

CITY OF POWDER SPRINGS, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

Prepared by:
Finance Department

Submitted by:
Pam Conner
City Manager

CITY OF POWDER SPRINGS, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

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INTRODUCTORY SECTION



December 22, 2025

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

The Annual Comprehensive Financial Report of the City of Powder Springs, Georgia for the fiscal year ended June 30, 2025, is hereby submitted as mandated by State statute. The statute requires that the City issue a report on its financial position and activity on an annual basis, and this report is to be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City of Powder Springs. All disclosures necessary to enable the reader to gain an understanding of the City financial activities have been included.

Mauldin & Jenkins, a firm of certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2025 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Powder Springs's financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first financial section component of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A section.

Reporting Entity

The financial reporting entity (City of Powder Springs) includes all the funds of the primary government, as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and included as part of the primary government. The Powder Springs Downtown Development Authority is included as a blended component unit.

The City provides a full range of services to its estimated 19,000 citizens. Some of the services which are available to those residents include police protection; court systems; the construction and maintenance of streets and infrastructure; fleet maintenance; buildings and grounds maintenance; tax collection; planning and zoning; building permitting and inspections; recreational activities and cultural events; and inherent administrative support services. The City also provides sanitation and stormwater services, which are shown as Enterprise Funds in this report.

Government Structure, Local Economic Condition and Outlook

Powder Springs, incorporated in 1838 as Springville and later renamed City of Powder Springs in 1859, is located in west-southwest Cobb County approximately twenty-two miles northwest of Atlanta and ten miles southwest of Marietta. The City is a municipal corporation created under the laws of the State of Georgia and has as its formal name "The City of Powder Springs, Georgia." A Mayor and a five-member City Council conduct the affairs of the city. The mayor and two Council members are elected citywide, and the remaining three Council members are elected by separate wards. Policy-making and legislative authority are vested in the City Council, all elected on a non-partisan basis. The Council appoints the government's manager, who in turn appoints the heads of the various departments.

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

Powder Springs is primarily dependent on residential property values to fund City services. Approximately 74% of the tax digest is derived from residential property and 24% from commercial property with the balance derived from industrial or other property. There was an increase from the total assessed taxable value in FY25 with a net tax digest increasing by 9% to a taxable value of \$789,903,388. The 2025 tax digest was approved by the Cobb County Board of Equalization on June 18, 2024.

The City issued 142 new residential Building Permits in Fiscal Year 2025 along with 4 new commercial permits, 8 multi-family buildings (850 apartment units) and 61 renovation or trade permits and other permits (i.e. clubhouse), with the investments valued at approximately \$123,478,605. The value of all permits issued in Fiscal Year 2025 resulted in a 114% increase over investment in Fiscal Year 2024. During the year ended June 30, 2025, the City saw property values continuing to increase, although the increase was less than previous years. The net assessment of property in the City increased 9.01% from \$724,619,331 to \$789,903,388. While we are optimistic values will continue to increase, we anticipate the increase will be at a slower rate.

The economic outlook for the City remained stable through fiscal year 2025 and management anticipates continued stability moving forward. This continued stability is the result of several factors including increases in development and property values in the City again this year, a continued conservative approach to spending as the City has experienced growth and development, and the benefit of federal dollars through the American Rescue Plan, Federal Highway Administration, Department of Justice Community Oriented Policing and Housing and Urban Development and other state and private grants. Being proactive and conservative with City resources positioned the City to be able to maintain a strong financial position again this year. In addition, the City was able to maintain its bond rating of Aa1 with Moody's.

The City continues to benefit economically by being an integral part of one of the top growth areas in the United States. The Metropolitan Atlanta region represents one of the nation's primary transportation and distribution centers as well as being a major financial and consumer services leader.

Long-Term Financial Planning and Policies

As part of its strategic plan, the Mayor and Council continue to set aside monies for future occurrences. This includes committing funds for future retirement obligations, future debt obligations, capital projects and vehicle replacement. All of these committed funds should ensure continuation of the City's strong financial position.

As detailed within the following financial statements, the City's policy is to maintain a healthy General Fund balance to maintain the City's operations for 6 months. The unassigned fund balance of the General Fund at June 30, 2025 of \$19,993,195 is currently 148% of fiscal year 2026 general fund expenditures or 21 months of the current year's operating expenditures. This reserve balance is necessary for periods of weak revenues and emergency situations as well as capital planning.

As part of the financial strategic plan, the government is committed to a consistent millage rate for property taxes to facilitate the provision of city services. The City's operating millage rate for fiscal year 2025 was 9.5. The City also offers residents a "floating" exemption of property taxes, which maintains the taxable value of the property as long as the resident continues to own the property. Upon sale of the property, the taxable value is set at the assessed value. This exemption increased \$34,588,234 to \$265,863,154.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management despite the increased exemptions.

MAJOR INITIATIVES FOR THIS YEAR

American Rescue Plan Act

Congress authorized the disbursement of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act ("ARPA") to aid local government in responding to and recovering from the coronavirus pandemic, with funding made available in FY22. In FY25 the City invested approximately \$1.5 million to complete its stormwater capital improvement plan and begin implementation of repairs and upgrades of stormwater assets, continue the food pantry at Tapp Middle School, continue the Communities in Schools tutoring program, conduct citizen surveys, install delineators at railroad crossing to eliminate collisions between vehicles and train traffic, construct a parking deck adjacent to the downtown, initiate development of an attainable housing plan and a homeless response plan, and purchase software to participate in county real time crime center to identify crime crossing jurisdictional lines.

Water and Sewer

The City received its annual payment of \$550,000 resulting from the sale of the City's water and sewer services and infrastructure in FY19. The annual payment made each July at the outset of the fiscal year will end with the final payment in July 2028 and will no longer be a funding source of the operating budget.

Redevelopment and Planning

The City completed the 5-year update to the Storm Water Management Plan and commenced updating the City's Livable Centers Initiative Plan. Technology received significant upgrades because of warranty expirations and Windows 11 upgrade. All police department laptops were replaced and upgraded, new purchases of laptops, docks, monitors and technology racks were made, and the City's domain name changed from .org to .gov.

Facilities

City hall was substantially completed in FY25 with the remaining technology improvements scheduled for completion in the first quarter of the next fiscal year. The furniture supplier was selected to provide furnishings and a proposal accepted to install an elevator in the two-story parking deck adjacent to downtown. The police department interior was painted and carpet replaced.

Parks, Recreation and Cultural Affairs

Thurman Springs Park was home to a full schedule of concerts and events in FY25, including the annual Seafood Festival, July 4, movies and concerts to name a few. Visitor attendance increased at City events by eighty percent and visitors to Thurman Springs Park and the skatepark increased by 42 percent.

Design began on the dog park, restroom renovations and parking improvements at Powder Springs Park, and the skatepark shade structures, benches, signage and waste receptacles and park certification were completed.

Transportation, Public Works and Enhancements

The City approved over \$800,000 of resurfacing projects under its SPLOST and Local Maintenance and Improvement Grant (LMIG) program in FY25 to resurface Gwen Drive, Brooks Lane, Glenn Street, Weston Drive, Woodbridge Court, Woodcrest Trail and Quail Hunt Court, Longwood Court, Cemetery Street, Kipling Drive, Calcutta Court, Delhi Drive, Lancer Drive and Flint Hill Road. Additionally, right-of-way acquisition continued for intersection improvements on Sailors Parkway at Powder Springs Road and Forest Hill Road, and negotiations commenced for acquisition of right-of-way needed to complete the Powder Springs Dallas and Florence Road roundabout. Signal upgrades and replacements were completed at the Macedonia Road and New Macland Road intersection. This project included pedestrian and drainage improvements.

Design began on the Old Lost Mountain trail connector from the Siver Comet to Thurman Springs Park, the roundabout on Austell Powder Springs Road at Marietta Street, and the truck management road improvements at Lewis and Ogelsby Roads. Pedestrian LED lights were installed on Jackson Way, George David Way and Groveland Park, and replacement LED lights were installed on Marietta Street, Atlanta Street, Ford Center Campus, Silver Springs Way and Springs Industrial Drive.

The City approved a capital improvement plan for repairs and upgrades to its stormwater system and selected several top-ranked firms to complete the repairs beginning with high priority repairs for failed or failing pipes on Hopkins Road, Bengal Drive, County Cove Way, Pinto Drive, and Hollow Stream Trail. Work continued during the fiscal year on the traffic assessment to identify improvements that will mitigate impacts occurring from increasing traffic originating outside of the City as well as additional traffic resulting from approved developments. Additionally, a traffic assessment commenced for better traffic flow and connectivity on Brownsville Road.

Service Delivery

Georgia requires the cities and county to agree on an agreement, which aims to minimize competition between or duplication of services and to ensure that residents are not taxed for services they do not receive or taxed twice for the same government-provided service. Failing to voluntarily reach an agreement, the City and other Cobb cities agreed to mediate and eventually reached an \$87.5 million, decade-long deal with the county early in the fiscal year. New city Mableton later approved a one-year SDS agreement with the county for \$9.5 million, setting the stage for negotiations once again between all cities and the county in FY26.

INITIATIVES FOR FUTURE YEARS

American Rescue Plan Act (ARPA)

The City will continue the ARPA initiatives relating to attainable housing, homelessness response, and stormwater CIP implementation.

Redevelopment and Planning

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

City Hall is expected to be completed, furnished and open to the public early FY26. The parking deck elevator is scheduled for completion in 3rd quarter of FY26.

A moratorium on residential rezoning is anticipated during the first half of FY26 to assess which commercially zoned parcels should be preserved and protected from residential rezoning and to develop a long-term financial cost of service model to aid the elected in evaluating future proposals to rezone commercial properties to residential use.

In the upcoming fiscal year, the City will perform a salary study and assess the use of the Ford Center campus buildings and Primitive Baptist Church. The LCI update will be completed, and the residential rezoning moratorium will be lifted following the review of the impact of the current developed parcels on the City's financial position and recommendations for the future mix of development to achieve the best financial position for the City.

Transportation and Facility Improvements

FY26 will include the annual resurfacing program, commencement of the safety improvements at Forest Hill and Powder Springs Road, commencement of phase 2 park features at Powder Springs Park, acquisition of right of way for the Powder Springs Dallas/ Florence Road roundabout, and continued engineering and design of the trail connector on Old Lost Mountain and the roundabout at Austell Powder Springs Road and commencement of design and engineering of terraced seating at the skatepark. If the 2022 SPLOST program continues to receive revenues above projections at the existing rate, work would commence on the Powder Springs Dallas Road roundabout.

Two traffic assessments are scheduled for completion in fiscal year 2026. The citywide traffic assessment is aimed at identifying improvements that will mitigate impacts occurring from increasing traffic originating outside of the City as well as additional traffic resulting from approved developments. The Brownsville Road traffic assessment addresses traffic flow and connectivity.

Service Delivery and SPLOST

Continued negotiations with the county and cities are anticipated in the upcoming fiscal year when Mableton's one-year agreement expires possibly triggering a revisit of the Service Delivery Strategy per the requirements of state law. In any event, the state-required update to the Comprehensive Plan will trigger a revisit of the Service Delivery Strategy in FY26 or FY27 when work commences on that update. A proposed list of projects will be developed and submitted to the county in FY26 for inclusion on possible referendum in FY27 to renew the SPLOST program.

Accounting and Budgetary Controls

Management of the City of Powder Springs is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance for the proper recording of financial transactions.

The City maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the Mayor and Council. Statutes of the State of Georgia require the City to operate under an annual balanced budget adopted by resolution. The City Manager is responsible for preparing the annual budget, which is then submitted to the Mayor and Council for discussion and adoption. Activities of the General Fund and enterprise funds are included in the annual appropriated budget. Capital projects are budgeted on a project length basis and are approved by the Council at the time the projected is accepted.

The applicable State statutes require that the City not exceed its budget at the department level. The legal level of City budget control (the level at which expenditures may not exceed appropriations) for each legally adopted annual operating budget is at the department level. Administrative budgetary control is maintained internally at an object of expenditure level within the department or function. The City Manager can authorize the transfer of appropriations among accounts within their department's budget. The Mayor and Council must approve all other transfers or supplemental appropriations. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Powder Springs for its annual comprehensive financial report for the year ended June 30, 2024. This was the 13th consecutive year that the Finance Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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.

The preparation of this report on a timely basis could not have been completed without the efficient and dedicated services of various City departments and officials, and in particular, the staff of the Finance Department and Director, Travis Sims. My sincere appreciation is extended to everyone for the contributions made in the preparation of this report.

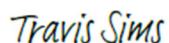
I would also like to thank the Mayor and members of Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. We believe that the accomplishments that have been identified in this transmittal letter and the accompanying MD&A section clearly indicate that the Mayor and Council have effectively and efficiently planned and managed the resources that were entrusted to them by the Citizens of the City.

Respectfully submitted,

Respectfully submitted,



Pam Conner
City Manager



Travis Sims
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Powder Springs
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

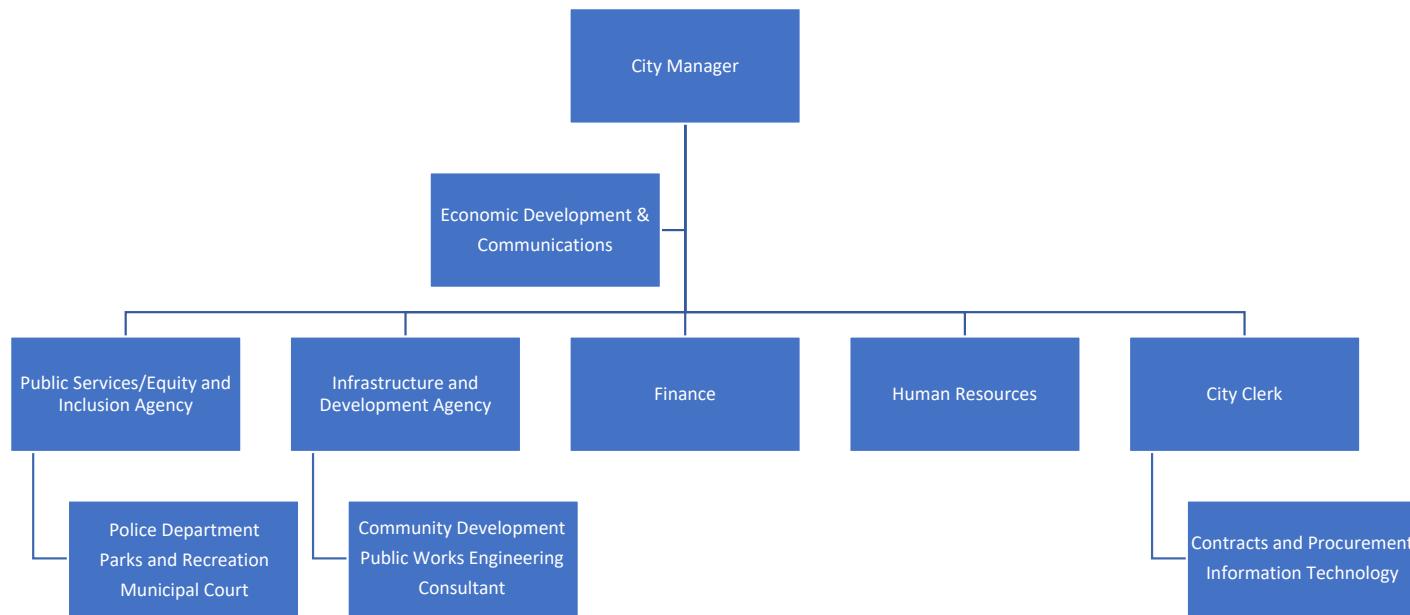
June 30, 2024

Christopher P. Monell

Executive Director/CEO

CITY OF POWDER SPRINGS, GEORGIA

JUNE 30, 2025



CITY OF POWDER SPRINGS, GEORGIA

LIST OF ELECTED AND PRINCIPAL OFFICIALS

June 30, 2025

CITY COUNCIL

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

CITY ADMINISTRATION

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Powder Springs, Georgia** (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter – Change in Accounting Principle

As described in Note 14 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Special Purpose Local Options Sales Tax Proceeds, as required by the Official Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will also issue our report dated December 22, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report will be issued under separate cover in the City's "Report of Independent Certified Public Accountants in Accordance with the Uniform Guidance and *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is cursive and fluid, with "Mauldin" and "Jenkins" connected by a horizontal line, and "LLC" written in a smaller size at the end.

Atlanta, Georgia
December 22, 2025



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

The Management's Discussion and Analysis of the City of Powder Springs Government's Annual Comprehensive Financial Report (ACFR) provides an overall narrative and analysis of the City's financial statements for the fiscal year ended June 30, 2025. This discussion and analysis is designed to look at the City's financial performance as a whole. Readers should also review the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- ◆ The City's combined net position totaled \$87,236,034, an increase of \$5,763,472 over the 2024 net position. Of this amount, unrestricted net position of \$35,330,716 may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ Combined revenue totaled \$26,543,650, of which governmental activities totaled \$23,490,294 and business-type activities totaled \$3,053,356.
- ◆ Overall expenses totaled \$20,780,178 of which governmental activities totaled \$18,138,645 and business-type activities totaled \$2,641,533.
- ◆ At the end of June 30, 2025, governmental activities expenses exceeded program revenues by \$11,950,579. Operating expenses in excess of charges for services and grants and contributions are funded using general revenues (mostly taxes). Governmental activities net position increased by \$5,351,649.
- ◆ Total business-type activities revenues exceeded business-type activities expenses by \$283,509, with miscellaneous revenues and transfers increasing this amount by \$128,314. The resulting value is an increase of \$411,823 to business-type net position.
- ◆ The net investment in capital assets for government activities increased by \$11,048,773 over the 2024 investment amount. The net investment in capital assets for business-type activities increased by \$149,784.
- ◆ At June 30, 2025, the City's General Fund reported an unassigned fund balance of \$21,269,393, a decrease of \$1,614,749, over the prior fiscal year's unassigned fund balance.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

Major funds are reported separately. The City's major funds include the General Fund, the 2022 SPLOST Fund, the Capital Projects Fund, and the Downtown Development Authority Fund. The basic governmental fund statements are presented on pages 22 to 24 of this report.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

Proprietary Funds

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

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

Notes to the Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's retirement system and post-employment benefit plan funding progress and budget presentations. General Fund budgetary comparison schedules are presented and demonstrate compliance with the City's adopted and final revised budget. Required supplementary information can be found on pages 57 to 62 of this report.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

Government-Wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) totaled \$87,236,034 at June 30, 2025. The following table provides a summary of the City's governmental and business-type net position for fiscal years 2025 and 2024:

City of Powder Springs Statement of Net Position							
	Governmental Activities		Business-Type Activities		Total		Percent
	2025	Restated 2024	2025	Restated 2024	2025	Restated 2024	
Assets:							
Current assets	\$ 43,779,914	\$ 49,260,046	\$ 4,731,502	\$ 4,029,239	\$ 48,511,416	\$ 53,289,285	45%
Capital assets - net	\$ 58,463,820	\$ 48,794,686	\$ 1,136,028	\$ 986,243	\$ 59,599,848	\$ 49,780,929	55%
Total assets	\$ 102,243,734	\$ 98,054,732	\$ 5,867,530	\$ 5,015,482	\$ 108,111,264	\$ 103,070,214	100%
Deferred outflows of resources	391,477	650,730	37,063	69,589	428,540	720,319	100%
Liabilities:							
Current liabilities	\$ 6,598,821	\$ 6,807,343	\$ 1,214,062	\$ 758,044	\$ 7,812,883	\$ 7,565,387	38%
Long-term liabilities (net)	\$ 12,666,887	\$ 14,282,105	\$ 74,242	\$ 175,300	\$ 12,741,129	\$ 14,457,405	62%
Total liabilities	\$ 19,265,708	\$ 21,089,448	\$ 1,288,304	\$ 933,344	\$ 20,554,012	\$ 22,022,792	100%
Deferred inflows of resources	694,454	292,614	55,304	2,565	749,758	295,179	100%
Net Position:							
Net investment in capital assets	\$ 46,097,774	\$ 35,049,001	\$ 1,136,027	\$ 986,243	\$ 47,233,801	\$ 36,035,244	54%
Restricted	\$ 4,671,517	\$ 12,045,767	\$ -	\$ -	\$ 4,671,517	\$ 12,045,767	5%
Unrestricted	\$ 31,905,758	\$ 30,228,632	\$ 3,424,958	\$ 3,162,919	\$ 35,330,716	\$ 33,391,551	40%
Total net position	\$ 82,675,049	\$ 77,323,400	\$ 4,560,985	\$ 4,149,162	\$ 87,236,034	\$ 81,472,562	100%

Note that in the above table, the inter-fund receivables and payables between governmental activities and business-type activities are not eliminated. During fiscal year 2025, the City implemented Governmental Accounting Standards Statement No. 101, *Compensated Absences*, which resulted in a restatement to beginning net position for governmental activities and business-type activities.

The City's investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges, and sidewalks) less any related debt used to acquire those assets that is still outstanding comprise 54% of the City's total net assets. The City's net investment in capital assets increased by \$11,198,557 in fiscal year 2025. The City uses these capital assets to provide services to its citizens; therefore, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
As of and For Year Ended June 30, 2025

Governmental activities net position increased by \$5,351,649 in fiscal year 2025 over the 2024 position. The net position of business-type activities increased \$411,823 compared to the 2024 position. The City's overall financial position increased during fiscal year 2025 by \$5,763,472.

The following table indicates the changes in net position for governmental and business-type activities in fiscal year 2025 and fiscal year 2024.

City of Powder Springs Changes in Net Position									
	Governmental Activities		Business-type Activities		Total				Percent
	2025	2024	2025	2024	2025	2024			
Revenues:									
Program Revenues:									
Charges for Services	\$ 2,808,961	\$ 2,131,811	\$ 2,925,042	\$ 2,358,755	\$ 5,734,003	\$ 4,490,566			21.60%
Operating Grants and Contributions	2,457,728	3,346,956	-	-	2,457,728	3,346,956			9.26%
Capital Grants and Contributions	921,377	1,288,658	-	-	921,377	1,288,658			3.47%
General Revenues:									
Property Taxes	8,238,960	7,485,459	-	-	8,238,960	7,485,459			31.04%
Sales Taxes	4,275,477	4,297,484			4,275,477	4,297,484			16.11%
Business Taxes	579,254	571,194	-	-	579,254	571,194			2.18%
Excise Taxes	250,562	247,231	-	-	250,562	247,231			0.94%
Franchise Taxes	893,279	849,206	-	-	893,279	849,206			3.37%
Other Taxes	1,613,135	1,499,140	-	-	1,613,135	1,499,140			6.08%
Unrestricted Interest	1,274,211	1,475,384	126,489	90,995	1,400,700	1,566,379			5.28%
Miscellaneous	177,350	740,299	-	-	177,350	740,299			0.67%
Gain on Sale of Assets	-	16,414	1,825	-	1,825	16,414			0.06%
Total Revenues	\$ 23,490,294	\$ 23,949,236	\$ 3,053,356	\$ 2,449,750	\$ 26,543,650	\$ 26,398,986			100.00%
Expenses:									
General Government	\$ 1,652,010	\$ 2,761,885	\$ -	\$ -	\$ 1,652,010	\$ 2,761,885			7.95%
Judicial	566,431	534,314	-	-	566,431	534,314			2.73%
Public Works	8,983,450	7,025,805	-	-	8,983,450	7,025,805			43.23%
Culture and Recreation	1,367,016	632,319	-	-	1,367,016	632,319			6.58%
Public Safety	3,288,807	3,618,007	-	-	3,288,807	3,618,007			15.83%
Housing and Development	2,023,505	1,336,973	-	-	2,023,505	1,336,973			9.74%
Interest on Long-Term Debt	257,426	339,039	-	-	257,426	339,039			1.24%
Sanitation	-	-	1,875,029	1,635,804	1,875,029	1,635,804			9.02%
Stormwater	-	-	766,504	369,158	766,504	369,158			3.69%
Total Expenses:	\$ 18,138,645	\$ 16,248,342	\$ 2,641,533	\$ 2,004,962	\$ 20,780,178	\$ 18,253,304			100.00%
Increase in net position before transfers	\$ 5,351,649	\$ 7,700,894	\$ 411,823	\$ 444,788	\$ 5,763,472	\$ 8,145,682			
Change in net position	5,351,649	7,700,894	411,823	444,788	5,763,472	8,145,682			
Net Position - beginning	77,686,780	69,985,886	4,165,411	3,720,623	81,852,191	73,706,509			
Restatement - GASB 101	(363,380)	-	(16,249)	-	(379,629)	-			
Net Position - ending	\$ 82,675,049	\$ 77,686,780	\$ 4,560,985	\$ 4,165,411	\$ 87,615,663	\$ 81,852,191			



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

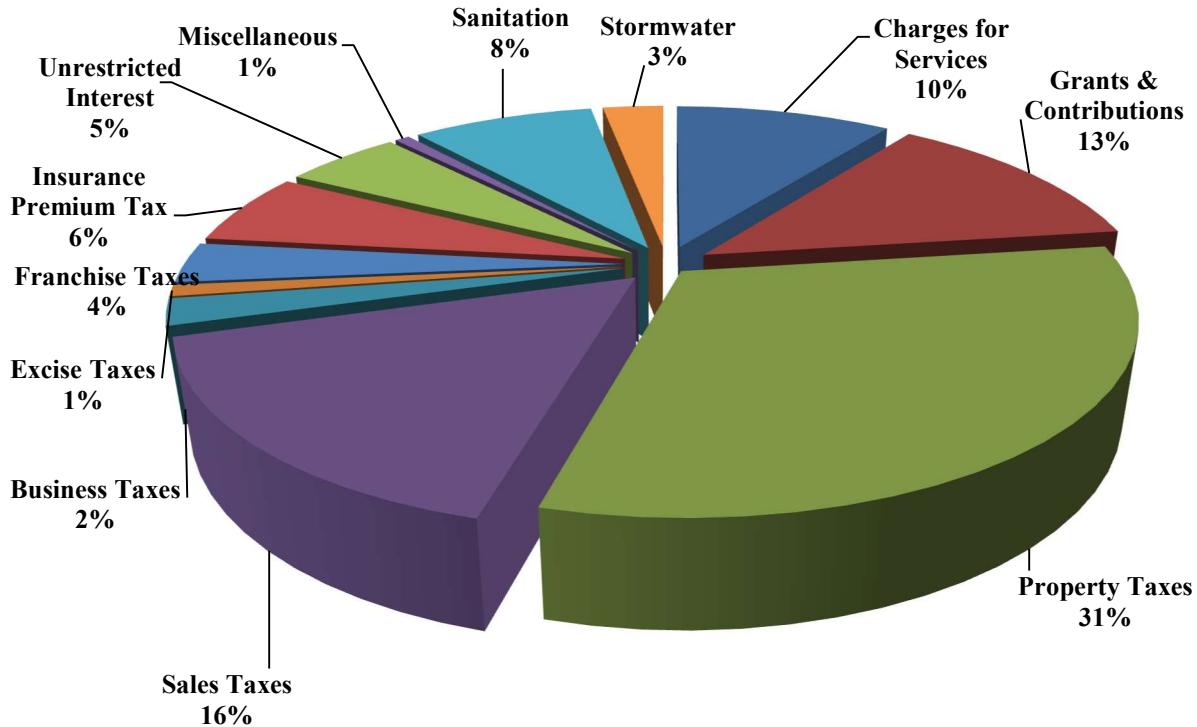
Changes in Overall Net Position from Operating Results

Revenues

Total governmental activities revenues decreased by \$652,497. In fiscal year 2023, the Mayor and Council adopted an investment policy that allowed for investments outside of the State's investment pool. While Program and Tax Revenues mostly increased, the decline in revenues can be attributed to declines in Interest Revenue, Operating Grants and Contributions, and Capital Grants and Contributions. Declining interest rates during fiscal year 2025 as well as the City spending accumulated cash on its new municipal building led to a decline in interest revenue of \$218,009. Capital Grants and Contributions declined due to the City receiving a nearly half million dollar grant in fiscal year 2024 to replace its police radios. No such grant was received in fiscal year 2025. Operating Grants and Contributions declined by \$872,392 due to a decrease in grant revenue from the American Rescue Plan Act (ARPA). Revenues from this fund are recognized as funds are spent. Since the City spent nearly half of the funds received in fiscal year 2024, there were less funds available to spend in fiscal year 2025. While those items led to an over decline in revenues, the City's tax digest continued its strong growth, with an increase in property taxes revenue of \$1,143,622. This growth has been fueled by both new construction and growth of existing non-homestead property values. The City is heavily reliant on tax revenues to support governmental operations. Taxes provided \$15,850,667 or 68.0% of the City's governmental revenue. A growth in both residential and commercial properties are fueling this growth as assessed residential values grew by 10% and assessed commercial values grew by 15%. All properties in Georgia are assessed taxes at 40% of their taxable value. Charges for services provided \$2,808,961 or 11% of operating revenues. Accordingly, the City's taxpayers and purchasers of City services fund 79% of governmental operating activity. As a result, the condition of the local economy and the economy's impact on local businesses has a major effect on the City's revenue streams.

Business-type activities, also called enterprise or proprietary funds, are established to be supported by fee revenues. Sanitation revenue increased by \$411,082 or 23.1%. This is due to the City raising its rates by \$5.00 per month to combat rising landfill and labor costs. In fiscal year 2013, the City established the Stormwater Fund with a Stormwater utility fee rate billed annually with property taxes. The Stormwater Fund collected a total of \$736,732 for the utility fees in 2025, an increase of \$155,205 from fiscal year 2024. This increase is due to a Stormwater fee rate increase. The rate increased by \$1 per month.

MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
As of and For Year Ended June 30, 2025

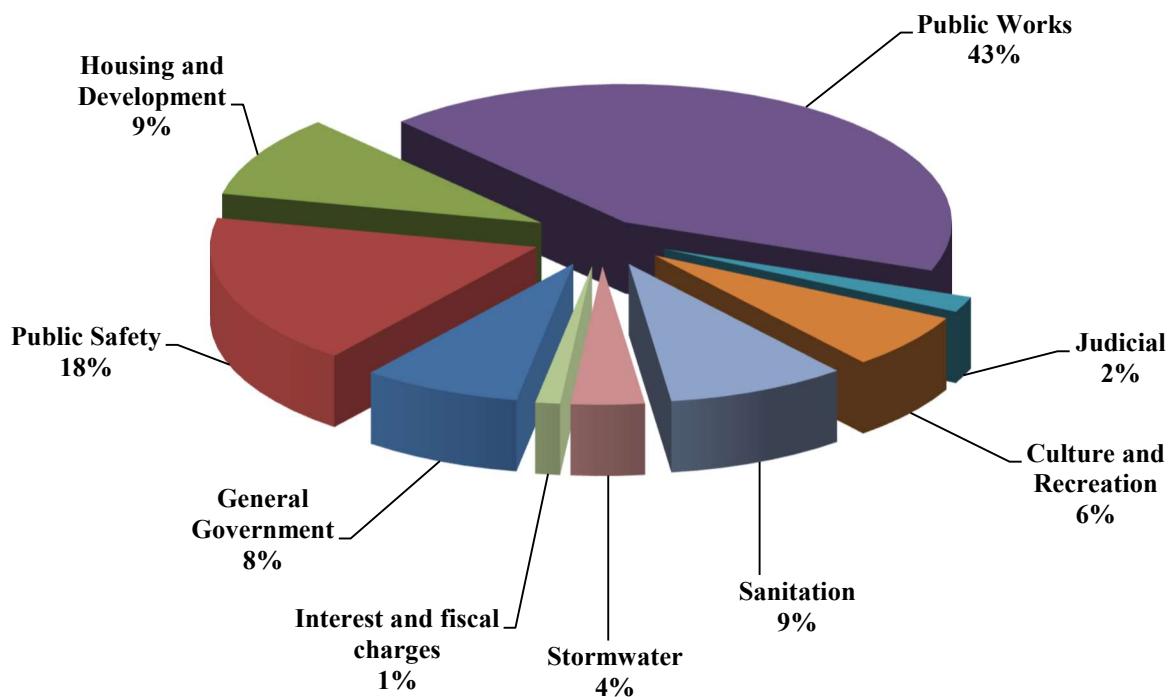


Expenses

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

	Operating Expenses	Percentage of Total	Net Cost of Service	Percentage of Total
General government	\$ 1,652,010	7.9%	\$ 1,571,703	-17.2%
Judicial	566,431	2.7%	216,202	-2.4%
Public safety	3,288,807	15.8%	(3,585,631)	39.3%
Public works	8,983,450	43.2%	(5,386,391)	59.0%
Community development	132,353	0.6%	(28,395)	0.3%
Planning and zoning	1,357,719	6.5%	(934,765)	10.2%
Economic development	533,433	2.6%	(373,813)	4.1%
Culture and recreation	1,367,016	6.6%	(620,788)	6.8%
Sanitation	1,875,029	9.0%	141,424	-1.5%
Stormwater	766,504	3.7%	212,369	-2.3%
Interest on long-term debt	257,426	1.2%	(339,039)	3.7%
Total	\$ 20,780,178	100.0%	\$ (9,127,124)	100.0%

The City's total expenses increased by \$2,526,874 or by 15.44%. Governmental activities' expenses increased by \$1,890,303 in fiscal year 2025 over expenses incurred in fiscal year 2024. Business-type operating expenses increased by \$636,571 during the current fiscal year. The primary increase in governmental activities is due to an increase in expenses associated with capital projects such as the continuing construction of the City's new city hall building and adjoining parking deck. The City is also in the various stages of improving several intersections. The primary cause for the increase in business-type operating expenses is the Stormwater Fund. The City was able to use some one time ARPA funds to make some significant repairs to stormwater pipes throughout the city. The Sanitation Fund purchased a new garbage truck in FY25 which accounted for the non-inflationary increase in spending in the fund.





MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

Fund Analysis:

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

As of the end of fiscal year 2025, the City's governmental funds reported combined ending fund balances of \$38,345,857, a decrease of \$5,047,658 or 11.6% from the prior year. The change in fund balance is comprised of the following:

- *General Fund* fund balance increase by \$1,274,498 to an ending balance of \$25,210,932 primarily due to an increase in tax revenues and receivables.
- *Capital Projects Fund* fund balance was relatively flat in fiscal year 2025, increasing slightly by \$123,635 as the City was able to match spending with revenues from other funds.
- *2022 SPLOST Fund* fund balance decreased by \$5,560,266 to an ending fund balance of \$3,049,487. Revenues for the 2022 SPLOST program continue to be strong however, the fund made significant contributions to the City's new municipal building and parking deck. Those contributions include borrowing \$2.8 million from the General Fund that will be paid back monthly with expected excess revenue.

The ending unassigned governmental fund balance is \$21,269,393, indicating availability for continuing City service delivery requirements. The remainder of the governmental fund balance is restricted, assigned, or nonspendable indicating that it is not available for new spending and is obligated as follows:

- **Nonspendable balance:**
 - \$ 12,158 for inventories
 - \$ 406,820 for prepaid expenses
 - \$ 1,589,950 for advances
- **Restricted balance:**
 - \$ 3,439,228 for capital projects
 - \$ 159,560 for law enforcement
 - \$ 108,195 for debt service
 - \$ 42,517 for tourism
 - \$ 258,832 for federal programs
- **Assigned balance:**
 - \$ 3,766,398 for capital projects
 - \$ 5,360,195 for economic development
 - \$ 1,932,611 for subsequent year expenditures



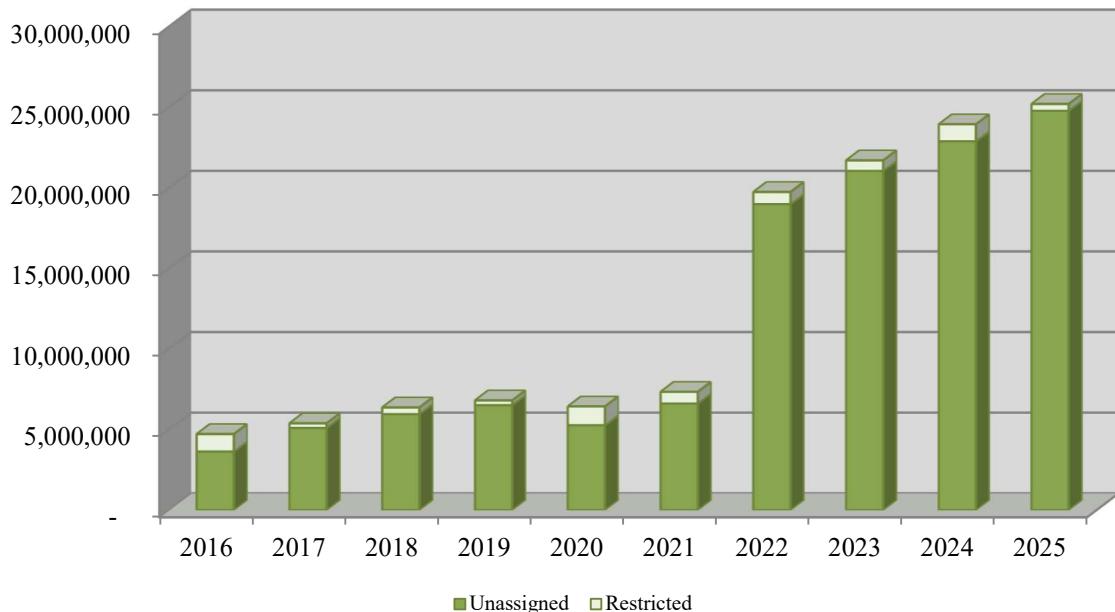
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
As of and For Year Ended June 30, 2025

Major Governmental Funds

General Fund – The General Fund is the primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance at June 30, 2025 of \$21,269,393 is considered sufficient, representing the equivalent of 148% of fiscal year 2026 general fund expenditures or approximately 23 months of the current year's operating expenditures.

General Fund revenues in the current year increased by \$1,352,240 from fiscal year 2024 revenues. Expenditures increased by \$1,083,082 from fiscal year 2024 expenditures and net operating transfers in and out of the General Fund decreased by \$1,233,796.

The following chart reports General Fund balances from fiscal year 2016-2025



Capital Projects Fund – The Capital Projects Fund of the City reflects expenditures for capital projects as approved by the governing body. In fiscal year 2025, it is considered a major fund. The fund balance of the Capital Projects Fund increased \$123,635. Despite this slight increase in fund balance, the city spent heavily on capital in FY25. Some of these expenses however were offset by transfers in from the SPLOST fund and capital grants.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

SPLIST Fund - The 2022 SPLOST Fund, a major fund, is used to account for capital projects and infrastructure improvements designated to be funded from County 2022 one percent Special Purpose Local Option Sales Tax. The fund balance decreased \$5,560,266 or 64.5%. This is due primarily to the fund contributing nearly \$6.5 million towards the construction of the new City Hall and parking deck. The Fund also saw the completion of the intersection improvement at New Macland and Macedonia Road. Revenues for the fund continue to come in higher than forecasted. These overages will allow the city to continue with planned infrastructure projects, despite making such a large contribution to the city hall project.

Downtown Development Authority Fund - The Downtown Development Authority Fund reports ending fund balance of \$5,360,195, a slight decrease of \$39,143 from the prior year as transfers in offset debt service payments. There was little activity other than debt service during fiscal year 2025, with only \$206,489 in economic development expenditures recognized, in order to maintain operations.

Major Proprietary Funds

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

The City completed a rate study for the Sanitation Fund and now has a plan in place to raise rates over ten years, with this being the second year, to address the long-term viability of the Fund. A \$5 per month rate increase was implemented in FY25 and another \$5 per month rate increase is expected for FY26. Like so many other governments, the City is concerned about its aging stormwater infrastructure. To help address this concern, the city has dedicated a portion of the dollars it received from ARPA to repair infrastructure that was deemed most likely to fail. In addition, for FY 25, the City raised its residential stormwater fee from \$48 per year to \$60 per year. In FY26, that rate is expected to increase from \$60 to \$66 per year. After going decades with no significant changes to these rates, these increases are necessary to inflationary issues.

The Sanitation Fund's net position at the end of the year was \$2,721,772, an increase of \$414,515.

The Stormwater Fund's net position at the end of the year was \$1,839,213, a decrease of \$2,722.

General Fund Budgetary Highlights

The City's budget is prepared in accordance with the laws of the State of Georgia and the Code of Ordinances of the City. The City adopts the fiscal budget during June of the preceding fiscal year. During June of 2024, the City adopted a General Fund Budget for operations for fiscal year 2025 of \$14,259,048. At the end of the fiscal year, the final amended budgeted expenditures and transfers out were \$18,256,876. Actual General Fund revenue was \$2,052,985 more than final budgeted revenues for fiscal year 2025. Actual expenditures were \$966,295 less than final budgeted expenditures, resulting in a favorable budget variance before other financing sources and uses of \$3,019,280.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
As of and For Year Ended June 30, 2025

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

- The City increased the expenditure budget by \$105,000 to give a mid-year raise to its police officers.
- The City increased the expenditure budget by \$135,000 to replace computers in all of the city's police vehicles.
- The City increased the expenditure budget by \$245,000 to account for increased expenditures for building inspections due to a high amount of development activity.

Capital Assets and Debt Administration

Capital Assets

The City's net investment in capital assets for its governmental activities amounts to \$46,097,774 and in the business-type activities the balance was \$1,136,027, as of June 30, 2025. This investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the City, such as roads, bridges, streets and sidewalks, drainage systems, and other similar items. As allowed under GASB Statement No. 34, the City has elected not to report major general infrastructure retroactively.

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

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Construction in Progress	\$ 14,894,672	\$ 8,917,398	\$ -	\$ -	\$ 14,894,672	\$ 8,917,398
Land and Improvements	6,229,174	6,189,658	-	-	6,229,174	6,189,658
Buildings and Improvements	7,422,226	7,936,870	13,297	14,685	7,435,523	7,951,555
Furniture and Fixtures	6,254	-	-	-	6,254	-
Parks Equipment	3,279,069	1,254,408	-	-	3,279,069	1,254,408
Vehicles and Equipment	1,389,202	1,258,792	786,071	620,751	2,175,273	1,879,543
Infrastructure	25,243,223	23,237,560	-	-	25,243,223	23,237,560
Utility Systems	-	-	336,659	350,807	336,659	350,807
Total	\$ 58,463,820	\$ 48,794,686	\$ 1,136,027	\$ 986,243	\$ 59,599,847	\$ 49,780,929

At June 30, 2025, the depreciable capital assets for governmental activities were 42% depreciated. Conversely, the depreciable capital assets of business-type activities were 54% depreciated.



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

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

- Park Place Townhomes Streetlights of \$48,500
- Parking Deck of \$862,215
- Property Purchases of \$112,516
- Police Laptops of \$136,367

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

- Side Loader Garbage Truck of \$391,087.

Significant costs added to construction in progress at June 30, 2025 includes the following:

- New Macland/Macedonia Road Intersection Improvements \$662,160.
- Powder Springs/Sailors/Forrest Access Road of \$1,215,572.
- City Hall Building of \$8,445,673
- Austell Power Springs Road Roundabout of \$214,823.
- Old Lost Mountain Trail Connector of \$141,434.
- Oglesby/Lewis Road Intersection Improvements \$105,517.

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

Long-Term Debt

As of June 30, 2025 the City's total outstanding long-term debt (principal portion) totaled \$11,805,000 and included obligations as follows:

Inter-government agreement liability with the Powder Springs Downtown Development Authority to finance the acquisition of acquiring, constructing, and installing a park to be located in the downtown development district.	\$3,828,000
Series 2021A issued to refund the remaining balance of Series 2014, expanding existing City properties, acquire additional properties, and finance-related costs	\$4,315,000
Series 2021B issued to refund the remaining balance of Series 2014, expanding existing City properties, acquire additional properties, and finance-related costs	\$3,665,000

The City is legally required to limit outstanding general obligation debt to 10% of the assessed valuation of taxable property within the City which equates to \$78,990,339.

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



MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

As of and For Year Ended June 30, 2025

Economic Factors Affecting the City of Powder Springs

The Mayor and Council consider many factors when adopting the fiscal year 2026 budget. These factors have a significant impact on the City's financial position or results of operations. Key assumptions are as follows:

- Budget adopted for the General Fund estimates expenditures in the amount of \$16,736,536 with \$1,932,611 of that being transfers out to the Capital Projects Fund. The expected unassigned fund balance for the General Fund at the end of the fiscal year 2025 is \$24,773,676.
- The millage rate is adopted in July of each year for the operations and maintenance in General Fund. The millage rate for the 2025 tax digest is 9.50 (for fiscal year 2026).
- The 2024 tax digest (fiscal year 2025) was \$789,903,388; which was \$65,284,057 or 9.0% higher than the prior year. The budget is adopted in June and the approved digest is received shortly thereafter. Property taxes are a primary revenue stream and also subject to changes based on reassessments and development.
- Increased costs of benefits and retirement contributions have a significant effect on the City's benefit costs.
- A tight labor market has created upward pressure on employee salaries as the City tries to keep its current employees as well as attract new talent. At the same time, the tight labor market has also created longer position vacancies which help to offset the higher costs but create a strain on remaining employees.

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

Contacting the City's Financial Management

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

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 22,275,112	\$ 3,790,776	\$ 26,065,888
Investments	16,095,241	788,089	16,883,330
Receivables, net of allowance for uncollectibles	391,134	95,266	486,400
Taxes receivable, net of allowance for uncollectibles	14,610	-	14,610
Inventories	12,158	-	12,158
Prepaid items	406,820	57,371	464,191
Due from other governments	2,868,892	-	2,868,892
Land held for resale	1,715,947	-	1,715,947
Capital assets:			
Non-depreciable	21,123,846	-	21,123,846
Depreciable, net of accumulated depreciation	37,339,974	1,136,027	38,476,001
Total assets	<u>102,243,734</u>	<u>5,867,529</u>	<u>108,111,263</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	310,296	37,063	347,359
OPEB related items	81,181	-	81,181
Total deferred outflows of resources	<u>391,477</u>	<u>37,063</u>	<u>428,540</u>
LIABILITIES			
Accounts payable	993,010	693,201	1,686,211
Retainage payable	5,215	-	5,215
Accrued liabilities	4,151,122	33,641	4,184,763
Customer deposits	-	451,796	451,796
Unearned revenue	161,635	-	161,635
Interest payable	133,055	-	133,055
Bonds payable, due within one year	660,000	-	660,000
Bonds payable, due in more than one year	11,529,822	-	11,529,822
Compensated absences, due within one year	469,284	35,423	504,707
Compensated absences, due in more than one year	354,022	26,722	380,744
Net pension liability, due in more than one year	397,841	47,520	445,361
Total OPEB liability, due within one year	25,500	-	25,500
Total OPEB liability, due in more than one year	385,202	-	385,202
Total liabilities	<u>19,265,708</u>	<u>1,288,303</u>	<u>20,554,011</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related items	463,015	55,304	518,319
OPEB related items	231,439	-	231,439
Total deferred inflows of resources	<u>694,454</u>	<u>55,304</u>	<u>749,758</u>
NET POSITION			
Net investment in capital assets	46,097,774	1,136,027	47,233,801
Restricted for:			
Tourism	42,517	-	42,517
Federal programs	258,832	-	258,832
Law enforcement	268,025	-	268,025
Capital projects	4,102,143	-	4,102,143
Unrestricted	<u>31,905,758</u>	<u>3,424,958</u>	<u>35,330,716</u>
Total net position	<u>\$ 82,675,049</u>	<u>\$ 4,560,985</u>	<u>\$ 87,236,034</u>

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

CITY OF POWDER SPRINGS, GEORGIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:								
General government	\$ 1,652,010	\$ 1,278,703	\$ 2,457,728	\$ -	\$ 2,084,421	\$ -	\$ 2,084,421	
Judicial	566,431	698,092	-	-	131,661	-	131,661	
Public safety	3,288,807	5,160	-	-	(3,283,647)	-	(3,283,647)	
Public works	8,983,450	827,006	-	921,377	(7,235,067)	-	(7,235,067)	
Community development	132,353	-	-	-	(132,353)	-	(132,353)	
Planning and zoning	1,357,719	-	-	-	(1,357,719)	-	(1,357,719)	
Economic development	533,433	-	-	-	(533,433)	-	(533,433)	
Culture and recreation	1,367,016	-	-	-	(1,367,016)	-	(1,367,016)	
Interest on long-term debt	257,426	-	-	-	(257,426)	-	(257,426)	
Total governmental activities	<u>18,138,645</u>	<u>2,808,961</u>	<u>2,457,728</u>	<u>921,377</u>	<u>(11,950,579)</u>	<u>-</u>	<u>(11,950,579)</u>	
Business-type activities:								
Solid waste	1,875,029	2,188,310	-	-	-	313,281	313,281	
Stormwater	766,504	736,732	-	-	-	(29,772)	(29,772)	
Total business-type activities	<u>2,641,533</u>	<u>2,925,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,509</u>	<u>283,509</u>	
Total primary government	<u>\$ 20,780,178</u>	<u>\$ 5,734,003</u>	<u>\$ 2,457,728</u>	<u>\$ 921,377</u>	<u>(11,950,579)</u>	<u>283,509</u>	<u>(11,667,070)</u>	
General revenues:								
Property taxes					8,238,960	-	8,238,960	
Sales taxes					4,275,477	-	4,275,477	
Franchise taxes					893,279	-	893,279	
Excise taxes					250,562	-	250,562	
Business and occupational taxes					579,254	-	579,254	
Insurance premium taxes					1,613,135	-	1,613,135	
Unrestricted investment earnings					1,274,211	126,489	1,400,700	
Gain on sale of capital assets					-	1,825	1,825	
Miscellaneous					177,350	-	177,350	
Total general revenues					<u>17,302,228</u>	<u>128,314</u>	<u>17,430,542</u>	
Change in net position					<u>5,351,649</u>	<u>411,823</u>	<u>5,763,472</u>	
Net position, beginning of year, as previously reported					<u>77,686,780</u>	<u>4,165,411</u>	<u>81,852,191</u>	
Restatement - change in accounting principle					<u>(363,380)</u>	<u>(16,249)</u>	<u>(379,629)</u>	
Net position, beginning of year, as restated					<u>77,323,400</u>	<u>4,149,162</u>	<u>81,472,562</u>	
Net position, end of year					<u>\$ 82,675,049</u>	<u>\$ 4,560,985</u>	<u>\$ 87,236,034</u>	

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

CITY OF POWDER SPRINGS, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

ASSETS	General	2022 SPLOST	Capital Projects	Downtown	Nonmajor	Total
	Fund	Fund	Fund	Development Authority	Governmental Funds	Governmental Funds
Cash and cash equivalents	\$ 11,416,543	\$ 3,266,758	\$ 3,969,547	\$ 2,791,417	\$ 830,847	\$ 22,275,112
Investments	12,545,603	2,454,703	-	844,935	250,000	16,095,241
Taxes receivable, net of allowance	14,610	-	-	-	-	14,610
Accounts receivable, net of allowance	250,092	23,646	-	7,896	109,500	391,134
Due from other governments	2,200,000	668,892	-	-	-	2,868,892
Due from other funds	1,276,198	-	55,000	-	-	1,331,198
Advances to other funds	1,589,950	-	-	-	-	1,589,950
Inventory	12,158	-	-	-	-	12,158
Prepaid items	406,820	-	-	-	-	406,820
Land held for resale	-	-	-	1,715,947	-	1,715,947
Total assets	<u>\$ 29,711,974</u>	<u>\$ 6,413,999</u>	<u>\$ 4,024,547</u>	<u>\$ 5,360,195</u>	<u>\$ 1,190,347</u>	<u>\$ 46,701,062</u>
LIABILITIES						
Accounts payable	\$ 335,310	\$ 493,149	\$ 149,954	\$ -	\$ 14,597	\$ 993,010
Retainage payable	-	5,215	-	-	-	5,215
Accrued liabilities	4,151,122	-	-	-	-	4,151,122
Due to other funds	-	1,276,198	-	-	55,000	1,331,198
Advances from other funds	-	1,589,950	-	-	-	1,589,950
Unearned revenue	-	-	-	-	161,635	161,635
Total liabilities	<u>\$ 4,486,432</u>	<u>\$ 3,364,512</u>	<u>\$ 149,954</u>	<u>\$ -</u>	<u>\$ 231,232</u>	<u>\$ 8,232,130</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	14,610	-	-	-	-	14,610
Unavailable revenue - intergovernmental	-	-	-	-	108,465	108,465
Total deferred inflows of resources	<u>14,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,465</u>	<u>123,075</u>
FUND BALANCES						
Fund balances:						
Nonspendable:						
Prepaid items	406,820	-	-	-	-	406,820
Inventory	12,158	-	-	-	-	12,158
Advances to other funds	1,589,950	-	-	-	-	1,589,950
Restricted:						
Tourism	-	-	-	-	42,517	42,517
Law enforcement	-	-	-	-	159,560	159,560
Capital projects	-	3,049,487	-	-	389,741	3,439,228
Federal programs	-	-	-	-	258,832	258,832
Debt service	-	-	108,195	-	-	108,195
Assigned for:						
Economic development	-	-	-	5,360,195	-	5,360,195
Capital projects	-	-	3,766,398	-	-	3,766,398
Subsequent year expenditures	1,932,611	-	-	-	-	1,932,611
Unassigned	21,269,393	-	-	-	-	21,269,393
Total fund balances	<u>\$ 25,210,932</u>	<u>\$ 3,049,487</u>	<u>\$ 3,874,593</u>	<u>\$ 5,360,195</u>	<u>\$ 850,650</u>	<u>\$ 38,345,857</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 29,711,974</u>	<u>\$ 6,413,999</u>	<u>\$ 4,024,547</u>	<u>\$ 5,360,195</u>	<u>\$ 1,190,347</u>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not current financial resources						
and, therefore, are not reported in the governmental funds.						58,463,820
Some receivables are not available to pay for current-period expenditures						
and, therefore, are reported as unavailable revenue in the governmental funds.						123,075
The deferred outflows of resources, deferred inflows of resources, and the net						
pension liability and total OPEB liability related to the City's pension plan and						
OPEB plan are not expected to be liquidated with expendable available current						(1,111,520)
financial resources and, therefore, are not reported in the governmental funds.						
Long-term liabilities are not due and payable in the current period and,						
therefore, are not reported in the governmental funds.						(13,146,183)
Net position of governmental activities						<u>\$ 82,675,049</u>

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

CITY OF POWDER SPRINGS, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	(Previously major)						
	General Fund	American Rescue Plan Act Fund	2022 SPLOST Fund	Capital Projects Fund	Downtown Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 11,563,458	\$ -	\$ -	\$ -	\$ -	\$ 17,748	\$ 11,581,206
Licenses and permits	891,862					-	891,862
Intergovernmental	516,786	-	4,275,477	714,192	-	1,948,622	7,455,077
Fines and forfeitures	698,092	-	-	-	-	5,160	703,252
Charges for services	386,841	-	-	827,006	-	-	1,213,847
Interest income	943,773	-	199,451	164,925	163,027	10,220	1,481,396
Contributions	18,752	-	-	-	-	-	18,752
Miscellaneous	131,860	-	-	18,000	-	8,738	158,598
Total revenues	<u>15,151,424</u>	<u>-</u>	<u>4,474,928</u>	<u>1,724,123</u>	<u>163,027</u>	<u>1,990,488</u>	<u>23,503,990</u>
EXPENDITURES							
Current:							
General government	3,457,035	-	-	376,873	-	253,964	4,087,872
Judicial	569,214	-	-	-	-	-	569,214
Public safety	3,007,342	-	65,038	-	-	95,407	3,167,787
Public works	1,859,084	-	3,500,202	14,156	-	2,466,771	7,840,213
Community development	-	-	-	121,309	-	-	121,309
Planning and zoning	1,363,845	-	-	-	-	-	1,363,845
Economic development	306,216	-	-	-	206,489	20,728	533,433
Culture and recreation	758,643	-	-	-	-	-	758,643
Capital outlay	-	-	-	9,082,546	-	-	9,082,546
Debt service:							
Principal retirements	-	-	-	-	734,000	-	734,000
Interest	-	-	-	-	346,118	-	346,118
Total expenditures	<u>11,321,379</u>	<u>-</u>	<u>3,565,240</u>	<u>9,594,884</u>	<u>1,286,607</u>	<u>2,836,870</u>	<u>28,604,980</u>
Excess (deficiency) of revenues over expenditures	3,830,045	-	909,688	(7,870,761)	(1,123,580)	(846,382)	(5,100,990)
OTHER FINANCING SOURCES (USES)							
Proceeds from sales of capital assets	2,750	-	-	50,582	-	-	53,332
Transfers in	-	-	-	8,055,882	1,084,437	-	9,140,319
Transfers out	(2,558,297)	-	(6,469,954)	(112,068)	-	-	(9,140,319)
Total other financing sources (uses)	<u>(2,555,547)</u>	<u>-</u>	<u>(6,469,954)</u>	<u>7,994,396</u>	<u>1,084,437</u>	<u>-</u>	<u>53,332</u>
Net change in fund balances	1,274,498	-	(5,560,266)	123,635	(39,143)	(846,382)	(5,047,658)
FUND BALANCES, beginning of year, as previously reported	23,936,434	330,668	8,609,753	3,750,958	5,399,338	1,366,364	43,393,515
Adjustment - change to reporting entity	-	(330,668)	-	-	-	330,668	-
FUND BALANCES, beginning of year, as adjusted	<u>23,936,434</u>	<u>-</u>	<u>8,609,753</u>	<u>3,750,958</u>	<u>5,399,338</u>	<u>1,697,032</u>	<u>43,393,515</u>
FUND BALANCES, end of year	<u><u>\$ 25,210,932</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,049,487</u></u>	<u><u>\$ 3,874,593</u></u>	<u><u>\$ 5,360,195</u></u>	<u><u>\$ 850,650</u></u>	<u><u>\$ 38,345,857</u></u>

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

CITY OF POWDER SPRINGS, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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

Net change in fund balances - total governmental funds	\$ (5,047,658)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	9,820,566
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, donations, and disposals) is to decrease net position.	(151,432)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Taxes	(6,016)
Intergovernmental grants	(7,680)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount represents the issuance and repayment of long-term debt.	847,218
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.	(103,349)
Change in net position - governmental activities	<u>\$ 5,351,649</u>

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

CITY OF POWDER SPRINGS, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	ASSETS	Nonmajor		
		Sanitation Fund	Stormwater Fund	Totals
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,267,856	\$ 1,522,920	\$ 3,790,776	
Investments	788,089	-	788,089	
Accounts receivable, net of allowances	87,706	7,560	95,266	
Prepaid items	45,940	11,431	57,371	
Total current assets	<u>3,189,591</u>	<u>1,541,911</u>	<u>4,731,502</u>	
NONCURRENT ASSETS				
Depreciable capital assets, net of accumulated depreciation	784,715	351,312	1,136,027	
Total noncurrent assets	<u>784,715</u>	<u>351,312</u>	<u>1,136,027</u>	
Total assets	<u>3,974,306</u>	<u>1,893,223</u>	<u>5,867,529</u>	
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	30,533	6,530	37,063	
Total deferred outflows of resources	<u>30,533</u>	<u>6,530</u>	<u>37,063</u>	
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	656,902	36,299	693,201	
Accrued liabilities	33,641	-	33,641	
Customer deposits	451,796	-	451,796	
Compensated absences payable, current	31,932	3,491	35,423	
Total current liabilities	<u>1,174,271</u>	<u>39,790</u>	<u>1,214,061</u>	
NONCURRENT LIABILITIES				
Compensated absences payable	24,089	2,633	26,722	
Net pension liability	39,147	8,373	47,520	
Total noncurrent liabilities	<u>63,236</u>	<u>11,006</u>	<u>74,242</u>	
Total liabilities	<u>1,237,507</u>	<u>50,796</u>	<u>1,288,303</u>	
DEFERRED INFLOWS OF RESOURCES				
Pension related items	45,560	9,744	55,304	
Total deferred inflows of resources	<u>45,560</u>	<u>9,744</u>	<u>55,304</u>	
NET POSITION				
Investment in capital assets	784,715	351,312	1,136,027	
Unrestricted	1,937,057	1,487,901	3,424,958	
Total net position	<u>\$ 2,721,772</u>	<u>\$ 1,839,213</u>	<u>\$ 4,560,985</u>	

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

CITY OF POWDER SPRINGS, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Sanitation Fund	Nonmajor Stormwater Fund	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 2,051,191	\$ 736,732	\$ 2,787,923
Other operating income	137,119	-	137,119
Total operating revenues	<u>2,188,310</u>	<u>736,732</u>	<u>2,925,042</u>
OPERATING EXPENSES			
Salaries and benefits	718,376	156,181	874,557
General operating expenses	928,787	587,836	1,516,623
Depreciation	227,866	22,487	250,353
Total operating expenses	<u>1,875,029</u>	<u>766,504</u>	<u>2,641,533</u>
Operating income (loss)	313,281	(29,772)	283,509
NON-OPERATING REVENUES			
Interest income	99,439	27,050	126,489
Gain on sale of assets	1,825	-	1,825
Total non-operating revenues	<u>101,264</u>	<u>27,050</u>	<u>128,314</u>
Change in net position	414,545	(2,722)	411,823
Net position, beginning of year, as previously reported	<u>2,321,259</u>	<u>1,844,152</u>	<u>4,165,411</u>
Restatement - change in accounting principle	<u>(14,032)</u>	<u>(2,217)</u>	<u>(16,249)</u>
Net position, beginning of year, as restated	<u>2,307,227</u>	<u>1,841,935</u>	<u>4,149,162</u>
Net position, end of year	<u><u>\$ 2,721,772</u></u>	<u><u>\$ 1,839,213</u></u>	<u><u>\$ 4,560,985</u></u>

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

CITY OF POWDER SPRINGS, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Sanitation Fund	Nonmajor Stormwater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,196,384	\$ 732,227	\$ 2,928,611
Payments to suppliers and customers	(544,090)	(588,036)	(1,132,126)
Payments to employees	(690,502)	(167,863)	(858,365)
Net cash provided by (used in) operating activities	<u>961,792</u>	<u>(23,672)</u>	<u>938,120</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(400,137)	-	(400,137)
Proceeds from sales of capital assets	1,825	-	1,825
Net cash used in capital and related financing activities	<u>(398,312)</u>	<u>-</u>	<u>(398,312)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	99,439	27,050	126,489
Purchase of investments	(39,449)	-	(39,449)
Net cash provided by investing activities	<u>59,990</u>	<u>27,050</u>	<u>87,040</u>
Net increase in cash and cash equivalents	623,470	3,378	626,848
Cash and cash equivalents, beginning of year	1,644,386	1,519,542	3,163,928
Cash and cash equivalents, end of year	<u>\$ 2,267,856</u>	<u>\$ 1,522,920</u>	<u>\$ 3,790,776</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 313,281	\$ (29,772)	\$ 283,509
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	227,866	22,487	250,353
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	8,074	(4,506)	3,568
Increase in prepaid items	(31,684)	(7,851)	(39,535)
Decrease in deferred outflows of resources - pension related items	21,941	10,585	32,526
Increase in accounts payable	413,885	7,651	421,536
Increase (decrease) in accrued liabilities	15,300	(2,155)	13,145
Increase in customer deposits	2,496	-	2,496
Increase (decrease) in compensated absences payable	18,361	(1,557)	16,804
Decrease in net pension liability	(71,354)	(27,668)	(99,022)
Increase in deferred inflows of resources - pension related items	43,626	9,113	52,739
Net cash provided by (used in) operating activities	<u>\$ 961,792</u>	<u>\$ (23,673)</u>	<u>\$ 938,119</u>

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

CITY OF POWDER SPRINGS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds (continued):

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

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

The City reports the following major enterprise fund:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgets

Annual appropriated budgets are adopted for all governmental funds, with the exception of capital projects funds for which project length budgets are adopted. The governmental funds budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except indirect costs are budgeted as revenues rather than a reduction of the expenditures. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, special revenue funds, and Debt Service Fund. During the fiscal year ended June 30, 2025, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules.

All budget appropriations lapse at the end of each year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, special revenue, and Capital Projects funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. None of the City's funds had outstanding encumbrances as of June 30, 2025.

E. Deposits and Investments

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

F. Receivables

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

G. Interfund Receivables and Payables

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Inventories

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are accounted for using the consumption method.

J. Capital Assets

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

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

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

Buildings and Improvements	5-30 years
Stormwater Utility System	30 years
Machinery, Furniture and Fixtures, and Equipment	3-30 years
Infrastructure	30 years

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

K. Land Held for Resale

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has three items which qualify for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt. The other two items are related to the City's pension plan and OPEB plan and are discussed below.

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

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

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability for sick pay is reported to the extent that it is more likely than not to be used for time off. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions

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

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

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

P. Fund Balance and Net Position

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

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

Fund balances are classified as follows:

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Net Position (Continued)

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Management Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$13,146,183 difference are as follows:

Bonds payable	\$ (11,808,000)
Premium on bonds payable	(381,822)
Accrued interest payable	(133,055)
Compensated absences	<u>(823,306)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>(13,146,183)</u>

Another element of that reconciliation states that “deferred outflows of resources, deferred inflows of resources, and the net pension liability are not expected to be liquidated with expendable available resources and, therefore, are not reported in the funds.” The details of this \$1,111,520 difference are as follows:

Net pension liability	\$ (397,841)
Deferred outflows of resources - pension related items	310,296
Deferred inflows of resources - pension related items	(463,015)
Total OPEB liability	(410,702)
Deferred outflows of resources - OPEB related items	81,181
Deferred inflows of resources - OPEB related items	<u>(231,439)</u>
Net adjustment to reduce <i>fund balance- total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ <u>(1,111,520)</u>

NOTES TO FINANCIAL STATEMENTS

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$9,820,566 difference are as follows:

Capital outlay	\$ 12,511,121
Depreciation expense	(2,690,555)
Net adjustment to increase <i>net change in fund balances</i>	
<i>- total governmental funds</i> to arrive at <i>change in</i>	
<i>net position - governmental activities</i>	\$ 9,820,566

Another element of the reconciliation states that “the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” The details of this \$847,218 difference are as follows:

Principal repayments	\$	734,000
Amortization of bond premiums		113,218
<hr/>		
Net adjustment to increase <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position - governmental activities</i>	\$	847,218

Another element of the reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.” The details of this \$103,349 difference are as follows:

Compensated absences	\$ (154,287)
Accrued interest	12,593
Amortization of deferred charges	(37,119)
Pension expense	54,179
OPEB expense	21,285
 <i>Net adjustment to decrease <i>net change in fund balances - governmental funds</i> to arrive at <i>change in net position - governmental activities</i></i>	 <hr/>
	\$ (103,349)

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE - BUDGETS

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

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

For the fiscal year ended June 30, 2025, the following funds and functions had expenditures in excess of appropriations. These excesses were funded with transfers in from other funds or functions.

General Fund		
Judicial	\$ 109,934	
Culture and Recreation	125	
 Downtown Development Authority Fund		
Economic Development	204,328	

NOTE 4. DEPOSITS AND INVESTMENTS

The table below summarizes the City's cash, cash equivalents, and investments by type as of June 20, 2025:

Investment	Maturities	Balance
Deposits with financial institutions	---	\$ 22,907,098
Certificates of deposit	July 2025 - February 2027	2,321,581
Georgia Fund 1	51 day WAM (1)	3,158,790
U.S. Treasury securities	49.42 day WAM (1)	952,290
U.S. Government bonds	1,467.18 day WAM (1)	13,609,459
Total		\$ 42,949,218
As reported in the Statement of Net Position:		
Cash and cash equivalents		\$ 26,065,888
Investments		16,883,330
Total		\$ 42,949,218

(1) Weighted average maturity

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

The Georgia Fund 1 is an investment pool, rated AAAf/S1 by Fitch, with a weighted-average maturity of 51 days, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

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

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

Custodial Credit Risk – Deposits: State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either: (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the financial institution holding all of the City's deposits is a participant of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on the tier assigned by the State. As of June 30, 2025, all of the City's bank balances were insured and/or collateralized as defined by GASB and required by State statutes.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for the identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2025:

Investment	Level 1	Level 2	Fair Value
U.S. Treasury notes	\$ 952,290	\$ -	\$ 952,290
U.S. Government bonds	<u>1,278,978</u>	<u>12,330,481</u>	<u>13,609,459</u>
Total investments measured at fair value	<u>\$ 2,231,268</u>	<u>\$ 12,330,481</u>	<u>14,561,749</u>
Investments not subject to level disclosure:			
Certificates of deposit			2,321,581
Georgia Fund 1			3,158,790
Total investments not subject to level disclosure:			<u>5,480,371</u>
Total investments			<u>\$ 20,042,120</u>

The U.S. Government bonds classified in Level 2 of 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.

As of June 30, 2025 the City's investments subject to fair value hierarchy measurements are all rated AAA.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

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

Receivables at June 30, 2025, for the City's individual major funds and aggregate nonmajor funds, including any applicable allowances for uncollectible accounts are as follows:

	General Fund	2022 SPLOST Fund	Downtown Development Authority
Taxes	\$ 46,076	\$ -	\$ -
Accounts receivable	250,247	23,646	7,896
Intergovernmental	2,200,000	668,892	-
	<u>2,496,323</u>	<u>692,538</u>	<u>7,896</u>
Less allowances	(31,621)	-	-
Net total receivables	<u>\$ 2,464,702</u>	<u>\$ 692,538</u>	<u>\$ 7,896</u>
	Nonmajor Governmental Funds	Sanitation Fund	Nonmajor Enterprise Fund
Accounts receivable	\$ 109,500	\$ 225,532	\$ 24,913
Intergovernmental	-	-	-
	<u>109,500</u>	<u>225,532</u>	<u>24,913</u>
Less allowances	-	(137,826)	(17,353)
Net total receivables	<u>\$ 109,500</u>	<u>\$ 87,706</u>	<u>\$ 7,560</u>

During the fiscal year ended June 30, 2019, the City of Powder Springs sold its water and sewer system to Cobb County. The sale closed on June 26, 2019 and the City transferred ownership of the existing infrastructure and other assets in exchange for a \$5,500,000 note to be paid in ten (10) annual installments by the County, beginning July 12, 2019. As of June 30, 2025, the outstanding balance was \$2,200,000, and is included in the General Fund's balance reported as Due from Other Governments.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the City for the year ended June 30, 2025 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Nondepreciable capital assets:					
Land and improvements	\$ 6,189,658	\$ 39,516	\$ -	\$ -	\$ 6,229,174
Construction in progress	8,917,398	12,060,835	(4,400)	(6,079,161)	14,894,672
Total	<u>15,107,056</u>	<u>12,100,351</u>	<u>(4,400)</u>	<u>(6,079,161)</u>	<u>21,123,846</u>
Capital assets, being depreciated:					
Buildings and improvements	16,392,479	73,000	(1,751,046)	-	14,714,433
Furniture and fixtures	146,901	6,583	(146,901)	-	6,583
Parks equipment	6,286,101	-	(36,093)	2,201,775	8,451,783
Vehicles and equipment	6,754,892	282,687	(2,770,689)	521,883	4,788,773
Infrastructure - streets	33,856,041	48,500	(303,082)	3,355,503	36,956,962
Total being depreciated	<u>63,436,414</u>	<u>410,770</u>	<u>(5,007,811)</u>	<u>6,079,161</u>	<u>64,918,534</u>
Less accumulated depreciation for:					
Buildings and improvements	(8,455,609)	(536,906)	1,700,308	-	(7,292,207)
Furniture and fixtures	(146,901)	(329)	146,901	-	(329)
Parks equipment	(5,031,693)	(177,114)	36,093	-	(5,172,714)
Vehicles and equipment	(5,496,100)	(604,569)	2,701,098	-	(3,399,571)
Infrastructure - streets	(10,618,481)	(1,371,637)	276,379	-	(11,713,739)
Total	<u>(29,748,784)</u>	<u>(2,690,555)</u>	<u>4,860,779</u>	<u>-</u>	<u>(27,578,560)</u>
Total capital assets, being depreciated, net	<u>33,687,630</u>	<u>(2,279,785)</u>	<u>(147,032)</u>	<u>6,079,161</u>	<u>37,339,974</u>
Governmental activities capital assets, net	<u>\$ 48,794,686</u>	<u>\$ 9,820,566</u>	<u>\$ (151,432)</u>	<u>\$ -</u>	<u>\$ 58,463,820</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated				
Buildings and improvements	\$ 41,333	\$ -	\$ -	\$ 41,333
Utility systems	422,722	-	-	422,722
Vehicles and equipment	1,642,498	400,137	-	2,042,635
Total	<u>2,106,553</u>	<u>400,137</u>	<u>-</u>	<u>2,506,690</u>
Less accumulated depreciation for:				
Buildings and improvements	(26,648)	(1,388)	-	(28,036)
Utility systems	(71,915)	(14,148)	-	(86,063)
Vehicles and equipment	(1,021,747)	(234,817)	-	(1,256,564)
Total	<u>(1,120,310)</u>	<u>(250,353)</u>	<u>-</u>	<u>(1,370,663)</u>
Total capital assets being depreciated, net	<u>986,243</u>	<u>149,784</u>	<u>-</u>	<u>1,136,027</u>
Business-type activities capital assets, net	<u>\$ 986,243</u>	<u>\$ 149,784</u>	<u>\$ -</u>	<u>\$ 1,136,027</u>

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

Governmental activities:	
General government	\$ 150,953
Public safety	1,052,393
Public works	1,230,630
Culture and recreation	<u>727,476</u>
Total depreciation expense - governmental activities	<u>\$ 3,161,452</u>
Business-type activities:	
Stormwater	\$ 22,487
Sanitation	<u>227,866</u>
Total depreciation expense - business-type activities	<u>\$ 250,353</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Restated						
	Beginning Balance	Additions	Reductions		Ending Balance		Due Within One Year
Governmental activities:							
Revenue bonds payable	\$ 12,542,000	\$ -	\$ (734,000)	\$ 11,808,000	\$ 660,000		
Premium on bonds payable	495,040	-	(113,218)	381,822	-		
	<u>13,037,040</u>	<u>-</u>	<u>(847,218)</u>	<u>12,189,822</u>	<u>660,000</u>		
Compensated absences	669,019	154,287 *	-	823,306	469,284		
Net pension liability	1,114,474	710,954	(1,427,587)	397,841	-		
Total OPEB liability	393,507	48,135	(30,940)	410,702	25,500		
Governmental activity							
Long-term liabilities	<u>\$ 15,214,040</u>	<u>\$ 913,376</u>	<u>\$ (2,305,745)</u>	<u>\$ 13,821,671</u>	<u>\$ 1,154,784</u>		
Business-type activities:							
Compensated absences	\$ 45,341	\$ 16,804 *	\$ -	\$ 62,145	\$ 35,423		
Net pension liability	146,542	84,920	(183,942)	47,520	-		
Business-type activity							
Long-term liabilities	<u>\$ 191,883</u>	<u>\$ 101,724</u>	<u>\$ (183,942)</u>	<u>\$ 109,665</u>	<u>\$ 35,423</u>		

* The change in compensated absences is presented as a net change.

Effective July 1, 2025, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. This change in accounting principle resulted in a restatement of the compensated absence liability as of the beginning of the fiscal year (Note 14).

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

Revenue Bonds – Direct Placement

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds – Direct Placement (Continued)

On April 19, 2018, the DDA issued \$4,200,000 in Series 2018 Revenue Bonds bearing interest at a rate of 2.77% per annum payable each February 1 and August 1 with principal payable annually on February 1. The bonds were issued for the purpose of financing the costs of acquiring, constructing, and installing a park to be located in the downtown development district of Powder Springs, Georgia and to finance related costs. As of June 30, 2025 the outstanding balance of the Series 2018 Bonds is \$3,828,000.

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

On March 2, 2021, the DDA issued \$5,560,000 in Series 2021A Revenue Bonds bearing interest at variable rates of 3.00% to 4.00% per annum payable each February 1 and August 1 with principal payable annually beginning February 1, 2022; the DDA issued \$3,665,000 Series 2021B Revenue Bonds bearing interest at variable rates of 2.00% to 2.45% per annum payable each February 1 and August 1 with principal payable annually beginning February 1, 2032. The bonds were issued for the purpose of refunding the remaining balance on the Series 2014 Revenue Bonds and to finance the costs of renovating and expanding existing City properties, to acquire additional properties, and to finance related costs. As of June 30, 2025 the outstanding balance of the Series 2021A Bonds is \$4,315,000, and the outstanding balance of the Series 2021B Bonds is \$3,665,000.

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

Year Ending June 30,	Principal	Interest	Total
2026	\$ 660,000	\$ 319,333	\$ 979,333
2027	687,000	296,685	983,685
2028	705,000	277,655	982,655
2029	724,000	258,126	982,126
2030	744,000	238,071	982,071
2031-2035	3,483,000	927,943	4,410,943
2036-2040	3,945,000	434,008	4,379,008
2041	860,000	25,800	885,800
Total	<u>\$ 11,808,000</u>	<u>\$ 2,777,621</u>	<u>\$ 14,585,621</u>

The City's general obligation debt is limited to 10% of the annual assessed value of the taxable property in the City. There is no general obligation debt outstanding as of June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND BALANCES AND TRANSFERS

The composition of due to/from other funds as of June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	2022 SPLOST Fund	\$ 1,276,198
Capital Projects Fund	Nonmajor governmental funds	55,000
		<u>\$ 1,331,198</u>

Interfund balances are the result of expenditures being covered by the General Fund and the Capital Projects fund for projects and purposes of other governmental funds and are due to the timing of year end and the actual payments and receipts between the funds. The amount due to the General Fund from the 2022 SPLOST Fund is the amount expected to be paid during the subsequent fiscal year relating to the interfund advance described below.

The composition of advances to/from other funds as of June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	2022 SPLOST Fund	\$ 1,589,950
		<u>\$ 1,589,950</u>

During the fiscal year ended June 30, 2025, the City Council approved a loan from the General Fund to the 2022 SPLOST Fund to supplement SPLOST projects, as significant SPLOST expenditures were required in fiscal year 2025 for the completion of the City Hall project. The 2022 SPLOST Fund will repay the General Fund with SPLOST proceeds over the next two fiscal years.

The composition of interfund transfers as of June 30, 2025 is as follows:

Transfers In	Transfers Out	Amount
Capital Projects Fund	2022 SPLOST Fund	\$ 6,469,954
Capital Projects Fund	General Fund	1,585,928
Downtown Development Authority	General Fund	972,369
Downtown Development Authority	Capital Projects Fund	112,068
		<u>\$ 9,140,319</u>

Transfers are used to move unrestricted revenues collected in the General Fund to help fund the acquisition of capital assets in the Capital Project Fund, and to fund annual debt service requirements in the Downtown Development Authority Fund. Transfers are also used to move revenues restricted for capital projects from the Capital Project Fund to the Downtown Development Authority Fund to aid in the acquisition and improvement of properties for resale. During fiscal year 2025, the City transferred \$6,469,954 from the 2022 SPLOST Fund to the Capital Projects Fund to supplement allowable costs incurred for the construction of City Hall.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN

Plan Description

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

Plan Membership

At January 1, 2025, the date of the most recent actuarial valuation, there were 184 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	37
Terminated vested participants not yet receiving benefits	68
Active employees - vested	73
Active employees - nonvested	6
Total	<u>184</u>

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan is to contribute an amount equal to or greater than the recommended contribution described below. For 2025, the actuarially determined contribution rate was 7.73% of covered payroll. The City makes all contributions to the Plan. For 2025, the City's contribution to the Plan was \$308,463.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Actuarial Assumptions

Net Pension Liability of the City

The City's net pension liability was measured as of September 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 with update procedures performed by the actuary to rollforward to the total pension liability measured as of September 30, 2024.

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates for the January 1, 2024 valuation were based on the Sex-Distinct Pri-2012 Head-Count Weighted Mortality Tables with rates multiplied by 1.25 and projected generationally from 2012 to future years using 60% of the sex-distinct improvement rates under the 2019 OASDI Trustees Report used for the intermediate alternative.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through June 30, 2019 conducted by Segal in November and December of 2019.

Cost of living adjustments were assumed to be 0.00%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic equity	45%	6.60%
International equity	20%	7.03
Global fixed income	5%	3.70
Domestic fixed income	20%	2.70
Real estate	10%	3.40
Cash	0%	
Total	100%	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Discount Rate

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

Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the fiscal year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/24	\$ 6,892,015	\$ 5,630,999	\$ 1,261,016
Changes for the year:			
Service cost	197,843	-	197,843
Interest	512,840	-	512,840
Differences between expected and actual experience	65,679	-	65,679
Contributions—employer	-	267,934	(267,934)
Net investment income	-	1,343,595	(1,343,595)
Benefit payments, including refunds of employee contributions	(272,198)	(272,198)	-
Administrative expense	-	(19,512)	19,512
Net changes	504,164	1,319,819	(815,655)
Balances at 6/30/25	\$ 7,396,179	\$ 6,950,818	\$ 445,361

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>1% Decrease (6.375%)</u>	<u>Discount Rate (7.375%)</u>	<u>1% Increase (8.375%)</u>
City's net pension liability	\$ 1,435,922	\$ 445,361	\$ 374,217

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2024 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, 2025, the City recognized pension expense of \$406,972. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 116,012	\$ -
Net difference between projected and actual earnings on pension plan investments	-	518,319
City contributions subsequent to the measurement date	<u>231,347</u>	<u>-</u>
Total	<u>\$ 347,359</u>	<u>\$ 518,319</u>

City contributions subsequent to the measurement date of \$231,347 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2025	\$ (29,760)
2026	59,987
2027	(246,696)
2028	(185,838)
Total	<u>\$ (402,307)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided

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

The following schedule reflects membership for the OPEB Plan as of July 1, 2024, the most recent actuarial valuation:

Active participants	55
Retirees and beneficiaries currently receiving benefits	13
Total	68

Contributions

The City Council has elected to fund the Plan on a "pay-as-you-go" basis. Per the Council resolution, retirees are able to continue to receive health insurance at active employee rates, subsidized by City contributions. For the fiscal year ended June 30, 2025, the City contributed \$25,726 for the pay-as-you-go benefits for the Plan.

Total OPEB Liability

The City's total OPEB liability of \$410,702 was measured as of July 1, 2024 and was determined by an actuarial valuation as of July 1, 2023, with the actuary using standard techniques to rollforward the liability to the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Wage inflation	3.00%
Municipal bond index rate	
Current measurement date	4.21%
Prior measurement date	4.09%
Healthcare cost trends	7.50% - 5.00% Ultimate trend in 2028

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. The discount rate is based on the S&P Municipal Bond 20-year Municipal Bond High Grade Index.

Changes in the Total OPEB Liability

The changes in the total OPEB liability for the City for the fiscal year ended June 30, 2025 were as follows:

	Total OPEB Liability
Balance at June 30, 2024	\$ 393,507
Service cost	14,656
Interest	16,689
Demographic changes	16,790
Benefit payments	(23,721)
Assumption changes	(7,219)
Balance at June 30, 2025	<u><u>\$ 410,702</u></u>

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

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.21%) or 1-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease (3.21%)	Current (4.21%)	1% Increase (5.21%)
Total OPEB liability	\$ 449,481	\$ 410,702	\$ 377,126

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

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

	1% Decrease (6.00% to 4.00%)	Current (7.00% to 5.00%)	1% Increase (8.00% to 6.00%)
Total OPEB liability	\$ 376,827	\$ 410,702	\$ 449,658

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2025 and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of \$14,935. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in demographics	\$ 16,211	\$ 157,296
Changes in assumptions	39,244	74,143
City contributions subsequent to the measurement date	25,726	-
	<u>\$ 81,181</u>	<u>\$ 231,439</u>

The City contributions made subsequent to the measurement date of \$25,726 are reported as deferred outflows and inflows of resources and will be recognized as a decrease of the total OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows and inflows of resources related to the OPEB will be recognized into OPEB expenses as follows:

Year Ending June 30,	
2026	\$ (22,559)
2027	(22,559)
2028	(22,559)
2029	(22,559)
Thereafter	(85,748)
	<u><u>\$ (175,984)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities around the Metropolitan Atlanta, Georgia area, is a member of the Atlanta Regional Commission (ARC) and is required to pay annual dues thereto, which Cobb County, Georgia pays on behalf of the City of Powder Springs, Georgia. Membership in ARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organization structure of ARC. ARC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from Atlanta Regional Commission, 229 Peachtree St #100, Atlanta, GA 30303.

NOTE 12. RISK MANAGEMENT

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

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

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

Settled claims have not exceeded the coverage in the past three years.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

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

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

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

Grant Contingencies

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

Construction Commitments

The City has active construction projects as of June 30, 2025. The projects include street construction, sidewalks and pedestrian pathways in areas previously void of such amenities, park improvements, and the construction of general administration facilities. At year end, the City's does not have any construction commitments. The projects are being financed primarily through the Capital Project, 2016 SPLOST, and 2022 SPLOST Funds, using pay-as-you-go funding sources.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. ACCOUNTING CHANGES

Change in Major Funds

In the current year, the City's American Rescue Plan Act Fund no longer meets the definition of a major fund. The effect of this change from a major fund to a nonmajor fund is illustrated in Column A of the table below:

Change in Accounting Principle

In conjunction with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, the City is required to reevaluate the accounting treatment of compensated absences. In accordance with GASB Statement No. 100, Accounting Changes and Error Corrections, the City is restating the beginning net position for governmental activities, business-type activities, and proprietary funds noted below. The effect of this change in accounting principle is shown in column B below.

	June 30, 2024 as Previously Reported	Change in Major Funds (A)	Change in Accounting Principle (B)	June 30, 2024 as Restated
Government-Wide				
Governmental Activities	\$ 77,686,780	\$ -	\$ (363,380)	\$ 77,323,400
Business-Type Activities	4,165,411	- -	(16,249)	4,149,162
Total Primary Government	<u>\$ 81,852,191</u>	<u>\$ -</u>	<u>\$ (379,629)</u>	<u>\$ 81,472,562</u>
Governmental Funds				
Major Funds:				
American Rescue Plan Fund	\$ 330,668	\$ (330,668)	\$ -	\$ -
Nonmajor Funds	1,366,364	330,668	- -	1,697,032
Total Governmental Funds	<u>\$ 1,697,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,697,032</u>
Proprietary Funds				
Major Funds:				
Sanitation Fund	\$ 2,321,259	\$ -	\$ (14,032)	\$ 2,307,227
Nonmajor Fund	1,844,152	- -	(2,217)	1,841,935
Total Proprietary Funds	<u>\$ 4,165,411</u>	<u>\$ -</u>	<u>\$ (16,249)</u>	<u>\$ 4,149,162</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POWDER SPRINGS, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
OPEB HEALTHCARE BENEFIT PLAN
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 14,656	\$ 13,570	\$ 24,461	\$ 24,867
Interest on total OPEB liability	16,689	22,123	14,468	11,792
Demographic changes	16,790	(140,196)	4,558	19,368
Benefit payments	(23,721)	(22,147)	(29,666)	(26,291)
Assumption changes	(7,219)	(12,900)	(79,060)	39,449
Net change in total OPEB liability	17,195	(139,550)	(65,239)	69,185
Total OPEB liability - beginning	393,507	533,057	643,909	574,724
Total OPEB liability - ending	\$ 410,702	\$ 393,507	\$ 578,670	\$ 643,909
Covered-employee payroll	\$ 3,215,235	\$ 2,654,343	\$ 2,323,293	\$ 2,853,868
Total OPEB liability as a percentage of covered-employee payroll	12.77%	14.83%	24.91%	22.56%
	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 15,415	\$ 22,242	\$ 18,012	\$ 29,625
Interest on total OPEB liability	17,181	17,082	17,452	17,867
Demographic changes	(66,143)	(45,483)	-	-
Benefit payments	(24,936)	(28,183)	(22,465)	(31,905)
Assumption changes	12,870	5,073	12,219	-
Net change in total OPEB liability	(45,613)	(29,269)	25,218	15,587
Total OPEB liability - beginning	574,724	603,993	578,775	563,188
Total OPEB liability - ending	\$ 529,111	\$ 574,724	\$ 603,993	\$ 578,775
Covered-employee payroll	\$ 2,545,181	\$ 2,634,327	\$ 2,636,891	\$ 2,636,891
Total OPEB liability as a percentage of covered-employee payroll	20.79%	21.82%	22.91%	21.95%

Notes to the Schedule:

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

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

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

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 197,843	\$ 167,504	\$ 139,101	\$ 151,223	\$ 171,330
Interest on total pension liability	512,840	467,491	444,123	420,510	399,459
Differences between expected and actual experience	65,679	216,678	(51,290)	(19,881)	(49,575)
Benefit payments, including refunds of employee contributions	(272,198)	(262,041)	(224,905)	(214,218)	(217,106)
Net change in total pension liability	<u>504,164</u>	<u>589,632</u>	<u>307,029</u>	<u>337,634</u>	<u>304,108</u>
Total pension liability - beginning	<u>6,892,015</u>	<u>6,302,383</u>	<u>5,995,354</u>	<u>5,657,720</u>	<u>5,353,612</u>
Total pension liability - ending (a)	<u><u>\$ 7,396,179</u></u>	<u><u>\$ 6,892,015</u></u>	<u><u>\$ 6,302,383</u></u>	<u><u>\$ 5,995,354</u></u>	<u><u>\$ 5,657,720</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 267,934	\$ 240,764	\$ 241,968	\$ 274,568	\$ 233,185
Net investment income	1,343,595	671,669	(982,459)	1,163,993	422,518
Benefit payments, including refunds of member contributions	(272,198)	(262,041)	(224,905)	(214,218)	(217,106)
Administrative expenses	(19,512)	(22,754)	(18,013)	(18,185)	(18,477)
Net change in plan fiduciary net position	<u>1,319,819</u>	<u>627,638</u>	<u>(983,409)</u>	<u>1,206,158</u>	<u>420,120</u>
Plan fiduciary net position - beginning	<u>5,630,999</u>	<u>4,818,493</u>	<u>5,801,902</u>	<u>4,595,744</u>	<u>4,175,624</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 6,950,818</u></u>	<u><u>\$ 5,446,131</u></u>	<u><u>\$ 4,818,493</u></u>	<u><u>\$ 5,801,902</u></u>	<u><u>\$ 4,595,744</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ 445,361</u></u>	<u><u>\$ 1,445,884</u></u>	<u><u>\$ 1,483,890</u></u>	<u><u>\$ 193,452</u></u>	<u><u>\$ 1,061,976</u></u>
Plan fiduciary net position as a percentage of the total pension liability	93.98%	79.02%	76.46%	96.77%	81.23%
Covered payroll	<u>\$ 3,829,273</u>	<u>\$ 3,364,308</u>	<u>\$ 3,457,443</u>	<u>\$ 3,046,934</u>	<u>\$ 3,430,513</u>
City's net pension liability as a percentage of covered payroll	11.63%	42.98%	42.92%	6.35%	30.96%
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 171,751	\$ 188,813	\$ 160,240	\$ 129,174	\$ 152,063
Interest on total pension liability	374,961	355,633	299,730	268,392	241,997
Differences between expected and actual experience	(93,742)	(95,223)	(67,433)	140,185	17,435
Changes of assumptions	168,489	-	66,551	-	-
Benefit payments, including refunds of employee contributions	-	-	375,624	(126,016)	(87,044)
Other changes	(191,144)	(157,782)	(140,718)	-	35,607
Net change in total pension liability	<u>430,315</u>	<u>291,441</u>	<u>693,994</u>	<u>411,735</u>	<u>360,058</u>
Total pension liability - beginning	<u>4,923,297</u>	<u>4,631,856</u>	<u>3,937,862</u>	<u>3,526,127</u>	<u>3,166,069</u>
Total pension liability - ending (a)	<u><u>\$ 5,353,612</u></u>	<u><u>\$ 4,923,297</u></u>	<u><u>\$ 4,631,856</u></u>	<u><u>\$ 3,937,862</u></u>	<u><u>\$ 3,526,127</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 262,899	\$ 214,744	\$ 173,207	\$ 168,902	\$ 189,890
Net investment income	129,838	374,496	491,420	325,721	28,135
Benefit payments, including refunds of member contributions	(191,144)	(157,782)	(140,718)	(126,016)	(87,044)
Administrative expenses	(16,725)	(17,588)	(19,834)	(10,567)	(11,753)
Net change in plan fiduciary net position	<u>184,868</u>	<u>413,870</u>	<u>504,075</u>	<u>358,040</u>	<u>119,228</u>
Plan fiduciary net position - beginning	<u>4,175,624</u>	<u>3,761,754</u>	<u>3,257,679</u>	<u>2,899,639</u>	<u>2,780,411</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 4,360,492</u></u>	<u><u>\$ 4,175,624</u></u>	<u><u>\$ 3,761,754</u></u>	<u><u>\$ 3,257,679</u></u>	<u><u>\$ 2,899,639</u></u>
City's net pension liability - ending (a) - (b)	<u><u>\$ 993,120</u></u>	<u><u>\$ 747,673</u></u>	<u><u>\$ 870,102</u></u>	<u><u>\$ 680,183</u></u>	<u><u>\$ 626,488</u></u>
Plan fiduciary net position as a percentage of the total pension liability	81.45%	84.81%	81.21%	82.73%	82.23%
Covered payroll	<u>\$ 3,582,394</u>	<u>\$ 3,521,104</u>	<u>\$ 3,727,954</u>	<u>\$ 3,500,149</u>	<u>\$ 2,934,029</u>
City's net pension liability as a percentage of covered payroll	27.72%	21.23%	23.34%	19.43%	21.35%

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

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 308,463	\$ 250,124	\$ 233,111	\$ 245,653	\$ 255,786
Contributions in relation to the actuarially determined contribution	<u>308,463</u>	<u>250,124</u>	<u>213,868</u> (1)	<u>245,653</u>	<u>255,786</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,243</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,215,098	\$ 3,700,665	\$ 3,252,189	\$ 3,238,724	\$ 3,506,454
Contributions as a percentage of covered payroll	7.32%	6.76%	6.58%	7.58%	7.29%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 252,538	\$ 266,352	\$ 197,541	\$ 162,562	\$ 171,015
Contributions in relation to the actuarially determined contribution	<u>252,538</u>	<u>266,352</u>	<u>197,541</u>	<u>162,562</u>	<u>171,015</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,551,749	\$ 3,624,529	\$ 3,614,052	\$ 3,217,089	\$ 3,143,753
Contributions as a percentage of covered payroll	7.11%	7.35%	5.47%	5.05%	5.44%

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

CITY OF POWDER SPRINGS, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 10,924,779	\$ 10,924,779	\$ 11,563,458	\$ 638,679
Licenses and permits	566,000	811,000	891,862	80,862
Intergovernmental	85,000	85,000	516,786	431,786
Fines and forfeitures	555,000	765,000	698,092	(66,908)
Charges for services	599,751	599,751	597,092	(2,659)
Interest	100,000	100,000	943,773	843,773
Contributions	12,000	12,000	18,752	6,752
Miscellaneous	11,160	11,160	131,860	120,700
Total revenues	<u>12,853,690</u>	<u>13,308,690</u>	<u>15,361,675</u>	<u>2,052,985</u>
Expenditures				
Current:				
General government:				
City Council	196,246	196,246	152,355	43,891
Mayor	86,999	86,999	79,835	7,164
City manager	1,015,016	950,516	851,522	98,994
City clerk	348,090	348,090	328,205	19,885
General administration fees	927,843	927,843	744,739	183,104
Financial administration	653,479	678,479	668,641	9,838
Data processing	484,491	619,491	568,083	51,408
Human resources	328,857	328,857	273,906	54,951
Total general government	<u>4,041,021</u>	<u>4,136,521</u>	<u>3,667,286</u>	<u>469,235</u>
Judicial	459,280	459,280	569,214	(109,934)
Public safety	3,404,300	3,250,258	3,007,342	242,916
Public works	2,026,339	1,961,639	1,859,084	102,555
Planning and zoning	1,297,795	1,542,795	1,363,845	178,950
Economic development	388,914	388,914	306,216	82,698
Culture and recreation	813,018	758,518	758,643	(125)
Total expenditures	<u>12,430,667</u>	<u>12,497,925</u>	<u>11,531,630</u>	<u>966,295</u>
Excess of revenues over expenditures	<u>423,023</u>	<u>810,765</u>	<u>3,830,045</u>	<u>3,019,280</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	2,750	2,750
Transfers in	-	(3,200,000)	-	3,200,000
Transfers out	(1,828,381)	(2,558,951)	(2,558,297)	654
Total other financing sources (uses)	<u>(1,828,381)</u>	<u>(5,758,951)</u>	<u>(2,555,547)</u>	<u>3,203,404</u>
Net change in fund balances	(1,405,358)	(4,948,186)	1,274,498	6,222,684
Fund balance, beginning of year	<u>23,936,434</u>	<u>23,936,434</u>	<u>23,936,434</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,531,076</u>	<u>\$ 18,988,248</u>	<u>\$ 25,210,932</u>	<u>\$ 6,222,684</u>

CITY OF POWDER SPRINGS, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Interest earnings	\$ -	\$ -	\$ 163,027	\$ 163,027
Total revenues	<u>-</u>	<u>-</u>	<u>163,027</u>	<u>163,027</u>
EXPENDITURES				
Economic development	2,161	2,161	206,489	(204,328)
Debt service:				
Principal	770,000	770,000	734,000	36,000
Interest	375,995	375,995	346,118	29,877
Total expenditures	<u>1,148,156</u>	<u>1,148,156</u>	<u>1,286,607</u>	<u>(138,451)</u>
Deficiency of revenues over expenditures	(1,148,156)	(1,148,156)	(1,123,580)	24,576
OTHER FINANCING SOURCES				
Transfers in	1,085,897	1,085,897	1,084,437	(1,460)
Total other financing sources	<u>1,085,897</u>	<u>1,085,897</u>	<u>1,084,437</u>	<u>(1,460)</u>
Net change in fund balances	(62,259)	(62,259)	(39,143)	23,116
FUND BALANCE, beginning of year	<u>5,399,338</u>	<u>5,399,338</u>	<u>5,399,338</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 5,337,079</u>	<u>\$ 5,337,079</u>	<u>\$ 5,360,195</u>	<u>\$ 23,116</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Revenues GAAP Basis	\$ 14,957,869
Indirect Cost Revenues	<u>210,251</u>
Revenues, Budgetary Basis	15,168,120
Expenditures GAAP Basis	11,142,037
Indirect Cost Expenditures	<u>210,251</u>
Expenditures, Budgetary Basis	11,352,288
Excess of Revenues over Expenditures	
Budgetary Basis	<u>\$ 3,815,832</u>

SUPPLEMENTARY INFORMATION

CITY OF POWDER SPRINGS, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	ASSETS	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
		Police Seizure Fund	Hotel/Motel Tax Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	2016 SPLOST Fund		
Cash and cash equivalents		\$ 109,565	\$ 41,481	\$ 225,467	\$ 49,996	\$ 404,338	\$ 830,847	
Investments		-	-	250,000	-	-	250,000	
Accounts receivable		-	1,036	-	108,464	-	-	109,500
Total assets		\$ 109,565	\$ 42,517	\$ 475,467	\$ 158,460	\$ 404,338	\$ 1,190,347	
LIABILITIES								
Accounts payable		\$ -	\$ -	\$ -	\$ -	\$ 14,597	\$ 14,597	
Due to other funds		-	-	55,000	-	-	55,000	
Unearned revenue		-	-	161,635	-	-	-	161,635
Total liabilities		-	-	216,635	-	14,597	231,232	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - intergovernmental		-	-	-	108,465	-	-	108,465
Total deferred inflows of resources		-	-	-	108,465	-	-	108,465
FUND BALANCES								
Restricted								
Capital projects		-	-	-	-	389,741	389,741	
Tourism		-	42,517	-	-	-	42,517	
Federal programs		-	-	258,832	-	-	258,832	
Law enforcement		109,565	-	-	49,995	-	-	159,560
Total fund balances		109,565	42,517	258,832	49,995	389,741	850,650	
Total liabilities, deferred inflows of resources, and fund balance		\$ 109,565	\$ 42,517	\$ 475,467	\$ 158,460	\$ 404,338	\$ 1,190,347	

CITY OF POWDER SPRINGS, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Police Seizure Fund	Hotel/Motel Tax Fund	American Rescue Plan Act Fund	Opioid Settlement Fund	2016 SPLOST Fund		
REVENUES							
Hotel/motel taxes	\$ -	\$ 17,748	\$ -	\$ -	\$ -	\$ -	\$ 17,748
Fines and forfeitures	49	-	-	5,111	-	-	5,160
Intergovernmental	-	-	1,948,622	-	-	-	1,948,622
Miscellaneous	-	8,738	-	-	-	-	8,738
Interest income	1,842	-	-	644	7,734	-	10,220
Total revenues	1,891	26,486	1,948,622	5,755	7,734	-	1,990,488
EXPENDITURES							
General government	-	-	238,464	-	15,500	-	253,964
Public safety	44,426	-	50,000	981	-	-	95,407
Public works	-	-	1,731,994	-	734,777	-	2,466,771
Tourism	-	20,728	-	-	-	-	20,728
Total expenditures	44,426	20,728	2,020,458	981	750,277	-	2,836,870
Net change in fund balances	(42,535)	5,758	(71,836)	4,774	(742,543)	-	(846,382)
FUND BALANCES, beginning of year, as previously reported	152,100	36,759	-	45,221	1,132,284	-	1,366,364
Adjustment - change to reporting entity	-	-	330,668	-	-	-	330,668
FUND BALANCES, beginning of year, as adjusted	152,100	36,759	330,668	45,221	1,132,284	-	1,697,032
FUND BALANCES, end of year	\$ 109,565	\$ 42,517	\$ 258,832	\$ 49,995	\$ 389,741	\$	850,650

CITY OF POWDER SPRINGS, GEORGIA
POLICE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Actual	Variance With Final Budget
	Original	Final			
REVENUES					
Fines and forfeitures	\$ 20,000	\$ 20,000		\$ 49	\$ (19,951)
Interest	100	1,398		1,840	442
Total revenues	20,100	21,398		1,889	(19,509)
EXPENDITURES					
Public safety	70,100	71,398		44,426	26,972
Net change in fund balances	(50,000)	(50,000)		(42,537)	7,463
FUND BALANCE, beginning of year	152,100	152,100		152,100	-
FUND BALANCE, end of year	\$ 102,100	\$ 102,100		\$ 109,563	\$ 7,463

CITY OF POWDER SPRINGS, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With	
	Original	Final	Actual	Final	Budget
REVENUES					
Hotel/motel tax	\$ 16,000	\$ 16,800	\$ 17,748	\$ 948	
Miscellaneous	4,000	4,000	8,738	4,738	
Total revenues	20,000	20,800	26,486	5,686	
EXPENDITURES					
Tourism	20,000	20,800	20,728	72	
Net change in fund balances	-	-	5,758	5,758	
FUND BALANCE, beginning of year	36,759	36,759	36,759	-	
FUND BALANCE, end of year	\$ 36,759	\$ 36,759	\$ 42,517	\$ 5,758	

CITY OF POWDER SPRINGS, GEORGIA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 2,020,458	\$ 2,020,458	\$ 1,948,622	\$ (71,836)
Total revenues	<u>2,020,458</u>	<u>2,020,458</u>	<u>1,948,622</u>	<u>(71,836)</u>
EXPENDITURES				
General government	238,464	238,464	238,464	-
Public safety	50,000	50,000	50,000	-
Public works	1,731,994	1,731,994	1,731,994	-
Total expenditures	<u>2,020,458</u>	<u>2,020,458</u>	<u>2,020,458</u>	<u>-</u>
Net change in fund balances	-	-	(71,836)	(71,836)
FUND BALANCE, beginning of year	330,668	330,668	330,668	-
FUND BALANCE, end of year	<u>\$ 330,668</u>	<u>\$ 330,668</u>	<u>\$ 258,832</u>	<u>\$ (71,836)</u>

CITY OF POWDER SPRINGS, GEORGIA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Budget			Variance With Final Budget	
	Original	Final	Actual		
REVENUES					
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 5,111	\$ (14,889)	
Interest	-	-	644	644	
Total revenues	20,000	20,000	5,755	(14,245)	
EXPENDITURES					
Public safety	20,000	20,000	981	19,019	
Net change in fund balances	-	-	4,774	4,774	
FUND BALANCE, beginning of year	45,221	45,221	45,221	-	
FUND BALANCE, end of year	\$ 45,221	\$ 45,221	\$ 49,995	\$ 4,774	

CITY OF POWDER SPRINGS, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE
LOCAL OPTION SALES TAX
FOR THE YEAR ENDED JUNE 30, 2025

<u>Project</u>	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
2016 SPLOST Program:					
General Street Improvements	\$ 804,120	\$ 2,357,520	\$ 2,982,593	\$ 159,316	\$ 3,141,909
Resurfacing	6,000,000	3,382,078	3,929,113	-	3,929,113
Parks and Recreation Improvements	750,000	5,387,453	5,397,721	144,575	5,542,296
Streetscapes	1,327,600	763,693	635,931	-	635,931
Facilities Improvements	750,000	681,949	703,519	15,500	719,019
Public Safety Improvements	750,000	883,317	737,807	-	737,807
Intersection Improvements	3,850,000	6,147,544	5,911,414	430,886	6,342,300
Total	\$ 14,231,720	\$ 19,603,554	\$ 20,298,098	\$ 750,277	\$ 21,048,375
2022 SPLOST Program:					
General Street Improvements	\$ 2,500,000	\$ 2,500,000	\$ 1,159,822	\$ 1,323,789	\$ 2,483,611
Resurfacing	3,600,000	3,600,000	1,043,609	718,194	1,761,803
Parks and Recreation Improvements	3,500,000	3,500,000	91,431	98,768	190,199
Streetscapes	1,000,000	1,000,000	-	139,120	139,120
Facilities Improvements	2,803,888	2,803,888	91,175	6,475,119	6,566,294
Public Safety Improvements	1,000,000	1,000,000	458,198	65,039	523,237
Intersection Improvements	2,900,000	2,900,000	822,506	1,215,165	2,037,671
Total	\$ 17,303,888	\$ 17,303,888	\$ 3,666,741	\$ 10,035,194	\$ 13,701,935

STATISTICAL SECTION

STATISTICAL SECTION

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

	<u>Page</u>
Financial Trends.....	70
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	81
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
Debt Capacity	85
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information.....	89
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	91
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

CITY OF POWDER SPRINGS, GEORGIA

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

	2025	2024	2023	2022	2021
Governmental activities					
Net investment in capital assets	\$ 46,097,774	\$ 35,049,001	\$ 27,769,043	\$ 26,178,251	\$ 30,565,538
Restricted	4,671,517	12,045,767	12,026,954	2,517,865	6,352,908
Unrestricted	<u>31,905,758</u>	<u>30,592,012</u>	<u>30,189,889</u>	<u>35,374,360</u> (3)	<u>13,202,476</u>
Total governmental activities net position	<u>\$ 82,675,049</u>	<u>\$ 77,686,780</u>	<u>\$ 69,985,886</u>	<u>\$ 64,070,476</u>	<u>\$ 50,120,922</u>
Business-type activities					
Net investment in capital assets	\$ 1,136,027	\$ 986,243	\$ 749,928	\$ 755,685	\$ 4,688,091
Unrestricted	3,424,958	3,179,168	2,970,695	2,867,158	10,362,063
Total business-type activities net position	<u>\$ 4,560,985</u>	<u>\$ 4,165,411</u>	<u>\$ 3,720,623</u>	<u>\$ 3,622,843</u>	<u>\$ 15,050,154</u>
Primary government					
Net investment in capital assets	\$ 47,233,801	\$ 36,035,244	\$ 28,518,971	\$ 26,933,936	\$ 35,253,629
Restricted	4,671,517	12,045,767	12,026,954	2,517,865	6,352,908
Unrestricted	<u>35,330,716</u>	<u>33,771,180</u>	<u>33,160,584</u>	<u>38,241,518</u>	<u>23,564,539</u>
Total primary government net position	<u>\$ 87,236,034</u>	<u>\$ 81,852,191</u>	<u>\$ 73,706,509</u>	<u>\$ 67,693,319</u>	<u>\$ 65,171,076</u>

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

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

	2020	2019	2018	2017 (1)	2016
Governmental activities					
Net investment in capital assets	\$ 37,211,154	\$ 34,673,659	\$ 32,842,258	\$ 30,752,959	\$ 30,834,381
Restricted	5,086,418	4,619,305	3,400,830	3,106,338	2,191,896
Unrestricted	6,102,103	7,706,818	7,741,430	7,193,630	5,930,220
Total governmental activities net position	<u><u>\$ 48,399,675</u></u>	<u><u>\$ 46,999,782</u></u>	<u><u>\$ 43,984,518</u></u>	<u><u>\$ 41,052,927</u></u>	<u><u>\$ 38,956,497</u></u>
Business-type activities					
Net investment in capital assets	\$ 668,790	\$ 539,670	(2) \$ 6,454,354	\$ 5,722,445	\$ 5,556,927
Unrestricted	14,573,205	14,793,562	8,314,028	7,676,687	7,371,928
Total business-type activities net position	<u><u>\$ 15,241,995</u></u>	<u><u>\$ 15,333,232</u></u>	<u><u>\$ 14,768,382</u></u>	<u><u>\$ 13,399,132</u></u>	<u><u>\$ 12,928,855</u></u>
Primary government					
Net investment in capital assets	\$ 37,879,944	\$ 35,213,329	\$ 39,296,612	\$ 36,475,404	\$ 36,391,308
Restricted	5,086,418	4,619,305	3,400,830	3,106,338	2,191,896
Unrestricted	20,675,308	22,500,380	16,055,458	14,870,317	13,302,148
Total primary government net position	<u><u>\$ 63,641,670</u></u>	<u><u>\$ 62,333,014</u></u>	<u><u>\$ 58,752,900</u></u>	<u><u>\$ 54,452,059</u></u>	<u><u>\$ 51,885,352</u></u>

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

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

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

	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	\$ 1,652,010	\$ 2,761,885	\$ 3,666,254	\$ 3,869,886	\$ 3,540,508
Judicial	566,431	534,314	368,081	346,765	439,788
Public safety	3,288,807	3,618,007	3,186,067	2,482,243	2,904,021
Public works	8,983,450	7,025,805	4,739,932	3,690,328	4,439,766
Community development	132,353	28,395	319,211	76,103	31,999
Planning and zoning	1,357,719	934,765	969,930	643,426	717,400
Economic development	533,433	373,813	403,915	1,882,374	327,587
Culture and recreation	1,367,016	632,319	1,251,044	954,460	854,430
Interest on long-term debt	257,426	339,039	362,775	381,453	599,934
Total governmental activities expenses	<u>18,138,645</u>	<u>16,248,342</u>	<u>15,267,209</u>	<u>14,327,038</u>	<u>13,855,433</u>
Business-type activities:					
Solid waste	1,875,029	1,635,804	1,569,895	1,442,069	1,304,310
Stormwater	766,504	369,158	603,143	455,170	318,921
Total business-type activities expenses	<u>2,641,533</u>	<u>2,004,962</u>	<u>2,173,038</u>	<u>1,897,239</u>	<u>1,623,231</u>
Total primary government expenses	<u><u>\$ 20,780,178</u></u>	<u><u>\$ 18,253,304</u></u>	<u><u>\$ 17,440,247</u></u>	<u><u>\$ 16,224,277</u></u>	<u><u>\$ 15,478,664</u></u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,278,703	\$ 979,528	\$ 1,657,951	\$ 1,454,478	\$ 1,604,855
Judicial	698,092	750,516	535,314	387,060	673,478
Public safety	5,160	32,376	105,236	16,096	22,985
Public works	827,006	369,391	645,329	426,521	316,393
Operating grants and contributions	2,457,728	3,346,956	1,185,719	413,037	909,662
Capital grants and contributions	921,377	1,288,658	6,908,111	4,603,179	3,866,666
Total governmental activities program revenues	<u>6,188,066</u>	<u>6,767,425</u>	<u>11,037,660</u>	<u>7,300,371</u>	<u>7,394,039</u>
Business-type activities:					
Charges for services:					
Solid waste	2,188,310	1,777,228	1,556,680	1,366,604	1,419,414
Stormwater	736,732	581,527	693,259	611,028	557,914
Total business-type activities program revenues	<u>2,925,042</u>	<u>2,358,755</u>	<u>2,249,939</u>	<u>1,977,632</u>	<u>1,977,328</u>
Total primary government program revenues	<u><u>\$ 9,113,108</u></u>	<u><u>\$ 9,126,180</u></u>	<u><u>\$ 13,287,599</u></u>	<u><u>\$ 9,278,003</u></u>	<u><u>\$ 9,371,367</u></u>

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

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

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

	2025	2024	2023	2022	2021
Net (expense)/revenue					
Governmental activities	\$ (11,950,579)	\$ (9,480,917)	\$ (4,229,549)	\$ (7,026,667)	\$ (6,461,394)
Business-type activities	283,509	353,793	76,901	80,393	354,097
Total primary government net (expense) revenue	<u><u>\$ (11,667,070)</u></u>	<u><u>\$ (9,127,124)</u></u>	<u><u>\$ (4,152,648)</u></u>	<u><u>\$ (6,946,274)</u></u>	<u><u>\$ (6,107,297)</u></u>
General Revenues and Other Changes					
in Net Position					
Governmental activities:					
Property taxes	\$ 8,238,960	\$ 7,485,459	\$ 6,341,837	\$ 5,467,021	\$ 5,129,620
Insurance premium taxes	1,613,135	1,499,140	1,400,053	1,156,414	1,119,606
Excise taxes	250,562	247,231	282,347	262,309	271,964
Franchise taxes	893,279	849,206	839,326	798,578	758,375
Other taxes	4,854,731	4,868,678	199,202	264,296	217,012
Gain on sale of capital assets	-	16,414	8,725	-	64,560
Unrestricted investment earnings	1,274,211	1,475,384	902,770	46,251	4,529
Miscellaneous	177,350	740,299	158,231	1,424,641	73,488
Transfers	-	-	12,468	(31,730)	550,000
Total governmental activities	<u><u>17,302,228</u></u>	<u><u>17,181,811</u></u>	<u><u>10,144,959</u></u>	<u><u>9,387,780</u></u>	<u><u>8,189,154</u></u>
Business-type activities:					
Unrestricted investment earnings	126,489	90,995	33,347	1,476	3,662
Gain on sale of capital assets	1,825	-	-	47,531	-
Miscellaneous	-	-	-	-	400
Transfers	-	-	(12,468)	31,730	(550,000)
Total business-type activities	<u><u>128,314</u></u>	<u><u>90,995</u></u>	<u><u>20,879</u></u>	<u><u>80,737</u></u>	<u><u>(545,938)</u></u>
Total primary government	<u><u>\$ 17,430,542</u></u>	<u><u>\$ 17,272,806</u></u>	<u><u>\$ 10,165,838</u></u>	<u><u>\$ 9,468,517</u></u>	<u><u>\$ 7,643,216</u></u>
Change in Net Position					
Governmental activities	\$ 5,351,649	\$ 7,700,894	\$ 5,915,410	\$ 2,361,113	\$ 1,727,760
Business-type activities	411,823	444,788	97,780	161,130	(191,841)
Total primary government	<u><u>\$ 5,763,472</u></u>	<u><u>\$ 8,145,682</u></u>	<u><u>\$ 6,013,190</u></u>	<u><u>\$ 2,522,243</u></u>	<u><u>\$ 1,535,919</u></u>

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

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

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

CITY OF POWDER SPRINGS, GEORGIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN YEARS
(accrual basis of accounting)

Fiscal Year	Property Tax	Ad Valorem	Insurance Premium	Alcoholic Beverage	Intangible	Franchise and Other	Total
2015	\$ 3,253,714	\$ 107,784	\$ 803,212	\$ 241,608	\$ 124,468	\$ 729,939	\$ 5,260,725
2016	3,451,159	76,301	870,066	235,393	78,795	721,082	5,432,796
2017	3,679,765	51,319	926,333	228,815	80,793	693,494	5,660,519
2018	4,480,979	54,734	999,006	240,628	88,216	700,293	6,563,856
2019	4,619,219	55,627	1,062,080	254,168	120,305	760,817	6,872,216
2020	5,129,620	59,392	1,119,606	271,964	157,620	799,245	7,537,447
2021	5,467,021	50,715	1,156,414	262,309	213,581	758,375	7,908,415
2022	6,341,837	76,019	1,400,053	282,347	123,183	839,326	9,062,765
2023	7,485,459	58,014	1,499,140	247,231	124,488	5,535,382 (1)	14,949,714
2024	8,238,960	58,694	1,613,135	250,562	144,068	5,545,248	15,850,667
Percentage change over 10 years:	153.2%	-45.5%	100.8%	3.7%	15.7%	659.7%	201.3%

(1) The 2022, SPLOST referendum began remitting significant collections in FY2023.

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

	2025	2024	2023	2022	2021
General Fund					
Nonspendable	\$ 2,008,928	\$ 196,934	\$ 156,785	\$ 285,120	\$ 292,103
Assigned	1,932,611	855,358	497,963	463,103	432,000
Unassigned	<u>21,269,393</u>	<u>22,884,142</u>	<u>21,042,550</u>	<u>18,987,057</u>	<u>6,612,011</u>
Total General Fund	<u><u>\$ 25,210,932</u></u>	<u><u>\$ 23,936,434</u></u>	<u><u>\$ 21,697,298</u></u>	<u><u>\$ 19,735,280</u></u>	<u><u>\$ 7,336,114</u></u>
All other governmental funds					
Assigned	\$ 9,126,593	\$ 11,329,506	\$ 16,450,153	\$ 17,173,597	\$ 7,589,772
Restricted	4,008,332	8,127,575	3,764,932	2,517,865	6,352,676
Total all other governmental funds	<u><u>\$ 13,134,925</u></u>	<u><u>\$ 19,457,081</u></u>	<u><u>\$ 20,215,085</u></u>	<u><u>\$ 19,691,462</u></u>	<u><u>\$ 13,942,448</u></u>

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

	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 184,759	\$ 295,311	\$ 280,524	\$ 282,927	\$ 261,093
Restricted	-	1,379	1,348	1,330	1,323
Assigned	982,727	-	133,799	-	818,583
Unassigned	5,263,008	6,508,222	5,953,851	5,097,439	3,634,638
Total General Fund	<u>\$ 6,430,494</u>	<u>\$ 6,804,912</u>	<u>\$ 6,369,522</u>	<u>\$ 5,381,696</u>	<u>\$ 4,715,637</u>
All other governmental funds					
Nonspendable	\$ -	\$ 340,416	\$ 173,942	\$ 102,655	\$ 1,128,692
Assigned	2,039,841	2,225,426	2,646,811	2,582,509	1,125,497
Restricted	7,870,686	7,870,686	7,321,255	3,105,008	2,190,573
Total all other governmental funds	<u>\$ 9,910,527</u>	<u>\$ 10,436,528</u>	<u>\$ 10,142,008</u>	<u>\$ 5,790,172</u>	<u>\$ 4,444,762</u>

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

	2025	2024	2023	2022	2021
Revenues					
Taxes	\$ 11,581,206	\$ 10,645,584	\$ 9,054,678	\$ 7,986,918	\$ 7,582,256
Licenses and permits	891,862	580,483	1,047,703	847,274	749,083
Intergovernmental	7,455,077	8,623,895	7,845,630	5,008,339	4,973,508
Fines and forfeitures	703,252	782,892	640,550	403,156	696,463
Charges for services	1,213,847	768,436	1,255,577	1,033,725	1,172,165
Interest income	1,481,396	1,735,371	1,084,041	54,128	4,529
Contributions	18,752	19,760	18,750	19,598	536
Miscellaneous	158,598	720,539	139,481	1,405,043	72,988
Total revenues	<u>23,503,990</u>	<u>23,876,960</u>	<u>21,086,410</u>	<u>16,758,181</u>	<u>15,251,528</u>
Expenditures					
General government	4,087,872	3,912,484	3,613,704	3,439,348	3,308,697
Judicial	569,214	532,404	372,077	355,055	450,028
Public safety	3,167,787	3,460,300	2,835,448	2,250,128	2,545,120
Public works	7,840,213	6,861,061	3,842,917	2,650,673	3,710,315
Community development	121,309	26,723	312,584	66,550	41,507
Planning and zoning	1,363,845	922,952	979,772	657,800	716,909
Economic development	533,433	373,813	403,915	573,448	327,587
Culture and recreation	758,643	575,530	537,476	484,137	558,548
Capital outlay	9,082,546	4,608,885	4,582,408	1,820,636	932,573
Debt service					
Principal retirements	734,000	770,000	741,000	724,000	2,478,636
Interest and fiscal charges and cost of issuance	346,118	375,826	400,661	393,225	523,481
Total expenditures	<u>28,604,980</u>	<u>22,419,978</u>	<u>18,621,962</u>	<u>13,415,000</u>	<u>15,593,401</u>
Excess (deficiency) of revenues over expenditures	(5,100,990)	1,456,982	2,464,448	3,343,181	(341,873)
Other Financing Sources (Uses)					
Issuance of long-term debt	-	-	-	-	9,853,318
Proceeds from sale of capital assets	53,332	24,150	8,725	831,585	129,784
Transfers in	-	3,581,531	1,749,280	1,675,812	2,883,982
Transfers out	-	(3,581,531)	(1,736,812)	(1,675,812)	(2,333,982)
Total other financing sources (uses)	<u>53,332</u>	<u>24,150</u>	<u>21,193</u>	<u>831,585</u>	<u>10,533,102</u>
Net change in fund balances	<u>\$ (5,047,658)</u>	<u>\$ 1,481,132</u>	<u>\$ 2,485,641</u>	<u>\$ 4,174,766</u>	<u>\$ 10,191,229</u>
Debt service as a percentage of noncapital expenditures	6.7%	5.1%	8.1%	9.5%	20.5%

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

	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 6,873,863	\$ 6,562,710	\$ 5,771,994	\$ 5,431,213	\$ 5,239,485
Licenses and permits	618,677	664,765	1,013,010	760,908	655,629
Intergovernmental	3,693,549	3,724,421	3,469,806	3,408,684	3,583,014
Fines and forfeitures	546,833	659,295	597,287	725,856	443,825
Charges for services	776,534	657,224	822,952	790,289	500,927
Interest income	52,704	80,668	46,813	19,814	9,548
Miscellaneous	128,372	75,229	78,866	124,489	89,062
Total revenues	<u>12,698,846</u>	<u>12,424,312</u>	<u>11,800,728</u>	<u>11,261,253</u>	<u>10,521,490</u>
Expenditures					
General government	2,175,989	1,329,154	993,843	909,670	883,035
Judicial	358,079	407,789	397,133	309,790	192,925
Public safety	2,687,616	2,773,223	2,884,070	3,258,480	3,314,595
Public works	2,210,480	2,271,940	1,763,655	2,423,869	2,632,913
Community development	357,699	1,158,873	511,885	903,150	725,680
Planning and zoning	440,405	341,543	294,944	-	-
Economic development	234,152	459,048	125,451	-	-
Culture and recreation	354,749	441,104	391,325	218,999	153,103
Capital outlay	7,099,699	1,539,687	2,468,369	1,400,596	1,798,729
Debt service					
Principal retirements	748,681	666,905	646,141	630,387	584,914
Interest and fiscal charges and cost of issuance	253,851	248,309	190,717	194,843	218,174
Total expenditures	<u>16,921,400</u>	<u>11,637,575</u>	<u>10,667,533</u>	<u>10,249,784</u>	<u>10,504,068</u>
Excess (deficiency) of revenues over expenditures	(4,222,554)	786,737	1,133,195	1,011,469	17,422
Other Financing Sources (Uses)					
Issuance of long-term debt	-	-	4,200,000	-	257,664
Proceeds from sale of capital assets	-	9,763	1,738	-	17,249
Payment to refunding bond escrow agent	-	-	-	-	-
Transfers in	2,927,866	2,193,180	2,037,261	2,390,496	1,509,412
Transfers out	(2,474,446)	(2,259,770)	(2,032,532)	(1,390,496)	(1,509,412)
Total other financing sources (uses)	<u>453,420</u>	<u>(56,827)</u>	<u>4,206,467</u>	<u>1,000,000</u>	<u>274,913</u>
Net change in fund balances	<u>\$ (3,769,134)</u>	<u>\$ 729,910</u>	<u>\$ 5,339,662</u>	<u>\$ 2,011,469</u>	<u>\$ 292,335</u>
Debt service as a percentage of noncapital expenditures	10.2%	9.1%	10.2%	9.3%	9.2%

CITY OF POWDER SPRINGS, GEORGIA

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property (1)	Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2016	\$ 236,181,400	\$ 95,825,169	\$ 5,698,954	\$ 25,796,959	\$ 17,595,379	\$ 345,907,103	8.500	\$ 864,767,758	40.00%
2017	264,306,391	97,012,606	5,288,598	21,183,422	16,256,543	371,534,474	8.500	928,836,185	40.00%
2018	305,999,834	100,550,692	5,668,619	16,655,698	30,249,724	398,625,119	8.500	996,562,798	40.00%
2019	344,080,062	102,732,721	6,126,758	14,201,291	45,471,641	421,669,191	9.500	1,054,172,978	40.00%
2020	388,521,171	111,133,620	5,876,405	12,627,459	65,678,705	452,479,950	9.500	1,131,199,875	40.00%
2021	436,065,588	113,877,536	6,182,058	11,230,716	83,579,629	483,776,269	9.500	1,209,440,673	40.00%
2022	477,859,959	120,793,706	6,588,669	10,242,875	112,116,839	503,368,370	9.500	1,258,420,925	40.00%
2023	589,561,722	129,593,123	7,451,651	10,261,979	164,994,983	571,873,492	9.500	1,429,683,730	40.00%
2024	772,419,412	164,553,875	7,886,593	11,064,371	231,304,920	724,619,331	9.500	1,811,548,328	40.00%
2025	848,186,640	189,751,190	8,114,256	9,714,456	265,863,154	789,903,388	9.500	1,974,758,470	40.00%

Source: Georgia Department of Revenue - Local Government Services - 2023 Tax Digest Summary

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

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

CITY OF POWDER SPRINGS, GEORGIA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING⁽¹⁾ GOVERNMENTS
(Per \$1,000 of Assessed Value)
LAST TEN YEARS

Fiscal Year	City Direct Rate ⁽²⁾	Overlapping Rates		Total Direct and Overlapping Rates
		County	School District	
2016	8.500	9.850	18.900	37.250
2017	8.500	9.850	18.900	37.250
2018	8.500	9.850	18.900	37.250
2019	9.500	11.450	18.900	39.850
2020	9.500	11.450	18.900	39.850
2021	9.500	11.450	18.900	39.850
2022	9.500	11.450	18.900	39.850
2023	9.500	11.450	18.900	39.850
2024	9.500	11.450	18.700	39.650
2025	9.500	11.430	18.700	39.630

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

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

⁽²⁾ The City does not levy a debt service millage rate and thus the full 8.5 or 9.5 is maintenance and operation.

CITY OF POWDER SPRINGS, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
SCP SEI BR Holdings LLC	\$ 16,000,000	1	2.026 %			
PS Senior Living LLC	9,560,000	2	1.210			
Georgia Power Company	4,596,499	3	0.582			
Powder Springs Macland Retail LLC	4,460,000	4	0.565	\$ 4,513,160	1	1.305 %
ESS Storage Acquisition Thirty Two LLC	4,125,680	5	0.522			
HD Development of Maryland Inc	3,671,600	6	0.465			
3460 Powder Springs Rd. LLC	3,595,904	7	0.455			
US Business Park LLC	3,224,480	8	0.408			
NGI Powder Springs LLC	3,200,000	9	0.405			
Gorman Construction Inc	3,102,050	10	0.393			
HD Development of Maryland Inc				4,001,296	2	1.157
Powder Springs Abbington Trail LP				2,672,480	3	0.773
Kroger Company				2,378,528	4	0.688
Foster W M				1,880,000	5	0.543
Home Depot #6940				1,853,470	6	0.536
Weingarten Realty Investors				1,821,480	7	0.527
Hussman Services Corporation				1,567,517	8	0.453
MM&A LLC				1,422,800	9	0.411
N D S INC				1,295,422	10	0.374
Total Principal Taxpayers	55,536,213	7.031	23,406,153			6.767
All Other Taxpayers	734,367,175	92.970	322,500,950			93.233
	<u>\$ 789,903,388</u>	<u>100.001 %</u>	<u>\$ 345,907,103</u>			<u>100.000 %</u>

Source: City of Powder Springs Finance Department

CITY OF POWDER SPRINGS, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 2,883,038	\$ 2,682,434	93.04 %	\$ 189,799	\$ 2,872,233	99.63 %
2017	2,971,654	2,931,952	98.66	28,407	2,960,359	99.62
2018	3,219,772	3,156,740	98.04	59,581	3,216,321	99.89
2019	3,874,045	3,739,408	96.52	133,698	3,873,106	99.98
2020	4,080,494	3,882,758	95.15	180,717	4,063,475	99.58
2021	4,596,299	4,297,441	93.50	263,874	4,561,315	99.24
2022	4,704,403	4,567,218	97.08	136,488	4,703,706	99.99
2023	5,477,329	5,464,115	99.76	6,768	5,470,883	99.88
2024	6,099,064	6,080,768	99.70	15,581	6,096,349	99.96
2025	7,351,376	7,326,935	99.67	-	7,326,935	99.67

Source: City of Powder Springs Finance Department

(1) Includes assessment adjustments

CITY OF POWDER SPRINGS, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)		Per Capita (1)
	Revenue Bonds (2)	Capital Leases	Loans Payable					
2016	\$ 6,290,000	\$ 232,750	\$ 574,328	\$ 7,097,078	1.96 %	\$ 541.11		
2017	5,710,000	182,363	508,266	6,400,629	1.77	509.12		
2018	9,315,000	131,222	439,568	9,885,790	2.73	459.16		
2019	8,700,000	79,317	-	8,779,317	2.42	656.78		
2020	8,004,000	26,636	-	8,030,636	2.21	583.27		
2021	14,777,000 (3)	-	-	14,777,000	4.08	533.53		
2022	14,638,490	-	-	14,638,490	2.92	981.73		
2023	13,851,370	-	-	13,851,370	1.77	866.85		
2024	13,037,040	-	-	13,037,040	1.74	820.24		
2025	12,189,822	-	-	12,189,822	1.62	633.20		

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

(1) The calculation for Percentage of Personal Income and Per Capita is based on the most recent data available from the Demographic and Economic Statistics table.

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

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

CITY OF POWDER SPRINGS, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Other debt			
Cobb County Revenue Bonds	\$ 339,880,000	1.41%	\$ 4,792,308
Cobb County Revenue Anticipation Certificates	3,585,000	1.41%	50,549
Subtotal overlapping debt	<u>343,465,000</u>		<u>4,842,857</u>
City debt			<u>12,189,822</u>
Total direct and overlapping debt			<u>\$ 17,032,679</u>

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

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

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

CITY OF POWDER SPRINGS, GEORGIA

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

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

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

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

CITY OF POWDER SPRINGS, GEORGIA

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	2021	2022	2023	2024	2025
Assessed value	\$ 483,776,269	\$ 503,368,370	\$ 571,873,492	\$ 724,619,331	\$ 789,903,388
Legal Debt Margin					
Debt Limit (10% of assessed value)	48,377,627	50,336,837	57,187,349	72,461,933	78,990,339
Debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Less: Amount reserved for repayment of general obligation debt	-	-	-	-	-
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 48,377,627</u>	<u>\$ 50,336,837</u>	<u>\$ 57,187,349</u>	<u>\$ 72,461,933</u>	<u>\$ 78,990,339</u>
As a percentage of debt limit	100%	100%	100%	100%	100%

CITY OF POWDER SPRINGS, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS JUNE 30, 2025

Year	Population	Personal Income*		Per Capita Personal Income		Median Age	Unemployment Rate
		(in thousands)	\$	\$			
1990	6,893	\$ 104,401		\$ 15,146		29.5	1.9
2000	12,481	\$ 302,040		\$ 24,200		32.0	2.9
2010	13,940	\$ 362,607		\$ 26,012		36.2	10.2
2018 (1)	15,052	N/A		N/A		N/A	4.0
2019	N/A	N/A		N/A		N/A	3.7
2020	N/A	N/A		N/A		N/A	9.7
2021	N/A	N/A		N/A		N/A	4.1
2022 (2)	16,887	\$ 501,257		\$ 29,683		38	2.5
2023 (2)	18,225	\$ 781,907		\$ 42,903		38	3.4
2024 (2)	18,950	\$ 740,528		\$ 39,078		40	4.5
2025 (2)	19,251	\$ 751,405		\$ 39,032		39	3.5

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

(1) 2018 figures are estimates

(2) Provided by City of Powder Springs Economic Development Department

N/A - information is not readily available

CITY OF POWDER SPRINGS, GEORGIA

PRINCIPAL EMPLOYERS CURRENT AND NINE YEARS AGO

Employer	2025		2016		2016	
	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (1)	Rank	Percentage of Total City Employment
Hussmann Services Corporation	337	1	8.3 %	180	2	5.6 %
PS Operator, LLC	216	2	5.3			
Publix Supermarkets	169	3	4.2	85	8	2.6
The Home Depot #6940	138	4	3.4	114	4	3.5
Gorman Construction Co	125	5	3.1	131	3	4.1
The Kroger Company	108	6	2.7			
Jim Luca Electrical Cont, Inc.	98	7	2.4			
Caldwell Insulation, Inc.	95	8	2.3			
National Diversified Sales, Inc.	94	9	2.3			
PS Senior Living, LLC 2000	85	10	2.1			
PS Transitional Care & Rehab				230	1	7.1
Powder Springs Elementary School (3)				103	5	3.2
Compton Elementary School (3)				98	6	3.0
Tapp Middle School (3)				86	7	2.7
City of Powder Springs (3)				84	9	2.6
Mid South Floor Systems				73	10	2.3
Top ten total	1,465		36.2 %	1,184		36.7 %
Other employers (2)	2,583		63.8 %	2,041		63.3 %
Total employees (2)	4,048		100.0 %	3,225		100.0 %

Source: City Department of Economic Development

Notes:

1 - Full-time equivalent employees

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

3 - Entities that do not require a license are no longer considered for this schedule

CITY OF POWDER SPRINGS, GEORGIA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

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

Source: City Finance Office

CITY OF POWDER SPRINGS, GEORGIA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	2021	2022	2023	2024	2025
General administration					
Council	5.0	5.0	5.0	5.0	5.0
Mayor	1.5	1.5	1.5	1.5	1.5
Administration	13.0	13.0	12.8	12.8	12.8
Information technology	-	-	1.0	1.0	2.0
Municipal court	2.0	2.0	2.0	2.0	2.0
Total general administration	21.5	21.5	22.3	22.3	23.3
Culture and recreation					
Parks and recreation	3.0	3.0	5.0	4.0	5.0
Senior center	0.5	0.5	0.5	0.5	0.5
Museum	0.5	0.5	0.5	0.5	0.5
Total culture and recreation	4.0	4.0	6.0	5.0	6.0
Housing and development					
Community development	5.0	5.0	5.0	5.0	7.0
Economic development	2.0	2.0	1.0	1.0	1.0
Code enforcement	2.0	2.0	-	-	-
Total housing and development	9.0	9.0	6.0	6.0	8.0
Public safety					
Police	32.5	33.5	31.0	34.0	34.0
Public works					
Buildings and maintenance	2.0	2.0	2.0	2.0	2.0
Fleet maintenance	1.0	1.0	1.0	-	-
Streets	5.0	5.0	4.0	4.8	4.8
Total public works	8.0	8.0	7.0	6.8	6.8
Water and sewer					
Water	-	-	-	-	-
Sewer	-	-	-	-	-
Total water and sewer	-	-	-	-	-
Sanitation	9.0	11.0	11.0	11.5	11.5
Stormwater	2.0	2.0	3.0	2.0	2.0
Total	86.0	89.0	86.3	87.6	91.6

CITY OF POWDER SPRINGS, GEORGIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Building permits issued	396	403	498	407	297	400	497	450	535	590
Police										
Physical arrests	756	832	492	928	562	492	476	480	688	428
Citations issued	5,927	5,858	5,342	5,210	3,561	3,416	3,167	3,536	6,202	4,484
Refuse collection										
Refuse collected (tons per day)	24.81	25.58	27.78	29.16	28.50	31.75	26.68 ⁽¹⁾	26.00 ⁽¹⁾	22.00	18.05

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

N/A - information not available

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

CITY OF POWDER SPRINGS, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	28	43	43	43	34	27	27	30	31	31
Refuse collection										
Collection trucks	3	4	4	4	4	5	5	5	5	4
Streets (miles)	87	88	88	94	94	94	94	94	78	78
Streetlights	2,112	2,144	2,144	2,240	2,240	1,982 (1)	1,982	1,982	2,199	2,336
Water										
Water mains (miles)	153	153	153	153	-	-	-	-	-	-
Wastewater										
Sanitary sewers (miles)	82	82	82	82	-	-	-	-	-	-

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

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