

CITY OF STOCKBRIDGE, GEORGIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

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Prepared By: Department Of Finance

CITY OF STOCKBRIDGE, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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INTRODUCTORY SECTION

July 10, 2024

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 general 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, 2023.

This report consists of management’s representations concerning the finances of the City of Stockbridge, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Stockbridge 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 of Stockbridge’s financial statements in conformity with GAAP. Because the cost of the internal controls should not outweigh their benefits, the City of Stockbridge’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 of Stockbridge’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 of Stockbridge for the fiscal year ended December 31, 2023, 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 of Stockbridge’s financial statements for the fiscal year ended December 31, 2023, 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 2023. 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 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 of Stockbridge'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. Stockbridge is located 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 and City Clerk and are under the jurisdiction of the Mayor and City Council, as set forth in State and local law.

The City provides a full range of services to approximately 34,630 residents. These services are provided as a 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 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 of Stockbridge'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 31, the close of the City of Stockbridge'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 are provided in this report for the general fund. These comparisons are presented beginning on page 22 of the basic financial statements.

On January 1, 1995, the City of Stockbridge 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 of Stockbridge operates.

Strategic Financial Planning

The Mayor and Council of the City of Stockbridge 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. With the implementation of the Stockbridge Police Department, tickets are now diverted back to our Municipal Court, thus increasing revenues for fines and forfeitures.

Local Economy

Stockbridge is intersected by two interstate expressways, I-75 and I-675. These heavily traveled interstates bring tourists into our city. The tourist boosts 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 ten hotels in the city limits of Stockbridge for which we receive this tax revenue. This revenue has increased due to the overall economy.

Our citizens' employment, as well as our local economy, depends largely on what happens in and around Atlanta. The 2023 unemployment rates for the State of Georgia and the City of Stockbridge, are at 3.8% and 3.5%, respectively. Property values have started to recover with an increase of 4% in the net maintenance and operation tax digest since 2021.

The city depends largely on Local Option Sales Tax for revenue. The 2023 sales tax revenue increased greatly since 2020. Other increases in revenue occurred in property taxes, occupational taxes and insurance premium taxes.

RELEVANT FINANCIAL POLICIES

Fiscal Policies

The City of Stockbridge 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 are 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, 2023, long-term debt of the City, other than compensated absences and net pension liability, were Urban Redevelopment Agency revenue bonds in the amount of \$8,055,000. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 10 percent of total assessed value of real and personal property. As of December 31, 2023, the City did not have any general obligation bonded debt outstanding. The City's legal limit was \$105,723,358 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 \$924,592 at the end of 2023.

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 about establishing the Values of PEACE.

Professionalism
Excellence
Adaptability
Communications
Ethics

Special Purpose Local Option Sale 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:

- Park Master Plan
Approximately \$380,000
- Sidewalk Maintenance Program
Approximately \$300,000
- Lift Station Rehabilitation
Approximately \$1,375,000
- Sewer Line Replacement
Approximately \$1,000,000

The Amphitheater has been completed and has successfully hosted 2 full concert seasons.

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 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, Senior / Youth Center as well as the installation of Citywide Wayfinding Signs. Stockbridge looks forward to exciting new shows for the upcoming 2024 concert season and other annual community events.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association ("GFOA") of the United States and Canada awards a Certificate of Achievement for Excellence in Financial Reporting when all requirements have been met. The City of Stockbridge has met these requirements for its Annual Comprehensive Financial Report for reporting ending December 31, 2022. 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**

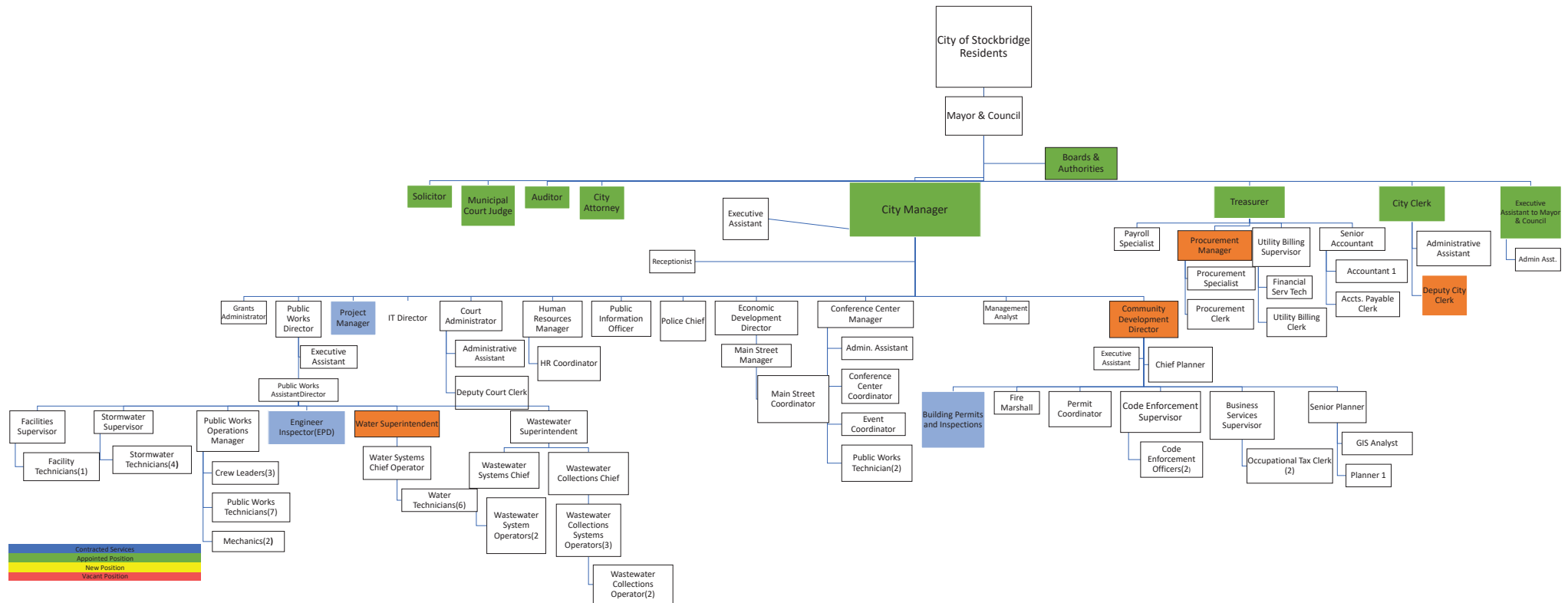
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO

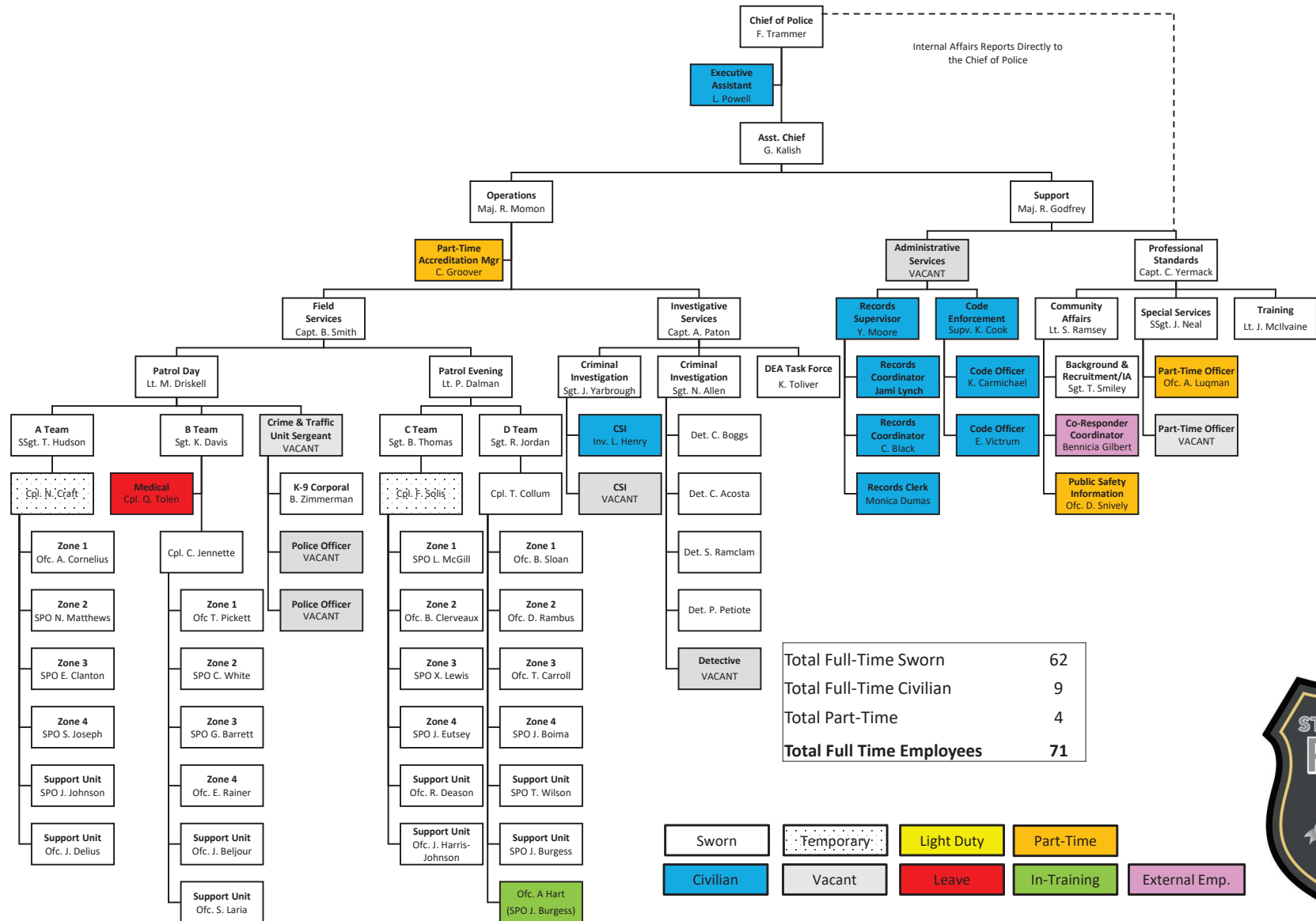
CITY OF STOCKBRIDGE ORGANIZATIONAL CHART DECEMBER 31, 2023



CITY OF STOCKBRIDGE POLICE DEPARTMENT

ORGANIZATIONAL CHART

DECEMBER 31, 2023



CITY OF STOCKBRIDGE, GEORGIA

LIST OF ELECTED AND APPOINTED OFFICIALS DECEMBER 31, 2023

LEGISLATIVE BRANCH

MAYOR AND CITY COUNCIL

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

OFFICERS OF THE MAYOR AND 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, the Grants 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 61 and 62), and the Schedule of City Contributions (on pages 63 and 64) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards, 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 also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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 July 10, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
July 10, 2024

CITY OF STOCKBRIDGE, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

As management of the City of Stockbridge, Georgia (the "City"), we offer readers of the City of Stockbridge's financial statements this narrative overview and analysis of the financial activities of the City of Stockbridge for the fiscal year ended December 31, 2023. 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 of Stockbridge exceeded its liabilities and deferred inflows on December 31, 2023, by \$128,300,420 (total net position). Of this amount, \$10,445,330 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 \$12,812,696. Of this amount, an increase of \$13,283,254 was associated with governmental activities and a decrease of \$470,558 was associated with business-type activities.
- As of the close of the current fiscal year, the City of Stockbridge's governmental funds reported combined ending fund balances of \$52,357,770, an increase of \$7,262,621 in comparison with the prior year. Of this amount, \$3,492,205 is unassigned and available for spending at the government's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$3,462,355, or 18.0%, of total General Fund expenditures.
- The City of Stockbridge's bonds and notes payables decreased by \$4,834,253, for an overall decrease of 13.4% due to scheduled debt service payments. Due to the implementation of the Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, the lease liability outstanding as of December 31, 2023 was \$77,804. Net pension liability increased by \$2,618,091.
- The City of Stockbridge imposed its first property tax, with a millage rate of 3.77. The total property tax collected on collected as of December 31, 2023 was \$7,775,984, which will fund the Police Department.

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 consist 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 of Stockbridge.

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 (type of unit-city, county, etc.) individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status.

The two government-wide statements report on the City's net assets and how they have changed. Net assets are the difference between the City's total assets and total liabilities. Measuring net assets is one way to gauge the City's financial condition.

The government-wide statements are divided into three categories:

- 1) Governmental activities;
- 2) Business-type activities; and
- 3) Component units.

The governmental activities include most of the City's basic services such as public safety and courts, highways and streets, parks and recreation, tourism and promotion, code enforcement, and general administration.

The business-type activities are those that the City charges customers to provide. These include the water and sewer, solid waste management, conference center, community center, and stormwater management services offered by the City of Stockbridge.

The final category is the component unit. Although legally separate from the City of Stockbridge, the Urban Redevelopment Agency is important to the City because the City exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Stockbridge, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of the City of Stockbridge can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Stockbridge adopts an annual budget for its General Fund, as required by state law. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Mayor and Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns:

- 1) The original budget as adopted by the Board;
- 2) The final budget as amended by the Board;
- 3) The actual resources, changes to appropriations, and ending balances in the General Fund; and
- 4) The difference or variance between the final budget and the actual resources and charges.

To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

The City maintains seven major governmental funds: the General Fund, the American Rescue Plan Act ("ARPA") Fund, the Grants Fund, the Public Facilities Authority Fund, the Special Purpose Local Option Sales Tax ("SPLOST") V Capital Projects Fund, the City-wide Capital Projects Fund, and the Transportation Special Purpose Local Option Sales Tax ("TSPLOST") 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary Funds

Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has five enterprise funds: Water and Sewer Fund, Solid Waste Management Fund, Conference Center Fund, Community Center, and its Stormwater Management Fund. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

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 includes certain required supplementary information concerning the City of Stockbridge's progress in funding its obligation to provide pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$128,300,780 as of December 31, 2023. The City's net position reflects its investment in capital assets of \$86,930,224 (67.8%), less any related debt used to acquire those assets that are still outstanding. The City of Stockbridge uses capital assets to provide services to citizens; consequently, these assets 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a comparison statement of the City's net position as of December 31, 2023:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 58,823,998	\$ 52,680,302	\$ 8,208,303	\$ 8,091,106	\$ 67,032,301	\$ 60,771,408
Capital assets	52,175,488	51,349,010	48,330,824	48,045,415	100,506,312	99,394,425
Total assets	110,999,486	104,029,312	56,539,127	56,136,521	167,538,613	160,165,833
Deferred outflows of resources						
Pension	1,517,707	558,826	587,522	495,029	2,105,229	1,053,855
Long-term liabilities outstanding	30,108,072	32,796,027	1,967,737	1,513,968	32,075,809	34,309,995
Other liabilities	5,891,628	7,906,382	3,351,293	2,253,903	9,242,921	10,160,285
Total liabilities	35,999,700	40,702,409	5,319,030	3,767,871	41,318,730	44,470,280
Deferred inflows of resources						
Pension	17,542	669,032	6,790	592,652	24,332	1,261,684
Net position:						
Net investment in capital assets	39,579,866	33,292,952	47,350,358	46,971,570	86,930,224	80,264,522
Restricted	44,961,266	25,321,397	-	-	44,961,266	25,321,397
Unrestricted	5,995,219	4,602,348	4,450,111	5,299,457	10,445,330	9,901,805
Total net position	\$ 76,499,951	\$ 63,216,697	\$ 51,800,469	\$ 52,271,027	\$ 128,300,420	\$ 115,487,724

Revenues from Local Option Sales Tax (reported as intergovernmental revenues/capital contributions) increased by \$1,274,057, or 19.5%, from 2022 to 2023. The increase is due to the overall economy.

The received \$301,770 for Local Maintenance Improvement Grants for the year associated with street improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

Governmental activities increased the City's net assets by \$13,283,254, primarily due to property tax and insurance premium tax revenues. Other key elements of this decrease are as follows:

City of Stockbridge Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 4,396,929	\$ 1,509,362	\$ 11,525,399	\$ 7,298,821	\$ 15,922,328	\$ 8,808,183
Capital grants and contributions	22,829,625	32,021,633	-	24,555,035	22,829,625	56,576,668
General revenues						
Other tax	17,190,006	7,485,614	-	-	17,190,006	7,485,614
Interest	208	1,256	-	-	208	1,256
Total Revenues	<u>44,416,768</u>	<u>41,017,865</u>	<u>11,525,399</u>	<u>31,853,856</u>	<u>55,942,167</u>	<u>72,871,721</u>
Expenses:						
General Government	5,354,193	14,215,859	-	-	5,354,193	14,215,859
Judicial	777,988	1,625,210	-	-	777,988	1,625,210
Public safety	8,271,475	8,317,170	-	-	8,271,475	8,317,170
Public works	9,210,873	20,668,385	-	-	9,210,873	20,668,385
Health and welfare	-	-	-	-	-	-
Culture and Recreation	12,556	-	-	-	12,556	-
Housing and development	3,147,200	2,989,823	-	-	3,147,200	2,989,823
Interest on long-term debt	815,032	914,109	-	-	815,032	914,109
Water and sewer	-	-	4,434,695	4,457,740	4,434,695	4,457,740
Stormwater management	-	-	560,434	579,548	560,434	579,548
Solid waste	-	-	2,169,370	1,884,867	2,169,370	1,884,867
Conference center	-	-	711,272	665,555	711,272	665,555
Community center	-	-	-	-	-	-
Amphitheater	-	-	7,664,383	3,081,604	7,664,383	3,081,604
Total Expenses	<u>27,589,317</u>	<u>48,730,556</u>	<u>15,540,154</u>	<u>10,669,314</u>	<u>43,129,471</u>	<u>59,399,870</u>
Increase (decrease) in net position before transfers	16,827,451	(7,712,691)	(4,014,755)	21,184,542	12,812,696	13,471,851
Transfers	(3,544,197)	(4,374,970)	3,544,197	4,374,970	-	-
Increase (decrease) in net position	<u>13,283,254</u>	<u>(12,087,661)</u>	<u>(470,558)</u>	<u>25,559,512</u>	<u>12,812,696</u>	<u>13,471,851</u>
Net position - beginning of year	63,216,697	75,304,358	52,271,027	26,711,515	115,487,724	102,015,873
Net position - end of year	<u>\$ 76,499,951</u>	<u>\$ 63,216,697</u>	<u>\$ 51,800,469</u>	<u>\$ 52,271,027</u>	<u>\$ 128,300,420</u>	<u>\$ 115,487,724</u>

Business-type Activities

Business-type activities decreased the City of Stockbridge's net assets by \$470,558. The transfers from the City's General Fund were to supplement the operations of the Amphitheater, the Conference Center, and the newly created Information Technology department, as well as the growing Police Department.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

The focus of the City of Stockbridge's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Stockbridge's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Stockbridge. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3,462,355. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.0% of total General Fund expenditures, while total fund balance represents 31.0% of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$1,495,713. Key factors in the increase are due to the collection of other revenues. The City collected a total of \$7,814,282 in local sales taxes for 2023, an increase of 19.5% over 2022. Franchise taxes increased by 9.5% to 1,767,594 in 2023 from \$1,614,172 in 2022, for electric, television and telephone taxes. The City's General Fund increased due to the adoption of the property tax millage rate. The expenditures in General Fund increased only by 5.5% from \$18,225,910 to \$19,218,624 in 2023 compared to 2022.

The City's SPLOST revenue has decreased by 49.3% from \$13,063,820 to \$6,616,173 with the ending of SPLOST III and SPLOST IV. TSPLOST revenue increased by 38.4% from \$4,527,329 in 2022 to \$6,398,354 in 2023. The projects approved for SPLOST V and TSPLOST 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, 2023, the Urban Redevelopment Agency of the City of Stockbridge had long-term liabilities from Revenue Bonds in the amount of \$8,015,000. Most of these funds were used to acquire property, building and furnishing a new City Hall facility which was completed in 2009. The cost of the building is approximately \$11,964,000.

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 a percentage of all collected funds. As of December 31, 2023, the total amount collected for this fund was \$1,022,886.

The City has a Perpetual Fund which is for the upkeep of the City Cemetery. A donation of \$5,000 was made with investment earnings. These funds are used for the maintenance and upkeep of the Cemetery as needed.

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 \$4,450,471 of which the Water and Sewer Fund had \$1,493,386 (33.6%), and the Solid Waste Fund had \$845,463 (19%). The Amphitheater Fund had \$148,054 (3.3%) and all other enterprise funds had \$1,963,208 (44.1%).

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The original budget for the City's General Fund for 2023 was \$19,405,870 for revenues. There was a \$1,877,602 difference between the net change in fund balance from the original budget and final 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, 2023, amounts to \$86,930,224. 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:

- \$300,000 for Park master Plan
- \$2,030,100 for Sanitary Sewer Rehabilitation
- \$1,000,000 for Road Resurfacing – LMIG
- \$5,500,000 for Public Works for Sidewalks and Roads Resurfacing – TSPLOST
- \$350,000 for Water System Improvements
- \$250,000 for Water Service Line Replacements
- \$806,000 for Lift Station Rehab
- \$115,000 for Access and Security Upgrades
- \$550,000 for WWTP Improvements
- \$350,000 for Stormwater Maintenance
- \$498,000 for Police Vehicles
- \$240,000 for Emergency Equipment for Police Department

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

Long-term Debt

As of December 31, 2023, the City had \$32,075,809 in outstanding debt consisting of the following:

	Balance
Governmental Activities	
Revenue Bonds	\$ 27,220,000
Accrued Compensated Absences	291,816
Net Pension Liability	2,518,452
Lease liability	77,804
Business-Type Activities	
GEFA Notes Payable	924,592
Accrued Compensated Absences	68,222
Net Pension Liability	974,923
TOTAL	<u>\$ 32,075,809</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Stockbridge's total debt decreased by \$2,234,186. 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 \$182,689,443, which is more than the City's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

- Annexations within the City will continue to increase the population of the City of Stockbridge.
- There will be a need for more police presence with the City due to new developments, which will bring in new residents.
- Cost of Living indices in the region are comparable to national increases.
- Property taxes have risen in recent years.
- During 2023 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, purchase land and buildings, and purchase and improve capital items.

All of these factors were considered in preparing the City's budget for Fiscal Year 2024.

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) 389-7000 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 52,343,290	\$ 6,944,602	\$ 59,287,892
Investments	12,284	58,000	70,284
Taxes receivable	2,788,602	-	2,788,602
Accounts receivable, net of allowances	266,184	935,163	1,201,347
Due from other governments	927,520	27,662	955,182
Inventories	-	172,180	172,180
Prepaid expenses	289,086	70,696	359,782
Assets held for resale	2,197,032	-	2,197,032
Capital assets, non-depreciable	24,408,105	10,471,353	34,879,458
Capital assets, depreciable, net of accumulated depreciation and amortization	27,767,383	37,859,471	65,626,854
Total assets	110,999,486	56,539,127	167,538,613
DEFERRED OUTFLOWS OF RESOURCES			
Pension	1,517,707	587,522	2,105,229
Total deferred outflows of resources	1,517,707	587,522	2,105,229
LIABILITIES			
Accounts payable	2,053,216	388,605	2,441,821
Retainage payable	312,099	55,874	367,973
Accrued interest expense	327,883	2,920	330,803
Other accrued expenses	154,756	28,427	183,183
Customer deposits	-	187,515	187,515
Leases, due within one year	28,242	-	28,242
Leases, due in more than one year	49,562	-	49,562
Compensated absences due within one year	58,363	13,644	72,007
Compensated absences due in more than one year	233,453	54,578	288,031
Unearned revenue	3,043,674	2,688,312	5,731,986
Bonds payable due within one year	4,835,000	-	4,835,000
Bonds payable due in more than one year	22,385,000	-	22,385,000
Notes payable due within one year	-	100,751	100,751
Notes payable due in more than one year	-	823,841	823,841
Net pension liability due in more than one year	2,518,452	974,923	3,493,375
Total liabilities	35,999,700	5,319,390	41,319,090
DEFERRED INFLOWS OF RESOURCES			
Pension	17,542	6,790	24,332
Total deferred inflows of resources	17,542	6,790	24,332
NET POSITION			
Net investment in capital assets	39,579,866	47,350,358	86,930,224
Restricted for capital projects	29,226,665	-	29,226,665
Restricted for public safety	156,158	-	156,158
Restricted for tourism	1,559,609	-	1,559,609
Restricted for cemetery maintenance - non-expendable	5,000	-	5,000
Restricted for cemetery maintenance - expendable	7,284	-	7,284
Unrestricted	5,965,369	4,450,111	10,415,480
Total net position	\$ 76,499,951	\$ 51,800,469	\$ 128,300,420

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, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary government			
Governmental activities:			
General government	\$ 5,354,193	\$ 3,398,445	\$ 7,106,472
Judicial	777,988	998,484	730,707
Public safety	8,271,475	-	7,425,733
Public works	9,210,873	-	4,760,018
Culture and recreation	12,556	-	-
Housing and development	3,147,200	-	2,806,695
Interest on long-term debt	815,032	-	-
Total governmental activities	<u>27,589,317</u>	<u>4,396,929</u>	<u>22,829,625</u>
Business-type activities:			
Water and sewer	4,434,695	4,532,877	-
Stormwater	560,434	1,397,200	-
Solid waste	2,169,370	1,804,957	-
Amphitheater	7,664,383	3,664,265	-
Conference center	711,272	126,100	-
Total business-type activities	<u>15,540,154</u>	<u>11,525,399</u>	<u>-</u>
Total primary government	<u>\$ 43,129,471</u>	<u>\$ 15,922,328</u>	<u>\$ 22,829,625</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
\$ 5,150,724	\$ -	\$ 5,150,724
951,203	-	951,203
(845,742)	-	(845,742)
(4,450,855)	-	(4,450,855)
(12,556)	-	(12,556)
(340,505)	-	(340,505)
(815,032)	-	(815,032)
(362,763)	-	(362,763)
-	98,182	98,182
-	836,766	836,766
-	(364,413)	(364,413)
-	(4,000,118)	(4,000,118)
-	(585,172)	(585,172)
-	(4,014,755)	(4,014,755)
(362,763)	(4,014,755)	(4,377,518)
9,368,344	-	9,368,344
1,767,594	-	1,767,594
841,664	-	841,664
1,529,950	-	1,529,950
2,568,811	-	2,568,811
1,022,886	-	1,022,886
90,757	-	90,757
208	-	208
(3,544,197)	3,544,197	-
13,646,017	3,544,197	17,190,214
13,283,254	(470,558)	12,812,696
63,216,697	52,271,027	115,487,724
\$ 76,499,951	\$ 51,800,469	\$ 128,300,420

CITY OF STOCKBRIDGE, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2023

	General Fund	ARPA Fund	Grants Fund
ASSETS			
Cash and cash equivalents	\$ 3,153,947	\$ 1,580,758	\$ 247,330
Investments	-	-	-
Taxes receivable	2,323,649	-	-
Accounts receivable	263,684	-	-
Due from other governments	366,534	-	560,986
Prepaid expenditures	289,086	-	-
Assets held for resale	2,197,032	-	-
Total assets	<u>\$ 8,593,932</u>	<u>\$ 1,580,758</u>	<u>\$ 808,316</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 748,642	\$ 109,068	\$ 17,480
Retainage payable	-	20,112	-
Accrued liabilities	154,756	-	-
Unearned revenue - occupational taxes	1,392,096	-	-
Unearned revenue - grants	-	1,451,578	200,000
Total liabilities	<u>2,295,494</u>	<u>1,580,758</u>	<u>217,480</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - grants	-	-	560,986
Unavailable revenue - court fines	92,989	-	-
Unavailable revenue - property taxes	241,921	-	-
Unavailable revenue - franchise taxes	6,587	-	-
Total deferred inflows of resources	<u>341,497</u>	<u>-</u>	<u>560,986</u>
FUND BALANCES			
Fund balances			
Non-spendable:			
Prepays	289,086	-	-
Permanent fund corpus	-	-	-
Assets held for resale	2,197,032	-	-
Restricted for:			
Capital projects	-	-	-
Public safety	-	-	29,850
Tourism	-	-	-
Cemetery maintenance	-	-	-
Assigned for:			
Purchases on order	8,468	-	-
Capital projects	-	-	-
Unassigned	3,462,355	-	-
Total fund balances	<u>5,956,941</u>	<u>-</u>	<u>29,850</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,593,932</u>	<u>\$ 1,580,758</u>	<u>\$ 808,316</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.

Public Facilities Authority	SPLOST V Fund	City-wide Capital Projects Fund	TSPLOST Fund	Other Governmental Funds	Total Governmental Funds
\$ 15,092,762	\$ 15,877,148	\$ 22,695	\$ 10,791,855	\$ 5,576,795	\$ 52,343,290
-	-	-	-	12,284	12,284
-	388,029	-	-	76,924	2,788,602
-	-	-	-	2,500	266,184
-	-	-	-	-	927,520
-	-	-	-	-	289,086
-	-	-	-	-	2,197,032
<u>\$ 15,092,762</u>	<u>\$ 16,265,177</u>	<u>\$ 22,695</u>	<u>\$ 10,791,855</u>	<u>\$ 5,668,503</u>	<u>\$ 58,823,998</u>

\$ -	\$ 1,030,354	\$ 22,695	\$ -	\$ 124,977	\$ 2,053,216
-	107,655	-	-	184,332	312,099
-	-	-	-	-	154,756
-	-	-	-	-	1,392,096
-	-	-	-	-	1,651,578
-	1,138,009	22,695	-	309,309	5,563,745

-	-	-	-	-	560,986
-	-	-	-	-	92,989
-	-	-	-	-	241,921
-	-	-	-	-	6,587
-	-	-	-	-	902,483

-	-	-	-	-	289,086
-	-	-	-	5,000	5,000
-	-	-	-	-	2,197,032
15,092,762	15,127,168	-	10,791,855	3,307,642	44,319,427
-	-	-	-	126,308	156,158
-	-	-	-	1,559,609	1,559,609
-	-	-	-	7,284	7,284
-	-	-	-	-	8,468
-	-	-	-	353,351	353,351
-	-	-	-	-	3,462,355
<u>15,092,762</u>	<u>15,127,168</u>	<u>-</u>	<u>10,791,855</u>	<u>5,359,194</u>	<u>52,357,770</u>
<u>\$ 15,092,762</u>	<u>\$ 16,265,177</u>	<u>\$ 22,695</u>	<u>\$ 10,791,855</u>	<u>\$ 5,668,503</u>	

52,175,488
902,483

(1,018,287)
(27,917,503)

\$ 76,499,951

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	General Fund	ARPA Fund	Grants Fund
Revenues			
Taxes	\$ 15,314,295	\$ -	\$ -
Licenses and permits	1,541,760	-	-
Intergovernmental	7,814,282	1,626,110	370,603
Fines and forfeitures	872,176	-	-
Charges for services	648,673	-	-
Impact fees	-	-	-
Contributions	25,827	-	-
Interest income	208	-	-
Other revenues	1,182,185	-	-
Total revenues	<u>27,399,406</u>	<u>1,626,110</u>	<u>370,603</u>
Expenditures			
Current:			
General government	6,127,829	258,807	-
Judicial	673,186	-	-
Public safety	6,490,906	-	791,011
Public works and parks	3,444,771	-	-
Housing and development	2,452,135	98,000	-
Capital outlay:			
General government	-	226,472	-
Public safety	-	128,560	-
Public works	-	684,421	-
Culture and recreation	-	-	-
Debt service:			
Principal	27,688	-	-
Interest	2,109	-	-
Total expenditures	<u>19,218,624</u>	<u>1,396,260</u>	<u>791,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,180,782</u>	<u>229,850</u>	<u>(420,408)</u>
Other financing sources (uses)			
Transfers in	6,832,602	-	711,113
Transfers out	<u>(13,517,671)</u>	<u>(229,850)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,685,069)</u>	<u>(229,850)</u>	<u>711,113</u>
Net change in fund balances	1,495,713	-	290,705
Fund balances, beginning of year	<u>4,461,228</u>	<u>-</u>	<u>(260,855)</u>
Fund balances (deficits), end of year	<u>\$ 5,956,941</u>	<u>\$ -</u>	<u>\$ 29,850</u>

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

Public Facilities Authority	SPLOST V Fund	City-wide Capital Projects Fund	TSPLOST Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,022,886	\$ 16,337,181
-	-	-	-	-	1,541,760
-	6,616,173	-	6,398,354	-	22,825,522
-	-	-	-	126,308	998,484
-	-	-	-	-	648,673
-	-	-	-	2,370	2,370
-	-	-	-	-	25,827
-	1,453	-	-	280	1,941
-	-	-	-	-	1,182,185
-	6,617,626	-	6,398,354	1,151,844	43,563,943
60	-	-	286	-	6,386,982
-	-	-	-	-	673,186
-	-	620,565	-	-	7,902,482
-	-	-	-	1,415	3,446,186
-	-	-	-	597,999	3,148,134
-	41,082	62,606	-	34,926	365,086
-	-	-	-	-	128,560
-	2,892,152	-	133,119	1,244,863	4,954,555
-	123,907	71,168	-	-	195,075
3,915,000	-	-	-	820,000	4,762,688
467,571	-	-	-	388,356	858,036
4,382,631	3,057,141	754,339	133,405	3,087,559	32,820,970
(4,382,631)	3,560,485	(754,339)	6,264,949	(1,935,715)	10,742,973
4,382,571	-	7,107,651	-	1,259,102	20,293,039
(126,640)	(3,045,918)	(6,353,312)	-	(500,000)	(23,773,391)
4,255,931	(3,045,918)	754,339	-	759,102	(3,480,352)
(126,700)	514,567	-	6,264,949	(1,176,613)	7,262,621
15,219,462	14,612,601	-	4,526,906	6,535,807	45,095,149
\$ 15,092,762	\$ 15,127,168	\$ -	\$ 10,791,855	\$ 5,359,194	\$ 52,357,770

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, 2023

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

Net change in fund balances - total governmental funds	\$ 7,262,621
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and amortization expense exceeded capital outlay in the current period.	890,323
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(63,845)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	852,825
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.	4,762,688
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>(421,358)</u>
Changes in net position - governmental activities	<u>\$ 13,283,254</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, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 1,200,000	\$ 1,200,000	\$ 7,775,984	\$ 6,575,984
Other taxes	6,724,672	6,724,672	7,538,311	813,639
Licenses and permits	1,385,833	1,385,833	1,541,760	155,927
Intergovernmental	8,612,068	8,612,068	7,814,282	(797,786)
Fines and forfeitures	910,000	910,000	872,176	(37,824)
Charges for services	206,380	206,380	648,673	442,293
Contributions	3,280	3,280	25,827	22,547
Interest income	1,893	1,893	208	(1,685)
Other revenues	361,744	361,744	1,182,185	820,441
Total revenues	19,405,870	19,405,870	27,399,406	7,993,536
Expenditures				
Current:				
General government:				
Mayor and council	483,621	483,621	505,019	(21,398)
Executive	375,084	382,084	324,611	57,473
City manager	792,726	792,726	884,319	(91,593)
Financial administration	1,384,359	1,400,984	1,564,016	(163,032)
Business services	238,331	238,331	266,437	(28,106)
Data processing	1,023,309	1,023,309	876,297	147,012
Building and plant	896,034	896,360	1,022,853	(126,493)
Human resources	576,315	576,315	684,277	(107,962)
Total general government	5,769,779	5,793,730	6,127,829	(334,099)
Judicial:				
Municipal court	421,577	416,567	673,186	(256,619)
Public safety:				
Police administration	6,139,881	6,139,876	6,490,906	(351,030)
Public works:				
Public works	3,103,701	3,104,411	3,204,133	(99,722)
Parks	192,000	187,500	240,638	(53,138)
Total public works	3,295,701	3,291,911	3,444,771	(152,860)
Housing and development:				
Code enforcement	243,544	242,249	200,604	41,645
Main street	206,604	197,228	196,490	738
Planning and zoning	936,355	906,595	881,825	24,770
Permitting development	703,065	703,590	890,633	(187,043)
City events	284,500	284,500	282,583	1,917
Total housing and development	2,374,068	2,334,162	2,452,135	(117,973)
Debt service:				
Principal	-	-	27,688	(27,688)
Interest	-	-	2,109	(2,109)
Total debt service	-	-	29,797	(29,797)
Total expenditures	18,001,006	17,976,246	19,218,624	(1,242,378)
Excess of revenues over expenditures	1,404,864	1,429,624	8,180,782	6,751,158
Other financing sources (uses)				
Proceeds from sale of assets	754,694	754,694	-	(754,694)
Transfers in	215,000	215,000	6,832,602	6,617,602
Transfers out	(4,252,160)	(4,252,160)	(13,517,671)	(9,265,511)
Total other financing (uses), net	(3,282,466)	(3,282,466)	(6,685,069)	(3,402,603)
Net change in fund balances	(1,877,602)	(1,852,842)	1,495,713	3,348,555
Fund balances, beginning of year	4,461,228	4,461,228	4,461,228	-
Fund balances, end of year	\$ 2,583,626	\$ 2,608,386	\$ 5,956,941	\$ 3,348,555

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, 2023

	Budget Original/Final	Actual	Variance With Final Budget
Revenues			
Intergovernmental	\$ 3,572,338	\$ 1,626,110	\$ (1,946,228)
Total revenues	<u>3,572,338</u>	<u>1,626,110</u>	<u>(1,946,228)</u>
Expenditures			
Current:			
General government:			
Financial administration	11,000	258,807	(247,807)
Total general government	<u>11,000</u>	<u>258,807</u>	<u>(247,807)</u>
Housing and development:			
City events	873,104	98,000	775,104
Total housing and development	<u>873,104</u>	<u>98,000</u>	<u>775,104</u>
Capital outlay:			
General government	342,427	226,472	115,955
Public safety	166,726	128,560	38,166
Public works	2,179,081	684,421	1,494,660
Total capital outlay	<u>2,688,234</u>	<u>1,039,453</u>	<u>1,648,781</u>
Total expenditures	<u>3,572,338</u>	<u>1,396,260</u>	<u>2,176,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>229,850</u>	<u>229,850</u>
Other financing uses			
Transfers out	-	(229,850)	(229,850)
Total other financing uses	<u>-</u>	<u>(229,850)</u>	<u>(229,850)</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF STOCKBRIDGE, GEORGIA

GRANTS FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Budget Original/Final	Actual	Variance With Final Budget
Revenues			
Intergovernmental	\$ 1,000,000	\$ 370,603	\$ (629,397)
Total revenues	<u>1,000,000</u>	<u>370,603</u>	<u>(629,397)</u>
Expenditures			
Current:			
General government:			
Public safety	1,000,000	791,011	208,989
Total general government	<u>1,000,000</u>	<u>791,011</u>	<u>208,989</u>
 Total expenditures	 <u>1,000,000</u>	 <u>791,011</u>	 <u>208,989</u>
 Deficiency of revenues under expenditures	 <u>-</u>	 <u>(420,408)</u>	 <u>(420,408)</u>
Other financing sources			
Transfers in	-	711,113	711,113
Total other financing sources	<u>-</u>	<u>711,113</u>	<u>711,113</u>
 Net change in fund balances	 -	 290,705	 (290,705)
 Fund deficit, beginning of year	 <u>(260,855)</u>	 <u>(260,855)</u>	 <u>-</u>
 Fund balance (deficit), end of year	 <u>\$ (260,855)</u>	 <u>\$ 29,850</u>	 <u>\$ (290,705)</u>

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

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2023

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,219,660	\$ 3,578,686	\$ 199,157	\$ 1,947,099	\$ 6,944,602
Investments	58,000	-	-	-	58,000
Accounts receivable, net of allowances	519,579	133,739	-	281,845	935,163
Due from other governments	10,938	10,888	-	5,836	27,662
Inventories	172,180	-	-	-	172,180
Prepaid expenses	63,624	744	2,400	3,928	70,696
Total current assets	2,043,981	3,724,057	201,557	2,238,708	8,208,303
NON-CURRENT ASSETS					
Capital assets:					
Capital assets, non-depreciable	10,290,937	-	-	180,416	10,471,353
Capital assets, depreciable, net of accumulated depreciation	13,136,885	49,793	20,882,312	3,790,481	37,859,471
Total capital assets	23,427,822	49,793	20,882,312	3,970,897	48,330,824
Total non-current assets	23,427,822	49,793	20,882,312	3,970,897	48,330,824
Total assets	25,471,803	3,773,850	21,083,869	6,209,605	56,539,127
DEFERRED OUTFLOWS OF RESOURCES					
Pension	289,857	25,555	-	272,110	587,522
Total deferred outflows of resources	289,857	25,555	-	272,110	587,522
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	146,717	168,556	53,503	19,829	388,605
Retainage payable	55,874	-	-	-	55,874
Accrued liabilities	17,906	846	-	9,675	28,427
Unearned revenue	-	2,688,312	-	-	2,688,312
Notes payable, current portion	100,751	-	-	-	100,751
Compensated absences due within one year	8,216	747	-	4,681	13,644
Customer deposits	147,495	-	-	40,020	187,515
Accrued interest	2,920	-	-	-	2,920
Total current liabilities	479,879	2,858,461	53,503	74,205	3,466,048
NON-CURRENT LIABILITIES					
Compensated absences due in more than one year	32,865	2,988	-	18,725	54,578
Net pension liability	480,983	42,405	-	451,535	974,923
Notes payable, long-term portion	823,841	-	-	-	823,841
Total non-current liabilities	1,337,689	45,393	-	470,260	1,853,342
Total liabilities	1,817,568	2,903,854	53,503	544,465	5,319,390
DEFERRED INFLOWS OF RESOURCES					
Pension	3,350	295	-	3,145	6,790
Total deferred inflows of resources	3,350	295	-	3,145	6,790
NET POSITION					
Net investment in capital assets	22,447,356	49,793	20,882,312	3,970,897	47,350,358
Unrestricted	1,493,386	845,463	148,054	1,963,208	4,450,111
Total net position	\$ 23,940,742	\$ 895,256	\$ 21,030,366	\$ 5,934,105	\$ 51,800,469

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, 2023

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Total
OPERATING REVENUES					
Charges for services:					
Water sales	\$ 2,411,073	\$ -	\$ -	\$ -	\$ 2,411,073
Sewer sales	2,063,238	-	-	-	2,063,238
Ticket sales	-	-	3,453,249	-	3,453,249
Concession sales	-	-	41,164	-	41,164
Stormwater fees	-	-	-	1,397,200	1,397,200
Sanitation charges	-	1,706,555	-	-	1,706,555
Sponsorships	-	-	167,352	-	167,352
Rentals	-	98,402	-	126,100	224,502
Rents and royalties	-	-	2,500	-	2,500
Other fees and charges	58,566	-	-	-	58,566
Total operating revenues	<u>4,532,877</u>	<u>1,804,957</u>	<u>3,664,265</u>	<u>1,523,300</u>	<u>11,525,399</u>
OPERATING EXPENSES					
Personnel services and employee benefits	1,346,286	96,182	-	646,945	2,089,413
Contracted services	534,774	2,052,971	7,013,521	137,141	9,738,407
Supplies	1,560,296	5,156	-	49,460	1,614,912
Repairs and maintenance	94,962	-	-	182,578	277,540
Bad debt expense	7,237	-	-	-	7,237
Depreciation	841,453	15,061	650,862	255,582	1,762,958
Impact Fees	21,700	-	-	-	21,700
Total operating expenses	<u>4,406,708</u>	<u>2,169,370</u>	<u>7,664,383</u>	<u>1,271,706</u>	<u>15,512,167</u>
Operating income (loss)	<u>126,169</u>	<u>(364,413)</u>	<u>(4,000,118)</u>	<u>251,594</u>	<u>(3,986,768)</u>
NON-OPERATING EXPENSE					
Interest expense	(27,987)	-	-	-	(27,987)
Total non-operating expenses	<u>(27,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,987)</u>
Income (loss) before capital contributions and transfers	98,182	(364,413)	(4,000,118)	251,594	(4,014,755)
CAPITAL CONTRIBUTIONS	63,845	-	-	-	63,845
TRANSFERS IN	-	-	6,353,312	513,318	6,866,630
TRANSFERS OUT	<u>(111,772)</u>	<u>-</u>	<u>(3,214,506)</u>	<u>(60,000)</u>	<u>(3,386,278)</u>
Change in net position	50,255	(364,413)	(861,312)	704,912	(470,558)
NET POSITION, beginning 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>
NET POSITION, end of year	<u>\$ 23,940,742</u>	<u>\$ 895,256</u>	<u>\$ 21,030,366</u>	<u>\$ 5,934,105</u>	<u>\$ 51,800,469</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, 2023

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Totals
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Receipts from customers	\$ 4,540,827	\$ 2,727,457	\$ 3,664,452	\$ 2,451,996	\$ 13,384,732
Payments to suppliers and service providers	(2,280,518)	(2,033,148)	(6,980,421)	(1,394,620)	(12,688,707)
Payments to employees	(1,402,109)	(92,466)	-	(658,694)	(2,153,269)
Net cash provided by (used in) operating activities	858,200	601,843	(3,315,969)	398,682	(1,457,244)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	6,353,312	513,318	6,866,630
Transfers to other funds	(111,772)	-	(3,214,506)	(60,000)	(3,386,278)
Net cash provided by (used in) non-capital financing activities	(111,772)	-	3,138,806	513,318	3,480,352
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of property and equipment	(1,910,274)	-	-	(74,248)	(1,984,522)
Principal payments on notes payable	(99,253)	-	-	-	(99,253)
Interest paid	(27,987)	-	-	-	(27,987)
Net cash used in capital and related financing activities	(2,037,514)	-	-	(74,248)	(2,111,762)
Increase (decrease) in cash and cash equivalents	(1,291,086)	601,843	(177,163)	837,752	(88,654)
Cash and cash equivalents:					
Beginning of year	2,510,746	2,976,843	376,320	1,169,347	7,033,256
End of year	\$ 1,219,660	\$ 3,578,686	\$ 199,157	\$ 2,007,099	\$ 6,944,602

(Continued)

CITY OF STOCKBRIDGE, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Water and Sewer Fund	Solid Waste Fund	Amphitheater Fund	Other Enterprise Funds	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ 126,169	\$ (364,413)	\$ (4,000,118)	\$ 251,594	\$ (3,986,768)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	841,453	15,061	650,862	255,582	1,762,958
Increase in accounts receivable	(23,269)	(56,999)	-	(34,686)	(114,954)
Increase in inventories	(74,313)	-	-	-	(74,313)
Decrease (increase) in prepaid expenses	(2,530)	-	(2,400)	1,053	(3,877)
Decrease (increase) in due from other governments	119	(9,206)	187	(3,807)	(12,707)
Increase in deferred outflows of resources - pension	(73,765)	(11,054)	-	(7,674)	(92,493)
Increase in customer deposits	31,100	-	-	20,370	51,470
Increase (decrease) in accrued liabilities	(6,508)	1,475	-	(2,659)	(7,692)
Increase (decrease) in accounts payable	(12,280)	24,979	35,500	441	48,640
Increase in retainage payable	5,874	-	-	-	5,874
Increase in unearned revenue	-	988,705	-	-	988,705
Decrease in deferred inflows of resources - pension	(255,357)	(17,066)	-	(313,439)	(585,862)
Increase in net pension liability	301,507	30,361	-	231,907	563,775
Net cash provided by (used in) operating activities	<u>\$ 858,200</u>	<u>\$ 601,843</u>	<u>\$ (3,315,969)</u>	<u>\$ 398,682</u>	<u>\$ (1,457,244)</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions of capital assets from other funds	<u>\$ 63,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,845</u>
Net non-cash flows from capital and related financing activities	<u>\$ 63,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,845</u>

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

CITY OF STOCKBRIDGE, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2023**

	Property and Evidence Fund
ASSETS	
Cash	\$ 54,691
Total assets	<u>\$ 54,691</u>
 NET POSITION	
Restricted for organizations and other governments	<u>\$ 54,691</u>

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

CITY OF STOCKBRIDGE, GEORGIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

	<u>Property and Evidence Fund</u>
ADDITIONS	
Fines and forfeitures collected	<u>\$ 56,477</u>
DEDUCTIONS	
Fines and forfeitures disbursed	<u>1,786</u>
Change in net position	54,691
NET POSITION	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 54,691</u></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, 2023

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 City of Stockbridge City-wide Development Authority (the “CDA”) exists to stimulate economic and quality growth throughout the entire city of Stockbridge, Georgia. The City Council appoints the majority of the CDA board members, and the DDA’s debt is expected to be repaid almost entirely from the resources of the City. Although legally separate, the CDA is blended as a nonmajor governmental fund into the primary government. Separate financial statements for the CDA 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 financed purchases and leases are reported as other financing sources. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, 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 **Grants Fund** accounts for various intergovernmental revenues received and expended.

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.

The City reports one custodial fund:

The **Property and Evidence Fund** accounts for money collected and disbursed by the City on behalf of other governments, organizations, and individuals, such as fines and forfeitures. A liability is recorded when an event compels a government to disburse fiduciary resources. This fund meets the criteria under GASB Statement No. 84 to be reported as a custodial fund.

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, 2023:

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, 2023.

H. 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 three items that qualify for reporting in this category. These three items relate to the City's defined benefit pension plan. The pension experience differences, investment differences, and the contributions made subsequent to the measurement date are deferred and recognized as pension expense in future years.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows (Continued)

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 two 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 property taxes, court fines, grants, 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 item relates to the City's defined benefit pension plan and is reported in the government-wide Statement of Net Position. The pension experience differences represent future acquisitions of net position and, accordingly, are reported as a deferred inflow of resources.

I. 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.

J. 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)

J. 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. 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.

K. 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.

L. 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)

L. 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.

M. 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.

N. 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 ARPA Fund, Hotel/Motel Fund, Grants Fund, Burke Cemetery Fund, the Downtown Development Fund, the Urban Redevelopment Fund, City-wide Development 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 (ARPA Fund, Hotel/Motel Tax Fund, and Grants Fund). A budget was not required for the Confiscated Assets 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 2023. All annual appropriations lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Budgets and Budgetary Accounting (Continued)

For the year ended December 31, 2023, the following General Fund departments had actual expenditures in excess of budgeted amounts: Mayor and council (\$21,398), City manager (\$91,593), Financial administration (\$163,032), Business services (\$28,106), Building and plant (\$126,493), Human resources (\$107,962), Municipal court (\$256,619), Police administration (\$351,030), Public works (\$99,722), Parks (\$53,138), Permitting (\$187,043), and Debt Service (\$29,797). The ARPA Fund had actual expenditures in excess of budget amounts for general government in the amount of \$247,807. The Hotel/Motel Tax Fund had actual expenditures in excess of budget amounts for housing and development in the amount of \$150,361. These over expenditures were covered by under expenditures in other departments.

O. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance and Fund Net Position (Continued)

- **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.

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 Funds 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	\$ (327,883)
Compensated absences payable	(291,816)
Bonds payable	(27,220,000)
Leases	<u>(77,804)</u>
Net adjustment to reduce <i>fund balances – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ (27,917,503)</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	\$ 1,517,707
Deferred inflows of resources - pension	(17,542)
Net pension liability - pension	<u>(2,518,452)</u>
Net adjustment to reduce <i>fund balances - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ (1,018,287)</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	\$ 2,799,947
Depreciation and amortization expense	<u>(1,909,624)</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>\$ 890,323</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 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.” The details of this difference are as follows:

Principal payments: bonds payable	\$ 4,735,000
Principal payments: leases	<u>27,688</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>\$ 4,762,688</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	\$ (20,417)
Pension expense	(443,945)
Accrued interest	<u>43,004</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>\$ (421,358)</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, 2023, 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, 2023, the City had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	August 19, 2024	\$ 12,284
Certificate of Deposit	June 29, 2026	58,000
		<u>\$ 70,284</u>

NOTE 4. PROPERTY TAXES

Property taxes attached as an enforceable lien on property as of January 1, 2023. 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 were levied on August 1, 2023, billed on August 30, 2023, and payable on or before November 16, 2023. A lien date on unpaid taxes was May 22, 2024. Property taxes levied for 2023 are recorded as receivables, net of estimated uncollectible property taxes. Net receivables estimated to be collectible subsequent to March 1, 2024, are recorded as revenue when received. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at December 31, 2023 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	Grants Fund	SPLOST V Fund	Nonmajor Governmental Funds	Total
Receivables:					
Intergovernmental	\$ 366,534	\$ 560,986	\$ -	\$ -	\$ 927,520
Taxes	2,323,649	-	388,029	76,924	2,788,602
Accounts	370,899	-	-	2,500	373,399
Gross receivables	3,061,082	560,986	388,029	79,424	4,089,521
Less allowance for uncollectibles	(107,215)	-	-	-	(107,215)
Net total receivables	<u>\$ 2,953,867</u>	<u>\$ 560,986</u>	<u>\$ 388,029</u>	<u>\$ 79,424</u>	<u>\$ 3,982,306</u>

Proprietary Funds

	Water and Sewer	Solid Waste	Nonmajor Enterprise Funds	Total
Receivables:				
Intergovernmental	\$ 10,938	\$ 10,888	\$ 5,836	\$ 27,662
Accounts	542,314	133,739	281,845	957,898
Gross receivables	553,252	144,627	287,681	985,560
Less allowance for uncollectibles	(22,735)	-	-	(22,735)
Net total receivables	<u>\$ 530,517</u>	<u>\$ 144,627</u>	<u>\$ 287,681</u>	<u>\$ 962,825</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 11,740,817	\$ -	\$ -	\$ -	\$ 11,740,817
Construction in progress	10,477,366	2,253,767	-	(63,845)	12,667,288
Total	22,218,183	2,253,767	-	(63,845)	24,408,105
Capital assets, being depreciated:					
Buildings and improvements	24,523,594	47,229	-	-	24,570,823
Improvements other than buildings	4,488,263	-	-	-	4,488,263
Infrastructure	9,203,004	-	-	-	9,203,004
Machinery and equipment	1,993,976	20,068	-	-	2,014,044
Office equipment	1,574,168	-	-	-	1,574,168
Vehicles	4,019,719	447,544	-	-	4,467,263
Furniture and fixtures	1,338,774	31,339	-	-	1,370,113
Total	47,141,498	546,180	-	-	47,687,678
Less accumulated depreciation for:					
Buildings and improvements	(8,180,011)	(708,615)	-	-	(8,888,626)
Improvements other than buildings	(1,881,927)	(298,971)	-	-	(2,180,898)
Infrastructure	(2,753,824)	(203,889)	-	-	(2,957,713)
Machinery and equipment	(1,469,010)	(84,628)	-	-	(1,553,638)
Office equipment	(1,101,744)	(86,038)	-	-	(1,187,782)
Vehicles	(1,635,072)	(475,622)	-	-	(2,110,694)
Furniture and fixtures	(1,086,907)	(32,296)	-	-	(1,119,203)
Total	(18,108,495)	(1,890,059)	-	-	(19,998,554)
Lease assets, net (Note 7)	97,824	(19,565)	-	-	78,259
Total capital assets, being depreciated and amortized, net	29,130,827	(1,363,444)	-	-	27,767,383
Governmental activities capital assets	\$ 51,349,010	\$ 890,323	\$ -	\$ (63,845)	\$ 52,175,488

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	\$ 445,603	\$ -	\$ -	\$ -	\$ 445,603
Construction in progress	8,297,263	1,778,487	-	(50,000)	10,025,750
Total	<u>8,742,866</u>	<u>1,778,487</u>	<u>-</u>	<u>(50,000)</u>	<u>10,471,353</u>
Capital assets, being depreciated:					
Buildings and improvements	34,485,232	38,482	-	50,000	34,573,714
Improvements other than buildings	11,999,790	-	-	-	11,999,790
Infrastructure	1,575,109	-	-	-	1,575,109
Vehicles	2,366,783	35,765	-	-	2,402,548
Furniture and fixtures	635,928	-	-	-	635,928
Machinery and equipment	5,623,451	131,788	-	63,845	5,819,084
Total	<u>56,686,293</u>	<u>206,035</u>	<u>-</u>	<u>113,845</u>	<u>57,006,173</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,963,212)	(949,245)	-	-	(8,912,457)
Improvements other than buildings	(4,682,683)	(257,582)	-	-	(4,940,265)
Infrastructure	(204,664)	(52,550)	-	-	(257,214)
Vehicles	(1,730,252)	(162,798)	-	-	(1,893,050)
Furniture and fixtures	(440,189)	(23,665)	-	-	(463,854)
Machinery and equipment	(2,362,744)	(317,118)	-	-	(2,679,862)
Total	<u>(17,383,744)</u>	<u>(1,762,958)</u>	<u>-</u>	<u>-</u>	<u>(19,146,702)</u>
Total assets, being depreciated, net	<u>39,302,549</u>	<u>(1,556,923)</u>	<u>-</u>	<u>113,845</u>	<u>37,859,471</u>
Business-type activities capital assets, net	<u>\$ 48,045,415</u>	<u>\$ 221,564</u>	<u>\$ -</u>	<u>\$ 63,845</u>	<u>\$ 48,330,824</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	\$ 659,960
Judicial	88,176
Public safety	479,149
Public works	662,774
Total depreciation expense - governmental activities	<u>\$ 1,890,059</u>

Business-type activities:

Water and sewer	\$ 841,453
Solid waste	15,061
Stormwater	162,937
Conference center	92,645
Amphitheater	650,862
Total depreciation expense - business-type activities	<u>\$ 1,762,958</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, 2023 are as follows:

Governmental Activities:

Capital assets, non-depreciable	\$ 24,408,105
Capital assets, depreciable	47,687,678
Accumulated depreciation	(19,998,554)
Lease assets	117,389
Accumulated amortization	(39,130)
Lease liability	(77,804)
Bonds payable	(27,220,000)
Accounts payable - SPLOST IV Fund	(55,786)
Accounts payable - City-wide Capital Projects Fund	(22,695)
Retainage payable	(312,099)
Unspent proceeds - Public Facilities Authority	<u>15,092,762</u>
Net investment in capital assets,	
Governmental Activities	<u><u>\$ 39,579,866</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Net investment in Capital Assets (Continued).

Business-type Activities:

Capital assets, non-depreciable	\$ 10,471,353
Capital assets, depreciable	57,006,173
Accumulated depreciation	(19,146,702)
Notes payable	(924,592)
Retainage payable	(55,874)
Net investment in capital assets, Business-type Activities	<u>\$ 47,350,358</u>

Water and Sewer Fund:

Capital assets, non-depreciable	\$ 10,290,937
Capital assets, depreciable	27,111,845
Accumulated depreciation	(13,974,960)
Notes payable	(924,592)
Retainage payable	(55,874)
Net investment in capital assets, Water and Sewer Fund	<u>\$ 22,447,356</u>

Solid Waste Fund:

Capital assets, depreciable	\$ 468,083
Accumulated depreciation	(418,290)
Net investment in capital assets, Solid Waste Fund	<u>\$ 49,793</u>

Amphitheater Fund:

Capital assets, depreciable	\$ 22,618,214
Accumulated depreciation	(1,735,902)
Net investment in capital assets, Amphitheater Fund	<u>\$ 20,882,312</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LEASE ASSETS

A summary of lease asset activity for the City for the year ended December 31, 2023 is as follows:

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
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)	-	(39,130)
Total assets depreciated	(19,565)	(19,565)	-	(39,130)
Total lease assets, net	\$ 97,824	\$ (19,565)	\$ -	\$ 78,259

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, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Urban Redevelopment revenue bonds	\$ 8,835,000	\$ -	\$ (820,000)	\$ 8,015,000	\$ 855,000
Public Facilities Authority revenue bonds	23,120,000	-	(3,915,000)	19,205,000	3,980,000
Accrued compensated absences	271,399	289,085	(268,668)	291,816	58,363
Net pension liability	464,136	2,313,517	(259,201)	2,518,452	-
Lease liability	105,492	-	(27,688)	77,804	28,242
Total governmental-type activity long-term debt	\$ 32,796,027	\$ 2,602,602	\$ (5,290,557)	\$ 30,108,072	\$ 4,921,605
Business-type activities:					
GEFA notes payable	\$ 1,023,845	\$ -	\$ (99,253)	\$ 924,592	\$ 100,751
Accrued compensated absences	78,975	70,570	(81,323)	68,222	13,644
Net pension liability	411,148	895,600	(331,825)	974,923	-
Total business-type activity long-term debt	\$ 1,513,968	\$ 966,170	\$ (512,401)	\$ 1,967,737	\$ 114,395

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Changes in 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, 2023, the City repaid various bond issues in the amount of \$820,000. Amounts outstanding at year-end of \$8,015,000 reflect total drawdowns to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at December 31, 2023 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.	\$ 3,390,000
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.	2,245,000
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>2,380,000</u>
Total	<u><u>\$ 8,015,000</u></u>

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

Fiscal Year	Principal	Interest	Total
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	1,020,000	177,731	1,197,731
2029 – 2031	<u>3,345,000</u>	<u>235,955</u>	<u>3,580,955</u>
Total	<u><u>\$ 8,015,000</u></u>	<u><u>\$ 1,568,357</u></u>	<u><u>\$ 9,583,357</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 \$19,205,000 reflect total drawdowns to date net of repayments, if any.

Public Facilities Authority Fund long-term liabilities outstanding at December 31, 2023 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.	\$ 520,000
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.	5,015,000
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>13,670,000</u>
Total	<u><u>\$ 19,205,000</u></u>

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

Fiscal Year	Principal	Interest	Total
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	1,360,000	199,238	1,559,238
2029 – 2033	4,325,000	642,177	4,967,177
2034 – 2036	<u>2,870,000</u>	<u>110,055</u>	<u>2,980,055</u>
Total	<u><u>\$ 19,205,000</u></u>	<u><u>\$ 2,187,681</u></u>	<u><u>\$ 21,392,681</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, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
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
	<u>\$ 77,804</u>	<u>\$ 3,549</u>	<u>\$ 81,353</u>

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, 2023, the City repaid \$99,253 of the note payable. Amounts outstanding at year-end of \$924,592 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
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	113,580	13,660	127,240
2029 – 2032	389,245	19,988	409,233
Total	<u>\$ 924,592</u>	<u>\$ 120,841</u>	<u>\$ 1,045,433</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND TRANSFERS

Interfund transfers are as follows:

Transfers In	Transfers Out								City-wide	
	General Fund	ARPA Fund	SPLOST V Fund	Public Facilities Authority	Water & Sewer Fund	Amphitheater Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Capital Projects Fund	Total
General Fund	\$ -	\$ -	\$ 2,946,324	\$ -	\$ 111,772	\$ 3,214,506	\$ 500,000	\$ 60,000	\$ -	\$ 6,832,602
Grants Fund	481,263	229,850	-	-	-	-	-	-	-	711,113
Nonmajor Enterprise Funds	513,318	-	-	-	-	-	-	-	-	513,318
Nonmajor Governmental Funds	1,259,102	-	-	-	-	-	-	-	-	1,259,102
Public Facilities Authority	4,382,571	-	-	-	-	-	-	-	-	4,382,571
City-wide Capital Projects Fund	6,881,417	-	99,594	126,640	-	-	-	-	-	7,107,651
Amphitheater Fund	-	-	-	-	-	-	-	-	6,353,312	6,353,312
Total	\$ 13,517,671	\$ 229,850	\$ 3,045,918	\$ 126,640	\$ 111,772	\$ 3,214,506	\$ 500,000	\$ 60,000	\$ 6,353,312	\$ 27,159,669

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, 2023, transfers out of the City-wide Projects Fund to the Amphitheater fund were to fund Amphitheater operating expenses. Transfers from the Amphitheater Fund to the General Fund were to fund Amphitheater operating revenues. Transfers from the SPLOST V Fund to the City-wide Capital Projects Fund were used to reimburse the City-wide Capital Projects and General Funds for allowable expenditures.

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, 2023, the date of the most recent actuarial valuation, there were 239 participants consisting of the following:

Inactive plan members or beneficiaries currently receiving benefits	46
Inactive plan members entitled to but not receiving benefits	43
Active plan members	150
Total Plan Members	<u>239</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, 2023, the City's contribution rate was 6.6% of annual payroll. City contributions to the Plan were \$670,194 for the year ended December 31, 2023.

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of March 31, 2023.

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

Inflation	2.25%
Salary increases	2.25% – 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, 2023 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Domestic equity	45%	6.40%
International equity	20%	6.80%
Domestic fixed income	20%	4.0%
Real estate	10%	3.90%
Global fixed income	5%	4.6%
Total	100%	

* 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, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2022	\$ 13,168,929	\$ 12,293,645	\$ 875,284
Changes for the year:			
Service cost	459,717	-	459,717
Interest	981,875	-	981,875
Differences between expected and actual experience	926,528	-	926,528
Contributions - employer	-	591,026	(591,026)
Net investment income	-	(819,343)	819,343
Benefit payments, including refunds of employee contributions	(630,164)	(630,164)	-
Administrative expense	-	(21,654)	21,654
Net changes	<u>1,737,956</u>	<u>(880,135)</u>	<u>2,618,091</u>
Balances at December 31, 2023	<u>\$ 14,906,885</u>	<u>\$ 11,413,510</u>	<u>\$ 3,493,375</u>

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:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
City's net pension liability	\$ 5,443,469	\$ 3,493,375	\$ 1,867,899

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, 2023, 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, 2023, the City recognized pension expense of \$999,559. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,097,800	\$ 24,332
Net difference between projected and actual earnings on pension plan investments	504,783	-
City contributions subsequent to the measurement date	502,646	-
Total	<u>\$ 2,105,229</u>	<u>\$ 24,332</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 \$502,646 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, 2024. 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>	
2024	\$ 370,224
2025	118,200
2026	559,769
2027	530,058
Total	<u>\$ 1,578,251</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, 2023, were \$1,022,886. The amount remitted to the Henry County Chamber of Commerce totaled \$444,532.

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, 2023, the City received \$98,402 in rental fees under the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$34,311 for a net carrying value of \$1,805.

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,

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 459,717	\$ 395,098	\$ 395,087	\$ 333,901
Interest on total pension liability	981,875	874,286	828,056	770,863
Differences between expected and actual experience	926,528	713,153	(60,831)	382,053
Changes of assumptions	-	-	-	-
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(630,164)	(546,464)	(524,505)	(510,620)
Other	-	-	-	(80,734)
Net change in total pension liability	1,737,956	1,436,073	637,807	895,463
Total pension liability - beginning	13,168,929	11,732,856	11,095,049	10,199,586
Total pension liability - ending (a)	14,906,885	13,168,929	11,732,856	11,095,049
Plan fiduciary net position				
Contributions - employer	591,026	562,067	479,659	454,251
Net investment income	(819,343)	706,176	3,628,109	(609,481)
Benefit payments, including refunds of employee contributions	(630,164)	(546,464)	(524,505)	(510,620)
Administrative expenses	(21,654)	(19,801)	(18,658)	(20,941)
Net change in Plan fiduciary net position	(880,135)	701,978	3,564,605	(686,791)
Plan fiduciary net position - beginning	12,293,645	11,591,667	8,027,062	8,713,853
Plan fiduciary net position - ending (b)	11,413,510	12,293,645	11,591,667	8,027,062
City's net pension liability (a) - (b)	\$ 3,493,375	\$ 875,284	\$ 141,189	\$ 3,067,987
Plan fiduciary net position as a percentage of the total pension liability	76.6%	93.4%	98.8%	72.3%
Covered payroll	\$ 8,889,756	\$ 4,612,475	\$ 3,993,352	\$ 3,819,839
City's net pension liability as a percentage of covered payroll	39.30%	18.98%	3.54%	80.32%

Notes to the Schedule:

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

2019	2018	2017	2016	2015
\$ 329,372	\$ 322,052	\$ 297,396	\$ 247,214	\$ 319,885
750,914	685,378	650,509	611,199	604,791
(312,679)	180,527	(11,712)	132,894	(372,914)
-	-	-	-	4,539
-	-	-	-	3,871
(501,679)	(487,128)	(485,418)	(482,759)	(472,198)
-	145,682	-	-	-
265,928	846,511	450,775	508,548	87,974
9,933,658	9,087,147	8,636,372	8,127,824	8,039,850
10,199,586	9,933,658	9,087,147	8,636,372	8,127,824
411,823	373,239	334,499	401,339	397,450
306,333	951,855	870,208	20,122	629,378
(501,679)	(487,128)	(485,418)	(482,759)	(472,198)
(19,245)	(18,215)	(18,512)	(13,276)	(11,731)
197,232	819,751	700,777	(74,574)	542,899
8,516,621	7,696,870	6,996,093	7,070,667	6,527,768
8,713,853	8,516,621	7,696,870	6,996,093	7,070,667
\$ 1,485,733	\$ 1,417,037	\$ 1,390,277	\$ 1,640,279	\$ 1,057,157
85.4%	85.7%	84.7%	81.0%	87.0%
\$ 2,956,753	\$ 2,982,269	\$ 2,839,086	\$ 2,777,571	\$ 2,297,038
50.25%	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,

	2023	2022	2021	2020
Actuarially determined contribution	\$ 670,194	\$ 564,637	\$ 561,211	\$ 452,475
Contributions in relation to the actuarially determined contribution	670,194	564,637	561,211	452,475
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,122,678	\$ 8,047,255	\$ 4,531,408	\$ 3,544,664
Contributions as a percentage of covered payroll	6.6%	7.0%	12.4%	12.8%

Notes to the Schedule:

Valuation date	July 1, 2023
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 13 years.

2019	2018	2017	2016	2015	2014
\$ 454,363	\$ 397,643	\$ 365,104	\$ 324,417	\$ 427,020	\$ 387,593
454,363	397,643	365,104	324,417	427,020	387,593
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,009,122	\$ 3,401,666	\$ 3,251,123	\$ 3,141,666	\$ 2,954,937	\$ 2,765,158
11.3%	11.7%	11.2%	10.3%	14.5%	14.0%

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Confiscated Assets Fund – This fund is used to account for cash received either as a result of cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

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.

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

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, 2023

	<u>Special Revenue Fund</u>		<u>Permanent Fund</u>	<u>Capital Projects Funds</u>	
	<u>Hotel/Motel Tax Fund</u>	<u>Confiscated Asset Fund</u>	<u>Burke Cemetery Fund</u>	<u>State and Federal Grants Fund</u>	<u>SPLOST III Fund</u>
ASSETS					
Cash and cash equivalents	\$ 1,551,407	\$ 126,308	\$ 334	\$ 353,351	\$ 1,139,856
Investments	-	-	12,284	-	-
Taxes receivable	76,924	-	-	-	-
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 1,628,331</u>	<u>\$ 126,308</u>	<u>\$ 12,618</u>	<u>\$ 353,351</u>	<u>\$ 1,139,856</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 68,722	\$ -	\$ 334	\$ -	\$ -
Retainage payable	-	-	-	-	-
Total liabilities	<u>68,722</u>	<u>-</u>	<u>334</u>	<u>-</u>	<u>-</u>
Fund Balances					
Non-spendable:					
Permanent fund corpus	-	-	5,000	-	-
Restricted:					
Cemetery maintenance	-	-	7,284	-	-
Capital projects	-	-	-	-	1,139,856
Public safety	-	126,308	-	-	-
Tourism	1,559,609	-	-	-	-
Assigned for capital projects	-	-	-	353,351	-
Total fund balances	<u>1,559,609</u>	<u>126,308</u>	<u>12,284</u>	<u>353,351</u>	<u>1,139,856</u>
Total liabilities and fund balances	<u>\$ 1,628,331</u>	<u>\$ 126,308</u>	<u>\$ 12,618</u>	<u>\$ 353,351</u>	<u>\$ 1,139,856</u>

Capital Projects Funds					Total Nonmajor Governmental Funds
Downtown Development Fund	SPLOST IV Fund	Urban Redevelopment Fund	City-wide Development Fund	Impact Fee Fund	
\$ 120	\$ 1,659,528	\$ 2,256	\$ 15	\$ 743,620	\$ 5,576,795
-	-	-	-	-	12,284
-	-	-	-	-	76,924
2,500	-	-	-	-	2,500
<u>\$ 2,620</u>	<u>\$ 1,659,528</u>	<u>\$ 2,256</u>	<u>\$ 15</u>	<u>\$ 743,620</u>	<u>\$ 5,668,503</u>
\$ 120	\$ 55,786	\$ -	\$ 15	\$ -	\$ 124,977
-	184,332	-	-	-	184,332
120	240,118	-	15	-	309,309
-	-	-	-	-	5,000
-	-	-	-	-	7,284
2,500	1,419,410	2,256	-	743,620	3,307,642
-	-	-	-	-	126,308
-	-	-	-	-	1,559,609
-	-	-	-	-	353,351
2,500	1,419,410	2,256	-	743,620	5,359,194
<u>\$ 2,620</u>	<u>\$ 1,659,528</u>	<u>\$ 2,256</u>	<u>\$ 15</u>	<u>\$ 743,620</u>	<u>\$ 5,668,503</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, 2023

	Special Revenue Fund		Permanent Fund	Capital Projects Funds	
	Hotel/Motel Tax Fund	Confiscated Asset Fund	Burke Cemetery Fund	State and Federal Grants Fund	SPLOST III Fund
Revenues					
Other taxes	\$ 1,022,886	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	126,308	-	-	-
Impact fees	-	-	-	-	-
Interest income	-	-	-	-	58
Total revenues	<u>1,022,886</u>	<u>126,308</u>	<u>-</u>	<u>-</u>	<u>58</u>
Expenditures					
Current:					
Public works	-	-	1,415	-	-
Housing and development	561,588	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>561,588</u>	<u>-</u>	<u>1,415</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>461,298</u>	<u>126,308</u>	<u>(1,415)</u>	<u>-</u>	<u>58</u>
Other financing sources (uses)					
Transfers in	-	-	1,183	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,183</u>	<u>-</u>	<u>-</u>
Net change in fund balances	461,298	126,308	(232)	-	58
Fund balances, beginning of year	<u>1,098,311</u>	<u>-</u>	<u>12,516</u>	<u>353,351</u>	<u>1,139,798</u>
Fund balances, end of year	<u>\$ 1,559,609</u>	<u>\$ 126,308</u>	<u>\$ 12,284</u>	<u>\$ 353,351</u>	<u>\$ 1,139,856</u>

Capital Projects Funds					Total Nonmajor Governmental Funds
Downtown Development Fund	SPLOST IV Fund	Urban Redevelopment Fund	City-wide Development Fund	Impact Fee Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,022,886
-	-	-	-	-	126,308
-	-	-	-	2,370	2,370
-	222	-	-	-	280
-	222	-	-	2,370	1,151,844
-	-	-	-	-	1,415
36,411	-	-	-	-	597,999
-	4,500	-	30,426	-	34,926
-	1,244,863	-	-	-	1,244,863
-	-	820,000	-	-	820,000
-	-	388,356	-	-	388,356
36,411	1,249,363	1,208,356	30,426	-	3,087,559
(36,411)	(1,249,141)	(1,208,356)	(30,426)	2,370	(1,935,715)
19,137	-	1,208,356	30,426	-	1,259,102
-	(500,000)	-	-	-	(500,000)
19,137	(500,000)	1,208,356	30,426	-	759,102
(17,274)	(1,749,141)	-	-	2,370	(1,176,613)
19,774	3,168,551	2,256	-	741,250	6,535,807
\$ 2,500	\$ 1,419,410	\$ 2,256	\$ -	\$ 743,620	\$ 5,359,194

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, 2023

	Hotel/Motel Tax Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes	\$ 411,227	\$ 1,022,886	\$ 611,659
Total revenues	411,227	1,022,886	611,659
Expenditures			
Current:			
Housing and development	411,227	561,588	(150,361)
Total expenditures	411,227	561,588	(150,361)
Net change in fund balances	-	461,298	461,298
Fund balances, beginning of year	1,098,311	1,098,311	-
Fund balances, end of year	<u>\$ 1,098,311</u>	<u>\$ 1,559,609</u>	<u>\$ 461,298</u>

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, 2023

	Burke Cemetery Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest income	\$ 10,000	\$ -	\$ (10,000)
Total revenues	10,000	-	(10,000)
Expenditures:			
Current:			
General government:			
Public works	10,000	1,415	8,585
Total expenditures	10,000	1,415	8,585
Deficiency of expenditures under revenues	-	(1,415)	(1,415)
Other financing sources:			
Transfers in	-	1,183	1,183
Total other financing sources	-	1,183	1,183
Net change in fund balances	-	(232)	(232)
Fund balances, beginning of year	12,516	12,516	-
Fund balances, end of year	\$ 12,516	\$ 12,284	\$ (232)

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, 2023

	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	36,411	8,589
Total expenditures	45,000	36,411	8,589
Deficiency of revenues under expenditures	-	(36,411)	(36,411)
Other financing sources:			
Transfers in	-	19,137	19,137
Total other financing sources	-	19,137	19,137
Net change in fund balances	-	(17,274)	(17,274)
Fund balances, beginning of year	19,774	19,774	-
Fund balances, end of year	\$ 19,774	\$ 2,500	\$ (17,274)

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, 2023

	Urban Redevelopment Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other revenues	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Debt service:			
Principal	1,023,621	820,000	203,621
Interest	184,735	388,356	(203,621)
Total expenditures	1,208,356	1,208,356	-
Deficiency of revenues under expenditures	(1,208,356)	(1,208,356)	-
Other financing sources:			
Transfers in	1,208,356	1,208,356	-
Total other financing sources	1,208,356	1,208,356	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	2,256	2,256	-
Fund balances, end of year	\$ 2,256	\$ 2,256	\$ -

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECTS FUND - CITY-WIDE DEVELOPMENT FUND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	City-wide Development Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Miscellaneous revenues	\$ 45,000	\$ -	\$ (45,000)
Total revenues	45,000	-	(45,000)
Expenditures:			
Capital outlay:			
General government	45,000	30,426	14,574
Total expenditures	45,000	30,426	14,574
Deficiency of revenues under expenditures	-	(30,426)	(30,426)
Other financing sources:			
Transfers in	-	30,426	30,426
Total other financing sources	-	30,426	30,426
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2023**

	Impact Fee Fund		
	Final Budget	Actual	Variance With Final Budget
Revenues:			
Impact fees	\$ -	\$ 2,370	\$ 2,370
Total revenues	-	2,370	2,370
Expenditures:			
Current:			
Public works	-	-	-
Total expenditures	-	-	-
Net change in fund balances	-	2,370	2,370
Fund balances, beginning of year	<u>741,250</u>	<u>741,250</u>	<u>-</u>
Fund balances, end of year	<u>\$ 741,250</u>	<u>\$ 743,620</u>	<u>\$ 2,370</u>

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, 2023

	Stormwater Fund	Conference Center Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,933,976	\$ 13,123	\$ 1,947,099
Accounts receivable	281,845	-	281,845
Due from other governments	5,836	-	5,836
Prepaid expenses	1,161	2,767	3,928
Total current assets	2,222,818	15,890	2,238,708
NON-CURRENT ASSETS			
Capital assets, net of accumulated	1,693,009	2,277,888	3,970,897
Total non-current assets	1,693,009	2,277,888	3,970,897
Total assets	3,915,827	2,293,778	6,209,605
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	153,801	118,309	272,110
Total deferred outflows of resources	153,801	118,309	272,110
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	6,706	13,123	19,829
Accrued liabilities	4,180	5,495	9,675
Customer deposits	-	40,020	40,020
Compensated absences due within one year	2,834	1,847	4,681
Total current liabilities	13,720	60,485	74,205
NON-CURRENT LIABILITIES			
Compensated absences due in more	11,338	7,387	18,725
Net pension liability	255,215	196,320	451,535
Total non-current liabilities	266,553	203,707	470,260
Total liabilities	280,273	264,192	544,465
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,778	1,367	3,145
Total deferred inflows of resources	1,778	1,367	3,145
NET POSITION			
Investment in capital assets	1,693,009	2,277,888	3,970,897
Unrestricted	2,094,568	(131,360)	1,963,208
Total net position	\$ 3,787,577	\$ 2,146,528	\$ 5,934,105

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, 2023

	Stormwater Fund	Conference Center Fund	Total
OPERATING REVENUES			
Charges for services:			
Rentals	\$ -	\$ 126,100	\$ 126,100
Stormwater fees	1,397,200	-	1,397,200
Total operating revenues	<u>1,397,200</u>	<u>126,100</u>	<u>1,523,300</u>
OPERATING EXPENSES			
Personnel services	155,701	491,244	646,945
Contracted services	49,596	87,545	137,141
Supplies	17,699	31,761	49,460
Repairs and maintenance	174,501	8,077	182,578
Depreciation	162,937	92,645	255,582
Total operating expenses	<u>560,434</u>	<u>711,272</u>	<u>1,271,706</u>
Operating income (loss)	<u>836,766</u>	<u>(585,172)</u>	<u>251,594</u>
TRANSFERS IN	-	513,318	513,318
TRANSFERS OUT	<u>(60,000)</u>	<u>-</u>	<u>(60,000)</u>
Change in net position	776,766	(71,854)	704,912
NET POSITION, beginning of year	<u>3,010,811</u>	<u>2,218,382</u>	<u>5,229,193</u>
NET POSITION, end of year	<u>\$ 3,787,577</u>	<u>\$ 2,146,528</u>	<u>\$ 5,934,105</u>

CITY OF STOCKBRIDGE, GEORGIA

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	Stormwater Fund	Conference Center Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,358,707	\$ 1,093,289	\$ 2,451,996
Payments to suppliers and service providers	(246,476)	(1,148,144)	(1,394,620)
Payments to employees	(287,602)	(371,092)	(658,694)
Net cash provided by (used in) operating activities	824,629	(425,947)	398,682
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(60,000)	-	(60,000)
Transfers from other funds	-	513,318	513,318
Net cash provided by (used in) non-capital financing activities	(60,000)	513,318	453,318
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property and equipment	-	(74,248)	(74,248)
Net cash used in capital and related financing activities	-	(74,248)	(74,248)
Increase in cash and cash equivalents	764,629	13,123	777,752
Cash and cash equivalents:			
Beginning of year	1,169,347	-	1,169,347
End of year	<u>\$ 1,933,976</u>	<u>\$ 13,123</u>	<u>\$ 1,947,099</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 836,766	\$ (585,172)	\$ 251,594
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	162,937	92,645	255,582
Increase in accounts receivable	(34,686)	-	(34,686)
Increase in due from other governments	(3,807)	-	(3,807)
Decrease in prepaid expenses	-	1,053	1,053
Decrease (increase) in deferred outflows of resources - pension	76,614	(84,288)	(7,674)
Increase in customer deposits	-	20,370	20,370
Increase (decrease) in accrued liabilities	1,718	(4,377)	(2,659)
Increase (decrease) in accounts payable	(4,680)	5,121	441
Decrease in deferred inflows	(274,076)	(39,363)	(313,439)
Increase in net pension liability	63,843	168,064	231,907
Net cash provided by (used in) operating activities	<u>\$ 824,629</u>	<u>\$ (425,947)</u>	<u>\$ 398,682</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, 2023

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	6,541,861	-	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>\$ 17,194,884</u>	<u>\$ -</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, 2023

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	\$ 3,792,331	\$ 1,244,863	\$ 5,037,194	96.68%
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	8,091,441	4,500	8,095,941	90.73%
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>\$ 20,403,580</u>	<u>\$ 1,249,363</u>	<u>\$ 21,652,943</u>	<u>93.05%</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, 2023

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	\$ 2,569,007	\$ 4,054,650	85.89%
Civic projects	9,852,437	9,852,437	240,613	41,082	281,695	2.86%
Parks and recreation	1,231,554	1,231,554	173,734	123,907	297,641	24.17%
Sewer/Water/Stormwater infrastructure	4,720,959	4,720,959	28,423	323,145	351,568	7.45%
Total	<u>\$ 20,525,909</u>	<u>\$ 20,525,909</u>	<u>\$ 1,928,413</u>	<u>\$ 3,057,141</u>	<u>\$ 4,985,554</u>	<u>24.29%</u>

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

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	\$ -	\$ 133,119	\$ 133,119	1.09%
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>\$ 133,119</u>	<u>\$ 133,119</u>	<u>0.60%</u>
Expenditures above				\$ 133,119		
Non-TSPLOST expenditures				<u>286</u>		
Total expenditures, TSPLOST Fund				<u>133,405</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 82 – 94

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 95 – 98

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

Debt Capacity 99 – 105

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..... 106 and 107

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 108 – 112

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				
	2014	2015	2016	2017	2018
Governmental Activities					
Net investment in capital assets	\$ 30,884,452	\$ 29,316,744	\$ 24,706,392	\$ 25,476,622	\$ 26,862,664
Restricted	6,707,544	14,922,842	16,757,135	15,313,394	16,603,867
Unrestricted	7,423,318	7,770,791	14,920,345	17,534,743	17,496,942
Total governmental activities net position	<u>\$ 45,015,314</u>	<u>\$ 52,010,377</u>	<u>\$ 56,383,872</u>	<u>\$ 58,324,759</u>	<u>\$ 60,963,473</u>
Business-Type Activities					
Net investment in capital assets	\$ 15,869,585	\$ 16,460,917	\$ 16,337,920	\$ 18,655,646	\$ 18,698,180
Unrestricted	5,891,310	6,533,628	7,495,232	7,231,099	7,462,589
Total business-type activities net position	<u>\$ 21,760,895</u>	<u>\$ 22,994,545</u>	<u>\$ 23,833,152</u>	<u>\$ 25,886,745</u>	<u>\$ 26,160,769</u>
Primary Government					
Net investment in capital assets	\$ 46,754,037	\$ 45,777,661	\$ 41,044,312	\$ 44,132,268	\$ 45,560,844
Restricted	6,707,544	14,922,842	16,757,135	15,313,394	16,603,867
Unrestricted	13,314,628	14,304,419	22,415,577	24,765,842	24,959,531
Total primary government net position	<u>\$ 66,776,209</u>	<u>\$ 75,004,922</u>	<u>\$ 80,217,024</u>	<u>\$ 84,211,504</u>	<u>\$ 87,124,242</u>

Fiscal Year				
2019	2020	2021	2022	2023
\$ 28,435,249	\$ 43,717,019	\$ 48,261,529	\$ 33,292,952	\$ 39,579,866
16,772,774	9,284,117	11,599,061	25,321,397	30,954,716
18,313,148	13,597,025	15,443,768	4,602,348	5,965,369
<u>\$ 63,521,171</u>	<u>\$ 66,598,161</u>	<u>\$ 75,304,358</u>	<u>\$ 63,216,697</u>	<u>\$ 76,499,951</u>
\$ 22,251,421	\$ 23,368,409	\$ 21,459,083	\$ 46,971,570	\$ 47,350,358
6,117,244	5,522,733	5,252,432	5,299,457	4,450,111
<u>\$ 28,368,665</u>	<u>\$ 28,891,142</u>	<u>\$ 26,711,515</u>	<u>\$ 52,271,027</u>	<u>\$ 51,800,469</u>
\$ 50,686,670	\$ 67,085,428	\$ 69,720,612	\$ 80,264,522	\$ 86,930,224
16,772,774	9,284,117	11,599,061	25,321,397	30,954,716
24,430,392	19,119,758	20,696,200	9,901,805	10,415,480
<u>\$ 91,889,836</u>	<u>\$ 95,489,303</u>	<u>\$ 102,015,873</u>	<u>\$ 115,487,724</u>	<u>\$ 128,300,420</u>

CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government	\$ 3,561,543	\$ 3,366,285	\$ 3,496,445	\$ 3,397,192	\$ 4,192,501
Judicial ⁽¹⁾	787,946	665,664	447,338	172,218	-
Public safety	744,104	848,136	177,125	436,880	198,810
Public works	2,844,049	2,829,741	2,058,092	2,608,574	4,768,839
Health and welfare	-	-	-	-	-
Culture and recreation	-	10,577	-	-	-
Housing and development	203,265	1,267,243	739,159	1,037,910	1,480,341
Interest on long-term debt	656,137	629,911	602,535	573,861	544,013
Total governmental activities expenses	<u>8,797,044</u>	<u>9,617,557</u>	<u>7,520,694</u>	<u>8,226,635</u>	<u>11,184,504</u>
Business-type activities:					
Water and sewer	2,884,646	3,158,357	3,090,427	3,429,805	3,515,666
Stormwater	349,691	212,729	389,999	599,575	620,265
Solid waste	728,744	719,355	1,024,671	1,270,720	1,417,032
Conference center	331,099	290,062	393,485	492,130	502,506
Community center	28,849	49,768	51,876	56,177	60,532
Amphitheater	-	-	-	-	-
Total business-type activities	<u>4,323,029</u>	<u>4,430,271</u>	<u>4,950,458</u>	<u>5,848,407</u>	<u>6,116,001</u>
Total primary government	<u>\$ 13,120,073</u>	<u>\$ 14,047,828</u>	<u>\$ 12,471,152</u>	<u>\$ 14,075,042</u>	<u>\$ 17,300,505</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 450,308	\$ 347,970	\$ 430,767	\$ 440,347	\$ 963,720
Judicial	1,179,667	1,018,700	419,041	43,678	28,600
Capital grants and contributions	3,886,677	8,732,683	2,863,565	2,811,531	3,387,128
Total governmental activities program revenues	<u>5,516,652</u>	<u>10,099,353</u>	<u>3,713,373</u>	<u>3,295,556</u>	<u>4,379,448</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,938,884	3,067,407	3,356,353	3,580,309	3,972,963
Stormwater	493,402	495,077	509,886	510,920	521,509
Solid waste	1,167,463	1,170,475	1,212,246	1,237,250	1,248,109
Amphitheater	-	-	-	-	-
Conference center	194,518	163,297	168,874	198,496	186,452
Community center	34,661	46,788	48,538	46,417	47,086
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>4,828,928</u>	<u>4,943,044</u>	<u>5,295,897</u>	<u>5,573,392</u>	<u>5,976,119</u>
Total primary government program revenues	<u>\$ 10,345,580</u>	<u>\$ 15,042,397</u>	<u>\$ 9,009,270</u>	<u>\$ 8,868,948</u>	<u>\$ 10,355,567</u>

Fiscal Year				
2019	2020	2021	2022	2023
\$ 3,901,360	\$ 4,448,902	\$ 3,760,382	\$ 14,215,859	\$ 5,354,193
187,427	276,608	155,059	1,625,210	777,988
266,742	292,705	345,410	8,317,170	8,271,475
5,915,846	4,191,206	3,149,973	20,668,385	9,210,873
-	1,509,531	42,502	-	-
-	-	376,263	-	12,556
1,878,636	1,639,480	1,972,305	2,989,823	3,147,200
512,812	480,220	1,381,846	914,109	815,032
12,662,823	12,838,652	11,183,740	48,730,556	27,589,317
3,784,323	4,359,746	4,370,327	4,457,740	4,434,695
478,698	573,183	628,728	579,548	560,434
1,464,732	1,577,462	1,658,235	1,884,867	2,169,370
572,740	639,116	2,315,364	665,555	711,272
49,948	44,115	567,622	-	-
-	-	-	3,081,604	7,664,383
6,350,441	7,193,622	9,540,276	10,669,314	15,540,154
\$ 19,013,264	\$ 20,032,274	\$ 20,724,016	\$ 59,399,870	\$ 43,129,471
\$ 1,098,764	\$ 1,019,736	\$ 1,382,633	\$ 1,252,877	\$ 3,398,445
263,253	22,212	56,495	256,485	998,484
3,580,528	8,950,956	11,203,137	32,021,633	22,829,625
4,942,545	9,992,904	12,642,265	33,530,995	27,226,554
4,169,272	4,388,102	3,949,637	3,991,542	4,532,877
527,501	1,024,877	1,042,072	1,037,207	1,397,200
1,219,300	1,231,457	1,785,974	1,811,707	1,804,957
-	-	173,695	447,580	3,664,265
121,965	26,508	-	10,785	126,100
50,239	1,428	-	-	-
2,139,259	427,618	563,657	24,555,035	-
8,227,536	7,099,990	7,515,035	31,853,856	11,525,399
\$ 13,170,081	\$ 17,092,894	\$ 20,157,300	\$ 65,384,851	\$ 38,751,953

(Continued)

CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Program Revenues (Continued)					
Net (expense)/revenue					
Governmental activities	\$ (3,280,392)	\$ 481,796	\$ (3,807,321)	\$ (4,931,079)	\$ (6,805,056)
Business-type activities	505,899	512,773	345,439	(275,015)	(139,882)
Total primary government net expense	<u>\$ (2,774,493)</u>	<u>\$ 994,569</u>	<u>\$ (3,461,882)</u>	<u>\$ (5,206,094)</u>	<u>\$ (6,944,938)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 271,113	\$ 226,911	\$ 124,284	\$ 126,814	\$ 221,334
Sales taxes	3,403,706	3,597,732	3,785,414	3,887,722	4,161,389
Franchise taxes	1,452,601	1,546,828	1,480,642	1,419,291	1,497,519
Alcoholic beverage taxes	663,251	704,298	711,402	726,445	747,612
Business and occupation taxes	472,466	564,290	601,511	661,371	815,350
Insurance premium taxes	1,419,779	1,516,512	1,642,740	1,751,247	1,888,635
Hotel/Motel taxes	92,580	130,588	222,993	445,240	454,239
Other taxes	84,437	120,925	103,613	180,437	68,837
Unrestricted investment earnings	17,715	4,322	1,381	2,007	2,761
Transfers	(2,362,748)	(1,123,522)	(493,164)	(2,328,608)	(413,906)
Total governmental activities	<u>5,514,900</u>	<u>7,288,884</u>	<u>8,180,816</u>	<u>6,871,966</u>	<u>9,443,770</u>
Business-type activities:					
Unrestricted investment earnings	1,718	334	4	-	-
Gain on sale of capital assets	-	42,791	-	-	-
Transfers	2,362,748	1,123,522	493,164	2,328,608	413,906
Total business-type activities	<u>2,364,466</u>	<u>1,166,647</u>	<u>493,168</u>	<u>2,328,608</u>	<u>413,906</u>
Total primary government	<u>\$ 7,879,366</u>	<u>\$ 8,455,531</u>	<u>\$ 8,673,984</u>	<u>\$ 9,200,574</u>	<u>\$ 9,857,676</u>
Change in Net Position					
Governmental activities	\$ 2,234,508	\$ 7,770,680	\$ 4,373,495	\$ 1,940,887	\$ 2,638,714
Business-type activities	2,870,365	1,679,420	838,607	2,053,593	274,024
Total primary government	<u>\$ 5,104,873</u>	<u>\$ 9,450,100</u>	<u>\$ 5,212,102</u>	<u>\$ 3,994,480</u>	<u>\$ 2,912,738</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				
2019	2020	2021	2022	2023
\$ (7,720,278)	\$ (2,845,748)	\$ 1,458,525	\$ (15,199,561)	\$ (362,763)
1,877,095	(93,632)	(2,025,241)	21,184,542	(4,014,755)
<u>\$ (5,843,183)</u>	<u>\$ (2,939,380)</u>	<u>\$ (566,716)</u>	<u>\$ 5,984,981</u>	<u>\$ (4,377,518)</u>
\$ 352,331	\$ 544,338	\$ 806,485	\$ 770,169	\$ 9,368,344
4,474,981	-	-	-	-
1,559,754	1,599,506	1,494,487	1,614,172	1,767,594
760,087	842,612	841,605	851,324	841,664
827,926	959,288	1,083,528	1,210,279	1,529,950
2,012,698	2,122,713	2,187,071	2,389,696	2,568,811
472,110	349,863	546,818	484,363	1,022,886
136,456	93,190	131,398	165,611	90,757
12,434	27,337	1,894	1,256	208
(330,801)	(616,109)	154,386	(4,374,970)	(3,544,197)
<u>10,277,976</u>	<u>5,922,738</u>	<u>7,247,672</u>	<u>3,111,900</u>	<u>13,646,017</u>
-	-	-	-	-
-	-	-	-	-
330,801	616,109	(154,386)	4,374,970	3,544,197
<u>330,801</u>	<u>616,109</u>	<u>(154,386)</u>	<u>4,374,970</u>	<u>3,544,197</u>
<u>\$ 10,608,777</u>	<u>\$ 6,538,847</u>	<u>\$ 7,093,286</u>	<u>\$ 7,486,870</u>	<u>\$ 17,190,214</u>
\$ 2,557,698	\$ 3,076,990	\$ 8,706,197	\$ (12,087,661)	\$ 13,283,254
2,207,896	522,477	(2,179,627)	25,559,512	(470,558)
<u>\$ 4,765,594</u>	<u>\$ 3,599,467</u>	<u>\$ 6,526,570</u>	<u>\$ 13,471,851</u>	<u>\$ 12,812,696</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
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
2023	\$ 9,368,344	\$ -	\$ 1,767,594	\$ 841,664	\$ 1,529,950	\$ 2,568,811

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. The City began collecting property taxes during 2023.

Other Taxes		Total	
\$	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
\$	1,113,643	\$	17,190,006

CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund:					
Nonspendable	\$ 6,116,722	\$ 6,078,840	\$ 4,605,760	\$ 2,289,521	\$ 2,274,304
Restricted	-	166,864	-	-	-
Assigned	113,588	138,184	58,937	2,874	829,299
Unassigned	6,166,220	8,232,433	11,326,184	16,328,566	15,634,005
Total General Fund	<u>\$ 12,396,530</u>	<u>\$ 14,616,321</u>	<u>\$ 15,990,881</u>	<u>\$ 18,620,961</u>	<u>\$ 18,737,608</u>
All Other Governmental Funds:					
Nonspendable	\$ 592,900	\$ 5,684	\$ 5,597	\$ 5,000	\$ 5,000
Restricted, reported in:					
Special revenue funds	68,238	129,398	187,190	337,145	506,466
Capital project funds	6,627,115	14,614,296	16,557,661	14,963,965	16,085,451
Permanent fund	7,191	7,284	7,284	7,284	6,950
Assigned, reported in:					
Capital project funds	(5,513,757)	(5,765,237)	-	-	(162,940)
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,781,687</u>	<u>\$ 8,991,425</u>	<u>\$ 16,757,732</u>	<u>\$ 15,313,394</u>	<u>\$ 16,440,927</u>

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

Fiscal Year				
2019	2020	2021	2022	2023
\$ 2,276,346	\$ 2,293,686	\$ 2,298,715	\$ 2,569,719	\$ 2,486,118
-	-	-	-	-
315,625	1,104,366	7,975,208	679,237	8,468
16,648,682	13,603,614	5,769,093	1,212,272	3,462,355
<u>\$ 19,240,653</u>	<u>\$ 17,001,666</u>	<u>\$ 16,043,016</u>	<u>\$ 4,461,228</u>	<u>\$ 5,956,941</u>
\$ 5,824	\$ 5,000	\$ 5,000	\$ 5,566	\$ 5,000
691,087	839,531	1,059,221	1,098,311	1,715,767
16,069,737	8,432,636	28,620,712	39,430,598	44,319,427
6,950	6,950	6,950	6,950	7,284
(61,322)	(3,030,430)	353,351	353,351	353,351
-	-	-	(260,855)	-
<u>\$ 16,712,276</u>	<u>\$ 6,253,687</u>	<u>\$ 30,045,234</u>	<u>\$ 40,633,921</u>	<u>\$ 46,400,829</u>

CITY OF STOCKBRIDGE, GEORGIA

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 7,860,843	\$ 8,399,813	\$ 8,625,047	\$ 9,266,993	\$ 9,854,915
Licenses and permits	174,297	211,001	258,637	291,989	714,550
Intergovernmental	3,861,031	8,721,298	2,839,897	2,758,823	3,278,162
Fines and forfeitures	1,210,910	1,059,330	539,215	68,652	39,297
Charges for services	1,187	3,078	5,590	7,858	74,112
Impact fees	-	-	-	-	-
Rental income	21,226	700	-	600	30,969
Investment earnings	22,135	15,707	25,049	54,715	111,727
Miscellaneous	274,824	133,191	161,623	139,752	144,089
Total revenues	<u>13,426,453</u>	<u>18,544,118</u>	<u>12,455,058</u>	<u>12,589,382</u>	<u>14,247,821</u>
Expenditures					
General government	2,929,787	2,673,703	2,701,378	2,990,473	4,665,663
Judicial	767,735	615,842	437,762	180,971	122,342
Public safety	671,715	790,475	136,373	161,280	148,680
Public works and parks	2,051,248	1,978,791	1,699,509	2,122,376	2,361,610
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	512,598	1,233,236	739,159	1,042,949	1,479,499
Capital outlay	1,214,890	562,889	869,169	4,121,584	2,886,748
Debt service:					
Principal	545,000	570,000	595,000	625,000	650,000
Interest	666,595	640,851	613,951	585,859	556,491
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>9,359,568</u>	<u>9,065,787</u>	<u>7,792,301</u>	<u>11,830,492</u>	<u>12,871,033</u>
Excess of revenues over (under) expenditures	<u>4,066,885</u>	<u>9,478,331</u>	<u>4,662,757</u>	<u>758,890</u>	<u>1,376,788</u>
Other financing sources (uses)					
Proceeds from debt issues	-	-	-	-	-
Recognition of extinguishment of debt	-	-	4,532,836	-	-
Transfers	(143,239)	(48,802)	(54,726)	(120,785)	(162,065)
Proceeds from sale of assets	-	-	-	547,637	19,457
Total other financing sources (uses)	<u>(143,239)</u>	<u>(48,802)</u>	<u>4,478,110</u>	<u>426,852</u>	<u>(142,608)</u>
Net change in fund balances	<u>\$ 3,923,646</u>	<u>\$ 9,429,529</u>	<u>\$ 9,140,867</u>	<u>\$ 1,185,742</u>	<u>\$ 1,234,180</u>
Debt service as a percentage of non-capital expenditures	15.1%	13.7%	17.7%	14.7%	11.4%

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

Fiscal Year				
2019	2020	2021	2022	2023
\$ 10,596,343	\$ 6,522,700	\$ 7,074,412	\$ 7,483,294	\$ 16,337,181
697,648	819,533	667,913	813,684	1,541,760
3,437,264	8,780,119	10,967,695	31,806,828	22,825,522
77,523	26,498	56,495	256,485	998,484
159,781	85,649	168,441	280,123	648,673
-	292,941	234,829	213,480	2,370
36,531	278	-	31,560	25,827
155,698	66,383	2,507	2,581	1,941
204,804	114,115	546,279	127,510	1,182,185
<u>15,365,592</u>	<u>16,708,216</u>	<u>19,718,571</u>	<u>41,015,545</u>	<u>43,563,943</u>
4,558,705	4,075,046	4,462,556	6,218,975	6,386,982
220,695	214,208	212,568	357,139	673,186
199,803	232,493	1,126,188	4,435,360	7,902,482
2,571,822	2,964,115	3,530,060	5,883,404	3,446,186
-	1,509,531	42,502	-	-
-	-	365,855	-	-
1,881,539	1,637,282	1,974,293	2,990,746	3,148,134
3,621,973	16,959,540	9,340,130	13,444,994	5,643,276
680,000	710,000	745,000	3,476,897	4,762,688
525,860	493,848	644,376	943,550	858,036
-	-	536,098	-	-
<u>14,260,397</u>	<u>28,796,063</u>	<u>22,979,626</u>	<u>37,751,065</u>	<u>32,820,970</u>
<u>1,105,195</u>	<u>(12,087,847)</u>	<u>(3,261,055)</u>	<u>3,264,480</u>	<u>10,742,973</u>
-	-	25,805,000	-	-
-	-	-	-	-
(330,801)	(616,109)	154,386	(4,374,970)	(3,480,352)
-	6,380	134,566	-	-
<u>(330,801)</u>	<u>(609,729)</u>	<u>26,093,952</u>	<u>(4,374,970)</u>	<u>(3,480,352)</u>
<u>\$ 774,394</u>	<u>\$ (12,697,576)</u>	<u>\$ 22,832,897</u>	<u>\$ (1,110,490)</u>	<u>\$ 7,262,621</u>
9.9%	10.0%	14.7%	15.8%	18.7%

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
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
2023	\$ 1,592,360	\$ 1,767,594	\$ 841,664	\$ 2,568,811	\$ 1,529,950	\$ 1,113,643	\$ 9,414,022

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			
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
2023	\$ 1,862,016,835	\$ 3,223,550	\$ 1,934,485	\$ 5,260	\$ (41,485,697)	\$ 1,825,694,433	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
2014	\$ -	\$ 14.30	\$ 20.00	\$ 3.63	\$ 2.00	\$ -	\$ 0.10	\$ 40.03
2015	-	13.87	20.00	3.63	2.00	-	0.05	39.55
2016	-	12.73	20.00	3.63	2.00	-	-	38.36
2017	-	12.73	20.00	3.63	2.00	-	-	38.36
2018	-	12.73	20.00	3.63	2.00	-	-	38.36
2019	-	12.73	20.00	3.63	2.00	-	-	38.36
2020	-	12.73	20.00	3.63	2.00	-	-	38.36
2021	-	12.73	20.00	3.63	2.00	-	-	38.36
2022	-	12.73	20.00	3.63	2.00	-	-	38.36
2023	\$ 3.77	\$ 10.28	\$ 20.00	\$ 3.63	\$ 2.00	\$ -	\$ -	\$ 39.67

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 TEN YEARS AGO

Taxpayer	Fiscal Year 2023			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	\$ 51,033	1	3.97%	-		-
AR-Eagles Landing LLC, JFB-Eagles Landing LLC	47,138	2	3.67%	-		-
Washreit 860 South LLC	46,735	3		-		-
CSP Community Owner LLP	43,100	4	3.35%	7,794	5	1.22%
Waterford Landing Apartments LLC	41,550	5	3.23%	6,007	7	0.94%
Henry County Hospital Authority	38,878	6	3.02%			
St. Ives Apartments LLC	35,400	7	2.75%	7,900	4	1.23%
700 Rock Quarry Property	34,423	8	2.68%	-		0.00%
Washreit 900 Dwell LLC	33,824	9	2.63%	-		-
WWC XXXIX LP	31,464	10	2.45%	-		-
North Park Property Owner LLC	-		-	10,109		1.58%
Georgia Power Company	-		-	-		-
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>\$ 403,545</u>		<u>27.75%</u>	<u>\$ 85,613</u>		<u>13.38%</u>

SOURCE:

Henry County Tax Commissioner

Note: Amounts expressed in thousands.

Note: Information based on total tax for all Henry County taxpayers.

CITY OF STOCKBRIDGE, GEORGIA

PRINCIPAL FRANCHISE TAXPAYERS CURRENT YEAR AND SEVEN YEARS AGO

Franchise Taxpayer	Fiscal Year 2023			Fiscal Year 2016		
	Revenue	Rank	Percentage of Total Revenue	Revenue	Rank	Percentage of Total Revenue
Georgia Power Company	\$ 1,333,436	1	75.62%	\$ 1,089,242	1	76.31%
Atlanta Gas Light	198,529	2	11.26%	92,727	4	6.50%
Charter	123,083	3	6.98%	138,345	2	9.69%
Snapping Shoals	36,798	4	2.09%	-	-	-
Comcast	30,729	5	1.74%	437	9	0.03%
Directv	20,536	6	1.16%	-	-	-
Bellsouth	11,180	7	0.63%	93,572	3	6.56%
College Park	7,404	8	0.42%	7,414	5	0.52%
Diatro LLC	1,067	9	0.06%	258	10	0.02%
Cottonwood Residential	732	10	0.04%	1,531	7	0.11%
Fusion (Cbeyond Communications)	-	-	-	3,224	6	0.23%
Electric Lightwave	-	-	-	498	8	0.03%
Verizon	-	-	-	-	-	-
Total	<u>\$ 1,763,494</u>		<u>100.00%</u>	<u>\$ 1,427,248</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	Leases	Total	Revenue Bonds	Notes Payable	Total
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	105,492	32,060,492	-	1,023,845	1,023,845
2023	\$ 8,015,000	\$ 19,205,000	\$ 77,804	\$ 27,297,804	\$ -	\$ 924,592	\$ 924,592

SOURCE:

Population data from Quick Facts Census I

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
\$	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
	33,084,337	29,064	3.89%	1,138
\$	28,222,396	28,567	3.91%	\$ 988

CITY OF STOCKBRIDGE, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF DECEMBER 31, 2023

<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	\$ -		\$ -
Leases	<u>77,804</u>		<u>-</u>
Total Direct Debt	<u>77,804</u>		<u>-</u>
Overlapping:			
General Obligation Debt:			
Henry County Capital Lease	6,165,593	13.36%	823,723
Henry County General Obligation	<u>19,145,000</u>	13.36%	<u>2,557,772</u>
	<u>25,310,593</u>		<u>3,381,495</u>
Henry County Schools Bonds Payable	<u>328,150,000</u>	13.36%	<u>43,840,840</u>
Total Direct and Overlapping Debt	<u>\$ 353,460,593</u>		<u>\$ 47,222,335</u>

SOURCE:

Henry County Audited FY 2022 Financial Statements used as the FY 2023 information is unavailable.

Henry County Board of Education Audited FY 2023 Financial Statements.

CITY OF STOCKBRIDGE, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 69,380,446	\$ 74,413,976	\$ 81,134,474	\$ 84,791,773	\$ 89,538,858
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 69,380,446</u>	<u>\$ 74,413,976</u>	<u>\$ 81,134,474</u>	<u>\$ 84,791,773</u>	<u>\$ 89,538,858</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				
2019	2020	2021	2022	2023
\$ 95,638,341	\$ 100,503,106	\$ 105,723,358	\$ 128,615,094	\$ 182,569,443
-	-	-	-	-
<u>\$ 95,638,341</u>	<u>\$ 100,503,106</u>	<u>\$ 105,723,358</u>	<u>\$ 128,615,094</u>	<u>\$ 182,569,443</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
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
2023	\$ 4,596,722	\$ 3,565,255	\$ 1,031,467	\$ 99,253	\$ 27,987	8.11

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
\$ 1,211,595	\$	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
\$ 1,208,356	\$	820,000	\$ 388,356	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⁾
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%
2023	28,567 ⁽⁵⁾	655,469,815 ⁽⁵⁾	22,945 ⁽²⁾	36.4	1,518	3.6% ⁽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 ELEVEN YEARS AGO

Employer	Fiscal Year 2023			Fiscal Year 2012		
	Employees	Rank	Employer's percentage of total employment	Employees	Rank	Employer's percentage of total employment
Piedmont Hospital	1,801	1	41.66%	N/A		-
Walmart Supercenter	815	2	18.86%	1,196	1	49.26%
Publix Super Market	421	3	9.74%	327	2	13.47%
Costco	291	4	6.73%	N/A		-
City of Stockbridge	200	5	4.63%	61	9	2.51%
Ingles	172	6	3.98%	178	3	7.33%
Eagles Landing Christian Academy	161	7	3.73%	N/A		-
Brandsmart USA	127	8	2.94%	114	5	4.70%
Utility Trailer of Georgia	105	9	2.43%	89	8	3.67%
Kohl's Department Store	92	10	2.13%	89	8	3.67%
Vulcan Materials	85		1.97%	111	6	4.57%
At Home (Garden Ridge in 2007)	52		1.20%	35	10	1.44%
Henry County Schools within the City	N/A		-	135	4	5.56%
Eagles Landing Country Club	N/A		-	93	7	3.83%
Total	<u>4,322</u>			<u>2,428</u>		

SOURCE:

City of Stockbridge, Georgia records.

Note: 2013 information not available, 2012 information provided.

N/A - information not available.

CITY OF STOCKBRIDGE, GEORGIA

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Executive	2	5	5	4	5	5	7	6	5	6
Administration	10	10	10	12	12	6	8	10	13	10
City Clerk	-	-	-	-	-	5	5	5	6	4
Facilities maintenance	-	-	4	2	2	2	2	2	2	2
Municipal court	3	3	3	1	1	2	2	2	2	3
Public works and parks	20	20	17	13	19	17	18	18	21	18
City events	-	-	1	1	1	1	1	1	3	0
IT										3
Code enforcement	2	2	2	2	2	2	2	3	2	3
Police	-	-	-	-	-	-	-	5	62	62
Permitting development	-	-	-	-	-	2	2	2	2	3
Planning and zoning	-	-	-	-	-	2	2	2	5	2
Economic development	-	-	-	-	-	1	1	1	0	1
Main street	1	1	2	2	2	2	2	2	2	3
GIS	-	-	1	1	1	1	1	1	1	1
Water/Sewer	15	15	16	15	18	18	18	22	14	16
Stormwater	3	2	7	7	6	5	5	5	3	4
Sanitation	7	7	1	1	1	1	1	1	1	1
Conference Center	1	1	2	3	3	4	4	5	3	6
Total	64	66	71	64	73	76	81	93	147	148

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				
	2014	2015	2016	2017	2018
Municipal Court					
Fines and forfeitures	\$ 1,210,910	\$ 1,059,330	\$ 539,215	\$ 57,196	\$ 27,845
Number of cases	5,967	5,185	1,702	281	300
Conference Center					
Annual rents	\$ 190,813	\$ 179,319	\$ 168,874	\$ 191,568	\$ 160,280
Occupation Tax					
Annual renewals	1,281	1,121	1,539	1,681	1,880
New business licenses	182	231	279	228	202
Public Works					
Miles resurfaced	3.5	3.1	2.4	5.0	5.1
Stormwater					
Potential ponds identified	188	188	188	188	186
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	432,960
Complaints	94	89	119	88	111

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				
2019	2020	2021	2022	2023
\$ 55,425 574	\$ 25,287 131	\$ 37,728 381	\$ 58,522 1,819	\$ 875,456 4,764
\$ 155,582	\$ 17,038	\$ 9,660	\$ 10,170	\$ 148,281
2,056 128	2,354 250	2,432 263	2,487 485	2,495 229
4.7	5.7	4.7	5.1	7.0
193 3,433 101,385 101	193 359 48,959 52	37 311 187,672 68	52 216 85,743 69	52 3,213 489,034 43

CITY OF STOCKBRIDGE, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year				
	2014	2015	2016	2017	2018
Public Works					
City limits (square miles)	14.1	14.1	14.1	14	14
Paved roads (miles)	95.62	95.62	97.08	97	97
Sanitation					
Transfer stations	1	1	1	1	1
Collection trucks	5	5	5	1	1
Small collection vehicles	13	13	9	5	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	458.00	459.00
Service connections	2,391	2,749	2,764	2,726	2,833
Daily avg consumption (gallons)	923,000	752,180	679,564	684,970	627,728
Storage capacity (gallons)	1,900,000	1,800,000	1,800,000	1,800,000	1,800,000
Sewer					
Sanitary sewers (miles)	39.5	39.5	39.5	40.0	40.0
Service connections	2,254	N/A	4,858	2,431	2,516
Treatment plants	1	1	1	1	1
Daily avg treatment (gallons)	.686 MGD	.823 MGD	.754 MGD	.761 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				
2019	2020	2021	2022	2023
14.1	14.1	14.1	14.1	14.1
97.08	97.08	97.08	97.08	141.18
1	1	1	1	1
1	1	1	1	1
5	5	5	5	-
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
3	3	3	3	2
45	45	45	45	45
460.00	460.00	460.00	460.00	460.00
2,866	2,958	2,958	2,958	2,901
515,828	500,000	500,000	500,000	853,000
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
2,568	2,568	2,467	2,467	2,901
1	1	1	1	1
.761 MGD	.761 MGD	.761MGD	.714MGD	.960MGD
1.5 MGD	1.5 MGD	1.5MGD	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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 10, 2024.

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 significant deficiencies.

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 2023-001, 2023-002, 2023-003, and 2023-004 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 2023-005 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 other 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
July 10, 2024

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

Qualified and Unmodified Opinions

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, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Public Safety Partnerships and Community Policing Grants

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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 the Public Safety Partnerships and Community Policing Grants for the year ended December 31, 2023.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the City of Stockbridge, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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 qualified and unmodified opinions 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.

Matter Giving Rise to Qualified Opinion on Public Safety Partnerships and Community Policing Grants

As described in the accompanying schedule of findings and questioned costs, the City of Stockbridge, Georgia did not comply with requirements regarding the Public Safety Partnerships and Community Policing Grants as described in finding number 2023-006 for Reporting.

Compliance with such requirements is necessary, in our opinion, for the City of Stockbridge, Georgia to comply with the requirements applicable to that program.

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City of Stockbridge, Georgia's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Stockbridge, Georgia's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-006 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
July 10, 2024

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

Grant Program	Federal Assistance Listing Number	Grant I.D.	Expenditures	Passed through to Subrecipients
U.S. Department of Treasury				
Direct Award:				
COVID-19 Coronavirus State and Local				
Fiscal Recovery Fund	21.027	N/A	\$ 1,626,110	\$ 8,780
Total U.S. Department of Treasury			<u>1,626,110</u>	<u>8,780</u>
U.S. Department of Justice				
Direct Award:				
Public Safety Partnerships and Community Policing Grants	16.710	15JCOPS-23-GG-02083-PPSE	524,061	-
Byrne Discretionary Grants	16.753	15PBJA-23-GG-00087-BRND	36,925	-
Total U.S. Department of Justice			<u>560,986</u>	<u>-</u>
U.S. Department of Homeland Security				
Pass-through from the State of Georgia:				
FEMA Disaster Grants - Public Assistance	97.036	FEMA-4685-DR-GA	17,832	-
Total U.S. Department of Homeland Security			<u>17,832</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,204,928</u>	<u>\$ 8,780</u>

CITY OF STOCKBRIDGE, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

Qualified

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

16.710

Public Safety Partnerships and Community
Policing Grants

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, 2023

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2023 – 001. Management of Receivable, Revenue, Unearned Revenue and Unavailable Revenue 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 various funds as of December 31, 2023.

Effect: The following adjustments were made to adjust receivables and related balances as of December 31, 2023:

- General Fund – Net adjustments to increase revenue by \$34,955, to increase accounts receivable by \$24,612, and to decrease unavailable revenue by \$10,343.
- ARPA Fund – Net adjustments to decrease unearned revenue by \$1,626,110, to increase revenue by \$1,626,110, to increase transfers out to other funds by \$229,850 and to decrease cash by \$229,850.
- Grants Fund – Net adjustments to decrease revenue by \$760,986, to increase transfers in from other funds by \$229,850, to increase unearned revenue by \$200,000, to increase cash by \$229,850, and to increase unavailable revenue by \$560,986.
- Stormwater Fund – An adjustment to decrease revenue and intergovernmental receivables by \$9,985.
- Solid Waste Fund – Net adjustments to decrease revenue by \$7,017, to decrease accounts receivable by \$6,912, and to decrease expenses by \$105.
- Conference Center Fund – Net adjustments to decrease revenue by \$35,547, to increase unearned revenue by \$10,290, to increase deposits payable by \$360, and to decrease expenses by \$24,897.

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.

2023 – 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.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022 – 002. Capitalization of Capital Assets (Continued)

Condition: The City excluded capital items from its governmental capital assets detail and its business-type detail for the year ended December 31, 2023.

Effect: For the year ended December 31, 2023, capital assets in the amount of \$2,253,737 were improperly excluded from the governmental capital asset detail. In addition, the following adjustments were made to adjust capital assets and related balances in the enterprise funds as of December 31, 2023:

- Water and Sewer Fund – Net adjustments to increase machinery and equipment in the amount of \$195,632, increase construction in progress in the amount of \$1,778,486, to increase depreciation expense by \$3,040, to decrease capital outlay expenses by \$1,910,273, to increase accumulated depreciation by \$3,040, and to increase capital contributions by \$63,845.
- Conference Center Fund – Net adjustments to increase capital assets and decrease capital outlay expenses by \$74,247, as well as to increase depreciation expense and accumulated depreciation by \$5,646.

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. Additionally, transfers should be recorded for when funds are not expected to repay interfund receivables/payables.

Condition: Interfund receivables/payables and transfers were not properly stated for the period ended December 31, 2023.

Effect: The following adjustments were made to properly state the interfund amounts:

- General Fund – Net adjustments to decrease revenues by \$2,714,506, increase transfers out by \$9,598,792, decrease cash by \$7,930,727, and decrease interfund receivables by \$4,382,571.
- Grants Fund – An adjustment to increase cash and transfers in by \$481,263.
- SPLOST V Fund – An adjustment to increase transfers out and decrease expenditures by \$99,594.

CITY OF STOCKBRIDGE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022 – 003. Interfund Activity (Continued)

- City-wide Capital Projects Fund – Net adjustments to increase transfers in by \$754,339, decrease expenditures by \$6,127,077, and increase cash by \$6,881,416.
- Downtown Development Fund – An adjustment to increase cash and transfers in by \$19,137.
- City-wide Development Fund – An adjustment to increase cash and transfers in by \$30,426.
- Public Facilities Authority – Net adjustments to decrease interfund payable by \$4,382,571, to increase transfers in by \$4,255,931, and to decrease expenditures by \$126,640.
- Conference Center Fund – An adjustment to increase cash and transfers in by \$516,735.
- Amphitheater Fund – Net adjustments to increase expenses by \$6,357,806, to increase transfers in by \$3,638,806, and to increase revenues by \$2,719,000.
- Cemetery Fund – An adjustment to increase cash and transfers in by \$1,749.

Cause: Management oversight.

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

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

2023 – 004. Management of Prepaid Assets and Expenses

Criteria: Generally accepted accounting principles require the reporting of prepaid assets and expenses when transactions occur for goods provided or services rendered.

Condition: Prepaid assets and expenses were not properly stated for the period ended December 31, 2023.

Effect: The following adjustments were made to properly state the prepaid assets and expenses:

- General Fund – An adjustment to increase prepaid assets and transfers out by \$55,754.
- Water and Sewer Fund – An adjustment to decrease prepaid assets and transfers in by \$51,772.
- Conference Center Fund – An adjustment to decrease prepaid assets and transfers in by \$3,417.
- Cemetery Fund – An adjustment to decrease prepaid assets and transfers in by \$566.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen internal controls over prepaid assets and expenses to ensure that prepaid assets and expenses are properly stated at year-end.

CITY OF STOCKBRIDGE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2023 – 004. Management of Prepaid Assets and Expenses (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur. Additional controls will be implemented to ensure prepaid assets and expenses are properly recorded.

2023 – 005. Accounting and Reporting of Expenses and Accrued Liabilities

Criteria: Generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of related cash flows.

Condition: During fiscal year 2023, the City did not properly adjust accrued liabilities in various funds as of December 31, 2023.

Effect: The following adjustments were made to properly state accrued liabilities:

- General Fund – An adjustment to decrease retainage payable and expenditures by \$159,993.
- City-wide Capital Projects Fund – An adjustment to decrease retainage payable and expenditures by \$10,000.
- Water and Sewer Fund – An adjustment to decrease accrued liabilities and expenses by \$43,186.
- Stormwater Fund – An adjustment to decrease accrued liabilities and expenses by \$14,835.
- Solid Waste Fund – An adjustment to decrease accrued liabilities and expenses by \$9,026.
- Conference Center Fund – An adjustment to decrease accrued liabilities and expenses by \$10,074.

Cause: Management oversight.

Recommendation: We recommend that the City strengthen internal controls over accrued liabilities to ensure expenses and accrued liabilities are properly stated at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur. Additional controls will be implemented to ensure expenses and accrued liabilities are properly recorded.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2023 – 006. Public Safety Partnerships and Community Policing Grants (“COPS”) – Assistance Listing 16.710 – Reporting

Criteria: Recipients are required to submit quarterly financial and semiannual performance reports within thirty days of the close of a quarterly or semiannual time period. The quarterly reports are also required to have all financial records, such as general ledgers and supporting documentation.

Condition: Multiple required reports were not submitted timely and/or were not properly supported.

Context: The City did not submit two quarterly financial reports within thirty days of the close of the quarter. Additionally, one quarterly report did not provide accurate information as the expenditures submitted did not align with the expenditures of that quarter. Five of the quarterly reports required did contain supporting documentation in the submissions. The City also did not submit three semiannual performance reports within thirty days of the close of the designated time period.

Cause: Management oversight.

Effect: The City was not in compliance with the requirements of grant reporting.

Recommendation: We recommend that the City establish procedures to ensure proper reporting under the grant requirements.

Views of Responsible Officials and Planned Corrective Action: We concur. We establish procedures to ensure proper reporting based on grant requirements.

CITY OF STOCKBRIDGE, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED DECEMBER 31, 2023

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 various funds as of December 31, 2022.

Auditee Response/Status: Unresolved – See Finding 2023 – 001.

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 December 31, 2022.

Auditee Response/Status: Unresolved – See Finding 2023 – 002.

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.

Auditee Response/Status: Unresolved – See Finding 2023 – 003.



CITY OF STOCKBRIDGE, GEORGIA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

2023 – 001. Management of Receivables, Revenue, Unearned Revenue and Unavailable Revenue Accounts

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

Corrective Action Plan: Finance officials are in the process of updating processes and procedures for the collection and reporting of Receivables and Revenues which will be reflected in next year's audit report.

Anticipated Completion Date: December 31, 2024

2023 – 002. Capitalization of Capital Assets

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

Corrective Action Plan: Finance officials have already corrected the processes for Capitalization of Capital Assets.

Anticipated Completion Date: December 31, 2024

2023 – 003. Interfund Activity

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

Corrective Action Plan: Finance has already set-up Interfund Activity so that transfers and reporting activities can be reported properly.

Anticipated Completion Date: December 31, 2024

2023 – 004. Management of Prepaid Assets and Expenses

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 prepaid amounts and ensure they are properly recorded.

Anticipated Completion Date: December 31, 2024

2023 – 005. Accounting and Reporting of Expenses and Accrued Liabilities

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

Corrective Action Plan: Finance will implement Month and Year End closings to ensure all accounting activities are reported in a timely manner and are compliant with internal and external controls required by GAAP standards.

Anticipated Completion Date: December 31, 2024

2023 – 006. Public Safety Partnerships and Community Policing Grants (“COPS”) – Assistance Listing 16.710 – Reporting

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

Corrective Action Plan: Finance has set-up meetings with Grants Management and the Police Department to ensure that reporting is completed in a timely fashion and correctly documented.

Anticipated Completion Date: December 31, 2024