

CITY OF STOCKBRIDGE, GEORGIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

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Prepared By: Department Of Finance

CITY OF STOCKBRIDGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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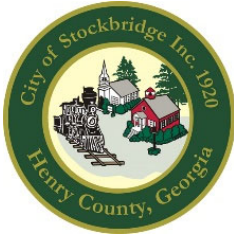
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INTRODUCTORY SECTION



November 13, 2023

To the Honorable Mayor, Distinguished Members of City Council
and the Citizens of the City of Stockbridge

Ladies and Gentlemen:

State Law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City of Stockbridge, Georgia (the "City") for the fiscal year ended December 31, 2022.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Mauldin and Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report. A single audit was necessary in 2022. The requirement for a single audit is the expense of \$750,000 or more in federal funds.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This report is available under a separate cover.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the 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 it. The City's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Stockbridge was founded in 1829 and was incorporated as a city in 1920. The City is in the northern part of Henry County, Georgia and is approximately eighteen miles from the state capital of Atlanta. The City is a municipal corporation created under the laws of the State of Georgia and has its corporate name as "City of Stockbridge, Georgia." The affairs of the City are conducted by a Mayor and a five-member City Council. The Mayor and City Council members are elected at large. This elected body is responsible for the active coordination of community resources, to anticipate problems and meet community needs.

The City Manager, who is appointed by the Mayor and City 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 under the jurisdiction of the Mayor and City Council, as set forth in State and local law.

The City provides a full range of services to approximately 29,064 residents. These services are provided in whole either by the City or through contractual agreements with Henry County. They include public safety (police and fire), community development, highways and streets, water, sewer, sanitation, public improvements, planning and zoning, code enforcement and general administrative services. The City currently employs 147 full-time employees.

The City is one of four incorporated municipalities within Henry County and is not included in Henry County's reporting entity.

The annual budget serves as the foundation for the City's financial planning and control. All funds and departments of the City are required to submit requests for appropriations to the City Manager in August of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review in October. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31st, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Department supervisors may make transfers of appropriations within a department. Transfers of appropriations between departments require the special approval of the governing council. Budget to actual comparisons is provided in this report for the general fund. These comparisons are presented beginning on page 14 of the basic financial statements.

On January 1, 1995, the City received its status as a Certified City by the State of Georgia Department of Community Affairs. The State designated the Stockbridge Main Street Program on January 26, 2015. The Main Street Program was established to design an identifiable downtown historic district that promotes economic vitality, encourages cultural enrichment, and nurtures a collaborative community spirit.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Strategic Financial Planning

The Mayor and Council of the City are very diligent with budgeting and planning. With the Joint Comprehensive Development Plan, the Short-Term Work program as well as other programs, we share in the planning for growth and development of infrastructure with our county. These plans also address population, economic development, natural histories, and cultural resources as well as transportation and community facilities throughout the City and county. In May 2016, sanitation services were contracted through Waste Industries at no additional cost to the citizens. Waste Industries also offers curbside recycling services. Henry County diverted the tickets from our Municipal Court revenues for fines and forfeitures to the Henry County State Court in McDonough, thus reducing court revenue by 49% until July 1, 2022, when the Stockbridge Police Department was implemented.

Local Economy

The City is intersected by two interstate expressways, I-75 and I-675. These heavily traveled interstates bring tourists into our City. The tourists boost the sales tax revenue as well as the Hotel/Motel tax revenue. The City has a Hotel/Motel tax rate of 8%. We currently have five hotels in the city limits of Stockbridge for which we receive this tax revenue. This revenue has increased due to the overall economy.

Our citizen's employment, as well as our local economy, depends largely on what happens in and around Atlanta. The 2022 unemployment rates for the State of Georgia and the City, are at 3.1 and 2.9%, respectively. Property values have increased 18% in the net maintenance and operation tax digest from 2021 to 2022.

The City depends largely on Local Option Sales Tax for revenue. The 2022 sales tax revenue increased by approximately 10.2% compared to 2021. Other increases in revenue occurred in occupational taxes and insurance premium taxes. Franchise taxes were up overall by \$119,685 in 2022 from 2021.

RELEVANT FINANCIAL POLICIES

Fiscal Policies

The City actively supports economic development efforts to expand our revenue base and extend support to local business owners already established within our City limits. Budgeted revenue projections are made conservatively so that actual revenues will consistently meet or exceed budgeted revenues. The City provides medical, dental, and life insurance for its employees. The cost for these benefits is shared by the City and its employees. The City also provides a defined benefit pension plan for the City employees and elected officials.

Treasury Policies

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. The City administers the conservative treasury approach, and we employ safe and financially stable practices to protect the City's liquid assets. Other policies that have been established by the Council include Capital Assets, as well as Purchasing and Procurement.

Debt Administration

On December 31, 2022, the only outstanding long-term debt of the City, other than compensated absences and net pension liability, were Urban Redevelopment Agency revenue bonds in the amount of \$8,835,000. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 10% of total assessed value of real and personal property. As of December 31, 2022, the City did not have any general obligation bonded debt outstanding. The City's legal limit was \$128,615,094 and related debt per capita was zero.

The City's Water and Sewer Enterprise Fund was issued a note by the Georgia Environmental Facilities Authority in 2010 to finance construction projects to improve the City's water distribution facilities. The outstanding balance that matures in 2031 is \$1,023,845 at the end of 2022.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

In 2016, the Mayor and Council adopted a Mission Statement:

To provide visionary leadership and superior municipal services that enhance the quality of life for the citizens while creating a welcoming business atmosphere focused on sustainability and expansion of tourism and cultural events. They are passionate on establishing the Values of PEACE.

Professionalism
Excellence
Adaptability
Communications
Ethics

Special Purpose Local Option Sales Tax IV was passed by the citizens in November of 2013. We began receiving these funds in May of 2014. The plans are to use these funds for Capital Projects such as roads, bridges, sidewalks as well as public works facilities and equipment, parks and recreation and public safety facilities and equipment.

There are currently several projects that are being funded through our SPLOST revenues and supplemented by fund balance in the enterprise funds or Community Development Block Grant Funds:

- Ted Strickland Building Renovations
Approximately \$500,000
- Police Department Facility Renovations
Approximately \$3,000,000
- Water Source Development
Approximately \$1,000,000
- Sewer Line Replacement
Approximately \$1,000,000

The Future

The Mayor and Council are working on the Main Street Revitalization and Economic Development in our downtown area. In 2017, the Carrie Mae Hambrick building was demolished with plans to rebuild a state-of-the-art community center. Future considerations include a fiber optic network for our City buildings and downtown area. The City is designing/building a new Cultural Art Facility, Public Works Warehouse Facility, and Senior/Youth Center.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual financial report for the fiscal year ended December 31, 2021. The City is hopeful to obtain this prestigious award once again this year.

The Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report meets 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 would not have been possible without the efficient and dedicated services of the entire staff (current and former) of the finance and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparations of this report. The independent audit firm of Mauldin & Jenkins, LLC is also to be commended for their guidance and assistance in the preparation of this document.

We would like to also thank the Mayor, Members of City Council, City Manager and Department Heads for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Frederick Gardiner
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Stockbridge
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

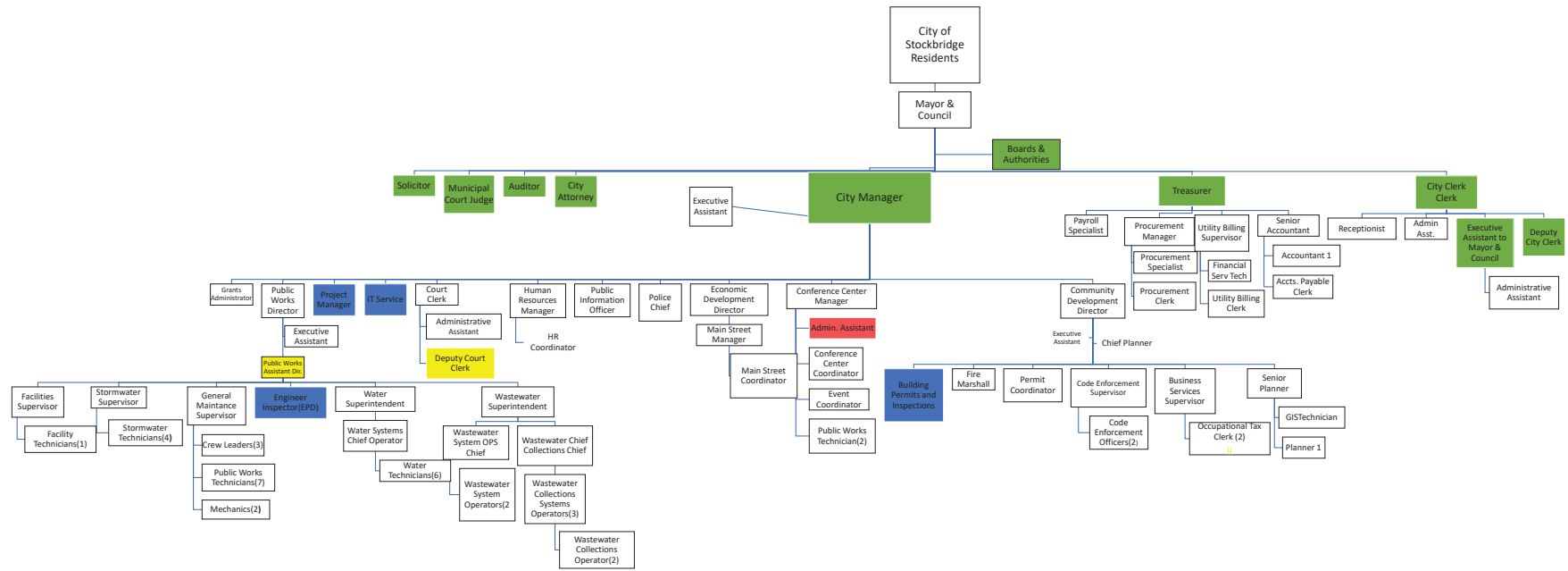
December 31, 2021

Christopher P. Morrell

Executive Director/CEO

CITY OF STOCKBRIDGE, GEORGIA

ORGANIZATIONAL CHART DECEMBER 31, 2022



CITY OF STOCKBRIDGE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS DECEMBER 31, 2022

LEGISLATIVE BRANCH MAYOR AND CITY COUNCIL

Anthony Ford	Mayor
Alphonso Thomas	Mayor Pro Tem
John Blount	Council Member
LaKeisha Gantt	Council Member
Elton Alexander	Council Member
Yolanda Barber	Council Member

OFFICERS OF THE COUNCIL

Frederick Gardiner	City Manager
Vanessa Holiday	City Clerk
Randi Rainey	Deputy City Clerk
Quinton Washington	City Attorney
Jeremy Berry	City Attorney

JUDICIAL BRANCH

Matthew McCord	Municipal Court Judge
Julie Kert	City Solicitor
Genea Stanley	Court Clerk

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
City of Stockbridge, Georgia
Stockbridge, 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 Stockbridge, Georgia's (the "City"), as of and for the year ended December 31, 2022, 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 December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). 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 Matter

The City implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2022. This standard significantly changed the accounting for the City's leases and the related disclosures. See Notes 6 and 7. 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 (on pages 5 through 13), the Schedule of Changes in the City's Net Pension Liability and Related Ratios (on pages 58 and 59), and the Schedule of City Contributions (on pages 60 and 61) 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 ("RSI") in accordance with GAAS, 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax proceeds, as required by O.C.G.A. §48-8-269.5, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, Schedule of Expenditures of Federal Awards, the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds, Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax proceeds, and the Schedule of Expenditures of Federal Awards (the "supplementary information") are 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
November 13, 2023

CITY OF STOCKBRIDGE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

As management of the City of Stockbridge, Georgia (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows on December 31, 2022, by \$115,487,724 (total net position). Of this amount, \$9,901,805 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net position, on an entity-wide basis, increased by \$13,471,851. Of this amount, a decrease of \$12,087,661 was associated with governmental activities and an increase of \$25,559,512 was associated with business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$45,095,149, a decrease of \$993,101 in comparison with the prior year. Of this amount, \$951,417 is unassigned and available for spending and \$40,535,859 is restricted by third parties or assigned for other specific future uses.
- At the end of the current year, unassigned fund balance for the General Fund was \$1,212,272, or 6.7%, of total General Fund expenditures.
- The City's total debt obligations decreased by a net \$2,580,018 for an overall decrease of 7.0% in total debt obligations. The Net Pension Liability increased by \$734,095 and accrued compensated absences increased by \$141,719. Due to the implementation of GASB Statement No. 87, *Leases*, as of January 1, 2022, lease liability increased by \$105,492. Bonds and notes payable decreased by \$3,561,324 due to scheduled debt service payments.

Overview of the Financial Statements

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements;
- 2) Fund financial statements; and
- 3) Notes to the financial statements.

The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report also contains other supplementary information that will enhance the reader's understanding of the financial condition of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial position.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements:

- 1) The governmental funds statements;
- 2) The budgetary comparison statements; and
- 3) The proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and deferred outflows and liabilities and deferred inflows, 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.

The Statement of Activities presents information showing how the government'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 only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety and courts, highways and streets, parks and recreation, tourism and promotion, and code enforcement. The business-type activities of the City are water and sewer, solid waste management, conference center, community center, amphitheater and stormwater management.

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. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the two.

The City maintains six major governmental funds. The City's major governmental funds are the General Fund, American Rescue Plan Act ("ARPA") Fund, Public Facilities Authority Fund, the Special Purpose Local Option Sales Tax ("SPLOST") V Capital Project Fund, the City-wide Capital Projects Fund, and the Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Capital Project Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for all major funds. The nonmajor funds are the Hotel/Motel Fund, the Grants Fund, the Perpetual Care Permanent Fund, the Downtown Development Authority ("DDA") Fund, the State and Federal Grants Fund, the Impact Fee Fund and the Urban Redevelopment Fund, along with the SPLOST III Capital Project Fund, and the SPLOST IV Capital Project Fund.

The City adopts an annual budget for the Hotel/Motel Fund, Grants Fund, Burke Cemetery Fund, the Downtown Development Authority Fund, the Urban Redevelopment Fund, and the Impact Fee Fund. The City is required by state law to adopt annual budgets for the General Fund and its special revenue funds (Hotel/Motel Tax Fund and Grants Fund). Budgetary comparison statements have been provided for the General Fund for the fiscal year 2022 budget. The City adopts project length budgets for the SPLOST Capital Projects Funds, the Public Facilities Authority Fund, the City-wide Capital Projects Fund, the TSPLOST Fund, and the State and Federal Grants Fund.

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Solid Waste Management Fund, Amphitheater Fund, Stormwater Management Fund, and the Conference Center Fund. The first three enterprise funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

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.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On December 31, 2022, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$115,487,724. The City's net position reflects its investment in capital assets of \$80,264,522 (69.5%), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens, and they are not available for future spending. Although the investment in 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. Of the total net position, \$25,060,542 (21.7%) is restricted to capital projects and other external restrictions on how they may be used. The unrestricted amount of \$10,162,660 (8.8%) may be used to meet the government's ongoing obligations to citizens and creditors.

The following is a comparison statement of the City's net position as of December 31, 2022:

	Activities		Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 52,680,302	\$ 53,065,492	\$ 8,091,106	\$ 7,997,539	\$ 60,771,408	\$ 61,063,031
Capital assets	51,349,010	65,939,935	48,045,415	22,629,252	99,394,425	88,569,187
Total assets	104,029,312	119,005,427	56,136,521	30,626,791	160,165,833	149,632,218
Deferred outflows of resources						
Pension	558,826	415,829	495,029	261,346	1,053,855	677,175
Long-term liabilities outstanding	32,796,027	-	1,513,968	2,227,816	34,309,995	2,227,816
Other liabilities	7,906,382	7,330,232	2,253,903	1,236,577	10,160,285	8,566,809
Total liabilities	40,702,409	7,330,232	3,767,871	3,464,393	44,470,280	10,794,625
Deferred inflows of resources						
Pension	669,032	1,133,230	592,652	712,229	1,261,684	1,845,459
Net position:						
Net investment in capital assets	33,292,952	48,261,529	46,971,570	21,459,083	80,264,522	69,720,612
Restricted	25,321,397	11,599,061	-	-	25,321,397	11,599,061
Unrestricted	4,602,348	15,443,768	5,299,457	5,252,432	9,901,805	20,696,200
Total net position	\$ 63,216,697	\$ 75,304,358	\$ 52,271,027	\$ 26,711,515	\$ 115,487,724	\$ 102,015,873

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities decreased the City's net position by \$12,087,661, primarily because of transferring Amphitheater assets from the governmental activities to the proprietary funds and due to an increase of transfers from the governmental funds to supplement the proprietary funds during 2022. Other key elements of this decrease are as follows:

City of Stockbridge Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 1,509,362	\$ 1,439,128	\$ 7,298,821	\$ 6,951,378	\$ 8,808,183	\$ 8,390,506
Capital grants and contributions	32,021,633	11,203,137	24,555,035	563,657	56,576,668	11,766,794
General revenues						
Other tax	7,485,614	7,091,392	-	-	7,485,614	7,091,392
Interest	1,256	1,894	-	-	1,256	1,894
Total Revenues	41,017,865	19,735,551	31,853,856	7,515,035	72,871,721	27,250,586
Expenses:						
General Government	14,215,859	3,760,382	-	-	14,215,859	3,760,382
Judicial	1,625,210	155,059	-	-	1,625,210	155,059
Public safety	8,317,170	345,410	-	-	8,317,170	345,410
Public works	20,668,385	3,149,973	-	-	20,668,385	3,149,973
Health and welfare	-	42,502	-	-	-	42,502
Culture and Recreation	-	376,263	-	-	-	376,263
Housing and development	2,989,823	1,972,305	-	-	2,989,823	1,972,305
Interest on long-term debt	914,109	1,381,846	-	-	914,109	1,381,846
Water and sewer	-	-	4,457,740	4,370,327	4,457,740	4,370,327
Stormwater management	-	-	579,548	628,728	579,548	628,728
Solid waste	-	-	1,884,867	1,658,235	1,884,867	1,658,235
Conference center	-	-	665,555	2,315,364	665,555	2,315,364
Community center	-	-	-	567,622	-	567,622
Amphitheater	-	-	3,081,604	-	3,081,604	-
Total Expenses	48,730,556	11,183,740	10,669,314	9,540,276	59,399,870	20,724,016
Increase (decrease) in net position before transfers	(7,712,691)	8,551,811	21,184,542	(2,025,241)	13,471,851	6,526,570
Transfers	(4,374,970)	154,386	4,374,970	(154,386)	-	-
Increase (decrease) in net position	(12,087,661)	8,706,197	25,559,512	(2,179,627)	13,471,851	6,526,570
Net position - beginning of year	75,304,358	66,598,161	26,711,515	28,891,142	102,015,873	95,489,303
Net position - end of year	\$ 63,216,697	\$ 75,304,358	\$ 52,271,027	\$ 26,711,515	\$115,487,724	\$102,015,873

- Revenues from Local Option Sales Tax (reported as intergovernmental revenues/capital contributions) increased by \$604,932, or 10.2%, from 2021 to 2022. This increase is due to the overall economy. SPLOST increased by \$9,588,376, or 73.4%, for the SPLOST V revenues, due to the beginning of revenue collections of SPLOST V.
- Investment earnings decreased from 2021 to 2022. This is due to the fluctuations in interest rates.
- The City received \$281,849 for Local Maintenance Improvement Grants for the year associated with street improvements.
- Revenue from Courts was up \$199,990 due to municipal court receiving fines on current and past cases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities. Business-type activities increased the City's net position by \$25,559,512. The increase is basically the result of the capital contributions and transfers from the SPLOST V Fund to the Water and Sewer Fund and the Conference Center Fund. The transfer from the City's General Fund to the Conference Center is to supplement the operation. The sanitation department privatized the collection of residential solid waste with Waste Industries and the startup proved beneficial.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The purpose of the City's governmental fund financial statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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.

On December 31, 2022, the City's governmental funds reported combined ending fund balances of \$45,095,149, a decrease of \$993,101 in comparison to the prior year. Of this amount, \$951,417 (2.1%) is unassigned fund balance, which is available for spending at the government's discretion. Additionally, \$40,535,859 is restricted by third parties for: 1) capital items, most of which is funded mainly by the proceeds of the SPLOST (\$39,430,598); 2) Perpetual Care of the City's cemetery (\$6,950); and 3) tourism (\$1,098,311). The General Fund's decrease of fund balance in the amount of \$11,581,788, mainly resulted from transfers out to other funds for local capital outlay projects.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,212,272. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.7% of the total General Fund expenditures, while total fund balance represents 24.5% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund decreased by \$11,581,788. A key factor in the decrease is due to an increase in funds transferred out. The City collected a total of \$6,540,225 in local option sales taxes for 2022, an increase of 10.2% over 2021. Franchise taxes increased by 8.0% to \$1,614,172 in 2022 from \$1,494,487 in 2021, for electric, television and telephone taxes. The City's General Fund revenues increased due to an increase in tax revenues. The expenditures in General Fund increased by 72.2%, from \$10,586,099 to \$18,225,910 in 2022 compared to 2021.

The City received \$13,063,820 in SPLOST in 2022 compared to \$3,476,312 in 2021. This is up by 275.8% due primarily to the collections starting in April 2021 for SPLOST V. The projects approved for SPLOST V include new park equipment, the City's share of roads, bridges, sidewalks and transportation facilities and public safety facilities and equipment.

As of December 31, 2022, the Urban Redevelopment Agency of the City had long-term liabilities from Revenue Bonds in the amount of \$8,835,000. The majority of these funds were used for purchasing property and building and furnishing a new City Hall facility which was completed in 2009. The cost of the building is approximately \$11,964,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Hotel/Motel Tax Fund is used to promote tourism in the City. The fund is used to account for proceeds from the City's Hotel/Motel tax. The City is required to pay Henry County Chamber of Commerce 43.75% of all payments. The total fund balance on December 31, 2022 for this fund amounted to \$1,098,311.

The City has a Perpetual Care Permanent Fund which is for the upkeep of the City cemetery. A donation of \$5,000 was made with only the investment earnings to be used for cemetery upkeep purposes. Currently, the City has not used any of these proceeds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the proprietary funds at the end of the year were \$5,299,457 of which the Water and Sewer Fund had \$2,669,176 (50%), the Solid Waste Fund had \$1,194,815 (23%), the Amphitheater Fund had \$358,504 (7%), and all other enterprise funds had \$1,076,962 (20%). Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The original budget for the City's General Fund for 2022 was \$16,366,986. There was a \$1,982,748 difference between the net change in fund balance from the original budget.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities on December 31, 2022, amounts to \$99,394,425 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges, and roads.

Major capital asset events during the current fiscal year include the following:

- \$436,495 for Public Works Department Vehicles and Sidewalk Repairs.
- \$1,299,637 for Amphitheater final payments.
- \$3,591,398 for Police Department Building Renovation.
- \$195,125 for Merle Manders Renovation Improvements.
- \$338,355 for Stormwater Improvements, Vehicle, and Equipment.
- \$33,337 for Watershed Monitoring.
- \$1,308,659 for Amphitheater Road Paving Projects Design - SPLOST IV.
- \$202,395 for Public Works Facility Construction – SPLOST IV.
- \$374,633 for the Ted Strickland Building Renovation – SPLOST IV.
- \$4,707,847 for the Police Department Vehicles and Equipment ARPA Funds.
- \$2,113,178 for Sewer Department Improvements – ARPA Funds.
- \$142,464 for the Stormwater Improvements – ARPA Funds.
- \$31,395 for Water System Improvements – ARPA Funds.
- \$305,725 for Sewer Repair – Grant Funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Long-term debt. At the end of the current fiscal year, the City had \$34,309,995 in outstanding debt consisting of the following:

	<u>Balance</u>
Governmental Activities	
Revenue Bonds	\$ 31,955,000
Accrued Compensated Absences	271,399
Net Pension Liability	464,136
Lease liability	105,492
Business-Type Activities	
GEFA Notes Payable	1,023,845
Accrued Compensated Absences	78,975
Net Pension Liability	<u>411,148</u>
 TOTAL	 <u><u>\$ 34,309,995</u></u>

The City's total debt decreased by \$2,580,018. Additional information on the City's long-term debt can be found in Note 8.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City is \$128,615,094, which is in excess of the City's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- The estimated unemployment rate for the City is currently 2.9%, which is slightly below the state and the national rates.
- Cost of Living indices in the region compare favorably to national indices.
- Occupational Taxes (Business Licenses) were up from 2022 due to the economic rebound. These are based on gross receipts.
- Sales tax receipts have been rising in recent months.
- During 2022 and going forward, the City will continue to do its best to secure additional funding sources, such as fees, grants and private participation, to continue to construct roads and capital projects and purchase and improve capital items.

All of these factors were considered in preparing the City's budget for Fiscal Year 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Requests for Information

This financial report is designed to provide a general overview of the City of Stockbridge's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 389-7900 or at the following address:

City of Stockbridge
Finance Department
4640 North Henry Boulevard
Stockbridge, Georgia 30281

BASIC FINANCIAL STATEMENTS

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 47,313,735	\$ 7,033,256	\$ 54,346,991
Investments	12,284	58,000	70,284
Taxes receivable	2,654,368	-	2,654,368
Accounts receivable, net of allowances	61,171	820,209	881,380
Due from other governments	68,459	14,768	83,227
Inventories	-	97,867	97,867
Prepaid expenses	373,253	67,006	440,259
Assets held for resale	2,197,032	-	2,197,032
Leased assets, net of accumulated amortization	97,824	-	97,824
Capital assets, non-depreciable	22,218,183	8,742,866	30,961,049
Capital assets, depreciable, net of accumulated depreciation	29,033,003	39,302,549	68,335,552
Total assets	104,029,312	56,136,521	160,165,833
DEFERRED OUTFLOWS OF RESOURCES			
Pension	558,826	495,029	1,053,855
Total deferred outflows of resources	558,826	495,029	1,053,855
LIABILITIES			
Accounts payable	2,845,769	339,964	3,185,733
Retainage payable	488,949	50,000	538,949
Accrued interest expense	370,887	2,920	373,807
Other accrued expenses	151,946	25,367	177,313
Customer deposits	-	136,045	136,045
Leases, due within one year	27,688	-	27,688
Leases, due in more than one year	77,804	-	77,804
Compensated absences due within one year	54,280	15,795	70,075
Compensated absences due in more than one year	217,119	63,180	280,299
Unearned revenue	4,048,831	1,699,607	5,748,438
Bonds payable due within one year	4,735,000	-	4,735,000
Bonds payable due in more than one year	27,220,000	-	27,220,000
Notes payable due within one year	-	97,777	97,777
Notes payable due in more than one year	-	926,068	926,068
Net pension liability due in more than one year	464,136	411,148	875,284
Total liabilities	40,702,409	3,767,871	44,470,280
DEFERRED INFLOWS OF RESOURCES			
Pension	669,032	592,652	1,261,684
Total deferred inflows of resources	669,032	592,652	1,261,684
NET POSITION			
Net investment in capital assets	33,292,952	46,971,570	80,264,522
Restricted for capital projects	24,211,136	-	24,211,136
Restricted for tourism	1,098,311	-	1,098,311
Restricted for cemetery maintenance - non-expendable	5,000	-	5,000
Restricted for cemetery maintenance - expendable	6,950	-	6,950
Unrestricted	4,602,348	5,299,457	9,901,805
Total net position	\$ 63,216,697	\$ 52,271,027	\$ 115,487,724

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary government			
Governmental activities:			
General government	\$ 14,215,859	\$ 1,252,877	\$ 8,173,804
Judicial	1,625,210	256,485	475,956
Public safety	8,317,170	-	7,698,050
Public works	20,668,385	-	12,310,711
Housing and development	2,989,823	-	3,363,112
Interest on long-term debt	914,109	-	-
Total governmental activities	<u>48,730,556</u>	<u>1,509,362</u>	<u>32,021,633</u>
Business-type activities:			
Water and sewer	4,457,740	3,991,542	1,752,918
Stormwater	579,548	1,037,207	73,188
Solid waste	1,884,867	1,811,707	-
Amphitheater	3,081,604	447,580	20,509,745
Conference center	665,555	10,785	2,219,184
Total business-type activities	<u>10,669,314</u>	<u>7,298,821</u>	<u>24,555,035</u>
Total primary government	<u>\$ 59,399,870</u>	<u>\$ 8,808,183</u>	<u>\$ 56,576,668</u>
General revenues:			
Property taxes			
Franchise taxes			
Alcoholic beverage excise taxes			
Business and occupation taxes			
Insurance premium taxes			
Hotel/motel taxes			
Other taxes			
Unrestricted investment earnings			
Transfers			
Total general revenues and transfers			
Change in net position			
Net position, beginning of year			
Net position, end of year			

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (4,789,178)	\$ -	\$ (4,789,178)
(892,769)	-	(892,769)
(619,120)	-	(619,120)
(8,357,674)	-	(8,357,674)
373,289	-	373,289
(914,109)	-	(914,109)
<u>(15,199,561)</u>	<u>-</u>	<u>(15,199,561)</u>
-	1,286,720	1,286,720
-	530,847	530,847
-	(73,160)	(73,160)
-	17,875,721	17,875,721
-	1,564,414	1,564,414
-	21,184,542	21,184,542
<u>(15,199,561)</u>	<u>21,184,542</u>	<u>5,984,981</u>
770,169	-	770,169
1,614,172	-	1,614,172
851,324	-	851,324
1,210,279	-	1,210,279
2,389,696	-	2,389,696
484,363	-	484,363
165,611	-	165,611
1,256	-	1,256
(4,374,970)	4,374,970	-
<u>3,111,900</u>	<u>4,374,970</u>	<u>7,486,870</u>
<u>(12,087,661)</u>	<u>25,559,512</u>	<u>13,471,851</u>
<u>75,304,358</u>	<u>26,711,515</u>	<u>102,015,873</u>
<u>\$ 63,216,697</u>	<u>\$ 52,271,027</u>	<u>\$ 115,487,724</u>

CITY OF STOCKBRIDGE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	General Fund	ARPA Fund	Public Facilities Authority	SPLOST V Fund
ASSETS				
Cash and cash equivalents	\$ 1,715,725	\$ 3,456,051	\$ 15,219,462	\$ 14,987,594
Investments	-	-	-	-
Taxes receivable	2,020,738	-	-	596,482
Accounts receivable	58,671	-	-	-
Due from other governments	68,459	-	-	-
Prepaid expenditures	372,687	-	-	-
Assets held for resale	2,197,032	-	-	-
Total assets	<u>\$ 6,433,312</u>	<u>\$ 3,456,051</u>	<u>\$ 15,219,462</u>	<u>\$ 15,584,076</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 639,344	\$ 260,685	\$ -	\$ 880,239
Retainage payable	159,993	117,678	-	91,236
Accrued liabilities	151,946	-	-	-
Unearned revenue - occupational taxes	971,143	-	-	-
Unearned revenue - grants	-	3,077,688	-	-
Total liabilities	<u>1,922,426</u>	<u>3,456,051</u>	<u>-</u>	<u>971,475</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - court fines	44,487	-	-	-
Unavailable revenue - franchise taxes	5,171	-	-	-
Total deferred inflows of resources	<u>49,658</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances				
Non-spendable:				
Prepays	372,687	-	-	-
Permanent fund corpus	-	-	-	-
Assets held for resale	2,197,032	-	-	-
Restricted for:				
Capital projects	-	-	15,219,462	14,612,601
Tourism	-	-	-	-
Cemetery maintenance	-	-	-	-
Assigned for:				
Purchases on order	679,237	-	-	-
Capital projects	-	-	-	-
Unassigned	1,212,272	-	-	-
Total fund balances	<u>4,461,228</u>	<u>-</u>	<u>15,219,462</u>	<u>14,612,601</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,433,312</u>	<u>\$ 3,456,051</u>	<u>\$ 15,219,462</u>	<u>\$ 15,584,076</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

The net pension liability and related deferred outflows and inflows of resources are not 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 funds.

Net position of governmental activities

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

City-wide Capital Projects Fund	TSPLOST Fund	Other Governmental Funds	Total Governmental Funds
\$ 313,993	\$ 4,526,906	\$ 7,094,004	\$ 47,313,735
-	-	12,284	12,284
-	-	37,148	2,654,368
-	-	2,500	61,171
-	-	-	68,459
-	-	566	373,253
-	-	-	2,197,032
<u>\$ 313,993</u>	<u>\$ 4,526,906</u>	<u>\$ 7,146,502</u>	<u>\$ 52,680,302</u>

\$ 303,993	\$ -	\$ 761,508	\$ 2,845,769
10,000	-	110,042	488,949
-	-	-	151,946
-	-	-	971,143
-	-	-	3,077,688
<u>313,993</u>	<u>-</u>	<u>871,550</u>	<u>7,535,495</u>

-	-	-	44,487
-	-	-	5,171
-	-	-	49,658

-	-	566	373,253
-	-	5,000	5,000
-	-	-	2,197,032
-	-	-	-
-	4,526,906	5,071,629	39,430,598
-	-	1,098,311	1,098,311
-	-	6,950	6,950
-	-	-	679,237
-	-	353,351	353,351
-	-	(260,855)	951,417
-	4,526,906	6,274,952	45,095,149
<u>\$ 313,993</u>	<u>\$ 4,526,906</u>	<u>\$ 7,146,502</u>	

51,349,010

49,658

(574,342)

(32,702,778)

\$ 63,216,697

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	General Fund	ARPA Fund	Public Facilities Authority	SPLOST V Fund
Revenues				
Taxes	\$ 6,998,931	\$ -	\$ -	\$ -
Licenses and permits	813,684	-	-	-
Intergovernmental	6,822,074	6,800,316	-	13,063,820
Fines and forfeitures	256,485	-	-	-
Charges for services	280,123	-	-	-
Impact fees	-	-	-	-
Contributions	31,560	-	-	-
Interest income	1,256	-	-	868
Other revenues	127,510	-	-	-
Total revenues	<u>15,331,623</u>	<u>6,800,316</u>	<u>-</u>	<u>13,064,688</u>
Expenditures				
Current:				
General government	5,878,186	340,365	-	-
Judicial	357,139	-	-	-
Public safety	4,435,360	-	-	-
Public works and parks	5,019,051	-	-	-
Housing and development	2,523,549	-	-	-
Capital outlay:				
General government	-	-	-	240,613
Public safety	-	4,672,867	-	-
Public works	-	1,787,084	2,873,359	1,514,066
Culture and recreation	-	-	-	173,734
Debt service:				
Principal	11,897	-	2,685,000	-
Interest	728	-	517,609	-
Total expenditures	<u>18,225,910</u>	<u>6,800,316</u>	<u>6,075,968</u>	<u>1,928,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,894,287)</u>	<u>-</u>	<u>(6,075,968)</u>	<u>11,136,275</u>
Other financing sources (uses)				
Transfers in	490,046	-	3,014,566	-
Transfers out	(9,294,936)	-	-	-
Proceeds from leases	117,389	-	-	-
Total other financing sources (uses)	<u>(8,687,501)</u>	<u>-</u>	<u>3,014,566</u>	<u>-</u>
Net change in fund balances	<u>(11,581,788)</u>	<u>-</u>	<u>(3,061,402)</u>	<u>11,136,275</u>
Fund balances, beginning of year	<u>16,043,016</u>	<u>-</u>	<u>18,280,864</u>	<u>3,476,326</u>
Fund balances, end of year	<u>\$ 4,461,228</u>	<u>\$ -</u>	<u>\$ 15,219,462</u>	<u>\$ 14,612,601</u>

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

City-wide Capital Projects Fund	TSPLOST Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 484,363	\$ 7,483,294
-	-	-	813,684
-	4,527,330	593,288	31,806,828
-	-	-	256,485
-	-	-	280,123
-	-	213,480	213,480
-	-	-	31,560
-	-	457	2,581
-	-	-	127,510
-	4,527,330	1,291,588	41,015,545
-	424	-	6,218,975
-	-	-	357,139
-	-	-	4,435,360
-	-	864,353	5,883,404
-	-	467,197	2,990,746
350,427	-	435,183	1,026,223
244,321	-	-	4,917,188
13,664	-	958,973	7,147,146
128,862	-	51,841	354,437
-	-	780,000	3,476,897
-	-	425,213	943,550
737,274	424	3,982,760	37,751,065
(737,274)	4,526,906	(2,691,172)	3,264,480
4,041,627	-	1,215,989	8,762,228
(3,842,262)	-	-	(13,137,198)
-	-	-	117,389
199,365	-	1,215,989	(4,257,581)
(537,909)	4,526,906	(1,475,183)	(993,101)
537,909	-	7,750,135	46,088,250
\$ -	\$ 4,526,906	\$ 6,274,952	\$ 45,095,149

CITY OF STOCKBRIDGE, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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

Net change in fund balances - total governmental funds	\$ (993,101)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	8,111,904
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(22,800,653)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	2,320
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.	3,457,332
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.	<u>134,537</u>
Changes in net position - governmental activities	<u><u>\$ (12,087,661)</u></u>

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

CITY OF STOCKBRIDGE, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 2,000,000	\$ 2,000,000	\$ -	\$ (2,000,000)
Other taxes	6,552,108	6,552,108	6,998,931	446,823
Licenses and permits	949,746	949,746	813,684	(136,062)
Intergovernmental	5,669,181	5,669,181	6,822,074	1,152,893
Fines and forfeitures	828,158	828,158	256,485	(571,673)
Charges for services	130,759	130,759	280,123	149,364
Contributions	10,000	10,000	31,560	21,560
Interest income	1,723	1,723	1,256	(467)
Other revenues	225,311	225,311	127,510	(97,801)
Total revenues	16,366,986	16,366,986	15,331,623	(1,035,363)
Expenditures				
Current:				
General government:				
Mayor and council	415,059	415,029	367,125	47,904
Executive	582,917	582,917	517,159	65,758
City manager	715,813	715,813	682,241	33,572
Financial administration	1,647,679	1,647,679	1,649,085	(1,406)
Business services	273,924	273,924	257,149	16,775
Data processing	649,582	649,582	661,906	(12,324)
Building and plant	979,734	979,734	1,077,488	(97,754)
Human resources	547,413	547,413	666,033	(118,620)
Total general government	5,812,121	5,812,091	5,878,186	(66,095)
Judicial:				
Municipal court	454,085	454,085	357,139	96,946
Public safety:				
Police administration	3,611,296	3,611,296	4,435,360	(824,064)
Public works:				
Public works	3,881,424	5,448,701	4,826,941	621,760
Parks	357,500	357,500	192,110	165,390
Total public works	4,238,924	5,806,201	5,019,051	787,150
Housing and development:				
Code enforcement	270,643	269,984	198,754	71,230
Main street	247,162	247,162	211,291	35,871
Planning and zoning	989,783	990,442	814,401	176,041
Permitting development	749,444	749,444	589,313	160,131
City events	280,000	280,000	709,790	(429,790)
Total housing and development	2,537,032	2,537,032	2,523,549	13,483
Debt service:				
Principal	-	-	11,897	(11,897)
Interest	-	-	728	(728)
Total debt service	-	-	12,625	(12,625)
Total expenditures	16,653,458	18,220,705	18,225,910	(5,205)
Deficiency of revenues under expenditures	(286,472)	(1,853,719)	(2,894,287)	(1,040,568)
Other financing sources (uses)				
Proceeds from sale of assets	10,000	10,000	-	(10,000)
Transfers in	121,260	121,260	490,046	368,786
Transfers out	(1,827,536)	(1,827,536)	(9,294,936)	(7,467,400)
Proceeds from leases	-	-	117,389	117,389
Total other financing (uses), net	(1,696,276)	(1,696,276)	(8,687,501)	(6,991,225)
Net change in fund balances	(1,982,748)	(3,549,995)	(11,581,788)	(8,031,793)
Fund balances, beginning of year	16,043,016	16,043,016	16,043,016	-
Fund balances, end of year	\$ 14,060,268	\$ 12,493,021	\$ 4,461,228	\$ (8,031,793)

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

CITY OF STOCKBRIDGE, GEORGIA

ARPA FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget Original/Final	Actual	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 6,800,316	\$ 6,800,316
Total revenues	-	6,800,316	6,800,316
Expenditures			
Current:			
General government:			
Financial administration	340,365	340,365	-
Capital outlay:			
Public works	8,565,458	1,787,084	6,778,374
Total expenditures	8,905,823	2,127,449	6,778,374
Net change in fund balances	(8,905,823)	4,672,867	13,578,690
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ (8,905,823)	\$ 4,672,867	\$ 13,578,690

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2022

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,510,746	\$ 2,976,843	\$ 376,320	\$ 1,169,347	\$ 7,033,256
Investments	58,000	-	-	-	58,000
Accounts receivable, net of allowances	496,310	76,740	-	247,159	820,209
Due from other governments	11,057	1,682	-	2,029	14,768
Inventories	97,867	-	-	-	97,867
Prepaid expenses	61,094	744	187	4,981	67,006
Total current assets	3,235,074	3,056,009	376,507	1,423,516	8,091,106
NON-CURRENT ASSETS					
Capital assets:					
Capital assets, non-depreciable	8,512,450	-	-	230,416	8,742,866
Capital assets, depreciable, net of accumulated depreciation	13,782,706	64,854	21,533,174	3,921,815	39,302,549
Total capital assets	22,295,156	64,854	21,533,174	4,152,231	48,045,415
Total non-current assets	22,295,156	64,854	21,533,174	4,152,231	48,045,415
Total assets	25,530,230	3,120,863	21,909,681	5,575,747	56,136,521
DEFERRED OUTFLOWS OF RESOURCES					
Pension	216,092	14,501	-	264,436	495,029
Total deferred outflows of resources	216,092	14,501	-	264,436	495,029
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	158,997	143,577	18,003	19,387	339,964
Retainage payable	50,000	-	-	-	50,000
Accrued liabilities	15,989	846	-	8,532	25,367
Unearned revenue	-	1,699,607	-	-	1,699,607
Notes payable, current portion	97,777	-	-	-	97,777
Compensated absences due within one year	9,901	452	-	5,442	15,795
Customer deposits	116,395	-	-	19,650	136,045
Accrued interest	2,920	-	-	-	2,920
Total current liabilities	451,979	1,844,482	18,003	53,011	2,367,475
NON-CURRENT LIABILITIES					
Compensated absences due in more than one year	39,605	1,808	-	21,767	63,180
Net pension liability	179,476	12,044	-	219,628	411,148
Notes payable, long-term portion	926,068	-	-	-	926,068
Total non-current liabilities	1,145,149	13,852	-	241,395	1,400,396
Total liabilities	1,597,128	1,858,334	18,003	294,406	3,767,871
DEFERRED INFLOWS OF RESOURCES					
Pension	258,707	17,361	-	316,584	592,652
Total deferred inflows of resources	258,707	17,361	-	316,584	592,652
NET POSITION					
Net investment in capital assets	21,221,311	64,854	21,533,174	4,152,231	46,971,570
Unrestricted	2,669,176	1,194,815	358,504	1,076,962	5,299,457
Total net position	\$ 23,890,487	\$ 1,259,669	\$ 21,891,678	\$ 5,229,193	\$ 52,271,027

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Total
OPERATING REVENUES					
Charges for services:					
Water sales	\$ 2,122,479	\$ -	\$ -	\$ -	\$ 2,122,479
Sewer sales	1,805,138	-	-	-	1,805,138
Ticket sales	-	-	445,080	-	445,080
Stormwater fees	-	-	-	1,037,207	1,037,207
Sanitation charges	-	1,698,287	-	-	1,698,287
Rentals	-	113,420	-	10,785	124,205
Rents and royalties	-	-	2,500	-	2,500
Other fees and charges	63,925	-	-	-	63,925
Total operating revenues	<u>3,991,542</u>	<u>1,811,707</u>	<u>447,580</u>	<u>1,047,992</u>	<u>7,298,821</u>
OPERATING EXPENSES					
Personnel services and employee benefits	1,478,307	92,295	33,715	850,918	2,455,235
Contracted services	641,410	1,764,411	2,471,671	100,940	4,978,432
Supplies	1,451,098	13,189	-	75,977	1,540,264
Repairs and maintenance	30,827	-	-	3,581	34,408
Bad debt expense	10,147	-	-	-	10,147
Depreciation	815,034	14,972	576,218	213,687	1,619,911
Total operating expenses	<u>4,426,823</u>	<u>1,884,867</u>	<u>3,081,604</u>	<u>1,245,103</u>	<u>10,638,397</u>
Operating loss	<u>(435,281)</u>	<u>(73,160)</u>	<u>(2,634,024)</u>	<u>(197,111)</u>	<u>(3,339,576)</u>
NON-OPERATING (EXPENSE)					
Interest expense	<u>(30,917)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,917)</u>
Total non-operating expenses	<u>(30,917)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,917)</u>
Loss before capital contributions and transfers	(466,198)	(73,160)	(2,634,024)	(197,111)	(3,370,493)
CAPITAL CONTRIBUTIONS	1,752,918	-	20,509,745	2,292,372	24,555,035
TRANSFERS IN	-	-	3,842,262	1,022,754	4,865,016
TRANSFERS OUT	<u>(61,260)</u>	<u>-</u>	<u>-</u>	<u>(428,786)</u>	<u>(490,046)</u>
Change in net position	1,225,460	(73,160)	21,717,983	2,689,229	25,559,512
NET POSITION, beginning of year	<u>22,665,027</u>	<u>1,332,829</u>	<u>173,695</u>	<u>2,539,964</u>	<u>26,711,515</u>
NET POSITION, end of year	<u>\$ 23,890,487</u>	<u>\$ 1,259,669</u>	<u>\$ 21,891,678</u>	<u>\$ 5,229,193</u>	<u>\$ 52,271,027</u>

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,934,104	\$ 1,816,184	\$ 447,580	\$ 1,982,260	\$ 8,180,128
Payments to suppliers and service providers	(2,126,538)	(1,772,752)	(2,453,855)	(1,225,090)	(7,578,235)
Payments to employees	(1,542,160)	(96,104)	(33,715)	(679,684)	(2,351,663)
Net cash provided by (used in) operating activities	265,406	(52,672)	(2,039,990)	77,486	(1,749,770)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(61,260)	-	-	(60,000)	(121,260)
Transfers from other funds	-	-	3,842,262	653,968	4,496,230
Net cash provided by non-capital financing activities	(61,260)	-	3,842,262	593,968	4,374,970
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	(382,090)	-	(1,599,647)	(499,302)	(2,481,039)
Principal payments on notes payable	(96,324)	-	-	-	(96,324)
Interest paid	(30,917)	-	-	-	(30,917)
Net cash used in capital and related financing activities	(509,331)	-	(1,599,647)	(499,302)	(2,608,280)
Increase (decrease) in cash and cash equivalents	(305,185)	(52,672)	202,625	172,152	16,920
Cash and cash equivalents:					
Beginning of year	2,815,931	3,029,515	173,695	997,195	7,016,336
End of year	\$ 2,510,746	\$ 2,976,843	\$ 376,320	\$ 1,169,347	\$ 7,033,256

(Continued)

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Amphitheater Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating loss	\$ (435,281)	\$ (73,160)	\$ (2,634,024)	\$ (197,111)	\$ (3,339,576)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	815,034	14,972	576,218	213,687	1,619,911
Increase in accounts receivable	(58,040)	(10,757)	-	(37,113)	(105,910)
Decrease in inventories	5,476	-	-	-	5,476
Decrease in due from other governments	602	9,814	-	4,912	15,328
Increase in deferred outflows of resources - pension	(64,918)	(4,445)	-	(164,320)	(233,683)
Increase in customer deposits	-	-	-	19,650	19,650
Decrease (increase) in prepaid expenses	12,409	-	(187)	(3,763)	8,459
Increase in accrued liabilities	6,385	734	-	12,939	20,058
Increase (decrease) in accounts payable	(10,941)	4,848	18,003	(13,894)	(1,984)
Increase in unearned revenue	-	5,420	-	-	5,420
Increase (decrease) in deferred inflows of resources - pension	(153,277)	(10,045)	-	43,745	(119,577)
Increase in net pension liability	147,957	9,947	-	198,754	356,658
Net cash provided by (used in) operating activities	<u>\$ 265,406</u>	<u>\$ (52,672)</u>	<u>\$ (2,039,990)</u>	<u>\$ 77,486</u>	<u>\$ (1,749,770)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions of capital assets	<u>\$ 1,752,918</u>	<u>\$ -</u>	<u>\$ 20,509,745</u>	<u>\$ 2,292,372</u>	<u>\$ 24,555,035</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF STOCKBRIDGE, GEORGIA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1920 and is located in the northern part of Henry County about 18 miles south of Atlanta. The City provides a full range of services to approximately 26,000 residents. These services are provided in whole by the City or through contractual agreements with Henry County. These services include police services, community development, highways and streets, water and sewer, sanitation, parks, public improvements, planning and zoning, and general administrative services.

In 2013, the City adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment to GASB Nos. 14 and 34*, which defines the reporting entity for determining which potential component units should be included in the primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and: 1) the ability of the City to impose its will on that organization, or 2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. In addition to the above criteria, GASB Statement No. 61 added that if the primary government is expected to repay substantially all of the component unit's debt, then the component unit should be blended.

Blended Component Units - Blended component units, although legally separate entities, are, in substance, part of the government's operations.

The City of Stockbridge Urban Redevelopment Agency (the "URA") was created by the City's elected officials to provide for the issuance of bonds to finance the construction of the Town Center facilities including City Hall. The City Council appoints the majority of the URA board members, and the URA's debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the URA is blended as a governmental fund into the primary government. Separate financial statements for the URA are not issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The City of Stockbridge Public Facilities Authority (the “PFA”) was created by the City’s elected officials to provide for the issuance of bonds to finance the construction of the Amphitheater and Cultural Arts Center, to fund the Trails Project, and to fund purchase of police equipment. The City Council appoints the majority of the PFA board members, and the PFA’s debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the PFA is blended as a governmental fund into the primary government. Separate financial statements for the PFA are not issued.

The City of Stockbridge Downtown Development Authority (the “DDA”) exists to encourage growth and redevelopment of the Stockbridge, Georgia central business district. The City Council appoints the majority of the DDA board members, and the DDA’s debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the DDA is blended as a nonmajor governmental fund into the primary government. Separate financial statements for the DDA are not issued.

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 government. For the most part, the effect of interfund activity has been removed from these statements. *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 Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not 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 Basis of 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures 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. Capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources. Issuance of long-term debt and financing through leases are reported as other financing sources.

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.

Substantially all governmental fund revenues are accrued. In applying GASB Statement No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, are reported as advances by the provider and unearned revenue by the recipient.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as Required Supplementary Information ("RSI"), the Management's Discussion and Analysis ("MD&A") which includes an analytical overview of the City's financial activity.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The City reports the following major governmental funds:

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

The **American Rescue Plan Act ("ARPA") Fund** is used for accounting for the financial resources provided and subsequently expended from the ARPA grant received from the federal government.

The **Public Facilities Authority ("PFA")** accounts for capital expenditures. Funding is provided by bonds issued in fiscal year 2021.

The **Special Purpose Local Option Sales Tax ("SPLOST") V Fund** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by Henry County and remitted to the City through an intergovernmental agreement.

The **City-wide Capital Projects Fund** accounts for major capital projects that are paid out of the General Fund.

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund** accounts for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by Henry County and remitted to the City through an intergovernmental agreement.

The City reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

The **Solid Waste Fund** accounts for revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

The **Amphitheater Fund** accounts for activities related to the Amphitheater.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets 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.

E. Cash 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. For purposes of the Statement of Cash Flows, the enterprise funds consider all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased to be cash equivalents.

The City's investments consist of Certificates of Deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments (Continued)

State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and the Georgia Fund 1.

The City's policy is to hold investments to maturity.

In applying GASB Statement No. 72, the City utilized the following methods and assumptions as of December 31, 2022:

1. Fair value is based on quoted market prices as of the valuation date; and
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and c) items associated with a fund other than the fund to which the income is assigned.

F. Inventories

Inventories are valued at cost, which approximates market, using the first in/first out ("FIFO") method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Expenditures/Expenses

Prepaid items are accounted for using the consumption method. A prepaid item is recognized when a cash expenditure/expense is made for goods or services that were purchased for consumption, but not consumed as of December 31, 2022.

H. Restricted Assets

Certain proceeds from the Urban Redevelopment Authority ("URA") Fund's debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows

In addition to assets, the Statement of Net Position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category. These four items relate to the City's defined benefit pension plan. The pension assumption changes, experience differences, investment differences, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

In addition to liabilities, the Statement of Net Position and/or the governmental funds balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, arises only under the modified accrual basis of accounting, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue for court fines, rental income, and franchise taxes levied, and 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 items relate to the City's defined benefit pension plan and are reported in the government-wide Statement of Net Position. The pension experience differences and pension investment earnings difference represent future acquisitions of net position and, accordingly, are reported as deferred inflows of resources.

J. 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 Stockbridge 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.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities' column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in respective funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed. Depreciation on capital assets and amortization on right to use leased assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building and improvements	30 – 50
Improvements other than buildings	25 – 50
Furniture and fixtures	10 – 20
Vehicles	5 – 10
Machinery and equipment	5 – 10
Infrastructure	40 – 50

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

L. Compensated Absences

In 2017, the City switched from using a Paid Time Off (“PTO”) system to a compensated absences system. Under the compensated absences system, the City accrues accumulated unpaid vacation and sick benefits. Annual leave will be paid to employees upon separation from service when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Accrued Liabilities and Long-Term Obligations (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

N. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be market or near market rates, are treated as revenues and expenditures/expenses and are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

O. Budgets and Budgetary Accounting

The City adopts project length budgets for the SPLOST Capital projects funds, the Public Facilities Authority Fund, the City-wide Capital Projects Fund, the T-SPLOST Fund, and the State and Federal Grants Fund. The City adopts an annual budget for the Hotel/Motel Fund, Grants Fund, Burke Cemetery Fund, the Downtown Development Fund, the Urban Redevelopment Fund, and the Impact Fee Fund. The City is required by state law to adopt annual budgets for the General Fund and its special revenue funds (Hotel/Motel Tax Fund and Grants Fund). Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with GAAP at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2022. All annual appropriations lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Budgets and Budgetary Accounting (Continued)

For the year ended December 31, 2022, the following General Fund departments had actual expenditures in excess of budgeted amounts: Financial administration (\$1,406), Data processing (\$12,324), Building and plant (\$97,754), Human resources (\$118,620), Police administration (\$824,064), and City events (\$429,790). The Hotel/Motel Tax Fund had actual expenditures in excess of budget amounts for housing and development in the amount of \$70,273. These over expenditures were covered by under expenditures in other departments. The Grants Fund had actual expenditures in excess of budget amounts for housing and development in the amount of \$854,143.

P. Fund Balance and Fund Net Position

Fund Balance – Generally, fund balance represents the difference between the assets and deferred outflows, and liabilities and deferred inflows under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes 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 the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The action to commit funds must occur prior to fiscal year-end, to report such commitments in the balance sheet of the respective period, even though the amount may be determined subsequent to fiscal year-end. Only the City Council may modify or remove the commitment.
- **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. Through resolution, the City Council has authorized the Treasurer and his designee to assign fund balances. Assignments may occur subsequent to fiscal year-end.
- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The City reports positive unassigned fund balances only in the General Fund. All funds may report negative unassigned fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance and Fund Net Position (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balances 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 balances, it is the City's policy to use fund balances in the following order: 1) committed; 2) assigned; and 3) unassigned.

Net Position – Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows 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 when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

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 balances – 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 difference are as follows:

Accrued interest payable	\$ (370,887)
Compensated absences payable	(271,399)
Bonds payable	(31,955,000)
Leases	<u>(105,492)</u>
Net adjustment to reduce <i>fund balances – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u><u>\$ (32,702,778)</u></u>

NOTES TO FINANCIAL STATEMENTS

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

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

Another element of that reconciliation explains that “the net pension liability and related deferred outflows and inflows of resources are not financial resources and, therefore, are not reported in the governmental funds.” The details of this difference are as follows:

Deferred outflows of resources - pension	\$ 558,826
Deferred inflows of resources - pension	(669,032)
Net pension liability - pension	<u>(464,136)</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (574,342)</u>

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 changes 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 useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 9,801,087
Depreciation expense	<u>(1,689,183)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 8,111,904</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 (Continued)

Another element of that reconciliation states that “the net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.” The details of this difference are as follows:

Loss on disposal of capital assets	\$ (71,724)
Transfer of capital assets to business-type activities	<u>(22,728,929)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (22,800,653)</u>

Another element of that 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 difference are as follows:

Compensated absences	\$ (124,662)
Pension expense	229,758
Accrued interest	<u>29,441</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 134,537</u>

NOTE 3. CASH AND INVESTMENTS

Credit Risk. State statutes authorize the City to invest in: obligations of the United States, the State of Georgia and other political subdivisions of the State of Georgia, and other states; prime bankers' acceptances; repurchase agreements; and Georgia Fund 1.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2022, all of the deposits for the City were fully collateralized in accordance with the state statutes.

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the City does not disclose the investment in Georgia Fund 1 within the fair value hierarchy. Additionally, the City's Certificates of Deposit are nonnegotiable and, therefore, are not subject to fair value hierarchy.

Investments. The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include Certificates of Deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

At December 31, 2022, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	August 19, 2024	\$ 12,284
Certificate of Deposit	December 29, 2023	58,000
		<u>\$ 70,284</u>

NOTE 4. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. The City, when applicable, obtains the services of Henry County to bill and collect the City's property taxes. Henry County remits taxes collected to the City on a bi-monthly basis. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from the tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended December 31, 2022. There were no property taxes receivable as of December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at December 31, 2022 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental Funds

	General	SPLOST V Fund	Nonmajor Governmental Funds	Total
Receivables:				
Intergovernmental	\$ 68,459	\$ -	\$ -	\$ 68,459
Taxes	2,020,738	596,482	37,148	2,654,368
Accounts	106,288	-	2,500	108,788
Gross receivables	2,195,485	596,482	39,648	2,831,615
Less allowance for uncollectibles	(47,617)	-	-	(47,617)
Net total receivables	<u>\$ 2,147,868</u>	<u>\$ 596,482</u>	<u>\$ 39,648</u>	<u>\$ 2,783,998</u>

Proprietary Funds

	Water and Sewer	Solid Waste	Nonmajor Enterprise Funds	Total
Receivables:				
Intergovernmental	\$ 11,057	\$ 1,682	\$ 2,029	\$ 14,768
Accounts	519,768	76,740	247,159	843,667
Gross receivables	530,825	78,422	249,188	858,435
Less allowance for uncollectibles	(23,458)	-	-	(23,458)
Net total receivables	<u>\$ 507,367</u>	<u>\$ 78,422</u>	<u>\$ 249,188</u>	<u>\$ 834,977</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 11,761,958	\$ 7,500	\$ -	\$ (28,641)	\$ 11,740,817
Construction in progress	4,109,863	7,313,663	(58,287)	(887,873)	10,477,366
Total	<u>15,871,821</u>	<u>7,321,163</u>	<u>(58,287)</u>	<u>(916,514)</u>	<u>22,218,183</u>
Capital assets, being depreciated:					
Buildings and improvements	48,543,034	262,015	-	(24,281,455)	24,523,594
Improvements other than buildings	4,146,334	-	-	341,929	4,488,263
Infrastructure	8,317,631	-	-	885,373	9,203,004
Machinery and equipment	2,233,590	226,611	-	(466,225)	1,993,976
Office equipment	1,914,513	151,567	-	(491,912)	1,574,168
Vehicles	2,385,080	1,602,410	(48,618)	80,847	4,019,719
Furniture and fixtures	1,481,936	237,321	-	(380,483)	1,338,774
Total	<u>69,022,118</u>	<u>2,479,924</u>	<u>(48,618)</u>	<u>(24,311,926)</u>	<u>47,141,498</u>
Less accumulated depreciation for:					
Buildings and improvements	(9,287,992)	(698,504)	-	1,806,485	(8,180,011)
Improvements other than buildings	(1,588,787)	(301,470)	-	8,330	(1,881,927)
Infrastructure	(2,531,195)	(222,629)	-	-	(2,753,824)
Machinery and equipment	(1,641,278)	(79,711)	-	251,979	(1,469,010)
Office equipment	(1,042,938)	(60,843)	-	2,037	(1,101,744)
Vehicles	(1,371,495)	(321,855)	35,181	23,097	(1,635,072)
Furniture and fixtures	(1,490,319)	(4,171)	-	407,583	(1,086,907)
Total	<u>(18,954,004)</u>	<u>(1,689,183)</u>	<u>35,181</u>	<u>2,499,511</u>	<u>(18,108,495)</u>
Total assets, being depreciated, net	<u>50,068,114</u>	<u>790,741</u>	<u>(13,437)</u>	<u>(21,812,415)</u>	<u>29,033,003</u>
Governmental activities capital assets, net excluding lease assets	<u>\$ 65,939,935</u>	<u>\$ 8,111,904</u>	<u>\$ (71,724)</u>	<u>\$ (22,728,929)</u>	<u>51,251,186</u>
Lease assets, net (Note 7)					<u>97,824</u>
Total capital assets, net as reported in the Statement of Net Position					<u>\$ 51,349,010</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 416,962	\$ -	\$ -	\$ 28,641	\$ 445,603
Construction in progress	6,846,585	3,532,009	-	(2,081,331)	8,297,263
Total	<u>7,263,547</u>	<u>3,532,009</u>	<u>-</u>	<u>(2,052,690)</u>	<u>8,742,866</u>
Capital assets, being depreciated:					
Buildings and improvements	8,853,918	21,705	-	25,609,609	34,485,232
Improvements other than buildings	11,978,790	-	-	21,000	11,999,790
Infrastructure	711,111	60,820	-	803,178	1,575,109
Vehicles	2,304,574	62,209	-	-	2,366,783
Furniture and fixtures	8,390	213,493	-	414,045	635,928
Machinery and equipment	4,773,243	416,909	-	433,299	5,623,451
Total	<u>28,630,026</u>	<u>775,136</u>	<u>-</u>	<u>27,281,131</u>	<u>56,686,293</u>
Less accumulated depreciation for:					
Buildings and improvements	(5,286,174)	(870,551)	-	(1,806,487)	(7,963,212)
Improvements other than buildings	(4,415,917)	(258,436)	-	(8,330)	(4,682,683)
Infrastructure	(155,186)	(49,478)	-	-	(204,664)
Vehicles	(1,573,795)	(156,457)	-	-	(1,730,252)
Furniture and fixtures	(8,390)	(24,216)	-	(407,583)	(440,189)
Machinery and equipment	(1,824,859)	(260,773)	-	(277,112)	(2,362,744)
Total	<u>(13,264,321)</u>	<u>(1,619,911)</u>	<u>-</u>	<u>(2,499,512)</u>	<u>(17,383,744)</u>
Total assets, being depreciated, net	<u>15,365,705</u>	<u>(844,775)</u>	<u>-</u>	<u>24,781,619</u>	<u>39,302,549</u>
Business-type activities capital assets, net	<u>\$ 22,629,252</u>	<u>\$ 2,687,234</u>	<u>\$ -</u>	<u>\$ 22,728,929</u>	<u>\$ 48,045,415</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General government	\$ 647,144
Judicial	88,184
Public safety	289,137
Public works	664,718
Total depreciation expense - governmental activities	<u>\$ 1,689,183</u>

Business-type activities:

Water and sewer	\$ 815,034
Solid waste	14,972
Stormwater	129,841
Conference center	83,846
Amphitheater	576,218
Total depreciation expense - business-type activities	<u>\$ 1,619,911</u>

Net investment in Capital Assets. Net investment in capital assets on the government-wide Statement of Net Position and the major proprietary funds Statement of Net Position as of December 31, 2022 are as follows:

Governmental Activities

Capital assets, non-depreciable	\$ 22,218,183
Capital assets, depreciable	47,141,498
Accumulated depreciation	(18,108,495)
Leased assets	117,389
Accumulated amortization	(19,565)
Lease liability	(105,492)
Bonds payable	(31,955,000)
Accounts payable - SPLOST IV Fund	(422,086)
Accounts payable - City-wide Capital Projects Fund	(303,993)
Retainage payable	(488,949)
Unspent proceeds - Public Facilities Authority	<u>15,219,462</u>
Net investment in capital assets,	
Governmental Activities	<u><u>\$ 33,292,952</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Net investment in Capital Assets (Continued).

Business-type Activities

Capital assets, non-depreciable	\$ 8,742,866
Capital assets, depreciable	56,686,293
Accumulated depreciation	(17,383,744)
Notes payable	(1,023,845)
Retainage payable	(50,000)
Net investment in capital assets, Business-type Activities	<u>\$ 46,971,570</u>

Water and Sewer Fund

Capital assets, non-depreciable	\$ 8,512,450
Capital assets, depreciable	26,916,214
Accumulated depreciation	(13,133,508)
Notes payable	(1,023,845)
Retainage payable	(50,000)
Net investment in capital assets, Water and Sewer Fund	<u>\$ 21,221,311</u>

Solid Waste Fund

Capital assets, depreciable	\$ 468,083
Accumulated depreciation	(403,229)
Net investment in capital assets, Solid Waste Fund	<u>\$ 64,854</u>

Amphitheater Fund

Capital assets, depreciable	\$ 22,618,214
Accumulated depreciation	(1,085,040)
Net investment in capital assets, Amphitheater Fund	<u>\$ 21,533,174</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LEASED ASSETS

A summary of leased asset activity for the City for the year ended December 31, 2022 is as follows:

	Balance December 31, 2021	Additions	Deletions	Balance December 31, 2022
Governmental activities:				
Lease assets:				
Office equipment	\$ -	\$ 117,389	\$ -	\$ 117,389
Total	-	117,389	-	117,389
Less accumulated amortization for:				
Office equipment	-	(19,565)	-	(19,565)
Total assets depreciated	-	(19,565)	-	(19,565)
Total lease assets, net	\$ -	\$ 97,824	\$ -	\$ 97,824

NOTE 8. LONG-TERM DEBT

Changes in Long-term Debt. The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Urban Redevelopment revenue bonds	\$ 9,615,000	\$ -	\$ (780,000)	\$ 8,835,000	\$ 820,000
Public Facilities Authority revenue bonds	25,805,000	-	(2,685,000)	23,120,000	3,915,000
Accrued compensated absences	146,737	311,915	(187,253)	271,399	54,280
Net pension liability	86,699	1,061,780	(684,343)	464,136	-
Lease liability	-	117,389	(11,897)	105,492	27,688
Total governmental-type activity long-term debt	\$ 35,653,436	\$ 1,491,084	\$ (4,348,493)	\$ 32,796,027	\$ 4,816,968
Business-type activities:					
GEFA notes payable	\$ 1,120,169	\$ -	\$ (96,324)	\$ 1,023,845	\$ 97,777
Accrued compensated absences	61,918	78,061	(61,004)	78,975	15,795
Net pension liability	54,490	940,558	(583,900)	411,148	-
Total business-type activity long-term debt	\$ 1,236,577	\$ 1,018,619	\$ (741,228)	\$ 1,513,968	\$ 113,572

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities. However, proceeds from any asset sales relative to the Urban Redevelopment project or Public Facilities project will be used to liquidate the related revenue bond obligation.

The Water and Sewer Enterprise Fund is used to liquidate all of the business-type activity long-term liabilities.

Urban Redevelopment Revenue Bonds. The City entered into an agreement with a financial institution that provided for the issuance of revenue bonds for the purchase of land and construction of structures and improvements for the New Town Center. Various bond issues were used by the City during the purchase and construction phases. During the year ended December 31, 2022, the City repaid various bond issues in the amount of \$780,000. Amounts outstanding at year-end of \$8,835,000 reflect total drawdowns to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at December 31, 2022 are as follows:

Series 2005 B Revenue bonds payable to Capital One Bank, in the total amount of \$7,330,000, interest at 4.45%, matures 2/1/31.	\$ 3,740,000
Series 2006 A Revenue bonds payable to Capital One Bank, in the total amount of \$4,795,000, current interest at 4.58%, matures 2/1/31.	2,475,000
Series 2006 C Revenue bonds payable to Capital One Bank, in the total amount of \$5,000,000, current interest at 4.865%, matures 2/1/31.	<u>2,620,000</u>
Total	<u><u>\$ 8,835,000</u></u>

Annual debt service requirements to maturity for the revenue bonds that have closed are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 820,000	\$ 388,356	\$ 1,208,356
2024	855,000	353,765	1,208,765
2025	890,000	309,562	1,199,562
2026	930,000	267,625	1,197,625
2027	975,000	223,719	1,198,719
2028 – 2031	4,365,000	413,686	4,778,686
Total	<u><u>\$ 8,835,000</u></u>	<u><u>\$ 1,956,713</u></u>	<u><u>\$ 10,791,713</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Public Facilities Authority Revenue Bonds. The City entered into an agreement with a financial institution that provided for the issuance of revenue bonds for the purchase of land and equipment for the Amphitheater and Cultural Arts Center, the purchase of buildings for the Cultural Arts Center, and the improvement of trails. Various bond issues were used by the City during the purchase and construction phases. Amounts outstanding at year-end of \$25,805,000 reflect total drawdowns to date net of repayments, if any.

Public Facilities Authority Fund long-term liabilities outstanding at December 31, 2022 are as follows:

Series 2021 B Revenue bonds payable to Truist Bank, in the total amount of \$1,030,000, interest at 1.04%, matures 12/31/2025.	\$ 775,000
Series 2021 A Revenue bonds payable to Truist Bank, in the total amount of \$9,910,000, current interest at 1.32%, matures 12/31/2025.	7,480,000
Series 2021 C Revenue bonds payable to Truist Bank, in the total amount of \$14,865,000, current interest at 2.53%, matures 12/31/2036.	<u>14,865,000</u>
Total	<u><u>\$ 23,120,000</u></u>

Annual debt service requirements to maturity for the revenue bonds that have closed are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 3,915,000	\$ 467,764	\$ 4,382,764
2024	3,980,000	401,898	4,381,898
2025	4,050,000	334,764	4,384,764
2026	1,295,000	266,346	1,561,346
2027	1,325,000	233,203	1,558,203
2028 – 2032	4,775,000	757,292	5,532,292
2033 – 2036	<u>3,780,000</u>	<u>194,178</u>	<u>3,974,178</u>
Total	<u><u>\$ 23,120,000</u></u>	<u><u>\$ 2,655,445</u></u>	<u><u>\$ 25,775,445</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Lease Liability. The City enters into lease agreements for periods of five years as lessee for the use of copiers. These leases have an imputed interest rate of 2%.

Principal and interest requirements to maturity for the lease liability as of December 31, 2022 are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 27,688	\$ 2,109	\$ 29,797
2024	28,242	1,555	29,797
2025	16,182	990	17,172
2026	16,506	667	17,173
2027	16,874	337	17,211
	\$ 105,492	\$ 5,658	\$ 111,150

Water and Sewer Long-term Debt. The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Finance Authority (“GEFA”) where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year relate to a note issued in 2010 to finance construction projects to improve the City’s water distribution facilities. The note was issued by GEFA in the total amount of \$1,911,900. During the year ended December 31, 2022, the City repaid \$96,324 of the note payable. Amounts outstanding at year-end of \$1,023,845 reflect total drawdowns to date net of repayments, if any.

The annual requirement to pay GEFA’s note outstanding is as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 97,777	\$ 29,463	\$ 127,240
2024	100,751	26,489	127,240
2025	103,816	23,424	127,240
2026	106,973	20,267	127,240
2027	110,227	17,013	127,240
2028 – 2032	504,301	33,649	537,950
Total	\$ 1,023,845	\$ 150,305	\$ 1,174,150

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS

Interfund transfers are as follows:

Transfers In	Transfers Out				Total
	General Fund	Water & Sewer Fund	Nonmajor Enterprise Funds	City-wide Capital Projects Fund	
General Fund	\$ -	\$ 61,260	\$ 428,786	\$ -	\$ 490,046
Nonmajor Enterprise Funds	1,022,754		-		1,022,754
Nonmajor Governmental Funds	1,215,989	-	-	-	1,215,989
Public Facilities Authority	3,014,566		-		3,014,566
City-wide Capital Projects Fund	4,041,627		-		4,041,627
Amphitheater Fund	-	-	-	3,842,262	3,842,262
Total	<u>\$ 9,294,936</u>	<u>\$ 61,260</u>	<u>\$ 428,786</u>	<u>\$ 3,842,262</u>	<u>\$ 13,627,244</u>

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During the period ended December 31, 2022, transfers from the General Fund to the nonmajor enterprise funds and the City-wide Capital Projects Fund were to clear deficit pooled cash balances. Transfers from the General Fund to the nonmajor governmental funds and the Public Facilities Authority were to finance the Urban Redevelopment Fund and the Public Facilities Authority Fund's debt service. Transfers out of the City-wide Projects Fund to the Amphitheater fund were to fund Amphitheater operating expenses and capital assets. Transfers out of the nonmajor enterprise funds and the Water and Sewer Fund are mainly to reimburse the General Fund for expenses initially paid out of the General Fund.

NOTE 10. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten-county Atlanta area, is a member of the Atlanta Regional Commission ("ARC") and is required to pay annual dues thereto. Membership in the ARC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the ARC in Georgia. The ARC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Henry County makes contributions on behalf of the City to the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission
40 Courtland Street, NE
Atlanta, Georgia 30303

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan (the "Plan") provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the City and its employees. 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 at www.gmanet.com or 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.

B. Plan Membership

As of July 1, 2022, the date of the most recent actuarial valuation, there were 173 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	45
Inactive plan members entitled to but not receiving benefits	41
Active plan members	87
Total Plan Members	<u>173</u>

C. 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, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended December 31, 2022, the City's contribution rate was 12.4% of annual payroll. City contributions to the Plan were \$564,637 for the year ended December 31, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Net Pension Liability of the City

The City's net pension liability was measured as of March 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2022.

Actuarial Assumptions. The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.25% – plus service based merit increases
Investment rate of return	7.375%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – June 30, 2019.

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 March 31, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45 %	6.55 %
International equity	20	7.3
Domestic fixed income	20	0.4
Real estate	10	3.65
Global fixed income	5	0.5
Total	<u>100 %</u>	

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. 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.

F. Changes in the Net Pension Liability of the City

The changes in the components of the net pension liability of the City for the year ended December 31, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2021	\$ 11,732,856	\$ 11,591,667	\$ 141,189
Changes for the year:			
Service cost	395,098	-	395,098
Interest	874,286	-	874,286
Differences between expected and actual experience	713,153	-	713,153
Assumption changes	-	-	-
Contributions - employer	-	562,067	(562,067)
Contributions - employee	-	-	-
Net investment income	-	706,176	(706,176)
Benefit payments, including refunds of employee contributions	(546,464)	(546,464)	-
Administrative expense	-	(19,801)	19,801
Other	-	-	-
Net changes	1,436,073	701,978	734,095
Balances at December 31, 2022	\$ 13,168,929	\$ 12,293,645	\$ 875,284

The required schedule of changes in the City's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year 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 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. 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>Current Discount Rate (7.375%)</u>	<u>1% Increase (8.375%)</u>
City's net pension liability	\$ 2,555,745	\$ 875,284	\$ (529,082)

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 March 31, 2022, and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2022, the City recognized pension expense of \$338,277. At December 31, 2022, 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	\$ 630,377	\$ 99,034
Changes in assumptions	-	28,133
Net difference between projected and actual earnings on pension plan investments	-	1,134,517
City contributions subsequent to the measurement date	423,478	-
Total	<u>\$ 1,053,855</u>	<u>\$ 1,261,684</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFINED BENEFIT PENSION PLAN (CONTINUED)

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

City contributions subsequent to the measurement date of \$423,478 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	
2023	\$ (89,326)
2024	(159,834)
2025	(411,858)
2026	29,711
Total	<u>\$ (631,307)</u>

NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance in amounts deemed prudent by City management. Commercial insurance is carried for coverage of property, errors and omissions, professional liability and injuries to employees.

There have been no significant reductions of insurance coverage from coverage in the prior year and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of any expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In 2014, the citizens of Henry County voted to approve a Special Purpose Local Option Sales Tax ("SPLOST") to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue revenue bonds to finance some of the SPLOST projects in advance of the SPLOST collections. The City received \$6,000,000 from Henry County under this agreement in fiscal year 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The revenue bonds are in the name of Henry County and are not a direct liability of the City. However, under the terms of the intergovernmental agreement, Henry County will retain all of the first SPLOST revenue collections for each year in amounts that will satisfy the annual debt service requirements. The agreement also requires the City to pay its share of debt service requirements should the SPLOST revenue collections not be sufficient to satisfy the debt service requirements under the bond issue. Management believes the SPLOST revenue collections will be sufficient to satisfy all debt service requirements under the bond ordinance.

NOTE 14. HOTEL/MOTEL TAX

The City levies an 8% hotel/motel tax in accordance with the provisions of O.C.G.A. §48-13-51. In order to comply with the expenditure requirements of this code section, the City remits 40% of the monies from the first 5% collected under this provision to the Henry County Chamber of Commerce. The Henry County Chamber of Commerce also receives 50% of the additional 3%. Total collections for the year ended December 31, 2022, were \$484,363. The amount remitted to the Henry County Chamber of Commerce totaled \$210,456.

NOTE 15. LEASE AGREEMENTS

The City leases its solid waste transfer station to Lamar County Regional Solid Waste Management Authority who subleases to Waste Management. The current lease extends until April 30, 2026. The monthly rental charged by the City is \$1.40 for each ton of waste received at the site through April 30, 2021, at which time the monthly rental will be adjusted by the Consumer Price Index ("CPI") annually through the termination of the agreement. For the year ended December 31, 2022, the City received \$113,420 in rental fees under the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$33,408 for a net carrying value of \$2,708.

The City's lease agreements, other than the agreement described above, are relatively minor commitments whereby the City is leasing various pieces of office equipment.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF STOCKBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 395,098	\$ 395,087	\$ 333,901	\$ 329,372
Interest on total pension liability	874,286	828,056	770,863	750,914
Differences between expected and actual experience	713,153	(60,831)	382,053	(312,679)
Changes of assumptions	-	-	-	-
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(546,464)	(524,505)	(510,620)	(501,679)
Other	-	-	(80,734)	-
Net change in total pension liability	1,436,073	637,807	895,463	265,928
Total pension liability - beginning	11,732,856	11,095,049	10,199,586	9,933,658
Total pension liability - ending (a)	13,168,929	11,732,856	11,095,049	10,199,586
Plan fiduciary net position				
Contributions - employer	562,067	479,659	454,251	411,823
Contributions - employee	-	-	-	-
Net investment income	706,176	3,628,109	(609,481)	306,333
Benefit payments, including refunds of employee contributions	(546,464)	(524,505)	(510,620)	(501,679)
Administrative expenses	(19,801)	(18,658)	(20,941)	(19,245)
Net change in Plan fiduciary net position	701,978	3,564,605	(686,791)	197,232
Plan fiduciary net position - beginning	11,591,667	8,027,062	8,713,853	8,516,621
Plan fiduciary net position - ending (b)	12,293,645	11,591,667	8,027,062	8,713,853
City's net pension liability (a) - (b)	\$ 875,284	\$ 141,189	\$ 3,067,987	\$ 1,485,733
Plan fiduciary net position as a percentage of the total pension liability	93.4%	98.8%	72.3%	85.4%
Covered payroll	\$ 4,612,475	\$ 3,993,352	\$ 3,819,839	\$ 2,956,753
City's net pension liability as a percentage of covered payroll	18.98%	3.54%	80.32%	50.25%

Notes to the Schedule:

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

	2018	2017	2016	2015
\$	322,052	\$ 297,396	\$ 247,214	\$ 319,885
	685,378	650,509	611,199	604,791
	180,527	(11,712)	132,894	(372,914)
	-	-	-	4,539
	-	-	-	3,871
	(487,128)	(485,418)	(482,759)	(472,198)
	145,682	-	-	-
	846,511	450,775	508,548	87,974
	9,087,147	8,636,372	8,127,824	8,039,850
	9,933,658	9,087,147	8,636,372	8,127,824
	373,239	334,499	401,339	397,450
	-	-	-	-
	951,855	870,208	20,122	629,378
	(487,128)	(485,418)	(482,759)	(472,198)
	(18,215)	(18,512)	(13,276)	(11,731)
	819,751	700,777	(74,574)	542,899
	7,696,870	6,996,093	7,070,667	6,527,768
	8,516,621	7,696,870	6,996,093	7,070,667
\$	1,417,037	\$ 1,390,277	\$ 1,640,279	\$ 1,057,157
	85.7%	84.7%	81.0%	87.0%
\$	2,982,269	\$ 2,839,086	\$ 2,777,571	\$ 2,297,038
	47.52%	48.97%	59.05%	46.02%

CITY OF STOCKBRIDGE, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED DECEMBER 31,

	2022	2021	2020	2019
Actuarially determined contribution	\$ 564,637	\$ 561,211	\$ 452,475	\$ 454,363
Contributions in relation to the actuarially determined contribution	564,637	561,211	452,475	454,363
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,047,255	\$ 4,531,408	\$ 3,544,664	\$ 4,009,122
Contributions as a percentage of covered payroll	7.0%	12.4%	12.8%	11.3%

Notes to the Schedule:

Valuation date	July 1, 2022
Cost method	Projected Unit Credit
Actuarial asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amounts that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Assumed rate of return on investments	7.375%
Projected salary increases	2.25% plus service based merit increases
Cost of living adjustments	N/A
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 12 years.

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

2018	2017	2016	2015	2014
\$ 397,643	\$ 365,104	\$ 324,417	\$ 427,020	\$ 387,593
397,643	365,104	324,417	427,020	387,593
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,401,666	\$ 3,251,123	\$ 3,141,666	\$ 2,954,937	\$ 2,765,158
11.7%	11.2%	10.3%	14.5%	14.0%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

Hotel/Motel Tax Fund – This fund is used to account for hotel/motel taxes collected.

Grants Fund – This fund is used to account for various intergovernmental revenues received and expended.

PERMANENT FUND

Burke Cemetery Fund – This fund is used to account for revenues earned from a trust set up for cemetery improvements at Burke Cemetery.

CAPITAL PROJECTS FUNDS

State and Federal Grants Fund – This fund is used to account for the acquisition and construction of major capital facilities which are financed with state and federal assistance.

Special Purpose Local Option Sales Tax (“SPLOST”) III Fund – This fund is used to account for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by the County and remitted to the City through an intergovernmental agreement.

Downtown Development Fund – This fund is used to account for the activities of the City’s blended component unit, the Downtown Development Authority.

Special Purpose Local Option Sales Tax (“SPLOST”) IV Fund – This fund is used to account for capital expenditures. Funding is provided by special purpose sales taxes, which are collected by Henry County and remitted to the City through an intergovernmental agreement.

Urban Redevelopment Fund – This fund is used to account for the proceeds from the issuance of bonds to finance the acquisition and construction of major capital facilities.

Impact Fee Fund – This fund is used to account for the proceeds from new development taxes used for capital projects.

CITY OF STOCKBRIDGE, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue Fund		Permanent Fund	Capital Projects Funds	
	Hotel/Motel Tax Fund	Grants Fund	Burke Cemetery Fund	State and Federal Grants Fund	SPLOST III Fund
ASSETS					
Cash and cash equivalents	\$	\$	\$ -	\$ 353,351	\$ 1,139,798
Investments	-	-	12,284	-	-
Taxes receivable	37,148	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid expenditures	-	-	566	-	-
Total assets	<u>\$ 1,149,716</u>	<u>\$ 26,708</u>	<u>\$ 12,850</u>	<u>\$ 353,351</u>	<u>\$ 1,139,798</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 51,405	\$ 287,563	\$ 334	\$ -	\$ -
Retainage payable	-	-	-	-	-
Total liabilities	<u>51,405</u>	<u>287,563</u>	<u>334</u>	<u>-</u>	<u>-</u>
Fund Balances					
Non-spendable:					
Permanent fund corpus	-	-	5,000	-	-
Prepays	-	-	566	-	-
Restricted:					
Cemetery maintenance	-	-	6,950	-	-
Capital projects	-	-	-	-	1,139,798
Tourism	1,098,311	-	-	-	-
Assigned for capital projects	-	-	-	353,351	-
Unassigned	-	(260,855)	-	-	-
Total fund balances	<u>1,098,311</u>	<u>(260,855)</u>	<u>12,516</u>	<u>353,351</u>	<u>1,139,798</u>
Total liabilities and fund balances	<u>\$ 1,149,716</u>	<u>\$ 26,708</u>	<u>\$ 12,850</u>	<u>\$ 353,351</u>	<u>\$ 1,139,798</u>

Capital Projects Funds				Total Nonmajor Governmental Funds
Downtown Development Fund	SPLOST IV Fund	Urban Redevelopment Fund	Impact Fee Fund	
\$ 17,394	\$ 3,700,679	\$ 2,256	\$ 741,250	\$ 7,094,004
-	-	-	-	12,284
-	-	-	-	37,148
2,500	-	-	-	2,500
-	-	-	-	566
<u>\$ 19,894</u>	<u>\$ 3,700,679</u>	<u>\$ 2,256</u>	<u>\$ 741,250</u>	<u>\$ 7,146,502</u>
\$ 120	\$ 422,086	\$ -	\$ -	\$ 761,508
-	110,042	-	-	110,042
<u>120</u>	<u>532,128</u>	<u>-</u>	<u>-</u>	<u>871,550</u>
-	-	-	-	5,000
-	-	-	-	566
-	-	-	-	6,950
19,774	3,168,551	2,256	741,250	5,071,629
-	-	-	-	1,098,311
-	-	-	-	353,351
-	-	-	-	(260,855)
<u>19,774</u>	<u>3,168,551</u>	<u>2,256</u>	<u>741,250</u>	<u>6,274,952</u>
<u>\$ 19,894</u>	<u>\$ 3,700,679</u>	<u>\$ 2,256</u>	<u>\$ 741,250</u>	<u>\$ 7,146,502</u>

CITY OF STOCKBRIDGE, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

	Special Revenue Fund		Permanent Fund	Capital Projects Funds	
	Hotel/Motel Tax Fund	Grants Fund	Burke Cemetery Fund	State and Federal Grants Fund	SPLOST III Fund
Revenues					
Other taxes	\$ 484,363	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	593,288	-	-	-
Impact fees	-	-	-	-	-
Interest income	-	-	-	-	59
Total revenues	<u>484,363</u>	<u>593,288</u>	<u>-</u>	<u>-</u>	<u>59</u>
Expenditures					
Current:					
Public works	-	854,143	10,210	-	-
Housing and development	445,273	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public works	-	-	-	-	1,902
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>445,273</u>	<u>854,143</u>	<u>10,210</u>	<u>-</u>	<u>1,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>39,090</u>	<u>(260,855)</u>	<u>(10,210)</u>	<u>-</u>	<u>(1,843)</u>
Other financing sources					
Transfers in	-	-	10,776	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>10,776</u>	<u>-</u>	<u>-</u>
Net change in fund balances	39,090	(260,855)	566	-	(1,843)
Fund balances, beginning of year	<u>1,059,221</u>	<u>-</u>	<u>11,950</u>	<u>353,351</u>	<u>1,141,641</u>
Fund balances, end of year	<u>\$ 1,098,311</u>	<u>\$ (260,855)</u>	<u>\$ 12,516</u>	<u>\$ 353,351</u>	<u>\$ 1,139,798</u>

Capital Projects Funds				Total Nonmajor Governmental Funds
Downtown Development Fund	SPLOST IV Fund	Urban Redevelopment Fund	Impact Fee Fund	
\$ -	\$ -	\$ -	\$ -	\$ 484,363
-	-	-	-	593,288
-	-	-	213,480	213,480
-	398	-	-	457
-	398	-	213,480	1,291,588
-	-	-	-	864,353
21,924	-	-	-	467,197
-	435,183	-	-	435,183
-	957,071	-	-	958,973
-	51,841	-	-	51,841
-	-	-	-	-
-	-	780,000	-	780,000
-	-	425,213	-	425,213
21,924	1,444,095	1,205,213	-	3,982,760
(21,924)	(1,443,697)	(1,205,213)	213,480	(2,691,172)
-	-	1,205,213	-	1,215,989
-	-	1,205,213	-	1,215,989
(21,924)	(1,443,697)	-	213,480	(1,475,183)
41,698	4,612,248	2,256	527,770	7,750,135
\$ 19,774	\$ 3,168,551	\$ 2,256	\$ 741,250	\$ 6,274,952

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL REVENUE FUND - HOTEL/MOTEL TAX FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 375,000	\$ 484,363	\$ 109,363
Total revenues	<u>375,000</u>	<u>484,363</u>	<u>109,363</u>
Expenditures			
Current:			
Housing and development	375,000	445,273	(70,273)
Total expenditures	<u>375,000</u>	<u>445,273</u>	<u>(70,273)</u>
Net change in fund balances	-	39,090	39,090
Fund balances, beginning of year	<u>1,059,221</u>	<u>1,059,221</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,059,221</u>	<u>\$ 1,098,311</u>	<u>\$ 39,090</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL REVENUE FUND - GRANTS FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Grants Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Intergovernmental	\$ -	\$ 593,288	\$ 593,288
Total revenues	-	593,288	593,288
Expenditures			
Current:			
Public works	-	854,143	(854,143)
Total expenditures	-	854,143	(854,143)
Net change in fund balances	-	(260,855)	(260,855)
Fund balances, beginning of year	-	-	-
Fund balances, end of year	\$ -	\$ (260,855)	\$ (260,855)

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PERMANENT FUND - BURKE CEMETERY FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Burke Cemetery Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest income	\$ 20,000	\$ -	\$ (20,000)
Total revenues	20,000	-	(20,000)
Expenditures:			
Current:			
General government:			
Financial administration	8,000	-	8,000
Public works	12,000	10,210	1,790
Total expenditures	20,000	10,210	9,790
Deficiency of expenditures under revenues	-	(10,210)	(10,210)
Other financing sources:			
Transfers in	-	10,776	10,776
Total other financing sources	-	10,776	10,776
Net change in fund balances	-	566	566
Fund balances, beginning of year	11,950	11,950	-
Fund balances, end of year	\$ 11,950	\$ 12,516	\$ 566

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS FUND - DOWNTOWN DEVELOPMENT FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Downtown Development Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other revenues	\$ 45,000	\$ -	\$ (45,000)
Total revenues	45,000	-	(45,000)
Expenditures:			
Current:			
Housing and development	45,000	21,924	23,076
Total expenditures	45,000	21,924	23,076
Net change in fund balances	-	(21,924)	(21,924)
Fund balances, beginning of year	41,698	41,698	-
Fund balances, end of year	<u>\$ 41,698</u>	<u>\$ 19,774</u>	<u>\$ (21,924)</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS FUND - URBAN REDEVELOPMENT FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Urban Redevelopment Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other revenues	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Debt service:			
Principal	780,000	780,000	-
Interest	443,178	425,213	17,965
Total expenditures	1,223,178	1,205,213	17,965
Deficiency of expenditures under revenues	(1,223,178)	(1,205,213)	17,965
Other financing sources:			
Transfers in	-	1,205,213	1,205,213
Total other financing sources	-	1,205,213	1,205,213
Net change in fund balances	(1,223,178)	-	1,223,178
Fund balances, beginning of year	2,256	2,256	-
Fund balances, end of year	<u>\$ (1,220,922)</u>	<u>\$ 2,256</u>	<u>\$ 1,223,178</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS FUND - IMPACT FEE FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Impact Fee Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Impact fees	\$ -	\$ 213,480	\$ 213,480
Total revenues	-	213,480	213,480
Expenditures:			
Current:			
Public works	-	-	-
Total expenditures	-	-	-
Net change in fund balances	-	213,480	213,480
Fund balances, beginning of year	527,770	527,770	-
Fund balances, end of year	\$ 527,770	\$ 741,250	\$ 213,480

NONMAJOR ENTERPRISE FUNDS

The Stormwater Fund – This fund is used to account for revenues generated from the charges for stormwater services provided to the citizens of the City.

Conference Center Fund – This fund is used to account for activities related to the Merle Manders Conference Center.

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS DECEMBER 31, 2022

	Stormwater Fund	Conference Center Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,169,347	\$ -	\$ 1,169,347
Accounts receivable	247,159	-	247,159
Due from other governments	2,029	-	2,029
Prepaid expenses	1,161	3,820	4,981
Total current assets	1,419,696	3,820	1,423,516
NON-CURRENT ASSETS			
Capital assets, net of accumulated depreciation	1,855,946	2,296,285	4,152,231
Total non-current assets	1,855,946	2,296,285	4,152,231
Total assets	3,275,642	2,300,105	5,575,747
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	230,415	34,021	264,436
Total deferred outflows of resources	230,415	34,021	264,436
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	11,386	8,001	19,387
Accrued liabilities	2,815	5,717	8,532
Customer deposits	-	19,650	19,650
Compensated absences due within one year	2,764	2,678	5,442
Total current liabilities	16,965	36,046	53,011
NON-CURRENT LIABILITIES			
Compensated absences due in more than one year	11,055	10,712	21,767
Net pension liability	191,372	28,256	219,628
Total non-current liabilities	202,427	38,968	241,395
Total liabilities	219,392	75,014	294,406
DEFERRED INFLOWS OF RESOURCES			
Pensions	275,854	40,730	316,584
Total deferred inflows of resources	275,854	40,730	316,584
NET POSITION			
Investment in capital assets	1,855,946	2,296,285	4,152,231
Unrestricted	1,154,865	(77,903)	1,076,962
Total net position	\$ 3,010,811	\$ 2,218,382	\$ 5,229,193

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Stormwater Fund	Conference Center Fund	Total
OPERATING REVENUES			
Charges for services:			
Rentals	\$ -	\$ 10,785	\$ 10,785
Stormwater fees	1,037,207	-	1,037,207
Total operating revenues	<u>1,037,207</u>	<u>10,785</u>	<u>1,047,992</u>
OPERATING EXPENSES			
Personnel services	349,325	501,593	850,918
Contracted services	63,534	37,406	100,940
Supplies	33,267	42,710	75,977
Repairs and maintenance	3,581	-	3,581
Depreciation	129,841	83,846	213,687
Total operating expenses	<u>579,548</u>	<u>665,555</u>	<u>1,245,103</u>
Operating income (loss)	<u>457,659</u>	<u>(654,770)</u>	<u>(197,111)</u>
CAPITAL CONTRIBUTIONS	73,188	2,219,184	2,292,372
TRANSFERS IN	-	1,022,754	1,022,754
TRANSFERS OUT	<u>(60,000)</u>	<u>(368,786)</u>	<u>(428,786)</u>
Change in net position	470,847	2,218,382	2,689,229
NET POSITION, beginning of year	<u>2,539,964</u>	<u>-</u>	<u>2,539,964</u>
NET POSITION, end of year	<u>\$ 3,010,811</u>	<u>\$ 2,218,382</u>	<u>\$ 5,229,193</u>

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Stormwater Fund	Conference Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,005,006	\$ 977,254	\$ 1,982,260
Payments to suppliers and service providers	(122,220)	(1,102,870)	(1,225,090)
Payments to employees	(312,279)	(367,405)	(679,684)
Net cash provided by (used in) operating activities	570,507	(493,021)	77,486
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(60,000)	-	(60,000)
Transfers from other funds	-	653,968	653,968
Net cash provided by (used in) non-capital financing activities	(60,000)	653,968	593,968
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	(338,355)	(160,947)	(499,302)
Net cash used in capital and related financing activities	(338,355)	(160,947)	(499,302)
Increase in cash and cash equivalents	172,152	-	172,152
Cash and cash equivalents:			
Beginning of year	997,195	-	997,195
End of year	<u>\$ 1,169,347</u>	<u>\$ -</u>	<u>\$ 1,169,347</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 457,659	\$ (654,770)	\$ (197,111)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	129,841	83,846	213,687
Increase in accounts receivable	(37,113)	-	(37,113)
Decrease in due from other governments	4,912	-	4,912
Increase in deferred outflows of resources - pension	(130,299)	(34,021)	(164,320)
Increase in customer deposits	-	19,650	19,650
Decrease (increase) in prepaid expenses	57	(3,820)	(3,763)
Increase (decrease) in accrued liabilities	(6,168)	19,107	12,939
Increase (decrease) in accounts payable	(21,895)	8,001	(13,894)
Increase in deferred inflows of resources - pension	3,015	40,730	43,745
Increase in net pension liability	170,498	28,256	198,754
Net cash provided by (used in) operating activities	<u>\$ 570,507</u>	<u>\$ (493,021)</u>	<u>\$ 77,486</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Contributions of capital assets from other funds	<u>\$ 73,188</u>	<u>\$ 2,219,184</u>	<u>\$ 2,292,372</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST III FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 3,060,000	\$ 1,742,941	\$ 1,742,941	\$ -	\$ 1,742,941	100.00%
Public safety facilities and equipment	2,000,000	2,551,386	2,551,386	-	2,551,386	100.00%
Public works facilities and equipment	17,097,500	7,754,028	6,539,959	1,902	6,541,861	84.37%
Construction and renovation of municipal buildings	10,700,000	6,358,696	6,358,696	-	6,358,696	100.00%
Total	<u>\$ 32,857,500</u>	<u>\$ 18,407,051</u>	<u>\$ 17,192,982</u>	<u>\$ 1,902</u>	<u>\$ 17,194,884</u>	<u>93.41%</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST IV FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 1,500,000	\$ 5,210,000	\$ 2,835,260	\$ 957,071	\$ 3,792,331	72.79%
Public safety facilities and equipment	4,180,000	131,817	131,817	-	131,817	100.00%
Public works facilities and equipment	19,000,000	8,923,222	7,604,417	487,024	8,091,441	90.68%
Parks and recreation	2,000,000	9,006,275	8,387,991	-	8,387,991	93.13%
Total	<u>\$ 26,680,000</u>	<u>\$ 23,271,314</u>	<u>\$ 18,959,485</u>	<u>\$ 1,444,095</u>	<u>\$ 20,403,580</u>	<u>87.68%</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - SPLOST V FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 4,720,959	\$ 4,720,959	\$ -	\$ 1,485,643	\$ 1,485,643	31.47%
Civic projects	9,852,437	9,852,437	-	240,613	240,613	2.44%
Parks and recreation	1,231,554	1,231,554	-	173,734	173,734	14.11%
Sewer/Water/Stormwater infrastructure	4,720,959	4,720,959	-	28,423	28,423	0.60%
Total	<u>\$ 20,525,909</u>	<u>\$ 20,525,909</u>	<u>\$ -</u>	<u>\$ 1,928,413</u>	<u>\$ 1,928,413</u>	<u>9.40%</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project	Original Estimated Cost	Current Estimated Cost	Expenditures			Estimated Percent Complete
			Beginning of Year	Current Year	To Date	
Roads, bridges, sidewalks and transportation facilities	\$ 12,200,000	\$ 12,200,000	\$ -	\$ -	\$ -	0.00%
Parks and recreation	10,105,000	10,105,000	-	-	-	0.00%
Total	<u>\$ 22,305,000</u>	<u>\$ 22,305,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0.00%</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Stockbridge, Georgia's (the "City") Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

Page

Financial Trends 79 – 91

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 92 – 95

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

Debt Capacity 96 – 102

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..... 103 and 104

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 105 – 109

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 financial reports for the relevant year.

CITY OF STOCKBRIDGE, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental Activities					
Net investment in capital assets	\$ 32,551,895	\$ 30,884,452	\$ 29,316,744	\$ 24,706,392	\$ 25,476,622
Restricted	4,090,481	6,707,544	14,922,842	16,757,135	15,313,394
Unrestricted	6,138,430	7,423,318	7,770,791	14,920,345	17,534,743
Total governmental activities net position	<u>\$ 42,780,806</u>	<u>\$ 45,015,314</u>	<u>\$ 52,010,377</u>	<u>\$ 56,383,872</u>	<u>\$ 58,324,759</u>
Business-Type Activities					
Net investment in capital assets	\$ 14,173,806	\$ 15,869,585	\$ 16,460,917	\$ 16,337,920	\$ 18,655,646
Unrestricted	4,716,724	5,891,310	6,533,628	7,495,232	7,231,099
Total business-type activities net position	<u>\$ 18,890,530</u>	<u>\$ 21,760,895</u>	<u>\$ 22,994,545</u>	<u>\$ 23,833,152</u>	<u>\$ 25,886,745</u>
Primary Government					
Net investment in capital assets	\$ 46,725,701	\$ 46,754,037	\$ 45,777,661	\$ 41,044,312	\$ 44,132,268
Restricted	4,090,481	6,707,544	14,922,842	16,757,135	15,313,394
Unrestricted	10,855,154	13,314,628	14,304,419	22,415,577	24,765,842
Total primary government net position	<u>\$ 61,671,336</u>	<u>\$ 66,776,209</u>	<u>\$ 75,004,922</u>	<u>\$ 80,217,024</u>	<u>\$ 84,211,504</u>

Fiscal Year				
2018	2019	2020	2021	2022
\$ 26,862,664	\$ 28,435,249	\$ 43,717,019	\$ 48,261,529	\$ 33,292,952
16,603,867	16,772,774	9,284,117	11,599,061	25,321,397
17,496,942	18,313,148	13,597,025	15,443,768	4,602,348
<u>\$ 60,963,473</u>	<u>\$ 63,521,171</u>	<u>\$ 66,598,161</u>	<u>\$ 75,304,358</u>	<u>\$ 63,216,697</u>
\$ 18,698,180	\$ 22,251,421	\$ 23,368,409	\$ 21,459,083	\$ 46,971,570
7,462,589	6,117,244	5,522,733	5,252,432	5,299,457
<u>\$ 26,160,769</u>	<u>\$ 28,368,665</u>	<u>\$ 28,891,142</u>	<u>\$ 26,711,515</u>	<u>\$ 52,271,027</u>
\$ 45,560,844	\$ 50,686,670	\$ 67,085,428	\$ 69,720,612	\$ 80,264,522
16,603,867	16,772,774	9,284,117	11,599,061	25,321,397
24,959,531	24,430,392	19,119,758	20,696,200	9,901,805
<u>\$ 87,124,242</u>	<u>\$ 91,889,836</u>	<u>\$ 95,489,303</u>	<u>\$ 102,015,873</u>	<u>\$ 115,487,724</u>

CITY OF STOCKBRIDGE, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 5,936,424	\$ 3,561,543	\$ 3,366,285	\$ 3,496,445	\$ 3,397,192
Judicial ⁽¹⁾	847,430	787,946	665,664	447,338	172,218
Public safety	811,804	744,104	848,136	177,125	436,880
Public works	360,679	2,844,049	2,829,741	2,058,092	2,608,574
Health and welfare	-	-	-	-	-
Culture and recreation	66,573	-	10,577	-	-
Housing and development	191,209	203,265	1,267,243	739,159	1,037,910
Interest on long-term debt	681,001	656,137	629,911	602,535	573,861
Total governmental activities expenses	<u>8,895,120</u>	<u>8,797,044</u>	<u>9,617,557</u>	<u>7,520,694</u>	<u>8,226,635</u>
Business-type activities:					
Water and sewer	3,560,527	2,884,646	3,158,357	3,090,427	3,429,805
Stormwater	434,772	349,691	212,729	389,999	599,575
Solid waste	874,678	728,744	719,355	1,024,671	1,270,720
Conference center	347,392	331,099	290,062	393,485	492,130
Community center	95,972	28,849	49,768	51,876	56,177
Amphitheater	-	-	-	-	-
Total business-type activities	<u>5,313,341</u>	<u>4,323,029</u>	<u>4,430,271</u>	<u>4,950,458</u>	<u>5,848,407</u>
Total primary government	<u>\$ 14,208,461</u>	<u>\$ 13,120,073</u>	<u>\$ 14,047,828</u>	<u>\$ 12,471,152</u>	<u>\$ 14,075,042</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 345,093	\$ 450,308	\$ 347,970	\$ 430,767	\$ 440,347
Judicial	1,184,636	1,179,667	1,018,700	419,041	43,678
Capital grants and contributions	3,171,384	3,886,677	8,732,683	2,863,565	2,811,531
Total governmental activities program revenues	<u>4,701,113</u>	<u>5,516,652</u>	<u>10,099,353</u>	<u>3,713,373</u>	<u>3,295,556</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,835,775	2,938,884	3,067,407	3,356,353	3,580,309
Stormwater	495,025	493,402	495,077	509,886	510,920
Solid waste	1,145,486	1,167,463	1,170,475	1,212,246	1,237,250
Amphitheater	-	-	-	-	-
Conference center	170,707	194,518	163,297	168,874	198,496
Community center	43,438	34,661	46,788	48,538	46,417
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,690,431</u>	<u>4,828,928</u>	<u>4,943,044</u>	<u>5,295,897</u>	<u>5,573,392</u>
Total primary government program revenues	<u>\$ 9,391,544</u>	<u>\$ 10,345,580</u>	<u>\$ 15,042,397</u>	<u>\$ 9,009,270</u>	<u>\$ 8,868,948</u>

Fiscal Year				
2018	2019	2020	2021	2022
\$ 4,192,501	\$ 3,901,360	\$ 4,448,902	\$ 3,760,382	\$ 14,215,859
-	187,427	276,608	155,059	1,625,210
198,810	266,742	292,705	345,410	8,317,170
4,768,839	5,915,846	4,191,206	3,149,973	20,668,385
-	-	1,509,531	42,502	-
-	-	-	376,263	-
1,480,341	1,878,636	1,639,480	1,972,305	2,989,823
544,013	512,812	480,220	1,381,846	914,109
11,184,504	12,662,823	12,838,652	11,183,740	48,730,556
3,515,666	3,784,323	4,359,746	4,370,327	4,457,740
620,265	478,698	573,183	628,728	579,548
1,417,032	1,464,732	1,577,462	1,658,235	1,884,867
502,506	572,740	639,116	2,315,364	665,555
60,532	49,948	44,115	567,622	-
-	-	-	-	3,081,604
6,116,001	6,350,441	7,193,622	9,540,276	10,669,314
\$ 17,300,505	\$ 19,013,264	\$ 20,032,274	\$ 20,724,016	\$ 59,399,870
\$ 963,720	\$ 1,098,764	\$ 1,019,736	\$ 1,382,633	\$ 1,252,877
28,600	263,253	22,212	56,495	256,485
3,387,128	3,580,528	8,950,956	11,203,137	32,021,633
4,379,448	4,942,545	9,992,904	12,642,265	33,530,995
3,972,963	4,169,272	4,388,102	3,949,637	3,991,542
521,509	527,501	1,024,877	1,042,072	1,037,207
1,248,109	1,219,300	1,231,457	1,785,974	1,811,707
-	-	-	173,695	447,580
186,452	121,965	26,508	-	10,785
47,086	50,239	1,428	-	-
-	2,139,259	427,618	563,657	24,555,035
5,976,119	8,227,536	7,099,990	7,515,035	31,853,856
\$ 10,355,567	\$ 13,170,081	\$ 17,092,894	\$ 20,157,300	\$ 65,384,851

(Continued)

CITY OF STOCKBRIDGE, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014	2015	2016	2017
Program Revenues (Continued)					
Net (expense)/revenue					
Governmental activities	\$ (4,194,007)	\$ (3,280,392)	\$ 481,796	\$ (3,807,321)	\$ (4,931,079)
Business-type activities	(622,910)	505,899	512,773	345,439	(275,015)
Total primary government net expense	<u>\$ (4,816,917)</u>	<u>\$ (2,774,493)</u>	<u>994,569</u>	<u>\$ (3,461,882)</u>	<u>\$ (5,206,094)</u>
General Revenues and					
Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 231,993	\$ 271,113	\$ 226,911	\$ 124,284	\$ 126,814
Sales taxes	3,260,524	3,403,706	3,597,732	3,785,414	3,887,722
Franchise taxes	1,355,500	1,452,601	1,546,828	1,480,642	1,419,291
Alcoholic beverage taxes	621,381	663,251	704,298	711,402	726,445
Business and occupation taxes	617,617	472,466	564,290	601,511	661,371
Insurance premium taxes	1,322,407	1,419,779	1,516,512	1,642,740	1,751,247
Hotel/Motel taxes	87,052	92,580	130,588	222,993	445,240
Other taxes	74,168	84,437	120,925	103,613	180,437
Unrestricted investment earnings	49,919	17,715	4,322	1,381	2,007
Transfers	838,157	(2,362,748)	(1,123,522)	(493,164)	(2,328,608)
Total governmental activities	<u>8,458,718</u>	<u>5,514,900</u>	<u>7,288,884</u>	<u>8,180,816</u>	<u>6,871,966</u>
Business-type activities:					
Unrestricted investment earnings	1,888	1,718	334	4	-
Gain on sale of capital assets	890	-	42,791	-	-
Transfers	(838,157)	2,362,748	1,123,522	493,164	2,328,608
Total business-type activities	<u>(835,379)</u>	<u>2,364,466</u>	<u>1,166,647</u>	<u>493,168</u>	<u>2,328,608</u>
Total primary government	<u>\$ 7,623,339</u>	<u>\$ 7,879,366</u>	<u>\$ 8,455,531</u>	<u>\$ 8,673,984</u>	<u>\$ 9,200,574</u>
Change in Net Position					
Governmental activities	\$ 4,264,711	\$ 2,234,508	\$ 7,770,680	\$ 4,373,495	\$ 1,940,887
Business-type activities	(1,458,289)	2,870,365	1,679,420	838,607	2,053,593
Total primary government	<u>\$ 2,806,422</u>	<u>\$ 5,104,873</u>	<u>\$ 9,450,100</u>	<u>\$ 5,212,102</u>	<u>\$ 3,994,480</u>

Note:

⁽¹⁾ The Community Center and the Conference Center activity was moved from a separate fund to a department within the General Fund in 2021.

Fiscal Year				
2018	2019	2020	2021	2022
\$ (6,805,056)	\$ (7,720,278)	\$ (2,845,748)	\$ 1,458,525	\$ (15,199,561)
(139,882)	1,877,095	(93,632)	(2,025,241)	21,184,542
<u>\$ (6,944,938)</u>	<u>\$ (5,843,183)</u>	<u>\$ (2,939,380)</u>	<u>\$ (566,716)</u>	<u>\$ 5,984,981</u>
\$ 221,334	\$ 352,331	\$ 544,338	\$ 806,485	\$ 770,169
4,161,389	4,474,981	-	-	-
1,497,519	1,559,754	1,599,506	1,494,487	1,614,172
747,612	760,087	842,612	841,605	851,324
815,350	827,926	959,288	1,083,528	1,210,279
1,888,635	2,012,698	2,122,713	2,187,071	2,389,696
454,239	472,110	349,863	546,818	484,363
68,837	136,456	93,190	131,398	165,611
2,761	12,434	27,337	1,894	1,256
(413,906)	(330,801)	(616,109)	154,386	(4,374,970)
<u>9,443,770</u>	<u>10,277,976</u>	<u>5,922,738</u>	<u>7,247,672</u>	<u>3,111,900</u>
-	-	-	-	-
-	-	-	-	-
413,906	330,801	616,109	(154,386)	4,374,970
413,906	330,801	616,109	(154,386)	4,374,970
<u>\$ 9,857,676</u>	<u>\$ 10,608,777</u>	<u>\$ 6,538,847</u>	<u>\$ 7,093,286</u>	<u>\$ 7,486,870</u>
\$ 2,638,714	\$ 2,557,698	\$ 3,076,990	\$ 8,706,197	\$ (12,087,661)
274,024	2,207,896	522,477	(2,179,627)	25,559,512
<u>\$ 2,912,738</u>	<u>\$ 4,765,594</u>	<u>\$ 3,599,467</u>	<u>\$ 6,526,570</u>	<u>\$ 13,471,851</u>

CITY OF STOCKBRIDGE, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Business and Occupation Tax	Insurance Premium Tax
2013	\$ 231,993	\$ 3,260,524	\$ 1,355,500	\$ 621,381	\$ 617,617	\$ 1,322,407
2014	271,113	3,403,706	1,452,601	663,251	472,466	1,419,779
2015	226,911	3,597,732	1,546,828	704,298	564,290	1,516,512
2016	124,284	3,785,414	1,480,642	711,402	601,511	1,642,740
2017	126,814	3,887,722	1,419,291	726,445	661,371	1,751,247
2018	221,334	4,161,389	1,497,519	747,612	815,350	1,888,635
2019	352,331	4,474,981	1,559,754	760,087	827,926	2,012,698
2020	544,338	-	1,599,506	842,612	959,288	2,122,713
2021	806,485	-	1,494,487	841,605	1,083,528	2,187,071
2022	770,169	-	1,614,172	851,324	1,210,279	2,389,696

Note: Sales and Use Tax revenues along with most other tax revenue sources have increased due to the significant growth in both population and commercial businesses.

Other Taxes		Total	
\$	161,220	\$	7,570,642
	177,017		7,859,933
	251,513		8,408,084
	326,606		8,672,599
	625,677		9,198,567
	523,076		9,854,915
	608,566		10,596,343
	443,053		6,511,510
	678,216		7,091,392
	649,974		7,485,614

CITY OF STOCKBRIDGE, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund:					
Nonspendable	\$ 6,138,534	\$ 6,116,722	\$ 6,078,840	\$ 4,605,760	\$ 2,289,521
Restricted	62,475	-	166,864	-	-
Assigned	142,654	113,588	138,184	58,937	2,874
Unassigned	4,486,260	6,166,220	8,232,433	11,326,184	16,328,566
Total General Fund	<u>\$ 10,829,923</u>	<u>\$ 12,396,530</u>	<u>\$ 14,616,321</u>	<u>\$ 15,990,881</u>	<u>\$ 18,620,961</u>
All Other Governmental Funds:					
Nonspendable	\$ 280,684	\$ 592,900	\$ 5,684	\$ 5,597	\$ 5,000
Restricted, reported in:					
Special revenue funds	40,220	68,238	129,398	187,190	337,145
Capital project funds	3,975,827	6,627,115	14,614,296	16,557,661	14,963,965
Permanent fund	6,959	7,191	7,284	7,284	7,284
Assigned, reported in:					
Capital project funds	(4,879,042)	(5,513,757)	(5,765,237)	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ (575,352)</u>	<u>\$ 1,781,687</u>	<u>\$ 8,991,425</u>	<u>\$ 16,757,732</u>	<u>\$ 15,313,394</u>

Note: Governmental Accounting Standards Board Statement No. 54 was adopted in 2011.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 2,274,304	\$ 2,276,346	\$ 2,293,686	\$ 2,298,715	\$ 2,569,719
-	-	-	-	-
829,299	315,625	1,104,366	7,975,208	679,237
15,634,005	16,648,682	13,603,614	5,769,093	1,212,272
<u>\$ 18,737,608</u>	<u>\$ 19,240,653</u>	<u>\$ 17,001,666</u>	<u>\$ 16,043,016</u>	<u>\$ 4,461,228</u>
\$ 5,000	\$ 5,824	\$ 5,000	\$ 5,000	\$ 5,566
506,466	691,087	839,531	1,059,221	1,098,311
16,085,451	16,069,737	8,432,636	28,620,712	39,430,598
6,950	6,950	6,950	6,950	6,950
(162,940)	(61,322)	(3,030,430)	353,351	353,351
-	-	-	-	(260,855)
<u>\$ 16,440,927</u>	<u>\$ 16,712,276</u>	<u>\$ 6,253,687</u>	<u>\$ 30,045,234</u>	<u>\$ 40,894,776</u>

CITY OF STOCKBRIDGE, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 7,565,511	\$ 7,860,843	\$ 8,399,813	\$ 8,625,047	\$ 9,266,993
Licenses and permits	246,441	174,297	211,001	258,637	291,989
Intergovernmental	2,899,752	3,861,031	8,721,298	2,839,897	2,758,823
Fines and forfeitures	1,131,672	1,210,910	1,059,330	539,215	68,652
Charges for services	4,391	1,187	3,078	5,590	7,858
Impact fees	-	-	-	-	-
Contributions	125,000	-	-	-	-
Rental income	-	21,226	700	-	600
Investment earnings	57,298	22,135	15,707	25,049	54,715
Miscellaneous	94,261	274,824	133,191	161,623	139,752
Total revenues	<u>12,124,326</u>	<u>13,426,453</u>	<u>18,544,118</u>	<u>12,455,058</u>	<u>12,589,382</u>
Expenditures					
General government	3,190,031	2,929,787	2,673,703	2,701,378	2,990,473
Judicial	805,170	767,735	615,842	437,762	180,971
Public safety	745,644	671,715	790,475	136,373	161,280
Public works and parks	2,985,676	2,051,248	1,978,791	1,699,509	2,122,376
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	190,100	512,598	1,233,236	739,159	1,042,949
Urban redevelopment	-	-	-	-	-
Tourism and promotion	-	-	-	-	-
Capital outlay	9,732,121	1,214,890	562,889	869,169	4,121,584
Debt service:					
Principal	520,000	545,000	570,000	595,000	625,000
Interest	690,980	666,595	640,851	613,951	585,859
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>18,859,722</u>	<u>9,359,568</u>	<u>9,065,787</u>	<u>7,792,301</u>	<u>11,830,492</u>
Excess of revenues over (under) expenditures	<u>(6,735,396)</u>	<u>4,066,885</u>	<u>9,478,331</u>	<u>4,662,757</u>	<u>758,890</u>
Other financing sources (uses)					
Proceeds from debt issues	-	-	-	-	-
Recognition of extinguishment of debt	-	-	-	4,532,836	-
Transfers	(150,464)	(143,239)	(48,802)	(54,726)	(120,785)
Proceeds from sale of assets	2,040	-	-	-	547,637
Total other financing sources (uses)	<u>(148,424)</u>	<u>(143,239)</u>	<u>(48,802)</u>	<u>4,478,110</u>	<u>426,852</u>
Net change in fund balances	<u>\$ (6,883,820)</u>	<u>\$ 3,923,646</u>	<u>\$ 9,429,529</u>	<u>\$ 9,140,867</u>	<u>\$ 1,185,742</u>
Debt service as a percentage of non-capital expenditures	14.6%	15.1%	13.7%	17.7%	14.7%

Note: There was a significant increase in intergovernmental revenue in 2015 due to \$6,000,000 bond issuance for SPLOST projects.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 9,854,915	\$ 10,596,343	\$ 6,522,700	\$ 7,074,412	\$ 7,483,294
714,550	697,648	819,533	667,913	813,684
3,278,162	3,437,264	8,780,119	10,967,695	31,806,828
39,297	77,523	26,498	56,495	256,485
74,112	159,781	85,649	168,441	280,123
-	-	292,941	234,829	213,480
-	-	-	-	-
30,969	36,531	278	-	31,560
111,727	155,698	66,383	2,507	2,581
144,089	204,804	114,115	546,279	127,510
14,247,821	15,365,592	16,708,216	19,718,571	41,015,545
4,665,663	4,558,705	4,075,046	4,462,556	6,218,975
122,342	220,695	214,208	212,568	357,139
148,680	199,803	232,493	1,126,188	4,435,360
2,361,610	2,571,822	2,964,115	3,530,060	5,883,404
-	-	1,509,531	42,502	-
-	-	-	365,855	-
1,479,499	1,881,539	1,637,282	1,974,293	2,990,746
-	-	-	-	-
-	-	-	-	-
2,886,748	3,621,973	16,959,540	9,340,130	13,444,994
650,000	680,000	710,000	745,000	3,476,897
556,491	525,860	493,848	644,376	943,550
-	-	-	536,098	-
12,871,033	14,260,397	28,796,063	22,979,626	37,751,065
1,376,788	1,105,195	(12,087,847)	(3,261,055)	3,264,480
-	-	-	25,805,000	-
-	-	-	-	-
(162,065)	(330,801)	(616,109)	154,386	(4,374,970)
19,457	-	6,380	134,566	-
(142,608)	(330,801)	(609,729)	26,093,952	(4,374,970)
\$ 1,234,180	\$ 774,394	\$ (12,697,576)	\$ 22,832,897	\$ (1,110,490)
11.4%	9.9%	10.0%	14.7%	15.8%

CITY OF STOCKBRIDGE, GEORGIA

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Franchise Tax	Alcoholic Beverage Tax	Insurance Premium Tax	Business and Occupation Tax	Other Taxes	Total
2013	\$ 231,993	\$ 1,350,369	\$ 621,381	\$ 1,322,407	\$ 617,617	\$ 161,220	\$ 4,304,987
2014	271,113	1,453,511	663,251	1,419,779	444,366	205,117	4,457,137
2015	226,911	1,538,557	704,298	1,516,512	558,840	256,963	4,802,081
2016	124,284	1,433,090	711,402	1,642,740	546,502	381,615	4,839,633
2017	126,814	1,487,717	726,445	1,751,247	661,371	625,677	5,379,271
2018	221,334	1,497,519	747,612	1,888,635	815,350	523,076	5,693,526
2019	352,331	1,559,754	760,087	2,012,698	827,926	608,566	6,121,362
2020	555,528	1,599,506	842,612	2,122,713	959,288	443,053	6,522,700
2021	806,485	1,494,487	841,605	2,187,071	1,083,528	678,216	7,091,392
2022	770,169	1,614,172	851,324	2,389,696	1,210,279	649,974	7,485,614

Note: Sales and Use Tax revenues along with most other tax revenue sources have increased due to the significant growth in both population and commercial businesses.

CITY OF STOCKBRIDGE, GEORGIA

ASSESSED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Tax Year	Assessed Value				Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real and Personal Property	Motor Vehicle	Mobile Home	Other			
2013	\$ 653,081,289	\$ 25,863,520	\$ 1,604,083	\$ 165,000	\$ (41,029,339)	\$ 639,684,553	0.000
2014	676,829,226	20,949,450	1,595,881	762,897	(6,332,991)	693,804,463	0.000
2015	734,070,209	15,891,630	1,542,715	10,099	(7,374,892)	744,139,761	0.000
2016	806,767,219	11,699,210	1,475,725	20,499	(8,617,909)	811,344,744	0.000
2017	851,439,452	8,526,740	1,540,136	-	(13,588,601)	847,917,727	0.000
2018	903,388,035	5,912,810	1,534,666	57,530	(15,504,457)	895,388,584	0.000
2019	962,641,023	4,770,560	1,755,941	112,255	(12,896,367)	956,383,412	0.000
2020	1,016,246,217	3,822,220	1,767,905	42,036	(16,847,322)	1,005,031,056	0.000
2021	1,071,979,964	3,081,600	1,774,787	39,322	(19,642,092)	1,057,233,581	0.000
2022	1,308,782,765	2,928,210	1,862,463	18,410	(27,440,912)	1,286,150,936	0.000

SOURCE:

Henry County Tax Commissioner

Note: Assessed value is calculated at 40% of estimated actual fair market value.

CITY OF STOCKBRIDGE, GEORGIA

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

Tax/Fiscal Year	City	County	County School District M&O	County School District Bond	Water	Hospital	State	Total
2013	0.00	14.50	20.00	3.63	2.00	0.00	0.15	40.28
2014	0.00	14.30	20.00	3.63	2.00	0.00	0.10	40.03
2015	0.00	13.87	20.00	3.63	2.00	0.00	0.05	39.55
2016	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2017	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2018	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2019	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2020	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2021	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36
2022	0.00	12.73	20.00	3.63	2.00	0.00	0.00	38.36

SOURCE:

Henry County Tax Commissioner

Note: All tax rates are per \$1,000 assessed valuation, less exemptions.

CITY OF STOCKBRIDGE, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Eastwood Village Gardens LP	\$ 20,413	1	1.59%	\$ -		-
AR-Eagles Landing LLC, JFB-Eagles Landing LLC	17,828	2	1.39%	-		-
CSP Community Owner LLP	17,240	3	1.34%	7,794	5	1.22%
Vulcan Lands and Materials LLC	16,199	4	1.26%	-		-
Waterford Landing Apartments LLC	15,712	5	1.22%	6,007	7	0.94%
St. Ives Apartments LLC	14,160	6	1.10%	7,900	4	1.23%
Crossings@Eagles Landing	13,769	7	1.07%	6,058		0.95%
WWC XXXIX LP	12,586	8	0.98%	-		-
North Park Property Owner LLC	11,348	9	0.88%	10,109		1.58%
Georgia Power Company	9,483	10	0.74%	-		-
Walmart Real Estate Business Trust	-		-	13,283	1	2.08%
West Henry Land Corp & Etal	-		-	8,940	2	1.40%
Concert PSP Atlanta - Eastwood	-		-	8,447	3	1.32%
JES@Eagles Landing LLC	-		-	6,910	6	1.08%
CS Stockbridge LKE LLC	-		-	5,783	8	0.90%
WR of Stockbridge II LLC	-		-	5,424	9	0.85%
Sagebrush Stonegate	-		-	5,016	10	0.78%
Total	<u>\$ 148,738</u>		<u>11.57%</u>	<u>\$ 91,671</u>		<u>14.33%</u>

SOURCE:

Henry County Tax Commissioner

Note: Amounts expressed in thousands.

CITY OF STOCKBRIDGE, GEORGIA

PRINCIPAL FRANCHISE TAXPAYERS CURRENT YEAR AND SIX YEARS AGO

Franchise Taxpayer	Fiscal Year 2022			Fiscal Year 2016		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Georgia Power Company	\$ 1,224,383	1	73.42%	\$ 1,089,242	1	76.31%
Atlanta Gas Light	140,838	2	8.45%	92,727	4	6.50%
Charter	140,156	3	8.40%	138,345	2	9.69%
Comcast	73,508	4	4.41%	-	-	-
Snapping Shoals	36,204	5	2.17%	437	9	0.03%
Directv	26,812	6	1.61%	-	-	-
Bellsouth	17,639	7	1.06%	93,570	3	6.56%
College Park	5,728	8	0.34%	7,414	5	0.52%
Diatro LLC	1,980	9	0.12%	258	10	0.02%
Fusion Cloud (Birch)	413	10	0.02%	1,531	7	0.11%
Fusion (Cbeyond Communications)	-	-	-	3,224	6	0.23%
Electric Lightwave	-	-	-	498	8	0.03%
Verizon	-	-	-	-	-	-
Total	<u>\$ 1,667,661</u>		<u>100.00%</u>	<u>\$ 1,427,246</u>		<u>100.00%</u>

SOURCE:

Stockbridge Finance Department

Note: 2013 information not available, 2016 information provided.

CITY OF STOCKBRIDGE, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities		
	Redevelopment Agency Bonds	Public Facilities Authority Bonds	Total	Revenue Bonds	Notes Payable	Total
2013	\$ 14,735,000	\$ -	\$ 14,735,000	\$ -	\$ 1,749,444	\$ 1,749,444
2014	14,190,000	-	14,190,000	-	1,673,651	1,673,651
2015	13,620,000	-	13,620,000	-	1,595,552	1,595,552
2016	13,025,000	-	13,025,000	-	1,515,078	1,515,078
2017	12,400,000	-	12,400,000	-	1,432,156	1,432,156
2018	11,750,000	-	11,750,000	-	1,346,713	1,346,713
2019	11,070,000	-	11,070,000	-	1,258,670	1,258,670
2020	10,360,000	-	10,360,000	-	1,213,649	1,213,649
2021	9,615,000	25,805,000	35,420,000	-	1,120,169	1,120,169
2022	8,835,000	23,120,000	31,955,000	-	1,023,845	1,023,845

SOURCE:

Population data from Quick Facts Census Data

Note: Details regarding the City's outstanding debt can be found in Note 7 of the current financial statements.

	Total Primary Government	Population	Percentage of Personal Income	Per Capita
\$	16,484,444	26,905	2.68 %	\$ 613
	15,863,651	27,205	2.54	583
	15,215,552	27,619	2.29	551
	14,540,078	28,202	2.25	516
	13,832,156	29,114	2.07	475
	13,096,713	29,638	1.81	442
	12,328,670	29,904	1.59	412
	11,573,649	24,794	1.49	467
	36,540,169	29,163	4.71	1,253
	32,978,845	29,064	3.89	1,135

CITY OF STOCKBRIDGE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2022

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable To Government</u>	<u>Amount Applicable to City of Stockbridge</u>
Direct			
City of Stockbridge General Obligation Bonds	\$ -		\$ -
Capital Leases	-		-
Total Direct Debt	<u>\$ -</u>		<u>\$ -</u>
Overlapping			
General Obligation Debt:			
Henry County Capital Lease	\$ 10,064,888	13.36%	\$ 1,344,669
Henry County Revenue Bonds	3,211,537	13.36%	429,061
Henry County General Obligation	24,925,000	13.36%	3,329,980
	<u>\$ 38,201,425</u>		<u>\$ 5,103,710</u>
Henry County Schools Bonds Payable	\$ 395,355,000	13.36%	\$ 52,819,428
Total Direct and Overlapping Debt	<u><u>\$ 433,556,425</u></u>		<u><u>\$ 57,923,138</u></u>

SOURCE:

Henry County Unaudited Financial Statements and Henry County Board of Education Audited Financial Statements

CITY OF STOCKBRIDGE, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 63,968,455	\$ 69,380,446	\$ 74,413,976	\$ 81,134,474	\$ 84,791,773
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 63,968,455</u>	<u>\$ 69,380,446</u>	<u>\$ 74,413,976</u>	<u>\$ 81,134,474</u>	<u>\$ 84,791,773</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Under Georgia law, the City's outstanding general obligation debt should not exceed 10% of total assessed property value. The City has no general obligation debt that is subject to the debt limitation.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 89,538,858	\$ 95,638,341	\$ 100,503,106	\$ 105,723,358	\$ 128,615,094
-	-	-	-	-
<u>\$ 89,538,858</u>	<u>\$ 95,638,341</u>	<u>\$ 100,503,106</u>	<u>\$ 105,723,358</u>	<u>\$ 128,615,094</u>
0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF STOCKBRIDGE, GEORGIA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

Fiscal Year	Water & Sewer Debt					
	Water & Sewer Fund Gross Revenues	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2013	\$ 2,836,218	\$ 2,143,837	\$ 692,381	\$ 73,556	\$ 53,500	5.45
2014	2,939,225	2,321,279	617,946	75,793	51,257	4.86
2015	3,190,340	2,490,903	699,437	78,099	48,946	5.51
2016	3,784,703	2,400,268	1,384,435	80,474	46,565	10.90
2017	5,788,132	2,715,737	3,072,395	82,922	44,111	24.19
2018	4,224,804	2,778,790	1,446,014	85,443	41,583	11.38
2019	6,308,531	2,955,003	3,353,528	88,043	38,977	26.40
2020	4,721,445	3,545,305	1,176,140	45,021	18,373	18.55
2021	4,404,851	3,528,253	876,598	93,480	33,760	6.89
2022	5,744,460	3,611,789	2,132,671	96,324	30,917	16.76

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) Operating expenses do not include interest, depreciation, or amortization expense.
- (3) Gross revenues include capital contributions.
- (4) Water and Sewer Debt beginning in fiscal year 2011 consists solely of loans through the Georgia Environmental Finance Authority

Urban Redevelopment Revenue Bonds				
Gross/ Pledged Revenues		Principal	Interest	Coverage
\$	1,210,980	\$ 520,000	\$ 690,980	1.00
	1,211,595	545,000	666,595	1.00
	1,210,851	570,000	640,851	1.00
	1,208,951	595,000	613,951	1.00
	1,210,859	625,000	585,859	1.00
	1,206,491	650,000	556,491	1.00
	1,205,860	680,000	525,860	1.00
	1,203,848	710,000	493,848	1.00
	1,205,337	745,000	460,337	1.00
	1,205,213	780,000	425,213	1.00

CITY OF STOCKBRIDGE, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (thousands) ⁽²⁾	Per Capita Personal Income ⁽²⁾	Median Age ⁽²⁾⁽⁵⁾	School Enrollment ⁽³⁾	Stockbridge Unemployment Rate ⁽⁴⁾
2013	26,905 ⁽⁵⁾	\$ 615,344,255	\$ 22,871	34.8	1,742	9.6% %
2014	27,205 ⁽⁵⁾	624,218,725	22,945	35.8	1,667	8.0%
2015	27,619 ⁽⁵⁾	664,457,902	24,058	34.9	1,691	6.7%
2016	28,202 ⁽⁵⁾	647,094,890	22,945	35.8	1,604	6.6%
2017	29,114 ⁽⁵⁾	667,234,652	22,918	35.3	1,617	4.9%
2018	29,638 ⁽⁵⁾	724,826,928	24,456	35.8	1,612	4.3%
2019	29,904 ⁽⁵⁾	775,470,528	25,932	34.6	1,522	4.7%
2020	24,794 ⁽⁵⁾	775,470,528	25,932	34.6	1,522	4.7%
2021	29,163 ⁽⁵⁾	848,409,996	29,092	36.7	1,436	3.8%
2022	29,064 ⁽⁵⁾	720,612,816 ⁽⁵⁾	24,794 ⁽²⁾	36.7	1,414	2.9% ⁽⁶⁾

SOURCES:

⁽¹⁾ Atlanta Regional Commission

⁽²⁾ Sperling's Best Places

⁽³⁾ Henry County Board of Education

⁽⁴⁾ Homefacts.com

⁽⁵⁾ U.S. Census Bureau Estimates

⁽⁶⁾ Georgia Labor Market Explorer

CITY OF STOCKBRIDGE, GEORGIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2022			Fiscal Year 2013		
	Employees	Rank	Employer's percentage of total employment	Employees	Rank	Employer's percentage of total employment
Piedmont Hospital	1,704	1	12.27%	N/A		-
Walmart Supercenter	792	2	5.70%	1,196	1	49.26%
Publix Super Market	408	3	2.94%	327	2	13.47%
City of Stockbridge	147	4	1.06%	61	9	2.51%
Ingles	141	5	1.02%	178	3	7.33%
Eagles Landing Christian Academy	135	6	0.97%	N/A		-
Brandsmart USA	107	7	0.77%	114	5	4.70%
Utility Trailer of Georgia	101	8	0.73%	89	8	3.67%
Kohl's Department Store	89	9	0.64%	89	8	3.67%
Vulcan Materials	87	10	0.63%	111	6	4.57%
At Home (Garden Ridge in 2007)	45		0.32%	35		1.44%
Henry County Schools within the City	N/A		-	135	4	5.56%
Eagles Landing Country Club	N/A		-	93	7	3.83%
All Other Employers	10,127		72.95%	N/A		-
Total	13,883			2,428		

SOURCE:

City of Stockbridge, Georgia records

N/A - information not available

CITY OF STOCKBRIDGE, GEORGIA

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

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Executive	1	2	5	5	4	5	5	7	6	5
Administration	9	10	10	10	12	12	6	8	10	13
City Clerk	-	-	-	-	-	-	5	5	5	6
Facilities maintenance	-	-	-	4	2	2	2	2	2	2
Municipal court	-	3	3	3	1	1	2	2	2	2
Public works and parks	19	20	20	17	13	19	17	18	18	21
City events	-	-	-	1	1	1	1	1	1	3
Code enforcement	1	2	2	2	2	2	2	2	3	2
Police	-	-	-	-	-	-	-	-	5	62
Permitting development	-	-	-	-	-	-	2	2	2	2
Planning and zoning	-	-	-	-	-	-	2	2	2	5
Economic development	-	-	-	-	-	-	1	1	1	0
Main street	-	1	1	2	2	2	2	2	2	2
GIS	-	-	-	1	1	1	1	1	1	1
Water/Sewer	15	15	15	16	15	18	18	18	22	14
Stormwater	3	3	2	7	7	6	5	5	5	3
Sanitation	9	7	7	1	1	1	1	1	1	1
Conference Center	4	1	1	2	3	3	4	4	5	3
Total	61	64	66	71	64	73	76	81	93	147

SOURCE:

City of Stockbridge, Georgia records

Notes:

- (1) Employee counts for years 2011 - 2013 are estimates based on available information.
- (2) Elected officials and appointed court personnel are not included.
- (3) The City uses personnel services lawn maintenance, not included above.

CITY OF STOCKBRIDGE, GEORGIA

OPERATING INDICATORS BY FUNCTION LAST TEN CALENDAR YEARS

Function	Fiscal Year				
	2013	2014	2015	2016	2017
Municipal Court					
Fines and forfeitures	\$ 1,131,672	\$ 1,210,910	\$ 1,059,330	\$ 539,215	\$ 57,196
Number of cases	5,852	5,967	5,185	1,702	281
Conference Center					
Annual rents	\$ 186,189	\$ 190,813	\$ 179,319	\$ 168,874	\$ 191,568
Occupation Tax					
Annual renewals	1,339	1,281	1,121	1,539	1,681
New business licenses	231	182	231	279	228
Public Works					
Miles resurfaced	N/A	3.5	3.1	2.4	5.0
Stormwater					
Potential ponds identified	181	188	188	188	188
Total number of pipes	3,102	3,102	3,102	3,102	3,102
Total number of feet of pipes	434,491	434,491	434,491	434,491	434,491
Complaints	126	94	89	119	88

SOURCE:

City of Stockbridge, Georgia records

Note: Revenues from fines decreased significantly in 2016 as Henry County diverted citations to the Henry County State Court and due to the change in probation tolling laws. Revenues decreased significantly in 2020 due to facilities being closed due to COVID-19. Additionally, there was a change in the State probation tolling laws.

Fiscal Year				
2018	2019	2020	2021	2022
\$ 27,845 300	\$ 55,425 574	\$ 25,287 131	\$ 37,728 381	\$ 58,522 1,819
\$ 160,280	\$ 155,582	\$ 17,038	\$ 9,660	\$ 10,170
1,880 202	2,056 128	2,354 250	2,432 263	2,487 485
5.1	4.7	5.7	4.7	5.1
186 3,102 432,960 111	193 3,433 101,385 101	193 359 48,959 52	37 311 187,672 68	52 216 85,743 69

CITY OF STOCKBRIDGE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year				
	2013	2014	2015	2016	2017
Public Works					
City limits (square miles)	14.1	14.1	14.1	14.1	14
Paved roads (miles)	95.62	95.62	95.62	97.08	97
Sanitation					
Transfer stations	1	1	1	1	1
Collection trucks	5	5	5	5	1
Small collection vehicles	14	13	13	9	5
Recreation and culture					
Parks	4	4	4	4	4
Community centers	2	2	2	2	2
Library	1	1	1	1	1
Cemeteries	3	3	3	3	3
Water					
Water mains (miles)	44.5	44.5	44.5	44.5	44.5
Fire hydrants	457	457	457	457	458.00
Service connections	2,391	2,391	2,749	2,764	2,726
Daily avg consumption (gallons)	923,000	923,000	752,180	679,564	684,970
Storage capacity (gallons)	1,900,000	1,900,000	1,800,000	1,800,000	1,800,000
Sewer					
Sanitary sewers (miles)	39.5	39.5	39.5	39.5	40.0
Service connections	2,254	2,254	N/A	4,858	2,431
Treatment plants	1	1	1	1	1
Daily avg treatment (gallons)	.686 MGD	.686 MGD	.823 MGD	.754 MGD	.761 MGD
Treatment capacity	1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD	1.5 MGD

SOURCE:

City of Stockbridge, Georgia records

Fiscal Year				
2018	2019	2020	2021	2022
14	14.1	14.1	14.1	14.1
97	97.08	97.08	97.08	97.08
1	1	1	1	1
1	1	1	1	1
5	5	5	5	5
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
3	3	3	3	3
44.5	45	45	45	45
459.00	460.00	460.00	460.00	460.00
2,833	2,866	2,958	2,958	2,958
627,728	515,828	500,000	500,000	500,000
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
40.0	40.0	40.0	40.0	40.0
2,516	2,568	2,568	2,467	2,467
1	1	1	1	1
.761 MGD	.761 MGD	.761 MGD	.761MGD	.714MGD
1.5 MGD	1.5 MGD	1.5 MGD	1.5MGD	1.5MGD

COMPLIANCE SECTION



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

**Honorable Mayor and Members
of City Council
City of Stockbridge, Georgia
Stockbridge, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Stockbridge, Georgia** (the "City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 13, 2023.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-002 and 2002-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 to be a significant deficiency.

Report on Compliance and Other Matters

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

The City of Stockbridge's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
November 13, 2023



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

Honorable Mayor and Members
of City Council
City of Stockbridge
Stockbridge, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Stockbridge, Georgia's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2022. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Stockbridge, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
November 13, 2023

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Grant Program</u>	<u>Federal Assistance Listing Number</u>	<u>Grant I.D.</u>	<u>Expenditures</u>
U.S. Department of Treasury			
Direct Award:			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	\$ 6,800,316
Total U.S. Department of Treasury			<u>6,800,316</u>
U.S. Department of Housing and Urban Development			
Pass-through from Henry County, Georgia			
Community Development Block Grant program	14.228	B-13-UC-13-0007	305,725
			<u>305,725</u>
Total Expenditures of Federal Awards			<u>\$ 7,106,041</u>

CITY OF STOCKBRIDGE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Stockbridge, Georgia (the "City") and is presented on the accrual basis of accounting.

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

NOTE 2. DE MINIMIS COST RATE

The City elected not to use the 10% de minimis cost rate for the year ended December 31, 2022.

NOTE 3. SUBRECIPIENTS

The City did not pass through any funds to subrecipients for the year ended December 31, 2022.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered to be material weaknesses?

☒ Yes ☐ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal Control over major programs:

Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified?

☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major program:

Assistance Listing Number

21.027

Name of Federal Program or Cluster

COVID-19 – Coronavirus State and Local
Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2022 – 001. Management of Receivable Accounts

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly adjust receivables and related balances in the General Fund and the Water and Sewer Fund as of December 31, 2022.

Effect: The following adjustments were made to adjust receivables and related balances as of December 31, 2022:

- General Fund – An adjustment to increase franchise fees revenues by \$95,072, to increase accounts receivables by \$42,876, and to decrease unavailable revenues by \$52,196.
- Water and Sewer Fund – An adjustment to decrease the allowance for uncollectible accounts and bad debt expense by \$34,615.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen its control over its receivables and related balances to ensure balances are properly stated at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement procedures to strengthen controls over the City's receivables and related balances at year-end to ensure balances are properly stated.

2022 – 002. Capitalization of Capital Assets

Criteria: Generally accepted accounting principles require capital assets purchased or acquired be reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Condition: The City excluded capital items from its governmental capital assets detail and its business-type detail for the year ended December 31, 2022.

Effect: For the year ended December 31, 2022, capital assets in the amount of \$954,947 were improperly excluded from the governmental capital asset detail. In addition, Amphitheater construction costs, in the amount of \$1,328,153, Amphitheater machinery and equipment, in the amount of \$67,173, and Amphitheater furniture and fixtures, in the amount of \$204,321 were improperly excluded from the business-type capital asset detail.

CITY OF STOCKBRIDGE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022 – 002. Capitalization of Capital Assets (Continued)

Cause: Internal controls over capital assets were not in place to ensure the proper capitalization of all capital assets.

Recommendation: We recommend that the City strengthen internal controls over the capitalization and reporting of capital assets.

Views of Responsible Officials and Planned Corrective Action: We concur. We will strengthen procedures to ensure capital assets are properly recorded.

2022 – 003. Interfund Activity

Criteria: Generally accepted accounting principles require the reporting of interfund receivables and payables when transactions occur between individual funds for goods provided or services rendered.

Condition: Interfund receivables and payables were not properly stated for the period ended December 31, 2022.

Effect: The following adjustments were made to properly state the interfund receivables and payables:

- Public Facilities Authority – An adjustment to decrease interfund payable and to increase transfers in by \$3,014,466.
- General Fund – An adjustment to decrease interfund receivable and to increase transfers out by \$3,014,566.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen internal controls over interfund activity to ensure interfund receivables and payables are properly stated at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur. Additional controls will be implemented to ensure interfund receivables and payables are properly recorded.

SECTION III
FEDERAL AWARDS FINDINGS

Not applicable.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2022

2021 – 001. Management of Receivable Accounts

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the City should review all revenue transactions to determine reporting in the proper period.

Condition: The City did not properly adjust receivables and related balances in various funds as of December 31, 2021.

Auditee Response/Status: Unresolved – See Finding 2022 – 001.

2021 – 002. Capitalization of Capital Assets

Criteria: Generally accepted accounting principles require capital assets purchased or acquired be reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized.

Condition: The City recorded a construction in progress invoice as an expense for the year ended December 31, 2021.

Auditee Response/Status: Unresolved – See Finding 2022 – 002.



CITY OF STOCKBRIDGE, GEORGIA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

2022 – 001. Management of Receivable Accounts

Name of Contact Person Responsible for Corrective Action Plan: Lakeisha Gaines, Interim Treasurer

Corrective Action Plan: Finance officials will put procedures in place to review receivable balances at year end.

Anticipated Completion Date: December 31, 2023

2022 – 002. Capitalization of Capital Assets

Name of Contact Person Responsible for Corrective Action Plan: Lakeisha Gaines, Interim Treasurer

Corrective Action Plan: Finance officials will put procedures in place to review all capital assets and ensure they are properly recorded.

Anticipated Completion Date: December 31, 2023

2022 – 003. Interfund Activity

Name of Contact Person Responsible for Corrective Action Plan: Lakeisha Gaines, Interim Treasurer

Corrective Action Plan: Finance officials will put procedures in place to review all interfund activity and ensure they are properly recorded.

Anticipated Completion Date: December 31, 2023