CITY OF POWDER SPRINGS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

Prepared by:
Finance Department

Submitted by:
Pam Conner
City Manager

CITY OF POWDER SPRINGS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

December 26, 2024

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

On behalf of the finance team, I submit the Annual Comprehensive Financial Report of the City of Powder Springs, Georgia, for the fiscal year ended June 30, 2024. 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, 2024, 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, 2024, 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 Annual Comprehensive 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. The 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 annual comprehensive 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 1838 as Springville and later renamed City of Powder Springs in 1859, is 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 19,000 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. The City is one of seven 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.

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 at least 6 months. The unassigned fund balance of the General Fund at June 30, 2024 of $22,884,142 is 224% of fiscal year 2024 General Fund expenditures or 22.1 months of the current year's operating expenditures. This balance includes just over $7 million that the Mayor & Council plans to use for future capital needs. This reserve balance is necessary for periods of weak revenues and emergency situations as well as capital planning. 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 2024 was 9.5. The City also offers residents a "floating" exemption of property taxes, which maintains the taxable value of the property if the resident continues to own the property. Upon sale of the property, the taxable value is set at the assessed value. The floating exemption amounted to $206,339,905 for fiscal year 2024.

LOCAL ECONOMY

Powder Springs is primarily dependent on residential property values to fund City services. Approximately 80% of the tax digest is derived from residential property and 18% from commercial property with the balance derived from industrial or other property. There was an increase from the total assessed taxable value in fiscal year 2024 with a net tax digest increasing by 27% to a taxable value of $724,619,331. The fiscal year 2024 tax digest was approved by the Cobb County Board of Equalization on June 28, 2023.

The City issued 205 new residential building permits in fiscal year 2024 along with one new commercial permit foe the municipal complex facility and 157 renovation or trade permits and other permits (i.e. clubhouse), with the investments valued at approximately $57.5 million. The value of all permits issued in fiscal year 2024 resulted in a 64% decrease in investment from fiscal year 2023 (which included two multi-family developments).

MAJOR INITIATIVES FOR THIS YEAR

COVID-19 Funding Assistance – American Rescue Plan Act

Congress authorized the disbursement of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act (“ARPA”) to aid local government in responding to and recovering from the coronavirus pandemic, with funding made available in fiscal year 2022.

Following the comprehensive inventory and assessment of the City’s stormwater system in the preceding year, the City developed a capital plan in fiscal year 2024 for repairs that need to be completed in the next five years. In the final quarter of fiscal year 2024, the City Council approved agreements with multiple contractors for on-call services to perform repairs and maintenance to the City’s stormwater system.

To complete the repairs within the recommended time frame, the City will use the ARPA program, stormwater maintenance budget and stormwater fund balance to supplement a fee increase beginning fiscal year 2025. The fee will increase by $1 in fiscal year 2025, and then a $0.50 increase for two additional years. The City will complete the immediate needs as an important investment in the future of the City and set a foundation for a proactive, planned approach for long-term maintenance,

With the aid of ARPA dollars, the City acquired a FUSUS camera integration system, which combines live video and sensor data to quickly identify, locate, and apprehend any individuals. Police department personnel began collaborating with the county real time crime unit in fiscal year 2024 to maximize this new tool and began scheduling educational and outreach programs to introduce the FUSUS system to homeowner associations and citizens.

The City worked with the railroad and highway system to receive approval in fiscal year 2024 to establish a quiet zone at Finch and Story Road and Huddleston Drive upon installation of certain safety features at the crossing; the safety features and final notice of quiet zone activation are anticipated for fiscal year 2025.

Water and Sewer

The City received its annual payment of $550,000 resulting from the sale of the City's water and sewer services and infrastructure in fiscal year 2019. The annual payment made each July at the outset of the fiscal year will end with the final payment in July 2028 and will no longer be a funding source of the operating budget.

Redevelopment and Planning

During this fiscal year the City continued its partnership with the Downtown Development Authority to facilitate redevelopment of the downtown. The Atlanta-based Novare Group completed construction of 221 apartments that make up its $38-million investment on 6.3 acres of downtown property immediately adjacent to Thurman Springs Park and one block south on Hotel Avenue. A final plat and certificate of occupancy for the entire development is expected in early fiscal year 2025.

The DDA retains ownership of an approximate 5,000 square foot parcel at the corner of Marietta Street and Pineview Drive. This parcel was included with other DDA-owned properties in a downtown master plan developed by the DDA in fiscal year 2024 that could yield approximately 70,000 square feet of commercial, 66 multi-family units and additional public parking.

The 347,000-square foot logistics warehouse located on Innovative Way between Oglesby Road and C.H. James Parkway was constructed in fiscal year 2024 to serve warehousing, distribution, light assembly, manufacturing or some combination of uses. Th $35-million investment is expected to open with tenants in fiscal year 2025, and the City expects to begin design and engineering of roadway improvements to facilitate traffic movement to and from the site, with construction targeted to begin in fiscal year 2026.

City Hall

Construction of the $13M project continued in fiscal year 2024. The facility will be home to Municipal Court, Community Development, Economic Development and Administration and includes a two-level parking deck containing 120 spaces. The facility will be completed in fiscal year 2025 and is expected to be open to the public in July 2025. Funding for the project comes from revenue bonds, American Rescue Plan Act dollars, the Special Purpose Local Options Sale Tax program, proceeds from the sale of the prior City Hall property, and the Capital Projects Fund.

Financial Policies

Investment rates remained higher in fiscal year 2024 than in the years leading to the pandemic. With the ladder investment yield at 4.85%, the City realized $1,870,841 in investment income in fiscal year 2024.

The City's upgraded bond rating by Moody's Investors Services from Aa2 to Aa1 remained in place for fiscal year 2024. The rating reflects the City's financial position, making it easier to secure funding for critical infrastructure projects, such as transportation and public facilities. These projects stimulate economic growth, create jobs, and improve the overall quality of life for residents.

Parks, Recreation and Cultural Affairs

The City received notice of a grant award in fiscal year 2024 from the Land and Water Conservation Fund to help offset the park improvement costs for the final phase of the Powder Springs Park improvements. Design of the dog park and restroom improvements will begin in fiscal year 2025.

The long-awaited $2M skatepark project at the Silver Comet Trail Linear Park was completed and opened to users in fiscal year 2024. The grand opening featured pro skater demonstration and a best trick competition. Shade structures, benches, signage and waste receptacles and park certification are planned for fiscal year 2025 followed by terraced seating for spectators in fiscal year 2026.

Construction of the Pineview-Dillard Trail and Trailhead from the Silver Comet Trail to downtown Powder Springs was completed in fiscal year 2024, except for the final 50-foot section near Thurman Springs Park, which will be installed when the City Hall project is completed in fiscal year 2025. Additionally, trailhead and wayfinding signage was designed in fiscal year 2024 and will be installed in fiscal year 2025. The Silver Comet Trail is one of the City's prime assets and the connection will provide a safe connection directly to downtown to help economic development efforts.

The City continued its full schedule of concerts and events at Thurman Springs Park in fiscal year 2024, including the July 4th celebration, family movie nights, brown bag lunch concerts, Hispanic Heritage festival, Trunk or Treat, Veteran's Day ceremony, annual Tree Lighting and parade, the Bring the Sea to the Springs festival, Juneteenth and evening concerts. Two private events were produced in fiscal year 2024 and the City partnered with other private parties to provide community events, such as Bookfest.

SPLOST

Final design and right-of-way acquisition for intersection improvements on Sailors Parkway at Powder Springs Road and Forest Hill Road continued in fiscal year 2024 to include a parallel access road, traffic signal, median, sidewalks and signage. Construction is currently scheduled to begin late fiscal year 2025 with completion in fiscal year 2026.

The City completed a truck route study for proper establishment of truck routes, installed additional temporary parking in the downtown, and worked closely with the Georgia Department of Transportation to examine the feasibility of installing a signalized intersection on C.H. James Parkway near Oglesby Road.

The City completed installation of the traffic signal upgrades and replacements on Marietta Street at Brownsville Road and at New Macland Road. These signals were previously owned by the Georgia Department of Transportation. At the City's request, Cobb County agreed to assume ownership and maintenance if the City funded the upgrade and replacement of the signals to the county's standards. The City also completed design of the roundabout at Powder Springs Dallas and Florence Road and intersection improvements at Macedonia and New Macland Roads. Right-of-way acquisition for the roundabout and construction of the intersection improvements are anticipated to begin fiscal year 2025.

Police Certification

The City successfully completed the Certification audit in fiscal year 2024 and anticipates approval in fiscal year 2025. Once an agency becomes certified, the City is entitled to a 20% discount on premiums on its liability insurance from Georgia Interlocal Risk Management Agency (GIRMA). Certification is confirmation that the department's practices are consistent with professional and legal standards and enhances operational effectiveness.

Public Works

Anticipating continued staffing challenges, the City purchased a new, side-loader sanitation truck that requires only one employee instead of the traditional 2-3 per truck. The new side-loader garbage truck utilizes a robotic arm and requires that garbage cans must be placed with the front side facing the road.

The City's recycling vendor cancelled curbside recycling, but the City adjusted to the change and with help of a grant from the state department of natural resources opened a drop off center at its public works location offering weekend hours to the community. The City also completed the next phase of the sanitation cart replacement program.

Service Delivery

In anticipation of updating the state mandated Service Delivery Agreement (SDS) in early fiscal year 2025 (October 31, 2024), the cities and counties had been meeting regularly since fiscal year 2023 to analyze services and associated financial arrangements. Georgia requires the cities and county to agree on a new SDS agreement, which aims to minimize competition between or duplication of services and to ensure that residents are not taxed for services they do not receive or taxed twice for the same government- provided service.

It became apparent in the second half of fiscal year 2024 that the county and cities were at an impasse in their negotiations. Failure to reach an agreement would result in sanctions by the State, which would have a negative impact on citizens and businesses impacted by loss of state and federal funds and permits. For example, the cities and county would not receive state matching money for road improvements, road improvement loans, water and sewer infrastructure loans, and community development block grants, permits for water and sewer projects, permits for installation of traffic signals, curb cuts, and installation of utilities under state and federal highways.

Additionally, the existing arrangement of county payment to the cities would cease; as a result, the City excluded the service delivery payment from the fiscal year 2025 budget, which represents an approximate $400,000 reduction. The cities and county agreed to mediate in fiscal year 2025 with the hopes of updating the existing agreement.

City Elections

City elections occurred in fiscal year 2024 for the Mayor's and Council At-Large positions. The election was held November 7, 2023, and in January 2024, Mayor Al Thurman began his third term as Mayor and Patricia Wisdom began her third term as Council Member At Large Post 2. Dwight McMutry ran unopposed for the At Large Post 1 position. Elections for the three wards will occur in November 2025.

INITIATIVES FOR FUTURE YEARS

COVID-19 Funding Assistance – American Rescue Plan Act (ARPA)

The City will continue to implement projects under the ARPA program, which expires in December 2026, with continued relief efforts to address food insecurity as well as continued citizen surveys, stormwater repairs and infrastructure improvements in the downtown. Additionally, the City will continue developing a toolkit to address concerns related to affordable housing and the unhoused.

Redevelopment

The City will continue its work with the DDA to sell DDA-owned properties to fulfill its redevelopment plans. Additionally, it will continue to work with the Development Authority of Powder Springs (DAPS) on annexation initiatives and development of commercial parcels.

Road and Facility Improvements

Design will begin in fiscal year 2025 on the Old Lost Mountain trail connector and the Austell Powder Springs Road roundabout as the City implements grant funding received for both projects, and construction will begin on the next phase of the Powder Springs Park improvements. The traffic assessment will be completed with the aim of identifying improvements that will mitigate impacts occurring from increasing traffic originating outside of the City as well as additional traffic resulting from approved developments.

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 judgments by management.

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, special revenue funds, debt service 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 with concurrence by the Finance director and City Manager. 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.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 the certificate, a government must publish an easily readable and efficiently organized report 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 Annual Comprehensive Financial Report for fiscal year ended June 30, 2024 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 was completed by Travis Sims, Finance Director, Chris Pike, CFO, Corey Chester, Deputy Director, Glenda Lehner, Senior Accountant, the City's auditors Mauldin & Jenkins, the City's consultants, JAT consulting and Michelle Collings, and the cooperation of City staff. My sincere appreciation is extended to everyone for the contributions made in the preparation of this report.

Respectfully submitted,

Pamela B Conner

Pam Conner City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Powder Springs
Georgia

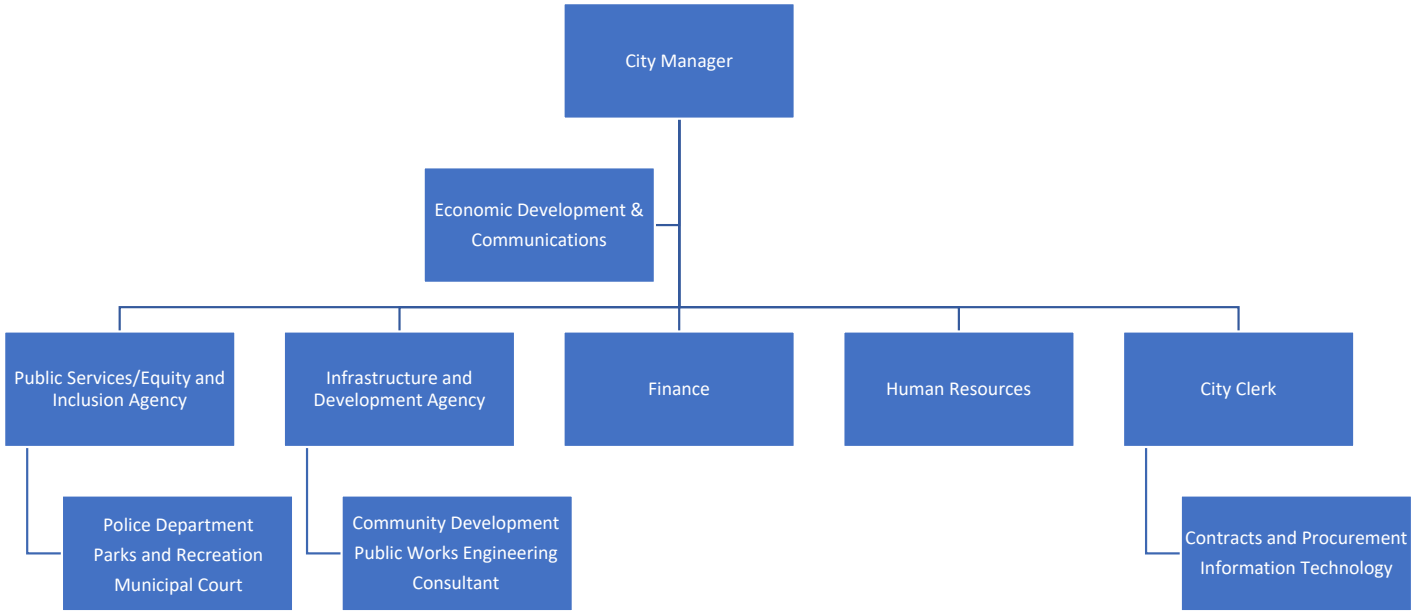
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF POWDER SPRINGS, GEORGIA
JUNE 30, 2024



CITY OF POWDER SPRINGS, GEORGIA

LIST OF ELECTED AND PRINCIPAL OFFICIALS

June 30, 2024

CITY COUNCIL

Al Thurman	Mayor
Dwight McMutry	Council Member
Patricia Wisdom	Council Member
Henry Lust	Council Member
Doris Dawkins	Council Member
Dwayne Green	Council Member

CITY ADMINISTRATION

Pamela Conner	City Manager
Vacant	Agency Director-Equity & Inclusion
Travis Sims	Finance Director
Dwayne Eberhart	Public Works Director
Lane Cadwell	Chief of Police
Tina Garver	Community Development Director
Rosalyn Nealy	Human Resources Director
Kelly Axt	City Clerk
Tracie Jackson	Municipal Court Clerk
Gregory Doyle Calhoun & Rogers	City Attorney
Travis Landrum	Parks & Recreation Director
Phyllis Callaway(Interim)	Agency Director-Development & Infrastructure

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 Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, 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.

Basis for Opinions

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

Emphasis of a Matter – Change in Accounting Principle

As described in Note 14 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*, as of July 1, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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, the General Fund budgetary comparison information, the American Rescue Plan Act Fund budgetary comparison information, and the Downtown Development Authority Fund budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local options sales tax proceeds, as required by the Official Code of Georgia 48-8-121, and the schedule of expenditures of federal awards as required by Title 2, U.S. *Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2024, 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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 26, 2024

The Management's Discussion and Analysis of the City of Powder Springs Government's Annual Comprehensive Financial Report (ACFR) provides an overall narrative and analysis of the City's financial statements for the fiscal year ended June 30, 2024. 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 2024 are as follows:

- The City's combined net position totaled $81,852,191, an increase of $8,145,682 over the net position at June 30, 2023. Of this amount, unrestricted net position of $33,771,180 may be used to meet the government's ongoing obligations to citizens and creditors.
- Combined revenue totaled $26,398,986, of which governmental activities totaled $23,949,236 and business-type activities totaled $2,449,750.
- Overall expenses totaled $18,253,304 of which governmental activities totaled $16,248,342 and business-type activities totaled $2,004,962.
- At the end of June 30, 2024, governmental activities expenses exceeded program revenues by $9,480,917. Operating expenses in excess of charges for services and grants & contributions are funded using general revenues (mostly taxes). Governmental activities net position increased by $7,700,894.
- Total business-type activities revenues exceeded business-type activities expenses by $353,793, with unrestricted investment earnings increasing this amount by $90,995. The resulting value is an increase of $444,788 to business-type net position.
- The investment in capital assets, net of related debt, for government activities increased by $7,279,958 over the 2023 investment amount. The investment in capital assets, net of related debt, for business-type activities increased by $236,315.
- At June 30, 2024, the City's General Fund reported an unassigned fund balance of $22,884,142, an increase of $1,841,592, 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 sanitation and stormwater 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 in the Downtown Development Authority Fund, a major 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, American Rescue Plan Act Fund, the 2022 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 Sanitation Fund, which is considered to be a major fund of the City and the Stormwater 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 postemployment 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 56 to 62 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 $81,852,191 at June 30, 2024. The following table provides a summary of the City's governmental and business-type net position for fiscal years 2024 and 2023:

City of Powder Springs
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		
	2024	2023	2024	2023	2024	2023	Percent
Assets:							
Current assets	$ 49,260,046	$ 50,284,117	$ 4,029,239	$ 3,692,822	$ 53,289,285	$ 53,976,939	52%
Capital assets - net	48,794,686	43,241,096	986,243	749,928	49,780,929	43,991,024	48%
Total assets	$ 98,054,732	$ 93,525,213	$ 5,015,482	$ 4,442,750	$ 103,070,214	$ 97,967,963	100%
Deferred outflows of resources	650,730	886,606	69,589	95,993	720,319	982,599	100%
Liabilities							
Current liabiities	$ 6,783,622	$ 8,447,489	$ 758,044	$ 632,698	$ 7,541,666	$ 9,080,187	35%
Long-term liabilities (net)	13,942,446	15,777,072	159,051	178,847	14,101,497	15,955,919	65%
Total liabilities	$ 20,726,068	$ 24,224,561	$ 917,095	$ 811,545	$ 21,643,163	$ 25,036,106	100%
Deferred inflows of resources	292,614	201,372	2,565	6,575	295,179	207,947	100%
Net Position							
Invested in capital assets, net of related debt	$ 35,049,001	$ 27,769,043	$ 986,243	$ 749,928	$ 36,035,244	$ 28,518,971	44%
Restricted	12,045,767	12,026,954	-	-	12,045,767	12,026,954	15%
Unrestricted	30,592,012	30,189,889	3,179,168	2,970,695	33,771,180	33,160,584	41%
Total net position	$ 77,686,780	$ 69,985,886	$ 4,165,411	$ 3,720,623	$ 81,852,191	$ 73,706,509	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 44% of the City's total net assets. Investments in capital assets net of related debt increased by $7,516,273 in fiscal year 2024. 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 $7,700,894 in fiscal year 2024 over the 2023 position. The net position of business-type activities increased $444,788 compared to the 2023 position. The City's overall financial position increased during fiscal year 2024 by $8,145,682. Pages 11 through 13 of this analysis provides deeper insight into the root causes of these increases.

The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2024 and fiscal year 2023:

City of Powder Springs
Changes in Net Position

	Governmental Activities		Business-type Activities		Total		
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**Percent**
Revenues:							
Program Revenues:							
Charges for Services	$ 2,131,811	$ 2,733,579	$ 2,358,755	$ 2,249,939	$ 4,490,566	$ 4,983,518	17.01%
Operating Grants & Contributions	3,346,956	1,185,719	-	-	3,346,956	1,185,719	12.68%
Capital Grants & Contributions	1,288,658	6,908,111	-	-	1,288,658	6,908,111	4.88%
General Revenues:							
Property Taxes	7,485,459	6,417,856	-	-	7,485,459	6,417,856	28.36%
Sales Taxes	4,297,484	-			4,297,484	-	16.28%
Business Taxes	571,194	123,183	-	-	571,194	123,183	2.16%
Excise Taxes	247,231	282,347	-	-	247,231	282,347	0.94%
Franchise Taxes	849,206	839,326	-	-	849,206	839,326	3.22%
Other Taxes	1,499,140	1,400,053	-	-	1,499,140	1,400,053	5.68%
Unrestricted Interest	1,475,384	902,770	90,995	33,347	1,566,379	936,117	5.93%
Miscellaneous	740,299	158,231	-	-	740,299	158,231	2.80%
Gain on sale of assets	16,414	8,725	-	-	16,414	8,725	0.04%
Total Revenues	$ 23,949,236	$ 20,959,900	$ 2,449,750	$ 2,283,286	$ 26,398,986	$ 23,243,186	100.00%
Expenses:							
General Government	$ 2,761,885	$ 3,456,003	$ -	$ -	$ 2,761,885	$ 3,456,003	15.13%
Health and welfare	-	-	-	-	-	-	0.00%
Judicial	534,314	368,081	-	-	534,314	368,081	2.93%
Public Works	7,025,805	4,739,932	-	-	7,025,805	4,739,932	38.49%
Culture and Recreation	632,319	1,251,044	-	-	632,319	1,251,044	3.46%
Public Safety	3,618,007	3,186,067	-	-	3,618,007	3,186,067	19.82%
Housing and Development	1,336,973	1,693,056	-	-	1,336,973	1,693,056	7.32%
Interest on Long-Term Debt	339,039	362,775	-	-	339,039	362,775	1.86%
Sanitation	-	-	1,635,804	1,569,895	1,635,804	1,569,895	8.96%
Stormwater	-	-	369,158	603,143	369,158	603,143	2.02%
Total Expenses:	$ 16,248,342	$ 15,056,958	$ 2,004,962	$ 2,173,038	$ 18,253,304	$ 17,229,996	100.00%
Increase in net position before transfers	$ 7,700,894	$ 5,902,942	$ 444,788	$ 110,248	$ 8,145,682	$ 6,013,190	
Transfers	-	12,468	-	(12,468)	-	-	
Change in net position	7,700,894	5,915,410	444,788	97,780	8,145,682	6,013,190	
Net Position - beginning	69,985,886	64,070,476	3,720,623	3,622,843	73,706,509	67,693,319	
Net Position - ending	$ 77,686,780	$ 69,985,886	$ 4,165,411	$ 3,720,623	$ 81,852,191	$ 73,706,509	

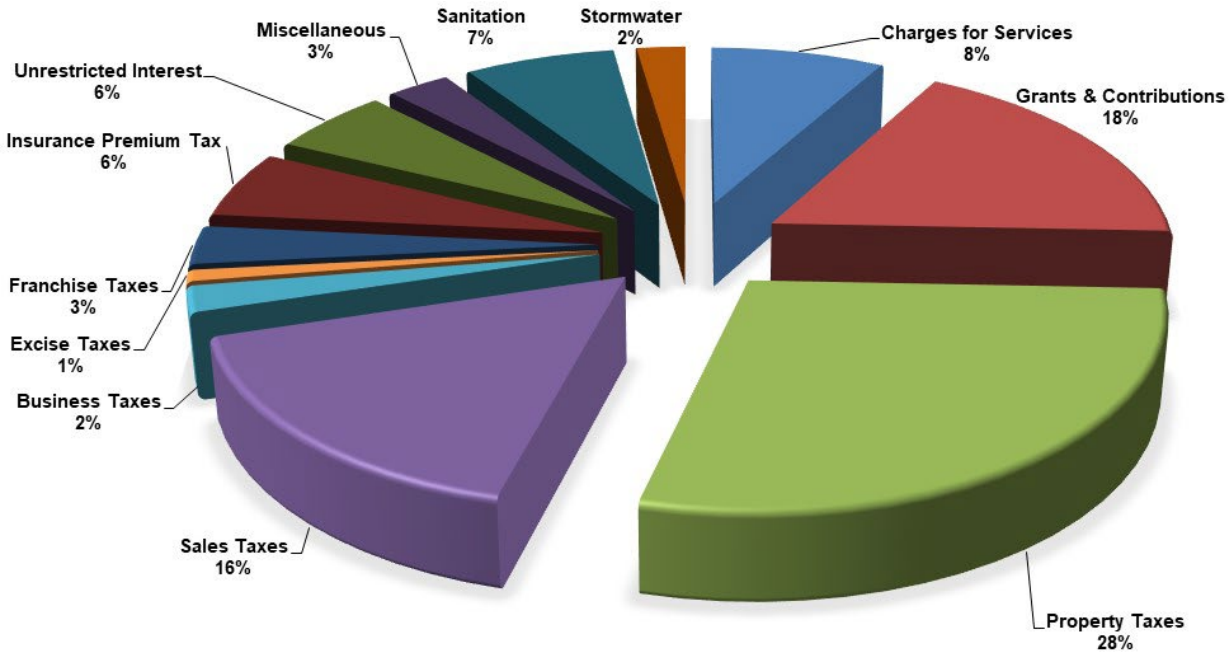
Changes in Overall Net Position from Operating Results

Revenues

Total governmental activities revenues increased by $2,955,989. In fiscal year 2023, the Mayor & Council adopted an investment policy that allowed for investments outside of the State's investment pool. Thanks in part to a full year of investing as well as high interest rates for most of the year, interest income increased by $630,262. In previous years SPLOST had been reported under Capital Grants & Contributions but this year they are correctly reported under Sales Taxes. That is the main reason for the $5.6 million decline in Capital Grants & Contributions and the $4.2 million increase in Sales Taxes. Operating Grants & Contributions increased by $2,161,237. This is due to the City recognizing revenue received from the ARPA Grant, most of which was used to construct a parking deck for the City's new municipal complex. Another notable change in governmental activities revenues includes an increase in property taxes revenue of $1,067,603 due to continued strong growth of the City's tax digest. This growth has been fueled by both new construction and growth of existing non-homestead property values. The City is heavily reliant on tax revenues to support governmental operations. Taxes provided $14,949,714 or 66.4% of the City's governmental revenue. A growth in both residential and commercial properties are fueling this growth as assessed residential values grew by 31% and assessed commercial values grew by 27%. All properties in Georgia are assessed taxes at 40% of their taxable value. Charges for services provided $2,131,811 or 8.9% of operating revenues. Accordingly, the City's taxpayers and purchases of City services fund 71% 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 increased by $220,548 or 14.2%. This is due to the City raising its rates by $1.50 per month. In fiscal year 2013, the City established the Stormwater Fund with a Stormwater utility fee rate billed annually with property taxes. The Stormwater Fund collected a total of $581,527 for the utility fees in 2024, a decrease of $111,732 from fiscal year 2023. This decrease is attributed to one time maintenance charges. The City has a program where it will provide yearly maintenance of detention ponds to neighborhoods but spread the actual cost of the maintenance amongst the homeowners. In fiscal year 2023, there were some additional fees for non-annual maintenance such as fence replacements. Since there was no additional maintenance in fiscal year 2024, revenues returned to normal levels.

Fiscal Year 2024 Revenues



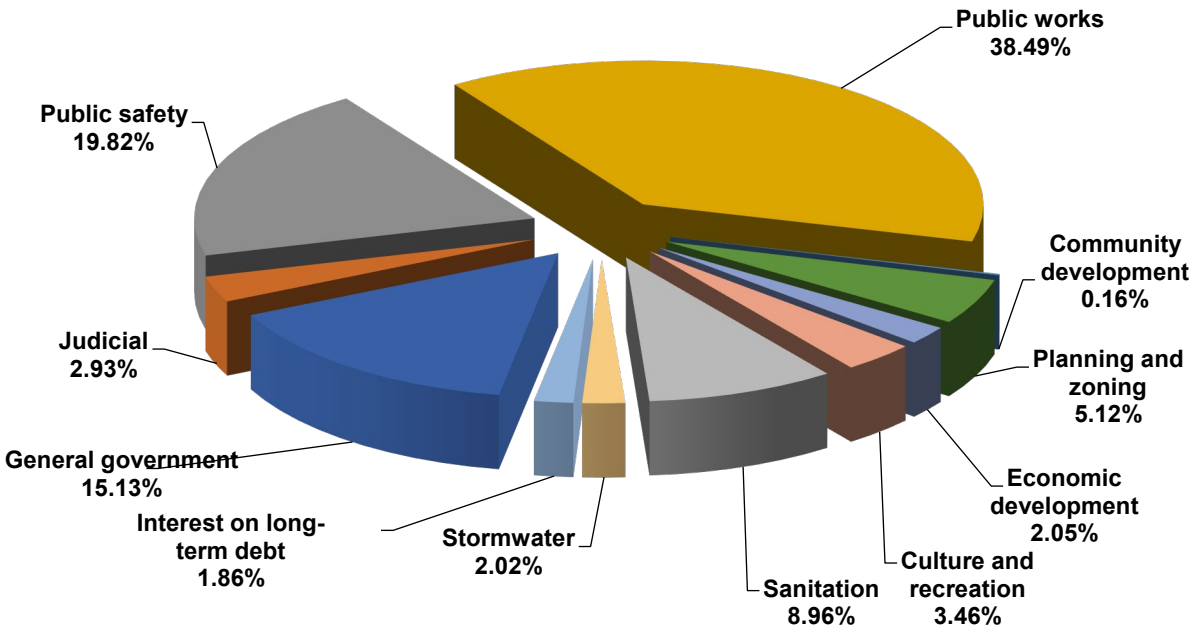
Expenses

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	$ 2,761,885	15.1%	$ 1,571,703	-17.2%
Judicial	534,314	2.9%	216,202	-2.4%
Public safety	3,618,007	19.8%	(3,585,631)	39.3%
Public works	7,025,805	38.5%	(5,386,391)	59.0%
Community development	28,395	0.2%	(28,395)	0.3%
Planning and zoning	934,765	5.1%	(934,765)	10.2%
Economic development	373,813	2.0%	(373,813)	4.1%
Culture and recreation	632,319	3.5%	(620,788)	6.8%
Sanitation	1,635,804	9.0%	141,424	-1.5%
Stormwater	369,158	2.0%	212,369	-2.3%
Interest on long-term debt	339,039	1.9%	(339,039)	3.7%
Total	$ 18,253,304	100.0%	$ (9,127,124)	100.0%

The City's total expenses increased by $1,023,308 or by 5.9%. Governmental activities' expenses increased by $1,191,384 in fiscal year 2024 over expenses incurred in fiscal year 2023. Business-type operating expenses decreased by $168,076 during the current fiscal year. The primary increase in governmental activities is due to an increase in expenses associated with capital projects such as the start of construction of the City's new City Hall building and adjoining parking deck. The primary cause for the decrease in business-type operating expenses is the Stormwater Fund. There was a decrease in expenditures related to one-time detention pond maintenance costs from fiscal year 2023 as well as a decrease in regular stormwater maintenance cost. Regular stormwater maintenance costs were primarily paid with funds from the American Rescue Plan Act (ARPA) in fiscal year 2024. Mayor & Council determined updating the City's stormwater infrastructure to be one of the main uses of ARPA funds.

Fiscal Year 2024 Expenses



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 2024, the City's governmental funds reported combined ending fund balances of $43,393,515, an increase of $1,481,132 or 3.5% from the prior year. The change in fund balance is comprised of the following significant contributing factors:

- *General Fund* fund balance increase by $2,239,136 to an ending balance of $23,936,434 primarily due to an increase in tax revenues as well as an increase in interest revenues.
- *Capital Projects Fund* fund balance decreased by $3,289,748. This decrease in fund balance can be attributed to the start of construction of the City's new City Hall and adjoining parking deck.
- *2022 SPLOST Fund* fund balance increased by $2,460,810 to an ending fund balance of $8,609,753. Revenues for the 2022 SPLOST program continue to be strong while many projects are still in the design phase.

The ending unassigned governmental fund balance is $22,884,142, 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:

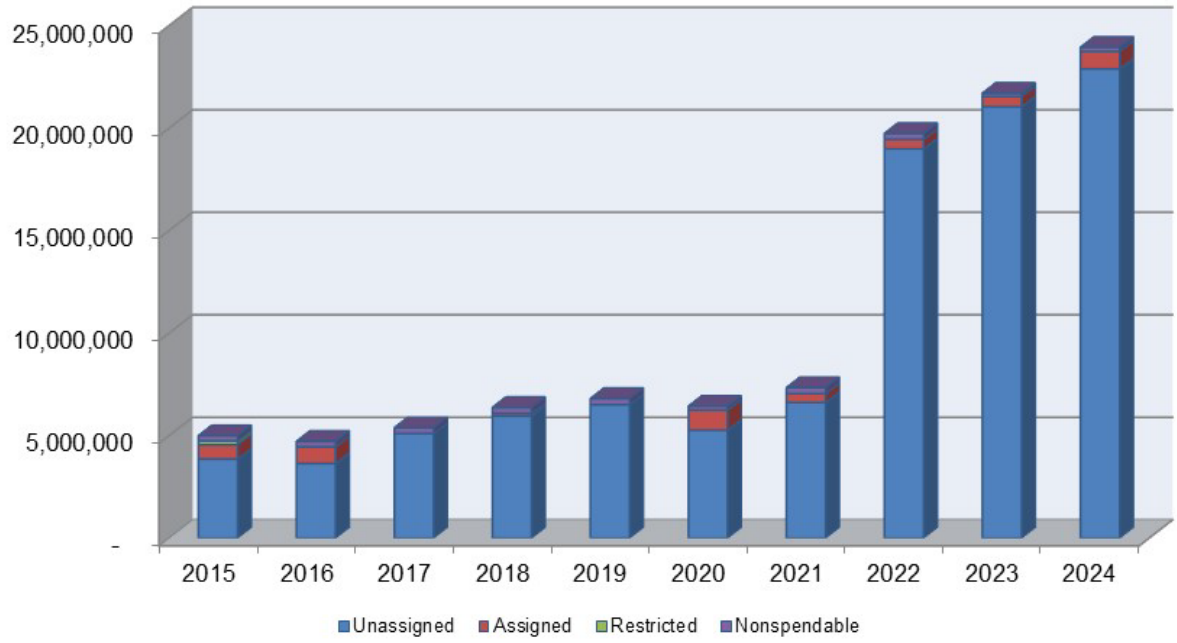
- **Non-spendable balance:**
  - $ 15,830 for inventories
  - $ 181,104 for prepaid items
- **Restricted balance:**
  - $ 10,528,877 for capital projects
  - $ 197,321 for law enforcement
  - $ 235,881 for debt service
  - $ 36,759 for tourism
  - $ 330,668 for federal programs
- **Assigned balance:**
  - $ 2,728,237 for capital projects
  - $ 5,399,338 for economic development
  - $ 855,358 for subsequent year expenditures

Major Governmental Funds

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, 2024 of $22,884,142 is considered sufficient, representing the equivalent of 223.5% of fiscal year 2024 General Fund expenditures or 22.1 months of the current year's operating expenditures.

General Fund revenues in the current year increased by $1,589,297 from fiscal year 2023 revenues. Expenditures increased by $1,468,230 from fiscal year 2023 expenditures and net operating transfers in and out of the General Fund decreased by $156,051.

The following chart reports General Fund balances from fiscal year 2015-2024:



Capital Projects Fund – The Capital Projects Fund of the City reflects expenditures for capital projects as approved by the governing body. In fiscal year 2024, it is considered a major fund. The fund balance of the Capital Projects Fund decreased $3,289,748. This decrease was expected as capital expenditures increased by $3,380,289 due to the previously mentioned start of the City Hall and parking deck.

American Rescue Plan Act Fund – The American Rescue Plan Fund reflects the City's expenditures and corresponding revenues recognized for incurred allowable costs. During fiscal year 2024, the City recognized intergovernmental revenue of $2,895,214 as expenditures were incurred to support stormwater infrastructure costs and the construction of City Hall and its adjoining parking deck.

2022 SPLOST Fund – The 2022 SPLOST Fund, a major fund, is used to account for capital projects and infrastructure improvements designated to be funded from County 2022 one percent Special Purpose Local Option Sales Tax. The fund balance increased $2,460,810 or 40.0%. Revenues for the fund continue to come in higher than forecasted while expenditures in fiscal year 2024 were mostly limited to street resurfacing, traffic signal upgrades, and design costs for future construction projects. As noted earlier, the 2016 program is now reported as a nonmajor fund because the tax portion of the program ended in fiscal year 2022 and the remaining funds are being used to close out projects that were already in progress.

Major and Nonmajor 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 City completed a rate study for the Sanitation Fund and now has a plan in place to raise rates over ten years, with this being the first year, to address the long-term viability of the Fund. Like so many other governments, the City is concerned about its aging stormwater infrastructure. To help address this concern, the City has dedicated a portion of the dollars it received from ARPA to repair infrastructure that was deemed most likely to fail. In addition, for FY2025, the City will be raising its residential stormwater fee from $48 per year to $60 per year.

The Sanitation Fund net position at the end of the year was $2,321,259, an increase of $211,670.

The nonmajor Stormwater Fund net position at the end of the year was $1,844,152, an increase of $233,118.

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 2023, the City adopted a General Fund Budget for operations for fiscal year 2024 of $11,431,428. At the end of the fiscal year, the final amended budgeted expenditures and transfers out were $13,023,132. Actual General Fund revenue was $2,184,552 more than final budgeted revenues for fiscal year 2024. Actual expenditures were $1,045,694 less than final budgeted expenditures, resulting in a favorable budget variance before other financing sources and uses of $3,230,246.

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

- The City increased the expenditure budget by $3,604 to support its high school cadet program for potential police officers.
- The City increased the expenditure budget by $6,645 to implement grant funds that were received for public art.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of related debt for its governmental activities amounts to $35,049,001 and in the business-type activities the balance was $986,243, as of June 30, 2024. 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.

Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Construction in Progress	$ 8,917,398	$ 3,669,606	$ -	$ -	$ 8,917,398	$ 3,669,606
Land & Improvements	6,189,658	6,036,986	-	-	6,189,658	6,036,986
Buildings and Improvements	7,936,870	8,273,332	14,685	16,073	7,951,555	8,289,405
Parks Equipment	1,254,408	1,341,935	-	-	1,254,408	1,341,935
Vehicles and Equipment	1,258,792	1,213,121	350,807	368,900	1,609,599	1,582,021
Infrastructure	23,237,560	22,706,116	-	-	23,237,560	22,706,116
Utility Systems	-	-	620,751	364,955	620,751	364,955
Total	$ 48,794,686	$ 43,241,096	$ 986,243	$ 749,928	$ 49,780,929	$ 43,991,024

At June 30, 2024, the depreciable capital assets for governmental activities were 47% 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:

- Police Department vehicles of $308,776.
- Brownsville/Lithia Springs Intersection Improv. of $1,572,358.
- Mini Excavator of $87,250.
- Public Works Restroom Renovation of $67,968.
- Property Acquisitions of $90,200.

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

- Garbage Truck of $344,235.
- Recycling Bailer of $26,738.
- Forklift of $43,176.

Significant costs added to construction in progress at June 30, 2024 includes the following:

- Police Radios of $492,778.
- Sailors/Forest Hill intersection improvement $485,812.
- City Hall Building of $3,208,565.
- Parking Deck of $1,337125.
- City Skatepark of $23,473.
- Florence/PS/Dallas intersection improvements $34,923.

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, 2024, the City's total outstanding long-term debt (principal portion) totaled $12,542,000 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.	$390,000
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.	$3,892,000
Series 2021A issued to refund the remaining balance of Series 2014, expanding existing City properties, acquire additional properties, and finance related costs.	$4,595,000
Series 2021B issued to refund the remaining balance of Series 2014, expanding existing City properties, acquire additional properties, and finance related costs.	$3,665,000

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 $72,461,933.

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 2025 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 $14,259,048 with $855,358 of that being transfers out to the Capital Projects Fund. The expected unassigned fund balance for the General Fund at the end of the fiscal year 2025 is $22,884,142.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for the 2024 tax digest is 9.50 (for fiscal year 2025).
- The 2023 tax digest (fiscal year 2024) was $724,619,331, which was $152,745,839 or 26.7% 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.
- A tight labor market has created upward pressure on employee salaries as the City tries to keep its current employees as well as attract new talent. At the same time, the tight labor market has also created longer position vacancies which help to offset the higher costs but create a strain on remaining employees.

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, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 22,173,037	$ 3,163,928	$ 25,336,965
Investments	20,661,973	748,640	21,410,613
Receivables, net of allowance for uncollectibles	747,762	98,835	846,597
Taxes receivable, net of allowance for uncollectibles	13,911	-	13,911
Inventories	15,830	-	15,830
Prepaid items	181,104	17,836	198,940
Restricted cash and cash equivalents	211,095	-	211,095
Due from other governments	3,539,387	-	3,539,387
Land held for resale	1,715,947	-	1,715,947
Capital assets:			
Non-depreciable	15,107,056	-	15,107,056
Depreciable, net of accumulated depreciation	33,687,630	986,243	34,673,873
Total assets	98,054,732	5,015,482	103,070,214
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	37,119	-	37,119
Pension related items	529,238	69,589	598,827
OPEB related items	84,373	-	84,373
Total deferred outflows of resources	650,730	69,589	720,319
LIABILITIES			
Accounts payable	1,464,174	271,665	1,735,839
Retainage payable	168,182	-	168,182
Accrued liabilities	1,970,311	20,496	1,990,807
Customer deposits	-	449,300	449,300
Unearned revenue	2,127,093	-	2,127,093
Interest payable	145,648	-	145,648
Bonds payable, due within one year	734,000	-	734,000
Bonds payable, due in more than one year	12,303,040	-	12,303,040
Compensated absences, due within one year	174,214	16,583	190,797
Compensated absences, due in more than one year	131,425	12,509	143,934
Net pension liability, due in more than one year	1,114,474	146,542	1,261,016
Total OPEB liability, due within one year	23,721	-	23,721
Total OPEB liability, due in more than one year	369,786	-	369,786
Total liabilities	20,726,068	917,095	21,643,163
DEFERRED INFLOWS OF RESOURCES			
Pension related items	19,503	2,565	22,068
OPEB related items	273,111	-	273,111
Total deferred inflows of resources	292,614	2,565	295,179
NET POSITION			
Net investment in capital assets	35,049,001	986,243	36,035,244
Restricted for:			
Tourism	36,759	-	36,759
Federal programs	330,668	-	330,668
Law enforcement	313,466	-	313,466
Debt service	90,233	-	90,233
Capital projects	11,274,641	-	11,274,641
Unrestricted	30,592,012	3,179,168	33,771,180
Total net position	$ 77,686,780	$ 4,165,411	$ 81,852,191

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, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: 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	$ 2,761,885	$ 979,528	$ 3,346,956	$ 7,104	$ 1,571,703	$ -	$ 1,571,703
Judicial	534,314	750,516	-	-	216,202	-	216,202
Public safety	3,618,007	32,376	-	-	(3,585,631)	-	(3,585,631)
Public works	7,025,805	369,391	-	1,270,023	(5,386,391)	-	(5,386,391)
Community development	28,395	-	-	-	(28,395)	-	(28,395)
Planning and zoning	934,765	-	-	-	(934,765)	-	(934,765)
Economic development	373,813	-	-	-	(373,813)	-	(373,813)
Culture and recreation	632,319	-	-	11,531	(620,788)	-	(620,788)
Interest on long-term debt	339,039	-	-	-	(339,039)	-	(339,039)
Total governmental activities	16,248,342	2,131,811	3,346,956	1,288,658	(9,480,917)	-	(9,480,917)
Business-type activities:							
Solid waste	1,635,804	1,777,228	-	-	-	141,424	141,424
Stormwater	369,158	581,527	-	-	-	212,369	212,369
Total business-type activities	2,004,962	2,358,755	-	-	-	353,793	353,793
Total primary government	$ 18,253,304	$ 4,490,566	$ 3,346,956	$ 1,288,658	(9,480,917)	353,793	(9,127,124)
General revenues:							
Property taxes					7,485,459	-	7,485,459
Sales taxes					4,297,484	-	4,297,484
Franchise taxes					849,206	-	849,206
Excise taxes					247,231	-	247,231
Business and occupational taxes					571,194	-	571,194
Insurance premium taxes					1,499,140	-	1,499,140
Unrestricted investment earnings					1,475,384	90,995	1,566,379
Gain on sale of capital assets					16,414	-	16,414
Miscellaneous					740,299	-	740,299
Total general revenues					17,181,811	90,995	17,272,806
Change in net position					7,700,894	444,788	8,145,682
Net position, beginning of year					69,985,886	3,720,623	73,706,509
Net position, end of year					$ 77,686,780	$ 4,165,411	$ 81,852,191

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

CITY OF POWDER SPRINGS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

ASSETS	General Fund	American Rescue Plan Act Fund	2022 SPLOST Fund	Capital Projects Fund	Downtown Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 11,490,929	$ 323,435	$ 6,402,750	$ 475,371	$ 2,890,126	$ 590,426	$ 22,173,037
Investments	11,818,525	1,147,629	2,331,829	4,561,349	802,641	-	20,661,973
Taxes receivable, net of allowance	13,911	-	-	-	-	-	13,911
Accounts receivable, net of allowance	86,241	42,512	32,217	23,374	6,647	556,771	747,762
Due from other governments	2,750,000	-	629,862	-	-	159,525	3,539,387
Restricted cash and cash equivalents	-	-	-	211,095	-	-	211,095
Due from other funds	660	1,000,000	3,230	217,231	-	315,301	1,536,422
Inventory	15,830	-	-	-	-	-	15,830
Prepaid items	181,104	-	-	-	-	-	181,104
Land held for resale	-	-	-	-	1,715,947	-	1,715,947
Total assets	$ 26,357,200	$ 2,513,576	$ 9,399,888	$ 5,488,420	$ 5,415,361	$ 1,622,023	$ 50,796,468
LIABILITIES							
Accounts payable	$ 300,068	$ 55,815	$ 320,836	$ 735,381	$ 16,023	$ 36,051	$ 1,464,174
Retainage payable	-	-	65,379	-	-	102,803	168,182
Accrued liabilities	1,969,811	-	-	500	-	-	1,970,311
Due to other funds	130,261	-	403,920	1,001,581	-	660	1,536,422
Unearned revenue	-	2,127,093	-	-	-	-	2,127,093
Total liabilities	2,400,140	2,182,908	790,135	1,737,462	16,023	139,514	7,266,182
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	20,626	-	-	-	-	-	20,626
Unavailable revenue - intergovernmental	-	-	-	-	-	116,145	116,145
Total deferred inflows of resources	20,626	-	-	-	-	116,145	136,771
FUND BALANCES							
Fund balances:							
Nonspendable:							
Prepaid items	181,104	-	-	-	-	-	181,104
Inventory	15,830	-	-	-	-	-	15,830
Restricted:							
Tourism	-	-	-	-	-	36,759	36,759
Law enforcement	-	-	-	-	-	197,321	197,321
Capital projects	-	-	8,609,753	786,840	-	1,132,284	10,528,877
Federal programs	-	330,668	-	-	-	-	330,668
Debt service	-	-	-	235,881	-	-	235,881
Assigned for:							
Economic development	-	-	-	-	5,399,338	-	5,399,338
Tourism	-	-	-	-	-	-	-
Capital projects	-	-	-	2,728,237	-	-	2,728,237
Subsequent year expenditures	855,358	-	-	-	-	-	855,358
Unassigned	22,884,142	-	-	-	-	-	22,884,142
Total fund balances	23,936,434	330,668	8,609,753	3,750,958	5,399,338	1,366,364	43,393,515
Total liabilities, deferred inflows of resources, and fund balances	$ 26,357,200	$ 2,513,576	$ 9,399,888	$ 5,488,420	$ 5,415,361	$ 1,622,023	

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.	48,794,686
Some receivables are not available to pay for current-period expenditures, and therefore, are reported as unavailable revenue in the governmental funds.	136,771
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.	(1,186,984)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.	(13,451,208)
Net position of governmental activities	$ 77,686,780

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, 2024

	General Fund	American Rescue Plan Act Fund	2016 SPLOST Fund *(Previously major)*	2022 SPLOST Fund	Capital Projects Fund	Downtown Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	$ 10,624,766	$ -	$ -	$ -	$ -	$ -	$ 20,818	$ 10,645,584
Licenses and permits	580,483	-	-	-	-	-	-	580,483
Intergovernmental	402,526	2,895,214	-	4,297,484	869,146	-	159,525	8,623,895
Fines and forfeitures	750,516	-	-	-	-	-	32,376	782,892
Charges for services	399,045	-	-	-	369,391	-	-	768,436
Interest income	828,124	185,704	-	259,987	245,626	167,435	48,495	1,735,371
Contributions	19,760	-	-	-	-	-	-	19,760
Miscellaneous	193,964	-	-	70,000	-	22,850	433,725	720,539
Total revenues	13,799,184	3,080,918	-	4,627,471	1,484,163	190,285	694,939	23,876,960
EXPENDITURES								
Current:								
General government	3,222,199	250,065	-	-	360,763	-	79,457	3,912,484
Judicial	532,404	-	-	-	-	-	-	532,404
Public safety	2,956,528	50,000	-	391,748	-	-	62,024	3,460,300
Public works	1,746,210	1,595,149	-	1,774,913	39,873	-	1,704,916	6,861,061
Community development	-	-	-	-	26,723	-	-	26,723
Planning and zoning	922,952	-	-	-	-	-	-	922,952
Economic development	282,474	-	-	-	-	87,963	3,376	373,813
Culture and recreation	575,530	-	-	-	-	-	-	575,530
Capital outlay	-	-	-	-	4,608,885	-	-	4,608,885
Debt service:								
Principal retirements	-	-	-	-	-	770,000	-	770,000
Interest	-	-	-	-	-	375,826	-	375,826
Total expenditures	10,238,297	1,895,214	-	2,166,661	5,036,244	1,233,789	1,849,773	22,419,978
Excess (deficiency) of revenues over expenditures	3,560,887	1,185,704	-	2,460,810	(3,552,081)	(1,043,504)	(1,154,834)	1,456,982
OTHER FINANCING SOURCES (USES)								
Proceeds from sales of capital assets	13,350	-	-	-	10,800	-	-	24,150
Transfers in	-	-	-	-	1,497,963	1,083,568	1,000,000	3,581,531
Transfers out	(1,335,101)	(1,000,000)	-	-	(1,246,430)	-	-	(3,581,531)
Total other financing sources (uses)	(1,321,751)	(1,000,000)	-	-	262,333	1,083,568	1,000,000	24,150
Net change in fund balances	2,239,136	185,704	-	2,460,810	(3,289,748)	40,064	(154,834)	1,481,132
FUND BALANCES, beginning of year	21,697,298	144,964	1,282,636	6,148,943	7,040,706	5,359,274	238,562	41,912,383
Adjustment - change to reporting entity	-	-	(1,282,636)	-	-	-	1,282,636	-
FUND BALANCES, beginning of year, as adjusted	21,697,298	144,964	-	6,148,943	7,040,706	5,359,274	1,521,198	41,912,383
FUND BALANCES, end of year	$ 23,936,434	$ 330,668	$ -	$ 8,609,753	$ 3,750,958	$ 5,399,338	$ 1,366,364	$ 43,393,515

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, 2024

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,481,132
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 outlays exceeded depreciation in the current period.		5,561,326
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, donations, and disposals) is to decrease net position.		(7,736)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes		6,646
Intergovernmental grants		49,216
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 the issuance and repayment of long-term debt.		814,330
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.		(204,020)
Change in net position - governmental activities	$	7,700,894

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

CITY OF POWDER SPRINGS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

ASSETS	Sanitation Fund	Nonmajor Stormwater Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	$ 1,644,386	$ 1,519,542	$ 3,163,928
Investments	748,640	-	748,640
Accounts receivable, net of allowances	95,780	3,055	98,835
Prepaid items	14,256	3,580	17,836
Total current assets	2,503,062	1,526,177	4,029,239
NONCURRENT ASSETS			
Depreciable capital assets, net of accumulated depreciation	612,444	373,799	986,243
Total noncurrent assets	612,444	373,799	986,243
Total assets	3,115,506	1,899,976	5,015,482
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	52,474	17,115	69,589
Total deferred outflows of resources	52,474	17,115	69,589
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	243,017	28,648	271,665
Accrued liabilities	18,341	2,155	20,496
Customer deposits	449,300	-	449,300
Compensated absences payable, current	13,468	3,115	16,583
Total current liabilities	724,126	33,918	758,044
NONCURRENT LIABILITIES			
Compensated absences payable	10,160	2,349	12,509
Net pension liability	110,501	36,041	146,542
Total noncurrent liabilities	120,661	38,390	159,051
Total liabilities	844,787	72,308	917,095
DEFERRED INFLOWS OF RESOURCES			
Pension related items	1,934	631	2,565
Total deferred inflows of resources	1,934	631	2,565
NET POSITION			
Investment in capital assets	612,444	373,799	986,243
Unrestricted	1,708,815	1,470,353	3,179,168
Total net position	$ 2,321,259	$ 1,844,152	$ 4,165,411

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, 2024

	Sanitation Fund	Nonmajor Stormwater Fund	Totals
OPERATING REVENUES			
Charges for sales and services	$ 1,643,981	$ 581,527	$ 2,225,508
Other operating income	133,247	-	133,247
Total operating revenues	1,777,228	581,527	2,358,755
OPERATING EXPENSES			
Salaries and benefits	712,284	111,514	823,798
General operating expenses	768,176	235,155	1,003,331
Depreciation	155,344	22,489	177,833
Total operating expenses	1,635,804	369,158	2,004,962
Operating income	141,424	212,369	353,793
NON-OPERATING REVENUES			
Interest income	70,246	20,749	90,995
Total non-operating revenues	70,246	20,749	90,995
Change in net position	211,670	233,118	444,788
Net position, beginning of year	2,109,589	1,611,034	3,720,623
Net position, end of year	$ 2,321,259	$ 1,844,152	$ 4,165,411

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, 2024

	Sanitation Fund	Nonmajor Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,707,993	$ 580,869	$ 2,288,862
Payments to suppliers and customers	(663,235)	(241,906)	(905,141)
Payments to employees	(690,804)	(105,866)	(796,670)
Net cash provided by operating activities	353,954	233,097	587,051
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(414,148)	-	(414,148)
Net cash used in capital and related financing activities	(414,148)	-	(414,148)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	70,246	20,749	90,995
Purchase of investments	(303,168)	-	(303,168)
Net cash (used in) provided by investing activities	(232,922)	20,749	(212,173)
Net increase (decrease) in cash and cash equivalents	(293,116)	253,846	(39,270)
Cash and cash equivalents, beginning of year	1,937,502	1,265,696	3,203,198
Cash and cash equivalents, end of year	$ 1,644,386	$ 1,519,542	$ 3,163,928
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income	$ 141,424	$ 212,369	$ 353,793
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	155,344	22,489	177,833
Change in assets and liabilities:			
Increase in accounts receivable	(69,235)	(658)	(69,893)
(Increase) decrease in prepaid items	(2,658)	32	(2,626)
Decrease in deferred outflows of resources - pension related items	19,861	6,543	26,404
Increase (decrease) in accounts payable	93,255	(6,783)	86,472
Increase in accrued liabilities	6,944	1,003	7,947
Increase in customer deposits	14,344	-	14,344
Increase in compensated absences payable	1,051	288	1,339
Decrease in net pension liability	(3,355)	(1,197)	(4,552)
Decrease in deferred inflows of resources - pension related items	(3,021)	(989)	(4,010)
Net cash provided by operating activities	$ 353,954	$ 233,097	$ 587,051

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 noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 **American Rescue Plan Act Fund** is a special revenue fund and accounts for the amounts awarded to the City under the Coronavirus State and Local Fiscal Recovery Funds program, provided for under the American Rescue Plan Act of 2021.

The **2022 Special Purpose Local Option Sales Tax Fund (SPLOST)** is used to account for the revenues and expenditures relating to the City's 2022 Special Purpose Local Option Sales tax referendum.

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 governmental funds (continued):

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 **Downtown Development Authority** (Debt Service Fund) 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.

The City reports the following major enterprise fund:

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

The **Special Revenue funds** are used to account for revenue sources that are legally restricted to expenditures for specific purposes such as hotel/motel and police seizure revenues, as well as various grants and contributions.

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

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, special revenue funds, and Debt Service Fund. During the fiscal year ended June 30, 2024, 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. None of the City's funds had outstanding encumbrances as of June 30, 2024.

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."

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

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 and Improvements	5-30 years
Stormwater Utility System	30 years
Machinery, Furniture and 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 several 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 lower of historical acquisition cost or market. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets 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 below.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three 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 two are related to the City's pension plan and OPEB plan and are 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 Balance and Net Position

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

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

Fund balances are classified as follows:

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position (Continued)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 $13,451,208 difference are as follows:

Bonds payable	$	(12,542,000)
Premium on bonds payable		(495,040)
Deferred charges on refunding		37,119
Accrued interest payable		(145,648)
Compensated absences (i.e., vacation)		(305,639)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(13,451,208)

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 $1,186,984 difference are as follows:

Net pension liability	$	(1,114,474)
Deferred outflows of resources - pension related items		529,238
Deferred inflows of resources - pension related items		(19,503)
Total OPEB liability		(393,507)
Deferred outflows of resources - OPEB related items		84,373
Deferred inflows of resources - OPEB related items		(273,111)
Net adjustment to reduce *fund balance- total governmental funds* to arrive at net position - governmental activities	$	(1,186,984)

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

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 $5,561,326 difference are as follows:

Capital outlay	$	7,558,693
Depreciation expense		(1,997,367)
Net adjustment to increase *net change in fund balances - total governmental funds* to arrive at *change in net position - governmental activities*	$	5,561,326

Another element of the reconciliation states that "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." The details of this $814,330 difference are as follows:

Principal repayments	$	770,000
Amortization of bond premiums		44,330
Net adjustment to increase *net change in fund balances - governmental funds* to arrive at *change in net position - governmental activities*	$	814,330

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 $204,020 difference are as follows:

Compensated absences (i.e., vacation)	$	(60,922)
Accrued interest		11,016
Amortization of deferred charges		(18,559)
Pension expense		(136,156)
OPEB expense		601
Net adjustment to increase *net change in fund balances - governmental funds* to arrive at *change in net position - governmental activities*	$	(204,020)

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.

For the fiscal year ended June 30, 2024, the following funds and functions had expenditures in excess of appropriations. These excesses were funded with transfers in from other funds or functions.

General Fund	
General government	
Human resources	$ 6,215
Judicial	127,908
Downtown Development Authority Fund	
Economic Development	85,802

NOTE 4. DEPOSITS AND INVESTMENTS

The table below summarizes the City's cash, cash equivalents, and investments by type as of June 20, 2024:

Investment	Maturities	Balance
Deposits with financial institutions	---	$ 22,321,479
Certificates of deposit	July 2024 - February 2027	8,863,009
Georgia Fund 1	33 day WAM (1)	3,226,581
U.S. Treasury Securities	59.48 day WAM (1)	685,727
U.S. Government Bonds	1,153.68 day WAM (1)	11,861,877
Total		$ 46,958,673
As reported in the Statement of Net Position:		
Cash and cash equivalents		$ 25,336,965
Restricted cash and cash equivalents		211,095
Investments		21,410,613
Total		$ 46,958,673

(1) Weighted average maturity

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

The Georgia Fund 1 is an investment pool, rated AAAf/S1 by Fitch, with a weighted average maturity of 33 days, 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 its investment in the Georgia Fund 1 within the fair value hierarchy.

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.

Credit Risk: State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the local government investment pool established by State law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. Operating funds of the City are currently invested in U.S. Treasury notes and U.S. Government agency obligations, or maintained in demand deposit, savings, and money market accounts with financial institutions.

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, 2024, 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 and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2024, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2024:

Investment	Level 1	Level 2	Fair Value
Federal agency securities	$ 685,727	$ -	$ 685,727
U.S. Treasury notes	1,363,725	10,498,152	11,861,877
Total investments measured at fair value	$ 2,049,452	$ 10,498,152	12,547,604
Investments not subject to level disclosure:			
Certificates of deposit			8,863,009
Georgia Fund 1			3,226,581
Total investments not subject to level disclosure:			12,089,590
Total investments			$ 24,637,194

As of June 30, 2024 the City's investments subject to fair value hierarchy measurements are all rated AAA.

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, 2024, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General Fund	American Rescue Plan Act Fund	2022 SPLOST Fund	Capital Projects Fund
Taxes	$ 64,581	$ -	$ -	$ -
Accounts receivable	86,396	42,512	32,217	23,374
Intergovernmental	2,750,000	-	629,862	-
	2,900,977	42,512	662,079	23,374
Less allowances	(50,825)	-	-	-
Net total receivables	$ 2,850,152	$ 42,512	$ 662,079	$ 23,374

	Downtown Development Authority	Sanitation Fund	Nonmajor Funds (1)	Total Receivables
Taxes	$ -	$ -	$ -	$ 64,581
Accounts receivable	6,647	247,694	586,187	1,025,027
Intergovernmental	-	-	159,525	3,539,387
	6,647	247,694	745,712	4,628,995
Less allowances	-	(151,914)	(26,361)	(229,100)
Net total receivables	$ 6,647	$ 95,780	$ 719,351	$ 4,399,895

(1) Nonmajor Funds includes both Governmental and Enterprise funds

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, 2024, the outstanding balance was $2,750,000, and is included in the General Fund's amounts reported as Due from Other Governments.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Nondepreciable capital assets:					
Land and improvements	$ 6,036,986	$ 158,168	$ (5,496)	$ -	$ 6,189,658
Construction in progress	3,669,606	6,978,279	(2,240)	(1,728,247)	8,917,398
Total	9,706,592	7,136,447	(7,736)	(1,728,247)	15,107,056
Capital assets, being depreciated:					
Buildings and improvements	16,236,590	-	-	155,889	16,392,479
Furniture and fixtures	146,901	-	-	-	146,901
Parks equipment	6,286,101	-	-	-	6,286,101
Vehicles and equipment	6,433,658	422,246	(101,012)	-	6,754,892
Infrastructure - streets	32,283,683	-	-	1,572,358	33,856,041
Total being depreciated	61,386,933	422,246	(101,012)	1,728,247	63,436,414
Less accumulated depreciation for:					
Buildings and improvements	(7,963,258)	(492,351)	-	-	(8,455,609)
Furniture and fixtures	(146,901)	-	-	-	(146,901)
Parks equipment	(4,944,166)	(87,527)	-	-	(5,031,693)
Vehicles and equipment	(5,220,537)	(376,575)	101,012	-	(5,496,100)
Infrastructure - streets	(9,577,567)	(1,040,914)	-	-	(10,618,481)
Total	(27,852,429)	(1,997,367)	101,012	-	(29,748,784)
Total capital assets, being depreciated, net	33,534,504	(1,575,121)	-	1,728,247	33,687,630
Governmental activities capital assets, net	$ 43,241,096	$ 5,561,326	$ (7,736)	$ -	$ 48,794,686

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated				
Buildings and improvements	$ 41,333	$ -	$ -	$ 41,333
Utility systems	422,722	-	-	422,722
Vehicles and equipment	1,228,350	414,148	-	1,642,498
Total	1,692,405	414,148	-	2,106,553
Less accumulated depreciation for:				
Buildings and improvements	(25,260)	(1,388)	-	(26,648)
Utility systems	(57,767)	(14,148)	-	(71,915)
Vehicles and equipment	(859,450)	(162,297)	-	(1,021,747)
Total	(942,477)	(177,833)	-	(1,120,310)
Total capital assets being depreciated, net	749,928	236,315	-	986,243
Business-type activities capital assets, net	$ 749,928	$ 236,315	$ -	$ 986,243

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

Governmental activities:	
General government	$ 86,035
Public safety	407,016
Public works	918,348
Culture and recreation	581,591
Community development	4,377
Total depreciation expense - governmental activities	$ 1,997,367
Business-type activities:	
Stormwater	$ 22,489
Sanitation	155,344
Total depreciation expense - business-type activities	$ 177,833

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	$ 13,312,000	$ -	$ (770,000)	$ 12,542,000	$ 734,000
Premium on bonds payable	539,370	-	(44,330)	495,040	-
	13,851,370	-	(814,330)	13,037,040	734,000
Compensated absences	244,717	93,659	(32,737)	305,639	174,214
Net pension liability	1,147,928	12,302	(45,756)	1,114,474	-
Total OPEB liability	533,057	35,693	(175,243)	393,507	23,721
Governmental activity Long-term liabilities	$ 15,777,072	$ 141,654	$ (1,068,066)	$ 14,850,660	$ 931,935
Business-type activities:					
Compensated absences	$ 27,753	$ 10,593	$ (9,254)	$ 29,092	$ 16,583
Net pension liability	151,094	26,222	(30,774)	146,542	-
Business-type activity Long-term liabilities	$ 178,847	$ 36,815	$ (40,028)	$ 175,634	$ 16,583

For governmental activities, compensated absences, the net pension liability, and the total OPEB liability are liquidated by the General Fund. Compensated absences and the net pension liability of business-type activities are liquidated by the Sanitation and Stormwater Funds.

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, 2024 the outstanding balance of these bonds is $390,000.

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.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

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, 2024 the outstanding balance of the Series 2018 Bonds is $3,892,000.

Concurrent with the issuance of the Series 2018 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 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.

On March 2, 2021, the DDA issued $5,560,000 in Series 2021A Revenue Bonds bearing interest at variable rates of 3.00% to 4.00% per annum payable each February 1 and August 1 with principal payable annually beginning February 1, 2022; the DDA issued $3,665,000 Series 2021B Revenue Bonds bearing interest at variable rates of 2.00% to 2.45% per annum payable each February 1 and August 1 with principal payable annually beginning February 1, 2032. The bonds were issued for the purpose of refunding the remaining balance on the Series 2014 Revenue Bonds and to finance the costs of renovating and expanding existing City properties, to acquire additional properties, and to finance related costs. As of June 30, 2024 the outstanding balance of the Series 2021A Bonds is $4,595,000, and the outstanding balance of the Series 2021B Bonds is $3,665,000.

The debt service to maturity on the City's bonds payable is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 734,000	$ 340,931	$ 1,074,931
2026	660,000	319,333	979,333
2027	687,000	296,685	983,685
2028	705,000	277,655	982,655
2029	724,000	258,126	982,126
2030-2034	3,497,000	1,010,832	4,507,832
2035-2039	3,840,000	589,190	4,429,190
2040-2041	1,695,000	76,650	1,771,650
Total	$ 12,542,000	$ 3,169,402	$ 15,711,402

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, 2024.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The composition of due to/from other funds as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 660
American Rescue Plan Act Fund	Capital Projects Fund	1,000,000
2022 SPLOST Fund	General Fund	3,230
Capital Projects Fund	General Fund	127,031
Capital Projects Fund	2022 SPLOST Fund	90,200
Nonmajor governmental funds	Capital Projects Fund	1,581
Nonmajor governmental funds	2022 SPLOST Fund	313,720
		$ 1,536,422

Interfund balances are the result of expenditures being covered by the General Fund and the Capital Projects fund for projects and purposes of other governmental funds, and are due to the timing of year end and the actual payments and receipts between the funds. Additionally, amounts are recorded as due to several funds, including the 2016 SPLOST Fund and the 2022 SPLOST Fund, as a result of the allocation of accrued interest receivable at year end from pooled cash accounts.

The composition of interfund transfers as of June 30, 2024 is as follows:

Transfers In	Transfers Out	Amount
Downtown Development Authority	General Fund	$ 837,138
Capital Projects Fund	General Fund	497,963
Capital Projects Fund	American Rescue Plan Act Fund	1,000,000
Downtown Development Authority	Capital Projects Fund	246,430
Nonmajor governmental funds	Capital Projects Fund	1,000,000
		$ 3,581,531

Transfers are used to use unrestricted revenues collected in the General Fund to help fund the acquisition of capital assets in the Capital Project Fund, and to fund annual debt service requirements in the Downtown Development Authority Fund. Transfers are also used to move revenues restricted for capital projects from the Capital Project Fund to the Downtown Development Authority Fund to aid in the acquisition and improvement of properties for resale, and to correct the initial recording of certain engineering project costs from the Stormwater proprietary fund to the Capital Projects 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, 2024, the date of the most recent actuarial valuation, there were 171 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	36
Terminated vested participants not yet receiving benefits	65
Active employees - vested	28
Active employees - nonvested	42
Total	171

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 2024, the actuarially determined contribution rate was 7.15% of covered payroll. The City makes all contributions to the Plan. For 2024, the City's contribution to the Plan was $250,124.

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023 with update procedures performed by the actuary to rollforward to the total pension liability measured as of September 30, 2023.

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2023 valuation were based on the Sex-distinct Pri-2012 head-count weighted Mortality Tables with rates multiplied by 1.25 and projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

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, 2023 are summarized in the table below:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	45%	6.91%
International equity	20%	7.21
Global fixed income	5%	1.67
Domestic fixed income	20%	1.61
Real estate	10%	3.61
Cash	0%	
Total	100%	

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

NOTE 9. PENSION PLAN (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, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/23	$ 6,302,383	$ 5,003,361	$ 1,299,022
Changes for the year:			
Service cost	167,504	-	167,504
Interest	467,491	-	467,491
Differences between expected and actual experience	216,678	-	216,678
Contributions—employer	-	240,764	(240,764)
Net investment income	-	671,669	(671,669)
Benefit payments, including refunds of employee contributions	(262,041)	(262,041)	-
Administrative expense	-	(22,754)	22,754
Net changes	589,632	627,638	(38,006)
Balances at 6/30/24	$ 6,892,015	$ 5,630,999	$ 1,261,016

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)

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	$ 2,191,364	$ 1,261,016	$ 492,221

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, 2023 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, 2024, the City recognized pension expense of $406,972. At June 30, 2024, 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	$ 144,452	$ 22,068
Net difference between projected and actual earnings on pension plan investments	266,782	-
City contributions subsequent to the measurement date	187,593	-
Total	$ 598,827	$ 22,068

City contributions subsequent to the measurement date of $187,593 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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:	
2025	$ 91,912
2026	134,183
2027	223,931
2028	(60,860)
Total	$ 389,166

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. 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, 2023, the most recent actuarial valuation:

Active participants	52
Retirees and beneficiaries currently receiving benefits	12
Total	64

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, 2024, the City contributed $19,376 for the pay-as-you-go benefits for the Plan.

Total OPEB Liability

The City's total OPEB liability of $393,507 was measured as of July 1, 2023 and was determined by an actuarial valuation as of July 1, 2022, with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Wage inflation	3.00%
Municipal bond index rate	
Current measurement date	4.09%
Prior measurement date	2.18%
Healthcare cost trends	7.50% - 5.00% Ultimate trend in 2028

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

The current mortality rates were based on the Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. The discount rate is based on the S&P Municipal Bond 20-year Municipal Bond High Grade Index.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2024 were as follows:

	Total OPEB Liability
Balance at June 30, 2023	$ 533,057
Service cost	13,570
Interest	22,123
Demographic changes	(140,196)
Benefit payments	(22,147)
Assumption changes	(12,900)
Balance at June 30, 2024	$ 393,507

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 (3.09%) or 1-percentage-point higher (5.09%) that the current discount rate:

	1% Decrease (3.13%)	Current (4.13%)	1% Increase (5.13%)
Total OPEB liability	$ 431,350	$ 393,507	$ 360,759

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 (6.50% to 4.00%)	Current (7.50% to 5.00%)	1% Increase (8.50% to 6.00%)
Total OPEB liability	$ 362,497	$ 393,507	$ 429,171

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (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, 2024 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, 2024 the City recognized OPEB expense of $9,938. At June 30, 2024, 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	$ 19,864	$ 196,964
Changes in assumptions	45,133	76,147
City contributions subsequent to the measurement date	19,376	-
	$ 84,373	$ 273,111

The City contributions made subsequent to the measurement date of $19,376 are reported as deferred outflows and inflows of resources and will be recognized as a decrease of the total OPEB liability in the subsequent fiscal year. 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,	
2025	$ (23,484)
2026	(23,484)
2027	(23,484)
2028	(23,484)
Thereafter	(114,178)
	$ (208,114)

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 Atlanta Regional Commission, 229 Peachtree St #100, Atlanta, GA 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, 2024. 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 were $11,386,777. The projects are being financed primarily through the Capital Project, 2016 SPLOST, and 2022 SPLOST funds, using pay-as-you-go funding sources.

NOTE 14. ACCOUNTING CHANGES

Change in Major Funds:

In the current year, the City's 2016 SPLOST fund no longer meets the definition of a major fund. The effect of this change to or within the financial reporting entity is illustrated in the table below:

	Reporting Units Affected by Restatements	
	Governmental Funds	
	2016 SPLOST Fund	Nonmajor Governmental Funds
June 30, 2023, as previously reported	$ 1,282,636	$ 238,562
Change from nonmajor fund to major fund	(1,282,636)	1,282,636
June 30, 2023, as restated	$ -	$ 1,521,198

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

	2024	2023	2022	2021
Total OPEB liability				
Service cost	$ 13,570	$ 24,461	$ 24,867	$ 15,415
Interest on total OPEB liability	22,123	14,468	11,792	17,181
Demographic changes	(140,196)	4,558	19,368	(66,143)
Benefit payments	(22,147)	(29,666)	(26,291)	(24,936)
Assumption changes	(12,900)	(79,060)	39,449	12,870
Net change in total OPEB liability	(139,550)	(65,239)	69,185	(45,613)
Total OPEB liability - beginning	533,057	598,296	529,111	574,724
Total OPEB liability - ending	$ 393,507	$ 533,057	$ 598,296	$ 529,111
Covered-employee payroll	$ 2,654,343	$ 2,323,293	$ 2,853,868	$ 2,545,181
Total OPEB liability as a percentage of covered-employee payroll	14.83%	22.94%	20.96%	20.79%

	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	21.82%	22.91%	21.95%

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

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$ 167,504	$ 139,101	$ 151,223	$ 171,330	$ 171,751
Interest on total pension liability	467,491	444,123	420,510	399,459	374,961
Differences between expected and actual experience	216,678	(51,290)	(19,881)	(49,575)	(93,742)
Changes of assumptions	-	-	-	-	168,489
Benefit payments, including refunds of employee contributions	(262,041)	(224,905)	(214,218)	(217,106)	(191,144)
Net change in total pension liability	589,632	307,029	337,634	304,108	430,315
Total pension liability - beginning	6,302,383	5,995,354	5,657,720	5,353,612	4,923,297
Total pension liability - ending (a)	$ 6,892,015	$ 6,302,383	$ 5,995,354	$ 5,657,720	$ 5,353,612
Plan fiduciary net position					
Contributions - employer	$ 240,764	$ 241,968	$ 274,568	$ 233,185	$ 262,899
Net investment income	671,669	(982,459)	1,163,993	422,518	129,838
Benefit payments, including refunds of member contributions	(262,041)	(224,905)	(214,218)	(217,106)	(191,144)
Administrative expenses	(22,754)	(18,013)	(18,185)	(18,477)	(16,725)
Net change in plan fiduciary net position	627,638	(983,409)	1,206,158	420,120	184,868
Plan fiduciary net position - beginning	5,003,361	5,986,770	4,780,612	4,360,492	4,175,624
Plan fiduciary net position - ending (b)	$ 5,630,999	$ 5,003,361	$ 5,986,770	$ 4,780,612	$ 4,360,492
City's net pension liability - ending (a) - (b)	$ 1,261,016	$ 1,299,022	$ 8,584	$ 877,108	$ 993,120
Plan fiduciary net position as a percentage of the total pension liability	81.70%	79.39%	99.86%	84.50%	81.45%
Covered payroll	$ 3,943,886	$ 3,457,443	$ 3,046,934	$ 3,430,513	$ 3,582,394
City's net pension liability as a percentage of covered payroll	31.97%	37.57%	0.28%	25.57%	27.72%

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

CITY OF POWDER SPRINGS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	$ 250,124	$ 233,111	$ 245,653	$ 255,786	$ 252,538
Contributions in relation to the actuarially determined contribution	250,124	213,868 (1)	245,653	255,786	252,538
Contribution deficiency (excess)	$ -	$ 19,243	$ -	$ -	$ -
Covered payroll	$ 3,700,665	$ 3,252,189	$ 3,238,724	$ 3,506,454	$ 3,551,749
Contributions as a percentage of covered payroll	6.76%	6.58%	7.58%	7.06%	7.08%

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 266,352	$ 197,541	$ 162,562	$ 171,015	$ 176,564
Contributions in relation to the actuarially determined contribution	266,352	197,541	162,562	171,015	176,564
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,624,529	$ 3,614,052	$ 3,217,089	$ 3,143,753	$ 2,931,666
Contributions as a percentage of covered payroll	7.35%	5.47%	5.05%	5.44%	6.02%

(1) Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy.

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 9,595,431	$ 9,595,431	$ 10,624,766	$ 1,029,335
Licenses and permits	474,000	474,000	580,483	106,483
Intergovernmental	325,224	325,224	402,526	77,302
Fines and forfeitures	422,000	422,000	750,516	328,516
Charges for services	594,901	594,901	556,733	(38,168)
Interest	350,000	350,000	828,124	478,124
Contributions	-	3,604	19,760	16,156
Miscellaneous	7,160	7,160	193,964	186,804
Total revenues	11,768,716	11,772,320	13,956,872	2,184,552
Expenditures				
Current:				
General government:				
City Council	176,269	176,269	142,036	34,233
Mayor	97,011	97,011	79,060	17,951
City manager	981,765	981,765	851,524	130,241
City clerk	338,569	337,969	320,685	17,284
General administration fees	817,790	817,790	810,445	7,345
Elections	51,746	52,346	52,303	43
Financial administration	642,195	642,195	566,047	76,148
Data processing	322,579	322,579	308,110	14,469
Human resources	243,462	243,462	249,677	(6,215)
Total general government	3,671,386	3,671,386	3,379,887	291,499
Judicial	404,496	404,496	532,404	(127,908)
Public safety	3,313,358	3,316,962	2,956,528	360,434
Public works	1,896,238	1,896,238	1,746,210	150,028
Planning and zoning	1,147,554	1,147,554	922,952	224,602
Economic development	367,760	374,407	282,474	91,933
Culture and recreation	630,636	630,636	575,530	55,106
Total expenditures	11,431,428	11,441,679	10,395,985	1,045,694
Excess of revenues over expenditures	337,288	330,641	3,560,887	3,230,246
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	13,350	13,350
Transfers out	(1,385,251)	(1,581,453)	(1,335,101)	246,352
Total other financing sources (uses)	(1,385,251)	(1,581,453)	(1,321,751)	259,702
Net change in fund balances	(1,047,963)	(1,250,812)	2,239,136	3,489,948
Fund balance, beginning of year	21,697,298	21,697,298	21,697,298	-
Fund balance, end of year	$ 20,649,335	$ 20,446,486	$ 23,936,434	$ 3,489,948

CITY OF POWDER SPRINGS, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 5,022,307	$ 5,022,307	$ 2,895,214	$ (2,127,093)
Interest	-	-	185,704	185,704
Total revenues	5,022,307	5,022,307	3,080,918	(1,941,389)
EXPENDITURES				
General government	430,084	512,177	250,065	262,112
Public safety	-	170,000	50,000	120,000
Public works	4,492,223	4,340,130	1,595,149	2,744,981
Total expenditures	4,922,307	5,022,307	1,895,214	3,127,093
Excess of revenues over expenditures	100,000	-	1,185,704	1,185,704
OTHER FINANCING USES				
Transfers out	-	-	(1,000,000)	(1,000,000)
Total other financing uses	-	-	(1,000,000)	(1,000,000)
Net change in fund balances	100,000	-	185,704	185,704
FUND BALANCE, beginning of year	144,964	144,964	144,964	-
FUND BALANCE, end of year	$ 244,964	$ 144,964	$ 330,668	$ 185,704

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Interest earnings	$ -	$ -	$ 167,435	$ 167,435
Miscellaneous	-	-	22,850	22,850
Total revenues	-	-	190,285	190,285
EXPENDITURES				
Economic development	2,161	2,161	87,963	(85,802)
Debt service:				
Principal	770,000	770,000	770,000	-
Interest	375,995	375,995	375,826	169
Total expenditures	1,148,156	1,148,156	1,233,789	(85,633)
Deficiency of revenues over expenditures	(1,148,156)	(1,148,156)	(1,043,504)	104,652
OTHER FINANCING SOURCES				
Transfers in	1,085,897	1,085,897	1,083,568	(2,329)
Total other financing sources	1,085,897	1,085,897	1,083,568	(2,329)
Net change in fund balances	(62,259)	(62,259)	40,064	102,323
FUND BALANCE, beginning of year	5,359,274	5,359,274	5,359,274	-
FUND BALANCE, end of year	$ 5,297,015	$ 5,297,015	$ 5,399,338	$ 102,323

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	$ 13,799,184	
Indirect Cost Revenues	157,688	
Revenues, Budgetary Basis		13,956,872
Expenditures GAAP Basis	10,238,297	
Indirect Cost Expenditures	157,688	
Expenditures, Budgetary Basis		10,395,985
Excess of Revenues over Expenditures Budgetary Basis		$ 3,560,887

SUPPLEMENTARY INFORMATION

CITY OF POWDER SPRINGS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total
ASSETS	**Police Seizure Fund**	**Hotel/Motel Tax Fund**	**Opioid Settlement Fund**	**2016 SPLOST Fund**	**Nonmajor Governmental Funds**
Cash and cash equivalents	$ 150,519	$ 33,005	$ 39,030	$ 367,872	$ 590,426
Accounts receivable	-	3,754	122,996	430,021	556,771
Due from other governments	-	-	-	159,525	159,525
Due from other funds	1,581	-	-	313,720	315,301
Total assets	$ 152,100	$ 36,759	$ 162,026	$ 1,271,138	$ 1,622,023
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 36,051	$ 36,051
Retainage payable	-	-	-	102,803	102,803
Due to other funds	-	-	660	-	660
Total liabilities	-	-	660	138,854	139,514
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - intergovernmental	-	-	116,145	-	116,145
Total deferred inflows of resources	-	-	116,145	-	116,145
FUND BALANCES					
Restricted					
Capital projects	-	-	-	1,132,284	1,132,284
Tourism	-	36,759	-	-	36,759
Law enforcement	152,100	-	45,221	-	197,321
Total fund balances	152,100	36,759	45,221	1,132,284	1,366,364
Total liabilities, deferred inflows of resources, fund balance	$ 152,100	$ 36,759	$ 162,026	$ 1,271,138	$ 1,622,023

CITY OF POWDER SPRINGS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	Police Seizure Fund	Hotel/Motel Tax Fund	Opioid Settlement Fund	2016 SPLOST Fund	
REVENUES					
Hotel/motel taxes	$ -	$ 20,818	$ -	$ -	$ 20,818
Fines and forfeitures	5,042	-	27,334	-	32,376
Intergovernmental	-	-	-	159,525	159,525
Miscellaneous	-	3,704	-	430,021	433,725
Interest income	3,190	393	437	44,475	48,495
Total revenues	8,232	24,915	27,771	634,021	694,939
EXPENDITURES					
General government	-	-	-	79,457	79,457
Public safety	60,000	-	2,024	-	62,024
Public works	-	-	-	1,704,916	1,704,916
Tourism	-	3,376	-	-	3,376
Total expenditures	60,000	3,376	2,024	1,784,373	1,849,773
Excess (deficiency) of revenues over expenditures	(51,768)	21,539	25,747	(1,150,352)	(1,154,834)
OTHER FINANCING SOURCES					
Transfers in	-	-	-	1,000,000	1,000,000
Total other financing sources	-	-	-	1,000,000	1,000,000
Net change in fund balances	(51,768)	21,539	25,747	(150,352)	(154,834)
FUND BALANCES, beginning of year	203,868	15,220	19,474	1,282,636	1,521,198
FUND BALANCES, end of year	$ 152,100	$ 36,759	$ 45,221	$ 1,132,284	$ 1,366,364

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, 2024

	Budget			Variance With
	Original	Final	Actual	Final Budget
REVENUES				
Fines & forfeitures	$ 20,000	$ 20,000	$ 5,042	$ (14,958)
Interest	100	100	3,190	3,090
Total revenues	20,100	20,100	8,232	(11,868)
EXPENDITURES				
Public safety	70,100	70,100	60,000	10,100
Net change in fund balances	(50,000)	(50,000)	(51,768)	(1,768)
FUND BALANCE, beginning of year	203,868	203,868	203,868	-
FUND BALANCE, end of year	$ 153,868	$ 153,868	$ 152,100	$ (1,768)

CITY OF POWDER SPRINGS, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Hotel/motel tax	$ 8,000	$ 8,000	$ 20,818	$ 12,818
Interest	-	-	393	393
Miscellaneous	2,000	2,000	3,704	1,704
Total revenues	10,000	10,000	24,915	14,915
EXPENDITURES				
Tourism	10,000	10,000	3,376	6,624
Net change in fund balances	-	-	21,539	21,539
FUND BALANCE, beginning of year	15,220	15,220	15,220	-
FUND BALANCE, end of year	$ 15,220	$ 15,220	$ 36,759	$ 21,539

CITY OF POWDER SPRINGS, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	$ -	$ 20,000	$ 27,334	$ 7,334
Interest	-	-	437	437
Total revenues	-	20,000	27,771	7,771
EXPENDITURES				
Public safety	-	20,000	2,024	17,976
Net change in fund balances	-	-	25,747	25,747
FUND BALANCE, beginning of year	19,474	19,474	19,474	-
FUND BALANCE, end of year	$ 19,474	$ 19,474	$ 45,221	$ 25,747

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2024

Project	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2016 SPLOST Program:					
General Street Improvements	$ 804,120	$ 3,457,148	$ 1,882,965	$ 1,099,628	$ 2,982,593
Resurfacing	6,000,000	3,929,112	3,743,067	186,046	3,929,113
Parks and Recreation Improvements	750,000	5,487,453	5,268,735	128,986	5,397,721
Streetscapes	1,327,600	763,693	635,931	-	635,931
Facilities Improvements	750,000	703,519	624,062	79,457	703,519
Public Safety Improvements	750,000	737,807	737,807	-	737,807
Intersection Improvements	3,850,000	6,361,851	5,621,158	290,256	5,911,414
Total	$ 14,231,720	$ 21,440,583	$ 18,513,725	$ 1,784,373	$ 20,298,098
2022 SPLOST Program:					
General Street Improvements	$ 2,500,000	$ 2,500,000	$ 694,390	$ 465,432	$ 1,159,822
Resurfacing	3,600,000	3,600,000	-	1,043,609	1,043,609
Parks and Recreation Improvements	3,500,000	3,500,000	39,535	51,896	91,431
Streetscapes	1,000,000	1,000,000	-	-	-
Facilities Improvements	2,803,888	2,803,888	-	91,175	91,175
Public Safety Improvements	1,000,000	1,000,000	375,969	82,229	458,198
Intersection Improvements	2,900,000	2,900,000	390,186	432,320	822,506
Total	$ 17,303,888	$ 17,303,888	$ 1,500,080	$ 2,166,661	$ 3,666,741

STATISTICAL SECTION

STATISTICAL SECTION

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

Page

Financial Trends **69**

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 **80**

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

Debt Capacity **84**

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 **88**

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 **90**

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

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

CITY OF POWDER SPRINGS, GEORGIA

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

	2024	2023	2022	2021	2020
Governmental activities					
Net investment in capital assets	$ 35,049,001	$ 27,769,043	$ 26,178,251	$ 30,565,538	$ 37,211,154
Restricted	12,045,767	12,026,954	2,517,865	6,352,908	5,086,418
Unrestricted	30,592,012	30,189,889	35,374,360 (3)	13,202,476	6,102,103
Total governmental activities net position	$ 77,686,780	$ 69,985,886	$ 64,070,476	$ 50,120,922	$ 48,399,675
Business-type activities					
Net investment in capital assets	$ 986,243	$ 749,928	$ 755,685	$ 4,688,091	$ 668,790
Unrestricted	3,179,168	2,970,695	2,867,158	10,362,063	14,573,205
Total business-type activities net position	$ 4,165,411	$ 3,720,623	$ 3,622,843	$ 15,050,154	$ 15,241,995
Primary government					
Net investment in capital assets	$ 36,035,244	$ 28,518,971	$ 26,933,936	$ 35,253,629	$ 37,879,944
Restricted	12,045,767	12,026,954	2,517,865	6,352,908	5,086,418
Unrestricted	33,771,180	33,160,584	38,241,518	23,564,539	20,675,308
Total primary government net position	$ 81,852,191	$ 73,706,509	$ 67,693,319	$ 65,171,076	$ 63,641,670

(3) - Governmental activities net position was restated as of July 1, 2021 for the transfer of the residual net equity of the Water and Sewer Fund to the General Fund.

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

	2019	2018	2017 (1)	2016	2015
Governmental activities					
Net investment in capital assets	$ 34,673,659	$ 32,842,258	$ 30,752,959	$ 30,834,381	$ 28,730,880
Restricted	4,619,305	3,400,830	3,106,338	2,191,896	2,501,319
Unrestricted	7,706,818	7,741,430	7,193,630	5,930,220	5,247,724
Total governmental activities net position	$ 46,999,782	$ 43,984,518	$ 41,052,927	$ 38,956,497	$ 36,479,923
Business-type activities					
Net investment in capital assets	$ 539,670 (2)	$ 6,454,354	$ 5,722,445	$ 5,556,927	$ 5,264,412
Unrestricted	14,793,562	8,314,028	7,676,687	7,371,928	6,668,373
Total business-type activities net position	$ 15,333,232	$ 14,768,382	$ 13,399,132	$ 12,928,855	$ 11,932,785
Primary government					
Net investment in capital assets	$ 35,213,329	$ 39,296,612	$ 36,475,404	$ 36,391,308	$ 33,995,292
Restricted	4,619,305	3,400,830	3,106,338	2,191,896	2,501,319
Unrestricted	22,500,380	16,055,458	14,870,317	13,302,148	11,916,097
Total primary government net position	$ 62,333,014	$ 58,752,900	$ 54,452,059	$ 51,885,352	$ 48,412,708

(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.

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

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

	2024	2023	2022	2021	2020
Expenses					
Governmental activities:					
General government	$ 2,761,885	$ 3,666,254	$ 3,869,886	$ 3,540,508	$ 2,429,658
Judicial	534,314	368,081	346,765	439,788	422,072
Public safety	3,618,007	3,186,067	2,482,243	2,904,021	3,047,852
Public works	7,025,805	4,739,932	3,690,328	4,439,766	4,056,843
Community development	28,395	319,211	76,103	31,999	369,532
Planning and zoning	934,765	969,930	643,426	717,400	367,825
Economic development	373,813	403,915	1,882,374	327,587	234,152
Culture and recreation	632,319	1,251,044	954,460	854,430	675,255
Interest on long-term debt	339,039	362,775	381,453	599,934	263,555
Total governmental activities expenses	16,248,342	15,267,209	14,327,038	13,855,433	11,866,744
Business-type activities:					
Water and Sewer	-	-	-	-	6,394
Solid waste	1,635,804	1,569,895	1,442,069	1,304,310	1,191,116
Stormwater	369,158	603,143	455,170	318,921	290,451
Total business-type activities expenses	2,004,962	2,173,038	1,897,239	1,623,231	1,487,961
Total primary government expenses	$ 18,253,304	$ 17,440,247	$ 16,224,277	$ 15,478,664	$ 13,354,705
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 979,528	$ 1,657,951	$ 1,454,478	$ 1,604,855	$ 1,234,812
Judicial	750,516	535,314	387,060	673,478	295,215
Public safety	32,376	105,236	16,096	22,985	183,091
Public works	369,391	645,329	426,521	316,393	-
Culture and recreation	-	-	-	-	105,785
Operating grants and contributions	3,346,956	1,185,719	413,037	909,662	388,740
Capital grants and contributions	1,288,658	6,908,111	4,603,179	3,866,666	3,505,536
Total governmental activities program revenues	6,767,425	11,037,660	7,300,371	7,394,039	5,713,179
Business-type activities:					
Charges for services:					
Water and Sewer	-	-	-	-	145,533
Solid waste	1,777,228	1,556,680	1,366,604	1,419,414	1,221,658
Stormwater	581,527	693,259	611,028	557,914	471,422
Total business-type activities program revenues	2,358,755	2,249,939	1,977,632	1,977,328	1,838,613
Total primary government program revenues	$ 9,126,180	$ 13,287,599	$ 9,278,003	$ 9,371,367	$ 7,551,792

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

	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
General government	$ 1,591,101	$ 1,289,401	$ 1,015,287	$ 1,241,193	$ 881,610
Judicial	463,785	483,164	352,753	241,622	154,306
Public safety	3,213,726	3,216,569	3,231,902	3,324,112	2,858,898
Public works	2,259,247	1,947,785	2,094,427	1,950,695	1,499,231
Community development	379,668	517,730	923,634	757,122	735,300
Planning and zoning	341,543	228,083	-	-	-
Economic development	459,048	125,451	-	-	-
Culture and recreation	785,444	754,486	551,055	411,631	290,317
Interest on long-term debt	284,505	224,612	205,998	169,011	352,974
Total governmental activities expenses	9,778,067	8,787,281	8,375,056	8,095,386	6,772,636
Business-type activities:					
Water and Sewer	5,356,781	5,387,584	5,453,734	5,154,505	5,113,633
Solid waste	1,205,936	1,271,079	1,215,260	1,037,995	977,570
Stormwater	148,104	181,641	238,174	468,945	306,187
Total business-type activities expenses	6,710,821	6,840,304	6,907,168	6,661,445	6,397,390
Total primary government expenses	$ 16,488,888	$ 15,627,585	$ 15,282,224	$ 14,756,831	$ 13,170,026
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 1,064,087	$ 1,405,279	$ 1,142,915	$ 1,029,994	$ 906,669
Judicial	651,086	632,463	719,897	411,287	288,380
Public safety	149,068	143,251	140,997	104,588	76,391
Public works	-	-	-	-	-
Community development	-	-	-	-	-
Culture and recreation	173,893	294,169	269,535	82,599	162,300
Operating grants and contributions	329,669	397,891	420,132	313,340	454,788
Capital grants and contributions	3,393,553	3,048,093	3,022,374	3,279,674	3,128,731
Total governmental activities program revenues	5,761,356	5,921,146	5,715,850	5,221,482	5,017,259
Business-type activities:					
Charges for services:					
Water and Sewer	6,557,889	6,432,081	6,486,799	5,926,231	5,766,750
Solid waste	1,413,221	1,353,180	1,322,697	1,277,369	1,251,714
Stormwater	381,995	390,037	395,637	452,213	352,539
Total business-type activities program revenues	8,353,105	8,175,298	8,205,133	7,655,813	7,371,003
Total primary government program revenues	$ 14,114,461	$ 14,096,444	$ 13,920,983	$ 12,877,295	$ 12,388,262

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

	2024	2023	2022	2021	2020
Net (expense)/revenue					
Governmental activities	$ (9,480,917)	$ (4,229,549)	$ (7,026,667)	$ (6,461,394)	$ (6,153,565)
Business-type activities	353,793	76,901	80,393	354,097	350,652
Total primary government net (expense) revenue	$ (9,127,124)	$ (4,152,648)	$ (6,946,274)	$ (6,107,297)	$ (5,802,913)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	$ 7,485,459	$ 6,341,837	$ 5,467,021	$ 5,129,620	$ 4,619,219
Insurance premium taxes	1,499,140	1,400,053	1,156,414	1,119,606	1,062,080
Excise taxes	247,231	282,347	262,309	271,964	254,168
Franchise taxes	849,206	839,326	798,578	758,375	799,245
Other taxes	4,868,678	199,202	264,296	217,012	175,932
Gain on sale of capital assets	16,414	8,725	-	64,560	-
Unrestricted Investment Earnings	1,475,384	902,770	46,251	4,529	52,704
Miscellaneous	740,299	158,231	1,424,641	73,488	130,177
Transfers	-	12,468	(31,730)	550,000	453,420
Total governmental activities	17,181,811	10,144,959	9,387,780	8,189,154	7,546,945
Business-type activities:					
Unrestricted Investment earnings	90,995	33,347	1,476	3,662	11,531
Gain on sale of capital assets	-	-	47,531	-	-
Miscellaneous	-	-	-	400	-
Transfers	-	(12,468)	31,730	(550,000)	(453,420)
Total business-type activities	90,995	20,879	80,737	(545,938)	(441,889)
Total primary government	$ 17,272,806	$ 10,165,838	$ 9,468,517	$ 7,643,216	$ 7,105,056
Change in Net Position					
Governmental activities	$ 7,700,894	$ 5,915,410	$ 2,361,113	$ 1,727,760	$ 1,393,380
Business-type activities	444,788	97,780	161,130	(191,841)	(91,237)
Total primary government	$ 8,145,682	$ 6,013,190	$ 2,522,243	$ 1,535,919	$ 1,302,143

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

	2019	2018	2017	2016	2015
Net (expense)/revenue					
Governmental activities	$ (4,016,711)	$ (2,866,135)	$ (2,659,206)	$ (2,873,904)	$ (1,755,377)
Business-type activities	1,642,284	1,334,994	1,297,965	994,368	973,613
Total primary government net (expense) revenue	$ (2,374,427)	$ (1,531,141)	$ (1,361,241)	$ (1,879,536)	$ (781,764)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	$ 4,480,979	$ 3,679,765	$ 3,497,167	$ 3,311,349	$ 3,200,350
Insurance premium taxes	999,006	926,333	870,066	803,212	751,797
Excise taxes	240,628	228,815	235,393	241,608	249,618
Franchise taxes	760,817	700,293	693,494	721,082	729,939
Other taxes	142,950	132,112	109,088	174,617	78,788
Operating Grants	-	46,813	19,814	-	-
Unrestricted investment earnings	80,669	78,866	104,489	9,548	5,588
Miscellaneous	75,229			89,062	202,621
Transfers	251,697	4,729	1,000,000	-	-
Total governmental activities	7,031,975	5,797,726	6,529,511	5,350,478	5,218,701
Business-type activities:					
Unrestricted Investment earnings	15,383	8,462	5,700	1,702	956
Gain on sale of capital assets	-	30,523	-	-	-
Miscellaneous		-	3,576	-	-
Special items	(841,120) (1)	-	-	-	-
Transfers	(251,697)	(4,729)	(1,000,000)	-	-
Total business-type activities	(1,077,434)	34,256	(990,724)	1,702	956
Total primary government	$ 5,954,541	$ 5,831,982	$ 5,538,787	$ 5,352,180	$ 5,219,657
Change in Net Position					
Governmental activities	$ 3,015,264	$ 2,931,591	$ 3,870,305	$ 2,476,574	$ 3,463,324
Business-type activities	564,850	1,369,250	307,241	996,070	974,569
Total primary government	$ 3,580,114	$ 4,300,841	$ 4,177,546	$ 3,472,644	$ 4,437,893

(1) 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
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 and Other	Total
2015	$ 3,102,941	$ 144,857	$ 751,797	$ 249,618	$ 31,340	$ 675,156	$ 4,955,709
2016	3,253,714	107,784	803,212	241,608	124,468	729,939	5,260,725
2017	3,451,159	76,301	870,066	235,393	78,795	721,082	5,432,796
2018	3,679,765	51,319	926,333	228,815	80,793	693,494	5,660,519
2019	4,480,979	54,734	999,006	240,628	88,216	700,293	6,563,856
2020	4,619,219	55,627	1,062,080	254,168	120,305	760,817	6,872,216
2021	5,129,620	59,392	1,119,606	271,964	157,620	799,245	7,537,447
2022	5,467,021	50,715	1,156,414	262,309	213,581	758,375	7,908,415
2023	6,341,837	76,019	1,400,053	282,347	123,183	839,326	9,062,765
2024	7,485,459	58,014	1,499,140	247,231	124,488	5,535,382 (1)	14,949,714
Percentage change							
over 10 years	141.2%	-60.0%	99.4%	-1.0%	297.2%	719.9%	201.7%

(1) The 2022 SPLOST referendum began remitting significant collections in FY2024.

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

	2024	2023	2022	2021	2020
General Fund					
Nonspendable	$ 196,934	$ 156,785	$ 285,120	$ 292,103	$ 184,759
Assigned	855,358	497,963	463,103	432,000	982,727
Unassigned	22,884,142	21,042,550	18,987,057	6,612,011	5,263,008
Total General Fund	$ 23,936,434	$ 21,697,298	$ 19,735,280	$ 7,336,114	$ 6,430,494
All other governmental funds					
Assigned	$ 11,329,506	$ 16,450,153	$ 17,173,597	$ 7,589,772	$ 2,039,841
Restricted	8,127,575	3,764,932	2,517,865	6,352,676	7,870,686
Total all other governmental funds	$ 19,457,081	$ 20,215,085	$ 19,691,462	$ 13,942,448	$ 9,910,527

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

	2019	2018	2017	2016	2015
General Fund					
Nonspendable	$ 295,311	$ 280,524	$ 282,927	$ 261,093	$ 249,482
Restricted	1,379	1,348	1,330	1,323	190,052
Assigned	-	133,799	-	818,583	700,365
Unassigned	6,508,222	5,953,851	5,097,439	3,634,638	3,851,796
Total General Fund	$ 6,804,912	$ 6,369,522	$ 5,381,696	$ 4,715,637	$ 4,991,695
All other governmental funds					
Nonspendable	$ 340,416	$ 173,942	$ 102,655	$ 1,128,692	$ 1,169,848
Assigned	2,225,426	2,646,811	2,582,509	1,125,497	395,254
Restricted	7,870,686	7,321,255	3,105,008	2,190,573	2,311,267
Total all other governmental funds	$ 10,436,528	$ 10,142,008	$ 5,790,172	$ 4,444,762	$ 3,876,369

CITY OF POWDER SPRINGS, GEORGIA

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

	2024	2023	2022	2021	2020
Revenues					
Taxes	$ 10,645,584	$ 9,054,678	$ 7,986,918	$ 7,582,256	$ 6,873,863
Licenses and permits	580,483	1,047,703	847,274	749,083	618,677
Intergovernmental	8,623,895	7,845,630	5,008,339	4,973,508	3,693,549
Fines and forfeitures	782,892	640,550	403,156	696,463	546,833
Charges for services	768,436	1,255,577	1,033,725	1,172,165	776,534
Interest income	1,735,371	1,084,041	54,128	4,529	52,704
Contributions	19,760	18,750	19,598	536	8,314
Miscellaneous	720,539	139,481	1,405,043	72,988	128,372
Total revenues	23,876,960	21,086,410	16,758,181	15,251,528	12,698,846
Expenditures					
General government	3,912,484	3,613,704	3,439,348	3,308,697	2,175,989
Judicial	532,404	372,077	355,055	450,028	358,079
Public safety	3,460,300	2,835,448	2,250,128	2,545,120	2,687,616
Public works	6,861,061	3,842,917	2,650,673	3,710,315	2,210,480
Community development	26,723	312,584	66,550	41,507	357,699
Planning and zoning	922,952	979,772	657,800	716,909	440,405
Economic development	373,813	403,915	573,448	327,587	234,152
Culture and recreation	575,530	537,476	484,137	558,548	354,749
Capital outlay	4,608,885	4,582,408	1,820,636	932,573	7,099,699
Debt service					
Principal retirements	770,000	741,000	724,000	2,478,636	748,681
Interest and fiscal charges and cost of issuance	375,826	400,661	393,225	523,481	253,851
Total expenditures	22,419,978	18,621,962	13,415,000	15,593,401	16,921,400
Excess (deficiency) of revenues over expenditures	1,456,982	2,464,448	3,343,181	(341,873)	(4,222,554)
Other financing sources (uses)					
Issuance of long-term debt	-	-	-	9,853,318	-
Proceeds from sale of capital assets	24,150	8,725	831,585	129,784	-
Transfers in	3,581,531	1,749,280	1,675,812	2,883,982	2,927,866
Transfers out	(3,581,531)	(1,736,812)	(1,675,812)	(2,333,982)	(2,474,446)
Total other financing sources (uses)	24,150	21,193	831,585	10,533,102	453,420
Net change in fund balances	$ 1,481,132	$ 2,485,641	$ 4,174,766	$ 10,191,229	$ (3,769,134)
Debt service as a percentage of noncapital expenditures	7.7%	8.1%	9.5%	20.5%	10.2%

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

	2019	2018	2017	2016	2015
Revenues					
Taxes	$ 6,562,710	$ 5,771,994	$ 5,431,213	$ 5,239,485	$ 5,001,233
Licenses and permits	664,765	1,013,010	760,908	655,629	546,563
Intergovernmental	3,724,421	3,469,806	3,408,684	3,583,014	3,583,519
Fines and forfeitures	659,295	597,287	725,856	443,825	299,037
Charges for services	657,224	822,952	790,289	500,927	597,374
Interest income	80,668	46,813	19,814	9,548	5,588
Miscellaneous	75,229	78,866	124,489	89,062	50,233
Total revenues	12,424,312	11,800,728	11,261,253	10,521,490	10,083,547
Expenditures					
General government	1,329,154	993,843	909,670	883,035	803,433
Judicial	407,789	397,133	309,790	192,925	145,070
Public safety	2,773,223	2,884,070	3,258,480	3,314,595	2,930,581
Public works	2,271,940	1,763,655	2,423,869	2,632,913	2,137,294
Community development	1,158,873	511,885	903,150	725,680	719,860
Planning and zoning	341,543	294,944	-	-	-
Economic development	459,048	125,451	-	-	-
Culture and recreation	441,104	391,325	218,999	153,103	134,372
Capital outlay	1,539,687	2,468,369	1,400,596	1,798,729	1,811,370
Debt service					
Principal retirements	666,905	646,141	630,387	584,914	515,000
Interest and fiscal charges and cost of issuance	248,309	190,717	194,843	218,174	328,086
Total expenditures	11,637,575	10,667,533	10,249,784	10,504,068	9,525,066
Excess (deficiency) of revenues over expenditures	786,737	1,133,195	1,011,469	17,422	558,481
Other financing sources (uses)					
Issuance of long-term debt	-	4,200,000	-	257,664	3,335,000
Proceeds from sale of capital assets	9,763	1,738	-	17,249	152,388
Payment to refunding bond escrow agent	-	-	-	-	(3,259,154)
Transfers in	2,193,180	2,037,261	2,390,496	1,509,412	1,767,220
Transfers out	(2,259,770)	(2,032,532)	(1,390,496)	(1,509,412)	(1,767,220)
Total other financing sources (uses)	(56,827)	4,206,467	1,000,000	274,913	228,234
Net change in fund balances	$ 729,910	$ 5,339,662	$ 2,011,469	$ 292,335	$ 786,715
Debt service as a percentage of noncapital expenditures	9.1%	10.2%	9.3%	9.2%	10.9%

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
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%
2021	436,065,588	113,877,536	6,182,058	11,230,716	83,579,629	483,776,269	9.500	1,209,440,673	40.00%
2022	477,859,959	120,793,706	6,588,669	10,242,875	112,116,839	503,368,370	9.500	1,258,420,925	40.00%
2023	589,561,722	129,593,123	7,451,651	10,261,979	164,994,983	571,873,492	9.500	1,429,683,730	40.00%
2024	772,419,412	164,553,875	7,886,593	11,064,371	231,304,920	724,619,331	9.500	1,811,548,328	40.00%

Source: Georgia Department of Revenue - Local Government Services - 2023 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 [2]	Overlapping Rates			Total Direct and Overlapping Rates
		County	School District	State	
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
2021	9.500	11.450	18.900	-	39.850
2022	9.500	11.450	18.900	-	39.850
2023	9.500	11.450	18.900	-	39.850
2024	9.500	11.450	18.700	-	39.650

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.

[2] 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)

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
PS Senior Living	$ 12,360,544	1	2.161 %			
Powder Springs Abbington Trail, LP	4,513,320	2	0.789			
Powder Springs Macland Retail, LLC	4,460,000	3	0.780	$ 4,558,600	1	1.444 %
ESS Storage Acquisition Thirty Two	4,125,680	4	0.721			
HD Development of Maryland, Inc.	3,668,200	5	0.641			
Spring Valley, LLC	3,595,904	6	0.629			
US Business Park, LLC	2,891,080	7	0.506			
Gorman Construction, Inc.	2,826,727	8	0.494			
Home Depot USA, Inc.	2,767,272	9	0.484	3,486,496	2	1.105
Kroger Company	2,617,620	10	0.458	2,141,360	4	0.679
Foster W M				2,166,096	3	0.686
Weingarten Realty Investors				1,455,088	5	0.461
BW HVAC Real Estate Holdings				1,435,320	6	0.455
MM&A, LLC				1,258,560	7	0.399
McNeel Builders, Inc				942,800	8	0.299
Capview Income & Value Fund				935,060	9	0.296
First Citizens Bank & Trust				931,984	10	0.295
Total Principal Taxpayers	43,826,347		7.663	19,311,364		6.119
All Other Taxpayers	528,047,145		92.337	296,280,614		93.881
	$ 571,873,492		100.000 %	$ 315,591,978		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
2015	$ 2,478,657	$ 2,379,309	95.99 %	$ 90,167	$ 2,469,476	99.63 %
2016	2,883,038	2,682,434	93.04	189,799	2,872,233	99.63
2017	2,971,654	2,931,952	98.66	28,307	2,960,259	99.62
2018	3,219,772	3,156,740	98.04	59,462	3,216,202	99.89
2019	3,874,045	3,739,408	96.52	133,575	3,872,983	99.97
2020	4,080,494	3,882,758	95.15	180,559	4,063,317	99.58
2021	4,596,299	4,297,441	93.50	263,713	4,561,154	99.24
2022	4,704,403	4,567,218	97.08	135,865	4,703,083	99.97
2023	5,477,329	5,464,115	99.76	7,679	5,471,794	99.90
2024	6,782,404	6,772,339	99.85	-	6,772,339	99.85

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

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds (2)	Capital Leases	Intergovernmental Contracts	Loans Payable			
2015	$ 6,850,000	$ -	$ 55,251	$ 637,772	$ 7,543,023	2.08 %	$ 541.11
2016	6,290,000	232,750	-	574,328	7,097,078	1.96	509.12
2017	5,710,000	182,363	-	508,266	6,400,629	1.77	459.16
2018	9,315,000	131,222	-	439,568	9,885,790	2.73	656.78
2019	8,700,000	79,317	-	-	8,779,317	2.42	583.27
2020	8,004,000	26,636	-	-	8,030,636	2.21	533.53
2021	14,777,000 (3)	-	-	-	14,777,000	4.08	981.73
2022	14,638,490	-	-	-	14,638,490	2.92	866.85
2023	13,851,370	-	-	-	13,851,370	1.77	820.24
2024	13,037,040	-	-	-	13,037,040	1.76	687.97

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.

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

(3) City of Powder Springs paid off the 2014 Issue and combined it with two more bonds 2021A and 2021B totaling $9,225,000.

CITY OF POWDER SPRINGS, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Other debt			
Cobb County Revenue Bonds	$ 361,800,000	1.40%	$ 5,065,200
Cobb County Revenue Anticipation Certificates	4,195,000	1.40%	58,730
Subtotal overlapping debt	365,995,000		5,123,930
City debt			13,037,040
Total direct and overlapping debt			$ 18,160,970

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

	2015	2016	2017	2018	2019
Assessed value	$ 321,666,855	$ 345,907,103	$ 371,534,474	$ 398,625,119	$ 421,669,191
Legal Debt Margin					
Debt Limit (10% of assessed value)	32,166,686	34,590,710	37,153,447	39,862,512	42,166,919
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 32,166,686	$ 34,590,710	$ 37,153,447	$ 39,862,512	$ 42,166,919
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

	2020	2021	2022	2023	2024
Assessed value	$ 452,479,950	$ 483,776,269	$ 503,368,370	$ 571,873,492	$ 724,619,331
Legal Debt Margin					
Debt Limit (10% of assessed value)	45,247,995	48,377,627	50,336,837	57,187,349	72,461,933
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 45,247,995	$ 48,377,627	$ 50,336,837	$ 57,187,349	$ 72,461,933
As a percentage of debt limit	100%	100%	100%	100%	100%

CITY OF POWDER SPRINGS, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS
JUNE 30, 2024

Year	Population	Personal Income* (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate
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
2021	N/A	N/A	N/A	N/A	4.1
2022 (2)	16,887	501,257	29,683	38	2.5
2023 (2)	18,225	781,907	42,903	38	3.4
2024 (2)	18,950	740,528	39,078	40	4.5

Source: U.S. Census Bureau and the GA Department of Labor
(1) 2018 figures are estimates
(2) Provided by City of Powder Springs Economic Development Department
N/A - information is not readily available

CITY OF POWDER SPRINGS, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

	2024			2015		
Employer	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (1)	Rank	Percentage of Total City Employment
PS Operator, LLC (PS Center for Nursing & Healing)	224	1	5.6 %	247	1	8.0 %
Gorman Construction, Inc.	105	5	2.6			
Hussmann Services Corporation	103	6	2.6	185	2	6.0
Jim Luca Electrical Cont, Inc.	80	7	2.0			
Caldwell Insulation, Inc.	75	8	1.9			
Georgia Firestop, Inc.	48	9	1.2			
MCM Leasing, Inc.	45	10	1.1			
The Kroger Company	127	4	3.2	150	3	4.8
Publix Supermarkets	175	2	4.3	119	4	3.8
The Home Depot #6940	146	3	3.6	109	5	3.5
PS Transitional Care & Rehab				247	1	8.0
Powder Springs Elementary School (3)				104	6	3.4
Compton Elementary School (3)				100	7	3.2
Tapp Middle School (3)				95	8	3.1
City of Powder Springs (3)				94	9	3.0
Star Filing				74	10	2.4
Top ten total	1,128		28.0 %	1,524		49.2 %
Other employers (2)	2,899		72.0 %	1,569		50.8 %
Total employees (2)	4,027		100.0 %	3,093		100.0 %

Source: City Department of Economic Development

Notes:
1 - Full-time equivalent employees
2 - Other employees are those holding OTC/license, less private employers shown above.
3 - Entities that do not require a license are no longer considered for this schedule

CITY OF POWDER SPRINGS, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019
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	8.3	8.0	8.5	8.0	6.0
Municipal court	1.0	2.0	2.0	2.0	2.0
Total general administration	15.3	16.0	16.5	16.0	14.0
Health and welfare					
Senior center	0.5	0.5	0.5	-	-
Culture and recreation					
Parks and recreation	-	-	-	1.0	3.0
Senior center	-	-	-	1.0	1.0
Museum	0.5	0.5	0.5	1.0	1.0
Total culture and recreation	0.5	0.5	0.5	3.0	5.0
Housing and development					
Community development	3.0	4.0	5.0	5.0	5.0
Economic development	1.0	1.0	1.0	1.0	1.0
Code enforcement	-	-	2.0	2.0	2.0
Total housing and development	4.0	5.0	8.0	8.0	8.0
Public safety					
Police	30.0	32.0	34.0	33.5	32.5
Public works					
Buildings and maintenance	-	-	-	2.0	2.5
Fleet maintenance	-	-	-	2.0	2.5
Streets	3.0	3.0	3.0	1.0	2.0
Total public works	3.0	3.0	3.0	5.0	7.0
Water and sewer					
Water	11.7	13.0	13.0	12.0	7.0
Sewer	6.0	5.0	5.0	5.0	5.0
Total water and sewer	17.7	18.0	18.0	17.0	12.0
Sanitation	8.0	8.0	10.0	9.0	8.0
Stormwater	1.0	1.0	1.0	1.0	2.0
Total	80.0	84.0	91.5	92.5	88.5

Source: City Finance Office

CITY OF POWDER SPRINGS, GEORGIA

FULL TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2020	2021	2022	2023	2024
General administration					
Council	5.0	5.0	5.0	5.0	5.0
Mayor	1.5	1.5	1.5	1.5	1.5
Elections	-	-	-	-	-
Administration	10.0	13.0	13.0	12.8	12.8
Information technology	-	-	-	1.0	1.0
Municipal court	2.0	2.0	2.0	2.0	2.0
Total general administration	18.5	21.5	21.5	22.3	22.3
Health and welfare					
Senior center	-	-	-	-	-
Culture and recreation					
Parks and recreation	3.0	3.0	3.0	5.0	4.0
Senior center	1.0	0.5	0.5	0.5	0.5
Museum	0.5	0.5	0.5	0.5	0.5
Total culture and recreation	4.5	4.0	4.0	6.0	5.0
Housing and development					
Community development	5.0	5.0	5.0	5.0	5.0
Economic development	2.0	2.0	2.0	1.0	1.0
Code enforcement	2.0	2.0	2.0	-	-
Total housing and development	9.0	9.0	9.0	6.0	6.0
Public safety					
Police	34.0	32.5	33.5	31.0	34.0
Public works					
Buildings and maintenance	2.0	2.0	2.0	2.0	2.0
Fleet maintenance	2.0	1.0	1.0	1.0	-
Streets	6.0	5.0	5.0	4.0	4.8
Total public works	10.0	8.0	8.0	7.0	6.8
Water and sewer					
Water	-	-	-	-	-
Sewer	-	-	-	-	-
Total water and sewer	-	-	-	-	-
Sanitation	9.0	9.0	11.0	11.0	11.5
Stormwater	2.0	2.0	2.0	3.0	2.0
Total	87.0	86.0	89.0	86.3	87.6

CITY OF POWDER SPRINGS, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
Building permits issued	372	396	403	498	407	297	400	497	450	535
Police										
Physical arrests	423	756	832	492	928	562	492	476	480	688
Citations issued	3,432	5,927	5,858	5,342	5,210	3,561	3,416	3,167	3,536	6,202
Refuse collection										
Refuse collected (tons per day)	23.95	24.81	25.58	27.78	29.16	28.50	31.75	26.68 (1)	26.00 (1)	22.00

(1) Does not include recycling. Numbers not readily available due to termination of contract.

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	21	28	43	43	43	34	27	27	30	31
Refuse collection										
Collection trucks	3	3	4	4	4	4	5	5	5	5
Streets (miles)	87	87	88	88	94	94	94	94	94	78
Streetlights	2,112	2,112	2,144	2,144	2,240	2,240	1,982 (1)	1,982	1,982	2,199
Water										
Water mains (miles)	70	153	153	153	153	-	-	-	-	-
Wastewater										
Sanitary sewers (miles)	70	82	82	82	82	-	-	-	-	-

(1) Some street lights were included in the assets sold to Cobb County with the Water and Sewer System in 2019.

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

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, 2024 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 26, 2024. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*.

Report on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 *Government 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 26, 2024

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Powder Springs, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 26, 2024

CITY OF POWDER SPRINGS, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through or Grantor Number	Total Expenditures
U.S. Department Of Housing and Urban Development			
Passed Through Cobb County, Georgia			
Entitlement Grants Cluster			
Community Development Block Grants	14.218	CD21-C21C8	$ 151,797
Total Entitlement Grants Cluster			151,797
U.S. Department of the Treasury			
Passed Through The Georgia Governor's Office of Planning and Budget			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	14850	2,895,214
U.S. DEPARTMENT OF JUSTICE			
Public Safety Partnership and Community Policing Grants	16.710	O-COPS-2023-171564	275,853
Total Federal Expenditures			$ 3,322,864

Notes to the Schedule of Expenditures of Federal Awards

The City did not provide Federal Assistance to any Subrecipient.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Award*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

The City did not utilize the 10% deminimus indirect cost rate permitted by the Uniform Guidance.

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements 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

Internal control over major program:		
Material weaknesses identified?	____ yes	X no
Significant deficiencies identified?	____ yes	X none reported
Type of auditor's report issued on compliance for major program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ yes	X no

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs	$750,000	
Auditee qualified as low-risk auditee?	____ yes	X no

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

2023-001 Revenue Recognition

***Condition*:** Internal controls were not sufficient to detect certain misstatements in the reporting of intergovernmental revenue and unearned revenue for the American Rescue Plan Act ("ARPA") Fund.

***Status*:** Resolved.