

**CITY OF CARTERSVILLE, GEORGIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**

**Prepared by:**  
Thomas C. Rhinehart, Finance Director

CITY OF CARTERSVILLE, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

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## INTRODUCTORY SECTION

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# City of Cartersville

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December 22, 2023

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, 2023. 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.



## **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 – 12<sup>th</sup> 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 2023 increased by 15.65% over the 2022 valuation, resulting in total taxable assessed value increasing by \$198.1 million. The business environment outlook for Cartersville continues to be favorable as industries and other businesses continue to look at relocating to Cartersville. FY 2023 saw several businesses complete their construction and open their doors: Cartersville Primary School; RokPlank Building expansion; and Steel Materials expansion. Also, housing completions included: Jackson Farms Phase I and Felton Walk. Along with these new openings there are a number of new construction projects slated to be completed during fiscal year 2024. The new construction projects include: HanWha EVA; HanWha Q-Cells; Jackson Farm Phase II; LGE Credit Union; Kroger Apartments; and Prose Apartments. These new industries and businesses,

along with the new housing units, 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 2023 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 remained constant at 3.0% as of June 2023. Although the unemployment did not change, 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 an increase (\$1.884 million) 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 \$16.1 million at year end or 38.3% of total city-related general fund revenues of \$42.0 million. The current total governmental funds balance has increased over last year by \$10.4 million and is in line with 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 expenses 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. In 2005, 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 is included in the general fund while the funding for the industrial park development was 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 2023, 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 2023.

### **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, 2023, the City's pension plans had a net position of \$71.8 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

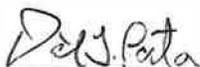
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cartersville for its annual comprehensive financial report for the year ended June 30, 2022. In order to be awarded a Certificate of Achievement, the City published 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, 2023**

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*Mayor*

Matt Santini

*City Council*

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

*City Administration*

Daniel T. Porta  
City Manager

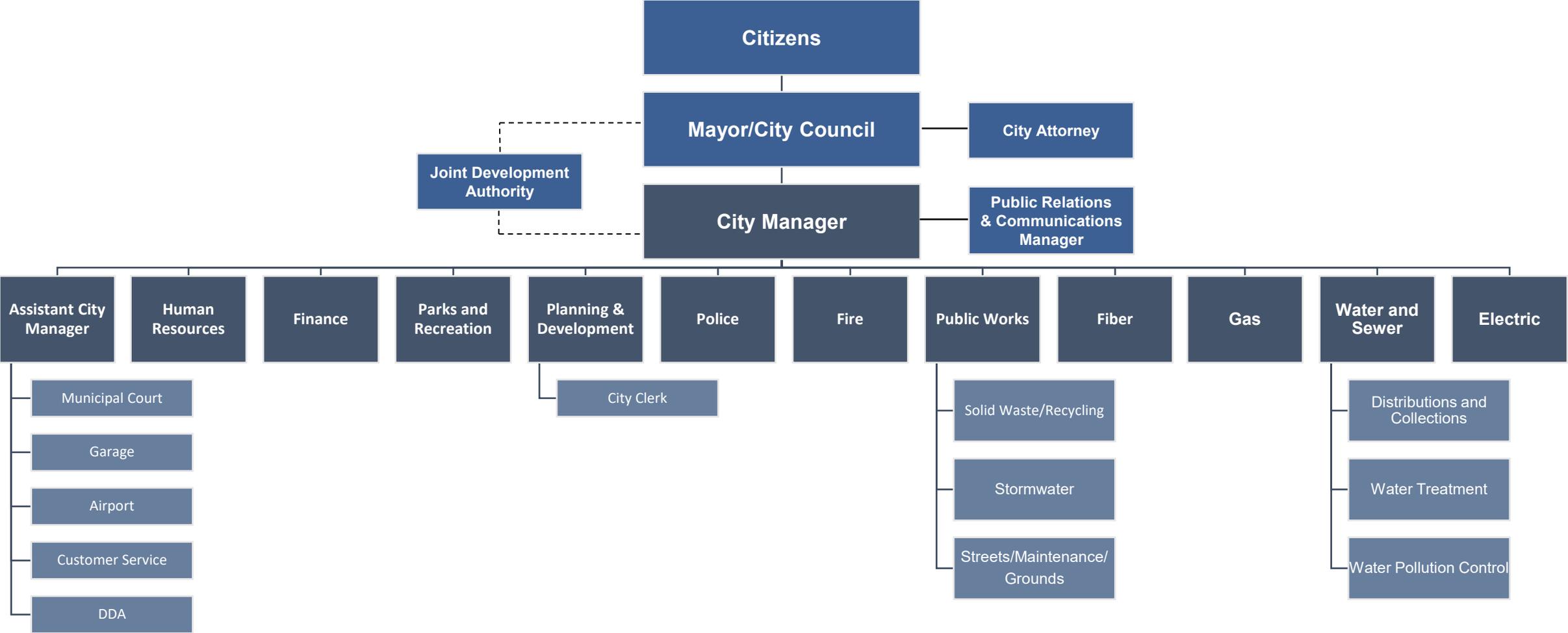
Freddy L. Morgan  
Assistant City Manager

Harry White  
David G. Archer  
Randy Mannino  
Thomas C. Rhinehart  
Julia Drake  
Samantha Dover  
Scott Carter  
Frank L McCann  
Tommy Sanders  
Steve Roberts  
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 Organizational Chart

June 30, 2023





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, 2022

*Christopher P. Morill*

Executive Director/CEO

## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Cartersville, Georgia** (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 unit, each major fund, and the remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, 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* (collectively, the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023, 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  
December 22, 2023

## CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

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### 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, 2023. 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.

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#### Financial Highlights

- The City's total net position increased by approximately \$80.8 million, or 48.0% during fiscal year 2023 to \$423.9 million. The net position for governmental activities increased by \$56.1 million, or 100.0% from the previous year and business-type net position increased by \$24.7 million, or 9.0% from the previous year.
- Unrestricted net position consists of approximately \$138.7 million, or 33.0% of the City's total net position. Unrestricted net position for governmental activities is (\$17.8) million, or negative 16.0% of total net position for governmental activities; unrestricted net position for business activities is \$156.5 million, or 50.0% 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 \$21.1 million, or 33.0% more than fiscal year 2022. Governmental expenses, excluding transfers, increased \$2.0 million or 5.0% more than the previous fiscal year. Revenues exceeded expenses, excluding transfers from utilities and special items, by \$45.2 million.
- The business-type activities, excluding transfers, generated revenues that were \$17.1 million or 14.0% more than the previous fiscal year. Expenses, excluding transfers, increased \$10.0 million or 11.0% more than last year. Excluding transfers, revenues were \$35.6 million more than expenses.
- In fiscal year 2023, the ending total fund balance for the General Fund, which is the City's primary operating fund, increased by \$8.2 million, or 70.0%, to 19.9 million.
- The principal balance on the City's outstanding bonds (Note 6) decreased by \$.8 million for governmental activities. The principal balance on the outstanding bonds for business-type activities decreased by \$1.1 million.
- The total fair value of the City's pooled investments and cash, excluding fiduciary funds (Note 3) at June 30, 2023 was \$215.5 million.
- The capital assets, net of accumulated depreciation, (Note 5) of the City at the end of the 2023 fiscal year totaled approximately \$388.1 million.

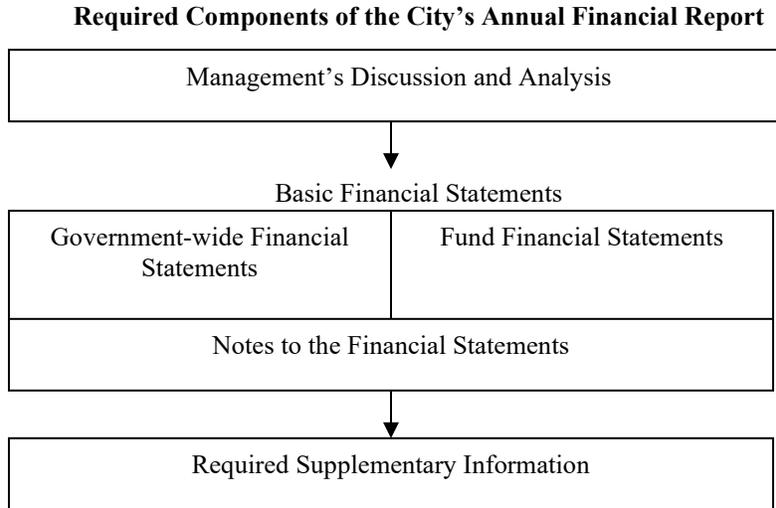
# CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

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## 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, 2023

**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**

	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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"> <li>- Balance Sheet</li> <li>- Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of net position</li> <li>- Statement of revenues, expenses, and changes in fund net position</li> <li>- Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>- Statement of fiduciary net position</li> <li>- Statement of changes in fiduciary net position</li> </ul>
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, 2023

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Position compared to the prior year. The City's net position increased by approximately \$80.9 million in fiscal year 2023. The net position of the governmental activities of the City increased by approximately \$56.1 million while the business-type activities increased by approximately \$24.8 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 \$11.7 million, electric increased by approximately \$2.1 million, and gas increased by approximately \$8.7 million. The City's total assets and deferred outflows increased by \$66.8 million to approximately \$624.3 million. Of the City's \$423.9 million in net position, approximately \$267.2 million is net investment in capital assets. For more detailed information, see the Statement of Net Position on page 19 and 20 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	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and other assets	\$ 45.4	\$ 31.2	\$ 187.6	\$ 173.2	\$ 233.0	\$ 204.4
Capital assets	<u>172.8</u>	<u>131.1</u>	<u>215.3</u>	<u>207.8</u>	<u>388.1</u>	<u>338.9</u>
Total Assets	218.2	162.3	402.9	381.0	621.1	543.3
Deferred Outflows of Resources	<u>2.0</u>	<u>9.1</u>	<u>1.2</u>	<u>5.1</u>	<u>3.2</u>	<u>14.2</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 220.2</u>	<u>\$ 171.4</u>	<u>\$ 404.1</u>	<u>\$ 386.1</u>	<u>\$ 624.3</u>	<u>\$ 557.5</u>
<b>Liabilities:</b>						
Current and other liabilities	\$ 14.7	\$ 7.9	\$ 14.6	\$ 13.4	\$ 29.3	\$ 21.3
Long-term debt outstanding	<u>91.6</u>	<u>98.0</u>	<u>77.1</u>	<u>81.1</u>	<u>168.7</u>	<u>179.1</u>
Total Liabilities	106.3	105.9	91.7	94.5	198.0	200.4
Deferred Inflows of Resources	<u>1.6</u>	<u>9.3</u>	<u>0.8</u>	<u>4.8</u>	<u>2.4</u>	<u>14.1</u>
<b>Net Position:</b>						
Net investment in capital assets	116.2	125.4	151.0	141.4	267.2	266.8
Restricted	13.9	11.0	4.1	3.5	18.0	14.5
Unrestricted	<u>(17.8)</u>	<u>(80.2)</u>	<u>156.5</u>	<u>141.9</u>	<u>138.7</u>	<u>61.7</u>
Total Net Position	<u>112.3</u>	<u>56.2</u>	<u>311.6</u>	<u>286.8</u>	<u>423.9</u>	<u>343.0</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 220.2</u>	<u>\$ 171.4</u>	<u>\$ 404.1</u>	<u>\$ 386.1</u>	<u>\$ 624.3</u>	<u>\$ 557.5</u>

### CHANGES IN NET POSITION

The City's total revenues before transfers increased by \$38.2 million (21.0%) in the 2023 fiscal year compared to the previous year. Expenses before transfers increased by \$12.0 million during the same period. The increase in governmental activities capital grants and contributions revenue is attributed largely to new buildings at the high school and sale of interest in Georgia Public Web. The increase in expenses is attributable to the purchase of a new ladder fire truck. The overall increase in revenues of the major business-type activities came from the water, electric 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, 2023

**Table 2**  
**Changes in Net Position**  
**(in millions)**

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 3.9	\$ 3.0	\$ 135.3	\$ 125.2	\$ 139.2	\$ 128.2
Operating grants and contributions	1.0	0.9	-	-	1.0	0.9
Capital grants and contributions	55.0	41.1	-	-	55.0	41.1
<b>General revenues</b>						
Property taxes	6.8	6.3	-	-	6.8	6.3
Local option sales tax	7.6	5.7	-	-	7.6	5.7
Other taxes	5.9	5.5	-	-	5.9	5.5
Investment income	1.4	0.2	2.5	(4.4)	3.9	(4.2)
Other general revenues	2.5	0.3	0.1	-	2.6	0.3
<b>Total Revenues</b>	<b>84.1</b>	<b>63.0</b>	<b>137.9</b>	<b>120.8</b>	<b>222.0</b>	<b>183.8</b>
<b>Expenses</b>						
General government	8.4	9.5	-	-	8.4	9.5
Public safety	17.4	15.4	-	-	17.4	15.4
Judicial	0.3	0.3	-	-	0.3	0.3
Culture and recreation	5.2	4.7	-	-	5.2	4.7
Public works	5.2	4.5	-	-	5.2	4.5
Planning and development	1.0	0.8	-	-	1.0	0.8
Interest on long-term debt	1.4	1.7	-	-	1.4	1.7
Water and sewer	-	-	16.8	13.4	16.8	13.4
Electric	-	-	50.0	45.0	50.0	45.0
Gas	-	-	29.2	27.9	29.2	27.9
Other business-type activities	-	-	6.3	6.0	6.3	6.0
<b>Total Expenses</b>	<b>38.9</b>	<b>36.9</b>	<b>102.3</b>	<b>92.3</b>	<b>141.2</b>	<b>129.2</b>
<b>Excess (deficiency) before transfers</b>	<b>45.2</b>	<b>26.1</b>	<b>35.6</b>	<b>28.5</b>	<b>80.8</b>	<b>54.6</b>
<b>Transfers</b>	<b>10.9</b>	<b>10.8</b>	<b>(10.9)</b>	<b>(10.8)</b>	<b>-</b>	<b>-</b>
Increase (decrease) in net position	56.1	36.9	24.7	17.7	80.8	54.6
<b>Net Position - Beginning</b>	<b>56.2</b>	<b>19.3</b>	<b>286.8</b>	<b>269.1</b>	<b>343.0</b>	<b>288.4</b>
<b>Net Position - Ending</b>	<b>\$ 112.3</b>	<b>\$ 56.2</b>	<b>\$ 311.5</b>	<b>\$ 286.8</b>	<b>\$ 423.8</b>	<b>\$ 343.0</b>

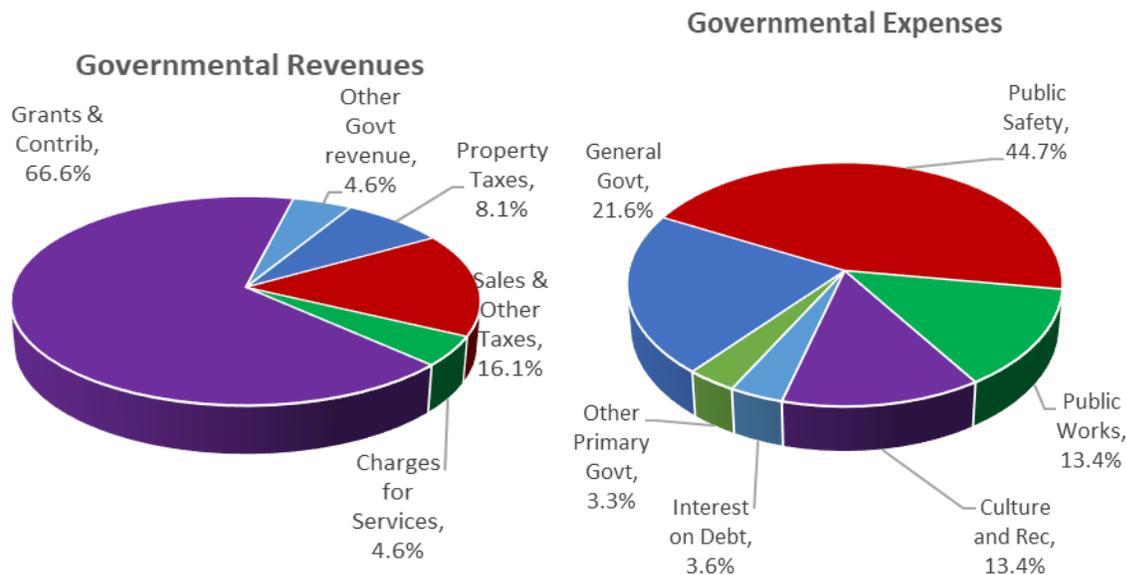
# CITY OF CARTERSVILLE, GEORGIA

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

## GOVERNMENTAL ACTIVITIES

The cost of all governmental activities in fiscal year 2023 was \$38.9 million, while revenues received were \$84.1 million. After transfers and special items, the increase in net position was \$56.1 million. See pages 21 and 22 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 2023**



### Revenue Impacts:

- Property taxes, which provided 8.1% of governmental general revenues, increased by approximately \$584,038 (9.0%) over the previous fiscal year. In addition to the City School System millage rate of 13.906, the City assessed 2.910 mills for fiscal year 2023, which generated \$4.2 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 0.737 mills for the General Obligation Parks and Recreation Bond payment. The additional tax levy generated \$0.9 million to be used for debt service and was voted by the citizens and will continue for the next three 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 \$1.9 million. Local option sales taxes used for general operating purposes amounted to \$7.6 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 \$5.7 million.

### Expense Impacts:

- General government expenses decreased by \$1.1 million largely due to decreased OPEB costs and a decrease in depreciation expense.
- Culture and recreation expenses increased \$0.5 million due to increases in personnel cost, utilities, maintenance and supplies expense.
- Public safety expenses increased \$2.0 million due to increased personnel and related benefits costs, and vehicle maintenance costs.

**CITY OF CARTERSVILLE, GEORGIA**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

**BUSINESS-TYPE ACTIVITIES**

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

	Program Revenues		Program Expenses		Excess (deficiency) Before Transfers, Special Items and Investment Earnings	
	2023	2022	2023	2022	2023	2022
Water and Sewer	\$ 30.0	\$ 26.4	\$ 14.7	\$ 13.4	\$ 15.3	\$ 13.0
Electric	54.9	52.3	50.0	45.0	4.9	7.3
Gas	41.8	39.4	29.1	27.9	12.7	11.5
Stormwater	1.6	1.6	1.0	1.2	0.6	0.4
Solid Waste	3.4	3.0	2.8	2.4	0.6	0.6
Fiber Optics	3.6	2.5	2.4	2.4	1.2	0.1
<b>Total</b>	<u>\$ 135.3</u>	<u>\$ 125.2</u>	<u>\$ 100.0</u>	<u>\$ 92.3</u>	<u>\$ 35.3</u>	<u>\$ 32.9</u>

Revenues for business-type activities for the fiscal year 2023 were \$135.3 million, a \$10.1 million increase compared to the prior year. Expenses were \$100.00 million, an increase of \$7.7 million from the prior year. There was excess before transfers and investment earnings of \$35.3 million in 2023 compared to \$32.9 million in 2022. Activities for individual funds are summarized below:

- Water and Sewer program revenues increased by \$3.6 million to end the year at \$30.0 million. Program expenses increased by \$1.3 million. The increase in revenue reflects an increase in water and sewer service rates and collection of capacity and tap fees. Program expenses increased in part due to personnel costs, maintenance expenses and chemical supplies.
- Electric program revenues increased by \$2.6 million from the prior year due to increased demand and an increase in electric service rates. Program expenses increased by \$5.0 million due to the increased cost of purchased electricity, personnel costs and fuel expense.
- Gas program revenues increased by \$2.4 million due to increased usage. Program expenses increased by \$1.2 million. The increase in program expenses was due to the increased cost of natural gas purchased, maintenance expense, supplies, personnel cost and fuel expense.
- Stormwater revenues were stable for the 2023 year. Program expenses decreased \$.2 million in part due to a decrease in personnel costs.
- Solid Waste program revenues increased by \$0.4 million reflecting a small increase in rates, while expenses increased by \$0.4 million due to increased fuel cost, personnel cost and landfill fees.
- Fiber Optics program revenues increased by \$1.1 million due to proceeds from sale of Georgia Public Web while operating revenues stayed relatively flat. Program expenses were unchanged with increased personnel costs being offset by decreased maintenance costs.

**CITY OF CARTERSVILLE, GEORGIA**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

**The City's Funds**

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

<b>Fund</b>	<b>Fund Balance 6-30-22</b>	<b>Sources</b>	<b>Uses</b>	<b>Sources Over (Under) Uses</b>	<b>Fund Balance 6-30-23</b>
<b>General Fund</b>	\$ 11.7	\$ 42.0	\$ 33.8	\$ 8.2	\$ 19.9
<b>Other Governmental Funds</b>	<u>10.2</u>	<u>13.4</u>	<u>11.3</u>	<u>2.1</u>	<u>12.3</u>
<b>Totals</b>	<u>\$ 21.9</u>	<u>\$ 55.4</u>	<u>\$ 45.1</u>	<u>\$ 10.3</u>	<u>\$ 32.2</u>

At June 30, 2023, the governmental funds reported a combined fund balance of \$32.2 million (see Statement on page 23), which is an approximately \$10.3 million increase from the previous year-end.

**General Fund**

The General Fund had an \$8.2 million increase to end the fiscal year at \$19.9 million. The primary reasons for the increase are highlighted in the governmental Statement of Revenues, Expenditures, and Changes in Fund Balances on page 25. The primary factors in the net change in fund balances include:

- Increased property tax and local option sales tax collections
- Increase in license and permit revenues
- Net increase in transfers

**Grant Fund**

The Grant Fund had a decrease in fund balance of \$23 thousand to end the fiscal year at \$(16,797). The primary factors in the net change in fund balance include:

- Intergovernmental revenue in the form of grants totaling \$4,743,006: Airport projects \$4,673,865 and Georgia DOT Grassdale Road sidewalk project \$43,191, Douthit Ferry Road widening project \$25,950.
- Airport improvement expenditures \$4,673,415
- Grassdale Road sidewalk expenditures \$155,045
- Douthit Ferry Road widening project \$97,423

**Other Governmental Funds**

Other Governmental Funds are made up of various special revenue funds of the City. These funds had a \$2.1 million increase in their fund balance to end the fiscal year at \$12.3 million. The primary factor in the increase in the fund balance is:

- Revenues being received for the 2020 SPLOST referendum in the amount of approximately \$5.8 million with expenditures in the amount of approximately \$3.5 million.

## CITY OF CARTERSVILLE, GEORGIA

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2023

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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 2021-22 increased \$0.9 million, while expenses increased by \$0.9 million over the prior year. The primary factors in the \$3.2 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 exiting 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 \$1.0 million over the fiscal year 2022 revenue. SPLOST 2020 was used to purchase computer equipment, replace minor equipment, purchase of new ladder truck for fire department and AMI equipment for enterprise funds.

#### 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 27 of the financial statements.

The City's FY2023 original budget approved by the City Council in June 2022 appropriated \$34.7 million for General Fund expenditures. The original budget was amended during the fiscal year by approximately \$6.9 million to approximately \$41.5 million to account for increases in some revenue areas. Actual expenditures for the fiscal year were \$33.6 million or \$1.1 million less than the original approved budget.

#### ORIGINAL BUDGET TO ACTUAL COMPARISON

##### Revenues

The original revenue budget including transfers and financed purchases was \$34.7 million and was amended during the fiscal year to \$41.5 million to account for increased revenue areas. The following changes were made to the budgeted revenues of the General Fund to reflect some of the major changes from the original budget: city property taxes collections increased by \$869,000; building permit and inspection fees increased \$1.227 million; Local Option Sales Tax increased \$1.972 million; insurance premium taxes increased \$273,000; beverage taxes increased \$144,000; business license fees decreased \$3,000; recreation fees increased \$134,000, new utility service connection fees increased \$92,000, and interest revenues increased \$1.112 million.

##### Expenditures

The original expenditures budget was approved in June 2022 at \$34.7 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 \$259,000 to account largely for increased audit fees, legal fees, building maintenance, and computer equipment; Police Department was increased by \$427,000 for increases in personnel expenditures, fuel expense, school safety grant expenses, and vehicles; Fire Department was increased by \$4.1 million for increases in personnel expenditures, communication expenditures, supplies expense, uniform expenditures, and a new fire station; Public Works decreased by \$53,000 for decreases in personnel expenditures, utilities expense, supplies expense, cemetery contract, and professional services; Parks and Recreation Department increased \$2.3 million for increases in personnel expenditures, maintenance expenditures, supplies expenditures, communication expenditures, and capital expenses; Planning and Development Department decreased \$86,000 for decreases in personnel expenditures, maintenance and repairs expense, communication expense, and fuel expense.

**CITY OF CARTERSVILLE, GEORGIA**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

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**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 \$1,972,835 from the original budget.
- Fines and forfeiture revenues were equal to the final budget and was \$100,315 more than the original budget.
- New service connection fees revenue was equal to the final budget and was increased by \$91,945 from the original budget.
- Interest revenue was equal to the final budget and was increased \$1,112,000 from the original budget.
- Miscellaneous revenue was equal to the final budget and was increased \$2,261,205.
- Insurance premium tax revenues were equal to the final budget and was increased by \$272,875 from the original budget.
- Building permit and inspections fee revenues were equal to the final budget and were increased by \$1,227,400 from the original budget.
- Recreation fee revenues were equal to the final budget and were increased by \$132,120 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.

**CITY OF CARTERSVILLE, GEORGIA**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

**CAPITAL ASSETS**

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounted to \$388.1 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 \$49.2 million. 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 12.7	\$ 11.1	\$ 8.3	\$ 8.3	\$ 21.0	\$ 19.4
Construction in progress	71.2	34.9	7.5	2.1	78.7	37.0
Land improvements	1.5	0.7	0.7	0.7	2.2	1.4
Buildings and structures	35.0	31.5	8.7	8.9	43.7	40.4
Park improvements	4.5	4.9	-	-	4.5	4.9
Infrastructure	41.9	43.7	-	-	41.9	43.7
Utility systems	-	-	184.4	182.7	184.4	182.7
Furniture, machinery and equipment, subscriptions	6.0	4.3	5.7	5.1	11.7	9.4
<b>Total</b>	<b>\$ 172.8</b>	<b>\$ 131.1</b>	<b>\$ 215.3</b>	<b>\$ 207.8</b>	<b>\$ 388.1</b>	<b>\$ 338.9</b>

This year’s major capital asset additions included:

**Governmental Activities:**

- Construction in progress - buildings at high school \$4,483,253, new primary school \$31,406,279, renovation in progress at old elementary school \$4,217,893.
- Land – fire station #5 in Carter Grove – \$128,848, land at high school \$1,300,000.
- Terrell Heights stormwater improvements \$457,425.
- Equipment and vehicles – \$2,266,720, by department - Fire \$1,387,988, Police \$622,240, Planning and Development \$35,752 and Recreation \$198,990, Public works \$21,750.
- Right of way for Grassdale Rd sidewalk improvements \$121,091.

**Business-type Activities:**

- Water and Sewer – Automated metering system (AMI) - \$2,119,240, Mission Road sewer improvements - \$2,077,735, new water administration and lab building - \$1,808,934, equipment - \$52,000, completed multi-year Mission Road sewer improvements project for total cost of - \$2,641,717.
- Gas - mains, meters and settings, and service connections - \$701,341, automated metering system (AMI) – \$2,061,543, vehicles and equipment - \$815,379.
- Electric - mains, meters and settings, and service connections - \$1,897,531, automated metering system (AMI) - \$367,165, vehicles and equipment - \$193,166.
- Stormwater – Equipment and vehicles - \$62,000.
- Solid waste trucks - \$406,894.
- Fiber optics - system improvements and extensions - \$190,334, equipment \$45,365.

**CITY OF CARTERSVILLE, GEORGIA**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2023

**LONG-TERM DEBT**

At the end of 2023 fiscal year, the City had \$130.9 million in bonds, financed purchases and notes outstanding, a decrease of \$4.1 million compared to the prior fiscal year end. The change is attributed to the City’s 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 Aa3 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 \$144,212,875, which is in excess of the City’s outstanding general obligation debt.

**Table 7  
Outstanding Debt at June 30, 2023  
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 54.5	\$ 55.5	\$ -	\$ -	\$ 54.5	\$ 55.5
Tax Allocation District bonds	0.9	1.1	-	-	0.9	1.1
Certificates of participation	4.4	4.4	-	-	4.4	4.4
Subscriptions	0.2	-	-	-	0.2	-
Revenue bonds	-	-	53.9	55.1	53.9	55.1
Original Issue Premium	6.7	7.5	3.6	4.0	10.3	11.5
Direct placement bonds	-	-	6.7	7.4	6.7	7.4
Financed purchases	-	-	-	-	-	-
OPEB liability	9.7	9.9	4.8	4.9	14.5	14.8
Compensated absences	0.9	0.7	0.5	0.4	1.4	1.1
Net pension liability	18.0	20.5	10.2	11.5	28.2	32.0
<b>Total</b>	<u>\$ 95.3</u>	<u>\$ 99.6</u>	<u>\$ 79.7</u>	<u>\$ 83.3</u>	<u>\$ 175.0</u>	<u>\$ 182.9</u>

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

**Impacts on governmental activities:**

Fiscal year 2023 saw an increase in the residential housing development for Cartersville as residential permits had an increase of 32.2% from the previous fiscal year as 312 residential permits were issued during fiscal year 2023. About 70.0% of the 312 residential permits issued were for new construction. Commercial development decreased by 59.3% as 33 commercial permits were issued for the fiscal year. The decrease in commercial permits coupled with the increase in residential permits resulted in an increase 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 2023 budget included a property tax millage rate of 2.91 (same rate as FY 2022) 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 2023 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, 2023

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For fiscal year 2023 the City was able to increase other taxes, and state and federal grants. These increases provided an increase in revenues. However, keeping the millage rate the same as FY 2022 is considered to be an increase in the property tax rate. This increase, along with increases in some charges for services helped increase revenue within the General Fund. 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 2023 were increased by 13.98% 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. Small increases to the water and sewer rates along with increases in the gas rates were included in the fiscal year 2023 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 2024.

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 complete construction projects and start their operations in the industrial park.

Purchased gas and electricity costs represent 56.4% and 76.9% of the fiscal year 2023 gas and electric utility budgets, respectively. Natural gas expenses for 2023 were \$25.3 million or 68.4% of total expenses. Electricity expenses for 2023 were \$46.2 million or 81.7% 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 Citywide:**

The City has outstanding contracts in the amount of \$15,442,788. 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, 2023

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's operating budget for fiscal year 2024 totals \$217.1 million; \$40.9 million for the General Fund, \$5.9 million for Special Purpose Local Option Sales Tax Projects, \$4.7 million for Special Revenue Funds, \$1.7 million for Internal Service Fund, and \$163.9 million for the Enterprise Funds. Personnel expenditures account for 16.2% of the City's operating budget. The City had 374 full-time positions at the end of fiscal year 2023. The fiscal year 2024 budget includes 381 full time positions.

In the fiscal year 2024 budget, General Fund revenues including utility transfers are estimated to increase over the 2023 budget. General property taxes make up 17.9% of General Fund budgeted revenues and transfers in. Sales tax receipts represent 17.6% 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 0.400 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 2024 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 2024 budget. The final approved budget of \$217.1 million was \$37.6 million more than the prior year. The increase is due largely to increases in operating expenses, purchase of commodities, debt service (school system debt) and capital 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.

Post COVID-19 virus effects continued in fiscal year 2024 and has impacted the budgets of most departments as the cost of most supplies have increased in the fiscal year 2024 budget, and will have a long-lasting effect on the city and the cost of projects throughout all city departments. With the increase cost of supplies, the City does its due diligence to ensure that the City receives the best pricing from its vendors.

### **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](mailto:trhinehart@cityofcartersville.org).

# CITY OF CARTERSVILLE, GEORGIA

## STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Unit
	Governmental	Business-type	Total	Cartersville
	Activities	Activities		Board of Education
<b>ASSETS</b>				
Cash and cash equivalents	\$ 36,362,920	\$ 105,580,697	\$ 141,943,617	\$ 80,923,154
Restricted cash and cash equivalents	3,189	2,808,024	2,811,213	-
Investments	847,592	67,169,400	68,016,992	-
Restricted investments	2,699,712	-	2,699,712	-
Taxes receivable, net of allowances	1,115,989	-	1,115,989	978,670
Accounts receivable, net of allowances	482,583	9,763,908	10,246,491	-
Due from other governments	1,660,297	-	1,660,297	9,818,427
Internal balances	1,376,131	(1,376,131)	-	-
Prepaid items	-	83,139	83,139	-
Inventories	121,962	3,219,239	3,341,201	118,005
Fair value of hedging derivative	277,085	-	277,085	-
Net pension asset	476,470	344,192	820,662	-
Capital assets:				
Non-depreciable	83,921,119	15,802,641	99,723,760	-
Depreciable, net of accumulated depreciation and amortization	88,859,275	199,513,060	288,372,335	6,762,460
Total assets	218,204,324	402,908,169	621,112,493	98,600,716
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	2,029,610	1,162,744	3,192,354	13,572,470
OPEB related items	-	-	-	5,465,432
Total deferred outflows of resources	2,029,610	1,162,744	3,192,354	19,037,902
<b>LIABILITIES</b>				
Accounts payable	1,751,553	8,456,990	10,208,543	7,982,146
Accrued liabilities	334,374	449,325	783,699	6,494,117
Customer deposits	-	2,867,273	2,867,273	-
Interest payable	666,244	222,367	888,611	-
Unearned revenue	7,521,141	-	7,521,141	128,439
Compensated absences, due within one year	865,918	461,824	1,327,742	-
Claims and judgments payable, due within one year	38,794	-	38,794	-
Certificates of participation due in more than one year	4,444,000	-	4,444,000	-
Subscription liabilities, due within one year	82,904	-	82,904	-
Subscription liabilities, due in more than one year	80,858	-	80,858	-
Direct placement bonds payable, due within one year	-	640,000	640,000	-
Direct placement bonds payable, due in more than one year	-	6,085,000	6,085,000	-
Bonds payable, due within one year	2,895,000	1,240,000	4,135,000	-
Bonds payable, due in more than one year	59,158,032	56,306,268	115,464,300	-
Net pension liability, due in more than one year	18,730,565	10,206,953	28,937,518	17,260,866
Net OPEB liability, due in more than one year	-	-	-	21,554,213
Total OPEB liability, due within one year	537,071	263,930	801,001	-
Total OPEB liability, due in more than one year	9,217,751	4,529,827	13,747,578	-
Total liabilities	106,324,205	91,729,757	198,053,962	53,419,781

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cartersville Board of Education
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	1,323,833	752,546	2,076,379	25,520,483
OPEB related items	-	-	-	12,095,983
Accumulated increase in fair value of hedging derivative	277,085	-	277,085	-
Total deferred inflows of resources	<u>1,600,918</u>	<u>752,546</u>	<u>2,353,464</u>	<u>37,616,466</u>
<b>NET POSITION</b>				
Net investment in capital assets	116,156,590	151,044,433	267,201,023	6,762,460
Restricted for:				
Public safety	246,384	-	246,384	-
Cemetery care	3,189	-	3,189	-
Tourism	398,465	-	398,465	-
Planning and development	385,897	-	385,897	-
Debt service	-	3,658,144	3,658,144	-
Capital projects	12,417,006	-	12,417,006	56,664,523
Pensions	541,618	391,253	932,871	-
School nutrition	-	-	-	2,050,530
Unrestricted (deficit)	<u>(17,840,338)</u>	<u>156,494,780</u>	<u>138,654,442</u>	<u>(38,875,142)</u>
Total net position	<u>\$ 112,308,811</u>	<u>\$ 311,588,610</u>	<u>\$ 423,897,421</u>	<u>\$ 26,602,371</u>

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, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 8,421,390	\$ 711,970	\$ 683,744	\$ 1,869,600
Judicial	259,338	450,311	-	-
Public safety	17,422,611	110,697	43,354	1,391,881
Public works	5,165,551	80	290,248	9,639,465
Culture and recreation	5,242,530	813,699	-	801,480
Planning and development	1,072,321	1,824,105	-	41,219,737
Interest on long-term debt	1,352,127	-	-	-
Total governmental activities	<u>38,935,868</u>	<u>3,910,862</u>	<u>1,017,346</u>	<u>54,922,163</u>
Business-type activities:				
Water & Sewer	16,791,709	29,935,252	-	-
Electric	49,952,796	54,985,530	-	-
Gas	29,216,294	41,763,205	-	-
Solid waste	2,837,818	3,422,226	-	-
Stormwater	1,010,467	1,583,508	-	-
Fiber optic	2,401,591	3,596,612	-	-
Total business-type activities	<u>102,210,675</u>	<u>135,286,333</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 141,146,543</u>	<u>\$ 139,197,195</u>	<u>\$ 1,017,346</u>	<u>\$ 54,922,163</u>
<b>Component unit:</b>				
Cartersville Board of Education	<u>86,477,595</u>	<u>927,229</u>	<u>37,107,853</u>	<u>11,782,669</u>
Total component unit	<u>\$ 86,477,595</u>	<u>\$ 927,229</u>	<u>\$ 37,107,853</u>	<u>\$ 11,782,669</u>

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.**

<b>Net (Expenses) Revenues and Changes in Net Position</b>			
<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Cartersville Board of Education</b>
\$ (5,156,076)	\$ -	\$ (5,156,076)	\$ -
190,973	-	190,973	-
(15,876,679)	-	(15,876,679)	-
4,764,242	-	4,764,242	-
(3,627,351)	-	(3,627,351)	-
41,971,521	-	41,971,521	-
(1,352,127)	-	(1,352,127)	-
<u>20,914,503</u>	<u>-</u>	<u>20,914,503</u>	<u>-</u>
-	13,143,543	13,143,543	-
-	5,032,734	5,032,734	-
-	12,546,911	12,546,911	-
-	584,408	584,408	-
-	573,041	573,041	-
-	1,195,021	1,195,021	-
<u>-</u>	<u>33,075,658</u>	<u>33,075,658</u>	<u>-</u>
<u>20,914,503</u>	<u>33,075,658</u>	<u>53,990,161</u>	<u>-</u>
-	-	-	(36,659,844)
-	-	-	(36,659,844)
6,835,624	-	6,835,624	19,447,749
877,967	-	877,967	-
1,052,832	-	1,052,832	-
7,628,182	-	7,628,182	7,269,439
1,655,208	-	1,655,208	-
1,902,874	-	1,902,874	-
104,973	-	104,973	-
331,502	-	331,502	-
1,356,641	2,501,628	3,858,269	8,382
2,480,649	-	2,480,649	-
12,885	65,175	78,060	-
10,902,925	(10,902,925)	-	-
<u>35,142,262</u>	<u>(8,336,122)</u>	<u>26,806,140</u>	<u>26,725,570</u>
56,056,765	24,739,536	80,796,301	(9,934,274)
56,252,046	286,849,074	343,101,120	36,536,645
<u>\$ 112,308,811</u>	<u>\$ 311,588,610</u>	<u>\$ 423,897,421</u>	<u>\$ 26,602,371</u>

**CITY OF CARTERSVILLE, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

ASSETS	General Fund	Grant Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 16,228,793	\$ -	\$ 7,540,059	\$ 10,916,965	\$ 34,685,817
Investments	59,734	-	-	787,858	847,592
Taxes receivable	911,228	-	-	204,761	1,115,989
Accounts receivables, net of allowance	114,405	-	-	364,897	479,302
Due from other governments	635,753	9,123	-	1,015,421	1,660,297
Due from other funds	145,217	-	-	118	145,335
Advances to other funds	728,315	-	-	-	728,315
Restricted cash	3,189	-	-	-	3,189
Restricted investments	2,699,712	-	-	-	2,699,712
<b>Total assets</b>	<b>\$ 21,526,346</b>	<b>\$ 9,123</b>	<b>\$ 7,540,059</b>	<b>\$ 13,290,020</b>	<b>\$ 42,365,548</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,207,706	\$ 25,920	\$ 18,918	\$ 455,344	\$ 1,707,888
Accrued liabilities	325,539	-	-	-	325,539
Unearned revenue	-	-	7,521,141	-	7,521,141
Due to other funds	2,317	-	-	141,647	143,964
<b>Total liabilities</b>	<b>1,535,562</b>	<b>25,920</b>	<b>7,540,059</b>	<b>596,991</b>	<b>9,698,532</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - intergovernmental	-	-	-	385,897	385,897
Unavailable revenue - property taxes	87,447	-	-	-	87,447
<b>Total deferred inflows of resources</b>	<b>87,447</b>	<b>-</b>	<b>-</b>	<b>385,897</b>	<b>473,344</b>
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
Advances to other funds	728,315	-	-	-	728,315
Restricted:					
Public safety	-	-	-	246,384	246,384
Cemetery care	3,189	-	-	-	3,189
Capital projects	378,383	-	-	11,779,906	12,158,289
Tourism	-	-	-	398,465	398,465
Equipment purchases	2,699,712	-	-	-	2,699,712
Unassigned (deficit)	16,093,738	(16,797)	-	(117,623)	15,959,318
<b>Total fund balances (deficit)</b>	<b>19,903,337</b>	<b>(16,797)</b>	<b>-</b>	<b>12,307,132</b>	<b>32,193,672</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 21,526,346</b>	<b>\$ 9,123</b>	<b>\$ 7,540,059</b>	<b>\$ 13,290,020</b>	<b>\$ 42,365,548</b>

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, 2023**

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

Total governmental fund balances:	\$	32,193,672
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	\$ 276,368,640	
Less accumulated depreciation and amortization	<u>(104,175,515)</u>	172,193,125
Some receivables are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
		473,344
Internal service funds are used by the City to charge cost to other funds. The assets and liabilities are included in the governmental activities.		
		1,844,085
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.		
		277,085
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Accrued interest	(666,244)	
Compensated absences	(841,262)	
Certificates of participation - GMA Leasepool contract	(4,444,000)	
Subscription liabilities	(163,762)	
Premium on bonds	(6,656,253)	
Bonds payable	<u>(55,396,779)</u>	(68,168,300)
Revenues from an effective hedging instrument are not recognized until the hedge is used by the holder, and, therefore, are deferred in governmental activities.		
		(277,085)
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	464,404	
Deferred outflows of resources - pension related items	1,982,176	
Deferred inflows of resources - pension related items	(1,292,970)	
Net pension liability	<u>(18,311,141)</u>	(17,157,531)
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.		
Total OPEB liability		(9,069,584)
Net position of governmental activities	<u>\$</u>	<u>112,308,811</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, 2023**

	General Fund	Grant Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 18,369,272	\$ -	\$ -	\$ 2,081,334	\$ 20,450,606
Licenses and permits	2,078,770	-	-	-	2,078,770
Intergovernmental	1,017,346	4,743,006	491,180	5,758,091	12,009,623
Fines and forfeitures	456,091	-	-	101,133	557,224
Charges for services	1,274,868	-	-	-	1,274,868
Interest income (loss)	1,351,686	-	-	4,955	1,356,641
Contributions and donations	2,688,649	-	-	21,500	2,710,149
Miscellaneous	2,424,914	-	-	76,827	2,501,741
Total revenues	<u>29,661,596</u>	<u>4,743,006</u>	<u>491,180</u>	<u>8,043,840</u>	<u>42,939,622</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,589,085	4,925,879	-	59,628	10,574,592
Judicial	253,568	-	-	-	253,568
Public safety	16,266,876	-	-	321,199	16,588,075
Public works	2,876,152	-	-	828,109	3,704,261
Culture and recreation	4,084,288	-	-	931,054	5,015,342
Planning and development	1,372,174	-	-	152,633	1,524,807
Capital outlay	-	-	491,180	2,678,016	3,169,196
Debt service:					
Principal	955,000	-	-	254,848	1,209,848
Interest	2,166,312	-	-	55,331	2,221,643
Total expenditures	<u>33,563,455</u>	<u>4,925,879</u>	<u>491,180</u>	<u>5,280,818</u>	<u>44,261,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,901,859)</u>	<u>(182,873)</u>	<u>-</u>	<u>2,763,022</u>	<u>(1,321,710)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	19,718	-	-	-	19,718
Subscription based information technology arrangement	248,762	-	-	-	248,762
Transfers in	12,044,077	159,564	-	-	12,203,641
Transfers out	(199,018)	-	-	(613,200)	(812,218)
Total other financing sources (uses)	<u>12,113,539</u>	<u>159,564</u>	<u>-</u>	<u>(613,200)</u>	<u>11,659,903</u>
Net change in fund balances	8,211,680	(23,309)	-	2,149,822	10,338,193
<b>FUND BALANCES, beginning of year</b>	<u>11,691,657</u>	<u>6,512</u>	<u>-</u>	<u>10,157,310</u>	<u>21,855,479</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 19,903,337</u>	<u>\$ (16,797)</u>	<u>\$ -</u>	<u>\$ 12,307,132</u>	<u>\$ 32,193,672</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, 2023**

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

Net change in fund balances - total governmental funds	\$	10,338,193
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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 capital outlay exceeded depreciation in the current period.

Capital outlay	\$ 5,768,111		
Depreciation expense	(4,596,003)		1,172,108

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	41,219,737		
Net book value of capital assets disposed	(6,833)		
Net book value of capital assets transferred to business-type activities	(670,693)		40,542,211

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(82,536)
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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.

Principal payments - bonds payable	1,124,848		
Issuance of subscription based information technology arrangements	(248,762)		
Principal payments - subscription liabilities	85,000		961,086

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.	233,273
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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.

Amortization of premium on bonds	846,768		
Change in compensated absences	(133,804)		
Change in accrued interest	22,748		735,712

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.	(448,655)
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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.	2,605,373
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Change in net position - governmental activities	\$	56,056,765
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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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 14,992,980	\$ 18,414,775	\$ 18,369,272	\$ (45,503)
Licenses and permits	790,255	2,078,785	2,078,770	(15)
Fines and forfeitures	352,000	456,095	456,091	(4)
Charges for services	1,031,255	1,274,910	1,274,868	(42)
Intergovernmental	646,000	913,420	1,017,346	103,926
Interest income	7,000	1,119,005	1,351,686	232,681
Contributions and donations	2,624,600	2,688,650	2,688,649	(1)
Miscellaneous	135,000	2,424,920	2,424,914	(6)
Total revenues	<u>20,579,090</u>	<u>29,370,560</u>	<u>29,661,596</u>	<u>291,036</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Legislative	1,661,675	1,939,565	1,877,493	62,072
Administrative	1,218,830	1,301,220	1,549,897	(248,677)
Finance	883,845	891,790	891,735	55
Customer service	1,378,805	1,270,020	1,269,960	60
Total general government	<u>5,143,155</u>	<u>5,402,595</u>	<u>5,589,085</u>	<u>(186,490)</u>
Municipal court	<u>313,585</u>	<u>253,920</u>	<u>253,568</u>	<u>352</u>
Public safety:				
Police	7,000,505	7,427,330	7,427,205	125
Fire	10,337,380	14,433,280	8,839,671	5,593,609
Total public safety	<u>17,337,885</u>	<u>21,860,610</u>	<u>16,266,876</u>	<u>5,593,734</u>
Public works	<u>2,937,290</u>	<u>2,884,220</u>	<u>2,876,152</u>	<u>8,068</u>
Culture and Recreation	<u>4,290,795</u>	<u>6,571,455</u>	<u>4,084,288</u>	<u>2,487,167</u>
Housing and development:				
Planning and development	1,457,910	1,372,235	1,372,174	61
Total housing and development	<u>1,457,910</u>	<u>1,372,235</u>	<u>1,372,174</u>	<u>61</u>
Debt service:				
Principal	1,203,475	1,203,480	955,000	248,480
Interest	1,975,920	1,965,140	2,166,312	(201,172)
Total debt service	<u>3,179,395</u>	<u>3,168,620</u>	<u>3,121,312</u>	<u>47,308</u>
Total expenditures	<u>34,660,015</u>	<u>41,513,655</u>	<u>33,563,455</u>	<u>7,950,200</u>
Deficiency of revenues over expenditures	(14,080,925)	(12,143,095)	(3,901,859)	8,241,236
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	19,720	19,718	(2)
Subscription based information technology arrangements	-	-	248,762	248,762
Financed purchases	1,820,525	118,745	-	(118,745)
Transfers in	12,260,400	12,044,105	12,044,077	(28)
Transfers out	-	(39,475)	(199,018)	(159,543)
Total other financing sources, net	<u>14,080,925</u>	<u>12,143,095</u>	<u>12,113,539</u>	<u>(29,556)</u>
Net change in fund balances	-	-	8,211,680	8,211,680
<b>FUND BALANCES, beginning of year</b>	<u>11,691,657</u>	<u>11,691,657</u>	<u>11,691,657</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 11,691,657</u>	<u>\$ 11,691,657</u>	<u>\$ 19,903,337</u>	<u>\$ 8,211,680</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 4,916,190	\$ 4,916,190	\$ 4,743,006	\$ (173,184)
Total revenues	4,916,190	4,916,190	4,743,006	(173,184)
<b>EXPENDITURES</b>				
General government	4,916,190	4,916,190	4,925,879	(9,689)
Total expenditures	4,916,190	4,916,190	4,925,879	(9,689)
Deficiency of revenues over expenditures	-	-	(182,873)	(182,873)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	159,564	159,564
Total other financing sources	-	-	159,564	159,564
Net change in fund balances	-	-	(23,309)	(23,309)
<b>FUND BALANCES, beginning of year</b>	6,512	6,512	6,512	-
<b>FUND BALANCES (DEFICIT), end of year</b>	\$ 6,512	\$ 6,512	\$ (16,797)	\$ (23,309)

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

**CITY OF CARTERSVILLE, GEORGIA**  
**ARPA FUND**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,150,000	\$ 491,185	\$ 491,180	\$ (5)
Total revenues	3,150,000	491,185	491,180	(5)
<b>EXPENDITURES</b>				
Capital outlay	3,150,000	491,185	491,180	5
Total expenditures	3,150,000	491,185	491,180	5
Net change in fund balances	-	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-	-
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -	\$ -

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

**CITY OF CARTERSVILLE, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

ASSETS	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 60,920,483	\$ 15,722,934	\$ 26,127,277	\$ 2,810,003	\$ 105,580,697	\$ 1,677,103
Restricted cash and cash equivalents	940,939	272,616	1,594,469	-	2,808,024	-
Investments	8,620,133	58,482,357	66,910	-	67,169,400	-
Accounts receivable, net of allowance	2,649,580	4,966,829	1,627,853	519,646	9,763,908	3,281
Prepaid items	19,282	32,350	31,507	-	83,139	-
Inventories	403,465	1,650,171	1,037,538	128,065	3,219,239	121,962
Due from other funds	-	-	-	2,317	2,317	-
Total current assets	<u>73,553,882</u>	<u>81,127,257</u>	<u>30,485,554</u>	<u>3,460,031</u>	<u>188,626,724</u>	<u>1,802,346</u>
<b>NONCURRENT ASSETS</b>						
Non-depreciable	12,299,669	726,857	2,368,870	407,245	15,802,641	43,766
Depreciable, net of accumulated depreciation	139,232,523	21,378,661	31,088,677	7,813,199	199,513,060	543,503
Total capital assets	<u>151,532,192</u>	<u>22,105,518</u>	<u>33,457,547</u>	<u>8,220,444</u>	<u>215,315,701</u>	<u>587,269</u>
Net pension asset	117,782	68,168	44,503	113,739	344,192	12,066
Total noncurrent assets	<u>151,649,974</u>	<u>22,173,686</u>	<u>33,502,050</u>	<u>8,334,183</u>	<u>215,659,893</u>	<u>599,335</u>
Total assets	<u>225,203,856</u>	<u>103,300,943</u>	<u>63,987,604</u>	<u>11,794,214</u>	<u>404,286,617</u>	<u>2,401,681</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related items	405,715	299,342	232,812	224,875	1,162,744	47,434
Total deferred outflows of resources	<u>405,715</u>	<u>299,342</u>	<u>232,812</u>	<u>224,875</u>	<u>1,162,744</u>	<u>47,434</u>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	2,665,403	4,529,497	1,120,320	141,770	8,456,990	43,665
Accrued liabilities	243,032	61,934	93,854	50,505	449,325	8,835
Interest payable	198,269	-	24,098	-	222,367	-
Deposits payable	480,205	1,052,196	1,176,922	157,950	2,867,273	-
Claims payable	-	-	-	-	-	38,794
Compensated absences payable, current	150,296	105,971	92,138	113,419	461,824	24,656
Direct placement bonds payable, current	-	-	640,000	-	640,000	-
Bonds payable, current	1,240,000	-	-	-	1,240,000	-
Due to other funds	-	-	-	118	118	3,570
Total OPEB liability	98,924	33,001	56,551	75,454	263,930	37,727
Total current liabilities	<u>5,076,129</u>	<u>5,782,599</u>	<u>3,203,883</u>	<u>539,216</u>	<u>14,601,827</u>	<u>157,247</u>
<b>NONCURRENT LIABILITIES</b>						
Direct placement bonds payable	-	-	6,085,000	-	6,085,000	-
Bonds payable, net	56,306,268	-	-	-	56,306,268	-
Advance from other funds	-	-	60,195	668,120	728,315	-
Net pension liability	3,565,048	2,659,006	2,081,064	1,901,835	10,206,953	419,424
Total OPEB liability	1,697,826	566,400	970,579	1,295,022	4,529,827	647,511
Total noncurrent liabilities	<u>61,569,142</u>	<u>3,225,406</u>	<u>9,196,838</u>	<u>3,864,977</u>	<u>77,856,363</u>	<u>1,066,935</u>
Total liabilities	<u>66,645,271</u>	<u>9,008,005</u>	<u>12,400,721</u>	<u>4,404,193</u>	<u>92,458,190</u>	<u>1,224,182</u>
<b>DEFERRED INFLOWS OR RESOURCES</b>						
Pension related items	262,774	195,422	152,689	141,661	752,546	30,863
Total deferred inflows of resources	<u>262,774</u>	<u>195,422</u>	<u>152,689</u>	<u>141,661</u>	<u>752,546</u>	<u>30,863</u>
<b>NET POSITION</b>						
Net investment in capital assets	93,985,924	22,105,518	26,732,547	8,220,444	151,044,433	587,269
Restricted for debt service	3,658,144	-	-	-	3,658,144	-
Unrestricted (deficit)	61,057,458	72,291,340	24,934,459	(747,209)	157,536,048	606,801
Total net position	<u>\$ 158,701,526</u>	<u>\$ 94,396,858</u>	<u>\$ 51,667,006</u>	<u>\$ 7,473,235</u>	<u>\$ 312,238,625</u>	<u>\$ 1,194,070</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(650,015)	
Net position of business-type activities					<u>\$ 311,588,610</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, 2023**

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds		
<b>OPERATING REVENUE</b>						
Charges for sales and services	\$ 24,955,169	\$ 54,985,530	\$ 41,763,205	\$ 7,345,445	\$ 129,049,349	\$ 3,035,810
Other fees	4,980,083	-	-	1,256,901	6,236,984	-
Total operating revenue	<u>29,935,252</u>	<u>54,985,530</u>	<u>41,763,205</u>	<u>8,602,346</u>	<u>135,286,333</u>	<u>3,035,810</u>
<b>OPERATING EXPENSES</b>						
Salaries and benefits	3,799,113	2,554,215	1,881,550	2,776,179	11,011,057	147,642
General operating expenses	5,782,222	46,420,223	26,296,558	2,818,910	81,317,913	2,300,844
Claims	-	-	-	-	-	461,008
Depreciation	5,156,276	987,421	894,612	671,694	7,710,003	47,176
Total operating expenses	<u>14,737,611</u>	<u>49,961,859</u>	<u>29,072,720</u>	<u>6,266,783</u>	<u>100,038,973</u>	<u>2,956,670</u>
Operating income (loss)	<u>15,197,641</u>	<u>5,023,671</u>	<u>12,690,485</u>	<u>2,335,563</u>	<u>35,247,360</u>	<u>79,140</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>						
Gain on disposition of capital assets	25,862	-	-	39,313	65,175	-
Contributed capital	-	488,066	-	182,627	670,693	-
Interest expense	(2,062,024)	-	(152,246)	(18,093)	(2,232,363)	-
Investment income (loss)	1,792,154	398,167	247,614	63,693	2,501,628	29,484
Total non-operating revenues (expenses)	<u>(244,008)</u>	<u>886,233</u>	<u>95,368</u>	<u>267,540</u>	<u>1,005,133</u>	<u>29,484</u>
Net income (loss) before transfers	14,953,633	5,909,904	12,785,853	2,603,103	36,252,493	108,624
Transfers in	-	-	-	-	-	217,426
Transfers out	(3,220,117)	(3,776,245)	(4,116,500)	(460,756)	(11,573,618)	(35,231)
Total transfers	<u>(3,220,117)</u>	<u>(3,776,245)</u>	<u>(4,116,500)</u>	<u>(460,756)</u>	<u>(11,573,618)</u>	<u>182,195</u>
Change in net position	11,733,516	2,133,659	8,669,353	2,142,347	24,678,875	290,819
<b>Total net position, beginning of year</b>	<u>146,968,010</u>	<u>92,263,199</u>	<u>42,997,653</u>	<u>5,330,888</u>		<u>900,136</u>
<b>Total net position, end of year</b>	<u>\$ 158,701,526</u>	<u>\$ 94,396,858</u>	<u>\$ 51,667,006</u>	<u>\$ 7,473,235</u>		<u>\$ 1,190,955</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					60,661	
Change in net position of business-type activities					<u>\$ 24,739,536</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, 2023

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 29,704,154	\$ 55,429,839	\$ 43,904,525	\$ 8,559,909	\$ 137,598,427	\$ 3,033,529
Payments to suppliers	(3,776,629)	(46,344,875)	(28,457,333)	(2,876,837)	(81,455,674)	(2,889,096)
Payments to employees	(4,293,407)	(2,576,490)	(2,415,433)	(3,181,780)	(12,467,110)	(521,711)
Net cash provided by (used in) operating activities	<u>21,634,118</u>	<u>6,508,474</u>	<u>13,031,759</u>	<u>2,501,292</u>	<u>43,675,643</u>	<u>(377,278)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>						
Transfers in from other funds	-	-	-	-	-	217,426
Transfers out to other funds	(3,220,117)	(3,776,245)	(4,116,500)	(460,756)	(11,573,618)	(35,231)
Receipt of advances from other funds	-	-	(68,191)	(571,476)	(639,667)	-
Net cash provided by (used in) non-capital financing activities	<u>(3,220,117)</u>	<u>(3,776,245)</u>	<u>(4,184,691)</u>	<u>(1,032,232)</u>	<u>(12,213,285)</u>	<u>182,195</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	(7,958,330)	(2,512,347)	(3,578,264)	(521,966)	(14,570,907)	(35,231)
Principal payments	(1,180,000)	-	(625,000)	-	(1,805,000)	-
Interest and fiscal charges paid	(2,438,224)	-	(154,486)	(18,093)	(2,610,803)	-
Proceeds from sale of capital assets	25,862	-	-	39,313	65,175	3,115
Net cash provided by (used in) capital and related financing activities	<u>(11,550,692)</u>	<u>(2,512,347)</u>	<u>(4,357,750)</u>	<u>(500,746)</u>	<u>(18,921,535)</u>	<u>(32,116)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest income	1,792,154	398,167	247,614	63,693	2,501,628	29,484
Purchase of investments	(179,648)	(100,872)	(349)	-	(280,869)	-
Net cash provided by (used in) investing activities	<u>1,612,506</u>	<u>297,295</u>	<u>247,265</u>	<u>63,693</u>	<u>2,220,759</u>	<u>29,484</u>
Net increase (decrease) in cash and cash equivalents	8,475,815	517,177	4,736,583	1,032,007	14,761,582	(197,715)
<b>Cash and cash equivalents:</b>						
Beginning of year	53,385,607	15,478,373	22,985,163	1,777,996	93,627,139	1,874,818
End of year	<u>\$ 61,861,422</u>	<u>\$ 15,995,550</u>	<u>\$ 27,721,746</u>	<u>\$ 2,810,003</u>	<u>\$ 108,388,721</u>	<u>\$ 1,677,103</u>
<b>Classified as:</b>						
Cash and cash equivalents	\$ 60,920,483	\$ 15,722,934	\$ 26,127,277	\$ 2,810,003	\$ 105,580,697	\$ 1,677,103
Restricted cash and cash equivalents	940,939	272,616	1,594,469	-	2,808,024	-
Total	<u>\$ 61,861,422</u>	<u>\$ 15,995,550</u>	<u>\$ 27,721,746</u>	<u>\$ 2,810,003</u>	<u>\$ 108,388,721</u>	<u>\$ 1,677,103</u>

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer Fund	Electric Fund	Gas Fund	Nonmajor Enterprise Funds	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 15,197,641	\$ 5,023,671	\$ 12,690,485	\$ 2,335,563	\$ 35,247,360	\$ 79,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	5,156,276	987,421	894,612	671,694	7,710,003	47,176
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	(282,559)	444,309	1,908,867	(40,037)	2,030,580	(2,281)
(Increase) decrease in inventories	(39,585)	(183,251)	(274,096)	(19,405)	(516,337)	10,557
Increase in prepaid items	(2,220)	(3,671)	(3,671)	-	(9,562)	-
Increase in net pension asset	(63,993)	(25,606)	(25,334)	(54,152)	(169,085)	(7,623)
Decrease in deferred outflows for pension items	1,397,622	953,161	897,387	732,793	3,980,963	244,226
Increase (decrease) in accounts payable	2,047,398	181,184	(1,883,008)	(38,640)	306,934	30,540
Increase (decrease) in accrued liabilities	156,370	16,020	(11,107)	6,271	167,554	1,358
Increase (decrease) in customer deposits	51,461	81,086	232,453	(2,400)	362,600	-
Decrease in due to other funds	-	-	-	-	-	(38,169)
Decrease in claims payable	-	-	-	-	-	(130,172)
Increase (decrease) in compensated absences	(3,731)	8,650	7,797	14,133	26,849	1,280
Increase in due to other funds	-	-	-	118	118	-
Decrease in deferred inflows for pension items	(960,430)	(652,982)	(617,201)	(500,943)	(2,731,556)	(167,929)
Decrease in deferred inflows for OPEB items	(488,594)	(162,734)	(279,084)	(371,850)	(1,302,262)	(185,925)
Decrease in net pension liability	(481,514)	(143,089)	(478,596)	(196,819)	(1,300,018)	(241,939)
Decrease in total OPEB liability	(50,024)	(15,695)	(27,745)	(35,034)	(128,498)	(17,517)
Net cash provided by (used in) operating activities	<u>\$ 21,634,118</u>	<u>\$ 6,508,474</u>	<u>\$ 13,031,759</u>	<u>\$ 2,501,292</u>	<u>\$ 43,675,643</u>	<u>\$ (377,278)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Donation of capital assets from governmental activities	\$ -	\$ 488,066	\$ -	\$ 182,627	\$ 670,693	\$ -

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, 2023**

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<b>ASSETS</b>		
Cash		\$ 1,657,765
Investments:		
Preferred stock		958,250
Privately held stock		15,942,483
Corporate bonds		1,244,000
Mutual funds invested in fixed income securities		15,188,467
Mutual funds invested in equity securities		<u>36,845,987</u>
Total assets		<u>71,836,952</u>
<b>LIABILITIES</b>		
Due to others		<u>15,410</u>
Total liabilities		<u>15,410</u>
<b>NET POSITION</b>		
Net position restricted for pension benefits		<u><u>\$ 71,821,542</u></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, 2023**

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**ADDITIONS**

Contributions			
Employer contributions		\$	5,155,833
Plan member contributions			702,218
			<u>5,858,051</u>
Investment earnings			
Net decrease in fair value of investments			1,817,364
Interest and dividends			4,124,246
Total investment loss			<u>5,941,610</u>
Less investment expense			(75,340)
Net investment earnings			<u>5,866,270</u>
Total additions			<u>11,724,321</u>

**DEDUCTIONS**

Benefits			4,226,723
Refunds of contributions			154,301
Administrative expenses			<u>45,722</u>
			<u>4,426,746</u>

Change in net position 7,297,575

**FUND BALANCES, beginning of year** 64,523,967

**FUND BALANCES, end of year** \$ 71,821,542

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

## NOTES TO FINANCIAL STATEMENTS

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### 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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### 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

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### 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 **ARPA Fund** accounts for all local fiscal recovery funds received through the American Rescue Plan Act.

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

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### 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

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### 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

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### 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, 2023 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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I. Capital Assets

Capital assets and subscription 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), subscription assets 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 No. 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
Right-to-use lease assets	3-5
Subscription assets	3-5

#### 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City's pension and OPEB related items qualify for reporting in this category.

## NOTES TO FINANCIAL STATEMENTS

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### 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 assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has 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

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### **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. Subscription Based Information Technology Arrangements (SBITA)**

The City has a noncancellable SBITA of office productivity software. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset on the Statement of Net Position. The City recognizes SBITAs with an initial, individual value of \$10,000 or more.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain implementation and conversion costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Subscription Based Information Technology Arrangements (SBITA) (Continued)

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) the SBITA term, and (3) SBITA payments:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City uses the prime rate at the SBITA inception date as the discount rate.
- The City term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

The City reports SBITA assets with capital assets and SBITA liabilities are reported separately on the Statement of Net Position.

#### O. 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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. 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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. 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.

#### P. 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.

#### Q. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported 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

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### 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 2023, 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:

General government - administrative	\$	248,677
Debt service - interest		201,172

Grant Fund:

General government		9,689
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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, 2023 are summarized as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Balance</u>
Deposits with Financial Institutions	---	\$ 61,037,649
Guaranteed Investment Contract	June 1, 2028	2,699,661
First American Government Obligations	21 days	34,685
US Treasury Obligations	.03 years	1,453,523
Federal Farm Credit Bank	.07 years	3,098,528
Federal Home Loan Mortgage Corp.	.01 years	1,160,363
Fidelity Treasury Portfolio	21 days	4,274,578
Municipal Competitive Trust	3.25 years	63,567,829
Georgia Fund 1 - cash equivalents	28 days	78,144,718
		<hr/>
Total		<u>\$ 215,471,534</u>

#### **As reported in the Statement of Net Position:**

Cash and cash equivalents	\$ 141,943,617
Investments	68,016,992
Restricted:	
Cash and cash equivalents	2,811,213
Investments	2,699,712
	<hr/>
Total	<u>\$ 215,471,534</u>

**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, 2023, the City had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Georgia Fund 1	AAAf/S1	\$ 78,144,718	28 days
Municipal Competitive Trust	AA+	63,567,829	3.25 years
Guaranteed Investment Contract	n/a	2,699,661	June 1, 2028
First American Government Obligations	Aaa	34,685	21 days
US Treasury Obligations	Aaa	1,453,523	.03 years
Federal Home Loan Mortgage Corp.	Aaa	1,160,363	.01 years
Fidelity Treasury Portfolio	Aaa	4,274,578	21 days
Federal Farm Credit Bank	Aaa	3,098,528	
Total		<u>\$ 154,433,885</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 \$5,572,463 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% of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2023, 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, 2023:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
Municipal Competitive Trust (Intermediate)	\$ -	\$ 32,069,821	\$ 32,069,821
Municipal Competitive Trust (Intermediate Extended)	-	28,339,495	28,339,495
Municipal Competitive Trust (Short Term)	-	3,158,513	3,158,513
First American Government Obligations	34,685	-	34,685
US Treasury Obligations	1,453,523	-	1,453,523
Federal Farm Credit Bank	3,098,528	-	3,098,528
Federal Home Loan Mortgage Corp.	453,945	706,418	1,160,363
Fidelity Treasury Portfolio	4,274,578	-	4,274,578
Total investments measured at fair value	<u>\$ 9,315,259</u>	<u>\$ 64,274,247</u>	<u>\$ 73,589,506</u>
Georgia Fund 1			78,144,718
Investments recorded at cost:			
Guaranteed Investment Contract			2,699,661
Total investments			<u>\$ 154,433,885</u>
Interest rate swap	<u>\$ -</u>	<u>\$ 277,085</u>	<u>\$ 277,085</u>

The First American Government Obligations, US Treasury 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, Federal Home Loan Mortgage Corporation, and 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, 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, 2023, the Pension Trust Fund had \$70,887,476 invested in the following types of investments:

<u>Investment</u>	<u>Fair Value</u>
Corporate Bonds	\$ 1,244,000
Preferred stock	958,250
Mutual funds invested in fixed income	15,188,467
Mutual funds invested in equities	37,554,276
Mutual funds invested in alternative investment	15,234,194
Total	<u>\$ 70,179,187</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, 2023, the mutual funds held by the Pension Trust Fund were not rated by any of the major ratings agencies.

**Concentration:** On June 30, 2023, the Pension Trust Fund had two investments that comprised 12% and 10% of the overall portfolio, which was Montegale Opportunity Equity Institutional in the amount of \$8,550,780 and John Hancock High Yield in the amount of \$6,992,667, 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, 2023, the Pension Trust Fund had \$70,179,187 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	958,250	n/a
Mutual funds invested in fixed income	15,188,467	7.12
Mutual funds invested in equities	37,554,276	n/a
Mutual funds invested in alternative investment	15,234,194	n/a
Total	\$ 70,179,187	

**Rate of Return:** For the year ended June 30, 2023, the annual money-weighted rate of return on Pension Trust Fund investments, net of investment expenses, was (9.6%). 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, 2023, 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, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
Corporate bonds	\$ -	\$ 1,244,000	\$ -	\$ 1,244,000
Preferred stock	-	-	958,250	958,250
Mutual funds invested in fixed income	15,188,467	-	-	15,188,467
Mutual funds invested in equities	37,554,276	-	-	37,554,276
Mutual funds invested in alternative investments	-	-	15,234,194	15,234,194
Total investments	\$ 52,742,743	\$ 1,244,000	\$ 16,192,444	\$ 70,179,187

**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 23, 2022. Tax notices were mailed on September 15, 2022 and taxes were due by November 15, 2022 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 2023 is as follows:

Levy date	August 23, 2022
Payment due date	November 15, 2022
Delinquency date	November 16, 2022
Lien filing date	February 16, 2023

Receivables at June 30, 2023 for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts, are as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Due From Other Governments</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
General Fund	\$ 911,228	\$ 244,408	\$ 635,753	\$ (130,003)	\$ 1,661,386
Grant Fund	-	-	9,123	-	9,123
Nonmajor governmental funds	204,761	364,897	1,015,421	-	1,585,079
Water and Sewer Fund	-	2,947,526	-	(297,946)	2,649,580
Electric Fund	-	5,430,635	-	(463,806)	4,966,829
Gas Fund	-	1,773,480	-	(145,627)	1,627,853
Nonmajor enterprise funds	-	636,787	-	(117,141)	519,646
	<u>\$ 1,115,989</u>	<u>\$ 11,397,733</u>	<u>\$ 1,660,297</u>	<u>\$ (1,154,523)</u>	<u>\$ 13,019,496</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Transfers	Transfers to/from Proprietary	Decreases	Ending Balance
<b>Governmental activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 11,110,812	\$ 1,549,939	\$ 75,000	\$ -	\$ -	\$ 12,735,751
Construction in progress	34,932,661	42,877,062	(5,999,028)	(625,327)	-	71,185,368
Total	<u>46,043,473</u>	<u>44,427,001</u>	<u>(5,924,028)</u>	<u>(625,327)</u>	<u>-</u>	<u>83,921,119</u>
Capital assets, being depreciated:						
Land improvements	4,255,012	-	922,537	-	-	5,177,549
Infrastructure	89,859,623	-	-	-	-	89,859,623
Buildings	64,315,696	-	4,988,881	-	-	69,304,577
Improvements	10,355,194	-	12,610	-	-	10,367,804
Machinery & equipment	16,773,197	2,347,316	-	(45,366)	(395,270)	18,679,877
Total	<u>185,558,722</u>	<u>2,347,316</u>	<u>5,924,028</u>	<u>(45,366)</u>	<u>(395,270)</u>	<u>193,389,430</u>
Less accumulated depreciation for:						
Land improvements	(3,552,559)	(137,647)	-	-	-	(3,690,206)
Infrastructure	(46,120,063)	(1,887,560)	-	-	-	(48,007,623)
Buildings	(32,831,789)	(1,519,628)	-	-	-	(34,351,417)
Improvements	(5,516,866)	(342,816)	-	-	-	(5,859,682)
Machinery & equipment	(12,502,898)	(672,607)	-	-	388,437	(12,787,068)
Total	<u>(100,524,175)</u>	<u>(4,560,258)</u>	<u>-</u>	<u>-</u>	<u>388,437</u>	<u>(104,695,996)</u>
Total capital assets, being depreciated, net	<u>85,034,547</u>	<u>(2,212,942)</u>	<u>5,924,028</u>	<u>(45,366)</u>	<u>(6,833)</u>	<u>88,693,434</u>
Governmental activities capital assets, net excluding subscription assets	<u>131,078,020</u>	<u>42,214,059</u>	<u>-</u>	<u>(670,693)</u>	<u>(6,833)</u>	<u>172,614,553</u>
Subscription assets, being amortized:						
Software subscription	-	248,762	-	-	-	248,762
Less accumulated amortization						
Software subscription	-	(82,921)	-	-	-	(82,921)
Total capital assets, net as reported in the statement of net position	<u>\$ 131,078,020</u>	<u>\$ 42,379,900</u>	<u>\$ -</u>	<u>\$ (670,693)</u>	<u>\$ (6,833)</u>	<u>\$ 172,780,394</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>
<b>Business-type activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 8,275,386	\$ -	\$ -	\$ -	\$ -	\$ 8,275,386
Construction in Progress	2,090,265	10,315,427	(5,402,494)	524,057	-	7,527,255
Total	<u>10,365,651</u>	<u>10,315,427</u>	<u>(5,402,494)</u>	<u>524,057</u>	<u>-</u>	<u>15,802,641</u>
Capital assets, being depreciated:						
Buildings	10,925,557	-	-	-	-	10,925,557
Land improvements	751,892	-	-	-	-	751,892
Infrastructure	284,225,514	2,726,041	5,402,494	137,261	-	292,491,310
Machinery and equipment	15,737,120	1,529,439	-	9,375	(263,585)	17,012,349
Total	<u>311,640,083</u>	<u>4,255,480</u>	<u>5,402,494</u>	<u>146,636</u>	<u>(263,585)</u>	<u>321,181,108</u>
Less accumulated depreciation for:						
Buildings	(1,975,719)	(272,881)	-	-	-	(2,248,600)
Land improvements	(76,158)	(25,386)	-	-	-	(101,544)
Infrastructure	(101,513,934)	(6,552,197)	-	-	-	(108,066,131)
Machinery and equipment	(10,655,819)	(859,539)	-	-	263,585	(11,251,773)
Total	<u>(114,221,630)</u>	<u>(7,710,003)</u>	<u>-</u>	<u>-</u>	<u>263,585</u>	<u>(121,668,048)</u>
Total capital assets, being depreciated, net	<u>197,418,453</u>	<u>(3,454,523)</u>	<u>5,402,494</u>	<u>146,636</u>	<u>-</u>	<u>199,513,060</u>
Business-type activities capital assets, net	<u>\$ 207,784,104</u>	<u>\$ 6,860,904</u>	<u>\$ -</u>	<u>\$ 670,693</u>	<u>\$ -</u>	<u>\$ 215,315,701</u>

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

<b>Governmental activities:</b>	
General government	\$ 864,732
Judicial	2,937
Public safety	1,030,535
Public works	1,963,051
Culture and recreation	699,323
Planning and development	35,425
Internal service funds	47,176
Total depreciation expense - governmental activities	<u>\$ 4,643,179</u>
<b>Business-type activities:</b>	
Water and Sewer Fund	\$ 5,156,276
Electric Fund	987,421
Gas Fund	894,612
Solid Waste Fund	247,027
Stormwater Fund	205,142
Fiber Optic Fund	219,525
Total depreciation expense - business-type activities	<u>\$ 7,710,003</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$ 55,415,000	\$ -	\$ (870,000)	\$ 54,545,000	\$ 2,895,000
Original issue premium	7,503,021	-	(846,768)	6,656,253	-
Net revenue bonds	62,918,021	-	(1,716,768)	61,201,253	2,895,000
Direct placement bonds	1,106,627	-	(254,848)	851,779	-
Certificates of participation	4,444,000	-	-	4,444,000	-
Subscription liabilities	-	248,762	(85,000)	163,762	82,904
Compensated absences	730,834	893,718	(758,634)	865,918	865,918
Net pension liability	20,465,518	3,296,901	(5,031,854)	18,730,565	-
Total OPEB liability	9,935,136	410,544	(590,858)	9,754,822	537,071
Governmental activities Long-term liabilities	<u>\$ 99,600,136</u>	<u>\$ 4,849,925</u>	<u>\$ (8,437,962)</u>	<u>\$ 96,012,099</u>	<u>\$ 4,380,893</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 55,115,000	\$ -	\$ (1,180,000)	\$ 53,935,000	\$ 1,240,000
Original issue premium	3,982,552	-	(371,284)	3,611,268	-
Net revenue bonds	59,097,552	-	(1,551,284)	57,546,268	1,240,000
Direct placement bonds	7,350,000	-	(625,000)	6,725,000	640,000
Compensated absences	434,975	517,460	(490,611)	461,824	461,824
Net pension liability	11,506,971	1,364,738	(2,664,756)	10,206,953	-
Total OPEB liability	4,922,255	201,752	(330,250)	4,793,757	263,930
Business-type activities Long-term liabilities	<u>\$ 83,311,753</u>	<u>\$ 2,083,950</u>	<u>\$ (5,661,901)</u>	<u>\$ 79,733,802</u>	<u>\$ 2,605,754</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, 2023, the outstanding principal amount is \$1,820,000.

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. Capital assets of constructed with these bonds will be reported in the City's capital assets. General obligation bonds are direct obligations and pledge the full faith and credit of the government. As of June 30, 2023, 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,			
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	2,000,000	1,519,600	3,519,600
2028	3,195,000	1,389,725	4,584,725
2029-2033	15,975,000	4,568,350	20,543,350
2034-2038	15,975,000	1,772,725	17,747,725
2039-2041	9,580,000	287,300	9,867,300
Total	<u>\$ 54,545,000</u>	<u>\$ 14,751,400</u>	<u>\$ 69,296,400</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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2024	\$ -	\$ 42,589	\$ 42,589
2025	-	42,589	42,589
2026	-	42,589	42,589
2027	-	42,589	42,589
2028	-	42,589	42,589
2029-2033	-	212,945	212,945
2034-2038	-	212,945	212,945
2039-2043	-	212,945	212,945
2044-2048	851,779	85,178	936,957
Total	<u>\$ 851,779</u>	<u>\$ 936,958</u>	<u>\$ 1,788,737</u>

**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

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### 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 (2) 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, 2023, the floating rate being paid by the City is 4.32% and the market value of this agreement is \$277,085, a decrease of \$214,135 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, 2023 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:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year Ending June 30,			
2024	\$ -	\$ 211,090	\$ 211,090
2025	-	211,090	211,090
2026	-	211,090	211,090
2027	-	211,090	211,090
2028	4,444,000	193,499	4,637,499
Total	\$ 4,444,000	\$ 1,037,859	\$ 5,481,859

**Subscription based information technology arrangement (SBITA) liabilities.** The City entered into a SBITA for a period between of three (3) years for the use of certain information technology items. Interest is calculated at a rate of 2.5% on all SBITAs.

Principal and interest requirements to maturity for the SBITA as of June 30, 2023 are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year Ending June 30,			
2024	\$ 82,904	\$ 2,096	\$ 85,000
2025	80,858	4,142	85,000
Total	\$ 163,762	\$ 6,238	\$ 170,000

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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 of 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, 2023, the total amount of outstanding principal is \$53,935,000.

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,			
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	1,410,000	2,207,675	3,617,675
2028	1,480,000	2,137,175	3,617,175
2029-2033	8,500,000	9,600,725	18,100,725
2034-2038	10,390,000	7,705,025	18,095,025
2039-2043	12,620,000	5,471,300	18,091,300
2044-2048	15,670,000	2,426,750	18,096,750
Total	<u>\$ 53,935,000</u>	<u>\$ 36,541,725</u>	<u>\$ 90,476,725</u>

## 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 were 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 was 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 and the Water and Sewer portion was paid in whole as of June 30, 2023. The bonds required 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 matured 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's 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, 2023, the amount of principal outstanding is \$6,725,000.

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,			
2024	\$ 640,000	\$ 141,148	\$ 781,148
2025	655,000	127,334	782,334
2026	670,000	113,144	783,144
2027	685,000	98,685	783,685
2028	705,000	83,850	788,850
2029-2033	3,370,000	184,148	3,554,148
Total	<u>\$ 6,725,000</u>	<u>\$ 748,309</u>	<u>\$ 7,473,309</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2023 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 141,647
General Fund	Internal Service Funds	3,570
Nonmajor Proprietary Funds	General Fund	2,317
Nonmajor Governmental Funds	Nonmajor Proprietary Funds	118
		<u>\$ 147,652</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	\$ 60,195
General Fund	Nonmajor enterprise funds	668,120
		<u>\$ 728,315</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 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	Nonmajor governmental funds	\$ 613,200
General Fund	Water and Sewer Fund	3,129,020
General Fund	Electric Fund	3,767,955
General Fund	Gas Fund	4,109,105
General Fund	Nonmajor enterprise funds	424,797
		<u>\$ 12,044,077</u>
Internal Service Funds	General Fund	\$ 39,454
Internal Service Funds	Water and Sewer Fund	91,097
Internal Service Funds	Electric Fund	8,290
Internal Service Funds	Gas Fund	7,395
Internal Service Funds	Nonmajor enterprise funds	35,959
Internal Service Funds	Internal Service Funds	35,231
		<u>\$ 217,426</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	\$ -	\$ 820,662	\$ 820,662
Net pension liability	28,937,518	-	28,937,518
Deferred outflows of resources related to pensions	3,056,311	136,043	3,192,354
Deferred inflows of resources related to pensions	2,052,545	23,834	2,076,379
Pension expense	4,955,926	255,851	5,211,777

#### *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, 2023 employee membership data related to the plan were as follows:

Retirees and beneficiaries receiving benefits	197
Terminated vested participants not yet receiving benefits	36
Active participants	191
	424

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

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2022, determined that for the period beginning July 1, 2022, employer contributions of \$4,111,234, are required to meet the current cost of the Plan. City contributions to the Plan were \$4,601,291 and employee contributions to the Plan were \$479,230 for the year ended June 30, 2023.

**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, 2023 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 full generational improvements in mortality using Scale MP-2020.

The actuarial assumptions used in the July 1, 2022 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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 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, 2023 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 6/30/2022</b>	\$ 94,991,302	\$ 63,018,813	\$ 31,972,489
<b>Changes for the year:</b>			
Service Cost	2,004,418	-	2,004,418
Interest on total pension liability	6,142,510	4,003,234	2,139,276
Demographic experience	(468,028)	-	(468,028)
Assumption changes	-	-	-
Contributions - employer	-	4,601,291	(4,601,291)
Contributions - employee	-	479,230	(479,230)
Net investment income	-	1,674,529	(1,674,529)
Benefit payments, including refunding of employees contributions	(4,329,344)	(4,329,344)	-
Administrative expense	-	(44,413)	44,413
<b>Net changes</b>	<b>3,349,556</b>	<b>6,384,527</b>	<b>(3,034,971)</b>
<b>Balances at 6/30/2023</b>	<b>\$ 98,340,858</b>	<b>\$ 69,403,340</b>	<b>\$ 28,937,518</b>

The Plan’s fiduciary net position as a percentage of the total pension liability 70.57%

The schedule above utilizes the new measurement period ending with the City’s measurement date of June 30, 2023. The statements for the Plan in the fiduciary fund are presented as of and for the year ended June 30, 2023.

**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%)
\$ 41,898,033	\$ 28,937,518	\$ 18,216,495

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, 2022 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, 2023, the City recognized pension expense of \$4,954,178. At June 30, 2023, 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	\$ 910,975	\$ 1,918,288
Differences resulting from changes in actuarial assumptions	2,087,032	134,257
Net difference between projected and actual earnings on pension plan investments	58,304	-
Total	\$ 3,056,311	\$ 2,052,545

**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, 2023.

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:		
2024	\$	377,068
2025		(227,707)
2026		1,575,614
2027		(683,935)
2028		(37,274)
Thereafter		-
Total		<u><u>\$ 1,003,766</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, 2023 employee membership data related to the 2017 Plan were as follows:

Retirees and beneficiaries receiving benefits	-
Terminated participants due to refund of contributions	14
Active participants	167
	<u><u>181</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2022, determined that for the period beginning July 1, 2022, employer contributions \$188,632, are required to meet the current cost of the 2017 Plan. City contributions to the 2017 Plan were \$554,542 and employee contributions for the 2017 Plan were \$222,988 for the year ended June 30, 2023.

**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, 2023 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 full generational improvements in mortality using Scale MP-2020.

The actuarial assumptions used in the July 1, 2022 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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	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, 2023 were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balances at 6/30/2022</b>	<u>\$ 1,067,306</u>	<u>\$ 1,505,154</u>	<u>\$ (437,848)</u>
<b>Changes for the year:</b>			
Service Cost	488,739	-	488,739
Interest on total pension liability	100,041	121,012	(20,971)
Demographic experience	(6,866)	-	(6,866)
Assumption changes	-	-	-
Contributions - employer	-	554,542	(554,542)
Contributions - employee	-	222,988	(222,988)
Net investment income	-	67,495	(67,495)
Benefit payments, including refunding of employees contributions	(51,680)	(51,680)	-
Administrative expense	-	(1,309)	1,309
<b>Net changes</b>	<u>530,234</u>	<u>913,048</u>	<u>(382,814)</u>
<b>Balances at 6/30/2023</b>	<u>\$ 1,597,540</u>	<u>\$ 2,418,202</u>	<u>\$ (820,662)</u>

The Plan's fiduciary net position as a percentage of the total pension liability 151.37%

The schedule above utilizes the measurement period ending with the City's measurement date of June 30, 2023. The statements of the plan in the fiduciary fund are presented as of and for the year ended June 30, 2023.

## 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%)
\$ (467,134)	\$ (820,662)	\$ (1,092,961)

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, 2022 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, 2023, the City recognized pension expense of \$255,851. At June 30, 2023, 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	\$ 119,880	\$ 21,308
Differences resulting from changes in actuarial assumptions	11,790	2,526
Net difference between projected and actual earnings on pension plan investments	4,373	-
Total	\$ 136,043	\$ 23,834

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, 2023.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8. PENSION PLAN (CONTINUED)**

*City of Cartersville 2017 Pension Plan (Continued)*

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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:

2024	\$	8,981	
2025		6,244	
2026		37,672	
2027		(1,824)	
2028		11,675	
Thereafter		49,461	
Total	\$	112,209	

**Financial Statements**

The financial statements for the plans for fiscal year 2023 are as follows:

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2023**

	Pension Trust Fund	2017 Pension Trust Fund	Total Pension Trust Fund
<b>ASSETS</b>			
Cash	\$ 1,619,093	\$ 38,672	\$ 1,657,765
Investments:			
Preferred stock	935,923	22,327	958,250
Privately held stock	15,571,023	371,460	15,942,483
Corporate bonds	1,214,981	29,019	1,244,000
Mutual funds invested in fixed income securities	14,834,576	353,891	15,188,467
Mutual funds invested in equity securities	35,970,972	875,015	36,845,987
Total assets	70,146,568	1,690,384	71,836,952
<b>LIABILITIES</b>			
Due to others	15,043	367	15,410
Total liabilities	15,043	367	15,410
<b>NET POSITION</b>			
Net position restricted for pension benefits	\$ 69,357,316	\$ 2,464,226	\$ 71,821,542

**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, 2023**

	<b>Pension Trust Fund</b>	<b>2017 Pension Trust Fund</b>	<b>Total Pension Trust Fund</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 4,601,291	\$ 554,542	\$ 5,155,833
Plan member contributions	479,230	222,988	702,218
Total contributions	5,080,521	777,530	5,858,051
Investment earnings			
Net decrease in fair value of investments	1,747,402	69,962	1,817,364
Interest and dividends	4,004,767	119,479	4,124,246
Total investment earnings	5,752,169	189,441	5,941,610
Less investment expense	(74,690)	(650)	(75,340)
Net investment earnings	5,677,479	188,791	5,866,270
Total additions	10,758,000	966,321	11,724,321
<b>DEDUCTIONS</b>			
Benefit payments	4,226,723	-	4,226,723
Refunds paid to Plan members and beneficiaries	148,361	5,940	154,301
Administrative fees	44,413	1,309	45,722
Total deductions	4,419,497	7,249	4,426,746
Change in net position	6,338,503	959,072	7,297,575
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS:</b>			
Beginning of year	63,018,813	1,505,154	64,523,967
End of year	\$ 69,357,316	\$ 2,464,226	\$ 71,821,542

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2023, there were 216 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, 2023, the fair value of the plan's assets was \$7,956,916. Contributions by participants during the years ended June 30, 2023 were \$438,913.

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, 2023, there are a total of sixteen (16) 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, 2023, were \$50,886.

## 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. There are no assets accumulated in a GASB-compliant trust fund.

#### Plan Membership

As of July 1, 2021, the most recent actuarial valuation date, the Plan membership included the following categories of participants:

Retirees and beneficiaries receiving benefits	142
Active participants	<u>50</u>
	<u><u>192</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, 2023, the City contributed \$745,804 for the pay as you go benefits for the plan.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

#### Total OPEB Liability of the City

The City's total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021 with the actuary using standard techniques to roll forward the liability to the measurement date.

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

Discount rate:	4.13%
Healthcare Cost Trend Rate:	8.00% - 5.00%, ultimate trend in 2028
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, 2021 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 4.13%. 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 4.13% as determined by the S&P Municipal Bond 20-year High Grade Index as of June 30, 2023.

**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, 2023, were as follows:

	<b>Total OPEB Liability</b>
<b>Balances at 6/30/22</b>	\$ 14,857,391
<b>Changes for the year:</b>	
Service cost	13,378
Interest	598,918
Demographic experience	-
Assumption changes	(175,304)
Benefit payments	(745,804)
<b>Net changes</b>	<b>(308,812)</b>
<b>Balances at 6/30/23</b>	<b>\$ 14,548,579</b>

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 (3.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB liability	\$ 16,824,299	\$ 14,548,579	\$ 12,740,699

**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 (7% decreasing to 4%) or 1-percentage-point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 4%)	(8% decreasing to 5%)	1% Increase (9% decreasing to 6%)
Total OPEB liability	\$ 13,726,340	\$ 14,548,579	\$ 15,531,189

## NOTES TO FINANCIAL STATEMENTS

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### **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, 2021 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, 2023, the City recognized OPEB expense of (\$4,239,575). At June 30, 2023, the City reported no deferred inflows of resources or outflows of resources related to OPEB.

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, 2023.

### **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 2023, the City paid dues in the amount of \$23,222 to the Northwest Georgia Regional Commission. Separate financial statements may be obtained from Northwest Georgia Regional Commission, P. O. Box 1798, Rome, Georgia 30162.

## NOTES TO FINANCIAL STATEMENTS

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### 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.

#### 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, 2023.

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11. RISK MANAGEMENT (CONTINUED)**

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

<u>Fiscal year</u>	<u>Beginingng 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>
2023	\$ 168,966	\$ 300,315	\$ 430,487	\$ 38,794
2022	194,264	331,552	356,850	168,966

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

**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, 2023, the City has contractual commitments on uncompleted contracts of approximately \$15,442,788.

**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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

#### **Agreements with the Municipal Electric Authority of Georgia (Continued):**

As of June 30, 2023, 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 \$46,183,861 in the fiscal year ended June 30, 2023.

At June 30, 2023, the outstanding debt of MEAG was approximately \$8.17 billion. The City's guarantee varies by individual projects undertaken by MEAG and totals approximately \$595 million at June 30, 2023.

### **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 \$1,655,208 for the year ended June 30, 2023. Of this amount, 56%, or \$931,054, 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, 2023, the City received \$115,947 in motor vehicle excise taxes. Of this amount, 100%, or \$115,947, was used for these purposes.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 15. FUND DEFICITS**

For the year ended June 30, 2023, the Solid Waste Fund had a deficit of \$29,698, which will be reduced by the service charges being charged to the fund's customers. For the year ended June 30, 2023, 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 \$443,950, which will be reduced by the service charges being charged to the other funds within the City. For the year ended June 30, 2023, the Grant Fund had a fund deficit of \$16,797, which will be reduced through General Fund appropriations, as needed.

### **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.

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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 16. RELATED ORGANIZATIONS (CONTINUED)**

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.

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 2023 fiscal period that would have otherwise gone to the City of Cartersville but for the agreements, totaled \$947,223. The Authority abates up to 100% 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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability</b>					
Service cost	\$ 2,004,418	\$ 1,980,898	\$ 2,112,482	\$ 2,094,694	\$ 3,326,475
Interest on total pension liability	6,142,510	6,004,607	5,640,554	5,274,879	7,765,468
Demographic experience	(468,028)	(1,343,488)	(589,901)	2,261,808	-
Changes in actuarial assumptions	-	(213,233)	2,731,577	-	-
Benefit payments, including refunds of employee contributions	(4,329,344)	(4,240,000)	(4,001,832)	(3,860,547)	(5,735,030)
<b>Net change in total pension liability</b>	<u>3,349,556</u>	<u>2,188,784</u>	<u>5,892,880</u>	<u>5,770,834</u>	<u>5,356,913</u>
<b>Total pension liability - beginning</b>	<u>94,991,302</u>	<u>92,802,518</u>	<u>86,909,638</u>	<u>81,138,804</u>	<u>75,781,891</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 98,340,858</u>	<u>\$ 94,991,302</u>	<u>\$ 92,802,518</u>	<u>\$ 86,909,638</u>	<u>\$ 81,138,804</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,601,291	\$ 4,807,210	\$ 4,014,931	\$ 3,678,231	\$ 5,113,483
Contributions - employee	479,230	452,836	468,201	502,965	1,000,879
Net investment income	1,674,529	(10,036,350)	12,544,597	(2,710,499)	(2,830,790)
Benefit payments, including refunds of member contributions	(4,329,344)	(4,240,000)	(4,001,832)	(3,860,547)	(5,176,234)
Interest on total pension liability	4,003,234	4,684,423	3,364,961	2,811,529	4,784,660
Administrative expenses	(44,413)	(45,041)	(66,411)	(67,043)	(27,878)
<b>Net change in plan fiduciary net position</b>	<u>6,384,527</u>	<u>(4,376,922)</u>	<u>16,324,447</u>	<u>354,636</u>	<u>2,864,120</u>
<b>Plan fiduciary net position - beginning</b>	<u>63,018,813</u>	<u>67,395,735</u>	<u>51,071,288</u>	<u>50,716,652</u>	<u>47,852,532</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 69,403,340</u>	<u>\$ 63,018,813</u>	<u>\$ 67,395,735</u>	<u>\$ 51,071,288</u>	<u>\$ 50,716,652</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 28,937,518</u>	<u>\$ 31,972,489</u>	<u>\$ 25,406,783</u>	<u>\$ 35,838,350</u>	<u>\$ 30,422,152</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	70.57%	66.34%	72.62%	58.76%	62.51%
<b>Covered payroll</b>	\$ 12,327,404	\$ 12,603,444	\$ 13,419,528	\$ 14,158,740	\$ 16,416,530
<b>City's net pension liability as a percentage of covered payroll</b>	234.74%	253.68%	189.33%	253.12%	185.31%
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>					
Service cost		\$ 2,004,597	\$ 1,955,689	\$ 1,981,766	\$ 1,832,890
Interest on total pension liability		4,838,382	4,325,827	4,166,050	3,934,032
Demographic experience		(128,548)	(431,495)	(668,281)	437,670
Changes in actuarial assumptions		3,395,449	-	-	-
Benefit payments, including refunds of employee contributions		(3,167,394)	(3,162,433)	(2,833,409)	(2,736,101)
<b>Net change in total pension liability</b>		<u>6,942,486</u>	<u>2,687,588</u>	<u>2,646,126</u>	<u>3,468,491</u>
<b>Total pension liability - beginning</b>		<u>68,839,405</u>	<u>66,151,817</u>	<u>63,505,691</u>	<u>60,037,200</u>
<b>Total pension liability - ending (a)</b>		<u>\$ 75,781,891</u>	<u>\$ 68,839,405</u>	<u>\$ 66,151,817</u>	<u>\$ 63,505,691</u>
<b>Plan fiduciary net position</b>					
Contributions - employer		\$ 2,982,052	\$ 2,947,687	\$ 2,673,116	\$ 2,104,997
Contributions - employee		570,044	546,401	529,356	530,029
Net investment income		5,174,760	3,510,523	(336,496)	2,354,193
Benefit payments, including refunds of member contributions		(3,167,394)	(2,880,200)	(2,701,209)	(2,464,473)
Interest on total pension liability		-	-	-	-
Administrative expenses		(17,852)	(113,252)	(124,513)	(114,029)
<b>Net change in plan fiduciary net position</b>		<u>5,541,610</u>	<u>4,011,159</u>	<u>40,254</u>	<u>2,410,717</u>
<b>Plan fiduciary net position - beginning</b>		<u>42,310,922</u>	<u>38,299,763</u>	<u>38,259,509</u>	<u>35,848,792</u>
<b>Plan fiduciary net position - ending (b)</b>		<u>\$ 47,852,532</u>	<u>\$ 42,310,922</u>	<u>\$ 38,299,763</u>	<u>\$ 38,259,509</u>
<b>City's net pension liability - ending (a) - (b)</b>		<u>\$ 27,929,359</u>	<u>\$ 26,528,483</u>	<u>\$ 27,852,054</u>	<u>\$ 25,246,182</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>		63.15%	61.46%	57.90%	60.25%
<b>Covered payroll</b>		\$ 15,528,958	\$ 16,175,562	\$ 15,422,634	\$ 15,156,575
<b>City's net pension liability as a percentage of covered payroll</b>		179.85%	164.00%	180.59%	166.57%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 4,111,234	\$ 4,706,386	\$ 3,995,189	\$ 3,655,398	\$ 4,805,438
Contributions in relation to the actuarially determined contribution	4,614,953	4,807,210	4,014,931	3,678,231	5,113,483
Contribution deficiency (excess)	<u>\$ (503,719)</u>	<u>\$ (100,824)</u>	<u>\$ (19,742)</u>	<u>\$ (22,833)</u>	<u>\$ (308,045)</u>
Covered payroll	\$ 12,327,404	\$ 12,603,444	\$ 13,419,528	\$ 14,158,740	\$ 16,416,530
Contributions as a percentage of covered payroll	37.44%	38.14%	29.92%	25.98%	31.15%
		<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution		\$ 2,964,870	\$ 2,810,402	\$ 2,389,057	\$ 2,104,997
Contributions in relation to the actuarially determined contribution		2,982,052	2,947,687	2,673,116	2,104,997
Contribution deficiency (excess)		<u>\$ (17,182)</u>	<u>\$ (137,285)</u>	<u>\$ (284,059)</u>	<u>\$ -</u>
Covered payroll		\$ 15,528,958	\$ 16,175,562	\$ 15,422,634	\$ 15,156,575
Contributions as a percentage of covered payroll		19.20%	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, 2022
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**

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	9.6%	-7.3%	30.9%	2.3%	5.4%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expenses for the City's Pension Plan	6.6%	12.6%	-0.9%	2.3%	17.0%

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

	2023	2022	2021
<b>Total pension liability</b>			
Service Cost	\$ 488,739	\$ 358,718	\$ 318,542
Interest	100,041	71,389	43,590
Differences between expected and actual experience	(6,866)	(17,939)	57,123
Changes in actuarial assumptions	-	(3,026)	15,333
Benefit payments	(51,680)	(93,055)	(41,769)
<b>Net change in total pension liability</b>	<b>530,234</b>	<b>316,087</b>	<b>392,819</b>
<b>Total pension liability - beginning</b>	<b>1,067,306</b>	<b>751,219</b>	<b>358,400</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 1,597,540</b>	<b>\$ 1,067,306</b>	<b>\$ 751,219</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 554,542	\$ 461,354	\$ 334,359
Contributions - employee	222,988	178,644	136,482
Net investment income	67,495	(197,488)	159,183
Benefit payments, including refunds of member contributions	(51,680)	(93,055)	(41,769)
Interest	121,012	86,992	42,415
Administrative expenses	(1,309)	(888)	(841)
<b>Net change in plan fiduciary net position</b>	<b>913,048</b>	<b>435,559</b>	<b>629,829</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,505,154</b>	<b>1,069,595</b>	<b>439,766</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,418,202</b>	<b>\$ 1,505,154</b>	<b>\$ 1,069,595</b>
<b>City's net pension asset - ending (a) - (b)</b>	<b>\$ (820,662)</b>	<b>\$ (437,848)</b>	<b>\$ (318,376)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>151.37%</b>	<b>141.02%</b>	<b>142.38%</b>
<b>Covered payroll</b>	<b>\$ 5,533,539</b>	<b>\$ 4,268,584</b>	<b>\$ 3,823,643</b>
<b>City's net pension asset as a percentage of covered payroll</b>	<b>14.83%</b>	<b>10.26%</b>	<b>8.33%</b>
	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total pension liability</b>			
Service Cost	\$ 195,976	\$ 46,534	\$ -
Interest	15,937	5,461	-
Differences between expected and actual experience	108,181	-	1,448
Changes in actuarial assumptions	-	-	-
Benefit payments	(14,399)	(738)	-
<b>Net change in total pension liability</b>	<b>305,695</b>	<b>51,257</b>	<b>1,448</b>
<b>Total pension liability - beginning</b>	<b>52,705</b>	<b>1,448</b>	<b>-</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 358,400</b>	<b>\$ 52,705</b>	<b>\$ 1,448</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 264,852	\$ 2,779	\$ 10,536
Contributions - employee	107,316	67,857	4,565
Net investment income	(13,681)	(2,668)	918
Benefit payments, including refunds of member contributions	(14,399)	(7,272)	-
Interest	14,687	4,650	-
Administrative expenses	(343)	(28)	(3)
<b>Net change in plan fiduciary net position</b>	<b>358,432</b>	<b>65,318</b>	<b>16,016</b>
<b>Plan fiduciary net position - beginning</b>	<b>81,334</b>	<b>16,016</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 439,766</b>	<b>\$ 81,334</b>	<b>\$ 16,016</b>
<b>City's net pension asset - ending (a) - (b)</b>	<b>\$ (81,366)</b>	<b>\$ (28,629)</b>	<b>\$ (14,568)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>122.70%</b>	<b>154.32%</b>	<b>1106.08%</b>
<b>Covered payroll</b>	<b>\$ 2,332,552</b>	<b>\$ 538,852</b>	<b>\$ 123,958</b>
<b>City's net pension asset as a percentage of covered payroll</b>	<b>3.49%</b>	<b>5.31%</b>	<b>11.75%</b>

**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>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 188,632	\$ 189,885	\$ 90,027
Contributions in relation to the actuarially determined contribution	554,542	461,354	334,359
Contribution deficiency (excess)	<u>\$ (365,910)</u>	<u>\$ (271,469)</u>	<u>\$ (244,332)</u>
Covered payroll	\$ 5,533,539	\$ 4,268,584	\$ 3,823,643
Contributions as a percentage of covered payroll	10.02%	10.81%	8.74%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 13,315	\$ 13,315	\$ -
Contributions in relation to the actuarially determined contribution	264,852	2,779	45,802
Contribution deficiency (excess)	<u>\$ (251,537)</u>	<u>\$ 10,536</u>	<u>\$ (45,802)</u>
Covered payroll	\$ 2,332,552	\$ 644,277	\$ 538,852
Contributions as a percentage of covered payroll	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, 2022
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**

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	<u>2023</u>	<u>2022</u>	<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	9.6%	-7.3%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 13,703	\$ 42,200	\$ 21,337	\$ 32,180	\$ 319,932
Interest on total OPEB liability	997,882	501,514	604,281	927,785	700,546
Differences between expected and actual experience	(3,646,146)	22,103	-	(482,405)	-
Changes of assumptions and other inputs	(6,523,923)	1,682,988	536,581	1,286,218	-
Benefit payments	<u>(729,694)</u>	<u>(927,504)</u>	<u>(862,226)</u>	<u>(1,234,754)</u>	<u>(544,684)</u>
<b>Net change in total OPEB liability</b>	(9,888,178)	1,321,301	299,973	529,024	475,794
<b>Total OPEB liability - beginning</b>	<u>24,745,569</u>	<u>23,424,268</u>	<u>23,124,295</u>	<u>22,595,271</u>	<u>22,119,477</u>
<b>Total OPEB liability - ending</b>	<u>\$ 14,857,391</u>	<u>\$ 24,745,569</u>	<u>\$ 23,424,268</u>	<u>\$ 23,124,295</u>	<u>\$ 22,595,271</u>
<b>Covered-employee payroll</b>	\$ 3,591,134	\$ 4,183,824	\$ 4,614,881	\$ 2,455,201	\$ 5,374,222
<b>City's total OPEB liability as a percentage of covered payroll</b>	413.72%	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

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### 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.

**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, 2023**

ASSETS	Special Revenue Funds			
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund
Cash and cash equivalents	\$ 233,834	\$ 26,902	\$ -	\$ 264,885
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	364,897	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 233,834</b>	<b>\$ 26,902</b>	<b>\$ 364,897</b>	<b>\$ 264,885</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,454	\$ -	\$ -	\$ -
Due to other funds	-	12,898	96,623	-
<b>Total liabilities</b>	<b>1,454</b>	<b>12,898</b>	<b>96,623</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - intergovernmental	-	-	385,897	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>385,897</b>	<b>-</b>
<b>FUND BALANCES</b>				
Fund Balances:				
Restricted:				
Public safety	232,380	14,004	-	-
Capital projects	-	-	-	264,885
Tourism	-	-	-	-
Unassigned (deficit)	-	-	(117,623)	-
<b>Total fund balances (deficits)</b>	<b>232,380</b>	<b>14,004</b>	<b>(117,623)</b>	<b>264,885</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 233,834</b>	<b>\$ 26,902</b>	<b>\$ 364,897</b>	<b>\$ 264,885</b>

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	
\$ 400,242	\$ -	\$ (11,365)	\$ 9,884,776	\$ 117,691	\$ 10,916,965
-	-	-	-	787,858	787,858
193,396	-	11,365	-	-	204,761
-	-	-	-	-	364,897
-	-	-	1,015,421	-	1,015,421
-	-	-	118	-	118
<u>\$ 593,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,900,315</u>	<u>\$ 905,549</u>	<u>\$ 13,290,020</u>
\$ 195,173	\$ -	\$ -	\$ 258,717	\$ -	\$ 455,344
-	-	-	-	32,126	141,647
<u>195,173</u>	<u>-</u>	<u>-</u>	<u>258,717</u>	<u>32,126</u>	<u>596,991</u>
-	-	-	-	-	385,897
-	-	-	-	-	385,897
-	-	-	-	-	246,384
-	-	-	10,641,598	873,423	11,779,906
398,465	-	-	-	-	398,465
-	-	-	-	-	(117,623)
<u>398,465</u>	<u>-</u>	<u>-</u>	<u>10,641,598</u>	<u>873,423</u>	<u>12,307,132</u>
<u>\$ 593,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,900,315</u>	<u>\$ 905,549</u>	<u>\$ 13,290,020</u>

**CITY OF CARTERSVILLE, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds			
	DEA Confiscated Assets Fund	State Forfeiture Fund	CDBG Supplemental Disaster Fund	Development Agreement Fund
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	101,133	-	-	-
Intergovernmental	-	-	-	-
Investment loss	-	-	-	-
Contributions and donations	-	-	-	21,500
Miscellaneous	24,235	-	21,092	-
Total revenues	<u>125,368</u>	<u>-</u>	<u>21,092</u>	<u>21,500</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	321,158	41	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Planning and development	-	-	27,912	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>321,158</u>	<u>41</u>	<u>27,912</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(195,790)	(41)	(6,820)	21,500
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(195,790)	(41)	(6,820)	21,500
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<u>428,170</u>	<u>14,045</u>	<u>(110,803)</u>	<u>243,385</u>
<b>FUND BALANCES (DEFICITS), end of year</b>	<u>\$ 232,380</u>	<u>\$ 14,004</u>	<u>\$ (117,623)</u>	<u>\$ 264,885</u>

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
\$ 1,655,208	\$ 310,179	\$ 115,947	\$ -	\$ -	\$ 2,081,334
-	-	-	-	-	101,133
-	-	-	5,758,091	-	5,758,091
-	-	-	-	4,955	4,955
-	-	-	-	-	21,500
-	-	-	-	31,500	76,827
<u>1,655,208</u>	<u>310,179</u>	<u>115,947</u>	<u>5,758,091</u>	<u>36,455</u>	<u>8,043,840</u>
59,628	-	-	-	-	59,628
-	-	-	-	-	321,199
-	-	-	828,109	-	828,109
931,054	-	-	-	-	931,054
-	-	20,000	-	104,721	152,633
-	-	-	2,678,016	-	2,678,016
-	254,848	-	-	-	254,848
-	55,331	-	-	-	55,331
<u>990,682</u>	<u>310,179</u>	<u>20,000</u>	<u>3,506,125</u>	<u>104,721</u>	<u>5,280,818</u>
664,526	-	95,947	2,251,966	(68,266)	2,763,022
(517,253)	-	(95,947)	-	-	(613,200)
(517,253)	-	(95,947)	-	-	(613,200)
147,273	-	-	2,251,966	(68,266)	2,149,822
251,192	-	-	8,389,632	941,689	10,157,310
<u>\$ 398,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,641,598</u>	<u>\$ 873,423</u>	<u>\$ 12,307,132</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 442,955	\$ 296,925	\$ 101,133	\$ (195,792)
Insurance claims reimbursements	-	-	24,235	24,235
Total revenues	<u>442,955</u>	<u>296,925</u>	<u>125,368</u>	<u>(171,557)</u>
<b>EXPENDITURES</b>				
Public safety	<u>442,955</u>	<u>321,160</u>	<u>321,158</u>	<u>2</u>
Total expenditures	<u>442,955</u>	<u>321,160</u>	<u>321,158</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	-	(24,235)	(195,790)	(171,555)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	-	-
Net change in fund balances	-	(24,235)	(195,790)	(171,555)
<b>FUND BALANCES, beginning of year</b>	<u>428,170</u>	<u>428,170</u>	<u>428,170</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 428,170</u>	<u>\$ 403,935</u>	<u>\$ 232,380</u>	<u>\$ (171,555)</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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total revenues	3,000	3,000	-	(3,000)
<b>EXPENDITURES</b>				
Public safety	3,000	3,000	41	2,959
Total expenditures	3,000	3,000	41	2,959
Net change in fund balances	-	-	(41)	(41)
<b>FUND BALANCES, beginning of year</b>	14,045	14,045	14,045	-
<b>FUND BALANCES, end of year</b>	\$ 14,045	\$ 14,045	\$ 14,004	\$ (41)

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 27,915	\$ 27,915	\$ 21,092	\$ (6,823)
Total revenues	27,915	27,915	21,092	(6,823)
<b>EXPENDITURES</b>				
Planning and development	27,915	27,915	27,912	3
Total expenditures	27,915	27,915	27,912	3
Net change in fund balance	-	-	(6,820)	(6,820)
<b>FUND BALANCES (DEFICITS), beginning of year</b>	(110,803)	(110,803)	(110,803)	-
<b>FUND BALANCES (DEFICITS), end of year</b>	\$ (110,803)	\$ (110,803)	\$ (117,623)	\$ (6,820)

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Contributions and donations	\$ 5,000	\$ 21,505	\$ 21,500	\$ (5)
Total revenues	5,000	21,505	21,500	(5)
<b>EXPENDITURES</b>				
Public safety	2,500	7,820	-	7,820
Culture and recreation	2,500	13,685	-	13,685
Total expenditures	5,000	21,505	-	21,505
Net change in fund balances	-	-	21,500	21,500
<b>FUND BALANCES, beginning of year</b>	243,385	243,385	243,385	-
<b>FUND BALANCES, end of year</b>	<u>\$ 243,385</u>	<u>\$ 243,385</u>	<u>\$ 264,885</u>	<u>\$ 21,500</u>

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 1,660,000	\$ 1,655,215	\$ 1,655,208	\$ (7)
Total revenues	1,660,000	1,655,215	1,655,208	(7)
<b>EXPENDITURES</b>				
General government	150,000	206,905	59,628	147,277
Culture and recreation	777,650	931,055	931,054	1
Total expenditures	927,650	1,137,960	990,682	147,278
Excess of revenues over expenditures	732,350	517,255	664,526	147,271
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(732,350)	(517,255)	(517,253)	2
Net change in fund balances	-	-	147,273	147,273
<b>FUND BALANCES, beginning of year</b>	251,192	251,192	251,192	-
<b>FUND BALANCES, end of year</b>	\$ 251,192	\$ 251,192	\$ 398,465	\$ 147,273

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 310,000	\$ 310,185	\$ 310,179	\$ (6)
Total revenues	310,000	310,185	310,179	(6)
<b>EXPENDITURES</b>				
General government	310,000	-	-	-
Debt service:				
Principal	-	254,850	254,848	2
Interest	-	55,335	55,331	4
Total expenditures	310,000	310,185	310,179	6
Net change in fund balances	-	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-	-
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ -	\$ -

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 85,235	\$ 115,950	\$ 115,947	\$ (3)
Total revenues	85,235	115,950	115,947	(3)
<b>EXPENDITURES</b>				
Planning and development	20,000	20,000	20,000	-
Total expenditures	20,000	20,000	20,000	-
Excess of revenues over expenditures	65,235	95,950	95,947	(3)
<b>OTHER FINANCING USES</b>				
Transfers out	(65,235)	(95,950)	(95,947)	3
Net change in fund balances	-	-	-	-
<b>FUND BALANCES, beginning of year</b>	-	-	-	-
<b>FUND BALANCES, end of year</b>	<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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,345,000	\$ 5,998,410	\$ 5,758,091	\$ (240,319)
Total revenues	3,345,000	5,998,410	5,758,091	(240,319)
<b>EXPENDITURES</b>				
Public works	495,000	828,115	828,109	6
Capital outlay	2,900,000	5,170,295	2,678,016	2,492,279
Total expenditures	3,395,000	5,998,410	3,506,125	2,492,285
Net change in fund balances	(50,000)	-	2,251,966	2,251,966
<b>FUND BALANCES, beginning of year</b>	8,389,632	8,389,632	8,389,632	-
<b>FUND BALANCES, end of year</b>	\$ 8,339,632	\$ 8,389,632	\$ 10,641,598	\$ 2,251,966

**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, 2023**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment loss	\$ 4,960	\$ 4,960	\$ 4,955	\$ (5)
Contributions and donations	848,350	848,350	-	(848,350)
Miscellaneous	31,500	31,500	31,500	-
<b>Total revenues</b>	<b>884,810</b>	<b>884,810</b>	<b>36,455</b>	<b>(848,355)</b>
<b>EXPENDITURES</b>				
Planning and development	104,725	104,725	104,721	4
Debt service:				
Principal	625,000	625,000	-	625,000
Interest	155,085	155,085	-	155,085
<b>Total expenditures</b>	<b>884,810</b>	<b>884,810</b>	<b>104,721</b>	<b>780,089</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(68,266)</b>	<b>(68,266)</b>
<b>FUND BALANCES, beginning of year</b>	<b>941,689</b>	<b>941,689</b>	<b>941,689</b>	<b>-</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 941,689</b>	<b>\$ 941,689</b>	<b>\$ 873,423</b>	<b>\$ (68,266)</b>

**CITY OF CARTERSVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
<b>2003 SPLOST</b>						
Streets and roads	\$ 7,305,900	\$ 10,815,181	\$ 10,754,867	\$ 60,313	\$ 10,815,180	100% %
Stormwater	1,500,000	893,930	893,930	-	893,930	100% %
1873 courthouse renovation	450,000	449,370	449,370	-	449,370	100% %
Water and sewer improvements	3,600,000	3,530,970	3,530,970	-	3,530,970	100% %
Geographic information system	500,000	513,460	513,460	-	513,460	100% %
Public safety training facility Joint project with Bartow County	1,250,000	1,012,490	1,012,490	-	1,012,490	100% %
Joint City/County Library expansion	2,500,000	2,546,955	2,546,955	-	2,546,955	100% %
<b>TOTAL 2003 SPLOST</b>	<b>\$ 17,105,900</b>	<b>\$ 19,762,356</b>	<b>\$ 19,702,042</b>	<b>60,313</b>	<b>\$ 19,762,355</b>	
<b>2014 SPLOST</b>						
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	1,434,616	-	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	9,326,660	9,326,657	-	9,326,657	100.00 %
<b>TOTAL 2014 SPLOST</b>	<b>\$ 27,822,796</b>	<b>\$ 27,822,796</b>	<b>\$ 16,678,384</b>	<b>-</b>	<b>\$ 16,678,384</b>	

**CITY OF CARTERSVILLE, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF SPECIAL**  
**PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

PROJECT	ESTIMATED COST		EXPENDITURES			PERCENTAGE OF COMPLETION
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	
<b>2020 SPLOST</b>						
Fire safety improvements	\$ 1,262,500	\$ 1,262,500	\$ -	-	\$ -	-% %
Parks and recreation improvements	2,825,000	2,825,000	881,988	13,000	894,988	32% %
Police department improvements	100,000	100,000	-	6,000	6,000	-% %
Information technology improvements	2,100,000	2,100,000	418,736	831,658	1,250,394	60% %
Roads, streets, sidewalks, bridges, and stormwater improvements	14,260,000	14,260,000	356,819	766,929	1,123,748	8% %
Electric, Gas, and Water and Sewer Projects	2,870,500	2,870,500	-	488,066	-	-% %
<b>TOTAL 2020 SPLOST</b>	<u>\$ 23,418,000</u>	<u>\$ 23,418,000</u>	<u>\$ 1,657,543</u>	<u>2,105,653</u>	<u>\$ 3,275,130</u>	
<b>Non-SPLOST expenditures*</b>						
Roads, streets, sidewalks, bridges, and stormwater improvements				<u>1,340,159</u>		
Total non-SPLOST expenditures				<u>1,340,159</u>		
Total project expenditures				<u>\$ 3,506,125</u>		

\* City of Cartersville, Georgia uses intergovernmental revenues as well as contributions from other parties to expand out SPLOST projects. Contributions to the SPLOST projects are as follows:

Georgia Department of Transportation	<u>\$ 1,340,159</u>
Total project expenditures	<u>\$ 3,506,125</u>

# CITY OF CARTERSVILLE, GEORGIA

## NONMAJOR PROPRIETARY FUNDS

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### 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, 2023**

ASSETS	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 206,527	\$ 367,421	\$ 2,236,055	\$ 2,810,003
Accounts receivable, net of allowance	277,046	119,400	123,200	519,646
Inventories	23,920	-	104,145	128,065
Due from other funds	-	-	2,317	2,317
Total current assets	<u>507,493</u>	<u>486,821</u>	<u>2,465,717</u>	<u>3,460,031</u>
<b>NONCURRENT ASSETS</b>				
Non-depreciable	-	367,426	39,819	407,245
Depreciable, net of accumulated depreciation	1,490,890	4,030,803	2,291,506	7,813,199
Total capital assets	<u>1,490,890</u>	<u>4,398,229</u>	<u>2,331,325</u>	<u>8,220,444</u>
Net pension asset	50,382	28,635	34,722	113,739
Total noncurrent assets	<u>1,541,272</u>	<u>4,426,864</u>	<u>2,366,047</u>	<u>8,334,183</u>
Total assets	<u>2,048,765</u>	<u>4,913,685</u>	<u>4,831,764</u>	<u>11,794,214</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	87,021	67,152	70,702	224,875
Total deferred outflows of resources	<u>87,021</u>	<u>67,152</u>	<u>70,702</u>	<u>224,875</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	56,311	24,110	61,349	141,770
Accrued liabilities	23,131	13,986	13,388	50,505
Deposits payable	-	157,950	-	157,950
Compensated absences payable, current	31,327	25,116	56,976	113,419
Due to other funds	-	-	118	118
Total OPEB liability	37,727	37,727	-	75,454
Total current liabilities	<u>148,496</u>	<u>258,889</u>	<u>131,831</u>	<u>539,216</u>
<b>NONCURRENT LIABILITIES</b>				
Advances from other funds	588,965	68,647	10,508	668,120
Net pension liability	726,217	576,084	599,534	1,901,835
Total OPEB liability	647,511	647,511	-	1,295,022
Total noncurrent liabilities	<u>1,962,693</u>	<u>1,292,242</u>	<u>610,042</u>	<u>3,864,977</u>
Total liabilities	<u>2,111,189</u>	<u>1,551,131</u>	<u>741,873</u>	<u>4,404,193</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	54,295	42,741	44,625	141,661
OPEB related items	-	-	-	-
Total deferred inflows of resources	<u>54,295</u>	<u>42,741</u>	<u>44,625</u>	<u>141,661</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,490,890	4,398,229	2,331,325	8,220,444
Unrestricted (deficit)	(1,520,588)	(1,011,264)	1,784,643	(747,209)
Total net position (deficit)	<u>\$ (29,698)</u>	<u>\$ 3,386,965</u>	<u>\$ 4,115,968</u>	<u>\$ 7,473,235</u>

**CITY OF CARTERSVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
<b>OPERATING REVENUE</b>				
Charges for sales and services	\$ 3,349,777	\$ 1,578,210	\$ 2,417,458	\$ 7,345,445
Other fees	72,449	5,298	1,179,154	1,256,901
Total operating revenue	<u>3,422,226</u>	<u>1,583,508</u>	<u>3,596,612</u>	<u>8,602,346</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,250,917	554,391	970,871	2,776,179
General operating expenses	1,350,916	255,977	1,212,017	2,818,910
Depreciation	247,027	205,142	219,525	671,694
Total operating expenses	<u>2,848,860</u>	<u>1,015,510</u>	<u>2,402,413</u>	<u>6,266,783</u>
Operating income	573,366	567,998	1,194,199	2,335,563
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain from disposal of capital assets	39,313	-	-	39,313
Contributed capital	-	-	182,627	182,627
Interest expense	(17,803)	-	(290)	(18,093)
Interest income	9,403	26,997	27,293	63,693
Total nonoperating revenues (expenses)	<u>30,913</u>	<u>26,997</u>	<u>209,630</u>	<u>267,540</u>
Net income before transfers	604,279	594,995	1,403,829	2,603,103
Transfers out	(152,668)	(102,984)	(205,104)	(460,756)
Total transfers	<u>(152,668)</u>	<u>(102,984)</u>	<u>(205,104)</u>	<u>(460,756)</u>
Change in net position	451,611	492,011	1,198,725	2,142,347
<b>Total net position (deficit), beginning of year</b>	<u>(481,309)</u>	<u>2,894,954</u>	<u>2,917,243</u>	<u>5,330,888</u>
<b>Total net position (deficit), end of year</b>	<u>\$ (29,698)</u>	<u>\$ 3,386,965</u>	<u>\$ 4,115,968</u>	<u>\$ 7,473,235</u>

**CITY OF CARTERSVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds			
	Solid Waste Fund	Stormwater Fund	Fiber Optic Fund	Nonmajor Enterprise Funds Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 3,402,271	\$ 1,572,944	\$ 3,584,694	\$ 8,559,909
Payments to suppliers	(1,344,241)	(236,215)	(1,296,381)	(2,876,837)
Payments to employees	(1,397,752)	(831,530)	(952,498)	(3,181,780)
Net cash provided by operating activities	<u>660,278</u>	<u>505,199</u>	<u>1,335,815</u>	<u>2,501,292</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Receipt (payment) of advances from other funds	54,735	(620,958)	(5,253)	(571,476)
Transfers out from other funds	(152,668)	(102,984)	(205,104)	(460,756)
Net cash used in non-capital financing activities	<u>(97,933)</u>	<u>(723,942)</u>	<u>(210,357)</u>	<u>(1,032,232)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(406,894)	(61,999)	(53,073)	(521,966)
Principal payments	-	-	-	-
Interest and fiscal charges paid	(17,803)	-	(290)	(18,093)
Proceeds from sale of capital assets	39,313	-	-	39,313
Net cash provided by (used in) capital and related financing activities	<u>(385,384)</u>	<u>(61,999)</u>	<u>(53,363)</u>	<u>(500,746)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	9,403	26,997	27,293	63,693
Net cash provided by investing activities	<u>9,403</u>	<u>26,997</u>	<u>27,293</u>	<u>63,693</u>
Net increase in cash and cash equivalents	186,364	(253,745)	1,099,388	1,032,007
Cash and cash equivalents, beginning of year	20,163	621,166	1,136,667	1,777,996
Cash and cash equivalents, end of year	<u>\$ 206,527</u>	<u>\$ 367,421</u>	<u>\$ 2,236,055</u>	<u>\$ 2,810,003</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 573,366	\$ 567,998	\$ 1,194,199	\$ 2,335,563
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	247,027	205,142	219,525	671,694
Change in assets and liabilities:				
Increase in accounts receivable	(19,955)	(8,164)	(11,918)	(40,037)
(Increase) decrease in inventories	6,182	-	(25,587)	(19,405)
Increase in net pension asset	(25,533)	(15,651)	(12,968)	(54,152)
Increase in deferred outflows for pension items	251,455	255,913	225,425	732,793
Increase (decrease) in accounts payable	493	19,762	(58,895)	(38,640)
Increase (decrease) in accrued liabilities	4,308	2,581	(618)	6,271
Decrease in customer deposits	-	(2,400)	-	(2,400)
Increase in compensated absences	7,732	2,523	3,878	14,133
Increase in due to other funds	-	-	118	118
Decrease in deferred inflows for pension items	(171,972)	(175,640)	(153,331)	(500,943)
Decrease in deferred inflows for OPEB items	(185,925)	(185,925)	-	(371,850)
Decrease in net pension liability	(9,383)	(143,423)	(44,013)	(196,819)
Decrease in total OPEB liability	(17,517)	(17,517)	-	(35,034)
Net cash provided by operating activities	<u>\$ 660,278</u>	<u>\$ 505,199</u>	<u>\$ 1,335,815</u>	<u>\$ 2,501,292</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Donation of capital assets from governmental activities	\$ -	\$ -	\$ 182,627	\$ 182,627

# CITY OF CARTERSVILLE, GEORGIA

## INTERNAL SERVICE FUNDS

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**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, 2023**

ASSETS	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,677,103	\$ -	\$ 1,677,103
Accounts receivable	3,281	-	3,281
Inventories	-	121,962	121,962
Total current assets	<u>1,680,384</u>	<u>121,962</u>	<u>1,802,346</u>
<b>NONCURRENT ASSETS</b>			
Net pension asset			
Non-depreciable	-	43,766	43,766
Depreciable, net of accumulated depreciation	-	543,503	543,503
Total capital assets	<u>-</u>	<u>587,269</u>	<u>587,269</u>
Net pension asset	-	12,066	12,066
Total noncurrent assets	<u>-</u>	<u>599,335</u>	<u>599,335</u>
Total assets	<u>1,680,384</u>	<u>721,297</u>	<u>2,401,681</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	-	47,434	47,434
Total deferred outflows of resources	<u>-</u>	<u>47,434</u>	<u>47,434</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	-	43,665	43,665
Accrued liabilities	-	8,835	8,835
Claims payable	38,794	-	38,794
Compensated absences payable, current	-	24,656	24,656
Due to other funds	3,570	-	3,570
Total OPEB liability	<u>-</u>	<u>37,727</u>	<u>37,727</u>
Total current liabilities	<u>42,364</u>	<u>114,883</u>	<u>157,247</u>
<b>NONCURRENT LIABILITIES</b>			
Net pension liability	-	419,424	419,424
Total OPEB liability	<u>-</u>	<u>647,511</u>	<u>647,511</u>
Total noncurrent liabilities	<u>-</u>	<u>1,066,935</u>	<u>1,066,935</u>
Total liabilities	<u>42,364</u>	<u>1,181,818</u>	<u>1,224,182</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	-	30,863	30,863
OPEB related items	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>30,863</u>	<u>30,863</u>
<b>NET POSITION (DEFICIT)</b>			
Investment in capital assets	-	587,269	587,269
Unrestricted (deficit)	1,638,020	(1,031,219)	606,801
Total net position (deficit)	<u>\$ 1,638,020</u>	<u>\$ (443,950)</u>	<u>\$ 1,194,070</u>

**CITY OF CARTERSVILLE, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
<b>OPERATING REVENUE</b>			
Charges for services	\$ 1,562,823	\$ 1,472,987	\$ 3,035,810
Total operating revenue	<u>1,562,823</u>	<u>1,472,987</u>	<u>3,035,810</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	147,642	147,642
General operating expenses	1,123,161	1,177,683	2,300,844
Claims	461,008	-	461,008
Depreciation	-	47,176	47,176
Total operating expenses	<u>1,584,169</u>	<u>1,372,501</u>	<u>2,956,670</u>
Operating income(loss)	(21,346)	100,486	79,140
<b>NONOPERATING REVENUE</b>			
Gain on sale of capital assets	-	3,115	3,115
Interest income	29,484	-	29,484
Total nonoperating revenue	<u>29,484</u>	<u>3,115</u>	<u>32,599</u>
Change in net position before transfers	8,138	103,601	111,739
Transfers in	-	217,426	217,426
Transfers out	(35,231)	-	(35,231)
Total transfers	<u>(35,231)</u>	<u>217,426</u>	<u>182,195</u>
Change in net position	(27,093)	321,027	293,934
<b>Total net position (deficit), beginning of year</b>	<u>1,665,113</u>	<u>(764,977)</u>	<u>900,136</u>
<b>Total net position (deficit), end of year</b>	<u>\$ 1,638,020</u>	<u>\$ (443,950)</u>	<u>\$ 1,194,070</u>

**CITY OF CARTERSVILLE, GEORGIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Self-Insurance Fund	Garage Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,560,542	\$ 1,472,987	\$ 3,033,529
Payments to suppliers	(1,752,510)	(1,136,586)	(2,889,096)
Payments to employees	-	(521,711)	(521,711)
Net cash used in operating activities	<u>(191,968)</u>	<u>(185,310)</u>	<u>(377,278)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in from other funds	-	217,426	217,426
Transfers out to other funds	(35,231)	-	(35,231)
Net cash provided by non-capital financing activities	<u>(35,231)</u>	<u>217,426</u>	<u>182,195</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of capital assets	-	(35,231)	(35,231)
Proceeds from sale of capital assets	-	3,115	3,115
Interest income	29,484	-	29,484
Net cash provided by investing activities	<u>29,484</u>	<u>(32,116)</u>	<u>(2,632)</u>
Net decrease in cash and cash equivalents	(197,715)	-	(197,715)
Cash and cash equivalents, beginning of year	1,874,818	-	1,874,818
Cash and cash equivalents, end of year	<u>\$ 1,677,103</u>	<u>\$ -</u>	<u>\$ 1,677,103</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating loss	\$ (21,346)	\$ 100,486	\$ 79,140
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	-	47,176	47,176
Change in assets and liabilities:			
Increase in accounts receivable	(2,281)	-	(2,281)
Decrease in inventories	-	10,557	10,557
Increase in net pension asset	-	(7,623)	(7,623)
Decrease in deferred outflows for pension items	-	244,226	244,226
Increase in accounts payable	-	30,540	30,540
Increase in accrued liabilities	-	1,358	1,358
Decrease in due to other funds	(38,169)	-	(38,169)
Decrease in claims payable	(130,172)	-	(130,172)
Increase in compensated absences	-	1,280	1,280
Decrease in deferred inflows for pension items	-	(167,929)	(167,929)
Decrease in deferred inflows for OPEB items	-	(185,925)	(185,925)
Decrease in net pension liability	-	(241,939)	(241,939)
Decrease in total OPEB liability	-	(17,517)	(17,517)
Net cash used in operating activities	<u>\$ (191,968)</u>	<u>\$ (185,310)</u>	<u>\$ (377,278)</u>

## STATISTICAL SECTION

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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 .....117-126**

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 .....127-133**

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

**Debt Capacity .....134-138**

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..... 139 and 140**

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.....141-143**

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			
	2014	2015	2016	2017
Primary government - governmental activities				
Net investment in capital assets	\$ 94,192,838	\$ 92,106,870	\$ 90,440,556	\$ 91,628,517
Restricted	1,784,810	9,938,221	8,622,927	6,816,537
Unrestricted (deficit)	2,021,482	(21,316,911) (1)	(13,202,615) (2)	(13,431,061)
Total governmental activities net position	<u>249,856,558</u>	<u>244,769,214</u>	<u>241,025,122</u>	<u>85,013,993</u>
Primary government - business-type activities				
Net investment in capital assets	129,939,023	129,801,720	130,865,672	136,404,196
Restricted	5,353,044	5,191,541	5,189,164	1,824,788
Unrestricted	13,514,683	11,345,151 (1)	19,251,040 (2)	25,941,340
Total business-type activities net position	<u>79,350,882</u>	<u>87,903,347</u>	<u>94,189,403</u>	<u>164,170,324</u>
Total primary government				
Net investment in capital assets	224,131,861	221,908,590	221,306,228	228,032,713
Restricted	7,137,854	15,129,762	13,812,091	8,641,325
Unrestricted (deficit)	15,536,165	(9,971,760)	6,048,425	12,510,279
Total primary government net position	<u>\$ 246,805,880</u>	<u>\$ 227,066,592</u>	<u>\$ 241,166,744</u>	<u>\$ 249,184,317</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						
2018	2019	2020	2021	2022	2023	
\$ 90,910,753	\$ 95,655,935	\$ 96,337,425	\$ 36,727,071	\$ 125,383,199	\$ 116,156,590	
4,542,598	4,997,847	4,079,009	7,046,310	11,059,767	13,992,559	
(25,859,086)	(26,999,716)	(28,634,011)	(24,419,796)	(80,190,920)	(17,840,338)	
<u>69,594,265</u>	<u>73,654,066</u>	<u>71,782,423</u>	<u>19,353,585</u>	<u>56,252,046</u>	<u>112,308,811</u>	
148,444,038	147,402,869	149,996,320	167,064,997	141,336,552	151,044,433	
3,734,742	3,467,755	3,520,848	3,526,206	3,532,614	4,049,397	
69,891,804	87,335,353	102,040,284	98,503,357	141,979,908	156,494,780	
<u>222,070,584</u>	<u>238,205,977</u>	<u>255,557,452</u>	<u>269,094,560</u>	<u>286,849,074</u>	<u>311,588,610</u>	
239,354,791	242,878,107	246,333,745	203,792,068	266,719,751	267,201,023	
8,277,340	7,500,568	7,599,857	10,572,516	14,592,381	18,041,956	
44,032,718	60,335,637	73,406,273	74,083,561	61,788,988	138,654,442	
<u>\$ 291,664,849</u>	<u>\$ 310,714,312</u>	<u>\$ 327,339,875</u>	<u>\$ 288,448,145</u>	<u>\$ 343,101,120</u>	<u>\$ 423,897,421</u>	

# City of Cartersville, Georgia

## Changes in Net Position Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 22,064,158	\$ 24,330,110	\$ 24,842,832	\$ 22,382,444
Judicial	230,179	228,064	238,603	228,364
Public safety	11,459,752	12,535,028	12,581,082	12,790,761
Public works	4,199,059	4,789,065	5,306,688	4,602,283
Culture and recreation	2,972,021	306,030	2,940,050	3,169,721
Planning and development	871,203	1,040,675	1,196,003	1,185,218
Interest on long-term debt	399,575	503,762	72,495	252,560
Total governmental activities expenses	<u>42,195,947</u>	<u>46,487,005</u>	<u>47,177,753</u>	<u>44,611,351</u>
Business-type activities:				
Water and sewer	11,119,046	11,579,661	12,160,809	12,481,256
Electric	45,549,773	45,943,575	44,774,372	44,706,727
Gas	22,507,024	19,979,064	16,283,711	18,982,762
Solid waste	2,183,626	2,069,844	2,130,943	2,583,389
Stormwater	1,096,753	1,306,724	1,306,601	1,669,669
Fiber Optic	1,776,003	2,010,090	1,809,845	1,765,488
Total business-type activities expenses	<u>84,232,225</u>	<u>82,888,958</u>	<u>78,466,281</u>	<u>82,189,291</u>
Total primary government expenses	<u>\$ 126,428,172</u>	<u>\$ 129,375,963</u>	<u>\$ 125,644,034</u>	<u>\$ 126,800,642</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 2,606,118	\$ 2,129,096	\$ 2,131,338	\$ 2,242,900
Judicial	695,745	669,614	507,095	477,119
Public safety	366,861	1,207,728	216,688	333,967
Public works	42,810	23,160	18,420	20,550
Culture and recreation	732,280	706,695	727,428	672,992
Planning and development	315,337	504,912	498,060	579,022
Operating grants and contributions	1,650,461	1,724,879	10,984,031	917,685
Capital grants and contributions	4,062,344	3,602,132	2,509,282	3,247,323
Total governmental activities program revenue	<u>10,471,956</u>	<u>10,568,216</u>	<u>17,592,342</u>	<u>8,491,558</u>
Business-type activities:				
Charges for services:				
Water and sewer	13,830,081	15,535,848	16,621,407	18,193,391
Electric	46,777,882	48,815,612	49,508,147	48,189,196
Gas	25,235,340	23,941,553	20,204,608	22,263,182
Solid waste	2,185,523	2,216,703	2,305,741	2,393,152
Stormwater	1,296,940	1,336,027	1,387,138	1,464,654
Fiber Optic	1,926,733	2,152,936	2,129,196	2,113,130
Capital grants and contributions	56,891	-	-	-
Total business-type activities program revenues	<u>91,309,390</u>	<u>93,998,679</u>	<u>92,156,237</u>	<u>94,616,705</u>
Total primary government program revenues	<u>\$ 101,781,346</u>	<u>\$ 104,566,895</u>	<u>\$ 109,748,579</u>	<u>\$ 103,108,263</u>
Total primary government net expense	<u>\$ (24,646,826)</u>	<u>\$ (24,809,068)</u>	<u>\$ (15,895,455)</u>	<u>\$ (23,692,379)</u>

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 1,643,664	(1 \$ 5,059,980	\$ 10,798,518	\$ 73,135,746	\$ 9,526,314	\$ 8,421,390	
263,124	275,778	569,752	169,559	299,800	259,338	
13,334,610	14,397,446	14,218,454	13,453,894	15,355,571	17,422,611	
4,771,828	4,689,119	5,044,122	4,897,853	4,481,112	5,165,551	
8,297,745	5,462,596	4,897,109	4,395,373	4,699,897	5,242,530	
2,338,857	1,852,033	1,941,813	1,093,650	751,626	1,072,321	
530,545	482,388	418,958	800,092	1,730,617	1,352,127	
<u>31,180,373</u>	<u>32,219,340</u>	<u>37,888,726</u>	<u>97,946,167</u>	<u>36,844,937</u>	<u>38,935,868</u>	
10,772,773	12,506,680	13,720,575	12,608,904	13,422,125	16,791,709	
39,447,223	41,799,276	40,575,823	42,605,898	44,975,129	49,952,796	
18,562,042	21,049,456	15,982,866	18,151,061	27,862,015	29,216,294	
2,264,276	2,574,847	2,473,976	2,174,631	2,398,197	2,837,818	
1,061,935	1,253,795	1,332,816	1,454,993	1,209,624	1,010,467	
1,639,925	1,790,680	1,752,380	1,990,366	2,431,690	2,401,591	
<u>73,748,174</u>	<u>80,974,734</u>	<u>75,838,436</u>	<u>78,985,853</u>	<u>92,298,780</u>	<u>102,210,675</u>	
<u>\$ 104,928,547</u>	<u>\$ 113,194,074</u>	<u>\$ 113,727,162</u>	<u>\$ 176,932,020</u>	<u>\$ 129,143,717</u>	<u>\$ 141,146,543</u>	
\$ 640,723	\$ 605,924	\$ 518,101	\$ 611,364	\$ 729,285	\$ 711,970	
496,150	389,846	263,442	209,379	335,102	450,311	
295,314	367,020	374,479	221,391	308,827	110,697	
21,940	32,440	42,410	38,880	880	80	
669,591	743,217	422,913	561,958	809,164	813,699	
427,462	507,399	452,524	354,079	822,304	1,824,105	
345,231	650,975	684,355	1,751,616	895,134	1,017,346	
<u>5,831,921</u>	<u>8,234,356</u>	<u>8,749,418</u>	<u>15,320,885</u>	<u>41,057,257</u>	<u>54,922,163</u>	
<u>8,728,332</u>	<u>11,531,177</u>	<u>11,507,642</u>	<u>19,069,552</u>	<u>44,957,953</u>	<u>59,850,371</u>	
19,197,712	21,709,725	22,043,623	23,467,885	26,432,951	29,935,252	
46,724,978	47,845,426	47,069,881	46,939,014	52,282,882	54,985,530	
24,145,900	26,903,027	22,805,197	25,341,109	39,372,743	41,763,205	
2,496,460	2,602,694	2,878,855	2,952,619	3,045,078	3,422,226	
1,497,401	1,496,196	1,526,455	1,540,809	1,547,040	1,583,508	
2,309,786	2,292,669	2,350,149	2,407,295	2,550,108	3,596,612	
-	43,094	-	-	-	-	
<u>96,372,237</u>	<u>102,892,831</u>	<u>98,674,160</u>	<u>102,648,731</u>	<u>125,230,802</u>	<u>135,286,333</u>	
<u>\$ 105,100,569</u>	<u>\$ 114,424,008</u>	<u>\$ 110,181,802</u>	<u>\$ 121,718,283</u>	<u>\$ 170,188,755</u>	<u>\$ 195,136,704</u>	
\$ 172,022	\$ 1,229,934	\$ (3,095,362)	\$ (55,213,737)	\$ 41,045,038	\$ 53,990,161	

Continued

# City of Cartersville, Georgia

## Changes in Net Position Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
<b>General Revenues and Other Changes in Net Position</b>				
Government activities:				
Taxes:				
Property taxes	\$ 16,615,530	\$ 16,908,662	\$ 17,972,947	\$ 18,947,746
Franchise taxes	4,850,026	5,025,136	5,011,055	5,194,849
Excise taxes	635,782	707,632	733,524	809,031
Sales and use taxes	3,792,539	3,866,308	3,585,163	3,914,393
Hotel/Motel occupancy taxes	521,653	552,332	557,525	819,267
Insurance premium tax	1,017,803	1,066,938	1,140,078	1,234,926
Financial institution taxes	-	-	-	-
Other taxes	365,136	394,304	405,290	443,624
Unrestricted investment earnings	71,155	58,244	55,925	77,142
Miscellaneous	239,943	46,653	127,342	145,980
Contributions and donations	31,869	422,543	464,234	-
Gain on disposal of capital assets	15,543	34,044	18,519	33,422
Transfers	3,084,665	4,287,674	4,646,497	3,652,538
Total governmental activities	<u>31,241,644</u>	<u>33,370,470</u>	<u>34,718,099</u>	<u>35,272,918</u>
Business-type activities:				
Unrestricted investment earnings	162,491	131,298	179,180	70,807
Miscellaneous	24,975	44,094	(265,175)	18,765
Gain on sale of capital assets	-	-	-	-
Contributions and donations	5,384,282	-	10,000	-
Transfers	(3,084,665)	(4,287,674)	(4,646,497)	(3,652,538)
Total business-type activities	<u>2,487,083</u>	<u>(4,112,282)</u>	<u>(4,722,492)</u>	<u>(3,562,966)</u>
Total primary government	<u>\$ 33,728,727</u>	<u>\$ 29,258,188</u>	<u>\$ 29,995,607</u>	<u>\$ 31,709,952</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ (482,347)	\$ (2,548,319)	\$ 5,132,688	\$ (846,875)
Business-type activities	<u>9,564,248</u>	<u>6,997,439</u>	<u>8,967,464</u>	<u>8,864,448</u>
Total primary government	<u>\$ 9,081,901</u>	<u>\$ 4,449,120</u>	<u>\$ 14,100,152</u>	<u>\$ 8,017,573</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						
2018	2019	2020	2021	2022	2023	
\$ 3,903,676	(1 \$ 4,229,583	\$ 5,563,824	\$ 6,012,347	\$ 6,251,586	\$ 6,835,624	
784,020	822,442	793,891	766,834	826,534	877,967	
858,167	820,494	845,204	925,091	951,544	1,052,832	
3,998,887	4,298,903	4,383,448	4,720,740	5,743,351	7,628,182	
1,032,560	957,074	763,375	953,934	1,614,167	1,655,208	
1,316,127	1,419,379	1,505,717	1,588,962	1,643,641	1,902,874	
114,344	87,044	115,279	117,559	97,550	104,973	
308,722	288,745	315,952	327,231	329,301	331,502	
271,984	313,087	366,932	234,251	231,104	1,356,641	
213,116	346,807	496,821	477,116	279,047	2,480,649	
-	-	-	-	-	-	
-	-	430,324	44,988	58,172	12,885	
<u>10,125,648</u>	<u>10,018,675</u>	<u>8,928,676</u>	<u>10,278,724</u>	<u>10,759,448</u>	<u>10,902,925</u>	
<u>22,927,251</u>	<u>23,602,233</u>	<u>24,509,443</u>	<u>26,447,777</u>	<u>28,785,445</u>	<u>35,142,262</u>	
785,171	4,235,971	2,948,168	149,524	(4,447,216)	2,501,628	
-	-	-	-	-	-	
12,140	-	46,259	3,430	29,156	65,175	
-	-	-	-	-	-	
<u>(10,125,648)</u>	<u>(10,018,675)</u>	<u>(8,928,676)</u>	<u>(10,278,724)</u>	<u>(10,759,448)</u>	<u>(10,902,925)</u>	
<u>(9,328,337)</u>	<u>(5,782,704)</u>	<u>(5,934,249)</u>	<u>(10,125,770)</u>	<u>(15,177,508)</u>	<u>(8,336,122)</u>	
<u>\$ 13,598,914</u>	<u>\$ 17,819,529</u>	<u>\$ 18,575,194</u>	<u>\$ 16,322,007</u>	<u>\$ 13,607,937</u>	<u>\$ 26,806,140</u>	
\$ 475,210	\$ 2,914,070	\$ (1,871,641)	\$ (52,428,838)	\$ 36,898,461	\$ 56,056,765	
13,295,726	16,135,393	17,351,475	13,537,108	17,754,514	24,739,536	
<u>\$ 13,770,936</u>	<u>\$ 19,049,463</u>	<u>\$ 15,479,834</u>	<u>\$ (38,891,730)</u>	<u>\$ 54,652,975</u>	<u>\$ 80,796,301</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,751	8,067,593	7,141,630	4,324,072
Unassigned (deficit)	3,635,321	4,221,039	4,810,064	5,306,208
Total General Fund	<u>\$ 3,638,072</u>	<u>\$ 12,288,632</u>	<u>\$ 11,951,694</u>	<u>\$ 9,630,280</u>
All other governmental funds				
Nonspendable	\$ 1,421,537	\$ 1,504,422	\$ 1,111,007	\$ 2,096,767
Restricted	360,522	366,206	370,290	395,698
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	<u>\$ 1,782,059</u>	<u>\$ 1,870,628</u>	<u>\$ 1,481,297</u>	<u>\$ 2,492,465</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 943,612	\$ 1,699,250	\$ 1,665,240	\$ 1,467,192	\$ 1,398,004	\$ 728,315
3,095,080	2,207,067	2,252,874	2,764,893	2,923,959	3,081,284
4,004,511	1,152,966	2,847,666	5,372,714	7,369,694	16,093,738
<u>\$ 8,043,203</u>	<u>\$ 5,059,283</u>	<u>\$ 6,765,780</u>	<u>\$ 9,604,799</u>	<u>\$ 11,691,657</u>	<u>\$ 19,903,337</u>
\$ -	\$ -	\$ -	\$ 1,262,500	\$ 1,262,500	\$ -
3,970,911	4,451,444	3,640,708	5,359,570	9,012,125	12,424,755
-	(91,310)	(179,097)	(117,623)	(110,803)	(134,420)
<u>\$ 3,970,911</u>	<u>\$ 4,360,134</u>	<u>\$ 3,461,611</u>	<u>\$ 6,504,447</u>	<u>\$ 10,163,822</u>	<u>\$ 12,290,335</u>

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$ 28,017,961	\$ 28,605,681	\$ 29,405,582	\$ 31,344,723
Licenses and permits	303,556	491,383	490,738	572,705
Intergovernmental	5,712,805	5,322,191	13,483,904	4,165,008
Fines and forfeitures	950,695	1,812,777	640,278	643,964
Charges for services	2,958,625	2,874,268	2,939,804	3,032,694
Interest income	71,155	63,063	60,835	77,142
Contributions and donations	31,869	422,543	464,234	-
Miscellaneous	315,399	130,253	200,156	223,167
Total revenues	<u>38,362,065</u>	<u>39,722,159</u>	<u>47,685,531</u>	<u>40,059,403</u>
<b>Expenditures</b>				
General government	20,947,507	22,993,007	23,061,234	21,070,624
Judicial	235,095	218,946	232,371	222,552
Public safety	10,788,962	11,708,988	12,400,668	11,587,916
Public works	2,299,072	2,862,686	2,635,975	2,579,652
Culture and recreation	2,993,248	2,824,289	3,558,912	6,410,580
Planning and development	868,069	1,002,445	1,184,769	1,193,486
Capital outlay	557,426	51,031	30,609	165,056
Debt service:				
Principal	1,314,184	1,353,555	10,851,637	1,461,999
Interest	533,787	606,030	445,691	252,560
Total expenditures	<u>40,537,350</u>	<u>43,620,977</u>	<u>54,401,866</u>	<u>44,944,425</u>
Deficiency of revenues under expenditures	<u>(2,175,285)</u>	<u>(3,898,818)</u>	<u>(6,716,335)</u>	<u>(4,885,022)</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	35,973	34,044	18,519	33,422
Issuance of capital lease	204,311	116,229	-	187,497
Issuance of bonds	-	8,200,000	1,325,050	-
Subscription based information technology arrangement	-	-	-	-
Transfers in	5,235,871	4,601,194	4,948,449	3,755,522
Transfers out	(1,170,574)	(313,520)	(301,952)	(401,665)
Total other financing sources (uses)	<u>4,305,581</u>	<u>12,637,947</u>	<u>5,990,066</u>	<u>3,574,776</u>
Net change in fund balance	<u>\$ 2,130,296</u>	<u>\$ 8,739,129</u>	<u>\$ (726,269)</u>	<u>\$ (1,310,246)</u>

Debt service as a percentage of noncapital expenditures	4.60%	4.50%	21.70%	3.81%
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(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					
2018		2019		2020		2021		2022		2023		
\$	12,383,195	(1)	\$	12,920,998	\$	14,150,742	\$	15,543,033	\$	17,331,222	\$	20,450,606
	612,050			700,857		625,786		621,944		1,075,027		2,078,770
	5,228,369			3,601,966		8,056,197		12,915,145		10,063,464		12,009,623
	713,202			678,552		575,333		364,119		639,647		557,224
	1,225,928			1,266,437		872,750		1,010,988		1,290,888		1,274,868
	271,984			313,087		366,932		234,251		231,104		1,356,641
	592,803			695,101		913,717		1,081,610		2,165,751		2,710,149
	213,228			328,883		516,848		491,177		293,109		2,501,741
	<u>21,240,759</u>			<u>20,505,881</u>		<u>26,078,305</u>		<u>32,262,267</u>		<u>33,090,212</u>		<u>42,939,622</u>
	4,414,271	(1)		4,525,537		9,896,288		72,775,127		9,653,408		10,574,592
	253,891			267,556		271,047		258,389		294,841		253,568
	12,667,624			13,107,189		13,391,810		13,726,338		14,883,660		16,588,075
	2,367,813			2,657,131		2,788,290		3,279,040		3,075,006		3,704,261
	8,036,024			4,794,933		4,263,422		4,310,250		4,555,339		5,015,342
	2,355,875			1,815,578		1,606,788		1,246,106		1,302,518		1,524,807
	222,097			1,001,348		3,513,905		84,284		1,226,728		3,169,196
	1,567,922			3,019,771		1,031,300		1,061,231		1,066,829		1,209,848
	545,589			497,408		432,202		808,292		1,781,140		2,221,643
	<u>32,431,106</u>			<u>31,686,451</u>		<u>37,195,052</u>		<u>97,549,057</u>		<u>37,839,469</u>		<u>44,261,332</u>
	<u>(11,190,347)</u>			<u>(11,180,570)</u>		<u>(11,116,747)</u>		<u>(65,286,790)</u>		<u>(4,749,257)</u>		<u>(1,321,710)</u>
	28,165			23,760		515,324		58,004		58,172		19,718
	-			-		-		-		-		-
	-			-		-		60,879,562		-		-
	-			-		-		-		-		248,762
	10,024,903	(2)		10,012,156		12,245,719		10,670,576		11,217,439		12,203,641
	(697,167)			(2,415,077)		(836,322)		(439,497)		(780,121)		(812,218)
	<u>9,355,901</u>			<u>7,620,839</u>		<u>11,924,721</u>		<u>71,168,645</u>		<u>10,495,490</u>		<u>11,659,903</u>
\$	<u>(1,834,446)</u>		\$	<u>(3,559,731)</u>		<u>807,974</u>	\$	<u>5,881,855</u>	\$	<u>5,746,233</u>	\$	<u>10,338,193</u>
	7.87%			11.10%		4.48%		1.94%		7.92%		8.91%

# City of Cartersville, Georgia

## Electric Service Rates

### Last Ten Fiscal Years

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Small General Service</b>											
Base Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 20.50
Distribution Energy Charge	-	-	-	-	-	-	-	-	-	-	-
Transmission Charge	-	-	-	-	-	-	-	-	-	-	-
KWH June - September	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
KWH October - May	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
<b>Small Power</b>											
Base Charge	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 33.00
Transmission Charge (Per kW billing demand)	-	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.07
All consumption (kWh) not greater than 200 hours times the billing demand											
First 6,000 kWh	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Over 6,000 kWh	0.10	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	0.04	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	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<b>Medium Power</b>											
Base Charge	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 65.50
Transmission Charge (per kW billing demand)	-	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	3.58
All consumption (kWh) not greater than 200 hours times the billing demand											
First 20,000 kWh	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Over 20,000 kWh	0.09	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	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.05
Consumption (kWh) in excess of 400 hours times the billing demand	0.04	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	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<b>Large Power</b>											
Base Charge	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 164.00
Transmission Charge (per kW of billing demand)	-	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.58
All consumption (kWh) not greater than 200 hours times the billing demand											
First 200,000 kWh	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.07
Over 200,000 kWh	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.06
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	0.04	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	0.04	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	0.04	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Extra Large Power</b>										
Base Charge	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 256.00
Transmission Charge (per kW of billing demand)	-	-	-	-	-	-	-	-	-	-
Demand Charge (per kW of billing demand)	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	4.10
All consumption (kWh) not greater than 200 hours times the billing demand										
First 700,000 kWh	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Over 700,000 kWh	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.05
Consumption (kWh) in excess of 200 hours and not greater than 400 hours times the billing demand	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	0.04	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	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
<b>Temporary Service Rate</b>										
Base Charge	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 20.50
Distribution Energy Charge	-	-	-	-	-	-	-	-	-	-
Transmission Charge	-	-	-	-	-	-	-	-	-	-
Consumption	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
<b>Residential Power Rate</b>										
Base Charge	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 12.50
Distribution Energy Charge	-	-	-	-	-	-	-	-	-	-
Transmission Charge	-	-	-	-	-	-	-	-	-	-
June-September										
First 650 kWh or less	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09
Next 350 kWh	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Over 1,000 kWh	0.12	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	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09
Next 350 kWh	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Over 1,000 kWh	-	-	-	-	-	-	-	-	-	0.08

Data Source: City Electric Department

# City of Cartersville, Georgia

## Ten Largest Electric Customers Current and Nine Years Ago

2023					2014		
Rank	Customer	Total Billings	% of Revenues	Customer	Total Billings	% of Revenues	
1	Messer, LLC	\$ 8,577,031	15.18%	Linde Gas (Now Messer)	\$ 6,874,209	15.63%	
2	Anheuser Busch	4,780,771	8.46%	Anheuser Busch	4,797,638	10.91%	
3	Aquafil	4,314,419	7.63%	Aquafil USA Inc	2,757,407	6.27%	
4	Voestalpine	1,422,106	2.52%	Shaw	1,635,304	3.72%	
5	Shaw Industries	1,501,012	2.66%	Chemical Products	1,048,240	2.38%	
6	Beaflor	1,382,166	2.45%	ATR	1,191,553	2.71%	
7	Chemical Products	1,076,491	1.90%	City of Cartersville	620,745	1.41%	
8	Samuel Strapping Systems	695,285	1.23%	Samuel Strapping Systems	622,408	1.42%	
9	Trinity Industries	686,235	1.21%	TI AUTO	535,307	1.22%	
10	City of Cartersville Waste Water	572,151	1.01%	Springs Global	400,094	0.91%	
Total Ten Largest Customers		\$ 25,007,667	44.25%	Total Ten Largest Customers	\$ 20,926,947	44.49%	

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 <sup>(1)</sup> as a Percentage of Actual Value
	Residential Property	Industrial Property	Commercial Property	Agricultural Property	Historical Property	Conservation Use	Motor Vehicles	Other	Utility						
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)	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	2,910,958	9,643,450	92,081	-	100,277,564	1,252,465,288	18.26	3,131,163,220	40%
2022	563,146,004	338,605,258	392,933,203	13,661,063	-	20,526,295	3,315,545	7,575,310	73,937	-	-	1,339,836,615	17.55	3,349,591,538	40%
2023	722,702,722	360,253,182	419,108,744	16,534,442	-	21,925,193	3,510,470	7,621,780	181,737	-	109,709,519	1,442,128,751	17.44	3,605,321,878	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.

<sup>(1)</sup> Includes tax-exempt property.

<sup>(2)</sup> 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 2022 by 0.624 mills. The bond payment associated with this tax collection fluxuates 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	
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
2022	2.910	0.737	13.906	9.640	0.100	27.293
2023	2.910	0.624	13.906	8.990	0.100	26.430

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, 2023**

Taxpayer	2023			Taxpayer	2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Anheuser-Busch	\$ 76,355,920	1	5.29%	Anheuser Busch	\$ 119,930,224	1	14.01%
Shaw Industries	50,771,691	2	3.52%	Shaw Industries	25,496,873	2	2.98%
Trinity Industries	28,889,867	3	2.00%	Aqualfil USA, Inc	18,652,978	3	2.18%
Aquafile USA, Inc.	18,550,026	4	1.29%	Continental Pet Technologies	12,538,373	4	1.46%
Forty One Connector LTD	12,957,076	5	0.90%	Forty One Connector LTD	9,380,160	5	1.10%
Continental Pet Technologies	12,282,985	6	0.85%	Ampacet	9,065,342	6	1.06%
VKEP-A LLC	9,735,064	7	0.68%	Colloid Environmental	7,148,040	7	0.83%
BW Carter/Glen Apts	8,760,510	8	0.61%	Monitor Manufacturing Co	6,939,493	8	0.81%
Home Depot	6,025,608	9	0.42%	Applied Thermoplastic	6,642,204	9	0.78%
Komatsu	5,575,503	10	0.39%	TI Group Automotive Systems	5,337,012	10	0.62%
Totals	<u>\$ 229,904,250</u>		<u>15.94%</u>	Totals	<u>\$ 221,130,699</u>		<u>25.83%</u>

Source: Bartow County Tax Commissioner

**City of Cartersville, Georgia**  
**Property Tax Levies and Collections**  
**June 30, 2023**

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	
2014	\$ 15,195,145	\$ (236,770)	\$ 14,958,375	\$ 14,720,506	96.88%	\$ 237,869	\$ 14,958,375	100.00%	
2015	15,285,307	(69,357)	15,215,950	15,125,050	98.95%	90,900	15,215,950	100.00%	
2016	16,391,314	(55,763)	16,335,551	16,184,806	98.74%	150,745	16,335,551	100.00%	
2017	17,231,729	(32,194)	17,199,535	17,049,723	98.94%	149,812	17,199,535	100.00%	
2018	16,688,376	(85,165)	16,603,211	16,410,845	98.34%	192,366	16,603,211	100.00%	
2019	17,101,226	(30,766)	17,070,460	16,950,924	99.12%	119,873	17,070,797	100.00%	
2020	18,939,927	(128,491)	18,811,436	18,607,235	98.24%	204,569	18,811,804	100.00%	
2021	21,169,974	(346,483)	20,823,491	20,615,113	97.38%	208,980	20,824,093	100.00%	
2022	20,219,339	(92,036)	20,127,303	19,992,285	98.88%	133,314	20,125,599	99.99%	
2023	23,492,270	(203,341)	23,288,929	23,181,822	98.68%	-	23,181,822	99.54%	

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	Subscription Liabilities	Certificates of Participation	Water/Sewer Bonds	Direct Placement Bonds (1)	Water Fund Notes Payable	Gas Fund Notes Payable	Financed Purchases			
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
2022	62,918,021	1,106,627	-	-	4,444,000	59,097,552	7,350,000	-	-	-	134,916,200	4.70%	1,267
2023	61,201,253	851,779	-	163,762	4,444,000	57,511,066	6,725,000	-	-	-	130,733,098	5.08%	1,156

(1) - The Cartersville Building Authority (CBA) became a blended 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**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Net General Bonded Debt Per Capita</b>
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
2022	62,918,021	1.65%	591
2023	61,201,253	1.70%	541

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, 2023

Governmental unit	Debt Outstanding	Estimated Percentage Applicable <sup>(1)</sup>	Estimated Share of Overlapping Debt
City of Cartersville direct debt	\$ 66,497,032	100%	\$ 66,497,032
Total direct and overlapping debt	<u>\$ 66,497,032</u>		<u>\$ 66,497,032</u>

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 businesses 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.

<sup>(1)</sup> 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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 81,950,289	\$ 85,947,567	\$ 90,774,554	\$ 91,061,636	\$ 94,855,613	\$ 99,837,123	\$ 109,162,795	\$ 125,246,529	\$ 133,983,662	\$ 144,212,875
Total net debt applicable to limit	10,735,000	17,885,000	7,455,000	6,700,000	5,930,000	5,150,000	4,350,000	64,409,562	62,918,021	61,201,253
Legal debt margin	<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>	<u>\$ 71,065,641</u>	<u>\$ 83,011,622</u>
Total net debt applicable to the limit as a percentage of debt limit	13.10%	20.81%	8.21%	7.36%	6.25%	5.16%	3.98%	51.43%	46.96%	42.44%
								Total Taxable Assessed Value		\$ 1,442,128,751
								Debt Limit (10% of Total Assessed Value)		144,212,875
								Debt Applicable to Limit General Obligation Bonds		<u>61,201,253</u>
										<u>\$ 83,011,622</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		
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	
2022	26,365,949	7,638,192	18,727,757	1,125,000	2,492,275	5.18	
2023	31,727,406	9,581,335	22,146,071	1,180,000	2,438,225	6.12	

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

<b>Fiscal Year</b>	<b>Population <sup>(1)*</sup></b>	<b>Per Capita Income <sup>(1)*</sup></b>	<b>Personal Income <sup>(1)*</sup></b>	<b>Median Age <sup>(1)*</sup></b>	<b>School Enrollment <sup>(2)**</sup></b>	<b>Unemployment Rate *</b>
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%
2022	106,456	30,204	63,439	35.9	4,413	3.00%
2023	113,065	36,521	66,420	37.6	4,439	3.00%

<sup>(1)</sup> Cartersville-Bartow County Chamber of Commerce

<sup>(2)</sup> City Board of Education

\* County-wide data

\*\* City only

# City of Cartersville, Georgia

## Principal Employers Current and Nine Years Ago

Fiscal Year 2023					Fiscal Year 2014				
Rank	Employer	Industry	Number of Employees	% of Total	Rank	Employer	Industry	Number of Employees	% of Total
1	Shaw Industries	Carpet/Flooring	2,560	24.04%	1	Shaw Industries	Carpet	2,562	27.97%
2	Bartow County Schools System	Education	1,841	17.29%	2	Bartow County School System	Education	1,765	19.27%
3	Toyo Tire North America	Tire Manufacturer	1,466	13.77%	3	Bartow County	Government	882	9.63%
4	Bartow County Government	Government	888	8.34%	4	Cartersville Medical	Health Care	750	8.19%
5	Chattahoochee Technical College	Education	866	8.13%	5	Toyo Tire NA	Tire Manufacturer	732	7.99%
6	Cartersville Medical Center	Health Care	758	7.12%	6	Anheuser-Busch	Beer	570	6.22%
7	Surya Rugs, Inc	Carpet/Flooring	700	6.57%	7	Quest Global	Logistics	500	5.46%
8	Voestalpine Automotive	Automotive Parts	624	5.86%	8	Cartersville School System	Education	500	5.46%
9	Cartersville School System	Education	570	5.35%	9	City of Cartersville	Government	479	5.23%
10	Gerdau North America	Steel Manufacturer	375	3.52%	10	Walmart	Retail Sales	420	4.59%
Total			<u>10,648</u>		Total			<u>9,160</u>	

Source: Cartersville-Bartow County Chamber of Commerce

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government	23	24	26	27	27	27	26	26	26	26
Police	64	62	61	61	61	61	61	61	61	61
Fire	74	72	72	71	73	74	74	76	76	75
Garage	4	4	6	6	6	6	6	6	6	6
Municipal Court	2	2	2	2	2	2	2	2	3	2
Culture and recreation	25	24	24	24	24	24	24	24	24	26
Planning and development	8	9	8	10	10	10	10	10	10	11
Public works	21	19	20	20	18	18	17	17	17	21
Downtown Development Authority	1	1	1	1	1	1	1	1	1	-
Water and Sewer	50	49	49	49	49	49	50	50	51	51
Electric	27	28	28	28	28	28	28	28	28	28
Gas	24	24	23	25	27	26	25	27	27	27
Solid Waste	19	19	16	17	16	16	17	17	18	19
Stormwater	7	8	7	7	10	10	10	10	9	11
Fiber Optic	7	7	8	8	8	8	8	8	8	8
<b>Total</b>	<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>	<u><u>365</u></u>	<u><u>372</u></u>

Source: City of Cartersville Human Resource Department

# City of Cartersville, Georgia

## Operating Indicators by Function/Program

### Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Physical arrests	1,765	2,252	2,061	1,137	2,171	2161	2263	1,397	1,806	1,488
Parking violations	121	36	25	2	33	37	151	56	67	85
Traffic violations	3,591	3,826	1,968	2,119	2,654	2581	1296	1,143	1,461	2,787
<b>Fire</b>										
Emergency responses	3,510	3,574	3,499	3,706	4,362	4386	1627	4,759	4,914	4,948
Fires extinguished	152	155	119	108	136	96	100	108	159	128
Inspection	2,029	2,164	2,034	2,121	1,501	1583	2556	1,026	1,280	1,572
<b>Culture and Recreation</b>										
Admissions/fees	\$729,458	\$703,155	\$710,550	\$666,081	\$681,073	\$749,730	\$446,011	\$597,912	\$836,615	\$806,417
Library volumes	115,945	120,181	132,579	125,003	123,325	123,803	125,113	116,445	119,099	118,745
Library circulation	444,923	442,805	415,875	380,291	383,131	371,245	296,808	258,118	269,464	288,271
<b>Public Works</b>										
Street resurfacing miles	-	5.94	2.43	5.53	3.69	1.6	2.36	4.23	4.75	3.12
<b>Planning and Development</b>										
Building Permits - Residential	86	155	233	261	212	230	276	222	236	312
Value of Building Permits - Residential	\$8,445,523	\$27,165,236	\$30,414,321	\$31,889,347	\$51,679,350	\$58,907,908	\$61,456,358	\$34,366,325	\$72,681,099	\$188,613,268
Building Permits - Commercial	52	69	71	84	80	80	55	75	81	33
Value of Building Permits - Commercial	\$10,256,259	\$54,105,676	\$20,205,277	\$57,597,338	\$38,150,557	\$41,424,215	\$10,453,465	\$20,361,454	\$61,897,955	\$179,877,976
<b>Water</b>										
Number of service locations	8,486	8,703	8,882	9,070	9,143	9,311	9,453	11,325	11,553	11,780
Average daily demand	10.71	10.82	11.32	11.49	11.18	11.57	11.73	12.11	12.45	13.13
<b>Sewer</b>										
Number of service locations	5,561	5,693	5,849	6,038	6,100	6,217	6,372	7,586	7,805	8,036
Average daily demand	7.27	6.01	7.36	5.72	6.51	8.45	7.58	7.45	7.83	7.74
<b>Electric</b>										
Number of service locations	8,031	8,018	8,058	8,213	8,530	8,806	8,886	8,102	9,776	9,178
Average annual residential consumption	12,231	12,231	11,765	12,388	12,301	11,300	12,322	12,163	11,894	11,452
<b>Gas</b>										
Number of service locations	10,789	10,624	10,689	10,851	10,962	11,120	11,295	11,631	11,653	11,091
<b>Solid Waste</b>										
Number of service locations	7,012	7,268	7,509	7,523	8,012	7,482	7,515	7,736	7,916	8,275
<b>Fiber Optic</b>										
Number of service locations	82	96	104	126	141	151	167	194	232	241

Source: Various City Departments

# City of Cartersville, Georgia

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Police</b>										
Stations	2	2	2	2	2	2	2	2	2	1
Vehicles	79	65	64	78	80	75	80	80	82	88
<b>Fire</b>										
Stations	4	4	4	4	4	4	4	4	4	4
<b>Culture and Recreation</b>										
Acreeage	648,423	651,648	651,648	651,648	651,648	651,648	652	651,648	651,648	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
<b>Public Works</b>										
Miles of streets	129.01	133.62	133.62	133.62	133.62	135	139	139	139	139.49
<b>Planning and Development</b>										
Building Permits - Residential	86	155	233	261	212	230	276	\$222	\$236	\$312
Value of Building Permits - Residential	\$8,445,523	\$27,165,236	\$30,414,321	\$31,889,347	\$51,679,350	\$58,907,908	\$61,456,358	\$34,366,325	\$72,681,099	\$188,613,268
Building Permits - Commercial	52	69	71	84	80	80	55	\$75	\$81	\$33
Value of Building Permits - Commercial	\$10,256,259	\$54,105,676	\$20,205,277	\$57,597,338	\$38,150,557	\$41,424,215	\$10,453,465	\$20,361,454	\$61,897,955	\$179,877,976
<b>Water</b>										
Fire hydrants	1,434	1,438	1,450	1,472	1,485	1,492	1,501	1,527	1,539	1,553
Miles of water mains	225	225	225	233	235	237	237	233	237	231
<b>Sewer</b>										
Miles of sanitary sewer	192	160	162	163	168	170	170	170	172	166
<b>Electric</b>										
Street lights	2,108	2,227	2,235	2,181	2,252	2,267	2,291	2,303	2,319	2,427
Miles of electric lines	209	209	210	210	210	221	222	224	218	239
<b>Gas</b>										
Miles of gas mains	339	342.3	340.41	341.73	343.2	348.03	349.86	352	355	357
<b>Solid Waste</b>										
Collection vehicles	20	18	18	16	17	17	17	17	18	18
<b>Fiber Optic</b>										
Miles of cable	68.5	74.86	76.19	80.60	89.3	95.69	104.21	109.32	114.82	120.13

Source: Various City Departments

## COMPLIANCE SECTION

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**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 22, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

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**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 22, 2023



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

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Cartersville, Georgia’s (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2023. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

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### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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### Report on Internal Control over Compliance

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

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

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

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

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
December 22, 2023

# CITY OF CARTERSVILLE, GEORGIA

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Agency or Pass- through Grantor Number	Sub-recipient Expenditures	Total Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct				
Equitable Sharing Program	16.922	GA0080100	\$ -	\$ 321,158
Bulletproof Vest Partnership Program	16.607	2018BUBX17085509	-	5,761
Total United States Department of Justice			-	326,919
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Pass-Through from the Georgia Department of Transportation				
Highway Planning and Construction	20.205	PI 0016628	-	28,144
Total Highway Planning and Construction			-	28,144
Pass-Through from the Georgia Department of Transportation				
Airport Improvement Program	20.106	AP023-9059-38(015)	4,460,742	4,460,742
Total Airport Improvement Program			4,460,742	4,460,742
Total United States Department of Transportation			4,460,742	4,488,886
<b>U.S. DEPARTMENT OF TREASURY</b>				
Pass-Through from the Governor's Office of Planning and Budget				
COVID-19: ARPA - Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19	-	491,180
Total United States Department of Treasury			-	491,180
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Pass-Through from the Georgia Department of Homeland Security				
Disaster Relief & Emergency Assistance (FEMA)	97.036	FEMA-4501-DR-GA	-	23,423
Total United States Department of Treasury			-	23,423
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,460,742</b>	<b>\$ 5,330,408</b>

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, 2023

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(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, 2023

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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**

Internal control over major programs:  
Material weakness(es) identified:  yes  no

Significant deficiency(ies) 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:  
Assistance Listing Number(s) Name of Federal Program or Cluster  
20.106 Airport Improvement Program

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

Auditee qualified as low-risk auditee? Yes

**CITY OF CARTERSVILLE, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III**  
**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, 2023**

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**SECTION IV  
STATUS OF PRIOR AUDIT FINDINGS**

None reported.