater System Connections	102
Ratios of Outstanding Debt by Type	103
Direct and Overlapping Governmental Activities Debt	104
Legal Debt Margin	105
Water & Sewer Fund Historical Debt Service Coverage Ratios	106
Demographic and Economic Information	107
Principal Employers	108
Full-time Equivalent City Government Employees by Function / Program	109
Operating Indicators by Function / Program	110
Capital Asset Statistics by Function / Program	111
OTHER REPORTING SECTION	
Single Audit Section	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Audit Standards*	112-113
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance	114-116
Schedule of Expenditures of Federal Awards	117
Notes to the Schedule of Expenditures of Federal Awards	118
Schedule of Findings and Questioned Costs	119-120

Est 1834
CANTON
GEORGIA

March 31, 2025

Honorable Mayor, City Council and Citizens of Canton, Georgia:

We are pleased to submit to you the fiscal year 2024 Annual Comprehensive Financial Report for the City of Canton, Georgia (the City) in accordance with municipal code and Georgia law on local government audits.

This document represents management's report to its governing body, constituents, legislative and oversight bodies, and creditors. Copies of this report will be sent to elected officials, management personnel, bond rating agencies, the Electronic Municipal Market Access system, and other agencies that have expressed an interest in the City's financial matters. A copy of this financial report will also be available on the City's website for use by the general public.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. The City has established and maintains a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements. We believe the data, as presented in this report, is accurate in all material respects, and is presented in a manner which fairly sets forth the financial position and results of operations of the City on both a city-wide and fund basis. Furthermore, we believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity and financial stability have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

Rushton & Company, LLC, Gainesville, Georgia, a licensed firm of certified public accountants, has audited the City of Canton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Canton for the fiscal year ended September 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Canton's financial statements for the fiscal year ended September 30, 2024, are fairly presented, in all material respects, and are in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Canton was incorporated in 1834 along the Etowah River at the foothills of the Blue Ridge mountains. It was named after the Chinese city of Canton because citizens hoped the Georgia town would also become known for its silk production. Early residents of Canton planted mulberry trees and brought silkworms to the area thinking the climate would sustain them. While silk production was not successful, Canton quickly became a top cotton producer. The City was known nationwide for its denim, which fueled the local economy through the 1980s. New industries have since taken over and Canton is now the county seat of Cherokee County.

The City encompasses approximately 14 square miles and is located thirty-five miles north of Atlanta at the intersections of Interstate 575 and Highways 5, 20, and 140. The estimated current population is approximately 37,000. The City is governed by a Mayor and six Council Members, who are elected to serve four-year terms. The City Manager is appointed by the City Council and serves as the chief administrative officer of the City, responsible for the daily operations of all City departments.

The City provides a full range of municipal services, including police protection, water and sewer services, construction and maintenance of streets, recreational and cultural events, planning and zoning services, and general administrative services. Canton offers community facilities including a swimming pool, nine parks, and miles of walking trails. To provide a greater range of services, the City has partnered with Cherokee County and non-profit organizations to provide various community activities that otherwise would not be cost-effective to operate as a City function. Some partner-operated functions include fire services, library services, community center and golf course operations, destination marketing, and sanitation services.

The City, in conjunction with its component units, is striving to improve the lives of its residents through the creation of new parks and recreational venues, investments in public safety and community outreach, and upgrades to water and sewer infrastructure. The Mayor and City Council are proactive in planning for the future and initiating plans to meet the evolving needs of the community.

Financial Controls

Internal Controls

As previously noted, management of the City of Canton is responsible for establishing and maintaining a system of internal control. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding a) the safety of assets against loss from unauthorized use or disposition; and b) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: a) the cost of a control should not exceed the benefits likely to be derived; and b) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the General Fund, Canton Building Authority, Hotel/Motel Tax Fund, Rental Car Tax Fund, Confiscated Assets Fund, Impact Fee Fund,

SPLOST Fund, Road & Sidewalk Fund, Water and Sewer Fund, Stormwater Fund, Sanitation Fund and Municipal Court Fund are included in the annual appropriated budget. The official level of budgetary control (that is, the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a fund may be authorized by the City Manager to meet unforeseen needs, as long as the total budgeted amounts do not exceed these appropriations by fund. The City's accounting policies, together with such procedures for discretely presented component units, are more fully explained in the accompanying notes to the financial statements.

Local Economic Condition

The City has experienced a significant amount of growth in the past 20 years, and now, Canton's full potential is beginning to unfold. Canton has maintained a 5.4 millage rate on property taxes for the last seven years and has continued to see revenues surpass budgeted estimates because of new development and price appreciation. Revenues from the City's water and sewer system sufficiently support current operations while increasing reserves needed for future capital improvements.

Per the Atlanta Regional Commission, the population growth of the City of Canton has been as follows:

Year	Population	% of County
1960	2,411	11.6
1970	3,654	11.8
1980	3,589	6.9
1990	4,817	5.3
2000	7,709	5.4
2010	22,958	10.7
2020	30,528	11.0

The City's population increase is a result of its proximity to the Atlanta metropolitan area, low tax rates, modern infrastructure, and exceptional educational systems.

Private Development

Canton's retail, restaurant, and industrial outlets have expanded since The Great Recession, as has construction of single-family and multi-family residential units. As evidence of the area's progress and population boom, Northside Hospital-Cherokee constructed a new, larger facility in 2017 to replace Canton's former hospital, adding two more floors in 2019. The hospital completed the expansion of the existing bed tower and is working to add an additional parking deck, secondary entrance, and additional medical office buildings to the site in the next two years. Additionally, plans are underway for a second bed tower to start construction this decade.

Looking Forward

Long-Term Financial Planning

The City of Canton is well positioned for future economic success. The City's diverse revenue base, in conjunction with one of the lowest effective millage rates in Cherokee County, provides Canton with the ability to weather changes and actively engage in multi-year financial planning. The City is

committed to keeping taxes low and making public investments in services and infrastructure moving forward.

The City maintains a five-year capital improvement plan to account for future capital acquisitions and capital asset replacements. Long range plans for business-type and governmental activities are included in this process.

Financial Policies

The Finance Department administers financial policies focused on long-term financial health while respecting the current interests of Canton's residents, customers, and stakeholders. These policies address fund balances, the use of one-time revenues, issuance of debt, purchasing and procurement, cash and investment management, and accounting practices. These policies, along with City leadership and coordinated multi-department efforts, support basic government services and programs to address emerging issues.

Major Initiatives

Hickory Log Creek Raw Water Reservoir

The Hickory Log Creek Reservoir is a jointly owned project between the City of Canton and the Cobb County-Marietta Water Authority (CCMWA). CCMWA operates and manages the project, but the costs and water supply generated by the project are split 75% (CCMWA)/ 25% (Canton). The project includes a reservoir and dam, an intake and pumping station on the Etowah River, and a 42-inch pipeline connecting the river and the reservoir. The Hickory Log Creek Reservoir supplements Canton's water supply from the Etowah River and CCMWA's supply further downstream from Allatoona Lake. At 180 feet high, the Hickory Log Creek Dam is the highest dam in Georgia not constructed by the U.S. Army Corps of Engineers or Georgia Power Company. The reservoir has a total storage capacity of almost six billion gallons, covers approximately 411 acres at full pool, and provides approximately 15 miles of shoreline. Most of the reservoir is surrounded by a 150-foot protective buffer. The reservoir is located within City limits, and a public access area near the intersection of Bluffs Parkway and Fate Conn Road provides recreational opportunities for visitors.

Wastewater Treatment Plant

In 2017, the City began a comprehensive water and sewer master plan to project demands on Canton's water and sewer system through 2040. Reports indicate the permitted discharge of 4.0 MGD may be exceeded around 2025. Consequently, the City engaged design engineering services to expand the current plant from 4.0 MGD to 7.0 MGD. In January 2021, Moody's issued an Aa2 rating for the City of Canton and S&P Global Ratings assigned an AA- bond rating for the water and wastewater systems. These positive ratings preceded a competitive bid for bonds to fund construction of expansion. The City issued bonds totaling $62,925,000 with total proceeds amounting to $67,157,437 in February 2021. Construction of these improvements began in March 2021 and should be completed in 2025.

Road and Street Infrastructure

Over the last decade, the City of Canton has launched the most aggressive paving and street rehabilitation improvements program in recent history. The City has utilized Local Maintenance and Improvement Grants (LMIG) from the State, along with sales taxes collected locally, to make road

maintenance a top priority. The City will continue this philosophy moving forward in hopes to maintain road and street infrastructure to the highest standards. The City completed a Transportation Master Plan in 2024 which will inform major transportation projects moving forward.

Recreational Facilities

In recent years, the City of Canton has acquired additional parkland and completed many improvements to the recreational and cultural facilities it provides for its citizens. Etowah River Park, providing 58 acres of passive recreational use, was opened in 2015. Since this time, the City of Canton has connected the Etowah River Park trail system with that of the existing Heritage Park trail system. Construction is currently underway to complete a recreational trail system that spans East to West from Etowah River Park, through Heritage Park, and connecting to Boling Park and the Downtown area. We expect this trail to be completed in 2026. The City has recently started the design process on Canton's newest City-park. This park is located in South Canton, and will include large and small dog parks, walking trails, all-inclusive playgrounds, a stage pavilion and much more. The City completed a Parks and Recreation Master Plan in 2024 which will inform future recreational planning and implementation moving forward.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canton for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the 24th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this annual comprehensive financial report is possible because of the dedicated services of the Finance Department and the cooperation of all City departments. We would like to express our appreciation to everyone who assisted and contributed to this effort. We also wish to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

William "Billy" Peppers
City Manager

Nathan Ingram, CPA
Assistant City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Canton
Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

CANTON | Principal Officials



Bill Grant
Mayor
470.219.2558
bill.grant@cantonga.gov



Shawn Tolan
Mayor Pro-Tem, Ward 2
770.845.3829
shawn.tolan@cantonga.gov



Travis Johnson
Ward 1
770.704.1500
travis.johnson@cantonga.gov



Sandy McGrew
Ward 1
470.219.2592
sandy.mcgrew@cantonga.gov



Bryan Roach
Ward 2
770.704.1500
br yan.roach@cantonga.gov



Dwayne Waterman
Ward 3
770.704.1500
dwayne.waterman@cantonga.gov



Farris Yawn
Ward 3
770.704.1500
farris.yawn@cantonga.gov



Billy Peppers
City Manager
770.704.1500
billy.peppers@cantonga.gov



Nathan Ingram
Assistant City Manager
770.704.1500
nathan.ingram@cantonga.gov

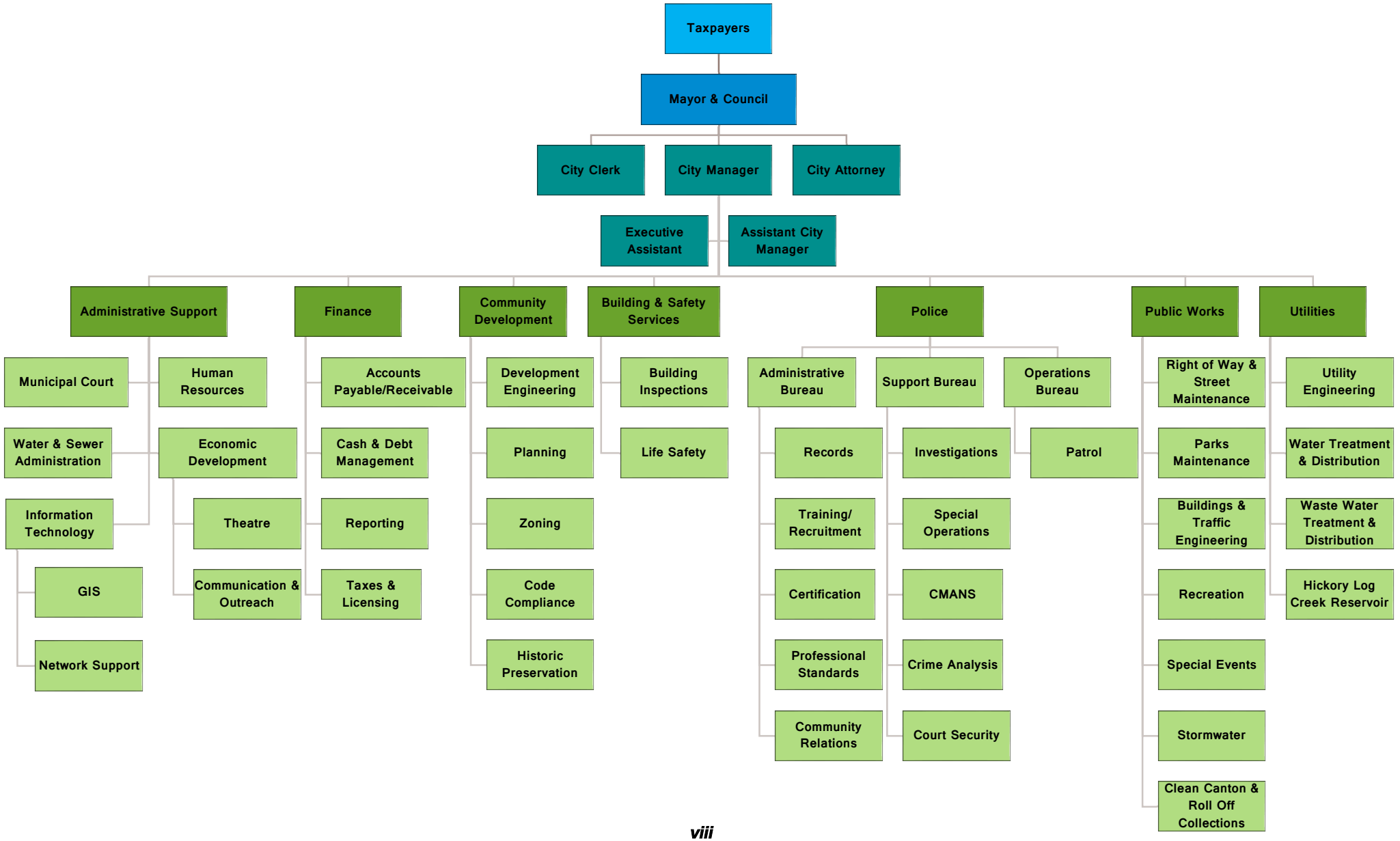


Annie Fortner
City Clerk
770.704.1507
annie.fortner@cantonga.gov



Bobby Dyer
City Attorney
770.704.1500
rmd@dyruslaw.com

City of Canton
Organizational Chart
September 30, 2024



FINANCIAL SECTION

This page intentionally left blank.

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Canton, 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 information of the City of Canton, Georgia, as of and for the year ended September 30, 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 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 information of the City of Canton, Georgia, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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 Canton, Georgia and to meet our 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 opinion.

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 Canton, 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the 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 Canton, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Canton, 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 12 and 68 through 75, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 Canton, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the 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 basic financial statements.

The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the City of Canton, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Canton's internal control over financial reporting.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
March 31, 2025

CITY OF CANTON, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended September 30, 2024

Our discussion and analysis of the City of Canton, Georgia's financial performance provides a narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2024. Management's discussion and analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's combined net position improved by about $20.5 million (10%) to $225,979,072 from $205,440,229 in 2023.

Combined revenues in 2024 increased by approximately $8.9 million to $63.6 million from $54.7 million in 2023, of which governmental activities totaled $40.3 million and business-type activities totaled $23.3 million. This change was mainly a result from an increase in operating grants and contributions, and charges for service. Most other revenue categories either remained fairly consistent or saw a marginal increase from those of 2023.

Overall expenses increased by about $2.3 million (5.7%), from $40.6 million in 2023 to $43 million, of which governmental activities increased by approximately $2.2 million while business-type expenses increased by $140 thousand. The overall increase was due predominantly from increases in General Government expenses and Public Safety expenses as a result of the City approaching full staff during the year and the increase in payments for fire services. Most other categories of expenses remained fairly consistent or saw a decrease from those of 2023.

As of September 30, 2024, the City’s governmental funds reported combined ending fund balances of $28,543,414. Of this amount, $3.7 million is nonspendable due to notes receivable and/or prepaid expenditures, approximately $9 million is restricted for identified governmental functions, $2,403,744 is assigned for use in the 2025 fiscal year operations of the General Fund, $421,816 is assigned for Tourism and $12.8 million is unassigned. The total governmental fund balance represents an increase of 8.2% from that of 2023, mainly due to increased intergovernmental revenues and SPLOST revenues, both outpacing expenditures in the current year. Overall, total revenues increased more than expenditures, and the City finished the fiscal year with a total increase in fund balance in the governmental funds of $2,260,351.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Canton's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements (beginning on page 13)**.** The government-wide financial statements provide a broad overview of the City's operations, in a manner similar to that of private-sector businesses. The statements include:

The Statement of Net Position presents the City's assets, liabilities and deferred outflows and inflows, with the differences reported as net position. Over time, the change in net position may serve as an indicator of the improvement (an increase) or deterioration (a decrease) in the City's financial condition.

The Statement of Activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused accrued vacation leave).

Both of the government-wide financial statements identify the various functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and development. Business-type activities include the water and sanitary sewer system, stormwater system, and sanitation services.

The government-wide financial statements include not only the City of Canton, Georgia itself (known as the primary government), but also legally separate component units (Canton Downtown Development Authority, Canton Main Street Program, and Canton Tourism, Inc.) for which the City is financially accountable. Financial information for the component units is reported separately from financial information presented for the primary government itself. Further discussion can be found in the notes to the financial statements Note 1A.

Fund financial statements (beginning on page 16)**.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary (agency) funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains three governmental fund types: the General Fund, Special Revenue Funds, and Capital Projects Funds. Only six individual funds are considered to be major funds – the General Fund, the American Rescue Plan Act of 2021 Fund, the Canton Building Authority Fund, Impact Fees Fund, the SPLOST VII Fund, and the SPLOST VIII Fund. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds (beginning on page 22). The City maintains three proprietary funds. Proprietary funds are used to account for activities that operate similar to those of commercial enterprises found in the private sector. The City maintains a Water and Sewer Fund, Stormwater Fund, and Sanitation Fund. Proprietary funds provide the same type of information as the government-wide financial statements but in greater detail. The City reports all of its proprietary funds as major funds.

Fiduciary (custodial) funds (beginning on page 25). Custodial funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements (pages 29 - 67). The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information (beginning on page 68). In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's schedule of budgetary comparisons and schedules regarding the City's defined benefit pension plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, the change in net position may serve as an indicator of the improvement (an increase) or deterioration (a decrease) in the City's financial condition. The City's assets exceeded liabilities by $225,979,072 at the close of the fiscal year. The table below shows the split of net position between governmental and business-type activities.

CITY OF CANTON, GEORGIA
Statement of Net Position (condensed)
September 30, 2024 and 2023
($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current Assets	$ 43,246	$ 43,493	$ 41,475	$ 46,886	$ 84,721	$ 90,379
Capital Assets	99,530	89,717	147,367	132,564	246,897	222,281
Other Noncurrent Assets	3,509	625	-	-	3,509	625
Total Assets	146,285	133,835	188,842	179,450	335,127	313,285
Deferred Outflows of Resources	2,489	2,814	215	243	2,704	3,057
Current Liabilities	7,628	7,563	13,746	10,873	21,374	18,436
Noncurrent Liabilities	15,195	15,629	64,196	66,392	79,391	82,021
Total Liabilities	22,823	23,192	77,942	77,265	100,765	100,457
Deferred Inflows of Resources	11,087	10,440	-	5	11,087	10,445
Net Position:						
Net Investment in Capital Assets	85,668	76,607	92,631	86,944	178,299	163,551
Restricted	11,438	9,832	-	-	11,438	9,832
Unrestricted	17,758	16,578	18,484	15,479	36,242	32,057
Total Net Position	$ 114,864	$ 103,017	$ 111,115	$ 102,423	$ 225,979	$ 205,440

The City has $178,299,912 of its net position invested in capital assets (e.g. land, infrastructure, buildings, equipment, and other), less any related debt outstanding that was needed to build or acquire the assets. The City uses these assets to provide services to the citizens and the businesses in the City; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since those assets themselves will not be liquidated to retire the associated debt. The City has $11,437,411 of its net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how it can be used. The City has a balance of $36,241,749 in unrestricted net position.

As of September 30, 2024, the City of Canton is able to present positive balances in all net position categories for the governmental and business-type activities.

For the fiscal year ending September 30, 2024, the City's net position increased by about $20.5 million.

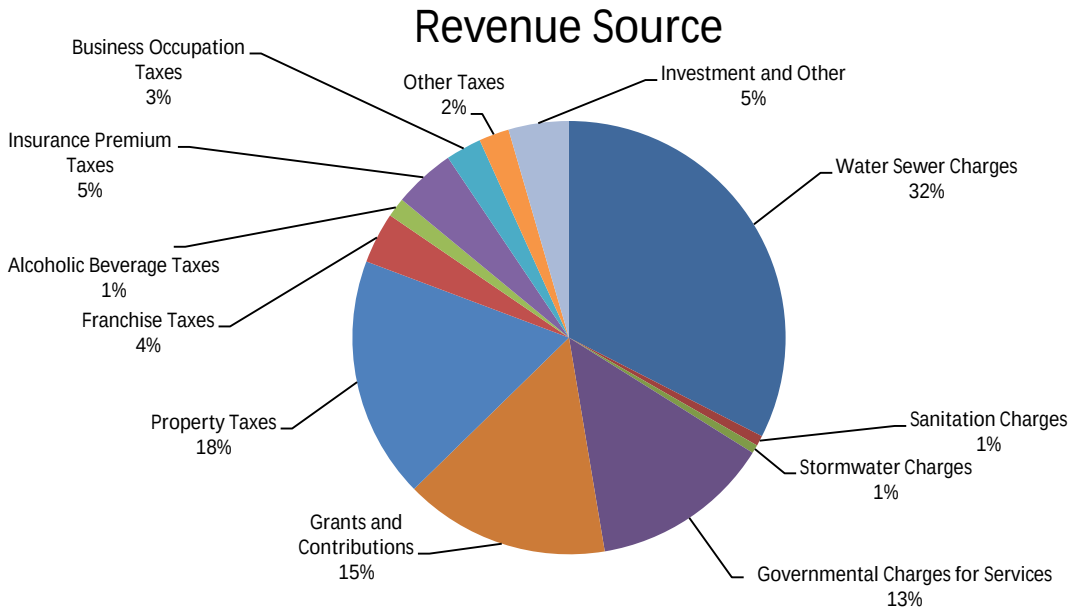
Statement of Activities (condensed)
For the fiscal years ending September 30, 2024 and 2023

($ in thousands)

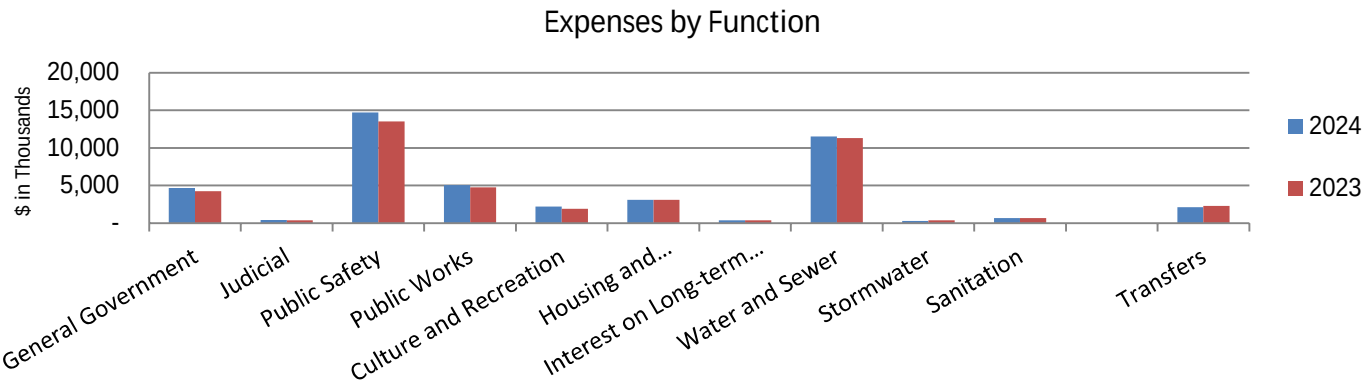
	Governmental Activities		Business-type Activities		Total Government	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
REVENUES						
Program Revenues						
Charges for Services	$ 8,556	$ 4,371	$ 21,565	$ 20,256	$ 30,121	$ 24,627
Operating Grants and Contributions	1,783	43	-	-	1,783	43
Capital Grants and Contributions	7,951	7,460	-	-	7,951	7,460
General Revenues						
Property Taxes	11,479	10,029	-	-	11,479	10,029
Franchise Taxes	2,426	2,564	-	-	2,426	2,564
Alcoholic Beverage Taxes	907	920	-	-	907	920
Insurance Premium Taxes	2,925	2,833	-	-	2,925	2,833
Business Occupation Taxes	1,692	1,824	-	-	1,692	1,824
Other Taxes	1,428	1,346	-	-	1,428	1,346
Investment Earnings	935	659	1,686	1,784	2,621	2,443
Other Revenues	252	590	-	14	252	604
Total Revenues	40,334	32,639	23,251	22,054	63,585	54,693
EXPENSES						
General Government	4,653	4,237	-	-	4,653	4,237
Judicial	391	386	-	-	391	386
Public Safety	14,730	13,527	-	-	14,730	13,527
Public Works	5,060	4,760	-	-	5,060	4,760
Culture and Recreation	2,187	1,915	-	-	2,187	1,915
Housing and Development	3,105	3,094	-	-	3,105	3,094
Interest on Long-term Debt	368	380	-	-	368	380
Water and Sewer	-	-	11,520	11,318	11,520	11,318
Stormwater	-	-	294	357	294	357
Sanitation	-	-	649	649	649	649
Total Expenses	30,494	28,299	12,463	12,324	42,957	40,623
Increase (Decrease) in Net Position before Transfers	9,840	4,340	10,788	9,730	20,628	14,070
Transfers	2,096	2,299	(2,096)	(2,299)	-	-
Change in Net Position	11,936	6,639	8,692	7,431	20,628	14,070
Net Position, Beginning (original)	103,017	96,378	102,423	94,992	205,440	191,370
Correction of an Error	(89)	-	-	-	(89)	-
Net Position, Beginning (restated)	102,928	96,378	102,423	94,992	205,351	191,370
Net Position, Ending	$ 114,864	$ 103,017	$ 111,115	$ 102,423	$ 225,979	$ 205,440

The total change in net position reflects an increase of over $20.6 million. The governmental activities reported an increase of over $11.9 million and the business-type activities reported an increase of almost $8.7 million.

Water and sewer charges experienced a slight increase from that of 2023. Stormwater charges increased approximately 8% due to an increase in the number of developed parcels. Property tax revenues showed an increase of approximately $1.45 million due to economic growth and increased property values. Operating grants and contributions increased substantially by approximately $1.7 million, as the City recognized the American Rescue Plan Act receipts as revenue in the current year. Franchise taxes decreased by about $138 thousand, due mainly to a decrease in telecommunication franchise fees. Business and ocupational taxes also decreased by about $132 thousand due to an increase in enforcement and audit in the 2023 Fiscal Year.



Government-wide expenses increased by more than $2.3 million (5.4%) between 2023 and 2024. General Government expenses increased approximately $400 thousand (9.8%) due to the City being fully staffed during 2024. Public Safety expenses increased by approximately $1.2 million (8.9%), while Public Works expenses saw an increase of approximately $300,000 (6.3%), both due mostly to personnel expenses and an increase in costs associated with special events. Culture and Recreation expenses increased by approximately $272,000 (14.2%) mainly due to the purchase of mowing equipment. Housing and Development expenses increased only slightly by approximately $12,000 (<1%) due mostly to personnel expenses. Water & Sewer expenses increased by approximately $200,000 thousand (1.8%) due to increases in costs of sales and services. Sanitation costs remained virtuallyunchanged at approximately $650,000, while the Stormwater expenses decreased by $63,000 (17.6%). Interest on long-term debt showed a slight decrease of approximately $13,000 (3.4%).



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows and outflows of spendable resources. Such information is useful in evaluating a government's near-term financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2024, the City's governmental funds reported combined ending fund balances of $28,543,414. Of this amount, $12,845,742 is unassigned.

Major Governmental Funds

The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $14,406,879. In 2023, the General Fund had an unassigned fund balance of $15,965,518. The decrease is due primarily to assigning a portion of the fund balance to the subsequent year's budget. Expenditures increased by $3,666,808, due mostly to an increase in public safety expenditures.

The American Rescue Plan Act of 2021 is a special revenue fund of the City. This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund. The fund did not report a fund balance at the end of the current fiscal year. The City recognized revenues and transfers out totaling $1,134,822 during the current fiscal year.

The Canton Building Authority is a blended component unit classified as a capital projects fund of the City. The Canton Building Authority was formed by act of the Georgia General Assembly to construct and finance major capital projects within the City of Canton. At the end of the current fiscal year, the fund balance of the Canton Building Authority was $0. See Note 9 for additional information on the City's long-term debt.

The Impact Fee Fund is a capital project fund for the City. The fund was established to collect and manage fees paid by developers. These impact fees are held and used for specific infrastructure projects related to new development, ensuring that growth pays for its own infrastructure needs. At the end of the current fiscal year, the fund balance of the Impact Fees Fund was $5,111,758, all of which is restricted for capital outlay. The increase of $2,126,622 in fund balance from the previous year was due to a few large developments starting within the City and for revenues outpacing budgeted expenditures.

The SPLOST VII Fund is a capital project fund of the City. The purpose of the fund is to account for the collection of special purpose local option sales tax (SPLOST) and the construction of approved capital projects and the associated retirement of debt. The fund started collecting sales tax in July 2018. At the end of the current fiscal year, the fund balance of the SPLOST VII Fund was $2,622,643. This is a significant decrease from the previous fiscal year's fund balance of $4,540,038. This decrease is largely attributable to the fact that the fund ceased collecting sales tax in June 2024, while projects continued.

The SPLOST VIII Fund is a capital project fund of the City. The purpose of the fund is to account for the collection of special purpose local option sales tax (SPLOST) and the construction of approved capital projects and the associated retirement of debt. The fund started collecting sales tax in July 2024. At the end of the current fiscal year, the fund reported a deficit fund balance of $1,561,137. This was due to a loan from other funds to kickstart projects during the current year.

Nonmajor Governmental Funds

Special Revenue Funds are used to account for the City's collection and disbursement of specific revenues that are legally restricted for specified purposes. The City has four nonmajor special revenue funds: the Hotel/Motel Tax Fund, the Rental Car Tax Fund, the Tax Allocation District Fund, and the Confiscated Assets Fund.

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities that are not financed by proprietary funds. The City has one nonmajor capital projects funds: the Road and Sidewalk Fund.

Nonmajor governmental fund revenues totaled $1,525,363 for the fiscal year ending September 30, 2024; a decrease of 46%. Hotel/Motel Taxes increased by more than $40,000 (4.6%), Rental Car Taxes increased by almost $15,000 (9.3%) and the Tax Allocation District Fund saw an increase of more than $76,000 (113%). Nonmajor governmental fund expenditures totaled $616,429; a significant decrease from that of fiscal year 2023. The signifcant change in both revenues and expenditures was primarily due to the Impact Fee Fund being recognized as a major fund and no longer being reported in the Combining Statement for Nonmajor Governmental Funds. Fund balance for all nonmajor governmental funds was $1,725,835; a decrease of $2,326,707 from that of fiscal year 2023, again primarily due to the change in reporting entity from the Impact Fees Fund.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has three enterprise funds, all three of which the City reports as major: the Water and Sewer Fund, the Sanitation Fund, and the Stormwater Fund.

The Water and Sewer Fund has a net position of $108,426,920, an increase of $8,472,678. The net investment in capital assets is $90,459,079, leaving an unrestricted net position of $17,967,841. The Water and Sewer fund reported total transfers out to governmental funds of $2,359,706, primarily for debt service.

The Sanitation Fund reported an increase in its net position. The reported total net position of $399,173 was an increase of $112,915 from that of the prior fiscal year end. The net investment in capital assets is $393,294, resulting in an unrestricted net position of $5,879.

The Stormwater Fund has a net position of $2,289,206, an increase of $106,150 from that of the prior fiscal year. The net investment in capital assets is $1,779,209, leaving an unrestricted net position of $509,997.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's comparison of actual revenues and expenditures to the adopted budget can be found on pages 68 and 69 of the annual report. Actual revenues exceeded the budget by more than $2.5 million while actual expenditures were approximately $400 thousand less than budgeted amounts.

The City made various amendments to the budget of the General Fund between the original budget and final budget during the current fiscal year. Budgeted total revenues decreased by more than $144,000 and budgeted expenditures in total increased more than $2,327,400, with the largest change being an increase in the Police Department expenditures of $1,070,000 for the lease of vehicles. The remaining amendments were to various City functions including but not limited to, Administration, Parks and Recreation, Streets, the City Clerk's Office, and Building & Safety Services.

CAPITAL ASSETS

The table below represents capital assets, net of accumulated depreciation:

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Land	$ 23,792,001	$ 23,792,001	$ 6,173,879	$ 6,173,879	$ 29,965,880	$ 29,965,880
Construction in Progress	21,477,246	11,733,698	75,761,602	60,095,838	97,238,848	71,829,536
Site Improvements	-	-	18,861	10,388	18,861	10,388
Infrastructure	26,576,832	27,074,913	56,396,172	56,838,601	82,973,004	83,913,514
Buildings and Improvements	23,754,965	24,414,149	8,404,959	8,656,859	32,159,924	33,071,008
Furniture and Fixtures	39,086	94,341	-	-	39,086	94,341
Machinery and Equipment	782,287	742,456	611,952	788,241	1,394,239	1,530,697
Vehicles	159,767	263,533	-	-	159,767	263,533
Intangible right-to-use assets						
Software	161,247	221,712	-	-	161,247	221,712
Vehicles	2,786,029	1,380,764	-	-	2,786,029	1,380,764
Total	$ 99,529,460	$ 89,717,567	$ 147,367,425	$ 132,563,806	$ 246,896,885	$ 222,281,373

The City's investment in capital assets for its governmental activities increased in 2024 due to several large current year additions. Current year purchases include a complete renovation of the HVAC systems in both City Hall and the Public Safety Building, various street projects throughout the City, continued work on the park trail system, and the purchase of various vehicles and equipment. Within the business-type activities, the City saw an increase in its investment in capital assets, mainly due to the wastewater treatment plan expansion and other water and sewer projects in and around downtown Canton. Refer to Note 8 in the notes to the financial statements for more information.

LONG-TERM DEBT

The table below represents long-term debt outstanding:

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Bonds from direct placements	$ 1,802,303	$ 2,316,282	$ -	$ -	$ 1,802,303	$ 2,316,282
Governmental bonds	6,479,889	7,461,740	-	-	6,479,889	7,461,740
Revenue bonds	-	-	60,090,904	61,844,846	60,090,904	61,844,846
Notes from direct borrowings	73,382	110,074	5,500,796	5,886,384	5,574,178	5,996,458
Subscriptions payable	145,076	214,596	-	-	145,076	214,596
Leases payable	2,618,358	1,380,545	-	-	2,618,358	1,380,545
Total	$ 11,119,008	$ 11,483,237	$ 65,591,700	$ 67,731,230	$ 76,710,708	$ 79,214,467

At September 30, 2024, the City reported long-term debt of $76,710,708, exclusive of interest expense. The decrease from the prior fiscal year was due to scheduled debt service payments. The City has no general obligation debt at fiscal year end. Refer to Note 9 in the notes to financial statements for more information on long-term liabilities.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Mayor and Council in conjunction with the staff of the City of Canton have continued to aggressively address the current and future needs of the City by focusing on sound financial management, the use of current resources for capital expenditures and an extensive budgeting process. The City's General Fund budget for fiscal year 2025 is $27,807,115. This is an increase of approximately $2.3 million over the previous fiscal year.

The City's Water and Sewer Fund continued a conservative approach to manage expenses and posted a positive change in net position. The City's Water and Sewer Fund budget increased for fiscal year 2025 by approximately $2.3M to $40,930,543, as work continues on the new Water Pollution Control Plant and other infrastructure improvements.

Between 2017 and today Canton residents and visitors have watched as more than 500,000 square feet of historic buildings in the downtown district have been rehabilitated and repurposed. Downtown Canton's restaurant selection has grown considerably with a number of new restaurants opening. A new parking deck is currently being designed. The hospital and hotels continue to expand in the area. Hundreds of residential units are in the planning stage while new housing units are already underway along Marietta Road, within the old hospital site, as well as some infilling in existing neighborhoods. The new Cherokee High School is expected to be completed and opened in 2026. Canton is moving forward and welcomes you to join the ride.

FINANCIAL CONTACT

This financial report is designed to provide a general overview of the City of Canton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, City of Canton, 110 Academy Street, Canton, GA 30114. Please visit our website at www.cantonga.gov for additional information.

BASIC FINANCIAL STATEMENTS

CITY OF CANTON, GEORGIA
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 14,380,470	$ 15,394,111	$ 29,774,581	$ 1,054,427
Restricted cash and cash equivalents	-	19,535,236	19,535,236	-
Investments	4,321,566	2,867,982	7,189,548	-
Taxes receivable	13,151,399	-	13,151,399	-
Accounts receivable (net)	95,669	3,079,602	3,175,271	104,263
Due from other governments	10,880,526	489,657	11,370,183	96,830
Internal balances	33,143	(33,143)	-	-
Leases receivable	44,947	-	44,947	-
Notes receivable	25,000	-	25,000	-
Prepaid items	313,692	-	313,692	-
Inventory	-	141,456	141,456	-
Total current assets	43,246,412	41,474,901	84,721,313	1,255,520
Noncurrent assets				
Leases receivable	114,406	-	114,406	-
Notes receivable	3,395,000	-	3,395,000	-
Property held for resale	-	-	-	11,011,144
Capital assets				
Intangible right-to-use assets (net)	2,947,276	-	2,947,276	-
Nondepreciable capital assets	45,269,247	81,935,481	127,204,728	102,247
Depreciable capital assets (net)	51,312,937	65,431,944	116,744,881	288,950
Total noncurrent assets	103,038,866	147,367,425	250,406,291	11,402,341
Total assets	146,285,278	188,842,326	335,127,604	12,657,861
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	2,488,643	215,228	2,703,871	-
LIABILITIES				
Current liabilities				
Accounts payable	2,707,871	4,429,340	7,137,211	10,214,636
Retainage payable	443,131	5,207,316	5,650,447	-
Accrued liabilities	1,091,439	700,555	1,791,994	-
Compensated absences payable	268,226	9,991	278,217	-
Customer deposits payable	-	551,599	551,599	-
Claims and judgements payable	-	109,248	109,248	-
Unearned revenue	832,760	806,850	1,639,610	-
Leases payable	626,334	-	626,334	-
Subscriptions payable	71,513	-	71,513	-
Notes payable	36,691	385,826	422,517	-
Bonds payable	1,550,518	1,545,000	3,095,518	-
Total current liabilities	7,628,483	13,745,725	21,374,208	10,214,636
Noncurrent liabilities				
Compensated absences payable	195,770	2,452	198,222	-
Net pension liability	6,165,347	533,204	6,698,551	-
Leases payable	1,992,024	-	1,992,024	-
Subscriptions payable	73,563	-	73,563	-
Notes payable	36,691	5,114,970	5,151,661	-
Bonds payable	6,731,674	58,545,904	65,277,578	-
Total noncurrent liabilities	15,195,069	64,196,530	79,391,599	-
Total liabilities	22,823,552	77,942,255	100,765,807	10,214,636

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	$ 10,921,742	$ -	$ 10,921,742	$ -
Deferred inflows of resources - leases	164,854	-	164,854	-
Total deferred inflows of resources	11,086,596	-	11,086,596	-
NET POSITION				
Net investment in capital assets	85,668,330	92,631,582	178,299,912	391,197
Restricted for:				
Police equipment	5,856	-	5,856	-
Housing and development	312,875	-	312,875	-
Capital outlay	11,118,680	-	11,118,680	-
Unrestricted	17,758,032	18,483,717	36,241,749	2,052,028
Total net position	$ 114,863,773	$ 111,115,299	$ 225,979,072	$ 2,443,225

See accompanying notes to the financial statements.

This page intentionally left blank.

CITY OF CANTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government								
Governmental activities								
General government	$ 4,653,030	$ 678,109	$ 14,367	$ 1,996,609	$ (1,963,945)	$ -	$ (1,963,945)	$ -
Judicial	391,472	-	-	-	(391,472)	-	(391,472)	-
Public safety	14,730,375	1,661,436	3,285	148,828	(12,916,826)	-	(12,916,826)	-
Public works	5,060,190	14,381	-	2,875,224	(2,170,585)	-	(2,170,585)	-
Culture and recreation	2,187,091	92,281	100,000	2,130,728	135,918	-	135,918	-
Housing and development	3,105,073	6,110,250	1,665,169	799,780	5,470,126	-	5,470,126	-
Interest on long-term debt	367,650	-	-	-	(367,650)	-	(367,650)	-
Total governmental activities	30,494,881	8,556,457	1,782,821	7,951,169	(12,204,434)	-	(12,204,434)	-
Business-type activities								
Water and Sewer	11,520,270	20,666,774	-	-	-	9,146,504	9,146,504	-
Sanitation	649,083	498,687	-	-	-	(150,396)	(150,396)	-
Stormwater	293,732	399,882	-	-	-	106,150	106,150	-
Total business-type activities	12,463,085	21,565,343	-	-	-	9,102,258	9,102,258	-
Total primary government	$ 42,957,966	$ 30,121,800	$ 1,782,821	$ 7,951,169	$ (12,204,434)	$ 9,102,258	$ (3,102,176)	$ -
Total component units	$ 679,853	$ 275,054	$ 10,050	$ -				$ (394,749)
General revenues								
Taxes								
Property					$ 11,479,538	$ -	$ 11,479,538	$ -
Franchise					2,425,807	-	2,425,807	-
Alcoholic beverage					907,043	-	907,043	-
Insurance premium					2,924,684	-	2,924,684	-
Business occupation					1,691,826	-	1,691,826	-
Other					1,428,564	-	1,428,564	-
Interest and investment earnings					935,042	1,685,880	2,620,922	219
Payments from City of Canton					-	-	-	407,500
Miscellaneous					145,092	-	145,092	-
Gain on sale of capital assets					107,023	-	107,023	-
Transfers					2,096,395	(2,096,395)	-	-
Total general revenues and transfers					24,141,014	(410,515)	23,730,499	407,719
Change in net position					11,936,580	8,691,743	20,628,323	12,970
Net position - beginning (as previously reported)					103,016,673	102,423,556	205,440,229	2,430,255
Correction of an error					(89,480)	-	(89,480)	-
Net position - beginning (restated)					102,927,193	102,423,556	205,350,749	2,430,255
Net position - ending					$ 114,863,773	$ 111,115,299	$ 225,979,072	$ 2,443,225

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	General	American Rescue Plan Act of 2021	Canton Building Authority	Impact Fees
ASSETS				
Cash and cash equivalents	$ 6,214,762	$ 21,220	$ -	$ 3,433,713
Investments	652,972	-	-	1,299,671
Taxes receivable	13,050,329	-	-	-
Other receivables (net)	95,669	-	-	-
Due from other governments	10,332,254	-	-	-
Due from other funds	2,990,748	-	-	1,091,586
Leases receivable	159,353	-	-	-
Notes receivable	3,420,000	-	-	-
Prepaid items	313,692	-	-	-
Total assets	$ 37,229,779	$ 21,220	$ -	$ 5,824,970
LIABILITIES				
Accounts payable	$ 1,687,512	$ -	$ -	$ 513,803
Retainage payable	-	-	-	199,409
Accrued liabilities	161,435	-	-	-
Due to other funds	1,546,627	-	-	-
Unearned revenue	34,597	21,220	-	-
Total liabilities	3,430,171	21,220	-	713,212
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	10,921,742	-	-	-
Deferred inflows of resources - leases	164,854	-	-	-
Unavailable revenue:				
Property taxes	105,870	-	-	-
Franchise taxes	1,891,735	-	-	-
Fines and forfeitures	71,092	-	-	-
Total deferred inflows of resources	13,155,293	-	-	-
FUND BALANCES				
Nonspendable:				
Notes receivable	3,420,000	-	-	-
Prepaid items	313,692	-	-	-
Restricted for:				
Police equipment	-	-	-	-
Housing and development	100,000	-	-	-
Capital outlay	-	-	-	5,111,758
Assigned to:				
Tourism	-	-	-	-
Subsequent year's budget	2,403,744	-	-	-
Unassigned	14,406,879	-	-	-
Total fund balances	20,644,315	-	-	5,111,758
Total liabilities, deferred inflows of resources, and fund balances	$ 37,229,779	$ 21,220	$ -	$ 5,824,970

See accompanying notes to the financial statements.

SPLOST VII	SPLOST VIII	Nonmajor Governmental Funds	Totals
$ 3,027,844	$ 1,003,526	$ 679,405	$ 14,380,470
-	-	2,368,923	4,321,566
-	-	101,070	13,151,399
-	-	-	95,669
-	548,272	-	10,880,526
-	-	453,810	4,536,144
-	-	-	159,353
-	-	-	3,420,000
-	-	-	313,692
$ 3,027,844	$ 1,551,798	$ 3,603,208	$ 51,258,819
$ 161,479	$ 156,561	$ 188,516	$ 2,707,871
243,722	-	-	443,131
-	-	911,914	1,073,349
-	2,956,374	-	4,503,001
-	-	776,943	832,760
405,201	3,112,935	1,877,373	9,560,112
-	-	-	10,921,742
-	-	-	164,854
-	-	-	105,870
-	-	-	1,891,735
-	-	-	71,092
-	-	-	13,155,293
-	-	-	3,420,000
-	-	-	313,692
-	-	5,856	5,856
-	-	212,875	312,875
2,622,643	-	1,085,288	8,819,689
-	-	421,816	421,816
-	-	-	2,403,744
-	(1,561,137)	-	12,845,742
2,622,643	(1,561,137)	1,725,835	28,543,414
$ 3,027,844	$ 1,551,798	$ 3,603,208	$ 51,258,819

See accompanying notes to the financial statements.

This page intentionally left blank.

CITY OF CANTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2024

Total fund balance - total governmental funds		$ 28,543,414
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 and amortization		99,529,460
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
These are:		
Property taxes	$ 105,870	
Franchise taxes	1,891,735	
Fines and forfeitures	71,092	2,068,697
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
These are:		
Deferred outflows of resources		2,488,643
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Accrued liabilities - interest	$ (18,090)	
Compensated absences payable	(463,996)	
Net pension liability	(6,165,347)	
Leases payable	(2,618,358)	
Subscriptions payable	(145,076)	
Notes payable	(73,382)	
Bonds payable	(8,282,192)	(17,766,441)
Net position of the governmental activities		$ 114,863,773

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2024

	General	American Rescue Plan Act of 2021	Canton Building Authority	Impact Fees
REVENUES				
Taxes	$ 19,400,110	$ -	$ -	$ -
Licenses and permits	2,508,869	-	-	-
Fines and forfeitures	1,524,463	-	-	-
Charges for services	449,463	-	-	4,054,133
Intergovernmental	560,822	1,156,170	-	-
Interest	746,555	-	-	66,899
Contributions	103,615	-	-	-
Other	145,092	-	-	-
Total revenues	25,438,989	1,156,170	-	4,121,032
EXPENDITURES				
Current				
General government	4,379,931	21,348	550	87
Judicial	376,318	-	-	-
Public safety	14,722,308	-	-	619,597
Public works	2,720,441	-	-	-
Culture and recreation	1,215,328	-	-	57,289
Housing and development	2,501,241	-	-	-
Capital outlay	-	-	-	1,317,437
Debt service				
Principal	458,060	-	1,498,979	-
Interest	67,694	-	300,803	-
Total expenditures	26,441,321	21,348	1,800,332	1,994,410
Excess (deficiency) of revenues over (under) expenditures	(1,002,332)	1,134,822	(1,800,332)	2,126,622
Other financing sources (uses)				
Transfers in	1,944,701	-	1,800,332	-
Transfers out	(263,311)	(1,134,822)	-	-
Proceeds from sales of capital assets	238,625	-	-	-
Issuance of leases payable	1,946,669	-	-	-
Total other financing sources (uses)	3,866,684	(1,134,822)	1,800,332	-
Net change in fund balance	2,864,352	-	-	2,126,622
Fund balances, October 1, as previously reported	17,779,963	-	-	-
Change within financial reporting entity (nonmajor to major fund)	-	-	-	2,985,136
Correction of an error	-	-	-	-
Fund balances, October 1, restated	17,779,963	-	-	2,985,136
Fund balances, September 30	$ 20,644,315	$ -	$ -	$ 5,111,758

See accompanying notes to the financial statements.

SPLOST VII	SPLOST VIII	Nonmajor Governmental Funds	Totals
$ -	$ -	$ 1,403,775	$ 20,803,885
-	-	-	2,508,869
-	-	-	1,524,463
-	-	-	4,503,596
6,150,336	1,762,364	-	9,629,692
684	-	121,588	935,726
-	-	-	103,615
-	-	-	145,092
6,151,020	1,762,364	1,525,363	40,154,938
-	-	22	4,401,938
-	-	-	376,318
-	-	18	15,341,923
-	-	-	2,720,441
-	-	96,015	1,368,632
-	-	516,524	3,017,765
7,724,014	3,323,501	3,850	12,368,802
254,921	-	-	2,211,960
-	-	-	368,497
7,978,935	3,323,501	616,429	42,176,276
(1,827,915)	(1,561,137)	908,934	(2,021,338)
-	-	-	3,745,033
-	-	(250,505)	(1,648,638)
-	-	-	238,625
-	-	-	1,946,669
-	-	(250,505)	4,281,689
(1,827,915)	(1,561,137)	658,429	2,260,351
4,540,038	-	4,052,542	26,372,543
-	-	(2,985,136)	-
(89,480)	-	-	(89,480)
4,450,558	-	1,067,406	26,283,063
$ 2,622,643	$ (1,561,137)	$ 1,725,835	$ 28,543,414

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2024

Net change in fund balances - total governmental funds		$ 2,260,351
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 and amortization expense.		
Capital outlays	$ 14,400,033	
Depreciation and amortization	(4,274,751)	10,125,282
In the statement of activities, the gain/loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.		
Cost of assets disposed	$ (2,113,828)	
Related accumulated depreciation and amortization	1,800,439	(313,389)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenues.		73,106
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	$ 759,650	
Cost of benefits earned net of employee contributions	(1,281,731)	(522,081)
The proceeds of debt issuance 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. These include:		
Lease proceeds	$ (1,946,669)	
Principal payments on leases payable	708,856	
Principal payments on subscriptions payable	69,520	
Principal payments on notes payable	36,692	
Amortization of discount	(3,149)	
Principal payments on bonds payable	1,498,979	364,229
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These include the following:		
Net decrease in accrued liabilities - interest	$ 3,232	
Net increase in compensated absences	(54,150)	(50,918)
Change in net position of governmental activities		$ 11,936,580

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type Activities			
	Water and Sewer	Sanitation	Stormwater	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 14,955,624	$ -	$ 438,487	$ 15,394,111
Restricted cash and cash equivalents	19,535,236	-	-	19,535,236
Investments	2,867,982	-	-	2,867,982
Accounts receivable (net)	2,840,766	166,721	72,115	3,079,602
Due from other governments	489,657	-	-	489,657
Due from other funds	-	1,231	-	1,231
Inventory	141,456	-	-	141,456
Total current assets	40,830,721	167,952	510,602	41,509,275
Noncurrent assets				
Capital assets				
Nondepreciable	81,683,363	183,511	68,607	81,935,481
Depreciable	103,427,568	510,445	3,473,551	107,411,564
Accumulated depreciation	(39,916,009)	(300,662)	(1,762,949)	(41,979,620)
Total capital assets	145,194,922	393,294	1,779,209	147,367,425
Total assets	186,025,643	561,246	2,289,811	188,876,700
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	163,855	51,373	-	215,228
LIABILITIES				
Current liabilities				
Accounts payable	4,392,861	36,024	455	4,429,340
Retainage payable	5,207,316	-	-	5,207,316
Claims and judgements payable	109,248	-	-	109,248
Due to other funds	34,374	-	-	34,374
Accrued liabilities	698,456	2,099	-	700,555
Compensated absences payable	8,492	1,499	-	9,991
Customer deposits payable	506,179	45,270	150	551,599
Unearned revenue	806,850	-	-	806,850
Notes payable	385,826	-	-	385,826
Bonds payable	1,545,000	-	-	1,545,000
Total current liabilities	13,694,602	84,892	605	13,780,099
Noncurrent liabilities				
Compensated absences payable	1,170	1,282	-	2,452
Net pension liability	405,932	127,272	-	533,204
Notes payable	5,114,970	-	-	5,114,970
Bonds payable	58,545,904	-	-	58,545,904
Total noncurrent liabilities	64,067,976	128,554	-	64,196,530
Total liabilities	77,762,578	213,446	605	77,976,629
NET POSITION				
Net investment in capital assets	90,459,079	393,294	1,779,209	92,631,582
Unrestricted	17,967,841	5,879	509,997	18,483,717
Total net position	$ 108,426,920	$ 399,173	$ 2,289,206	$ 111,115,299

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2024

	Business-Type Activities			
	Water and Sewer	Sanitation	Stormwater	Totals
OPERATING REVENUES				
Water fees	$ 8,883,198	$ -	$ -	$ 8,883,198
Sewer fees	11,573,808	-	-	11,573,808
Sanitation fees	-	498,518	-	498,518
Stormwater fees	-	-	399,882	399,882
Miscellaneous	209,768	169	-	209,937
Total operating revenues	20,666,774	498,687	399,882	21,565,343
OPERATING EXPENSES				
Costs of sales and services	7,643,999	589,618	135,026	8,368,643
Depreciation	2,571,753	59,465	158,706	2,789,924
Total operating expenses	10,215,752	649,083	293,732	11,158,567
Operating income	10,451,022	(150,396)	106,150	10,406,776
Non-operating revenues (expenses)				
Interest revenue	1,685,880	-	-	1,685,880
Interest expense	(1,304,518)	-	-	(1,304,518)
Total non-operating revenues (expenses)	381,362	-	-	381,362
Net income before transfers	10,832,384	(150,396)	106,150	10,788,138
Transfers				
Transfers in	-	263,311	-	263,311
Transfers out	(2,359,706)	-	-	(2,359,706)
Total transfers	(2,359,706)	263,311	-	(2,096,395)
Change in net position	8,472,678	112,915	106,150	8,691,743
Net position, October 1	99,954,242	286,258	2,183,056	102,423,556
Net position, September 30	$ 108,426,920	$ 399,173	$ 2,289,206	$ 111,115,299

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2024

	Business-Type Activities			
	Water and Sewer	Sanitation	Stormwater	Totals
Cash flows from operating activities:				
Receipts from customers and users	$ 19,485,894	$ 491,817	$ 372,562	$ 20,350,273
Payments to suppliers	(6,203,962)	(451,251)	(134,571)	(6,789,784)
Payments to employees	(599,698)	(155,123)	-	(754,821)
Other receipts	209,768	169	-	209,937
Net cash provided (used) by operating activities	12,892,002	(114,388)	237,991	13,015,605
Cash flows from non-capital financing activities:				
Receipts from other funds	45,624	274,088	-	319,712
Payments to other funds	(2,359,706)	(150,000)	-	(2,509,706)
Net cash provided (used) by non-capital financing activities	(2,314,082)	124,088	-	(2,189,994)
Cash flows from capital and related financing activities:				
Payments from other governments	(471,304)	-	-	(471,304)
Payments from other funds	-	-	2,400	2,400
Acquisition of capital assets	(8,904,464)	(9,700)	-	(8,914,164)
Payment of prior year capital-related payables	(6,511,814)	-	-	(6,511,814)
Principal payments on notes payable	(385,588)	-	-	(385,588)
Principal payments on bonds payable	(1,475,000)	-	-	(1,475,000)
Interest paid	(1,499,764)	-	-	(1,499,764)
Net cash provided (used) by capital and related financing activities	(19,247,934)	(9,700)	2,400	(19,255,234)
Cash flows from investing activities:				
Interest received	1,685,880	-	-	1,685,880
Purchase of investments	(679,935)	-	-	(679,935)
Net cash provided (used) by investing activities	1,005,945	-	-	1,005,945
Net increase (decrease) in cash and cash equivalents	(7,664,069)	-	240,391	(7,423,678)
Cash and cash equivalents, October 1	42,154,929	-	198,096	42,353,025
Cash and cash equivalents, September 30	$ 34,490,860	$ -	$ 438,487	$ 34,929,347
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 10,451,022	$ (150,396)	$ 106,150	$ 10,406,776
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	2,571,753	59,465	158,706	2,789,924
(Increase) decrease in accounts receivable	(796,866)	(5,411)	(27,320)	(829,597)
(Increase) decrease in prepaid items	1,562	479	-	2,041
(Increase) decrease in inventory	57,895	-	-	57,895
(Increase) decrease in pension deferred outflows	21,398	6,709	-	28,107
Increase (decrease) in accounts payable	709,712	(28,426)	455	681,741
Increase (decrease) in accrued liabilities	45,142	252	-	45,394
Increase (decrease) in payroll liabilities	8,541	5,456	-	13,997
Increase (decrease) in customer deposits payable	19,254	(1,290)	-	17,964
Increase (decrease) in unearned revenue	(193,500)	-	-	(193,500)
Increase (decrease) in pension deferred inflows	(3,911)	(1,226)	-	(5,137)
Total adjustments	2,440,980	36,008	131,841	2,608,829
Net cash provided by operating activities	$ 12,892,002	$ (114,388)	$ 237,991	$ 13,015,605
Cash and cash equivalents reconciliation				
Cash and cash equivalents	$ 14,955,624	$ -	$ 438,487	$ 15,394,111
Restricted cash and cash equivalents	19,535,236	-	-	19,535,236
	$ 34,490,860	$ -	$ 438,487	$ 34,929,347

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $3,472,063.

Acquisition of capital assets through retainage payable totaled $5,207,316.

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2024

ASSETS	
Cash and cash equivalents	$ 271,767
LIABILITIES	
Due to others	19,327
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 252,440

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended September 30, 2024

ADDITIONS		
Court fees collected for other agencies	$	377,080
Court individual cases		128,768
Total additions		505,848
DEDUCTIONS		
Court fees distributed to other agencies		377,080
Payments to others		112,860
Total deductions		489,940
Change in net position		15,908
Net position, October 1		236,532
Net position, September 30	$	252,440

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2024

	Canton Downtown Development Authority	Canton Main Street Program	Canton Tourism	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 606,424	$ 35,706	$ 412,297	$ 1,054,427
Accounts receivable	54,263	50,000	-	104,263
Due from other governments	-	-	96,830	96,830
Total current assets	660,687	85,706	509,127	1,255,520
Noncurrent assets				
Property held for resale	11,011,144	-	-	11,011,144
Capital assets				
Nondepreciable	102,247	-	-	102,247
Depreciable (net)	231,187	-	57,763	288,950
Total noncurrent assets	11,344,578	-	57,763	11,402,341
Total assets	12,005,265	85,706	566,890	12,657,861
LIABILITIES				
Current liabilities				
Accounts payable	9,910,822	1,555	302,259	10,214,636
NET POSITION				
Investment in capital assets	333,434	-	57,763	391,197
Unrestricted	1,761,009	84,151	206,868	2,052,028
Total net position	$ 2,094,443	$ 84,151	$ 264,631	$ 2,443,225

See accompanying notes to the financial statements.

CITY OF CANTON, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended September 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Downtown Development Authority	Net (Expenses) Revenues and Changes in Net Position: Canton Main Street Program	Net (Expenses) Revenues and Changes in Net Position: Canton Tourism	Net (Expenses) Revenues and Changes in Net Position: Total
Component units								
Governmental activities								
Downtown Development Authority	$ 197,290	$ 193,008	$ -	$ -	$ (4,282)	$ -	$ -	$ (4,282)
Canton Main Street Program	150,249	82,046	-	-	-	(68,203)	-	(68,203)
Canton Tourism	332,314	-	10,050	-	-	-	(322,264)	(322,264)
Total component units	$ 679,853	$ 275,054	$ 10,050	$ -	$ (4,282)	$ (68,203)	$ (322,264)	$ (394,749)
General revenues								
Interest and investment earnings					$ -	$ 10	$ 209	$ 219
Payments from City of Canton					-	100,000	307,500	407,500
Total general revenues					-	100,010	307,709	407,719
Change in net position					(4,282)	31,807	(14,555)	12,970
Net position - beginning					2,098,725	52,344	279,186	2,430,255
Net position - ending					$ 2,094,443	$ 84,151	$ 264,631	$ 2,443,225

See accompanying notes to the financial statements.

1. Summary of Significant Accounting Policies

The financial statements of the City of Canton, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to 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 City's accounting policies are described below.

A. Reporting Entity

The City operates under a council/manager form of government and provides the following services to its citizens: public safety, public works, parks and recreation, public improvements, and general and administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component unit column on the government-wide financial statements is used to emphasize that the entities are legally separate from the City.

Discretely Presented Component Units

The Canton Downtown Development Authority (the “CDDA”) is shown as a discretely presented component unit in the accompanying financial statements. The purpose of the CDDA is to promote business and commerce within the business district of the City. The City appoints all members to the CDDA’s board and the City has assumed the obligation of providing the necessary contributions to fund any deficits from the operation of the CDDA. Financial information with regard to the CDDA can be obtained from Canton City Hall. Separate financial statements for the Canton Downtown Development Authority are not prepared. The fund level statements are not reported, as there are no reconciling items from the presentation on the Statement of Net Position and Statement of Activities.

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity, continued

Discretely Presented Component Units, continued

The Canton Tourism, Inc. (the "CT") is shown as a discretely presented component unit in the accompanying financial statements due to the nature and significance of its relationship with the City. The purpose of the CT is to promote tourism and visitation to the City. The CT is fiscally dependent on the City as it is unable to levy taxes, set rates or charges, or issue bonded debt without approval by the City. The City provides the funding for Canton Tourism's financial operations. Financial information with regard to the CT can be obtained from Canton City Hall. Separate financial statements for Canton Tourism Inc. are not prepared.

The Canton Main Street Program (the "CMSP") is shown as a discretely presented component unit in the accompanying financial statements due to its relationship with the City. The City has the ability to impose their will on the CMSP as they have the ability to hire, reassign or dismiss those persons for the day to day operations of the Main Street Program. The mission of the CMSP is to implement downtown revitalization under the Main Street Four-Point Approach – Organization, Design, Promotion, and Economic Restructuring, all with the context of historic preservation. The CMSP is fiscally dependent on the City as it is unable to levy taxes, set rates or charges, or issue bonded debt without approval by the City. The City provides the funding for Canton Main Street Program's financial operations. Separate financial statements are not prepared. The fund level statements are not reported, as there are no reconciling items from the presentation on the Statement of Net Position and Statement of Activities.

1. Summary of Significant Accounting Policies (continued)

A. Reporting Entity, continued

Blended Component Units

The Canton Building Authority (the "Authority") is shown as a blended component unit in the accompanying financial statements and reported as a capital project fund. The purpose of the Authority is to finance the construction of new facilities for the City of Canton, within the City limits. The City appoints all members to the Authority's board and is financially responsible for the repayment of all debt for the Authority. Separate financial statements for the Canton Building Authority are not prepared.

The Urban Redevelopment Agency (the "URA") is shown as a blended component unit in the accompanying financial statements and reported as a special revenue fund. The purpose of the URA is to secure financing to revitalize City of Canton assets, specifically within the downtown areas of the City suffering from urban blight. The City appoints all members to the URA's board and is financially responsible for the repayment of all debt for the URA. Separate financial statements for the Urban Redevelopment Agency are not prepared.

The Canton Development Authority (the "CDA") is shown as a blended component unit in the accompanying financial statements. The purpose of the CDA is to promote business and commerce within the corporate limits of the City. The City appoints all members to the CDA's board and the City is financially responsible for the payment of the debt issued by the CDA. As the CDA has issued revenue bonds which were used to finance construction costs of the City's Water and Sewer Fund, the activity of the CDA will be reported as part of the Water and Sewer Fund. Financial information with regard to the CDA can be obtained from Canton City Hall. Separate financial statements for the Canton Development Authority are not prepared.

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund 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 non-fiduciary activities of the primary government and its component units. (For the most part, the effect of interfund activity has been removed from these statements). Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, 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 discretely presented component units. The Statement of Net Position will include noncurrent assets and noncurrent liabilities. In addition, the government-wide Statement of Activities reflects depreciation expense on the City's capital assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not considered program revenues are reported instead as general revenues.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. Summary of Significant Accounting Policies (continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Custodial funds use the accrual basis of accounting to recognize assets and liabilities. 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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally 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.

Property taxes, sales taxes, franchise taxes, licenses, fines and forfeitures, intergovernmental grants, 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions,” the corresponding assets (receivables) in nonexchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation, continued

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **American Rescue Plan Act of 2021 Fund** accounts for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

The **Canton Building Authority Fund** accounts for the financing and the construction of various buildings and infrastructure assets on behalf of the City.

The **Impact Fees Fund** accounts for fees assessed upon development activity that are collected to pay for system improvements (recreation/parks, streets, and public safety) as detailed within the government's impact fee ordinance.

The **SPLOST VII Fund** accounts for the receipt and disbursement of special purpose local option sales tax (SPLOST) funds.

The **SPLOST VIII Fund** accounts for the receipt and disbursement of special purpose local option sales tax (SPLOST) funds.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activity of the City's utility system.

The **Sanitation Fund** accounts for the collection of fees for garbage collection and related expenses.

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation, continued

The **Stormwater Fund** accounts for the collection of fees for the maintenance of the City's stormwater infrastructure systems.

The City also reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as confiscations and forfeitures, hotel/motel tax revenues, and rental car tax revenues, which are legally restricted or committed to expenditures for specific, restricted purposes.

The **Capital Project Funds** are used to account for the collection and expenditures of certain restricted revenues, such as sales tax receipts and impact fee.

Custodial funds are accounted for on the accrual basis of accounting, and are used to account for funds that the City holds for others in a fiduciary capacity, including municipal court bonds.

In accounting and reporting for its proprietary operations, the City applies all GASB pronouncements. For the fiscal year ended September 30, 2013, the City implemented GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA* Pronouncements. This statement incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation, continued

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

D. Budgets

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

E. Deposits and Investments

Georgia statutes authorize the City to invest in the following: (1) obligations of Georgia or any other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States government or one of its agencies; (4) obligations of any corporation of the United States government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool; (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia. Any investment or deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents. Investments are reported at fair value as determined by quoted market prices.

1. Summary of Significant Accounting Policies (continued)

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Customer accounts receivable include billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements with established repayment schedules, and are offset by non-spendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Leases Receivable

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the City may receive variable lease payments that depend upon the lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

H. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The cost is recorded as an asset at the time the individual item is purchased. Inventories reported in the governmental funds are equally offset by a fund balance reserve, which indicates that they do not constitute "available, spendable resources" even though they are a component of net current assets.

1. Summary of Significant Accounting Policies (continued)

I. Prepaid Items

Prepaid items are accounted for using the consumption method. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items in both government-wide and fund financial statements.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to October 1, 2003 have not been reported.

The City has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or life of the related lease or subscription.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

1. Summary of Significant Accounting Policies (continued)

J. Capital Assets, continued

Capital assets of the primary government, as well as the component units, are depreciated/amortized using the straight line method over the following estimated useful lives:

Assets	Useful Life in Years
Infrastructure	10-50
Buildings and improvements	10-50
Site improvements	10-20
Furniture and fixtures	5-20
Vehicles	5-15
Machinery and equipment	5-20
Intangible right-to-use assets	
Vehicles and equipment	5-15
Software	5-10

K. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City reports deferred outflows of resources related to their defined benefit pension plan.

1. Summary of Significant Accounting Policies (continued)

K. Deferred Outflows / Inflows of Resources, continued

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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City's unavailable revenues arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, franchise taxes, alcoholic beverage taxes, fines and forfeitures, and intergovernmental revenues, which will be recognized as an inflow of resources in the period in which the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension plan and leases.

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused paid time off benefits. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. 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 term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Issuance costs are reported as expenses when incurred.

Proprietary fund type loans payable are reported as liabilities at their outstanding value. Loan issuance costs are reported as expenses when incurred. In the fund financial statements, governmental fund types report the face amount of debt issued and related premiums or discounts as other financing sources and bond issuance costs as expenditures.

1. Summary of Significant Accounting Policies (continued)

N. Fund Equity and Net Position

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by a formal vote (resolution) of the City Council. Only the City Council may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council retains the authority to assign amounts for specific purposes by a formal vote (resolution). Only the City Council may modify or rescind the assignment.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund.

1. Summary of Significant Accounting Policies (continued)

N. Fund Equity and Net Position, continued

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

P. Interfund Transactions

Interfund services provided and used in the fund financial statements are accounted for as revenue, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

2. Legal Compliance - Budgets

The City of Canton, Georgia employs the following procedures in establishing its annual budget:

1. The City Manager submits a proposed operating budget to the City Council. The operating budget includes proposed expenditures and the means for financing them.
2. Prior to any action by the Council, the City publishes the proposed budget in the official legal organ, other community newspapers and makes copies available to the residents of the City.
3. Public meetings are held to obtain taxpayer comments.
4. The budget is then legally enacted through passage of a resolution by the City Council.
5. Budgetary control is exercised at the department level. The Finance Director is authorized to transfer budget amounts within a department; however, any revisions that alter the total expenditures of a department require a budget amendment by the City Council.

3. Deposits

Credit and concentration of credit risk: The City's policy limits deposits and investments to those securities allowed by applicable state statues to minimize credit risk related to cash equivalents and investments. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The City has no other policies that would further limit its investment choices. The City places no limits on the amounts the City may invest in any one issuer of equity or debt securities.

3. Deposits (continued)

Total deposits at the end of the current fiscal year are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	$ 29,774,580
Restricted cash and cash equivalents	19,535,236
Statement of Fiduciary Net Position:	
Cash and cash equivalents	271,767
	$ 49,581,583
Cash deposited with financial institutions	$ 49,581,583

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes, and City policy, require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. At the end of the current year, all of the City's deposits were fully insured or collateralized.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

4. Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Total investments at the end of the current fiscal year are valued at $7,189,548. The City's investments are U. S. Treasury debt securities. The U. S. Treasury debt securities are measured using Level 2 inputs. Investments categorized as Level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

5. Receivables

Property taxes are levied on property values assessed as of January 1. The tax bills were levied on August 2, 2024 and billed on September 16, 2024. The billings are considered due upon receipt by the taxpayer; however, the actual due date is November 15. After this date, the bill becomes delinquent and interest and penalties will accrue at the rate prescribed by law. Property taxes are recorded as receivables and deferred inflows of resources when levied. Revenues are recognized when available.

During fiscal year 2020, the City sold its former Police Department building to the Cherokee County Historical Society for $1,320,000. The City received $600,000 at closing. The remaining balance of $620,000 was financed using a direct borrowing agreement. The terms of the direct borrowing agreement require annual installments of $25,000 for 29 years with interest at 0%.

During the current fiscal year, the City loaned $2,800,000 to the Housing Authority of City of Canton to construct a 70-unit multifamily housing apartment complex via a direct borrowing agreement. The balance at end of the current year was $2,800,000. The terms of the direct borrowing agreement require annual installments between $62,148 and $133,139 commencing in June 2027 for 30 years with interest at 2.63%.

5. Receivables (continued)

Annual requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal
2025	$ 25,000
2026	25,000
2027	87,148
2028	88,803
2029	90,501
2030-2034	479,606
2035-2039	529,384
2040-2044	586,149
2045-2049	645,882
2050-2054	599,702
2055-2056	262,825
Totals	$ 3,420,000

Receivables at the end of the current fiscal year for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	SPLOST VIII	Nonmajor Governmental	Totals
Receivables:				
Taxes	$ 13,050,329	$ -	$ 101,070	$ 13,151,399
Leases	159,353			159,353
Other	202,306	-	-	202,306
Due from other governments	10,332,254	548,272	-	10,880,526
Notes	3,420,000	-	-	3,420,000
Less allowance for uncollectible	(106,637)	-	-	(106,637)
Net Total Receivable	$ 27,057,605	$ 548,272	$ 101,070	$ 27,706,947

	Water and Sewer	Sanitation	Stormwater	Totals
Receivables:				
Accounts	$ 3,350,531	$ 171,492	$ 80,128	$ 3,602,151
Due from other governments	489,657	-	-	489,657
Less allowance for uncollectible	(509,765)	(4,771)	(8,013)	(522,549)
Net Total Receivable	$ 3,330,423	$ 166,721	$ 72,115	$ 3,569,259

6. Leases Receivable

The City has entered into lease agreements with cell phone service providers to provide the tenant the right to a portion of real property, together with the right to use the tower located thereon. Additional details of each lease agreement include:

- New Cingular Wireless PCS – The initial lease term commenced on March 1, 2001 for five years and provides for four additional, five-year terms. Under the lease, the tenant pays the City in monthly payments of $1,250. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 4.59%. During the current fiscal year, the City recognized $13,661 of lease revenue (reported as other revenue on the statement of activities) and $1,338 of interest revenue under this lease.
- Powertel/Atlanta Inc. – The initial lease term commenced on March 15, 1999 for five years and provides for four additional, five-year terms. Under the lease, the tenant pays the City an annual payment of $36,204. On the anniversary date of the commencement date every five years, the annual rent amount is increased by 15% of the rent paid in the previous year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 4.81%. During the current fiscal year, the City recognized $30,006 of lease revenue (reported as other revenue on the statement of activities) and $1,475 of interest revenue under this lease.

7. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at the end of the current fiscal year is as follows:

Receivable Fund	Payable Fund	Amount
General	SPLOST VIII	$ 2,956,374
	Water and Sewer	34,374
Impact Fees	General	1,091,586
Sanitation	General	1,231
Nonmajor Governmental	General	453,810
		$ 4,537,375

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. 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:

Transfer Out Fund	Transfer In Fund	Amount
General Fund	Sanitation	$ 263,311
American Rescue Plan Act of 2021	General	1,134,822
Water and Sewer	General	559,374
	Canton Building Authority	1,800,332
Nonmajor Governmental	General	250,505
		$ 4,008,344

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move cash from capital project funds to pay for debt service of other funds used to advance the construction costs of capital projects.

8. Capital Assets

Primary Government

Capital asset activity for the current fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$ 23,792,001	$ -	$ -	$ 23,792,001
Construction in progress	11,733,698	10,704,792	(961,244)	21,477,246
Total non-depreciable assets	35,525,699	10,704,792	(961,244)	45,269,247
Depreciable/amortizable assets				
Buildings and improvements	39,779,908	447,330	(6,550)	40,220,688
Infrastructure	59,675,738	1,815,201	-	61,490,939
Furniture and fixtures	302,893	-	(109,261)	193,632
Machinery and equipment	3,040,457	366,822	(1,159,653)	2,247,626
Vehicles	2,267,881	-	(643,195)	1,624,686
Intangible right-to-use assets				
Software	282,179	-	-	282,179
Vehicles and equipment	1,560,513	1,946,669	(114,706)	3,392,476
Total depreciable/amortizable assets	106,909,569	4,576,022	(2,033,365)	109,452,226
Accumulated depreciation/amortization				
Buildings and improvements	(15,365,759)	(1,106,514)	6,550	(16,465,723)
Infrastructure	(32,600,825)	(2,313,282)	-	(34,914,107)
Furniture and fixtures	(208,552)	(32,461)	86,467	(154,546)
Machinery and equipment	(2,298,001)	(220,758)	1,053,420	(1,465,339)
Vehicles	(2,004,348)	(101,191)	640,620	(1,464,919)
Intangible right-to-use assets				
Software	(60,466)	(60,466)	-	(120,932)
Vehicles and equipment	(179,750)	(440,079)	13,382	(606,447)
Total accumulated depreciation/amortization	(52,717,701)	(4,274,751)	1,800,439	(55,192,013)
Total depreciable/amortizable assets, net	54,191,868	301,271	(232,926)	54,260,213
Governmental activities capital assets, net	$ 89,717,567	$ 11,006,063	$ (1,194,170)	$ 99,529,460

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $880,781 and projects abandoned in the amount of $80,463.

Beginning balances of the governmental activities have been restated to correct the classification of intangible right-to-use assets in the amount of $282,179 and associated accumulated amortization in the amount of $60,466. This adjustment had no effect on beginning net capital assets.

8. Capital Assets (continued)

During the current fiscal year, the City terminated a lease agreement. The intangible right-to-use asset - Vehicles and equipment and related accumulated amortization were removed from the schedule above in the amount of $114,706 and $13,382, respectively. The net adjustment to capital assets totaled $101,324. The loss on termination of $762 is recorded as expense under the caption Public safety on the statement of activities. The related lease payable was removed from the debt schedule in the amount of $102,086. See note 9 for additional details.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Non-depreciable assets				
Land	$ 6,173,879	$ -	$ -	$ 6,173,879
Construction in progress	60,095,838	15,665,764	-	75,761,602
Total Non-depreciable assets	66,269,717	15,665,764	-	81,935,481
Depreciable assets				
Site improvements	23,150	9,700	-	32,850
Infrastructure	89,738,923	1,912,939	-	91,651,862
Buildings and improvements	13,308,226	-	-	13,308,226
Machinery, equipment, and vehicles	2,413,486	5,140	-	2,418,626
Total depreciable assets	105,483,785	1,927,779	-	107,411,564
Accumulated depreciation				
Site improvements	(12,762)	(1,227)	-	(13,989)
Infrastructure	(32,900,322)	(2,355,368)	-	(35,255,690)
Buildings and improvements	(4,651,367)	(251,900)	-	(4,903,267)
Machinery, equipment, and vehicles	(1,625,245)	(181,429)	-	(1,806,674)
Total accumulated depreciation	(39,189,696)	(2,789,924)	-	(41,979,620)
Total depreciable assets, net	66,294,089	(862,145)	-	65,431,944
Business-type activities capital assets, net	$ 132,563,806	$ 14,803,619	$ -	$ 147,367,425

8. Capital Assets (continued)

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General Government	$ 495,840
Public Safety	524,779
Public Works	2,310,690
Culture and Recreation	903,657
Housing and Development	39,785
Total depreciation/amortization expense for governmental activities	$ 4,274,751
Business-type activities	
Water and Sewer	$ 2,571,753
Sanitation	59,465
Stormwater	158,706
Total depreciation expense for business-type activities	$ 2,789,924

Canton Downtown Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets				
Land	$ 102,247	$ -	$ -	$ 102,247
Depreciable assets				
Site improvements	266,217	-	-	266,217
Accumulated depreciation				
Site improvements	(13,311)	(21,719)	-	(35,030)
Total depreciable assets, net	252,906	(21,719)	-	231,187
Total capital assets, net	$ 355,153	$ (21,719)	$ -	$ 333,434

Canton Tourism

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable assets				
Furniture and fixtures	$ 177,135	$ -	$ -	$ 177,135
Accumulated depreciation				
Furniture and fixtures	(99,367)	(20,005)	-	(119,372)
Total capital assets, net	$ 77,768	$ (20,005)	$ -	$ 57,763

9. Long-Term Liabilities

Primary Government

Long-term liability activity for the current fiscal year was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds from direct placements	$ 2,316,282	$ -	$ (513,979)	$ 1,802,303	$ 539,518
Governmental bonds	7,475,000	-	(985,000)	6,490,000	1,011,000
Less discounts	(13,260)	-	3,149	(10,111)	-
Total bonds payable	9,778,022	-	(1,495,830)	8,282,192	1,550,518
Notes from direct borrowings	110,074	-	(36,692)	73,382	36,691
Subscriptions payable	214,596	-	(69,520)	145,076	71,513
Leases payable	1,380,545	1,946,669	(708,856)	2,618,358	626,334
Compensated absences	409,846	266,677	(212,527)	463,996	268,226
Total governmental activities	$ 11,893,083	$ 2,213,346	$ (2,523,425)	$ 11,583,004	$ 2,553,282
Business-type activities					
Revenue bonds	$ 58,285,000	$ -	$ (1,475,000)	$ 56,810,000	$ 1,545,000
Plus premiums	3,559,846	-	(278,942)	3,280,904	-
Total bonds payable	61,844,846	-	(1,753,942)	60,090,904	1,545,000
Notes from direct borrowings	5,886,384	-	(385,588)	5,500,796	385,826
Compensated absences	20,627	1,684	(9,868)	12,443	9,991
Total business-type activities	$ 67,751,857	$ 1,684	$ (2,149,398)	$ 65,604,143	$ 1,940,817

The City terminated a lease payable during the current fiscal year. Deductions above include a lease termination adjustment of $102,086.

Bond issue costs and discounts/premiums are amortized over the life of the related debt. For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Water and Sewer Fund, the Sanitation Fund, and the Stormwater Fund. The total interest incurred and charged to expense for the current fiscal year was $367,650 and $1,304,518 for the governmental activities and business-type activities, respectively.

9. Long-Term Liabilities (continued)

Governmental Bonds from Direct Placements - CBA: The series 2007 bonds issued by the Canton Building Authority were originally issued for $7,860,000, with an interest rate of 4.86%. The bonds are due in monthly installments of $51,267, maturing on November 15, 2027. The proceeds were used for various system improvement projects on the City's water and sewer infrastructure. The bonds are secured by a pledge of the City's full faith and credit and taxing powers and will not expire as long as the bonds remain outstanding and unpaid. In the event of default, the bondholder may exercise any right, power, or remedy permitted by law or under the terms of the agreement.

Governmental bonds from direct placements currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 539,518	$ 75,681	$ 615,199
2026	566,331	48,868	615,199
2027	594,476	20,723	615,199
2028	101,978	620	102,598
Totals	$ 1,802,303	$ 145,892	$ 1,948,195

9. Long-Term Liabilities (continued)

Governmental Bonds - CBA: In October 2014, the Canton Building Authority issued $14,651,000 in Revenue Refunding Bonds, Series 2014B, with an interest rate of 2.67%. The Series 2014B bonds were issued to advance refund $13,960,000 of outstanding Series 2005 Bonds with interest rates ranging from 3.875% to 4.50%. The bonds are secured by a pledge of the City's full faith and credit and taxing powers and will not expire as long as the bonds remain outstanding and unpaid. In the event of default, the bondholder may exercise any right, power, or remedy permitted by law or under the terms of the agreement.

Governmental bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 1,011,000	$ 173,283	$ 1,184,283
2026	1,041,000	146,289	1,187,289
2027	1,067,000	118,494	1,185,494
2028	1,092,000	90,006	1,182,006
2029	1,126,000	60,849	1,186,849
2030	1,153,000	30,785	1,183,785
Totals	$ 6,490,000	$ 619,706	$ 7,109,706

9. Long-Term Liabilities (continued)

Water and Sewer Revenue Bonds: In February 2021, the City issued $62,925,000 in Water and Sewerage Revenue Bonds, Series 2021, with interest rates ranging between 1.50% and 5.00%. The bonds are due annually, maturing on May 1, 2046. The Series 2021 bonds were issued for the purpose of (a) currently refunding all or a portion of certain incurred loans from the Georgia Environmental Finance Authority (the "GEFA Loans"), (b) making certain improvements to the System (the "Series 2021 Project") and (c) paying the costs of issuing the Series 2021 Bonds. The bonds are secured by and payable solely from a first lien on and pledge of the net revenues of the system. Water and sewer revenue bonds currently outstanding mature as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 1,545,000	$ 1,450,525	$ 2,995,525
2026	1,600,000	1,373,275	2,973,275
2027	1,675,000	1,293,275	2,968,275
2028	1,750,000	1,209,525	2,959,525
2029	1,760,000	1,122,025	2,882,025
2030-2034	9,715,000	4,563,550	14,278,550
2035-2039	10,820,000	3,452,200	14,272,200
2040-2044	11,950,000	2,325,900	14,275,900
2045-2049	13,195,000	1,082,200	14,277,200
2050	2,800,000	56,000	2,856,000
Totals	$ 56,810,000	$ 17,928,475	$ 74,738,475

Notes from Direct Borrowings – Governmental Activities: The City also incurred debt to Axon Enterprises for the purchase of Tasers and related equipment. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Principal and interest payments are secured by revenues on fees and charges collected by the City. Debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 36,691	$ -	$ 36,691
2026	36,691	-	36,691
Totals	$ 73,382	$ -	$ 73,382

9. Long-Term Liabilities (continued)

Notes from Direct Borrowings - GEFA: The City has also incurred debt to the Georgia Environmental Finance Authority for construction of various water and sewer system projects. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Principal and interest payments are secured by revenues on fees and charges collected by the City. The notes from direct borrowings, including their original balances, are as follows at the end of the current fiscal year:

Interest Rate	Term	Due Date	Original Balance
0.50%	10 years	2024	$ 300,000
1.40%	20 years	2038	8,026,611
			$ 8,326,611

The business-type activities notes from direct borrowings debt service requirements to maturity are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 385,826	$ 74,542	$ 460,368
2026	391,263	69,105	460,368
2027	396,776	63,592	460,368
2028	402,366	58,002	460,368
2029	408,036	52,332	460,368
2030-2034	2,128,055	173,785	2,301,840
2035-2038	1,388,474	30,994	1,419,468
Totals	$ 5,500,796	$ 522,352	$ 6,023,148

9. Long-Term Liabilities (continued)

Subscriptions – Governmental Activities: In May 2022, the City entered into a subscription-based information technology arrangement (SBITA) with a vendor for software. The subscription requires 5 annual payments of $75,671 beginning in May 2022. The subscription liability was measured at a discount rate of 2.829%.

Debt service requirements to maturity for subscriptions are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 71,513	$ 4,158	$ 75,671
2026	73,563	2,108	75,671
Totals	$ 145,076	$ 6,266	$ 151,342

Leases – Governmental Activities: The City entered into several agreements to lease certain vehicles. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, *Leases* and, therefore have been recorded at the present value of the future minimum lease payments at their inception. Monthly payments on the leases range between $573 and $1,107 with interest rates ranging between 1.152% and 3.228%. The leases mature between March 2027 and September 2029.

Debt service requirements to maturity for leases are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 626,334	$ 110,594	$ 736,928
2026	653,271	83,893	737,164
2027	676,083	55,655	731,738
2028	528,082	27,313	555,395
2029	134,588	4,423	139,011
Totals	$ 2,618,358	$ 281,878	$ 2,900,236

10. Pension Plans

Defined Benefit Pension Plan

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Canton Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not require participants to contribute to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

At January 1, 2024, the date of the most recent actuarial valuation, participants consist of the following:

Retirees and beneficiaries currently receiving benefits	87
Terminated vested participants entitled to but not yet receiving benefits	119
Active participants - vested	73
Active participants - not vested	26
Total number of participants	305

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death benefits for plan members and beneficiaries. All employees, excluding elected officials, who work thirty hours or more per week, are eligible to participate after one year. Benefits vest after five years of service. Upon retirement, all eligible employees are entitled to benefits of 2.5% for all years of qualified employment with the City. The City elected to "freeze" their GMEBS Defined Benefit Plan effective January 1, 2022.

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

All non-vested and vested employees in service as of January 1, 2022 will remain in the Plan, and are subject to its eligibility requirements. All employees hired or rehired on or after January 1, 2022 are not eligible to participate in this plan. A participant may elect early retirement at age 55 provided they have a minimum of 10 years total credited service. If the participant qualifies for early retirement they will receive a reduce benefit based on their election. Elected officials who take office on or after May 3, 2013 are not eligible to participate in the plan.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City made contributions in the current fiscal year totaling $1,036,002, or 14.99% of covered payroll.

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 $6,698,551. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. For the current fiscal year, the City recognized pension expense of $1,603,235. The governmental activities net pension liability is liquidated by the General Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 925,234	$ -
Net difference between projected and actual earnings on pension plan investments	742,635	-
City contributions subsequent to the measurement date	1,036,002	-
Totals	$ 2,703,871	$ -

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

The $1,036,002 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2025	$ 666,661
2026	533,713
2027	644,047
2028	(176,552)
Totals	$ 1,667,869

Actuarial Assumptions. The total pension liability in the January 1, 2024 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
Cost of living adjustments	N/A
Net investment rate of return	7.375%

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

The methods and assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation at the end of the current fiscal year 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%
Domestic fixed income	20%	1.61%
Real estate	10%	3.61%
Global fixed income	5%	1.67%
Total	100%	

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

10. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	$ 20,818,296	$ 14,398,411	$ 6,419,885
Changes for the year:			
Service cost	381,057	-	381,057
Interest	1,523,505	-	1,523,505
Differences between expected and actual experience	1,100,702	-	1,100,702
Contributions—employer	-	825,707	(825,707)
Net investment income	-	1,933,924	(1,933,924)
Benefit payments, including refunds of employee contributions	(1,083,329)	(1,083,329)	-
Administrative expense	-	(33,033)	33,033
Net changes	1,921,935	1,643,269	278,666
Balances at September 30, 2023	$ 22,740,231	$ 16,041,680	$ 6,698,551

Plan fiduciary net position as a percentage of the total pension liability	70.54%
Covered payroll	$ 6,384,286
Employer's net pension liability as percentage of covered payroll	104.92%

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

	Discount Rate	Net Pension Liability
1% decrease	6.375%	$ 9,746,608
Current discount rate	7.375%	6,698,551
1% increase	8.375%	4,180,478

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.

10. Pension Plans (continued)

Other Plans

In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report. The plan is immaterial to the financial statements.

11. Defined Contribution Plans

The City offers an Internal Revenue Code Section 401(a) plan which is defined as an employer sponsored retirement plan that allows percentage-based contributions from the employer. This plan is administered by MissionSquare Retirement. Plan provisions and contribution requirements are established and may be amended by the City's Council. Contributions are based on established rules by the employer but can be in the form of a matched or fixed percentage amount. All full-time employees hired on/or after January 1, 2022, will be auto enrolled in the Employer's 401(a) plan with a predetermined percentage amount of the employee's salary regardless of any employee contribution.

The City offers an Internal Revenue Code Section 457 Plan, which is defined as a deferred compensation plan that qualifies as a defined contribution pension plan. The plan is administered by MissionSquare Retirement. Plan provisions and contribution requirements are established and may be amended by the City's Council. All full-time employees are eligible to participate in the plan but are not required to contribute to the Plan. Employees are vested immediately upon entrance into the plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The City will currently match up to 5% of the employee contributions. The Plan allows employees to increase, decrease, stop, and restart deferrals as often as they wish without penalties or fees. At the end of the current fiscal year, 124 employees were participating in the plan. Employees contributed a total of $412,238 with an employer match contribution of $435,869 during the current fiscal year.

In accordance with GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the assets and liabilities of the City's Deferred Compensation Plan are not included within the City's financial statements.

12. Joint Venture

Under Georgia law, the City, in conjunction with other cities and counties in the Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC). Dues to the ARC are assessed at the County level and are, accordingly, paid by Cherokee County. Membership in the ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and various municipalities of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street, NE, Atlanta, Georgia 30303.

13. Related Organizations

The City's Council is responsible for appointing all board members of the Canton Housing Authority. However, the City has no further accountability for the authority.

14. Risk Management

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

15. Commitments and Contingencies

Litigation

The City is a defendant in certain legal actions in the nature of claims for alleged damages to persons and property and other similar types of actions rising in the course of City operations. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments

At the end of the current fiscal year, contractual commitments on uncompleted contracts were $16,210,828.

15. Commitments and Contingencies (continued)

Grant Contingencies

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the City believes such disallowances, if any, will not be significant.

16. Hotel/Motel Lodging Tax

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were $1,088,413 for the current fiscal year. Disbursements for the current fiscal year include expenditures of $492,524 and transfers to the General Fund of $250,505. As required by O.C.G.A. 48-13-51, $476,181 (43.75%) will be expended for the promotion of tourism, conventions, and trade shows and $204,077 (18.75%) will be expended on tourism product development.

17. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Capital assets, net	$ 99,529,460	$ 147,367,425
Capital-related accounts payable	(2,298,991)	(3,472,063)
Retainage payable	(443,131)	(5,207,316)
Leases payable	(2,618,358)	-
Subscriptions payable	(145,076)	-
Notes payable	(73,382)	(5,500,796)
Bonds payable	(8,282,192)	(60,090,904)
Unspent bond proceeds	-	19,535,236
Net investment in capital assets	$ 85,668,330	$ 92,631,582

18. Tax Abatements

The City's property tax revenues were reduced by $29,480 under agreements entered into by the Cherokee County Development Authority, the "Development Authority". The Development Authority enters into property tax abatement agreements with local businesses for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to Cherokee County. The Development Authority considers new business tax incentives on a case-by-case basis. These incentives are based on positive economic impact on the community. Criteria for consideration includes the project's amount of capital investment as well as number and quality of new jobs created.

19. New Accounting Pronouncements

The City implemented GASB Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2023. The implementation of this new standard had no impact on the City's net position.

20. Changes in Beginning Balances

Governmental Activities

Impact Fees Fund

The City changed the presentation of the Impact Fee Special Revenue Fund from nonmajor fund presentation to major fund presentation during the current fiscal year.

Correction of an Error

SPLOST VII Capital Projects Fund

The City adjusted beginning fund balance to correct the amount of revenue recognized in prior years. This adjustment decreased beginning fund balance in the amount of $89,480.

20. Changes in Beginning Balances (continued)

A summary of the changes in beginning balances is presented below:

	Beginning As Previously Reported	Error Correction	Changes to or within Reporting Entity	Ending As Restated
Government-Wide				
Governmental Activities	$ 103,016,673	$ (89,480)	$ -	$ 102,927,193
Governmental Funds				
Impact Fee	$ -	$ -	$ 2,985,136	$ 2,985,136
SPLOST VII	4,540,038	(89,480)	-	4,450,558
Nonmajor Funds	4,052,542	-	(2,985,136)	1,067,406
	$ 8,592,580	$ (89,480)	$ -	$ 8,503,100

21. Deficit Fund Balance

The SPLOST VIII Capital Projects Fund is reporting a negative fund balance of $1,561,137. The deficit will be resolved through future tax collections.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 19,590,400	$ 19,065,401	$ 19,400,110	$ 334,709
Licenses and permits	1,467,713	1,848,113	2,508,869	660,756
Fines and forfeitures	1,462,000	1,462,000	1,524,463	62,463
Charges for services	305,902	305,902	449,463	143,561
Intergovernmental	35,000	35,000	560,822	525,822
Interest	150,000	150,000	746,555	596,555
Contributions	3,000	3,000	103,615	100,615
Other	35,500	35,500	145,092	109,592
Total revenues	23,049,515	22,904,916	25,438,989	2,534,073
EXPENDITURES				
Current				
General government				
City council	119,707	119,707	97,300	22,407
City clerk	113,943	123,743	123,696	47
Mayor	28,779	30,379	30,376	3
City manager	465,823	521,823	521,699	124
Elections	21,000	21,000	18,253	2,747
General administration	1,585,159	1,685,160	1,683,344	1,816
Financial administration	282,164	282,164	286,818	(4,654)
Human resources	227,339	229,339	150,305	79,034
Geographic information system	132,985	146,985	146,544	441
General government buildings	547,690	599,690	598,825	865
Communications and outreach	237,142	268,142	267,964	178
Technology	461,985	459,985	454,807	5,178
Judicial				
Municipal court	380,249	380,249	376,318	3,931
Public safety				
Police	7,127,321	8,197,321	8,187,719	9,602
Fire	6,688,860	6,688,860	6,534,589	154,271
Public works				
Streets	2,034,556	2,724,556	2,720,441	4,115
Culture and recreation				
Theater	201,786	201,786	181,314	20,472
Parks and recreation	1,000,257	1,034,257	1,034,014	243
Housing and development				
Building and safety services	1,123,844	1,276,844	1,275,933	911
Urban redevelopment and housing	680,134	260,134	259,644	490
Planning and zoning	784,939	784,939	742,612	42,327
Economic development administration	156,955	156,955	110,925	46,030
Downtown development	106,193	112,193	112,127	66
Debt service				
Principal	-	460,000	458,060	1,940
Interest	-	70,000	67,694	2,306
Total expenditures	24,508,810	26,836,211	26,441,321	394,890
Excess (deficiency) of revenues over (under) expenditures	(1,459,295)	(3,931,295)	(1,002,332)	2,928,963

See accompanying notes to the required supplementary information.

CITY OF CANTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
Other financing sources (uses)				
Transfers in	$ 1,673,086	$ 2,198,086	$ 1,944,701	$ (253,385)
Transfers out	(55,967)	(55,967)	(263,311)	(207,344)
Proceeds from sales of capital assets	-	-	238,625	238,625
Issuance of leases payable	-	1,947,000	1,946,669	(331)
Contingency	(980,452)	(980,452)	-	980,452
Total other financing sources (uses)	636,667	3,108,667	3,866,684	758,017
Net change in fund balance	(822,628)	(822,628)	2,864,352	3,686,980
Fund balances, October 1	822,628	822,628	17,779,963	16,957,335
Fund balances, September 30	$ -	$ -	$ 20,644,315	$ 20,644,315

See accompanying notes to the required supplementary information.

CITY OF CANTON, GEORGIA
AMERICAN RESCUE PLAN ACT OF 2021 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,159,741	$ 1,159,741	$ 1,156,170	$ (3,571)
Total revenues	1,159,741	1,159,741	1,156,170	(3,571)
EXPENDITURES				
Current				
General government	21,348	21,348	21,348	-
Total expenditures	21,348	21,348	21,348	-
Excess (deficiency) of revenues over (under) expenditures	1,138,393	1,138,393	1,134,822	(3,571)
Other financing sources (uses)				
Transfers out	(1,138,393)	(1,138,393)	(1,134,822)	3,571
Net change in fund balance	-	-	-	-
Fund balances, October 1	-	-	-	-
Fund balances, September 30	$ -	$ -	$ -	$ -

See accompanying notes to the required supplementary information.

CITY OF CANTON, GEORGIA
IMPACT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 2,632,000	$ 2,632,000	$ 4,054,133	$ 1,422,133
Interest	-	-	66,899	66,899
Total revenues	2,632,000	2,632,000	4,121,032	1,489,032
EXPENDITURES				
Current				
General government	90	87	87	-
Public safety	563,000	620,000	619,597	403
Culture and recreation	-	57,000	57,289	(289)
Capital outlay	2,711,285	2,711,375	1,317,437	1,393,938
Total expenditures	3,274,375	3,388,462	1,994,410	1,394,052
Excess (deficiency) of revenues over (under) expenditures	(642,375)	(756,462)	2,126,622	2,883,084
Other financing sources (uses)				
Transfers out	(137,073)	(137,073)	-	137,073
Contingency	(300,000)	(185,913)	-	185,913
Total other financing sources (uses)	(437,073)	(322,986)	-	322,986
Net change in fund balance	(1,079,448)	(1,079,448)	2,126,622	3,206,070
Fund balances, October 1	1,079,448	1,079,448	2,985,136	1,905,688
Fund balances, September 30	$ -	$ -	$ 5,111,758	$ 5,111,758

See accompanying notes to the required supplementary information.

CITY OF CANTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
September 30, 2024
(Unaudited)

	Fiscal Year End									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total pension liability										
Service cost	$ 381,057	$ 293,733	$ 271,573	$ 338,187	$ 319,589	$ 306,342	$ 382,106	$ 295,036	$ 291,260	$ 391,616
Interest	1,523,505	1,382,157	1,312,517	1,284,584	1,161,438	1,101,080	1,098,466	1,013,546	930,489	899,199
Differences between expected and actual experience	1,100,702	320,810	337,980	(258,128)	278,168	206,888	(759,706)	511,470	493,199	(195,212)
Changes of assumptions	-	-	-	-	-	-	261,916	-	-	(126,858)
Benefit payments, including refunds of employee contributions	(1,083,329)	(1,048,824)	(951,099)	(887,446)	(844,498)	(801,064)	(762,565)	(686,053)	(600,440)	(529,559)
Other	-	898,626	-	-	1,020,425	-	-	-	-	-
Net change in total pension liability	1,921,935	1,846,502	970,971	477,197	1,935,122	813,246	220,217	1,133,999	1,114,508	439,186
Total pension liability - beginning	20,818,296	18,971,794	18,000,823	17,523,626	15,588,504	14,775,258	14,555,041	13,421,042	12,306,534	11,867,348
Total pension liability - ending (a)	$ 22,740,231	$ 20,818,296	$ 18,971,794	$ 18,000,823	$ 17,523,626	$ 15,588,504	$ 14,775,258	$ 14,555,041	$ 13,421,042	$ 12,306,534
Plan fiduciary net position										
Contributions - employer	$ 825,707	$ 882,994	$ 807,951	$ 713,143	$ 706,948	$ 772,486	$ 666,843	$ 638,885	$ 794,967	$ 785,899
Net investment income	1,933,924	(2,825,442)	3,425,103	1,253,140	388,398	1,169,065	1,552,923	1,043,944	95,863	917,551
Benefit payments, including refunds of employee contributions	(1,083,329)	(1,048,824)	(951,099)	(887,446)	(844,498)	(801,064)	(762,565)	(686,053)	(600,440)	(529,559)
Administrative expense	(33,033)	(31,989)	(38,040)	(29,876)	(28,945)	(30,992)	(30,564)	(16,821)	(20,158)	(15,482)
Net change in plan fiduciary net position	1,643,269	(3,023,261)	3,243,915	1,048,961	221,903	1,109,495	1,426,637	979,955	270,232	1,158,409
Plan fiduciary net position - beginning	14,398,411	17,421,672	14,177,757	13,128,796	12,906,893	11,797,398	10,370,761	9,390,806	9,120,574	7,962,165
Plan fiduciary net position - ending (b)	$ 16,041,680	$ 14,398,411	$ 17,421,672	$ 14,177,757	$ 13,128,796	$ 12,906,893	$ 11,797,398	$ 10,370,761	$ 9,390,806	$ 9,120,574
Net pension liability - ending : (a) - (b)	$ 6,698,551	$ 6,419,885	$ 1,550,122	$ 3,823,066	$ 4,394,830	$ 2,681,611	$ 2,977,860	$ 4,184,280	$ 4,030,236	$ 3,185,960
Plan's fiduciary net position as a percentage of the total pension liability	70.54%	69.16%	91.83%	78.76%	74.92%	82.80%	79.85%	71.25%	69.97%	74.11%
Covered payroll	$ 6,384,286	$ 6,105,043	$ 6,423,161	$ 5,899,770	$ 5,478,347	$ 5,303,217	$ 5,242,859	$ 6,356,931	$ 4,882,258	$ 4,523,675
Net pension liability as a percentage of covered payroll	104.92%	105.16%	24.13%	64.80%	80.22%	50.57%	56.80%	65.82%	82.55%	70.43%

See accompanying notes to the required supplementary information.

CITY OF CANTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2024
(Unaudited)

	Fiscal Year End									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 1,036,002	$ 825,707	$ 809,026	$ 873,219	$ 713,143	$ 706,950	$ 772,486	$ 666,843	$ 638,885	$ 794,967
Contributions in relation to the actuarially determined contribution	(1,036,002)	(825,707)	(809,026)	(873,219)	(713,143)	(706,950)	(772,486)	(666,843)	(638,885)	(794,967)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,909,994	$ 5,902,944	$ 6,628,448	$ 6,315,771	$ 6,018,105	$ 5,380,186	$ 5,982,583	$ 5,335,216	$ 6,575,131	$ 5,830,980
Contributions as a percentage of covered payroll	14.99%	13.99%	12.21%	13.83%	11.85%	13.14%	12.91%	12.50%	9.72%	13.63%

See accompanying notes to the required supplementary information.

Budgets

1. Budgetary Accounting

Annual appropriated budgets are adopted for all funds. The budgets for the proprietary funds are for management control purposes and are not required to be reported. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds. All appropriations lapse at fiscal year end. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the City.

Pension Plan

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2025.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

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

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = N/A

Pension Plan (continued)

2. Methods and Assumptions Used to Determine Contribution Rates (continued)

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.

3. Changes in Benefits

Amounts reported for fiscal years ending in 2023 and later reflect that effective January 1, 2022, the employees' benefit multiplier was set to a flat 2.50% for all employees. Prior to that, employees hired on or after May 3, 2013, had a 1.25% multiplier for the first ten years of service and a 2.00% multiplier thereafter. In addition, effective January 1, 2022, the Plan was frozen to new entrants.

4. Changes of Assumptions

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

This page intentionally left blank.

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

NONMAJOR GOVERNMENTAL FUNDS

Hotel/Motel Tax Fund – To account for the 8% lodging tax levied in the City, as restricted by state law.

Rental Car Tax Fund – To account for the rental car tax levied in the City, as restricted by state law.

Tax Allocation District Fund – To account for the tax allocation district revenues and expenditures.

Confiscated Assets Fund – To account for the City's share of excess funds received from confiscated capital and equipment. Georgia law allows police agencies to file for seizure of property related to illegal substances or activities. These funds are restricted by State law for expenditures for law enforcement purposes.

Road and Sidewalk Fund – To account for costs associated with improvements to the City's road and sidewalk infrastructure.

CITY OF CANTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Special Revenue				Capital Projects	
	Hotel/Motel Tax	Rental Car Tax	Tax Allocation District	Confiscated Assets	Road & Sidewalk	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	$ 275,912	$ 271,134	$ -	$ 5,856	$ 126,503	$ 679,405
Investments	-	112,806	-	-	2,256,117	2,368,923
Taxes receivable	86,069	15,001	-	-	-	101,070
Due from other funds	206,666	34,269	212,875	-	-	453,810
Total assets	$ 568,647	$ 433,210	$ 212,875	$ 5,856	$ 2,382,620	$ 3,603,208
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 146,831	$ 41,685	$ -	$ -	$ -	$ 188,516
Accrued liabilities	-	-	-	-	911,914	911,914
Unearned revenue	-	-	-	-	776,943	776,943
Total liabilities	146,831	41,685	-	-	1,688,857	1,877,373
Fund balances						
Restricted for:						
Police equipment	-	-	-	5,856	-	5,856
Housing and development	-	-	212,875	-	-	212,875
Capital outlay	-	391,525	-	-	693,763	1,085,288
Assigned to:						
Tourism	421,816	-	-	-	-	421,816
Total fund balances	421,816	391,525	212,875	5,856	693,763	1,725,835
Total liabilities and fund balances	$ 568,647	$ 433,210	$ 212,875	$ 5,856	$ 2,382,620	$ 3,603,208

CITY OF CANTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2024

	Special Revenue				Capital Projects		
	Hotel/Motel Tax	**Rental Car Tax**	**Tax Allocation District**	**Confiscated Assets**	**Road & Sidewalk**	***Formerly Nonmajor* Impact Fees**	**Total Nonmajor Governmental Funds**
REVENUES							
Taxes	$ 1,088,413	$ 170,466	$ 144,896	$ -	$ -	$	$ 1,403,775
Interest	57	5,821	-	-	115,710		121,588
Total revenues	1,088,470	176,287	144,896	-	115,710		1,525,363
EXPENDITURES							
Current							
General government	-	-	-	-	22		22
Public safety	-	-	-	18	-		18
Culture and recreation	-	96,015	-	-	-		96,015
Housing and development	492,524	24,000	-	-	-		516,524
Capital outlay	-	-	-	-	3,850		3,850
Total expenditures	492,524	120,015	-	18	3,872		616,429
Excess (deficiency) of revenues over (under) expenditures	595,946	56,272	144,896	(18)	111,838		908,934
Other financing sources (uses)							
Transfers out	(250,505)	-	-	-	-		(250,505)
Net change in fund balance	345,441	56,272	144,896	(18)	111,838		658,429
Fund balances, October 1, as previously reported	76,375	335,253	67,979	5,874	581,925	2,985,136	4,052,542
Change with the financial reporting entity (nonmajor fund to major fund)	-	-	-	-	-	(2,985,136)	(2,985,136)
Fund balances, October 1, restated	76,375	335,253	67,979	5,874	581,925		1,067,406
Fund balances, September 30	$ 421,816	$ 391,525	$ 212,875	$ 5,856	$ 693,763	$	$ 1,725,835

CITY OF CANTON, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 840,000	$ 891,000	$ 1,088,413	$ 197,413
Interest	120	120	57	(63)
Total revenues	840,120	891,120	1,088,470	197,350
EXPENDITURES				
Current				
Housing and development	442,500	493,500	492,524	976
Total expenditures	442,500	493,500	492,524	976
Excess (deficiency) of revenues over (under) expenditures	397,620	397,620	595,946	198,326
Other financing sources (uses)				
Transfers out	(397,620)	(397,620)	(250,505)	147,115
Net change in fund balance	-	-	345,441	345,441
Fund balances, October 1	-	-	76,375	76,375
Fund balances, September 30	$ -	$ -	$ 421,816	$ 421,816

CITY OF CANTON, GEORGIA
RENTAL CAR TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 144,000	$ 144,000	$ 170,466	$ 26,466
Interest	500	500	5,821	5,321
Total revenues	144,500	144,500	176,287	31,787
EXPENDITURES				
Current				
Culture and recreation	280,000	280,000	96,015	183,985
Housing and development	24,000	24,000	24,000	-
Total expenditures	304,000	304,000	120,015	183,985
Net change in fund balance	(159,500)	(159,500)	56,272	215,772
Fund balances, October 1	159,500	159,500	335,253	175,753
Fund balances, September 30	$ -	$ -	$ 391,525	$ 391,525

CITY OF CANTON, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 100,000	$ 100,000	$ 144,896	$ 44,896
Total revenues	100,000	100,000	144,896	44,896
EXPENDITURES	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	100,000	100,000	144,896	44,896
Other financing sources (uses)				
Contingency	(100,000)	(100,000)	-	100,000
Net change in fund balance	-	-	144,896	144,896
Fund balances, October 1	-	-	67,979	67,979
Fund balances, September 30	$ -	$ -	$ 212,875	$ 212,875

CITY OF CANTON, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES	$ -	$ 20	$ -	$ (20)
EXPENDITURES				
Current				
Public safety	-	20	18	2
Total expenditures	-	20	18	2
Net change in fund balance	-	-	(18)	(18)
Fund balances, October 1	-	-	5,874	5,874
Fund balances, September 30	$ -	$ -	$ 5,856	$ 5,856

CITY OF CANTON, GEORGIA
ROAD & SIDEWALK FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	$ -	$ 116,000	$ 115,710	$ (290)
EXPENDITURES				
Current				
General government	-	-	22	(22)
Capital outlay	-	116,000	3,850	112,150
Total expenditures	-	116,000	3,872	112,128
Net change in fund balance	-	-	111,838	111,838
Fund balances, October 1	-	-	581,925	581,925
Fund balances, September 30	$ -	$ -	$ 693,763	$ 693,763

CITY OF CANTON, GEORGIA
CANTON BUILDING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES	$ -	$ -	$ -	$ -
EXPENDITURES				
Current				
General government	1,100	1,100	550	550
Debt service				
Principal	1,447,645	1,498,975	1,498,979	(4)
Interest	350,719	300,807	300,803	4
Total expenditures	1,799,464	1,800,882	1,800,332	550
Excess (deficiency) of revenues over (under) expenditures	(1,799,464)	(1,800,882)	(1,800,332)	(550)
Other financing sources (uses)				
Transfers in	1,799,464	1,800,882	1,800,332	(550)
Net change in fund balance	-	-	-	-
Fund balances, October 1	-	-	-	-
Fund balances, September 30	$ -	$ -	$ -	$ -

CITY OF CANTON, GEORGIA
SPLOST VII FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 5,010,000	$ 6,210,000	$ 6,150,336	$ (59,664)
Interest	650	650	684	34
Total revenues	5,010,650	6,210,650	6,151,020	(59,630)
EXPENDITURES				
Capital outlay	7,382,000	8,327,079	7,724,014	603,065
Debt service				
Principal	-	254,921	254,921	-
Total expenditures	7,382,000	8,582,000	7,978,935	603,065
Net change in fund balance	(2,371,350)	(2,371,350)	(1,827,915)	543,435
Fund balances, October 1, as previously reported	2,371,350	2,371,350	4,540,038	2,168,688
Correction of an error	-	-	(89,480)	(89,480)
Fund balances, October 1, restated	2,371,350	2,371,350	4,450,558	2,079,208
Fund balances, September 30	$ -	$ -	$ 2,622,643	$ 2,622,643

CITY OF CANTON, GEORGIA
SPLOST VIII FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 1,575,000	$ 1,765,000	$ 1,762,364	$ (2,636)
Interest	100	100	-	(100)
Total revenues	1,575,100	1,765,100	1,762,364	(2,736)
EXPENDITURES				
Capital outlay	1,575,100	3,325,100	3,323,501	1,599
Total expenditures	-	3,325,100	3,323,501	1,599
Net change in fund balance	-	(1,560,000)	(1,561,137)	(1,137)
Fund balances, October 1	-	1,560,000	-	(1,560,000)
Fund balances, September 30	$ -	$ -	$ (1,561,137)	$ (1,561,137)

CITY OF CANTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2024

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Special Purpose Local Option Sales Tax VII					
Transportation facilities, equipment, and improvements	$ 7,113,045	$ 8,776,569	$ 5,738,318	$ 1,831,515	$ 7,569,833
Parks and recreation facilities	6,000,000	6,127,496	5,829,875	877,405	6,707,280
Communications and technology	1,500,000	1,500,000	1,377,899	254,921	1,632,820
General government buildings and equipment	7,000,000	7,000,000	9,321,450	5,010,094	14,331,544
Economic development	3,000,000	3,000,000	3,000,000	5,000	3,005,000
	$ 24,613,045	$ 26,404,065	$ 25,267,542	$ 7,978,935	$ 33,246,477
Special Purpose Local Option Sales Tax VIII					
Transportation facilities, equipment, and improvements	$ 9,360,892	$ 9,360,892	$ -	$ 19,679	$ 19,679
Parks and recreation facilities	22,000,000	22,000,000	-	380,542	380,542
Public safety technology, vehicles, equipment and facilities	3,000,000	3,000,000	-	-	-
General government buildings and equipment	7,000,000	7,000,000	-	2,923,280	2,923,280
Economic development	5,000,000	5,000,000	-	-	-
Total	$ 46,360,892	$ 46,360,892	$ -	$ 3,323,501	$ 3,323,501

* Current estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax and alternative funds.

COMPONENT UNIT

Canton Tourism – This component unit is used to account for governmental revenues and expenditures reserved for the promotion of tourism and visitation to the City.

CITY OF CANTON, GEORGIA
CANTON TOURISM (A COMPONENT UNIT)
BALANCE SHEET
September 30, 2024

ASSETS		
Cash	$	412,297
Intergovernmental receivables		96,830
Total assets	$	509,127
LIABILITIES		
Accounts payable	$	302,259
FUND BALANCES		
Assigned for Promotions and Development		206,868
Total liabilities and fund balances	$	509,127

CITY OF CANTON, GEORGIA
CANTON TOURISM (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 472,500	$ 472,500	$ 307,500	$ (165,000)
Contributions	-	-	10,050	10,050
Interest	200	200	209	9
Total revenues	472,700	472,700	317,759	(154,941)
EXPENDITURES				
Current				
Development, promotion and advertising	472,700	472,700	312,309	160,391
Total expenditures	472,700	472,700	312,309	160,391
Net change in fund balance	-	-	5,450	5,450
Fund balances, October 1	-	-	201,418	201,418
Fund balances, September 30	$ -	$ -	$ 206,868	$ 206,868

This page intentionally left blank.

STATISTICAL SECTION

This part of the City of Canton's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

Page

Financial Trends……**89**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity……...**95**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity……..……...**103**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information...……..…….....**107**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information……..……..…….....**110**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

CITY OF CANTON, GEORGIA
NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net investment in capital assets	$ 85,668,330	$ 76,607,499	$ 73,631,937	$ 59,401,588	$ 57,070,720	$ 56,213,930	$ 54,489,942	$ 47,864,282	$ 46,561,748	$ 44,299,505
Restricted	11,437,411	9,831,580	8,025,659	10,571,071	7,301,182	5,104,253	2,338,655	7,591,790	6,038,025	5,068,707
Unrestricted	17,758,032	16,577,594	14,720,417	8,235,378	8,734,772	5,273,082	4,606,935	3,570,410	5,089,659	4,277,567
Total Governmental Activities Net Position	$ 114,863,773	$ 103,016,673	$ 96,378,013	$ 78,208,037	$ 73,106,674	$ 66,591,265	$ 61,435,532	$ 59,026,482	$ 57,689,432	$ 53,645,779
Business-Type Activities										
Net investment in capital assets	$ 92,631,582	$ 86,943,989	$ 82,660,367	$ 77,860,307	$ 70,444,169	$ 65,890,732	$ 64,486,982	$ 64,689,530	$ 61,862,975	$ 58,518,430
Unrestricted	18,483,717	15,479,567	12,331,998	16,344,761	19,188,365	18,454,400	15,344,654	8,412,916	6,274,126	4,576,064
Total Business-Type Activities Net Position	$ 111,115,299	$ 102,423,556	$ 94,992,365	$ 94,205,068	$ 89,632,534	$ 84,345,132	$ 79,831,636	$ 73,102,446	$ 68,137,101	$ 63,094,494
Primary Government										
Net investment in capital assets	$ 178,299,912	$ 163,551,488	$ 156,292,304	$ 137,261,895	$ 127,514,889	$ 122,104,662	$ 118,976,924	$ 112,553,812	$ 108,424,723	$ 102,817,935
Restricted	11,437,411	9,831,580	8,025,659	10,571,071	7,301,182	5,104,253	2,338,655	7,591,790	6,038,025	5,068,707
Unrestricted	36,241,749	32,057,161	27,052,415	24,580,139	27,923,137	23,727,482	19,951,589	11,983,326	11,363,785	8,853,631
Total Primary Government Net Position	$ 225,979,072	$ 205,440,229	$ 191,370,378	$ 172,413,105	$ 162,739,208	$ 150,936,397	$ 141,267,168	$ 132,128,928	$ 125,826,533	$ 116,740,273

CITY OF CANTON, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
General Government	$ 4,653,030	$ 4,236,873	$ 6,195,383	$ 3,131,974	$ 2,597,348	$ 2,589,630	$ 2,315,527	$ 2,000,593	$ 1,804,419	$ 1,709,490
Judicial	391,472	386,300	353,370	342,243	341,974	312,965	317,031	306,409	296,899	269,211
Public Safety	14,730,375	13,527,187	11,268,037	10,735,426	9,984,002	9,719,110	9,025,422	10,059,964	7,155,912	6,063,933
Public Works	5,060,190	4,760,264	4,536,556	4,198,863	4,070,323	3,905,412	3,783,806	3,831,784	3,412,599	3,245,434
Culture and Recreation	2,187,091	1,914,985	1,653,968	1,505,098	1,362,759	1,444,415	1,538,584	1,789,554	1,701,152	1,459,587
Housing and Development	3,105,073	3,093,475	2,251,156	1,979,689	2,204,155	1,891,290	1,780,593	1,470,236	1,365,748	1,018,223
Interest on Long-Term Debt	367,650	380,404	406,685	535,139	589,756	664,051	743,685	820,448	846,167	1,647,694
Total Governmental Activities Expenses	30,494,881	28,299,488	26,665,155	22,428,432	21,150,317	20,526,873	19,504,648	20,278,988	16,582,896	15,413,572
Business-type Activities:										
Water and Sewer	11,520,270	11,317,896	10,866,881	9,849,431	7,418,296	7,506,357	7,113,050	6,854,750	6,418,716	6,028,552
Sanitation	649,083	648,813	2,145,713	2,054,653	1,892,762	1,906,432	1,378,651	1,215,291	1,105,557	1,074,321
Stormwater	293,732	356,660	251,270	201,797	331,817	340,867	359,537	364,632	510,696	512,440
Total Business-type Activities Expenses	12,463,085	12,323,369	13,263,864	12,105,881	9,642,875	9,753,656	8,851,238	8,434,673	8,034,969	7,615,313
Total Primary Government Expenses	$ 42,957,966	$ 40,622,857	$ 39,929,019	$ 34,534,313	$ 30,793,192	$ 30,280,529	$ 28,355,886	$ 28,713,661	$ 24,617,865	$ 23,028,885
Program Revenues										
Governmental Activities:										
Charges for Services										
General government	$ 678,109	$ 496,344	$ 462,510	$ 461,864	$ 378,822	$ 378,153	$ 363,779	$ 307,989	$ 346,199	$ 308,953
Judicial	-	-	-	-	-	-	-	-	-	-
Public safety	1,661,436	1,745,325	1,791,984	900,782	593,305	1,037,175	848,058	805,218	742,301	884,435
Public works	14,381	11,857	19,001	23,519	566,685	22,567	19,927	19,323	17,385	14,227
Culture and recreation	92,281	80,808	81,340	34,075	33,281	134,125	71,343	104,669	60,004	4,750
Housing and development	6,110,250	2,036,136	2,532,105	3,400,487	2,856,128	3,658,547	3,146,200	1,779,915	2,728,681	2,013,779
Operating Grants and Contributions	1,782,821	43,349	10,106,536	150,376	1,778,754	18,658	16,895	979,451	677,777	20,222
Capital Grants and Contributions	7,951,169	7,460,045	6,715,523	5,696,870	4,954,859	4,597,155	4,041,602	3,757,856	3,562,018	8,026,123
Total Government Activities Program Revenues	18,290,447	11,873,864	21,708,999	10,667,973	11,161,834	9,846,380	8,507,804	7,754,421	8,134,365	11,272,489
Business-type Activities										
Charges for Services										
Water and Sewer	20,666,774	19,384,166	16,809,174	17,169,101	15,642,560	15,818,547	15,504,728	13,524,174	13,017,954	11,044,871
Sanitation	498,687	502,964	1,956,937	1,797,546	1,673,522	1,607,596	1,365,341	1,327,114	1,269,708	1,237,807
Stormwater	399,882	369,050	385,289	165,351	143,603	143,772	138,681	583,175	664,478	661,456
Total Business-type Activities Program Revenues	21,565,343	20,256,180	19,151,400	19,131,998	17,459,685	17,569,915	17,008,750	15,434,463	14,952,140	12,944,134
Total Primary Government Program Revenues	$ 39,855,790	$ 32,130,044	$ 40,860,399	$ 29,799,971	$ 28,621,519	$ 27,416,295	$ 25,516,554	$ 23,188,884	$ 23,086,505	$ 24,216,623

CITY OF CANTON, GEORGIA
CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net (Expense)/Revenues										
Governmental Activities	$ (12,204,434)	$ (16,425,624)	$ (4,956,156)	$ (11,760,459)	$ (9,988,483)	$ (10,680,493)	$ (10,996,844)	$ (12,524,567)	$ (8,448,531)	$ (4,141,083)
Business-type Activities	9,102,258	7,932,811	5,887,536	7,026,117	7,816,810	7,816,259	8,157,512	6,999,790	6,917,171	5,328,821
Total Primary Government Net Expense	$ (3,102,176)	$ (8,492,813)	$ 931,380	$ (4,734,342)	$ (2,171,673)	$ (2,864,234)	$ (2,839,332)	$ (5,524,777)	$ (1,531,360)	$ 1,187,738
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	$ 11,479,538	$ 10,029,273	$ 8,178,074	$ 7,334,618	$ 6,763,021	$ 5,791,989	$ 5,861,327	$ 5,336,055	$ 5,118,477	$ 5,094,580
Franchise taxes	2,425,807	2,564,396	2,641,365	2,201,101	2,390,932	2,363,097	1,863,645	1,940,490	1,924,471	1,934,924
Alcoholic beverage taxes	907,043	920,315	826,382	789,546	694,551	661,334	607,247	569,665	606,681	535,134
Insurance premium taxes	2,924,684	2,833,252	1,950,938	1,888,765	1,792,060	1,658,989	1,538,306	1,432,592	1,322,908	1,238,289
Business occupation & other taxes	3,120,390	3,169,743	2,593,771	2,267,148	1,813,840	1,793,101	1,804,203	1,767,029	1,577,585	1,401,497
Unrestricted investment earnings	935,042	658,439	74,524	3,687	41,832	54,779	50,529	5,306	1,946	9,689
Gain (loss) on sale of capital assets	107,023	272,496	69,200	15,700	536,055	32,216	-	34,321	1,257	20,475
Miscellaneous	145,092	316,910	995,150	125,676	70,705	104,272	198,744	736,555	61,536	99,051
Transfers in (out)	2,096,395	2,299,460	5,350,498	2,465,284	2,640,356	3,376,449	1,481,893	2,039,604	1,877,323	1,869,417
Total Governmental Activities	24,141,014	23,064,284	22,679,902	17,091,525	16,743,352	15,836,226	13,405,894	13,861,617	12,492,184	12,203,056
Business-type Activities:										
Unrestricted investment earnings	1,685,880	1,784,190	238,714	11,701	83,562	73,686	53,571	5,159	2,759	3,109
Gain (loss) on sale of capital assets	-	13,650	-	-	27,386	-	-	-	-	-
Transfers in (out)	(2,096,395)	(2,299,460)	(5,350,498)	(2,465,284)	(2,640,356)	(3,376,449)	(1,481,893)	(2,039,604)	(1,877,323)	(1,869,417)
Total Business-type Activities	(410,515)	(501,620)	(5,111,784)	(2,453,583)	(2,529,408)	(3,302,763)	(1,428,322)	(2,034,445)	(1,874,564)	(1,866,308)
Total Primary Government	$ 23,730,499	$ 22,562,664	$ 17,568,118	$ 14,637,942	$ 14,213,944	$ 12,533,463	$ 11,977,572	$ 11,827,172	$ 10,617,620	$ 10,336,748
Change in Net Position										
Governmental Activities	$ 11,936,580	$ 6,638,660	$ 17,723,746	$ 5,331,066	$ 6,754,869	$ 5,155,733	$ 2,409,050	$ 1,337,050	$ 4,043,653	$ 8,061,973
Business-type Activities	8,691,743	7,431,191	775,752	4,572,534	5,287,402	4,513,496	6,729,190	4,965,345	5,042,607	3,462,513
Total Primary Government	$ 20,628,323	$ 14,069,851	$ 18,499,498	$ 9,903,600	$ 12,042,271	$ 9,669,229	$ 9,138,240	$ 6,302,395	$ 9,086,260	$ 11,524,486

CITY OF CANTON, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable	$ 3,733,692	$ 991,817	$ 982,775	$ 1,330,478	$ 828,971	$ 465,213	$ 3,778,076	$ 98,517	$ 19,861	$ 518,595
Restricted:										
Housing and development	100,000	-	-	-	-	-	-	-	-	-
Assigned	2,403,744	822,628	1,612,791	1,959,011	1,547,018	871,684	279,261	1,355,000	1,800,000	1,175,160
Unassigned	14,406,879	15,965,518	11,586,303	5,937,754	6,039,664	4,497,666	118,083	3,152,290	4,488,204	4,079,335
Total general fund	$ 20,644,315	$ 17,779,963	$ 14,181,869	$ 9,227,243	$ 8,415,653	$ 5,834,563	$ 4,175,420	$ 4,605,807	$ 6,308,065	$ 5,773,090
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted:										
Public safety	5,856	5,874	5,874	5,873	5,873	8,205	16,680	23,794	27,117	26,202
Housing and development	212,875	-	-	-	-	-	-	-	-	-
Capital projects	8,819,689	8,442,352	7,950,548	10,495,961	7,295,309	5,055,410	2,321,975	7,143,985	5,588,868	4,609,662
Tourism & Economic development	-	67,979	69,237	69,237	-	40,638	40,638	-	-	11,349
Debt service	-	-	-	-	-	-	-	424,011	422,040	421,494
Assigned	421,816	76,375	499,865	140,842	140,790	143,577	366,589	411,712	371,656	254,375
Unassigned	(1,561,137)	-	-	-	-	-	-	-	(137,677)	(456,321)
Total all other governmental funds	$ 7,899,099	$ 8,592,580	$ 8,525,524	$ 10,711,913	$ 7,441,972	$ 5,247,830	$ 2,745,882	$ 8,003,502	$ 6,272,004	$ 4,866,761
Total All Governmental Funds	$ 28,543,414	$ 26,372,543	$ 22,707,393	$ 19,939,156	$ 15,857,625	$ 11,082,393	$ 6,921,302	$ 12,609,309	$ 12,580,069	$ 10,639,851

CITY OF CANTON, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	$ 20,803,885	$ 19,273,912	$ 16,078,266	$ 14,583,588	$ 13,395,928	$ 12,344,081	$ 11,459,644	$ 11,008,748	$ 10,469,788	$ 10,131,106
Licenses and permits	2,508,869	1,266,449	1,180,044	1,616,843	1,395,028	1,837,050	1,635,507	1,008,484	1,463,623	1,596,034
Fines and forfeitures	1,524,463	1,620,206	1,732,432	796,215	542,524	965,767	779,671	710,429	672,049	876,128
Charges for services	4,503,596	1,484,844	1,984,422	2,391,219	2,502,813	2,436,725	2,017,535	1,289,538	1,765,155	752,804
Intergovernmental	9,629,692	7,419,406	16,816,610	5,842,657	6,556,491	4,579,046	4,028,832	3,761,328	4,527,067	3,981,720
Investment income	935,726	659,141	75,374	4,209	42,085	55,249	51,188	5,966	2,565	10,140
Contributions and donations	103,615	83,285	4,600	55,851	125,084	36,298	29,005	17,644	30,284	20,222
Miscellaneous revenues	145,092	316,910	995,150	125,674	70,705	104,272	198,744	736,555	61,536	99,051
Total revenues	40,154,938	32,124,153	38,866,898	25,416,256	24,630,658	22,358,488	20,200,126	18,538,692	18,992,067	17,467,205
Expenditures										
Current:										
General government	4,401,916	3,758,403	9,863,199	2,356,327	2,281,974	1,922,665	1,936,981	1,704,872	1,499,951	1,543,959
Judicial	376,318	359,517	362,934	340,466	335,587	321,744	320,820	306,736	301,967	271,492
Public safety	15,341,923	13,520,591	11,571,650	10,406,827	9,658,237	9,447,243	8,708,392	9,331,413	7,231,207	6,256,936
Public works	2,720,441	2,083,627	1,880,795	1,677,825	1,629,655	1,424,998	1,507,008	1,674,014	1,598,761	1,752,543
Culture and recreation	1,368,632	1,019,106	851,340	701,462	669,706	734,561	655,034	840,678	733,027	676,815
Housing and development	3,017,765	2,819,379	2,160,500	1,837,502	2,107,552	2,086,187	1,952,676	3,150,743	1,370,169	1,228,388
Capital outlay	12,368,824	7,974,656	10,679,416	4,043,592	4,531,953	2,736,537	9,028,080	318,992	2,888,074	1,490,576
Debt service:										
Principal	2,211,960	1,726,771	4,483,270	1,687,378	1,820,333	2,292,259	2,516,205	2,436,408	2,423,172	16,644,736
Interest	368,497	380,016	412,576	534,627	589,338	663,810	743,189	819,521	894,810	1,615,187
Total expenditures	$ 42,176,276	$ 33,642,066	$ 42,265,680	$ 23,586,006	$ 23,624,335	$ 21,630,004	$ 27,368,385	$ 20,583,377	$ 18,941,138	$ 31,480,632

CITY OF CANTON, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Excess of revenues over (under) expenditures	$ (2,021,338)	$ (1,517,913)	$ (3,398,782)	$ 1,830,250	$ 1,006,323	$ 728,484	$ (7,168,259)	$ (2,044,685)	$ 50,929	$ (14,013,427)
Other financing sources (uses)										
Issuance of long-term debt	-	-	183,456	-	-	-	-	-	-	14,651,000
Issuance of leases payable	1,946,669	1,306,653	253,859	-	-	-	-	-	-	-
Proceeds from sale of capital asse	238,625	1,576,950	69,200	15,700	1,368,013	56,158	25,292	34,321	11,966	20,475
Transfers to other funds	(1,648,638)	(864,773)	(10,119,212)	(882,371)	(600,988)	(1,489,589)	(2,265,434)	(1,772,886)	(1,870,781)	(2,303,943)
Transfers from other funds	3,745,033	3,164,233	15,469,710	3,347,655	3,241,344	4,866,038	3,720,394	3,812,490	3,748,104	4,173,360
Total other financing sources (uses)	4,281,689	5,183,063	5,857,013	2,480,984	4,008,369	3,432,607	1,480,252	2,073,925	1,889,289	16,540,892
Net change in fund balances	$ 2,260,351	$ 3,665,150	$ 2,458,231	$ 4,311,234	$ 5,014,692	$ 4,161,091	$ (5,688,007)	$ 29,240	$ 1,940,218	$ 2,527,465
Debt service as a percentage of noncapital expenditures	9.29%	8.58%	12.72%	11.21%	12.95%	23.80%	13.02%	19.38%	20.23%	53.13%

CITY OF CANTON, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Total District Tax Rate	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
2015	612,939,501	66,550,855	679,490,356	6.196	1,698,725,890	40%
2016	675,865,104	66,698,082	742,563,186	5.850	1,856,407,965	40%
2017	740,620,232	70,009,026	810,629,258	5.600	2,026,573,145	40%
2018 (1)	966,279,630	85,941,598	1,052,221,228	5.400	2,630,553,070	40%
2019	1,092,810,419	91,451,447	1,184,261,866	5.400	2,960,654,665	40%
2020	1,221,396,010	96,314,690	1,317,710,700	5.400	3,294,276,750	40%
2021	1,322,427,856	98,021,254	1,420,449,110	5.400	3,551,122,775	40%
2022	1,510,266,615	105,684,590	1,615,951,205	5.400	4,039,878,013	40%
2023	1,874,503,435	127,607,243	2,002,110,678	5.400	5,005,276,695	40%
2024	2,269,183,054	142,471,864	2,411,654,918	5.400	6,029,137,295	40%

Source: City of Canton Tax Department
(1) Cherokee County began billing and collecting City Real Estate and Personal Property Taxes in 2017

CITY OF CANTON, GEORGIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING
(Per $1,000 of Assessed Value)
LAST TEN YEARS

Fiscal Year	City of Canton	Cherokee County BOC	Cherokee County BOE	State	Total Direct & Overlapping Rates
2015	6.196	9.908	19.450	0.10	35.65
2016	5.850	9.900	19.450	0.05	35.25
2017	5.600	9.663	19.850	0.00	35.11
2018	5.400	9.362	19.450	0.00	34.21
2019	5.400	9.138	19.450	0.00	33.99
2020	5.400	8.965	19.450	0.00	33.82
2021	5.400	8.965	19.450	0.00	33.82
2022	5.400	8.938	19.450	0.00	33.79
2023	5.400	8.333	17.950	0.00	31.68
2024	5.400	8.311	17.950	0.00	31.66

CITY OF CANTON, GEORGIA
PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer Name	2024 Assessed Value	2024 Rank	2024 % Assessed	2015 Assessed Value	2015 Rank	2015 % Assessed
Cherokee County Development	$ 45,164,235	1	1.87%			
CX Heritage DST	40,699,354	2	1.69%			
Universal Alloy	37,060,918	3	1.54%	9,914,777	3	1.46%
Westdale Grand Canton LC	28,347,793	4	1.18%			
Crest Laurel Canyon Apts, LLC	28,087,841	5	1.16%			
Canton Marketplace Owner LLC	21,162,802	6	0.88%	22,730,640	1	3.35%
SMC Bluffs LLC	19,082,280	7	0.79%			
Legends at Laurel Canyon, LLC	18,577,897	8	0.77%			
VR Canton, LP	16,066,600	9	0.67%			
Canton Leased Housing	14,094,932	10	0.58%	6,936,840	8	1.02%
DDRM Riverstone Plaza, LLC	-		-	11,540,200	2	1.70%
Wal-Mart	8,996,343		-	8,775,242	4	1.29%
Northside Hospital INCC	11,449,588		-	8,483,040	5	1.25%
Target Corporation	5,686,361		-	7,996,808	6	1.18%
Walden Crossing, LLC	14,085,930		-	7,525,095	7	1.11%
Georgia Power Company	13,429,092		-	6,555,984	9	0.96%
Lowes Home Center, Inc.	4,701,921		-	5,835,290	10	0.86%
	$348,248,894		11.13%	$ 96,293,916		14.18%

Sources: City of Canton Tax Department and Cherokee County Tax Commissioner

CITY OF CANTON, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	4,205,523	4,179,655	99.38%	18,498	4,198,153	99.82%
2015	4,341,432	4,303,258	99.12%	29,227	4,332,485	99.79%
2016	4,536,957	4,466,952	98.46%	13,431	4,480,383	98.75%
2017	4,670,051	4,657,529	99.73%	12,508	4,670,037	100.00%
2018	5,115,713	5,095,803	99.61%	16,107	5,111,910	99.93%
2019	5,758,867	5,736,004	99.60%	14,931	5,750,935	99.86%
2020	5,956,864	5,884,608	98.79%	22,696	5,907,304	99.17%
2021	6,905,471	6,555,738	94.94%	24,584	6,580,322	95.29%
2022	8,699,557	8,622,626	99.12%	15,917	8,638,543	99.30%
2023	10,194,560	9,646,449	94.62%	-	9,646,449	94.62%

Sources: City of Canton Tax Department and Cherokee County Tax Commissioner

CITY OF CANTON, GEORGIA
TEN LARGEST WATER & WASTEWATER SYSTEM CUSTOMERS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Customer Name	Water Consumption (gallons)	Total Water Billings	Sewer Consumption (gallons)	Total Sewer Billings	Total Billings	Percentage of System Billings
Waleska Water System*	140,051,000	$ 427,156	-	-	$ 427,156	2.71%
Northside Hospital - Cherokee	42,893,800	$ 331,634	36,773,600	$ 393,629	$ 725,263	4.60%
Canton Leased Housing	33,814,750	$ 254,913	33,556,850	$ 365,726	$ 620,639	3.94%
Westdale Grand Canton LLC	17,623,300	$ 133,245	16,850,600	$ 178,678	$ 311,923	1.98%
River Ridge Apartments	14,909,900	$ 115,716	13,755,000	$ 152,784	$ 268,500	1.70%
Signature Management	13,554,900	$ 104,221	13,554,900	$ 141,438	$ 245,659	1.56%
Cherokee Co Board of Education	13,528,420	$ 118,251	10,800,250	$ 125,387	$ 243,638	1.54%
Walden Crossing	11,872,500	$ 90,892	11,872,500	$ 132,506	$ 223,398	1.42%
The Crest @ Laurel Canyon	11,316,100	$ 90,747	9,611,400	$ 108,583	$ 199,330	1.26%
CMF Heritage at Riverstone LLC	10,186,800	$ 80,336	9,807,500	$ 110,900	$ 191,236	1.21%
	309,751,470	$ 1,747,111	156,582,600	$ 1,709,631	$ 3,456,742	21.92%

Source: City of Canton Utility Billing Department
*Waleska Water System is a wholesale water customer of the City of Canton pursuant to an intergovernmental contract. Waleska Water System does not purchase any sewer service.

CITY OF CANTON, GEORGIA
CURRENT WATER & WASTEWATER SERVICE RATES
SEPTEMBER 30, 2024

Residential Rates

Water Rates	Base Rate	Volume Rate (per 1,000 gallons)
0 - 2,000 gallons (min)	14.38	---
2,000 - 10,000 gallons	---	$ 7.04
10,000 - 15,000 gallons	---	$ 8.45
15,000 gallons and above	---	$ 9.16
Sewer Rates		
0 - 2,000 gallons (min)	21.1	---
2,000 gallons and above	---	$ 10.39

Wholesale Rates

Water Rates	Per 1,000 gallons	$ 3.05
Sewer Rates	Per 1,000 gallons	$ 5.52

Commercial Rates

		(Based on Meter Size)						
		5/8 or 3/4"	1"	2"	3"	4"	6"	8"
Water Rates								
0 - 2,000 gallons (min)	Base Rate	$ 14.38	$ 20.14	$ 47.04	$ 91.04	$ 133.32	$ 273.24	$ 406.00
2,000 gallons and above	Per 1,000 gallons	$ 7.26	$ 7.26	$ 7.26	$ 7.26	$ 7.26	$ 7.26	$ 7.26
Sewer Rates								
0 - 2,000 gallons (min)	Base Rate	$ 21.10	$ 29.54	$ 69.00	$ 133.59	$ 195.62	$ 400.93	$ 595.71
2,000 gallons and above	Per 1,000 gallons	$ 10.58	$ 10.58	$ 10.58	$ 10.58	$ 10.58	$ 10.58	$ 10.58

Irrigation Rates

		(Based on Meter Size)						
Water Rates		5/8 or 3/4"	1"	2"	3"	4"	6"	8"
0 - 2,000 gallons (min)	Base Rate	$ 14.38	$ 20.14	$ 47.04	$ 91.04	$ 133.32	$ 273.24	$ 406.00
2,000 - 15,000 gallons	Per 1,000 gallons	$ 8.45	$ 8.45	$ 8.45	$ 8.45	$ 8.45	$ 8.45	$ 8.45
15,000 gallons and above	Per 1,000 gallons	$ 9.16	$ 9.16	$ 9.16	$ 9.16	$ 9.16	$ 9.16	$ 9.16

CITY OF CANTON, GEORGIA
WATER & WASTEWATER SYSTEM DEMAND AND DISCHARGE
LAST FIVE YEARS

Water System
Set forth below is the average daily demand and the maximum daily demand for water service from the distribution system for the last five fiscal years.

	2024	2023	2022	2021	2020
Average Daily MGD	3.38	3.65	3.09	3.08	3.05
Maximum Day MGD	4.41	4.65	4.17	4.20	4.27

Wastewater System
Set forth below is the average daily discharge and the maximum daily discharge for wastewater service for the last five fiscal years.

	2024	2023	2022	2021	2020
Average Daily MGD	2.72	2.62	2.82	3.47	3.00
Maximum Day MGD	6.3	4.40	4.69	6.70	5.80

Source: City of Canton Utility Billing Department.

CITY OF CANTON, GEORGIA
WATER & WASTEWATER SYSTEM CONNECTIONS
LAST FIVE YEARS

Water System Connections
Set forth below are the number of connections to the water system for the last five fiscal years.

	2024	2023	2022	2021	2020
Total	10,186	10,237	10,010	9,715	9,379

Approximately 8,982 were residential connections and 1,204 were commercial and industrial connections as of September 30, 2024.

Wastewater System Connections
Set forth below are the number of connections to the wastewater system for the last five fiscal years.

	2024	2023	2022	2021	2020
Total	8,380	8,338	8,094	7,880	7,371

Approximately 7,730 were residential connections and 650 were commercial and industrial connections as of September 30, 2024.

Source: City of Canton Utility Billing Department.

CITY OF CANTON, GEORGIA
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities(1)				Business-Type Activities(1)				
Fiscal Year	Bonds Payable	Notes Payable	Subscriptions	Leases	Revenue Bonds	GEFA Notes	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2015	$ 27,906,199	$ 900,000	$ -	$ -	$ 2,988,971	$ 6,444,124	$ 38,239,294	3.52%	$ 1,541.84
2016	$ 25,788,589	$ 600,000	$ -	$ -	$ 1,786,760	$ 9,871,329	$ 38,046,678	3.21%	$ 1,493.84
2017	$ 23,657,494	$ 300,000	$ -	$ -	$ 1,103,229	$ 10,494,870	$ 35,555,593	2.76%	$ 1,349.87
2018	$ 21,446,334	$ -	$ -	$ -	$ 882,436	$ 9,886,068	$ 32,214,838	2.29%	$ 1,153.17
2019	$ 19,158,838	$ -	$ -	$ -	$ 882,436	$ 9,232,072	$ 29,273,346	1.92%	$ 998.89
2020	$ 17,342,978	$ -	$ -	$ -	$ -	$ 8,561,328	$ 25,904,306	1.71%	$ 919.70
2021	$ 15,659,771	$ -	$ -	$ -	$ 65,456,159	$ 6,692,684	$ 87,808,614	5.11%	$ 2,876.33
2022	$ 11,222,156	$ 146,765	$ -	$ 248,743	$ 63,627,421	$ 6,292,217	$ 81,537,302	4.19%	$ 2,358.21
2023	$ 9,778,022	$ 110,074	$ 214,596	$ 1,380,545	$ 61,844,846	$ 5,886,384	$ 79,214,467	3.34%	$ 2,212.14
2024	$ 8,282,192	$ 73,382	$ 145,076	$ 2,618,358	$ 60,090,904	$ 5,500,796	$ 76,710,708	3.14%	$ 2,081.31

(1) Details regarding the City's outstanding debt can be found in Note 9 in the Notes to Financial Statements
(2) See Schedule of Demographic and Economic Statistics for personal income and population data for the City

CITY OF CANTON, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2024

	Debt Outstanding	Percentage Applicable to City of Canton*	Amount Applicable to City of Canton
City of Canton Direct Debt	$ 11,119,008	100.00%	$ 11,119,008
Overlapping Debt:			
Cherokee County 2010	2,767,000	11.31%	312,856
Cherokee County 2012	2,120,000	11.31%	239,702
Cherokee County 2014	14,698,000	11.31%	1,661,859
Cherokee County 2016	17,010,512	11.31%	1,923,328
Cherokee County Financed Purchase	568,949	11.31%	64,329
Cherokee County Board of Education	392,219,164	11.31%	44,347,044
Total Overlapping Debt	429,383,625		48,549,118
Total Direct and Overlapping Debt	$ 440,502,633		$ 59,668,126

Source: The overlapping debt numbers were obtained from Cherokee County's 2023 Annual Comprehensive Financial Report.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Canton, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlaping government.

*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City's boundaries and dividing it by the county's total taxable assessed value.

CITY OF CANTON, GEORGIA
LEGAL DEBT MARGIN
LAST TEN YEARS

Tax Year	Original Assessed Value of Tax Digest	General Bonded Debt Limit (10%)	Total Debt Applicable to Limit*	Legal Debt Margin	Total Net Applicable Debt as a % of Debt Limit
2014	$ 839,064,799	$ 83,906,480	$ -	$ 83,906,480	0.00%
2015	$ 900,082,121	$ 90,008,212	$ -	$ 90,008,212	0.00%
2016	$ 983,758,808	$ 98,375,881	$ -	$ 98,375,881	0.00%
2017	$ 1,112,292,344	$ 111,229,234	$ -	$ 111,229,234	0.00%
2018	$ 1,194,911,341	$ 119,491,134	$ -	$ 119,491,134	0.00%
2019	$ 1,326,586,860	$ 132,658,686	$ -	$ 132,658,686	0.00%
2020	$ 1,427,832,790	$ 142,783,279	$ -	$ 142,783,279	0.00%
2021	$ 1,622,125,668	$ 162,212,567	$ -	$ 162,212,567	0.00%
2022	$ 2,007,765,875	$ 200,776,588	$ -	$ 200,776,588	0.00%
2023	$ 2,417,457,720	$ 241,745,772	$ -	$ 241,745,772	0.00%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligations bonds.

*The City of Canton does not have debt applicable to the limit.

CITY OF CANTON, GEORGIA
WATER & SEWER FUND HISTORICAL DEBT SERVICE COVERAGE RATIOS
LAST TEN YEARS

Fiscal Year	Operating Income	Plus: Depreciation	Net Revenue Available for Debt Service	Debt Service on Bonds	Bond Coverage	Debt Service on All Debt [(1)]	Debt Service Coverage on All Debt
2015	$ 5,359,955	$ 1,625,982	$ 6,985,937	$ 1,469,522	4.75	$ 1,844,228	3.79
2016	$ 6,848,851	$ 1,687,484	$ 8,536,335	$ 1,269,140	6.73	$ 3,944,303	2.16
2017	$ 6,947,877	$ 1,866,119	$ 8,813,996	$ 669,343	13.17	$ 3,545,249	2.49
2018	$ 8,619,286	$ 2,023,260	$ 10,642,546	$ 222,693	47.79	$ 3,302,455	3.22
2019	$ 8,522,309	$ 2,054,420	$ 10,576,729	-	-	$ 3,091,052	3.42
2020	$ 8,433,214	$ 2,100,493	$ 10,533,707	-	-	$ 3,086,106	3.41
2021	$ 9,141,541	$ 2,282,680	$ 11,424,221	$ 2,533,809	4.51	$ 4,518,014	2.53
2022	$ 7,371,115	$ 2,442,532	$ 9,813,647	$ 3,184,775	3.08	$ 5,901,790	1.66
2023	$ 9,436,786	$ 2,501,289	$ 11,938,075	$ 3,088,775	3.86	$ 6,077,418	1.96
2024	$10,451,022	$ 2,571,753	$ 13,022,775	$ 2,999,275	4.34	$ 5,276,527	2.47

(1) Includes debt service on the GEFA Loans and Prior Contractual Obligations.

CITY OF CANTON, GEORGIA
DEMOGRAPHIC AND ECONOMIC INFORMATION
LAST TEN YEARS

Fiscal Year	Population [1]	Personal Income	Per Capita Personal Income [2]	Median Age [3]	School Enrollment [4]	Unemployment Rate [2] %
2015	24,801	$ 1,085,589,372	$ 43,772	34.50	6,448	5.1
2016	25,469	$ 1,186,600,710	$ 46,590	33.70	6,860	4.1
2017	26,340	$ 1,289,211,300	$ 48,945	33.20	6,947	3.4
2018	27,936	$ 1,404,650,016	$ 50,281	32.30	6,514	3.8
2019	29,306	$ 1,525,435,912	$ 52,052	32.30	6,792	3.2
2020	28,166	$ 1,514,598,484	$ 53,774	34.80	6,487	2.8
2021	30,528	$ 1,718,054,784	$ 56,278	34.10	6,763	4.9
2022	34,576	$ 1,945,868,128	$ 56,278	34.40	6,956	1.7
2023	35,809	$ 2,371,630,070	$ 66,230	34.60	7,155	2.7
2024	36,857	$ 2,441,039,110	$ 66,230	39.10	7,360	2.6

Sources:
(1) Georgia Municipal Association
(2) Georgiadata.org/topics
(3) United States Census Bueau
(4) Cherokee County Board of Education

CITY OF CANTON, GEORGIA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2024			2015		
Employer	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Northside Hospital - Cherokee	3,818	1	21.24%	1,629	1	4.48%
Cherokee County Board of Education	1,046	2	5.82%	754	2	2.48%
Cherokee County Board of Commissioners	564	3	3.14%	425	3	1.39%
Publix Super Markets (3 Locations)	457	4	2.54%	315	4	1.09%
Universal Alloy Corporation	362	5	2.01%	260	6	0.93%
Wal-Mart Associates, Inc.	308	6	1.71%	288	5	0.99%
Target	273	7	1.52%	172	8	0.59%
GMRI Inc	214	8	1.19%	-	-	-
Piolax Corporation	175	9	0.97%	250	7	0.78%
Home Depot	160	10	0.89%	-	-	-
City of Canton	-	-	-	132	9	0.45%
Lowe's	-	-	-	129	10	0.45%
	7,377		41.04%	4,354		16.46%

Source: City of Canton Licensing Department and the Atlanta Regional Commission.

CITY OF CANTON, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government										
Management	15	14	13	12	12	10	10	10	10	9
Finance	3	3	2	2	2	3	3	3	4	4
Technology	2	2	2	1	2	2	2	2	2	2
Judicial										
Municipal court	3	3	3	3	3	5	3	3	3	2
Public safety										
Police officers	53	50	44	48	50	49	46	44	43	41
Police administration	7	6	8	8	8	7	6	8	8	8
Firefighters	-	-	-	-	-	-	-	-	30	24
Fire administration	-	-	-	-	-	-	-	-	3	3
Public works										
Engineering	4	1	1	1	1	1	1	1	3	4
Streets	15	14	17	15	16	18	19	18	19	16
Culture and recreation										
Parks	8	7	5	5	6	6	4	4	4	4
Housing and development										
Building	13	12	11	10	10	13	11	11	5	5
Planning and zoning	5	5	6	6	5	3	3	3	2	2
Economic development	-	1	1	1	1	1	-	2	2	2
Utilities										
Sanitation roll-off site	2	3	3	1	1	1	1	1	1	1
Water administration	7	7	7	7	7	7	7	6	5	5
Total	137	128	123	120	124	126	116	116	144	132

Source: City of Canton Human Resources Department.
Note: The City consolidated fire services with Cherokee County in FY2017.

CITY OF CANTON, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Physical Arrests	574	555	743	1,271	1,036	1,389	1,159	1,192	1,205	1,086
Parking Violations	8	16	2	3	5	5	12	124	138	1,239
Traffic Violations	3,101	3,310	3,177	4,532	2,939	4,760	4,846	4,081	4,162	5,107
Fire										
Emergency Responses	-	-	-	-	-	-	-	-	2,945	3,847
Fires Extinguished	-	-	-	-	-	-	-	-	52	93
Public Works										
Streets/Sidewalks Repaired	74	31	41	47	21	57	63	47	147	85
Signs Installed/Replaced	47	51	68	95	53	33	27	24	112	106
Trees Cut/Miscellaneous	38	20	27	127	296	348	48	52	724	684
Water										
New Connections*	(51)	267	346	389	377	332	218	426	377	374
Average Daily Consumption (Million Gallons Daily)	3.38	3.65	3.09	3.08	3.05	2.88	3.05	2.93	3.05	2.91

Source: Various City Departments.
Note: Indicators are not available for the General Government function.
Note: The City consolidated fire services with Cherokee County in FY2017.
Note: Water connections decreased in some fiscal years due to territory swaps with the Cherokee County Water and Sewerage Authority pursuant to Georgia House Bill 489 (HB489).

CITY OF CANTON, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	40	40	38	38	38	39	39	42	42	39
Fire										
Fire Stations	0	0	0	0	0	0	0	0	2	2
Pumper Trucks	0	0	0	0	0	0	0	0	4	4
Ladder Truck	0	0	0	0	0	0	0	0	1	1
Platform Truck	0	0	0	0	0	0	0	0	1	1
Public Works										
Streets (miles)	183	183	183	177	114	127	127	127	127	123
Sidewalks (miles)	130	130	130	130	130.0	19.5	19	19	19	19
Parks & Recreation										
Acreage of Parks	246	246	246	246	246	246	246	246	246	173
Playgrounds	6	5	5	5	5	5	5	5	5	5
Baseball Fields	5	5	5	5	5	5	5	5	5	5
Soccer Fields	5	5	5	5	5	5	5	5	5	2
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Community Center	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	159	158	155	153	153	152	150	150	148	142
Water Plant Capacity (million gallons daily)	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45
Sewer										
Sanitary Sewer Mains (miles)	121	120	116	114	114	114	112	112	110	103
Sewer Plant Capacity (million gallons daily)	7	4	4	4	4	4	4	4	4	4

Source: Various City Departments.
Note: Capital asset indicators are not available for the General Government, Judicial and Community Development functions.
Note: The City consolidated fire services with Cherokee County in FY2017.

SINGLE AUDIT SECTION

This page intentionally left blank.

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 Canton, 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 units, each major fund, and the aggregate remaining fund information of the City of Canton, Georgia, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Canton, Georgia's basic financial statements and have issued our report thereon dated March 31, 2025.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Canton, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

This report is intended 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 Canton, Georgia's internal control over 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
March 31, 2025

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 Canton, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Canton, 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 Canton, Georgia's major federal programs for the fiscal year ended September 30, 2024. The City of Canton, 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 Canton, 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 fiscal year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of City of Canton, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Canton, 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 Canton, 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 Canton, 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 Canton, 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 Canton, 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 Canton, 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 Canton, 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 a 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 a 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 were not 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
March 31, 2025

CITY OF CANTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2024

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Federal Expenditures	Disbursed to Subrecipients
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607	N/A	$ 2,670	$ -
U.S. Department of Transportation				
Highway Planning and Construction Cluster:				
Passed through the Georgia Department of Transportation:				
Highway Planning and Construction	20.205	PI#0017789	261,337	-
U.S. Department of the Treasury				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	1,156,170	1,130,637
Total Federal Awards			$ 1,420,177	$ 1,130,637

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

CITY OF CANTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2024

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Canton, Georgia, under programs for the federal government for the fiscal year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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

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

CITY OF CANTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2024

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weaknesses 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

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

None reported

B. Prior Year Audit Findings Follow-Ups

None reported

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*.

This page intentionally left blank.