

CITY OF CARTERSVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

Prepared by:
Thomas C. Rhinehart, Finance Director

CITY OF CARTERSVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

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INTRODUCTORY SECTION



City of Cartersville

March 11, 2022

To the Honorable Mayor, Members of the City Council
And Citizens of the City of Cartersville

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Cartersville, Georgia, for the fiscal year ended June 30, 2021. The financial statements and related notes have been audited by Mauldin and Jenkins, LLC, a firm of licensed certified public accountants whose report is included herein. This audit satisfies Article IV, Section 4.09 of the City Charter, which requires an annual audit of all accounts of the City by an independent Certified Public Accountant. The report was prepared by the Finance Department and in close cooperation with the external auditors. It represents the official report of the City's financial operations and condition to the citizens, City Council, City management, rating agencies, and other interested persons.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material respects and are presented in a manner which fairly sets forth the financial position and results of operations of the City on a government-wide and fund basis. Furthermore, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

Cartersville, the county seat of Bartow County, was incorporated on February 1, 1850 and operates under a revised charter adopted March 28, 1974. The City is located approximately 42 miles northwest of Atlanta and has an incorporated area of approximately twenty-one square miles. Highways serving the City are U.S. 41 and 411, State Highways 20, 61, 113, and 293, and Interstate 75. The City has an excellent climate with average annual rainfall of 54 inches and average annual temperature of 79.4° Fahrenheit high and 42.7° Fahrenheit low. Average humidity is 69.6 percent.

The City is governed by a Mayor and a City Council comprised of seven members. The Mayor is elected citywide every two years for a two-year term. Council members are elected from each of the six wards of the City. Council members are elected for four-year terms, three council members every two years. In 1918 the City adopted the City Manager form of government and was the first city in the state to do so. The City Manager is appointed by the Mayor and Council.



"Providing dependable service while preserving an exceptional quality of life."

P.O. Box 1390 • One North Erwin Street • Cartersville, Georgia 30120
Telephone: 770-387-5616 • Fax: 770-386-5841 • www.cityofcartersville.org



The Reporting Entity

The accompanying ACFR includes all governmental activities, organizations, and functions for which the City is financially accountable. The criteria considered in determining the activities to be reported within the City's financial statements include: 1) whether an organization is part of the City's legal entity, or 2) whether the City appoints the voting majority of the organization's governing body, and either a) the City is able to impose its will on the organization, or b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. In addition, an organization may be fiscally dependent on the City and also included in its reporting entity. These criteria are based upon, and are consistent with, those set forth in the Codification of Governmental Accounting Standards, Section 2100, "Defining the Financial Reporting Entity".

The City provides a full range of municipal government and utility services. Included in these services are traditional city functions such as police and fire protection, highway and street maintenance, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the City has several enterprise operations including electric, gas, sanitation, water and sewer, stormwater and fiber optic services. These services are enjoyed by the citizens and visitors of the City. Furthermore, the City exercises fiduciary responsibility for the Cartersville Pension Fund, which exists to exclusively serve or benefit the City's employees, retirees, and their beneficiaries and is included in the City's reporting entity.

Other legally separate entities, known as component units, are also included in the City's reporting entity based on the criteria discussed above:

City School Board - independent K – 12th grade school system that serves children inside the City of Cartersville and other students from outside the school district who pay a tuition fee.

Cartersville Building Authority – created in May 2003 to issue debt for City construction projects.

Related organizations not included as part of the reporting entity are the Etowah Area Consolidated Housing Authority, which provides low-income housing to City residents, the Cartersville Development Authority and the Development Authority of Cartersville, both of which promote development of industrial and manufacturing activities. The Joint Cartersville-Bartow County Regional Industrial Development Authority and the Second Joint Cartersville-Bartow County Regional Industrial Development were created to promote development of industrial and manufacturing activities in Cartersville and Bartow County. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for these organizations. Therefore, these entities were not included in the City's financial reports. The Cartersville-Bartow County Airport Authority was created to oversee the operation of the public use airport. It is also not included in the City's financial report as the City is not financially accountable for the authority.

Local Economy

The City of Cartersville continues to remain in good financial condition, as is demonstrated by the financial statements and schedules included in this report. The net digest of taxable property for fiscal year 2021 increased by 14.7% over the 2020 valuation, resulting in total taxable assessed value increasing by \$160.8 million. The business environment outlook for Cartersville continues to be favorable as industries and other businesses continue to look at relocating to Cartersville. Fiscal year 2021 saw several businesses complete their construction and open their doors: Tru by Hilton (hotel) and the Family Savings Credit Union (second location). Along with these new openings there are a number of new construction projects slated to be completed during fiscal year 2021. The new construction projects include: Cartersville High School expansion (additional class rooms, field house, and stadium renovations); Chipotle Restaurant (Mexican restaurant); Storage Key expansion (additional self-storage units); Anheuser Busch building expansion; and Main Street Dental (dental office). These new industries and businesses will bring in customers and jobs to Cartersville, and help grow the sales tax base and utility revenue.

..

As the Council was considering the adoption of the fiscal year 2021 budget, the City prepared for minimal growth in the local sales tax base. With this in mind, department heads were instructed to take a conservative approach at revenue and expenditure projections. As shown in the annual financial report, City management and staff continued to find ways to keep expenses to a minimum while still continuing to provide quality services and to meet the needs of our citizens.

The economy continues to impact the unemployment rate for Cartersville as Bartow County's unemployment rate decreased by 7.3% to 2.8% as of June 2021 from the prior year. The COVID-19 pandemic played a large part in the overall decrease in the unemployment in the City as some employers reopened their doors for business. Although the decrease in unemployment is a sign of economic stability, the City has a diversified economic base which supports several nationally known companies, including Anheuser-Busch, brewery plant; Shaw Industries, carpet manufacturer; Toyo Tire Company, tire manufacturer; as well as other smaller commercial and industrial companies which has allowed the City to remain stable. The diversified economic base and continued growth in restaurants, retail operations, and lodging facilities allows Cartersville to survive even during the tough economic times. The City saw a slight increase in local option sales tax collections compared to the prior fiscal year and property tax and utility collections are expected to remain relatively consistent with prior years.

Some of the reasons that these enterprises chose Cartersville as a local or regional business center includes: the City's strategic Southeast location, convenience to local and national highways, rail and air transportation, city owned utilities at low rates, abundant labor, educational and cultural resources, and overall quality of life.

Long-term Financial Planning

As detailed within the following financial statements, the unassigned fund balance in the general fund is approximately \$5.4 million at year end or 27.5% of total city-related general fund revenues of \$19.5 million. The current total governmental funds balance has increased over last year by approximately \$5.9 million and is still below guidelines set by the Council for budgetary and planning purposes. City management continues to emphasize the importance of a strong financial position and intends to improve the unassigned fund balance in the general fund by maintaining a balanced budget, and reviewing revenues and expenditures monthly to ensure that city departments are operating in an efficient manner.

A significant part of the long-term financial planning process for the City includes laying the foundation for the City both short-term and long-term. In order to build for the future of the City, the City Council, City Manager and staff have an annual retreat to plan for and address the short-term and long-term needs of our citizens. Economic development is one area that City Council and management have placed a strong emphasis on. Several years ago, the City partnered with Bartow County to create and share funding for a Joint Development Authority and a Second Joint Development Authority. Both of these Authorities have helped to bring new jobs to the area and are continuing to develop the industrial park for industries to locate in. The annual funding required by the city for the Joint Development Authorities and industrial park development is zero and has been funded through the use of Special Local Option Sales Tax revenue sources. The long-term benefits of these Authorities to the city will be more jobs for local residents, increased property and sales taxes, and additional utility revenues.

Cartersville's strengths continue to be the ones that led to growth in the past: local ownership of electric, gas, water and sewer, solid waste, stormwater, and fiber optic services; a highly capable and educated workforce; strong community involvement; and a superior quality of life.

FINANCIAL INFORMATION

Accounting Systems and Budgetary Control

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

Transactions are executed in accordance with management's general or specific authorization.

Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.

Access to assets is permitted only in accordance with management's authorization.

The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The City's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance recognizes that the cost of a control should not exceed the expected benefit.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

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 activity (department) level. The City Manager and all department heads are provided with monthly budget reports showing appropriations, expenditures to date, remaining balances and percentages. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

Single Audit

As a recipient of federal and state financial assistance, the City may be required to undergo an annual single audit. The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

In fiscal year 2021, the City did meet the federal spending threshold of \$750,000. Therefore, an audit in accordance with the Uniform Guidance, 2CFR Part 200 was required to be conducted in fiscal year 2021.

Pension Trust Fund

The Pension Trust Fund is used to account for assets held by the City in a trustee capacity, contributions from employees and the City's operating funds, investment earnings and benefit payments to retired City personnel. The City is responsible for funding liabilities of the plan based upon actuarial valuations. At June 30, 2021, the City's pension plans had a net position of approximately \$68.5 million. In order to obtain the highest possible yield on pension assets, substantially all of the assets are managed with a private investment company. Further details concerning pension expenses, vested benefits, and actuarial assumptions are included in the Notes to the Financial Statements.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Mauldin and Jenkins, LLC was selected by the City Council. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the last section of this report.

Awards

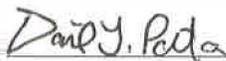
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville for its annual comprehensive financial report for the year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

We wish to take this opportunity to thank the Mayor and Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report on a timely basis could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation.

Respectfully submitted,



Daniel T. Porta
City Manager



Thomas C. Rhinehart
Finance Director

City of Cartersville, Georgia
List of Elected and Appointed Officials
June 30, 2021

Mayor

Matt Santini

City Council

Kari Hodge
Jayce Stepp
Cary Roth
Calvin Cooley
Gary Fox
Taff Wren

City Administration

Daniel T. Porta
City Manager

Freddy Morgan
Assistant City Manager

Harry White
David G. Archer
Randy Mannino
Thomas C. Rhinehart
Julia Drake
Samantha Fincher
Scott Carter
Frank L McCann
Tommy Sanders
Tom Gilliam
Sidney Forsyth
Michael Dickson
Derek Hampton
Bill Trott
Steven Grier

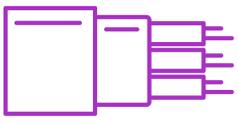
City Judge
City Attorney
Planning & Development Director
Finance Director
City Clerk
Deputy City Clerk
Fire Chief
Police Chief
Public Works Director
Recreation Director
Water & Sewer Superintendent
Gas Superintendent
Electric Superintendent
Garage Superintendent
Fiber Manager

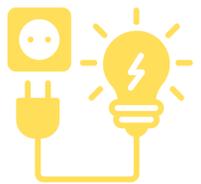
CITY OF CARTERSVILLE GOVERNMENT

CITIZENS

MAYOR & CITY COUNCIL


ASSISTANT
CITY MANAGER


FIBERCOM


ELECTRIC

CITY MANAGER


GAS



PUBLIC
WORKS

WATER &
SEWER


ADMIN

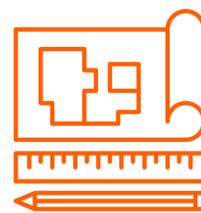


PARKS &
RECREATION

POLICE

FIRE


HUMAN
RESOURCES



PLANNING &
DEVELOPMENT

SOLID WASTE
RECYCLING

DISTRIBUTIONS
& COLLECTIONS

SPLOST

GARAGE

AIRPORT

DDA

CUSTOMER
SERVICE

UTILITY
BILLING

MUNICIPAL
COURT

STORMWATER

WATER
TREATMENT

STREETS
MAINTENANCE
GROUNDS

WATER
POLLUTION
CONTROL

CITY
CLERK



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cartersville
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
Of City Council
City of Cartersville, Georgia**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Cartersville, Georgia (the "City")** as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cartersville, Georgia as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan, Schedule of City Contributions – Retirement Plan, Schedule of Pension Investment Returns – Retirement Plan, Schedule of Changes in Net Pension Liability and Related Ratios – 2017 Retirement Plan, Schedule of City Contributions – 2017 Retirement Plan, Schedule of Pension Investment Returns – 2017 Retirement Plan and Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cartersville, Georgia's basic financial statements. The combining and individual fund statements and schedules and the schedule of expenditures of special purpose local option 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, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the City of Cartersville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Cartersville, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Cartersville, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 11, 2022

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Management's Discussion and Analysis

This section of the City of Cartersville's annual financial report is designed to provide the reader a better understanding of the City's financial activity for the fiscal year that ended June 30, 2021. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

Financial Highlights

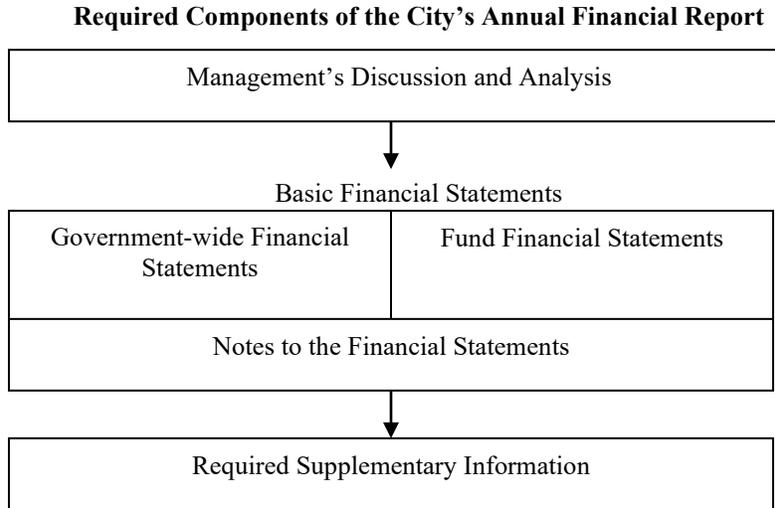
- The City's total net position decreased by approximately \$38.9 million, or 11.9% during fiscal year 2021 to \$288.4 million. The net position for governmental activities decreased by \$52.4 million, or 73.0% from the previous year and business-type net position increased by \$13.5 million, or 5.3% from the previous year.
- Unrestricted net position consists of approximately \$74.1 million, or a 25.7% of the City's total net position. Unrestricted net position for governmental activities is (\$24.4) million, or negative 126.1% of total net position for governmental activities; unrestricted net position for business activities is \$98.5 million, or 36.6% of total net position for business-type activities. Unrestricted net position are City funds that may be used to meet the City's future obligations.
- Total revenues for governmental activities, excluding transfers, increased by \$8.1 million, or 30.0% more than fiscal year 2020 due to the receipt of CARES funding. Governmental expenses, excluding transfers, increased \$59.9 million or 158.0% more than the previous fiscal year due to the issuance of bonds for City of Cartersville Board of Education. Expenses exceeded revenues, excluding transfers from utilities and special items, by \$62.7 million.
- The business-type activities, excluding transfers, generated revenues that were \$1.0 million or 1.0% more than the previous fiscal year. Expenses, excluding transfers, increased \$3.6 million or 5.0% more than last year. Excluding transfers, revenues were \$23.8 million more than expenses.
- In fiscal year 2021, the ending total fund balance for the General Fund, which is the City's primary operating fund, increased by \$2.8 million, or 42.0%, to \$9.6 million.
- The principal balance on the City's outstanding bonds (Note 6) increased by \$51.9 million for governmental activities. The principal balance on the outstanding bonds for business-type activities decreased by \$1.7 million.
- The total fair value of the City's pooled investments and cash, excluding fiduciary funds (Note 3) at June 30, 2021 was \$167.3 million.
- The capital assets, net of accumulated depreciation, (Note 5) of the City at the end of the 2021 fiscal year totaled approximately \$311.4 million.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

An Overview of the Financial Statements

The following graph is provided to assist in understanding the component parts.



The focus of the financial statements is on both the City's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position combines, for the first time, all of the City's current financial resources with capital assets and long-term obligations. Net position, the difference between the City's assets and deferred outflows and liabilities and deferred inflows, are one way to measure the City's financial health.

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities** – These include the basic services provided by the City including police, fire, parks and recreation, public works, planning and development and general administration. Property, sales, and other taxes finance the majority of these activities.
- **Business-type activities** – These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These include electric, fiber optic, gas, solid waste collection, stormwater management and water and sewer services.
- **Component units** – Included in the component units for the City is the City of Cartersville Board of Education (discretely presented) and the Cartersville Building Authority (blended). Although these organizations are separate legal entities, the City is financially accountable for them. The Etowah Area Consolidated Housing Authority, the Cartersville Development Authority, the Development Authority of Cartersville, the Joint Cartersville-Bartow County Regional Industrial Development Authority, and the Cartersville-Bartow County Airport Authority are related organizations, however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for these organizations.

Governmental activities and business-type activities are consolidated and add to the total for the primary government.

CITY OF CARTERSVILLE, GEORGIA

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City’s major funds rather than the City as a whole. 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 has three types of funds as described in the chart below.

Fund Financial Statements

	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Includes the City’s basic services such as police, fire, traffic control, cultural activities, and parks	Services provided by the City that are operated similar to private businesses and for which the City charges a fee	Funds for which the City is the trustee or agent for someone else’s resources
Examples	Police, fire, planning and development, street maintenance, parks and recreational activities	Electric, Solid Waste, Gas, Fiber, Stormwater, Water and Sewer and Risk Management	City’s retirement funds – pension, 457 plan
Required financial statements	<ul style="list-style-type: none"> - Balance Sheet - Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> - Statement of net position - Statement of revenues, expenses, and changes in fund net position - Statement of cash flows 	<ul style="list-style-type: none"> - Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term; capital assets, if any, are included
Type of inflow/outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior year. The City's net position decreased by approximately \$38.9 million in fiscal year 2021. The net position of the governmental activities of the City decreased by approximately \$52.5 million while the business-type activities increased by approximately \$13.6 million. Almost all of the increase in the net position of the business-type activities came from the major City utility operations, as water and sewer utility increased by approximately \$8.1 million, electric increased by approximately \$1.3 million, and gas increased by approximately \$3.7 million. The City's total assets and deferred outflows increased by \$21.6 million to approximately \$508.2 million. Of the City's \$288.4 million in net position, approximately \$203.8 million is net investment in capital assets. For more detailed information, see the Statement of Net Position on page 18 of the financial statements and the notes to the financial statements.

**Table 1
Statement of Net Position
As of June 30
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 29.4	\$ 16.8	\$ 160.9	\$ 165.6	\$ 190.3	\$ 182.4
Capital assets	<u>104.2</u>	<u>104.4</u>	<u>207.2</u>	<u>192.3</u>	<u>311.4</u>	<u>296.7</u>
Total Assets	133.6	121.2	368.1	357.9	501.7	479.1
Deferred Outflows of Resources	<u>4.1</u>	<u>4.8</u>	<u>2.4</u>	<u>2.7</u>	<u>6.5</u>	<u>7.5</u>
Total assets and deferred outflows of resources	<u>\$ 137.7</u>	<u>\$ 126.0</u>	<u>\$ 370.5</u>	<u>\$ 360.6</u>	<u>\$ 508.2</u>	<u>\$ 486.6</u>
Liabilities:						
Current and other liabilities	10.8	3.8	14.2	15.4	25.0	19.2
Long-term debt outstanding	<u>101.9</u>	<u>48.5</u>	<u>84.5</u>	<u>89.4</u>	<u>186.4</u>	<u>137.9</u>
Total Liabilities	112.7	52.3	98.7	104.8	211.4	157.1
Deferred Inflows of Resources	<u>5.7</u>	<u>1.9</u>	<u>2.7</u>	<u>0.3</u>	<u>8.4</u>	<u>2.2</u>
Net Position:						
Net investment in capital assets	36.7	96.3	167.1	150.0	203.8	246.3
Restricted	7.0	4.1	3.5	3.5	10.5	7.6
Unrestricted	<u>(24.4)</u>	<u>(28.6)</u>	<u>98.5</u>	<u>102.0</u>	<u>74.1</u>	<u>73.4</u>
Total Net Position	<u>19.3</u>	<u>71.8</u>	<u>269.1</u>	<u>255.5</u>	<u>288.4</u>	<u>327.3</u>
Total liabilities, deferred inflows and net position	<u>\$ 137.7</u>	<u>\$ 126.0</u>	<u>\$ 370.5</u>	<u>\$ 360.6</u>	<u>\$ 508.2</u>	<u>\$ 486.6</u>

CHANGES IN NET POSITION

The City's total revenues before transfers increased by \$9.2 million (7.0%) in the 2021 fiscal year compared to the previous year. Expenses before transfers increased by \$63.5 million during the same period. The increase in governmental activities revenue is attributed largely to an increase in grants and contributions. The large increase in expenses is attributable to the issues of bonds for the City of Cartersville Board of Education. The overall increase in revenues of the major business-type activities came from the water/sewer and gas funds. The next chart shows revenues and expenses by sources and programs and the resulting change in net position.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

Table 2
Changes in Net Position
(in millions)

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for services	\$ 2.0	\$ 2.1	\$ 102.6	\$ 98.7	\$ 104.6	\$ 100.8
Operating grants and contributions	1.8	0.7	-	-	1.8	0.7
Capital grants and contributions	15.3	8.7	-	-	15.3	8.7
General revenues						
Property taxes	6.0	5.6	-	-	6.0	5.6
Local option sales tax	4.7	4.4	-	-	4.7	4.4
Other taxes	4.7	4.3	-	-	4.7	4.3
Investment income	0.2	0.4	0.2	2.9	0.4	3.3
Other general revenues	0.5	0.9	-	0.1	0.5	1.0
Total Revenues	<u>35.2</u>	<u>27.1</u>	<u>102.8</u>	<u>101.7</u>	<u>138.0</u>	<u>128.8</u>
Expenses						
General government	73.1	10.9	-	-	73.1	10.9
Public safety	13.4	14.2	-	-	13.4	14.2
Judicial	0.2	0.6	-	-	0.2	0.6
Culture and recreation	4.4	4.9	-	-	4.4	4.9
Public works	4.9	5.0	-	-	4.9	5.0
Planning and development	1.1	2.0	-	-	1.1	2.0
Interest on long-term debt	0.8	0.4	-	-	0.8	0.4
Water and sewer	-	-	12.6	13.3	12.6	13.3
Electric	-	-	42.6	40.6	42.6	40.6
Gas	-	-	18.2	15.9	18.2	15.9
Other business-type activities	-	-	5.6	5.6	5.6	5.6
Total Expenses	<u>97.9</u>	<u>38.0</u>	<u>79.0</u>	<u>75.4</u>	<u>176.9</u>	<u>113.4</u>
Excess (deficiency) before transfers	(62.7)	(10.9)	23.8	26.3	(38.9)	15.4
Transfers	<u>10.3</u>	<u>8.9</u>	<u>(10.3)</u>	<u>(8.9)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(52.4)	(2.0)	13.5	17.4	(38.9)	15.4
Net Position - Beginning	<u>71.7</u>	<u>73.7</u>	<u>255.6</u>	<u>238.2</u>	<u>327.3</u>	<u>311.9</u>
Net Position - Ending	<u>\$ 19.3</u>	<u>\$ 71.7</u>	<u>\$ 269.1</u>	<u>\$ 255.6</u>	<u>\$ 288.4</u>	<u>\$ 327.3</u>

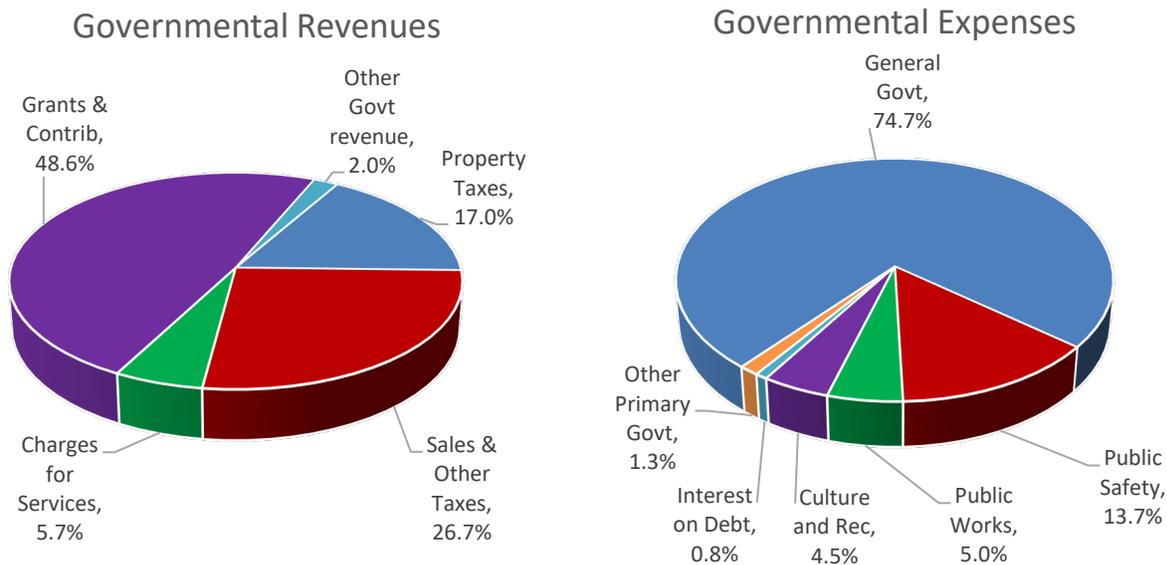
CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

GOVERNMENTAL ACTIVITIES

The cost of all governmental activities in fiscal year 2021 was \$97.9 million, while revenues received were \$35.2 million. After transfers and special items, the decrease in net position was \$52.4 million. See page 19 of the financial statements for the net cost (total cost less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's Governmental Revenues and Expenses.

**Table 3 – Governmental Activities
Fiscal Year 2021**



Revenue Impacts:

- Property taxes, which provided 17.0% of governmental general revenues, increased by approximately \$448,523 (8.1%) over the previous fiscal year. In addition to the City School System millage rate of 14.576, the City assessed 2.910 mills for fiscal year 2021, which generated \$3.5 million in property tax revenue for general operations and capital additions and related expenses. In addition to the maintenance and operation taxes, the City also levied an additional 0.969 mills for the General Obligation Parks and Recreation Bond payment. The additional tax levy generated \$923,000 to be used for debt service and was voted by the citizens and will continue for the next six years. The original bond issued in fiscal year 2014 was used for parks and recreation renovations and improvements.
- Local option sales tax collections increased by \$0.3 million. Local option sales taxes used for general operating purposes amounted to \$4.7 million, while the special local option sales tax (SPLOST) used for road improvements and other areas approved by the voters and classified as intergovernmental revenue amounted to \$2.7 million.

Expense Impacts:

- General government expenses increased by \$62.2 million largely due to bond proceeds of \$60.4 million being paid to the Cartersville School System for capital improvements, an increase in debt service interest of \$.4 million and airport grant expenses of \$2.41 million, with an offsetting reduction in personnel and benefit expenses.
- Culture and recreation expenses decreased \$0.5 million due to decreases in maintenance and supplies expense and personnel and benefit expenses.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

BUSINESS-TYPE ACTIVITIES

**Table 4
Business-type Activities
(in millions)**

	Program Revenues		Program Expenses		Excess (deficiency) Before Transfers, Special Items and Investment Earnings	
	2021	2020	2021	2020	2021	2020
Water and Sewer	\$ 23.5	\$ 23.1	\$ 12.6	\$ 13.3	\$ 10.9	\$ 9.8
Electric	46.9	48.9	42.6	40.6	4.3	8.3
Gas	25.3	22.9	18.2	16.0	7.1	6.9
Stormwater	1.5	1.5	1.4	1.3	0.1	0.2
Solid Waste	3.0	2.9	2.2	2.4	0.8	0.5
Fiber Optics	2.4	2.4	2.0	1.8	0.4	0.6
Total	<u>\$ 102.6</u>	<u>\$ 101.7</u>	<u>\$ 79.0</u>	<u>\$ 75.4</u>	<u>\$ 23.6</u>	<u>\$ 26.3</u>

Revenues for business-type activities for the fiscal year 2021 were \$102.6 million, a \$0.9 million increase compared to the prior year. Expenses were \$79.0 million, an increase of \$3.6 million from the prior year. There was excess before transfers and investment earnings of \$23.8 million in 2021 compared to \$26.3 million in 2020. Activities for individual funds are summarized below:

- Water & Sewer program revenues increased by \$.4 million to end the year at \$23.5 million. Program expenses decreased by \$.7 million. The increase in revenue reflects an increase in water and sewer service rates and collection of capacity and tap fees. Program expenses decreased in part due to a reduction in personnel costs.
- Electric program revenues decreased by \$2.0 million from the prior year due to decreased demand. Program expenses increased by \$2.0 million due to the increased cost in purchased electricity, personnel cost and operating and maintenance expenses.
- Gas program revenues increased by \$2.4 million due to increased usage and rates. Program expenses increased by \$2.2 million. The increase in program expenses was due to increased consumption and cost of natural gas purchased.
- Stormwater revenues remained the same as the prior year. Program expenses for 2021 increased \$.1 million due to increased personnel and operating costs.
- Solid Waste program revenues increased by \$0.1 million, while expenses decreased by \$0.3 million.
- Fiber Optics program revenues remained the same as the previous year. Program expenses increased \$.2 million due to increased personnel cost.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

The City's Funds

Table 5
Financial Analysis of the City's Funds
(in millions)

Fund	Fund Balance 6-30-20	Sources	Uses	Sources Over (Under) Uses	Fund Balance 6-30-21
General Fund	\$ 6.8	\$ 91.1	\$ 88.3	\$ 2.8	\$ 9.6
Other Governmental Funds	<u>3.4</u>	<u>12.8</u>	<u>9.7</u>	<u>3.1</u>	<u>6.5</u>
Totals	<u>\$ 10.2</u>	<u>\$ 103.9</u>	<u>\$ 98.0</u>	<u>\$ 5.9</u>	<u>\$ 16.1</u>

At June 30, 2021, the governmental funds reported a combined fund balance of \$16.1 million (see Statement on page 21), which is an approximately \$5.9 million increase from the previous year-end.

General Fund:

The General Fund had a \$2.8 million increase to end the fiscal year at \$9.6 million. The primary reasons for the increase are highlighted in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances on page 23. The primary factors in the net change in fund balances include:

- Increased TAVT and Intangible tax collections
- CARES act funding
- Net decrease in transfers.

Grants Fund:

The grant fund had an increase in fund balance of \$54 thousand to end the fiscal year at \$506. The primary factors in the net change in fund balance include:

- Intergovernmental revenue in the form of grants totaling \$7,347,932: Airport projects \$7,221,927 and Grassdale Road sidewalk project \$126,005.
- Airport improvement expenditures \$7,126,355
- Grassdale Road sidewalk expenditures \$136,200

Other Governmental Funds:

Other Governmental Funds are made up of various special revenue funds of the City. These funds had a \$3.1 million increase in their fund balance to end the fiscal year at \$6.5 million. The primary factors in the increase in the fund balance is:

- Revenues being received for the 2020 SPLOST referendum in the amount of approximately \$3.8 million with expenditures in the amount of approximately \$0.6 million.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

The Capital Projects Fund was originally established in November 1996 when voters approved a referendum for the implementation of a one percent special purpose local option sales tax on all transactions subject to the State sales tax. The sales and use tax would be imposed for a period of years or until sufficient funds were collected as stated in the referendum. In November 2003 and November 2007 voters approved the continuation of this special purpose local option sales tax (SPLOST) to help fund various road and street improvements, infrastructure upgrades, GIS mapping, library expansion, and public safety needs. In November 2011, the voters approved the continuation of the SPLOST to fund the debt retirement of the industrial park, renovations to the Dellinger Park pool, automatic read utility metering system, and various other GIS mapping and road and street improvements. Program revenues for fiscal year 2020-21 increased \$0.8 million, while expenses decreased by \$0.4 million over the prior year. The primary factors in the \$3.3 million increase in the fund balance include:

- Tax revenue from the 2003 SPLOST referendum is no longer collected; therefore, all project expenditures are paid for out of the existing fund balance. There was continued spending on an existing road project and no new projects were started in the fiscal year. Tax revenue from the SPLOST 2014 referendum is also no longer collected, and, therefore, all projects are paid for using the existing fund balance. The SPLOST 2014 was used to complete construction of a new fire station #3 and for street and road resurfacing, stormwater improvements and water and sewer improvements. Tax revenues from the SPLOST 2020 referendum increased \$2.1 million over the fiscal year 2021 revenue. SPLOST 2020 was used to purchase computer equipment, replace minor equipment, construction of the downtown quiet zone at the downtown railroad crossings, and the prepayment of a new ladder truck.

GENERAL FUND BUDGETARY HIGHLIGHTS

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page 24 of the financial statements.

The City's original budget approved by the City Council in June 2020 appropriated \$27.4 million for general fund expenditures. The original budget was amended during the fiscal year by approximately \$65.0 million to approximately \$92.2 million to account for increases in some revenue areas and the issuance of the city school system general obligation bond proceeds. Actual expenditures for the fiscal year were \$88.2 million or \$60.8 million more than the original approved budget.

ORIGINAL BUDGET TO ACTUAL COMPARISON

Revenues

The original revenue budget including transfers and financed purchases was \$26.3 million and was amended during the fiscal year to \$92.2 million to account for increased revenue areas and the issuance of the city school general obligation bond proceeds. The following changes were made to the budgeted revenues of the general fund: city property taxes collections increased by \$607,000 million; building permit and inspection fees decreased \$39,000; Local Option Sales Tax increased \$1.117 million; insurance premium taxes increased \$239,000; beverage taxes increased \$31,000; nosiness license fees increased \$36,000; recreation fees increased \$416,000, and new utility service connection fees decreased \$45,000.

Expenditures

The original expenditures budget was approved in June 2020 at \$27.4 million and was amended during the fiscal year to account for some increases in expenditure areas and also to keep the revenues equaling expenditures. Changes to appropriations between functions occurred in the following areas: General Government was increased \$68.7 million to account largely for increased personnel expenditures, legal fees, building maintenance, employee wellness expenditures, COVID-19 virus supplies, and city school bond; Police Department was decreased by \$211,000 for decreases in personnel expenditures, fuel expense, jail expense, uniform expense, legal services expense, and communications expense; Fire Department was increased by \$69,000 for increases in personnel expenditures, communication expenditures, COVID-19 supplies, debt service expense, and fuel expenditures along with decreases in debt service expenditures and uniform expenditures; Public Works increased by \$344,000 to cover increases in street lighting, personnel expenditures, utilities expense, minor equipment expense, and capital purchases; Parks and Recreation Department increased \$383,000 for

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

increases in personnel expenditures, maintenance expenditures, supplies expenditures, communication expenditures, and renovations at the Goodyear Clubhouse; Planning and

Development Department increased \$108,000 for increases in personnel expenditures, legal expenditures, maintenance and repairs expense.

FINAL BUDGET TO ACTUAL RESULTS COMPARISON

Primary reasons for the differences between the final budget and actual results in the General Fund include:

Revenues

- Some City tax revenues were higher than their original budget.
- Local Option Sales Tax collected and distributed by the State of Georgia was equal to the final budget but was increased by \$1,117,200 from the original budget.
- Fines and forfeiture revenues were equal to the final budget and was \$82,000 less than the original budget.
- New service connection fees revenue was equal to the final budget and was decreased by \$45,000 from the original budget.
- Insurance premium tax revenues were equal to the final budget and was increased by \$239,000 from the original budget.
- Building permit and inspections fee revenues were equal to the final budget and were decreased by \$39,000 from the original budget.
- Recreation fee revenues were equal to the final budget and were increased by \$405,000 from the original budget.

Expenditures

- Personnel, communication, fuel, supply, and maintenance expenditures increased in several departments.
- Capital expenditures increased in several departments.
- Legal fees were increased in several departments.
- Supplies related to the COVID-19 pandemic increased throughout most departments.

GRANT FUND BUDGETARY HIGHLIGHTS

The City was not expecting to be awarded any grants in FY 2021 at the time the budget was adopted. During the year, the city applied for and was awarded several grants that totaled \$7,348,000 and expenses totaling \$7,263,000.

- Four airport grants for various projects for runway improvements which totaled \$7,222,000 in revenues.
- Grassdale Road sidewalk project revenue in the amount of \$126,000.
- Airport runway projects expenses totaling \$7,126,000.
- Grassdale Road sidewalk project expenses totaling \$136,000

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$311.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, improvements, and machinery and equipment. The net increase in the City's investment in capital assets for the current fiscal year was \$14.7 million (5.0 %). For more detailed information concerning capital assets see Note 5 to the financial statements.

**Table 6
Capital Assets
(net of depreciation, in millions)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 10.0	\$ 9.7	\$ 8.2	\$ 8.2	\$ 18.2	\$ 17.9
Construction in progress	5.4	2.0	48.6	32.2	54.0	34.2
Land improvements	0.9	1.0	0.7	0.8	1.6	1.8
Buildings and structures	32.6	35.4	9.2	9.5	41.8	44.9
Park improvements	5.2	3.9	-	-	5.2	3.9
Infrastructure	45.6	47.9	-	-	45.6	47.9
Utility systems	-	-	135.3	136.8	135.3	136.8
Furniture, machinery and equipment	4.5	4.5	5.2	4.8	9.7	9.3
Total	\$ 104.2	\$ 104.4	\$ 207.2	\$ 192.3	\$ 311.4	\$ 296.7

This year's major capital asset additions included:

Governmental Activities:

- Construction in progress - buildings at High School \$2,610,005, football field improvements \$393,378.
- Construction in progress - Recreation – Goodyear Clubhouse renovation - \$390,123, Public Works – Grassdale Road Sidewalk \$136,200.
- Equipment and vehicles – \$680,360, by department: Administration \$48,823, Finance \$21,398, Fire \$96,080, Police \$297,140, Public Works \$203,651 and Recreation \$13,268.
- Land for parking lot at High School - \$251,660.

Business-type Activities:

- Water and Sewer - \$15,583,565, sand filter rehabilitation construction in progress - \$1,010,391, vehicles - \$318,007, nutrient removal modifications construction in progress - \$14,255,167.
- Gas mains, meters and settings, and service connections - \$375,586, Transco Gas Line connection construction in progress- \$1,341,165.
- Electric mains, meters and settings, and service connections - \$1,303,386, vehicles and equipment \$352,837.
- Stormwater – vehicles and equipment - \$71,317.
- Solid waste trucks - \$543,444.
- Fiber optics system line extensions - \$131,938, equipment \$34,950.

CITY OF CARTERSVILLE, GEORGIA

Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

LONG-TERM DEBT

At the end of 2021 fiscal year, the City had \$139.1 million in bonds, financed purchases and notes outstanding, an increase of \$57.7 million compared to the prior fiscal year end. The net change is attributed to the City’s issuing general obligation bonds for the benefit of the City School system and scheduled debt service payments during the year. More detailed information about the City’s long-term liabilities is included in financial statement Note 6.

Bond ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Moody’s Investors Service has issued the City a debt rating of A1 while Standard and Poor’s Global Investors Service issued a rating of AA- to the city.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the total tax digest. The current debt limitation for the City is \$125,246,529, which is in excess of the City’s outstanding general obligation debt.

Table 7
Outstanding Debt at June 30, 2021
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 56.3	\$ 4.4	\$ -	\$ -	\$ 56.3	\$ 4.4
Tax Allocation District bonds	1.3	1.6			1.3	1.6
Certificates of participation	4.4	4.4	-	-	4.4	4.4
Revenue bonds	-	-	56.2	56.5	56.2	56.5
Original Issue Premium	8.2	-	4.4	4.8	12.6	4.8
Direct placement bonds	-	-	8.0	9.4	8.0	9.4
Financed purchases	-	-	0.3	0.3	0.3	0.3
OPEB liability	16.5	16.2	8.3	7.2	24.8	23.4
Compensated absences	0.7	0.7	0.4	0.5	1.1	1.2
Net pension liability	16.0	22.7	9.4	13.1	25.4	35.8
Total	<u>\$ 103.4</u>	<u>\$ 50.0</u>	<u>\$ 87.0</u>	<u>\$ 91.8</u>	<u>\$ 190.4</u>	<u>\$ 141.8</u>

ECONOMIC AND OTHER FACTORS THAT MAY IMPACT THE CITY’S FINANCIAL POSITION

Impacts on governmental activities:

Fiscal year 2021 saw a decrease in the residential housing development for Cartersville as residential permits had a decrease of 19.5% from the previous fiscal year as 222 residential permits were issued during fiscal year 2021. About 60.0% of the 222 residential permits issued were for new construction. Commercial development increased by 36.3% as 75 commercial permits were issued for the fiscal year. The increase in commercial permits coupled with the decrease in residential permits resulted in a decrease in general fund building permit revenue over the prior year. The City continued to ensure that proper staffing levels were adequate and that staff training remains a high priority in the Planning and Zoning Department.

In addition to local option sales taxes and building permits, funding for the City’s governmental activities comes from property and other taxes, and fees (franchise, occupational license, etc.), and utility transfers. The fiscal year 2021 budget included a property tax millage rate of 2.91 to be used for City government capital and operation expenditures. Some additional funding is also received from state-shared revenues and grants from the state and federal governments and agencies. During the 2021 budget process City management considered projections on the state and local economy to estimate tax revenues for the proposed budget. Department heads worked with management to prepare a conservative budget.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

For fiscal year 2021 the City was able to increase other taxes, and state and federal grants. These increases provided an increase in revenues without an increase in the property tax rate and increases in charges for services. The rise in expenditures in some areas was offset by controlling overall expenditures in other areas and continuing to operate in an efficient manner. The original budgeted expenditures for 2021 were decreased by 4.99% from the previous fiscal year.

Impacts on business-type activities:

Revenues for the business-type activities and certain governmental activities (recreational programs, permitting, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by economic conditions and local weather patterns. Approximately 85% of the revenues generated in the City's utilities are from industrial customers, and these revenues can be affected by a downturn in the economy. Also, unusual weather patterns can affect utility consumption, like cold winters or mild summers will affect citizens above or below average consumption of City provided electric, gas or water utilities. No increases to the water and sewer rates were included in the fiscal year 2020 budget.

The Electric Fund maintains a reserve account to enable the City to react in the event of deregulation. Deregulation has not occurred and should not impact fiscal year 2022.

The City continues to work with the Joint City/County Economic Development Director to help current businesses and to recruit new industry. The development of the City and Bartow County joint industrial park continues as the expansion of natural gas, and water and sewer infrastructure into the park has been completed. The industrial park will provide jobs to the area residents and additional utility revenue for the City once tenants are found for the industrial park.

Purchased gas and electricity costs represent 61.5% and 82.8% of the fiscal year 2021 gas and electric utility budgets, respectively. Natural gas expenses for 2021 were \$13.2 million or 59.1% of total expenses. Electricity expenses for 2021 were \$39.4 million or 843.0% of total expenses. The cost of natural gas is offset through cost recovery adjustments that are not part of the base rates charged to customers. The City has some long-term contract obligations for the purchase of gas and electricity that help control the fluctuations in gas and energy prices. These contracts are based on forecasted needs of our customers and expected prices in the market.

Impacts of the COVID-19 Pandemic on the City:

The COVID-19 pandemic hit the City of Cartersville in late March 2020, and continued to affect the City throughout fiscal year 2021. As a result, some revenues saw a return to pre-COVID-19 levels, while other revenues increased. The General Fund received a CARES grant in the amount of \$1.139 million which was used to offset the general funds public safety salary and benefits.

Local Option Sales Tax (LOST) was also affected as it saw an increase of \$334,000. Recreation department revenues also saw an increase in revenues as the recreation department activities opened back up for public use and enjoyment. The City continued to increase its supply budgets in many departments to account for the additional cost of COVID-19 virus cleaning and disinfecting supplies.

Impacts Citywide:

The City has outstanding contracts in the amount of \$3,388,219. See Note 12 for more information.

The City maintains a defined benefit pension plan, and also provides postemployment health care benefits for eligible retirees. For more information on these benefits see Notes 8 and 9.

CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's operating budget for fiscal year 2022 totals \$157.5 million; \$30.1 million for the General Fund, \$3.2 million for Special Purpose Local Option Sales Tax Projects, \$1.7 million for Special Revenue Funds and \$122.5 million for the Enterprise Funds. Personnel expenditures account for 20.9% of the City's operating budget. The City had 362 full-time positions at the end of fiscal year 2021. The fiscal year 2022 budget includes 366 full time positions.

In the fiscal year 2022 budget, General Fund revenues including utility transfers are estimated to increase over the 2021 budget. General property taxes make up 17.0% of General Fund budgeted revenues and transfers in. Sales tax receipts represent 15.6% of the General Fund budgeted revenues and transfers in. The City kept its millage rate at 2.910 mills. Along with the maintenance and operation millage, the city will incorporate the millage rate of 0.730 mills for the General Obligation Parks and Recreation bond payment. Enterprise Funds are expected to be self-supporting from user fees for services and rates can be adjusted as necessary with any changes in natural gas prices, or increases in coal or other fuel costs used to generate electricity. Water and sewer rate increases were needed for the fiscal year 2022 budget as the cost of the water and sewer operations continue to increase. The increase in rates will allow the City to maintain existing service levels of current water and sewer customers.

Due to the Federal and State economic conditions, the City Council looked at all revenue and expenses prior to approving the fiscal year 2022 budget. The final approved budget of \$157.5 million was \$661,000 more than the prior year. The increase is due largely to increases in personnel and operation expenses. City Council and staff have continued to review the City's financial condition and due to a proactive approach of good fiscal control, the City has been able to enact a budget which lays out a strong viable fiscal plan without reductions in services to our citizens.

The COVID-19 virus continued in fiscal year 2022 and has impacted the budgets of most departments as COVID-19 supplies are included in the fiscal year 2022 budget. COVID-19 will have a long-lasting effect on the city as some of the departments are having to be creative in how they meet the needs of the citizens. Some of these changes introduced to serve the citizens may be incorporated in the city processes after the COVID-19 virus is no longer a health issue.

FINANCIAL CONTACT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the City of Cartersville's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Finance Director at P.O. Box 1390, Cartersville, Georgia 30120 or via email at trhinehart@cityofcartersville.org.

CITY OF CARTERSVILLE, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2021

	Primary Government			Component Unit
	Governmental	Business-type	Total	Cartersville
	Activities	Activities		Board of Education
ASSETS				
Cash and cash equivalents	\$ 11,846,422	\$ 48,414,882	\$ 60,261,304	\$ 96,900,066
Restricted cash and cash equivalents	526,560	32,053,270	32,579,830	-
Investments	976,759	71,257,690	72,234,449	-
Restricted investments	2,238,333	-	2,238,333	-
Taxes receivable, net of allowances	802,821	-	802,821	880,418
Accounts receivable, net of allowances	599,778	8,651,636	9,251,414	-
Due from other governments	7,757,522	-	7,757,522	4,046,397
Internal balances	2,040,827	(2,040,827)	-	-
Prepaid items	1,292,522	52,817	1,345,339	-
Inventories	126,748	2,388,011	2,514,759	106,531
Fair value of hedging derivative	1,093,930	-	1,093,930	-
Capital assets:				
Non-depreciable	15,380,917	56,885,439	72,266,356	-
Depreciable, net of accumulated depreciation	88,771,468	150,316,750	239,088,218	5,760,007
Net pension asset	187,127	131,249	318,376	-
Total assets	133,641,734	368,110,917	501,752,651	107,693,419
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	3,590,665	2,107,830	5,698,495	13,184,730
OPEB related items	520,583	262,837	783,420	5,725,553
Total deferred outflows of resources	4,111,248	2,370,667	6,481,915	18,910,283
LIABILITIES				
Accounts payable	8,199,731	6,878,887	15,078,618	2,154,938
Accrued liabilities	792,641	2,509,504	3,302,145	6,098,224
Customer deposits	-	2,099,610	2,099,610	-
Interest payable	87,974	236,437	324,411	-
Unearned revenue	-	-	-	96,631
Compensated absences, due within one year	728,460	425,148	1,153,608	-
Claims and judgments payable, due within one year	194,263	-	194,263	-
Certificates of participation due in more than one year	4,444,000	-	4,444,000	-
Direct placement bonds payable, due within one year	-	660,000	660,000	-
Direct placement bonds payable, due in more than one year	-	7,350,000	7,350,000	-
Financed purchases, due within one year	-	267,650	267,650	-
Bonds payable, due within one year	840,000	1,075,000	1,915,000	-
Bonds payable, due in more than one year	64,903,018	59,504,038	124,407,056	-
Net pension liability, due in more than one year	16,040,014	9,366,769	25,406,783	46,386,373
Net OPEB liability, due in more than one year	-	-	-	28,513,470
Total OPEB liability, due in more than one year	16,443,430	8,302,139	24,745,569	-
Total liabilities	112,673,531	98,675,182	211,348,713	83,249,636

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cartersville Board of Education
DEFERRED INFLOWS OF RESOURCES				
Pension related items	4,631,936	2,711,842	7,343,778	469,091
OPEB related items	-	-	-	6,348,330
Accumulated increase in fair value of hedging derivative	1,093,930	-	1,093,930	-
Total deferred inflows of resources	5,725,866	2,711,842	8,437,708	6,817,421
NET POSITION				
Net investment in capital assets	36,727,071	167,064,997	203,792,068	5,760,007
Restricted for:				
Public safety	219,501	-	219,501	-
Cemetery care	3,189	-	3,189	-
Planning and development	421,051	-	421,051	-
Debt service	-	3,526,206	3,526,206	-
Capital projects	6,402,569	-	6,402,569	73,331,421
School nutrition	-	-	-	885,762
Unrestricted	(24,419,796)	98,503,357	74,083,561	(43,440,545)
Total net position	\$ 19,353,585	\$ 269,094,560	\$ 288,448,145	\$ 36,536,645

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

CITY OF CARTERSVILLE, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 73,135,746	\$ 611,364	\$ 1,679,866	\$ -
Judicial	169,559	209,379	-	-
Public safety	13,453,894	221,391	71,750	1,545,903
Public works	4,897,853	38,880	-	9,958,136
Culture and recreation	4,395,373	561,958	-	561,802
Planning and development	1,093,650	354,079	-	3,255,044
Interest on long-term debt	800,092	-	-	-
Total governmental activities	97,946,167	1,997,051	1,751,616	15,320,885
Business-type activities:				
Water & Sewer	12,608,904	23,467,885	-	-
Electric	42,605,898	46,939,014	-	-
Gas	18,151,061	25,341,109	-	-
Solid waste	2,174,631	2,952,619	-	-
Stormwater	1,454,993	1,540,809	-	-
Fiber optic	1,990,366	2,407,295	-	-
Total business-type activities	78,985,853	102,648,731	-	-
Total primary government	\$ 176,932,020	\$ 104,645,782	\$ 1,751,616	\$ 15,320,885
Component unit:				
Cartersville Board of Education	60,327,609	681,961	31,384,678	60,530,371
Total component unit	\$ 60,327,609	\$ 681,961	\$ 31,384,678	\$ 60,530,371
General revenues:				
Property taxes				
Franchise taxes				
Excise taxes				
Sales and use taxes				
Hotel/Motel occupancy taxes				
Insurance premium tax				
Financial institution taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on disposition of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Cartersville Board of Education
\$ (70,844,516)	\$ -	\$ (70,844,516)	\$ -
39,820	-	39,820	-
(11,614,850)	-	(11,614,850)	-
5,099,163	-	5,099,163	-
(3,271,613)	-	(3,271,613)	-
2,515,473	-	2,515,473	-
(800,092)	-	(800,092)	-
<u>(78,876,615)</u>	<u>-</u>	<u>(78,876,615)</u>	<u>-</u>
-	10,858,981	10,858,981	-
-	4,333,116	4,333,116	-
-	7,190,048	7,190,048	-
-	777,988	777,988	-
-	85,816	85,816	-
-	416,929	416,929	-
<u>-</u>	<u>23,662,878</u>	<u>23,662,878</u>	<u>-</u>
<u>(78,876,615)</u>	<u>23,662,878</u>	<u>(55,213,737)</u>	<u>-</u>
-	-	-	32,269,401
-	-	-	32,269,401
6,012,347	-	6,012,347	20,236,873
766,834	-	766,834	-
925,091	-	925,091	-
4,720,740	-	4,720,740	5,954,875
953,934	-	953,934	-
1,588,962	-	1,588,962	-
117,559	-	117,559	-
327,231	-	327,231	-
234,251	149,524	383,775	8,963
477,116	-	477,116	-
44,988	3,430	48,418	-
10,278,724	(10,278,724)	-	-
<u>26,447,777</u>	<u>(10,125,770)</u>	<u>16,322,007</u>	<u>26,200,711</u>
<u>(52,428,838)</u>	<u>13,537,108</u>	<u>(38,891,730)</u>	<u>58,470,112</u>
<u>71,782,423</u>	<u>255,557,452</u>	<u>327,339,875</u>	<u>(21,933,467)</u>
<u>\$ 19,353,585</u>	<u>\$ 269,094,560</u>	<u>\$ 288,448,145</u>	<u>\$ 36,536,645</u>

CITY OF CARTERSVILLE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

ASSETS	General Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 6,016,295	\$ -	\$ 3,865,557	\$ 9,881,852
Investments	61,675	-	915,084	976,759
Taxes receivable	647,957	-	154,864	802,821
Accounts receivables, net of allowance	136,549	-	437,102	573,651
Due from other governments	577,498	6,469,227	710,797	7,757,522
Due from other funds	230,535	-	-	230,535
Advances to other funds	1,437,170	-	-	1,437,170
Prepaid items	30,022	-	1,262,500	1,292,522
Restricted cash	526,560	-	-	526,560
Restricted investments	2,238,333	-	-	2,238,333
Total assets	\$ 11,902,594	\$ 6,469,227	\$ 7,345,904	\$ 25,717,725
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,506,829	\$ 6,394,452	\$ 264,646	\$ 8,165,927
Accrued liabilities	768,527	-	-	768,527
Due to other funds	-	74,269	156,266	230,535
Total liabilities	2,275,356	6,468,721	420,912	9,164,989
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - other	-	-	421,051	421,051
Unavailable revenue - property taxes	22,439	-	-	22,439
Total deferred inflows of resources	22,439	-	421,051	443,490
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	30,022	-	1,262,500	1,292,522
Advances to other funds	1,437,170	-	-	1,437,170
Restricted:				
Public safety	-	-	219,501	219,501
Cemetery care	3,189	-	-	3,189
Capital projects	523,371	506	5,139,563	5,663,440
Equipment purchases	2,238,333	-	-	2,238,333
Unassigned	5,372,714	-	(117,623)	5,255,091
Total fund balances	9,604,799	506	6,503,941	16,109,246
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,902,594	\$ 6,469,227	\$ 7,345,904	\$ 25,717,725

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

CITY OF CARTERSVILLE, GEORGIA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2021

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

Total governmental fund balances:	\$	16,109,246
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	\$ 199,368,349	
Less accumulated depreciation	<u>(95,864,060)</u>	103,504,289
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
		443,490
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.		
		1,392,564
The fair value of an effective hedging instrument is not a current financial resource used in governmental activities and, therefore, is not reported in the governmental funds.		
		1,093,930
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest	(87,974)	
Compensated absences	(698,448)	
Certificates of participation - GMA Leasepool contract	(4,444,000)	
Premium on bonds	(8,154,562)	
Bonds payable	<u>(57,588,456)</u>	(70,973,440)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.		
		(1,093,930)
The deferred outflows of resources, the deferred inflows or resources, the net pension asset and the net pension liability related to the City's pension plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the governmental funds.		
Net pension asset	183,155	
Deferred outflows of resources - pension related items	3,494,141	
Deferred inflows of resources - pension related items	(4,507,063)	
Net pension liability	<u>(15,606,397)</u>	(16,436,164)
The deferred outflows and inflows of resources and the total OPEB liability related to the City's OPEB plan are not expected to be liquidated with expendable financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - OPEB related items	480,159	
Total OPEB liability	<u>(15,166,559)</u>	(14,686,400)
Net position of governmental activities		<u>\$ 19,353,585</u>

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

CITY OF CARTERSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 14,178,694	\$ -	\$ 1,364,339	\$ 15,543,033
Licenses and permits	621,944	-	-	621,944
Intergovernmental	1,751,616	7,347,932	3,815,597	12,915,145
Fines and forfeitures	220,164	-	143,955	364,119
Charges for services	1,010,988	-	-	1,010,988
Interest income	233,871	-	380	234,251
Contributions and donations	1,059,350	-	22,260	1,081,610
Miscellaneous	477,115	-	14,062	491,177
Total revenues	<u>19,553,742</u>	<u>7,347,932</u>	<u>5,360,593</u>	<u>32,262,267</u>
EXPENDITURES				
Current:				
General government	65,512,572	7,262,555	-	72,775,127
Judicial	258,389	-	-	258,389
Public safety	13,281,109	-	445,229	13,726,338
Public works	2,805,629	-	473,411	3,279,040
Culture and recreation	3,654,419	-	655,831	4,310,250
Planning and development	1,173,990	-	72,116	1,246,106
Capital outlay	-	-	84,284	84,284
Debt service:				
Principal	820,000	-	241,231	1,061,231
Interest	729,558	-	78,734	808,292
Total expenditures	<u>88,235,666</u>	<u>7,262,555</u>	<u>2,050,836</u>	<u>97,549,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,681,924)</u>	<u>85,377</u>	<u>3,309,757</u>	<u>(65,286,790)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	12,362	-	45,642	58,004
Bond issuance	60,879,562	-	-	60,879,562
Transfers in	10,670,576	-	-	10,670,576
Transfers out	(41,557)	(31,573)	(366,367)	(439,497)
Total other financing sources (uses)	<u>71,520,943</u>	<u>(31,573)</u>	<u>(320,725)</u>	<u>71,168,645</u>
Net change in fund balance	2,839,019	53,804	2,989,032	5,881,855
FUND BALANCES (DEFICIT), beginning of year	<u>6,765,780</u>	<u>(53,298)</u>	<u>3,514,909</u>	<u>10,227,391</u>
FUND BALANCES, end of year	<u>\$ 9,604,799</u>	<u>\$ 506</u>	<u>\$ 6,503,941</u>	<u>\$ 16,109,246</u>

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

CITY OF CARTERSVILLE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds	\$	5,881,855
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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 depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 1,290,966		
Depreciation expense	(4,619,939)		(3,328,973)

The net effect of various miscellaneous transactions involving capital assets (i.e., donations, disposal, and sales, and transfers to proprietary funds) is to decrease net position.

Donation of capital assets	3,255,044		
Net book value of capital assets disposed	(13,016)		
Net book value of capital assets transferred to business-type activities	(162,901)		3,079,127

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Property taxes	(13,872)		
Sales and use taxes	(116,463)		
Intergovernmental revenues	(179,298)		
Other revenues	(14,061)		(323,694)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents repayments of the principal of long-term debt.

Issuance of bond	(52,725,000)		
Issuance of bond premium	(8,154,562)		
Principal payments - bonds payable	1,061,231		(59,818,331)

Internal service funds are used by management to charge the costs of insurance plans, workers' compensation insurance, administrative costs, and fleet maintenance costs to individual funds. The net expense of the internal service funds is reported with governmental activities.

(16,108)

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.

Change in compensated absences	(8,909)		
Change in accrued interest	8,200		(709)

In the governmental funds, current year expenditures related to pensions are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to pensions include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of pensions and related items.

1,611,497

In the governmental funds, current year expenditures related to OPEB are comprised solely of amounts contributed to the plan for the current year. However, in the statement of activities, expenses related to OPEB include amounts that do not require the use of current financial resources. This amount represents the difference in the required accounting treatment of OPEB and related items.

486,498

Change in net position - governmental activities	\$	(52,428,838)
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The accompanying notes are an integral part of these financial statements.

**CITY OF CARTERSVILLE, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 11,919,945	\$ 15,413,375	\$ 14,178,694	\$ (1,234,681)
Licenses and permits	599,535	621,945	621,944	(1)
Fines and forfeitures	302,500	220,165	220,164	(1)
Charges for services	605,950	1,011,020	1,010,988	(32)
Intergovernmental	672,440	1,747,255	1,751,616	4,361
Interest income	26,000	9,275	233,871	224,596
Contributions and donations	800,000	1,059,355	1,059,350	(5)
Miscellaneous	100,000	472,365	477,115	4,750
Total revenues	<u>15,026,370</u>	<u>20,554,755</u>	<u>19,553,742</u>	<u>(1,001,013)</u>
EXPENDITURES				
Current:				
General government:				
Legislative	1,761,220	65,457,275	62,626,974	2,830,301
Administrative	1,119,815	1,204,930	937,812	267,118
Finance	1,315,085	1,386,690	1,297,126	89,564
Customer service	767,345	676,690	650,660	26,030
Total general government	<u>4,963,465</u>	<u>68,725,585</u>	<u>65,512,572</u>	<u>3,213,013</u>
Municipal court	<u>298,260</u>	<u>272,020</u>	<u>258,389</u>	<u>13,631</u>
Public safety:				
Police	6,084,890	5,868,650	5,800,697	67,953
Fire	7,542,585	7,611,280	7,480,412	130,868
Total public safety	<u>13,627,475</u>	<u>13,479,930</u>	<u>13,281,109</u>	<u>198,821</u>
Public works	<u>2,551,160</u>	<u>2,885,585</u>	<u>2,805,629</u>	<u>79,956</u>
Culture and Recreation	<u>3,410,710</u>	<u>3,794,205</u>	<u>3,654,419</u>	<u>139,786</u>
Housing and development:				
Planning and development	<u>1,177,970</u>	<u>1,285,845</u>	<u>1,173,990</u>	<u>111,855</u>
Total housing and development	<u>1,177,970</u>	<u>1,285,845</u>	<u>1,173,990</u>	<u>111,855</u>
Debt service:				
Principal	1,213,300	1,228,630	820,000	408,630
Interest	160,590	523,940	729,558	(205,618)
Total debt service	<u>1,373,890</u>	<u>1,752,570</u>	<u>1,549,558</u>	<u>203,012</u>
Total expenditures	<u>27,402,930</u>	<u>92,195,740</u>	<u>88,235,666</u>	<u>3,960,074</u>
Deficiency of revenues over expenditures	(12,376,560)	(71,640,985)	(68,681,924)	2,959,061
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	750,000	12,365	12,362	(3)
Financed purchases	163,000	111,400	-	(111,400)
Bond issuance	-	60,879,565	60,879,562	(3)
Transfers in	10,744,115	10,679,230	10,670,576	(8,654)
Transfers out	-	(41,575)	(41,557)	18
Total other financing sources	<u>11,657,115</u>	<u>71,640,985</u>	<u>71,520,943</u>	<u>(120,042)</u>
Net change in fund balances	(719,445)	-	2,839,019	2,839,019
FUND BALANCES, beginning of year	<u>6,765,780</u>	<u>6,765,780</u>	<u>6,765,780</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 6,046,335</u>	<u>\$ 6,765,780</u>	<u>\$ 9,604,799</u>	<u>\$ 2,839,019</u>

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

**CITY OF CARTERSVILLE, GEORGIA
GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,347,940	\$ 7,347,940	\$ 7,347,932	\$ (8)
Total revenues	<u>7,347,940</u>	<u>7,347,940</u>	<u>7,347,932</u>	<u>(8)</u>
EXPENDITURES				
General government	<u>7,347,940</u>	<u>7,347,940</u>	<u>7,262,555</u>	<u>85,385</u>
Total expenditures	<u>7,347,940</u>	<u>7,347,940</u>	<u>7,262,555</u>	<u>85,385</u>
Excess of revenues over expenditures	-	-	85,377	85,377
OTHER FINANCING SOURCES				
Transfers out	-	-	<u>(31,573)</u>	<u>(31,573)</u>
Net change in fund balances	-	-	53,804	53,804
FUND BALANCES (DEFICITS), beginning of year	<u>(53,298)</u>	<u>(53,298)</u>	<u>(53,298)</u>	<u>-</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ (53,298)</u>	<u>\$ (53,298)</u>	<u>\$ 506</u>	<u>\$ 53,804</u>

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

CITY OF CARTERSVILLE, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

ASSETS	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	
CURRENT ASSETS						
Cash and cash equivalents	\$ 16,527,880	\$ 13,648,452	\$ 16,925,996	\$ 1,312,554	\$ 48,414,882	\$ 1,964,570
Restricted cash and cash equivalents	30,802,175	391,487	859,608	-	32,053,270	-
Investments	8,598,114	62,590,648	68,928	-	71,257,690	-
Accounts receivable, net of allowance	2,137,850	4,354,738	1,710,593	448,455	8,651,636	26,127
Prepaid items	-	26,830	25,987	-	52,817	-
Inventories	358,564	1,211,475	758,040	59,932	2,388,011	126,748
Total current assets	<u>58,424,583</u>	<u>82,223,630</u>	<u>20,349,152</u>	<u>1,820,941</u>	<u>162,818,306</u>	<u>2,117,445</u>
NONCURRENT ASSETS						
Non-depreciable	50,387,004	236,501	5,878,993	382,941	56,885,439	43,766
Depreciable, net of accumulated depreciation	99,104,479	18,463,063	24,507,551	8,241,657	150,316,750	604,330
Total capital assets	<u>149,491,483</u>	<u>18,699,564</u>	<u>30,386,544</u>	<u>8,624,598</u>	<u>207,202,189</u>	<u>648,096</u>
Net pension asset	34,787	28,305	14,278	53,879	131,249	3,972
Total noncurrent assets	<u>149,526,270</u>	<u>18,727,869</u>	<u>30,400,822</u>	<u>8,678,477</u>	<u>207,333,438</u>	<u>652,068</u>
Total assets	<u>207,950,853</u>	<u>100,951,499</u>	<u>50,749,974</u>	<u>10,499,418</u>	<u>370,151,744</u>	<u>2,769,513</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	776,337	453,128	490,217	388,148	2,107,830	96,524
OPEB related items	85,941	35,411	70,743	70,742	262,837	40,424
Total deferred outflows of resources	<u>862,278</u>	<u>488,539</u>	<u>560,960</u>	<u>458,890</u>	<u>2,370,667</u>	<u>136,948</u>
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	1,136,983	3,801,849	1,781,634	158,421	6,878,887	33,804
Accrued liabilities	2,019,837	118,991	265,054	105,622	2,509,504	24,114
Interest payable	207,914	-	28,523	-	236,437	-
Deposits payable	376,791	901,876	709,763	111,180	2,099,610	-
Claims payable	-	-	-	-	-	194,263
Compensated absences payable, current	150,064	88,735	92,250	94,099	425,148	30,012
Financed purchases, current	-	-	-	267,650	267,650	-
Direct placement bonds payable, current	50,000	-	610,000	-	660,000	-
Bonds payable, current	1,075,000	-	-	-	1,075,000	-
Total current liabilities	<u>5,016,589</u>	<u>4,911,451</u>	<u>3,487,224</u>	<u>736,972</u>	<u>14,152,236</u>	<u>282,193</u>
NONCURRENT LIABILITIES						
Direct placement bonds payable	-	-	7,350,000	-	7,350,000	-
Bonds payable, net	59,504,038	-	-	-	59,504,038	-
Advance to other funds	-	-	196,577	1,240,593	1,437,170	-
Net pension liability	3,481,041	2,013,407	2,215,766	1,656,555	9,366,769	433,617
Total OPEB liability	2,714,589	1,118,500	2,234,525	2,234,525	8,302,139	1,276,871
Total noncurrent liabilities	<u>65,699,668</u>	<u>3,131,907</u>	<u>11,996,868</u>	<u>5,131,673</u>	<u>85,960,116</u>	<u>1,710,488</u>
Total liabilities	<u>70,716,257</u>	<u>8,043,358</u>	<u>15,484,092</u>	<u>5,868,645</u>	<u>100,112,352</u>	<u>1,992,681</u>
DEFERRED INFLOWS OR RESOURCES						
Pension related items	1,003,389	582,945	636,188	489,320	2,711,842	124,873
Total deferred inflows of resources	<u>1,003,389</u>	<u>582,945</u>	<u>636,188</u>	<u>489,320</u>	<u>2,711,842</u>	<u>124,873</u>
NET POSITION						
Net investment in capital assets	117,040,604	18,699,564	22,967,881	8,356,948	167,064,997	648,096
Restricted for debt service	3,526,206	-	-	-	3,526,206	-
Unrestricted (deficit)	16,526,675	74,114,171	12,222,773	(3,756,605)	99,107,014	140,811
Total net position	<u>\$ 137,093,485</u>	<u>\$ 92,813,735</u>	<u>\$ 35,190,654</u>	<u>\$ 4,600,343</u>	<u>269,698,217</u>	<u>\$ 788,907</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(603,657)	
Net position of business-type activities					<u>\$ 269,094,560</u>	

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

CITY OF CARTERSVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds		
OPERATING REVENUE						
Charges for sales and services	\$ 21,216,307	\$ 46,875,293	\$ 25,289,387	\$ 6,689,419	\$ 100,070,406	\$ 2,726,828
Other fees	2,251,578	63,721	51,722	211,304	2,578,325	-
Total operating revenue	<u>23,467,885</u>	<u>46,939,014</u>	<u>25,341,109</u>	<u>6,900,723</u>	<u>102,648,731</u>	<u>2,726,828</u>
OPERATING EXPENSES						
Salaries and benefits	3,380,019	2,114,528	3,150,493	2,412,925	11,057,965	860,807
General operating expenses	3,524,809	39,641,845	14,023,944	2,364,147	59,554,745	1,672,827
Claims	-	-	-	-	-	615,774
Depreciation	3,600,067	814,365	770,621	668,340	5,853,393	54,196
Total operating expenses	<u>10,504,895</u>	<u>42,570,738</u>	<u>17,945,058</u>	<u>5,445,412</u>	<u>76,466,103</u>	<u>3,203,604</u>
Operating income (loss)	<u>12,962,990</u>	<u>4,368,276</u>	<u>7,396,051</u>	<u>1,455,311</u>	<u>26,182,628</u>	<u>(476,776)</u>
NON-OPERATING REVENUE (EXPENSES)						
Gain on disposition of capital assets	13,905	-	-	(10,475)	3,430	-
Interest expense	(2,088,474)	-	(178,189)	(9,055)	(2,275,718)	-
Interest income	33,916	110,870	3,161	1,577	149,524	632
Total non-operating revenues (expenses)	<u>(2,040,653)</u>	<u>110,870</u>	<u>(175,028)</u>	<u>(17,953)</u>	<u>(2,122,764)</u>	<u>632</u>
Net income (loss) before capital contributions and transfers	10,922,337	4,479,146	7,221,023	1,437,358	24,059,864	(476,144)
Capital contributions	-	-	162,901	-	162,901	-
Transfers in	-	-	-	-	-	210,546
Transfers out	(2,822,433)	(3,202,758)	(3,713,608)	(702,826)	(10,441,625)	-
Total capital contributions and transfers	<u>(2,822,433)</u>	<u>(3,202,758)</u>	<u>(3,550,707)</u>	<u>(702,826)</u>	<u>(10,278,724)</u>	<u>210,546</u>
Change in net position	8,099,904	1,276,388	3,670,316	734,532	13,781,140	(265,598)
Total net position, beginning of year	<u>128,993,581</u>	<u>91,537,347</u>	<u>31,520,338</u>	<u>3,865,811</u>		<u>1,049,047</u>
Total net position, end of year	<u>\$ 137,093,485</u>	<u>\$ 92,813,735</u>	<u>\$ 35,190,654</u>	<u>\$ 4,600,343</u>		<u>\$ 783,449</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(244,032)	
Change in net position of business-type activities					<u>\$ 13,537,108</u>	

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

CITY OF CARTERSVILLE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 23,260,017	\$ 46,918,241	\$ 25,055,240	\$ 6,924,639	\$ 102,158,137	\$ 2,702,593
Payments to suppliers	(5,980,582)	(38,458,327)	(13,332,624)	(2,552,458)	(60,323,991)	(2,279,905)
Payments to employees	(3,985,120)	(2,105,374)	(2,148,320)	(2,804,701)	(11,043,515)	(531,627)
Net cash provided by (used in) operating activities	13,294,315	6,354,540	9,574,296	1,567,480	30,790,631	(108,939)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	-	-	-	-	-	210,546
Transfers out to other funds	(2,822,433)	(3,202,758)	(3,713,608)	(702,826)	(10,441,625)	-
Receipt of advances from other funds	-	-	(18,104)	(209,966)	(228,070)	-
Net cash provided by (used in) non-capital financing activities	(2,822,433)	(3,202,758)	(3,731,712)	(912,792)	(10,669,695)	210,546
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(16,390,879)	(1,812,994)	(1,884,782)	(781,648)	(20,870,303)	-
Principal payments	(1,105,000)	-	(595,000)	(266,722)	(1,966,722)	-
Interest and fiscal charges paid	(2,512,569)	-	(180,321)	(9,055)	(2,701,945)	-
Proceeds from issuance of long-term debt	-	-	-	267,650	267,650	-
Proceeds from sale of capital assets	13,905	-	-	232,194	246,099	5,458
Net cash used in capital and related financing activities	(19,994,543)	(1,812,994)	(2,660,103)	(557,581)	(25,025,221)	5,458
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	33,916	110,870	3,161	1,577	149,524	632
Purchase of investments	580	(103,517)	30	-	(102,907)	-
Net cash provided by investing activities	34,496	7,353	3,191	1,577	46,617	632
Net increase (decrease) in cash and cash equivalents	(9,488,165)	1,346,141	3,185,672	98,684	(4,857,668)	107,697
Cash and cash equivalents:						
Beginning of year	56,818,220	12,693,798	14,599,932	1,213,870	85,325,820	1,856,873
End of year	\$ 47,330,055	\$ 14,039,939	\$ 17,785,604	\$ 1,312,554	\$ 80,468,152	\$ 1,964,570
Classified as:						
Cash and cash equivalents	\$ 16,527,880	\$ 13,648,452	\$ 16,925,996	\$ 1,312,554	\$ 48,414,882	\$ 1,964,570
Restricted cash and cash equivalents	30,802,175	391,487	859,608	-	32,053,270	-
Total	\$ 47,330,055	\$ 14,039,939	\$ 17,785,604	\$ 1,312,554	\$ 80,468,152	\$ 1,964,570

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
Operating income (loss)	\$ 12,962,990	\$ 4,368,276	\$ 7,396,051	\$ 1,455,311	\$ 26,182,628	\$ (476,776)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	3,600,067	814,365	770,621	668,340	5,853,393	54,196
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(226,363)	(20,773)	(392,043)	8,856	(630,323)	(24,235)
(Increase) decrease in inventories	30,569	130,477	(81,313)	(687)	79,046	(14,680)
Decrease in prepaid items	-	1,818	1,817	-	3,635	-
Decrease in due from other funds	-	592,474	-	-	592,474	-
Increase in net pension asset	(26,672)	(22,110)	(10,591)	(38,567)	(97,940)	(2,687)
Decrease in deferred outflows for pension items	234,811	152,068	123,177	61,639	571,695	19,363
Increase in deferred outflows for OPEB items	(65,119)	(29,443)	(61,910)	(51,086)	(207,558)	(33,445)
Increase (decrease) in accounts payable	(2,486,342)	576,436	770,816	(187,624)	(1,326,714)	20,547
Increase (decrease) in accrued liabilities	(100,270)	14,644	130,352	21,172	65,898	2,825
Increase (decrease) in customer deposits	18,495	(117,687)	106,174	15,060	22,042	-
Decrease in due to other funds	-	-	-	-	-	(1,788)
Increase in claims payable	-	-	-	-	-	4,617
Increase (decrease) in compensated absences	(38,699)	(9,517)	(18,508)	(10,316)	(77,040)	3,045
Increase in deferred inflows for pension items	903,333	521,983	575,318	446,442	2,447,076	113,455
Decrease in deferred inflows for OPEB items	(4,403)	-	(1,868)	(4,156)	(10,427)	(1,476)
Decrease in net pension liability	(1,493,744)	(954,854)	(810,667)	(475,293)	(3,734,558)	(134,079)
Increase (decrease) in total OPEB liability	(14,338)	336,383	1,076,870	(341,611)	1,057,304	362,179
Net cash provided by (used in) operating activities	<u>\$ 13,294,315</u>	<u>\$ 6,354,540</u>	<u>\$ 9,574,296</u>	<u>\$ 1,567,480</u>	<u>\$ 30,790,631</u>	<u>\$ (108,939)</u>
NONCASH CAPITAL FINANCING ACTIVITIES						
Contributed capital	\$ -	\$ -	\$ 162,901	\$ -	\$ 162,901	\$ -

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

CITY OF CARTERSVILLE, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2021**

ASSETS		
Cash		\$ 902,924
Investments:		
Preferred stock		3,849,882
Privately held stock		3,900,059
Corporate bonds		1,244,000
Mutual funds invested in fixed income securities		16,248,086
Mutual funds invested in equity securities		<u>42,341,767</u>
Total assets		<u>68,486,718</u>
LIABILITIES		
Due to others		<u>21,388</u>
Total liabilities		<u>21,388</u>
NET POSITION		
Net position restricted for pension benefits		<u>\$ 68,465,330</u>

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

CITY OF CARTERSVILLE, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ADDITIONS

Contributions			
Employer contributions	\$	4,349,290	
Plan member contributions		604,683	
		<u>4,953,973</u>	
Investment earnings			
Net increase in fair value of investments		13,787,552	
Interest and dividends		2,420,158	
Total investment earnings		<u>16,207,710</u>	
Less investment expense		(96,554)	
Net investment earnings		<u>16,111,156</u>	
Total additions		<u>21,065,129</u>	

DEDUCTIONS

Benefits			
Refunds of contributions		3,960,656	
Administrative expenses		82,945	
		<u>67,252</u>	
		<u>4,110,853</u>	

Change in net position			16,954,276
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FUND BALANCES, beginning of year			<u>51,511,054</u>
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FUND BALANCES, end of year			<u>\$ 68,465,330</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

Incorporated on February 1, 1850, under the laws of the State of Georgia, the City of Cartersville operates under a Council/Manager form of government and provides the following services to its citizens: public culture and recreation, streets and roads, public utilities (electric, gas, water/sewer, storm water, sanitation and fiber optics), public safety (police and fire), planning and development, cemetery, garage and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Blended Component Unit

The Cartersville Building Authority (the “CBA”) was created May 30, 2003 for the purpose of issuing debt for joint City and Bartow County construction projects. The CBA's board consists of five members appointed by the City Council. The City is financially accountable for the CBA because the organization depends on funding from the City for funds to make debt payments. The CBA is reported as a blended component unit as the City pays all debt service payments. The Authority has a June 30 year-end and reports using the governmental fund model.

Discretely Presented Component Unit

The City of Cartersville Board of Education (the “School Board”) was established in 1889. In its present state, the School Board operates under a Board/Superintendent form of government. The School Board is fiscally dependent on the City council to approve and levy taxes to support the education function and on the subsidy provided by the City. Bond issuance authorizations are approved by the City Council and the legal liability for the general obligation portion of the School Board's debt remains with the City. The School board does not have the ability to issue its own debt or to levy taxes to service its debt. The City holds title to school land and buildings. The School Board has a June 30 year-end and reports using the governmental fund model.

Complete financial statements of the City of Cartersville Board of Education can be obtained from the administrative office: 15 Nelson Street, Cartersville, Georgia 30120.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business-type. Fiduciary funds are not included in the government-wide statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Government-wide financial statements do not provide information by fund but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 considered program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **Grant Fund** accounts for grants received from various agencies which are restricted by the grant agreements.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation, maintenance, and development of the City's water and sewer system and services.

The **Electric Fund** accounts for the operation, maintenance, and development of the City's electrical system.

The **Gas Fund** accounts for the operation, maintenance, and development of the City's natural gas system.

The City also reports the following fund types:

The **special revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The **capital project funds** account for financial resources to be used for the acquisition and construction of major capital projects. The fund also accounts for the revenues and expenditures of SPLOST funds in accordance with the voter approved referendum. This includes the acquisition and construction of major capital assets, but excludes those accounted for by proprietary funds or assets that will be held in trust for individuals, private organizations, or other governments.

The **enterprise funds** account for the activities associated with the collection of residential and commercial garbage, including recyclables, non-recyclables, and yard waste; the activities associated with the collection of fees for upgrades to stormwater drains and related expenses; and the activities necessary to provide fiber optic services to the City's residents.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **internal service funds** account for risk management activities of the City and services provided to various City departments for vehicle maintenance on a cost reimbursement basis. Internal service funds are proprietary funds reported with governmental activities in the government-wide statements.

The **fiduciary fund** is used to report assets that by definition are being held in a trustee or agency capacity for the benefit of others and are therefore not available to support City programs. The City presents the Pension Trust Fund in the fiduciary fund category. The Pension Trust Fund recognizes employer and employee contributions in the period in which contributions are legally due. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the retirement plan.

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

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

D. Budgets

Annual appropriated budgets are adopted for all governmental funds. The governmental funds' budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each year through the passage of an annual budget ordinance and amended as required.

All appropriations lapse at the end of each year.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets (Continued)

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 not employed by the City. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

E. Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and the local government investment pool.

State statutes authorize the City and its discretely presented component units to invest in the following: (1) obligations of the State of Georgia or other state; (2) obligations of the United States; (3) obligations fully insured or guaranteed by the United States Government or one of its agencies; (4) obligations of any corporation of the United States Government; (5) prime bankers' acceptances; (6) the State of Georgia local government investment pool (Georgia Fund 1); (7) repurchase agreements; and (8) obligations of any other political subdivisions of the State of Georgia.

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). 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. There are no limitations or restrictions on participant withdrawals from the pool. The pool also adjusts the value of its investments to fair value as of year-end and the City's investment in Georgia Fund 1 is reported at fair value. The City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Any investment or deposit in excess of federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations or through participation in the State of Georgia Secure Deposit Program. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments (Continued)

Investments are stated at fair value based on published quoted market prices. The fair values of investments in external investment pools are the same as the value of the pool shares. The City's nonparticipating interest-earning investment contracts are recorded at cost. All remaining investments are recorded at fair value. Increases or decreases in the fair value of the City's investments during the year are recognized as a component of investment income.

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. All receivables past due for more than 90 days comprise the allowance for uncollectibles. Property tax receivables are presented net of uncollectible allowance and is comprised of all taxes unpaid from current and prior years.

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, is reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

H. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when acquired (purchase method) and are not inventoried at year end due to immateriality. Enterprise funds' inventories are valued at cost, which approximates market, and are expensed when used (consumption method).

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, buildings, equipment, land improvements, park improvements, infrastructure assets (e.g., roads, bridges, curbs, sidewalks, drainage systems, lighting systems 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 and an estimated useful life in excess of one year. 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. The City has reported infrastructure consistent with the retroactive infrastructure reporting requirements of GASB Statement 34.

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	50 - 90
Land improvements	5 - 40
Machinery and Equipment	3 - 10
Buildings	40 - 50

J. Restricted Assets

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, or other external legislation or restrictions. Applicable expenses are paid from restricted assets first.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City's pension and OPEB related items qualify for reporting in this category.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category.

The statement of net position reports the accumulated increase in the *fair value of the hedging derivative* as a deferred inflow of resources. As the derivative qualifies as an effective hedge, the change in fair market value which occurs each fiscal year is deferred and thus the asset and deferred inflow are adjusted.

The City also reports as deferred inflows of resources items that arise from the revenue recognition of property taxes and intergovernmental revenues. Unavailable revenue, is reported only in the governmental funds balance sheet. 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.

Finally, the City also has deferred outflows and inflows of resources related to the recording of changes in its net pension liability and the total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension or OPEB 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 recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension and OPEB expense 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 pension and OPEB expense 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences

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

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are 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 are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources measurement 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund balances are classified as follows:

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

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

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by 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 has retained the authority to make assignments of fund balance.

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. Negative unassigned fund balances may be reported in all funds.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and deferred outflows of resources and 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.

O. Pensions

The City of Cartersville Employees' Retirement System uses two fiduciary funds to maintain its financial records. The fiduciary fund is accounted for on a flow of economic resources measurement focus and accrual basis of accounting. Investments are valued at fair value. Revenues are recognized when earned and expenses are recognized at the time they are incurred. Employer contributions are recognized when due and employee contributions are recognized when legally due as deductions from the employees' payroll. Benefit payments are recognized when due and payable in accordance with the terms of the Plan. Contribution refunds are recognized when due and payable in accordance with the terms of the Plan and City procedures for termination.

P. Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the general, special revenue and capital project funds. All annual appropriations lapse at fiscal year-end.

Encumbrances or commitments related to unperformed contracts for goods or services were for immaterial amounts and therefore are not reported as reservations of fund balances. During fiscal year 2021, no significant supplemental budgetary appropriations were made.

Georgia code §36-81-3 requires an annual balanced budget for general and special revenue funds and at least project length budget for capital project funds. The City adopted annual budgets for the general, hotel/motel tax, development fee, confiscated assets, state forfeiture, impact fees, rental vehicle excise tax, business improvement district, and capital project funds. Prior to July 1st of each year, the City Manager submits to the City Council proposed general and capital projects fund budgets for the fiscal year commencing July 1st. The budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of an ordinance. Department heads may amend the budget within their department with the approval of the City Manager. Any budget revisions between departments must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the activity (department) level. The legal level of budgetary control is at the department level.

The following departments had expenditures in excess of the approved budgets:

General Fund - debt service interest	\$	205,618
Business Improvement District Fund - planning and development		558
Hotel/Motel Fund - culture and recreation		40,191

The above excess was funded with savings in other departments, use of fund balance, and by higher than anticipated revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

Primary Government

Total deposits as of June 30, 2021 are summarized as follows:

Investment	Maturities	Balance
Deposits with Financial Institutions	---	\$ 25,068,467
Guaranteed Investment Contract	June 1, 2028	2,238,333
First American Government Obligations	42 days	3,809,771
US Treasury Obligations	.02 years	796,663
Federal Farm Credit Bank	.07 years	3,149,306
Federal Home Loan Mortgage Corp.	.04 years	1,533,054
Federal National Mortgage Association	.01 years	471,546
Fidelity Treasury Portfolio	42 days	385,360
Municipal Competitive Trust	3.75 years	67,743,726
Georgia Fund 1 - cash equivalents	36 days	62,117,690
Total		\$ 167,313,916

As reported in the Statement of Net Position:

Cash and cash equivalents	\$ 60,261,304
Investments	72,234,449
Restricted:	
Cash and cash equivalents	32,579,830
Investments	2,238,333
Total	\$ 167,313,916

Credit risk: State statutes and the City's policies 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. The City does not have a credit rating policy which provides restrictions or limitations on credit ratings for the City's investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (Continued)

As of June 30, 2021, the City had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Georgia Fund 1	AAAf	\$ 62,117,690	36 days
Municipal Competitive Trust	AA+	67,743,726	3.75 years
Guaranteed Investment Contract	n/a	2,238,333	June 1, 2028
First American Government Obligations	Aaa	3,809,771	42 days
US Treasury Obligations	Aaa	796,663	.02 years
Federal Farm Credit Bank	Aaa	3,149,306	.07 years
Federal Home Loan Mortgage Corp.	Aaa	1,533,054	.04 years
Federal National Mortgage Association	Aaa	471,546	.01 years
Fidelity Treasury Portfolio	Aaa	385,360	42 days
Total		<u>\$ 142,245,449</u>	

Note: All ratings are rated by Moody's, with the exception of Georgia Fund 1 which is by Standard & Poor's.

The City considers \$5,654,977 of the Municipal Competitive Trust as a cash equivalent. The City considers the entirety of the Georgia Fund 1 account as a cash equivalent.

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.

Custodial credit risk – deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) 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 at a rate of at least 110 percent of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2021, the City's deposits are insured or collateralized as defined by GASB Standards.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (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 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, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Municipal Competitive Trust (Intermediate)	\$ -	\$ 33,584,752	\$ 33,584,752
Municipal Competitive Trust (Intermediate Extended)	-	31,087,989	31,087,989
Municipal Competitive Trust (Short Term)	-	3,070,985	3,070,985
First American Government Obligations	3,809,771	-	3,809,771
US Treasury Obligations	-	796,663	796,663
Federal Farm Credit Bank	-	3,149,306	3,149,306
Federal Home Loan Mortgage Corp.	600,013	933,041	1,533,054
Federal National Mortgage Association	471,546	-	471,546
Fidelity Treasury Portfolio	385,360	-	385,360
	<u>\$ 5,266,690</u>	<u>\$ 72,622,736</u>	<u>\$ 77,889,426</u>
Total investments measured at fair value			
Georgia Fund 1			62,117,690
Investments recorded at cost:			
Guaranteed Investment Contract			<u>2,238,333</u>
Total investments			<u>\$ 142,245,449</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 1,093,930</u>	<u>\$ 1,093,930</u>

The First American Government Obligations, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Fidelity Treasury Portfolio classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. The Municipal Competitive Trust; US Treasury Obligations, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Primary Government (Continued)

The interest rate swap agreement that is more fully described in Note 6 is classified as Level 2 of the fair value hierarchy and is valued using an option-adjusted discounted cash flow model.

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

The City's Guaranteed Investment Contract and Certificates of Deposits are considered nonparticipating interest-earning investment contracts and, accordingly, are recorded at cost.

Pension Trust Fund

The Pension Trust Fund's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Board of Trustees of the Employees' Retirement System of the City of Cartersville. The Pension Trust Fund is authorized to invest in cash and cash equivalents (including money market funds and stable value funds), fixed income securities (government and corporate entity obligations, asset-backed securities, commercial paper, or similar fixed income contracts), and domestic equities.

As of June 30, 2021, the Pension Trust Fund had \$67,583,794 invested in the following types of investments:

<u>Investment</u>	<u>Fair Value</u>
Corporate Bonds	\$ 1,244,000
Preferred stock	3,849,882
Mutual funds invested in fixed income	16,248,086
Mutual funds invested in equities	42,341,767
Mutual funds invested in alternative investment	3,900,059
Total	<u>\$ 67,583,794</u>

Credit risk: The Pension Trust Fund's investment policy adopts the following asset allocation mix to achieve the lowest level of risk while obtaining the average annual return benchmark (8.00%): The City has a target range of 0-20% for cash, 30-55% for fixed income securities and 10-60% for equity securities. At June 30, 2021, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

Concentration: On June 30, 2021, the Pension Trust Fund had two investments that comprised 14% and 11% of the overall portfolio, which was Monteagle Opportunity Equity Institutional in the amount of \$9,557,206 and John Hancock High Yield in the amount of \$7,231,581, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Trust Fund (Continued)

Interest rate risk: The Pension Trust Funds hold assets to collateralize the pension promises. The projected benefits extend out over 50+ years. The investment policy considers the duration of the assets and liabilities when managing interest rate risk in the bond portfolio. However, no formal policy to address potential fair value losses from rising interest rates has been adopted by the Board of Trustees of the Employees' Retirement System of the City of Cartersville.

As of June 30, 2021, the Pension Trust Fund had \$67,583,794 invested in the following investments as categorized by interest rate risk:

Investment	Fair Value	Average Effective Duration (Years)
Corporate bonds	\$ 1,244,000	n/a
Preferred stock	3,849,882	n/a
Mutual funds invested in fixed income	16,248,086	7.12
Mutual funds invested in equities	42,341,767	n/a
Mutual funds invested in alternative investment	3,900,059	n/a
Total	\$ 67,583,794	

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was 30.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2021, the Pension Trust Fund did not have any deposits with financial institutions which were uninsured or under collateralized, as defined by State statutes.

Fair Value Measurements: The Pension Trust Fund has the following recurring fair value measurements as of June 30, 2021:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate bonds	\$ -	\$ 1,244,000	\$ -	\$ 1,244,000
Preferred stock	-	-	3,849,882	3,849,882
Mutual funds invested in fixed income	16,248,086	-	-	16,248,086
Mutual funds invested in equities	42,341,767	-	-	42,341,767
Mutual funds invested in alternative investments	-	-	3,900,059	3,900,059
Total investments	\$ 58,589,853	\$ 1,244,000	\$ 7,749,941	\$ 67,583,794

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Trust Fund (Continued)

The mutual fund securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The corporate bonds classified as Level 2 of the fair value hierarchy are valued using inputs other than quoted prices that are observable. The preferred stock and mutual funds invested in alternative investments classified as Level 3 of the fair value hierarchy are valued based on orderly transactions between market participants at the measurement date.

NOTE 4. RECEIVABLES

Property taxes are levied by the City based on the assessed value of property as of January 1. Bartow County bills and collects the City's real and personal property taxes. City property tax revenues are recognized when levied to the extent they result in current receivables. After receiving the tax digest from Bartow County, the property tax millage rate was approved by the City Council on August 20, 2020. Tax notices were mailed on September 15, 2020 and taxes were due by November 15, 2020 after which time penalties and interest began accruing. Generally, liens may attach to property for unpaid taxes on January 1st of the subsequent year.

The tax billing cycle for fiscal year 2021 is as follows:

Levy date	August 20, 2020
Payment due date	November 15, 2020
Delinquency date	November 16, 2020
Lien filing date	February 16, 2021

Receivables at June 30, 2021 for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	Taxes	Accounts	Due From Other Governments	Allowance for Uncollectibles	Net Receivable
General Fund	\$ 647,957	\$ 264,486	\$ 577,498	\$ (127,937)	\$ 1,362,004
Grant Fund	-	-	6,469,227	-	6,469,227
Nonmajor governmental funds	154,864	437,102	710,797	-	1,302,763
Water and Sewer Fund	-	2,413,246	-	(275,396)	2,137,850
Electrical System Fund	-	4,858,030	-	(503,292)	4,354,738
Gas System Fund	-	1,853,582	-	(142,989)	1,710,593
Nonmajor enterprise funds	-	556,266	-	(107,811)	448,455
	\$ 802,821	\$ 10,382,712	\$ 7,757,522	\$ (1,157,425)	\$ 17,785,630

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Transfers	Transfers to/from Proprietary	Decreases	Ending Balance
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 9,737,667	\$ 251,660	\$ -	\$ -	\$ -	\$ 9,989,327
Construction in progress	1,958,297	3,613,990	(180,697)	-	-	5,391,590
Total	<u>11,695,964</u>	<u>3,865,650</u>	<u>(180,697)</u>	<u>-</u>	<u>-</u>	<u>15,380,917</u>
Capital assets, being depreciated:						
Land improvements	4,255,012	-	-	-	-	4,255,012
Infrastructure	89,859,623	-	180,697	(180,697)	-	89,859,623
Buildings	63,892,693	-	-	-	-	63,892,693
Improvements	10,355,194	-	-	-	-	10,355,194
Machinery & equipment	16,495,892	680,360	-	48,333	(510,957)	16,713,628
Total	<u>184,858,414</u>	<u>680,360</u>	<u>180,697</u>	<u>(132,364)</u>	<u>(510,957)</u>	<u>185,076,150</u>
Less accumulated depreciation for:						
Land improvements	(3,265,363)	(144,373)	-	-	-	(3,409,736)
Infrastructure	(41,951,213)	(2,297,705)	-	17,796	-	(44,231,122)
Buildings	(28,454,196)	(1,155,668)	(1,693,443)	-	-	(31,303,307)
Improvements	(6,453,993)	(378,158)	1,693,443	-	-	(5,138,708)
Machinery & equipment	(11,973,186)	(698,231)	-	(48,333)	497,941	(12,221,809)
Total	<u>(92,097,951)</u>	<u>(4,674,135)</u>	<u>-</u>	<u>(30,537)</u>	<u>497,941</u>	<u>(96,304,682)</u>
Total capital assets, being depreciated, net	<u>92,760,463</u>	<u>(3,993,775)</u>	<u>180,697</u>	<u>(162,901)</u>	<u>(13,016)</u>	<u>88,771,468</u>
Governmental activities capital assets, net	<u>\$ 104,456,427</u>	<u>\$ (128,125)</u>	<u>\$ -</u>	<u>\$ (162,901)</u>	<u>\$ (13,016)</u>	<u>\$ 104,152,385</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Transfers (to) from Governmental</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:						
Capital assets, not being depreciated:						
Land	\$ 8,237,577	\$ 11,500	\$ -	\$ -	\$ -	\$ 8,249,077
Construction in Progress	32,167,952	17,708,207	(1,239,797)	-	-	48,636,362
Total	<u>40,405,529</u>	<u>17,719,707</u>	<u>(1,239,797)</u>	<u>-</u>	<u>-</u>	<u>56,885,439</u>
Capital assets, being depreciated:						
Buildings	10,925,557	-	-	-	-	10,925,557
Land improvements	751,892	-	-	-	-	751,892
Infrastructure	229,056,230	1,830,044	1,239,797	180,697	(450,447)	231,856,321
Machinery and equipment	15,325,181	1,320,552	-	(48,333)	(853,310)	15,744,090
Total	<u>256,058,860</u>	<u>3,150,596</u>	<u>1,239,797</u>	<u>132,364</u>	<u>(1,303,757)</u>	<u>259,277,860</u>
Less accumulated depreciation for:						
Buildings	(1,427,867)	(274,971)	-	-	-	(1,702,838)
Land improvements	(25,386)	(25,386)	-	-	-	(50,772)
Infrastructure	(92,244,569)	(4,804,331)	-	(17,796)	450,447	(96,616,249)
Machinery and equipment	(10,501,520)	(748,705)	-	48,333	610,641	(10,591,251)
Total	<u>(104,199,342)</u>	<u>(5,853,393)</u>	<u>-</u>	<u>30,537</u>	<u>1,061,088</u>	<u>(108,961,110)</u>
Total capital assets, being depreciated, net	<u>151,859,518</u>	<u>(2,702,797)</u>	<u>1,239,797</u>	<u>162,901</u>	<u>(242,669)</u>	<u>150,316,750</u>
Business-type activities capital assets, net	<u>\$ 192,265,047</u>	<u>\$ 15,016,910</u>	<u>\$ -</u>	<u>\$ 162,901</u>	<u>\$ (242,669)</u>	<u>\$ 207,202,189</u>

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

Governmental activities:	
General government	\$ 839,884
Judicial	2,937
Public safety	1,063,197
Public works	1,969,417
Culture and recreation	711,733
Planning and development	32,771
Internal service funds	54,196
Total depreciation expense - governmental activities	<u>\$ 4,674,135</u>
Business-type activities:	
Water and Sewer Fund	\$ 3,600,067
Electrical System Fund	814,365
Gas System Fund	770,621
Solid Waste Fund	231,571
Stormwater Fund	205,454
Fiber Optic Fund	231,315
Total depreciation expense - business-type activities	<u>\$ 5,853,393</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 4,350,000	\$ 52,725,000	\$ (820,000)	\$ 56,255,000	\$ 840,000
Original issue premium	-	8,154,562	-	8,154,562	-
Net revenue bonds	4,350,000	60,879,562	(820,000)	64,409,562	840,000
Direct placement bonds	1,574,687	-	(241,231)	1,333,456	-
Certificates of participation	4,444,000	-	-	4,444,000	-
Compensated absences	716,506	812,166	(800,212)	728,460	728,460
Net pension liability	22,737,023	4,774,819	(11,471,828)	16,040,014	-
Total OPEB liability	16,179,433	1,378,293	(1,114,296)	16,443,430	-
Governmental activities Long-term liabilities	<u>\$ 50,001,649</u>	<u>\$ 67,844,840</u>	<u>\$ (14,447,567)</u>	<u>\$ 103,398,922</u>	<u>\$ 1,568,460</u>
Business-type activities:					
Revenue bonds	\$ 56,515,000	\$ -	\$ (325,000)	\$ 56,190,000	\$ 1,075,000
Original issue premium	4,808,149	-	(419,111)	4,389,038	-
Net revenue bonds	61,323,149	-	(744,111)	60,579,038	1,075,000
Direct placement bonds	9,385,000	-	(1,375,000)	8,010,000	660,000
Financed purchases	266,722	267,650	(266,722)	267,650	267,650
Compensated absences	502,188	421,364	(498,404)	425,148	425,148
Net pension liability	13,101,327	2,804,258	(6,538,816)	9,366,769	-
Total OPEB liability	7,244,835	870,512	186,792	8,302,139	-
Business-type activities Long-term liabilities	<u>\$ 91,823,221</u>	<u>\$ 4,363,784</u>	<u>\$ (9,236,261)</u>	<u>\$ 86,950,744</u>	<u>\$ 2,427,798</u>

For governmental activities, compensated absences, net pension liability and total OPEB liability are liquidated by the General Fund. The City reports the entire balance of compensated absences in governmental activities and business-type activities as a current liability due to the fact that the City expects the ending liability to be used within one (1) year.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Governmental Activities

General obligation bonds: In 2014, the City issued \$8,200,000 in Series 2014 Park and Recreational Facilities Bonds bearing interest at a rate 2.00% per annum payable each January 1 and July 1 with principal payable annually on January 1. The bonds were issued for the purpose of construction of parks and recreational facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. As of June 30, 2021, the outstanding principal amount is \$3,530,000.

In 2021, the City issued \$52,725,000 in Series 2021 General Obligation Bonds bearing interest at a rate 2.00%-5.00% per annum payable each April 1 and October 1 with principal payable annually on October 1. The bonds were issued with a premium of \$8,154,562. The bonds were issued for the purpose of acquisition, construction, and equipping of certain education facilities for the benefit of the School System of the City of Cartersville. General obligation bonds are direct obligations and pledge the full faith and credit of the government. As of June 30, 2021, the outstanding principal amount is \$52,725,000.

The debt service requirements to maturity on the bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2022	\$ 840,000	\$ 1,509,153	\$ 2,349,153
2023	870,000	1,923,400	2,793,400
2024	2,895,000	1,856,000	4,751,000
2025	2,925,000	1,738,100	4,663,100
2026	2,000,000	1,619,600	3,619,600
2027-2031	14,780,000	6,120,000	20,900,000
2032-2036	15,975,000	2,619,400	18,594,400
2037-2041	15,970,000	798,300	16,768,300
Total	<u>\$ 56,255,000</u>	<u>\$ 18,183,953</u>	<u>\$ 74,438,953</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Direct placement bonds: In 2017, the City issued \$2,128,680 in Series 2016 Tax Allocation Bonds (East Main Street Project) bearing interest at a rate 5.00% per annum payable each December 1 and June 1 with principal payable in full on December 1, 2044. The bonds were issued for the purpose of paying the costs for the East Main Street Project.

The debt service requirements to maturity on the bonds payable are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2022	\$ -	\$ 66,673	\$ 66,673
2023	-	66,673	66,673
2024	-	66,673	66,673
2025	-	66,673	66,673
2026	-	66,673	66,673
2027-2031	-	333,364	333,364
2032-2036	-	333,364	333,364
2037-2041	-	333,364	333,364
2042-2044	1,333,456	266,691	1,600,147
Total	\$ 1,333,456	\$ 1,600,148	\$ 2,933,604

Certificates of Participation: In June 1998, the City entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the City's participation totaling \$4,444,000. The lease pool agreement with the Association provides that the City owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The City draws from the investment to lease equipment from the Association. The lease pool agreement requires the City to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Certificates of Participation (continued): As part of the issuance of the certificates of participation, the City entered into an interest rate swap agreement. Under the Swap Agreement, the City is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the “Swap Payment”); and the Swap Counterparty will pay to, or on behalf of, the City a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement.

The semiannual payments from the Swap Counterparty with respect to the City are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the City, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the City’s obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the City would be exposed to credit risk in the amount of the Swap’s fair value. To minimize this risk, the City executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody’s. At June 30, 2021, the floating rate being paid by the City is 0.34% and the market value of this agreement is \$1,093,930, a decrease of \$324,432 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2021 based on the derivative contract and it is reported as a non-current asset in the statement of net position. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as a deferred inflow of resources in the statement of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Governmental Activities (Continued)

Certificates of Participation (continued): The City's total certificates of participation debt service requirements to maturity are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2022	\$ -	\$ 211,090	\$ 211,090
2023	-	211,090	211,090
2024	-	211,090	211,090
2025	-	211,090	211,090
2026	-	211,090	211,090
2027-2038	4,444,000	633,270	5,077,270
Total	\$ 4,444,000	\$ 1,688,720	\$ 6,132,720

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NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Business-Type Activities

Revenue bonds: In June 2018, the City issued Revenue Bonds, Series 2018 for \$57,305,000 to (1) to provide funds necessary for the current refunding all of its Water and Sewerage Revenue Bond, Series 2012 outstanding in the principal amount of \$6,620,000 and (2) to fund the costs of making additions, extensions, and improvements to the City’s water supply, treatment and distribution system and sanitary sewer treatment and collection system. The bonds require semiannual interest payments due on June 1 and December 1, with principal payments due annually on June 1, commencing on June 1, 2019, with interest rates ranging from 3.25% to 5.00%. The bonds are payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments in the amounts sufficient to pay the principal and interest of the bonds. The bonds mature on June 1, 2048. As of June 30, 2021, the total amount of outstanding principal is \$56,190,000.

The debt service requirements to maturity on the bonds payable are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2022	\$ 1,075,000	\$ 2,491,975	\$ 3,566,975
2023	1,180,000	2,438,225	3,618,225
2024	1,240,000	2,379,225	3,619,225
2025	1,280,000	2,338,925	3,618,925
2026	1,345,000	2,274,925	3,619,925
2027-2031	7,765,000	10,329,825	18,094,825
2032-2036	9,620,000	8,478,775	18,098,775
2037-2041	11,670,000	6,423,500	18,093,500
2042-2046	14,285,000	3,807,800	18,092,800
2074-2048	6,730,000	508,750	7,238,750
Total	<u>\$ 56,190,000</u>	<u>\$ 41,471,925</u>	<u>\$ 97,661,925</u>

Financed Purchase from Direct Borrowing: In 2021, the City entered into a financed purchase agreement, in the amount of \$267,650, to purchase a solid waste vehicle. Principal is due monthly beginning May 1, 2021 for twelve months and a balloon payment purchase option due on May 1, 2022 for the remaining principal balance. Principal and interest amount due for the fiscal year ending June 30, 2021 is \$267,650 and \$14,863, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Business-Type Activities (Continued)

Direct placement bonds: In February 2013, the CBA issued Revenue Bonds (City of Cartersville, Georgia Project), Series 2013 for \$7,095,000 to acquire, construct and install a public park. The bonds are payable by the City (Governmental Activities in the amount of \$1,145,000 and Water and Sewer Fund in the amount of \$5,950,000) and payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments in amounts sufficient to pay the principal and interest of the bonds. The Governmental Activities portion was paid in whole as of June 30, 2019 leaving only the Water and Sewer portion as a bond payable in the amount of \$50,000 as of June 30, 2021. The bonds require semi-annual interest payments due on February 1 and August 1, with principal payments due semi-annually on February 1 and August 1, with an interest rate of 1.20%. The bonds mature August 1, 2021.

In November 2017, the CBA issued Revenue Bonds (City of Cartersville Natural Gas Utility Projects), Series 2017 for \$10,000,000 to acquire, construct and install components of the Natural Gas System Properties. The bonds are payable by the City' Gas Fund and payable solely from and secured by pledged revenues under the contract by which the City is required to make installment payments in amounts sufficient to pay the principal and interest of the bonds. The bonds require semi-annual interest payments due on May 1 and November 1, with principal payments due semi-annually on May 1 and November 1, with an interest rate of 2.15%. The bonds mature November 1, 2031. As of June 30, 2021, the amount of principal outstanding is \$7,960,000.

Debt service requirements to maturity on the bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2022	\$ 660,000	\$ 168,161	\$ 828,161
2023	625,000	154,693	779,693
2024	640,000	141,148	781,148
2025	655,000	127,334	782,334
2026	670,000	120,293	790,293
2037-2031	3,595,000	491,651	4,086,651
2032-2033	1,165,000	115,509	1,280,509
Total	<u>\$ 8,010,000</u>	<u>\$ 1,318,789</u>	<u>\$ 9,328,789</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grant Fund	\$ 74,269
General Fund	Nonmajor Governmental Funds	156,266
		<u>\$ 230,535</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and when payments between funds are made.

Advances to/from other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Gas Fund	\$ 196,577
General Fund	Nonmajor enterprise funds	1,240,593
		<u>\$ 1,437,170</u>

The amounts payable from the Gas Fund and the nonmajor enterprise funds relate to equipment and vehicles purchased by the General Fund and transferred to these funds. Amounts payable from the nonmajor enterprise funds and nonmajor governmental funds also relate to interfund loans from the General Fund.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Grant Fund	\$ 31,573
General Fund	Nonmajor governmental funds	366,367
General Fund	Water and Sewer Fund	2,696,105
General Fund	Electrical Fund	3,193,475
General Fund	Gas Fund	3,709,105
General Fund	Nonmajor enterprise funds	673,951
		<u>\$ 10,670,576</u>
Internal Service Funds	General Fund	\$ 41,557
Internal Service Funds	Water and Sewer Fund	126,328
Internal Service Funds	Electric Fund	9,283
Internal Service Funds	Gas Fund	4,503
Internal Service Funds	Nonmajor enterprise funds	28,875
		<u>\$ 210,546</u>

Transfers are used to (1) move unrestricted enterprise revenues to the General Fund to supplant General Fund property tax revenues and (2) move unrestricted revenues from various funds to supplement the Garage Fund due to the deficit net position.

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NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN

The City participates in two defined benefit pension plans: the City of Cartersville Pension Plan (the “Plan”) and the City of Cartersville 2017 Pension Plan (“2017 Plan”). The net pension asset, net pension liability, and related deferred outflows of resources, and deferred inflows of resources for the plans are summarized below.

	Plan	2017 Plan	Total
Net pension asset	\$ -	\$ 318,376	\$ 318,376
Net pension liability	25,406,783	-	25,406,783
Deferred outflows of resources related to pensions	5,538,949	159,546	5,698,495
Deferred inflows of resources related to pensions	7,242,880	100,898	7,343,778
Pension expense	1,769,380	14,396	1,783,776

City of Cartersville Pension Plan

Plan Description

Plan administration: Substantially all full-time employees of the City of Cartersville are covered by the City of Cartersville Pension Plan (The “Plan”). The single-employer defined benefit pension plan was established by the City, in accordance with City charter and state statutes, by the adoption of an ordinance effective January 1, 1967 and was restated April 28, 2011. This ordinance assigns the authority to establish, amend or discontinue the Pension Plan to the City Council of the City of Cartersville, Georgia.

The Plan is included in this report because the City has the oversight responsibility as prescribed by the Governmental Accounting Standards Board. The Plan does not issue separate financial statements but includes the financial statements and required supplementary information in the City's annual financial report.

Plan membership: As of July 1, 2021 employee membership data related to the plan were as follows:

Retirees and beneficiaries receiving benefits	193
Terminated vested participants not yet receiving benefits	27
Active participants	225
	445

This plan is closed to new entrants effective January 1, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville Pension Plan (Continued)

Benefits provided: Under the plan, employees are eligible for normal retirement benefits after completion of a minimum of ten years full time service and reaching age 65. The normal retirement benefit payable for life is 2% of average monthly compensation multiplied by years of service. Average monthly compensation is based on the three highest consecutive completed years of service during the last ten years of service. Benefits vest after ten years of service. An early retirement option is available at age 55 with ten years of service. However, benefits are reduced 3% a year for the first five years and 6% for the next five years that the payment commencement date precedes the earlier of normal retirement date or the date the participant would have had twenty years of service.

Police and fire personnel are eligible for normal retirement benefits after completion of a minimum of twenty years full time service and reaching age 50. The normal retirement benefit payable for life is 2% of average monthly compensation multiplied by years of service. An early retirement option is available at age 50 with less than twenty years of service. However, benefits are reduced 7% a year for each year in which termination precedes twenty years.

Contributions: The funding policy for the plan is to contribute an amount equal to the required contribution each year. The required contribution by the plan members and the City is actuarially determined and may be amended by the City Council. Contributions are determined using the entry age normal cost method and assets are valued using market related value.

The actuarial valuation, dated July 1, 2020, determined that for the period beginning July 1, 2020, employer contributions of \$3,995,189, are required to meet the current cost of the Plan. City contributions to the Plan were \$4,014,931 and employee contributions to the Plan were \$468,202 for the year ended June 30, 2021.

Summary of Significant Accounting Policies: The City of Cartersville Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment income is recognized as earned by the Plan. All plan investments are reported at fair value. There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are paid by the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville Pension Plan (Continued)

Net Pension Liability of the City

Actuarial Assumptions: The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	4.0%, including inflation
Investment rate of return	6.5%, including inflation, net of investment expense

Mortality rates were based on the PUB-2010 Mortality Table for general employees with generational improvements in mortality using Scale MP-2017.

The actuarial assumptions used in the July 1, 2020 valuation does not include the results of an experience study as the City has not performed an experience study.

The long-term expected rate of return on pension plan investments was determined as 4.00%, excluding 2.5% attributable to long-term inflation, using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investments 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	5.00%
International equity	10%	5.00%
Fixed income	40%	2.50%
Total or weighted arithmetic average	<u>100%</u>	4.00%

Long-term expected real rate of return excludes the inflation rate of 2.5%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville Pension Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made based on rates determined by the plan Actuary. 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 periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability: Changes in the net pension liability for the year ended June 30, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2020	\$ 86,909,638	\$ 51,071,288	\$ 35,838,350
Changes for the year:			
Service Cost	2,112,482	-	2,112,482
Interest on total pension liability	5,640,554	3,364,961	2,275,593
Demographic experience	(589,901)	-	(589,901)
Assumption changes	2,731,577	-	2,731,577
Contributions - employer	-	4,014,931	(4,014,931)
Contributions - employee	-	468,201	(468,201)
Net investment income	-	12,544,597	(12,544,597)
Benefit payments, including refunding of employees contributions	(4,001,832)	(4,001,832)	-
Administrative expense	-	(66,411)	66,411
Net changes	<u>5,892,880</u>	<u>16,324,447</u>	<u>(10,431,567)</u>
Balances at 6/30/2021	<u>\$ 92,802,518</u>	<u>\$ 67,395,735</u>	<u>\$ 25,406,783</u>

The Plan's fiduciary net position as a percentage of the total pension liability 72.62%

The schedule above utilizes the new measurement period ending with the City's measurement date of June 30, 2021. The statements for the Plan in the fiduciary fund are presented as of and for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville Pension Plan (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability of the City, calculated using the discount rate of 6.50%, 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 (5.50%) or 1-percentage point higher (7.50%) than the current rate.

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ 37,396,730	\$ 25,406,783	\$ 14,634,770

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 July 1, 2020 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, 2021, the City recognized pension expense of \$1,769,380. At June 30, 2021, 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	\$ 1,708,553	\$ 1,106,213
Differences resulting from changes in actuarial assumptions	3,830,396	-
Net difference between projected and actual earnings on pension plan investments	-	6,136,667
Total	\$ 5,538,949	\$ 7,242,880

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville Pension Plan (Continued)

The City changed the pension plan’s measurement period date to coincide with the fiscal year end and therefore no contributions subsequent to measurement date are reported. The current year disclosures presented here are shown for the measurement date of June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2022	\$ (214,613)
2023	5,423
2024	(560,736)
2025	(1,165,513)
2026	345,159
Thereafter	<u>(113,651)</u>
Total	<u><u>\$ (1,703,931)</u></u>

City of Cartersville 2017 Pension Plan

Plan Description

Plan administration: Substantially all full-time employees of the City of Cartersville hired after January 1, 2017 are covered by the City of Cartersville 2017 Pension Plan (The “2017 Plan”). The single-employer defined benefit pension plan was established by the City, in accordance with City charter and state statutes, by the adoption of an ordinance effective January 1, 2017. This ordinance assigns the authority to establish, amend or discontinue the 2017 Pension Plan to the City Council of the City of Cartersville, Georgia.

The 2017 Plan is included in this report because the City has the oversight responsibility as prescribed by the Governmental Accounting Standards Board. The Plan does not issue separate financial statements but includes the financial statements and required supplementary information in the City's annual financial report.

Plan membership: As of July 1, 2021 employee membership data related to the 2017 plan were as follows:

Retirees and beneficiaries receiving benefits	-
Terminated participants due to refund of contributions	6
Active participants	<u>93</u>
	<u><u>99</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville 2017 Pension Plan (Continued)

Benefits provided: Under the 2017 plan, employees are eligible for normal retirement benefits after completion of a minimum of ten years full time service and reaching age 65. The normal retirement benefit payable for life is 1% of average monthly compensation multiplied by years of service. Average monthly compensation is based on the three highest consecutive completed years of service during the last ten years of service. Benefits vest after ten years of service. An early retirement option is available at age 55 with ten years of service. However, benefits are reduced 3% a year for the first five years and 6% for the next five years that the payment commencement date precedes the earlier of normal retirement date or the date the participant would have had twenty years of service.

Police and fire personnel are eligible for normal retirement benefits after completion of a minimum of twenty years full time service and reaching age 50. The normal retirement benefit payable for life is 2% of average monthly compensation multiplied by years of service. An early retirement option is available at age 50 with less than twenty years of service. However, benefits are reduced 7% a year for each year in which termination precedes twenty years.

Contributions: The funding policy for the 2017 plan is to contribute an amount equal to the required contribution each year. The required contribution by the 2017 plan members and the City is actuarially determined and may be amended by the City Council. Contributions are determined using the entry age normal cost method and assets are valued using market related value.

The actuarial valuation, dated July 1, 2020, determined that for the period beginning July 1, 2020, employer contributions \$90,027, are required to meet the current cost of the 2017 Plan. City contributions to the 2017 Plan were \$334,359 and employee contributions for the 2017 Plan were \$136,482 for the year ended June 30, 2021.

Summary of Significant Accounting Policies: The City of Cartersville 2017 Pension Plan financial statements are prepared on the accrual basis of accounting. Contributions from the City and the City's employees are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the 2017 plan. Investment income is recognized as earned by the 2017 Plan. All 2017 plan investments are reported at fair value. There are no investments in, loans to, or leases with parties related to the pension plan. Administrative costs are paid by the 2017 plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville 2017 Pension Plan (Continued)

Net Pension Asset of the City

Actuarial Assumptions: The net pension asset was measured as of June 30, 2021 and the total pension liability used to calculate the net pension asset was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.5%
Salary increases		4.0%, including inflation
Investment rate of return	6.5%, including inflation, net of investment expense	

Mortality rates were based on the PUB-2010 Mortality Table for general employees with generational improvements in mortality using Scale MP-2017.

The actuarial assumptions used in the July 1, 2020 valuation does not include the results of an experience study as the City has not performed an experience study.

The long-term expected rate of return on pension plan investments was determined as 4.00%, excluding 2.5% attributable to long-term inflation, using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investments 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	50%	5.00%
International equity	10%	5.00%
Fixed income	40%	2.50%
Total or weighted arithmetic average	100%	4.00%

Long-term expected real rate of return excludes the inflation rate of 2.5%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville 2017 Pension Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made based on rates determined by the plan Actuary. 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 periods of projected benefit payments to determine the total pension asset.

Changes in Net Pension Asset: Changes in the net pension asset for the year ended June 30, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/2020	<u>\$ 358,400</u>	<u>\$ 439,766</u>	<u>\$ (81,366)</u>
Changes for the year:			
Service Cost	318,542	-	318,542
Interest on total pension liability	43,590	42,415	1,175
Demographic experience	57,123	-	57,123
Assumption changes	15,333	-	15,333
Contributions - employer	-	334,359	(334,359)
Contributions - employee	-	136,482	(136,482)
Net investment income	-	159,183	(159,183)
Benefit payments, including refunding of employees contributions	(41,769)	(41,769)	-
Administrative expense	-	(841)	841
Net changes	<u>392,819</u>	<u>629,829</u>	<u>(237,010)</u>
Balances at 6/30/2021	<u>\$ 751,219</u>	<u>\$ 1,069,595</u>	<u>\$ (318,376)</u>

The Plan’s fiduciary net position as a percentage of the total pension liability 142.38%

The schedule above utilizes the measurement period ending with the City’s measurement date of June 30, 2021. The statements of the plan in the fiduciary fund are presented as of and for the year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

City of Cartersville 2017 Pension Plan (Continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate: The following table presents the net pension asset of the City, calculated using the discount rate of 6.50%, as well as what the City's net pension asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate.

1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
\$ (90,115)	\$ (318,376)	\$ (402,630)

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 July 1, 2020 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, 2021, the City recognized pension expense of \$14,396. At June 30, 2021, 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	\$ 145,394	\$ -
Differences resulting from changes in actuarial assumptions	14,152	-
Net difference between projected and actual earnings on pension plan investments	-	100,898
Total	\$ 159,546	\$ 100,898

The City changed the pension plan's measurement period date to coincide with the fiscal year end and therefore no contributions subsequent to measurement date are reported. The current year disclosures presented here are shown for the measurement date of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

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:		
2022		\$ (10,403)
2023		(10,315)
2024		(10,846)
2025		(13,582)
2026		13,938
Thereafter		<u>89,856</u>
Total		<u>\$ 58,648</u>

Financial Statements

The financial statements for the plans for fiscal year 2021 are as follows:

STATEMENT OF NET POSITION FIDUCIARY FUNDS June 30, 2021

	Pension	2017	Total
	Trust Fund	Pension	Pension
	Trust Fund	Trust Fund	Trust Fund
ASSETS			
Cash	\$ 888,823	\$ 14,101	\$ 902,924
Investments:			
Preferred stock	3,789,760	60,122	3,849,882
Privately held stock	3,839,152	60,907	3,900,059
Corporate bonds	1,224,600	19,400	1,244,000
Mutual funds invested in fixed income securities	15,994,343	253,743	16,248,086
Mutual funds invested in equity securities	<u>42,274,681</u>	<u>67,086</u>	<u>42,341,767</u>
Total assets	<u>68,011,359</u>	<u>475,359</u>	<u>68,486,718</u>
LIABILITIES			
Due to others	<u>20,780</u>	<u>608</u>	<u>21,388</u>
Total liabilities	<u>20,780</u>	<u>608</u>	<u>21,388</u>
NET POSITION			
Net position restricted for pension benefits	<u>\$ 67,395,433</u>	<u>\$ 1,069,898</u>	<u>\$ 68,465,330</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Financial Statements (Continued)

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Pension Trust Fund</u>	<u>2017 Pension Trust Fund</u>	<u>Total Pension Trust Fund</u>
ADDITIONS			
Contributions			
Employer contributions	\$ 4,014,931	\$ 334,359	\$ 4,349,290
Plan member contributions	<u>468,201</u>	<u>136,482</u>	<u>604,683</u>
Total contributions	<u>4,483,132</u>	<u>470,841</u>	<u>4,953,973</u>
Investment earnings			
Net Increase in fair value of investments	12,544,597	159,183	12,703,780
Interest and dividends	<u>3,460,306</u>	<u>43,624</u>	<u>3,503,930</u>
Total investment earnings	16,004,903	202,807	16,207,710
Less investment expense	<u>(95,345)</u>	<u>(1,209)</u>	<u>(96,554)</u>
Net investment earnings	<u>15,909,558</u>	<u>201,598</u>	<u>16,111,156</u>
Total additions	<u>20,392,690</u>	<u>672,439</u>	<u>21,065,129</u>
DEDUCTIONS			
Benefit payments	3,960,656	-	3,960,656
Refunds paid to Plan members and beneficiaries	41,176	41,769	82,945
Administrative fees	<u>66,411</u>	<u>841</u>	<u>67,252</u>
Total deductions	<u>4,068,243</u>	<u>42,610</u>	<u>4,110,853</u>
Change in net position	16,324,447	629,829	16,954,276
NET POSITION RESTRICTED FOR PENSION BENEFITS:			
Beginning of year	<u>51,071,288</u>	<u>439,766</u>	<u>51,511,054</u>
End of year	<u>\$ 67,395,735</u>	<u>\$ 1,069,595</u>	<u>\$ 68,465,330</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN (CONTINUED)

Defined Contribution Plan

The City of Cartersville's Internal Revenue Code Section 457 Plan (the "Plan") is a deferred compensation plan and qualifies as a defined contribution pension plan. The Plan is administered by ICMA Retirement Corporation and Vantage Trust for all full time employees and is funded entirely by employee contributions. Plan provisions and contribution requirements are established and may be amended by the City Council. At June 30, 2021, there were 244 plan members. Employees are not required to contribute to the Plan.

Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the Plan. The Plan allows employees to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. As of June 30, 2021, the fair value of the plan's assets was \$8,405,145. Contributions by participants during the years ended June 30, 2021 were \$439,924.

The City also participates in a 401(A) defined contribution plan administered by ICMA Retirement Corporation and Vantage Trust to provide additional benefits for the City Manager and department heads. Contribution provisions are 15% of the City Manager's salary, \$5,000 for the Assistant City Manager, and \$2,000 for each department head. In order to receive the city portion, each department head is required to invest a minimum of \$2,000 of their salary in an investment account within the 457(B) or IRA plans of ICMA-RC. As of June 30, 2021, there are a total of twelve (12) participants in the 401(A) plan. The City Council established the plan, sets the contribution amount in any one year, and has the right to amend provisions of the plan. Total employer contributions into the 401(A) plan for the year ended June 30, 2021, were \$44,800.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Through the passage of local ordinance, the City of Cartersville OPEB plan, a single employer defined benefit plan provides continuation of medical, dental and life insurance coverage to retired employees. All full time employees of the City hired prior to July 20, 2000 are eligible for these benefits. Former employees pay 15% for single and 25% for family medical insurance premiums and 40% for single and 45% for family dental insurance premiums. The City covers all additional costs.

The normal retirement date of a participant is the first day of the calendar month coincident with or next following their 65th birthday. A participant may retire on an early retirement date which may be the first day of any calendar month prior to their normal retirement date, provided they have then attained their 55th birthday and completed 10 years of credited service (50th birthday for Police and Fire employees). A participant may continue in employment beyond their normal retirement date; such participant's postponed retirement date will be the first day of the calendar month coincident with or next following their actual retirement. An employee who retires and receives a pension or is vested is entitled to continue their health insurance coverage (with Medicare considered the primary insurance after age 65). Spousal coverage expires 36 months after employee death. Life insurance is provided for life of employee and is equal to 100% of current annual salary at retirement with the original amount reduced by 35% at age 65 and 45% at age 70. Dental insurance is provided for employees continuing health insurance. The plan is administered through the City's current insurance provider and no separate audit report is available. The City has the authority to amend the provisions of this plan.

Plan Membership

As of July 1, 2020, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	162
Active participants	<u>61</u>
	<u><u>223</u></u>

City Contributions

The City Council has elected to fund the Plan on a pay-as-you go basis. For the year ended June 30, 2021, the City contributed \$927,504 for the pay as you go benefits for the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020 with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	2.18%
Healthcare Cost Trend Rate:	6.50% - 5.00%, ultimate trend in 2024
Inflation rate:	3.00%
Salary increase:	3.00% per annum

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

The actuarial assumptions used in the July 1, 2020 valuation does not include the results of an experience study as the City has not performed an experience study.

If an active employee does not enroll in the City's health insurance program, they are assumed not to participate in the OPEB plan as a retiree. If an active employee is enrolled in the City's health insurance program, they are assumed to receive benefits as a retiree.

Discount rate. The discount rate used to measure the total OPEB liability was 2.18%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – which was 2.18% as determined by the S&P Municipal Bond 20-year High Grade Index as of June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the City. The changes in the total OPEB liability of the City for the year ended June 30, 2021, were as follows:

	Total OPEB Liability
Balances at 6/30/20	\$ 23,424,268
Changes for the year:	
Service cost	42,200
Interest	501,514
Demographic experience	22,103
Assumption changes	1,682,988
Benefit payments	(927,504)
Net changes	1,321,301
Balances at 6/30/21	\$ 24,745,569

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease (1.18%)	Discount Rate (2.18%)	1% Increase (3.18%)
Total OPEB liability	\$ 29,519,667	\$ 24,745,569	\$ 21,062,910

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. 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 (5.5% decreasing to 4%) or 1-percentage-point higher (7.5% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 4%)	(6.5% decreasing to 5%)	1% Increase (7.5% decreasing to 6%)
Total OPEB liability	\$ 21,839,382	\$ 24,745,569	\$ 28,341,208

NOTES TO FINANCIAL STATEMENTS

NOTE 9. 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 December 31, 2020 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$716,610. At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 22,103
Differences resulting from changes in actuarial assumptions	761,317
Total	\$ 783,420

The City changed the OPEB plan's measurement period date to coincide with the fiscal year end and therefore no contributions subsequent to measurement date are reported. The current year disclosures presented here are shown for the measurement date of June 30, 2021.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ending June 30:	
2022	\$ 783,420
	\$ 783,420

NOTES TO FINANCIAL STATEMENTS

NOTE 10. JOINT VENTURE

The City of Cartersville is a member of the Northwest Georgia Regional Commission. The Commission was created under the laws of the State of Georgia and cities and counties in the area served by the Commission are required to be members. The membership includes 15 Northwest Georgia counties and 49 municipalities. The City has no equity interest in the Commission nor does the City materially contribute to the continued existence of the Commission. The Official Code of Georgia Annotated Section §50-8-39.1 states that in the event the Commission ceases operation, the membership can be assessed for any debt or obligation of the Commission. During the fiscal year 2021, the City paid dues in the amount of \$21,760 to the Northwest Georgia Regional Commission. Separate financial statements may be obtained from Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162.

NOTE 11. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. During the current and preceding two years the City had no insurance settlements that exceeded insurance coverage.

The City is self-insured for dental benefits and workers' compensation claims. Insurance deductible is \$25,000 for property and casualty claims.

The City uses an internal service fund to account for risks related to all insurance coverage. The fund is responsible for collecting premiums from all the departments for the self-insured programs, paying claim settlements and purchasing certain insurance policies. The self-insurance program also provides protection for Employment Practice Liability such as allegations of race, gender, and age discrimination. Additional coverage information is provided below.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT (CONTINUED)

Workers' Compensation

This self-insurance program charges premiums to other City funds each year based on historical costs. For the current and two previous years this program provided coverage against workers' compensation claims up to the first \$500,000 per claim. The City has obtained excess insurance for claims that exceed the self-insurance retention amount. No claims have exceeded coverage.

Property & Casualty Liability

This program includes losses and claims related to property, automobile, bodily injury, theft, professional and certain employment liability. It excludes losses and claims related to health benefits or workers' compensation. The City purchases commercial insurance for this coverage with most deductibles at \$25,000 per claim. Premiums are charged to other City funds each year based on historical costs. There have been no claims settlements in excess of the insurance coverage that has been procured.

Dental Insurance

Employees and retirees and their dependents are eligible for dental insurance that is fully self-insured by the City. The City pays 60% of single premium and 55% of family premium for this coverage. Costs are charged to City funds through a charge per employee per pay period.

Liabilities of the fund are reported when it is probable that a loss has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The City utilizes historical claim settlement trends to determine the claim liabilities for the Workers' Compensation Fund; liabilities for the other coverage are calculated based on outstanding claims. The amount to be paid out ultimately may be more or less than the amount accrued at June 30, 2021.

The following describes the activity for the past two fiscal years.

<u>Fiscal year</u>	<u>Beginnng of Year Claims Liability</u>	<u>Current year Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2021	\$ 189,646	\$ 559,550	\$ 554,932	\$ 194,264
2020	117,259	621,995	549,608	189,646

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation:

The City is involved in a number of legal matters, which have or could result in litigation. The nature of the lawsuits varies considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

Contractual Commitments:

In addition to the liabilities enumerated in the balance sheet at June 30, 2021, the City has contractual commitments on uncompleted contracts of approximately \$3,388,219.

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.

Agreements with the Municipal Electric Authority of Georgia:

The Municipal Electric Authority of Georgia (MEAG) is a public corporation and an instrumentality of the State of Georgia created to supply electricity to local government electric distribution systems. As provided by state law, MEAG establishes rates and charges so as to produce revenues sufficient to cover its costs, including debt service, but it may not operate any of its projects for profit unless any such profits inure to the benefit of the public.

As of June 30, 2021, the City is an electric utility participant in MEAG and obligated to purchase all of its bulk power supply requirements from MEAG for a period not to exceed 50 years. The City has agreed to purchase all of its future power and energy requirements in excess of that received by the City through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by MEAG. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each participating City has guaranteed a portion of the unpaid debt based on its individual entitlement shares of the output and services of generating units acquired or constructed by MEAG. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. Payments to MEAG are made monthly based on KWH usage. The total payments under these contracts amounted to \$38,500,144 in the fiscal year ended June 30, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

At June 30, 2021, the outstanding debt of MEAG was approximately \$7.24 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$519 million at June 30, 2021.

NOTE 13. HOTEL/MOTEL LODGING TAX

The City imposes a hotel/motel tax on lodging facilities within the City. The tax was assessed at 8%. Revenues were \$953,934 for the year ended June 30, 2021. Of this amount, 69%, or \$655,831, was used on the promotion of tourism as required by O.C.G. A §48-13-51.

NOTE 14. MOTOR VEHICLE EXCISE TAX

The City has levied an excise tax on the rental of motor vehicles. The Official Code of Georgia Annotated 48-13-93 requires that all motor vehicle excise taxes be expended or obligated contractually, in accordance with the City's ordinance, for the acquisition, construction, renovating, improving, maintenance and equipping of pedestrian walkways, installation of traffic lights, and street lights associated with public safety facilities or public improvements for sports and recreational facilities. During the year ended June 30, 2021, the City received \$88,264 in motor vehicle excise taxes. Of this amount, 100%, or \$88,264, was used for these purposes.

NOTE 15. FUND DEFICITS

For the year ended June 30, 2021, the Solid Waste Fund had a deficit of \$1,015,931, which will be reduced by the service charges being charged to the fund's customers. For the year ended June 30, 2021, the CDBG Fund had a fund deficit of \$117,623 which will be reduced through recognition of unavailable revenues and General Fund appropriations, as needed. The Garage Fund had a deficit of \$1,007,527 which will be reduced by the service charges being charged to the other funds within the City.

NOTE 16. RELATED ORGANIZATIONS

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

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RELATED ORGANIZATIONS (CONTINUED)

The Cartersville Development Authority (the “Authority”) is a related organization that has not been included in the reporting entity. The Authority was created November 16, 1962. The Authority’s purpose is to promote development of industrial and manufacturing activities. The Authority’s Board consists of five members appointed by the City Council; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The Development Authority of Cartersville (the “Development Authority”) is a related organization that has not been included in the reporting entity. The Development Authority was created May 1, 1980. The Development Authority’s purpose is to promote development of industrial and manufacturing activities. The Development Authority’s Board consists of seven members appointed by the City Council; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Development Authority.

The Joint Cartersville-Bartow County Regional Industrial Development Authority (the “IDA”) is a related organization that has not been included in the reporting entity. The IDA was created April 25, 2002. The IDA’s purpose is to promote development of industrial and manufacturing activities. The IDA’s Board consists of six members appointed by the City Council and Bartow County; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the IDA.

The Cartersville-Bartow Second Joint Development Authority (the “Second JDA”) is a related organization that has not been included in the reporting entity. The Second JDA was created August 23, 2011. The Second JDA’s purpose is to promote development of industrial and manufacturing activities. The Second JDA’s Board consists of eight members, four each appointed by the City Council and Bartow County; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Second JDA.

The Cartersville-Bartow County Airport Authority (the “Airport”) is a related organization that has not been included in the reporting entity. The Airport was created April 1, 1966. The Airport is governed by a three member board, one appointed by the City, one by the County and the third selected by the two appointed members; however, the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Airport. The Airport does not have any available financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RELATED ORGANIZATIONS (CONTINUED)

The City provides annual funding to the Bartow County Library System to support its operation. The Library's Board consists of 7 members, three appointed by the Bartow County Commissioner, two appointed by the City of Cartersville, and one member each appointed by the Cities of Adairsville and Euharlee. The Board has no authority to determine the amount of funding and the City's membership in the library system is voluntary. Separate financial statements may be obtained from Bartow County Library System, 429 West Main Street, Cartersville, Georgia 30120.

NOTE 17. TAX ABATEMENTS

Under Bonds for Title agreements entered into by the Bartow-Cartersville Joint Development Authority and Bartow-Cartersville Second Joint Development Authority (both created by local law under official citation 36-62-5.1), real and personal property tax revenues not collected for the 2021 fiscal period that would have otherwise gone to the City of Cartersville but for the agreements, totaled \$321,711. The Authority abates up to 100 percent of the property tax bills through a reduction in the assessed value of the facilities that the new or relocating businesses construct or purchase. Recipients met eligibility criteria, and these actions align with the City of Cartersville's strategic goals related to quality economic growth. Performance and accountability expectations are part of all agreements pertaining to job creation and related measures. Performance is monitored at least annually by the Authorities' staff and stakeholders. Companies are substantially exceeding performance expectations.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	\$ 2,112,482	\$ 2,094,694	\$ 3,326,475	\$ 2,004,597	\$ 1,955,689	\$ 1,981,766	\$ 1,832,890
Interest on total pension liability	5,640,554	5,274,879	7,765,468	4,838,382	4,325,827	4,166,050	3,934,032
Demographic experience	(589,901)	2,261,808	-	(128,548)	(431,495)	(668,281)	437,670
Changes in actuarial assumptions	2,731,577	-	-	3,395,449	-	-	-
Benefit payments, including refunds of employee contributions	(4,001,832)	(3,860,547)	(5,735,030)	(3,167,394)	(3,162,433)	(2,833,409)	(2,736,101)
Net change in total pension liability	5,892,880	5,770,834	5,356,913	6,942,486	2,687,588	2,646,126	3,468,491
Total pension liability - beginning	86,909,638	81,138,804	75,781,891	68,839,405	66,151,817	63,505,691	60,037,200
Total pension liability - ending (a)	\$ 92,802,518	\$ 86,909,638	\$ 81,138,804	\$ 75,781,891	\$ 68,839,405	\$ 66,151,817	\$ 63,505,691
Plan fiduciary net position							
Contributions - employer	\$ 4,014,931	\$ 3,678,231	\$ 5,113,483	\$ 2,982,052	\$ 2,947,687	\$ 2,673,116	\$ 2,104,997
Contributions - employee	468,201	502,965	1,000,879	570,044	546,401	529,356	530,029
Net investment income	12,544,597	(2,710,499)	(2,830,790)	5,174,760	3,510,523	(336,496)	2,354,193
Benefit payments, including refunds of member contributions	(4,001,832)	(3,860,547)	(5,176,234)	(3,167,394)	(2,880,200)	(2,701,209)	(2,464,473)
Interest on total pension liability	3,364,961	2,811,529	4,784,660	-	-	-	-
Administrative expenses	(66,411)	(67,043)	(27,878)	(17,852)	(113,252)	(124,513)	(114,029)
Net change in plan fiduciary net position	16,324,447	354,636	2,864,120	5,541,610	4,011,159	40,254	2,410,717
Plan fiduciary net position - beginning	51,071,288	50,716,652	47,852,532	42,310,922	38,299,763	38,259,509	35,848,792
Plan fiduciary net position - ending (b)	\$ 67,395,735	\$ 51,071,288	\$ 50,716,652	\$ 47,852,532	\$ 42,310,922	\$ 38,299,763	\$ 38,259,509
City's net pension liability - ending (a) - (b)	\$ 25,406,783	\$ 35,838,350	\$ 30,422,152	\$ 27,929,359	\$ 26,528,483	\$ 27,852,054	\$ 25,246,182
Plan fiduciary net position as a percentage of the total pension liability	72.62%	58.76%	62.51%	63.15%	61.46%	57.90%	60.25%
Covered payroll	\$ 13,419,528	\$ 14,158,740	\$ 16,416,530	\$ 16,416,530	\$ 15,797,338	\$ 15,226,666	\$ 15,154,412
City's net pension liability as a percentage of covered payroll	189.33%	253.12%	185.31%	170.13%	167.93%	182.92%	166.59%

Notes to the Schedule:

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF CARTERSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,995,189	\$ 3,655,398	\$ 4,805,438	\$ 2,964,870
Contributions in relation to the actuarially determined contribution	<u>4,014,931</u>	<u>3,678,231</u>	<u>5,113,483</u>	<u>2,982,052</u>
Contribution deficiency (excess)	<u>\$ (19,742)</u>	<u>\$ (22,833)</u>	<u>\$ (308,045)</u>	<u>\$ (17,182)</u>
Covered payroll	\$ 13,419,528	\$ 14,158,740	\$ 16,416,530	\$ 15,528,958
Contributions as a percentage of covered payroll	29.92%	25.98%	31.15%	19.20%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Actuarially determined contribution	\$ 2,810,402	\$ 2,389,057	\$ 2,104,997	
Contributions in relation to the actuarially determined contribution	<u>2,947,687</u>	<u>2,673,116</u>	<u>2,104,997</u>	
Contribution deficiency (excess)	<u>\$ (137,285)</u>	<u>\$ (284,059)</u>	<u>\$ -</u>	
Covered payroll	\$ 16,175,562	\$ 15,422,634	\$ 15,156,575	
Contributions as a percentage of covered payroll	18.22%	17.33%	13.89%	

Notes to the Schedule:

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

(1) Actuarial Assumptions

Valuation Date	July 1, 2020
Cost Method	Entry age normal
Actuarial Asset Valuation Method	Market value of assets
Assumed Rate of Return on Investments	6.50% net of investment expenses, including inflation
Inflation	2.50%
Projected Salary Increases	4.00%
Cost-of-living Adjustment	N/A
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	20 years (open)

CITY OF CARTERSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF PENSION INVESTMENT RETURNS

	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	30.9%	2.3%	5.4%	6.6%
	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	12.6%	-0.9%	2.3%	17.0%

Notes to the Schedule:

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

CITY OF CARTERSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
2017 RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	2021	2020	2019	2018
Total pension liability				
Service Cost	\$ 318,542	\$ 195,976	\$ 46,534	\$ -
Interest	43,590	15,937	5,461	-
Differences between expected and actual experience	57,123	108,181	-	1,448
Changes in actuarial assumptions	15,333	-	-	-
Benefit payments	(41,769)	(14,399)	(738)	-
Net change in total pension liability	<u>392,819</u>	<u>305,695</u>	<u>51,257</u>	<u>1,448</u>
Total pension liability - beginning	<u>358,400</u>	<u>52,705</u>	<u>1,448</u>	<u>-</u>
Total pension liability - ending (a)	<u>\$ 751,219</u>	<u>\$ 358,400</u>	<u>\$ 52,705</u>	<u>\$ 1,448</u>
Plan fiduciary net position				
Contributions - employer	\$ 334,359	\$ 264,852	\$ 2,779	\$ 10,536
Contributions - employee	136,482	107,316	67,857	4,565
Net investment income	159,183	(13,681)	(2,668)	918
Benefit payments, including refunds of member contributions	(41,769)	(14,399)	(7,272)	-
Interest	42,415	14,687	4,650	-
Administrative expenses	(841)	(343)	(28)	(3)
Net change in plan fiduciary net position	<u>629,829</u>	<u>358,432</u>	<u>65,318</u>	<u>16,016</u>
Plan fiduciary net position - beginning	<u>439,766</u>	<u>81,334</u>	<u>16,016</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,069,595</u>	<u>\$ 439,766</u>	<u>\$ 81,334</u>	<u>\$ 16,016</u>
City's net pension asset - ending (a) - (b)	<u>\$ (318,376)</u>	<u>\$ (81,366)</u>	<u>\$ (28,629)</u>	<u>\$ (14,568)</u>
Plan fiduciary net position as a percentage of the total pension liability	142.38%	122.70%	154.32%	1106.08%
Covered payroll	\$ 3,823,643	\$ 2,332,552	\$ 538,852	\$ 123,958
City's net pension asset as a percentage of covered payroll	8.33%	3.49%	5.31%	11.75%

Notes to the Schedule:

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

CITY OF CARTERSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
2017 RETIREMENT PLAN
SCHEDULE OF CITY CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 90,027	\$ 13,315	\$ 13,315	\$ -
Contributions in relation to the actuarially determined contribution	334,359	264,852	2,779	45,802
Contribution deficiency (excess)	<u>\$ (244,332)</u>	<u>\$ (251,537)</u>	<u>\$ 10,536</u>	<u>\$ (45,802)</u>
Covered payroll	\$ 3,823,643	\$ 2,332,552	\$ 644,277	\$ 538,852
Contributions as a percentage of covered payroll	8.74%	11.35%	0.43%	8.50%

Notes to the Schedule:

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

(1) Actuarial Assumptions

Valuation Date	July 1, 2020
Cost Method	Entry age normal
Actuarial Asset Valuation Method	Market value of assets
Assumed Rate of Return on Investments	6.50% net of investment expenses, including inflation
Inflation	2.50%
Projected Salary Increases	4.00%
Cost-of-living Adjustment	N/A
Amortization Method	Level dollar for unfunded liability
Remaining Amortization Period	20 years (open)

CITY OF CARTERSVILLE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

2017 RETIREMENT PLAN

SCHEDULE OF PENSION INVESTMENT RETURNS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	30.9%	2.3%	5.4%	6.6%

Notes to the Schedule:

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

CITY OF CARTERSVILLE, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB PLAN
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY
AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 42,200	\$ 21,337	\$ 32,180	\$ 319,932
Interest on total OPEB liability	501,514	604,281	927,785	700,546
Differences between expected and actual experience	22,103	-	(482,405)	-
Changes of assumptions and other inputs	1,682,988	536,581	1,286,218	-
Benefit payments	(927,504)	(862,226)	(1,234,754)	(544,684)
Net change in total OPEB liability	<u>1,321,301</u>	<u>299,973</u>	<u>529,024</u>	<u>475,794</u>
Total OPEB liability - beginning	<u>23,424,268</u>	<u>23,124,295</u>	<u>22,595,271</u>	<u>22,119,477</u>
Total OPEB liability - ending	<u>\$ 24,745,569</u>	<u>\$ 23,424,268</u>	<u>\$ 23,124,295</u>	<u>\$ 22,595,271</u>
Covered payroll	\$ 4,183,824	\$ 4,614,881	\$ 2,455,201	\$ 5,374,222
City's total OPEB liability as a percentage of covered payroll	591.46%	507.58%	941.85%	420.44%

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 of GASB Statement No. 75 for payment of future OPEB benefits.

CITY OF CARTERSVILLE, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

DEA Confiscated Assets Fund – To account for the City's share of federal monies that has been forfeited through the court system that is restricted for law enforcement purposes.

State Forfeiture Fund – To account for the City's share of state monies that has been forfeited through the court system that is restricted for law enforcement purposes.

CDBG Supplemental Disaster Fund – To account for funds from CDBG federal grants which is restricted by the grant agreement.

Development Agreement Fund – To account for revenue and expenditures associated with and restricted by development agreements with developers.

Business Improvement District Fund – To account for special assessments on downtown property which is restricted by state law.

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

Tax Allocation District Fund – To account for additional incremental property taxes within the tax allocation district which are restricted by state law.

Rental Vehicle Excise Tax Fund – To account for rental motor vehicle excise tax collections which are restricted by state law.

Capital Project Funds

Capital Projects Fund – To account for and report financial resources that are restricted committed or assigned to expenditure for capital outlays. The fund also accounts for the revenues and expenditures of SPLOST funds in accordance with the voter approved referendum. This includes the acquisition and construction of major capital assets, but excludes those accounted for by proprietary funds or assets that will be held in trust for individuals, private organizations, or other governments.

Cartersville Building Authority – To issue debt for joint City and Bartow County construction projects.

CITY OF CARTERSVILLE, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

ASSETS	Special Revenue Funds				
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund	Business Improvement District Fund
Cash and cash equivalents	\$ 216,530	\$ 16,676	\$ -	\$ 228,611	\$ -
Investments	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	415,051	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 216,530	\$ 16,676	\$ 415,051	\$ 228,611	\$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 993	\$ -	\$ -	\$ -	\$ -
Due to other funds	10,081	2,631	111,623	-	-
Total liabilities	11,074	2,631	111,623	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - other	-	-	421,051	-	-
Total deferred inflows of resources	-	-	421,051	-	-
FUND BALANCES					
Fund Balances:					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted:					
Public safety	205,456	14,045	-	-	-
Capital projects	-	-	-	228,611	-
Unassigned (deficit)	-	-	(117,623)	-	-
Total fund balances (deficits)	205,456	14,045	(117,623)	228,611	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 216,530	\$ 16,676	\$ 415,051	\$ 228,611	\$ -

Special Revenue Funds			Capital Project Funds		Total
Hotel/Motel Fund	Tax Allocation District Fund	Rental Vehicle Excise Tax Fund	Capital Projects Fund	Cartersville Building Authority	Nonmajor Governmental Funds
\$ 32,524	\$ -	\$ -	\$ 3,291,481	\$ 79,735	\$ 3,865,557
-	-	-	-	915,084	915,084
147,209	-	7,655	-	-	154,864
-	-	-	22,051	-	437,102
-	-	-	710,797	-	710,797
-	-	-	1,262,500	-	1,262,500
<u>\$ 179,733</u>	<u>\$ -</u>	<u>\$ 7,655</u>	<u>\$ 5,286,829</u>	<u>\$ 994,819</u>	<u>\$ 7,345,904</u>
\$ 179,733	\$ -	\$ -	\$ 83,920	\$ -	\$ 264,646
-	-	7,655	-	24,276	156,266
<u>179,733</u>	<u>-</u>	<u>7,655</u>	<u>83,920</u>	<u>24,276</u>	<u>420,912</u>
-	-	-	-	-	421,051
-	-	-	-	-	421,051
-	-	-	1,262,500	-	1,262,500
-	-	-	-	-	219,501
-	-	-	3,940,409	970,543	5,139,563
-	-	-	-	-	(117,623)
-	-	-	5,202,909	970,543	6,503,941
<u>\$ 179,733</u>	<u>\$ -</u>	<u>\$ 7,655</u>	<u>\$ 5,286,829</u>	<u>\$ 994,819</u>	<u>\$ 7,345,904</u>

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund	Business Improvement District Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	131,745	12,210	-	-	-
Intergovernmental	-	-	-	-	-
Contributions and donations	-	-	-	22,260	-
Miscellaneous	-	-	14,062	-	-
Interest	-	-	-	-	-
Total revenues	<u>131,745</u>	<u>12,210</u>	<u>14,062</u>	<u>22,260</u>	<u>-</u>
EXPENDITURES					
Current					
Public safety	420,599	24,630	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Planning and development	-	-	8,062	-	43,378
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>420,599</u>	<u>24,630</u>	<u>8,062</u>	<u>-</u>	<u>43,378</u>
Excess (deficiency) of revenues over (under) expenditures	(288,854)	(12,420)	6,000	22,260	(43,378)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	45,642	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>45,642</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(243,212)	(12,420)	6,000	22,260	(43,378)
FUND BALANCES, beginning of year	<u>448,668</u>	<u>26,465</u>	<u>(123,623)</u>	<u>206,351</u>	<u>43,378</u>
FUND BALANCES, end of year	<u>\$ 205,456</u>	<u>\$ 14,045</u>	<u>\$ (117,623)</u>	<u>\$ 228,611</u>	<u>\$ -</u>

Special Revenue Funds			Capital Project Funds		Total Nonmajor Governmental Funds
Hotel/Motel Fund	Tax Allocation District Fund	Rental Vehicle Excise Tax Fund	Capital Projects Fund	Cartersville Building Authority	
\$ 953,934	\$ 322,141	\$ 88,264	\$ -	\$ -	\$ 1,364,339
-	-	-	-	-	143,955
-	-	-	3,815,597	-	3,815,597
-	-	-	-	-	22,260
-	-	-	-	-	14,062
-	-	-	-	380	380
<u>953,934</u>	<u>322,141</u>	<u>88,264</u>	<u>3,815,597</u>	<u>380</u>	<u>5,360,593</u>
-	-	-	-	-	445,229
-	-	-	473,411	-	473,411
655,831	-	-	-	-	655,831
-	-	20,000	-	676	72,116
-	-	-	84,284	-	84,284
-	241,231	-	-	-	241,231
-	78,734	-	-	-	78,734
<u>655,831</u>	<u>319,965</u>	<u>20,000</u>	<u>557,695</u>	<u>676</u>	<u>2,050,836</u>
298,103	2,176	68,264	3,257,902	(296)	3,309,757
-	-	-	-	-	45,642
(298,103)	-	(68,264)	-	-	(366,367)
(298,103)	-	(68,264)	-	-	(320,725)
-	2,176	-	3,257,902	(296)	2,989,032
-	(2,176)	-	1,945,007	970,839	3,514,909
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,202,909</u>	<u>\$ 970,543</u>	<u>\$ 6,503,941</u>

**CITY OF CARTERSVILLE, GEORGIA
DEA CONFISCATED ASSETS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 300,000	\$ 374,960	\$ 131,745	\$ (243,215)
Total revenues	300,000	374,960	131,745	(243,215)
EXPENDITURES				
Public safety	412,950	420,605	420,599	6
Total expenditures	412,950	420,605	420,599	6
Deficiency of revenues over expenditures	(112,950)	(45,645)	(288,854)	(243,209)
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	45,645	45,642	(3)
Net change in fund balances	(112,950)	-	(243,212)	(243,212)
FUND BALANCES, beginning of year	448,668	448,668	448,668	-
FUND BALANCES, end of year	<u>\$ 335,718</u>	<u>\$ 448,668</u>	<u>\$ 205,456</u>	<u>\$ (243,212)</u>

CITY OF CARTERSVILLE, GEORGIA
STATE FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 3,000	\$ 24,630	\$ 12,210	\$ (12,420)
Total revenues	3,000	24,630	12,210	(12,420)
EXPENDITURES				
Public safety	3,000	24,630	24,630	-
Total expenditures	3,000	24,630	24,630	-
Net change in fund balances	-	-	(12,420)	(12,420)
FUND BALANCES, beginning of year	26,465	26,465	26,465	-
FUND BALANCES, end of year	\$ 26,465	\$ 26,465	\$ 14,045	\$ (12,420)

**CITY OF CARTERSVILLE, GEORGIA
CDBG SUPPLEMENTAL DISASTER FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 15,065	\$ 15,065	\$ 14,062	\$ (1,003)
Total revenues	<u>15,065</u>	<u>15,065</u>	<u>14,062</u>	<u>(1,003)</u>
EXPENDITURES				
Planning and development	<u>15,065</u>	<u>15,065</u>	<u>8,062</u>	<u>7,003</u>
Total expenditures	<u>15,065</u>	<u>15,065</u>	<u>8,062</u>	<u>7,003</u>
Net change in fund balance	-	-	6,000	6,000
FUND BALANCES (DEFICITS), beginning of year	<u>(123,623)</u>	<u>(123,623)</u>	<u>(123,623)</u>	<u>-</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ (123,623)</u>	<u>\$ (123,623)</u>	<u>\$ (117,623)</u>	<u>\$ 6,000</u>

CITY OF CARTERSVILLE, GEORGIA
DEVELOPMENT AGREEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Contributions and donations	\$ 5,000	\$ 22,265	\$ 22,260	\$ (5)
Total revenues	5,000	22,265	22,260	(5)
EXPENDITURES				
Public safety	2,500	7,955	-	7,955
Culture and recreation	2,500	14,310	-	14,310
Total expenditures	5,000	22,265	-	22,265
Net change in fund balances	-	-	22,260	22,260
FUND BALANCES, beginning of year	206,351	206,351	206,351	-
FUND BALANCES, end of year	<u>\$ 206,351</u>	<u>\$ 206,351</u>	<u>\$ 228,611</u>	<u>\$ 22,260</u>

**CITY OF CARTERSVILLE, GEORGIA
BUSINESS IMPROVEMENT DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 24,535	\$ 42,820	\$ -	\$ (42,820)
Total revenues	24,535	42,820	-	(42,820)
EXPENDITURES				
Planning and development	24,535	42,820	43,378	(558)
Total expenditures	24,535	42,820	43,378	(558)
Net change in fund balances	-	-	(43,378)	(43,378)
FUND BALANCES, beginning of year	43,378	43,378	43,378	-
FUND BALANCES, end of year	\$ 43,378	\$ 43,378	\$ -	\$ (43,378)

CITY OF CARTERSVILLE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 750,000	\$ 953,940	\$ 953,934	\$ (6)
Total revenues	750,000	953,940	953,934	(6)
EXPENDITURES				
Culture and recreation	386,250	615,640	655,831	(40,191)
Total expenditures	386,250	615,640	655,831	(40,191)
Excess of revenues over expenditures	363,750	338,300	298,103	(40,197)
OTHER FINANCING USES				
Transfers out	(363,750)	(338,300)	(298,103)	40,197
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CARTERSVILLE, GEORGIA
TAX ALLOCATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 290,000	\$ 322,145	\$ 322,141	\$ (4)
Total revenues	290,000	322,145	322,141	(4)
EXPENDITURES				
Debt service:				
Principal	209,090	241,235	241,231	4
Interest	80,910	80,910	78,734	2,176
Total expenditures	290,000	322,145	319,965	2,180
Net change in fund balances	-	-	2,176	2,176
FUND BALANCES, beginning of year	(2,176)	(2,176)	(2,176)	-
FUND BALANCES (DEFICITS), end of year	\$ (2,176)	\$ (2,176)	\$ -	\$ 2,176

CITY OF CARTERSVILLE, GEORGIA
RENTAL VEHICLE EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 80,500	\$ 88,264	\$ 88,264	\$ -
Total revenues	80,500	88,264	88,264	-
EXPENDITURES				
Planning and development	20,000	20,000	20,000	-
Total expenditures	20,000	20,000	20,000	-
Excess of revenues over expenditures	60,500	68,264	68,264	-
OTHER FINANCING USES				
Transfers out	(60,500)	(68,264)	(68,264)	-
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CARTERSVILLE, GEORGIA
CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,914,000	\$ 4,000,990	\$ 3,815,597	\$ (185,393)
Total revenues	2,914,000	4,000,990	3,815,597	(185,393)
EXPENDITURES				
Public works	254,000	1,256,705	473,411	783,294
Capital outlay	2,710,000	2,744,285	84,284	2,660,001
Total expenditures	2,964,000	4,000,990	557,695	3,443,295
Net change in fund balances	(50,000)	-	3,257,902	3,257,902
FUND BALANCES, beginning of year	1,945,007	1,945,007	1,945,007	-
FUND BALANCES, end of year	\$ 1,895,007	\$ 1,945,007	\$ 5,202,909	\$ 3,257,902

**CITY OF CARTERSVILLE, GEORGIA
CARTERSVILLE BUILDING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Interest	\$ 680	\$ 680	\$ 380	\$ (300)
Total revenues	680	680	380	(300)
EXPENDITURES				
Planning and development	680	680	676	4
Total expenditures	680	680	676	4
Net change in fund balances	-	-	(296)	(296)
FUND BALANCES, beginning of year	970,839	970,839	970,839	-
FUND BALANCES, end of year	\$ 970,839	\$ 970,839	\$ 970,543	\$ (296)

CITY OF CARTERSVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2021

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
2014 SPLOST						
Fire safety improvements	\$ 2,000,000	\$ 3,613,335	\$ 3,613,333	\$ -	\$ 3,613,333	100.00 %
Parks and recreation improvements	5,338,800	4,237,733	2,105,723	-	2,105,723	49.69 %
Building improvements	1,600,000	-	-	-	-	- %
Information technology improvements	100,000	200,000	198,055	-	198,055	99.03 %
Roads, streets, sidewalks, bridges, and stormwater improvements	5,320,750	2,000,000	1,133,927	300,689	1,434,616	71.73 %
Water and sewer projects	3,094,170	2,145,068	-	-	-	- %
Remote meters - all utilities	6,300,000	6,300,000	-	-	-	- %
Gas improvements - JDA Park Debt Service	4,069,076	9,326,657	9,326,657	-	9,326,657	100.00 %
TOTAL 2014 SPLOST	\$ 27,822,796	\$ 27,822,793	\$ 16,377,695	\$ 300,689	\$ 16,678,384	

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
2020 SPLOST						
Fire safety improvements	\$ 1,262,500	\$ 1,262,500	\$ -	\$ -	\$ -	- %
Parks and recreation improvements	2,825,000	2,825,000	-	-	-	- %
Police department improvements	100,000	100,000	-	-	-	- %
Information technology improvements	2,100,000	2,100,000	24,425	169,521	193,946	9.24 %
Roads, streets, sidewalks, bridges, and stormwater improvements	14,260,000	14,260,000	-	3,201	3,201	0.02 %
Electric, Gas, and Water and Sewer Projects	2,870,500	2,870,500	-	-	-	- %
TOTAL 2020 SPLOST	\$ 23,418,000	\$ 23,418,000	\$ 24,425	\$ 172,722	\$ 197,147	

<i>Non-SPLOST expenditures funded with intergovernmental revenues</i>	84,284
<i>Total Capital Projects Fund expenditures</i>	<u>\$ 557,695</u>

CITY OF CARTERSVILLE, GEORGIA

NONMAJOR PROPRIETARY FUNDS

Enterprise Funds

Solid Waste Fund – To account for revenues and expenses related to solid waste management.

Stormwater Fund – To account for the collection of fees for upgrades to stormwater drains and related expenses.

Fiber Optic Fund – To account for revenues and expenses related to the management of the fiber optic system.

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2021

ASSETS	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ 5,868	\$ 335,579	\$ 971,107	\$ 1,312,554
Accounts receivable, net of allowance	231,352	110,172	106,931	448,455
Inventories	23,707	-	36,225	59,932
Total current assets	<u>260,927</u>	<u>445,751</u>	<u>1,114,263</u>	<u>1,820,941</u>
NONCURRENT ASSETS				
Non-depreciable	-	379,113	3,828	382,941
Depreciable, net of accumulated depreciation	1,393,156	4,367,012	2,481,489	8,241,657
Total capital assets	<u>1,393,156</u>	<u>4,746,125</u>	<u>2,485,317</u>	<u>8,624,598</u>
Net pension asset	24,355	11,096	18,428	53,879
Total noncurrent assets	<u>1,417,511</u>	<u>4,757,221</u>	<u>2,503,745</u>	<u>8,678,477</u>
Total assets	<u>1,678,438</u>	<u>5,202,972</u>	<u>3,618,008</u>	<u>10,499,418</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	140,528	137,479	110,141	388,148
OPEB related items	40,424	30,318	-	70,742
Total deferred outflows of resources	<u>180,952</u>	<u>167,797</u>	<u>110,141</u>	<u>458,890</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	56,491	21,297	80,633	158,421
Accrued liabilities	43,368	30,339	31,915	105,622
Deposits payable	-	111,180	-	111,180
Compensated absences payable, current	23,912	26,170	44,017	94,099
Financed purchases	267,650	-	-	267,650
Total current liabilities	<u>391,421</u>	<u>188,986</u>	<u>156,565</u>	<u>736,972</u>
NONCURRENT LIABILITIES				
Advance from other funds	442,907	776,672	21,014	1,240,593
Net pension liability	588,605	605,101	462,849	1,656,555
Total OPEB liability	1,276,871	957,654	-	2,234,525
Total noncurrent liabilities	<u>2,308,383</u>	<u>2,339,427</u>	<u>483,863</u>	<u>5,131,673</u>
Total liabilities	<u>2,699,804</u>	<u>2,528,413</u>	<u>640,428</u>	<u>5,868,645</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	175,517	176,016	137,787	489,320
Total deferred inflows of resources	<u>175,517</u>	<u>176,016</u>	<u>137,787</u>	<u>489,320</u>
NET POSITION				
Net investment in capital assets	1,125,506	4,746,125	2,485,317	8,356,948
Unrestricted (deficit)	(2,141,437)	(2,079,785)	464,617	(3,756,605)
Total net position (deficit)	<u>\$ (1,015,931)</u>	<u>\$ 2,666,340</u>	<u>\$ 2,949,934</u>	<u>\$ 4,600,343</u>

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
OPERATING REVENUE				
Charges for sales and services	\$ 2,889,261	\$ 1,538,528	\$ 2,261,630	\$ 6,689,419
Other fees	63,358	2,281	145,665	211,304
Total operating revenue	<u>2,952,619</u>	<u>1,540,809</u>	<u>2,407,295</u>	<u>6,900,723</u>
OPERATING EXPENSES				
Salaries and benefits	821,634	882,140	709,151	2,412,925
General operating expenses	988,965	327,198	1,047,984	2,364,147
Depreciation	231,571	205,454	231,315	668,340
Total operating expenses	<u>2,042,170</u>	<u>1,414,792</u>	<u>1,988,450</u>	<u>5,445,412</u>
Operating income	910,449	126,017	418,845	1,455,311
NONOPERATING REVENUES (EXPENSES)				
Gain from disposal of capital assets	(24,887)	14,412	-	(10,475)
Interest expense	(9,027)	-	(28)	(9,055)
Interest income	154	887	536	1,577
Total nonoperating revenues (expenses)	<u>(33,760)</u>	<u>15,299</u>	<u>508</u>	<u>(17,953)</u>
Net income before transfers	876,689	141,316	419,353	1,437,358
Transfers out	(249,372)	(298,413)	(155,041)	(702,826)
Total transfers	<u>(249,372)</u>	<u>(298,413)</u>	<u>(155,041)</u>	<u>(702,826)</u>
Change in net position	627,317	(157,097)	264,312	734,532
Total net position (deficit), beginning of year	<u>(1,643,248)</u>	<u>2,823,437</u>	<u>2,685,622</u>	<u>3,865,811</u>
Total net position (deficit), end of year	<u>\$ (1,015,931)</u>	<u>\$ 2,666,340</u>	<u>\$ 2,949,934</u>	<u>\$ 4,600,343</u>

CITY OF CARTERSVILLE, GEORGIA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,967,747	\$ 1,558,145	\$ 2,398,747	\$ 6,924,639
Payments to suppliers	(993,146)	(332,883)	(1,226,429)	(2,552,458)
Payments to employees	(1,298,671)	(801,992)	(704,038)	(2,804,701)
Net cash provided by operating activities	<u>675,930</u>	<u>423,270</u>	<u>468,280</u>	<u>1,567,480</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Receipt (payment) of advances from other funds	(200,768)	(3,944)	(5,254)	(209,966)
Transfers out from other funds	(249,372)	(298,413)	(155,041)	(702,826)
Net cash used in non-capital financing activities	<u>(450,140)</u>	<u>(302,357)</u>	<u>(160,295)</u>	<u>(912,792)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(543,444)	(71,316)	(166,888)	(781,648)
Proceeds from issuance of long-term debt	267,650	-	-	267,650
Principal payments	(266,722)	-	-	(266,722)
Interest and fiscal charges paid	(9,027)	-	(28)	(9,055)
Proceeds from sale of capital asset	217,782	14,412	-	232,194
Net cash used in capital and related financing activities	<u>(333,761)</u>	<u>(56,904)</u>	<u>(166,916)</u>	<u>(557,581)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	154	887	536	1,577
Net cash provided by investing activities	<u>154</u>	<u>887</u>	<u>536</u>	<u>1,577</u>
Net increase (decrease) in cash and cash equivalents	(107,817)	64,896	141,605	98,684
Cash and cash equivalents, beginning of year	113,685	270,683	829,502	1,213,870
Cash and cash equivalents, end of year	<u>\$ 5,868</u>	<u>\$ 335,579</u>	<u>\$ 971,107</u>	<u>\$ 1,312,554</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 910,449	\$ 126,017	\$ 418,845	\$ 1,455,311
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	231,571	205,454	231,315	668,340
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	15,128	2,276	(8,548)	8,856
(Increase) decrease in inventories	(9,870)	-	9,183	(687)
Increase in net pension asset	(16,985)	(8,105)	(13,477)	(38,567)
Decrease in deferred outflows for pension items	18,475	25,158	18,006	61,639
Increase in deferred outflows for OPEB items	(27,225)	(23,861)	-	(51,086)
Increase (decrease) in accounts payable	5,689	(5,685)	(187,628)	(187,624)
Increase in accrued liabilities	2,505	2,812	15,855	21,172
Increase in customer deposits	-	15,060	-	15,060
Decrease in compensated absences	(7,175)	(2,671)	(470)	(10,316)
Increase in deferred inflows for pension items	160,632	160,157	125,653	446,442
Decrease in deferred inflows for OPEB items	(2,791)	(1,365)	-	(4,156)
Decrease in net pension liability	(151,454)	(183,385)	(140,454)	(475,293)
Increase (decrease) in total OPEB liability	<u>(453,019)</u>	<u>111,408</u>	<u>-</u>	<u>(341,611)</u>
Net cash provided by operating activities	<u>\$ 675,930</u>	<u>\$ 423,270</u>	<u>\$ 468,280</u>	<u>\$ 1,567,480</u>

CITY OF CARTERSVILLE, GEORGIA

INTERNAL SERVICE FUNDS

Self-Insurance Fund - accounts for the internal charges and claims incurred by the City's self-insured dental care plan and workers' compensation for the City and its employees.

Garage Fund - accounts for the internal charges for the maintenance and other services provided to various city departments.

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

ASSETS	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,964,570	\$ -	\$ 1,964,570
Accounts receivable	26,127	-	26,127
Inventories	-	126,748	126,748
Total current assets	<u>1,990,697</u>	<u>126,748</u>	<u>2,117,445</u>
NONCURRENT ASSETS			
Net pension asset			
Non-depreciable	-	43,766	43,766
Depreciable , net of accumulated depreciation	-	604,330	604,330
Total capital assets	<u>-</u>	<u>648,096</u>	<u>648,096</u>
Net pension asset	-	3,972	3,972
Total noncurrent assets	<u>-</u>	<u>652,068</u>	<u>652,068</u>
Total assets	<u>1,990,697</u>	<u>778,816</u>	<u>2,769,513</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	-	96,524	96,524
OPEB related items	-	40,424	40,424
Total deferred outflows of resources	<u>-</u>	<u>136,948</u>	<u>136,948</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	-	33,804	33,804
Accrued liabilities	-	24,114	24,114
Claims payable	194,263	-	194,263
Compensated absences payable, current	-	30,012	30,012
Total current liabilities	<u>194,263</u>	<u>87,930</u>	<u>282,193</u>
NONCURRENT LIABILITIES			
Net pension liability	-	433,617	433,617
Total OPEB liability	-	1,276,871	1,276,871
Total noncurrent liabilities	<u>-</u>	<u>1,710,488</u>	<u>1,710,488</u>
Total liabilities	<u>194,263</u>	<u>1,798,418</u>	<u>1,992,681</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	-	124,873	124,873
Total deferred inflows of resources	<u>-</u>	<u>124,873</u>	<u>124,873</u>
NET POSITION (DEFICIT)			
Investment in capital assets	-	648,096	648,096
Unrestricted (deficit)	1,796,434	(1,655,623)	140,811
Total net position (deficit)	<u>\$ 1,796,434</u>	<u>\$ (1,007,527)</u>	<u>\$ 788,907</u>

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
OPERATING REVENUE			
Charges for services	\$ 1,605,411	\$ 1,121,417	\$ 2,726,828
Total operating revenue	<u>1,605,411</u>	<u>1,121,417</u>	<u>2,726,828</u>
OPERATING EXPENSES			
Salaries and benefits	-	860,807	860,807
General operating expenses	861,166	811,661	1,672,827
Claims	615,774	-	615,774
Depreciation	-	54,196	54,196
Total operating expenses	<u>1,476,940</u>	<u>1,726,664</u>	<u>3,203,604</u>
Operating income (loss)	128,471	(605,247)	(476,776)
NONOPERATING REVENUE			
Proceeds from sale of capital assets	-	5,458	5,458
Interest income	632	-	632
Total nonoperating revenue	<u>632</u>	<u>5,458</u>	<u>6,090</u>
Change in net position before capital contributions and transfers	129,103	(599,789)	(470,686)
Transfers in	-	210,546	210,546
Total capital contributions and transfers	<u>-</u>	<u>210,546</u>	<u>210,546</u>
Change in net position	129,103	(389,243)	(260,140)
Total net position (deficit), beginning of year	<u>1,667,331</u>	<u>(618,284)</u>	<u>1,049,047</u>
Total net position (deficit), end of year	<u>\$ 1,796,434</u>	<u>\$ (1,007,527)</u>	<u>\$ 788,907</u>

CITY OF CARTERSVILLE, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,581,176	\$ 1,121,417	\$ 2,702,593
Payments to suppliers	(1,474,111)	(805,794)	(2,279,905)
Payments to employees	-	(531,627)	(531,627)
Net cash provided by (used in) operating activities	<u>107,065</u>	<u>(216,004)</u>	<u>(108,939)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in from other funds	-	210,546	210,546
Net cash provided by non-capital financing activities	<u>-</u>	<u>210,546</u>	<u>210,546</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of capital assets	-	5,458	5,458
Interest income	632	-	632
Net cash provided by investing activities	<u>632</u>	<u>5,458</u>	<u>6,090</u>
Net increase (decrease) in cash and cash equivalents	107,697	-	107,697
Cash and cash equivalents, beginning of year	1,856,873	-	1,856,873
Cash and cash equivalents, end of year	<u>\$ 1,964,570</u>	<u>\$ -</u>	<u>\$ 1,964,570</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 128,471	\$ (605,247)	\$ (476,776)
Adjustments to reconcile operating loss to net cash provided by (used) in operating activities:			
Depreciation	-	54,196	54,196
Change in assets and liabilities:			
Increase in accounts receivable	(24,235)	-	(24,235)
Increase in inventories	-	(14,680)	(14,680)
Increase in net pension asset	-	(2,687)	(2,687)
Decrease in deferred outflows for pension items	-	19,363	19,363
Increase in deferred outflows for OPEB items	-	(33,445)	(33,445)
Increase in accounts payable	-	20,547	20,547
Increase in accrued liabilities	-	2,825	2,825
Decrease in due to other funds	(1,788)	-	(1,788)
Increase in claims payable	4,617	-	4,617
Increase in compensated absences	-	3,045	3,045
Increase in deferred inflows for pension items	-	113,455	113,455
Decrease in deferred inflows for OPEB items	-	(1,476)	(1,476)
Decrease in net pension liability	-	(134,079)	(134,079)
Increase in total OPEB liability	-	362,179	362,179
Net cash provided by (used in) operating activities	<u>\$ 107,065</u>	<u>\$ (216,004)</u>	<u>\$ (108,939)</u>

STATISTICAL SECTION

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

Page

Financial Trends 110-114

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

Revenue Capacity 115-121

These schedules contain information to help the reader assess the government’s most significant local revenue source.

Debt Capacity 122-126

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

Demographic and Economic Information 127 and 128

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

Operating Information 129-131

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

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

City of Cartersville, Georgia

Net Position by Component Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Primary government - governmental activities				
Net investment in capital assets	\$ 88,239,900	\$ 93,572,037	\$ 94,192,838	\$ 92,106,870
Restricted	6,203,737	2,012,898	1,784,810	9,938,221
Unrestricted (deficit)	5,083,628	3,475,469	2,021,482	(21,316,911) (1)
Total governmental activities net position	<u>212,310,426</u>	<u>217,541,420</u>	<u>249,856,558</u>	<u>244,769,214</u>
Primary government - business-type activities				
Net investment in capital assets	118,518,989	121,502,698	129,939,023	129,801,720
Restricted	5,045,386	5,032,034	5,353,044	5,191,541
Unrestricted	14,329,219	13,013,441	13,514,683	11,345,151 (1)
Total business-type activities net position	<u>69,650,366</u>	<u>68,622,411</u>	<u>79,350,882</u>	<u>87,903,347</u>
Total primary government				
Net investment in capital assets	206,758,889	215,074,735	224,131,861	221,908,590
Restricted	11,249,123	7,044,932	7,137,854	15,129,762
Unrestricted (deficit)	19,412,847	16,488,910	15,536,165	(9,971,760)
Total primary government net position	<u>\$ 237,420,859</u>	<u>\$ 238,608,577</u>	<u>\$ 246,805,880</u>	<u>\$ 227,066,592</u>

(1) -For the FY2015 GASB Statement No. 68 was implemented requiring a restatement of net position as of July 1, 2014.

(2) -For the FY2018 GASB Statement No. 75 was implemented requiring a restatement of net position as of July 1, 2017.

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 90,440,556	\$ 91,628,517	\$ 90,910,753	\$ 95,655,935	\$ 96,337,425	\$ 36,727,071	
8,622,927	6,816,537	4,542,598	4,997,847	4,079,009	7,046,310	
<u>(13,202,615)</u>	<u>(13,431,061) (2)</u>	<u>(25,859,086)</u>	<u>(26,999,716)</u>	<u>(28,634,011)</u>	<u>(24,419,796)</u>	
<u>241,025,122</u>	<u>85,013,993</u>	<u>69,594,265</u>	<u>73,654,066</u>	<u>71,782,423</u>	<u>19,353,585</u>	
130,865,672	136,404,196	148,444,038	147,402,869	149,996,320	167,064,997	
5,189,164	1,824,788	3,734,742	3,467,755	3,520,848	3,526,206	
19,251,040	25,941,340 (2)	69,891,804	87,335,353	102,040,284	98,503,357	
<u>94,189,403</u>	<u>164,170,324</u>	<u>222,070,584</u>	<u>238,205,977</u>	<u>255,557,452</u>	<u>269,094,560</u>	
221,306,228	228,032,713	239,354,791	242,878,107	246,333,745	203,792,068	
13,812,091	8,641,325	8,277,340	7,500,568	7,599,857	10,572,516	
6,048,425	12,510,279	44,032,718	60,335,637	73,406,273	74,083,561	
<u>\$ 241,166,744</u>	<u>\$ 249,184,317</u>	<u>\$ 291,664,849</u>	<u>\$ 310,714,312</u>	<u>\$ 327,339,875</u>	<u>\$ 288,448,145</u>	

City of Cartersville, Georgia

Changes in Net Position Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 22,973,394	\$ 21,991,762	\$ 22,064,158	\$ 24,330,110
Judicial	-	155,409	230,179	228,064
Public safety	10,910,840	11,589,693	11,459,752	12,535,028
Public works	4,789,364	4,890,938	4,199,059	4,789,065
Culture and recreation	3,021,773	2,941,742	2,972,021	3060301
Planning and development	843,541	863,210	871,203	1,040,675
Interest on long-term debt	428,369	508,231	399,575	503,762
Total governmental activities expenses	<u>42,967,281</u>	<u>42,940,985</u>	<u>42,195,947</u>	<u>46,487,005</u>
Business-type activities:				
Water and sewer	11,059,866	11,103,405	11,119,046	11,579,661
Electric	42,651,594	44,236,793	45,549,773	45,943,575
Gas	17,786,447	17,929,667	22,507,024	19,979,064
Solid waste	2,199,263	2,185,690	2,183,626	2,069,844
Stormwater	1,092,313	1,008,045	1,096,753	1,306,724
Fiber Optic	1,619,985	1,716,832	1,776,003	2,010,090
Total business-type activities expenses	<u>76,409,468</u>	<u>78,180,432</u>	<u>84,232,225</u>	<u>82,888,958</u>
Total primary government expenses	<u>\$ 119,376,749</u>	<u>\$ 121,121,417</u>	<u>\$ 126,428,172</u>	<u>\$ 129,375,963</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,923,014	\$ 2,042,828	\$ 2,606,118	\$ 2,129,096
Judicial	-	798,319	695,745	669,614
Public safety	939,681	286,563	366,861	1,207,728
Public works	30,190	35,240	42,810	23,160
Culture and recreation	692,948	744,501	732,280	706,695
Planning and development	308,464	271,246	315,337	504,912
Operating grants and contributions	2,581,648	1,510,121	1,650,461	1,724,879
Capital grants and contributions	4,584,760	4,361,206	4,062,344	3,602,132
Total governmental activities program revenue	<u>11,060,705</u>	<u>10,050,024</u>	<u>10,471,956</u>	<u>10,568,216</u>
Business-type activities:				
Charges for services:				
Water and sewer	12,875,545	13,187,596	13,830,081	15,535,848
Electric	44,071,269	44,318,299	46,777,882	48,815,612
Gas	19,640,137	21,536,355	25,235,340	23,941,553
Solid waste	2,013,838	1,279,707	2,185,523	2,216,703
Stormwater	1,228,427	2,129,077	1,296,940	1,336,027
Fiber Optic	1,679,365	1,767,875	1,926,733	2,152,936
Operating grants and contributions	425	5,177	-	-
Capital grants and contributions	26,487	146,390	56,891	-
Total business-type activities program revenues	<u>81,535,493</u>	<u>84,370,476</u>	<u>91,309,390</u>	<u>93,998,679</u>
Total primary government program revenues	<u>\$ 92,596,198</u>	<u>\$ 94,420,500</u>	<u>\$ 101,781,346</u>	<u>\$ 104,566,895</u>
Total primary government net expense	<u>\$ (26,780,551)</u>	<u>\$ (26,700,917)</u>	<u>\$ (24,646,826)</u>	<u>\$ (24,809,068)</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 24,842,832	\$ 22,382,444	\$ 1,643,664 (1)	\$ 5,059,980	\$ 10,798,518	\$ 73,135,746
238,603	228,364	263,124	275,778	569,752	169,559
12,581,082	12,790,761	13,334,610	14,397,446	14,218,454	13,453,894
5,306,688	4,602,283	4,771,828	4,689,119	5,044,122	4,897,853
2,940,050	3,169,721	8,297,745	5,462,596	4,897,109	4,395,373
1,196,003	1,185,218	2,338,857	1,852,033	1,941,813	1,093,650
72,495	252,560	530,545	482,388	418,958	800,092
<u>47,177,753</u>	<u>44,611,351</u>	<u>31,180,373</u>	<u>32,219,340</u>	<u>37,888,728</u>	<u>97,946,167</u>
12,160,809	12,481,256	10,772,773	12,506,680	13,720,575	12,608,904
44,774,372	44,706,727	39,447,223	41,799,276	40,575,823	42,605,898
16,283,711	18,982,762	18,562,042	21,049,456	15,982,866	18,151,061
2,130,943	2,583,389	2,264,276	2,574,847	2,473,976	2,174,631
1,306,601	1,669,669	1,061,935	1,253,795	1,332,816	1,454,993
1,809,845	1,765,488	1,639,925	1,790,680	1,752,380	1,990,366
<u>78,466,281</u>	<u>82,189,291</u>	<u>73,748,174</u>	<u>80,974,734</u>	<u>75,838,436</u>	<u>78,985,853</u>
<u>\$ 125,644,034</u>	<u>\$ 126,800,642</u>	<u>\$ 104,928,547</u>	<u>\$ 113,194,074</u>	<u>\$ 113,727,164</u>	<u>\$ 176,932,020</u>
\$ 2,131,338	\$ 2,242,900	\$ 640,723	\$ 605,924	\$ 518,101	\$ 611,364
507,095	477,119	496,150	389,846	263,442	209,379
216,688	333,967	295,314	367,020	374,479	221,391
18,420	20,550	21,940	32,440	42,410	38,880
727,428	672,992	669,591	743,217	422,913	561,958
498,060	579,022	427,462	507,399	452,524	354,079
10,984,031	917,685	345,231	650,975	684,355	1,751,616
<u>2,509,282</u>	<u>3,247,323</u>	<u>5,831,921</u>	<u>8,234,356</u>	<u>8,749,418</u>	<u>15,320,885</u>
<u>17,592,342</u>	<u>8,491,558</u>	<u>8,728,332</u>	<u>11,531,177</u>	<u>11,507,642</u>	<u>19,069,552</u>
16,621,407	18,193,391	19,197,712	21,709,725	22,043,623	23,467,885
49,508,147	48,189,196	46,724,978	47,845,426	47,069,881	46,939,014
20,204,608	22,263,182	24,145,900	26,903,027	22,805,197	25,341,109
2,305,741	2,393,152	2,496,460	2,602,694	2,878,855	2,952,619
1,387,138	1,464,654	1,497,401	1,496,196	1,526,455	1,540,809
2,129,196	2,113,130	2,309,786	2,292,669	2,350,149	2,407,295
-	-	-	-	-	-
-	-	-	43,094	-	-
<u>92,156,237</u>	<u>94,616,705</u>	<u>96,372,237</u>	<u>102,892,831</u>	<u>98,674,160</u>	<u>102,648,731</u>
<u>\$ 109,748,579</u>	<u>\$ 103,108,263</u>	<u>\$ 105,100,569</u>	<u>\$ 114,424,008</u>	<u>\$ 110,181,802</u>	<u>\$ 121,718,283</u>
<u>\$ (15,895,455)</u>	<u>\$ (23,692,379)</u>	<u>\$ 172,022</u>	<u>\$ 1,229,934</u>	<u>\$ (3,095,362)</u>	<u>\$ (55,213,737)</u>

Continued

City of Cartersville, Georgia

Changes in Net Position Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes:				
Property taxes	\$ 16,827,703	\$ 17,454,934	\$ 16,615,530	\$ 16,908,662
Franchise taxes	4,476,982	4,501,238	4,850,026	5,025,136
Excise taxes	728,981	680,414	635,782	707,632
Sales and use taxes	4,385,725	3,801,605	3,792,539	3,866,308
Hotel/Motel occupancy taxes	420,156	465,752	521,653	552,332
Insurance premium tax	925,467	983,000	1,017,803	1,066,938
Financial institution taxes	-	-	-	-
Other taxes	391,211	401,766	365,136	394,304
Unrestricted investment earnings	53,615	44,037	71,155	58,244
Miscellaneous	116,852	36,311	239,943	46,653
Contributions and donations	-	-	31,869	422,543
Gain on disposal of capital assets	17,211	-	15,543	34,044
Transfers	4,017,815	4,182,290	3,084,665	4,287,674
Total governmental activities	<u>32,361,718</u>	<u>32,551,347</u>	<u>31,241,644</u>	<u>33,370,470</u>
Business-type activities:				
Unrestricted investment earnings	146,869	37,907	162,491	131,298
Miscellaneous	-	472	24,975	44,094
Gain on sale of capital assets	-	-	-	-
Contributions and donations	-	-	5,384,282	-
Special items	28,567	-	-	-
Transfers	(4,017,815)	(4,182,290)	(3,084,665)	(4,287,674)
Total business-type activities	<u>(3,842,379)</u>	<u>(4,143,911)</u>	<u>2,487,083</u>	<u>(4,112,282)</u>
Total primary government	<u>\$ 28,519,339</u>	<u>\$ 28,407,436</u>	<u>\$ 33,728,727</u>	<u>\$ 29,258,188</u>
Changes in Net Position				
Governmental activities	\$ 455,142	\$ (339,614)	\$ (482,347)	\$ (2,548,319)
Business-type activities	1,283,646	2,046,133	9,564,248	6,997,439
Total primary government	<u>\$ 1,738,788</u>	<u>\$ 1,706,519</u>	<u>\$ 9,081,901</u>	<u>\$ 4,449,120</u>

(1) Property taxes received from Bartow County Tax Commissioner and remitted to Cartersville Board of Education are recorded in property tax revenues and expenses in prior years.

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 17,972,947	\$ 18,947,746	\$ 3,903,676 (1)	\$ 4,229,583	\$ 5,563,824	\$ 6,012,347	
5,011,055	5,194,849	784,020	822,442	793,891	766,834	
733,524	809,031	858,167	820,494	845,204	925,091	
3,585,163	3,914,393	3,998,887	4,298,903	4,383,448	4,720,740	
557,525	819,267	1,032,560	957,074	763,375	953,934	
1,140,078	1,234,926	1,316,127	1,419,379	1,505,717	1,588,962	
-	-	114,344	87,044	115,279	117,559	
405,290	443,624	308,722	288,745	315,952	327,231	
55,925	77,142	271,984	313,087	366,932	234,251	
127,342	145,980	213,116	346,807	496,821	477,116	
464,234	-	-	-	-	-	
18,519	33,422	-	-	430,324	44,988	
4,646,497	3,652,538	10,125,648	10,018,675	8,928,676	10,278,724	
<u>34,718,099</u>	<u>35,272,918</u>	<u>22,927,251</u>	<u>23,602,233</u>	<u>24,509,443</u>	<u>26,447,777</u>	
179,180	70,807	785,171	4,235,971	2,948,168	149,524	
(265,175)	18,765	-	-	-	-	
-	-	12,140	-	46,259	3,430	
10,000	-	-	-	-	-	
-	-	-	-	-	-	
<u>(4,646,497)</u>	<u>(3,652,538)</u>	<u>(10,125,648)</u>	<u>(10,018,675)</u>	<u>(8,928,676)</u>	<u>(10,278,724)</u>	
<u>(4,722,492)</u>	<u>(3,562,966)</u>	<u>(9,328,337)</u>	<u>(5,782,704)</u>	<u>(5,934,249)</u>	<u>(10,125,770)</u>	
<u>\$ 29,995,607</u>	<u>\$ 31,709,952</u>	<u>\$ 13,598,914</u>	<u>\$ 17,819,529</u>	<u>\$ 18,575,194</u>	<u>\$ 16,322,007</u>	
\$ 5,132,688	\$ (846,875)	\$ 475,210	\$ 2,914,070	\$ (1,871,643)	\$ (52,428,838)	
8,967,464	8,864,448	13,295,726	16,135,393	17,351,475	13,537,108	
<u>\$ 14,100,152</u>	<u>\$ 8,017,573</u>	<u>\$ 13,770,936</u>	<u>\$ 19,049,463</u>	<u>\$ 15,479,832</u>	<u>\$ (38,891,730)</u>	

City of Cartersville, Georgia
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,280	2,280	2,751	8,067,593
Unassigned (deficit)	5,177,556	4,566,226	3,635,321	4,221,039
Total General Fund	<u>\$ 5,179,836</u>	<u>\$ 4,568,506</u>	<u>\$ 3,638,072</u>	<u>\$ 12,288,632</u>
All other governmental funds				
Nonspendable	\$ 5,804,709	\$ 44,685	\$ 1,421,537	\$ 1,504,422
Restricted	396,748	162,444	360,522	366,206
Unassigned (deficit)	-	(1,485,800)	-	-
Total all other governmental funds	<u>\$ 6,201,457</u>	<u>\$ (1,278,671)</u>	<u>\$ 1,782,059</u>	<u>\$ 1,870,628</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ 943,612	\$ 1,699,250	\$ 1,665,240	\$ 1,467,192
7,141,630	4,324,072	3,095,080	2,207,067	2,252,874	2,764,893
4,810,064	5,306,208	4,004,511	1,152,966	2,847,666	5,372,714
<u>\$ 11,951,694</u>	<u>\$ 9,630,280</u>	<u>\$ 8,043,203</u>	<u>\$ 5,059,283</u>	<u>\$ 6,765,780</u>	<u>\$ 9,604,799</u>
\$ 1,111,007	\$ 2,096,767	\$ -	\$ -	\$ -	\$ 1,262,500
370,290	395,698	3,970,911	4,451,444	3,640,708	5,359,570
-	-	-	(91,310)	(179,097)	(117,623)
<u>\$ 1,481,297</u>	<u>\$ 2,492,465</u>	<u>\$ 3,970,911</u>	<u>\$ 4,360,134</u>	<u>\$ 3,461,611</u>	<u>\$ 6,504,447</u>

City of Cartersville, Georgia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes	\$ 28,131,083	\$ 28,327,422	\$ 28,017,961	\$ 28,605,681
Licenses and permits	324,209	279,995	303,556	491,383
Intergovernmental	7,093,133	5,904,511	5,712,805	5,322,191
Fines and forfeitures	813,173	936,926	950,695	1,812,777
Charges for services	2,705,492	2,893,594	2,958,625	2,874,268
Interest income	152,939	48,597	71,155	63,063
Contributions and donations	-	-	31,869	422,543
Miscellaneous	142,226	66,749	315,399	130,253
Total revenues	<u>39,362,255</u>	<u>38,457,794</u>	<u>38,362,065</u>	<u>39,722,159</u>
Expenditures				
General government	21,564,928	20,736,362	20,947,507	22,993,007
Judicial	-	213,621	235,095	218,946
Public safety	11,029,415	10,420,243	10,788,962	11,708,988
Public works	2,918,867	2,835,052	2,299,072	2,862,686
Culture and recreation	3,051,100	3,198,607	2,993,248	2,824,289
Planning and development	827,236	846,568	868,069	1,002,445
Capital outlay	10,669,831	12,241,358	557,426	51,031
Debt service:				
Principal	2,199,073	901,324	1,314,184	1,353,555
Interest	503,953	545,386	533,787	606,030
Bond issuance costs	-	-	-	-
Total expenditures	<u>52,764,403</u>	<u>51,938,521</u>	<u>40,537,350</u>	<u>43,620,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,402,148)</u>	<u>(13,480,727)</u>	<u>(2,175,285)</u>	<u>(3,898,818)</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	17,211	-	35,973	34,044
Issuance of capital lease	991,267	177,813	204,311	116,229
Issuance of bonds	-	1,045,000	-	8,200,000
Cost of bonds issued	-	(15,834)	-	-
Premium on bonds issued	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	4,241,882	5,756,381	5,235,871	4,601,194
Transfers out	(176,227)	(1,574,091)	(1,170,574)	(313,520)
Total other financing sources (uses)	<u>5,074,133</u>	<u>5,389,269</u>	<u>4,305,581</u>	<u>12,637,947</u>
Net change in fund balance	<u>\$ (8,328,015)</u>	<u>\$ (8,091,458)</u>	<u>\$ 2,130,296</u>	<u>\$ 8,739,129</u>
Debt service as a percentage of noncapital expenditures	6.40%	3.60%	4.60%	4.50%

(1) Property taxes received from Bartow County Tax Commissioner and remitted to Cartersville Board of Education are recorded in property tax revenues and expenditures in prior years.

(2) The City included payments in lieu of taxes and utility service reimbursements as revenues in prior years.

							Fiscal Year					
							2016	2017	2018	2019	2020	2021
\$	29,405,582	\$	31,344,723	\$	12,383,195 (1)	\$	12,920,998	\$	14,150,742	\$	15,543,033	
	490,738		572,705		612,050		700,857		625,786		621,944	
	13,483,904		4,165,008		5,228,369		3,601,966		8,056,197		12,915,145	
	640,278		643,964		713,202		678,552		575,333		364,119	
	2,939,804		3,032,694		1,225,928		1,266,437		872,750		1,010,988	
	60,835		77,142		271,984		313,087		366,932		234,251	
	464,234		-		592,803		695,101		913,717		1,081,610	
	200,156		223,167		213,228		328,883		516,848		491,177	
	<u>47,685,531</u>		<u>40,059,403</u>		<u>21,240,759</u>		<u>20,505,881</u>		<u>26,078,305</u>		<u>32,262,267</u>	
	23,061,234		21,070,624		4,414,271 (1)		4,525,537		9,896,288		72,775,127	
	232,371		222,552		253,891		267,556		271,047		258,389	
	12,400,668		11,587,916		12,667,624		13,107,189		13,391,810		13,726,338	
	2,635,975		2,579,652		2,367,813		2,657,131		2,788,290		3,279,040	
	3,558,912		6,410,580		8,036,024		4,794,933		4,263,422		4,310,250	
	1,184,769		1,193,486		2,355,875		1,815,578		1,606,788		1,246,106	
	30,609		165,056		222,097		1,001,348		3,513,905		84,284	
	10,851,637		1,461,999		1,567,922		3,019,771		1,031,300		1,061,231	
	445,691		252,560		545,589		497,408		432,202		808,292	
	-		-		-		-		-		-	
	<u>54,401,866</u>		<u>44,944,425</u>		<u>32,431,106</u>		<u>31,686,451</u>		<u>37,195,052</u>		<u>97,549,057</u>	
	<u>(6,716,335)</u>		<u>(4,885,022)</u>		<u>(11,190,347)</u>		<u>(11,180,570)</u>		<u>(11,116,747)</u>		<u>(65,286,790)</u>	
	18,519		33,422		28,165		23,760		515,324		58,004	
	-		187,497		-		-		-		-	
	1,325,050		-		-		-		-		60,879,562	
	-		-		-		-		-		-	
	-		-		-		-		-		-	
	4,948,449		3,755,522		10,024,903 (2)		10,012,156		12,245,719		10,670,576	
	(301,952)		(401,665)		(697,167)		(2,415,077)		(836,322)		(439,497)	
	<u>5,990,066</u>		<u>3,574,776</u>		<u>9,355,901</u>		<u>7,620,839</u>		<u>11,924,721</u>		<u>71,168,645</u>	
\$	<u>(726,269)</u>	\$	<u>(1,310,246)</u>	\$	<u>(1,834,446)</u>	\$	<u>(3,559,731)</u>	\$	<u>807,974</u>	\$	<u>5,881,855</u>	
	21.70%		3.81%		7.87%		11.10%		4.48%		1.94%	

City of Cartersville, Georgia

Electric Service Rates

Last Ten Fiscal Years

	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Small General Service											
Base Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$15.00
Distribution Energy Charge	0.02	-	-	-	-	-	-	-	-	-	-
Transmission Charge	0.05	-	-	-	-	-	-	-	-	-	-
KWH June - September	0.11	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
KWH October - May	0.09	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Small Power											
Base Charge	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$30.00
Transmission Charge (Per kW billing demand)	1.00	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	1.25	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
All consumption (kWh) not greater than 200 hours times the billing demand											
First 6,000 kWh	0.10	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Over 6,000 kWh	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Medium Power											
Base Charge	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$60.00
Transmission Charge (per kW billing demand)	1.10	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	1.40	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
All consumption (kWh) not greater than 200 hours times the billing demand											
First 20,000 kWh	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Over 20,000 kWh	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 600 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Large Power											
Base Charge	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$150.00
Transmission Charge (per kW of billing demand)	1.25	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	1.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
All consumption (kWh) not greater than 200 hours times the billing demand											
First 200,000 kWh	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Over 200,000 kWh	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 400 hours and not greater than 600 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 600 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04

Continued.

City of Cartersville, Georgia

Electric Service Rates

Last Ten Fiscal Years

	Fiscal Year										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Extra Large Power											
Base Charge	\$ 250.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Transmission Charge (per kW of billing demand)	1.25	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	1.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
All consumption (kWh) not greater than 200 hours times the billing demand											
First 700,000 kWh	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Over 700,000 kWh	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 400 hours and not greater than 600 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Consumption (kWh) in excess of 600 hours times the billing demand	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Temporary Service Rate											
Base Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Distribution Energy Charge	0.02	-	-	-	-	-	-	-	-	-	-
Transmission Charge	0.05	-	-	-	-	-	-	-	-	-	-
Consumption	0.12	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Residential Power Rate											
Base Charge	\$ 9.50	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Distribution Energy Charge	0.01	-	-	-	-	-	-	-	-	-	-
Transmission Charge	0.05	-	-	-	-	-	-	-	-	-	-
June-September											
First 650 kWh or less	0.06	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Next 350 kWh	0.08	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Over 1,000 kWh	0.09	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
October-May											
First 650 kWh or less	0.01	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Next 350 kWh	0.06	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Over 1,000 kWh	0.05	-	-	-	-	-	-	-	-	-	-

Data Source: City Electric Department

City of Cartersville, Georgia

Ten Largest Electric Customers Current and Nine Years Ago

Rank	2021			2012		
	Customer	Total Billings	% of Revenues	Customer	Total Billings	% of Revenues
1	Messer, LLC	\$6,816,525	13.98%	Linde Gas (Now Messer)	\$6,146,952	13.84%
2	Anheuser Busch Inc	3,733,777	7.66%	Anheuser Busch	4,765,777	10.73%
3	Aquafil USA Inc	3,249,199	6.67%	Aquafil USA Inc	2,352,738	5.30%
4	Voestalpine	1,180,369	2.42%	Shaw	1,373,182	3.09%
5	Shaw	1,361,076	2.79%	Chemical Products	981,514	2.21%
6	Beauflor	1,190,773	2.44%	ATR	979,045	2.21%
7	Chemical Products	907,605	1.86%	City of Cartersville	1,013,134	2.28%
8	Samuel Strapping Systems	668,074	1.37%	Samuel Strapping Systems	586,754	1.32%
9	Piedmont Resin	474,265	0.97%	TI AUTO	460,283	1.04%
10	TI Automotive	480,670	0.99%	Southern Yarn	354,043	0.80%
	Total Ten Largest Customers	<u>\$20,062,333</u>	<u>41.15%</u>	Total Ten Largest Customers	<u>\$19,013,422</u>	<u>42.82%</u>

Data Source: City Electric Department

City of Cartersville, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property						Personal Property			Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ⁽¹⁾ as a Percentage of Actual Value
	Residential Property	Industrial Property	Commercial Property	Agricultural Property	Historical Property	Utility	Motor Vehicles	Other						
2012	\$ 352,205,890	\$ 271,704,442	\$ 276,528,987				\$ 40,419,370	\$ 57,599	\$ 13,594,461	\$ 927,321,827	18.61	\$ 2,318,304,568	40%	
2013	300,054,420	298,280,850	280,087,929	-	-	-	42,338,234	96,833	14,968,555	905,889,711	19.61	2,264,724,278	40%	
2014	272,172,217	297,606,531	268,131,905	-	-	-	47,371,852	94,226	29,154,952	856,221,779	19.61	2,140,554,448	40%	
2015	290,789,101	292,320,178	278,182,623	-	-	-	39,332,530	127,554	41,250,044	859,501,942	19.31	2,148,754,855	40%	
2016	351,941,623	317,865,043	274,131,439	-	-	-	28,221,434	83,512	64,497,507	907,745,544	19.30	2,269,363,860	40%	
2017	354,231,446	278,014,641	324,389,898	-	-	-	21,531,900	42,275	67,593,797	910,616,363	20.01	2,276,540,908	40%	
2018	383,131,798	300,892,721	325,534,119	-	-	-	16,342,900	83,146	77,428,558	948,556,126	19.53	2,371,390,315	40%	
2019	423,743,121	320,920,215	333,183,633	-	-	-	12,846,280	72,309	92,394,332	998,371,226	18.90	2,495,928,065	40%	
2020	468,708,263	338,048,754	373,728,006	-	-	-	10,547,170	201,815	99,606,056	1,091,627,952	18.70	2,729,069,880	40%	
2021	530,209,761	365,617,411	420,493,812	14,276,599	231,443	12,178,295	9,643,450	92,081	100,277,564	1,252,465,288	18.26	3,131,163,220	40%	

Source: Bartow County Tax Assessor

Property in Bartow County is reassessed annually. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing the assessed value by this percentage. Tax rates are per \$1,000 of assessed value.

⁽¹⁾ Includes tax-exempt property.

⁽²⁾ FY 2016 was the first year of tax collections for the GO Park and Recreation Bonds that the citizens approved by vote for parks and recreation improvements. This will affect all city tax payers for the next ten years, and increased the "Total Direct Tax Rate" for FY 2017 by 1.083 mills. The bond payment associated with this tax collection fluctuates on a yearly basis, therefore the millage rate for this will change from year to year.

City of Cartersville, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Direct Rates			Overlapping Rates		Total Direct and Overlapping Rates
	City of Cartersville Operating Millage	GO Parks And Recreation Bond	Cartersville School Board	Bartow County	State of Georgia	
2012	1.380	0.000	17.230	9.050	0.100	27.760
2013	1.380	0.000	18.230	9.050	0.100	28.760
2014	1.380	0.000	18.230	10.970	0.100	30.680
2015	1.380	0.000	17.930	10.970	0.100	30.380
2016	1.380	1.100	16.820	10.300	0.100	29.700
2017	2.380	1.083	16.546	10.300	0.100	30.409
2018	2.331	1.000	16.195	10.300	0.100	29.926
2019	2.259	0.969	15.674	10.300	0.100	29.302
2020	3.259	0.861	14.576	10.300	0.100	29.096
2021	2.910	0.770	14.576	9.960	0.100	28.316

Source: Bartow County Tax Commissioner

Notes: Overlapping rates are those of the local governments that apply to property owners within the City of Cartersville, Georgia.

City of Cartersville, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2021

Taxpayer	2021			Taxpayer	2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Anheuser-Busch	\$ 94,509,890	1	7.55%	Anheuser Busch	\$ 121,706,228	1	13.12%
Aquafil USA, Inc	52,950,868	2	4.23%	Shaw Industries	20,634,868	2	2.23%
Shaw Industries	39,618,475	3	3.16%	Aquafil USA, Inc	15,952,125	3	1.72%
CSX Transportation	18,630,907	4	1.49%	Continental Pet Technologies	11,604,723	4	1.25%
Continental Pet Technologies	11,617,130	5	0.93%	Applied Thermoplastic	9,882,121	5	1.07%
Chemical Products	11,336,960	6	0.91%	Colloid Environment Tech Co	5,889,342	6	0.64%
VKEP-A LLC	9,455,465	7	0.75%	Bellsouth Telecommunications	5,381,039	7	0.58%
Trinity Industries	8,562,427	8	0.68%	Ampacet	5,349,989	8	0.58%
Comcast	8,453,082	9	0.67%	Monitor Manufacturing Co	5,264,206	9	0.57%
Georgia Transmission	8,092,956	10	0.65%	Gerdau Ameristeel US Inc	5,128,924	10	0.55%
Totals	\$ 263,228,160		21.02%	Totals	\$ 206,793,565		22.30%

Source: Bartow County Tax Commissioner

City of Cartersville, Georgia
Property Tax Levies and Collections
June 30, 2021

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal year			Collected within the Fiscal year of the Levy			Total Collections to Date		
	(Original Levy)	Adjustments	Total Adjusted Levy	Amount	Percentage of Levy	Collections In Subsequent Years	Amount	Percentage of Adjusted Levy	
2012	\$ 15,907,496	\$ (98,673)	\$ 15,808,823	\$ 15,412,054	97.49%	\$ 396,769	\$ 15,808,823	100.00%	
2013	16,333,470	(287,411)	16,046,059	15,619,489	97.34%	426,570	16,046,059	100.00%	
2014	15,195,145	(236,770)	14,958,375	14,720,506	98.41%	237,869	14,958,375	100.00%	
2015	15,285,307	(69,357)	15,215,950	15,125,050	99.40%	90,900	15,215,950	100.00%	
2016	16,391,314	(55,763)	16,335,552	16,184,806	99.08%	150,746	16,335,552	100.00%	
2017	17,231,729	(32,194)	17,199,534	17,049,723	99.13%	149,811	17,199,534	100.00%	
2018	16,688,376	(87,408)	16,600,968	16,410,845	98.85%	190,123	16,600,968	100.00%	
2019	17,101,226	(71,813)	17,029,414	16,950,924	99.54%	116,603	16,950,924	99.54%	
2020	18,939,927	(132,057)	18,807,870	18,607,235	98.93%	200,635	18,807,870	100.00%	
2021	21,169,974	(346,483)	20,823,491	20,615,113	99.00%	-	20,615,113	99.00%	

Source: Bartow County Tax Commissioner

City of Cartersville, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Tax Allocation District Bonds	Notes Payable	Certificates of Participation	Water/Sewer Bonds	Direct Placement Bonds (1)	Water Fund Notes Payable	Gas Fund Notes Payable	Financed Purchases			
2012	\$ 12,470,000	\$ -	\$ -	\$ 4,444,000	\$ 20,610,000	\$ -	\$ 6,843,264	\$ -	\$ -	\$ 44,367,264	6.39%	\$ 439
2013	11,785,000	-	4,300,000	4,444,000	18,745,000	-	6,038,308	-	-	45,312,308	5.89%	447
2014	10,735,000	-	1,045,000	4,444,000	16,590,000	-	5,330,000	-	-	38,144,000	7.64%	374
2015	17,885,000	-	1,045,000	4,444,000	14,220,000	-	4,600,000	-	-	42,194,000	11.70%	415
2016	7,455,000	-	900,000	4,444,000	11,770,000	-	3,865,000	-	-	28,434,000	17.36%	279
2017	6,700,000	2,128,680	2,715,000	4,444,000	9,240,000	-	3,120,000	-	-	28,347,680	17.91%	273
2018	5,930,000	1,985,758	2,060,000	4,444,000	62,962,647	-	2,365,000	9,710,000	-	89,457,405	5.64%	848
2019	5,150,000	1,805,987	-	4,444,000	62,070,369	-	1,600,000	9,140,000	247,618	84,457,974	6.42%	781
2020	4,350,000	1,574,687	-	4,444,000	61,323,149	-	830,000	8,555,000	266,722	81,343,558	6.82%	755
2021	64,409,562	1,333,456	-	4,444,000	60,579,038	8,010,000	-	-	267,650	139,043,706	3.69%	1,277

(1) - The Cartersville Building Authority (CBA) became a belnded component unit. Therefore the direct placement bonds were added to the City's books at the current outstanding principal amount. The notes payable to the CBA were removed as well.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Cartersville, Georgia
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Net General Bonded Debt Per Capita
2012	12,470,000	0.54%	124
2013	11,785,000	0.52%	116
2014	10,735,000	0.50%	105
2015	17,885,000	0.83%	176
2016	7,455,000	0.33%	73
2017	6,700,000	0.29%	65
2018	5,930,000	0.25%	56
2019	5,150,000	0.21%	48
2020	4,350,000	0.16%	40
2021	64,409,562	1.80%	591

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

See the Schedule of Demographic and Economic Statistics for population data.

See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

City of Cartersville, Georgia

Direct and Overlapping Governmental Activities Debt As of June 30, 2021

Governmental unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
City of Cartersville direct debt	\$ 70,187,018	100%	\$ 70,187,018
Total direct and overlapping debt	\$ 70,187,018		\$ 70,187,018

Sources: Assessed value data used to estimate applicable percentages provided by the Bartow County Tax Commissioner. Debt outstanding data provided by Bartow County and the City.

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 business of the City of Cartersville. This process recognizes that, when considering the City's ability to issue and repay long-term 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 government's boundaries and dividing it by the County's total taxable assessed value.

City of Cartersville, Georgia
Legal Debt Margin
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 92,732,182	\$ 90,588,971	\$ 81,950,289	\$ 85,947,567	\$ 90,774,554	\$ 91,061,636	\$ 94,855,613	\$ 99,837,123	\$ 109,162,795	\$ 125,246,529
Total net debt applicable to limit	<u>12,470,000</u>	<u>11,785,000</u>	<u>10,735,000</u>	<u>17,885,000</u>	<u>7,455,000</u>	<u>6,700,000</u>	<u>5,930,000</u>	<u>5,150,000</u>	<u>4,350,000</u>	<u>64,409,562</u>
Legal debt margin	<u>\$ 80,262,182</u>	<u>\$ 78,803,971</u>	<u>\$ 71,215,289</u>	<u>\$ 68,062,567</u>	<u>\$ 83,319,554</u>	<u>\$ 84,361,636</u>	<u>\$ 88,925,613</u>	<u>\$ 94,687,123</u>	<u>\$ 104,812,795</u>	<u>\$ 60,836,967</u>
Total net debt applicable to the limit as a percentage of debt limit	13.45%	13.01%	13.10%	20.81%	8.21%	7.36%	6.25%	5.16%	3.98%	51.43%
									Total Taxable Assessed Value	\$ 1,252,465,288
									Debt Limit (10% of Total Assessed Value)	125,246,529
									Debt Applicable to Limit General Obligation Bonds	<u>64,409,562</u>
										<u>\$ 60,836,967</u>

Note: Under State of Georgia law, the City of Cartersville outstanding general obligation debt is limited to 10 percent of total assessed property value. The legal margin is the difference between the debt limit and the City's net general obligation debt outstanding applicable to the limit, and represents of the City's legal borrowing authority.

City of Cartersville, Georgia

Pledged Revenue Coverage Last Ten Fiscal Years

Water Revenue Bonds							
Fiscal Year	Utility Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2012	\$ 12,474,273	\$ 7,465,216	\$ 5,009,057	\$ 1,805,000	\$ 710,072	1.99	
2013	12,839,636	7,311,399	5,528,237	1,865,000	545,442	2.29	
2014	13,499,015	7,593,373	5,905,642	2,155,000	540,474	2.19	
2015	14,736,906	7,997,624	6,739,282	2,370,000	466,373	2.38	
2016	15,725,418	8,570,045	7,155,373	2,450,000	386,997	2.52	
2017	17,155,128	8,842,132	8,312,996	2,530,000	301,545	2.94	
2018	19,245,054	6,626,825	12,618,229	9,240,000	286,128	1.32	
2019	23,290,584	6,884,495	16,406,089	1,240,000	2,768,108	1.33	
2020	23,125,185	7,667,852	15,457,333	1,085,000	2,534,447	4.27	
2021	23,501,801	6,904,828	16,596,973	1,105,000	2,512,595	4.59	

City of Cartersville, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ^{(1)*}	Per Capita Income ^{(1)*}	Personal Income ^{(1)*}	Median Age ^{(1)*}	School Enrollment ^{(2)**}	Unemployment Rate *
2012	100,968	\$ 22,249	\$ 28,334	35.9	4,162	9.40%
2013	101,282	23,512	26,667	36.3	4,046	9.20%
2014	102,000	22,119	29,144	36.1	3,998	7.60%
2015	101,740	21,055	49,363	37.3	4,119	6.20%
2016	101,740	21,055	49,363	37.3	4,128	5.30%
2017	103,862	23,178	50,775	37.7	4,257	4.90%
2018	105,484	25,868	50,435	36.9	4,361	4.00%
2019	108,171	26,577	54,254	38.1	4,559	3.90%
2020	107,738	25,712	55,452	37.9	4,609	7.30%
2021	108,901	29,094	51,351	36.0	4,509	2.80%

⁽¹⁾ Cartersville-Bartow County Chamber of Commerce

⁽²⁾ City Board of Education

* County-wide data

** City only

City of Cartersville, Georgia

Principal Employers Current Year

Fiscal Year 2021					Fiscal Year 2012				
Rank	Employer	Industry	Number of Employees	% of Total	Rank	Employer	Industry	Number of Employees	% of Total
1	Shaw Industries	Carpet/Flooring	2,562	26.17%	1	Shaw Industries	Carpet	2,652	27.96%
2	Bartow County Schools System	Education	1,839	18.78%	2	Bartow County School System	Education	2,000	21.08%
3	Toyo Tire North America	Tire Manufacturer	1,335	13.64%	3	Toyo Tire North America	Tire Manufacturer	1,070	11.28%
4	Cartersville Medical Center	Health Care	758	7.74%	4	Bartow County	Government	863	9.10%
5	Bartow County Government	Government	665	6.79%	5	Cartersville Medical	Health Care	660	6.96%
6	voelstalpine	Car Parts	631	6.45%	6	Anheuser-Busch	Beer	571	6.02%
7	Anheuser Busch	Beer	571	5.83%	7	Cartersville School System	Education	500	5.27%
8	Cartersville School System	Education	570	5.82%	8	Georgia Power Company	Utility	400	4.22%
9	Chattahoochee Tech	Technical College	459	4.69%	9	WalMart	Retail Sales	390	4.11%
10	Georgia Power Company	Utility	400	4.09%	10	Gerdau Ameristeel	Steel Products	380	4.01%
	Total		9,790			Total		9,486	

Source: Cartersville-Bartow County Chamber of Commerce

City of Cartersville, Georgia
Full-Time Equivalent City Employees By Function/Program
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	27	26	23	24	26	27	27	27	26	26
Police	65	64	64	62	61	61	61	61	61	61
Fire	62	74	74	72	72	71	73	74	74	76
Garage	4	4	4	4	6	6	6	6	6	6
Municipal Court	*	2	2	2	2	2	2	2	2	2
Culture and recreation	27	27	25	24	24	24	24	24	24	24
Planning and development	8	8	8	9	8	10	10	10	10	10
Public works	19	19	21	19	20	20	18	18	17	17
Downtown Development Authority	-	-	1	1	1	1	1	1	1	1
Water and Sewer	50	50	50	49	49	49	49	49	50	50
Electric	28	28	27	28	28	28	28	28	28	28
Gas	24	24	24	24	23	25	27	26	25	27
Solid Waste	18	19	19	19	16	17	16	16	17	17
Stormwater	7	7	7	8	7	7	10	10	10	10
Fiber Optic	7	7	7	7	8	8	8	8	8	8
Total	<u><u>346</u></u>	<u><u>359</u></u>	<u><u>356</u></u>	<u><u>352</u></u>	<u><u>351</u></u>	<u><u>356</u></u>	<u><u>360</u></u>	<u><u>360</u></u>	<u><u>359</u></u>	<u><u>363</u></u>

Source: City of Cartersville Human Resource Department

* In fiscal periods prior to 2013, municipal court employees were included in the police department.

City of Cartersville, Georgia

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	856	2,306	1,765	2,252	2,061	1,137	2,171	2161	2263	1,397
Parking violations	156	102	121	36	25	2	33	37	151	56
Traffic violations	4,888	4,730	3,591	3,826	1,968	2,119	2,654	2581	1296	1,143
Fire										
Emergency responses	3,301	3,395	3,510	3,574	3,499	3,706	4,362	4386	1627	4,759
Fires extinguished	159	107	152	155	119	108	136	96	100	108
Inspection	2,346	2,218	2,029	2,164	2,034	2,121	1,501	1583	2556	1,026
Culture and Recreation										
Admissions/fees	\$695,729	\$693,925	\$729,458	\$703,155	\$710,550	\$666,081	\$681,073	\$749,730	\$446,011	\$597,912
Library volumes	107,835	113,516	115,945	120,181	132,579	125,003	123,325	123,803	125,113	116,445
Library circulation	523,827	469,414	444,923	442,805	415,875	380,291	383,131	371,245	296,808	258,118
Public Works										
Street resurfacing miles	3.62	2.52	-	5.94	2.43	5.53	3.69	1.6	2.36	4.23
Planning and Development										
Building Permits - Residential	45	64	86	155	233	261	212	230	276	222
Value of Building Permits - Residential	\$1,503,916	\$4,657,200	\$8,445,523	\$27,165,236	\$30,414,321	\$31,889,347	\$51,679,350	\$58,907,908	\$61,456,358	\$34,366,325
Building Permits - Commercial	48	58	52	69	71	84	80	80	55	75
Value of Building Permits - Commercial	\$18,645,723	\$5,719,963	\$10,256,259	\$54,105,676	\$20,205,277	\$57,597,338	\$38,150,557	\$41,424,215	\$10,453,465	\$20,361,454
Water										
Number of service locations	10,841	8,481	8,486	8,703	8,882	9,070	9,143	9,311	9,453	11,325
Average daily demand	10.87	10.94	10.71	10.82	11.32	11.49	11.18	11.57	11.73	12.11
Sewer										
Number of service locations	6,889	5,550	5,561	5,693	5,849	6,038	6,100	6,217	6,372	7,586
Average daily demand	5.74	6.82	7.27	6.01	7.36	5.72	6.51	8.45	7.58	7.45
Electric										
Number of service locations	7,979	7,780	8,031	8,018	8,058	8,213	8,530	8,806	8,886	8,102
Average annual residential consumption	12,028	12,326	12,231	12,231	11,765	12,388	12,301	11,300	12,322	12,163
Gas										
Number of service locations	10,801	10,796	10,789	10,624	10,689	10,851	10,962	11,120	11,295	11,631
Solid Waste										
Number of service locations	6,751	6,897	7,012	7,268	7,509	7,523	8,012	7,482	7,515	7,736
Fiber Optic										
Number of service locations	80	72	82	96	104	126	141	151	167	194

Source: Various City Departments

⁽¹⁾ In FY 2013 the way in which the city tabulates the number of water and sewer customers was changed and resulted in a decrease in the number of water and sewer customers in FY 2013. Until FY 2013 the number of customers included every meter. If the same customer had five meters, than those five meters were counted as being five customers. In FY 2013, the number of customers no longer is determined by the number of meters. If the same customer has five meters, than it is considered as being one customer, not five customers. This method of calculation will be continued in the future as the city feels that it is a more accurate way of calculating the number of water and sewer customers.

City of Cartersville, Georgia

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Stations	4	3	2	2	2	2	2	2	2	2
Vehicles	74	64	79	65	64	78	80	75	80	80
Fire										
Stations	3	4	4	4	4	4	4	4	4	4
Culture and Recreation										
Acreeage	643.57	645.443	648.423	651.648	651.648	651.648	651.648	651.648	652	651.648
Baseball/softball fields	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	6	6	6	6	6	6	6	6	6	6
Public Works										
Miles of streets	129	129.85	129.01	133.62	133.62	133.62	133.62	135	139	139
Planning and Development										
Building Permits - Residential	45	64	86	155	233	261	212	230	276	\$222
Value of Building Permits - Residential	\$1,503,916	\$4,657,200	\$8,445,523	\$27,165,236	\$30,414,321	\$31,889,347	\$51,679,350	\$58,907,908	\$61,456,358	\$34,366,325
Building Permits - Commercial	48	58	52	69	71	84	80	80	55	\$75
Value of Building Permits - Commercial	\$18,645,723	\$5,719,963	\$10,256,259	\$54,105,676	\$20,205,277	\$57,597,338	\$38,150,557	\$41,424,215	\$10,453,465	\$20,361,454
Water										
Fire hydrants	1,383	1,389	1,434	1,438	1,450	1,472	1,485	1,492	1,501	1,527
Miles of water mains	263	264	225	225	225	233	235	237	237	233
Sewer										
Miles of sanitary sewer	146	160	192	160	162	163	168	170	170	170
Electric										
Street lights	2,186	2,223	2,108	2,227	2,235	2,181	2,252	2,267	2,291	2,303
Miles of electric lines	204	205	209	209	210	210	210	221	222	224
Gas										
Miles of gas mains	335	337	339	342.3	340.41	341.73	343.2	348.03	349.86	352
Solid Waste										
Collection vehicles	21	20	20	18	18	16	17	17	17	17
Fiber Optic										
Miles of cable	65.26	67.66	68.5	74.86	76.19	80.60	89.3	95.69	104.21	109.32

Source: Various City Departments

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and Members
of the City Council
City of Cartersville, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cartersville, Georgia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *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
March 11, 2022



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

To the Honorable Mayor and Members
of the City Council
City of Cartersville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Cartersville, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Cartersville, Georgia's major federal programs for the year ended June 30, 2021. The City of Cartersville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Cartersville, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Cartersville, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Cartersville, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Cartersville, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Cartersville, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Cartersville, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Cartersville, Georgia's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
March 11, 2022

CITY OF CARTERSVILLE, GEORGIA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass- through Grantor Number	Sub-recipient Expenditures	Total Expenditures
U.S. DEPARTMENT OF JUSTICE				
Direct				
Equitable Sharing Program	16.922	GA0080100	\$ -	\$ 420,599
Bulletproof Vest Partnership Program	16.607	2018BUBX17085509	-	5,640
Total United States Department of Justice			-	426,239
U.S. DEPARTMENT OF TRANSPORTATION				
Pass-Through from the Georgia Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	PI 0016628	-	108,960
Total Highway Planning and Construction Cluster			-	108,960
Pass-Through from the Georgia Department of Transportation				
Airport Improvement Program	20.106	AP020-9032-31(015)	577,002	577,002
Airport Improvement Program	20.106	AP020-9041-33(015)	555,943	555,943
Airport Improvement Program	20.106	AP021-9051-34(015)	1,787,111	1,787,111
COVID 19: Airport Improvement Program	20.106	AP020-90CA-32(015)	69,000	69,000
Total Airport Improvement Program			2,989,056	2,989,056
Total United States Department of Transportation			2,989,056	3,098,016
U.S. DEPARTMENT OF TREASURY				
Pass-Through from the Governor's Office of Planning and Budget				
COVID-19: Coronavirus Relief Fund	21.019	GA0003359	-	1,139,086
Total United States Department of Treasury			-	1,139,086
Total Expenditures of Federal Awards			\$ 2,989,056	\$ 4,663,341

See note to schedule of expenditures of federal awards.

CITY OF CARTERSVILLE, GEORGIA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

(1) **Summary of Significant Accounting Policies**

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

In instances where the grant agreement requires the City to match grant awards with local funds, such matching funds are excluded in the accompanying Schedule of Expenditures of Federal Awards.

Federal grant programs which are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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% de minimus indirect cost rate permitted by the Uniform Guidance.

CITY OF CARTERSVILLE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Federal Awards

Internal control over major programs:
Material weaknesses identified: yes no

Significant deficiencies identified: yes none reported

Type of auditor's report issued on compliance of major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	COVID-19: Airport Improvement Program
21.019	COVID-19: Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

CITY OF CARTERSVILLE, GEORGIA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION II

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF CARTERSVILLE, GEORGIA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION IV STATUS OF PRIOR AUDIT FINDINGS

2020-001 Accounting for Workers' Compensation Liability

Criteria: Internal controls should be in place to ensure that revenues are appropriately recognized, including any related receivables in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of the City's revenues and unavailable revenues.

Status: Corrected.

2020-002 Revenue Recognition

Criteria: Internal controls should be in place to ensure that revenues are appropriately recognized, including any related receivables in accordance with generally accepted accounting principles.

Condition: Internal controls were not sufficient to detect material misstatements in the reporting of the City's revenues and unavailable revenues.

Status: Corrected.