CITY OF POWDER SPRINGS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

Prepared by:
Finance Department

Submitted by:
Pam Conner
City Manager

CITY OF POWDER SPRINGS, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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INTRODUCTORY SECTION

4484 Marietta Street | Powder Springs, GA 30127 | 770-943-1666

December 11, 2020

Honorable Al Thurman, Mayor,
Members of the City Council, and
Citizens of Powder Springs, Georgia

On behalf of the finance team, I submit the Comprehensive Annual Financial Report of the City of Powder Springs, Georgia, for the fiscal year ended June 30, 2020. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. This report has been prepared in accordance with generally accepted accounting principles. All disclosures necessary to enable an interested reader to gain the maximum understanding of the government's financial activities have been included.

The City's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Powder Springs for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Powder Springs' financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor report is presented as the first component of the financial section of the report.

The Comprehensive Annual Financial Report is presented in the following sections: introductory, financial, statistical, and compliance. The introductory section includes this transmittal letter, a list of principal officials, and the City's organizational chart. Management's discussion and analysis (MD&A) immediately follows the independent auditor report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The financial section includes the MD&A, basic financial statements, individual fund and financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The notes presented in the financial section are an integral part of this comprehensive annual financial report and should be read for a better understanding of the statements and data presented within. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

PROFILE OF THE GOVERNMENT

Powder Springs, incorporated in 1839 as Springville and later renamed City of Powder Springs in 1859, is located in west-southwest Cobb County approximately twenty-two miles northwest of Atlanta and ten miles southwest of Marietta. The City is a municipal corporation created under the laws of the State of Georgia and has as its formal name "The City of Powder Springs, Georgia." A Mayor and a five-member City Council conduct the affairs of the City. The Mayor and two Council members are elected citywide, and the remaining three Council members are elected by separate wards. Policy-making and legislative authority are vested in the City Council, all elected on a non-partisan basis. The Council appoints the government's manager, who in turn appoints the heads of the various departments.

The City Manager, who is appointed by the Mayor and Council, oversees the day-to-day operations of the City and ensures the smooth and efficient delivery of city services. All activities and functions of the City are administered by the City Manager and are under the jurisdiction of the Mayor and City Council, as set forth in State and local law.

The City provides a full range of services to approximately 15,000 residents. These services include: public safety (police); community development; highways and streets; sanitation; recreation and cultural affairs, public improvements; code enforcement, planning and zoning; and general administrative services. Water and sewer services were transferred to Cobb County with the sale of the system on June 26, 2019. The City is one of six incorporated municipalities within Cobb County.

The Powder Springs Downtown Development Authority has met the established criteria for inclusion in the reporting entity and is reported as a blended component unit.

The Council is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation of the City's financial planning and control. The budget is prepared by fund, function, and department. Department heads may transfer resources within a department while transfers between departments need special approval from the governing council. The Capital Projects funds are budgeted on a project basis and are approved with the annual operating budget.

LONG TERM FINANCIAL PLANNING

As detailed within the following financial statements, the City's policy is to maintain a healthy General Fund balance to maintain the City's operations for about 6 months. The unassigned fund balance of the General Fund at June 30, 2020 of $5,263,008 is currently 69.5% of fiscal year 2020 general fund expenditures or 8.3 months of the current year's operating expenditures. This reserve balance is necessary for periods of weak revenues and emergency situations. As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes to facilitate the provision of city services. The City's operating millage rate for fiscal year 2020 was 9.5. The City also offers residents a "floating" exemption of property taxes, which maintains the taxable value of the property as long as the resident continues to own the property. Upon sale of the property, the taxable value is set at the assessed value.

LOCAL ECONOMY

Powder Springs is primarily dependent on residential property values to fund City services. Approximately 75% of the tax digest is derived from residential property and 21% from commercial property with the balance derived from industrial or other property. There was an increase from the total assessed taxable value in FY20 with a net tax digest increasing by 7.31% to a taxable value of $452,479,950. The 2019 tax digest was approved by the Cobb County Board of Equalization on June 26, 2019.

The City issued 76 new residential Building Permits in Fiscal Year 2020 along with 3 new commercial permits and over 200 renovation or trade permits, with the investments valued at approximately $20.3 million. While the commercial investment resulted in an increase, overall, there was a 48% decrease in investment in the City in Fiscal Year 2020 over prior year.

Unfortunately, early into the 3rd quarter of FY2020, the City found itself in the middle of a global pandemic which impacted operations, our community and the economy. It immediately resulted in a transition to a remote work environment for many employees, closures or modifications to operations of local businesses and closures of schools. Projects and personnel decisions were delayed, which resulted in fewer expenditures for the remainder of the fiscal year. Additionally, budget planning in the spring for the upcoming fiscal year reduced both revenues and expenses. The long-term effects from the pandemic are still unknown but are expected to affect both revenues and expenses in the next two to three fiscal years.

Not only must the City examine potential alternate revenue streams, it must also examine the type and method of providing services to the community. Further the City must invest in itself and in our future, continue efforts to encourage and recruit a diversified stock of residential and commercial development, expand partnerships with the community to deliver desired outcomes and services and be able to plan for new needs and activities that will result from changes in our economic, workforce and society stemming from the pandemic.

MAJOR INITIATIVES FOR THIS YEAR

ROAD AND FACILITY IMPROVEMENTS

Using the Road Rating Study, which identified the roads in need of repair or replacement, the City completed resurfacing under the 2019 and 2020 Local Maintenance and Improvement Grant (LMIG) program during the City's 2020 fiscal year. Resurfacing costs of approximately $352,000 included improvements Springtide Lane, Piper Court, Stallion Court, Lindely Road, Stone Path Way, Trailside Way, Quarters Way, Steeplechase Court.

The City completed construction of the intersection improvements at Powder Springs Road, Pinegrove and Flint Hill at a cost of $2.5 million to facilitate both transportation improvements and economic development efforts. Facility improvements included the roof at city hall, replacement of porch columns at community development, removal of an old grease trap at the Ford Center and driveway repairs at the Senior Center at a cost of approximately $40,000.

Safety improvements included solar flashing stop signs on Warren Farm Road, reflectors at Lynn Drive and the roundabout at Lewis Road, lighting at the railroad on Finch Road, replacement of a guardrail on Powder Springs Dallas Road, re-striping of bike lanes on Lewis Roads.

WATER AND SEWER

The City received the first of ten annual payments of $550,000 in FY20 resulting from the sale of the City's water and sewer services and infrastructure the previous fiscal year. During the fiscal year the City sought and obtained payments of the water and sewer debt outstanding on the date of transfer of the system to the county. At the close of the fiscal year, approximately $279,000 in outstanding debt remained, and the City intends to activate its contract with Penn Credit for final collection in FY21. Unrestricted net position at June 30, 2020 is $12,134,828, which includes $4,950,000 receivable from the Count, and the cash balance at June 30, 2020 is $7,184,814.

GENERAL GOVERNMENT

Growth and Development

While there was a decrease in permits issued in FY20 over prior years, the City continued to experience growth and development with just under 300 issued permits valued at just over $20 million. Two annexations were approved in FY20, adding approximately 30 acres of residential development for 183 new homes. This increases the number of approved homes to be built to 481.

The City was selected for the Georgia Economic Placemaking Collaborative program, which is a placed-based economic development program that provides assistance to identify community assets and develop a locally based placemaking strategy that helps protect the historic character of the community. The three year program was delayed because of the pandemic and is expected to resume in FY21.

Work began on implementation of the annexation plan proposed in the Comprehensive Plan. Annexation collateral was prepared for distribution and a recruitment meeting planned for February 2020. The momentum was impacted by the pandemic.

Downtown Redevelopment

During this fiscal year the City continued its partnership with the Downtown Development Authority to facilitate redevelopment of the downtown. The DDA continued its listing of the Clutch Exchange for resale and development and began work on a land use plan for the commercial core and central business district in the downtown. Property located at 4416 Marietta Street was purchased and sold to a private business in FY20, and the City's existing monument and wayfinding signs were refreshed with plans to include additional trail signage highlighting access to the Silver Comet Trail in the upcoming fiscal year.

Business Development

The City continued its business retention and expansion program with its business surveys to personally connect with the businesses and determine how the City can best support the business community. Approximately 40 businesses were contacted and surveyed in FY20 before the onset of the novel coronavirus ("COVID-19") during the third quarter of the fiscal year. Following an initial delay, economic development staff resumed the survey effort but modified it to assess needs of the businesses resulting from the impacts of COVID-19. Staff communicated resources and small business assistance information with local businesses throughout the remainder of FY20. While 104 business closed, either temporarily or permanently, approximately 86 other businesses opened.

Construction was completed on the $37 million dollar step-up senior living and memory care facility located on the corner of Richard Sailors Pkwy and Hwy 278 - Silver Comet Village. Little Caesars and Paradise Car Wash opened on long-vacant lots on Marietta Street and Sailors Parkway, respectively, and plans submitted by O'Reilly Auto Parts to locate on Brownsville Road.

The preservation project at the Country Store on Marietta Street was completed in FY20 but opening delayed to FY21 as a result of the pandemic. Maintaining the historic downtown charm, the facility was renovated to accommodate retail, storage and woodworking. Additionally, the historic structure located at 4460 Marietta Street was renovated in FY20 as a dessert and coffee shop scheduled for opening in FY21.

The sale of the water and sewer system reduced the need for employee counts, and twelve positions were eliminated in the reorganization for FY20. However, following the recommendations for staffing introduced in the update to the City's strategic plan, the City included seven new full-time positions, with the plan to eventually add the remaining recommended four over a period of two to four years.

The City led the nation, state, county and neighboring cities in the 2020 Census self-response rate. The City developed and deployed strategies to educate residents about the importance of completing the census, including a campaign via the City's social medial platforms.

PARKS, RECREATION & CULTURAL AFFAIRS

The City continued construction of the downtown park amenity but was unable to meet the planned spring 2020 completion as a result of COVID-19. Completion is now targeted for the 1st quarter of FY21.

COVID-19 also impacted other development plans and reversed the Westside Woods Soccer announcement to develop a soccer complex in the City. FY20 saw the 22 acres at Hill Road and U.S. Route 278 listed for resale and the land is now being marketed for other commercial use.

PUBLIC SAFETY

The Police Department expanded its Tardy Busters Program from Compton Elementary to Powder Springs Elementary in FY20 but the program ceased at the outset of the pandemic. Additionally, the 4P program was expanded to formulate a parent/student workshop for local families but was also delayed as a result of the pandemic. Operations were modified in the 3rd and 4th quarter per directives of the professional association in order to better protect the health of public safety personnel and reduce the chances of exposure to COVID-19. This had a corresponding impact on municipal court operations which also modified its procedures to best protect the public and court personnel.

TECHNOLOGY

The pandemic accelerated technological improvements in FY20 with remote public engagement at council and town hall meetings. The City had already implemented streaming of council meetings in January of 2020 to reach a wider audience of viewers in the community. Additionally, new city-wide AV and conferencing upgrades were initiated. Even with the increased expenses in technology improvements to provide a safer and remote environment, expenses overall were down.

INITIATIVES FOR FUTURE YEARS

Downtown Redevelopment

The City anticipates continued work with the DDA to solicit proposals to purchase, redevelop and revitalize DDA-owned properties. It intends to prepare and adopt an urban redevelopment plan that contemplates the issuance of revenue bonds for acquisition of property and renovation of the municipal court building as the new municipal complex that will house City Hall, Municipal Court and Community Development under a design-build request for proposal anticipated in FY21.

Road and Facility Improvements

The City will continue its resurfacing program using its road rating system. The City anticipates spending approximately $300,000 in the upcoming year to resurface Barnwood Place. Bronco Lane, Daffodil Lane, Deer Creek Drive, Hadrian Court and Buckhorn Court. Facility improvements targeted for FY21 include window and door replacements at municipal court and public works, HVAC repairs at public works and ceiling repairs at the Ford Center.

In fiscal year 2021, the City will begin receiving the new 2022 SPLOST program proceeds January 2022 for use in implementation of the public safety improvements approved in that program.

In anticipation of additional residential and commercial growth, the City plans to establish an ambassador program to support community recreational events that are safe, inclusive and developed to compliment structured or offsite downtown parking as well as emerging and revitalized commercial corridor.

Business Development

The City plans to resume annexation efforts at various locations recommended in the Comprehensive Plan. It also plans to host a developer's day to showcase various available properties owned by the DDA as well as private property owners. To help attract and retain business, the city intends to develop a business model partnership that enhances the City's annexation efforts in anticipation of desired residential and commercial growth opportunities

Technology

The City intends to implement additional technology improvements in the upcoming fiscal year to expand its community outreach and customer service efforts and to reflect changes in work processes. Dashboarding technology is planned for FY21 to improve communications and remote access and assist staff with working smarter and more efficiently in a post pandemic environment.

INTERNAL CONTROLS

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safety of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within the above framework.

BUDGETARY CONTROLS

The City maintains budgetary controls to ensure compliance with legal provisions of the annual appropriated budget approved by the City Council. Activities of the general fund and enterprise funds are included in the annual appropriated budget. Capital projects are budgeted on a project length basis and are approved by the Council at the time the projected is accepted. The official level of city budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the department level within each fund. Administrative transfers of appropriations within a department may be authorized by the Department Head to meet unforeseen needs. Transfers of appropriations between departments or functions within a fund are reviewed with the City Council prior to approval. The City's budget procedures are more fully explained in the accompanying notes to the financial statements. The City maintains an encumbrance accounting system as one means of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to the ensuing year's budget on a case by case basis. In additional to capital projects funds, the City rolled over an encumbrance of $253,328 in the Sanitation Fund for the purchase of a new sanitation truck to be delivered in early 2021. Also, the City rolled over encumbrances totaling $19,292 in the Storm Water fund for two professional services contracts.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Powder Springs, Georgia for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This was the twenty-ninth year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. Such reports must also satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report again meets the requirements of this program, and we are submitting it to GFOA to determine its eligibility for certification again.

Acknowledgments

The preparation of the certified annual financial report could not have been accomplished without the efficient and dedicated efforts of Janet Camburn, the City's auditors and the cooperation of City staff. My sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

Respectfully submitted,



Pam Conner
City Manager

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Powder Springs
Georgia

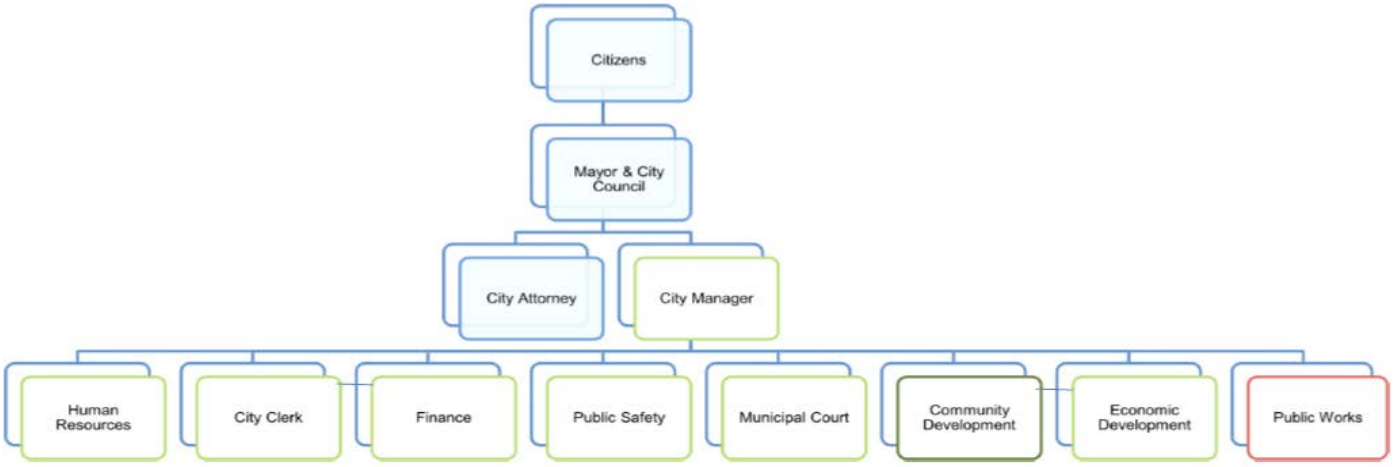
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

CITY OF POWDER SPRINGS, GEORGIA
JUNE 30, 2020 ORGANIZATIONAL STRUCTURE



CITY OF POWDER SPRINGS, GEORGIA

LIST OF ELECTED AND PRINCIPAL OFFICIALS

June 30, 2020

CITY COUNCIL

Al Thurman	Mayor
Patrick Bordelon	Council Member
Patricia Wisdom	Council Member
Henry Lust	Council Member
Doris Dawkins	Council Member
Nancy Farmer	Council Member

CITY ADMINISTRATION

Pamela Conner	City Manager
Danny McCullars	Finance Director
Dwayne Eberhart	Public Works Director
Tony Bailey	Chief of Police
Tina Garver	Community Development Director
Jeff Crowder	Parks & Recreation Director
Rosalyn Nealy	Human Resources Director
Kelly Axt	City Clerk
Tracie Jackson	Municipal Court Clerk
Gregory Doyle Calhoun & Rogers	City Attorney

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of City Council
City of Powder Springs, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Powder Springs, Georgia (the "City")**, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Powder Springs, Georgia as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in total OPEB liability and related ratios, the schedule of changes in the City's net pension liability and related ratios, the schedule of City contributions, and the General Fund budgetary comparison information on pages 4-19 and 59-63, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local options sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2020

The Management's Discussion and Analysis of the City of Powder Springs Government's Comprehensive Annual Financial Report (CAFR) provides an overall narrative and analysis of the City's financial statements for the fiscal year ended June 30, 2020. This discussion and analysis is designed to look at the City's financial performance as a whole. Readers should also review the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- The City's combined net position totaled $63,635,157, an increase of $1,302,143 over the 2019 net position. Of this amount, unrestricted net position of $20,668,795 may be used to meet the government's ongoing obligations to citizens and creditors.

- Combined revenue totaled $14,656,848, of which governmental activities totaled $12,806,704 and business-type activities totaled $1,850,144.

- Overall expenses totaled $13,354,705 of which governmental activities totaled $11,866,744 and business-type activities totaled $1,487,961.

- At the end of June 30, 2020, governmental activities expenses exceeded program revenues by $6,153,565. Operating expenses in excess of charges for services and grants & contributions are funded using general revenues (mostly taxes). Governmental activities net position increased by $1,393,380.

- Total business-type activities revenues exceeded business-type activities expenses by $350,652, with miscellaneous revenues and transfers decreasing this amount by $441,889. The resulting value is a decrease of $91,237 to business-type net position.

- The investment in capital assets, net of related debt, for government activities increased by $2,537,495 over the 2019 investment amount. The investment in capital assets, net of related debt, for business-type activities increased by $129,120.

- At June 30, 2020, the City's General Fund reported an unassigned fund balance of $5,263,008, a decrease of $1,245,214, over the prior fiscal year's unassigned fund balance.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the City's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the City's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. There are two government-wide financial statements, the Statement of Net Position and the Statement of Activities, which are described below.

The government-wide *Statement of Net Position* presents information on all of the City's assets, deferred outflows/inflows of resources, and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Evaluation of the overall health of the City extends to other nonfinancial factors such as diversification of the taxpayer base or the condition of infrastructure.

The government-wide *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expense and program revenues for each function of the City. An important purpose of the design of this statement is to show the financial reliance of the city's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and business-type activity revenues that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities include general government, judicial, public works, culture and recreation, public safety, and housing and development. The business-type activities include water and sewer, sanitation and storm water operations.

The government-wide financial statements include not only the City of Powder Springs Government itself but also a legally separate Powder Springs Downtown Development Authority for which the government is financially accountable. Financial information for this component unit is reported within the nonmajor governmental fund of the primary government itself.

The government-wide financial statements are presented on pages 20 and 21 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the City's finances that assists in determining whether there will be adequate financial resources available to meet the City's current needs.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Major funds are reported separately. The City's major funds include the General Fund, the SPLOST Fund, the Capital Projects Fund, and the Downtown Development Fund. The basic governmental fund statements are presented on pages 22 to 23 of this report.

Proprietary Funds

Proprietary funds are used to account for activities that operate similar to those commercial enterprises found in the private sector. Because these funds charge fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund and the Sanitation Fund, which are both considered to be major funds of the City and the Storm Water Fund. The basic proprietary fund financial statements can be found on pages 25-27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's retirement system and post-employment benefit plan funding progress and budget presentations. General Fund budgetary comparison schedules are presented and demonstrate compliance with the City's adopted and final revised budget. Required supplementary information can be found on pages 59 to 63 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled $63,635,157 at June 30, 2020. The following table provides a summary of the City's governmental and business-type net position for fiscal years 2020 and 2019:

City of Powder Springs
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		
	2020	2019	2020	2019	2020	2019	Percent
Assets:							
Current assets	$ 16,675,223	$ 19,408,770	$ 15,163,717	$ 16,638,368	$ 31,838,940	$ 36,047,138	42%
Capital assets - net	44,138,537	39,729,882	668,790	539,670	44,807,327	40,269,552	58%
Total assets	$ 60,813,760	$ 59,138,652	$ 15,832,507	$ 17,178,038	$ 76,646,267	$ 76,316,690	100%
Deferred outflows of resources	511,292	443,598	31,724	41,989	543,016	485,587	100%
Liabilities							
Current liabiities	$ 2,972,431	$ 2,918,460	$ 503,463	$ 1,735,374	$ 3,475,894	$ 4,653,834	26%
Long-term liabilities (net)	9,756,000	9,370,740	104,534	106,538	9,860,534	9,477,278	74%
Total liabilities	$ 12,728,431	$ 12,289,200	$ 607,997	$ 1,841,912	$ 13,336,428	$ 14,131,112	100%
Deferred inflows of resources	203,459	293,268	14,239	44,883	217,698	338,151	100%
Net Position							
Invested in capital assets, net of related debt	$ 37,211,154	$ 34,673,659	$ 668,790	$ 539,670	$ 37,879,944	$ 35,213,329	60%
Restricted	5,086,418	4,619,305	-	-	5,086,418	4,619,305	8%
Unrestricted	6,095,590	7,706,818	14,573,205	14,793,562	20,668,795	22,500,380	31%
Total net position	$ 48,393,162	$ 46,999,782	$ 15,241,995	$ 15,333,232	$ 63,635,157	$ 62,333,014	100%

Note that in the above table, the inter-fund receivables and payables between governmental activities and business-type activities are not eliminated.

The City's investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, and sidewalks) less any related debt used to acquire those assets that is still outstanding comprise 60% of the City's total net position. Investments in capital assets net of related debt increased by $2,666,615 in fiscal year 2020. The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental activities net position increased by $1,393,380 in fiscal year 2020 over the 2019 position. The net position of business-type activities decreased $91,237 compared to the 2019 position. The City's overall financial position increased during fiscal year 2019 by $1,302,143.

The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2020 and fiscal year 2019.

City of Powder Springs
Changes in Net Position

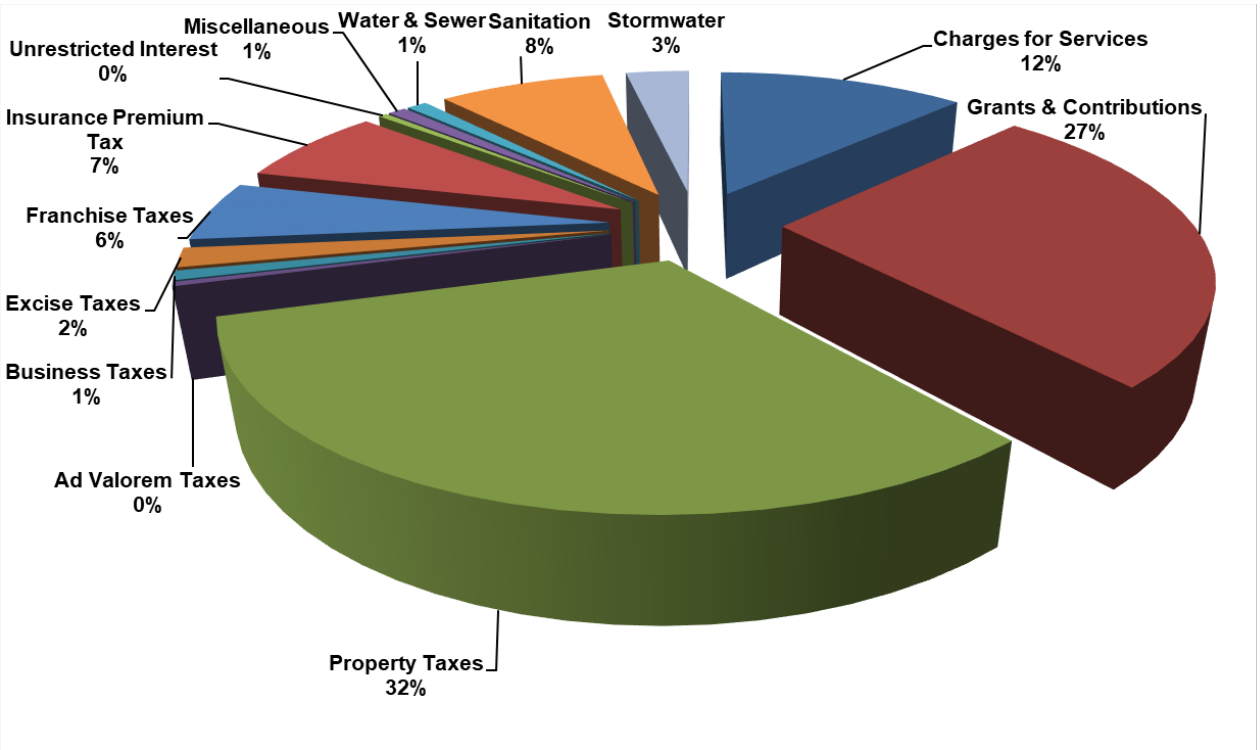
	Governmental Activities		Business-type Activities		Total		
	2020	2019	2020	2019	2020	2019	Percent
Revenues:							
Program Revenues:							
Charges for Services	$ 1,818,903	$ 2,038,134	$ 1,838,613	$ 8,353,105	$ 3,657,516	$ 10,391,239	24.95%
Opertaing Grants & Contributions	388,740	329,669	-	-	388,740	329,669	2.65%
Capital Grants & Contributions	3,505,536	3,393,553	-	-	3,505,536	3,393,553	23.92%
General Revenues:							
Property Taxes	4,619,219	4,480,979	-	-	4,619,219	4,480,979	31.52%
Ad Valoren	55,627	54,734			55,627	54,734	0.38%
Business Taxes	120,305	88,216	-	-	120,305	88,216	0.82%
Excise Taxes	254,168	240,628	-	-	254,168	240,628	1.73%
Franchise Taxes	799,245	760,817	-	-	799,245	760,817	5.45%
Other Taxes	1,062,080	999,006	-	-	1,062,080	999,006	7.25%
Unrestricted Interest	52,704	80,669	11,531	15,383	64,235	96,052	0.44%
Miscellaneous	130,177	75,229	-	-	130,177	75,229	0.89%
Total Revenues	$ 12,806,704	$ 12,541,634	$ 1,850,144	$ 8,368,488	$ 14,656,848	$ 20,910,122	100.00%
Expenses:							
General Government	$ 2,429,658	$ 1,591,101	$ -	$ -	$ 2,429,658	$ 1,591,101	18.19%
Judicial	422,072	463,785	-	-	422,072	463,785	3.16%
Public Works	4,056,843	2,259,247	-	-	4,056,843	2,259,247	30.38%
Culture and Recreation	675,255	785,444	-	-	675,255	785,444	5.06%
Public Safety	3,047,852	3,213,726	-	-	3,047,852	3,213,726	22.82%
Housing and Development	971,509	1,180,259	-	-	971,509	1,180,259	7.27%
Interest on Long-Term Debt	263,555	284,505	-	-	263,555	284,505	1.97%
Water and Sewer	-	-	6,394	5,356,781	6,394	5,356,781	0.05%
Sanitation	-	-	1,191,116	1,205,936	1,191,116	1,205,936	8.92%
Stormwater	-	-	290,451	148,104	290,451	148,104	2.17%
Total Expenses:	$ 11,866,744	$ 9,778,067	$ 1,487,961	$ 6,710,821	$ 13,354,705	$ 16,488,888	100.00%
Increase in net position before transfers and special item	$ 939,960	$ 2,763,567	$ 362,183	$ 1,657,667	$ 1,302,143	$ 4,421,234	
Transfers	453,420	251,697	(453,420)	(251,697)	-	-	
Special items	-	-	-	(841,120)	-	(841,120)	
Increase in net position	1,393,380	3,015,264	(91,237)	564,850	1,302,143	3,580,114	
Net Position - beginning	46,999,782	43,984,518	15,333,232	14,768,382	62,333,014	58,752,900	
Net Position - ending	$ 48,393,162	$ 46,999,782	$ 15,241,995	$ 15,333,232	$ 63,635,157	$ 62,333,014	

Changes in Overall Net Position from Operating Results

Revenues

Total governmental activities revenues decreased by $6,253,274. This decrease is primarily attributed to the sale of the water and sewer system to Cobb County on June 26, 2019. The City is heavily reliant on tax revenues to support governmental activities operations. Taxes provided $6,910,644 or 54.0% of the City's governmental revenue. Charges for services provided $1,818,903 or 14.2% of governmental revenues. Accordingly, the City's taxpayers and purchases of City services fund 56.4% of governmental operating activity. As a result, the condition of the local economy and the economy's impact on local businesses has a major effect on the City's revenue streams.

Business-type activities, also called enterprise or proprietary funds, are established to be supported by fee revenues. Sanitation revenue decreased by $191,563 or 13.6%. This is primarily due to the timing of billing of sanitation after the sale of the water and sewer operations and netting bad debt expense against current revenue, as was not done in the prior year. This netting is to be consistent with the Storm Water Fund. In fiscal year 2013, the City established the Storm Water Fund with a Storm Water utility fee rate billed annually with property taxes. The Storm Water Fund billed a total $471,422 for the utility fees in 2020, an increase of $89,427 from fiscal year 2019. This increase is attributed to an increase in the equivalent unit price from $36 to $48 per unit.

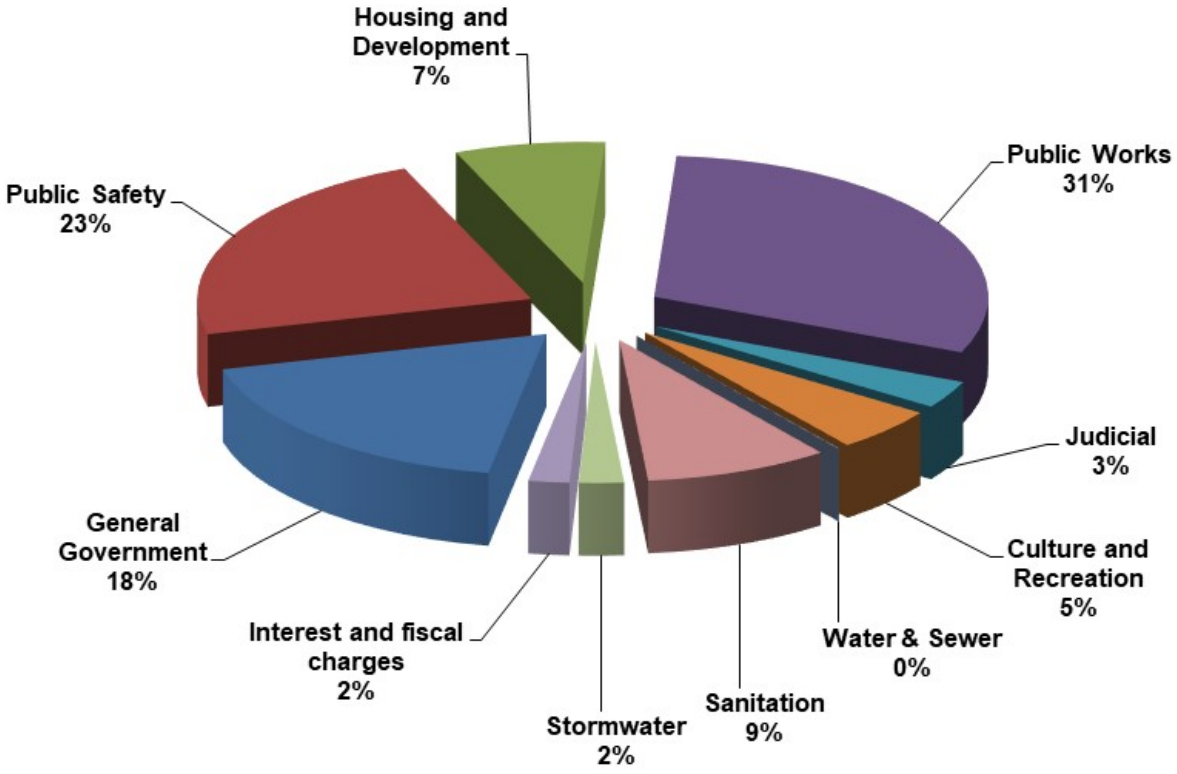


Expenses

The following table presents the cost and net cost (i.e. total cost less revenues generated by the activities) of each of the City's functions. Net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	Operating Expenses	Percentage of Total	Net Cost of Service	Percentage of Total
General government	$ 2,429,658	17.9%	$ (784,690)	-20.3%
Public safety	3,047,852	22.8%	(2,804,767)	123.0%
Housing and development	971,509	7.3%	(971,509)	49.7%
Public works	4,056,843	30.4%	(776,129)	3.8%
Judicial	422,072	3.2%	(126,857)	-7.9%
Culture and recreation	675,255	5.1%	(426,058)	9.0%
Water & Sewer	6,394	0.0%	139,139	-50.6%
Sanitation	1,191,116	9.2%	30,542	-8.7%
Storm Water	290,451	2.2%	180,971	-9.9%
Interest and fiscal charges	263,555	1.9%	(263,555)	11.9%
Total	$ 13,354,705	100.0%	(5,802,913)	100.0%

The City's total expenses decreased by $3,134,183 or by 19.0%. Governmental activities' expenses increased by $2,088,677 in fiscal year 2020 over expenses incurred in fiscal year 2019. Business-type operating expense decreased $5,222,860 during the current fiscal year. The primary increase in governmental activities is due to an increase in depreciation expenses associated with new capital projects, particularly the downtown park and the Flint Hill intersection project. The primary decrease in business-type operating expense is due to the sale of the water and sewer operations to Cobb County in late fiscal year 2019.



Fund Analysis:

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

As of the end of fiscal year 2020, the City's governmental funds reported combined ending fund balances of $13,472,306, a decrease of $3,769,134 or 21.9% from the prior year. The change in fund balance is comprised of the following:

- *General Fund* fund balance decreased by $374,418 to an ending balance of $6,430,494, primarily due to increased staffing at the General Fund level, including an increase in Administration, the Police Department, and Public Works where staff was transferred to Public Works from the Water and Sewer Fund when the water and sewer operations were sold to Cobb County at the end of fiscal 2019.
- *Capital Projects Fund's* fund balance decreased by $3,681,560 to an ending balance of $1,710,478 primarily due to the cost associated with the construction of the downtown park that was funded the prior year by a bond issue.
- *SPLOST Fund* fund balance decreased by $89,514 to an ending fund balance of $3,706,767. The small change in the fund balance for the SPLOST Fund is due the revenues for the fund in FY 2020 were off-set by construction costs particularly by the Flint Hill intersection project, along with other SPLOST projects.

The ending unassigned governmental fund balance is $5,263,008, indicating availability for continuing City service delivery requirements. The remainder of the governmental fund balance is restricted, assigned or non-spendable indicating that it is not available for new spending and is obligated as follows:

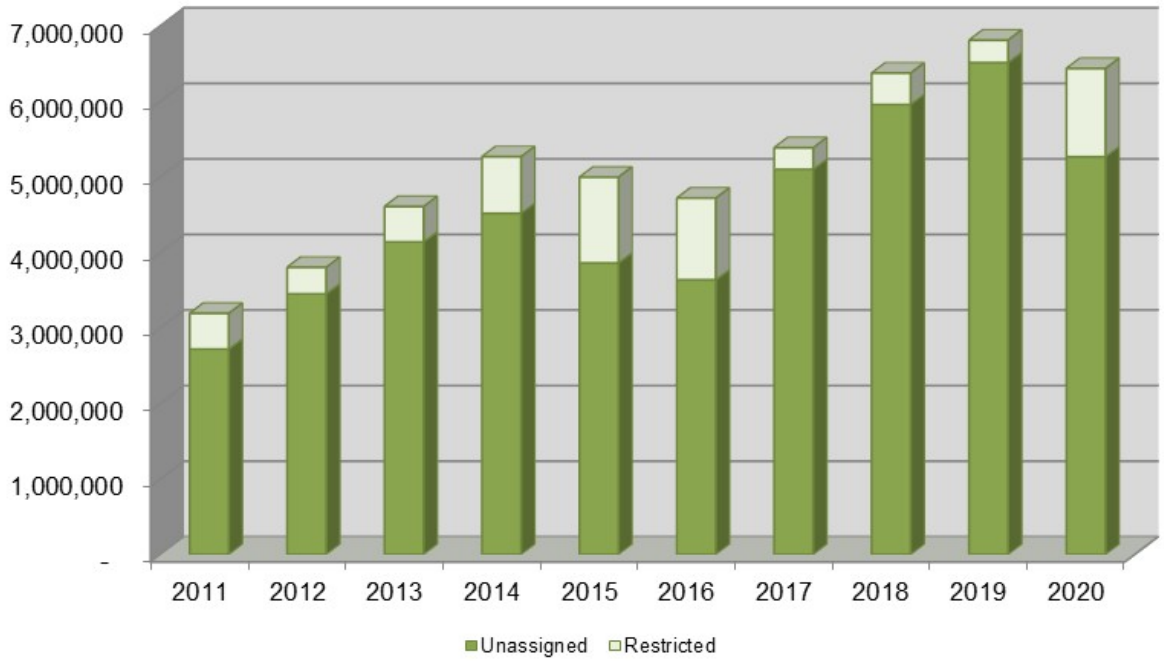
- **Non-spendable balance:**
  - $ 6,892 for inventories
  - $ 177,867 for prepaid expenses
- **Restricted balance:**
  - $4,587,682 for capital projects
  - $ 344,825 for law enforcement
  - $ 69,464 for debt service
- **Assigned balance:**
  - $ 803,591 for capital projects
  - $ 1,236,250 for economic development
  - $ 982,727 for subsequent year expenditures

Major Governmental Fund

General Fund – The General Fund is the primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance at June 30, 2020 of $5,263,008 is considered sufficient, representing the equivalent of 69.5% of fiscal year 2020 general fund expenditures or 8.3 months of the current year's operating expenditures.

General Fund revenues in the current year increased by $244,981 from fiscal year 2019 revenues. Expenditures increased by $984,579 from fiscal year 2019 expenditures net operating transfers in and out of the General Fund increased by $70,210.

The following chart reports general fund balances from fiscal year 2011-2020.



Capital Projects Fund – The Capital Projects Fund of the City reflects expenditures for capital projects as approved by the governing body. In fiscal year 2020, it is considered a major fund. The fund balance of the Capital Projects Fund decreased $3,681,560 primarily due to work on budgeted construction projects. Collection of impact fees decreased by $100,365 due to less residential housing starts and transfers in from the General Fund increased by $234,912. Expenditures during the current fiscal year increased by $3,281,226 as several streets were resurfaced and work continued on the downtown park amenity.

SPLOST Fund - The SPLOST Fund, a major fund, is used to account for capital projects and infrastructure improvements designated to be funded from the County's 2016 one percent Special Purpose Local Option Sales Tax. The fund balance decrease of $89,514 or 2.36% is due to the timing of collection of proceeds versus the corresponding expenditures on projects. SPLOST project expenditures were $3,267,345 during the year as compared to expenditures of $2,134,997 in fiscal year 2019. Revenues are received uniformly from Cobb County based on Cobb's budgeted allocation to the City.

Major Proprietary Funds

The activities of the City that render services to the general public on a user charge basis, or that require periodic determination of revenues for public policy are accounted for as Proprietary Funds. The Proprietary Fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The operations of the Water and Sewer Fund were sold to Cobb County at the end of the 2019 fiscal year. The infrastructure capital assets were transferred to the County in exchange for a $5,500,000 amount to be received from the County over the next ten years. All other capital assets were transferred within the City or to the Storm Water Fund. The City retained all cash and accounts receivable at June 30, 2019. The net loss on the sale of the water system in FY 2019 was $841,120 and due primarily to the transfer of the infrastructure. Apart from the transfer of the Cobb County annual payment of $550,000 to the General Fund, the Water and Sewer Fund had minimal activity in FY 2020. The net change in position during the fiscal year was a decrease of $459,963.

The Sanitation Fund net position at the end of the year was $2,000,362, an increase of $80,175.

The Storm Water net position at the end of the year was $1,106,805, an increase of $288,551.

General Fund Budgetary Highlights

The City's budget is prepared in accordance with the laws of the State of Georgia and the Code of Ordinances of the City. The City adopts the fiscal budget during June of the preceding fiscal year. During June of 2019, the City adopted a General Fund Budget for operations for fiscal year 2020 of $9,686,210. At the end of the fiscal year, the final amended budgeted expenditures and transfers out were $11,063,533, an increase of $1,377,323. Actual General Fund revenue was $199,003 less than final budgeted revenues for fiscal year 2020. Actual expenditures were $863,454 less than final budgeted expenditures, resulting in a budget variance before other financing sources and uses of $664,451.

The most significant expenditure amendments of the General Fund are summarized as follows:

- Transfers to the Capital Projects Fund for traffic signal at Linear Park, building repairs at Community Development, cyber security test plan, Community Center sound system, downtown dumpster, and grant match for $340,000.
- Transfers to the Capital Projects Fund for additional downtown park construction, police department server, audio visual equipment, and equipment for Parks & Recreation for $214,000.
- Transfers to the Capital Projects Fund for street resurfacing of $94,539.
- Transfers to the Federal Seizures Fund to establish a new fund to account for these revenues of $262,205.
- Transfers to Capital Projects Fund for emergency contingency of $43,539.
- Transfer to the Capital Projects Fund for Cameron Street resurfacing that was off-set by revenue from developer deposits for $308,900.
- Transfer to Storm Water Fund for a special project for $60,000.
- Transfers to Capital Projects Fund for additional network and phone upgrades for $44,000.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of related debt for its governmental activities amounts to $37,211,154 and in the business-type activities the balance was $668,790, as of June 30, 2020. This investment in capital assets includes land, buildings, machinery and equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems and other similar items. As allowed under GASB Statement No. 34, the City has elected not to report major general infrastructure retroactively.

The table below shows capital assets net of accumulated depreciation as compared to prior year.

2020 Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Construction in Progress	$ 6,843,740	$ 1,804,163	$ -	$ 27,200	$ 6,843,740	$ 1,831,363
Land & Improvements	6,323,664	6,196,130	-	-	6,323,664	6,196,130
Buildings and Improvements	11,785,552	11,983,424	20,206	21,584	11,805,758	12,005,008
Parks Equipment	747,773	701,176	-	-	747,773	701,176
Vehicles and Equipment	1,047,233	1,009,687	241,356	289,124	1,288,589	1,298,811
Infrastructure	17,390,575	18,035,302	-	-	17,390,575	18,035,302
Utility Systems	-	-	407,228	201,762	407,228	201,762
Total	$ 44,138,537	$ 39,729,882	$ 668,790	$ 539,670	$ 44,807,327	$ 40,269,552

At June 30, 2020, the depreciable capital assets for governmental activities were 44% depreciated. Conversely, the depreciable capital assets of business-type activities were 53% depreciated.

The significant capital assets (including construction in progress) added during the fiscal year for governmental activities are:

- City Signage improvements of $300,000.
- Building improvements including new HVAC equipment of $106,382.
- Police Department vehicles of $123,073.
- Purchase of flood plain land on Macedonia Road of $127,534.
- Computer equipment upgrades of $57,368.
- Hopkins and Lancer parks, roads, sidewalks, and fencing of $190,664.
- Intersection projects of $653,288.
- Paving and streetscape projects of $1,273,792.
- Linear park improvements of $23,770.
- Downtown park construction and equipment of $3,590,174
- Audio visual equipment upgrades of $60,842.

The significant capital asset added during the fiscal year for business-type activities is:

- Storm Water installations and upgrades of $188,728.

Costs left in construction in progress at June 30, 2020 consist of the following:

- Downtown park $3,538,583.
- Streetscape projects $861,012.
- Intersection improvement projects $653,288.
- Cameron Springs Paving $306,055.
- Lancer Drive and Hopkins Road parks and fencing $89,634.
- Audio Visual Upgrades $60,842.
- Police Department Vehicle $14,444.
- Linear park $10,939.

Additional information on the City's capital assets can be found in Note 6 of the Note to Financial Statements.

Long-Term Debt

As of June 30, 2020, the City's total outstanding long-term debt (principal portion) totaled $8,030,636 and included obligations as follows:

Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the acquisition of City administrative offices, renovation of the Ford Center and acquisition of right-of-way for the Lewis Road improvement project.	$1,810,000
Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the renovation and expansion of a police station and municipal court facilities and to finance the acquisition of a new City museum.	$2,055,000
Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the acquisition of acquiring, constructing, and installing a park to be located in the downtown development district.	$4,139,000
Inter-governmental agreement with Cobb County (through State Contract 980-280008) for the Capital Lease Purchase of 27 additional in car and 47 additional handheld 800 MHz Radios.	$26,636

The City is legally required to limit outstanding general obligation debt to 10% of the assessed valuation of taxable property within the City which equates to $45,247,995.

Additional information on the City's long-term debt can be found in Note 7 of the Notes to the Financial Statements.

Economic Factors Affecting the City of Powder Springs

The Mayor and Council consider many factors when adopting the fiscal year 2021 budget. These factors have a significant impact on the City's financial position or results of operations. Key assumptions are as follows:

- Budget adopted for the General Fund estimates expenditures in the amount of $9,435,076 and transfers out to the Capital Projects Fund of $982,727. The expected unassigned fund balance for the General Fund at the end of the fiscal year 2020 is $5,263,008.

- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for the 2020 tax digest is 9.50 (for fiscal year 2021).

- The 2019 tax digest (fiscal year 2020) was $452,479,950; which was $30,810,759 or 7.3% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.

- Increased costs of benefits and retirement contributions have a significant effect on the City's benefit costs.

The City continues to take steps to reduce expenditures and control operational costs to help maintain a positive fund balance.

Contacting the City's Financial Management

This financial report prepared by the Finance Department and submitted by the City Manager is designed to provide a general overview of the City finances, comply with finance related laws and regulations and demonstrate the City's commitment to public accountability. Supporting records are available for review and inspection pursuant to and to the extent required by the Georgia Open Records Act.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 12,987,333	$ 10,020,250	$ 23,007,583
Receivables, net of allowance for uncollectibles	78,515	181,854	260,369
Taxes receivable, net of allowance for uncollectibles	250,275	-	250,275
Inventories	6,892	-	6,892
Prepaid items	177,867	11,613	189,480
Restricted cash and cash equivalents	1,537,879	-	1,537,879
Due from other governments	735,720	4,950,000	5,685,720
Land held for resale	900,742	-	900,742
Capital assets:			
Non-depreciable	13,167,404	-	13,167,404
Depreciable, net of accumulated depreciation	30,971,133	668,790	31,639,923
Total assets	60,813,760	15,832,507	76,646,267
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	111,359	-	111,359
Pension related items	360,298	31,724	392,022
OPEB related items	39,635	-	39,635
Total deferred outflows of resources	511,292	31,724	543,016
LIABILITIES			
Accounts payable	2,011,342	68,287	2,079,629
Accrued liabilities	864,487	25,476	889,963
Customer deposits	-	409,700	409,700
Interest payable	96,602	-	96,602
Bonds payable, due within one year	717,000	-	717,000
Bonds payable, due in more than one year	7,287,000	-	7,287,000
Capital leases, due within one year	26,636	-	26,636
Compensated absences, due within one year	135,596	13,775	149,371
Compensated absences, due in more than one year	102,291	10,392	112,683
Net pension liability, due in more than one year	912,753	80,367	993,120
Total OPEB liability, due in more than one year	574,724	-	574,724
Total liabilities	12,728,431	607,997	13,336,428
DEFERRED INFLOWS OF RESOURCES			
Pension related items	161,729	14,239	175,968
OPEB related items	41,730	-	41,730
Total deferred inflows of resources	203,459	14,239	217,698
NET POSITION			
Net investment in capital assets	37,211,154	668,790	37,879,944
Restricted for:			
Law enforcement	344,825	-	344,825
Debt Service	69,464	-	69,464
Capital projects	4,672,129	-	4,672,129
Unrestricted	6,095,590	14,573,205	20,668,795
Total net position	$ 48,393,162	$ 15,241,995	$ 63,635,157

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:							
General government	$ 2,429,658	$ 1,234,812	$ 382,231	$ 27,925	$ (784,690)	$ -	$ (784,690)
Judicial	422,072	295,215	-	-	(126,857)	-	(126,857)
Public safety	3,047,852	183,091	6,509	53,485	(2,804,767)	-	(2,804,767)
Public works	4,056,843	-	-	3,280,714	(776,129)	-	(776,129)
Community development	369,532	-	-	-	(369,532)	-	(369,532)
Planning and zoning	367,825	-	-	-	(367,825)	-	(367,825)
Economic development	234,152	-	-	-	(234,152)	-	(234,152)
Culture and recreation	675,255	105,785	-	143,412	(426,058)	-	(426,058)
Interest on long-term debt	263,555	-	-	-	(263,555)	-	(263,555)
Total governmental activities	11,866,744	1,818,903	388,740	3,505,536	(6,153,565)	-	(6,153,565)
Business-type activities:							
Water & Sewer	6,394	145,533	-	-	-	139,139	139,139
Solid waste	1,191,116	1,221,658	-	-	-	30,542	30,542
Stormwater	290,451	471,422	-	-	-	180,971	180,971
Total business-type activities	1,487,961	1,838,613	-	-	-	350,652	350,652
Total primary government	$ 13,354,705	$ 3,657,516	$ 388,740	$ 3,505,536	(6,153,565)	350,652	(5,802,913)
General revenues:							
Property taxes					4,619,219	-	4,619,219
Ad valorem taxes					55,627	-	55,627
Franchise taxes					799,245	-	799,245
Excise taxes					254,168	-	254,168
Business and occupational taxes					120,305	-	120,305
Insurance premium taxes					1,062,080	-	1,062,080
Unrestricted investment earnings					52,704	11,531	64,235
Miscellaneous					130,177	-	130,177
Transfers					453,420	(453,420)	-
Total general revenues and transfers					7,546,945	(441,889)	7,105,056
Change in net position					1,393,380	(91,237)	1,302,143
Net position, beginning of year					46,999,782	15,333,232	62,333,014
Net position, end of year					$ 48,393,162	$ 15,241,995	$ 63,635,157

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

ASSETS	General Fund	SPLOST Fund	Capital Projects Fund	Downtown Development Authority	Nonmajor Police Seizure Fund	Total Governmental Funds
Cash	$ 7,149,831	$ 3,702,672	$ 1,388,424	$ 387,379	$ 359,027	$ 12,987,333
Taxes receivable, net of allowance	250,275	-	-	-	-	250,275
Accounts receivable, net of allowance	78,515	-	-	-	-	78,515
Due from other governments	52,608	572,107	111,005	-	-	735,720
Restricted cash and cash equivalents	-	-	1,537,879	-	-	1,537,879
Due from other funds	18,408	-	-	-	-	18,408
Inventory	6,892	-	-	-	-	6,892
Prepaid items	177,867	-	-	-	-	177,867
Land held for resale	-	-	-	900,742	-	900,742
Total assets	$ 7,734,396	$ 4,274,779	$ 3,037,308	$ 1,288,121	$ 359,027	$ 16,693,631
LIABILITIES						
Accounts payable	$ 307,779	$ 483,565	$ 1,215,825	$ 4,173	$ -	$ 2,011,342
Accrued liabilities	864,487	-	-	-	-	864,487
Due to other funds	-	-	-	4,206	14,202	18,408
Total liabilities	1,172,266	483,565	1,215,825	8,379	14,202	2,894,237
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	129,872	-	-	-	-	129,872
Unavailable revenue - intergovernmental	1,764	84,447	111,005	-	-	197,216
Total deferred inflows of resources	131,636	84,447	111,005	-	-	327,088
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	177,867	-	-	-	-	177,867
Inventory	6,892	-	-	-	-	6,892
Restricted:						
Law enforcement	-	-	-	-	344,825	344,825
Capital projects	-	3,706,767	880,915	-	-	4,587,682
Debt service	-	-	25,972	43,492	-	69,464
Assigned for:						
Economic development	-	-	-	1,236,250	-	1,236,250
Capital projects	-	-	803,591	-	-	803,591
Subsequent year expenditures	982,727	-	-	-	-	982,727
Unassigned	5,263,008	-	-	-	-	5,263,008
Total fund balances	6,430,494	3,706,767	1,710,478	1,279,742	344,825	13,472,306
Total liabilities, deferred inflows of resources, and fund balances	$ 7,734,396	$ 4,274,779	$ 3,037,308	$ 1,288,121	$ 359,027	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	44,138,537
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	327,088
The deferred outflows of resources, deferred inflows of resources, and the net pension liability and total OPEB liability related to the City's pension plan and OPEB plan are not expected to be liquidated with expendable available current financial resources and, therefore, are not reported in the governmental funds.	(1,291,003)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(8,253,766)
Net position of governmental activities	$ 48,393,162

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	SPLOST Fund	Capital Projects Fund	Downtown Development Authority	Nonmajor Police Seizure Fund	Total Governmental Funds
Revenues						
Taxes	$ 6,873,863	$ -	$ -	$ -	$ -	$ 6,873,863
Licenses and permits	618,677	-	-	-	-	618,677
Intergovernmental	272,460	3,177,831	243,258	-	-	3,693,549
Fines and forfeitures	418,356	-	-	-	128,477	546,833
Charges for services	611,323	-	165,211	-	-	776,534
Interest income	52,532	-	15	40	117	52,704
Contributions	8,314	-	-	-	-	8,314
Miscellaneous	63,082	-	-	65,290	-	128,372
Total revenues	8,918,607	3,177,831	408,484	65,330	128,594	12,698,846
Expenditures						
Current:						
General government	2,174,350	476	1,163	-	-	2,175,989
Judicial	358,079	-	-	-	-	358,079
Public safety	2,560,285	-	-	-	127,331	2,687,616
Public works	1,358,642	775,909	75,929	-	-	2,210,480
Community development	112,294	-	245,405	-	-	357,699
Planning and zoning	440,405	-	-	-	-	440,405
Economic development	213,918	-	-	20,234	-	234,152
Culture and recreation	354,749	-	-	-	-	354,749
Capital outlay	-	2,437,460	4,662,239	-	-	7,099,699
Debt service:						
Principal retirements	-	52,681	-	696,000	-	748,681
Interest	-	819	-	253,032	-	253,851
Total expenditures	7,572,722	3,267,345	4,984,736	969,266	127,331	16,921,400
Excess (deficiency) of revenues over expenditures	1,345,885	(89,514)	(4,576,252)	(903,936)	1,263	(4,222,554)
Other financing sources (uses):						
Transfers in	571,357	-	1,077,478	1,027,523	251,508	2,927,866
Transfers out	(2,291,660)	-	(182,786)	-	-	(2,474,446)
Total other financing sources (uses)	(1,720,303)	-	894,692	1,027,523	251,508	453,420
Net change in fund balances	(374,418)	(89,514)	(3,681,560)	123,587	252,771	(3,769,134)
Fund balances, beginning of year	6,804,912	3,796,281	5,392,038	1,156,155	92,054	17,241,440
Fund balances, end of year	$ 6,430,494	$ 3,706,767	$ 1,710,478	$ 1,279,742	$ 344,825	$ 13,472,306

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	(3,769,134)
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. This is the amount by which capital outlay exceeded depreciation in the current period.		4,408,655
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		107,858
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction; however, has any effect on net position. This amount represents repayments of the principal of long-term debt.		748,681
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(102,680)
Change in net position - governmental activities	$	1,393,380

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

ASSETS	Water & Sewer Fund	Sanitation Fund	Nonmajor Storm Water Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	$ 7,184,814	$ 2,132,495	$ 702,941	$ 10,020,250
Accounts receivable, net of allowances	889	142,434	38,531	181,854
Prepaid items	-	9,436	2,177	11,613
Due from other governments	4,950,000	-	-	4,950,000
Total current assets	12,135,703	2,284,365	743,649	15,163,717
NONCURRENT ASSETS - CAPITAL ASSETS				
Depreciable, net of accumulated depreciation	-	256,071	412,719	668,790
Total noncurrent assets	-	256,071	412,719	668,790
Total assets	12,135,703	2,540,436	1,156,368	15,832,507
DEFERRED OUTLFOWS OF RESOURCES				
Pension related items	-	25,111	6,613	31,724
Total deferred outflows of resources	-	25,111	6,613	31,724
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	36,226	32,061	68,287
Accrued liabilities	-	23,177	2,299	25,476
Customer deposits	875	408,825	-	409,700
Compensated absences payable, current	-	12,581	1,194	13,775
Total current liabilities	875	480,809	35,554	517,238
NONCURRENT LIABILITIES				
Compensated absences payable	-	9,491	901	10,392
Net pension liability	-	63,614	16,753	80,367
Total noncurrent liabilities	-	73,105	17,654	90,759
Total liabilities	875	553,914	53,208	607,997
DEFERRED INFLOWS OF RESOURCES				
Pension related items	-	11,271	2,968	14,239
Total deferred inflows of resources	-	11,271	2,968	14,239
NET POSITION				
Investment in capital assets	-	256,071	412,719	668,790
Unrestricted	12,134,828	1,744,291	694,086	14,573,205
Total net position	$ 12,134,828	$ 2,000,362	$ 1,106,805	$ 15,241,995

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water & Sewer Fund	Sanitation Fund	Nonmajor Storm Water Fund	Totals
OPERATING REVENUES				
Charges for sales and services	$ -	$ 1,194,500	$ 471,422	$ 1,665,922
Other operating income	145,533	27,158	-	172,691
Total operating revenues	145,533	1,221,658	471,422	1,838,613
OPERATING EXPENSES				
Salaries and benefits	-	381,511	43,366	424,877
General operating expenses	6,394	764,654	232,428	1,003,476
Depreciation	-	44,951	14,657	59,608
Total operating expenses	6,394	1,191,116	290,451	1,487,961
Operating income	139,139	30,542	180,971	350,652
NON-OPERATING REVENUES				
Interest income	1,898	9,633	-	11,531
Total non-operating revenues	1,898	9,633	-	11,531
Change in net position before transfers	141,037	40,175	180,971	362,183
Transfers in	-	40,000	107,580	147,580
Transfers out	(601,000)	-	-	(601,000)
Total transfers	(601,000)	40,000	107,580	(453,420)
Change in net position	(459,963)	80,175	288,551	(91,237)
Net position, beginning of year	12,594,791	1,920,187	818,254	15,333,232
Net position, end of year	$ 12,134,828	$ 2,000,362	$ 1,106,805	$ 15,241,995

The accompanying notes are an integral part of these financial statements.

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Water & Sewer Fund	Sanitation Fund	Nonmajor Storm Water Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 1,151,610	$ 1,288,640	$ 500,858	$ 2,941,108
Payments to suppliers	(1,416,940)	(602,847)	(203,577)	(2,223,364)
Payments to employees	(18,585)	(381,676)	(62,281)	(462,542)
Net cash provided by (used in) operating activities	(283,915)	304,117	235,000	255,202
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Receipt of long-term receivable	550,000	-	-	550,000
Transfers in from other funds	-	40,000	107,580	147,580
Transfers out to other funds	(601,000)	-	-	(601,000)
Net cash provided by (used in) non-capital financing activities	(51,000)	40,000	107,580	96,580
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	(188,728)	(188,728)
Net cash used in capital and related financing activities	-	-	(188,728)	(188,728)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,898	9,633	-	11,531
Net cash provided by investing activities	1,898	9,633	-	11,531
Net increase (decrease) in cash and cash equivalents	(333,017)	353,750	153,852	174,585
Cash and cash equivalents, beginning of year	7,517,831	1,778,745	549,089	9,845,665
Cash and cash equivalents, end of year	$ 7,184,814	$ 2,132,495	$ 702,941	$ 10,020,250
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income	$ 139,139	$ 30,542	$ 180,971	$ 350,652
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	-	44,951	14,657	59,608
Change in assets and liabilities:				
Decrease in accounts receivable	1,006,077	66,982	29,436	1,102,495
Increase in prepaid items	-	(2,617)	(643)	(3,260)
Decrease in deferred outflows of resources - pension related items	-	2,802	7,463	10,265
Increase (decrease) in accounts payable	(601,918)	4,822	29,494	(567,602)
Increase (decrease) in accrued liabilities	(56,336)	10,659	2,134	(43,543)
Increase (decrease) in customer deposits	(765,909)	159,602	-	(606,307)
Increase (decrease) in compensated absences payable	(4,968)	7,297	80	2,409
Decrease in net pension liability	-	(2,357)	(16,514)	(18,871)
Decrease in deferred inflows of resources - pension related items	-	(18,566)	(12,078)	(30,644)
Net cash provided by (used in) operating activities	$ (283,915)	$ 304,117	$ 235,000	$ 255,202

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Incorporated in 1859, under the laws of the state of Georgia, the City of Powder Springs is governed by an elected mayor and a five-member council. The government provides such services as police protection, cultural and recreational activities, housing and development and public works.

The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations.

The Downtown Development Authority ("DDA") is responsible for promoting and further developing trade, commerce, industry and employment opportunities within the City of Powder Springs, Georgia. The DDA operates under a five member board, which is all appointed by the City Council members. The City has significant control over the DDA and is responsible for the repayment of the debt of the DDA. The DDA does not issue separate financial statements and is included as a blended component unit in the City's financial report. The DDA is presented as a governmental fund type.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

The City reports the following major governmental funds:

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

The **Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating the City's 2016 Special Purpose Local Option Sales tax referendum.

The **Capital Projects Fund** is used to account for the financial resources to be used for the acquisition and construction of major capital projects.

The **Debt Service Fund** (or Downtown Development Authority) primarily accounts for the resources accumulated and payments made for principal and interest on long-term debt obligations of governmental funds. The Authority also purchases and sells property for development purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major enterprise funds:

The **Water and Sewer Fund** accounted for the operation, maintenance and development of the City's water and sewer system and services. The system was sold to Cobb County, Georgia at the end of the fiscal year ended June 30, 2019. Continued activity in the fund is related to the sale of the system, and to subsequent activity related to customer accounts receivable.

The **Sanitation Fund** accounts for the activities associated with the collection of residential garbage, including recyclables, non-recyclables and yard waste. Activity is rendered on a user charge basis.

Additionally, the City reports the following fund types:

The **Police Seizure Fund**, a **special revenue fund,** is used to account for specific revenues, such as confiscations/forfeitures and various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Stormwater fund**, an **enterprise fund**, accounts for the collection of fees for upgrades to stormwater drains and related expenses.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any inter-fund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Budgets

Annual appropriated budgets are adopted for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except indirect costs are budgeted as revenues rather than a reduction of the expenditures. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund and special revenue funds. During the fiscal year ended June 30, 2020, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, special revenue and Capital Projects funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The SPLOST Fund and Capital Projects Fund had outstanding encumbrances of $623,567 and $377,942, respectively, as of June 30, 2020.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Any deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

F. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

G. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as “internal balances.”

H. Inventories

All inventories are valued at average cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. In accordance with GASB 34, infrastructure assets acquired prior to July 1, 2003 have not been capitalized.

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

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

Buildings & Improvements	5-30 years
Utility System	30 years
Machinery, furniture & fixtures, and equipment	3-30 years
Infrastructure	30 years

Fully depreciated assets still in service are carried in the capital asset accounts.

K. Land Held for Resale

The Downtown Development Authority (DDA) holds title to five parcels within the downtown district of the City. The DDA is holding and renovating the parcels in order to bring new business development into downtown. These parcels are recorded at the historical acquisition cost. Other costs such as those incurred for maintaining the property until it is sold, legal costs, and other expenditures also contribute to the basis in the properties.

L. 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has three items which qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other two items are related to the City's pension Plan and OPEB plan and are discussed on the following page.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes, and intergovernmental revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other type is related to the City's pension Plan and OPEB plan and is discussed in the following paragraph.

The City has deferred inflows and outflows related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the City's actuary which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of Plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expenses over the expected remaining service lives of Plan members. Changes in actuarial assumptions which adjust the net pension liability and total OPEB liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into expenses over the expected remaining service lives of Plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the City to the pension plan and OPEB plan before year end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Powder Springs Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. 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 accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Fund Equity

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City Council. Approval of a resolution after a formal vote of the City Council is required to establish a commitment of fund balance. Similarly, the City Council may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council, through City Ordinance, has expressly delegated to the City Manager or his/her designee, the authority to assign funds for particular purposes.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund and other governmental funds may only report negative unassigned fund balances. The City, by resolution, has created a minimum fund balance policy to be no less than 25% of the next fiscal year's budgeted expenditures and outgoing transfers, in order to maintain adequate reserves to cover unforeseen revenue shortfalls and to maintain a budget stabilization commitment.

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

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Management Estimates

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

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this $8,253,766 difference are as follows:

Bonds payable	$ (8,004,000)
Deferred charges on refunding	111,359
Accrued interest payable	(96,602)
Compensated absences (i.e., vacation)	(237,887)
Capital lease payable	(26,636)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (8,253,766)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Another element of that reconciliation states that "deferred outflows of resources, deferred inflows of resources, and the net pension liability are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds." The details of this $1,291,003 difference are as follows:

Net pension liability	$	(912,753)
Deferred outflows of resources - pension related items		360,298
Deferred inflows of resources - pension related items		(161,729)
Total OPEB liability		(574,724)
Deferred outflows of resources - OPEB related items		39,635
Deferred inflows of resources - OPEB related items		(41,730)
Net adjustment to reduce *fund balance- total governmental funds* to arrive at *net position - governmental activities*	$	(1,291,003)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this $4,408,655 difference are as follows:

Capital outlay	$	6,506,895
Depreciation expense		(2,098,240)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	4,408,655

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $102,680 difference are as follows:

Compensated absences (i.e., vacation)	$	(33,989)
Accrued interest		8,855
Amortization of deferred charges		(18,559)
Pension expense		(46,846)
OPEB expense		(12,141)
Net adjustment to reduce *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	(102,680)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level, within the fund.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the Director of Finance and the City Manager. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

Total deposits as of June 30, 2020 are summarized as follows:

Statement of Net Position:	
Cash and cash equivalents	$ 23,007,583
Restricted cash and cash equivalents	1,537,879
	$ 24,545,462
Cash deposited with financial institutions	$ 20,204,100
Cash deposited with Georgia fund 1	4,341,362
	$ 24,545,462

NOTE 4. DEPOSITS AND INVESTMENTS

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the City's investment in the Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

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

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose investment in the Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2020, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2020, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 5. RECEIVABLES

Property taxes are levied on property values assessed as of January 1, which is also the lien date. The taxes are levied by July 31 based on the assessed value of property as listed on the previous January 1 and are due on November 15 of each year. Property taxes are recorded as receivables and unavailable revenues when assessed. Revenues are recognized when available.

Receivables at June 30, 2020, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	Receivables				
	Taxes	Accounts	From Other Governments	Less Allowances	Net Total Receivables
General	$ 539,404	$ 101,793	$ 52,608	$ (312,407)	$ 381,398
SPLOST	-	-	572,107	-	572,107
Capital Projects	-	-	111,005	-	111,005
Water & Sewer	-	149,646	4,950,000	(148,757)	4,950,889
Sanitation	-	219,827	-	(77,393)	142,434
Nonmajor - Stormwater	-	94,582	-	(56,051)	38,531
	$ 539,404	$ 565,848	$ 5,685,720	$ (594,608)	$ 6,196,364

During the fiscal year ended June 30, 2019 the City of Powder Springs sold the water and sewer system to Cobb County. The sale closed on June 26, 2019 and the City transferred ownership of the existing infrastructure and other assets in exchange for a $5,500,000 note to be paid in ten (10) annual installments by the County, beginning July 12, 2019. As of June 30, 2020, the outstanding balance was $4,950,000.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Nondepreciable capital assets:					
Land and improvements	$ 6,196,130	$ 127,534	$ -	$ -	$ 6,323,664
Construction in progress	1,804,163	5,534,797	-	(495,220)	6,843,740
Total	8,000,293	5,662,331	-	(495,220)	13,167,404
Capital assets, being depreciated:					
Buildings and improvements	19,723,003	137,924	-	362,183	20,223,110
Furniture and fixtures	146,901	-	-	-	146,901
Parks equipment	5,260,343	64,422	-	133,037	5,457,802
Vehicles and equipment	5,151,320	465,998	-	-	5,617,318
Infrastructure - streets	24,015,399	176,220	-	-	24,191,619
Total being depreciated	54,296,966	844,564	-	495,220	55,636,750
Less accumulated depreciation for:					
Buildings and improvements	(7,739,579)	(697,979)	-	-	(8,437,558)
Furniture and fixtures	(146,901)	-	-	-	(146,901)
Parks equipment	(4,559,167)	(150,862)	-	-	(4,710,029)
Vehicles and equipment	(4,141,633)	(428,452)	-	-	(4,570,085)
Infrastructure - streets	(5,980,097)	(820,947)	-	-	(6,801,044)
Total	(22,567,377)	(2,098,240)	-	-	(24,665,617)
Total capital assets, being depreciated, net	31,729,589	(1,253,676)	-	495,220	30,971,133
Governmental activities capital assets, net	$ 39,729,882	$ 4,408,655	$ -	$ -	$ 44,138,537

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Nondepreciable capital assets					
Construction in progress	$ 27,200	$ -	$ -	$ (27,200)	$ -
Total	27,200	-	-	(27,200)	-
Capital assets, being depreciated					
Buildings and improvements	41,333	-	-	-	41,333
Utility systems	206,794	188,728	-	27,200	422,722
Vehicles and equipment	965,449	-	-	-	965,449
Total	1,213,576	188,728	-	27,200	1,429,504
Less accumulated depreciation for:					
Buildings and improvements	(19,749)	(1,378)	-	-	(21,127)
Utility systems	(5,032)	(10,462)	-	-	(15,494)
Vehicles and equipment	(676,325)	(47,768)	-	-	(724,093)
Total	(701,106)	(59,608)	-	-	(760,714)
Total capital assets being depreciated, net	512,470	129,120	-	27,200	668,790
Business-type activities capital assets, net	$ 539,670	$ 129,120	$ -	$ -	$ 668,790

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 222,367
Public safety	463,400
Public works	974,835
Judicial	55,013
Culture and recreation	379,597
Community development	3,028
Total depreciation expense - governmental activities	$ 2,098,240
Business-type activities:	
Stormwater	$ 14,657
Sanitation	44,951
Total depreciation expense - business-type activities	$ 59,608

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 8,700,000	$ -	$ (696,000)	$ 8,004,000	$ 717,000
Capital lease payable	79,317	-	(52,681)	26,636	26,636
Compensated absences	203,898	213,321	(179,332)	237,887	135,596
Net pension liability	648,435	672,696	(408,378)	912,753	-
Total OPEB liability	603,993	44,397	(73,666)	574,724	-
Governmental activity Long-term liabilities	$ 10,235,643	$ 930,414	$ (1,410,057)	$ 9,756,000	$ 879,232
Business-type activities:					
Compensated absences	$ 21,758	$ 28,649	$ (26,240)	$ 24,167	$ 13,775
Net pension liability	99,238	59,230	(78,101)	80,367	-
Business-type activity Long-term liabilities	$ 120,996	$ 87,879	$ (104,341)	$ 104,534	$ 13,775

For governmental funds, compensated absences are liquidated by the General Fund. The total OPEB liability and net pension liability are liquidated by the General Fund. The capital lease is liquidated by the SPLOST Fund. The amortization expense on assets financed under capital lease was included in current year depreciation expense.

Revenue Bonds – Direct Placement

On March 30, 2005, the City of Powder Springs Downtown Development Authority (“DDA”), a blended component unit of the City, issued $4,895,000 in Series 2005 Revenue Bonds bearing interest at a rate of 3.75% per annum payable each February 1 and September 1 with principal payable annually on September 1. The bonds were issued for the purpose of purchasing the United Community Bank building for the use of administrative offices of the City, renovations of the Ford Center for public recreational and cultural use and acquisition of right-of-way for the Lewis Road improvement project. As of June 30, 2020 the outstanding balance of these bonds is $1,810,000.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

On March 30, 2005, the City and the DDA entered into an intergovernmental agreement whereby the City is obligated to make lease payments to the DDA for the purpose of paying the principal and interest on the outstanding balance of the 2005 Revenue Bonds issued by the DDA. This agreement enables the City to lease from the DDA the facilities purchased by the DDA. The lease is a direct financing lease in accordance with generally accepted accounting principles. This agreement will not expire until full payment of the bonds is complete. Prior to expiration of the lease upon full payment of the bonds outstanding, the City may purchase the project from the DDA for $100.

On September 17, 2014, the DDA issued $3,335,000 in Series 2014 Revenue Bonds bearing interest at 2.40% per annum payable February 1 and August 1 commencing February 1, 2015 with principal payable annually each February 1 commencing on February 1, 2015. The bonds were issued for the purpose of partially refunding the outstanding balance of the Series 2006 Bonds, maturing February 1, 2017 through February 1, 2026 which were paid in full in January 2015. The reacquisition price exceeded the net carrying amount of the old debt by $204,154. This amount is being amortized over the remaining life of the refunded debt. The refunding was undertaken to reduce the total debt service payments by $204,481, with a present value of $177,959. As of June 30, 2020 the outstanding balance of the Series 2014 bonds is $2,055,000.

Concurrent with the issuance of the Series 2014 Revenue Bonds, the City and the DDA entered into an intergovernmental agreement whereby the City is obligated to make lease payments to the DDA for the purpose of paying the principal and interest payments on the outstanding balance of the 2014 Revenue Bonds issued by the DDA. The lease is a direct financing lease in accordance with generally accepted accounting principles. This agreement will not expire until full payment of the bonds is complete.

On April 19, 2018, the DDA issued $4,200,000 in Series 2018 Revenue Bonds bearing interest at a rate of 2.77% per annum payable each February 1 and August 1 with principal payable annually on February 1. The bonds were issued for the purpose of financing the costs of acquiring, constructing, and installing a park to be located in the downtown development district of Powder Springs, Georgia and to finance related costs. As of June 30, 2020 the outstanding balance of the Series 2018 bonds is $4,139,000.

Concurrent with the issuance of the Series 2018 Revenue Bonds, the City and DDA entered into an intergovernmental agreement whereby the City is obligated to make lease payments to the DDA for the purpose of paying the principal and interest payments on the outstanding balance of the 2018 Revenue Bonds issued by the DDA. The lease is a direct financing lease in accordance with generally accepted accounting principles. This agreement will not expire until full payment of the bonds is complete.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

The debt service to maturity on the Series 2005, 2014, and 2018 revenue bonds is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 717,000	$ 231,845	$ 948,845
2022	739,000	209,886	948,886
2023	761,000	187,207	948,207
2024	785,000	163,857	948,857
2025	1,174,000	142,473	1,316,473
2026-2030	3,165,000	380,183	3,545,183
2031	663,000	18,365	681,365
Total	$ 8,004,000	$ 1,333,816	$ 9,337,816

Capital Lease – Direct Borrowing

In March 2016, the City entered into a capital lease agreement with Cobb County for the purchase of $267,500 of radio and weather response equipment. The lease term is sixty months ending February of 2021. The lease bears interest at 1.43% with monthly payments due $4,458. As of June 30, 2020 the City has $257,663 of assets held under capital lease, with associated accumulated depreciation of $102,994 included in the capital assets. The annual amortization of the leased assets is included as a component of depreciation expense.

The capital lease debt service requirements are as follows:

Year Ending June 30,	Payment
2021	$ 26,750
Total payments	26,750
Less interest expense	(114)
Total principal	$ 26,636

The City's general obligation debt is limited to 10% of the annual assessed value of the taxable property in the City. There is no general obligation debt outstanding as of June 30, 2020.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2020 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Police Seizures Fund	$ 14,202
General Fund	Downtown Development Authority	4,206
		$ 18,408

Interfund receivables are the result of expenditures paid by the General Fund on behalf of other funds. These balances were repaid subsequent to year-end.

Interfund transfers:

Transfers In	Transfers Out	Amount
Capital Project Fund	General Fund	$ 1,077,478
Downtown Development Authority	General Fund	$ 855,094
Downtown Development Authority	Capital Project Fund	172,429
		$ 1,027,523
General Fund	Capital Project Fund	$ 10,357
General Fund	Water & Sewer Fund	561,000
		$ 571,357
Police Seizures Fund	General Fund	$ 251,508
Sanitation Fund	Water & Sewer Fund	$ 40,000
Storm Water Fund	General Fund	$ 107,580

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) to move proceeds from the sale of the Water and Sewer system to the General Fund.

NOTE 9. PENSION PLAN

Plan Description

The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Powder Springs Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472. As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A City employee who retires at age 65 with five years of service is entitled to benefits of 1.75% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age.

Plan Membership

At January 1, 2020, the date of the most recent actuarial valuation, there were 156 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits		36
Terminated vested participants not yet receiving benefits		44
Active employees - vested		28
Active employees - nonvested		48
	Total	156

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2020, the actuarially determined contribution rate was 7.08% of covered payroll. The City makes all contributions to the Plan. For 2020, the City's contribution to the Plan was $252,538.

NOTE 9. PENSION PLAN (CONTINUED)

Actuarial Assumptions

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 with update procedures performed by the actuary to roll forward to the total pension liability measured as of September 30, 2019.

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25%
Investment rate of return	7.375%

Mortality rates for the January 1, 2019 valuation were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010–June 30, 2014.

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.41%
International equity	20%	6.96
Global fixed income	5%	3.06
Domestic fixed income	20%	1.96
Real estate	10%	4.76
Cash	0%	
Total	100%	

* Rates shown are net of the 2.25% assumed rate of inflation

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Actuarial Assumptions (Continued)

Discount rate

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2020 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/19	$ 4,923,297	$ 4,175,624	$ 747,673
Changes for the year:			
Service cost	171,751	-	171,751
Interest	374,961	-	374,961
Differences between expected and actual experience	(93,742)	-	(93,742)
Assumption changes	168,489	-	168,489
Contributions—employer	-	262,899	(262,899)
Net investment income	-	129,838	(129,838)
Benefit payments, including refunds of employee contributions	(191,144)	(191,144)	-
Administrative expense	-	(16,725)	16,725
Net changes	430,315	184,868	245,447
Balances at 6/30/20	$ 5,353,612	$ 4,360,492	$ 993,120

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of Plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.375%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	$ 1,755,891	$ 993,120	$ 367,115

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2019 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2020, the City recognized pension expense of $260,134. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,634	$ 154,417
Changes in assumptions	152,986	-
Net difference between projected and actual earnings on pension plan investments	-	21,551
City contributions subsequent to the measurement date	189,402	-
Total	$ 392,022	$ 175,968

NOTE 9. PENSION PLAN (CONTINUED)

Net Pension Liability of the City (Continued)

Sensitivity of the net pension liability to changes in the discount rate (Continued)

City contributions subsequent to the measurement date of $189,402 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:		
2021	$	(23,006)
2022		(5,963)
2023		18,542
2024		37,079
Total	$	26,652

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The City of Powder Spring's OPEB Plan is a single-employer defined benefit healthcare plan administered by the City of Powder Springs. The City provides certain healthcare insurance benefits to retirees. Substantially all of the City's employees may become eligible for those benefits if they retire under the rule of 75 with a minimum retirement age of 50. The City pays full premium for retirees prior to 65 minus the amount paid by employees for coverage; after age 65, the City provides an explicit subsidy equal to 70% of the premium for single coverage up to a maximum of $150 per month. Additionally, the City offers an implicit subsidy allowing retirees to purchase insurance at active employee rates. As of July 1, 2019, the most recent valuation, there are fourteen retirees eligible for the benefits and 57 active employees. The City has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

The following schedule reflects membership for the OPEB Plan as of July 1, 2019, the most recent actuarial valuation:

Active participants	57
Retirees and beneficiaries currently receiving benefits	14
Total	71

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions

The City Council has elected to fund the Plan on a "pay as you go" basis. Per the Council resolution, retirees are able to continue to receive health insurance at active employee rates, subsidized by City contributions. For the fiscal year ended June 30, 2020, the City contributed $24,936 for the pay as you go benefits for the Plan.

Total OPEB Liability

The City's total OPEB liability of $574,724 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation rate	2.00%
Real wage growth	1.00%
Wage inflation	3.00%
Municipal bond index rate	
Current Measurement date	2.79%
Prior Measurement date	2.98%
Health care cost trends	
Pre-medicare	7.00% - 5.00%, Ultimate Trend in 2023
Medicare	5.50% - 5.00%, Ultimate Trend in 2020

The current mortality rates were based on the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB.

Discount rate

The discount rate used to measure the total OPEB liability was 2.79%. The discount rate is based on the S&P Municipal Bond 20-year Municipal Bond High Grade Index.

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2020 were as follows:

	Total OPEB Liability
Balance at June 30, 2018	$ 603,993
Service Cost	22,242
Interest	17,082
Demographic changes	(45,483)
Benefit payments	(28,183)
Assumption changes	5,073
Balance at June 30, 2019	$ 574,724

The required schedule of changes in the City's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) that the current discount rate:

	1% Decrease (1.79%)	Current (2.79%)	1% Increase (3.79%)
Total OPEB liability	$ 644,110	$ 574,724	$ 515,864

Sensitivity of the Total OPEB Liability to Changes in the Trend Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.00% to 4.00%)	Current (7.00% to 5.00%)	1% Increase (8.00% to 6.00%)
Total OPEB liability	$ 514,579	$ 574,724	$ 646,492

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Trend Rate (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2019 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2020 the City recognized OPEB expense of $37,077. At June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in demographics	$ -	$ 41,730
Changes in assumptions	14,699	-
City contributions subsequent to the measurement date	24,936	-
	$ 39,635	$ 41,730

The City contributions made subsequent to the measurement date of $24,936 are reported as deferred outflows and inflows of resources and will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to the OPEB will be recognized into OPEB expenses as follows:

Year ending June 30,	
2021	$ (2,247)
2022	(2,247)
2023	(2,247)
2024	(2,247)
Thereafter	(18,043)
	$ (27,031)

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Cobb County, Georgia pays on behalf of the City of Powder Springs, Georgia. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of 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 the ARC. Separate financial statements may be obtained from ARC, 40 Courtland Street NE, Atlanta, Georgia 30303.

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' 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 have not exceeded the coverage in the past three years.

The City is also exposed to risk of loss related to job-related illnesses or injuries to employees for which the City has transferred its risk through participation in a public entity risk pool managed by the Georgia Municipal Association Workers' Compensation Self Insurance Fund whereby the risk is pooled with other entities. The retention of the pool is $500,000. Yearly premiums are paid by the City which will pay for lost time exceeding the first seven days the employee is absent, and the first seven days if the employee is absent at least 21 days.

NOTE 12. RISK MANAGEMENT (CONTINUED)

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation:

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of management and legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grant Contingencies:

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

Construction Commitments:

The City has active construction projects as of June 30, 2020. The projects include street construction, sidewalks and pedestrian pathways in areas previously void of such amenities, park improvements, and the construction of general administration facilities. At year end, the City's commitments with contractors was $968,509. The projects are being financed primarily through the Capital Project and SPLOST funds, using pay-as-you-go funding sources.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POWDER SPRINGS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
OPEB HEALTHCARE BENEFIT PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2020	2019	2018
Total OPEB liability			
Service cost	$ 22,242	$ 18,012	$ 29,625
Interest on total OPEB liability	17,082	17,452	17,867
Demographic changes	(45,483)	-	-
Benefit payments	(28,183)	(22,465)	(31,905)
Assumption changes	5,073	12,219	-
Net change in total OPEB liability	(29,269)	25,218	15,587
Total OPEB liability - beginning	603,993	578,775	563,188
Total OPEB liability - ending	$ 574,724	$ 603,993	$ 578,775
Covered-employee payroll	$ 2,634,327	$ 2,636,891	$ 2,636,891
Total OPEB liability as a percentage of covered-employee payroll	21.8%	22.9%	21.9%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The City is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

CITY OF POWDER SPRINGS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 171,751	$ 188,813	$ 160,240	$ 129,174	$ 152,063	$ 147,966
Interest on total pension liability	374,961	355,633	299,730	268,392	241,997	221,191
Differences between expected and actual experience	(93,742)	(95,223)	(67,433)	140,185	17,435	4,544
Changes of assumptions	168,489	-	66,551	-	-	(23,991)
Changes of benefit terms	-	-	375,624	-	-	-
Benefit payments, including refunds of employee contributions	(191,144)	(157,782)	(140,718)	(126,016)	(87,044)	(75,427)
Other changes		-	-	-	35,607	-
Net change in total pension liability	430,315	291,441	693,994	411,735	360,058	274,283
Total pension liability - beginning	4,923,297	4,631,856	3,937,862	3,526,127	3,166,069	2,891,786
Total pension liability - ending (a)	$ 5,353,612	$ 4,923,297	$ 4,631,856	$ 3,937,862	$ 3,526,127	$ 3,166,069
Plan fiduciary net position						
Contributions - employer	$ 262,899	$ 214,744	$ 173,207	$ 168,902	$ 189,890	$ 187,392
Net investment income	129,838	374,496	491,420	325,721	28,135	277,971
Benefit payments, including refunds of member contributions	(191,144)	(157,782)	(140,718)	(126,016)	(87,044)	(75,427)
Administrative expenses	(16,725)	(17,588)	(19,834)	(10,567)	(11,753)	(9,403)
Net change in plan fiduciary net position	184,868	413,870	504,075	358,040	119,228	380,533
Plan fiduciary net position - beginning	4,175,624	3,761,754	3,257,679	2,899,639	2,780,411	2,399,878
Plan fiduciary net position - ending (b)	$ 4,360,492	$ 4,175,624	$ 3,761,754	$ 3,257,679	$ 2,899,639	$ 2,780,411
City's net pension liability - ending (a) - (b)	$ 993,120	$ 747,673	$ 870,102	$ 680,183	$ 626,488	$ 385,658
Plan fiduciary net position as a percentage of the total pension liability	81.45%	84.81%	81.21%	82.73%	82.23%	87.82%
Covered payroll	$ 3,582,394	$ 3,521,104	$ 3,727,954	$ 3,500,149	$ 2,934,029	$ 3,353,477
City's net pension liability as a percentage of covered payroll	27.72%	21.23%	23.34%	19.43%	21.35%	11.50%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF POWDER SPRINGS, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 252,538	$ 266,352	$ 197,541	$ 162,562	$ 171,015	$ 176,564
Contributions in relation to the actuarially determined contribution	252,538	266,352	197,541	162,562	171,015	176,564
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,566,921	$ 3,778,043	$ 3,500,149	$ 2,982,789	$ 3,406,673	$ 2,931,666
Contributions as a percentage of covered payroll	7.08%	7.05%	5.64%	5.45%	5.02%	6.02%

(1) The schedule will present 10 years of information once it is accumulated.

CITY OF POWDER SPRINGS, GEORGIA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 6,857,167	$ 6,857,167	$ 6,873,863	$ 16,696
Licenses and permits	607,300	607,300	618,677	11,377
Intergovernmental	250,000	250,000	272,460	22,460
Fines and forfeitures	608,000	608,000	418,356	(189,644)
Charges for services	707,243	1,013,643	936,323	(77,320)
Interest	50,000	50,000	52,532	2,532
Contributions	6,500	6,500	8,314	1,814
Miscellaneous	50,000	50,000	63,082	13,082
Total revenues	9,136,210	9,442,610	9,243,607	(199,003)
Expenditures				
Current:				
General government:				
City Council	153,714	153,714	108,281	45,433
Mayor	67,605	67,605	50,035	17,570
City manager	496,065	496,065	375,087	120,978
City clerk	239,474	239,474	203,917	35,557
General administration fees	985,628	985,628	900,955	84,673
Elections	15,000	15,000	13,740	1,260
Financial administration	432,340	492,340	491,142	1,198
Data processing	245,000	245,000	243,313	1,687
Human resources	135,376	135,376	112,880	22,496
Total general government	2,770,202	2,830,202	2,499,350	330,852
Judicial	446,965	446,965	358,079	88,886
Public safety	2,617,032	2,629,672	2,560,285	69,387
Public works	1,613,553	1,530,973	1,358,642	172,331
Community development	161,035	161,035	112,294	48,741
Planning and zoning	643,188	583,188	440,405	142,783
Economic development	249,161	214,161	213,918	243
Culture and recreation	364,980	364,980	354,749	10,231
Total expenditures	8,866,116	8,761,176	7,897,722	863,454
Excess of revenues over expenditures	270,094	681,434	1,345,885	664,451
Other financing sources (uses)				
Transfers in	550,000	563,498	571,357	7,859
Transfers out	(820,094)	(2,302,357)	(2,291,660)	10,697
Total other financing sources (uses)	(270,094)	(1,738,859)	(1,720,303)	18,556
Net change in fund balances	-	(1,057,425)	(374,418)	683,007
Fund balance, beginning of year	6,804,912	6,804,912	6,804,912	-
Fund balance, end of year	$ 6,804,912	$ 5,747,487	$ 6,430,494	$ 683,007

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

In the General Fund, accounting principles used in developing budgets on a budgetary basis differ from those used in preparing financial statements in conformity with generally accepted accounting principles (GAAP). The City budgets charges for service revenues and department expenditures for indirect cost allocations which are offset in the Statement of Revenues, Expenditures and Changes in Fund Balances. Thus, there is an accounting basis difference between the budget and actual Statement of Revenues, Expenditures and Changes in Fund Balances in the General Fund that is reconciled as follows:

Revenues GAAP Basis	$ 8,918,607	
Indirect Cost Revenues	325,000	
Revenues, Budgetary Basis		9,243,607
Expenditures GAAP Basis	7,572,722	
Indirect Cost Expenditures	325,000	
Expenditures, Budgetary Basis		7,897,722
Excess of Revenues over Expenditures Budgetary Basis		$ 1,345,885

SUPPLEMENTARY INFORMATION

CITY OF POWDER SPRINGS, GEORGIA

POLICE SEIZURE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ -	$ -	$ 128,477	$ 128,477
Interest	-	-	117	117
Total revenues	-	-	128,594	128,594
EXPENDITURES				
Public safety	274,205	274,205	127,331	146,874
Excess of revenues over expenditures	(274,205)	(274,205)	1,263	(18,280)
Other financing sources				
Transfers in	262,205	262,205	251,508	(10,697)
Net change in fund balances	(12,000)	(12,000)	252,771	(28,977)
FUND BALANCE, beginning of year	92,054	92,054	92,054	-
FUND BALANCE, end of year	$ 80,054	$ 80,054	$ 344,825	$ (28,977)

CITY OF POWDER SPRINGS, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS) FOR THE YEAR ENDED JUNE 30, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest earnings	$ -	$ -	$ 40	$ 40
Miscellaneous	-	-	65,290	65,290
Total revenues	-	-	65,330	65,330
EXPENDITURES				
Current:				
Economic development	-	35,000	20,234	14,766
Debt service:				
Principal	696,000	739,429	696,000	43,429
Interest	253,094	253,094	253,032	62
Total expenditures	949,094	1,027,523	969,266	58,257
Deficiency of revenues over expenditures	(949,094)	(1,027,523)	(903,936)	123,587
OTHER FINANCING SOURCES				
Transfers in	949,094	1,027,523	1,027,523	-
Total other financing sources	949,094	1,027,523	1,027,523	-
Net change in fund balances	-	-	123,587	123,587
FUND BALANCE, beginning of year	1,156,155	1,156,155	1,156,155	-
FUND BALANCE, end of year	$ 1,156,155	$ 1,156,155	$ 1,279,742	$ 123,587

CITY OF POWDER SPRINGS, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE YEAR ENDED JUNE 30, 2020

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2016 SPLOST Program:					
General Street Improvements	$ 804,120	$ 704,120	$ 82,566	$ 331,400	$ 413,966
Resurfacing	6,000,000	4,058,489	1,318,575	597,065	1,915,640
Parks and Recreation Improvements	750,000	2,500,000	2,467,823	143,635	2,611,458
Streetscapes	1,327,600	656,189	183,750	37,167	220,917
Facilities Improvements	750,000	650,000	317,606	27,968	345,574
Public Safety Improvements	750,000	750,000	573,247	53,568	626,815
Intersection Improvements	3,850,000	5,507,886	1,014,729	2,076,542	3,091,271
Total	$ 14,231,720	$ 14,826,684	$ 5,958,296	$ 3,267,345	$ 9,225,641

STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends **67**

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

Revenue Capacity **78**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **82**

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

Demographic and Economic Information **86**

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

Operating Information **88**

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

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

CITY OF POWDER SPRINGS, GEORGIA

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2020	2019	2018	2017 (2)	2016
Governmental activities					
Net investment in capital assets	$ 37,211,154	$ 34,673,659	$ 32,842,258	$ 30,752,959	$ 30,834,381
Restricted	5,086,418	4,619,305	3,400,830	3,106,338	2,191,896
Unrestricted	6,095,590	7,706,818	7,741,430	7,193,630	5,930,220
Total governmental activities net position	$ 48,393,162	$ 46,999,782	$ 43,984,518	$ 41,052,927	$ 38,956,497
Business-type activities					
Net investment in capital assets	$ 668,790	$ 539,670 (3)	$ 6,454,354	$ 5,722,445	$ 5,556,927
Restricted	-	-	-	-	-
Unrestricted	14,573,205	14,793,562	8,314,028	7,676,687	7,371,928
Total business-type activities net position	$ 15,241,995	$ 15,333,232	$ 14,768,382	$ 13,399,132	$ 12,928,855
Primary government					
Net investment in capital assets	$ 37,879,944	$ 35,213,329	$ 39,296,612	$ 36,475,404	$ 36,391,308
Restricted	5,086,418	4,619,305	3,400,830	3,106,338	2,191,896
Unrestricted	20,668,795	22,500,380	16,055,458	14,870,317	13,302,148
Total primary government net position	$ 63,635,157	$ 62,333,014	$ 58,752,900	$ 54,452,059	$ 51,885,352

(1) - 2014 balances were restated for the implementation of GASB Statements No. 68 and 71, which were effective July 1, 2014.

(2) - 2017 balances were restated for the implementation of GASB Statement No. 75, which was effective July 1, 2017.

(3) - In 2019 the City sold the water and sewer system to Cobb County. The County will make payments for ten (10) years on the acquisition.

CITY OF POWDER SPRINGS, GEORGIA

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2015	2014 (1)	2013	2012	2011
Governmental activities					
Net investment in capital assets	$ 28,730,880	$ 26,057,109	$ 23,297,545	$ 19,796,418	$ 19,063,683
Restricted	2,501,319	2,109,402	2,651,150	5,281,299	4,053,179
Unrestricted	5,247,724	4,850,088	4,497,623	3,340,628	2,640,321
Total governmental activities net position	$ 36,479,923	$ 33,016,599	$ 30,446,318	$ 28,418,345	$ 25,757,183
Business-type activities					
Net investment in capital assets	$ 5,264,412	$ 5,236,028	$ 5,529,606	$ 5,676,728	$ 6,100,821
Restricted	-	-	-	-	-
Unrestricted	6,668,373	5,734,790	4,831,985	3,644,991	3,337,765
Total business-type activities net position	$ 11,932,785	$ 10,970,818	$ 10,361,591	$ 9,321,719	$ 9,438,586
Primary government					
Net investment in capital assets	$ 33,995,292	$ 31,293,137	$ 28,827,151	$ 25,473,146	$ 25,164,504
Restricted	2,501,319	2,109,402	2,651,150	5,281,299	4,053,179
Unrestricted	11,916,097	10,584,878	9,329,608	6,985,619	5,978,086
Total primary government net position	$ 48,412,708	$ 43,987,417	$ 40,807,909	$ 37,740,064	$ 35,195,769

CITY OF POWDER SPRINGS, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	$ 2,429,658	$ 1,591,101	$ 1,289,401	$ 1,015,287	$ 1,241,193
Judicial	422,072	463,785	483,164	352,753	241,622
Public safety	3,047,852	3,213,726	3,216,569	3,231,902	3,324,112
Public works	4,056,843	2,259,247	1,947,785	2,094,427	1,950,695
Community development	369,532	379,668	517,730	923,634	757,122
Planning and zoning	367,825	341,543	228,083	-	-
Economic development	234,152	459,048	125,451	-	-
Culture and recreation	675,255	785,444	754,486	551,055	411,631
Health and welfare	-	-	-	-	-
Interest on long-term debt	263,555	284,505	224,612	205,998	169,011
Total governmental activities expenses	11,866,744	9,778,067	8,787,281	8,375,056	8,095,386
Business-type activities:					
Water & Sewer	6,394	5,356,781	5,387,584	5,453,734	5,154,505
Solid waste	1,191,116	1,205,936	1,271,079	1,215,260	1,037,995
Stormwater	290,451	148,104	181,641	238,174	468,945
Total business-type activities expenses	1,487,961	6,710,821	6,840,304	6,907,168	6,661,445
Total primary government expenses	$ 13,354,705	$ 16,488,888	$ 15,627,585	$ 15,282,224	$ 14,756,831
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 1,234,812	$ 1,064,087	$ 1,405,279	$ 1,142,915	$ 1,029,994
Judicial	295,215	651,086	632,463	719,897	411,287
Public safety	183,091	149,068	143,251	140,997	104,588
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	105,785	173,893	294,169	269,535	82,599
Operating grants and contributions	388,740	329,669	397,891	420,132	313,340
Capital grants and contributions	3,505,536	3,393,553	3,048,093	3,022,374	3,279,674
Total governmental activities program revenues	5,713,179	5,761,356	5,921,146	5,715,850	5,221,482
Business-type activities:					
Charges for services:					
Water & Sewer	145,533	6,557,889	6,432,081	6,486,799	5,926,231
Solid waste	1,221,658	1,413,221	1,353,180	1,322,697	1,277,369
Stormwater	471,422	381,995	390,037	395,637	452,213
Total business-type activities program revenues	1,838,613	8,353,105	8,175,298	8,205,133	7,655,813
Total primary government program revenues	$ 7,551,792	$ 14,114,461	$ 14,096,444	$ 13,920,983	$ 12,877,295

CITY OF POWDER SPRINGS, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	$ 881,610	$ 900,533	$ 760,497	$ 1,113,494	$ 1,045,622
Judicial	154,306	151,596	428,709	-	-
Public safety	2,858,898	2,482,731	3,072,667	2,499,557	2,801,692
Public works	1,499,231	1,742,675	2,055,730	1,228,591	1,871,778
Community development	735,300	590,648	485,271	633,252	655,434
Planning and zoning	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	290,317	408,830	258,969	79,266	218,853
Health and welfare	-	-	-	43,497	71,221
Interest on long-term debt	352,974	305,452	336,412	325,017	511,573
Total governmental activities expenses	6,772,636	6,582,465	7,398,255	5,922,674	7,176,173
Business-type activities:					
Water & Sewer	5,089,822	5,113,633	4,838,532	4,579,748	4,268,528
Solid waste	904,705	977,570	974,543	1,111,782	1,101,621
Stormwater	415,465	306,187	155,966	-	-
Total business-type activities expenses	6,409,992	6,397,390	5,969,041	5,691,530	5,370,149
Total primary government expenses	$ 13,182,628	$ 12,979,855	$ 13,367,296	$ 11,614,204	$ 12,546,322
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 906,669	$ 218,981	$ 236,510	$ 286,222	$ 332,228
Judicial	288,380	346,764	438,947	-	-
Public safety	76,391	109,080	84,753	383,850	585,064
Public works	-	336,007	345,445	341,509	316,589
Community development	-	46,559	44,705	125,018	142,654
Culture and recreation	162,300	62,312	-	29,024	16,942
Operating grants and contributions	454,788	331,244	452,090	11,163	45,363
Capital grants and contributions	3,128,731	2,817,525	2,700,194	2,576,001	2,133,255
Total governmental activities program revenues	5,017,259	4,268,472	4,302,644	3,752,787	3,572,095
Business-type activities:					
Charges for services:					
Water & Sewer	5,766,750	5,627,573	5,436,361	4,445,915	3,967,475
Solid waste	1,251,714	1,131,910	1,145,663	1,123,017	1,089,226
Stormwater	352,539	352,579	357,708	-	-
Total business-type activities program revenues	7,371,003	7,112,062	6,939,732	5,568,932	5,056,701
Total primary government program revenues	$ 12,388,262	$ 11,380,534	$ 11,242,376	$ 9,321,719	$ 8,628,796

CITY OF POWDER SPRINGS, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2020	2019	2018	2017	2016
Net (expense)/revenue					
Governmental activities	$ (6,153,565)	$ (4,016,711)	$ (2,866,135)	$ (2,659,206)	$ (2,873,904)
Business-type activities	350,652	1,642,284	1,334,994	1,297,965	994,368
Total primary government net (expense) revenue	$ (5,802,913)	$ (2,374,427)	$ (1,531,141)	$ (1,361,241)	$ (1,879,536)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	$ 4,619,219	$ 4,480,979	$ 3,679,765	$ 3,497,167	$ 3,311,349
Insurance premium taxes	1,062,080	999,006	926,333	870,066	803,212
Excise taxes	254,168	240,628	228,815	235,393	241,608
Franchise taxes	799,245	760,817	700,293	693,494	721,082
Other taxes	175,932	142,950	132,112	109,088	174,617
Gain on sale of capital assets	-	-	-	-	-
Operating Grants	-	-	-	-	-
Unrestricted Investment Earnings	52,704	80,669	46,813	19,814	9,548
Miscellaneous	130,177	75,229	78,866	104,489	89,062
Transfers	453,420	251,697	4,729	1,000,000	-
Total governmental activities	7,546,945	7,031,975	5,797,726	6,529,511	5,350,478
Business-type activities:					
Unrestricted Investment earnings	11,531	15,383	8,462	3,576	1,702
Gain on sale of capital assets	-	-	30,523	-	-
Miscellaneous	-	-	-	5,700	-
Special items	-	(841,120) (2)	-	-	-
Transfers	(453,420)	(251,697)	(4,729)	(1,000,000)	-
Total business-type activities	(441,889)	(1,077,434)	34,256	(990,724)	1,702
Total primary government	$ 7,105,056	$ 5,954,541	$ 5,831,982	$ 5,538,787	$ 5,352,180
Change in Net Position					
Governmental activities	$ 1,393,380	$ 3,015,264	$ 2,931,591	$ 3,870,305	$ 2,476,574
Business-type activities	(91,237)	564,850	1,369,250	307,241	996,070
Total primary government	$ 1,302,143	$ 3,580,114	$ 4,300,841	$ 4,177,546	$ 3,472,644

(1) In 2013 the City has reported the occupational taxes as a separate line called other taxes.

(2) - In 2019 the City sold the water and sewer system to Cobb County. The County will make payments for ten (10) years on the acquisition.

CITY OF POWDER SPRINGS, GEORGIA

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2015	2014	2013	2012	2011
Net (expense)/revenue					
Governmental activities	$ (1,755,377)	$ (2,313,993)	$ (3,095,611)	$ (2,169,887)	$ (3,604,078)
Business-type activities	961,011	714,672	970,691	(122,598)	(313,448)
Total primary government net (expense) revenue	$ (794,366)	$ (1,599,321)	$ (2,124,920)	$ (2,292,485)	$ (3,917,526)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	$ 3,200,350	$ 3,093,482	$ 2,803,697	$ 3,006,646	$ 2,982,111
Insurance premium taxes	751,797	719,081	694,492	653,845	671,875
Excise taxes	249,618	238,301	244,182	301,161	241,680
Franchise taxes	729,939	675,157	760,074	722,554	739,619
Other taxes	78,788	355,407	344,639	- (1)	-
Gain on sale of capital assets	-	-	-	15,493	-
Operating Grants	-	-	-	128,522	131,817
Unrestricted Investment Earnings	5,588	4,648	7,158	2,828	3,490
Miscellaneous	202,621	25,893	24,820	-	-
Transfers	-	-	798	-	-
Total governmental activities	5,218,701	5,111,969	4,879,860	4,831,049	4,770,592
Business-type activities:					
Unrestricted Investment earnings	956	802	5,718	2,731	6,215
Gain on sale of capital assets	-	-	6,101	-	-
Miscellaneous	-	-	-	-	-
Special items	-	-	-	-	-
Transfers	-	-	(798)	-	-
Total business-type activities	956	802	11,021	2,731	6,215
Total primary government	$ 5,219,657	$ 5,112,771	$ 4,890,881	$ 4,833,780	$ 4,776,807
Change in Net Position					
Governmental activities	$ 3,463,324	$ 2,797,976	$ 1,784,249	$ 2,661,162	$ 1,166,514
Business-type activities	961,967	715,474	981,712	(119,867)	(307,233)
Total primary government	$ 4,425,291	$ 3,513,450	$ 2,765,961	$ 2,541,295	$ 859,281

CITY OF POWDER SPRINGS, GEORGIA

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

	2020	2019	2018	2017	2016
Revenues					
Taxes	$ 6,873,863	$ 6,562,710	$ 5,771,994	$ 5,431,213	$ 5,239,485
Licenses and permits	618,677	664,765	1,013,010	760,908	655,629
Intergovernmental	3,693,549	3,724,421	3,469,806	3,408,684	3,583,014
Fines and forfeitures	546,833	659,295	597,287	725,856	443,825
Charges for services	776,534	657,224	822,952	790,289	500,927
Interest income	52,704	80,668	46,813	19,814	9,548
Contributions	8,314	-	-	-	-
Miscellaneous	128,372	75,229	78,866	124,489	89,062
Total revenues	12,698,846	12,424,312	11,800,728	11,261,253	10,521,490
Expenditures					
General government	2,175,989	1,329,154	993,843	909,670	883,035
Judicial	358,079	407,789	397,133	309,790	192,925
Public safety	2,687,616	2,773,223	2,884,070	3,258,480	3,314,595
Public works	2,210,480	2,271,940	1,763,655	2,423,869	2,632,913
Community development	357,699	1,158,873	511,885	903,150	725,680
Planning and zoning	440,405	341,543	294,944	-	-
Economic development	234,152	459,048	125,451	-	-
Culture and recreation	354,749	441,104	391,325	218,999	153,103
Health and welfare	-	-	-	-	-
Capital outlay	7,099,699	1,539,687	2,468,369	1,400,596	1,798,729
Debt service					
Principal retirements	748,681	666,905	646,141	630,387	584,914
Interest and fiscal charges and cost of issuance	253,851	248,309	190,717	194,843	218,174
Total expenditures	16,921,400	11,637,575	10,667,533	10,249,784	10,504,068
Excess (deficiency) of revenues over expenditures	(4,222,554)	786,737	1,133,195	1,011,469	17,422
Other financing sources (uses)					
Issuance of long-term debt	-	-	4,200,000	-	257,664
Proceeds from sale of capital assets	-	9,763	1,738	-	17,249
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers in	2,927,866	2,193,180	2,037,261	2,390,496	1,509,412
Transfers out	(2,474,446)	(2,259,770)	(2,032,532)	(1,390,496)	(1,509,412)
Total other financing sources (uses)	453,420	(56,827)	4,206,467	1,000,000	274,913
Net change in fund balances	$ (3,769,134)	$ 729,910	$ 5,339,662	$ 2,011,469	$ 292,335
Debt service as a percentage of noncapital expenditures	9.6%	11.2%	12.1%	11.6%	11.7%

CITY OF POWDER SPRINGS, GEORGIA

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

	2015	2014	2013	2012	2011
Revenues					
Taxes	$ 5,001,233	$ 5,116,613	$ 4,828,780	$ 4,633,166	$ 4,827,656
Licenses and permits	546,563	176,870	168,420	426,421	423,361
Intergovernmental	3,583,519	3,341,900	2,937,235	2,701,083	2,357,274
Fines and forfeitures	299,037	375,698	444,098	371,840	567,361
Charges for services	597,374	433,822	402,314	337,106	307,382
Interest income	5,588	5,006	10,100	7,283	12,769
Contributions	-	-	-	-	-
Miscellaneous	50,233	165,794	163,144	90,437	89,664
Total revenues	10,083,547	9,615,703	8,954,091	8,567,336	8,585,467
Expenditures					
General government	803,433	702,491	582,917	758,824	809,992
Judicial	145,070	147,080	435,750	-	-
Public safety	2,930,581	2,426,416	2,907,462	2,469,425	2,526,163
Public works	2,137,294	3,014,287	2,314,446	580,883	892,172
Community development	719,860	567,966	595,807	620,910	640,822
Planning and zoning	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	134,372	246,712	159,354	79,266	90,956
Health and welfare	-	-	-	43,497	55,095
Capital outlay	1,811,370	1,463,530	2,942,810	1,530,733	3,518,574
Debt service					
Principal retirements	515,000	475,000	455,000	476,553	530,802
Interest and fiscal charges and cost of issuance	328,086	313,332	343,872	348,063	366,489
Total expenditures	9,525,066	9,356,814	10,737,418	6,908,154	9,431,065
Excess (deficiency) of revenues over expenditures	558,481	258,889	(1,783,327)	1,659,182	(845,598)
Other financing sources (uses)					
Issuance of long-term debt	3,335,000	-	-	-	-
Proceeds from sale of capital assets	152,388	5,414	146,898	15,493	-
Payment to refunding bond escrow agent	(3,259,154)	-	-	-	-
Transfers in	1,767,220	1,227,302	1,041,151	-	-
Transfers out	(1,767,220)	(1,227,302)	(1,040,353)	-	-
Total other financing sources (uses)	228,234	5,414	147,696	15,493	-
Net change in fund balances	$ 786,715	$ 264,303	$ (1,635,631)	$ 1,674,675	$ (845,598)
Debt service as a percentage of noncapital expenditures	14.4%	20.0%	12.1%	15.3%	15.2%

CITY OF POWDER SPRINGS, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Ad Valorem	Insurance Premium	Alcoholic Beverage	Intangible	Franchise	Total
2011	$ 2,869,474	$ 289,745	$ 671,875	$ 241,680	$ 15,263	$ 739,619	$ 4,827,656
2012	2,659,592	314,751	653,845	259,376	23,048	722,554	4,633,166
2013	2,581,510	260,683	694,492	244,182	25,139	760,074	4,566,080
2014	2,937,673	202,159	719,081	238,301	25,316	675,156	4,797,686
2015	3,102,941	144,857	751,797	249,618	31,340	729,939	5,010,492
2016	3,253,714	107,784	803,212	241,608	124,468	721,082	5,251,868
2017	3,451,159	76,301	870,066	235,393	78,795	693,494	5,405,208
2018	3,679,765	51,319	926,333	228,815	80,793	700,293	5,667,318
2019	4,480,979	54,734	999,006	240,628	88,216	760,817	6,624,380
2020	4,619,219	55,627	1,062,080	254,168	120,305	799,245	6,910,644
Percentage change over 10 years	61.0%	-80.8%	58.1%	5.2%	688.2%	8.1%	43.1%

CITY OF POWDER SPRINGS, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	$ 184,759	$ 295,311	$ 280,524	$ 282,927	$ 261,093
Restricted	-	1,379	1,348	1,330	1,323
Assigned	982,727	-	133,799	-	818,583
Unassigned	5,263,008	6,508,222	5,953,851	5,097,439	3,634,638
Total General Fund	$ 6,430,494	$ 6,804,912	$ 6,369,522	$ 5,381,696	$ 4,715,637
All other governmental funds					
Nonspendable	$ -	$ 340,416	$ 173,942	$ 102,655	$ 1,128,692
Assigned	2,039,841	2,225,426	2,646,811	2,582,509	1,125,497
Restricted	5,001,971	7,870,686	7,321,255	3,105,008	2,190,573
Total all other governmental funds	$ 7,041,812	$ 10,436,528	$ 10,142,008	$ 5,790,172	$ 4,444,762

(1) The City adopted GASB 54 Reporting for Fund Balance in fiscal year 2011.

CITY OF POWDER SPRINGS, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2015	2014	2013	2012	2011
General Fund					
Nonspendable	$ 249,482	$ 250,533	$ 212,744	$ 174,395	$ 317,155
Restricted	190,052	-	-	170,727	149,431
Assigned	700,365	497,932	254,500	5,115	5,317
Unassigned	3,851,796	4,513,986	4,136,152	3,448,575	2,718,530
Total General Fund	$ 4,991,695	$ 5,262,451	$ 4,603,396	$ 3,798,812	$ 3,190,433
All other governmental funds					
Nonspendable	$ 1,169,848	$ 882,428	$ 562,500	$ -	$ -
Assigned	395,254	-	-	-	-
Restricted	2,311,267	1,936,470	2,651,150	5,465,544	4,399,248
Total all other governmental funds	$ 3,876,369	$ 2,818,898	$ 3,213,650	$ 5,465,544	$ 4,399,248

CITY OF POWDER SPRINGS, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	$ 251,879,253	$ 99,113,782	$ 7,319,072	$ 34,141,569	$ 3,024,103	$ 389,429,573	8.500	$ 973,573,933	40.00%
2012	228,758,892	91,789,641	7,153,550	33,963,415	3,044,034	358,621,464	8.500	896,553,660	40.00%
2013	193,035,041	97,654,149	6,579,762	33,982,178	6,764,956	324,486,174	8.500	811,215,435	40.00%
2014	185,387,966	100,020,754	6,339,141	36,385,060	12,540,943	315,591,978	8.500	788,979,945	40.00%
2015	205,395,323	100,319,231	6,236,947	33,113,218	23,397,864	321,666,855	8.500	804,167,138	40.00%
2016	236,181,400	95,825,169	5,698,954	25,796,959	17,595,379	345,907,103	8.500	864,767,758	40.00%
2017	264,306,391	97,012,606	5,288,598	21,183,422	16,256,543	371,534,474	8.500	928,836,185	40.00%
2018	305,999,834	100,550,692	5,668,619	16,655,698	30,249,724	398,625,119	8.500	996,562,798	40.00%
2019	344,080,062	102,732,721	6,126,758	14,201,291	45,471,641	421,669,191	9.500	1,054,172,978	40.00%
2020	388,521,171	111,133,620	5,876,405	12,627,459	65,678,705	452,479,950	9.500	1,131,199,875	40.00%

Source: Georgia Department of Revenue - Local Government Services - 2019 Tax Digest Summary

Note: Property in the City is reassessed periodically. Property is assessed at 40% of the fair market value; therefore, the assessed values are equal to 40% of the estimated actual value. Tax rates are per $1,000 of assessed value.

(1) Other property consists of historic, agricultural, conservation use, utility, motor vehicle and mobile homes.

CITY OF POWDER SPRINGS, GEORGIA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING[1] GOVERNMENTS
(Per $1,000 of Assessed Value)
LAST TEN YEARS

Fiscal Year	City Direct Rate (1)	Overlapping Rates			Total Direct & Overlapping Rates
		County	School District	State	
2011	8.500	11.110	18.900	0.25	38.760
2012	8.500	11.110	18.900	0.25	38.760
2013	8.500	11.110	18.900	0.20	38.710
2014	8.500	10.910	18.900	0.20	38.510
2015	8.500	10.710	18.900	0.10	38.210
2016	8.500	9.850	18.900	-	37.250
2017	8.500	9.850	18.900	-	37.250
2018	8.500	9.850	18.900	-	37.250
2019	9.500	11.450	18.900	-	39.850
2020	9.500	11.450	18.900	-	39.850

Source: Georgia Department of Revenue - Local Government Services - Ad Valorem Tax Digest Millage Rates

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Powder Springs.

(1) The City does not levy a debt service millage rate and thus the full 8.5 or 9.5 is maintenance and operation.

CITY OF POWDER SPRINGS, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)

	2020			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
PS Senior Living	$ 7,365,436	1	1.628 %	$ -		- %
Powder Springs MacLand Retail	4,400,000	2	0.972	-		-
HD Development of Maryland	3,417,840	3	0.755	-		-
Kroger Company	2,617,620	4	0.579	4,347,344	3	1.116
Powder Springs Storage	2,513,512	5	0.555			-
Foster W M	2,082,000	6	0.460	2,814,068	5	0.723
Home Depot #6940	2,080,620	7	0.460	7,352,550	1	1.888
MM&A LLC	2,008,104	8	0.444			-
Weingarten Realty Investors	1,842,400	9	0.407	1,980,000	7	0.508
US Business Park LLC	1,598,776	10	0.353			-
Sembler Family Partnership	-		-	4,415,401	2	1.134
McNeel Builders, Inc.	-		-	2,855,828	4	0.733
IMV 9 Interstate	-		-	2,765,583	6	0.710
Hussman Services Corporation	-		-	1,796,708	8	0.461
Standex Air Distribution Products	-		-	1,611,970	9	0.414
Star Acquisitions	-		-	1,489,936	10	0.383
Total Principal Taxpayers	29,926,308		6.613	31,429,388		8.071
All Other Taxpayers	422,553,642		93.387	358,000,185		91.93
	$ 452,479,950		100.000 %	$ 389,429,573		100.000 %

Source: City of Powder Springs Finance Department

CITY OF POWDER SPRINGS, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	(1) Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 2,910,203	$ 2,599,174	89.31 %	$ 298,823	$ 2,897,997	99.58 %
2012	2,615,610	2,405,060	91.95	199,047	2,604,107	99.56
2013	2,333,938	2,286,170	97.95	38,701	2,324,871	99.61
2014	2,350,888	2,257,954	96.05	81,190	2,339,144	99.50
2015	2,478,591	2,379,309	95.99	87,920	2,467,229	99.54
2016	2,882,928	2,682,434	93.05	186,456	2,868,890	99.51
2017	2,971,544	2,931,952	98.67	22,885	2,954,837	99.44
2018	3,221,549	3,146,370	97.67	51,000	3,197,370	99.25
2019	3,873,541	3,736,408	96.46	125,885	3,862,293	99.71
2020	4,080,070	3,882,758	95.16	-	3,882,758	95.16

Source: City of Powder Springs Finance Department

(1) Includes assessment adjustments

CITY OF POWDER SPRINGS, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

	Governmental Activities			Business-type Activities						
Fiscal Year	Revenue Bonds (2)	Capital Leases	Intergovern-mental Contracts	Revenue Bonds	Capital Leases	Intergovern-mental Contracts	Loans Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2011	$ 8,472,895	$ -	$ 17,342	$ -	$ 76,761	$ -	$ 941,672	$ 9,508,670	2.62 %	$ 682.1
2012	8,015,000	-	-	-	24,134	-	881,641	8,920,775	2.46	639.9
2013	7,560,000	-	-	-	2,625	65,059	757,464	8,385,148	2.31	601.5
2014	7,085,000	-	-	-	-	58,046	698,808	7,841,854	2.16	562.5
2015	6,850,000	-	-	-	-	55,251	637,772	7,543,023	2.08	541.1
2016	6,290,000	232,750	-	-	-	-	574,328	7,097,078	1.96	509.1
2017	5,710,000	182,363	-	-	-	-	508,266	6,400,629	1.77	459.2
2018	9,315,000	131,222	-	-	-	-	439,568	9,885,790	2.73	656.8
2019	8,700,000	79,317	-	-	-	-	-	8,779,317	2.42	583.3
2020	8,004,000	26,636	-	-	-	-	-	8,030,636	2.21	533.5

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) The calculation for Percentage of Personal Income and Per Capita is based on the most recent data available from the Demographic and Economic Statistics table (ie. 2014 Total Primary Government Debt is divided by 2010 Census data).

(2) The Revenue Bonds are issued by the Downtown Development Authority, a blended component unit of the City of Powder Springs.

CITY OF POWDER SPRINGS, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Cobb County General Obligation Debt (including Tax Anticipation Notes)	$ 13,290,000	1.29%	$ 171,441
Other debt			
Cobb County Parking Debt Certificates	7,000,000	1.29%	90,300
Cobb County Revenue Anticipation Certificates	5,305,000	1.29%	68,435
Subtotal overlapping debt	25,595,000		330,176
City debt			8,030,636
Total direct and overlapping debt			$ 8,360,812

Source: Assessed value data used to estimate applicable percentages and debt outstanding obtained from Cobb County's Board of Equalization and Assessment. Debt outstanding data provided by each governmental unit.

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

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

CITY OF POWDER SPRINGS, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015
Assessed value	$ 389,429,573	$ 358,621,464	$ 324,486,174	$ 315,591,978	$ 321,666,855
Legal Debt Margin					
Debt Limit (10% of assessed value)	38,942,957	35,862,146	32,448,617	31,559,198	32,166,686
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 38,942,957	$ 35,862,146	$ 32,448,617	$ 31,559,198	$ 32,166,686
As a percentage of debt limit	100%	100%	100%	100%	100%

Note: Under Article 9, Section 5, Paragraph 1 of the State of Georgia Constitution, the City's outstanding general obligation debt should not exceed 10% of the assessed value of taxable property within the City.

Source: Tax digest provided by the Cobb County Tax Commissioner's Office.

CITY OF POWDER SPRINGS, GEORGIA

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020
Assessed value	$ 345,907,103	$ 371,534,474	$ 398,625,119	$ 421,669,191	$ 452,479,950
Legal Debt Margin					
Debt Limit (10% of assessed value)	34,590,710	37,153,447	39,862,512	42,166,919	45,247,995
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 34,590,710	$ 37,153,447	$ 39,862,512	$ 42,166,919	$ 45,247,995
As a percentage of debt limit	100%	100%	100%	100%	100%

CITY OF POWDER SPRINGS, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
JUNE 30, 2020

Year		Population	Personal Income* (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
1950		619	$ -	$ -	N/A	N/A %
1960		746	1,802	2,416	N/A	N/A
1970		2,559	7,332	2,865	25.4	N/A
1980		3,381	23,143	6,845	29.5	N/A
1990		6,893	104,401	15,146	29.5	1.9
2000		12,481	302,040	24,200	32.0	2.9
2010		13,940	362,607	26,012	36.2	10.2
2018	(1)	15,052	N/A	N/A	N/A	4.0
2019		N/A	N/A	N/A	N/A	3.7
2020		N/A	N/A	N/A	N/A	9.7

Source: U.S. Census Bureau and the GA Department of Labor

(1) 2018 figures are estimates

N/A - information is not readily available

CITY OF POWDER SPRINGS, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2020			2011		
Employer	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (1)	Rank	Percentage of Total City Employment
PS Transitional Care & Rehab	189	1	5.2 %	260	1	9.3 %
Kroger	144	2	4.0	125	3	4.5
The Home Depot	125	3	3.4	111	4	4.0
Hussmann Services Corporation	106	4	2.9	150	2	5.4
Powder Springs Elementary	104	5	2.9	108	5	3.9
Tapp Middle School	103	6	2.8	95	7	3.4
Mid South Flor Systems, Inc.	90	7	2.5	-		-
Compton Elementary	90	8	2.5	75	10	2.7
Publix Supermarkets	89	9	2.4	100	6	3.6
City of Powder Springs	78	10	2.1	92	8	3.3
Star Acquisitions				75	9	2.7
Top ten total	1,118		30.7 %	1,191		42.8 %
Other employers (2)	2,524		69.3 %	1,591		57.2 %
Total employees (2)	3,642		100.0 %	2,782		100.0 %

Source: City Department of Economic Development

Notes: 1 - Full-time equivalent employees

2 - Estimated

3 - Other employees are those holding OTC/license, less private employers shown above.

CITY OF POWDER SPRINGS, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function / Program	2011	2012	2013	2014	2015
General administration					
Council	5.0	5.0	5.0	5.0	5.0
Mayor	1.0	1.0	1.0	1.0	1.0
Administration	8.0	6.3	7.3	8.3	8.3
Information technology	1.0	1.0	-	-	-
Purchasing	1.0	-	-	-	-
Municipal court	2.0	2.0	1.0	1.0	1.0
Total general administration	18.0	15.3	14.3	15.3	15.3
Health and welfare					
Senior center	0.5	0.5	0.5	0.5	0.5
Culture and recreation					
Parks and recreation	-	-	-	-	-
Senior center	-	-	-	-	-
Museum	0.5	0.5	0.5	0.5	0.5
Total culture and recreation	0.5	0.5	0.5	0.5	0.5
Housing and development					
Building inspections	0.5	0.5	-	-	-
Community development	5.0	5.0	4.0	4.0	3.0
Economic development	-	-	-	1.0	1.0
Code enforcement	2.0	2.0	-	-	-
Total housing and development	7.5	7.5	4.0	5.0	4.0
Public safety					
Police	36.0	33.0	29.0	31.0	30.0
Public works					
Buildings and maintenance	-	-	-	-	-
Fleet maintenance	-	-	-	-	-
Streets	3.0	3.0	3.0	3.0	3.0
Total public works	3.0	3.0	3.0	3.0	3.0
Water & sewer					
Water	11.0	11.8	11.7	11.7	11.7
Sewer	5.0	5.0	6.0	6.0	6.0
Total water & sewer	16.0	16.8	17.7	17.7	17.7
Sanitation	11.0	9.0	9.0	7.0	8.0
Stormwater	-	-	-	1.0	1.0
Total	92.5	85.6	78.0	81.0	80.0

Source: City Finance Office

CITY OF POWDER SPRINGS, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function / Program	2016	2017	2018	2019	2020
General administration					
Council	5.0	5.0	5.0	5.0	5.0
Mayor	1.0	1.0	1.0	1.0	1.5
Administration	8.0	8.5	8.0	6.0	10.0
Information technology	-	-	-	-	-
Purchasing	-	-	-	-	-
Municipal court	2.0	2.0	2.0	2.0	2.0
Total general administration	16.0	16.5	16.0	14.0	18.5
Health and welfare					
Senior center	0.5	0.5	-	-	-
Culture and recreation					
Parks and recreation	-	-	1.0	3.0	3.0
Senior center	-	-	1.0	1.0	1.0
Museum	0.5	0.5	1.0	1.0	0.5
Total culture and recreation	0.5	0.5	3.0	5.0	4.5
Housing and development					
Building inspections	-	-	-	-	-
Community development	4.0	5.0	5.0	5.0	5.0
Economic development	1.0	1.0	1.0	1.0	2.0
Code enforcement	-	2.0	2.0	2.0	2.0
Total housing and development	5.0	8.0	8.0	8.0	9.0
Public safety					
Police	32.0	34.0	33.5	32.5	34.0
Public works					
Buildings and maintenance	-	-	2.0	2.5	2.0
Fleet maintenance	-	-	2.0	2.5	2.0
Streets	3.0	3.0	1.0	2.0	6.0
Total public works	3.0	3.0	5.0	7.0	10.0
Water & sewer					
Water	13.0	13.0	12.0	7.0	-
Sewer	5.0	5.0	5.0	5.0	-
Total water & sewer	18.0	18.0	17.0	12.0	-
Sanitation	8.0	10.0	9.0	8.0	9.0
Stormwater	1.0	1.0	1.0	2.0	2.0
Total	84.0	91.5	92.5	88.5	87.0

CITY OF POWDER SPRINGS, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	251	309	315	294	372	396	403	498	407	297
Police										
Physical arrests	317	372	411	384	423	756	832	492	928	562
Citations issued	5,878	4,325	4,626	3,088	3,432	5,927	5,858	5,342	5,210	3,561
Refuse collection										
Refuse collected (tons per day)	28.00	24.61	24.06	23.86	23.95	24.81	25.58	27.78	29.16	28.50

N/A - information not available

Source - City Community Development Department, Police Department, Sanitation Department, Utility Billing Department.

CITY OF POWDER SPRINGS, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	17	17	21	28	43	43	43	34
Refuse collection										
Collection trucks	4	4	3	3	3	3	4	4	4	4
Other public works										
Streets (miles)	85	85	87	87	87	87	88	88	94	94
Streetlights	2,112	2,112	2,112	2,112	2,112	2,112	2,144	2,144	2,240	2,240
Water										
Water mains (miles)	70	70	70	70	70	153	153	153	153	-
Wastewater										
Sanitary sewers (miles)	70	70	70	70	70	82	82	82	82	-

Source: City Police Department, Sanitation Department, Public Works Department

Note: There are a total of 47 vehicles at the police department in 2020 with only 34 patrol vehicles.

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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*

To the Honorable Mayor and Members
of City Council
City of Powder Springs, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Powder Springs, Georgia ("the City") as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 11, 2020

CITY OF POWDER SPRINGS, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified		
Internal control over financial reporting:			
Material weaknesses identified?	____ yes	_X_ no	
Significant deficiencies identified?	____ yes	_X_ none reported	
Noncompliance material to financial statements noted?	____ yes	_X_ no	

Federal Awards

There was not an audit of major federal award programs for the year ended June 30, 2020 due to the total amount expended being less than $750,000.