CITY OF CARROLLTON, GEORGIA

Annual Financial Report

For the fiscal year ended June 30, 2022

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CITY OF CARROLLTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2022

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RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of and for the year ended June 30, 2022, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Carrollton, Georgia, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund, West Metro Regional Drug Enforcement Fund, and American Rescue Plan Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Carrollton, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Carrollton, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 11 and 68 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton, Georgia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Carrollton, Georgia's basic financial statements for the year ended June 30, 2021, which are not presented with the accompanying financial statements. In our report dated January 6, 2022, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Carrollton, Georgia's basic financial statements as a whole. The combining and individual fund financial statements and schedules related to the 2021 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules related to the 2021 financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022, on our consideration of the City of Carrollton, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Carrollton, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 30, 2022

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MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of Carrollton's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which begin on page 12.

Using This Annual Report

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, streets, general government, and recreation departments. Property tax, franchise fees, sales tax, occupation tax, and fines and forfeitures finance most of these activities.

- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City water/sewer and sanitation operations are reported here.

- Component units – The City includes three separate legal entities in its report – Carrollton Area Convention & Visitors' Association, Inc., Main Street Carrollton, and Carrollton Redevelopment Authority. Although legally separate, these component units are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

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

The City as a Whole

Net Position

The City's combined net position decreased from $205,312,817 in 2021 to $204,186,774 in 2022, a decrease of $1,126,043 (0.5%). Our analysis below focuses on the net position (Table 1) of the City's governmental and business-type activities.

The net position for governmental activities increased from $123,935,299 in 2021 to $124,711,583, an increase of $776,284 (0.6%). Unrestricted net position for governmental activities decreased from $11,651,212 in 2021 to $6,754,162 in 2022, a decrease of $4,897,050 (42.0%).

Total net position for business-type activities decreased from $81,377,518 in 2021 to $79,475,191, a decrease of $1,902,327 (2.3%). Unrestricted net position for business-type activities decreased from $7,968,344 in 2021 to $6,981,181 in 2022, a decrease of $987,163 (12.4%).

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current assets	$ 32,274,300	$ 25,623,622	$ 12,612,613	11,652,944	$ 44,886,913	$ 37,276,566
Restricted assets	19,623	152,797	288,031	317,246	307,654	470,043
Capital assets, net	114,203,510	108,412,852	76,463,792	77,841,526	190,667,302	186,254,378
Total assets	146,497,433	134,189,271	89,364,436	89,811,716	235,861,869	224,000,987
Total deferred outflows	4,175,715	3,318,865	1,264,850	976,545	5,440,565	4,295,410
Current liabilities	9,353,476	4,233,869	2,025,381	1,954,637	11,378,857	6,188,506
Noncurrent liabilites	12,837,795	8,354,078	7,622,654	6,693,630	20,460,449	15,047,708
Total liabiliites	22,191,271	12,587,947	9,648,035	8,648,267	31,839,306	21,236,214
Total deferred inflows	3,770,294	984,890	1,506,060	762,476	5,276,354	1,747,366
Net position:						
Net investment in capital assets	112,539,097	106,980,348	72,494,010	73,409,174	185,033,107	180,389,522
Restricted						
Capital projects	2,050,310	2,155,413	0	0	2,050,310	2,155,413
Other purposes	3,368,014	3,148,326	0	0	3,368,014	3,148,326
Unrestricted	6,754,162	11,651,212	6,981,181	7,968,344	13,735,343	19,619,556
Total net position	$ 124,711,583	$ 123,935,299	$ 79,475,191	$ 81,377,518	$ 204,186,774	$ 205,312,817

Changes in Net Position

The City's combined change in net position decreased from $6,359,398 in 2021 to $(1,126,043) in 2022. Our analysis below focuses on the changes in net assets (Table 2) of the City's governmental and business-type activities.

Governmental Activities

Revenues for the City's governmental activities totaled $37,495,762 (excluding transfers). This total represents an increase of $4,757,495 (14.5%) over the FY 2021 total of $32,738,267. The majority of this increase is due to a major increase in capital grants and contributions related to a $2.9 million land contribution. Additionally, the City experienced an increase in property taxes from an increased tax digest, increases in sales tax revenues and other tax revenues. The City has also experienced a rebound in recreation activity revenues and cultural arts revenues coming out of the COVID-19 pandemic which impacted prior year figure for charges for services. These increases were offset by a decrease in operating grants and relating to a one-time $1.4 million operating grant under the CARES act related to COVID-19 relief funding in FY21.

Program expenses for the City's governmental activities totaled $43,270,926 (excluding transfers). This total represents an increase of $9,669,278 (3.1%) over the FY 2021 total of $33,601,648. The majority of this increase is due to changes in benefit terms in the City's defined benefit pension plan implemented during FY22 as reported on page 68 of the financial statements. The City reported pension expense of $11,582,513 in FY22 compared to $1,525,384 in FY21. This increase will be funded over the next 10 years through governmental funds and employee contributions. However, the full liability was recorded at June 30, 2022 to capture the benefit change. Detailed information about the plan is found on pages 53-58 in the notes to the financial statements.

Business-Type Activities

Revenues for the City's business-type activities totaled $22,780,594. This represents an increase of $1,247,334 (5.8%) over the FY 2021 total of $21,533,260. Expenses for the City's business-type activities totaled $18,131,473 (excluding transfers), an increase of $3,820,992 (26.7%) over the FY 2021 total of $14,310,481. Revenue changes are primarily related to standard increases in utility rates as well as water and sewer tap fees related to new construction in FY22. Expense increases are related to significant increases in chemical costs and landfill fees as well as changes in the City's defined benefit pension plan as described above in the governmental activities section.

The operating revenues are as follows:

	2022	2021
Charges for services:		
Water and sewer fees & charges	$ 17,176,983	$ 16,195,439
Garbage and landfill fees	5,370,139	5,087,296
Total	$ 22,547,122	$ 21,282,735

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	$ 4,141,369	$ 3,356,728	$ 22,547,122	$ 21,282,735	$ 26,688,491	$ 24,639,463
Operating grants and contributions	2,171,674	3,305,121	0	0	2,171,674	3,305,121
Capital grants and contributions	10,215,972	6,794,047	0	0	10,215,972	6,794,047
General revenues						
Property taxes	5,724,277	5,349,358	0	0	5,724,277	5,349,358
Franchise & public service taxes	2,656,804	2,537,417	0	0	2,656,804	2,537,417
Sales taxes	6,425,610	5,756,736	0	0	6,425,610	5,756,736
Other taxes	5,815,203	5,364,215	0	0	5,815,203	5,364,215
Interest and investment earnings	25,537	27,956	37,191	28,229	62,728	56,185
Gain on sale of assets	138,176	26,587	0	27,894	138,176	54,481
Other	181,140	220,102	196,281	194,402	377,421	414,504
Total revenues	37,495,762	32,738,267	22,780,594	21,533,260	60,276,356	54,271,527
Expenses						
Program Expenses						
General government	4,977,125	3,828,884	0	0	4,977,125	3,828,884
Public safety	21,601,182	15,246,108	0	0	21,601,182	15,246,108
Public works	4,858,495	4,155,915	0	0	4,858,495	4,155,915
Culture and recreation	9,774,640	7,841,130	0	0	9,774,640	7,841,130
Housing and development	2,044,122	2,433,513	0	0	2,044,122	2,433,513
Water and sewer	0	0	13,376,250	10,325,144	13,376,250	10,325,144
Sanitation	0	0	4,755,223	3,985,337	4,755,223	3,985,337
Interest on long-term debt	15,362	96,098	0	0	15,362	96,098
Total expenses	43,270,926	33,601,648	18,131,473	14,310,481	61,402,399	47,912,129
Indirect costs	(3,078,081)	(3,324,404)	3,078,081	3,324,404	0	0
Excess (deficiency) before transfers	(2,697,083)	2,461,023	1,571,040	3,898,375	(1,126,043)	6,359,398
Transfers	3,473,367	3,177,125	(3,473,367)	(3,177,125)	0	0
Change in net position	776,284	5,638,148	(1,902,327)	721,250	(1,126,043)	6,359,398
Net position, beginning of year	123,935,299	118,297,151	81,377,518	80,656,268	205,312,817	198,953,419
Net position, end of year	$ 124,711,583	$ 123,935,299	$ 79,475,191	$ 81,377,518	$ 204,186,774	$ 205,312,817

The City's Funds

As the City completed FY2022, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of $23,444,253. This total represents an increase of $1,395,707 (6.3%) over the FY2021 combined fund balance of $22,048,546. The City's proprietary funds (as presented in the statement of net position on page 22 reported combined unrestricted net position available for appropriation in the amount of $6,981,181. This total represents a decrease of $987,163 (12.4%) from the FY2021 amount of $7,968,344.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues

General Fund revenue highlights discussed below are shown in Table 3. Total actual revenue was over total budgeted revenue in the amount of $763,275. Of this amount, tax revenue realized on property was over budget in the amount of $713,397. Property and motor vehicle taxes exceeded budget by $139,010 and $125,895 respectively as a result of digest increases and rising cost of automobiles. Local option sales tax revenue exceeded budgeted revenue in the amount of $325,610. Coming out of the COVID-19 pandemic, recreation fee revenue was over projections by $198,115. Cultural arts fees were $64,782 over budgeted revenue. Reimbursement of joint expenses were under budget by $458,879 as a result of higher than anticipated costs in the sanitation department.. Intergovernmental revenue was over budget by $406,327, related primarily to CARES Act COVID-19 relief funding. Interest income was under budgeted revenue in the amount of $7,541. Other income related to facility rentals and miscellaneous items were down $278,308 from budgeted projections. The City remains in a strong financial position due to these revenue results and the fiscal management of budgeted expenditures as discussed below.

Table 3 - General Fund Revenues

	2022			2021		
	Budget	Actual	Variance	Budget	Actual	Variance
Taxes	$ 18,890,000	$ 19,603,397	$ 713,397	$ 16,652,970	$ 18,230,016	$ 1,577,046
Licenses and permits	690,000	703,254	13,254	525,000	564,099	39,099
Intergovernmental	1,096,580	1,502,907	406,327	1,041,580	2,751,284	1,709,704
Charges for services	5,068,963	4,919,481	(149,482)	5,121,353	4,765,129	(356,224)
Contributions	2,899,950	2,899,950	0	0	0	-
Fines and forfeitures	1,000,000	1,065,628	65,628	1,000,000	1,088,520	88,520
Interest on invested funds	30,000	22,459	(7,541)	50,000	24,767	(25,233)
Other	455,000	176,692	(278,308)	405,436	216,326	(189,110)
Total	$ 30,130,493	$ 30,893,768	$ 763,275	$ 24,796,339	$ 27,640,141	$ 2,843,802

Expenditures

General Fund expenditure highlights are in Table 4. The City completed FY2022 with a total of $33,746,660 in General Fund operating expenditures. The operating budget for these expenditures totaled $35,713,433 resulting in expenditures being realized at an amount of $1,966,773 under budget.

General Government

Expenditures for General Administration came in at $335,314 under budget. These positive budget variances can be attributed to budgeted vacant personnel positions that are anticipated to be filled in the coming fiscal year and decreased contract services expenditures. Detailed variances can be found on page 84 of our report.

Public Safety

Expenditures for Public Safety were $412,785 under budget. Expenditures for the Police Department and Fire Department came in at $65,480 and $347,305 under budget, respectively. These positive budget variances can be attributed to budgeted vacant personnel positions that will be filled in the coming fiscal year. See page 85 for more details.

Street Department
Expenditures for the City's Street Department totaled $184,641 coming in at $19,296 under budget. Capital outlay infrastructure projects throughout the City were funded during the year with 2021 SPLOST funds. Please refer to page 85 of our report for a detailed analysis of these variances.

Engineering
Expenditures for Engineering totaled $1,447,124 coming in at $116,273 under budget. Please refer to page 85 of our report for a detailed analysis of these variances.

Cultural Arts & Recreation
Expenditures for Cultural Arts and Recreation totaled $6,685,232, coming in at $684,453 under budget. Of this amount, expenditures for Recreation Parks came in at $446,019 under budget. Expenditures in these departments were significantly increased over prior year as a result of increased operations coming out of the COVID-19 pandemic. Please refer to page 86 of our report for a detailed analysis of these variances.

Table 4 - General Fund Operating Expenditures

	2022			2021		
	Budget	Actual	Variance	Budget	Actual	Variance
General government	$ 8,849,029	$ 8,513,715	$ 335,314	$ 5,719,197	$ 5,435,096	$ 284,101
Public safety	15,917,891	15,505,106	412,785	14,834,098	14,162,698	671,400
Public w orks	2,272,407	2,048,920	223,487	2,581,637	2,446,668	134,969
Cultural and recreation	7,369,685	6,685,232	684,453	6,909,711	6,064,730	844,981
Housing and development	1,136,501	832,243	304,258	1,031,296	722,871	308,425
Debt service	167,920	161,444	6,476	167,920	161,444	6,476
Total operating expenditures	$ 35,713,433	$ 33,746,660	$ 1,966,773	$ 31,243,859	$ 28,993,507	$ 2,250,352

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of fiscal year 2022, the City had $190,667,302 invested in a broad range of capital assets, including public safety equipment, buildings, recreation and cultural arts facilities, and water and sewer infrastructure. Please refer to our analysis below for a breakdown of the City's capital assets and the notes to the financial statements for more information.

Table 5 - Capital Assets at June 30, 2022, Net of Depreciation

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 16,942,445	$ 13,316,080	$ 8,933,978	$ 8,933,978	$ 25,876,423	$ 22,250,058
Land Improvements	18,060,090	18,174,506	-	-	18,060,090	18,174,506
Buildings and improvements	31,086,231	29,779,358	2,935,446	2,957,605	34,021,677	32,736,963
Equipment	4,098,463	4,100,115	2,271,923	2,725,891	6,370,386	6,826,006
Infrastructure	39,881,257	37,674,202	60,997,708	62,472,705	100,878,965	100,146,907
Construction in progess	4,135,024	5,368,591	1,324,737	751,347	5,459,761	6,119,938
Totals	$ 114,203,510	$ 108,412,852	$ 76,463,792	$ 77,841,526	$ 190,667,302	$ 186,254,378

DEBT

The total long-term debt of the City outstanding at June 30, 2022 was $4,413,482. The City has $3,559,000 in revenue bond debt outstanding. Notes payable balances reported in the business-type activities relate to improvements to the City's water and sewer systems. Please refer to our analysis below for the breakdown of the City's outstanding debt and notes to the financial statements for more information.

Table 6 - Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Bonds from direct placement	$ 0	$ 0	$ 3,559,000	$ 4,016,000	$ 3,559,000	$ 4,016,000
Notes from direct borrowings	455,236	597,733	399,246	349,446	854,482	947,179
Totals	$ 455,236	$ 597,733	$ 3,958,246	$ 4,365,446	$ 4,413,482	$ 4,963,179

ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND RATES

The City's elected and appointed officials considered many factors when preparing the FY 2023 budget, millage rates, and user fees that will be charged for business-type activities. The growth in the property tax digest, as well as the projected collection rate in property taxes is taken into account when the millage rate is approved by the Mayor and City Council. Also, growth rates in other General Fund revenue categories such as sales tax, automobile tax, utility franchise fees, and occupation tax are taken into account when preparing the General Fund budget.

The above indicators were taken into account when adopting the General Fund budget for FY 2023. The fiscal year 2023 General Fund budget totals $32,082,579, an increase of $1,082,984 (3.4%) over the FY 2022 original budget.

If these estimates are realized, the City's General Fund balance is expected to decrease for FY 2022. These results are expected to be achieved by utilizing current resources as well as approximately $120,000 of fund balance reserve. However, the City expects that with a rebounding economy and prudent financial management, the budgeted deficit can be absorbed.

As for the City's business-type activities, we expect that the FY 2023 results will continue to show solid financial performance.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Carrollton Area Convention & Visitors' Association, Inc. Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 28,478,770	$ 9,099,698	$ 37,578,468	$ 269,952
Restricted assets				
Cash and cash equivalents	19,623	288,031	307,654	0
Receivables (net)				
Accounts	120,131	2,884,984	3,005,115	0
Intergovernmental	1,965,742	0	1,965,742	89,808
Taxes	1,186,807	0	1,186,807	0
Internal balances	2,424	(2,424)	0	0
Inventories	0	391,585	391,585	0
Prepaid items	520,426	238,770	759,196	0
Total current assets	32,293,923	12,900,644	45,194,567	359,760
Noncurrent assets				
Capital assets				
Non-depreciable	21,077,469	10,258,715	31,336,184	0
Depreciable (net)	93,126,041	66,205,077	159,331,118	0
Total noncurrent assets	114,203,510	76,463,792	190,667,302	0
Total assets	146,497,433	89,364,436	235,861,869	359,760
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	3,787,731	1,144,036	4,931,767	0
Deferred outflows of resources related to OPEB	387,984	120,814	508,798	0
Total deferred outflows of resources	4,175,715	1,264,850	5,440,565	0
LIABILITIES				
Current liabilities				
Accounts payable	1,597,684	544,471	2,142,155	63,433
Accrued liabilities	87,063	0	87,063	0
Retainages payable	280,348	0	280,348	0
Accrued salaries and payroll liabilities	497,272	142,788	640,060	0
Compensated absences	404,647	93,267	497,914	0
Accrued interest payable	11,322	0	11,322	0
Unearned revenue	5,058,688	632,435	5,691,123	0
Due to others	1,269,407	0	1,269,407	0
Notes payable	147,045	91,389	238,434	0
Bonds payable	0	233,000	233,000	0
Liabilities payable from restricted assets				
Customer deposits payable	0	288,031	288,031	0
Total current liabilities	9,353,476	2,025,381	11,378,857	63,433

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Carrollton Area Convention & Visitors' Association, Inc. Component Unit
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Net pension liability	$ 10,613,402	$ 3,427,410	$ 14,040,812	$ 0
Net OPEB liability	1,916,202	561,387	2,477,589	0
Notes payable	308,191	307,857	616,048	0
Bonds payable	0	3,326,000	3,326,000	0
Total noncurrent liabilities	12,837,795	7,622,654	20,460,449	0
Total liabilities	22,191,271	9,648,035	31,839,306	63,433
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	2,961,648	1,201,492	4,163,140	0
Deferred inflows of resources related to OPEB	808,646	304,568	1,113,214	0
Total deferred inflows of resources	3,770,294	1,506,060	5,276,354	0
NET POSITION				
Net investment in capital assets	112,539,097	72,494,010	185,033,107	0
Restricted for:				
Public Safety	2,255,478	0	2,255,478	0
Housing and Development	1,112,536	0	1,112,536	0
Capital outlay	2,050,310	0	2,050,310	0
Unrestricted	6,754,162	6,981,181	13,735,343	296,327
Total net position	$ 124,711,583	$ 79,475,191	$ 204,186,774	$ 296,327

Exhibit A-1, continued

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government						
Governmental activities						
General Government	$ 4,977,125	$ (3,078,081)	$ 264,315	$ 0	$ 66,486	$ (1,568,243)
Public Safety	21,601,182	0	1,815,070	1,543,105	1,639,977	(16,603,030)
Public Works	4,858,495	0	36,589	0	3,633,449	(1,188,457)
Culture and Recreation	9,774,640	0	1,478,400	475,048	4,712,320	(3,108,872)
Health and Welfare	0	0	0	147,993	0	147,993
Housing and Development	2,044,122	0	546,995	5,528	163,740	(1,327,859)
Interest on long-term debt	15,362	0	0	0	0	(15,362)
Total governmental activities	43,270,926	(3,078,081)	4,141,369	2,171,674	10,215,972	(23,663,830)
Business-type activities						
Water and Sewerage	13,376,250	2,181,803	17,176,983	0	0	1,618,930
Sanitation	4,755,223	896,278	5,370,139	0	0	(281,362)
Total business-type activities	18,131,473	3,078,081	22,547,122	0	0	1,337,568
Total primary government	61,402,399	0	26,688,491	2,171,674	10,215,972	(22,326,262)
Component Unit						
Carrollton Area Convention & Visitors' Association, Inc	326,510	0	0	0	0	(326,510)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Change in net position				
Net (expense) revenue	$ (23,663,830)	$ 1,337,568	$ (22,326,262)	$ (326,510)
General revenues				
Taxes				
Property	5,724,277	0	5,724,277	0
Sales	6,425,610	0	6,425,610	0
Insurance premium	2,022,018	0	2,022,018	0
Alcohol excise	864,141	0	864,141	0
Franchise	2,656,804	0	2,656,804	0
Occupational	1,636,888	0	1,636,888	0
Other	1,292,156	0	1,292,156	0
Interest and investment earnings	25,537	37,191	62,728	56
Gain on sale of assets	138,176	0	138,176	0
Other	181,140	196,281	377,421	0
Payments from City of Carrollton	0	0	0	622,781
Transfers	3,473,367	(3,473,367)	0	0
Total general revenues and transfers	24,440,114	(3,239,895)	21,200,219	622,837
Change in net position	776,284	(1,902,327)	(1,126,043)	296,327
Net position - beginning	123,935,299	81,377,518	205,312,817	0
Net position - ending	$ 124,711,583	$ 79,475,191	$ 204,186,774	$ 296,327

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	West Metro Regional Drug Enforcement	American Rescue Plan	2021 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and cash equivalents	$ 17,121,940	$ 2,634,658	$ 4,973,898	$ 1,151,024	$ 2,597,250	$ 28,478,770
Restricted assets						
Cash and cash equivalents	19,623	0	0	0	0	19,623
Receivables (net)						
Accounts	120,131	0	0	0	0	120,131
Intergovernmental	120,130	107,812	0	1,710,626	27,174	1,965,742
Taxes	988,178	0	0	0	198,629	1,186,807
Prepaid items	508,926	0	0	0	11,500	520,426
Due from other funds	40,814	0	0	0	0	40,814
Total assets	$ 18,919,742	$ 2,742,470	$ 4,973,898	$ 2,861,650	$ 2,834,553	$ 32,332,313
LIABILITIES						
Accounts payable	$ 555,148	$ 14,772	$ 0	$ 904,549	$ 123,215	$ 1,597,684
Accrued liabilities	87,063	0	0	0	0	87,063
Retainage payable	0	0	0	280,348	0	280,348
Accrued salaries and payroll liabilities	497,272	0	0	0	0	497,272
Unearned revenue	64,469	21,000	4,973,219	0	0	5,058,688
Due to other funds	134	11,823	0	11,752	14,681	38,390
Due to others	267,650	793,695	0	0	208,062	1,269,407
Total liabilities	1,471,736	841,290	4,973,219	1,196,649	345,958	8,828,852
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	59,208	0	0	0	0	59,208
FUND BALANCES						
Nonspendable:						
Prepaid items	508,926	0	0	0	11,500	520,426
Restricted for:						
Public Safety	0	1,901,180	0	0	354,298	2,255,478
Housing and Development	0	0	0	0	1,112,536	1,112,536
Capital outlay	0	0	0	1,665,001	385,309	2,050,310
Grant specifications	0	0	679	0	0	679
Assigned for:						
Housing and Development	0	0	0	0	624,952	624,952
Unassigned	16,879,872	0	0	0	0	16,879,872
Total fund balances	17,388,798	1,901,180	679	1,665,001	2,488,595	23,444,253
Total liabilities, deferred inflows of resources, and fund balances	$ 18,919,742	$ 2,742,470	$ 4,973,898	$ 2,861,650	$ 2,834,553	$ 32,332,313

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - total governmental funds			$ 23,444,253
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			114,203,510
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. These are:			
Property taxes			59,208
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds. These are:			
Deferred outflows of resources:			
Related to pensions			3,787,731
Related to OPEB			387,984
Deferred inflows of resources:			
Related to pensions			(2,961,648)
Related to OPEB			(808,646)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Compensated absences	$	(404,647)	
Notes payable		(455,236)	
Accrued interest payable		(11,322)	
Net pension liability		(10,613,402)	
Net OPEB liability		(1,916,202)	(13,400,809)
Net position of governmental activities			$ 124,711,583

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	General	West Metro Regional Drug Enforcement	American Rescue Plan	2021 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES						
Taxes	$ 19,603,397	$ 0	$ 0	$ 0	$ 1,001,940	$ 20,605,337
Licenses and permits	703,254	0	0	0	0	703,254
Fines, fees and forfeitures	1,065,628	409,896	0	0	105,409	1,580,933
Charges for services	4,919,481	0	0	0	9,000	4,928,481
Intergovernmental	1,502,907	553,490	116,531	6,708,972	472,962	9,354,862
Contributions	2,899,950	0	0	0	138,515	3,038,465
Interest	22,459	1,416	679	1,028	1,055	26,637
Other	176,692	4,448	0	0	0	181,140
Total revenues	30,893,768	969,250	117,210	6,710,000	1,728,881	40,419,109
EXPENDITURES						
Current						
General Government	8,513,715	0	0	0	0	8,513,715
Public Safety	15,505,106	641,840	0	0	196,572	16,343,518
Public Works	2,048,920	0	0	0	0	2,048,920
Culture and Recreation	6,685,232	0	0	0	0	6,685,232
Housing and Development	832,243	0	0	0	1,000,075	1,832,318
Capital outlay	0	0	0	6,169,571	880,227	7,049,798
Debt service	161,444	0	0	0	0	161,444
Total expenditures	33,746,660	641,840	0	6,169,571	2,076,874	42,634,945
Excess (deficiency) of revenues over (under) expenditures	(2,852,892)	327,410	117,210	540,429	(347,993)	(2,215,836)
Other financing sources (uses)						
Transfers in	3,817,707	0	0	0	52,493	3,870,200
Transfers out	(20,059)	(33,519)	(116,531)	(219,824)	(6,900)	(396,833)
Proceeds from sale of assets	100,176	0	0	0	38,000	138,176
Total other financing sources (uses)	3,897,824	(33,519)	(116,531)	(219,824)	83,593	3,611,543
Net change in fund balance	1,044,932	293,891	679	320,605	(264,400)	1,395,707
Fund balances, July 1	16,343,866	1,607,289	0	1,344,396	2,752,995	22,048,546
Fund balances, June 30	$ 17,388,798	$ 1,901,180	$ 679	$ 1,665,001	$ 2,488,595	$ 23,444,253

See accompanying notes to financial statements.

Exhibit A-5

CITY OF CARROLLTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2022

Net change in fund balances - total governmental funds		$ 1,395,707
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 11,661,761	
Depreciation	(5,593,092)	6,068,669
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.		
Cost of assets disposed	(780,092)	
Related accumulated depreciation	502,081	(278,011)
Distributions of capital assets to business-type activities decrease net position in the statement of activities, but do not appear in the governmental funds because they do not provide or use financial resources.		
Cost of assets transferred to business-type activities	18,033	
Related accumulated depreciation	(18,033)	0
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.		
Pension contributions	2,420,136	
Cost of benefits earned, net of employee contributions	(8,850,579)	(6,430,443)
Governmental funds report OPEB contributions as expenditures. However, in the statement of activities, the cost of OPEB benefits earned, net of employee contributions, is reported as OPEB expense.		
OPEB contributions	35,425	
Cost of benefits earned, net of employee contributions	(164,299)	(128,874)
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.		
Accrued interest	3,544	
Debt principal payments	142,537	146,081
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable revenue		16,557
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.		
Compensated absences		(13,402)
Change in net position of governmental activities		$ 776,284

See accompanying notes to financial statements.

Exhibit A-6

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 17,845,000	$ 18,890,000	$ 19,603,397	$ 713,397
Licenses and permits	625,000	690,000	703,254	13,254
Fines, fees and forfeitures	1,000,000	1,000,000	1,065,628	65,628
Charges for services	5,068,963	5,068,963	4,919,481	(149,482)
Intergovernmental	1,096,580	1,096,580	1,502,907	406,327
Interest	30,000	30,000	22,459	(7,541)
Contributions	0	2,899,950	2,899,950	0
Other	455,000	455,000	176,692	(278,308)
Total revenues	26,120,543	30,130,493	30,893,768	763,275
EXPENDITURES				
Current				
General Government				
Mayor and Council	140,378	180,378	178,006	2,372
City Manager	754,479	755,556	567,571	187,985
General Administration	1,275,082	5,862,685	5,857,115	5,570
Finance and Purchasing	373,369	375,522	384,316	(8,794)
Human Resources	438,256	439,333	357,873	81,460
Information Technology	590,053	591,130	592,084	(954)
General Maintenance	28,481	28,750	27,769	981
Marketing-Public Relations	365,137	365,675	327,014	38,661
Legal	185,000	250,000	221,967	28,033
Public Safety				
Police Department	9,228,064	9,257,668	9,192,188	65,480
Fire Department	6,642,999	6,660,223	6,312,918	347,305
Public Works				
Street Department	203,937	203,937	184,641	19,296
Engineering	1,559,629	1,563,397	1,447,124	116,273
Garage	503,458	505,073	417,155	87,918
Culture and Recreation				
Library	300,035	300,035	300,036	(1)
Recreation Administration	1,065,282	1,068,242	1,001,130	67,112
Recreation Parks	2,378,755	2,385,752	1,939,733	446,019
Recreation Programs	1,226,298	1,233,295	1,169,315	63,980
Cultural Arts	1,168,723	1,172,491	1,129,545	42,946
Recreation Athletics	1,201,527	1,209,870	1,145,473	64,397
Housing and Development				
Planning Administration	341,855	343,470	328,261	15,209
Code Enforcement	171,961	172,499	94,359	78,140
Convention and Visitor's Association, Inc.	423,365	424,442	277,914	146,528
Main Street Division	195,552	196,090	131,709	64,381
Debt Service				
Police Department	167,920	167,920	161,444	6,476
Total expenditures	30,929,595	35,713,433	33,746,660	1,966,773
Excess (deficiency) of revenues over expenditures	(4,809,052)	(5,582,940)	(2,852,892)	2,730,048
Other financing sources (uses)				
Transfers in	3,705,915	3,798,225	3,817,707	19,482
Transfers out	0	0	(20,059)	(20,059)
Gain on sale of assets	0	0	100,176	100,176
Total other financing sources (uses)	3,705,915	3,798,225	3,897,824	99,599
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,103,137)	(1,784,715)	1,044,932	2,829,647
Fund balances, July 1	1,103,137	1,784,715	16,343,866	14,559,151
Fund balances, June 30	$ 0	$ 0	$ 17,388,798	$ 17,388,798

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, fees and forfeitures	$ 112,000	$ 245,655	$ 409,896	$ 164,241
Intergovernmental	733,694	353,413	553,490	200,077
Interest	0	0	1,416	1,416
Other	0	0	4,448	4,448
Total revenues	845,694	599,068	969,250	370,182
EXPENDITURES				
Current				
Public Safety	845,694	599,068	641,840	(42,772)
Total expenditures	845,694	599,068	641,840	(42,772)
Excess (deficiency) of revenues over expenditures	0	0	327,410	327,410
Other financing sources (uses)				
Transfers out	0	0	(33,519)	(33,519)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	293,891	293,891
Fund balances, July 1	0	0	1,607,289	1,607,289
Fund balances, June 30	$ 0	$ 0	$ 1,901,180	$ 1,901,180

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 116,531	$ 116,531	$ 116,531	$ 0
Interest	0	0	679	679
Total revenues	116,531	116,531	117,210	679
EXPENDITURES	0	0	0	0
Excess (deficiency) of revenues over expenditures	116,531	116,531	117,210	679
Other financing sources (uses)				
Transfers out	(116,531)	(116,531)	(116,531)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	679	679
Fund balances, July 1	0	0	0	0
Fund balances, June 30	$ 0	$ 0	$ 679	$ 679

See accompanying notes to financial statements.

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 7,321,434	$ 1,778,264	$ 9,099,698
Restricted assets			
Cash and cash equivalents	288,031	0	288,031
Accounts receivable, net	2,113,003	771,981	2,884,984
Inventories	391,585	0	391,585
Prepaid items	175,128	63,642	238,770
Due from other funds	134	0	134
Total current assets	10,289,315	2,613,887	12,903,202
Noncurrent assets			
Capital assets			
Non-depreciable	10,258,715	0	10,258,715
Depreciable (net)	65,488,850	716,227	66,205,077
Total noncurrent assets	75,747,565	716,227	76,463,792
Total assets	86,036,880	3,330,114	89,366,994
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	810,634	333,402	1,144,036
Deferred outflows of resources related to OPEB	80,341	40,473	120,814
Total deferred outflows of resources	890,975	373,875	1,264,850
LIABILITIES			
Current liabilities			
Accounts payable	406,777	137,694	544,471
Accrued salaries and payroll liabilities	108,618	34,170	142,788
Compensated absences	66,728	26,539	93,267
Unearned revenue	632,435	0	632,435
Due to other funds	1,635	923	2,558
Notes payable	25,000	66,389	91,389
Bonds payable	233,000	0	233,000
Liabilities payable from restricted assets			
Customer deposits payable	288,031	0	288,031
Total current liabilities	1,762,224	265,715	2,027,939
Noncurrent liabilities			
Net pension liability	2,428,575	998,835	3,427,410
Net OPEB liability	419,169	142,218	561,387
Notes payable	307,857	0	307,857
Bonds payable	3,326,000	0	3,326,000
Total noncurrent liabilities	6,481,601	1,141,053	7,622,654
Total liabilities	8,243,825	1,406,768	9,650,593

See accompanying notes to financial statements.

Exhibit A-10, continued

CITY OF CARROLLTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	$ 875,616	$ 325,876	$ 1,201,492
Deferred inflows of resources related to OPEB	236,059	68,509	304,568
Total deferred inflows of resources	1,111,675	394,385	1,506,060
NET POSITION			
Net investment in capital assets	71,844,172	649,838	72,494,010
Unrestricted	5,728,183	1,252,998	6,981,181
Total net position	$ 77,572,355	$ 1,902,836	$ 79,475,191

See accompanying notes to financial statements.

Exhibit A-10, continued

CITY OF CARROLLTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
OPERATING REVENUES			
Charges for sales and services	$ 17,176,983	$ 5,370,139	$ 22,547,122
Other	196,281	0	196,281
Total operating revenues	17,373,264	5,370,139	22,743,403
OPERATING EXPENSES			
Costs of sales and services	6,635,979	3,014,492	9,650,471
Personal services	5,617,883	2,403,512	8,021,395
Depreciation	2,499,994	216,459	2,716,453
Total operating expenses	14,753,856	5,634,463	20,388,319
Operating income (loss)	2,619,408	(264,324)	2,355,084
Non-operating revenues (expenses)			
Interest and investment earnings	4,306	32,885	37,191
Interest expense	(104,197)	(17,038)	(121,235)
Debt issuance costs	(100,000)	0	(100,000)
Payments to others	(600,000)	0	(600,000)
Total non-operating revenues (expenses)	(799,891)	15,847	(784,044)
Net income (loss) before transfers	1,819,517	(248,477)	1,571,040
Transfers in (out)			
Transfers in	245,563	6,467	252,030
Transfers out	(3,725,397)	0	(3,725,397)
Total transfers in (out)	(3,479,834)	6,467	(3,473,367)
Change in net position	(1,660,317)	(242,010)	(1,902,327)
Net position, July 1	79,232,672	2,144,846	81,377,518
Net position, June 30	$ 77,572,355	$ 1,902,836	$ 79,475,191

See accompanying notes to financial statements.

Exhibit A-11

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Cash flows from operating activities:			
Receipts from customers	$ 17,513,561	$ 5,311,376	$ 22,824,937
Payments to suppliers	(6,852,939)	(3,035,161)	(9,888,100)
Payments to employees	(4,290,393)	(1,917,393)	(6,207,786)
Other receipts	196,281	0	196,281
Net cash provided (used) by operating activities	6,566,510	358,822	6,925,332
Cash flows from non-capital financing activities:			
Receipts from other funds	48,253	6,467	54,720
Payments to other funds	(3,725,397)	0	(3,725,397)
Payments to others	(600,000)	0	(600,000)
Net cash provided (used) by non-capital financing activities	(4,277,144)	6,467	(4,270,677)
Cash flows from capital and related financing activities:			
Receipts from other funds	226,724	0	226,724
Payments for acquisitions of capital assets	(1,302,608)	(24,575)	(1,327,183)
Payment of capital related payables	(66,907)	0	(66,907)
Principal payments - promissory notes	(25,000)	(66,390)	(91,390)
Principal payments - bonds payable	(457,000)	0	(457,000)
Proceeds from notes payable	141,190	0	141,190
Debt issuance costs paid	(100,000)	0	(100,000)
Interest paid	(104,197)	(17,038)	(121,235)
Net cash provided (used) by capital and related financing activities	(1,687,798)	(108,003)	(1,795,801)
Cash flows from investing activities			
Interest and investment earnings received	4,306	32,885	37,191
Net increase (decrease) in cash and cash equivalents	605,874	290,171	896,045
Cash and cash equivalents, July 1	7,003,591	1,488,093	8,491,684
Cash and cash equivalents, June 30	$ 7,609,465	$ 1,778,264	$ 9,387,729

See accompanying notes to financial statements.

Exhibit A-12, continued

CITY OF CARROLLTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2022

	Business-Type Activities		
	Water and Sewerage	Sanitation	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 2,619,408	$ (264,324)	$ 2,355,084
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	2,499,994	216,459	2,716,453
(Increase) decrease in accounts receivable	(22,567)	(58,763)	(81,330)
(Increase) decrease in inventories	10,856	0	10,856
(Increase) decrease in prepaid items	687	5,964	6,651
(Increase) decrease in deferred outflows related to pensions	(205,271)	(103,939)	(309,210)
(Increase) decrease in deferred outflows related to OPEB	11,400	9,505	20,905
Increase (decrease) in accounts payable	(183,292)	(26,633)	(209,925)
Increase (decrease) in noncapital retainage payable	(45,211)	0	(45,211)
Increase (decrease) in unearned revenue	388,360	0	388,360
Increase (decrease) in accrued salaries and payroll liabilities	24,973	(842)	24,131
Increase (decrease) in compensated absences	(5,570)	(2,455)	(8,025)
Increase (decrease) in customer deposits	(29,215)	0	(29,215)
Increase (decrease) in net pension liability	1,007,317	460,104	1,467,421
Increase (decrease) in net OPEB liability	(50,206)	(74,991)	(125,197)
Increase (decrease) in deferred inflows related to pensions	587,486	224,853	812,339
Increase (decrease) in deferred inflows related to OPEB	(42,639)	(26,116)	(68,755)
Total adjustments	3,947,102	623,146	4,570,248
Net cash provided (used) by operating activities	$ 6,566,510	$ 358,822	$ 6,925,332
Cash and cash equivalents reconciliation			
Cash and cash equivalents	$ 7,321,434	$ 1,778,264	$ 9,099,698
Restricted assets			
Cash and cash equivalents	288,031	0	288,031
	$ 7,609,465	$ 1,778,264	$ 9,387,729

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $11,536.

Cost of transferred assets from governmental activities totaled $18,033.

See accompanying notes to financial statements.

Exhibit A-12, continued

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2022

ASSETS	
Cash and cash equivalents	$ 27,819
LIABILITIES	
Due to others	27,819
NET POSITION	
Restricted for individuals, organizations and other governments	$ 0

See accompanying notes to financial statements.

Exhibit A-13

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended June 30, 2022

ADDITIONS		
Fines and forfeitures collected for other governments	$	370,334
DEDUCTIONS		
Distributions of fines and forfeitures to other governments		370,334
Change in net position		0
Net position, July 1		0
Net position, June 30	$	0

See accompanying notes to financial statements.

Exhibit A-14

1. Description of Government Unit

The City of Carrollton, Georgia (the City) is located in Carroll County about 50 miles west of Atlanta. The City provides a full range of governmental services, including public safety, highways and streets, recreational and cultural programs and economic development, as well as water and sewer and sanitation services. The City is governed by an elected mayor and four-member council.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Carrollton, Georgia (the primary government) and material component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of the following component units have been included as either blended or discretely presented component units.

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Carrollton Area Convention and Visitors Association, Inc.

This entity superseded the Carroll County Area Convention and Visitors Association, Inc. The Association is organized under Internal Revenue Code Section 501(c)(6) and is funded from a portion of the tax assessed on area hotel and motel receipts.

Carrollton Redevelopment Authority

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

Main Street Carrollton

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

As discussed earlier, the government has three discretely presented component units, which are combined in a column in the government-wide financial statements. For the current year, the Carrollton Redevelopment Authority and Main Street Carrollton had no activity to report in the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Water and Sewerage and Sanitation Enterprise Funds and the other functions of the government. Elimination of these charges would distort the direct costs of program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

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

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Interfund Activity

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer and Sanitation Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

The City Council adopts an operating budget for all governmental fund types, except for the Capital Projects Funds, for the upcoming fiscal year, prior to July 1. Capital budgets are adopted for Capital Projects Funds. The budgets are prepared based on requests made by various department heads. The adopted budgets include proposed expenditures and the means of financing them. Prior to budgets being legally enacted through passage of an ordinance, public hearings are held to obtain taxpayer comments. The budgets are prepared on the modified accrual basis of accounting. The City does not use an encumbrance system which records commitments related to unperformed contracts for goods and services.

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

I. Intergovernmental Receivables

Receivables for state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories of the Water and Sewerage Fund are valued at cost on the first-in, first-out method.

K. Prepaid Items

Payments made to vendors for services that will benefit periods in subsequent years, are recorded as prepaid items. Prepaid items in the governmental funds are recorded as expenditures when consumed.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

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

Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated.

Land and construction-in-progress are not depreciated. The other property, plant equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

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

All land will be valued and capitalized. The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to their defined benefit pension and other postemployment benefit plans.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

2. Summary of Significant Accounting Policies (continued)

O. Fund Balance Flow Assumption

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

P. Restricted Assets and Restricted Net Position

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

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

Q. Fund Balances – Governmental Funds

The City of Carrollton implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

2. Summary of Significant Accounting Policies (continued)

Q. Fund Balances – Governmental Funds, continued

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to constraints imposed by formal action of the Mayor and City Council through the adoption of a resolution or motion. The Mayor and City Council also may modify or rescind the commitment.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Through resolution or motion, the Mayor and City Council has authorized the City's Finance Officer to assign fund balances.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that should report this category of fund balance.

R. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation leave which will be paid to the employees upon separation from City service. Accumulated unpaid vacation leave amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement) and is expected to be liquidated with expendable available financial resources.

2. Summary of Significant Accounting Policies (continued)

S. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

T. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

U. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of the changes in the City's financial position and operations. Certain 2021 amounts have been reclassified to conform with the 2022 presentation.

3. Deposit and Investment Risk

Custodial credit risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned. The City's policies require that all deposits be federally insured or fully collateralized.

Investment policies - Credit, concentration of credit, and interest rate risk

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States. The City has no investment policy that would further limit its investment choices. The City places no limits on the amount the City may invest in any one issuer of equity or debt securities. Investments are reported at fair market value.

Foreign currency risk

The City has no investments denominated in a foreign currency.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 120,131
Water and Sewerage Enterprise Fund	$ 2,142,229	
Less: Allowance for Uncollectibles	(29,226)	2,113,003
Sanitation Enterprise Fund	787,589	
Less: Allowance for Uncollectibles	(15,608)	771,981
Total Primary Government		$ 3,005,115

5. Intergovernmental Receivables

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

Primary Government:	
Major Funds	
General Fund	$ 120,130
West Metro Regional Drug Enforcement Fund	107,812
2021 SPLOST Fund	1,710,626
Nonmajor Funds	
Special Revenue Funds	
Neighborhood Stabilization Program	27,174
Total Primary Government	$ 1,965,742
Component Unit:	
Carrollton Area Convention and Visitors Association, Inc.	$ 89,808

6. Property Taxes

Property tax rates are set by the City Council each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2021, based upon the assessments of January 1, 2021, were levied on August 12, 2021, billed on September 29, 2021, and due on December 1, 2021. The Carroll County Tax Commissioner bills and collects the City's property taxes.

7. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
General	Water and Sewerage	$ 1,635
	Sanitation	923
	2021 SPLOST	11,752
	West Metro Regional Drug Enforcement	11,823
	Nonmajor Governmental	14,681
Water and Sewerage	General	134
		$ 40,948

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

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

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

A summary of interfund transfers is as follows:

Transfer Out Fund	Transfer In Fund	Amount
Water and Sewerage	General	$ 3,725,397
West Metro Regional Drug Enforcement	Nonmajor Governmental	33,519
American Rescue Plan	General	92,310
	Water and Sewerage	18,839
	Sanitation	5,382
General	Sanitation	1,085
	Nonmajor Governmental	18,974
Nonmajor Governmental	Water and Sewerage	6,900
2021 SPLOST	Water and Sewerage	219,824
		$ 4,122,230

Interfund transfers were used to transfer unrestricted revenues from payor funds to subsidize operations in payee funds in accordance with budgetary authorizations, to transfer City matching funds in accordance with grant agreements, to transfer funds to Capital Projects Funds for capital projects in accordance with budgetary authorizations, and to move capital assets between governmental activities and business-type activities. The transfers from the Water and Sewerage and Sanitation Funds to the General Fund is in accordance with City policy, and is common practice for government-owned utility systems. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

8. Capital Assets

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

	Balance Beginning	Increases	Decreases	Balance Ending
Governmental activities				
Non-depreciable assets				
Land	$ 13,316,080	$ 3,626,365	$ 0	$ 16,942,445
Construction in progress	5,368,591	4,290,539	(5,524,106)	4,135,024
Total non-depreciable assets	18,684,671	7,916,904	(5,524,106)	21,077,469
Depreciable assets				
Land improvements	26,409,230	1,309,949	0	27,719,179
Buildings and improvements	42,324,930	1,314,747	0	43,639,677
Furnishings, vehicles, machinery and equipment	16,444,597	1,265,932	(798,125)	16,912,404
Infrastructure	79,742,837	5,378,335	0	85,121,172
Total depreciable assets	164,921,594	9,268,963	(798,125)	173,392,432
Less accumulated depreciation				
Land improvements	(8,234,724)	(1,424,365)	0	(9,659,089)
Buildings and improvements	(12,545,572)	(7,874)	0	(12,553,446)
Furnishings, vehicles, machinery and equipment	(12,344,482)	(989,573)	520,114	(12,813,941)
Infrastructure	(42,068,635)	(3,171,280)	0	(45,239,915)
Total accumulated depreciation	(75,193,413)	(5,593,092)	520,114	(80,266,391)
Total depreciable assets, net	89,728,181	3,675,871	(278,011)	93,126,041
Governmental activities capital assets, net	$ 108,412,852	$ 11,592,775	$ (5,802,117)	$ 114,203,510
Business-type activities				
Non-depreciable assets				
Land	$ 8,933,978	$ 0	$ 0	$ 8,933,978
Construction in progress	751,347	630,095	(56,705)	1,324,737
Total non-depreciable assets	9,685,325	630,095	(56,705)	10,258,715
Depreciable assets				
Buildings and improvements	7,592,243	123,916	0	7,716,159
Distribution system	102,754,800	598,374	0	103,353,174
Vehicles, machinery and equipment	8,700,943	61,072	0	8,762,015
Total depreciable assets	119,047,986	783,362	0	119,831,348
Less accumulated depreciation				
Buildings and improvements	(4,634,638)	(146,075)	0	(4,780,713)
Distribution system	(40,282,095)	(2,073,371)	0	(42,355,466)
Vehicles and equipment	(5,975,052)	(515,040)	0	(6,490,092)
Total accumulated depreciation	(50,891,785)	(2,734,486)	0	(53,626,271)
Total depreciable assets, net	68,156,201	(1,951,124)	0	66,205,077
Business-type activities capital assets, net	$ 77,841,526	$ (1,321,029)	$ (56,705)	$ 76,463,792

8. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 342,072
Public Safety	863,530
Public Works	2,412,757
Culture and Recreation	1,974,733
Total depreciation expense for governmental activities	$ 5,593,092
Business-type activities	
Water and Sewerage	$ 2,499,994
Sanitation	216,459
Total depreciation expense for business-type activities	$ 2,716,453

	Business-type Activities
Current year depreciation expense	$ 2,716,453
Prior accumulated depreciation on assets transferred between governmental and business-type activities	18,033
Additions to accumulated depreciation	$ 2,734,486

9. Long-Term Debt

Bonds from Direct Placement

Revenue bonds from direct placement have been issued for business-type activities and are comprised of the following individual issues at the end of the current fiscal year:

Water and Sewerage Revenue Bond Series 2014: In December 2014, the City issued Water and Sewerage Revenue Refunding and Improvement Bonds Series 2014 totaling $6,705,000 to refinance the Water and Sewerage Revenue Bond Series 1997 and the GEFA Note 2008-LO3WJ, and to pay the costs of certain improvements to the City's water and sewer system. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable and the bondholders may proceed to protect and enforce the rights of the bondholders by a suit, action or special proceeding in equity, or at law, either for the appointment of a receiver of the water system.

9. Long-Term Debt (continued)

Bonds from Direct Placement, continued

The bonds are secured by a pledge of the net revenues derived from the operation of the water system. The bonds are payable over a period of fifteen years at 2.67% interest. Semi-annual payments of principal and interest are due January 1 and July 1. Bond issuance costs of $145,011 were incurred relative to the sale.

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

Year Ending June 30,	Principal	Interest	Total
2023	$ 233,000	$ 47,513	$ 280,513
2024	476,000	85,654	561,654
2025	487,000	72,864	559,864
2026	502,000	59,755	561,755
2027	514,000	46,284	560,284
2028-2030	1,347,000	54,428	1,401,428
Totals	$ 3,559,000	$ 366,498	$ 3,925,498

Notes from Direct Borrowings

Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 08-001 and DW 08-001: On November 4, 2009, the City signed an agreement with the Georgia Environmental Facilities Authority to obtain a promissory note for $500,000, to procure four membrane filtration units. The note will be repaid in 240 monthly installments of $2,083 with an interest rate of 0.0%, beginning March 2010. Closing cost of $10,000 was financed through a second note with 0.0% interest to be paid in twelve annual installment payments of $833 beginning January 1, 2010 and ending December 1, 2029. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Note payments and performance obligations are secured by revenues on taxes, fees and charges collected by the City. The balance at the end of the current fiscal year was $191,667.

9. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 2020-042 and DW 2020-042: On December 13, 2021, the City signed an agreement with the Georgia Environmental Facilities Authority, the original amount of the loan is $10,000,000, of which there was $141,190 drawn during the year. The construction rate and permanent rate is 0.13%. There will be no payments until the project is complete. This construction completion date is estimated as June 2023. The maturity schedule below does not include this note.

On September 3, 2018, the City entered into an agreement with a financial institution to finance the purchase of sanitation equipment. The note bears interest at a rate of 4.75% billed separately on a monthly basis and requires annual principal payments (November 30th) of $66,389. The remaining principal balance at the end of the current fiscal year is $66,389 for the business-type activities.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 91,389	$1,328	$ 92,717
2024	25,000	0	25,000
2025	25,000	0	25,000
2026	25,000	0	25,000
2027	25,000	0	25,000
2028-2030	66,667	0	66,667
Totals	$ 258,056	$1,328	$ 259,384

9. Long-Term Debt (continued)

Notes from Direct Borrowings, continued

On July 16, 2019, the City entered into an agreement with a financial institution to finance the purchase of police equipment. Upon an event of default, (1) all outstanding principal and accrued interest may be declared immediately due and payable and (2) the financial institution may repossess or require the return of all equipment. The note bears interest at a rate of 3.163% and requires annual payments (September 16th) of $161,444. The remaining principal balance at the end of the current fiscal year is $455,236 for the governmental activities.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	$ 147,045	$14,399	$ 161,444
2024	151,696	9,748	161,444
2025	156,495	4,950	161,445
Totals	$ 455,236	$29,097	$ 484,333

10. Changes in Long-Term Liabilities

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

	Balance Beginning	Additions	Deductions	Balance Ending	Due Within One Year
Governmental activities					
Notes from direct borrowings	$ 597,773	$ 0	$ (142,537)	$ 455,236	$ 147,045
Compensated absences	391,245	523,787	(510,385)	404,647	404,647
Total governmental activities	$ 989,018	$ 523,787	$ (652,922)	$ 859,883	$ 551,692
Business-type activities					
Bonds from direct placement	$ 4,016,000	$ 0	$ (457,000)	$ 3,559,000	$ 233,000
Notes from direct borrowings	349,446	141,190	(91,390)	399,246	91,389
Compensated absences	101,292	153,569	(161,594)	93,267	96,267
Total business-type activities	$ 4,466,738	$ 294,759	$ (709,984)	$ 4,051,513	$ 420,656

Revenue bond discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

Total interest incurred and expensed in the governmental activities and the business-type activities for the current fiscal year was $15,362 and $121,235, respectively.

11. Conduit Debt

Carrollton Redevelopment Authority

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

11. Conduit Debt (continued)

On July 7, 2014, Carrollton Redevelopment Authority authorized the receipt of a loan of $217,235 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Chad P. Properties, LLC, for the purpose of renovating a building located at 310 Adamson Square. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 2% interest with monthly payments of $1,406 beginning September 1, 2014, and a balloon payment of $58,538 on August 1, 2024. The outstanding loan balance at the end of the current fiscal year was $116,739.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of $250,000 from the Georgia Department of Community Affairs. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of acquiring and renovating a building located at 210 Bradley Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is ten years at 2% interest with monthly payments of $1,608 beginning December 1, 2016, and a balloon payment of all unpaid principal on November 1, 2026. The outstanding loan balance at the end of the current fiscal year was $173,524.

On October 28, 2016, Carrollton Redevelopment Authority authorized the receipt of a loan of $250,000 from the Georgia Cities Foundation Loan Program. The Authority simultaneously re-loaned the proceeds to Million Suns, LLC, for the purpose of renovating a building located at 117 Newnan Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is fifteen years at 3% interest with monthly payments of $1,726 beginning December 1, 2016, and a balloon payment of $97,564 on November 1, 2026. The outstanding loan balance at the end of the current fiscal year was $177,515.

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

11. Conduit Debt (continued)

306 A1-B Rome Street. Loan documents, including its promissory note, were collaterally assigned to the Georgia Department of Community Affairs. The Authority is not liable for any amount under this loan; therefore, it is not reflected on the Authority's financial statements. The loan repayment period is fifteen years at 2% interest with monthly payments of $1,270 beginning March 1, 2018. The outstanding loan balance at the end of the current fiscal year was $148,422.

12. Net Investment in Capital Assets

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

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 194,469,901	$ 130,091,555
Accumulated depreciation	(80,266,391)	(53,627,763)
Book value	114,203,510	76,463,792
Capital-related accounts payable	(948,452)	(11,536)
Retainage payable	(280,348)	0
Capital-related notes payable	(455,236)	(399,246)
Capital-related bonds payable	0	(3,559,000)
Unspent note proceeds	19,623	0
Net investment in capital assets	$ 112,539,097	$ 72,494,010

13. Nonspendable, Restricted, and Assigned Fund Balances

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

	General	West Metro Regional Drug Enforcement	American Rescue Plan	2021 SPLOST	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 508,926	$ 0	$ 0	$ 0	$ 11,500	$ 520,426
Restricted for:						
Public Safety						
Police facilities and equipment	$ 0	$ 1,901,180	$ 0	$ 0	$ 317,978	$ 2,219,158
Hazardous material team	0	0	0	0	36,320	36,320
Housing and Development						
Neighborhood improvements	0	0	0	0	999,306	999,306
Promotion of tourism, conventions and trade shows	0	0	0	0	101,335	101,335
Capital Projects	0	0	0	1,665,001	385,309	2,050,310
Grant specifications	0	0	679	0	0	679
	$ 0	$ 1,901,180	$ 679	$ 1,665,001	$ 1,840,248	$ 5,407,108
Assigned for:						
Housing and Development						
Economic Development	$ 0	$ 0	$ 0	$	$ 636,847	$ 636,847
	$ 0	$ 0	$ 0	$ 0	$ 636,847	$ 636,847

14. Pension Plans

Defined Benefit Pension Plans

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City council members to establish and amend the benefit provisions of the plan.

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder.

At January 1, 2022, the date of the most recent actuarial valuation, there were 624 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	187
Terminated vested participants entitled to but not yet receiving benefits	107
Active participants	330
Total number of participants	624

Benefits Provided. Regular full-time employees who are non-civil service and who are not eligible to participate in any other retirement program of the City may participate immediately. Employees also participate in Social Security. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten years of total service are eligible to retire at age 65 with no reduction in benefit. Members are eligible for early retirement with reduced benefits based on the early retirement at age 55 with ten years of total service. The benefit formula is 2.00% - 2.50% with a five-year vesting schedule for Class 0 and Class 1 employees respectively and immediate vesting for elected officials.

Contributions. 3% employee contributions are required for employees in pay grades less than 20 and 6% for employees in pay grades 20 or higher. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the current fiscal year was $3,180,661, or 18.63% of covered payroll. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the City reported a net pension liability of $14,040,812. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. For the current fiscal year, the City recognized pension expense of $11,582,513. For the Governmental Activities, the net pension liability is liquidated by the General Fund.

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2020	$ 36,860,834	$ 28,983,842	$ 7,876,992
Changes for the year:			
Service cost	452,033	0	452,033
Interest	2,678,589	0	2,678,589
Differences between expected and actual experience	475,943	0	475,943
Contributions-employer	0	1,479,049	(1,479,049)
Contributions-employee	0	152,288	(152,288)
Net investment income	0	7,002,288	(7,002,288)
Benefit payments, including refunds of employee contribution	(1,986,032)	(1,986,032)	0
Administrative expense	0	(58,156)	58,156
Other	11,132,724	0	11,132,724
Net changes	12,753,257	6,589,437	6,163,820
Balances at 9/30/2021	$ 49,614,091	$ 35,573,279	$ 14,040,812

Plan fiduciary net position as a percentage of the total pension liability	71.70%
Covered payroll	$ 16,110,704
Net pension liability as a percentage of covered payroll	87.15%

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 958,472	$ (13,603)
Changes of assumptions	815,453	0
Net difference between projected and actual earnings on pension plan investments	0	(3,904,458)
Changes in participant fund allocation	245,079	(245,079)
Contributions subsequent to the measurement date	2,912,763	0
Totals	$ 4,931,767	$ (4,163,140)

The $2,912,763 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2023	$ (354,300)
2024	(292,362)
2025	(616,669)
2026	(880,805)
Totals	$ (2,144,136)

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Projected salary increases	2.25% plus service-based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.375%
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar
Remaining amortization period	10 years

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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

The mortality and economic actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.55%
International equity	20%	7.30%
Real estate	10%	3.65%
Global fixed income	5%	0.50%
Domestic fixed income	20%	0.40%
Cash	0%	
Total	100%	

14. Pension Plans (continued)

Defined Benefit Pension Plans, continued

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

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

	Discount Rate	Net Pension Liability
1% decrease	6.375%	$ 20,606,575
Current discount rate	7.375%	14,040,812
1% increase	8.375%	8,568,905

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans

In addition to the plan above, various City employees are also covered under the pension plans of the Georgia Firefighters' Pension Fund and the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the City's financial statements.

14. Pension Plans (continued)

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The City does not contribute to this plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Employee contributions for the current fiscal year were $506,837.

15. Post-Employment Benefits Other Than Pensions

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

At January 1, 2021, the date of the most recent actuarial valuation, there were 357 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	46
Inactive plan members entitled to but not yet receiving benefit payments	0
Active members	311
Total number of participants	357

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

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

Contributions. The City has not elected to advance fund the OPEB Plan, but rather maintains the OPEB Plan on a "pay-as-you-go" basis, in that claims are paid as they arise, rather than establishing an irrevocable trust to accumulate restricted funds. The City's contribution for the current fiscal year was $37,805, or 0.22% of covered employee payroll. The GMA issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. The City Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, the City reported a net OPEB liability of $2,477,589. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the City recognized OPEB expense of ($8,755). For the Governmental Activities, the net OPEB liability is liquidated by the General Fund.

The components of the net OPEB liability are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2020	$ 2,668,422	$0	$ 2,668,422
Changes for the year:			
Service cost	98,472	0	98,472
Interest	60,733	0	60,733
Changes of benefit terms	(8,904)	0	(8,904)
Differences between expected and actual experience	(15,645)	0	(15,645)
Contributions-employer	0	37,805	(37,805)
Changes in assumptions	(287,684)	0	(287,684)
Benefit payments, including refunds of member contributions	(37,805)	(37,805)	0
Net changes	(190,833)	0	(190,833)
Balances at 6/30/2021	$ 2,477,589	$0	$ 2,477,589

Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
Covered employee payroll	$ 15,189,914
Plan net OPEB liability as a percentage of covered employee payroll	16.31%

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 117,853	$ (104,651)
Changes of assumptions	287,861	(940,904)
Changes in participant fund allocation	67,659	(67,659)
Contributions subsequent to the measurement date	35,425	0
Totals	$ 508,798	$ (1,113,214)

The $35,425 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2023	$ (159,063)
2024	(159,063)
2025	(110,837)
2026	(87,727)
2027	(87,727)
Thereafter	(35,424)
Totals	$ (639,841)

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

Inflation	2.25%
Projected salary increases	3.00% to 8.50%, including inflation
Actuarial cost method	Entry age
Discount rate	2.16%. This changed from 2.21% the previous year
Healthcare cost trend rates	Medical: 6.75% trended down to 4.5% over 9 years
	Prescription Drug: 6.75% trended down to 4.5% by 2029

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

Mortality rates	Healthy mortality rates were based on the sex-distinct Pri-2012 head-count weighted Healthy Retiree Mortality Table with rates multiplied by 1.25. Disabled mortality rates were based on the sex-distinct Pri-2012 head-count weighted Disabled Retiree Mortality Table with rates multiplied by 1.25. Active participant mortality rates were based on the sex-distinct Pri-2012 head-count weighted Employee Mortality Table.
Amortization method	Open 30 years, level percent of payroll
Remaining amortization period	30 years
Asset valuation method	Market value

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2015 through June 30, 2019.

Development of Long-Term Rate. Since the City funds this Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). To comply with this requirement, the discount rate is based on an index of 20-year, tax-exempt general obligation bonds. Specifically, the chosen rate is 2.16%, the Bond Buyer 20-Bond GO Index rate published closest to, but not later than, the measurement date of June 30, 2021.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (1.16%) or one percentage-point higher (3.16%) than the current rate.

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

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

Discount Rate		Net OPEB Liability
1% decrease	1.16%	$ 2,794,684
Current discount rate	2.16%	2,477,589
1% increase	3.16%	2,204,065

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease	$ 2,256,402
Current trend rate	2,477,589
1% increase	2,743,088

OPEB Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

16. Hotel/Motel Lodging Tax

The City levied an occupancy tax of 8% beginning August 1, 2017 for the rent of a guest room at a hotel or motel in the City as authorized by the Official Code of Georgia Annotated O.C.G.A. 48-13-51(b). Local governments imposing a tax under this code section are required to expend, in each fiscal year, an amount equal to not less than 50% of the total amount of taxes collected that exceed the amount of taxes that would have been collected at the rate of 5% for promoting tourism, conventions, and trade shows by the destination marketing organization designated by the municipality levying the tax (for the City, the Carrollton Area Convention and Visitors Association, Inc. or the Carroll County Chamber of Commerce). For the current fiscal year, the City collected $1,001,940 in hotel/motel tax revenues, of which $424,143 was disbursed to the Carrollton Area Convention and Visitors Association, Inc. and the Carroll County Chamber of Commerce. Amounts held for future disbursements for promoting tourism, conventions, and trade shows are included in restricted fund balance. The remaining amount of taxes collected that exceed the amount of taxes that would be collected at the rate of 5% which are not otherwise expended above shall be expended for tourism product development. For the current fiscal year, the City expended $80,560 for tourism product development. Amounts held for future disbursements for tourism product development are included in restricted fund balance.

17. Tax Abatements

The City of Carrollton is subject to tax incentives granted by various authorities in the City. These incentives are negotiated on an individual basis as a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing business activity and employment in the City by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, and expansion. The incentives may be granted to any business located within or promising to relocate to a local government's geographic area and have various requirements regarding job creation and capital investments. Each of the incentive agreements contains a recapture provision that requires repayment of a portion of the abatement for that year if the business fails to meet its jobs and/or investment goals. The City has not made any commitments as part of the agreements other than to reduce taxes.

For the current fiscal year, the City of Carrollton property taxes were abated totaling $250,306 under this program through the Carrollton Payroll Development Authority.

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

- Property tax abatement (ranging from 10% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to $131,593.
- Property tax abatement (ranging from 80% to 100% by parcel) for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to $43,477.
- 80% property tax abatement for a local manufacturer expanding its manufacturing facility located in the City of Carrollton. The abatement amounted to $27,109.

18. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the area, is a member of the Three Rivers Regional Commission (TRRC). The membership dues are paid annually by the City of Carrollton. Membership in a regional commission (RC) is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RCs in Georgia.

18. Joint Ventures (continued)

The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the TRCC financial statements can be obtained from TRRC, P.O. Box 818, Griffin, Georgia 30224.

19. Related Organizations

The City of Carrollton Housing Authority is considered a related organization to the City of Carrollton. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Carrollton. The City collects revenue in lieu of taxes for City services provided to Housing Authority residents.

20. Risk Management

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

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

20. Risk Management (continued)

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

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

21. Commitments and Contingencies

Commitments

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

Project	Amount Expended to Date	Remaining Commitment
2021 Milling and Resurfacing	$ 1,378,668	$ 655,878
2022 Milling and Resurfacing	2,017,329	24,883
Fire Station #23	786,148	2,401,383

Contingencies

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

22. Material Budget Violations

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

West Metro Regional Drug Enforcement	$ 641,840
Drug Seizure	$ 191,863
Regional Hazardous Material Team	$ 4,709
Hotel/Motel	$ 791,949

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

22. Material Budget Violations (continued)

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

23. Subsequent Events

Subsequent to the end of the current fiscal year, the City committed $5,000,000 to Carrollton City Schools for land acquisition on Cottage Hill Road for school facilities.

The City also modified Georgia Environmental Facilities Authority notes payable – Water Fund – DWSRF 2020-042, adding $5,000,000 to the original $10,000,000 loan to finance a $14,989,717 Settlement Pond project.

24. New Accounting Pronouncements

The City implemented GASB Statement No. 87, *Leases*, effective for the City's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2021. This had no effect on beginning net position.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End		
	2022	**2021**	**2020**
Total pension liability			
Service cost	$ 452,033	$ 478,953	$ 359,881
Interest	2,678,589	2,583,027	2,409,298
Differences between expected and actual experience	475,943	234,846	540,068
Changes in assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(1,986,032)	(1,962,267)	(1,913,261)
Changes of benefit terms	11,132,724	0	0
Other changes	0	0	1,409,565
Net change in total pension liability	12,753,257	1,334,559	2,805,551
Total pension liability - beginning	36,860,834	35,526,275	32,720,724
Total pension liability - ending (a)	$ 49,614,091	$ 36,860,834	$ 35,526,275
Plan fiduciary net position			
Contributions - employer	$ 1,479,049	$ 1,416,916	$ 1,453,508
Contributions - employee	152,288	0	0
Net investment income	7,002,288	2,572,781	781,879
Benefit payments, including refunds of employee contributions	(1,986,032)	(1,962,267)	(1,913,261)
Administrative expense	(58,156)	(56,321)	(50,844)
Net change in plan fiduciary net position	6,589,437	1,971,109	271,282
Plan fiduciary net position - beginning	28,983,842	27,012,733	26,741,451
Plan fiduciary net position - ending (b)	$ 35,573,279	$ 28,983,842	$ 27,012,733
Net pension liability (asset) - ending : (a) - (b)	$ 14,040,812	$ 7,876,992	$ 8,513,542
Plan's fiduciary net position as a percentage of the total pension liability	71.70%	78.63%	76.04%
Covered payroll	$ 16,110,704	$ 15,189,914	$ 15,414,227
Net pension liability as a percentage of covered payroll	87.15%	51.86%	55.23%

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

See accompanying notes to the required supplementary information.

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

See accompanying notes to the required supplementary information.

Exhibit B-1, continued

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End		
	2022	**2021**	**2020**
Actuarially determined contribution	$ 2,436,723	1,641,131	$ 1,612,553
Contributions in relation to the actuarially determined contribution	(3,180,661)	(1,641,131)	(1,612,553)
Contribution deficiency (excess)	$ (743,938)	0	$ 0
Covered payroll	$ 17,071,537	15,861,803	$ 15,860,745
Contributions as a percentage of covered payroll	18.63%	10.35%	10.17%

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

See accompanying notes to the required supplementary information.

Fiscal Year End					
2019	2018	2017	2016	2015
$ 1,348,970	$ 1,341,205	$ 1,195,231	$ 1,186,903	$ 1,215,838
(1,348,970)	(1,229,438)	(1,197,081)	(1,187,953)	(1,215,838)
$ 0	$ 111,767	$ (1,850)	$ (1,050)	$ 0
$ 14,248,681	$ 14,711,933	$ 13,395,252	$ 12,662,435	$ 11,687,687
9.47%	8.36%	8.94%	9.38%	10.40%

See accompanying notes to the required supplementary information.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2022
(Unaudited)

	Fiscal Year End		
	2022	**2021**	**2020**
Total OPEB liability			
Service cost	$ 98,472	$ 71,323	$ 93,323
Interest	60,733	81,343	116,790
Change of benefit terms	(8,904)	(38,450)	(112,209)
Differences between expected and actual experience	(15,645)	(60,538)	188,568
Changes in assumptions	(287,684)	383,816	(910,321)
Benefit payments, including refunds of member contributions	(37,805)	(43,283)	(52,900)
Net change in total OPEB liability	(190,833)	394,211	(676,749)
Total OPEB liability - beginning	2,668,422	2,274,211	2,950,960
Total OPEB liability - ending (a)	$ 2,477,589	$ 2,668,422	$ 2,274,211
Plan fiduciary net position			
Contributions - employer	$ 37,805	$ 43,283	$ 52,900
Benefit payments, including refunds of member contributions	(37,805)	(43,283)	(52,900)
Net change in plan fiduciary net position	0	0	0
Plan fiduciary net position - beginning	0	0	0
Plan fiduciary net position - ending (b)	$ 0	$ 0	$ 0
Net OPEB liability (asset) - ending : (a) - (b)	$ 2,477,589	$ 2,668,422	$ 2,274,211
Plan's fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	$ 15,189,914	$ 13,448,107	$ 13,152,183
Plan net OPEB liability as a percentage of covered employee payroll	16.31%	19.84%	17.29%

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

See accompanying notes to the required supplementary information.

Fiscal Year End	
2019	**2018**
$ 94,178	$ 111,817
108,759	92,935
0	0
(60,250)	(69,070)
(101,521)	(268,511)
(67,970)	(76,910)
(26,804)	(209,739)
2,977,764	3,187,503
$ 2,950,960	$ 2,977,764
$ 67,970	$ 76,910
(67,970)	(76,910)
0	0
0	0
$ 0	$ 0
$ 2,950,960	$ 2,977,764
0.00%	0.00%
$ 13,397,582	$ 13,397,582
22.03%	22.23%

See accompanying notes to the required supplementary information.

Pension Plan

1. Valuation Date

The actuarially determined contribution was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending June 30, 2023.

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 14 years

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

Net investment rate of return = 7.375%

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

Cost of living adjustments = 0.00%

Retirement age for inactive vested participants = 65

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

Pension Plan (continued)

3. Changes in Benefits

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

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

4. Changes of Assumptions

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

OPEB Plan

1. Valuation Date

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

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age level percent of pay

Amortization method = Open 30 years, level percent of payroll

Remaining amortization period = 30 years

Asset valuation method = Market value

Projected salary increases = 3.00 to 8.50%, including inflation

OPEB Plan (continued)

Inflation = 2.25%

Discount rate = 2.16%. This changed from 2.21% the previous year

Healthcare cost trend rates = Medical: 6.75% trended down to 4.5% over 9 years
Prescription Drug: 6.75% trended down to 4.5% over 9 years

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

3. Changes in Benefits

The POS plan 80/60 $5,000 was added effective 1/1/2021.

4. Changes of Assumptions

- The discount rate effective from the Bond Buyer 20-Bond GO Index for June 30, 2021 was 2.16%. For June 30, 2020 it was 2.21%
- Per capital health costs and trend rates were updated to reflect most recent claims experience.
- The spousal participation assumption was lowered from 50% to 40%.

SUPPLEMENTARY INFORMATION

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COMBINING STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

CITY OF CARROLLTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2022

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
ASSETS				
Cash and cash equivalents	$ 662,268	$ 526,040	$ 36,320	$ 986,025
Receivables				
Intergovernmental	0	0	0	27,174
Taxes	198,629	0	0	0
Prepaid items	11,500	0	0	0
Total assets	$ 872,397	$ 526,040	$ 36,320	$ 1,013,199
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 122,715	$ 0	$ 0	$ 500
Due to other funds	0	0	0	13,393
Due to others	0	208,062	0	0
Total liabilities	122,715	208,062	0	13,893
Fund balances				
Nonspendable for:				
Prepaid items	11,500	0	0	0
Restricted for:				
Public Safety	0	317,978	36,320	0
Housing and Development	113,230	0	0	999,306
Capital outlay	0	0	0	0
Assigned for:				
Housing and Development	624,952	0	0	0
Total fund balances	749,682	317,978	36,320	999,306
Total liabilities and fund balances	$ 872,397	$ 526,040	$ 36,320	$ 1,013,199

Capital Projects		
2015 SPLOST	Capital Projects Fund for Public Roads	Total Nonmajor Governmental Funds
$ 0	$ 386,597	$ 2,597,250
0	0	27,174
0	0	198,629
0	0	11,500
$ 0	$ 386,597	$ 2,834,553
$ 0	$ 0	$ 123,215
0	1,288	14,681
0	0	208,062
0	1,288	345,958
0	0	11,500
0	0	354,298
0	0	1,112,536
0	385,309	385,309
0	0	624,952
0	385,309	2,488,595
$ 0	$ 386,597	$ 2,834,553

CITY OF CARROLLTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2022

	Special Revenue			
	Hotel/Motel Tax	Drug Seizure	Regional Hazardous Material Team	Neighborhood Stabilization Program
REVENUES				
Taxes	$ 1,001,940	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	0	105,409	0	0
Charges for services	0	0	9,000	0
Intergovernmental	0	0	0	163,740
Interest	48	0	0	771
Contributions	5,528	0	0	0
Total revenues	1,007,516	105,409	9,000	164,511
EXPENDITURES				
Current				
Public Safety	0	191,863	4,709	0
Housing and Development	791,949	0	0	208,126
Capital Outlay	0	0	0	0
Total expenditures	791,949	191,863	4,709	208,126
Excess (deficiency) of revenues over (under) expenditures	215,567	(86,454)	4,291	(43,615)
Other financing sources (uses)				
Transfers in		33,519	0	0
Transfers out	0	0	0	0
Proceeds from sale of assets		38,000	0	0
Total other financing sources (uses)	0	71,519	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	215,567	(14,935)	4,291	(43,615)
Fund balances, July 1	534,115	332,913	32,029	1,042,921
Fund balances, June 30	$ 749,682	$ 317,978	$ 36,320	$ 999,306

Capital Projects			
2015 SPLOST	Capital Projects Fund for Public Roads	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 1,001,940
0	0	105,409
0	0	9,000
0	309,222	472,962
72	164	1,055
132,987	0	138,515
133,059	309,386	1,728,881
0	0	196,572
0	0	1,000,075
874,057	6,170	880,227
874,057	6,170	2,076,874
(740,998)	303,216	(347,993)
18,974	0	52,493
(6,900)	0	(6,900)
0	0	38,000
12,074	0	83,593
(728,924)	303,216	(264,400)
728,924	82,093	2,752,995
$ 0	$ 385,309	$ 2,488,595

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GENERAL FUND

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

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 17,121,940	$ 16,052,906
Receivables (net)		
Accounts	120,131	154,055
Intergovernmental	120,130	86,144
Taxes	988,178	973,807
Prepaid items	508,926	500,839
Due from other funds	40,814	263,863
Restricted assets		
Cash and cash equivalents	19,623	152,797
Total assets	$ 18,919,742	$ 18,184,411
LIABILITIES		
Accounts payable	$ 555,148	$ 907,321
Accrued liabilities	87,063	123,703
Accrued salaries and payroll liabilities	497,272	448,061
Unearned revenue	64,469	94,185
Due to others	267,650	215,336
Due to other funds	134	9,287
Total liabilities	1,471,736	1,797,893
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	59,208	42,652
FUND BALANCES		
Nonspendable		
Prepaid items	508,926	500,839
Restricted for Housing and Development	0	133,174
Assigned for General Government	0	1,180,468
Unassigned	16,879,872	14,529,385
Total fund balances	17,388,798	16,343,866
Total liabilities, deferred inflows of resources and fund balances	$ 18,919,742	$ 18,184,411

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
REVENUES		
Taxes	$ 19,603,397	$ 18,230,016
Licenses and permits	703,254	564,099
Fines, fees and forfeitures	1,065,628	1,088,520
Charges for services	4,919,481	4,765,129
Intergovernmental	1,502,907	2,751,284
Interest	22,459	24,767
Contributions	2,899,950	0
Other	176,692	216,326
Total revenues	30,893,768	27,640,141
EXPENDITURES		
Current		
General Government	8,513,715	5,435,096
Public Safety	15,505,106	14,162,698
Public Works	2,048,920	2,446,668
Culture and Recreation	6,685,232	6,064,730
Housing and Development	832,243	722,871
Total current	33,585,216	28,832,063
Debt Service		
Public Safety	161,444	161,444
Total expenditures	33,746,660	28,993,507
Excess (deficiency) of revenues over (under) expenditures	(2,852,892)	(1,353,366)
Other financing sources (uses)		
Transfers in (out)		
American Rescue Plan Fund	92,310	0
Hotel/Motel Tax Fund	0	397,209
Drug Seizure Fund	0	9,492
2015 SPLOST Fund	(18,974)	0
Water and Sewerage Fund	3,725,397	3,177,125
Sanitation Fund	(1,085)	0
Proceeds from sale of assets	100,176	47,565
Total other financing sources (uses)	3,897,824	3,631,391
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,044,932	2,278,025
Fund balances, July 1	16,343,866	14,065,841
Fund balances, June 30	$ 17,388,798	$ 16,343,866

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	$ 4,505,000	$ 4,644,010	$ 139,010	$ 4,338,369
Motor vehicle tax	900,000	1,025,895	125,895	973,409
Cost, penalties and interest	25,000	37,815	12,815	31,840
Total general property taxes	5,430,000	5,707,720	277,720	5,343,618
Local option sales tax	6,100,000	6,425,610	325,610	5,756,736
Insurance premium tax	2,075,000	2,022,018	(52,982)	1,957,994
Intangibles tax	75,000	91,442	16,442	95,692
Real estate transfer tax	0	43,938	43,938	18,438
Franchise tax	2,750,000	2,656,804	(93,196)	2,537,417
Alcohol excise tax	825,000	864,141	39,141	842,424
Occupational tax	1,520,000	1,636,888	116,888	1,550,331
Energy excise tax	115,000	154,836	39,836	127,366
Total taxes	18,890,000	19,603,397	713,397	18,230,016
Licenses and permits				
Alcohol licenses	325,000	264,315	(60,685)	288,987
Building permits	365,000	438,939	73,939	275,112
Total licenses and permits	690,000	703,254	13,254	564,099
Fines, fees and forfeitures	1,000,000	1,065,628	65,628	1,088,520
Charges for Services				
Reimbursement of joint expenses	3,536,460	3,078,081	(458,379)	3,324,404
Recreation fees	882,500	1,080,615	198,115	858,101
Main Street events	75,000	108,556	33,556	75,395
Cemetery charges	20,000	36,089	16,089	58,233
Cultural arts fees	333,003	397,785	64,782	233,182
Other	222,000	218,355	(3,645)	215,814
Total charges for services	5,068,963	4,919,481	(149,482)	4,765,129
Intergovernmental	1,096,580	1,502,907	406,327	2,751,284
Interest	30,000	22,459	(7,541)	24,767
Contributions	2,899,950	2,899,950	0	0
Other				
Rental Income	100,000	26,650	(73,350)	26,620
Miscellaneous	355,000	150,042	(204,958)	189,706
Total other	455,000	176,692	(278,308)	216,326
Total revenues	$ 30,130,493	$ 30,893,768	$ 763,275	$ 27,640,141

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 90,378	$ 96,340	$ (5,962)	$ 88,397
Contract services	90,000	81,666	8,334	31,320
Total Mayor and Council	180,378	178,006	2,372	119,717
City Manager				
Personal services	739,838	553,057	186,781	447,006
Contract services	15,468	14,514	954	19,014
Materials and supplies	250	0	250	50
Total City Manager	755,556	567,571	187,985	466,070
General Administration				
Personal services	176,809	107,765	69,044	104,626
Contract services	730,850	784,226	(53,376)	704,415
Materials and supplies	268,500	275,911	(7,411)	267,806
Capital outlay	4,481,526	4,484,213	(2,687)	1,892,400
Payments to others	205,000	205,000	0	118,750
Total General Administration	5,862,685	5,857,115	5,570	3,087,997
Finance and Purchasing				
Personal services	358,554	373,000	(14,446)	323,960
Contract services	16,968	11,245	5,723	7,687
Materials and supplies	0	71	(71)	105
Total Finance and Purchasing	375,522	384,316	(8,794)	331,752
Human Resources				
Personal services	421,350	345,149	76,201	294,250
Contract services	13,983	12,632	1,351	14,674
Materials and supplies	4,000	92	3,908	571
Total Human Resources	439,333	357,873	81,460	309,495
Information Technology				
Personal services	262,907	262,031	876	230,939
Contract services	323,223	323,198	25	194,754
Materials and supplies	5,000	6,855	(1,855)	8,275
Capital outlay	0	0	0	21,900
Total Information Technology	591,130	592,084	(954)	455,868
General Maintenance				
Personal services	25,406	27,175	(1,769)	57,784
Contract services	3,344	594	2,750	2,740
Total General Maintenance	28,750	27,769	981	60,524
Marketing-Public Relations				
Personal services	123,950	130,370	(6,420)	119,170
Contract services	152,975	115,755	37,220	113,259
Material and supplies	88,750	80,889	7,861	79,032
Total Marketing-Public Relations	365,675	327,014	38,661	311,461

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
Legal				
Contract services	$ 250,000	$ 221,967	$ 28,033	$ 292,212
Total General Government	8,849,029	8,513,715	335,314	5,435,096
Public Safety				
Police Department				
Personal services	7,936,486	7,606,063	330,423	6,561,692
Contract services	948,892	1,029,717	(80,825)	972,646
Materials and supplies	372,290	483,510	(111,220)	366,594
Capital outlay	0	72,898	(72,898)	66,331
Total Police Department	9,257,668	9,192,188	65,480	7,967,263
Fire Department				
Personal services	6,081,559	5,754,542	327,017	5,179,922
Contract services	326,485	261,491	64,994	247,561
Materials and supplies	252,179	271,838	(19,659)	215,736
Capital outlay	0	25,047	(25,047)	552,216
Total Fire Department	6,660,223	6,312,918	347,305	6,195,435
Total Public Safety	15,917,891	15,505,106	412,785	14,162,698
Public Works				
Street Department				
Contract services	96,937	114,001	(17,064)	81,494
Materials and supplies	107,000	70,640	36,360	65,791
Capital outlay	0	0	0	546,305
Total Street Department	203,937	184,641	19,296	693,590
Engineering				
Personal services	898,429	846,223	52,206	726,296
Contract services	218,968	191,762	27,206	195,734
Materials and supplies	446,000	409,139	36,861	412,839
Capital outlay	0	0	0	66,032
Total Engineering	1,563,397	1,447,124	116,273	1,400,901
Garage				
Personal services	416,930	381,741	35,189	322,242
Contract services	24,168	13,786	10,382	10,362
Materials and supplies	55,075	21,628	33,447	19,573
Capital outlay	8,900	0	8,900	0
Total Garage	505,073	417,155	87,918	352,177
Total Public Works	2,272,407	2,048,920	223,487	2,446,668

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
Culture and Recreation				
Library				
Payments to others	$ 300,035	$ 300,036	$ (1)	$ 300,036
Recreation Administration				
Personal services	489,223	463,773	25,450	416,968
Contract services	138,619	147,267	(8,648)	135,618
Materials and supplies	440,400	390,090	50,310	382,520
Total Recreation Administration	1,068,242	1,001,130	67,112	935,106
Recreation Parks				
Personal services	1,669,355	1,260,215	409,140	1,196,380
Contract services	624,397	565,296	59,101	541,564
Materials and supplies	92,000	114,222	(22,222)	83,192
Capital outlay	0	0	0	48,332
Total Recreation Parks	2,385,752	1,939,733	446,019	1,869,468
Recreation Programs				
Personal services	936,482	823,506	112,976	769,941
Contract services	70,176	29,249	40,927	30,158
Materials and supplies	226,637	316,560	(89,923)	277,631
Capital outlay	0	0	0	34,637
Total Recreation Programs	1,233,295	1,169,315	63,980	1,112,367
Cultural Arts				
Personal services	681,128	585,315	95,813	451,242
Contract services	299,954	334,450	(34,496)	324,741
Materials and supplies	191,409	174,134	17,275	155,509
Capital outlay	0	35,646	(35,646)	19,500
Total Cultural Arts	1,172,491	1,129,545	42,946	950,992
Recreation Athletics				
Personal services	964,826	984,157	(19,331)	754,276
Contract services	99,073	53,691	45,382	63,571
Materials and supplies	145,971	107,625	38,346	78,914
Total Recreation Athletics	1,209,870	1,145,473	64,397	896,761
Total Culture and Recreation	7,369,685	6,685,232	684,453	6,064,730

CITY OF CARROLLTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning Administration				
Personal services	$ 316,502	$ 309,223	$ 7,279	$ 286,526
Contract services	25,968	17,315	8,653	14,158
Materials and supplies	1,000	1,723	(723)	899
Total Planning Administration	343,470	328,261	15,209	301,583
Code Enforcement				
Personal services	157,881	86,076	71,805	82,227
Contract services	9,968	5,327	4,641	7,478
Materials and supplies	4,650	2,956	1,694	817
Total Code Enforcement	172,499	94,359	78,140	90,522
Convention and Visitor's Association Inc.				
Personal services	173,342	0	173,342	146,807
Contract services	96,000	0	96,000	56,298
Materials and supplies	155,100	0	155,100	12,048
Payments to others	0	277,914	(277,914)	0
Total Convention and Visitor's Association, Inc.	424,442	277,914	146,528	215,153
Main Street Division				
Personal services	91,583	94,401	(2,818)	59,258
Contract services	33,027	8,538	24,489	34,558
Materials and supplies	65,480	28,770	36,710	21,797
Capital outlay	6,000	0	6,000	0
Total Main Street Division	196,090	131,709	64,381	115,613
Total Housing and Development	1,136,501	832,243	304,258	722,871
Total Current	35,545,513	33,585,216	1,960,297	28,832,063
Debt Service				
Police Department	167,920	161,444	6,476	161,444
Total Expenditures	$ 35,713,433	$ 33,746,660	$ 1,966,773	$ 28,993,507

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 662,268	$ 728,355
Taxes receivable	198,629	165,028
Prepaid items	11,500	0
Total assets	$ 872,397	$ 893,383
LIABILITIES		
Accounts payable	$ 122,715	$ 118,027
Due to other funds	0	241,241
Total liabilities	122,715	359,268
FUND BALANCES		
Nonspendable		
Prepaid items	11,500	0
Restricted for Housing and Development	113,230	0
Assigned for Housing and Development	624,952	534,115
Total fund balances	749,682	534,115
Total liabilities and fund balances	$ 872,397	$ 893,383

CITY OF CARROLLTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes	$ 680,000	$ 1,001,940	$ 321,940	$ 771,970
Interest	0	48	48	412
Contributions	0	5,528	5,528	0
Total revenues	680,000	1,007,516	327,516	772,382
EXPENDITURES				
Current				
Housing and Development				
Contract services	382,500	292,246	90,254	93,378
Capital outlay	0	75,560	(75,560)	137,390
Payments to other agencies	297,500	424,143	(126,643)	96,496
Total expenditures	680,000	791,949	(111,949)	327,264
Excess (deficiency) of revenues over (under) expenditures	0	215,567	215,567	445,118
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	(397,209)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	215,567	215,567	47,909
Fund balance, July 1	0	534,115	534,115	486,206
Fund balances, June 30	$ 0	$ 749,682	$ 749,682	$ 534,115

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 526,040	$ 436,521
Total assets	$ 526,040	$ 436,521
LIABILITIES		
Accounts payable	$ 0	$ 0
Due to others	208,062	103,608
Total liabilities	208,062	103,608
FUND BALANCES		
Restricted for Public Safety	317,978	332,913
Total liabilities and fund balances	$ 526,040	$ 436,521

CITY OF CARROLLTON, GEORGIA
DRUG SEIZURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 100,000	$ 105,409	$ 5,409	$ 87,291
Total revenues	100,000	105,409	5,409	87,291
EXPENDITURES				
Current				
Public Safety				
Contract services	100,000	3,471	96,529	12,747
Materials and supplies	0	36,518	(36,518)	14,138
Capital outlay	0	128,287	(128,287)	98,359
Payments to others	0	23,587	(23,587)	17,888
Total expenditures	100,000	191,863	(91,863)	143,132
Excess (deficiency) of revenues over (under) expenditures	0	(86,454)	(86,454)	(55,841)
Other financing sources (uses)				
Transfers in (out)				
General Fund	0	0	0	(9,492)
West Metro Regional Drug Enforcement Fund	0	33,519	33,519	0
Proceeds from sale of assets	0	38,000	38,000	0
Total other financing sources (uses)	0	71,519	71,519	(9,492)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(14,935)	(14,935)	(65,333)
Fund balance, July 1	0	332,913	332,913	398,246
Fund balances, June 30	$ 0	$ 317,978	$ 317,978	$ 332,913

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 36,320	$ 32,029
Total assets	$ 36,320	$ 32,029
FUND BALANCES		
Restricted for Public Safety	$ 36,320	$ 32,029
Total fund balances	$ 36,320	$ 32,029

CITY OF CARROLLTON, GEORGIA
REGIONAL HAZARDOUS MATERIAL TEAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 3,000	$ 9,000	$ 6,000	$ 9,000
Interest	500	0	(500)	1
Total revenues	3,500	9,000	5,500	9,001
EXPENDITURES				
Current				
Public Safety				
Contract services	1,750	0	1,750	0
Materials and supplies	1,750	4,709	(2,959)	1
Capital outlay	0	0	0	0
Total expenditures	3,500	4,709	(1,209)	1
Excess (deficiency) of revenues over (under) expenditures	0	4,291	4,291	9,000
Fund balance, July 1	0	32,029	32,029	23,029
Fund balances, June 30	$ 0	$ 36,320	$ 36,320	$ 32,029

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 2,634,658	$ 2,332,100
Intergovernmental receivable	107,812	125,666
Total assets	$ 2,742,470	$ 2,457,766
LIABILITIES		
Accounts payable	$ 14,772	$ 7,982
Due to other funds	11,823	18,639
Unearned revenue	21,000	23,000
Due to others	793,695	800,856
Total liabilities	841,290	850,477
FUND BALANCES		
Restricted for Public Safety	1,901,180	1,607,289
Total liabilities and fund balances	$ 2,742,470	$ 2,457,766

CITY OF CARROLLTON, GEORGIA
WEST METRO REGIONAL DRUG ENFORCEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022			2021
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines, fees, and forfeitures	$ 245,655	$ 409,896	$ 164,241	$ 141,459
Intergovernmental	353,413	553,490	200,077	592,805
Interest	0	1,416	1,416	1,572
Other	0	4,448	4,448	3,776
Total revenues	599,068	969,250	370,182	739,612
EXPENDITURES				
Current				
Public Safety				
Personal services	599,068	401,417	197,651	419,039
Contract services	0	157,360	(157,360)	191,586
Materials and supplies	0	83,063	(83,063)	116,743
Capital outlay	0	0	0	54,911
Total expenditures	599,068	641,840	(42,772)	782,279
Excess (deficiency) of revenues over (under) expenditures	0	327,410	327,410	(42,667)
Other financing sources (uses)				
Transfers in (out)				
Drug Seizure Fund	0	(33,519)	(33,519)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	293,891	293,891	(42,667)
Fund balance, July 1	0	1,607,289	1,607,289	1,649,956
Fund balances, June 30	$ 0	$ 1,901,180	$ 1,901,180	$ 1,607,289

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 986,025	$ 861,069
Intergovernmental receivable	27,174	27,174
Property held for resale	0	156,603
Total assets	$ 1,013,199	$ 1,044,846
LIABILITIES		
Accounts payable	$ 500	$ 500
Due to other funds	13,393	1,425
Total liabilities	13,893	1,925
FUND BALANCES		
Restricted for Housing and Development	999,306	1,042,921
Total liabilities and fund balances	$ 1,013,199	$ 1,044,846

CITY OF CARROLLTON, GEORGIA
NEIGHBORHOOD STABILIZATION PROGRAM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2022
(With comparative actual amounts for the fiscal year ending June 30, 2021)

	2022	2021
REVENUES		
Intergovernmental	$ 163,740	$ 325,126
Interest	771	719
Total revenues	164,511	325,845
EXPENDITURES		
Current		
Housing and Development	208,126	421,020
Excess (deficiency) of revenues over (under) expenditures	(43,615)	(95,175)
Fund balance, July 1	1,042,921	1,138,096
Fund balances, June 30	$ 999,306	$ 1,042,921

City of Carrollton, Georgia
Budgetary Comparison Schedule - Major Neighborhood Stabilization Program Fund NSP 1
Project Budget and Actual, Project to Date
For the fiscal year ended June 30, 2022

	Activity Number	Project Budget	Prior Project to Date Total	Current Year	Project to Date Total	Variance
REVENUES						
Grant Income	N/A	$ 3,406,991	$ 3,276,758	$ 0	$ 3,276,758	$ (130,233)
Program Income	N/A	0	5,389,075	0	5,389,075	5,389,075
Other	N/A	0	97,536	0	97,536	97,536
Interest Income	N/A	0	12,818	547	13,365	13,365
Total Revenues		3,406,991	8,776,187	547	8,776,734	5,369,743
Expenditures						
Acquisition	5050-001-B-H	740,749	2,535,568	0	2,535,568	(1,794,819)
Acquisition	5050-001-B-I	1,715,156	2,572,706	0	2,572,706	(857,550)
House Rehabilitation	5050-14A-B-H	139,712	722,647	0	722,647	(582,935)
House Rehabilitation	5050-14AB-I	242,811	661,808	0	661,808	(418,997)
Down payment and closing cost	5050-013-A-H	28,337	208,626	0	208,626	(180,289)
Down payment and closing cost	505-013-A-I	63,185	392,417	0	392,417	(329,232)
Clearance	505-004-D-I	272,622	322,385	0	322,385	(49,763)
Administration	5050-21A-X	204,419	365,173	25	365,198	(160,779)
Other		0	66,410	0	66,410	(66,410)
Selling costs paid by seller		0	427,649	0	427,649	(427,649)
Total Expenditures		3,406,991	8,275,389	25	8,275,414	(4,868,423)
Excess (deficiency) of revenues over (under) expenditures		$ 0	$ 500,798	$ 522	$ 501,320	$ 501,320

City of Carrollton, Georgia
Budgetary Comparison Schedule - Major Neighborhood Stabilization Program Fund NSP 3
Project Budget and Actual, Project to Date
For the fiscal year ended June 30, 2022

	Activity Number	Project Budget	Prior Project to Date Total	Current Year	Project to Date Total	Variance
REVENUES						
Grant Income	N/A	$ 1,142,774	$ 1,012,115	$ 0	$ 1,012,115	$ (130,659)
Program Income	N/A	0	1,640,735	163,740	1,804,475	1,804,475
Other	N/A	0	5,653	0	5,653	5,653
Interest Income	N/A	0	1,737	224	1,961	1,961
Total Revenues		1,142,774	2,660,240	163,964	2,824,204	1,681,430
Expenditures						
Acquisition	6012-001-B-H	225,000	1,133,727	156,604	1,290,331	(1,065,331)
Acquisition	6012-001-B-I	572,000	493,202	0	493,202	78,798
House Rehabilitation	6012-14A-B-H	135,599	647,475	0	647,475	(511,876)
House Rehabilitation	6012-14A-B-I	118,752	143,664	0	143,664	(24,912)
Down payment and closing cost	6012-013-A-H	15,000	108,048	0	108,048	(93,048)
Down payment and closing cost	6012-013-A-I	5,000	53,400	0	53,400	(48,400)
Administration	6012-21A-X	71,423	151,676	11,968	163,644	(92,221)
Other		0	77,136	0	77,136	(77,136)
Selling costs paid by seller		0	88,891	39,529	128,420	(128,420)
Total Expenditures		1,142,774	2,897,219	208,101	3,105,320	(1,962,546)
Excess (deficiency) of revenues over (under) expenditures		$ 0	$ (236,979)	$ (44,137)	$ (281,116)	$ (281,116)

CITY OF CARROLLTON, GEORGIA
AMERICAN RESCUE PLAN SPECIAL REVENUE FUND
BALANCE SHEET
June 30, 2022

ASSETS	
Cash and cash equivalents	$ 4,973,898
Total assets	$ 4,973,898
LIABILITIES	
Unearned revenue	$ 4,973,219
FUND BALANCES	
Restricted for capital outlay	679
Total liabilities and fund balances	$ 4,973,898

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

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 116,531	$ 116,531	$ 0
Interest	0	679	679
Total revenues	116,531	117,210	679
EXPENDITURES	0	0	0
Excess (deficiency) of revenues over (under) expenditures	116,531	117,210	679
Other financing sources (uses)			
Transfers in (out)			
General Fund	(18,839)	(18,839)	0
Water and Sewerage Fund	(92,310)	(92,310)	0
Sanitation Fund	(5,382)	(5,382)	0
Total other financing sources (uses)	(116,531)	(116,531)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	679	679
Fund balances, July 1	0	0	0
Fund balances, June 30	$ 0	$ 679	$ 679

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CAPITAL PROJECTS FUNDS

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

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

2021 SPLOST Fund – Used to account for long-term projects financed by the passage of the Carroll County, Georgia 2021 special purpose local option sales tax.

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

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 0	$ 1,068,692
Intergovernmental receivable	0	521,847
Due from other funds	0	10,441
Total assets	$ 0	$ 1,600,980
LIABILITIES		
Accounts payable	$ 0	$ 682,809
Retainages payable	0	159,833
Due to other funds	0	29,414
Total liabilities	0	872,056
FUND BALANCES		
Restricted for capital outlay	0	728,924
Total liabilities and fund balances	$ 0	$ 1,600,980

CITY OF CARROLLTON, GEORGIA
2015 SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
REVENUES		
Intergovernmental	$ 0	$ 4,599,402
Contributions	132,987	110,858
Interest	72	1,019
Total revenues	133,059	4,711,279
EXPENDITURES		
Capital outlay		
General Government	0	86,595
Public Safety	99,871	153,364
Public Works	462,836	3,465,895
Culture and Recreation	251,449	1,578,581
Housing and Development	59,901	116,410
Debt service	0	1,851,938
Total expenditures	874,057	7,252,783
Excess (deficiency) of revenues over (under) expenditures	(740,998)	(2,541,504)
Other financing sources (uses)		
Transfers in (out)		
General Fund	18,974	0
Water and Sewerage	(6,900)	0
Proceeds from sale of assets	0	3,800
Total other financing sources (uses)	12,074	3,800
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(728,924)	(2,537,704)
Fund balances, July 1	728,924	3,266,628
Fund balances, June 30	$ 0	$ 728,924

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

	2022	2021
ASSETS		
Cash and cash equivalents	$ 1,151,024	$ 0
Intergovernmental receivable	1,710,626	1,344,396
Total assets	$ 2,861,650	$ 1,344,396
LIABILITIES		
Payables		
Accounts	904,549	0
Retainages	280,348	0
Due to other funds	11,752	0
Total liabilities	1,196,649	0
FUND BALANCES		
Restricted for capital outlay	1,665,001	1,344,396
Total liabilities and fund balances	$ 2,861,650	$ 1,344,396

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

	2022	2021
REVENUES		
Intergovernmental	$ 6,708,972	$ 1,344,396
Interest	1,028	0
Total revenues	6,710,000	1,344,396
EXPENDITURES		
Capital outlay		
Public Safety	2,103,329	0
Public Works	1,486,150	0
Culture and Recreation	2,580,092	0
Total expenditures	6,169,571	0
Excess (deficiency) of revenues over (under) expenditures	540,429	1,344,396
Other financing sources (uses)		
Transfers in (out)		
Water and Sewerage Fund	(219,824)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	320,605	1,344,396
Fund balances, July 1	1,344,396	0
Fund balances, June 30	$ 1,665,001	$ 1,344,396

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE BALANCE SHEETS
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 386,597	$ 83,381
LIABILITIES		
Due to other funds	$ 1,288	$ 1,288
FUND BALANCES		
Restricted for capital outlay	385,309	82,093
Total liabilities and fund balances	$ 386,597	$ 83,381

CITY OF CARROLLTON, GEORGIA
CAPITAL PROJECTS FUND FOR PUBLIC ROADS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
REVENUES		
Intergovernmental	$ 309,222	$ 365,014
Interest	164	486
Total revenues	309,386	365,500
EXPENDITURES		
Capital outlay		
Public Works	6,170	661,775
Total expenditures	6,170	661,775
Excess (deficiency) of revenues over (under) expenditures	303,216	(296,275)
Fund balances, July 1	82,093	378,368
Fund balances, June 30	$ 385,309	$ 82,093

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ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewerage Fund - Used to account for activities connected with the development, operation and maintenance of water and sewer services in the City of Carrollton.

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

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 7,321,434	$ 6,686,345
Accounts receivable, net	2,113,003	2,090,436
Inventories	391,585	402,441
Prepaid items	175,128	175,815
Due from other funds	134	29,548
Total current assets	10,001,284	9,384,585
Restricted assets		
Customer Deposits		
Cash and cash equivalents	288,031	317,246
Total restricted assets	288,031	317,246
Capital assets		
Land	8,933,978	8,933,978
Construction in progress	1,324,737	751,347
Buildings	7,427,085	7,340,040
Infrastructure	222,932	186,060
Distribution system	103,353,174	102,754,800
Vehicles and equipment	5,597,328	5,559,340
Accumulated depreciation	(51,111,669)	(48,592,150)
Total capital assets (net of accumulated depreciation)	75,747,565	76,933,415
Total assets	86,036,880	86,635,246
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	810,634	605,363
Deferred outflows of resources related to OPEB	80,341	91,741
Total deferred outflows of resources	890,975	697,104

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
LIABILITIES		
Current liabilities		
Accounts payable	$ 406,777	$ 645,440
Retainages payable	0	45,211
Accrued salaries and payroll liabilities	108,618	83,645
Compensated absences	66,728	72,298
Unearned revenue	632,435	244,075
Due to other funds	1,635	1,635
Notes payable	25,000	25,000
Bonds payable	233,000	227,000
Current liabilities payable from restricted assets		
Customer deposits payable	288,031	317,246
Total current liabilities	1,762,224	1,661,550
Long-term liabilities		
Net pension liability	2,428,575	1,421,258
Net OPEB liability	419,169	469,375
Notes payable	307,857	191,667
Bonds payable	3,326,000	3,789,000
Total long-term liabilities	6,481,601	5,871,300
Total liabilities	8,243,825	7,532,850
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	875,616	288,130
Deferred inflows of resources related to OPEB	236,059	278,698
Total deferred inflows of resources	1,111,675	566,828
NET POSITION		
Net investment in capital assets	71,844,172	72,633,842
Unrestricted	5,728,183	6,598,830
Total net position	$ 77,572,355	$ 79,232,672

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Charges for sales and services		
Water sales	$ 9,480,712	$ 8,802,625
Sewer sales	6,629,368	6,354,979
Tap fees	1,066,903	1,037,835
Other	196,281	193,212
Total operating revenues	17,373,264	16,388,651
OPERATING EXPENSES		
Costs of sales and services	6,635,979	5,986,222
Personal services	5,617,883	3,826,811
Depreciation	2,499,994	2,468,521
Total operating expenses	14,753,856	12,281,554
Operating income (loss)	2,619,408	4,107,097
Non-operating revenues (expenses)		
Interest and investment earnings	4,306	8,640
Interest expense	(104,197)	(116,132)
Debt issuance costs	(100,000)	0
Payments to others	(600,000)	0
Gain (loss) on sale of capital assets	0	4,061
Total non-operating revenues (expenses)	(799,891)	(103,431)
Net income (loss) before transfers	1,819,517	4,003,666
Transfers in (out)		
General Fund	(3,725,397)	(3,177,125)
American Rescue Plan Fund	18,839	0
2015 SPLOST Fund	6,900	0
2021 SPLOST Fund	219,824	0
Total transfers in (out)	(3,479,834)	(3,177,125)
Change in net position	(1,660,317)	826,541
Net position, July 1	79,232,672	78,406,131
Net position, June 30	$ 77,572,355	$ 79,232,672

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 17,513,561	$ 15,918,618
Payments to suppliers	(6,852,939)	(6,026,402)
Payments to employees	(4,290,393)	(3,915,016)
Other receipts	196,281	193,212
Net cash provided (used) by operating activities	6,566,510	6,170,412
Cash flows from non-capital financing activities:		
Receipts from other funds	48,253	0
Payments to other funds	(3,725,397)	(3,177,259)
Payments to others	(600,000)	0
Net cash provided (used) by non-capital financing activities	(4,277,144)	(3,177,259)
Cash flows from capital and related financing activities:		
Receipts from other funds	226,724	0
Payments for acquisitions of capital assets	(1,302,608)	(1,620,724)
Payment of capital related payables	(66,907)	(161,415)
Principal payments - promissory notes	(25,000)	(25,000)
Principal payments - bonds payable	(457,000)	(444,000)
Proceeds from notes payable	141,190	0
Proceeds from sale of capital assets	0	24,500
Debt issuance costs paid	(100,000)	0
Interest paid	(104,197)	(116,132)
Net cash provided (used) by capital and related financing activities	(1,687,798)	(2,342,771)
Cash flows from investing activities:		
Interest and investment earnings received	4,306	8,640
Net increase (decrease) in cash and cash equivalents	605,874	659,022
Cash and cash equivalents, July 1	7,003,591	6,344,569
Cash and cash equivalents, June 30	$ 7,609,465	$ 7,003,591

CITY OF CARROLLTON, GEORGIA
WATER AND SEWERAGE ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 2,619,408	$ 4,107,097
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	2,499,994	2,468,521
(Increase) decrease in accounts receivable	(22,567)	(323,096)
(Increase) decrease in inventories	10,856	49,997
(Increase) decrease in prepaid items	687	(140,716)
(Increase) decrease in deferred outflows related to pensions	(205,271)	137,681
(Increase) decrease in deferred outflows related to OPEB	11,400	(55,982)
Increase (decrease) in accounts payable	(183,292)	5,328
Increase (decrease) in noncapital retainage payable	(45,211)	45,211
Increase (decrease) in unearned revenue	388,360	47,835
Increase (decrease) in accrued salaries and payroll liabilities	24,973	9,941
Increase (decrease) in compensated absences	(5,570)	(3,066)
Increase (decrease) in customer deposits	(29,215)	(1,560)
Increase (decrease) in net pension liability	1,007,317	(468,901)
Increase (decrease) in net OPEB liability	(50,206)	78,923
Increase (decrease) in deferred inflows related to pensions	587,486	258,686
Increase (decrease) in deferred inflows related to OPEB	(42,639)	(45,487)
Total adjustments	3,947,102	2,063,315
Net cash provided (used) by operating activities	$ 6,566,510	$ 6,170,412
Cash and cash equivalents reconciliation:		
Cash and cash equivalents	$ 7,321,434	$ 6,686,345
Customer Deposits		
Cash and cash equivalents	288,031	317,246
Total cash and cash equivalents	$ 7,609,465	$ 7,003,591

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $11,536 for 2022 and $66,907 for 2021.

Cost of transferred assets from governmental activities totaled $18,033 for 2022 and $0 for 2021.

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,778,264	$ 1,488,093
Accounts receivable, net	771,981	713,218
Prepaid items	63,642	69,606
Total current assets	2,613,887	2,270,917
Capital assets		
Buildings	66,148	66,148
Vehicles and equipment	3,152,336	3,141,600
Accumulated depreciation	(2,502,257)	(2,299,637)
Total capital assets (net of accumulated depreciation)	716,227	908,111
Total assets	3,330,114	3,179,028
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	333,402	229,463
Deferred outflows of resources related to OPEB	40,473	49,978
Total deferred outflows of resources	373,875	279,441
LIABILITIES		
Current liabilities		
Accounts payable	137,694	164,327
Accrued salaries and payroll liabilities	34,170	35,012
Compensated absences	26,539	28,994
Notes payable	66,389	66,389
Due to other funds	923	923
Total current liabilities	265,715	295,645
Long-term liabilities		
Net pension liability	998,835	538,731
Net OPEB liability	142,218	217,209
Notes payable	0	66,390
Total long-term liabilities	1,141,053	822,330
Total liabilities	1,406,768	1,117,975
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	325,876	101,023
Deferred inflows of resources related to OPEB	68,509	94,625
Total deferred inflows of resources	394,385	195,648
NET POSITION		
Net investment in capital assets	649,838	775,332
Unrestricted	1,252,998	1,369,514
Total net position	$ 1,902,836	$ 2,144,846

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	$ 5,370,139	$ 5,087,296
Other	0	1,190
Total operating revenues	5,370,139	5,088,486
OPERATING EXPENSES		
Costs of sales and services	3,014,492	3,267,910
Personal services	2,403,512	1,780,857
Depreciation	216,459	184,449
Total operating expenses	5,634,463	5,233,216
Operating income (loss)	(264,324)	(144,730)
Non-operating revenues (expenses)		
Interest and investment earnings	32,885	19,589
Interest expense	(17,038)	(3,983)
Gain (loss) of sale of capital assets	0	23,833
Total non-operating revenues (expenses)	15,847	39,439
Net income (loss) before transfers	(248,477)	(105,291)
Transfers in (out)		
General Fund	1,085	0
American Rescue Plan Fund	5,382	0
Total transfers in (out)	6,467	0
Change in net position	(242,010)	(105,291)
Net position, July 1	2,144,846	2,250,137
Net position, June 30	$ 1,902,836	$ 2,144,846

CITY OF CARROLLTON, GEORGIA
SANITATION ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Receipts from customers	$ 5,311,376	$ 5,047,952
Payments to suppliers	(3,035,161)	(3,335,890)
Payments to employees	(1,917,393)	(1,806,225)
Other receipts	0	1,190
Net cash provided (used) by operating activities	358,822	(92,973)
Cash flows from non-capital financing activities:		
Receipts from other funds	6,467	0
Payments to other funds	0	(1,459)
Net cash provided (used) by non-capital financing activities	6,467	(1,459)
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(24,575)	(285,898)
Principal payments - promissory notes	(66,390)	(66,389)
Proceeds from sale of capital assets	0	23,833
Interest paid	(17,038)	(3,983)
Net cash provided (used) by capital and related financing activities	(108,003)	(332,437)
Cash flows from investing activities:		
Interest and investment earnings received	32,885	19,589
Net increase (decrease) in cash and cash equivalents	290,171	(407,280)
Cash and cash equivalents, July 1	1,488,093	1,895,373
Cash and cash equivalents, June 30	$ 1,778,264	$ 1,488,093
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (264,324)	$ (144,730)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	216,459	184,449
(Increase) decrease in accounts receivable	(58,763)	(39,344)
(Increase) decrease in prepaid items	5,964	(51,100)
(Increase) decrease in deferred outflows related to pensions	(103,939)	40,666
(Increase) decrease in deferred outflows related to OPEB	9,505	(33,667)
Increase (decrease) in accounts payable	(26,633)	(16,880)
Increase (decrease) in accrued salaries and payroll liabilities	(842)	4,380
Increase (decrease) in compensated absences	(2,455)	1,460
Increase (decrease) in net pension liability	460,104	(153,191)
Increase (decrease) in net OPEB liability	(74,991)	39,109
Increase (decrease) in deferred inflows related to pensions	224,853	87,081
Increase (decrease) in deferred inflows related to OPEB	(26,116)	(11,206)
Total adjustments	623,146	51,757
Net cash provided (used) by operating activities	$ 358,822	$ (92,973)

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CUSTODIAL FUND

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

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

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2022

	2022	2021
ASSETS		
Cash and cash equivalents	$ 27,819	$ 19,714
LIABILITIES		
Due to others	27,819	19,714
NET POSITION		
Restricted for individuals, organizations and other governments	$ 0	$ 0

CITY OF CARROLLTON, GEORGIA
MUNICIPAL COURT CUSTODIAL FUND
COMPARATIVE STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal years ended June 30, 2022 and 2021

	2022	2021
ADDITIONS		
Fines and forfeitures collected for other governments	$ 370,334	$ 307,838
DEDUCTIONS		
Distributions of fines and forfeitures to other governments	370,334	307,838
Change in net position	0	0
Net position, July 1	0	0
Net position, June 30	$ 0	$ 0

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COMPONENT UNIT

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

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

ASSETS	
Cash and cash equivalents	$ 269,952
Intergovernmental receivable	89,808
Total assets	$ 359,760
LIABILITIES	
Accounts payable	$ 63,433
FUND BALANCES	
Unassigned	296,327
Total liabilities and fund balances	$ 359,760

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

REVENUES	
Intergovernmental	$ 622,781
Interest	56
Total revenues	622,837
EXPENDITURES	
Current	
Housing and Development	
Personal services	159,703
Contract services	143,480
Materials and supplies	23,327
Total expenditures	326,510
Excess (deficiency) of revenues over (under) expenditures	296,327
Fund balances, July 1	0
Fund balances, June 30	$ 296,327

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SINGLE AUDIT SECTION

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RUSHTON
ACCOUNTING & BUSINESS ADVISORS | CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Carrollton, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Carrollton, Georgia's basic financial statements and have issued our report thereon dated December 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Carrollton, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Carrollton, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Carrollton, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Carrollton, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-002.

City of Carrollton, Georgia's Response to Findings

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

Purpose of this Report

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 30, 2022

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Carrollton, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Carrollton, Georgia's major federal programs for the year ended June 30, 2022. The City of Carrollton, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Carrollton, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Carrollton, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about City of Carrollton, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Carrollton, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of City of Carrollton, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Carrollton, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
December 30, 2022

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CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2022

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the Georgia Department of Community Affairs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	11-ns-6012	$ 50,584
Total U.S. Department of Housing and Urban Development			50,584
U.S. Department of Justice			
Passed through the Criminal Justice Coordinating Council:			
Edward Byrne Memorial Formula Grant Program	16.738	B21-8-002	183,305
		B19-8-020	53,346
		B19-8-010	84,661
			321,312
Edward Byrne Memorial Formula Grant Program	16.738	N/A	11,960
			333,272
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	41,345
Equitable Sharing for State and Local Law Enforcement Agencies	16.922	N/A	66,737
Total U.S. Department of Justice			441,354
U.S. Department of Transportation			
Passed through the Georgia Department of Transportation:			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	13710	888,539
U.S. Department of Treasury			
Passed through Three Rivers Regional Commission:			
COVID-19 Coronavirus Relief Funds	21.019	SF2022	16,909
Passed through the Georgia Governor's Office of Planning and Budget:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	14412-CRF	142,098
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	116,531
			258,629
Total U.S. Department of Treasury			275,538

Exhibit J-1, continued

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2022

Federal Grant/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Number	Expenditures
Small Business Administration			
COVID-19 Shuttered Venue Operators Grant Program	59.075	N/A	$ 120,665
U.S. Department of Environmental Protection Agency			
Passed through the Georgia Environmental Finance Authority:			
Drinking Water State Revolving Fund (DWSRF) Cluster			
Drinking Water State Revolving Fund	66.468	DW2020042	141,190
U.S. Department of Health and Human Services			
Aging Cluster			
Passed through Three Rivers Regional Commission:			
Title III, Part C, Nutrition Services	93.045	SFY2022	135,085
Nutrition Services Incentive Program	93.053	SFY2022	55,792
Total Aging Cluster of Programs			190,877
Passed through Three Rivers Regional Commission:			
Social Services Block Grant	93.667	SFY2022	828
Medical Assistance Program	93.778	SFY2022	4,424
Total U.S. Department of Health and Human Services			196,129
Total Federal Awards			$ 2,113,999

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

CITY OF CARROLLTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

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

4. Payments to Subrecipients

For the current fiscal year, City of Carrollton, Georgia did not pass federal funds through to subrecipients.

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2022

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

Highway Planning and Construction Cluster
20.205 Highway Planning and Construction

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

2. Financial Statement Findings

A. Current Year Audit Findings

Comment 2022-001

Condition: There is not adequate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component units of the City.

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the City to a greater risk of loss due to fraud.

Cause: Segregation of duties could be improved if the size of the City's accounting and administrative staff were large enough to provide optimum segregation of duties.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management concurs with this finding. City management will continue to improve upon internal control procedures and assess the cost-benefit relationship of maintaining adequate staff to fully segregate duties.

Comment 2022-002

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

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds.

Effect: Failure to maintain expenditures within the balanced budget for the Special Revenue Funds, and failure to properly adopt an annual budget for the Neighborhood Stabilization Program Special Revenue Fund, as required by OCGA Code Section 36-81-3 will place the City in violation of state law.

Cause: The City did not make the necessary amendments to increase appropriations for expenditures during the year for the Special Revenue Funds and did not prepare and adopt a budget for the Neighborhood Stabilization Program Special Revenue Fund.

Recommendation: Budget to actual comparisons should be periodically reviewed by City management and budgets amended as needed to ensure that the City remains in compliance with state law. City management should also ensure that annual budgets are adopted for all funds legally required to operate under an approved annual budget. The budgets should be reviewed regularly for compliance. This will assist management with budgetary decisions throughout the fiscal year.

2. Financial Statement Findings

A. Current Year Audit Findings, continued

Comment 2022-002, continued

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

B. *Prior Year Audit Findings Follow-Ups*

Comment 2021-001

Condition: There is not adequate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments and component units of the City.

Not corrected

Comment 2021-002

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

Not corrected

Comment 2021-003

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

Corrected

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

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CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2022

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 SPLOST					
City of Carrollton Projects	$ 21,187,200	$ 21,187,200			
Sidewalk & Street Improvement Projects			$ 9,680,115	$ 299,532	$ 9,979,647
Public Safety Projects			4,792,512	99,871	4,892,383
Water Impoundment Improvements			61,955	6,900	68,855
Recreation/Cultural Arts Improvements			3,368,569	217,243	3,585,812
Economic Development			1,580,793	59,901	1,640,694
Greenspace Projects			2,438,770	30,974	2,469,744
Public Utilities (Telecommunications) Improvements			698,489	14,575	713,064
Debt Service-Carroll County, Georgia			11,490,040	0	11,490,040
	$ 21,187,200	$ 21,187,200	$ 34,111,243	$ 728,996	$ 34,840,239

Current year expenditures	$ 728,996
Sidewalk & Street Improvement expenditures financed through transfers/other revenues	148,729
Greenspace expenditures financed through other revenues	3,232
Total expenditures and transfers out	$ 880,957

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

CITY OF CARROLLTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2022

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2021 SPLOST					
Fire	$ 6,500,000	$ 6,500,000			
Replace Fire Station #23			$ 0	$ 2,103,329	$ 2,103,329
Fire Department Equipment			0	0	0
Parks and Recreation	8,163,300	8,163,300			
Pool and Water Park Renovations			0	1,222,364	1,222,364
Remodeling and Renovate Existing Facilities			0	0	0
Land Purchases			0	0	0
Senior Center Renovations			0	0	0
Tennis Facility Improvements			0	0	0
Engineering	10,400,000	11,288,539			
Traffic/Street Improvements			0	1,486,150	1,486,150
GreenBelt Spurs			0	1,357,728	1,357,728
Parking			0	0	0
Paving			0	0	0
Sidewalk Extensions/Repairs			0	0	0
Stormwater Improvements			0	57,071	57,071
Water/Sewer Improvements			0	162,753	162,753
Police Equipment	900,000	900,000	0	0	0
IT Equipment	300,000	300,000	0	0	0
	$ 26,263,300	$ 27,151,839	$ 0	$ 6,389,395	$ 6,389,395

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